

# MONTANA HOUSING

Delta Hotels by Marriott – 2301 Colonial Drive, Helena MT 59601  
October 28, 2019

## ROLL CALL OF BOARD

### MEMBERS:

Patrick Melby, Chairman (Present)  
Bob Gauthier (Present)  
Johnnie McClusky (Present)  
Jeanette McKee (Present)

Sheila Rice (Excused)  
Eric Schindler (Present)  
Amber Parish (Present)

### STAFF:

Bruce Brensdal, Executive Director  
Mary Bair, Multifamily Program  
Penny Cope, Research & Outreach Specialist  
Todd Jackson, Marketing  
Kellie Guariglia, Multifamily Program  
Ryan Collver, Multifamily Program  
Jeannene Maas, Multifamily Program  
Emilie Sanders, MDOC Communications

Cheryl Cohen, Operations Manager  
Vicki Bauer, Homeownership Program  
Ginger Pfankuch, Finance Program  
Paula Loving, Executive Assistant  
Julie Hope, Homeownership Program  
Todd Foster, Administrative Assistant  
Charlie Brown, Homeownership Program

### COUNSEL:

Greg Gould, Luxan and Murfitt

### UNDERWRITERS:

John Wagner, Kutak Rock

### FINANCIAL ADVISORS:

Gene Slater, CSG Advisors

### OTHERS:

Andrew Chanania, AC Solutions  
Diana Hunt, Syringa Housing Corp.  
Blake Jumper, The Housing Company  
Alex Burkhalter, Housing Solutions  
Taylor Hunt, Syringa Housing Corp.  
Terry Cunningham, City of Bozeman

Jason Boal, BlueLine Development  
Ryan Hackett, Desert Ridge Investments, Inc  
Rusty Snow, Summit Housing Group  
Tyler Currence, Housing Solutions  
Heather McMilin, Homeward, Inc.  
Tracy Menezes, HRDC IX

Jim Morton, HRC District XI

Don Sterhan, Mountain Plains Equity Group

Susan Kohler, Missoula Aging Services

Gene Leuwer, GL Development

Rick Wiedeman, RNC

Alan Nicholson, Serendipity Apartments

Sharon Haugen, City of Helena

Stacey Umhey, SAFE, Hamilton

Liz Mogstad, Rocky Mountain Development Council

Michael O'Neil, Helena Housing Authority

Larry Phillips, Neighbor Works Montana

Michael Gaab

Julie Stiteler, Homeword, Inc.

Robbie Novak, Open Mortgage

Dorothy Cabiro, AmCap Mortgage, Ltd.

Mary Millin, Summit Independent Living Center

Cory Bannister, R4 Capital

Mary Christopher, NPC Bank

Jennifer Wheeler, Glacier Bank

Tyson O'Connell, Wishcamper Development Partners

Sherrie Arey, NeighborWorks Great Falls

Nancy Nicholson, Project Management

Laurie Harris

Joan Feuner

Loren Olson, City of Bozeman

Robert Robinson, HRC District XI

Adrienne Bombelles, MT Budget and Policy Center

Gwen Jones, Missoula City Council

Lori Davidson, Missoula Housing Authority

Kathryn Almberg, The Housing Company

Kaia Peterson, NeighborWorks Montana

Tim Howard, HCC

John Filz, Ravalli Head Start, Inc.

Lindsey Douglas, Flathead City-County Health Department

Dale McCormick Professional Consultants, Inc.

Annie Zimmerman, The Home Center

*\*All persons listed present by telephone/webinar only*

*These written minutes, together with the audio recordings of this meeting and the Board Packet, constitute the official minutes of the referenced meeting of the Montana Board of Housing (MBOH). References in these written minutes to tapes (e.g., FILE 1 – 4:34) refer to the location in the audio recordings of the meeting where the discussion occurred, and the page numbers refer to the page in the Board Packet. The audio recordings and Board Packet of the MBOH meeting of this date are hereby incorporated by reference and made a part of these minutes. The referenced audio recordings and Board Packet are available on the MBOH website at [Meetings and Minutes](#).*

### **CALL MEETING TO ORDER**

0:00 Chairman Pat Melby called the Montana Board of Housing (MBOH) meeting to order at 8:30 a.m.

0:15 Bruce Brensdaal reviewed Board meeting process.

1:40 Introductions of Board members and attendees were made.

6:00 Chairman Melby asked for public comment on items not listed on the agenda.  
Kaia Peterson, NeighborWorks Montana, made public comment on Maureen Rude's retirement from NeighborWorks. NeighborWorks "LIFT" Down Payment Assistance program is launching today.

### **APPROVAL OF MINUTES**

#### **September 10, 2019 MBOH Board Meeting Minutes – page 3 of packet**

8:30 Motion: Bob Gauthier

Second: Jeanette McKee

The September 10, 2019 MBOH Board meeting minutes were approved unanimously.

#### **September 24, 2019 MBOH Board Meeting Minutes – page 74 of packet**

9:30 Motion: Jeanette McKee

Second: Amber Parish

The September 24, 2019 MBOH Board meeting minutes were approved unanimously.

### **FINANCE PROGRAM**

#### **Finance Update – page 76 of packet**

10:10 Presenters: Ginger Pfankuch

### **HOMEOWNERSHIP PROGRAM**

#### **Tiny Homes Mortgage – page 80 of packet**

14:40 Presenters: Vicki Bauer, Tracy Munuez (HRDC Bozeman)

Motion: Johnnie McClusky

Second: Amber Parish

The Tiny Homes (Humble Homes) financing was approved unanimously.

#### **New Lender Approvals (AmCap Mortgage, Ltd.) – page 81 of packet**

26:10 Presenters: Vicki Bauer

Motion: Eric Schindler

Second: Jeanette McKee

AmCap Mortgage, Ltd. was approved as an MBOH participating lender.

#### **New Lender Approvals (Open Mortgage, LLC) – page 82 of packet**

28:45 Presenters: Vicki Bauer

Motion: Bob Gauthier

Second: Eric Schindler

Open Mortgage, LLC was approved as an MBOH participating lender.

**Mortgage Credit Certificate Resolution – page 83 of packet**

31:15 Presenters: Vicki Bauer

Motion: Johnnie McClusky

Second: Bob Gauthier

The Resolution No 19-1028-SF03-MCC that authorizes the use of \$60,000,000 in bond cap to provide \$15,000,000 of tax credit authority was approved unanimously.

**Homeownership Update – page 87 of packet**

34:00 Presenters: Vicki Bauer

**MORTGAGE SERVICING PROGRAM**

**Servicing Update – page 91 of packet**

38:25 Presenters: Vick Bauer

**MULTIFAMILY PROGRAM**

**Hardin Senior Housing Waiver request for Reconsideration for 2020 Housing Credits – page 92 of packet**

40:40 Presenters: Mary Bair, Bob Jamison (American Covenant Senior Housing)

There was no motion to support this request.

**2020 Housing Credit Approvals – page 101 of packet**

***Review of Process***

47:00 Presenters: Bruce Brensda

***Project Site overview***

49:40 Presenters: Kellie Guariglia

***Project Updates***

59:05 Presenters: Mary Bair

***Nicole Court – page 135 of packet***

01:01:15 Developer: HRC Cottages, Inc.

Location: Stevensville, MT

Project Type: Family

Construction Type: New Construction

Total Units: 16

Housing Credits requested: \$3,600,000

Presenter: Jim Morton

Public Comment: Bob Robinson, Mary Millin, John Filz, Stacey Umhey

**Homestead Lodge Apartments – page 137 of packet**

01:05:05 Developer: Syringa Housing  
Location: Absarokee, MT  
Project Type: Senior  
Construction Type: Acquisition/Rehabilitation  
Total Units: 32  
Housing Credits requested: \$3,845,340  
Presenter: Diane Hunt  
Public Comment: No public comment

**Paxson Place – page 138 of packet**

01:11:10 Developer: Housing Solutions, LLC.  
Location: Butte, MT  
Project Type: Senior  
Construction Type: New Construction  
Total Units: 36  
Housing Credits requested: \$6,150,000  
Presenter: Alex Burkhalter  
Public Comment: No public comment

**Timber Ridge Apartments, LP (9%), & Bitterroot Valley Apartments, LP (4% Mountain View Apartments and Bitterroot Commons) – page 141 of packet**

1:12:45 Developer: Summit Housing Group, Inc.  
Location: Bozeman & Hamilton/Darby  
Project Type: Senior 55+ & Family  
Construction Type: New Construction and Acquisition/Rehabilitation  
Total Units: (9% = 30), (4% = 52), Total = 82  
Housing Credits requested: \$6,333,750  
Presenter: Rusty Snow  
Public Comment: Tracy Menuetz, Terry Cunningham, Jim Morton

**Skyview – page 143 of packet**

01:17:20 Developer: Housing Solutions  
Location: Missoula MT  
Project Type: Senior  
Construction Type: New Construction  
Total Units: 39  
Housing Credits requested: \$5,900,000  
Presenter: Alex Burkhalter  
Public Comment: Gwen Jones, Laurie Harris

**Pioneer Meadows – page 145 of packet**

01:35:45 Developer: The Housing Company  
Location: Dillon, MT

Project Type: Family  
Construction Type: New Construction  
Total Units: 28  
Housing Credits requested: \$6,203,630  
Presenter: Blake Jumper  
Public Comment: No public comment

***Fire Tower Apartments (fka Serendipity Apartments) – page 147 of packet***

01:39:10 Developer: Wishcamper Development Partners, LLC.  
Location: Helena, MT  
Project Type: Senior  
Construction Type: Acquisition/Rehabilitation  
Total Units: 44  
Housing Credits requested: \$6,333,750  
Presenter: Tyson O'Connell  
Public Comment: Alan Nicholson, Liz Mogstad, Sharon Haugen, Jennifer (Last name unknown)

***Opportunity for Public Comment on any Project.***

01:49:30 Alex Burkhalter, Gwen Jones, Mary Millin, Susan Kohler

***2020 Housing Credits Executive Session – page 253 of packet***

01:56:35 Board member ranking and discussion of projects

***2020 Housing Credits Awards***

2:12:25 Motion: Eric Schindler

Second: Jeanette McKee

To award 2020 and/or 2019 Housing Credits to the following slate of Projects, subject to the conditions specified below:

- **Nicole Court** in the amount of \$3,600,000 originally requested.
- **Homestead Lodge** in the amount of \$3,845,340 originally requested.
- **Timber Ridge Apts.** in the amount of \$6,333,750 originally requested, *contingent upon* the applicant also completing the associated 4% application submitted.
- **SkyView** in the amount of \$5,900,000 originally requested.
- **Fire Tower Apartments** in the amount of \$6,333,750 originally requested.

*Award Conditions:*

1. 2019 National Housing Pool credits made available to MBOH by the IRS for award and all remaining 2019 Housing Credits available for award are awarded first to Projects in the above-specified order. The balance of the Housing Credits awarded to the Projects in the above-specified order (after award of all available 2019 National Housing Pool credits and all available 2019 Housing Credits) shall consist of 2020 Housing Credits. For example, if \$150,000 of 2019 National Pool Credits are available and \$100,000 of 2019 Credits are available, an award of \$600,000 in Housing Credits to the Project no. 1 would consist of the

combination of: (a) \$150,000 of 2019 National Pool Credits; (b) \$100,000 of 2019 Credits; and \$350,000 in 2020 Housing Credits. All awards shall consist of 2019 National Pool Credits and 2019 Credits before any 2020 Housing Credits are included in any such award. The Reservation Agreement to be executed by MBOH and the Project owner will specify the particular year and type of credits awarded for each Project.

2. In the event that the amount of 2020 Housing Credits available to MBOH is reduced by the IRS after this award determination, the amount of Credits awarded to the lowest-numbered Project(s) (in reverse order of numbering) shall be reduced as necessary to reflect the reduction in available 2020 Credits. For example, if, after this award determination, the IRS reduces the amount of 2020 Housing Credits available for award by MBOH by \$500,000, and the last numbered Project (e.g. Project No. 6), was awarded \$600,000, the award to such Project is reduced to \$100,000. If the last numbered Project (e.g. Project No. 6) was awarded \$300,000, and the second to last numbered Project (e.g. Project No. 4) was awarded \$600,000, the last priority Project (Project No. 5) award is reduced to \$0 and the second to last priority Project (Project No. 5) award is reduced to \$400,000.

02:18:25 Public Comments: Tyson O'Connell, Michael O'Neil

02:20:45 Nicole Court, Homestead Lodge, Timber Ridge Apts., Skyview, and Fire Tower Apts. were approved unanimously to receive the 2020 Housing Credits.

02:21:00 Motion: Bob Gauthier

Second: Johnnie McClusky

To approve

To award 2020 and/or 2019 Housing Credits to the following Project, subject to the conditions specified below:

**Pioneer Meadows** in the remaining amount of available credits of \$5,655,910 (plus any additional 2019 National Housing Pool credits or additional 2020 Housing Credits made available for award, up to a total award amount not to exceed \$6,203,630 as originally requested), according to the following procedure:

If the \$5,655,910 amount of remaining available credits, plus any additional 2019 National Housing Pool Credits or additional 2020 Housing Credits available for award, are less than the originally requested Credit amount of \$6,203,630, Pioneer Meadows will be allowed 30 days to re-submit its Application resized to the total amount of Credits available. After staff underwriting and evaluation of the resized Application, if MBOH staff determines based upon the resized Application that the development is financially feasible and viable as a qualified low income housing Project throughout the Compliance Period, MBOH staff will enter into a Reservation Agreement for the Project for the above-specified amount of Credits. If the total amount of Credits available equals or exceeds the originally requested Credit amount of \$6,203,630, MBOH staff will enter into a Reservation Agreement for the Project for the originally requested Credit amount of \$6,203,630 (without any requirement for the Project to submit a re-sized Application).

1.

Pioneer Meadows was approved unanimously to receive the remaining 2020 Housing Credits in the amount of \$5,655,910, plus any additional National Housing Pool Credits or additional 2020 Housing Credits, up to a total award amount not to exceed \$6,203,630 as originally requested, as provided in the Motion.

**Multifamily Update – page 257 of packet**

02:23:45 Presenters: Mary Bair

**OPERATIONS**

**Operations Update – page 259 of packet**

02:24:00 Presenters: Cheryl Cohen

**EXECUTIVE DIRECTOR**

**Executive Director Update – page 3 of packet**

02:29:55 Presenters: Bruce Brensda

**MEETING ADJOURNMENT**

02:30:45 Meeting was adjourned at 11:15 a.m.



\_\_\_\_\_  
Sheila Rice, Secretary

*Feb 10, 2020*

\_\_\_\_\_  
Date



# MONTANA HOUSING

- Meeting Location:** **Delta Hotels by Marriott**  
2301 Colonial Drive, Helena MT 59601  
Phone 406.443.2100
- Date:** Monday, October 28, 2019
- Time:** 8:30 a.m.
- Chairperson:** Pat Melby
- Remote Attendance:** Join our meetings remotely via webinar and Conference Call.
- Conference Call:** Dial (877) 273-4202, Access Code: 7233056#
- Register for Webinar:** Click: <http://housing.mt.gov/About/MBOH/Meetings>
- Board Offices:** Montana Housing  
301 S Park Ave., Room 240, Helena MT 59601  
Phone: 406.841.2840

## AGENDA ITEMS

- ❖ Meeting Announcements
- ❖ Introductions - Sign in on our attendance sheet.
- ❖ Public Comments - Public comment is welcome on any public matter that is not on the agenda and that is within the jurisdiction of the agency.

## Minutes

- ❖ Approve Prior Board Meeting Minutes

## Finance Program (Manager: Ginger Pfankuch)

- ❖ Financial Update

## Homeownership Program (Manager: Vicki Bauer)

- ❖ Bozeman HRC – Tiny Home Mortgages
- ❖ New Lender Approvals (if needed)
  - Open Mortgage – New Lender

*Vision: Where Montanans can afford a safe home.*

*Mission: Montana Housing works with community partners across the state, and together we ensure Montana families have access to safe and affordable homes.*



- ❖ Mortgage Credit Certificate Resolution
- ❖ Homeownership Update

## Mortgage Servicing (Manager: Mary Palkovich)

- ❖ Servicing Update

## Multifamily Program (Manager: Mary Bair)

- ❖ Hardin Senior Housing Waiver to be included in 2020 round
- ❖ 2020 Housing Credit Approvals
- ❖ Bond Resolutions (if necessary)
- ❖ Reverse Annuity Mortgage Exceptions (if necessary)
- ❖ Multifamily Update

## Operations (Cheryl Cohen)

- ❖ Operations Update

## Executive Director (Bruce Brensdal)

- ❖ Update

## Miscellaneous

### Meeting Adjourns

\*All agenda items are subject to Board action after public comment requirements are fulfilled.

\*We make every effort to hold our meetings at fully accessible facilities. Any person needing reasonable accommodation must notify the Housing Division at 406.841.2840 or TDD 406.841.2702 before the scheduled meeting to allow for arrangements.

*Vision: Where Montanans can afford a safe home.*

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# 2020 CALENDAR

January						
Su	Mo	Tu	We	Th	Fr	Sa
			1	2	3	4
5	6	7	8	9	10	11
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June						
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December						
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27	28	29	30	31		

## November 2019

No Board Meeting

## December 2019

No Board Meeting

## January 2020

No Board Meeting

## February 2020

No Board Meeting

## March 2020

No Board Meeting

9-11 – NCSHA Legislative Conference – Washington DC

## April 2020

6 – Board Training – Butte

7 – Board Meeting – Butte

## May 2020

18 – Board Meeting – Helena – Housing Credits Letter of Intent Presentations

19 – Board Meeting – Helena – Housing Credits Full Application Selection

## June 2020

15 – Board Meeting – Helena

15-17 – Housing Partnership Conference – Helena

## July 2020

No Board Meeting

## August 2020

5 – Board Meeting – Webinar

## September 2020

7 – Strategic Planning – Missoula

8 – Board Meeting – Missoula

## October 2020

19 – Board Meeting – Helena – Housing Credits Award

24-27 – NCSHA Annual Conference – New Orleans

## November 2020

No Board Meeting

## December 2020

No Board Meeting



Yogo Inn – 211 East Main, Lewistown MT 59101  
September 10, 2019

**ROLL CALL OF BOARD**

**MEMBERS:**

Patrick Melby, Chairman (Present)	Sheila Rice (Present)
Bob Gauthier (Present)	Eric Schindler (Present)
Johnnie McClusky (Excused)	Amber Parish (Present)
Jeanette McKee (Present)	

**STAFF:**

Bruce Brensdal, Executive Director	Cheryl Cohen, Operations Manager
Mary Bair, Multifamily Program	Vicki Bauer, Homeownership Program
Paula Loving, Executive Assistant	Todd Jackson, Marketing
Charlie Brown, Homeownership Program	Kellie Guariglia, Multifamily Program
Penny Cope, Outreach and Development	Jeannene Maas, Multifamily Program

**COUNSEL:**

Greg Gould, Luxan and Murfitt	John Wagner, Kutak Rock
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**ADVISIORS:**

**UNDERWRITERS:**

Mina Choo, RBC Capital

**OTHERS:**

Alex Burkhalter, Housing Solutions, LLC	Heather McMilin, Homeward, Inc.
Larry Phillips, Neighborworks MT	Steve Dymoke, GMD Development
Andrew Chanania, Chanania Solutions	Greg Dunfield, DMD Development
Jennifer Wheeler, Glacier Bank	Lori Davidson, Missoula Housing Authority
Gene Leuwer, GL Development	Tyler Currence, Housing Solutions, LLC

*These written minutes, together with the audio recordings of this meeting and the Board Packet, constitute the official minutes of the referenced meeting of the Montana Board of Housing (MBOH). References in these written minutes to tapes (e.g., FILE 1 – 4:34) refer to the location in the audio recordings of the meeting where the discussion occurred, and the page numbers refer to the page in the Board Packet. The audio recordings and Board Packet of the MBOH meeting of this date are*

hereby incorporated by reference and made a part of these minutes. The referenced audio recordings and Board Packet are available on the MBOH website at [Meetings and Minutes](#).

### **CALL MEETING TO ORDER**

- 3:20 Chairman Pat Melby called the Montana Board of Housing (MBOH) meeting to order at 8:32 a.m. Bruce Brensdal make housekeeping announcements.
- 4:25 Introductions of Board members and attendees were made.
- 6:50 Chairman Melby asked for public comment on items not listed on the agenda. Heather McMilin (Homeword) and Lori Davidson (Missoula Housing Authority), made public comment.

### **APPROVAL OF MINUTES**

#### **August 7, 2019 MBOH Board Meeting Minutes – page 4 of packet**

- 19:00 Motion: Amber Parish  
Second: Sheila Rice  
The August 7, 2019 MBOH Board meeting minutes were approved unanimously.

### **FINANCE PROGRAM**

#### **Finance Update – page 7 of packet**

- 20:10 Presenters: Bruce Brensdal

### **HOMEOWNERSHIP PROGRAM**

#### **Homeownership Update – page 11 of packet**

- 22:40 Presenters: Vicki Bauer

### **MORTGAGE SERVICING PROGRAM**

- 25:30 Presenters: Vicki Bauer

### **MULTIFAMILY PROGRAM**

#### **2021 Qualified Allocation Plan (QAP) – page 15 of packet**

- 26:35 Presenters: Mary Bair, Greg Gould, Bruce Brensdal  
Motion to approve the 2021 Qualified Allocation Plan (Attachment I) as posted for public comment:  
Motion: Bob Gauthier  
Second: Eric Schindler
- 34:15 Page 3 – Section 1 – Definition – Applicant: Add “except as provided in Section A.3”.  
Motion: Sheila Rice  
Second: Amber Parish  
Approved unanimously.

- 36:10 Page 6 – Section 1 – Definition – Identity of Interest: Remove “a twenty five percent (25%) or greater”; add “sole General Partner or the Managing”; remove “passive”; add “Fee”.  
Motion: Sheila Rice  
Second: Eric Schindler  
Approved unanimously.
- 41:25 Page 10 – Section 3.A.1 – First Housing Credit Project Must be Completed: Add “In-Process Project”  
Motion: Sheila Rice  
Second: Bob Gauthier  
Approved Unanimously
- 43:40 Page 11 – Section 3.A.2 – Applicant Cannot Exceed Cumulative Credit Maximum: Change “\$15 million to \$20 million”.  
Motion: Sheila Rice  
Second: Jeanette McKee  
Approved Unanimously
- 1:03:40 Page 11 – Section 3.A.3 – Other Disqualifying Conditions: Remove “the time of Application”; add “Letter of Intent”  
Motion: Sheila Rice  
Second: Jeanette McKee  
Approved Unanimously
- 1:04:45 Page 11 – Section 3.B – Minimum Set Aside: Remove from all 2021 QAP “If income averaging is selected, 3% of Units or a minimum of one Unit, whichever is higher, must be targeted at 20% or 30% if 10% of the units are targeted at 70% or above.”  
Motion: Sheila Rice  
Second: Eric Schindler  
Approved Unanimously
- 1:22:10 Page 11-12 – Section 3.C – Projects Seeking Property Tax Exemptions: Add “This requirement does not apply to 4% New Construction Projects.”  
Motion: Sheila Rice  
Second: Jeanette McKee  
Approved Unanimously

- 1:46:20 Page 13 – Section F.1 – Cost Per Unit Limit Exception: Add “by the first Monday in March 2020; remove “before submission of Letter of Intent”  
Motion: Sheila Rice  
Second: Eric Schindler  
Approved Unanimously
- 1:51:20 Page 15 – Section G.5 – Maximum Rents: Add “for existing tenants”  
Motion: Sheila Rice  
Second: Eric Schindler  
Approved Unanimously
- 1:53:50 Page 15 – Section G.5 – Maximum Rents: Add “At final allocation”  
Motion: Sheila Rice  
Second: Bob Gauthier  
Approved Unanimously
- 2:10:25 Page 36 – Section 9.D.2.b – Income Averaging – Income averaging targeting for 4% Credit Applications: Add “20%, 30%” to 40%.  
Motion: Sheila Rice  
Second: Eric Schindler  
Approved Unanimously
- 2:12:00 Page 44 – Section 9.F.2. – Additional Selection Factors: Add “m: Augmentation and/or sources of funds”  
Motion: Sheila Rice  
Second: Eric Schindler  
Approved
- 2:15:30 Page 47 – Section 10.B – Declaration of Restrictive Covenants: Add “most current”; add “Prior of issuance of 8609, documentation must be submitted”; add “first priority position”; remove “recording priority”; add “such evidence”  
Motion: Bob Gauthier  
Second: Sheila Rice  
Approved Unanimously
- 2:20:15 The 2021 Qualified Allocation Plan as amended was approved unanimously.

### **Multifamily Update**

2:22:30 Presenters: Mary Bair

### **OPERATIONS**

**Approval of Freddie Mac Resolution – page 106 of packet**

Page 4 of 5

2:25:25 Presenters: Cheryl Cohen

Motion: Amber Parish

Second: Sheila Rice

The Resolution of Board of Directors of Montana Housing of Housing, delegating authorization of employees of Montana Board of Housing to provide wire transfer instructions to Federal Home Loan Mortgage Corporation (Freddie Mac) to transfer funds in connection with the sale of Mortgages to Freddie Mac by Montana Board of Housing was approved unanimously.

2:26:50 **Operations Update – page 111 of packet**

Presenters: Cheryl Cohen

### **EXECUTIVE DIRECTOR**

#### **Executive Director Update**

2:35:00 Presenters: Bruce Brensdal

### **MEETING ADJOURNMENT**

2:36:40 Meeting was adjourned at 11:15 a.m.

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Sheila Rice, Secretary

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Date

MONTANA BOARD OF HOUSING  
HOUSING CREDIT PROGRAM

2020-2021 QUALIFIED ALLOCATION PLAN (QAP)

**NOTICE REGARDING APPLICABLE VERSION OF QAP**

*This 2021 QAP will govern the Montana Board of Housing's award of the Housing Credits allocated to the Montana Board of Housing by the federal government for 2021. The process for award of 2021 Housing Credits begins with the deadline for submission of Letters of Intent on the second Monday in April 2020. The award of 2021 Housing Credits to Applicants will be made at the Board's meeting in late October 2020. (See Application Submission & Award Schedule in Section 4.B of this 2021 QAP)*

*This 2021 QAP may not apply to certain other processes, procedures and fees, for which the Applicable QAP may be the QAP for an earlier or later year. (See "Applicable QAP" in Section 1 of this 2021 QAP)*  
*Please contact MBOH staff with questions regarding the Applicable QAP.*

**MONTANA BOARD OF HOUSING  
PO BOX 200528  
HELENA, MONTANA 59620-0528  
(406) 841-2840  
(406) 841-2841 FAX**

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## INTRODUCTION

The Low Income Housing Tax Credit is established under Section 42 of the Internal Revenue Code of 1986 ("Section 42"). The credit is a federal income tax credit for Owners of qualifying rental housing which meets certain low income occupancy and rent limitation requirements.

Congress established the Low Income Housing Tax Credit program by enactment of the Tax Reform Act of 1986. Montana Board of Housing (MBOH) implemented and began administering the Low Income Housing Tax Credit program in 1987 in the State of Montana. Since then, the program has assisted in providing for the retention, rehabilitation, and construction of rental housing for low income individuals and families for over 6,000 units throughout Montana.

The Omnibus Budget Reconciliation Act of 1989 required the appropriate administering agencies (in this case, MBOH) to allocate credits pursuant to a Qualified Allocation Plan (QAP) which sets forth the priorities, considerations, criteria and process for making Allocations to Projects in Montana. The Omnibus Budget Reconciliation Act of 1993 provided a permanent extension for the Low Income Housing Tax Credit.

MBOH is the state agency that allocates the tax credits for housing located in Montana. The per state resident amount of tax credit allocated annually for housing is limited to the amount specified by the IRS and adjusted from time to time as provided in notice from the IRS. The current allocation of Tax Credits plus any inflation factor the IRS may calculate is posted to the MBOH website, normally in August or September each year. Montana receives the minimum cap because of its population.

An Owner must obtain a Final Allocation from MBOH and meet all other applicable requirements before claiming the tax credit.

This QAP is intended to ensure the selection of those developments which best meet the most pressing affordable housing needs of low income people within the State of Montana in accordance with the guidelines and requirements established by the federal government and the requirements, considerations, factors, limitations, criteria and priorities established by the MBOH Board.

At its August ~~87, 2018, 2018~~2019 meeting, the MBOH Board considered and approved public notice and distribution of the proposed ~~2020-2021~~ QAP. Public notice of the proposed ~~2020-2021~~ QAP and the opportunity for public comment was published and distributed on ~~August 8, 2018~~ \_\_\_\_\_, 2019 with a public hearing on ~~August 23, 2018~~ \_\_\_\_\_, 2019. At its ~~September 11, 2018, 2018~~ \_\_\_\_\_, 2019 meeting, after considering written and oral public comment on the proposed ~~2020-2021~~ QAP, the MBOH Board approved the proposed ~~2020-2021~~ QAP for submission to and approval by the Montana Governor. The Governor of Montana, Steve Bullock, approved the plan as the final ~~2020-2021~~ QAP on \_\_\_\_\_, ~~2018~~2019.

MBOH annually makes available for Reservation and Allocation its authorized volume cap of credit authority subject to the provisions of this QAP. Montana's QAP for the current and prior years, along with current Forms, are available at <http://housing.mt.gov/MFOAP>. MBOH evaluates tax credit Applications, selects the Projects for which tax credits will be reserved, and allocates credits to the selected developments meeting applicable requirements. Federal legislation requires that the administering agency allocate only the amount of credit it determines necessary to the financial feasibility of the development.

Tax credits not Awarded during a given round or any unused credits from earlier rounds may, at the discretion of MBOH: be carried forward for the next round of allocation; as

MBOH determines necessary for financial feasibility, be used to increase the amount of tax credits Awarded for a Project selected for an Award of tax credits in a prior round; or be otherwise committed, Awarded or Allocated as provided in this QAP.

Consistent with the foregoing and notwithstanding any other provision of this QAP, all tax credit Awards, Reservation (Initial Allocations), Carryover Commitments, 10% Cost Certifications and Final Allocations are subject to and conditional upon IRS authorization and allocation of tax credits for the State of Montana.

## SECTION 1 - DEFINITIONS

As used in this QAP, the following definitions apply unless the context clearly requires a different meaning:

"4% Credits" means HCs that may be Awarded in accordance with the applicable QAP to Projects with tax-exempt financing under the volume limitation on private activity bonds and, except as otherwise provided by this QAP for Applications combining 4% and 9% Credits, outside the competitive allocation process applicable to 9% Credits.

"9% Credits" means HCs that may be Awarded through the competitive process in accordance with the Applicable QAP.

"10% Cost Certification" means an independent third-party CPA audit report, including a statement of eligible and qualified basis for the Project, submitted to MBOH on the Form specified by and in accordance with the requirements of this QAP.

"Absorption Rate" means the number of months projected in the Application's market study for a Project to become fully leased, using the calculations listed in the full market study guidelines posted on the MBOH website.

"Acquisition" means obtaining title, lease or other Land and Property Control over a property for purposes of an HC Project. Acquisition includes purchase, lease, donation or other means of obtaining Land or Property Control.

"Acquisition/Rehab" means Acquisition of a property with one or more existing buildings and renovation meeting Montana's minimum Rehabilitation standard set forth in Section 3, Substantial Rehabilitation, for existing buildings on the property that are part of an HC Project.

"Allocation" means an Initial Allocation or a Final Allocation.

"Applicable QAP" means:

(a) The QAP for the Housing Credit year for which the Application is or was submitted, evaluated and Awarded HCs:

(i) for purposes of any substantive issues relating to:

(A) an Award;

(B) the Development Evaluation Criteria;

(C) Scoring;

(D) Selection Criteria; and

(E) Selection Standard for such Award; and

(ii) for purposes of the fee amounts charged for:

(A) Letter of Intent;

(B) Application;

(C) Reservation (Initial Allocation);

(D) Carryover Commitment;

(E) 10% Cost Certification; and

(F) Final Allocation, the particular year's QAP under which the Application is or was submitted, evaluated and Awarded HCs;

(b) The most recently adopted QAP:

(i) for purposes of:

(A) Project changes;<sup>7.i</sup>

(B) Reservation (Initial Allocation) (other than the fee amount);<sup>7.i</sup>

(C) Declaration of Restrictive Covenants;<sup>7.i</sup>

(D) Carryover Commitment (other than the fee amount);<sup>7.i</sup>

(E) 10% Cost Certification (other than the fee amount);<sup>7.i</sup>

(F) Final Allocation (other than the fee amount);<sup>7.i</sup>

(G) ~~Compliance requirements and; compliance audits; and~~

(H) any post-Award procedures, ~~the QAP most recently adopted; and~~

(I) Fees and fee amounts for post-Credit Refresh Project changes, Reservation, Declaration of Restrictive Covenants, Carryover Commitment, 10% Cost Certification and Final Allocation.

(c) The QAP most recently adopted as of the date of submission of a Credit Refresh application:

(i) for purposes of:

(A) a Credit Refresh application;<sup>7.i</sup>

(B) consideration and determination regarding a Credit Request application;<sup>7.i</sup>

(C) payment of MBOH legal fees relating to or required as a result of a Credit Refresh application or Credit Refresh;<sup>7.i</sup> and

(D) post-Credit Refresh Project changes, Reservation, Declaration of Restrictive Covenants, Carryover Commitment, 10% Cost Certification and Final Allocation (not including fees and fee amounts for the foregoing specified such post-award items), the QAP most recently adopted as of the date of submission of the Credit Refresh application; or, -

~~(d) for Projects that have received a Credit Refresh and for purposes of fees and fee amounts for post-award items (post-Credit Refresh Project changes, Reservation, Declaration of Restrictive Covenants, Carryover Commitment, 10% Cost Certification and Final Allocation), compliance requirements, compliance audits, and any other post-Award procedures, the QAP most recently adopted.~~

“Applicant” means the entity identified as such in the Application, and who is and will remain responsible to MBOH for the Application. When used in reference to a Letter of Intent, the term means the person or entity on whose behalf the Letter of Intent is submitted and who is and will remain responsible to MBOH for the Letter of Intent. The Applicant must remain the same from Letter of Intent through the Compliance Period, except as provided in Section A.3.

“Application” means a request for an Award of HCs submitted in the Form specified by and according to the requirements of this QAP.

“Architect” means a professional licensed by the state of Montana as a building architect pursuant to Mont. Code Ann. Title 37, Chapter 65.

“Available Annual Credit Allocation” is defined as the credit ceiling allocated to MBOH by the federal government for the previous calendar year and includes the state’s actual or estimated credit ceiling for the current year plus any other available credits from prior year credit authority determined as of 20 business days prior to the applicable Application deadline, and includes any credits held back pursuant to court order or subject to Award under the Corrective Award set aside.

“Award” means selection of a Project by the MBOH Board to receive a Reservation of HCs.

“Award Determination Meeting” means the meeting of the MBOH Board at which the Board selects one or more Applicants to receive an Award.

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"Builder's Overhead" means the builder's overhead shown in the Applicant's properly completed UniApp Supplement, Section C, Cost Limitations and Requirements.

"Builder Profit" means the builder's profit shown in the Applicant's properly completed UniApp Supplement, Section C, Cost Limitations and Requirements.

"Carryover" means the process and determination of MBOH by which Awarded and reserved HCs are continued and carried over to the end of the second calendar year after the year of the credit award. Carryover is made by MBOH issuance of a Carryover Commitment, according to the specific requirements of this QAP.

"Carryover Commitment" means a Carryover of HCs based upon an MBOH Carryover determination, which commitment is conditional upon the Applicant performing all conditions and requirements for Final Allocation as set forth in the Applicable QAP, the Carryover Commitment document issued by MBOH and applicable law.

"Cold Weather Development and Construction" means experience of the HC Developer or Consultant on one or more Projects located above the 40 degrees north parallel.

"Commercial Purposes" means use of any Project Amenities, common space or other Project property or facilities by others than tenants for which the Project owner or management receives any compensation for such use, whether in cash or in kind.

"Common Area" means any space in the building(s) on the Project property that is not in the units (except manager units), i.e. hallways, stairways, community rooms, laundry rooms, garages/carpools, manager units, etc. Common Area is eligible to be paid for with Housing Credits.

"Compliance Period" means, with respect to any building, the initial period of 15 taxable years beginning with the 1st taxable year of the applicable credit period as provided in 26 U.S.C. § 42.

"Construction Costs" means all costs listed on the UniApp, Section C, Uses of Funds, under the Site Work and Construction and Rehab sections.

"Consultant" or "HC Consultant" means an individual or entity advising a Developer or Owner with respect to the HC Application and/or development process.

~~"Contractor's Overhead" means the contractor's overhead shown in the Applicant's properly completed UniApp Supplement, Section C, Cost Limitations and Requirements.~~

~~"Contractor Profit" means the contractor's profit shown in the Applicant's properly completed UniApp Supplement, Section C, Cost Limitations and Requirements.~~

"Credit Refresh" means a conversion of previously awarded Credits, from the original ~~Credited~~ year of the Credits Awarded (i.e., the year of the Available Annual Credit Allocation from which the Credits were awarded) to a more recent Credit year, pursuant to a Board-approved return of the Credits and immediate re-Reservation of the Credits as a more recent year's Credits, as approved by the MBOH Board in accordance with the requirements of the Applicable QAP.

"Debt Coverage Ratio" or "DCR" means the ratio of a Project's net operating income (rental income less Operating Expenses and reserve payments) to foreclosable, currently amortizing debt service obligations.

"Design Professional" means a housing/building design professional.

"Developer" means the individual(s) and/or entity(ies) specifically listed and identified as the developer in the Uniform Application, Section A - Applicant Developer/Sponsor, responsible for development, construction and completion of an HC

Project.

“Developer Fee” means those costs included by the Applicant in the UniApp, adjusted as necessary to comply with the maximum Developer’s fee specified in Section 3, Additional Cost Limitations, Developer Fees, which are included as Developer’s fees by the Cost Analysis.

“Development Evaluation Criteria” means the evaluation and scoring criteria set forth in QAP Section 9, Evaluation and Award.

“Development Team” means and includes the Applicant, Owner, Developer, General Partner, Qualified Management Company, and HC Consultant identified as such in the Application.

“Difficult Development Areas” or “DDA” means an area designated by HUD as a Difficult Development Area.

“Disqualify” or “Disqualification” means, with respect to an Application, that the Application is returned to the Applicant by MBOH without scoring and without consideration for an Award of HCs, as authorized or required by this QAP.

“Elderly Property” means a Project for which a Fair Housing Act exemption for housing for older persons will apply, i.e., for households that include at least one individual age 55 or older or in which all household members are age 62 or older, as more specifically defined in the Fair Housing Act definition of “housing for older persons” as codified at 42 U.S.C. § 3607(b)(2)(B), (C) and (C)(i). If permitted by the rules applicable to other federal funding sources involved in the Project, households may also include disabled individuals below the specified age thresholds.

“Expense Coverage Ratio” means, with respect to a Project with no hard debt included in the UniApp, the ratio of the Project’s operating income to expenses.

“Experienced Developer” means a Developer who was entitled by written agreement to receive at least 50% of the ~~Development-Developer~~ Fees on a prior low-income housing tax credit Project that has achieved 100% qualified occupancy and for which the applicable state housing finance agency has conducted a compliance audit which revealed no significant problems.

“Experienced Partner” means a member of the Development Team who was a member of the Development Team on a prior low-income housing tax credit Project that has achieved 100% qualified occupancy and for which the applicable state housing finance agency has conducted a compliance audit which revealed no significant problems.

“Extended Use Period” means the Compliance Period plus an additional period of at least 15 years, or a longer period, as specified in the Application and the Restrictive Covenants.

“Fee Schedule” means the most current version of the Fee Schedule Form referenced in this QAP. The Fee Schedule is available on the MBOH website.

“Final Allocation” means, with respect to HCs, MBOH issuance of an IRS Form 8609(s) (Low Income Housing Credit Allocation Certificate) for a Project after building construction or Rehabilitation has been completed according to the Project Application and any MBOH or MBOH Board-approved changes and the building has been Placed in Service.

“Final Cost Certification” means an independent third-party CPA audit report, including a statement of eligible and qualified basis for the Project, submitted to MBOH on the form specified by and in accordance with the requirements of this QAP, for purposes of obtaining IRS Form 8609(s).

“Form” means the most current version of any MBOH Form referenced in this QAP. All Forms are available on the MBOH website.

“General Partner” means the general partner of a partnership entity that is formed for purposes of a Project.

“General Requirements” means the contractor’s miscellaneous administrative and procedural activities and expenses that do not fall into a major-function construction category and are Project-specific and therefore not part of the contractor’s general overhead, categorized in accordance with NCSHA standards and shown in the Applicant’s properly completed UniApp Supplement, Section C, Limitations and Requirements.

“Gut Rehab” means a Project that includes the replacement and/or improvement of all major systems of the building, including (a) removing walls/ceilings back to the studs/rafters and replacing them; (b) removing/replacing trim, windows, doors, exterior siding and roof; (c) replacing HVAC, plumbing and electrical systems; and (d) replacing and/or improving the building envelope (i.e., the air barrier and thermal barrier separating exterior from interior space) by either removing materials down to the studs or structural masonry on one side of the exterior walls and subsequently improving the building envelope to meet the whole-building energy performance levels for the project type, or creating a new thermal and air barrier around the building.

“Hard Costs” means and includes building Acquisition costs, Site Work costs and Construction and Rehab costs, as shown in the Applicant’s properly completed UniApp-Supplement, Sections C, Uses of Funds.

“Hard Cost Per Square Foot” means Hard Costs divided by Project Square Footage shown in the Applicant’s properly completed UniApp-Supplement, Section C, Cost Limitations and Requirements Fees Tab.

“Hard Cost Per Unit” means an amount calculated by dividing Hard Costs by the number of units in the Project, as calculated in the UniApp-Supplement, Section C, Cost Limitations and Requirements Fees Tab, Part XI I, line “Cost Per Unit.”

“Housing Credits” or “HCs” or “Credits” means federal low-income housing tax credits allocated or available for allocation under this Montana QAP.

“Identity of Interest” between an Applicant and an In-Process Project means that the Applicant or a member of the Development Team for the Applicant Project: (i) has ~~a~~ twenty five percent (25%) or greater an interest in the ownership or developer fee payable for the In-Process Project; (ii) is the sole General Partner or the Managing General Partner of an entity formed for purposes of the In-Process Project; or (iii) is a Housing Credit Consultant for the development or construction phase of the In-Process Project and is entitled to receive a portion of the Developer Fee. The Applicant does not have an Identity of Interest with an In-Process Project solely because a person or entity involved in or providing support for the Applicant Project is or was also involved in or providing support for the In-Process Project, e.g., participating as a ~~passive~~ non-profit entity for purposes of obtaining a tax exemption, or providing community or supportive services for the Project, so long as such person or entity is not entitled to a portion of the Developer Fee.

“Initial Allocation” means the conditional setting aside by MBOH of HCs from a particular year’s federal LIHTC allocation to the state for purposes of later Carryover Commitment and/or Final Allocation to a particular Project, as documented by and subject to the requirements and conditions set forth in a written Reservation Agreement, the Applicable QAP and federal law.

“Investor” means an entity that will directly or indirectly purchase HCs from the awardee.

“Land or Property Control” means legally binding documentation of title or right to possession and use of the property, or the right to acquire title or right to possession and use of the property, for purposes the Project, including but not limited to documentation of fee ownership, lease, buy/sell agreement, option to purchase or lease, or other right, title or

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interest that will allow the Owner to acquire Proof of Ownership for purposes of Carryover.

"Large Project" means, for purposes of the Soft Cost Ratio limitation in Section 3.0F, a Project with more than 24 ~~low income~~ Housing Credit units.

"Letter of Intent" or "LOI" means a letter and attachment submitted to MBOH on the MBOH Letter of Intent Form.

"Low-Income Housing Tax Credits" means federal low-income housing tax credits, referred to in this QAP as HCs.

"Management Company" means a person or entity that has contracted with the Owner to manage the Project property, including such activities as leasing units, enforcing lease requirements and rules, repairs and maintenance, Housing Credit compliance and other matters relating to the operation of the project.

"Nationally-Recognized LIHTC Compliance Training Company" means a company recognized in the Low Income Housing Tax Credit industry as a qualified Low Income Housing Tax Credit compliance trainer.

"NCSHA" means the National Council of State Housing Agencies.

"New Construction" means construction of one or more new buildings, and includes Gut Rehabs.

"Operating Expenses" means projected ongoing costs to run or operate a property, not including expenses for amortization, depreciation or mortgage-related interest.

"Owner" means the legal entity that owns the Project.

"Permanent Supportive Housing" means housing that combines and links permanent, affordable housing with flexible, voluntary support ~~wrap-around supportive services designed to help tenants for people previously~~ experiencing homelessness or with, as well as other people with disabilities or other special needs stay housed and build the necessary skills to live as independently as possible.

"Placed in Service" means: (a) for a new or existing building, the certification of the building or the date of certification of the building as being suitable for occupancy in accordance with state or local law through issuance of a certificate of occupancy; and (b) for rehabilitation expenditures that are treated as a separate new building, the close of the 24-month period, determined in compliance with Section 42, over which such expenditures are aggregated, or, if rehabilitation is completed and the minimum expenditures requirement of Code Section 42(e)(3)(A) is met in less than 24 months, the expenditures may be treated as placed in service at the close of such shorter period, determined in compliance with Section 42. This definition is subject to the applicable provisions of Section 42 and in the event of a conflict between this definition and Section 42, the provisions of Section 42 shall control.

"Preservation" means Projects that are for the Acquisition and Rehabilitation, or Rehabilitation, of existing affordable housing stock.

"Project" means the low income residential rental building, or buildings, that are the subject of a Letter of Intent or an Application for or an Award of HCs.

"Project Square Footage" means such portion of the total square feet applicable to low-income Units and Common Areas and used for the applicable square footage calculation in the UniApp under Section B - Program Information, Part X, "Project Uses." Project Square Footage includes all building square footage available to or serving tenants, including units, management unit(s) and offices, Common Area, balconies, patios, storage and parking structures.

"Proof of Ownership" means title or right to possession and use of the property for the duration of the Compliance Period and any Extended Use Period plus one year, e.g., a

recorded deed or an executed lease agreement.

“Qualified Allocation Plan” or “QAP” means this Montana qualified allocation plan required by Section 42 of the Code.

“Qualified Census Tract” or “QCT” means an area designated as such by HUD.

“Qualified Management Company” means a Management Company that meets the education requirements specified in Section 12, Education Requirements, and is not disqualified by MBOH to serve as a Management Company on existing, new or additional tax credit Properties or Projects, based upon the company’s: (a) failure to complete timely any required training; (b) failure to have or maintain any required certification; (c) record of noncompliance, or lack of cooperation in correcting or refusal to correct noncompliance, on or with respect to any tax credit or other publicly subsidized low-income housing property; or (d) delinquent MBOH late fees (unless the Management Company demonstrates to the satisfaction of MBOH that such noncompliance or lack of cooperation was beyond such company’s control).

“Qualified Nonprofit Organization” means, with respect to a Project, an organization exempt from federal income tax under Section 501(c) (3) or (4) of the Internal Revenue Code, which is not and during the Compliance Period will not be affiliated with or controlled by a for-profit organization, whose exempt purposes include the fostering of low income housing, which owns an interest in the Project, which will materially participate in the development and operation of the Project throughout the Compliance Period, and which is not affiliated with or controlled by a for-profit organization.

“Rehabilitation,” “Rehab” or “Substantial Rehabilitation” means renovation-rehabilitation (e.g., capital improvements and/or major repairs necessary as indicated by the capital need assessment) of a building or buildings to house HC units meeting the required minimum Hard Cost Per Unit thresholds specified in Section 3, Substantial Rehabilitation.

“Related Party” means an individual or entity whose financial, family or business relationship to the individual or entity in question permit significant influence over the other to an extent that one or more parties might be prevented from fully pursuing its own separate interests. Related parties include but are not limited to: (a) family members (sibling, spouse, domestic partner, ancestor or lineal descendant); (b) a subsidiary, parent or other entity that owns or is owned by the individual or entity; (c) an entity with common control or ownership (e.g., common officers, directors, or shareholders or officers or directors who are family members of each other); (d) an entity owned or controlled through ownership or control of at least a 50% interest by an individual (the interest of the individual and individual’s family members are aggregated for such purposes) or the entity (the interest of the entity, its principals and management are aggregated for such purposes); and (e) an individual or entity who has been a Related Party in the last year or who is likely to become a Related Party in the next year.

“Reservation” means MBOH’s Initial Allocation of HCs from a particular year’s federal LIHTC allocation to the state for purposes of later Carryover Commitment and/or Final Allocation to a particular Project, as documented by and subject to the requirements and conditions set forth in a written Reservation Agreement, the Applicable QAP and federal law.

“Reservation Agreement” means a written contract entered into between MBOH and the taxpayer to provide for a Reservation and setting forth the terms and conditions under which the taxpayer may obtain a Carryover Commitment or Final Allocation.

“Restrictive Covenants” means the recorded covenants required by Section 42 of the Code. Restrictive Covenants may also be referred to as the Land Use Restriction Agreement (LURA).

“Selection Criteria” means and includes all of the requirements, considerations, factors, limitations, Development Evaluation Criteria, set asides and priorities set forth in this QAP and all federal requirements.

“Selection Standard” means the standard for selection of Projects to receive an Award of HCs set forth in the Award Determination subsection of Section 9, Evaluation and Award, i.e., the MBOH Board’s determination that one or more Projects best meet the most pressing affordable housing needs of low-income people within the state of Montana as more specifically set forth in such subsection.

“Small Project” means, for purposes of the Soft Cost Ratio limitation in Section 3.0E, a Project with 24 or fewer low-income Housing Credit units.

“Small Rural Project” means a Project: (a) for which the submitted tax credit Application requests tax credits in an amount up to but no more than 12.5% of the state’s Available Annual Credit Allocation, and (b) proposed to be developed and constructed in a location that is not within the city limits of Billings, Bozeman, Butte, Great Falls, Helena, Kalispell, or Missoula.

“Soft Costs” means the costs of professional work and fees, interim costs, financing fees and expenses, syndication costs, soft costs and Developer’s fees as shown in the Applicant’s properly completed UniApp, Section C - Uses of Funds. Soft Costs do not include operating or replacement reserves.

“Soft-Cost-to-Hard-Cost Ratio” or “Soft Cost Ratio” means total Soft Costs divided by the sum of total Hard Costs (as calculated in the UniApp) and land value (the highest value of what is shown in a comparative market analysis, appraisal or arm’s length sale). Land value is added regardless of whether land is donated, leased, purchased or otherwise acquired.

“Sources and Uses” means the sources and uses of funds as specified in the UniApp.

“Substantial Change” means a substantial change in the Project from the Project as set forth in the Application, and includes a change in or to:

- A member of the Development Team occurring prior to Placed in Service;
- A change or amendment to the Developer Fee agreement or Consultant Fee agreement;
- Participating local entity;
- Quality or durability of construction;
- Number of units or unit composition;
- Site or floor plan;
- Square footage of Project building(s);
- Project amenities;
- Income or rent targeting;
- Rental subsidies;
- Target group;
- Project location;
- Sources and Uses (to the extent any line item of the Sources of Funds or any section of the Uses of Funds of the UniApp changes by 10% or more);
- Common Space square footage, location or purposes;
- Housing Credits required for the Project;
- Extended Use Period;
- Any Application item or information required by the Applicable QAP;
- Any item that would have resulted in a lower Development Evaluation Criteria Score under the Applicable QAP; and
- Any other significant feature, characteristic or aspect of the Project.

“Total Project Cost” mean all costs shown in UniApp Section C, Part II, Uses of Funds

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line "Total Projects Costs without Grant Admin". Total Project Cost does not include grant administration costs.

"Total Project Cost Per Square Foot" means Total Project Costs divided by Project Square Footage shown in the Applicant's properly completed UniApp Supplement, Section C, Cost ~~Limitations and Requirements Fees Tab~~.

"Total Project Cost Per Unit" means an amount calculated by dividing Total Project Costs by the number of units in the Project, as calculated in the UniApp Supplement, Section C, Cost ~~Limitations and Requirements Fees Tab~~, Part ~~XI I~~, line "Cost Per Unit."

"UniApp" means the most current Uniform Application ~~and Supplement~~ available on the MBOH website at: <http://housing.mt.gov/FAR/housingapps.mcp.x>.

~~"UniApp Supplement" means the Supplement portion of the UniApp.~~

"Unit" means any residential apartment or single-family home.

"Vacancy Rate" means percentage of vacant affordable units in the Application's market area or in the property.

## SECTION 2 - OVERVIEW OF HOUSING CREDITS

A BRIEF SUMMARY OF SOME ELEMENTS OF THE HOUSING CREDIT IS AVAILABLE ON THE MBOH WEBSITE AND IS PROVIDED FOR INFORMATIONAL PURPOSES ONLY. THERE ARE NUMEROUS TECHNICAL RULES GOVERNING A BUILDING'S QUALIFICATION FOR THE HOUSING CREDIT, THE AMOUNT OF THE HOUSING CREDIT, AND AN OWNER'S ABILITY TO USE THE HOUSING CREDIT TO OFFSET FEDERAL INCOME TAXES. ANYONE CONSIDERING APPLYING FOR HOUSING CREDITS SHOULD REFER, IN ADDITION TO THIS QAP, TO SECTION 42 OF THE UNITED STATES INTERNAL REVENUE CODE (26 U.S.C. § 42). DEVELOPERS OR OWNERS INTERESTED IN APPLYING FOR A CREDIT ALLOCATION SHOULD CONSULT THEIR OWN TAX ACCOUNTANT OR ATTORNEY IN PLANNING A SPECIFIC TRANSACTION.

## SECTION 3 - MONTANA SPECIFIC REQUIREMENTS

### A. Eligible Applicants

#### 1. ~~First Housing Credit Project Must Be Completed~~

An Applicant who previously received an Award of Credits for its first Housing Credit Project in Montana (~~the "In-Process Project"~~) may not receive an Award of Credits for another Housing Credit Project until the ~~first In-Process Project has been issued Form(s) 8609-achieved 100% qualified occupancy and an MBOH compliance audit has been conducted which revealed no significant problems~~. For purposes of this rule, Applicants are considered to be the same Applicant if the ~~Applicants are Related Parties Applicant has an Identity of Interest with the In-Process Project or if the same Developer or a Related Party of the Developer will receive more than 50% of the Development Fees for both Projects~~. The foregoing rule does not apply to a subsequent Housing Credit Application if the Developer partners with an Experienced Developer who will be entitled under a written agreement to receive at least 50% of the Developer Fee on the subsequent Project. ~~For purposes of this Section 3.A, an In-Process Project is any 9% Credit Project for which MBOH has issued a Reservation in any prior Credit year but has not issued a Form 8609, and for which the Reserved Credits have not been returned to or rescinded by MBOH.~~

#### 2. ~~Applicant Cannot Exceed Cumulative Credit Maximum~~

~~An Applicant is not eligible to submit a Letter of Intent or a full Application for 9% Credits if an Award of Credits for the Applicant Project would cause the Applicant's cumulative Credit~~

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amount to exceed the Cumulative Credit Maximum. The Cumulative Credit Maximum is \$15 million in total Credits for the ten year period (not including Credits awarded for tax-exempt bond developments). The Cumulative Credit Maximum applies in addition to the Maximum Credit Award provisions in Section 6.

For purposes of the Cumulative Credit Maximum:

(a) an Applicant's cumulative Credit amount is the sum of: (i) the Applicant's share(s) of the ten-year amount of Credits awarded to any In-Process Project(s) with which the Applicant has an Identity of Interest, and (ii) the Applicant's share of the ten-year amount of Credits requested for the Applicant Project;

(b) an In-Process Project is any 9% Credit Project for which MBOH has issued a Reservation in any prior Credit year but has not issued a Form 8609, and for which the Reserved Credits have not been returned to or rescinded by MBOH;

(c) The Applicant's share of the ten-year amount of Credits awarded to any In-Process Project is 100%, unless the Applicant is a co-Developer, co-Owner or Consultant for the In-Process Project; in such event, the Applicant's share is the same percentage of the Project's ten-year Credit amount as the percentage of Developer Fee the Applicant is entitled to receive for the Project or the percentage interest that Applicant owns in the Project; and

(d) Applicant must provide any documents and information regarding any In-Process Project(s) or proposed Project as requested by MBOH for purposes of determining whether an Applicant is eligible under this Cumulative Credit Maximum to submit an LOI or Application.

### **3. Other Disqualifying Conditions**

The Applicant is not eligible to apply for Credits if the Applicant or any member of the Applicant's Development Team is debarred from federal programs or FHLB (Federal Home Loan Bank), prohibited from applying for LIHTCs by another state HFA for disciplinary reasons, or has delinquent late fees due and payable to MBOH. If any member of the Development Team has delinquent late fees due and payable to MBOH at any time from submission of Letter of Intent through the Award Board meeting, the Application will be ineligible for an Award of Credits until such fees are paid in full. If such late fees are not paid in full within ten (10) business days of written notice, the Application will be returned and will receive no further consideration. Application fees will not be refunded.

An Application or Project awarded credits must be the same Project as described and represented in the Application from the time of Application-Letter of Intent through the first 5 years of the Compliance Period, except for any changes that are not Substantial Changes or any Substantial Changes that have approved by MBOH or the MBOH Board as provided in the Applicable OAP. This includes ownership, development team members, the physical property, and any Project characteristics proposed or promised in the Application (e.g., targeting, amenities, green, energy, etc).

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## **B. Minimum Set Aside**

A Project must meet the federally-required minimum set aside requirements, i.e., the 20-50 test, 40-60 test or income averaging (IA). Income averaging (IA) is available only to the extent permitted and subject to the procedures, restrictions and other requirements specified in MBOH compliance materials. If income averaging is selected, 3% of Units or a minimum of one Unit, whichever is higher, must be targeted at 20% or 30% if 10% of the units are targeted at 70% or above.

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## **B.C. Projects Seeking Property Tax Exemptions**

For Applications proposing a property tax exemption for rental housing providing affordable housing to lower-income tenants pursuant to Mont. Code Ann. § 15-6-221, the Application must affirmatively commit to providing a minimum of 50% of the Units in the property to tenants at 50% of the area median income, with rents restricted to a maximum of 30% of 50% of area median income, as calculated under Section 42. For combined 4%/9% Projects, this requirement will be applied to the Project as a whole, rather than separately to the 4% and 9% portions of the Project.

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### **C-D. Housing Credit Proceeds**

In order to allow MBOH to adequately evaluate Sources and Uses for Housing Credit Projects, the Applicant is required to provide information to MBOH regarding the proceeds or receipts generated from the Housing Credit.

At Application, expected Credit proceeds must be estimated by the Applicant. **Within 30 days after the partnership or operating agreement is signed by all parties, the Applicant must provide MBOH with a copy of the executed agreement.** If MBOH does not receive a copy of the executed agreement within 30 days of execution, a late fee will be assessed. Prior to issuance of IRS Form 8609(s), MBOH will require the accountant's certification to include gross syndication proceeds and costs of syndication, even though the costs are not allowed for eligible basis.

### **D-E. Sources and Uses Certification**

Applicants must certify that they have disclosed all of a Project's Sources and Uses, as well as its total financing, and must disclose to MBOH in writing any future changes in Sources and Uses over 10% in any UniApp section or any increase in Soft Costs throughout the development period (until 8609's are received). Applicant's certification of such disclosure must be provided to MBOH at Application, at 10% Cost Certification, at any disclosure of changes in Sources and Uses over 10% and at Final Cost Certification on the ~~MBOH- Disclosure Sources and Uses~~ Certification Form.

### **E-F. Development Cost Limitations**

To balance affordable housing needs in Montana with appropriate and efficient use of the state's allocation of ~~tax-Housing Credit~~ authority, MBOH has adopted the following cost limitations and requirements for purposes of calculating the Housing Credit amount for a particular Project. These cost limitations are based upon and in accordance with NCSHA standards.

#### **1. Hard Cost Per Unit/Hard Cost Per Square Foot and Total Project Cost Per Unit/Total Project Cost Per Square Foot**

Hard Cost Per Unit, Hard Cost Per Square Foot, Total Project Cost Per Unit and Total Project Cost Per Square Foot are subject to the specific limitations provided in other sections of this QAP. In addition, even for those projects meeting such specific limitations, MBOH will evaluate such Cost Per Unit and Cost Per Square Foot for all Projects for reasonableness, taking into account the type of housing, other development costs as detailed below, unit sizes, the intended target group of the housing and other relevant factors. MBOH will also consider in this review the area of the state and the community where the Project will be located.

All Applications must provide justification for development costs. These costs will be analyzed and scrutinized considering the individual characteristics of the Project listed above and will be compared to other like Projects.

Even though the costs of some Projects may be justifiable and even in some contexts considered reasonable given their unique characteristics, MBOH may decline to Award Credits to a Project where it determines that costs do not reflect the optimal use of Housing

Credits.

The following limit must be met:

- o Total Project Costs Per Unit may not exceed \$240,000.

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Applications exceeding this limit will be returned un-scored and will receive no further consideration, and the application fee will not be refunded. Projects must meet this limit at Letter of Intent, Application, 10% Cost Certification and Final Cost Certification. If this limit is exceeded at Final Cost Certification, negative points will be assessed with respect to future Applications as provided in Section 9, Item 9, Developer Knowledge and Responsiveness. The negative points assessment provided in this paragraph for exceeding the Total Project Costs Per Unit limit will apply only prospectively to Projects Awarded Credits in the 2017 or later Award rounds.

### Costs Per Unit Limit Exceptions

Exception requests must be submitted to MBOH staff by the first Monday in March 2020 before submission of Letter of Intent. Exceptions will only be considered for preservation of existing affordable housing and based upon documented justification (e.g., negotiated sales price or unusual needs identified in a capital needs assessment). MBOH staff will evaluate and present exception requests to the MBOH Board. Exceptions may be granted by the MBOH Board in its sole discretion.

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### 2. Additional Cost Limitations

Applications must comply with the following limitations on Contractor Overhead, General Requirements, ~~Contractor-Builder~~ Profit and Developer Fee. To the extent an Application exceeds these cost limitations, as calculated in UniApp Section C, Cost Limitations and Requirements, the excessive costs will be reduced to the limit amount for all purposes under the HC program, including without limitation, calculation of basis and eligible Project costs, determination of Credit eligibility, and any Award, Reservation (Initial Allocation) or Final Allocation of Credits.

#### a. ~~Contractor's~~ Builder's Overhead

~~Builder's~~~~Contractor's~~ Overhead is limited to a maximum of 2% of Construction Costs.

#### b. General Requirements

General Requirements are limited to a maximum of 6% of Construction Costs.

#### c. ~~Contractor-Builder~~ Profit

~~Builder's~~~~Contractor's~~ Profit will be limited to a maximum of 6% of Construction Costs.

#### d. Developer Fees

Developer Fees for New Construction or Rehabilitation will be limited to a maximum of 15% of Total Project Costs. For purposes of this Developer Fee limit, Total Project Costs do not include Developer Fees, Project reserves or land costs. HC Consultant fees (amount must be disclosed) will be included as part of and subject to the limit on Developer Fees. Architectural, engineering, and legal services are considered to be professional services, and fees for such services are not included as Developer Fees for purposes of this limitation.

Developer fees for Acquisition will be limited to a maximum of 15% of the Project Acquisition costs.

#### e. Disclosure of Transactions Involving Related Parties

If the development includes transactions with Related Parties, all such transactions must be disclosed. Failure to fully disclose Related Party transactions may result in the Project's not receiving an Award of Housing Credits. MBOH reserves the right to negotiate lower Developer

Fees, ~~BuilderContractor~~ Profit or other Soft Costs on Projects involving Related Party transactions.

**f. Limitation on Soft Costs**

The Soft-Cost-to-Hard-Cost Ratio ("Soft Cost Ratio") for the Project, based upon the Application's UniApp, may not exceed: (i) 32% for Large Projects (more than 24 units); (ii) 37% for Small Projects (24 or fewer units) or Small Rural Projects; or (iii) 40% for 4% Credit Projects. For combined 4%/9% Projects, this limit will apply to the Soft Cost Ratio calculated based upon the combined costs for the 4% and 9% Projects. If the Soft Cost Ratio for a Project exceeds the applicable maximum, MBOH will contact the Applicant regarding the excessive costs and allow the Applicant to specify how and by what amount its Soft Costs will be reduced to comply with the maximum. The Applicant must communicate its chosen Soft Costs adjustments to MBOH staff in writing within ten (10) business days after such communication and the Application will be deemed amended to reflect such adjustments for all purposes under the HC program. All such Soft Cost adjustments and the Application, as amended to reflect such adjustments, must comply with this QAP in all other respects. If the Applicant fails to communicate its Soft Cost adjustments to MBOH staff within the required time, ~~the Application will be returned unscored and fees will not be refunded-MBOH staff will decide how and by what amount Soft Costs will be reduced to comply with the maximum and the Application will be deemed amended to reflect such adjustments for all purposes under the HC program.~~ Projects must meet this limit at Letter of Intent, Application, 10% Cost Certification and Final Cost Certification. For Projects Awarded Credits for 2018 or later years, if this limit is exceeded at Final Cost Certification, negative points will be assessed with respect to future Applications as provided in Section 9, Item 9, Developer Knowledge and Responsiveness.

**g. Professional Fees**

Professional fees include but are not limited to fees for architectural, engineering, environmental, accounting, legal, market analysis, construction management and asset management services. The financial narrative in the Uses of Funds Tab of the UniApp must address and provide justification for professional fees. These fees will be compared as a percentage to construction costs for reasonableness. Specific limits may be adopted in a future plan if needed.

**F.G. Underwriting Assumptions and Limitations**

**1. Credit Percentage Rate for Housing Credit Calculation**

The credit percentage rate published by the federal government for the month prior to the date of Application will be used by Applicants and MBOH for purposes of preparation, submission, underwriting and evaluation of Applications and Award of HCs.

**2. Operating Expenses**

MBOH will evaluate Operating Expenses and Vacancy Rate underwriting assumptions for all Projects for reasonableness, taking into account the type of housing, unit sizes, intended target group of the housing and the location of the Project within the area of the state and the community. Staff may require the Applicant to provide additional justification and documentation regarding any Operating Costs deemed to be outside the normal range.

**3. Debt Coverage Ratio**

The Debt Coverage Ratio ("DCR") should be:

- For Projects whose DCR is projected to trend upward through the first 15 years of normal operation, the DCR should be between 1.15 and 1.35 in the first year of normal operation, i.e., year 1 as shown on the DCR calculation of the UniApp.
- For Projects whose DCR is projected to trend downward through the first 15 years of

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normal operation, the DCR should be between 1.10 and 1.50 during the entire first 15 years of normal operation i.e., the 15-year period that begins with year 1 as shown on the DCR calculation of the UniApp.

DCR's outside these ranges must be justified in the Application narrative to the satisfaction of MBOH, in its sole discretion. In determining whether the Applicant's justification is acceptable, MBOH will consider the reasonableness of the Project's proposed rent levels, Operating Expenses, reserve payments, projected Vacancy Rates, debt service obligations, Soft Costs and amount of Credits requested. If the DCR, as underwritten by MBOH at Application, falls outside the ranges specified above without justification acceptable to MBOH, MBOH will reduce the amount of Credits requested by the Applicant to an amount determined by MBOH to be necessary for the financial feasibility of the development and its viability as a qualified low income housing Project throughout the Compliance Period.

MBOH considers several variables, including projected Vacancy Rates (which may require upward adjustment for Small Projects) and Operating Cost data, in conjunction with debt service coverage, in judging the long-term financial viability of Projects. MBOH may require adjustments to rents or Credit amount to assure the Credits Awarded are no greater than necessary to make the Project feasible.

MBOH will evaluate the DCR at Application, at 10% Cost Certification and at Final Cost Certification. In addition, for Projects Awarded Credits for 2018 or later years, if the DCR at 10% or Final Cost Certification has changed significantly from the DCR as underwritten by MBOH at Application, MBOH may assess negative points to the next Application that includes any member of the Development Team.

#### 4. Total Expense Ratio

MBOH will review the Project's Total Expense Ratio for reasonableness. The Total Expense Ratio is the total income divided by total expenses, including debt service. As a benchmark, NCSHA recommended practices use a 1.10 ratio. The Board will consider projects on a case by case basis that deviate materially from this ratio. Projects should discuss this ratio in their narrative if this ratio deviates materially.

#### 5. Maximum Rents

Rents must be limited to the levels specified in the Application and Declaration of Restrictive Covenants. In addition, if rent increases are permitted from time to time as a result of increase in the Area Median Income ("AMI"), such increases shall not exceed five percent (5%) in any calendar year for existing tenants.

The MBOH Board may also require that rents be adjusted to or maintained at a specified percentage of maximum target rent throughout the Extended Use Period if the Debt Coverage Ratio or Expense Ratio is outside the range recommended or required under this OAP. If required for a particular Project, this limitation must be specifically included as a condition of the HC Award and included in the Project's Restrictive Covenants.

#### 6. Operating Reserves

Minimum operating reserves must be established and maintained in an amount equal to at least four months of projected Operating Expenses, debt service payments, and annual replacement reserve payments. The specific requirements for reserves, including the term for which reserves must be held, must be included in the limited partnership or operating agreement and meet the requirements of the Investor. Using an acceptable third party source, this requirement can be met by cash, letter of credit from a financial institution, or a Developer guarantee that a syndicator has accepted the responsibility for a reserve.

#### 7. Replacement Reserves

Replacement reserves must be contributed in an amount equal to at least \$300.00 per unit

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**Commented [A20]:** Language added in response to comments.

annually. Exceptions may be made for certain special needs or supportive housing developments. Exceptions must be documented and will be reviewed on a case by case basis. The specific requirements for reserves, including the term for which reserves must be held, will be included in the limited partnership or operating agreement and meet the requirements of the Investor.

### **8. Utility Allowances**

The Montana Department of Commerce Section 8 Utility Allowances are the only acceptable utility allowances for Applications, unless otherwise provided by USDA (Rural Development), an MBOH-approved allowance or a HUD Utility Model. Utility allowances provided by utility providers will not be considered or accepted. ~~For purposes of calculating the Maximum Rent limitation under this QAP, the gross rent is the sum of the rent amount payable by the tenant and the tenant paid utility allowance amount determined in accordance with this Subsection 8.~~

### **9. Additional Underwriting Assumptions**

The following underwriting assumptions will be used by MBOH for underwriting of all Applications:

- Vacancy rates: 10% - 20 units and less, 7% - more than 20 and up to 50 units, 5%-more than 50 units or 100% project based rental assistance;
- Income Trending: 2%;
- Expense Trending: 3%;
- Reserves Trending: as proposed in Application but not to exceed 3%;
- Debt Coverage Ratio: see "Debt Coverage Ratio" subsection above;
- Structured Debt for pro-forma not allowed; and
- Operating expenses per unit: \$3,000-\$6,000 annually.

These underwriting assumptions will be used at Application, 10% Cost Certification and Final Cost Certification. Credits will not be Awarded in an amount beyond those needed to make the Project feasible according to these underwriting assumptions.

### **G.H. Project Accessibility Requirements**

The Fair Housing Act, including design and accessibility requirements, applies to HC properties. In addition to meeting Fair Housing Act requirements, MBOH requires that all New Construction units and common areas and Rehabilitation that at least replaces interior walls and doors must incorporate the following:

For Rehab, items 3 and 4 below apply to all units and all floors where moving walls, removing wall coverings, or doing new wiring or rewiring.

1. 36 inch doors for all living areas (except pantry, storage, and closets).
2. All door hardware must comply with Fair Housing Act standards for all units.
3. Outlets mounted not less than 18 inches above floor covering.
4. Light switches, control boxes and/or thermostats mounted from 36 to 48 inches above floor covering.
5. Walls adjacent to toilets, bath tubs and shower stalls must be reinforced for later installation of grab bars.
6. All faucets must be lever style.
7. A minimum of a ground floor level half-bath with a 30X48 inch turn space (also required in Rehabilitation unless waived by staff for structural limitations or excessive cost, etc.) (does not apply if there is no living space on the ground floor level).
8. No-step entry to all ground floor level units.
9. Compliance with accessibility requirements must be certified in the architect's letter of certification submitted with the 8609(s) submission. It is suggested but not

required that Projects also include parking for caregivers for tenants with disabilities and that a lease addendum provide for moving a household without tenants with disabilities from a handicapped accessible unit to a regular unit if the handicapped accessible unit is needed for rental to a tenant with a disability.

## **H.I. Energy, Green Building and Other Initiatives, Goals and Requirements**

The following items in Subparagraphs A through K specify voluntary initiatives and goals which MBOH encourages Developers to consider in the planning and development of Projects, as well as certain Project requirements. These items are required only where so indicated by the use of mandatory language (e.g., "must"). Such initiatives, goals and requirements are subject to any further applicable provisions of this QAP.

### **1. Integrated Design Process and Community Connectivity**

Project development and design includes a holistic approach. Processes include neighborhood and community involvement to ensure Project acceptance and enhancement. Integrated design processes ensure higher quality finish Project. Existing neighborhood edges, characteristics, fabric are considered in the Project design. Some considerations may include but are not limited to a community design charrette, incorporating Project into neighborhood fabric, energy modeling, commissioning, infrared testing, etc. (see Required Infrared Testing for Projects Awarded Credits, below).

### **2. Visitability and Universal Design Principles**

Applicants should consider inclusion of visitability and universal design principles in development of the Project. MBOH encourages strong advertising of accessible features when advertising new construction through the Multiple listing services or through MontanaHousingSearch.com.

### **3. Sustainable Site, Location and Design**

The building(s) and Project site, including the surrounding area, provide opportunities for education, alternative transportation, services, and community facilities. This is evidenced, for example, by Projects using existing infrastructure, reusing a building or existing housing, redeveloping a greyfield/brownfield, or developing in an existing neighborhood. Design elements use the site's characteristics and reduce impact on the site allowing for open space and other amenities, such as infill projects, rehabilitating existing building(s), rehabilitating existing housing, providing carpooling opportunities, using well water for landscaping, etc.

### **4. Passive House Standard**

Passive House is a voluntary international building standard developed by the Passive House Institute (PHI), located in Darmstadt, Germany (referred to as the "Passive House Standard"). The Passive House Standard is composed of several strict performance requirements for new building construction. For the renovation of existing buildings, PHI developed a similar if slightly more lenient performance standard. The resulting performance represents a roughly 90% reduction in heating and cooling energy usage and up to a 75% reduction in primary energy usage from existing building stock.

### **5. Energy and Water Conservation**

Design features, product selection and renewable energy options directly reduce use of resources and result in cost savings. Design and product selection exceeds applicable energy codes in performance. Examples include but are not limited to Energy Star appliances, drip irrigation, low flow fixtures, dual flush or composting toilets, ground source heat, duct sealing, rain water collection, and low water consumption plants.

## **6. Material and Resource Efficiency**

Material selections are better quality, designed for durability and long term performance with reduced maintenance. Products used are available locally and/or contain recycled content. Construction waste is reduced in the Project through efficient installation or recycling waste during construction. Considerations include but are not limited to construction waste management specification, recycled content products, local materials, reuse existing building materials, certified lumber, and sustainable harvest lumber.

## **7. Amenities**

Applicants may consider for inclusion in the Project the amenities listed in the Amenities Form to be provided at no charge to tenants in the Project. Luxury amenities will not be considered or funded with tax credits. Items deemed luxury amenities include but are not limited to swimming pools, golf courses, tennis courts and similar amenities. The added costs of the Project attributable to higher quality amenities will be considered on a Project by Project basis for a cost to benefit assessment.

Amenities provided will not be used for Commercial Purposes. All Projects previously Awarded tax credits are subject to this restriction but are grandfathered only to the extent Commercial Purposes were specifically included in the Application.

## **8. Healthy Living Environments (Indoor Environmental Quality)**

Materials and design contribute to a healthy and comfortable living environment. Mechanical system design, construction methods and materials preserve indoor air quality during construction as well as the long term performance such as fresh air circulation and exhaust fans, bathroom and kitchen fans exhausting air and moisture, material selection with low toxicity and low VOC (volatile organic compounds) paints, sealants, and adhesives.

## **9. Smoke-Free Housing**

Promoting healthy behaviors can also have a large impact on residents at no additional cost to the Developer. Smoke-free policies protect residents against the harmful health impacts of tobacco smoke, greatly reduce the risk of fires, and prevent damage to units caused by tobacco smoke. Such policies also make properties more attractive to those who do not allow smoking in their own homes.

For New Construction Projects seeking or awarded 2016 or later year Credits, the Owner (and any Management Company) must establish and implement a written policy that prohibits smoking in the units and the indoor Common Areas of the Project, including a non-smoking clause in the lease for every Project unit. The Owner (and any Management Company) rather than MBOH will be responsible to establish, implement and enforce such written policy and lease clause. The Owner and Management Company also must make educational materials on tobacco treatment programs, including the phone number for the Montana Tobacco Quit Line, available to all tenants of the Project. The Montana Tobacco Use Prevention Program Smokefree Housing Project can provide educational materials and smokefree signage to property owners and managers free of charge, as requested. If smoking is allowed outside on the Project property, it is recommended that the written smoking policy require that smoking be restricted to areas no closer than 20 feet from all building entrances and exits. The written policy must provide appropriate exceptions for bona fide cultural or religious practices.

## **10.State of Montana Building Code**

All Projects must comply with State of Montana Building Code, whether or not the State of Montana building code has been adopted in the Project's jurisdiction.

## **11.Required Infrared Testing for Projects Awarded Credits**

*For Rehabilitation Projects Awarded HCs: Infrared tests will be required on at least 10%*

of units and a representative sampling of Common Areas both before and after the Rehabilitation. ~~At the time of testing there was~~ must be at least 20 degrees temperature difference from outdoors to inside the unit. Infrared testing must be performed by a certified tester. ~~Testing must-~~ demonstrate that improvement has been achieved. MBOH staff may approve changes to the sample size selected. A summary of such testing must be submitted to MBOH within 30 days of testing and reviewed by MBOH to qualify for issuance of IRS Form 8609(s), demonstrating that ~~at the time of testing there was at least 20 degrees temperature difference from outdoors to inside the unit. Infrared testing must be performed by a certified tester.~~

### **~~I-J.~~ Substantial Rehabilitation**

Montana's minimum Substantial Rehabilitation standard is expenditures the greater of (1) ~~\$15,000~~\$25,000 (for 4% Projects)/~~\$25,000~~\$30,000 (for 9% Projects) of Hard Cost Per Unit, or (2) an amount which is not less than 30% of the adjusted basis of the building during a 24-month or shorter period. Because Montana's Substantial Rehabilitation standard is higher than the federal minimum of \$6,200.00 in Hard Costs and 20% of adjusted basis, Montana's higher Substantial Rehabilitation standard applies.

Rehabilitation Projects applying for (9%) competitive credits must meet all requirements of the capital needs assessment and the Application must also include a list of items in each unit that will be replaced, refinished, repaired, upgraded, or otherwise rehabilitation in the Project and a detailed narrative explaining the scope, details and expectations of the rehabilitation.

### **~~J-K.~~ Tax Exempt Bond Financed Projects**

Projects with tax-exempt financing under the volume limitation on private activity bonds ("4% Projects") may be eligible to receive Housing Credits outside the state's tax credit allocation volume cap. Applications must meet all requirements of the applicable QAP and must meet at least the minimum Development Evaluation Criteria score specified in Section 9, below, to receive an Allocation of Housing Credits. Projects with tax exempt financing must submit a certification from the bond financing agency indicating that the Project meets the public purpose requirements of the bonds and that the Project is consistent with the needs of the community. For purposes of Application, evaluation and Awarding tax credits with respect to 4% Projects, the Applicable QAP is the version of the QAP most recently and finally adopted as of the date of Application submission.

### **~~K-L.~~ Eventual Home Ownership**

The opportunity for eventual home ownership allows for Projects, with sufficient justification, to make units available to be purchased by the current tenants after 15 years of successful performance as an affordable rental. Several supplemental Application documents are required for Projects that include eventual home ownership. The Application must: (1) address how the Owner will administer the transfer of ownership to a qualified homebuyer at the end of the Compliance Period; (2) either identify the price at the time of the title transfer or a reasonable process to determine the price; (3) document that the potential owners will be required to complete a homebuyer counseling program; and (4) identify how Reserve for Replacement funds will be used at the time of sale of the properties.

At the time of sale, the HC Owner must provide a copy of the title transfer together with a certificate verifying that the new homeowner completed a homebuyer program within five years prior to the transfer of title. Enforceable covenants must maintain the home as affordable and prevent sale or resale to a realtor, financial institution, or a family with an income over 80% AMI, or more than 80% of FHA appraised value. Families who exceed income levels of 80% of AMI at the time of the sale must have qualified at the appropriate AMI contained in the recorded Restrictive Covenants for the Project evidenced by the

Tenant Income Certification at the initial rent-up for the family. Tenant qualification documentation must be sent to MBOH for approval before the sale is completed. Please contact MBOH for current forms. Units not sold under the Eventual Home Ownership Program must remain in compliance with Section 42 until such time as they are sold to a qualified buyer or the end of the Extended Use Period.

### **L-M. 130% Basis Boost**

#### **1. Basis Boost for QCT and DDA Projects**

Federal law permits MBOH to reserve Housing Credits based on a "basis boost" of 30% for Projects in a Qualified Census Tract ("QCT") or in HUD designated Difficult Development Areas ("DDA"). In addition, a 30% "basis boost" may be available for non-QCT or DDA Projects based upon the specific requirements specified below.

#### **2. MBOH Discretionary Basis Boost for Non-QCT/DDA Projects**

For buildings not already eligible for the 30% "basis boost" by virtue of being located in a QCT or DDA, up to 130% of the eligible basis of a New Construction building or the Rehabilitation portion of an existing building may be considered in Awarding Housing Credits if MBOH determines that an increase in Housing Credits is necessary to achieve the Project's feasibility. MBOH staff may recommend an Award of Housing Credits, and the MBOH Board, at the time it considers authorizing Reservations of Housing Credits, may Award Credits for such buildings based upon a basis boost of up to 30%. Applications for Projects not located in a DDA or QCT may be submitted with requested Housing Credits calculated at up to 130% of eligible basis. The explanation, justification and supporting documentation must specify and explain in detail the applicable considerations supporting the need for the requested basis boost (i.e., any of items a through e, below) and provide a detailed justification for the requested basis boost. The justification must explain why the Project would not be feasible without the basis boost. In addition to the explanation and justification, MBOH may consider any one of the following factors in determining whether Housing Credits will be awarded based upon the discretionary basis boost:

- a. Qualification of the Application as a Small Rural Project;
- b. Qualification of the building location for Rural Development funding;
- c. Targeting of more than 75% of Project units to 50% or below area median income level;
- d. The Project includes historical preservation, Preservation or replacement of existing affordable housing; or
- ~~e. MBOH staff recommendation based upon need for purposes of financial feasibility.~~
- ~~e. The Project is located within a community where unusual market conditions produce higher than normal labor and material costs, unusually high land cost and/or rent and income limits which are too low to support the cash flows required by the Project's financial structure.~~

The MBOH discretionary basis boost does not apply to non-competitive 4% Credits, except as permitted by federal law.

### **M-N. Non-Housing Amenities**

Swimming pools, tennis courts, golf courses, and other similar amenities will not be funded by Housing Credits. Proposed Projects may include such amenities only if the amenities are funded by sources other than Housing Credits. Subject to the requirements of this QAP, garages or car ports may be funded by Housing Credits considering Montana's extreme winter weather.

### **N-O. Accountant and Owner Certification**

Prior to the 10% Cost Certification deadline and at Final Cost Certification, MBOH requires

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an independent third party Certified Public Accountant (CPA) audit report complying with the specific requirements listed in the CPA Audit Report Form.

### **9-P. Information Request and Release Policy**

Requests for information and documents from MBOH will be handled in accordance with and subject to applicable law and the Department of Commerce Public Records Request Policy, which policy is available on the MBOH website.

### **9-Q. Ex Parte Communication Policy**

MBOH Board members should refrain from ex parte communications with interested persons or parties, or their representatives, who may be affected by any matter on which members may take official Board action. Ex parte communications may include communications that take place outside a duly noticed meeting or hearing of the Board, relate to a matter on which the Board may take action to determine to rights or obligations of the person or party, and which convey information or may otherwise influence the Board member regarding the matter.

If a Board member is unable to avoid such communications, the member will be required to disclose at a public meeting of the Board the full content of such communication and the identity of the person making the communication. In addition, the Board member may be disqualified from participating in Board action on the matter. Such communications may also subject the Board to challenge regarding its action on the matter.

Ex parte communications do not include communications regarding general matters of housing, funding for low-income housing, or other Board policy, and do not include Board member speaking appearances, conferences, consulting engagements or other events or settings to the extent not involving communications such as those described above.

The foregoing statement is provided as general information. Ex parte communications are addressed in further detail and governed by the MBOH Ex Parte Communication Policy, available on the MBOH website.

## **SECTION 4 - APPLICATION SUBMISSION AND AWARD SCHEDULE – MANNER OF SUBMISSION**

### **A. Competitive 9% Credit Applications**

Applicants may apply for an Award of 9% Credits (including an Award for a Project combining 9% Credits and other credit sources) for a particular Project no later than the applicable submission deadline specified below or otherwise set by MBOH.

Applicants must submit the Application and the applicable fee (as set forth in Fee Schedule) to MBOH as required in this QAP.

A single Application that combines 9% Credits and other credit sources must include sub-applications with a separate UniApp for each credit source that provides the Project numbers attributable to the sub-application's credit source.

For Projects involving multiple properties in different locations to which different utility allowances and/or income limits apply, a combined Application with sub-applications for each property location must be submitted. Each sub-application must include a separate UniApp that provides the Project numbers attributable to each location. A single Application or sub-application should include all buildings within a single Project.

Complete Letters of Intent/Applications meeting all requirements of this QAP must be received at MBOH's office by 5:00 pm Mountain Time on the Letter of Intent/Application submission date specified below. In the event that any submission date falls upon a

weekend or holiday observed by Montana State government, the submission date will be the next business day thereafter as posted on MBOH's website.

## B. First Award Round

The following First Award Round deadlines are scheduled in calendar year ~~2020~~<sup>2019</sup>:

- o Letter of Intent Submission                      2<sup>nd</sup> Monday in April  
Applicant Presentations/  
Board Invitations to Apply                      May MBOH Board Meeting
- o Application Submission                              ~~Last~~<sup>First</sup> Monday in ~~August~~<sup>July</sup>
- o Award Determination                                Late October MBOH Board Meeting

## C. Second Award Round (if any)

The Board may decide in its discretion to hold a second award round that is either any one or a combination of the following: (1) limited to those Applicants that submitted a Letter of Intent in the First Award Round but not invited to submit a full Application (a "Semi-Open Round"); (2) limited to those Applicants invited to submit an Application but not awarded Housing Credits in the first award round (a "Closed Round"); or (3) open to submission of Letters of Intent by any interested party (an "Open Round").

If the Board elects to hold a Closed Round, the Board will announce (and post on MBOH's website) such Closed Round, along with all applicable submission requirements and deadlines, presentation opportunities and award meeting dates. A Closed Round need not include additional Letters of Intent or Applications but may include only such additional documents and information submissions as the Board deems appropriate for purposes of such Closed Round.

If the Board decides to hold an Open Round, it will determine and post on MBOH's website the dates for submission of Letters of Intent and Applications, Board review, discussion and invitation to apply, Applicant presentations and Award determination.

## D. Changes in Deadlines or Dates; Board Waiver of QAP Requirements; Award Amounts

### 1. Deadlines and Dates

Any of the above deadlines and dates may be extended or changed by MBOH if circumstances warrant, and in such event MBOH will provide notice of such extension or change by posting on MBOH's website.

### 2. Waiver of QAP Requirements

The MBOH Board, in its discretion, may waive any requirement of this QAP if it determines such waiver to be in the best interests of MBOH, the HC program or the Award cycle.

### 3. Award Amounts

In any Award round or rounds, the MBOH Board may elect to Award less than all available Credits or to not Award any Credits if the MBOH Board determines that such is in the best interests of MBOH, the HC program or the Award cycle.

## E. Board Consideration and Determination Process

At the MBOH Board's meeting in the month specified or established in accordance with the above schedule, MBOH staff will present Letters of Intent to the MBOH Board. MBOH will provide an opportunity for Applicants to make a presentation to the MBOH Board regarding their Projects and Letters of Intent and will provide an opportunity for public comment on proposed Projects and Applications. Applicant presentations will be limited to

10 minutes or less. The MBOH Board may ask questions of Applicants and discuss proposed Projects for purposes of assisting the Board in determining which Projects it will invite to submit Applications and assisting Applicants in presenting better Applications, but such questions, answers and discussions shall not be binding upon MBOH in any later Award determination or other MBOH process. Applicant presentations will include any comments from any party on the Development Team, videos and presentation materials. Public comment will include in-person comments, live conference call comments and written comments. Comments are subject to reasonable limitation by the Chair to minimize duplication, reading of written materials, etc.

After considering the Letters of Intent, presentations, questions and answers and discussion, the MBOH Board will select those Projects that it will invite to submit Applications. Selection for invitation to submit an Application may be based upon consideration of any of the Selection Criteria permitted to be considered for purposes of an Award under this QAP, but no evaluation or scoring of Letters of Intent will be done or considered for purposes of selection for invitation to submit an Application. No more than 8 Projects will be selected. If the total Credits requested in the Applications for such 8 Projects is less than the amount of Credits available for Award in such round, the Board may invite one or more additional Projects to submit Applications, but may invite only the number of additional Projects necessary to meet the amount of Credits available for Award (the "ceiling"), except that the invited Project that brings the total amount of Credits requested from invited Projects to the ceiling may cause the total Credits request to exceed the ceiling. Each Project so selected by the MBOH Board will be deemed invited to submit an Application. An Application may be submitted only for a Project invited by the MBOH Board to submit an Application. All other Applications will be returned without consideration.

At the Award Determination Meeting, MBOH staff will provide Project Application information to the MBOH Board. Applicants should be available to the MBOH Board to answer questions regarding their respective Applications. The MBOH Board may ask questions of Applicants and discuss proposed Projects but there will be no Applicant presentations. MBOH will provide an opportunity for public comment on proposed Projects and Applications. Applicants shall have a brief opportunity to make comments and respond to any information presented regarding their Applications.

MBOH staff materials provided to the Board will show Small Rural Projects and other Projects in separate groupings. In considering Applications for Award of Credits, the Board may first consider Award to the Small Rural Projects applying for Credits. After any such initial consideration of Small Rural Project Applications, the Board will consider Award of remaining Credits to any Applicant. The Board may but is not required by this provision to select any Small Rural Project for an Award of Credits.

#### **F. 4% Credit Applications for Tax Exempt Bond/Loan Financed Projects**

Projects with tax-exempt financing under the volume limitation on private activity bonds ("4% Projects") may be eligible to receive tax credits outside the state's tax credit allocation volume cap. An Applicant for tax-exempt financing under the volume limitation on private activity bonds also seeking an Award of 4% Credits for a scattered-site Project under a single partnership may apply for such credits by submission of a single Application that includes sub-applications for each property included in the Project.

Full Applications for tax-exempt financing and related 4% Credits may be submitted at any time; submission is not limited to the Application schedule set forth above for 9% Credit competitive awards. However, complete Applications must be received by MBOH at least 6 weeks before the scheduled MBOH Board meeting at which the Application is to be considered. Changes to the Application that require MBOH to re-underwrite the Application will restart the minimum 6-week period.

The Application fee for 4% Projects must be submitted to and received in the MBOH office for the Application to receive consideration. In addition, Final Allocation of 4% Credits is subject to payment in full of applicable bond closing fees at bond closing per the MBOH Private Placement policy available on the MBOH website. Additionally, a 42M letter fee will be charged.

Applications for 4% Projects must meet all requirements of the Applicable QAP, including meeting at least the minimum Development Evaluation Criteria threshold score specified in Section 9 to receive an Allocation of Housing Credits. Projects with tax exempt financing must submit a certification from the bond financing agency indicating that the Project meets the public purpose requirements of the bonds and that the Project is consistent with the needs of the community. For purposes of Application, evaluation and Awarding Housing Credits with respect to 4% Projects, the Applicable QAP is the version of the QAP most recently and finally adopted as of the date of Application submission.

For 4% only projects, a Letter of Intent must be submitted with the request for an inducement resolution. The Letter of Intent does not require a Letter of Intent fee or a mini-market study.

### **G. Combined Credit Applications for Projects Involving Multiple Credit Sources**

A single Applicant may apply for credits by submission of a single Application that combines sub-applications for each property/credit request included in the Project (for example, combined 4%/9%/4% applications, or a Housing Credit application that combines Housing Credits and another credit source). Each sub-application must include a separate UniApp that provides the Project numbers attributable to the sub-application's credit source. Letters of Intent and Application for Projects combining 9% Credits with other credit sources must be submitted in a competitive 9% Credit round and by the applicable deadlines specified for such competitive round.

### **H. Application Submission Method for 4% and 9% Letter of Intent and Credit Applications**

Electronic submission of Applications using MBOH's system is preferred but hard copy Applications will also be accepted. Please contact staff (preferably at least a week ahead of the submission deadline) for set up and for specific instructions on how to access this system. In submitting or preparing to submit Applications, Applicants shall not change or create folders or otherwise change the file structure within the funding portal. An Applicant may request an additional folder by contacting MBOH staff.

### **I. Request for Increase in Amount of Credit Reservation**

As the MBOH Board, in its discretion, determines necessary for financial feasibility, returned or unreserved Housing Credits may be used to increase the amount of Housing Credits reserved for a Project after the first round Awards have been made. An increase in the amount of Housing Credits under this subsection will be considered by the MBOH Board as a last resort and requests for such increases will be scrutinized as such under the criteria provided herein. In considering a request for an increase under this subsection, the MBOH Board may consider the following factors:

1. The nature and amount of additional costs, loss of anticipated funding sources or other gap in available Project funding;
2. Significant factors leading to the need for additional Credits;
3. Availability and Applicant's use of measures to mitigate or obtain alternative funding sources to address any funding gap;
4. The need for the additional Credits to make the Project feasible;

5. Availability of returned or unreserved Housing Credits; and
6. Any anticipated potential need for returned or unreserved Credits to fund Projects that would otherwise be funded or require greater funding under the Corrective Award set aside under Section 7.

An Applicant seeking an increase in the amount of reserved Credits must apply to staff in writing for such increase and must submit new financials (UniApp Section C) and supporting documentation for the cost increases (e.g., higher bids than expected, material costs, etc.), and supporting documentation addressing each of the above-specified factors. Staff will review and evaluate the new financials and other supporting documentation and present a recommendation at a later MBOH Board meeting for consideration. Staff will not recommend and the MBOH Board will not approve any increase beyond that necessary to make the Project feasible. Any request for Credits above the amount initially Awarded is considered a request for additional Credits after Initial Allocation and is subject to the provisions of this subsection.

## **SECTION 5 – APPLICABLE FEES**

The amount(s) of and due dates for all fees required or imposed by this QAP, including but not limited to Application, Reservation, 10% Cost Certification, 8609 and Compliance fees, are as specified in the MBOH Housing Credit Fee Schedule Form (the "Fee Schedule"). All fee amounts may be adjusted by MBOH from time to time. Fees are set by MBOH staff, subject to Board approval. The amount and due date of each fee shall be posted on the MBOH website and any adjustments to any fee amount or due date shall be posted on the MBOH website in advance of the effective date of each adjustment.

All fees are nonrefundable unless otherwise specified in this QAP or the Fee Schedule. MBOH will not consider an Application or Letter of Intent if the applicable fee is not paid by the deadline set forth in the Fee Schedule.

### **A. Developer/Owner Reimbursement of Board Legal Expenses**

See Fee Schedule. The Developer/Owner of any Project awarded credits will be required to reimburse MBOH for legal fees and expenses incurred by MBOH with respect to any non-standard request, change, document or other matters relating to Reservation (Initial Allocation), Carryover Commitment, compliance or other aspects of qualifying for or obtaining Housing Credits. Such fees and expenses must be paid within 30 days of MBOH's submission of an invoice. MBOH shall not be required to complete any pending process, approval or other action until such fees and expenses are paid in full.

## **SECTION 6 - MAXIMUM AWARDS**

### **A. Maximum Credit Award**

Twenty percent (20%) of the state's Available Annual Credit Allocation will be the maximum Credit Awarded or Allocated to any one Project or Developer for the current year. ~~The state's Available Annual Credit Allocation is defined as and includes the state's actual or estimated credit ceiling for the current year plus any other available Credits from prior year credit authority determined as of 20 business days prior to the applicable application deadline, and includes any Credits held back pursuant to court order or subject to Award under the Corrective Award set aside.~~ The Developer's or Consultant's percentage of the Development-Developer Fee, as specified in a written development agreement (a copy of which must be included in the Application), will be that Developer's or Consultant's percentage of the 20% limit. The maximum Credit Award for a Project will be determined based upon the state's Available Annual Credit Allocation for the Housing Credit year from

which the Project is first Awarded HCs. ~~If the state's Available Annual Credit Allocation is not known as of 20 business days prior to the applicable application deadline, the Available Annual Credit Allocation from the previous year will be used, subject to later adjustment once the state's actual Available Annual Credit Allocation is known. If an estimated amount is used for Award purposes, all Awards based upon such estimate shall be conditional upon a final determination of the state's actual Available Annual Credit Allocation.~~ The twenty percent (20%) limit shall increase to twenty-five percent (25%) beginning with 2022 Credits, unless Congress extends the 12.5% volume cap increase provided in the consolidated Appropriation Act of 2018, in which case the twenty percent (20%) limit shall continue for the same period as such Congressional extension.

For purposes of calculating the maximum Credit Award amount and determining the amount of Credits available for award or set aside at any time, the Available Annual Credit Allocation shall not include or be adjusted with respect to any increase or decrease as a result of any Credit Refresh.

MBOH does not commit tax credits from future years, except as specifically provided in this QAP. The MBOH Board may Award Housing Credits from a future year's federally allocated Credit ceiling Available Annual Credit Allocation; (1) during the current year full Application cycle as the Board determines necessary in an amount up to 10% of the Credits requested to fully fund a Project for which current year credits are available to fund at least 90% of the Credits requested; or (2) at any time outside the competitive cycle for purposes of funding repair or replacement of a Project building due to a life/safety emergency as determined by the MBOH Board in its discretion. The Applicant must submit a Letter of Intent and the Board must invite the Applicant to submit an Application before making an Award. The Application must meet all QAP requirements.

## SECTION 7 – SET ASIDES

### A. Non-profit

Ten percent of each state's credit ceiling must be set aside for buildings which are part of one or more Projects involving Qualified Nonprofit Organizations.

The 10% non-profit set-aside requirement may be met by any Award to a Project involving a Qualified Nonprofit Organization. If no Project Awarded HCs involves a Qualified Nonprofit Organization, the non-profit set aside (i.e., 10% of the state's credit ceiling) will be held back for later Award to a Project involving a Qualified Nonprofit Organization.

### B. Corrective Award

Such portion of the state's ~~annual federally-allocated Credit ceiling Available Annual Credit Allocation~~ is reserved and set-aside as is necessary for Award of credits to:

- Any Project for which an Application was submitted in a prior round or year, if:
  - a final order of a court of competent jurisdiction determines or declares that such Applicant was entitled to an Award in such prior round or year or requires MBOH to make an Award or Allocation of tax credits to such Project;
  - a final order of a court of competent jurisdiction invalidates or sets aside an Award of credits to an approved Project from such prior round or year and a Reservation Agreement was executed by MBOH and such Applicant prior to issuance of such court order, unless such court order determines that such Project was not eligible or qualified under the applicable QAP to receive an Award of tax credits; or
  - MBOH, upon further consideration of any Award determination as required by and in accordance with the order of a court of competent jurisdiction, determines that such Project was entitled to an Award in such prior round or year.

All requirements and conditions of this Corrective Award set aside provision must be met to receive an Award under this set aside provision. The amount of any Award under the Corrective Award set aside shall be the amount specified by the court, or if no Award amount is specified by the court, an amount determined by MBOH in accordance with this QAP. The Corrective Award set aside shall be funded first from returned or unreserved tax credits from a prior year. Awards may be "future allocated" under this Corrective Action set aside, i.e., such Awards may be made from returned or unreserved tax credits from a prior year and/or the current year's credits at any MBOH Board meeting after the final court order has been issued and presented to MBOH. Such Award need not await the annual Application and Award cycle.

Where a court orders that an amount of the current year's credits be set aside for a Project pending the decision of the court, if the court's decision is not received before the end of the current year, the credits set aside will become classified as the next year's credits, as required by federal code.

If the court orders MBOH to Award credits to any Project under this set-aside, the Project must submit an updated Application so the MBOH can review and underwrite current numbers and assumptions to verify that the amount of credits requested or some other credit amount is justified for Project feasibility, unless otherwise ordered by the court. The corrective awardee must pay the Reservation fee as required in the Fee Schedule.

### **C. General Rules Regarding Set Asides**

MBOH reserves the right to determine in which set-aside a Project will be reviewed (subject to its eligibility), regardless of its eligibility for any other set-aside.

To qualify and receive consideration to receive an Award of Credits under a set-aside, the Project must meet all applicable requirements of this QAP and must receive minimum Development Evaluation Criteria score specified in this QAP.

In the event there are insufficient tax credits available to fully fund all set aside categories, the respective set asides categories shall be funded in the following order of priority: (1) Non-profit; and (2) Corrective Award.

## **SECTION 8 – LETTER OF INTENT AND APPLICATION PROCESS**

Applicants are responsible to read and comply with this Qualified Allocation Plan (QAP) (and any other Applicable QAP) and accompanying materials.

Applicants are responsible to determine the degree that their building(s) and development correspond to the MBOH's Selection Criteria contained in this QAP.

Applicants are responsible to consult their own tax attorney or accountant concerning: (a) each building's eligibility for the Credit; (b) the amount of the Credit, if any, for which their building(s) may be eligible; and (c) their ability and/or their Investor's ability to use the Credit.

### **A. Letter of Intent (LOI)**

All Projects wishing to apply for HCs in Montana must submit ~~a Letter of Intent~~ [LOI](#) by the deadline specified in Section 4 with the applicable fee.

All ~~Letters of Intent~~ [LOIs](#) must be submitted using the Forms posted on the Board's website. The Project Location, type (e.g., family or elderly), ~~Applicant~~ and Developer specified in the ~~Letter of Intent~~ [LOI](#) may not be changed in any later Application. Other information in the ~~Letter of Intent~~ [LOI](#) (e.g., cost information, number of units, unit sizes, income targeting, rents, hard and soft loan sources, etc.) will be considered the Applicant's best estimates and

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may be changed in the Application. A mini-market study is required for purposes of a ~~Letter of Intent~~ LOI for competitive Credit Projects. Full market studies will not be accepted in the LOI process.

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## B. Application

An Application may not be submitted for a Project unless an Letter of Intent LOI has been submitted with respect to the Project according to the requirements of this QAP and the Board has invited that Project to submit an Application. MBOH will return all other Applications without consideration, along with the Application fee.

Applicants must commission a full market study as outlined in the MBOH Market Study Form. Such Market Study must be included with the Application submission in accordance with the Threshold Requirements below.

Applicants must complete and submit the Uniform Application ~~and Supplement~~, all Threshold Requirements, full market study and full Application fee by the applicable Application deadline (see Section 4, Application Submission and Award Schedule). Applicants must use the most current Form of the Uniform Application (UniApp) ~~and Supplement~~ available on the MBOH website at: <http://housing.mt.gov/UniformApplication>.

## C. Incomplete Letter of Intent or Application

The Developer/Owner that submits either a ~~Letter of Intent~~ LOI or Application that does not include any threshold item or that is substantially incomplete may submit additional information as requested and within the time specified by MBOH staff. The opportunity to submit such additional information is subject to payment of the applicable fee as set forth in the Fee Schedule. If the applicant does not submit the additional information and applicable fee, the ~~Letter of Intent~~ LOI or Application will be returned to the Applicant and will not be considered further.

## D. Threshold Requirements Are Mandatory

Threshold Requirements are mandatory for all ~~Letters of Intent~~ LOIs and Applications. ~~LOIs~~ Letters of Intent and Applications received not meeting all Threshold Requirements or other requirements of this QAP will be returned un-scored and will receive no further consideration, except as provided above in subsection 8.C. Fees will not be refunded.

Submit complete Applications to MBOH. Applications must be submitted electronically in accordance with the requirements of Section 4.H.

## E. Threshold Requirements

To be eligible for further consideration, all ~~Letters of Intent~~ LOIs and Applications must be submitted by the deadline in accordance with the requirements of this QAP and the following Threshold Requirements.

ALL MBOH FORMS REFERENCED IN THIS QAP ARE AVAILABLE ON THE MBOH WEBSITE AT [HTTP://HOUSING.MT.GOV/MFOAP](http://HOUSING.MT.GOV/MFOAP). ALL FORMS SUBMITTED TO MBOH IN OR AS PART OF THE APPLICATION, DEVELOPMENT, UNDERWRITING, ALLOCATION, COST CERTIFICATION, COMPLIANCE OR OTHER PROCESSES UNDER THIS QAP MUST BE THE MOST CURRENT FORM AVAILABLE ON THE MBOH WEBSITE. If the most current Form(s) are not used, submissions may be returned and required to be resubmitted on the correct Form.

Letters of Intent must:

1. Include the applicable fee;
2. Be received by the applicable deadline;
3. Include a mini-market study (for competitive Credit projects) ~~;~~ - full market studies will not be accepted; and
4. Be substantially complete and in the format prescribed in the MBOH Letter of Intent

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Form.

Applications must:

1. Include the Application fee;
2. Be received by the applicable deadline;
3. Include all of the documents, information and other items specified in Threshold Requirements 4 through 31 below;
4. Include a cover letter summarizing the Project, limited to 2 pages;
5. Include a fully completed UniApp, including all applicable Forms, all in the most current forms as posted on the MBOH website;
6. Specify the Qualified Management Company that will provide property management service to the Project and provide a copy of the written agreement with the Management Company evidencing the company's commitment to provide management services. Upon written notice from MBOH that the Application has identified a Management Company that is not a Qualified Management Company, the Applicant must submit to MBOH within ten (10) days a written designation of a Qualified Management Company and a copy of the written agreement with the Management Company evidencing the replacement company's commitment to provide management services;
7. Include a full Market Study prepared and signed by a disinterested third party analyst, with certificate (included in MBOH Market Study Requirements item under QAP "Forms and Templates" on the MBOH QAP webpage: <https://housing.mt.gov/MFOAP#QAP-documents-for-2020-Housing-Credits-2519> Form) signed by analyst and notarized. Market Studies must be completed within six (6) months prior to the submission date of the Application, must have the market analyst complete a physical inspection of the market area within one (1) year of the Application and must adhere to minimum market study requirements in the MBOH Market Study ~~Form~~Requirements;
8. Include documentation of Land or Property Control;
9. Include documentation from the applicable local zoning authority that applicable zoning requirements are met or otherwise addressed, e.g., Project is within applicable zoning requirements, part of an approved planned unit development, subject to a zoning change request for which a change request has been submitted, or not subject to any existing zoning requirements. The Application must include- documentation from the city or county affirmatively stating how zoning requirements are met or addressed (e.g., affirming that no zoning exists). Acquisition/Rehabilitation Projects may provide documentation that the Project will not require a change in zoning requirements;
10. Include documentation of availability and capacity of utilities to serve the Project, including documentation that utilities are available to the Project and the present proximity of utilities to the Project location. Such documentation must be in the form of a letter or email from the electric, gas/propane, water and/or sewer/septic provider/company, as applicable verifying that the utilities are or will be available to the property and that the provider has the capacity to handle the load or additional load to be added by the Project. Such documentation must address water, sewer, electricity, and as appropriate, gas, propane and garbage pickup. Acquisition/Rehabilitation Projects need only provide a letter or email from the utility provider documenting the expected utility load and the utility's ability to meet such additional load. Documentation of utility availability and capacity must be current (within 18 months prior to Application date). MBOH staff may in its discretion require the Applicant to provide updated documentation. If Applicant obtains an updated letter from the utility provider, a copy of the updated letter must be provided to MBOH at Reservation or with the next submitted quarterly report;
11. Include a preliminary financing letter from a lender indicating the proposed terms

and conditions of the loan. The financing letter must formally express interest in financing the Project sufficient to support the terms and conditions represented in the Project financing section of the Application;

12. Include a letter of interest from an equity provider including an anticipated price based on the market at time of the Application;
13. Except as otherwise provided in this Subparagraph 13, include a comparative market analysis ("CMA") or an appraisal done by an independent (non-related) Montana-licensed real estate professional. Such CMA or appraisal is required regardless of the manner or method of Acquisition and must cover all real estate acquired, including land and/or buildings. **Land and existing building values must be listed separately.** A CMA or appraisal is not required to be submitted if not available in the location of the Project (e.g., if a CMA or appraisal is not available for property located within the exterior boundaries of a reservation). To qualify for this exception, the Application must include documentation demonstrating that a CMA or appraisal is not available for the property-is-located-within-the-exterior-boundaries-of-a-reservation;
14. For Rehabilitation Applications, include a full scale Capital Needs Assessment on the USDA Rural Development Capital Needs Assessment (CNA) template or similar form, projection of a minimum of 15 years a list of items for each particular Unit (identified by Unit number)in each unit that will be replaced, refinished, repaired, upgraded or otherwise rehabilitated, and a detailed narrative explaining the scope, details and expectations of the Rehabilitation. If the CNA will be more than 1 year old as of the date of Application submission, the CNA must include an update to within the most recent 6 months;
15. For Applications proposing Rehabilitation or replacement of existing units, include a preliminary relocation plan addressing the logistics of moving tenants out of their residences and providing temporary housing during the Rehabilitation, the probably length time tenants will be out of their units, and-/or replacement and returning tenants to their residences upon completion of the Rehabilitation or replacement;
16. Include a site plan, and a Design Professional's preliminary floor plan and elevations/photos of existing properties for the Project;
17. For Applications for Projects involving Qualified Nonprofit Organizations and seeking to qualify for the non-profit set aside under Section 7, include: (a) a copy of the IRS determination letter documenting such organization's 501(c)(3) or (4) status; (b) an affidavit by the organization's managing partner or member certifying that the organization is not and during the Compliance Period will not be affiliated with or controlled by a for-profit organization; and (c) documentation that one of the exempt purposes of the organization includes the fostering of low-income housing;
18. For Applications proposing a property tax exemption for rental housing providing affordable housing to lower-income tenants pursuant to Mont. Code Ann. § 15-6-221, include documentation of intent to request that the local government unit where the property is located conduct a public hearing as required by Mont. Code Ann. § 15-6-221(2). Such public hearing must be conducted by the unit of local government where the property is located and documentation of such public hearing must be submitted prior to issuance of the Carryover Commitment. If the Application does not include documentation of intent to conduct the required public hearing, the Project will be underwritten as if no exemption was or will be received. In addition to including documentation of intent to conduct such hearing, the Application must affirmatively commit to providing a minimum of 50% of the Units in the property to tenants at 50% of the area median income, with rents restricted to a maximum of 30% of 50% of area median income, as calculated under Section 42 (for combined 4%/9% Projects, this requirement will be applied to the Project as a whole, rather than separately to the 4% and 9% portions of the Project);
19. Specify the Extended Use Period;

**Commented [A25]:** If the property tax exemption is changed above this will need to be adjusted.

20. For Projects targeted for Eventual Homeownership, provide the ~~supplemental Application~~ documents and information specified in Section 3, Eventual Home Ownership;
21. Specify the selected minimum set aside ~~(20-50 test) or (40-60 test) or income averaging (IA)~~; income averaging (IA) will be available only to the extent permitted and subject to the procedures, restrictions and other requirements specified ~~in~~by MBOH ~~in future~~ compliance materials;
22. Include a copy of both the public notice and the **affidavit of publication** from the publisher, meeting the requirements specified in this Section 8, Public Notice;

- a. Public Notice

An Applicant must place a notice in the local newspaper of the intent to apply for Housing Credits, and encouraging submission of public comment to MBOH. Such notice must include name of Project, number of units, location of Project, for-profit or non-profit status, and, if applicable, intent to request tax-exempt status for the Project. The notice will be placed as a box advertisement in the newspaper within 90 days prior to the due date of the Application and will allow for not less than 30 days for submission of comments to MBOH. The notice must be published twice, with an interval of at least 14 days between the 2 publication dates. A copy of the notice, together with an affidavit of publication showing the dates published, must be included in the Application.

- b. *Example of Public Notice*

(Name of Developer, address, telephone number), a (for-profit/non-profit) organization, hereby notifies all interested persons of (city, town, community name) that we are planning to develop, (Name of Project) an affordable multi-family rental housing complex on the site at (street location). This complex will consist of (number) (one bedroom, two bedroom, or three bedroom) units for (elderly persons/families). This Project (will/will not) be exempt from property taxes.

An Application (will be/has been) submitted to the Montana Board of Housing for federal tax credits financing. You are encouraged to submit comments regarding the need for affordable multi-family rental housing in your area to the Montana Board of Housing, PO Box 200528, Helena, MT 59620-0528 or FAX (406) 841-2841. Comments will be accepted until 5 PM on (specify the date 3 weeks before the MBOH Board Award Determination Meeting (see Section 4, Application Cycle));

23. Include copies of the executed Developer Fee agreement and Consultant Fee agreement;

~~23. Include letters of community support. These support letters must be Project specific and address how the Project meets the needs of the community. New letters of support (as well as new letters of non support) must be submitted for each Application for each Application round. Generic support for affordable housing will not be considered support for the specific Project being considered. These letters will be provided to the MBOH Board for its consideration;~~

24. If the Project is an Elderly Property, specify which exemption for housing for older persons will apply;

25. Include a narrative addressing each of the Development Evaluation Criteria, demonstrating how the Application meets each of these criteria, and providing a specific explanation and justification of the points sought for each scoring item. Narrative references to the Market Study must cite the specific page and paragraph of the Market Study. The narrative must include the Applicant's own proposed total score for each scoring item in the Development Evaluation Criteria and, at the

- conclusion of the narrative, the Applicant's own proposed total score;
26. Include the completed and signed Indemnification Form and ~~Cost~~-Sponsor Certification Form;
  27. For Applicants that include as part of the Development Team a Developer with no previous history with the Montana Housing Credit Program, include the completed and signed Authorization to Obtain Information Form;
  28. Include the explanation and justification for a request for discretionary basis boost, if applicable;
  29. Identify the name of the specific entity that will have Legal ownership of the Project (LP, LLP, etc.) (~~"to be determined" or "TBD" is not acceptable~~);
  30. Documentation of the number of households on current waiting lists for the local public housing authority (the PHA/HRC for the area in which the Project is located) (as required by IRC); and
  31. Include the completed Amenity ~~List and Scoring~~ Form. This completed Form will be provided to the MBOH Board for its consideration.

Applications must also demonstrate that the proposed Projects are financially sound. This includes reasonable financing terms, costs, expenses, and sufficient cash flow to support the operations of the Project, all of which must meet the underwriting standards of MBOH.

## SECTION 9 – EVALUATION AND AWARD

### A. Threshold Evaluation and Considerations

MBOH staff will review all Applications received by the applicable submission deadline for compliance with all Threshold Requirements, including but not limited to completeness, soundness of the development, and eligibility based on federal requirements and this QAP. Except as provided above in subsection 8.C, Applications determined by MBOH staff to not substantially meet all Threshold Requirements or other requirements of this QAP or federal law will be returned un-scored and will receive no further consideration. Except as specifically provided in this QAP, Application fees will not be refunded.

MBOH staff may communicate with Applicants for purposes of providing interpretive guidance or other information or for purposes of clarifying, verifying or confirming any information in Applications, and for the purposes provided in subsection 8.C.

MBOH staff may query an Applicant or other persons regarding any concerns related to a Housing Credit Application or the management, construction or operation of a proposed or existing low-income housing Project. Questionable or illegal housing practices or management, insufficient or inadequate response by the Applicant, General Partners, or Management Company as a whole or in part, may be grounds for Disqualification of an Application and non-consideration for an Award of Housing Credits.

As part of its review of Applications, if MBOH has not received comments from community officials of the Project location, staff will contact such local community officials to discuss relevant evaluation criteria information pertaining to the Application and the proposed Project MBOH may also contact any other third parties to confirm or seek clarification regarding any information in the Application, including but not limited to checking Development Team references, ~~verifying credit reports~~ and verifying information through direct contact with the Project Developer.

Between the submission deadline and the MBOH Board Award Determination Meeting, as required by federal law, MBOH will provide notice of the Project to the chief executive officer (or the equivalent) of the local jurisdiction within which the Project ~~will be proposed to be~~ located and provide such individual a reasonable opportunity to comment on the Project.

Housing Credit Application/Allocations will be subject to three underwriting evaluations: (1) evaluation for purposes of Award; (2) evaluation for purposes of the 10% Cost Certification;

and (3) evaluation for purposes of Final Cost Certification.

MBOH will return and will not consider for an Award of Credits:

1. Incomplete Applications, except as provided above in subsection 8.C.;
2. Unsound Applications, i.e., Projects for which the Market Study and other available market information fails to demonstrate adequate market need within the proposed location community or Projects that are not financially feasible, including but not limited to viable cash flow, based upon MBOH underwriting standards as set forth in this QAP;
3. An Application submitted by an entity with a demonstrated poor track record in completion of development or management of low income housing, whether located in Montana or another state;
4. Applications submitted by Applicants with current Project(s) that have/had numerous or unresolved substantial non-compliance issues or IRS 8823's (consideration will be given to the type of 8823);
5. Any other Application failing to meet any mandatory requirement of this QAP or federal law; and
6. Any Application as otherwise specified in this QAP.

Applications meeting all minimum Threshold Requirements and not excluded from further consideration under this QAP will be evaluated for the amount of Credits needed for feasibility and long term viability and will be evaluated and scored according to the Development Evaluation Criteria section below.

## **B. Amount of Housing Credit Allocation**

Although a proposed development may be technically eligible for a certain Credit amount, federal law prohibits MBOH from allocating more Credits than necessary for the financial feasibility of the development and its viability as a qualified low income housing Project throughout the Compliance Period. Accordingly, an Award of Housing Credits under this QAP will be limited to the amount of Credits that MBOH, in its sole discretion, deems necessary to make the development financially feasible and viable as a qualified affordable Housing Credit Project throughout the Compliance Period.

In determining the amount of Credits necessary, MBOH will consider:

1. The Sources and Uses of funds and the total financing planned for the Project. Funds, including funds from federal sources, such as HOME grant money, Rural Development, and similar funds. Such federal funds may be loaned by or through a parent organization to a Project pursuant to a bona fide loan agreement at an interest rate below the Applicable Federal Rate (AFR). Such loans will not reduce the basis for the Project providing they are true loans.
2. Grants made with federal funds directly to a Project, which will reduce basis.
3. Any proceeds or receipts expected to be generated by the Housing Credits.
4. The reasonableness of the development and operational costs of the Project.

~~Based on its evaluation, MBOH will make a preliminary determination of the amount of Credits deemed necessary for the financial feasibility of the development and its viability as a qualified low income housing Project throughout the Compliance Period.~~ This determination is made solely at MBOH's discretion, and is not intended to be a representation or warranty to anyone as to the feasibility of the development. Rather, it will serve as the basis for making an Award of Credits. A similar analysis will be done at the time of 10% Cost Certification and at Final Cost Certification prior to issuing IRS Form(s) 8609. Neither the selection of a Project to receive an Award of Housing Credits nor the amount of Credits to be allocated constitutes a representation or warranty that the Owner or Developer should undertake the development, or that no risk is involved for the Investor.

## **C. Full Funding of Applications**

Just as MBOH will not allocate more Credits than necessary for the financial feasibility of the development and its viability, MBOH will not award Credits in an amount less than it deems necessary for these purposes. Therefore, if the Board Awards Credits to a Project, it will Award the amount of Credits determined by MBOH staff for the Project based upon the Applicant's requested amount (except for any *de minimis* reduction because of lack of available Credits to fully fund the full Credit amount). If the remaining amount of available Credits is insufficient to fully fund an additional Project, before Awarding Credits to a Project in an amount less than requested by the Applicant (except for any such *de minimis* reduction), the Board will prioritize the remaining Projects for an Award from the remaining Credits, and the first priority Project for such an Award will be allowed 30 days to re-submit its Application resized to the amount of Credits remaining available. After staff underwriting and evaluation of the resized Application, if MBOH staff determines based upon the resized Application that the development is financially feasible and viable as a qualified low income housing Project throughout the Compliance Period, MBOH staff will enter into a Reservation Agreement for the Project. If the first priority Project fails to submit a resized Application within 30 days or MBOH staff determines that the Project is not financially feasible or viable as proposed in the resized Application, the next priority Project will be invited to submit a resized Application, and so on, until remaining Credits are reserved for one of the prioritized Projects.

**D. Development Evaluation Criteria and Scoring**

In addition to evaluation under all other QAP Selection Criteria, Applications will be evaluated and scored according to the following Development Evaluation Criteria.

Awarding of points to Projects pursuant to these Development Evaluation Criteria is for purposes of determining that the Projects meet at least a minimum threshold of 1000 of the total possible 1260 available points to qualify for further consideration. Developments not scoring the minimum Development Evaluation Criteria score of 1000 of the total possible 1260 available points will not receive further consideration.

Non-competitive 4% Credit Bond Deals will meet at least a minimum threshold of 800 of the total possible 1260 available points to qualify for further consideration. Non-competitive developments not scoring the minimum Development Evaluation Criteria score of 800 of the total possible 1260 available points will not receive further consideration.

The Development Evaluation Criteria, other QAP Selection Criteria and information submitted or obtained with respect to Projects will be used to assist the MBOH Board in evaluating and comparing Projects.

Development Evaluation Criteria scoring is only one of several considerations taken into account by the MBOH Board. It does not control the selection of Projects that will receive an Award of tax credits. For purposes of this QAP and HC Awards and Allocations, the QAP Selection Criteria include all of the requirements, considerations, factors, limitations, Development Evaluation Criteria, set asides, priorities and data set forth in this QAP and all federal requirements.

**1. Extended Low Income Use\* (100 points possible)**

Federal law requires a 30-year or longer Extended Use Period. An Application in which the Applicant agrees to maintain units for low income occupancy beyond the Extended Use Period will receive points as indicated below and must incorporate these restrictions into the Restrictive Covenants.

**Years beyond initial 15**

Less than 31 years	0	points
31 or more years	100	points (46 years +)

Eventual Home Ownership\* Applications must also specify an Extended Use Period and will

receive points for the Extended Use Period as provided above (refer to the "Eventual Home Ownership" portion of Section 3 for supplemental Application documentation and information requirements).

**2. Lower Income Tenants\* (200 points possible)**

**a. Income and Rent Level Targeting.**

An Application will receive points for the percentage of eligible units at the percentages of area median income ("AMI") levels listed below. An Application will receive points for 40%, 50%, and 60% categories when the development targets those income and rent levels. Points awarded for 40% units are independent of and not calculated as part of 50% or 60% units, except that the number of 40% units included in the Project, if any, that exceed 10% of eligible units will be added to the number of 50% units for purposes of point scoring under the chart below. Developments will be bound by the terms committed to in the application process through the mandatory Declaration of Restrictive Covenants. Section C, Part IV, Rent and Forecasted Income of the UniApp will be used to calculate the score for this item. Scoring under the following chart is based upon the total number of HC units including a manager's unit if applicable.

Target Median Income Level	Percentage of Eligible Units	Points
40%	10% (or greater)	20 NOTE 1
50%	15-20%	60 NOTE 1
50%	21-40%	80 NOTE 1
50%	41-60%	150 NOTE 1
50%	61-100%	180 NOTE 1
60%	40%	0
60%	41-60%	20
60%	61-100%	40

**NOTE 1:** Rents @ 40% allowed to income qualify to 49% AMI.  
 Rents @ 50% allowed to income qualify to 55% AMI (40-60 election must apply)  
 (Note 1 is applicable to all existing HC properties awarded between 1990-2016, inclusive. For all other projects, such requirements will be included in the Project's Declaration of Restrictive Covenants if applicable).

**b. Income Averaging.**

Commented [A26]: Public Comment:

If Income Averaging is elected by the Applicant for the Project, the Application will be scored under the scoring criteria and points schedule in this subsection 2.b (rather than the criteria and points schedule in subsection 2.a above).

**Income averaging targeting for 9% Credit Applications.**

Target Median	Minimum Percentage	
Income level	of Eligible Units	Points
20%	5% or greater	(see Note 2)
30%	5% or greater	(see Note 2)
40%	5% or greater	(see Note 2)

NOTE 2: 20 points will be awarded if at least 2 of the 3 targeted percentages above are met; no points will be awarded if less than 2 of the 3 are met.

50%	15-20%	60
50%	21-40%	80
50%	41-60%	150
50%	61-100%	180
60%	40%	0
60%	41-60%	20
60%	61-100%	40
70% & 80%		0

**Income averaging targeting for 4% Credit Applications.**

<u>Target Median</u>	<u>Minimum Percentage</u>	
<u>Income level</u>	<u>of Eligible Units</u>	<u>Points</u>
40%	10% or greater	20
50%	15-20%	60
50%	21-40%	80
50%	41-60%	150
50%	61-100%	180
60%	40%	0
60%	41-60%	20
60%	61-100%	40
70% & 80%		0

**3. Project Location\* (100 points possible)**

An Application will be awarded points to the extent the Project is located in an area where amenities and/or essential services will be available to tenants, determined according to the following specifications. For scattered site Projects, all site locations must meet the following criteria for any points to be awarded. An Application will be awarded points with respect to an amenity or service as specified below, if: (i) a Project is located within 1½ miles of the specified amenity or essential service; (ii) public or contracted transportation (not including taxi or school bus service) is reasonably available to the specified amenity or service (i.e., the Project is located within ¼ mile of fixed bus stop or on a same day call basis) (or letter from provider committing to establish such service); or (iii) where applicable, the specified amenity or service is available via a no-charge delivery service to the Project Location (all distances must be as specified in the Project’s market study):

- a grocery store (convenience store does not count); or
- Medical services appropriate and available to all prospective tenants (e.g., hospital, doctor offices, etc.).

**4. Housing Needs Characteristics\* (100 points possible)**

Development meets area affordable housing needs and priorities and addresses area market concerns, such as public housing waiting lists\* (for all units and tenants), Vacancy Rate and type of housing required.

**a. Local Community Input (30 points possible)**

30 points will be awarded if the Application includes documentation of at least

one of the following forms of Local Community Input, as shown by evidence provided in the Application: (i) local neighborhood meetings held expressly for this Application with attendance rosters and minutes; (ii) local charrettes held expressly for this Application with supporting documents, concept drawings, and input from local community; (iii) other appropriate form of local community input specifically designed to gather local community input for this Application and/or (iv) City or County Commission meeting. In order to obtain the available points under any item, there must be actual local community input in some form. If a community meeting is held but there is no attendance, another form of local community input must be used. No points will be awarded if the meeting or charrette is part of another public or design meeting, unless the minutes demonstrate that a portion of the meeting was specifically dedicated to community input for this Application. No points will be awarded if the Application does not provide evidence of qualifying local community input, including minutes of any meeting, charrette or other form of local community input and copies of any written comments received. Documentation of community outreach efforts to inform and invite community members to attend any of the community input events must be included. All meetings, charrettes and other Local Community input events must be held within 6 months before the Application deadline.

**b. Appropriate Size (35 points possible)**

Points will be awarded for the appropriateness of size of the development for market needs and concerns as reflected in the Market Study. 35 points will be awarded if the number of units being proposed is 50% or less than the number of units needed as projected by the Project's Market Study. No points will be awarded if the number of units being proposed is more than 50% of the number of units needed as projected by the Project's Market Study. For projects developed, rehabilitated or constructed in a location that is not within the city limits of Billings, Bozeman, Butte, Great Falls, Helena, Kalispell, or Missoula, no points will be awarded if the number of units being proposed is more than 75% (rather than 50%) of the number of units needed as projected by the Project's Market Study. If the Project is existing in the community, the number of units in the Project will be added to the new units needed and the above test will be applied. The Application narrative must address this scoring item with citations to the relevant pages and paragraphs of the market study.

**c. Market Need (35 points possible)**

The Application will be awarded 35 points based upon the required Market Study's documentation that the Project meets the market needs of the community, as follows:

- o Vacancy Rate is at or below 7%; and
- o Absorption Rate is less than 5 months; and
- o Rents are at least 10% below adjusted market rents.

Narrative references to the Market Study must cite the referenced page and paragraph of the Market Study.

**5. Project Characteristics\* (200 points possible)**

**a. 100 points for any one of the following items:**

**i. Affordable Housing Stock**

The Application proposes either the Preservation of existing affordable housing stock (including as part of a local (not national, state or regional) community revitalization plan\* or similar plan) or increases the affordable housing stock, through the use of funds from other sources (e.g., donation

of land, other substantial donations, reduction in taxes through tax abatement (other than non-profit exemption) or impact fees) to leverage the tax credit dollars.

**ii. Qualified Census Tract/Local Community Revitalization Plan**

The Project is located in a Qualified Census Tract,\* and its development contributes to or involves existing housing as part of a local (not national, state or regional) community revitalization plan\* or similar plan. The Application must include any such local community revitalization plan and identify where in the plan such existing housing may be found.

**iii. Historic Preservation**

The Application proposes the Acquisition and/or Rehabilitation of buildings with local, state, tribal and/or federal historic\* preservation designations.

**iv. Project-Based Rental Subsidy**

The Project has project-based rental subsidy for at least 50% of the units. The Application must provide a copy of the relevant contract or other documentary proof of subsidy from the provider. MBOH staff will verify claimed subsidies with the funding source.

**b. 100 points for Green Building and Energy Conservation Standards\*:**

Applicant's justification for green building and energy conservation includes but is not limited to Energy Star building and appliance initiatives, water saving devices and green construction and materials. For New Construction and Rehabilitation, the Application will be awarded 100 points if the Project will include at least 10 of the items as listed and described on the MBOH Green Building and Energy Form. The Application must include the completed MBOH Green Building and Energy Form. The Applicant's architect, who is qualified with respect to energy and green building standards, must provide a letter confirming the listed green building items, as shown in the MBOH Green Building and Energy Form which is referenced in and attached to the architect letter, are incorporated into the Project. For all Projects (New Construction and Rehab), the Form must list each scoring item and **specify each unit** by unit number or number of each unit type (e.g., 4 of the 10 3-bedroom units) that will include the item. This letter and the accompanying Form must be included in the Application. NOTE: The Applicant's architect also must provide certification at Final Cost Certification for 8609(s) purposes confirming that the initiatives were incorporated.

Please refer to Section 3 for mandatory infrared testing for Projects that have been Awarded HCs.

**6. Development Team Characteristics\* (400 points possible)**

Applications meeting all of the requirements of subsections a., b. and c. of this Section 6 will be awarded 400 points. Applications failing to meet any of the requirements of subsection a., b. or c. will be awarded no points for Development Team Characteristics.

**a. Development Team Experience**

Participation by an entity with a demonstrated track record of quality experience in completed development or management of low income housing tax credit Projects. MBOH will consider all members of the Development Team (Applicant, Owner, Developer, General Partner, Management Company, and HC Consultant) and whether housing Projects have been developed and operated with the highest quality either in Montana or another state. Special attention will be paid to existing Projects, amount of active local community participation used to develop Projects, and a management entity with a good compliance

track record and specialized training. If a new Developer, this requirement may be met through Experienced Partners.

**b. Management Education**

(i) one member of the Management Company meets the education requirement under Section 12, and (ii) one member of the Development Team (other than the Management Company) who is directly and actively involved with the Project has been trained by a Nationally Recognized LIHTC Compliance Training Company. For MBOH purposes, to maintain certification, the person must attend a complete class with a Nationally Recognized LIHTC Compliance Training Company at least once every four years (certificates must be attached with each Application). MBOH annual compliance training does not qualify for credit under this category.

**c. Cold Weather Development Experience**

The Project's Developer or Consultant who is actively involved in the actual construction process has experience with Cold Weather Development and Construction, as reported on the MBOH Cold Weather Experience Form. Cold Weather Development and Construction is defined as experience of the HC Developer or Consultant on one or more Projects located above the 40 degrees north parallel.

The application must list all affordable housing including low-income housing tax credit Projects in Montana or any other state developed, owned, managed or consulted on by Applicant and any member of the Development Team or for which an Award of tax credits was received, whether or not such Projects were successfully completed. All Development Team members, including Applicant, Developer, General Partner/Owner, Management Company, and HC Consultant must sign and the Application must include the completed and signed UniApp Supplement Tax Credit Information Release Form, providing consent to the release of information by other third parties.

**7. Participation of Local Entity (60 points possible)**

The MBOH Board has determined that Owner/Developer communication with local entities and/or significant participation of local entities increases the success and acceptance of the Project into the community. For purposes of this scoring item, a local entity includes a provider serving the Project locality from a physical office in the region of the state where the Project is located even if the provider does not maintain a local office in the locality.

**a. Communication/Relationships (30 points possible)**

30 points will be awarded if the Application includes documentation in the form of a detailed and descriptive narrative, confirmed in writing by the local entity, indicating that the Owner/Developer has met with one or more local entities to discuss the local entities' participation in the Project through provision of any of the following:

- a. screening and referring of individuals as prospective tenants;
- b. providing on-site services to Project tenants;
- c. donation of land or sale at a reduced price to enhance affordability;
- d. use of grant money to develop infrastructure or for other uses;
- e. significant fee waivers on local government fees; or
- f. other forms of significant monetary or in-kind support.

**b. Service Commitments/Understandings (30 points possible)**

30 points will be awarded if the Application includes a narrative in which the Owner/Developer commits to provide or arrange for provision of one or more specifically described supportive services for the duration of the Extended Use Period. The narrative must provide evidence of how such described supportive services will benefit the Project. The same component of participation by a

local entity may not be counted toward more than one item, and may be given credit by an award of points only once.

Points will not be awarded for the same item in both this Development Evaluation Criteria 7 and Development Evaluation Criteria 5, Preservation of Affordable Housing.

**8. Tenant Populations with Special Housing Needs\* (100 points possible)**

An Application will be awarded 10 points for each 5% of the units targeting or meeting the following identified needs up to a maximum of 100 points. The Application must specify the number of units targeted for or meeting each category. Section B Part XII, Units Accessibility, of the UniApp will be used to calculate the score for this item. Units may not be counted more than once or in more than one category for purposes of awarding points.

- a. Units targeted specifically for individuals with children or large families (units with 2 or more bedrooms).
- b. Units targeted specifically as Section 504 fully accessible units exceeding minimum fair housing requirements.
- c. Units targeted specifically for persons with disabilities (points limited to a maximum of 25% of units in the Project) (Application must describe the strategy that will be used to market available units to disabled persons throughout the Extended Use Period).
- d. Units targeted to veterans (points limited to a maximum of 25% of units in the Project).
- e. Units targeted to victims of domestic violence (points limited to a maximum of 25% of units in the Project).
- f. Units that provide Permanent Supportive Housing (points limited to a maximum of 25% of units in the Project).

If the Project is an Elderly Property as defined in federal law, the Application will receive 100 points under this provision.

**Example:**

- 2 – 2 bdrm units meet family requirement 20% – 40 points
- 2 – 1 bdrm units exceed section 504 20% – 40 points
- 1 – 1 bdrm unit targeted to mental illness 10% – 20 points
- 5 – 1 bdrm units with no targeting 50% – 0 points
- 10 – Total units in Project – 100 total points received

**9. Developer Knowledge and Responsiveness (Up to minus (-) 400 points possible)**

If an entity or individual participating in a Project as a member of the Development Team identified in an Application has a demonstrated poor track record or demonstrated past management weaknesses with respect to developments in Montana or in another state, or has failed in the past to respond timely to an MBOH letter of inquiry with respect to a Project, MBOH may assign negative points.

MBOH will provide written notice within thirty (30) days of MBOH learning of any event that will result in a negative point assignment, unless MBOH learns of the event after Application submission and prior to the MBOH Board's Award meeting. If MBOH learns of the event after Application submission and prior to the MBOH Board's Award meeting, MBOH will provide written notice to the Applicant within five (5) business days. The written notice must describe the event giving rise to the negative point assignment and specify the Development Team member or members affected by the negative point assignment, the number of negative points to be assigned and the number of future Applications to which negative points will be assigned. If MBOH has learned of the event after Application submission and prior to the MBOH Board's Award meeting, the notice must be provided to the Applicant and affected members of the Development Team and inform such persons or entities that they may respond in writing to MBOH within five (5) business days of the date of the notice or, if earlier, by 3 days prior to the MBOH Board's Award meeting. If MBOH learns of the event outside the period from Application submission to MBOH Board Award meeting, the notice must be provided to the particular Development Team member affected and inform such Development Team member that they may respond in writing to MBOH within thirty (30) days of the date of the notice.

**a. Demonstrated Poor Track Record**

For purposes of determining a participant's track record, MBOH may contact community officials, Development Team or Development Team member references, credit bureaus, other state tax credit administering agencies and any other sources as MBOH deems appropriate. Up to minus (-) 100 points may be assigned for each of the following: (i) demonstrated poor track record with respect to developments in Montana or in another state, and/or (ii) failure to respond within 10 working days of MBOH letter of inquiry. (***Up to Minus (-) 200 points possible***)

**b. Demonstrated Management Weaknesses**

Development Team members with past demonstrated management weaknesses, including but not limited to those management weaknesses listed below may be assigned negative points for this section (***Up to Minus (-) 200 points possible***), for example:

- i. Has not followed-through on the development of a Project from Application to rent-up and operation;
- ii. Has not complied with MBOH submission, compliance or other requirements applicable during Project development, construction and Extended Use Period;
- iii. Has not maintained a Project to Section 42 or other program standards;
- iv. Has or had numerous or outstanding substantial non-compliance issues or IRS 8823's (consideration will be given the type of 8823);
- v. Has not completed required training in a certified compliance training program;
- vi. Has not completed required management compliance retraining at least every four years;
- vii. Has requested income targeting changes that are not supported by unanticipated hardship;
- viii. For Projects Awarded Credits for 2018 or later years, has a debt coverage ratio at 10% cost certification or final allocation that has changed significantly from the debt coverage ratio as underwritten by MBOH at Application;
- ix. Has requested additional credits more than once;
- x. Has made Substantial Changes to previous tax credit applications or has failed to notify MBOH and seek approval of Substantial Changes according to QAP requirements;
- xi. Has significantly diminished the quality and long term viability of a previous Project by lowering costs below a reasonable level;
- xii. Has delinquent late fees due and payable to MBOH;
- xiii. Has intentionally provided false information to MBOH in connection with an Application, Project or any related Board inquiry or process;
- xiv. Has been a member of the Development Team for a prior Project that exceeded maximum Hard Cost Per Unit or Total Project Cost Per Unit at Final Cost Certification; or
- xv. Has been a member of the Development Team for a prior Project Awarded Credits from 2018 or later years that exceeded the applicable maximum Soft Cost Ratio at Final Cost Certification.

Negative points may not be assigned for the same matter under both Section 9(a) and 9(b).

**c. Method of Assigning Negative Points**

Any negative points will be assigned as follows:

- i. The factors that will be considered in determining whether to assign negative points and the number of any negative points to be assigned with respect to poor track record items, management weaknesses and failure to response to MBOH letters of inquiry, include:
  - A. The nature and seriousness of the incident(s);
  - B. The frequency of such incidents;
  - C. The incidents were or were not within the control of the individual or entity;
  - D. The degree and timeliness to and with which the entity or individual responded to correction and educational efforts;
  - E. The responsiveness of the individual or entity in responding timely to fees, penalties and other sanctions imposed;
  - F. The cost or financial harm caused to the Project, the tax credit agency or third parties;

- G. The nature and extent of inconvenience and harm caused to Project tenants;
  - H. The nature and extent of damage or expense caused to Project property;
  - I. The extent to which the Project as completed failed to comply with the Project as represented in the Application or in approved Project changes;
  - J. The extent to which the incident would have affected scoring of the Project Application if known as the time (although no such effect on Application scoring need be shown to justify an assignment of negative points);
  - K. The extent to which completion of a Project that received an Award of Credits was substantially delayed or prevented;
  - L. The extent to which Credits that were Awarded were recaptured;
  - M. The extent to which unreasonable or excessive fees, profits or other improper remuneration was derived improperly from a Credit Award or Project; and
  - N. The presence of any other relevant factors or considerations.
- ii. Except as otherwise provided in this Section, negative points will be assigned on the next competitive 9% Credit Application (or multiple Applications in the same competitive round) which includes as part of its Development Team any person or entity that participated as a Development Team member in the Project or Projects giving rise to the negative point assignment.
  - iii. If multiple and/or repeat instances of poor performance, management weakness or fail to respond occur or have occurred, negative points may be assigned with respect to a Development Team member for not only the first competitive round in which an Application involving such member participates but may also be assigned for such Applications in multiple future years or competitive rounds.
  - iv. If negative points are assigned as a result of poor track record, management weakness or failure to respond that occurred as part of the development/construction/rehabilitation process prior to beginning of lease-up activities or other involvement of the Qualified Management Company, negative points will not be assigned with respect to such Qualified Management Company.
  - v. If more than one Development Team member subject to a negative point assignment from a prior Project is part of the Development Team on a current or future Project Application, the total negative points assigned to the Application will be the greatest number of negative points assigned with respect to any one such participating Development Team member.
  - vi. If the Project giving rise to the negative points would have received a lower Development Evaluation Criteria score under the QAP under which the Project initially was evaluated, scored and awarded credits had the poor track record, management weakness or failure to respond been known as of Application scoring, the negative points assigned with respect to a Development Team member from the earlier Application will be the number of points corresponding to the difference in scoring that would have resulted. Such point difference shall be converted as appropriate and necessary to correspond to the current QAP point scoring system.

\* Indicates federally mandated criteria

## **E. Minimum Scoring Threshold**

Developments not scoring the minimum Development Evaluation Criteria score of 1000 points (or 800 points for non-competitive 4% Credit Bond Deals) will not receive further consideration. Applications scoring at least the minimum Development Evaluation Criteria score of 1000 points or 800 points for non-competitive 4% Credit Bond Deals and meeting all other requirements of this QAP will be considered for an Award of Housing Credits as provided in this QAP.

~~An Application or Project awarded credits must be the same Project as described and represented in the Application from the time of Application through the first 5 years of the Compliance Period, except for any changes that are not Substantial Changes or any Substantial Changes that have approved by MBOH or the MBOH Board as provided in the Applicable QAP. This includes ownership, development team members, as well as the physical property, and any Project characteristics proposed or promised in the Application (e.g., targeting, amenities, green, energy, etc).~~

## F. Award Determination Selection Standard

### 1. Selection Standard

The MBOH Board will select those Projects to receive an Award of Housing Credits that it determines best meet the most pressing affordable housing needs of low income people within the state of Montana, taking into consideration: (a) all of the requirements, considerations, factors, limitations, Development Evaluation Criteria, set asides, priorities and data (including without limitation the statistical data in the MBOH Statistical Data Form) set forth in this QAP and all federal requirements (together referred to in this QAP as the "Selection Criteria"); (b) the Development Evaluation Criteria scoring; and (c) all other information provided to the MBOH Board regarding the applicant Projects.

The awarding of points to Projects pursuant to the Development Evaluation Criteria is for purposes of determining that the Projects meet at least the minimum Development Evaluation Criteria required for further consideration and to assist the MBOH Board in evaluating and comparing Projects. Development Evaluation Criteria scoring is only one of several considerations taken into account by the MBOH Board and does not control the selection of Projects that will receive an Award of Housing Credits.

### 2. Additional Selection Factors

In addition to any other Selection Criteria specified in this QAP, the MBOH Board may consider the following factors in selecting Projects for an Award of Housing Credits to qualifying Projects:

- a. The geographical distribution of Housing Credit Projects;
- b. The rural or urban location of the Projects;
- c. The overall income levels targeted by the Projects (including deeper targeting of income levels);
- d. The need for affordable housing in the community, including but not limited to current Vacancy Rates;
- e. Rehabilitation of existing low-income housing stock;
- f. Sustainable energy savings initiatives;
- g. Financial and operational ability of the Applicant to fund, complete and maintain the Project through the Extended Use Period;
- h. Past performance of an Applicant in initiating and completing tax credit Projects;
- i. Cost of construction, land and utilities, including but not limited to costs/credits per square foot/unit;
- j. The Project is being developed in or near a historic downtown neighborhood; ~~and/or~~
- k. ~~The frequency of Awards in the respective areas where Projects are located-; and/or~~
- l. Preserving project rental assistance or have or are planning to add Section 811 units to an existing project.

Commented [A27]: Public Comment: Travis

If the MBOH Board Awards Credits to an Applicant where the Award is not in keeping with the Selection Criteria of this QAP, it will publish a written explanation that will be made available to the general public pursuant to Section 42(m)(1)(A)(iv) of the Internal Revenue Code.

If all of the authorized Credits are Awarded after a particular cycle, MBOH may place qualifying Applications which did not receive an Award of tax credits on a waiting list for potential Award of Housing Credits in the event Credits become available at a later date.

Any available Credits that are not Awarded or reserved in a particular cycle may in the discretion of the MBOH Board be made available for Award in a future cycle or may be used to increase the amount of Housing Credits reserved for a previously Awarded Project as provided in this QAP.

## **SECTION 10 – RESERVATION, CARRYOVER, CREDIT REFRESH AND FINAL ALLOCATION**

~~Once MBOH has selected Projects and determined the Award of Housing Credits and amount of Credits to be reserved, MBOH will provide a Reservation Agreement, Gross Rent Floor Election, and Declaration of Restrictive Covenants to the partnership for execution and return to MBOH. Upon recording, the original recorded Restrictive Covenants must be returned promptly to MBOH. The following requirements in this Section 10 apply to all Projects Awarded Credits. This Section specifies the requirements for~~ Reservation Agreement, Gross Rent Floor Election, Declaration of Restrictive Covenants, Carryover Commitment, 10% Test, Credit Refresh, Placed in Service and Final Allocations/8609.

### **A. Reservation Agreement & Gross Rent Floor Election**

~~After an Award of Credits, MBOH will provide a Reservation Agreement, and Gross Rent Floor Election, and Declaration of Restrictive Covenants to the partnership Owner for execution and return to MBOH. The partnership Owner should must review, complete, sign, and return the Reservation Agreement and, Gross Rent Floor Election, along with the additional information and materials required below in accordance with the requirements of this subsection.~~

~~MBOH will send the successful Applicant a Reservation Agreement shortly after Award and upon meeting the foregoing requirements. The Gross Rent Floor Election reflects the Owner's election of the date when the Project's gross rent floor will be established, either at the date of the Reservation/Initial Allocation or at the date the Project is Placed in Service. The Gross Rent Floor Election form must be returned with the executed Reservation Agreement.~~

~~If the Owner elects the federal percentage(s) in the month that the Reservation (Initial Allocation) is issued by MBOH, the Reservation Agreement and Gross Rent Floor Election must be completed, signed and returned on or before the 25<sup>th</sup> of that month to assure the lock-in of the rate. If the Owner elects the placed-in-service date, the Reservation Agreement and Gross Rent Floor Election must be completed, signed and returned no later than The Applicant will have a maximum of 120 days after Award. to accept, sign and return the Reservation Agreement. Failure to return the Agreement by the deadline will result in a late fee as listed on the Fee Schedule. Where applicable, however, if the Owner elects the federal percentage(s) in the month that the Reservation (Initial Allocation) is issued by MBOH, the Reservation Agreement must be signed and returned on or before the 25<sup>th</sup> of that month to assure the lock-in of the rate. Owners electing the placed-in-service date should return the signed Reservation Agreement immediately. Upon receipt, MBOH will sign the Reservation Agreement, and return a copy to the partnership. Failure to return the Agreement and Election by the deadline will result in a late fee as listed on the Fee Schedule.~~

The Reservation Fee specified in Fee Schedule will be due and must be received by MBOH on or before the date specified in the Fee Schedule.

A Reservation Agreement is MBOH's conditional commitment to make a Carryover Commitment and/or Final Allocation to the Project, subject to the requirements and conditions of the Reservation Agreement, the QAP and federal law. Such requirements include but are not limited to submission of evidence of timely progress toward completion of the development acceptable to MBOH and compliance with federal tax credit requirements. The election on this form verifies when the Owner elects the gross rent floor for the Project. There are two options: at the Reservation/Initial Allocation, or at the date Placed in Service. This form reflects the election made by the Owner in the Reservation Agreement. This form must be returned with the executed Reservation Agreement.

~~If an unsuccessful Applicant, or a party associated with such Applicant, commences any legal action or proceeding challenging MBOH's Award determination or process, MBOH will make a Carryover Commitment or Final Allocation of Housing Credits as required by an executed Reservation Agreement to the same extent it would have been bound to do in absence of the legal challenge, unless the court determines that such Applicant was not eligible or qualified under the applicable QAP to receive an Award of Housing Credits or MBOH otherwise determines that it is precluded by Court order from doing so. If a court determines in any such action or proceeding that MBOH must Award Credits to one or more unsuccessful Applicants from such round or year, such Award or Awards will be made using any available returned or unreserved Housing Credits or current year's Credits as provided in Section 7.~~

~~MBOH will send the successful Applicant a Reservation Agreement shortly after Award and upon meeting the foregoing requirements. The Applicant will have a maximum of 120 days after award to accept, sign and return the Reservation Agreement. **Failure to return the Agreement by the deadline will result in a late fee as listed on the Fee Schedule.** Where applicable, however, if the Owner elects the federal percentage(s) in the month that the Reservation (Initial Allocation) is issued by MBOH, the Reservation Agreement must be signed and returned on or before the 25<sup>th</sup> of that month to assure the lock-in of the rate. Owners electing the placed in service date should return the signed Reservation Agreement immediately. Upon receipt, MBOH will sign the Reservation Agreement, and return a copy to the partnership.~~

~~The Reservation Fee specified in Fee Schedule will be due and must be received by MBOH on or before the date specified in the Fee Schedule.~~

Once the partnership-Owner enters into a Reservation Agreement with MBOH, the partnership-Owner must then meet the requirements and conditions described in the Reservation Agreement and provide the required documentation before it receives a Carryover Commitment or Final Allocation of Housing Credits.

MBOH will revoke an approved Reservation (Initial Allocation) and terminate the Reservation Agreement when a Project fails to make successful progress toward completion or otherwise fails to perform its obligations under the Reservation Agreement. Submitting quarterly status reports demonstrating satisfactory evidence of the Project's completion is the responsibility of the OwnerApplicant. Successful progress toward Project completion and Project completion require that such progress and completion are in substantial accordance with the Project as described and proposed in the Project Application on the Implementation Schedule, except to the extent that Substantial Changes (more than a 60 day delay) have been approved by MBOH or the MBOH Board as provided in the Applicable QAP.

NOTE: Reservation Agreements for tax credit Projects funded through tax-exempt bonds must be completed, signed, and returned to MBOH not later than five business days following the close of the bond financing agreement.

If an unsuccessful Applicant, or a party associated with such Applicant, commences any legal action or proceeding challenging MBOH's Award determination or process, MBOH will make a Carryover Commitment or Final Allocation of Housing Credits as required by an executed Reservation Agreement to the same extent it would have been bound to do in absence of the legal challenge, unless the court determines that such Applicant was not eligible or qualified under the applicable QAP to receive an Award of Housing Credits or MBOH otherwise determines that it is precluded by Court order from doing so. If a court determines in any such action or proceeding that MBOH must Award Credits to one or more unsuccessful Applicants from such round or year, such Award or Awards will be made using any available returned or unreserved Housing Credits or current year's Credits as provided in Section 7.

## **B- Gross Rent Floor Election**

~~The election on this form verifies when the Owner elects the gross rent floor for the Project. There are two options: at the Reservation/Initial Allocation, or at the date Placed in Service. This form reflects the election made by the Owner in the Reservation Agreement. This form must be returned with the executed Reservation Agreement.~~

## **C.B. Declaration of Restrictive Covenants**

To be eligible for HCs, a building must be subject to an extended low income housing commitment between the Owner and MBOH, which commitment must be established by a recorded Declaration of Restrictive Covenants (Restrictive Covenants) effective for the full Extended Use Period. The Owner must meet compliance criteria for the full Extended Use Period specified in the Restrictive Covenants. Through execution and recording of the ~~Declaration of~~ Restrictive Covenants with respect to Housing Credits, all Owners waive and forfeit the right to request that MBOH locate a non-profit qualified buyer (the "qualified contract process") and the Owner must maintain HC units through the Extended Use Period as provided in the Restrictive Covenants. The Extended Use Period specified in the ~~Declaration of~~ Restrictive Covenants may not be terminated early through the qualified contract process.

The ~~Declaration of~~ Restrictive Covenants ~~assures-assure~~ that the land and its use will be restricted for the purposes of providing low-income housing for the period proposed in the Application. Provisions included in the Restrictive Covenants will include Exhibit A-1 (Legal Description of Project Land); Exhibit A-2 (Conditions of Tax Credit Allocation) indicating the number of units at the appropriate elected income and rent levels, e.g., 30%, 40%, 50%, 60% AMI as determined by the Application (Owners will be required to maintain those income and rent levels through the Extended Use Period of the Project); Exhibit A-3 (Energy and Green Building) indicating the architect's letter provided in the Application outlining those energy and green building initiatives; Exhibit A-4 (Amenities); Exhibit A-5 (Participation by Local Entity); and Exhibit A-6 (Special Housing Needs).

When submitted to MBOH, the executed and recorded Restrictive Covenants must be accompanied by a copy of the most current ALTA survey and title commitment for the Project real property. Prior of issuance of 8609, documentation must be submitted evidencing the first priority position recording priority of the Restrictive Covenants. If such evidence the title commitment does not show that the Restrictive Covenants are in a first priority position, MBOH will require a subordination agreement from the owner or holder of any prior-recorded lien or encumbrance as a condition of issuance of IRS Form 8609, unless such prior lien or encumbrance is required by a federal agency to have priority over the Restrictive Covenants or MBOH otherwise determines in writing that subordination is not required (e.g., where such lien or encumbrance would not preclude operation of the property as low-income housing in accordance with the Restrictive Covenants or preclude enforcement of the Restrictive Covenants).

**Commented [A28]:** Language added in response to comment.

**Commented [A29]:** Public Comment: Homework

**Commented [A30]:** Language added in response to comment.

**Commented [A31]:** Language revised in response to comment.

**Submission of the executed and recorded Restrictive Covenants and related additional documents specified in the preceding paragraph is required as a condition of MBOH issuance of a Carryover Commitment. It is the Developer's responsibility to record the Declaration of Restrictive Covenants in the county in which the Project real property is located. Upon recording, the original recorded Restrictive Covenants must be returned promptly to MBOH not later than the deadline specified in Section D, Carryover Commitment together with the related documents must be submitted to MBOH by December 1 of the year for which the Award of Credits was made, except as provided in subsection C below.**

**In unusual circumstances, and for good cause shown, MBOH may permit amendments to the Declaration of Restrictive Covenants at a subsequent date.**

### **D.C. Carryover Commitment**

MBOH will issue a Carryover Commitment in December of the year for which the credits are being Awarded and such Carryover will be for a period of two (2) calendar years. To preserve this commitment the Owner/Developer must submit the 10% Cost Certification by the deadline specified ~~in the Applicable QAP~~ subsection D below.

In order to receive a Carryover Commitment, Owners must provide the executed Reservation Agreement and Gross Rent Floor, Proof of Ownership (evidence of title or right to possession and use of the property for the duration of the Compliance Period and any Extended Use Period plus one year, e.g., a recorded deed or an executed lease agreement), executed and recorded Restrictive Covenants, and the Reservation fee. Land lease periods must be at least one year longer than the Restrictive Covenant period. ~~When submitted to MBOH, the executed and recorded Restrictive Covenants must be accompanied by a copy of the ALTA survey and title commitment for the Project real property evidencing the recording priority of the Restrictive Covenants. If the title commitment does not show that the Restrictive Covenants are in a first priority position, MBOH will require a subordination agreement from the owner or holder of any prior recorded lien or encumbrance as a condition of issuance of IRS Form 8609, unless such prior lien or encumbrance is required by a federal agency to have priority over the Restrictive Covenants or MBOH otherwise determines in writing that subordination is not required (e.g., where such lien or encumbrance would not preclude operation of the property as low income housing in accordance with the Restrictive Covenants or preclude enforcement of the Restrictive Covenants).~~

These items must be received by December 1, of the year for which the Award of Credits was made. MBOH will issue Carryover Commitments before year end. MBOH staff may grant one or more reasonable extensions of the December 1 deadline for any of the required items upon written request of the Owner/Developer documenting good cause for such extension.

### **E.D. 10% Test**

Section 42 requires that more than 10% of the expected basis in a Project, including land, must be expended by the 10% Cost Certification deadline. MBOH requires that Developers provide an independent third-party CPA audit report, in a format and meeting the requirements established by MBOH, verifying compliance with the 10% test.

Developers must submit the 10% requirements, including the required CPA audit report, other documents and the 10% test underwriting fee by the deadline. Failure to do so will result in the loss of the Credit Award. See Fee Schedule for fees.

**Because MBOH's submission deadline is set at the latest date allowed by federal law, no extensions will be granted. If 10% test information is submitted by the deadline but any forms are incomplete or omitted, a correction fee will be imposed for each incomplete or omitted item.**

At 10% Test, MBOH staff will re-evaluate:

1. The Sources and Uses of funds;
2. Total financing planned for the Project;
3. Proceeds or receipts expected to be generated by the Housing Credits;
4. Reasonableness of the development and operation costs;
5. Projected Rental Income and Operational Expenses;
6. Debt Coverage Ratio;
7. Cost Limitations; and
8. Housing Credits required for financial feasibility of the Project.

Deadline for submission of the required 10% information is the first anniversary of the date on which MBOH executed the Reservation Agreement. ~~This submission deadline will apply to 10% test submissions for Projects awarded Housing Credits in the 2016 or later year allocation rounds.~~ Developers that fail to pay the required fee will be deemed not to have met the 10% Test requirements. Failure to submit certification for 10% documentation or to meet the 10% Test will cause forfeiture of Awarded, reserved or allocated Housing Credits for the Project.

### **F.E. Refreshing Credits**

The MBOH Board may in its sole discretion approve a Credit Refresh for Projects that have been issued a Carryover Commitment by MBOH as provided in Subsection D, above, and that have submitted all required 10% Cost Certification materials and fees, and for which MBOH has approved such 10% Cost Certification, as provided in Subsection E, above.

The amount of Credits reserved through a Credit Refresh shall not exceed: (i) the amount of Credits originally allocated by MBOH for the Project; or (ii) the amount of the maximum Credit Award specified in the Qualified Allocation Plan under which the Credits were originally allocated.

To obtain a Credit Refresh, the Owner must submit a Credit Refresh application to MBOH in the form and according to the requirements provided by staff, along with the Credit Refresh fee as specified in the Fee Schedule. Upon receipt of a complying Credit Refresh Application Form and completion of staff evaluation of such application, the application will be placed on the agenda for consideration at the next MBOH Board meeting. The Owner or its representative should appear at the meeting to answer Board questions, if any, regarding the application and the factors leading to the submission of the application.

The MBOH Board may approve or deny the Credit Refresh, or may defer action on the application pending additional information or compliance with specified conditions. The Board may place any one or more conditions on approval or further consideration of an application.

In considering and making its determination regarding an application, the Board may consider any or all of the following:

1. The diligence, or lack of diligence, by the Development Team, Owner or other Project participant in seeking to complete the development, approval, construction and opening of the Project;
2. Any factors beyond the control of the Development Team, Owner or other Project participant, significantly contributing to the need for the Credit Refresh;
3. The likelihood that the Project will be completed and Placed in Service within a reasonable time, under the circumstances, if the Credit Refresh is approved;
4. The likelihood that the Project will not be completed or Placed in Service if the Credit Refresh is denied;
5. The need for the Project, as determined in the original Application and Award processes;

6. Any significant changes in market conditions or other factors that affect the financial feasibility of or need for the Project; and
7. Any other factor or factors that the Board deems relevant to the determination

Upon approval of an application, the Owner shall return the Credits according to the instructions of MBOH staff and staff shall promptly provide for the re-Reservation of the Credits, as refreshed, to the Owner by providing a Reservation Agreement in accordance with Subsection A, above.

In addition to payment of any applicable fees, the Owner will be required to reimburse MBOH for legal fees and expenses incurred by MBOH in connection with the Credit Refresh Application in accordance with the Applicable QAP.

All requirements of the Applicable QAP and applicable law shall apply to such Reservation and Credits as if such Reservation were the original Reservation of Credits for the Project, including without limitation, Gross Rent Floor Election, Declaration of Restrictive Covenants, Carryover, 10% Test, Placed on Service and Final Allocations/8609 and payment of the Reservation fee and all other applicable fees; provided, that no further submission of executed and recorded Restrictive Covenants, or related survey or title commitment, shall be required if previously submitted in accordance with Applicable QAP requirements, but amendment of such covenants will be required as necessary to conform the covenants to the refreshed credits or to comply with any additional or different requirements in the Applicable QAP.

#### **G.F. Placed in Service**

Placed in Service is defined in Section 1 of this QAP. New Construction and Gut Rehabilitation buildings must be Placed in Service not later than the close of the second calendar year following the calendar year in which the Carryover Commitment is made.

Other Rehabs that are accomplished with residents in place during Rehab can be Placed in Service at the end of the 24 month or shorter period over which the required amount of expenditures are aggregated, as provided in the definition of Placed in Service in Section 1 of this QAP.

#### **H.G. Final Allocations/8609**

Documentation supporting a request for issuance of IRS Form 8609(s) must be submitted to MBOH within 6 months of the last building Placed in Service date. MBOH will not allocate tax credits on IRS Form 8609(s) until a qualified building is Placed in Service. A site visit and file audit by MBOH may be conducted prior to the issuance of the IRS Form 8609(s). Notwithstanding other provisions of this QAP, to obtain issuance of IRS Form 8609(s), the Project must be Placed in Service in substantial accordance with the Project as described and proposed in the Project Application, except to the extent that Substantial Changes have been approved by MBOH or the MBOH Board as provided in the Applicable QAP.

The Final Allocation/8609 underwriting fee must be paid at the time of submission of the request for issuance of IRS Form 8609(s). If the paperwork is not received by MBOH within 6 months of the last building Placed in Service date, a late fee will be assessed. **If 8609 information is submitted by the deadline but any forms are incomplete or omitted, a correction fee will be imposed for each incomplete or omitted item. If a draft 8609 is sent to Developer for review and 8609s must be redone because of Developer/Accountant error, there will be a fee for additional underwriting. See Fee Schedule for fees.**

The request for issuance of IRS Form 8609(s) must include:

1. Certification of required infrared test results (if not previously submitted);

2. The independent third party completed MBOH CPA's audit report and Owner's Statement Forms;
3. Sponsor Certification [section of the UniAppForm](#);
4. The architect's verification that the items for green and amenities listed in the Application as well as provisions of accessibility listed in Section 3 have been incorporated;
5. Certificates of Occupancy (C of O's), if applicable;
6. Copies of all permanent loan [notes](#) and/or grant [contracts documents](#);
7. Copy of partnership/operating agreement;
8. Detailed list of items or costs excluded from eligible basis (for example, parking lot is not in eligible basis);
9. Statement identifying the first year of the credit period, which statement must name the specific year (e.g., 2017);
10. The Final Allocation/8609 underwriting fee; and
11. Documentation evidencing that the site manager and Management Company personnel have completed a Nationally-Recognized LIHTC Compliance Training Company certification course, passing the test; and have attended a class with a Nationally-Recognized LIHTC Compliance Training Company in the last four years.

If the required fee is not submitted, the Project will be deemed not to have met Final Allocation requirements and MBOH will not issue IRS Form 8609(s). MBOH will complete the final credit Allocation evaluation. Typical turn-around time for 8609(s) is 4-8 weeks after submission of all required documentation and the fee. Once the 8609(s) are issued and delivered to the Owner, the bottom half must be completed and signed.

**A copy of each completed and signed 8609 must be sent back to MBOH within ~~90~~ [3 months](#) of issuance. Failure to provide the completed and signed 8609(s) so that they are received by MBOH by the deadline will result in a late fee. If the 8609(s) need to be reissued after completed by MBOH due to Developer error, the MBOH underwriting fee must be paid again. See Fee Schedule.**

## **SECTION 11 - DEVELOPER/APPLICANT RESPONSIBILITIES**

Applicant must respond to a written MBOH request (including but not limited to any email request) within 10 working days. Failure to do so may result in the Application being deemed ineligible for that funding round.

Applicant must proceed according to the timeframe identified in the Implementation Schedule. Adjustments of up to 60 days are acceptable. Any changes in the Implementation Schedule greater than 60 days must be submitted in writing with justification to MBOH within 10 business days of the change. Any changes not reported or not approved may jeopardize the credits. If the schedule is more than 60 days behind and has not been updated as stated above, a late fee will be assessed. See Fee Schedule.

### **A. State Law Requirements**

The Applicant and Development Team must agree to comply with Montana State law requirements (e.g., certificate of contractor registration, workers compensation, unemployment compensation, and payroll taxes).

### **B. Public Notification**

Any public relations actions by a recipient of tax credits involving MBOH funds or tax credits must specifically state that a portion of the funding is from MBOH. This will be included in radio, television, and printed advertisements (excluding rental ads), public notices, and on signs at construction sites, e.g., "Housing Credits allocated by ~~the~~ Montana [Board of Housing](#), Montana Department of Commerce."

## C. Quarterly Reporting

### Status Reports

All Applicants receiving Reservations (Initial Allocations) of credits must provide written status reports for each calendar quarter, beginning with the quarter in which the tax credit Award is made. Status reports will be due on or before January 10<sup>th</sup>, April 10<sup>th</sup>, July 10<sup>th</sup> & October 10<sup>th</sup> until the Applicant receives its 8609(s). The documentation regarding the progress must be development specific, and include such items as planning approval and building permits, firm debt and/or equity financing commitments, construction progress (foundation, framing, rough in, enclosed, drywall, etc., **for each Project building**), and lease up progress. Submission of photos is encouraged.

The following items must be addressed for **each building** on the quarterly report that is submitted to MBOH. If all items are not addressed, the report will be returned and must be corrected and resubmitted. If the resubmitted report is received after the due date the late fee will apply.

1. Updated implementation schedule if more than 60 days behind schedule submitted with application;
2. Advertising for construction bids;
3. Construction bid awards;
4. Pre-construction meeting date;
5. Groundbreaking ceremony date (at least 2 weeks' notice);
6. Future dates of construction/draw meetings;
7. Each phase of construction for **each building including photos** (excavation, foundation framed, etc.);
8. Certificate of Occupancy for **each building** issued in that quarter;
9. During lease up the number of units occupied and number left to full lease up each quarter; and
10. Grand Opening date (at least 2 weeks' notice).

**Owners must provide a copy of the Certificate of Occupancy for each building. The Certificate of Occupancy must be included in the status report covering the period in which it was issued. Failure to provide the reports so that they are received by MBOH by the deadline will result in a late fee. See Fee Schedule.**

### ARRA Reporting

All ARRA reports are due on or before the dates listed in the ARRA Exchange or TCAP Program Agreement.

**Late fees will be assessed for each of the following:**

1. **the financial audit is not received by MBOH by the deadline;**
2. **the annual budget is not received by MBOH by the deadline; or**
3. **the annual insurance binder is not received by MBOH by the deadline.**

**See Fee Schedule for all above fees.**

## D. Changes to Project or Application

The Applicant must notify MBOH in writing at least 30 days before any proposed Substantial Changes in the Project. Proposed Substantial Changes to the Project must be approved by MBOH.

Specific approval by MBOH is required for Substantial Changes. MBOH staff will review requested Substantial Changes and may approve or deny approval of such changes, or may

request Board consideration and determination of the change request. If MBOH staff denies approval of any Project Change, the Applicant may request Board review and approval of the change request. Requests must be submitted to MBOH with proper justification at least 30 days before the change is expected to take place. The Applicant must inform MBOH staff if the proposed change requires immediate or urgent review and approval. MBOH review and approval of changes must be completed prior to the change taking effect. Changes completed without MBOH approval may result in the termination of the Reservation Agreement and/or loss of some or all credits.

Any requested changes submitted requiring MBOH action may incur additional fees. Changes to the Project site, construction of building(s), architectural, engineering, or any on-site review by any member of MBOH will incur additional charges. Fees will be determined based upon the cost of MBOH Staff travel for that purpose.

## **SECTION 12 - COMPLIANCE MONITORING**

Federal law requires state allocating agencies (MBOH) to monitor compliance with provisions of Section 42 of the Internal Revenue Code (26 U.S.C. § 42). In addition, Federal law requires allocating agencies to provide a procedure the agency will follow in monitoring for non-compliance and to inform tax credit recipients (Owners) of procedures and requirements. The Project must comply with the Housing Credit requirements set forth in Section 42 and this QAP for the entire Extended Use Period. Periodic file audits and inspection of units will be performed by MBOH staff as provided in this QAP.

Included in the requirements are procedures for notifying the Internal Revenue Service (IRS) of any non-compliance of which the allocating agency becomes aware. Federal income tax regulations related to Procedures for Monitoring Compliance with Housing Credit Requirements are published in 26 CFR Part 1 and 602.

For complete HC compliance guidance, refer to the MBOH HC Compliance Manual, available at <http://housing.mt.gov/MFCompManual>

### **A. Compliance Fees** (See Fee Schedule for all fees mentioned below)

Developments will incur and must pay to MBOH a compliance monitoring fee to offset the costs for MBOH compliance monitoring. The compliance monitoring fee is payable annually at the time of the Owner's Submission of the Owner's Certificate of Continuing Program Compliance for the time period being submitted.

#### **A late fee will be assessed if the complete Annual Compliance Package is not received by the deadline.**

Failure to provide corrections on noncompliance so that they are received by the deadline set by MBOH will result in an initial late fee and an additional per-week fee until all required documentation is received by MBOH. A one-time extension may be granted if a written request is submitted to MBOH no later than 10 days prior to the deadline. If an extension is granted and the extension deadline passes without MBOH receipt of the complete documentation, a per-week fee will be imposed until all required documentation is received by MBOH.

The following procedure describes MBOH plans for monitoring compliance on Housing Credit Projects. At minimum, each Project that has been Placed in Service will be subject to the following monitoring requirements:

### **B. Recordkeeping, Record Retention and Data Collection**

#### **1. Recordkeeping**

The Owner of a low-income housing Project must keep records for each building in the Project that shows unit qualifications for each year throughout the term of the Declaration of Restricted Covenants, including the Compliance Period and the Extended Use Period in effect for such Project.

The information must show for each year in the Compliance Period:

- a. The total number of residential rental units in a building (including the number of bedrooms and the size in square feet of each residential rental unit);
- b. The percentage of residential rental units in the building that are qualified units;
- c. The rent charged on each residential rental unit in the building (including any utility allowances and mandatory fees);
- d. HC unit vacancies in the building and information that shows when, and to whom, the next available units were rented. If a unit is left vacant, or in a mixed use Project is rented to a non-qualifying tenant, the Owner must maintain documentation showing a diligent attempt was made to rent the unit to a qualifying tenant;
- e. The tenant income certification of each HC tenant (by unit), including annual certifications for each continuous tenant;
- f. Documentation to support each HC tenant's income certification. This must include a copy of verification(s) of income
- g. The eligible basis and qualified basis of the building at the end of the first year of the credit period; and
- h. The character and use of any non-residential portion of the building included in the eligible basis of the building, if applicable.

## **2. Records Retention**

Federal regulations require the Owner of a HC Project receiving tax credits to retain the records listed above. The Owner is required to retain such records for at least 6 years after the due date for filing the federal income tax return for that year. Records for the first year of the credit period must be retained for at least 6 years beyond the due date for filing the federal income tax return for the last year of the Compliance Period. Owner should also retain records relating to the amount of credit claimed for the MBOH Tax Credit, including the IRS Form 8609(s) and Schedule A of IRS Form 8609(s).

## **3. Data Collection**

To the extent required by federal law, the Owner will assist the MBOH with meeting federal reporting requirements by collecting and submitting information annually concerning the race, ethnicity, family composition, age, income, use of rental assistance under section 8(o) of the United States Housing Act of 1937 or other similar assistance, disability status, and monthly rental payments of all qualified households.

## **C. Owners Certificate of Continuing Program Compliance**

The Owners Certificate of Continuing Program Compliance is required on an annual basis for each property. The certificate must be signed by the Owner and notarized. This statement must be filed with MBOH every year throughout the Extended Use Period. Owners must file annual certifications on the Form provided by MBOH. Substitute forms are not acceptable. Failure to provide an annual certification before the date established by MBOH may trigger an IRS Form 8823.

## **D. Income and Expense Summary**

All property Owners must submit operating income and cost information for the property's latest fiscal period, including a current balance of replacement and operating reserve accounts.

### **E. Submission Deadlines**

The Owners Certificate of Continuing Program Compliance and Tenant Income Certifications (TIC) must be submitted on or before the 25th of the month following the assigned annual period. Federal regulations stipulate there must be no more than 12 months between certifications.

All submissions must be filed through Certification On Line (COL).

### **F. Review by MBOH Staff**

MBOH will review the items listed above for compliance with the requirements of Section 42 of the Code and with the requirements of the MBOH HC program.

### **G. Ownership/Management Changes**

Written Notification of changes to property management companies, managers, site managers, or changes to points of contact must be submitted to MBOH prior to or immediately upon implementation of the change. Changes not received by MBOH prior to change or immediately upon change, or within a 15-day grace period thereafter, will result in an initial late fee and monthly late fees thereafter until written notification is received. If no notification is received MBOH will research and identify the date of the change, and impose late fees based upon such date (and allowing for a 15-day grace period). No Change in Management Company shall be acceptable unless it results in a Qualified Management Company assuming management of the property. Replacement of a Management Company with a company that is not a Qualified Management Company or failure to timely submit such notification to MBOH may trigger issuance of a IRS Form 8823. All management companies, whether in place or being hired, must meet Qualified Management definition.

Subject to the requirements of Section 42 of the Code, the Restrictive Covenants and the Applicable QAP and any other applicable restrictions, the Owner may sell, transfer or exchange the entire Project at any time. No portion of a building to which the Restrictive Covenants apply may be sold to any person/entity unless all of such building is sold to such person/entity. Prior to such sale, transfer or exchange, however, the Owner must notify in writing and obtain the written agreement of any buyer, successor or other person acquiring the Project or any interest therein that such acquisition is subject to the requirements of the Restrictive Covenants, the requirements of Section 42 of the Code and applicable Regulations, and the Applicable QAP. Such written agreement of the buyer, successor or other person acquiring the Project must be in the form required by MBOH, which agreement form is available on the MBOH website. Such form, executed by the buyer, successor or other person acquiring the Project must be submitted to MBOH prior to closing of the sale, transfer or exchange. The Board may void any sale, transfer or exchange of the Project if the buyer, successor or other person fails to assume in writing the requirements of this Agreement and the requirements of Section 42 of the Code.

### **H. Education Requirements**

Persons responsible for [providing or explaining information for tenant qualification or](#) qualifying tenants and verifying compliance (involved in tenant qualification and compliance) must be certified in LIHTC compliance by one of the Nationally-Recognized LIHTC Compliance Training Companies within the time specified in this section. Property managers and property Management Company personnel must complete a Nationally-Recognized LIHTC Compliance Training Company certification course,

passing the test. Once certification has been obtained, to maintain certification for MBOH purposes, the person must attend a class with a Nationally-Recognized LIHTC Compliance Training Company at least once every four years. For each of the other three years, all property managers and property Management Company personnel should attend annual MBOH compliance training. The property Management Company and site manager for an HC property must be trained and certified before the property is Placed in Service. New site managers hired for existing HC properties must be certified within their first 6 months of employment. New property management companies hired for existing properties must be certified per the above requirements before they assume management of a property. Training requirements must be met to maintain Qualified Management Company status.

Persons responsible for qualifying tenants and verifying compliance (involved in tenant qualification and compliance) must also attend Fair Housing training at least once every four years. The manager for a HC property must complete such training before the property is Placed in Service.

Such Fair Housing training must include and cover the following subjects and requirements:

1. Protected Classes;
2. Accessibility requirements;
3. Reasonable accommodation/modification;
4. Applicant screening;
5. Disparate impact;
6. Domestic violence issues;
7. Occupancy standards;
8. Section 504; and
9. Service Animals.

In the event a Management Company fails to meet the certification or training requirements in this Subsection H, MBOH will notify the Management Company and the Owner of such noncompliance and the date by which such noncompliance must be corrected. If such noncompliance is not corrected by such date, the Owner will be required to pay the applicable fees specified in the Fee Schedule for each week that such noncompliance remains uncorrected.

## **I. Tenant Income Certifications (TIC)**

### **1. Frequency and Form**

Owners must complete the MBOH TIC *for all new move-ins* and file it with MBOH through Certification On Line (COL). Documentation supporting the TIC will not be submitted. MBOH staff will review supporting documentation during file audits. Timely annual Re-certifications (TICs) *for mixed Projects* (with market units) are required must be submitted to MBOH through COL.

The MBOH COL TIC must be used. Any other TIC must be preapproved by MBOH prior to use.

## **J. Student Status Certification**

Student status certifications must be completed *annually (may be completed on a TIC and marked other-student certification)* within the 30 day period *prior to their move-in anniversary date*.

## **K. On-Site Inspections**

MBOH staff (staff) will perform an on-site inspection of each property at least once every three years during the Extended Use Period. Staff will notify the Owner/manager in advance of the inspection.

Staff must inspect and review at least 20% of the tenant files and corresponding units. MBOH will not notify the Project's manager, Owner or other representative of the unit selection before the site inspection. The selected sample may be expanded.

Complete copies of all tenant files for each unit from original lease-up forward must remain within the State of Montana at the location of the rental property or the regional in-state office.

If MBOH determines it is necessary, properties may be inspected on a cycle of more than once every three years. The cost of any additional inspections will be billed to the respective property.

MBOH may schedule on-site inspections at any time with minimal notice.

In event of non-compliance under Section 42 of the Code or the implementing regulations MBOH may be required or elect to undertake additional monitoring. The Owner will take any and all actions reasonably necessary to achieve and maintain compliance. Staff may require the Owner to document correction of non-compliance and/or MBOH may elect to conduct one or more site visit(s) to verify correction of non-compliance and/or require additional Owner or manager training. The Owner will pay a reasonable fee to MBOH for any such additional monitoring activities.

#### **L. Notice to Owner (26 CFR 1.42 (e)(2))**

MBOH must provide prompt written notice to the Owner if MBOH becomes aware of non-compliance. These items include:

- Non-receipt of the certification(s) described in this QAP.
- Inaccessibility of tenant income supporting documentation, rent records, or the property.

In addition, MBOH must provide prompt written notice to the Owner if MBOH discovers by inspection, review, or in some other manner, that the Project is not in compliance with the provisions of Section 42.

#### **M. Correction Period (26 CFR 1.42 (e)(4))**

The Owner will be given a reasonable correction period from the date of non-compliance. If Staff determines that good cause exists, an extension may be granted.

#### **N. Notice to IRS (26 CFR 1.42 (e)(3))**

MBOH must file IRS Form 8823 "Low-Income Housing Credit Agencies Report of Noncompliance" with the IRS (even if non-compliance has been corrected) no later than 45 days after the end of the correction period, and no earlier than the end of the correction period.

#### **O. Liability (26 CFR 1.42 (g))**

Compliance with the requirements of Section 42 is the responsibility of the Owner of the building for which the credit is allowable. MBOH's obligation to monitor for compliance with the requirements of Section 42 does not make the Agency liable for an Owner's noncompliance.

No member, officer, agent, or employee of MBOH shall be personally liable concerning any matters arising out of, or in relation to, the compliance monitoring of a low-income housing Project.

### **P. Marketing the Project**

The Owner must put all HC properties into the free State-approved Housing Locator website, MTHousingSearch.com within one year after Placed in Service. If not completed within such time period, MBOH will do so and charge the Owner for the related costs. Properties will be contacted by MTHousingSearch for required information. Using this website meets the criteria for advertising vacant units and provides for broad coverage to those searching for affordable housing in Montana. The Owner must keep the listing active through the Extended Use Period.

### **Q. Qualified Contract Process**

Federal law, in Section 42 of the Code, provides for a state housing credit agency process for early termination of the Extended Use Period for certain Projects and subject to certain requirements. Such process provides for the early termination of the Extended Use Period: (1) if the Owner submits a written request to MBOH in accordance with certain requirements to find a person to acquire the Property, and (2) if MBOH is unable to present within a one-year period a qualified contract for the acquisition of the Property by any person who will continue to operate the low-income portion of the building as a low-income building as defined in Section 42 of the Code. MBOH has adopted certain requirements and procedures applicable to the qualified contract process. These requirements and procedures are set forth in a separate Montana Board of Housing publication entitled Montana Housing Tax Credit Program, Qualified Contract Process and Instructions for Calculation of the Qualified Contract Price (March 2017). MBOH hereby adopts and incorporates herein by reference the Montana Board of Housing, Montana Housing Tax Credit Program, Qualified Contract Process and Instructions for Calculation of the Qualified Contract Price (March 2017) (the "Qualified Contract Process" or "QCP"). The QCP governs eligibility, submission, consideration, determination and other aspects of a request for a qualified contract as provided in Section 42.

MBOH may update and revise the QCP from time to time through the administrative rule adoption process. Any updated or revised version of the QCP adopted as rule will replace and supersede the March 2017 version of the QCP as provided in the adopted rule. The current version of the QCP is available on the MBOH website at [\[insert URL\]](#).

## **SECTION 13 – DISCLAIMER**

MBOH is charged with allocating no more tax credits to any given development than is required to make that development economically feasible. This decision shall be made solely at the discretion of MBOH, but in no way represents or warrants to any Applicant, Investor, lender, or others that the development is feasible or viable.

MBOH reviews documents submitted in connection with this Allocation for its own purposes. In Allocation of the tax credits, MBOH makes no representations to the Owner or anyone else regarding adherence to the Internal Revenue Code, Treasury regulations, or any other laws or regulations governing Montana Housing Tax Credits.

No member, officer, agent, or employee of MBOH shall be personally liable concerning any matters arising out of, or in relations to, the Allocation of the Housing Credit.

If it is determined that an Applicant or any member of the Development Team has intentionally submitted false information, a credit Award may be withdrawn or credits may be recaptured and the Applicant or any Applicant involving any related parties or any

individual or entity supplying the false information will be ineligible to apply for credits for the next five years or may be assessed negative points as provided in Section 9.

### **A. MBOH Policy on Non-Discrimination**

Montana Board of Housing is an Equal Opportunity organization. All employees who work for MBOH, agree not to discriminate against any client or co-worker based on any protected class under applicable Federal or Montana law. The failure of any employee to comply with this policy may lead to disciplinary action in accordance with applicable employment policies and procedures, including but not limited to immediate termination of employment.

### **B. Qualified Allocation Plan Revisions**

This QAP may be amended at any time after compliance with applicable notice, comment and approval requirements.

### **C. MBOH Policy on Civil Rights Compliance**

The Owner, Developer, borrowers and any of their employees, agents, or sub-contractors, in doing business with the Montana Board of Housing understand and agree that it is the responsibility of the Owner(s) and such other persons and entities to comply with all applicable Federal Civil Rights laws and regulations, including without limitation applicable provisions of the Fair Housing Laws and Americans With Disabilities Act, and any applicable State and local Civil Rights Laws and regulations. Should requirements, such as design, not be specified by MBOH, it is nonetheless the Owner(s) responsibility to be aware of and comply with all applicable non-discrimination provisions related to any protected class under Federal or Montana law, including design requirements for construction or Rehabilitation, Equal Opportunity in regard to marketing and tenant selection and reasonable accommodation and modification for those tenants covered under the Laws.

## **Housing Credit Forms:**

**All Forms Referenced in this QAP are available at:**

**<http://housing.mt.gov/MFOAP>**

**Applicants, Developers, Owners, Management Companies and all other interested persons submitting Applications, Cost Certifications, Compliance materials, other materials and any fees to MBOH are responsible to review the website and to make such submission on the most current Form, including the most current Fee Schedule available on the MBOH website as of the date of the submission. MBOH may require resubmission of any item if submitted without using or complying with the current Form or without submission of the current fee amount, and late fees may be incurred if the need for such resubmission results in late submission of the correct Form or fee. Please contact MBOH staff with any questions regarding the appropriate or current Form or fee.**



Webinar - 301 S. Park Avenue, Suite 240 – Helena MT 59601  
September 24, 2019

## **ROLL CALL OF BOARD**

### **MEMBERS:**

Patrick Melby, Chairman (Present)	Sheila Rice (Present)
Bob Gauthier (Excused)	Eric Schindler (Present)
Johnnie McClusky (Excused)	Amber Parish (Present)
Jeanette McKee (Present)	

### **STAFF:**

Bruce Brensdal, Executive Director	Cheryl Cohen, Operations Manager
Mary Bair, Multifamily Program	Paula Loving, Executive Assistant

### **COUNSEL:**

Greg Gould, Luxan and Murfitt	Drew Page, Kutak Rock
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### **ADVISIORS:**

Gene Slater, SCG

### **UNDERWRITERS:**

Patrick Zhang, RBC Capital

### **OTHERS:**

*These written minutes, together with the audio recordings of this meeting and the Board Packet, constitute the official minutes of the referenced meeting of the Montana Board of Housing (MBOH). References in these written minutes to tapes (e.g., FILE 1 – 4:34) refer to the location in the audio recordings of the meeting where the discussion occurred, and the page numbers refer to the page in the Board Packet. The audio recordings and Board Packet of the MBOH meeting of this date are hereby incorporated by reference and made a part of these minutes. The referenced audio recordings and Board Packet are available on the MBOH website at [Meetings and Minutes](#).*

### **CALL MEETING TO ORDER**

0:00 Chairman Pat Melby called the Montana Board of Housing (MBOH) meeting to order at 8:34 a.m. Bruce Brensdal make housekeeping announcements.

1:10 Introductions of Board members and attendees were made.

1:50 Chairman Melby asked for public comment on items not listed on the agenda.

### **MULTIFAMILY PROGRAM**

**Bond Resolution No 19-0924-MF03 – Red Alder Residences – page 2**

2:15 Presenters: Mary Bair  
Motion: Jeanette McKee  
Second: Eric Schindler  
The Bond Resolution No. 19-0924-MF03 for the Red Alder Residences was approved unanimously.

**Multifamily Update**

6:10 Presenters: Mary Bair  
An update on the 2020 Housing Credits application – Senior Hardin.

**MEETING ADJOURNMENT**

7:40 Meeting was adjourned at 8:40 a.m.

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Sheila Rice, Secretary

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Date

# BOARD AGENDA ITEM

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## PROGRAM

Accounting and Finance Program

## AGENDA ITEM

Financing Update

## BACKGROUND

The dashboard in the packets is as of August 31, 2019.

On the first section, investment diversification, the percentage of funds in money market continues to grow as other investments mature. We currently are unable to purchase and short-term investments that will earn more than our current money market rates. Longer-term investments that are available have low rate and we don't feel locking in those low rates is to our advantage.

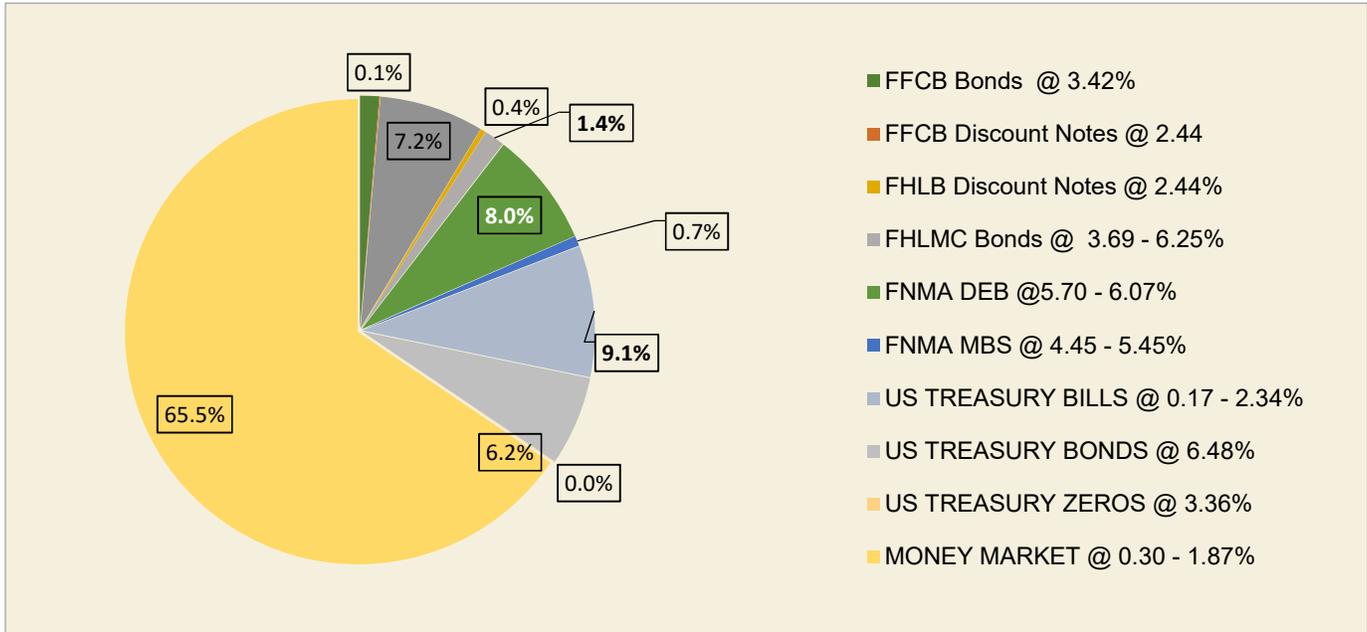
The second section show the weighted average yield trend. This trend has stabilized somewhat over the last few months but has lowered over the last two months slightly.

The last section on the first page includes information about the actual figures that are currently available through those that mature in 16 to 20 years. The second page shows the investments information by maturity date, Trustee that the investment is held with, type of investment and the PAR value of the investment.

# Accounting & Finance Dashboard

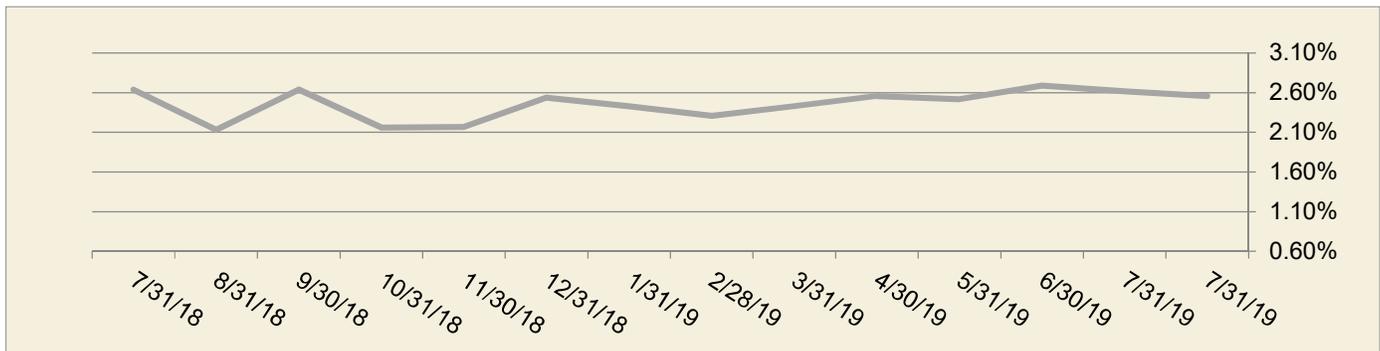
## Data as of August 31, 2019

### INVESTMENT DIVERSIFICATION



FNMA = Federal National Mortgage Association  
 FHLB = Federal Home Loan Bank  
 FHLMC = Federal Home Loan Mortgage Corporation  
 FFCB = Federal Farm Credit Bank

### WEIGHTED AVERAGE YIELD TREND



### PORTFOLIO MATURITY

For August 31, 2019

Available Now	< 1 year	1 to 5 years	6 to 10 years	11 to 15 years	16 to 20 years	21 to 25 years	Grand Total
\$ 74,171,024	\$ 7,179,000	\$ 13,155,000	\$ 17,114,000	\$ 2,225,000	\$ 525,266	\$ -	\$ 114,369,291

**Montana Board of Housing  
Accounting and Finance  
Investment Maturity Schedule  
August 31, 2019**

<b>Maturity Date</b>	<b>Trustee Bank</b>	<b>Investment Type</b>	<b>Par Value</b>
11/15/2019	Wilmington Trust	TSTRIPS	35,000.00
12/31/2019	Wilmington Trust	T-BILLS	2,102,000.00
5/24/2021	Wilmington Trust	FFCB	1,230,000.00
11/29/2021	Wilmington Trust	FHLB	11,120,000.00
12/16/2024	Wilmington Trust	FFCB	805,000.00
8/15/2025	Wilmington Trust	T-NOTES & BONDS	4,796,000.00
4/30/2026	Wilmington Trust	FNMA DEB	4,613,000.00
9/27/2027	Wilmington Trust	FNMA DEB	4,070,000.00
11/26/2027	Wilmington Trust	FNMA DEB	3,635,000.00
7/15/2032	Wilmington Trust	FHLMC BOND	2,225,000.00
2/1/2036	Wilmington Trust	FNMA MBS	52,037.60
5/1/2036	Wilmington Trust	FNMA MBS	28,405.57
7/1/2036	Wilmington Trust	FNMA MBS	73,909.37
3/1/2037	Wilmington Trust	FNMA MBS	138,912.65
8/1/2037	Wilmington Trust	FNMA MBS	38,892.29
8/1/2038	Wilmington Trust	FNMA MBS	64,738.81
12/1/2038	Wilmington Trust	FNMA MBS	66,372.34
12/1/2039	Wilmington Trust	FNMA MBS	61,997.79
8/9/2019	US Bank Corporate Tr	FHLB DN	565,000.00
8/9/2019	US Bank Corporate Tr	FFCB DN	92,000.00
7/31/2019	US Bank Corporate Tr	T-BILLS	2,975,000.00
1/30/2020	Wilmington Trust	T-BILLS	1,410,000.00
6/30/2019	US Bank Corporate Tr	US BANK MONEY M	3,264,247.53
	Wilmington Trust	WT GOLDMAN SACH	70,906,776.77
<b>Total</b>			<b>114,369,290.72</b>

FNMA = Federal National Mortgage Association

Fannie Mae

FHLB = Federal Home Loan Bank

FHLMC = Federal Home Loan Mortgage Corporation

Freddie Mac

FFCB = Federal Farm Credit Bank

**Montana Board of Housing**  
**Financial Data for month ending August 31, 2019**

<i>(Dollars in Thousands)</i>	<u>Current Month</u>	<u>Change</u>	<u>FYE18</u>
<b>Assets:</b>			
Cash and Cash Equivalents	115,182	27,626	87,556
Investments	20,770	(34,221)	54,991
Mortgage Loans Receivable, Net	523,822	57,053	466,769
Corporate Advance	357	(564)	921
Interest Receivable	4,222	(476)	4,698
Prepaid Interest	165	2	163
Acquisition Costs	1,927	17	1,910
Capital Assets, Net	1	-	1
<b>Total Assets</b>	<u>666,446</u>	<u>49,437</u>	<u>617,009</u>
<b>Deferred Outflow of Resources</b>	<u>791</u>	<u>(36)</u>	<u>827</u>
<b>Liabilities:</b>			
Accounts Payable	3,061	2,634	427
Funds Held for Others	6,245	(968)	7,213
Accrued Interest - Bond Payable	1,465	-	1,465
Bonds Payable, Net	493,225	41,356	451,869
Arbitrage Rebate Payable	1,124	472	652
Accrued Compensated Absences	302	22	280
Net Pension Liability	2,420	141	2,279
OPEB Liability	52	-	52
<b>Total Liabilities</b>	<u>507,894</u>	<u>43,657</u>	<u>464,237</u>
<b>Deferred Outflow of Resources</b>	<u>92</u>	<u>11</u>	<u>81</u>
Revenues	28,208	7,357	20,851
Expenses	24,401	3,402	20,999
<b>Income (Loss)</b>	<u>3,807</u>	<u>3,955</u>	<u>(148)</u>

**NOTE:** Information supplied above is unaudited and does not conform to GASB requirements

Tiny Homes Agenda Item - Place Holder - Will be handed out at Board Meeting

# BOARD AGENDA ITEM

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## PROGRAM

Homeownership Program

## AGENDA ITEM

Humble Homes Approval

## BACKGROUND

As part of the Affordable Housing Plan, HRDC built the Beall Street Tiny Homes development utilizing the affordable housing ordinance last year. The project is the first of its kind in Bozeman. It is part of an affordable housing pilot program called "Humble Homes". The project consists of 2 lots, each with a single family home and detached garage that share a zero lot line. The properties have been placed into HRDC's existing Community Land Trust.

One home, the larger of the two, referred to as the "Box Loft" is 600 square feet, was sold and was financed with an FHA loan through the Board's setaside program.

The smaller one, "Tidbit", is approximately 300 square feet with a loft and an oversized crawl space. HRDC has an interested, qualified buyer, but they are running into trouble with financing the home due to no comps with 300 sq ft to justify the price point. The property qualified in all other ways for FHA, but without comps it cannot be insured.

The purchase price of the home is \$140,000 and the borrower qualifies for almost \$30,000 of Home funds. With that and other gift funds available, the Board could provide an uninsured first mortgage with a loan to value of less than 80% and help establish comps for future sales of similar tiny homes.

Staff has discussed the financing of this home with the lender and there is not another 30 year fixed rate option for this borrower. A portfolio loan from the bank would likely be a 15 year adjustable rate loan.

A few things that must be taken into consideration while making this decision are that the Board has a policy that limits the number of units it will finance in a project to avoid becoming the only lender of an entire project. We will finance 25% of larger projects and 50% of smaller ones and we currently hold the loan for the other home in this project in our portfolio. Also, if no other tiny homes become available in this market, there might not be comps when this borrower sells and we might be the only market for this loan in the future.

## PROPOSAL

Staff requests that the Board approve financing for this tiny home.

Board Meeting: October 28, 2019

# BOARD AGENDA ITEM

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## PROGRAM

Homeownership Program

## AGENDA ITEM

Lender Approval – AmCap Mortgage, Ltd.

## BACKGROUND

AmCap Mortgage, Ltd. was founded in 2002 in Houston, Texas and has over 900 employees operating from 120 branch locations across more than 30 states.

AmCap Mortgage has offices located in Helena and Billings where they do business as Major Mortgage. They are interested in participating in the Board's mortgage loan and MCC programs. They are approved to underwrite FHA, RD and VA loans as well as approved by Ginnie Mae, Fannie Mae and Freddie Mac. They will sell the servicing of our loans to Montana Board of Housing.

All required Errors and Omissions and Fidelity Bond Insurance coverage requirements have been met and per their financial statements, AmCap Mortgage has an equity to asset ratio that complies with the criteria of 6% for MBOH participating lenders.

Their financial statements are available to Board members for review.

## PROPOSAL

Staff requests for the Board to approve AmCap Mortgage, Ltd. as a participating lender for Montana Board of Housing.

# BOARD AGENDA ITEM

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## PROGRAM

Homeownership Program

## AGENDA ITEM

Lender Approval – Open Mortgage, LLC

## BACKGROUND

Open Mortgage, LLC is a multi-channel mortgage lender that was founded in 2003 and serves thousands of clients annually. Open Mortgage maintains operations centers in Austin, TX, and Atlanta, GA, they have 60 branches in 24 states and they are currently licensed in 46 states and the District of Columbia.

Open Mortgage has an office located in Great Fall where they have staff who have experience with Board programs.

Open Mortgage is interested in participating in the Board’s mortgage loan and MCC programs. They are approved to underwrite FHA, RD and VA loans and are approved as a seller/servicer for Fannie Mae. They will sell the servicing of our loans to Montana Board of Housing.

All required Errors and Omissions and Fidelity Bond Insurance coverage requirements have been met.

Per their December 31, 2018 Open Mortgage has an equity to asset ratio that complies with the criteria of 6% for MBOH participating lenders.

Their financial statements are available to Board members for review.

Robbie Novak is available for questions.

## PROPOSAL

Staff requests for the Board to approve Open Mortgage, LLC as a participating lender for Montana Board of Housing.

# BOARD AGENDA ITEM

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## PROGRAM

Homeownership Program

## AGENDA ITEM

MCC Resolution Approval

## BACKGROUND

The Mortgage Credit Certificate allows eligible homebuyers to receive a dollar-for-dollar reduction in their federal income taxes of up to 20% of the annual interest paid on their mortgage. Borrowers can file an amended withholding statement with their employer, and increase their monthly take-home pay by the amount of the credit. This additional income can be used to help qualify a borrower for a loan. The MCC can be attached to any loan statewide, except for a loan financed through any other Montana Board of Housing Program.

Attached is a Resolution for your consideration that authorizes the use \$60,000,000 in bond cap to provide \$15,000,000 of tax credit authority, it is a 4 to 1 trade off. The Board has adequate bond cap available to accommodate this request.

## PROPOSAL

Staff requests that the Board approve the attached resolution.

## RESOLUTION NO. 19-1028-SF03\_MCC

A RESOLUTION AUTHORIZING THE ISSUANCE OF MORTGAGE CREDIT CERTIFICATES (“MCCs”); APPROVING THE FORMS OF THE MCC PROGRAM GUIDE AND RELATED ITEMS; AUTHORIZING THE EXECUTIVE DIRECTOR TO FILE ONE OR MORE MCC ELECTIONS WITH THE INTERNAL REVENUE SERVICE; AUTHORIZING THE EXECUTIVE DIRECTOR TO DETERMINE THE MCC RATES, TERMS AND CRITERIA; AND AUTHORIZING THE EXECUTIVE DIRECTOR TO GIVE NOTICE AS REQUIRED BY THE FEDERAL TAX LAWS OF THE IMPLEMENTATION OF THE MCC PROGRAM.

WHEREAS, the Montana Board of Housing (the “Board”) is authorized by Montana Code Annotated Sections 90-6-100 through 90-6-127 and Section 2-15-1814 (the “Act”) to issue its bonds and to purchase mortgage loans in order to finance single-family housing which will provide decent, safe and sanitary housing for persons and families of lower income in the State; and

WHEREAS, the Board is an authorized issuer of “qualified mortgage bonds” described in Section 143 of the Internal Revenue Code of 1986, as amended (the “Code”), and receives volume cap under Section 146 of the Code to issue such qualified mortgage bonds and other private activity bonds; and

WHEREAS, Section 25 of the Code and the regulations promulgated thereunder permit the Board to exchange its authority to issue qualified mortgage bonds and other private activity bonds for which it has volume cap in order to issue mortgage credit certificates under a qualified mortgage credit certificate program; and

WHEREAS, an MCC provides housing assistance in the form of a nonrefundable, federal tax credit, the value of which is equal to a portion of the mortgage interest paid by a homeowner on certain qualifying loans, and the holder of an MCC may apply this tax credit against his or her federal income taxes in each year the MCC is effective; and

WHEREAS, the Board desires to provide the widest range of alternatives to lower-income borrowers to enable them to finance the acquisition of single-family residences at the lowest effective cost to such borrowers (collectively, such alternatives are referred to as the “Single Family Programs”); and

WHEREAS, as part of the Single Family Programs, the Board currently administers an MCC program (the “MCC Program”) and wishes to increase the amount available for MCCs; and

WHEREAS, in connection with such MCC Program, the Board desires to elect not to issue private activity bonds which it could otherwise issue (including from any unused carryforward of private activity bond authority from prior calendar years);

NOW, THEREFORE, BE IT RESOLVED BY THE MONTANA BOARD OF HOUSING, as follows:

**Section 1.** The Board approves and authorizes a continuation of the current MCC Program, pursuant to one or more elections, benefiting qualified homebuyers and homeowners who incur mortgage loans for eligible purposes. The parameters and purposes of this continued MCC Program shall be substantially similar to the Board's current MCC Program, and such parameters are hereby approved in substance, with such changes and modifications as the Executive Director, the staff and counsel to the Board deem necessary and advisable, and are incorporated by reference as part of this Resolution.

**Section 2.** The Board finds and determines that it is necessary to exchange its authority to issue up to \$60,000,000 of private activity bonds for the authority to issue MCCs. The Board directs the Executive Director to make one or more elections, pursuant to Section 25 of the Code, not to issue up to an aggregate of \$60,000,000 of private activity bonds (the "nonissued bond amount") that the Board is authorized and has volume cap available to issue (including any unused carryforward). The nonissued bond amount shall be allocated to a continuation of the current MCC Program. To effectuate the foregoing, the Executive Director is directed to file notice of such election or elections with the Internal Revenue Service, as required by the Code and the regulations.

**Section 3.** The Board authorizes the Executive Director to establish one or more credit rates (based on the criteria he deems appropriate pursuant to the following sentence) for the mortgage loans described therein, determine the program expiration date, select the types of mortgage loans for which MCCs may be issued, approve the terms and conditions on which participating lenders make loans that are eligible for MCC financing, and make other determinations as appropriate, all in accordance with the terms and provisions of Section 25 of the Code and the regulations thereunder and this Resolution. The Executive Director and the staff are hereby directed to further define the MCC Program parameters, as they deem appropriate and necessary to maximize the availability of lower cost financing to low- and moderate-income persons under the Single Family Programs.

**Section 4.** The forms of the MCC Program Guide and related items shall be substantially the same as those for the current MCC Program, which are hereby approved in substance, with such changes and modifications as the Executive Director and counsel to the Board deem necessary, appropriate and advisable.

**Section 5.** The Executive Director shall give notice to the public of the establishment of each MCC program as required by Section 25 of the Code and the regulations thereunder prior to the issuance of any MCCs under the MCC Program.

**Section 6.** The Board ratifies and approves the use of any unused private activity bond volume cap allocated to the Board (including any amount carried forward for the previous calendar years) in connection with the issuance of MCCs.

**Section 7.** This Resolution shall become effective immediately.

ADOPTED by the Montana Board of Housing this 28<sup>th</sup> day of October, 2019.

MONTANA BOARD OF HOUSING

By \_\_\_\_\_  
Chairman

Attest:

By \_\_\_\_\_  
Treasurer/Executive Director

# Homeownership Program Dashboard

October 11, 2019

## RATES

	<u>CURRENT</u>	<u>MONTH</u>	<u>LAST YEAR</u>
MBOH	3.50	3.50	4.25
Market	3.42	3.53	4.78
10 yr treasury	1.67	1.75	3.14
30 yr Fannie Mae	3.30	3.16	4.53

## LOAN PROGRAMS

	<u>SEPT/OCT RESERVATIONS</u>	<u>AMOUNT</u>	<u>TOTAL NUMBER</u>	<u>AMOUNT</u>	<u>ORIGINAL AMOUNT</u>	<u>BALANCE</u>
<b>REGULAR PROGRAM</b>						
Series 2019B(6.7.19)	61	11,033,325	166	28,950,504	30,000,000	1,049,496
2019B DPA(6.7.19)	33	263,590	69	522,498	880,000	357,502
80% Combined (20+)	0	0	104	13,741,759	reg bond	
<b>SET-ASIDE PROGRAMS</b>						
MBOH Plus	8	43,950	386	2,300,900	Revolving	40,599
Set-aside Pool (7.1.19)	6	1,065,877	15	2,369,211	FY2020	
NeighborWorks			3	380,958		
CAP NWMT CLT						
Missoula HRDC XI						
Bozeman HRDC IX	1	179,407	4	623,101		
Home\$tart						
HUD 184						
Dream Makers						
Sparrow Group			1	137,464		
City of Billings	5	886,470	7	1,227,688		
Foreclosure Prevent	0	0	0	0	50,000	50,000
Disabled Accessible	0	0	227	16,497,050	Ongoing	862,950
Lot Refi	0	0	12	1,273,560	2,000,000	726,440
FY20 Habitat	0	0	3	370,000	3,377,290	3,007,290
Montana Street	1	120,000	5	506,910	1,000,000	493,090
<b>OTHER PROGRAMS</b>						
Veterans (Orig)	13	2,818,978	332	63,051,091	Revolving	4,536,475
910 Mrtg Cr Cert (MCC)	14	3,388,183	216	48,633,029	60,000,000	11,366,971

## AUGUST CHANGES

	<u># loans</u>	<u>Princ Bal</u>
<b>July Balance</b>	<b>5,600</b>	<b>506,936,996.36</b>
Aug Purchases (1st)	39	6,785,857.38
Aug Purchases (2nd)	23	137,525.00
Aug Amortization		(1,342,607.57)
Aug Payoffs	(43)	(3,410,459.75)
Aug Foreclosures	(4)	(369,330.48)
<b>August Balance</b>	<b>5,615</b>	<b>508,737,980.94</b>

## 2019 YTD

	<u># loans</u>	<u>Princ Bal</u>
<b>January</b>	<b>5,517</b>	<b>495,617,049.34</b>
February	294	49,632,246.20
March	141	849,350.00
April		(10,551,398.31)
May	(317)	(25,202,335.56)
June	(20)	(1,606,930.73)
<b>August</b>	<b>5,615</b>	<b>508,737,980.94</b>

## DELINQUENCY AND FORECLOSURE RATES

### MONTANA BOARD OF HOUSING

### MORTGAGE BANKERS ASSOC. 6/2019

(most recent available)

	<u>Aug-19</u>	<u>Jul-19</u>	<u>Aug-18</u>	<u>Montana</u>	<u>Region</u>	<u>Nation</u>
30 Days	1.46	1.00	1.69	1.64	1.97	2.59
60 Days	0.52	0.68	0.41	0.50	0.55	0.78
90 Days	<u>0.50</u>	<u>0.50</u>	<u>0.58</u>	<u>0.53</u>	<u>0.62</u>	<u>1.04</u>
Total Delinquencies	2.48	2.18	2.68	2.67	3.14	4.41
In Foreclosure	0.64	0.57	0.56	0.52	0.46	0.90

## LOAN PURCHASES BY LENDER

	AUGUST		2019 YTD	
	<u>1st</u>	<u>DPA</u>	<u>1st</u>	<u>DPA</u>
FIRST SECURITY BOZEMAN 061			10	5
1ST COMMUNITY BK GLASGOW 095	3	3	10	9
1ST SECURITY BK MISSOULA 133	1		7	
VALLEY BANK RONAN 159			2	
YELLOWSTONE BANK BILLINGS 161	1	1	2	2
BIG SKY WESTERN BANK 165			1	
FIRST MONTANA BANK, BUTTE 172			1	
AMERICAN BANK CENTER 186			2	2
BANK OF BRIDGER 354			1	
STOCKMAN BANK OF MT MILES 524	5	3	35	15
FIRST INTERSTATE BANK-WY 601	4	2	23	9
U.S. BANK N.A. 617			1	
OPPORTUNITY BANK 700	2	1	31	13
FIRST FEDERAL BANK & TRUST 731			3	2
WESTERN SECURITY BANK 785			3	
GLACIER BANK KALISPELL 735	4	2	11	2
MANN MORTGAGE 835	8	3	49	28
GUILD MORTGAGE COMPANY 842	1	1	23	12
UNIVERSAL 843	3	3	19	12
FAIRWAY INDEPENDENT MRTG 847	4	2	34	17
CORNERSTONE HOME LENDING 850			1	
BAY EQUITY LLC 853			5	5
LENDUS LLC 854	3	2	17	8
MISSOULA FEDERAL C U 901			3	
Grand Count	39	23	294	141

## MBOH AUGUST PORTFOLIO

	<u># of loans</u>	<u>\$ of loans</u>	<u>% of #</u>	<u>% of \$</u>	
<b>FHA</b>	2,913	280,521,204	52%	55%	
<b>RD</b>	1,283	139,499,188	23%	28%	
<b>VA</b>	405	52,567,705	7%	10%	
<b>HUD184</b>	58	4,454,858	1%	1%	
<b>PMI</b>	69	6,165,629	1%	1%	
<b>Uninsured 1st</b>	228	21,827,653	4%	4%	
<b>Uninsured 2nd</b>	659	3,701,743	12%	1%	
	5,615	\$ 508,737,981			
<b>Serviced by MBOH</b>	4,862	\$ 440,208,185	87%	87%	
<b>August 2018 Balance</b>	5,311	\$ 463,282,273	5.72%	9.81%	percent of increase

### Weighted Average Interest Rate 4.123%

	<u># of loans</u>	<u>\$ of loans</u>
0 - 2.99%	547	\$ 19,491,515
3 - 3.99%	1602	\$216,549,502
4 - 4.99%	1379	\$163,649,369
5 - 5.99%	1402	\$ 82,027,291
6 - 6.99%	589	\$ 24,549,791
7 - 7.99%	90	\$ 2,438,619
8 - 8.99%	6	\$ 31,894

## LENDER/REALTOR/PARTNER OUTREACH

<u>Date</u>	<u>Event</u>
5-Sep Julie	Webinar Training - PrimeLending
11-Sep Julie	Webinar Training - Fairway
18 - 20 Sep Julie	Montana Association of Realtors Conference
23-Sep HO Team	LIFT Program call with Wells Fargo
30-Sep Julie Vicki	NWMT Partner Call
1-Oct Julie Charlie Vicki	Lender visits in Missoula First MT Bank First Security Bank Stockman Bank Clearwater Credit Union First Interstate Bank Mann Mortgage HomeWord 25th Anniversary celebration
9-Oct Julie Vicki	MontanaLIFT Program Overview Webinar

## Mortgage Servicing Program Dashboard Effective 09/30/19

	Last Year	Last Month	This Month
MONTH	SEP 2018	AUG 2019	SEP 2019
PORTFOLIO TOTAL LOANS	4956	5194	5198
MBOH	4639	4887	4889
BOI	301	293	295
MULTI FAMILY	16	14	14
PRINCIPAL (all loans)	\$ 460,983,403.30	\$ 493,636,502.72	\$ 493,388,134.74
ESCROW (all loans)	\$ 5,839,205.67	\$ 5,599,449.78	\$ 6,866,384.10
LOSS DRAFT (all loans)	\$ 657,869.25	\$ 659,156.37	\$ 1,104,625.58
LOANS DELINQUENT (60+ days)	179	147	147
ACTUAL FORECLOSURE SALES IN MONTH	2	1	2
FORECLOSURES TOTAL CALENDAR YEAR	22	9	11
DELINQUENT CONTACTS TO MAKE	678	702	681
LATE FEES - NUMBER OF LOANS	686	745	730
LATE FEES - TOTAL AMOUNT	\$ 19,649.03	\$ 21,556.51	\$ 21,237.87
PAYOFFS	43	37	43
NEW LOANS/TRANSFERS	78	70	49

## 2019 Monthly Servicing Report

LOSS MITIGATION	SEP 2019	<b>HUD's National Servicing Center TRSII Reporting FY2019 Q4 92.37% Tier 1 - Grade A</b>
ACTIVE FINANCIALPACKETS	8	
REPAYMENT/FORBEARANCE	25	
SHORT SALE	0	
DEED IN LIEU	0	
HAMPS/PARTIAL CLAIMS & MODS PNDG	2	
PRESERVATION PROPERTIES	14	
REAL ESTATE OWNED PROPERTIES	4	
CHAPTER 13 BANKRUPTCIES	17	

# BOARD AGENDA ITEM

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## PROGRAM

Multifamily Program

## AGENDA ITEM

Hardin Senior Housing request for Reconsideration

## BACKGROUND

The Hardin Senior Housing application was returned because of substantial non-compliance with Crestview Apartments in Big Fork, a project also owned by American Covenant Senior Housing.

Crestview failed to submit their annual compliance package that was due on July 25, 2019. Crestview annual compliance package has been due July 25 for several years.

Compliance staff worked with Mike Ross from the management company last year to get the annual compliance package submitted.

Timeline of contact by MBOH

- June 4th – Email information letter, required documents & instructions
- July 8th - Email reminder letter, required documents & instructions
- August 20th – Phone call to Mike Ross about missing annual compliance package and sent email discussing missing package, with letter as above again
- August 30th – Sent email stating annual compliance package over 30 days past due & possible consequences of continued past due status. Received Mike's email indicating compliance fees had been paid
- September 3 – Emailing thanking Mike for the payment and asking when rest of package would be submitted
- September 4 – Electronic Annual Owners certification received (must send a signed notarized Annual Owners certification by email to complete that part of the package submission).
- September 20 – Mary emailed a letter returning the Hardin Senior Housing application.
- September 24 - Shortly after that Mary was contacted by other parties involved in the application asking how to correct the non-compliance, email was received on the 24<sup>th</sup>
- October 4 – Some of the compliance package was submitted
- October 7 – Balance of the Annual Compliance Package submitted
- October 7 – Letter emailed from American Coventry Senior Housing to request reconsideration

MBOH did have an incorrect email for Gerald Fritts the owner but, the emails were also sent to Mike Ross and Wayne Johnson at the management company.

Board Meeting: October 28, 2019

## BOARD AGENDA ITEM

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The request and information sent by American Covenant Senior Housing is attached after this agenda item

### PROPOSAL

Staff submits this request for board consideration. Staff recommends the board does not approve this request.

**American Covenant Senior Housing Foundation, Inc.**

234 Shelter Valley Drive

Kalispell, MT 59901

October 7<sup>th</sup>, 2019

Mary Bair, Multifamily Program Manager

Montana Board of Housing

PO Box 200528

Helena, MT 59620

RE: Request that the Hardin Senior Housing Application Waiver be placed on the MBOH October 28<sup>th</sup> 2019 meeting Agenda.

**SUBJECT: Request for QAP Waiver of Hardin Senior Housing 2019 Application Denial**

We are requesting that the MBOH allow for the application of Hardin Senior Housing to be scored in this round.

The reason for the application denial is that the Managing Member of the application was not in compliance with required annual reports – specifically, the project of “**Crestview Senior Apartments**” a tax credit project submitted in 2008.

The Crestview Senior Apts. project has previously been in continuous compliance until this year (9 years). The reason that the submission of the normal compliance was not completed was a virus within our computer system beginning in early March of 2019. On March 21<sup>st</sup>, American Covenant Senior Housing / Crestview Senior Apts. established an auto-reply to all emails routed to project Owner American Covenant (via the infected email – [lender@centurylink.net](mailto:lender@centurylink.net)) notifying any sender of a new email address this address.

The auto reply system notified Mary Bair at [mbair@mt.gov](mailto:mbair@mt.gov) April 2<sup>nd</sup>, 2019. (see attached)

In the meantime, the auto reply for the infected email lapsed without notice **May 30<sup>th</sup> of 2019**. The timing of this is critical, as Montana Housing Program Specialist Rena Oliphant had not begun sending **courtesy emails regarding** the annual compliance deadline until June 4<sup>th</sup>. As a result the new email address [gmf@acshf.com](mailto:gmf@acshf.com) for the Owner contact, was not used by MBOH and we did not get the notifications to Owner of non-compliance.

It is noteworthy that as soon as **Vantage Property Management** became aware that the 2019 Owner's Certificate of Continuing Program Compliance was not on the COL, Wayne Johnson made the correction and uploaded the form September 3<sup>rd</sup> 2019.

The Hardin Senior Housing project is extremely important and necessary to the City of Hardin (see USDA letter attached) and supported by the County and City, as well as the Northern Cheyenne Ministerial Association.

GMF@ACSHF.COM

**American Covenant Senior Housing Foundation, Inc.**

**234 Shelter Valley Drive**

**Kalispell, MT 59901**

We can demonstrate the flow of documentation / emails etc. and Crestview is currently in compliance (required documents were emailed to Rena Oliphant Oct. 4<sup>th</sup> and 7<sup>th</sup>,) and originals were sent via UPS next day Air today – October 7<sup>th</sup>, 2019.

We respectfully ask that you consider our request for waiver.

Sincerely,



Bob Jamison, Chairman

American Covenant Senior Housing Foundation, Inc.

Attachments:

Email from Mary Bair

Emails of Rena Oliphant 9/4/2019

Auto Reply email to Mary Bair 4/2/2019

USDA letter of support

September 20, 2019

Gerald Fritts  
American Coventry Senior Housing Foundation Inc  
234 Shelter Valley Drive  
Kalispell, MT 59901

Mr. Gerald Fritts;

American Coventry Senior Housing Foundation Inc with Gerald Fritts has submitted an application (Hardin Senior Housing), with Montana Board of Housing for Low Income Housing Tax Credits.

The Qualified Allocation Plan (QAP) states:

MBOH will return and will not consider for an Award of Credits:

1. Incomplete Applications, except as provided above in subsection 8.C.;
2. Unsound Applications, i.e., Projects for which the Market Study and other available market information fails to demonstrate adequate market need within the proposed location community or Projects that are not financially feasible, including but not limited to viable cash flow, based upon MBOH underwriting standards as set forth in this QAP;
3. An Application submitted by an entity with a demonstrated poor track record in completion of development or management of low income housing, whether located in Montana or another state;
4. Applications submitted by Applicants with current Project(s) that have/had numerous or unresolved substantial non-compliance issues or IRS 8823's (consideration will be given to the type of 8823);
5. Any other Application failing to meet any mandatory requirement of this QAP or federal law; and
6. Any Application as otherwise specified in this QAP.

Crestview in Big Fork has not submitted a complete annual compliance package which was due July 25, 2019. Late submission of annual compliance is considered substantial non compliance and is also considered an 8823 event.

Montana Board of Housing regrets, but is required by the QAP, number 4 listed above to return the application for Hardin Senior Housing.

Sincerely,



Mary S. Bair  
Multifamily Program Manager  
Montana Board of Housing  
Montana Housing  
406-841-2845



**Bair, Mary**

---

**From:** Oliphant, Rena  
**Sent:** Wednesday, September 4, 2019 11:28 AM  
**To:** Bair, Mary  
**Subject:** Crestview Apts 2019 AOC

Mary,  
Timeline for the 2019 Annual Owner Compliance Submission for Crestview Apartments is as follows;

**Reporting Period 7/1/2018 – 6/30/2019 Due Date 7/25/19**

- 6/4/19 Email information letter & required documents to all projects in report period above including Crestview
- 7/8/19 Email reminder letter & required documents to all projects in report period above including Crestview
- 8/20/19 Phone call to Mike Ross about the non-submission of any of the requirements. Sent email discussing past due submissions & attaching information letter & required documents sent directly to Owner ( Gerald Fritts) & Management Company (Vantage Properties-Mike Ross & Wayne Johnson)
- 8/30/19 Sent email discussing over 30 days past due submissions & possible consequences of continued past due status sent directly to Owner ( Gerald Fritts) & Management Company (Vantage Properties-Mike Ross & Wayne Johnson)  
Received email from Mike Ross indicating Monitoring Fees paid. Verified receipt thru Montana Interactive
- 9/3/19 Responded to Mike's email thanking him for the payment notice & asking when the rest of the submission requirements will be completed.
- 9/4/19 Annual Owner Certification electronic submission received on 9/3/19. No electronic Tenant Certifications submitted & no required documents received as of 11:30 am.

**RENA OLIPHANT**  
Program Specialist

**MONTANA HOUSING**  
DEPARTMENT OF COMMERCE  
T: 406.841.2812  
COMMERCE.MT.GOV | HOUSING.MT.GOV



**From:** Oliphant, Rena <ROliphant@mt.gov>  
**Sent:** Monday, July 8, 2019 7:17 AM  
**To:** adams@quantumms.com; amccamey@plpinc.net; carrie@imiproperties.com; chadlaird@southwestmontanaproperties.com; chris@topherrealty.com; crestview406@outlook.com; dchproperty@gmail.com; hidat@quantumms.com; Julie@imi-idaho.com; karissa@snazzyapartment.com; kimberly.brown@vitusgroup.com; ksmith@plpinc.net; ldotson@plpinc.net; lender@centurylink.net; lwklee325@gmail.com; marcy@northernrockiesoutfit.com; maryannp@whitewatercreek.com; michelle@thecapitalrealty.com; mross.vantage@gmail.com; mtmgmt@whitewatercreek.com; nate@imi-idaho.com; peggy@billingsrpm.com; phyllish@whitewatercreek.com; rapp@bresnan.net; rmbinder@yahoo.com; rroeter@plpinc.net; sam@thecapitalrealty.com; susanlybeck@hotmail.com; tawnya@topherrealty.com; tking@thecapitalrealty.com; vrieger@cyberport.net  
**Subject:** Reminder Annual Owner Certification submission  
**Attachments:** REMINDER AOC SUBMISSION LETTER 2nd QTR.pdf  
**Follow Up Flag:** Follow up  
**Flag Status:** Flagged

Please see attached

**RENA OLIPHANT**  
**Program Specialist**

**MONTANA HOUSING**  
**DEPARTMENT OF COMMERCE**  
**T: 406.841.2812**  
**COMMERCE.MT.GOV | HOUSING.MT.GOV**



**From:** [lender@centurylink.net](mailto:lender@centurylink.net)  
**To:** [mbair@mt.gov](mailto:mbair@mt.gov)  
**Subject:** New E-mail Address for Gerald Fritts at ACSHF / Evergreen International  
**Date:** Tuesday, April 2, 2019 12:13:23 PM  
**Attachments:** [image001.gif](#)

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Based on poor email provider service, "lender (at) centurylink.net" is no longer a valid email address effective March 2019.

Please update your email address book, and direct all future emails to [gmf@acshf.com](mailto:gmf@acshf.com)



Rural Development

July 15, 2019

Montana State Office

Montana Board of Housing  
P.O. Box 200528  
Helena, MT 59620-0528

2229 Boot Hill Court  
Bozeman, Montana  
59715

Voice 406.585.2580  
Fax 855.576.2674

Re: Hardin Senior Housing, Hardin, MT

Dear Board Members,

I am writing in support of the application for Low Income Housing Tax Credits submitted by the Hardin Senior Housing LLC for the acquisition and renovation of the Rangeview Apartments complex in Hardin, MT.

Hardin Senior Housing LLC, by their General Partner, American Covenant Senior Housing Foundation, Inc., has notified USDA Rural Development of plans to apply for funding from Montana Board of Housing for an allocation of Low Income Housing Tax Credits to be used to acquire and rehabilitate the property. The proposed new owner must complete an "Application for Federal Assistance" and submit a complete package to Rural Development before a final determination of approval is made, however USDA Rural Development anticipates that it will approve a transfer if a successful application is provided to the Agency.

Upon completion of the application for transfer of ownership, and subject to approval, USDA will transfer the loans and subsidy contracts that currently exist to the approved new borrower entity. The current rental assistance amount associated with this contract is \$89,789 annually. We expect this contract to be renewed on an annual basis.

The transfer and approval of the development are subject to review and approval of the application for eligibility and feasibility in accordance with 7CFR 3560 and all other applicable federal, state and local regulations.

Thank you again for your consideration and vital support of the preservation of the Rangeview Apartments (Hardin Senior Housing Apartments) as affordable housing in this community.

Sincerely,

SANDI MESSINGER  
State Housing Specialist

# BOARD AGENDA ITEM

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## **PROGRAM**

Multifamily Program

## **AGENDA ITEM**

2020 Housing Credit Applications

## **BACKGROUND**

Mary will explain application packet items, the application spreadsheet and the summary hi point spreadsheet

## **PROPOSAL**

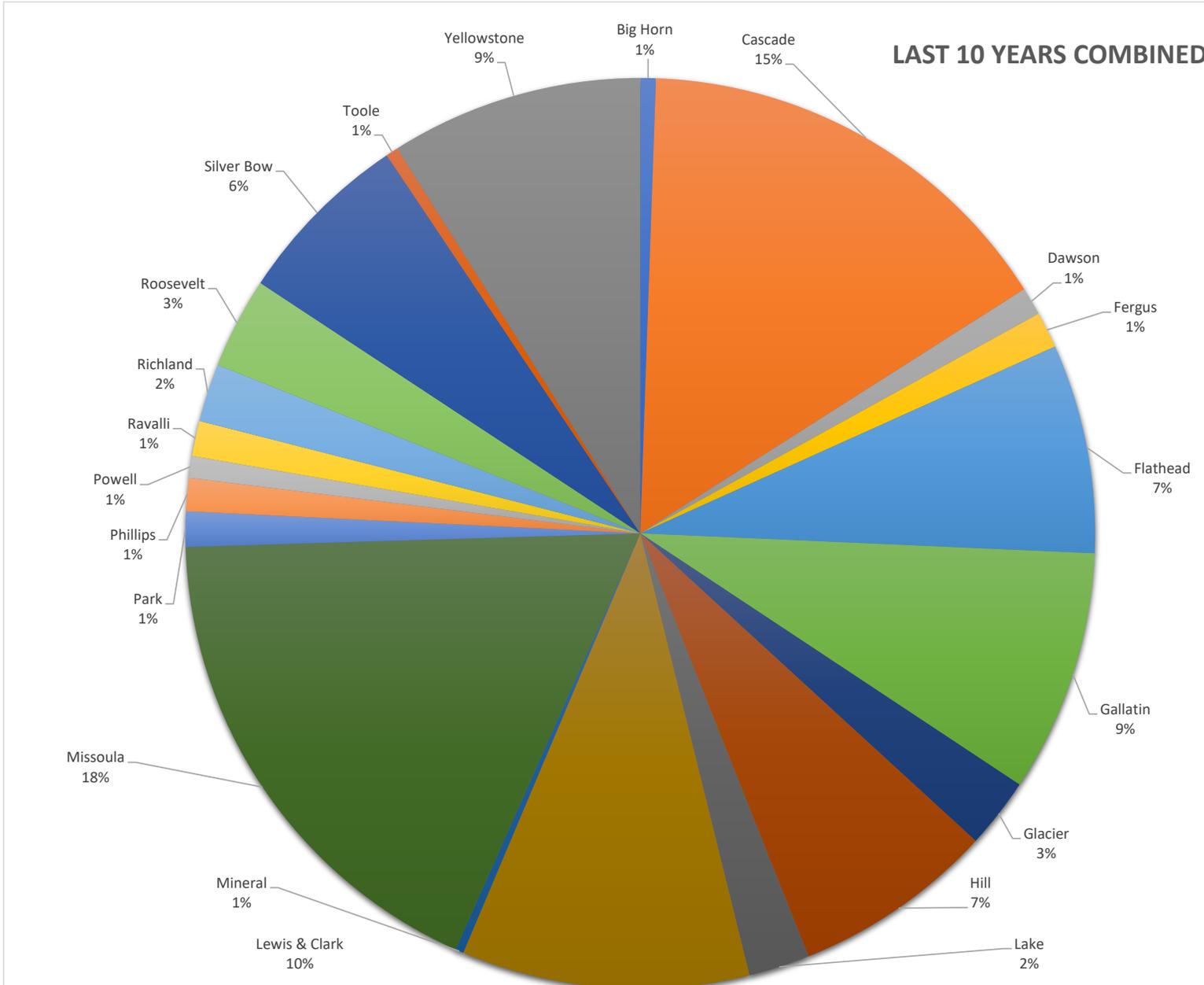
Staff has reviewed the applications and submitted information and scores for board review and award.

**Properties funded last 10 years**

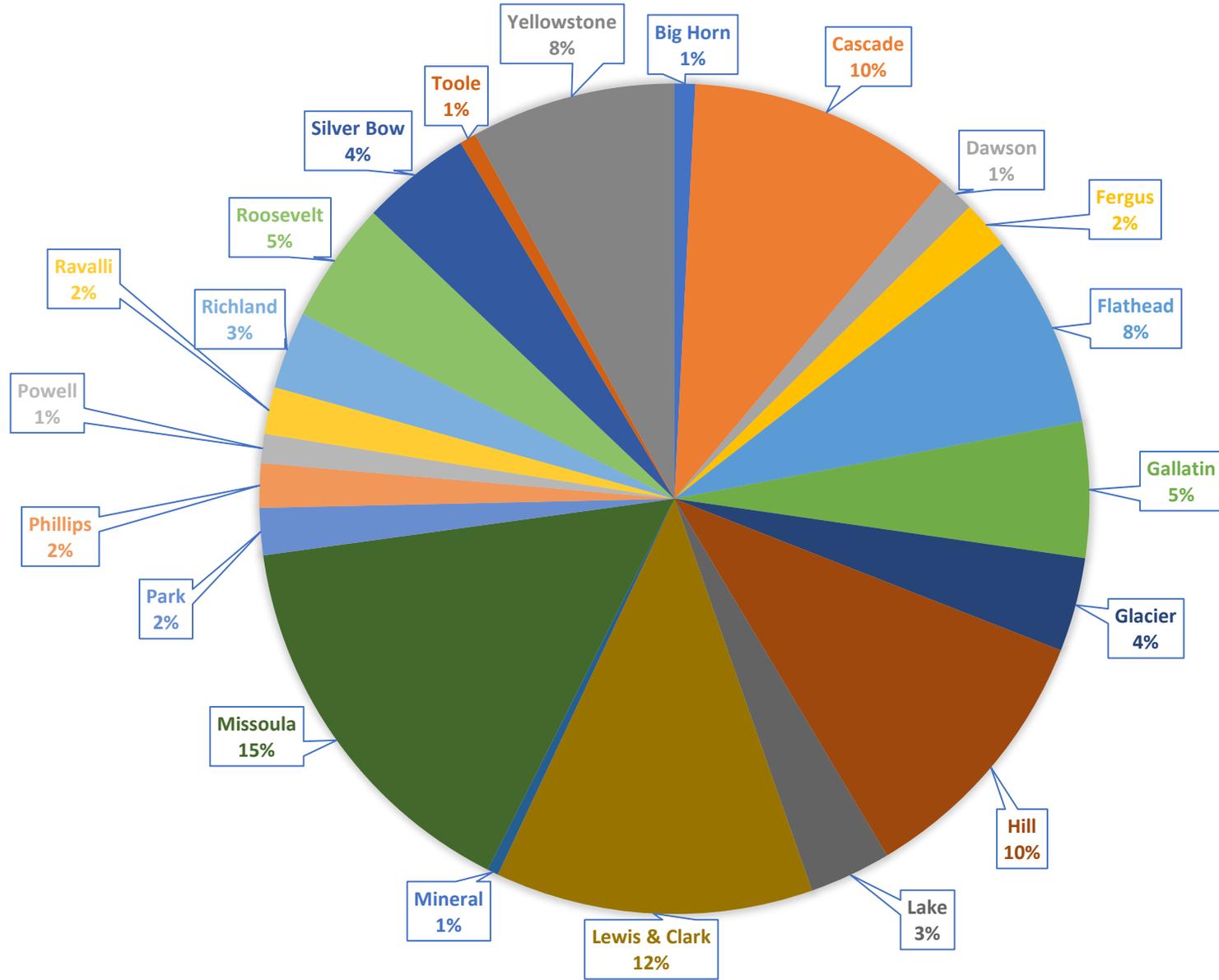
2010	Buffalo Court	20	Havre	Hill
2010	Lolo Vista Apartments	40	Lolo	Missoula
2010	Solstice	34	Missoula	Missoula
2010	Cottage Park	60	Missoula	Missoula
2010	Meadowlands Apartments	48	Butte	Silver Bow
2011	Cascade Ridge Senior Living	40	Great Falls	Cascade
2011	Two Rivers Place	8	St Regis	Mineral
2011	The Palace Apartments	60	Missoula	Missoula
2011	Fort Peck Homes II	24	Poplar/Wolf Point	Roosevelt
2012	Rainbow House**	40	Great Falls	Cascade
2012	Depot Place	40	Kalispell	Flathead
2012	Haggerty Lane Apartments	11	Bozeman	Gallatin
2012	Parkview Village	20	Sidney	Richland
2012	Silver Bow Village**	60	Butte	Silver Bow
2012	Sweet Grass Apartments	12	Shelby	Toole
2013	Soroptimist Village	50	Great Falls	Cascade
2013	Buffalo Grass	14	Cut Bank	Glacier
2013	Blackfeet Homes V	24	Browning	Glacier
2013	Hillview Apartments	52	Havre	Hill
2013	River Rock Residences	32	Helena	Lewis & Clark
2013	Aspen Place	36	Missoula	Missoula
2013	Fort Peck Sustainable Village	20	Poplar	Roosevelt
2014	Apsaalooke Warrior	15	Crow Agency	Big Horn
2014	Voyageur Apartments	38	Great Falls	Cascade
2014	Yellowstone Commons	27	Glendive	Dawson
2014	Chippewa Cree Homes I	33	Box Elder	Hill
2014	Cedar View	32	Malta	Phillips
2014	Sunset Village	36	Sidney	Richland
2015	Cascade Ridge II	16	Great Falls	Cascade
2015	Gallatin Forks	16	Manhattan	Gallatin
2015	Stoneridge Apartments	47	Bozeman	Gallatin
2015	Larkspur Commons**	136	Bozeman	Gallatin
2015	Antelope Court	30	Havre	Hill
2015	Guardian Apartments	118	Helena	Lewis & Clark
2015	Sweet Grass Commons	26	Missoula	Missoula
2015	River Ridge	70	Missoula	Missoula

2016	Cascade Ridge II - Additional Allocation	16	Great Falls	Cascade
2016	River Run Apartments*	96	Great Falls	Cascade
2016	Little Jon Rehab	31	Big Fork	Flathead
2016	Big Sky Villas	24	Belgrade	Gallatin
2016	Freedoms Path	42	Fort Harrison/Helena	Lewis & Clark
2016	Valley Villas rehab	34	Hamilton	Ravalli
2016	North Star	28	Wolf Point	Roosevelt
2016	Red Fox	30	Billings	Yellowstone
2017	Rockcress 9%	32	Great Falls	Cascade
2017	Rockcress 4%**	92	Great Falls	Cascade
2017	Big Sky Manor**	62	Kalispell	Flathead
2017	Blackfeet VI	30	Browning	Glacier
2017	Polson Landing	35	Polson	Lake
2017	Roosevelt Villas	16	Wolf Point/Culbertson	Roosevelt
2017	Gateway Vista	24	Billings	Yellowstone
2018	Meadows Senior	35	Lewistown	Fergus
2018	Courtyard Apartments	32	Kalispell	Flathead
2018	Villagio*	200	Missoula	Missoula
2018	Bluebunch Flats	34	Livingston	Park
2018	Cottonwood Creek	21	Deer Lodge	Powell
2018	Copper Ridge 9%	32	Butte	Silver Bow
2018	Copper Ridge 4%**	32	Butte	Silver Bow
2018	Heights Senior 9%	40	Billings	Yellowstone
2018	Heights Senior 4%**	96	Billings	Yellowstone
2019	Aplenglow	37	Whitefish	Flathead
2019	Oakwood Village	60	Havre	Hill
2019	Meadowlark Vista	24	Ronan	Lake
2019	Red Alder 9%	38	Helena	Lewis & Clark
2019	Red Alder 4%**	48	HELENA	Lewis & Clark
2019	Chapel Court	54	Billings	Yellowstone

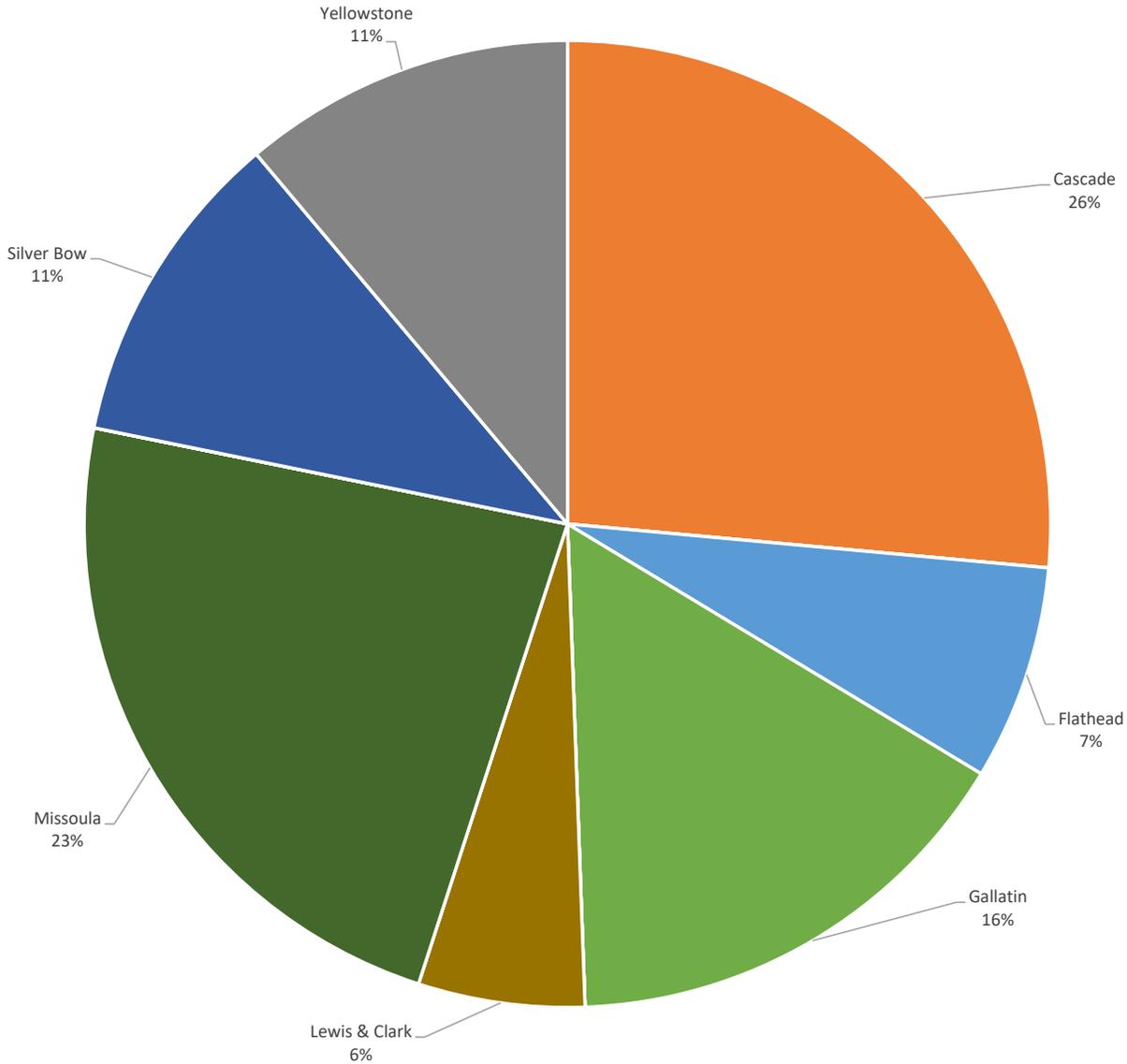
Blue highlighted properties are bond deals



LAST 10 YEARS 9% ONLY



LAST 10 YEARS 4% ONLY



COUNTY	2018 POPULATION	# OF TC PROJECTS	# OF TC HOMES	PROJECTS/1000	HOMES/1000
<b>MONTANA</b>	<b>1,063,395</b>	<b>225</b>	<b>6,221</b>	<b>0.21</b>	<b>5.85</b>
JEFFERSON	12,097	1	36	0.08	2.98
SANDERS	11,844	1	9	0.08	0.76
STILLWATER	9,534	1	32	0.10	3.36
BEAVERHEAD	9,404	1	24	0.11	2.55
DEER LODGE	9,131	1	10	0.11	1.10
VALLEY	7,437	1	6	0.13	0.81
CASCADE	81,643	11	389	0.13	4.76
SILVER BOW	34,993	5	160	0.14	4.57
YELLOWSTONE	160,137	23	756	0.14	4.72
GALLATIN	111,876	19	615	0.17	5.50
CUSTER	11,586	2	53	0.17	4.57
CHOUTEAU	5,745	1	10	0.17	1.74
LEWIS AND CLARK	68,700	12	502	0.17	7.31
PARK	16,736	3	79	0.18	4.72
FERGUS	11,113	2	59	0.18	5.31
RICHLAND	10,913	2	56	0.18	5.13
CARBON	10,714	2	33	0.19	3.08
BIG HORN	13,338	3	55	0.22	4.12
MADISON	8,768	2	48	0.23	5.47
DAWSON	8,680	2	45	0.23	5.18
FLATHEAD	102,106	24	720	0.24	7.05
MISSOULA	118,791	29	942	0.24	7.93
PHILLIPS	4,074	1	32	0.25	7.85
SWEET GRASS	3,710	1	24	0.27	6.47
RAVALLI	43,172	12	308	0.28	7.13
POWELL	6,968	2	45	0.29	6.46
SHERIDAN	3,424	1	4	0.29	1.17
ROSEBUD	9,063	3	71	0.33	7.83
LIBERTY	2,430	1	6	0.41	2.47
TOOLE	4,853	2	24	0.41	4.95
MINERAL	4,316	2	32	0.46	7.41
MEAGHER	1,866	1	10	0.54	5.36
ROOSEVELT	11,059	6	111	0.54	10.04
LAKE	30,250	17	334	0.56	11.04
DANIELS	1,747	1	11	0.57	6.30
GLACIER	13,747	8	217	0.58	15.79
HILL	16,347	12	225	0.73	13.76
BLAINE	6,807	5	110	0.73	16.16
TREASURE	679	1	12	1.47	17.67
PETROLEUM	513	1	6	1.95	11.70
BROADWATER	6,085	-	-	0.00	0.00
CARTER	1,238	-	-	0.00	0.00
FALLON	2,920	-	-	0.00	0.00
GARFIELD	1,268	-	-	0.00	0.00

GOLDEN VALLEY	826	-	-	0.00	0.00
GRANITE	3,378	-	-	0.00	0.00
JUDITH BASIN	1,952	-	-	0.00	0.00
LINCOLN	19,794	-	-	0.00	0.00
MCCONE	1,675	-	-	0.00	0.00
MUSSELSHELL	4,651	-	-	0.00	0.00
PONDERA	5,972	-	-	0.00	0.00
POWDER RIVER	1,716	-	-	0.00	0.00
PRAIRIE	1,087	-	-	0.00	0.00
TETON	6,162	-	-	0.00	0.00
WHEATLAND	3,326	-	-	0.00	0.00
WIBAUX	1,034	-	-	0.00	0.00

Developer Past Projects: Comparing Application schedule / Actual completion

year awarded	project	developer	application begin const	application complete const	actual began const	actual completed const
2011	Two Rivers Place	Blueline	6/12	1/13	5/12	11/12
2012	Sweet Grass Apartments	Blueline	8/12	4/13	8/12	6/13
2013	Buffalo Grass	Blueline	10/13	5/14	9/13	5/14
2014	Apsaalooke Warrior	Blueline	5/14	12/14	11/14	7/15
2009	Superior Commons	Housing Solutions	7/9	5/10		7/11
2012	Depot Place	Housing Solutions	7/12	6/13	8/12	4/13
2013	Aspen Place	Housing Solutions	7/13	6/14	3/14	10/14
2014	Yellowstone Commons	Housing Solutions	7/13	6/14	8/14	6/15
2017	Polson Landing	Housing Solutions	5/17	3/18	6/17	12/17
2009	Superior Commons	Jim Morton/HRDC Missoula	7/9	5/10		7/11
2011	Two Rivers Place	Jim Morton/HRDC Missoula	6/12	1/13	5/12	11/12
2010	Lolo Vista	Summit	8/10	6/11		8/11
2015	Stoneridge Apartments	Summit	6/15	6/16	8/15	11/16
2015	Gallatin Forks	Syringa	3/15	6/15	1/16	5/16
2016	Vista Villa/River Run**	Wishrock	11/16	12/17	12/16	12/17

Montana Housing Credit Distribution and Demographics

October 2019

GEOGRAPHIC REGION	GEOGRAPHIC LOCATION	POPULATION 2000	POPULATION 2010	POPULATION 2018	% OF POPULATION OVER AGE 55 IN 2018	NUMBER OF 9% HC PROJECTS	TOTAL 9% HC HOMES CREATED PER CITY OR COUNTY	NUMBER OF 4% BOND PROJECTS PER CITY OR COUNTY	TOTAL 4% BOND RENTAL HOMES CREATED PER CITY OR COUNTY	% of the TOTAL MBOH TAX CREDIT RENTAL HOMES STATEWIDE	% of 2018 STATEWIDE POPULATION
Statewide	Montana	903,773	990,507	1,063,395	30.9%	226	6,303	24	1,821	100%	100%
Beaverhead County		9,204	9,253	9,404	34.4%	1	24			0.38%	0.88%
	Dillon	4,290	4,145	4,261	no data	1	24			0.38%	0.40%
Big Horn County		12,669	12,912	13,338	22.8%	3	55			0.87%	1.25%
	Crow Agency	no data	no data	no data	no data	1	15			0.24%	no data
	Hardin	3,451	3,674	3,833	no data	2	40			0.63%	0.36%
Blaine County		6,968	6,503	6,807	25.9%	5	110			1.75%	0.64%
	Chinook	1,389	1,208	1,273	no data	1	12			0.19%	0.12%
	Fort Belknap	no data	no data	no data	no data	3	87			1.38%	no data
	Hays	no data	no data	no data	no data	1	11			0.17%	no data
Broadwater County		4,378	5,637	6,085	38.2%						
Carbon County		9,561	10,062	10,714	41.7%	2	33			0.52%	1.01%
	Joliet	581	584	656	no data	1	1			0.02%	0.06%
	Red Lodge	2,202	2,128	2,294	no data	1	32			0.51%	0.22%
Carter County		1,335	1,160	1,238	40.2%						
Cascade County		80,318	81,491	81,643	29.7%	11	366	4	349	11.34%	7.68%
	Great Falls	57,418	59,212	58,701	no data	11	366	4	349	11.34%	5.52%
Chouteau County		6,062	5,808	5,745	33.7%	1	10			0.16%	0.54%
	Fort Benton	1,636	1,462	1,443	no data	1	10			0.16%	0.14%
Custer County		11,678	11,692	11,586	32.5%	2	53			0.84%	1.09%
	Miles City	8,524	8,395	8,393	no data	2	53			0.84%	0.79%
Daniels County		2,005	1,749	1,747	38.9%	1	11			0.17%	0.16%
	Scobey	1,074	1,018	1,027	no data	1	11			0.17%	16.29%
Dawson County		9,050	8,949	8,680	32.5%	2	46			0.73%	0.82%
	Glendive	4,885	4,943	4,960	no data	2	46			0.73%	0.47%
Deer Lodge County		9,409	9,289	9,131	38.2%	1	10			0.16%	0.86%
	Anaconda	9,409	9,289	9,131	no data	1	10			0.16%	0.86%
Fallon County		2,816	2,889	2,920	29.6%						
Fergus County		11,902	11,580	11,113	37.0%	2	59			0.94%	1.05%
	Lewistown	6,576	6,056	5,818	no data	2	59			0.94%	0.55%

Montana Housing Credit Distribution and Demographics

July 3, 2019

GEOGRAPHIC REGION	GEOGRAPHIC LOCATION	POPULATION 2000	POPULATION 2010	POPULATION 2018	% OF POPULATION OVER AGE 55 IN 2018	NUMBER OF 9% HC PROJECTS	TOTAL 9% HC HOMES CREATED PER CITY OR COUNTY	NUMBER OF 4% BOND PROJECTS PER CITY OR COUNTY	TOTAL 4% BOND RENTAL HOMES CREATED PER CITY OR COUNTY	% of the TOTAL MBOH TAX CREDIT RENTAL HOMES STATEWIDE	% of 2018 STATEWIDE POPULATION
Flathead County		74,774	90,853	102,106	32.9%	24	691	6	307	15.83%	9.60%
	Bigfork	1,421	4,270	4,797	no data	3	87			1.38%	no data
	Columbia Falls	4,009	4,702	5,575	no data	3	56	1	36	1.46%	0.52%
	Kalispell	15,047	20,069	23,938	no data	12	400	5	271	10.65%	2.25%
	Whitefish	5,881	6,386	7,870	no data	6	148			2.35%	0.74%
Gallatin County		68,375	89,603	111,876	22.6%	20	668	2	236	14.34%	10.52%
	Belgrade	5,839	7,469	8,993	no data	5	108			1.41%	0.85%
	Bozeman	28,171	37,313	48,532	no data	13	491	2	236	11.53%	4.56%
	Manhattan	1,443	1,515	1,822	no data	1	16			0.21%	0.17%
	West Yellowstone	1,175	1,271	1,382	no data	1	53			0.84%	0.13%
Garfield County		1,268	1,192	1,268	34.8%						
Glacier County		13,183	13,416	13,747	23.3%	8	217			3.44%	1.29%
	Browning	1,004	1,009	1,042	no data	6	184			2.92%	0.10%
	Cut Bank	3,084	2,894	3,022	no data	2	33			0.52%	0.28%
Golden Valley County		1,019	879	826	39.8%						
Granite County		2,849	3,080	3,378	47.4%						
Hill County		16,605	16,145	16,347	26.2%	12	225			3.57%	1.54%
	Box Elder	no data	no data	no data	no data	1	33			0.52%	no data
	Havre	9,587	9,530	9,715	no data	11	192			3.05%	0.91%
Jefferson County		10,052	11,406	12,097	37.8%	1	36			0.57%	1.14%
	Boulder	1,331	1,180	1,267	no data	1	36			0.57%	0.12%
Judith Basin County		2,330	2,072	1,952	42.7%						
Lake County		26,588	28,786	30,250	35.0%	17	334			5.30%	2.84%
	Arlee	no data	no data	no data	no data	1	10			0.16%	no data
	Elmo	no data	no data	no data	no data	1	10			0.16%	no data
	Pablo	no data	no data	no data	no data	5	101			1.60%	no data
	Polson	4,276	4,522	5,018	no data	4	137			2.17%	0.47%
	Ronan	1,868	1,902	2,088	no data	5	67			1.06%	0.20%
	St. Ignatius	790	804	830	no data	1	9			0.14%	0.08%
Lewis and Clark County		55,886	63,565	68,700	32.0%	13	543	1	48	9.38%	6.46%
	Helena	26,188	28,332	32,315	no data	13	543	1	48	9.38%	3.04%

Montana Housing Credit Distribution and Demographics

July 3, 2019

GEOGRAPHIC REGION	GEOGRAPHIC LOCATION	POPULATION 2000	POPULATION 2010	POPULATION 2018	% OF POPULATION OVER AGE 55 IN 2018	NUMBER OF 9% HC PROJECTS	TOTAL 9% HC HOMES CREATED PER CITY OR COUNTY	NUMBER OF 4% BOND PROJECTS PER CITY OR COUNTY	TOTAL 4% BOND RENTAL HOMES CREATED PER CITY OR COUNTY	% of the TOTAL MBOH TAX CREDIT RENTAL HOMES STATEWIDE	% of 2018 STATEWIDE POPULATION
Liberty County		2,168	2,347	2,430	33.9%	1	6			0.10%	0.23%
	Chester	871	852	891	no data	1	6			0.10%	0.08%
Lincoln County		18,818	19,696	19,794	44.2%			1	34	0.54%	1.86%
	Libby	2,930	2,642	2,737	no data			1	34	0.54%	0.26%
McCone County		1,960	1,745	1,675	39.5%						
Madison County		6,870	7,697	8,768	43.1%	2	48			0.76%	0.82%
	Big Sky	no data	no data	no data	no data	2	48			0.63%	no data
Meagher County		1,916	1,878	1,866	44.3%	1	10			0.16%	0.18%
	White Sulphur Springs	979	932	934	no data	1	10			0.16%	0.09%
Mineral County		3,877	4,223	4,316	43.9%	2	32			0.51%	0.41%
	St. Regis	no data	no data	no data	no data	1	8			0.13%	no data
	Superior	893	810	851	no data	1	24			0.38%	0.08%
Missoula County		96,178	109,432	118,791	26.2%	29	943	2	265	19.17%	11.17%
	Lolo	no data	no data	no data	no data	1	40			0.63%	no data
	Missoula	57,792	66,962	74,428	no data	28	903	2	265	18.53%	7.00%
Musselshell County		4,471	4,555	4,651	42.5%						
Park County		15,710	15,597	16,736	37.6%	4	119			1.89%	1.57%
	Livingston	7,135	7,003	7,784	no data	4	119			1.89%	0.73%
Petroleum County		493	495	513	40.4%	1	6			0.10%	0.05%
	Winnett	185	179	195	no data	1	6			0.10%	0.02%
Phillips County		4,568	4,254	4,074	36.2%	1	32			0.51%	0.38%
	Malta	2,119	1,996	1,915	no data	1	32			0.51%	0.18%
Pondera County		6,384	6,158	5,972	33.0%						
Powder River County		1,847	1,739	1,716	42.8%						
Powell County		7,203	7,012	6,968	33.7%	2	45	1	24	1.09%	0.66%
	Deer Lodge	3,429	3,153	2,916	no data	2	45	1	24	1.09%	0.27%
Prairie County		1,179	1,183	1,087	46.1%						
Ravalli County		36,301	40,313	43,172	39.5%	12	308			4.89%	4.06%
	Corvallis	no data	no data	no data	no data	2	36			0.57%	no data

Montana Housing Credit Distribution and Demographics

July 3, 2019

GEOGRAPHIC REGION	GEOGRAPHIC LOCATION	POPULATION 2000	POPULATION 2010	POPULATION 2018	% OF POPULATION OVER AGE 55 IN 2018	NUMBER OF 9% HC PROJECTS	TOTAL 9% HC HOMES CREATED PER CITY OR COUNTY	NUMBER OF 4% BOND PROJECTS PER CITY OR COUNTY	TOTAL 4% BOND RENTAL HOMES CREATED PER CITY OR COUNTY	% of the TOTAL MBOH TAX CREDIT RENTAL HOMES STATEWIDE	% of 2018 STATEWIDE POPULATION
	Darby	717	730	792	no data	2	16			0.25%	0.07%
	Hamilton	3,929	4,294	4,809	no data	7	226			3.59%	0.45%
	Stevensville	1,652	1,833	2,025	no data	1	30			0.48%	0.19%
<b>Richland County</b>		<b>9,619</b>	<b>9,759</b>	<b>10,913</b>	<b>27.6%</b>	<b>2</b>	<b>56</b>			<b>0.89%</b>	<b>1.03%</b>
	Sidney	5,110	5,331	6,246	no data	2	56			0.89%	0.59%
<b>Roosevelt County</b>		<b>10,623</b>	<b>10,443</b>	<b>11,059</b>	<b>22.2%</b>	<b>5</b>	<b>110</b>			<b>1.75%</b>	<b>1.04%</b>
	Culbertson	716	722	795	no data	1	16			0.25%	0.07%
	Poplar	895	797	848	no data	3	66			1.05%	0.08%
	Wolf Point	2,689	2,611	2,743	no data	1	28			0.44%	0.26%
<b>Rosebud County</b>		<b>9,399</b>	<b>9,251</b>	<b>9,063</b>	<b>27.9%</b>	<b>3</b>	<b>71</b>			<b>1.13%</b>	<b>0.85%</b>
	Forsyth	1,926	1,867	1,823	no data	2	36			0.57%	0.17%
	Lame Deer	no data	no data	no data	no data	1	35			0.56%	no data
<b>Sanders County</b>		<b>10,287</b>	<b>11,394</b>	<b>11,844</b>	<b>46.7%</b>	<b>1</b>	<b>9</b>			<b>0.14%</b>	<b>1.11%</b>
	Plains	1,181	1,041	1,107	no data	1	9			0.14%	0.10%
<b>Sheridan County</b>		<b>4,078</b>	<b>3,368</b>	<b>3,424</b>	<b>36.3%</b>	<b>1</b>	<b>4</b>			<b>0.06%</b>	<b>0.32%</b>
	Medicine Lake	279	224	230	no data	1	4			0.06%	0.02%
<b>Silver Bow County</b>		<b>34,571</b>	<b>34,214</b>	<b>34,993</b>	<b>31.3%</b>	<b>5</b>	<b>159</b>	<b>2</b>	<b>92</b>	<b>3.98%</b>	<b>3.29%</b>
	Butte	33,871	33,510	34,284	no data	5	159	2	92	3.98%	3.22%
<b>Stillwater County</b>		<b>8,247</b>	<b>9,135</b>	<b>9,534</b>	<b>37.7%</b>	<b>1</b>	<b>32</b>			<b>0.51%</b>	<b>0.90%</b>
	Absarokee	no data	no data	no data	no data	1	32			0.51%	no data
<b>Sweet Grass County</b>		<b>3,633</b>	<b>3,618</b>	<b>3,710</b>	<b>38.7%</b>	<b>1</b>	<b>24</b>			<b>0.38%</b>	<b>0.35%</b>
	Big Timber	1,671	1,635	1,682	no data	1	24			0.38%	0.16%
<b>Teton County</b>		<b>6,436</b>	<b>6,072</b>	<b>6,162</b>	<b>33.8%</b>						
<b>Toole County</b>		<b>5,261</b>	<b>5,343</b>	<b>4,853</b>	<b>32.3%</b>	<b>2</b>	<b>24</b>			<b>0.38%</b>	<b>0.46%</b>
	Shelby	3,209	3,397	3,089	no data	2	24			0.38%	0.29%
<b>Treasure County</b>		<b>854</b>	<b>718</b>	<b>679</b>	<b>42.7%</b>	<b>1</b>	<b>12</b>			<b>0.19%</b>	<b>0.06%</b>
	Hysham	330	312	296	no data	1	12			0.19%	0.03%
<b>Valley County</b>		<b>7,653</b>	<b>7,377</b>	<b>7,437</b>	<b>35.3%</b>	<b>1</b>	<b>6</b>			<b>0.10%</b>	<b>0.70%</b>
	Glasgow	3,255	3,279	3,328	no data	1	6			0.10%	0.31%
<b>Wheatland County</b>		<b>2,243</b>	<b>2,156</b>	<b>3,326</b>	<b>35.7%</b>						
<b>Wibaux County</b>		<b>1,072</b>	<b>1,008</b>	<b>1,034</b>	<b>36.5%</b>						

**Montana Housing Credit Distribution and Demographics**

July 3, 2019

GEOGRAPHIC REGION	GEOGRAPHIC LOCATION	POPULATION 2000	POPULATION 2010	POPULATION 2018	% OF POPULATION OVER AGE 55 IN 2018	NUMBER OF 9% HC PROJECTS	TOTAL 9% HC HOMES CREATED PER CITY OR COUNTY	NUMBER OF 4% BOND PROJECTS PER CITY OR COUNTY	TOTAL 4% BOND RENTAL HOMES CREATED PER CITY OR COUNTY	% of the TOTAL MBOH TAX CREDIT RENTAL HOMES STATEWIDE	% of 2018 STATEWIDE POPULATION
Yellowstone County		129,570	148,356	160,137	28.4%	22	756	5	466	19.39%	15.06%
	Billings	91,886	104,514	109,550	no data	20	716	5	466	18.75%	10.30%
	Laurel	6,298	6,732	6,766	no data	2	40			0.63%	0.64%

Sources:

**Total Population, Montana Incorporated Cities & Towns by County, 1990 - 2018**

**Source: US Department of Commerce, Census Bureau - Population Division**

County Data:

Montana Intercensal Population Estimates by County: April 1, 1990 to April 1, 2000

Intercensal Estimates of the Resident Population for Counties of Montana: April 1, 2000 to July 1, 2010 (CO-EST00INT-01-30)

Subcounty Resident Population Estimates: April 1, 2010 to July 1, 2018

City & Town Data:

Population Estimates for Places: Annual Time Series, July 1, 1990 - July 1, 1999 (Released Oct. 20, 2000)

Intercensal Estimates of Resident Population for Incorporated Places and Minor Civil Divisions: April 1, 2000 to July 1, 2010 (Released October 2012)

SUB-EST2018: Subcounty Resident Population Estimates: April 1, 2010 to July 1, 2018 (Released May 2019)

Compiled 8/29/2018 by the Research & Information Services Bureau (RIS), MT Dept. of Commerce

**% of Population Over Age 55 in 2018**

<http://ceic.mt.gov/Data> Using the same data as above, but offered online with the ability to select specific demographic attributes to in your

**Housing Credit information Source:** Montana Board of Housing TC-SUM spreadsheet. (2019 Aug 23 version - PJC)

# BOARD AGENDA ITEM

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## PROGRAM

Housing Credit Program - Multifamily

## AGENDA ITEM

2020 Housing Credit Full Applications  
Board Selection of Applications for  
Award

## BACKGROUND

The deadline for submittal of the 2020 Housing Credit full applications was July 29, 2019.

Your choices for the slate of applications will be 5 this round. Applications are now limited to 20% of the available credits. In the past they were limited to 25%.

Housing Solutions is only eligible for 1 award, either Skyview in Missoula or Paxson Place in Butte.

If an application were to be partially funded (resize and submit an application within 30 days) staff would recommend it not be one of the small rural applications or the acquisition/rehabilitation applications. Those applications are very hard to resize to a lesser amount of credits.

In your packet you will find:

- Housing Credit 10-year History
- 9%\_4%\_combined pie charts
- Housing credits per thousand population
- Past Project award & Completion
- Montana Demographic and Historical Housing Credit Data
- Worksheet for notes on project selection
- Staff notes and comments
- Award Determination Selection Standard
- Spreadsheet showing project comparative information
- Spreadsheet packets (3) showing summary project information
- Cover letters, list of amenities and support letters for all 8 applications
- Market Study Summaries
- Amenities

# BOARD AGENDA ITEM

## **Non-profit**

Ten percent of each state's credit ceiling must be set aside for buildings which are part of one or more Projects involving Qualified Nonprofit Organizations.

The 10% non-profit set-aside requirement may be met by an Award to a Application involving a Qualified Nonprofit Organization out of any other set- aside or the general pool. If no Application Awarded HCs involves a Qualified Nonprofit Organization, the non-profit set aside (i.e., 10% of the state's credit ceiling) will be held back for later Award to an Application involving a Qualified Nonprofit Organization.

## **Small Rural Applications**

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For purposes of this status, a Small Rural Application: (1) submitted tax credit Application requesting tax credits in an amount up to but no more than 12.5% of the state's Available Annual Credit Allocation, and (2) proposed to be developed and constructed in a location that is not within the city limits of Billings, Bozeman, Butte, Great Falls, Helena, Kalispell, or Missoula.

## **Board Consideration and Determination Process**

At the MBOH Board's May 21 & 22, 2019 meeting, the Board considered Letters of Intent and selected eight (8) Projects to submit full Applications for Housing Credit Awards. All 8 of these Projects have submitted Applications.

Hardin Senior Housing application was returned for substantial non compliance with another project under the same developer/owner

At the Award Determination Meeting, MBOH staff will provide Project Application information to the MBOH Board. Applicants should be available to the MBOH Board to answer questions regarding their respective Applications. The MBOH Board may ask questions of Applicants and discuss proposed Projects but there will be no Applicant presentations. MBOH will provide an opportunity for public comment on proposed Affordable Communities and Applications. Applicants shall have a brief opportunity to

Board Meeting: October 28, 2019

## BOARD AGENDA ITEM

make comments and respond to any information presented regarding their Applications.

### **Full Funding of Applications**

Just as MBOH will not allocate more Credits than necessary for the financial feasibility of the development and its viability, MBOH will not award Credits in an amount less than it deems necessary for these purposes. Therefore, if the Board Awards Credits to an Application, it will Award the amount of Credits determined by MBOH staff for the Application based upon the Applicant's requested amount (except for any de minimis reduction because of lack of available Credits to fully fund the full Credit amount). If the remaining amount of available Credits is insufficient to fully fund an additional Application, the Board will prioritize the remaining Applications for an Award from the remaining Credits, and the first priority Application for such an Award will be allowed 30 days to re-submit its Application resized to the amount of Credits remaining available. After staff underwriting and evaluation of the resized Application, if MBOH staff determines based upon the resized Application that the development is financially feasible and viable as a qualified low- income housing Community throughout the Compliance Period, MBOH staff will enter into a Reservation Agreement for the Project. If the first priority Application fails to submit a resized Application within 30 days or MBOH staff determines that the Application is not financially feasible or viable as proposed in the resized Application, the next priority Application will be invited to submit a resized Application, and so on, until remaining Credits are reserved for one of the prioritized Applications.

### **Award Determination Selection Standard**

The MBOH Board will select those Applications to receive an Award of Housing Credits that it determines best meet the most pressing housing needs of low income people within the state of Montana, taking into consideration: (i) all of the requirements, considerations, factors, limitations, Development Evaluation Criteria, set asides, priorities and data (including without limitation the statistical data in the MBOH Statistical Data Form) set forth in this QAP and all federal requirements (together referred to in this QAP as the "Selection Criteria"); (ii) the Development Evaluation Criteria scoring; and (iii) all other information provided to the MBOH Board regarding the applicant Projects.

The awarding of points to Application pursuant to the Development Evaluation Criteria is for purposes of determining that the Applications meet at least the minimum Development Evaluation Criteria required for further consideration and to assist the MBOH Board in evaluating and comparing Applications.

Development Evaluation Criteria scoring is only one of several considerations

## BOARD AGENDA ITEM

taken into account by the MBOH Board and does not control the selection of Applications that will receive an Award of Housing Credits. In addition to any other Selection Criteria specified in this QAP, the MBOH Board may consider the following factors in selecting Applications for an Award of Housing Credits to qualifying Projects:

- The geographical distribution of Housing Credit Communities;
  - The rural or urban location of the Communities;
  - The overall income levels targeted by the Applications;
  - The need for affordable housing in the community, including but not limited to current Vacancy Rates;
  - Rehabilitation of existing low income housing stock;
  - Sustainable energy savings initiatives;
  - Financial and operational ability of the Applicant to fund, complete and maintain the Affordable Community through the Extended Use Period;
  - Past performance of an Applicant in initiating and completing tax credit Projects;
  - Cost of construction, land and utilities, including but not limited to costs/credits per square foot/unit;
  - The Affordable Community is being developed in or near a historic downtown neighborhood; and/or
- 
- The frequency of Awards in the respective areas where Affordable Communities are located.

If the MBOH Board Awards Credits to an Applicant where the Award is not in keeping with the Selection Criteria of this QAP, it will publish a written explanation that will be made available to the general public pursuant to Section 42(m)(1)(A)(iv) of the Internal Revenue Code.

If all of the authorized Credits are Awarded after a particular cycle, MBOH may place qualifying Applications which did not receive an Award of tax credits on a waiting list for potential Award of Housing Credits in the event Credits become available at a later date. Any available Credits that are not Awarded or reserved in a particular cycle may in the discretion of the MBOH Board be made available for Award in a future cycle or may be used to increase the amount of Housing Credits reserved for a previously Awarded Affordable Community as provided in this QAP.

**Montana Housing  
2020 Housing Credit Letter of Intent Submissions**

	City	County	Project Name	Sponsor / Developer	Entity Type	Set-aside	Housing Type		Construction Type	Units	Full App HC Request 10 yr total
<b>Projects invited to Full Application</b>											
1	Stevensville	Ravalli	Nicole Court	HRC - Missoula	Non-Profit	Small/Rural	Family	Non Profit	New	16	\$ 3,600,000
2	Absarokee	Stillwater	Homestead Lodge	Syringa Housing	Non-Profit	Small/Rural	Senior	Non Profit	Acq/Rehab	32	\$ 3,845,340
1	Butte	Silver Bow	Paxson Place	Housing Solutions	For-Profit	General	Senior	For Profit	New	36	\$ 6,150,000
2	Bozeman	Gallatin	Timber Ridge Apts	Summit Hsing Group	For-Profit	General	Senior	For Profit	New	30	\$ 6,333,750
3	Missoula	Missoula	Skyview	Housing Solutions	For-Profit	General	Senior	For Profit	New	39	\$ 5,900,000
4	Dillon	Beaverhead	Pioneer Meadows	Housing Company	Non-Profit	General	Family	Non Profit	New	28	\$ 6,203,630
5	Helena	Clark	Fire Tower Apts	Wishcamper Dev Pttrs	For-Profit	General	Senior	For Profit	Acq/Rehab	44	\$ 6,333,750
	Hardin	Big Horn	Hardin Senior Hsing	American Covenant Sr Hsing	Non-Profit	Small/Rural	Senior	Non Profit	Acq/Rehab	24	\$ 3,584,210
(this will be the order reviewed by the Board)										249	41,950,680

Current Year Credits	31,668,750
2019 Credits Remaining	-
Returned Credits	-
National Pool Credits 2018	-

16 projects requesting \$85.8 million submitted a Letter of Intent to Apply  
8 Projects were invited forward to Full Application

Sponsor / Developer	Developer Address	City	ST	Zip	Contact	email	Telephone
HRC - Missoula	1801 South Higgins Ave	Missoula	MT	59801	Jim Morton	<a href="mailto:jpm@hrcxi.org">jpm@hrcxi.org</a>	(406) 728-3710
Syringa Housing	1277 Shoreline Lane	Boise	ID	83702	Dianne Hunt	<a href="mailto:dianne@syringaproperties.com">dianne@syringaproperties.com</a>	(208) 387-7817
Housing Solutions	PO Box 2099	Missoula	MT	59806	Alex Burkhalter	<a href="mailto:alex@housing-solutions.org">alex@housing-solutions.org</a>	(406) 203-1558
Summitt Hsing Group	283 West Front St #1	Missoula	MT	59802	Rusty Snow	<a href="mailto:rusty@summithousinggroup.com">rusty@summithousinggroup.com</a>	(406) 960-4870
Housing Solutions	PO Box 2099	Missoula	MT	59806	Alex Burkhalter	<a href="mailto:alex@housing-solutions.org">alex@housing-solutions.org</a>	(406) 203-1558
The Housing Company	PO Box 6943	Boise	MT	83707	Blake Jumper	<a href="mailto:blakej@ihfa.org">blakej@ihfa.org</a>	(208) 331-4765
Wishcamper Dev Ptnrs	131 S Higgins Ave STE P-1	Missoula	MT	59802	Tyson O'Connell	<a href="mailto:tyson.oconnell@wishrockgroup.com">tyson.oconnell@wishrockgroup.com</a>	(406) 728-3040
American Covenant Sr Hsing	234 Shelter Valley Dr	Kalispell	MT	59901	Gerald Fritts	<a href="mailto:gmf@acshf.com">gmf@acshf.com</a>	(406) 235-6593

Montana Housing Board Member Worksheet:  
2019 Housing Credit Full Application

City	Project Name	Geographic Distribution	Rural or Urban	Overall Income Levels	Need in the Community	Rehab of Existing Stock	Sustainable Energy Savings	Applicants Fin & Oper Ability	Past Performance of Applicant	Cost Const etc.	In or Near Historic Downtown	Freq of Awards in Location	Other QAP Factors
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Projects invited to Full Application:

* 1	Stevensville	Nicole Court											
* 2	Absarokee	Homestead Lodge											
3	Butte	Paxson Place											
4	Bozeman	Timber Ridge Apts											
5	Missoula	Skyview											
6	Dillon	Pioneer Meadows											
7	Helena	Fire Tower Apts											
	Hardin	Hardin Senior Hsing											

# HOUSING CREDITS 2020 COMPARATIVE DATA BY PROJECT SORTED

Housing Credits Requested

Nicole Court	\$3,600,000
Homestead Lodge Sr	\$3,845,340
<del>Hardin Senior</del>	<del>\$3,584,210</del>
Skyview	\$5,900,000
Paxson Place	\$6,150,000
Pioneer Meadows	\$6,203,630
Fire Tower	\$6,333,749
Timber Ridge 9	\$6,333,750

Debt Coverage/Expense Ratio Yr 1

	DCR	Expense
Nicole Court	no debt	1.17
Homestead Lodge Sr	1.69	1.08
<del>Hardin Senior</del>	<del>1.27</del>	<del>1.09</del>
Paxson Place	1.20	1.07
Timber Ridge 9	1.21	1.09
Bitterroot Valley 4 Timber/Bitterroot Comb	1.21	1.09
Skyview	1.20	1.09
Pioneer Meadows	1.50	1.09
Fire Tower	1.28	1.09

Cost per unit

Homestead Lodge Sr	\$ 133,921
Nicole Court	\$ 231,699
<del>Hardin Senior</del>	<del>\$ 171,361</del>
Paxson Place	\$ 176,234
Skyview	\$ 184,007
Pioneer Meadows	\$ 213,196
Fire Tower	\$ 214,491
Timber Ridge 9	\$ 240,124
Bitterroot Valley 4 Timber/Bitterroot Comb	\$ 81,347
	\$ 139,436

Cost per sq ft  
Const/Rehab Total

Homestead Lodge Sr	\$ 96.69	\$ 183.63
Nicole Court	\$ 165.93	\$ 232.05
<del>Hardin Senior</del>	<del>\$ 96.59</del>	<del>\$ 238.58</del>
Paxson Place	\$ 117.85	\$ 182.32
Skyview	\$ 124.95	\$ 195.72
Timber Ridge 9	\$ 133.36	\$ 215.15
Bitterroot Valley 4 Timber/Bitterroot Comb	\$ 36.00	\$ 78.84
Pioneer Meadows	\$ 141.13	\$ 218.93
Fire Tower	\$ 141.29	\$ 257.27

Credits per sq ft  
Total Residential Only

Homestead Lodge Sr	\$ 164.77	\$ 210.82
Nicole Court	\$ 225.34	\$ 225.34
<del>Hardin Senior</del>	<del>\$ 207.92</del>	<del>\$ 238.95</del>
Fire Tower	\$ 172.66	\$ 233.98
Skyview	\$ 174.32	\$ 254.39
Paxson Place	\$ 176.73	\$ 254.61
Timber Ridge 9	\$ 189.17	\$ 262.48
Bitterroot Valley 4 Timber/Bitterroot Comb	\$ 22.49	\$ 22.92
Pioneer Meadows	\$ 87.54	\$ 98.21
	\$ 227.52	\$ 254.20

% paid by HC

Homestead Lodge Sr	77.16%
Nicole Court	83.99%
<del>Hardin Senior</del>	<del>69.53%</del>
Fire Tower	60.39%
Timber Ridge 9	75.61%
Bitterroot Valley 4 Timber/Bitterroot Comb	24.53%
	47.64%
Skyview	77.03%
Paxson Place	83.84%
Pioneer Meadows	90.40%

Evaluation Score:  
Requested Received

Nicole Court	1,260	1,260
Homestead Lodge Sr	1,260	1,260
<del>Hardin Senior</del>	<del>1,260</del>	<del>1,100</del>
Paxson Place	1,160	1,160
Timber Ridge 9	1,260	1,260
Bitterroot Valley 4 Timber/Bitterroot Comb	1,100	1,100
	-	-
Skyview	1,260	1,260
Pioneer Meadows	1,130	1,130
Fire Tower	1,200	1,200

Construction Start Date

Nicole Court	Apr-20
Homestead Lodge Sr	Feb-21
<del>Hardin Senior</del>	<del>Mar-20</del>
Paxson Place	May-20
Timber Ridge 9	Jun-20
Bitterroot Valley 4 Timber/Bitterroot Comb	Jun-20
Skyview	May-20
Pioneer Meadows	Apr-20
Fire Tower	Apr-20

Operating Cost per unit

Nicole Court	\$ 5,147
Homestead Lodge Sr	\$ 5,190
<del>Hardin Senior</del>	<del>\$ 3,962</del>
Paxson Place	\$ 3,700
Timber Ridge 9	\$ 4,091
Bitterroot Valley 4 Timber/Bitterroot Comb	\$ 4,030
	\$ 4,058
Skyview	\$ 3,700
Pioneer Meadows	\$ 5,175
Fire Tower	\$ 5,397

New Unit Demand / Vacany  
New Units Vacancy

Nicole Court	69	0.0%
Homestead Lodge Sr	10	0.0%
<del>Hardin Senior</del>	<del> </del>	<del>0.0%</del>
Paxson Place	464	0.4%
Timber Ridge 9	113	0.2%
Bitterroot Valley 4	53	0.0%
Skyview	266	0.7%
Pioneer Meadows	111	5.2%
Fire Tower	323	1.0%

City	Stevensville	Absarokee	Butte	Bozeman	Hamilton/Darby	Bozeman/Hamilton/Darby
County	Ravalli County	Stillwater	Silver Bow County	Gallatin	Ravalli	Gallatin/Ravalli
Project Name	Nicole Court	Homestead Lodge Sr	Paxson Place	Timber Ridge 9	Bitterroot Valley	Timber/Bitterroot Comb
Developer / General Ptnr	HRC Cottages, Inc.	Syringa	Housing Solutions	Summit	Summit	Summit
GP Organizational Type	Non Profit	Non Profit	For Profit	For Profit	For Profit	For Profit
Set-aside	Small Project	Small Project	General	General	General	General
HC Requested	\$3,600,000	\$3,845,340	\$6,150,000	\$6,333,750	\$1,206,720	\$7,540,470
Project Type	Family	Elderly	Elderly	Elderly	Family	Elderly
Construction Type	New Const	Acq / Rehab	New Const	New Const	Acq / Rehab	New Const
Projected Construction Start	Apr-20	Feb-21	May-20	Jun-20	Jun-20	Jun-20
Projected Completion	Oct-20	Feb-21	Dec-20	Jun-21	Jun-21	Jun-21
<b>Unit Numbers</b>						
	<b>Target</b>					
1-bdrm	30%	-	-	-	-	-
1-bdrm	40%	-	4	2	-	2
1-bdrm	50%	-	19	15	-	15
1-bdrm	60%	-	5	3	-	3
2-bdrm	40%	2	-	2	-	1
2-bdrm	50%	8	-	7	15	23
2-bdrm	60%	2	3	6	25	26
2-bdrm	80%	-	-	-	-	-
3-bdrm	40%	-	-	-	-	-
3-bdrm	50%	2	-	-	7	7
3-bdrm	60%	2	-	-	5	5
other	mgr	-	1	-	-	-
Total Units		16	32	36	52	82
Average Income Targeting		51.25%	51.29%	51.67%	50.33%	54.88%
<b>Square Footage</b>						
Income Restricted Units		15,976	18,240	24,155	24,130	52,652
Managers Unit(s)		-	704	600	-	-
Common Space		-	4,394	10,044	9,352	1,000
Market/Commercial		-	-	-	-	-
Total		15,976	23,338	34,799	33,482	53,652
<b>Unit Rents</b>						
1-bdrm	30%	-	-	-	-	-
1-bdrm	40%	-	620	475	-	572
1-bdrm	50%	-	620	550	-	735
1-bdrm	60%	-	620	575	-	898
1-bdrm	0%	-	-	-	-	-
2-bdrm	40%	480	-	575	679	679
2-bdrm	50%	575	-	650	874	657
2-bdrm	60%	575	660	675	1,070	784
2-bdrm	80%	-	-	-	-	-
2-bdrm	0%	-	-	-	-	812
2-bdrm	0%	-	-	-	-	-
2-bdrm	0%	-	-	-	-	812
3-bdrm	40%	-	-	-	-	-
3-bdrm	50%	675	-	-	-	749
3-bdrm	60%	675	-	-	-	927
Total Monthly Rents		\$ 9,410	\$ 19,340	\$ 20,675	\$ 23,604	\$ 39,585
vacancy factor		10.00%	7.00%	7.00%	7.00%	7.00%
Adjusted Rent		\$ 8,469	\$ 17,986	\$ 19,228	\$ 21,952	\$ 36,814
other/commercial income		\$25	\$254	\$0	\$125	\$217
total rent		\$ 8,494	\$ 18,240	\$ 19,228	\$ 22,077	\$ 37,031
x 12 months		12	12	12	12	12
Total Annual Income		\$ 101,928	\$ 218,882	\$ 230,733	\$ 264,921	\$ 444,369

City	Stevensville	Absarokee	Butte	Bozeman	Hamilton/Darby	Bozeman/Hamilton/Darby
County	Ravalli County	Stillwater	Silver Bow County	Gallatin	Ravalli	Gallatin/Ravalli
Project Name	Nicole Court	Homestead Lodge Sr	Paxson Place	Timber Ridge 9	Bitterroot Valley	Timber/Bitterroot Comb
Developer / General Ptnr	HRC Cottages, Inc.	Syringa	Housing Solutions	Summit	Summit	Summit
<b>Expenses</b>						
Administration	10,660	18,876	14,900	23,000	35,082	52,582
Management	10,193	23,436	16,151	15,889	26,651	42,540
Maintenance	32,400	28,290	41,350	16,000	25,948	41,948
Operating	28,804	79,169	60,800	67,850	120,045	195,715
Taxes	300	16,299	-	-	1,820	-
Replacement Reserve	4,800	11,200	10,800	9,000	15,600	24,600
Total Expenses	\$ 87,157	\$ 177,270	\$ 144,001	\$ 131,739	\$ 225,146	\$ 357,385
Net Income Before Debt Service	\$ 14,771	\$ 41,612	\$ 86,732	\$ 133,182	\$ 219,223	\$ 351,908
<b>Financing Sources</b>						
Hard Loan	575,000	970,000	985,000	1,494,621	2,835,303	1,494,621
Hard Loan	-	-	-	5,446,480	-	2,835,303
Soft Loan	-	-	-	-	-	5,446,480
Soft Loan	-	-	-	-	-	1,037,675
State NHTF	-	-	-	-	-	-
Other	-	-	-	25,000	-	25,000
Deferred Dev Fee	18,493	8,793	40,219	237,614	357,067	594,681
HC Equity Non-Competative	3,113,689	3,306,663	5,319,218	-	-	1,037,675
HC Equity Competative	-	-	-	5,446,480	1,037,675	5,446,480
Total Sources:	\$ 3,707,182	\$ 4,285,456	\$ 6,344,437	\$ 7,203,715	\$ 4,230,045	\$ 11,433,760
% of Project Financed by HC:	83.99%	77.16%	83.84%	75.61%	24.53%	47.64%
<b>Return on Sale of HTC</b>						
HTC Requested	\$ 3,600,000	\$ 3,845,340	\$ 6,150,000	\$ 6,333,750	\$ 1,206,720	\$ 7,540,470
HTC Equity	\$ 3,113,689	\$ 3,306,663	\$ 5,319,218	\$ 5,446,480	\$ 1,037,675	\$ 6,484,155
HTC Return on Sale	\$ 0.865	\$ 0.860	\$ 0.865	\$ 0.860	\$ 0.860	\$ 0.860
<b>Ratios</b>						
Rent (Income)	\$ 101,928	\$ 218,882	\$ 230,733	\$ 264,921	\$ 444,369	\$ 709,293
Operating Expenses	\$ 82,357	\$ 166,070	\$ 133,201	\$ 122,739	\$ 209,546	\$ 332,785
Replacement Reserves	\$ 4,800	\$ 11,200	\$ 10,800	\$ 9,000	\$ 15,600	\$ 24,600
Net Income Available for DS	\$ 14,771	\$ 41,612	\$ 86,732	\$ 133,182	\$ 219,223	\$ 351,908
Total Debt Service	\$ -	\$ 24,660	\$ 72,011	\$ 110,432	\$ 181,308	\$ 291,739
Debt Coverage Ratio (DCR)	no debt	1.69	1.20	1.21	1.21	1.21
Total Expense Ratio	1.17	1.08	1.07	1.09	1.09	1.09
<b>Project Costs</b>						
Land	-	50,000	235,000	300,000	288,000	588,000
Building/Acquisition	-	950,000	-	-	682,000	682,000
Site Work	310,000	100,000	700,000	500,000	100,000	600,000
Construction / Rehab	2,650,877	2,256,544	4,101,120	4,465,314	1,931,300	6,396,614
Soft Costs	337,729	302,809	586,313	960,518	610,345	1,570,863
Developer Fees	325,000	541,103	515,000	841,792	479,912	1,321,704
Reserves	83,576	207,004	207,004	136,091	138,488	274,579
Total Project Costs	\$ 3,707,182	\$ 4,285,456	\$ 6,344,437	\$ 7,203,715	\$ 4,230,045	\$ 11,433,760

City	Stevensville	Absarokee	Butte	Bozeman	Hamilton/Darby	Bozeman/Hamilton/Darby
County	Ravalli County	Stillwater	Silver Bow County	Gallatin	Ravalli	Gallatin/Ravalli
Project Name	Nicole Court	Homestead Lodge Sr	Paxson Place	Timber Ridge 9	Bitterroot Valley	Timber/Bitterroot Comb
Developer / General Ptnr	HRC Cottages, Inc.	Syringa	Housing Solutions	Summit	Summit	Summit
<b>Costs versus Sources</b>						
Total Project Costs	\$ 3,707,182	\$ 4,285,456	\$ 6,344,437	\$ 7,203,715	\$ 4,230,045	\$ 11,433,760
Total Financing Sources	\$ 3,707,182	\$ 4,285,456	\$ 6,344,437	\$ 7,203,715	\$ 4,230,045	\$ 11,433,760
Difference	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Project Cost Limitations</b>						
	<u>Limits</u>					
General Requirements	6.00%	4.62%	4.97%	4.60%	4.75%	5.38%
Contractor Overhead	2.00%	1.26%	1.66%	1.55%	1.58%	1.79%
Contractor Profit	6.00%	4.62%	4.97%	4.60%	4.75%	5.38%
Developer Fees	15.00%	9.85%	14.99%	9.56%	14.21%	14.44%
Soft Cost	32 or 37%	21.95%	25.14%	21.87%	32.33%	36.33%
<b>Per Unit Comparison</b>						
	<u>Limits</u>					
Cost per unit	\$235,000	\$ 231,699	\$ 133,921	\$ 176,234	\$ 240,124	\$ 81,347
Credits per unit	n/a	\$ 225,000	\$ 120,167	\$ 170,833	\$ 211,125	\$ 23,206
Operating Cost per unit	\$3,000 min	\$ 5,147	\$ 5,190	\$ 3,700	\$ 4,091	\$ 4,030
Replacement Reseves	\$300 min	\$ 300	\$ 350	\$ 300	\$ 300	\$ 300
<b>Per Square Foot Comparison</b>						
Construction / Rehab per sq ft	\$ 165.93	\$ 96.69	\$ 117.85	\$ 133.36	\$ 36.00	\$ 74.26
Total Project Cost per sq ft	\$ 232.05	\$ 183.63	\$ 182.32	\$ 215.15	\$ 78.84	\$ 132.74
Credits per sq ft	\$ 225.34	\$ 164.77	\$ 176.73	\$ 189.17	\$ 22.49	\$ 87.54
Credits per sq ft (residential only)	\$ 225.34	\$ 210.82	\$ 254.61	\$ 262.48	\$ 22.92	\$ 98.21
<b>Utilities Paid by (Tenant / Owner)</b>						
	Owner	Owner	Tenant	Tenant	Tenant	Tenant
<b>Market Study Data:</b>						
Vacancy Rates	0.0%	0.0%	0.4%	0.2%	0.0%	
Absorption Rate	75.4%	na	54.2%	80.5%	na	
% of Mkt Rents	90.1%	97.6%	75.9%	79.1%	92.1%	
Units needed	69	10	464	113	53	
<b>Market Rents</b>						
1-bdrms	\$ -	\$ 609	\$ 704	\$ 1,022	\$ -	
2-bdrms	\$ 743	\$ 630	\$ 890	\$ 1,191	\$ 900	
3-bdrms	\$ 860	\$ -	\$ -	\$ -	\$ 1,037	
<b>Acq Rehab Info:</b>						
Reserves kept by existing owner	\$ -	\$ -	\$ -	\$ -	\$ -	
Other cash out by existing owner	\$ -	\$ -	\$ -	\$ -	\$ -	
Current Debt on Property	\$ -	\$ 970,000	\$ -	\$ -	\$ 970,000	

City		Stevensville	Absarokee	Butte	Bozeman	Hamilton/Darby	Bozeman/Hamilton/Darby
County		Ravalli County	Stillwater	Silver Bow County	Gallatin	Ravalli	Gallatin/Ravalli
Project Name		Nicole Court	Homestead Lodge Sr	Paxson Place	Timber Ridge 9	Bitterroot Valley	Timber/Bitterroot Comb
Developer / General Ptnr		HRC Cottages, Inc.	Syringa	Housing Solutions	Summit	Summit	Summit
<b>Evaluation Scoring</b>	<i>Points Available</i>						
<u>Extended Low Income Use</u>	100	100	100	100	100	100	-
<u>Lower Income Tenants</u>	200	200	200	200	200	170	-
<u>Project Location</u>	100	100	100	100	100	100	-
<u>Housing Needs Characteristics</u>							
Community Input	30	30	30	30	30	-	-
Appropriate Size	35	35	35	35	35	35	-
Market Need - Vacancy	35	35	35	35	35	35	-
Total	100	100	100	100	100	70	-
<u>Project Characteristics</u>							
Preservation of or Increase QCT or Revitalization Plan	(100 pts for any one of these 4 categories)	100	100	-	100	100	-
Historic Preservation		-	-	-	-	-	-
Project Based Rent Subsidy		-	-	-	-	-	-
Green & Energy	100	100	100	100	100	-	-
	200	200	200	100	200	100	-
<u>Development Team Characteristics</u>	400	400	400	400	400	400	-
<u>Participation of Local Entity</u>	60	60	60	60	60	60	-
<u>Tenant Populations</u>	100	100	100	100	100	100	-
<u>Developer Knowledge and Response</u>							
Management past performances							
Late responses to MBOH							
Management Weaknesses							
<b>Total Points Available</b>	<b>1,260</b>	1,260	1,260	1,160	1,260	1,100	-
<b>Self Evaluation Score</b>		1,260	1,260	1,160	1,260	1,100	-
minimum competitive score	1,000						
minimum non-competative score	800						

City		Missoula	Dillon	Helena
County		Missoula County	Beaverhead	Lewis & Clark County
Project Name		Skyview	Pioneer Meadows	Fire Tower (Serendipity)
Developer / General Ptner		Housing Solutions	The Housing Co	Wishcamper Dev
GP Organizational Type		Non Profit	Non-Profit	For Profit
Set-aside		General	Non-Profit	General
HC Requested		\$5,900,000	\$6,203,630	\$6,333,749
Project Type		Elderly	Family	Elderly/Family
Construction Type		New Const	New Const	Acq / Rehab
Projected Construction Start		May-20	Apr-20	Apr-20
Projected Completion		Dec-20	Apr-21	Dec-20
<b>Unit Numbers</b>				
	<b>Target</b>			
1-bdrm	30%	-	-	-
1-bdrm	40%	3	1	5
1-bdrm	50%	18	2	13
1-bdrm	60%	2	1	6
2-bdrm	40%	1	2	-
2-bdrm	50%	9	12	13
2-bdrm	60%	2	1	-
2-bdrm	80%	-	-	7
3-bdrm	40%	-	2	-
3-bdrm	50%	-	4	-
3-bdrm	60%	-	2	-
other	mgr	1	1	-
Total Units		36	28	44
Average Income Targeting		50.28%	50.00%	55.95%
<b>Square Footage</b>				
Income Resticted Units		23,193	24,405	27,070
Managers Unit(s)		600	831	-
Common Space		10,053	2,030	9,614
Market/Commercial		-	-	-
Total		33,846	27,266	36,684
<b>Unit Rents</b>				
1-bdrm	30%	-	-	-
1-bdrm	40%	525	439	815
1-bdrm	50%	660	568	815
1-bdrm	60%	715	697	775
1-bdrm	0%	-	-	-
2-bdrm	40%	630	515	-
2-bdrm	50%	790	669	915
2-bdrm	60%	815	824	-
2-bdrm	80%	-	-	895
2-bdrm	0%	-	-	775
2-bdrm	0%	-	-	-
2-bdrm	0%	-	-	-
3-bdrm	40%	-	585	-
3-bdrm	50%	-	764	-
3-bdrm	60%	-	942	-
Total Monthly Rents		\$ 24,255	\$ 18,264	\$ 36,500
vacancy factor		7.00%	7.00%	7.00%
Adjusted Rent		\$ 22,557	\$ 16,986	\$ 33,945
other/commercial income		\$240	\$0	\$136
total rent		\$ 22,797	\$ 16,986	\$ 34,081
x 12 months		12	12	12
Total Annual Income		\$ 273,566	\$ 203,826	\$ 408,975

City	Missoula	Dillon	Helena
County	Missoula County	Beaverhead	Lewis & Clark County
Project Name	Skyview	Pioneer Meadows	Fire Tower (Serendipity)
Developer / General Ptner	Housing Solutions	The Housing Co	Wishcamper Dev
<b>Expenses</b>			
Administration	14,900	14,370	26,659
Management	18,950	12,220	25,512
Maintenance	41,350	18,148	68,837
Operating	58,000	68,960	95,817
Taxes	-	31,202	20,660
Replacement Reserve	10,800	8,400	19,580
Total Expenses	\$ 144,000	\$ 153,300	\$ 257,065
Net Income Before Debt Service	\$ 129,566	\$ 50,526	\$ 151,910
<b>Financing Sources</b>			
Hard Loan	1,475,000	559,000	2,002,665
Hard Loan	-	-	(40,000)
Soft Loan	-	-	-
Soft Loan	-	-	-
State NHTF	-	-	1,250,000
Other	-	-	400,000
Deferred Dev Fee	46,264	13,849	125,150
HC Equity Non-Competative	5,102,990	5,396,626	5,699,805
HC Equity Competative	-	-	-
Total Sources:	\$ 6,624,254	\$ 5,969,475	\$ 9,437,620
% of Project Financed by HC:	77.03%	90.40%	60.39%
<b>Return on Sale of HTC</b>			
HTC Requested	\$ 5,900,000	\$ 6,203,630	\$ 6,333,749
HTC Equity	\$ 5,102,990	\$ 5,396,626	\$ 5,699,805
HTC Return on Sale	\$ 0.865	\$ 0.870	\$ 0.900
<b>Ratios</b>			
Rent (Income)	\$ 273,566	\$ 203,826	\$ 408,975
Operating Expenses	\$ 133,200	\$ 144,900	\$ 237,485
Replacement Reserves	\$ 10,800	\$ 8,400	\$ 19,580
Net Income Available for DS	\$ 129,566	\$ 50,526	\$ 151,910
Total Debt Service	\$ 107,833	\$ 33,712	\$ 118,997
Debt Coverage Ratio (DCR)	1.20	1.50	1.28
Total Expense Ratio	1.09	1.09	1.09
<b>Project Costs</b>			
Land	300,000	390,000	200,000
Building/Acquisition	-	-	1,663,500
Site Work	724,000	230,000	-
Construction / Rehab	4,229,160	3,848,000	5,183,160
Soft Costs	607,150	775,975	993,994
Developer Fees	550,000	660,000	1,147,011
Reserves	213,944	65,500	249,955
Total Project Costs	\$ 6,624,254	\$ 5,969,475	\$ 9,437,620

City		Missoula	Dillon	Helena
County		Missoula County	Beaverhead	Lewis & Clark County
Project Name		Skyview	Pioneer Meadows	Fire Tower (Serendipity)
Developer / General Ptnr		Housing Solutions	The Housing Co	Wishcamper Dev
<b>Costs versus Sources</b>				
Total Project Costs		\$ 6,624,254	\$ 5,969,475	\$ 9,437,620
Total Financing Sources		\$ 6,624,254	\$ 5,969,475	\$ 9,437,620
Difference		\$ -	\$ -	\$ -
<b>Project Cost Limitations</b>				
	<b>Limits</b>			
General Requirements	6.00%	4.60%	5.27%	4.51%
Contractor Overhead	2.00%	1.55%	1.69%	1.50%
Contractor Profit	6.00%	4.60%	5.27%	4.51%
Developer Fees	15.00%	9.89%	13.60%	14.69%
Soft Cost	32 or 37%	21.38%	31.97%	30.38%
<b>Per Unit Comparison</b>				
	<b>Limits</b>			
Cost per unit	\$235,000	\$ 184,007	\$ 213,196	\$ 214,491
Credits per unit	n/a	\$ 163,889	\$ 221,558	\$ 143,949
Operating Cost per unit	\$3,000 min	\$ 3,700	\$ 5,175	\$ 5,397
Replacement Reserves	\$300 min	\$ 300	\$ 300	\$ 445
<b>Per Square Foot Comparison</b>				
Construction / Rehab per sq ft		\$ 124.95	\$ 141.13	\$ 141.29
Total Project Cost per sq ft		\$ 195.72	\$ 218.93	\$ 257.27
Credits per sq ft		\$ 174.32	\$ 227.52	\$ 172.66
Credits per sq ft (residential only)		\$ 254.39	\$ 254.20	\$ 233.98
<b>Utilities Paid by (Tenant / Owner)</b>				
		Owner	Tenant	Tenant
<b>Market Study Data:</b>				
Vacancy Rates		0.7%	5.2%	1.0%
Absorption Rate		63.9%	45.9%	84.8%
% of Mkt Rents		71.1%	82.1%	93.3%
Units needed		266	111	323
<b>Market Rents</b>				
1-bdrms		\$ 873	\$ 782	\$ 883
2-bdrms		\$ 1,022	\$ 932	\$ 1,001
3-bdrms		\$ -	\$ 1,047	\$ -
<b>Acq Rehab Info:</b>				
Reserves kept by existing owner		\$ -	\$ -	\$ 41,000
Other cash out by existing owner		\$ -	\$ -	\$ -
Current Debt on Property		\$ -	\$ -	\$ 624,842

City		Missoula	Dillon	Helena
County		Missoula County	Beaverhead	Lewis & Clark County
Project Name		Skyview	Pioneer Meadows	Fire Tower (Serendipity)
Developer / General Ptner		Housing Solutions	The Housing Co	Wishcamper Dev
<b>Evaluation Scoring</b>	<i>Points Available</i>			
<u>Extended Low Income Use</u>	100	100	100	100
<u>Lower Income Tenants</u>	200	200	200	170
<u>Project Location</u>	100	100	100	100
<u>Housing Needs Characteristics</u>				
Community Input	30	30	30	30
Appropriate Size	35	35	35	35
Market Need - Vacancy	35	35	35	35
Total	100	100	100	100
<u>Project Characteristics</u>				
Preservation of or Increase QCT or Revitalization Plan	(100 pts for any one of these 4 categories)	-	-	100
Historic Preservation		100	-	-
Project Based Rent Subsidy		-	-	-
Green & Energy	100	100	100	100
	200	200	100	200
<u>Development Team Characteristics</u>	400	400	400	400
<u>Participation of Local Entity</u>	60	60	30	30
<u>Tenant Populations</u>	100	100	100	100
<u>Developer Knowledge and Response</u>		-	-	-
Management past performances				
Late responses to MBOH				
Management Weaknesses				
<b>Total Points Available</b>	<b>1,260</b>	1,260	1,130	1,200
<b>Self Evaluation Score</b>		1,260	1,130	1,200
minimum competitive score	1,000			
minimum non-competative score	800			

City	Hardin
County	Big Horn
Project Name	Hardin Senior Housing
Developer / General Ptnr	American Covenant
GP Organizational Type	Non-Profit
Set-aside	Non-Profit
HC Requested	\$3,584,210
Project Type	Elderly
Construction Type	Acq / Rehab
Projected Construction Start	Mar-20
Projected Completion	Aug-20

<u>Unit Numbers</u>	<u>Target</u>	
1-bdrm	30%	6
1-bdrm	40%	9
1-bdrm	50%	6
1-bdrm	60%	3
2-bdrm	40%	-
2-bdrm	50%	-
2-bdrm	60%	-
2-bdrm	80%	-
3-bdrm	40%	-
3-bdrm	50%	-
3-bdrm	60%	-
other	mgr	-
Total Units		24
Average Income Targeting		40.00%

<u>Square Footage</u>	
Income Restricted Units	15,000
Managers Unit(s)	-
Common Space	2,238
Market/Commercial	-
Total	17,238

<u>Unit Rents</u>		
1-bdrm	30%	618
1-bdrm	40%	618
1-bdrm	50%	618
1-bdrm	60%	-
1-bdrm	0%	612
2-bdrm	40%	-
2-bdrm	50%	-
2-bdrm	60%	-
2-bdrm	80%	-
2-bdrm	0%	-
2-bdrm	0%	-
2-bdrm	0%	-
3-bdrm	40%	-
3-bdrm	50%	-
3-bdrm	60%	-
Total Monthly Rents		\$ 14,814
vacancy factor		7.00%
Adjusted Rent		\$ 13,777
other/commercial income		\$240
total rent		\$ 14,017
x 12 months		12
Total Annual Income		\$ 168,204

City	Hardin
County	Big Horn
Project Name	Hardin Senior Housing
Developer / General Ptnr	American Covenant

**Expenses**

Administration	11,500
Management	17,500
Maintenance	19,600
Operating	40,984
Taxes	5,500
Replacement Reserve	7,800
Total Expenses	<u>\$ 102,884</u>
Net Income Before Debt Service	\$ 65,320

**Financing Sources**

Hard Loan	853,000
Hard Loan	400,000
Soft Loan	-
Soft Loan	-
State NHTF	-
Other	-
Deferred Dev Fee	-
HC Equity Non-Competative	2,859,665
HC Equity Competative	-
Total Sources:	<u>\$ 4,112,665</u>
% of Project Financed by HC:	69.53%

**Return on Sale of HTC**

HTC Requested	\$ 3,584,210
HTC Equity	\$ 2,859,665
HTC Return on Sale	\$ 0.798

**Ratios**

Rent (Income)	\$ 168,204
Operating Expenses	\$ 95,084
Replacement Reserves	\$ 7,800
Net Income Available for DS	\$ 65,320
Total Debt Service	\$ 51,240
Debt Coverage Ratio (DCR)	1.27
Total Expense Ratio	1.09

**Project Costs**

Land	75,000
Building/Acquisition	1,175,000
Site Work	-
Construction / Rehab	1,665,079
Soft Costs	522,805
Developer Fees	501,781
Reserves	173,000
Total Project Costs	<u>\$ 4,112,665</u>

**Costs versus Sources**

Total Project Costs	\$ 4,112,665
Total Financing Sources	<u>\$ 4,112,665</u>
Difference	\$ -

City	Hardin
County	Big Horn
Project Name	Hardin Senior Housing
Developer / General Ptnr	American Covenant

**Project Cost Limitations**

	<u>Limits</u>	
General Requirements	6.00%	4.90%
Contractor Overhead	2.00%	1.54%
Contractor Profit	6.00%	4.90%
Developer Fees	15.00%	14.92%
Soft Cost	32 or 37%	36.08%

**Per Unit Comparison**

	<u>Limits</u>		
Cost per unit	\$235,000	\$	171,361
Credits per unit	n/a	\$	149,342
Operating Cost per unit	\$3,000 min	\$	3,962
Replacement Reseves	\$300 min	\$	325

**Per Square Foot Comparison**

Construction / Rehab per sq ft	\$	96.59
Total Project Cost per sq ft	\$	238.58
Credits per sq ft	\$	207.92
Credits per sq ft (residential only)	\$	238.95

**Utilities Paid by (Tenant / Owner)** Tenant

**Market Study Data:**

Vacancy Rates	0.0%
Absorption Rate	0.0%
% of Mkt Rents	#DIV/0!
Units needed	-

**Market Rents**

1-bdrms	\$	-
2-bdrms	\$	-
3-bdrms	\$	-

**Acq Rehab Info:**

Reserves kept by existing owner	\$	-
Other cash out by existing owner	\$	410,000
Current Debt on Property	\$	840,000

City	Hardin
County	Big Horn
Project Name	Hardin Senior Housing
Developer / General Ptnr	American Covenant

<u>Evaluation Scoring</u>	<u>Points Available</u>	
<u>Extended Low Income Use</u>	100	100
<u>Lower Income Tenants</u>	200	100
<u>Project Location</u>	100	100
<u>Housing Needs Characteristics</u>		
Community Input	30	30
Appropriate Size	35	35
Market Need - Vacancy	35	35
Total	100	100
<u>Project Characteristics</u>		
Preservation of or Increase QCT or Revitalization Plan	(100 pts for any one of these 4 categories)	-
Historic Preservation		-
Project Based Rent Subsidy		100
Green & Energy	100	100
	200	200
<u>Development Team Characteristics</u>	400	400
<u>Participation of Local Entity</u>	60	-
<u>Tenant Populations</u>	100	100
<u>Developer Knowledge and Response</u>		
Management past performances		-
Late responses to MBOH		
Management Weaknesses		
<b>Total Points Available</b>	<b>1,260</b>	<b>1,100</b>
<b>Self Evaluation Score</b>		<b>1,260</b>
minimum competitive score	1,000	
minimum non-competative score	800	

July 29, 2019

Chairman Pat Melby and Members  
Montana Board of Housing  
301 South Park Avenue, Ste. 240  
Helena, Montana 59620-0528

RE: Nicole Court / 2020 LIHTC Application

Dear Chairman Melby & Members of the Board,

HRC Cottages, Inc., and its affiliate District XI Human Resource Council, Inc., is pleased to submit our completed application to the Montana Board of Housing. As you know, this proposal has gone through several iterations over the years, but we can confidently say all the feedback, comments, study, time and consideration have led this to be the best version of Nicole Court yet. Over the years we have diversified the populations served, increased the variety in unit types, and brought additional financial resources to the project. Of course, what has not changed is the incredible need for new affordable housing in Stevensville.

When working toward new affordable housing it is easy to get lost in the facts, figures, and numbers; it is important to stop and remember why we are pursuing this project. The people and stories of the lives that are changed are what matters. One of this proposal's adamant champions is Supporters of Abuse Free Environments (SAFE). SAFE is on the front lines of providing safe shelter, through which healing from interpersonal violence can begin. In conjunction with SAFE's Rapid Rehousing Program, Nicole Court will bring new affordable housing options to survivors of domestic and sexual violence. Safe and stable housing allows for positive and forward-thinking changes in families, both immediately and for generations to come.

The homes at Nicole Court will also be available to families, seniors and those with mobility challenges. Ten of the 16 homes will be ground floor/single level living with a zero-step entry. These homes will incorporate universal design principals, making it possible for individuals and families of any age and ability to both live at and visit Nicole Court. Each home will include two or three bedrooms and two full bathrooms, making them perfect for everyone from families with children to elderly in need of fulltime in-home caregiving. By creating such flexible units, the property will effectively serve Stevensville and Ravalli county for many years to come.

In addition to serving a diverse group of residents, Nicole Court will also leverage several different financing sources. Garden City Neighbors has again agreed to make the land for the project available at no cost. In January 2017, the project was awarded a \$575,000 grant from Federal Home Loan Bank of Des Moines. Due to their size, small projects have a difficult time supporting debt; this grant is what makes Nicole Court possible. The Grantor has graciously



**HRC COTTAGES, INC.**  
1801 South Higgins Avenue, Missoula, Montana 59801  
(406) 728-3710 Fax (406) 728-7680



HRC Cottages, Inc. is an Equal Opportunity Employer and Provider

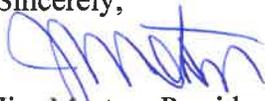
extended their deadline for completion to accommodate this one final request for Housing Tax Credits. If we are not successful this year, the grant will be lost and the project will no longer be feasible.

The need for Nicole Court's new affordable rentals is clearly demonstrated in the market study. The survey included 136 units and did not find a single vacancy. The market area had shown tight, but steady, 3.0% and 2.8% vacancy in 2015 and 2017 respectively; so the drop to 0.0% is significant. Unsurprisingly, with zero vacancy there have also been some sharp increases in rental rates. Between June 2017 and July 2019 rental rates are up \$59 and \$50 on two-bedroom and three-bedroom apartment homes. One property reported an increase of \$175 per month or 28% over the same period. The Market Study also points out that 230 households, or 56.6% of renters, are paying more than 30% of their income toward housing. All this lines-up with what the manager of the one existing competitive LIHTC project reported: a waiting list for rental homes, a high number of daily inquires for housing, and no concern about the effect of new affordable rental homes on her property.

The time is right for Stevensville. We have an amazing partner, SAFE, whose staff are doing impactful work, the need is incredible and the available market rentals are unaffordable to those who need it most. We have listened to the comments of MBOH members and worked to bring forward the best possible project for Stevensville; alternative sources of funds, serving vulnerable populations, and a development that will remain flexible to serve long into the future.

Thank you for your consideration, we are anxious to get this project completed for Stevensville.

Sincerely,



Jim Morton, President



### HRC COTTAGES, INC.

1801 South Higgins Avenue, Missoula, Montana 59801  
(406) 728-3710 Fax (406) 728-7680





July 25, 2019

Montana Board of Housing  
P. O. Box 200528  
Helena, MT 59620

Re: Homestead Lodge Apartments  
Application for Low Income Housing Tax Credits

Dear Board of Housing:

We appreciate being selected for funding consideration under the Low-Income Housing Tax Credit program in Montana. Homestead Lodge Apartments is the only subsidized apartment community in Absarokee and one of only three apartment communities serving low income seniors and disabled persons in Stillwater County.

We are pleased to have strong support for our plans for improvement of this existing development, the community recognizes the contributions that the housing makes to seniors and disabled residents. Rehabilitation of these rental homes will benefit the community by adding jobs and by the purchase of goods both during the construction period and after.

We encountered a few challenges in formulating our plan due to the sparsely populated area and the lack of comprehensive social services available locally. We will continue to make outreach to all area agencies including the Area Office on Aging, the Veterans Administration, Adult Resource Alliance, and HRDC Region 7 to broaden our base of services for the residents and interested applicants of Homestead Lodge.

Thanks again for the opportunity to obtain needed funding to preserve this valuable housing resource in Stillwater County. Should you need clarification on any item included, or if we may provide additional information please don't hesitate to contact me.

Sincerely,

Taylor Hunt  
President





## HOUSING SOLUTIONS, LLC

*"Unless the Lord builds the house,  
its builders labor in vain"*

July 29, 2019

Chairman Melby & Members of the Board  
Montana Housing  
301 S. Park Ave., Ste. 240  
Helena, MT 59620-0528

RE: Paxson Place / 2020 LIHTC Application

Dear Chairman Melby & Members of the Board,

Housing Solutions is pleased to present our full application for Paxson Place in Butte. Very little has changed in underwriting since the LOI stage, however the overwhelming need for new homes in Butte remains. To be candid, when writing these cover letters it can be difficult to know how to best convey the need for new homes in an area. Sometimes the need is best demonstrated with a story and other times with facts and statistics. Both have their place, but in the case of Butte, the numbers in the market study literally leapt off the page.

The overall vacancy rate in Butte, for both market rate and subsidized properties, is 0.4% (MS – Page C-2). To put this number in perspective, this means that for every 250 homes surveyed, there was only one vacancy. In other words, for those searching for housing in Butte, finding a home to move in to, much less an affordable home, is nearly impossible. Take for example the most recent senior tax credit property in the area: Meadowlands. At the time of the market survey, Meadowlands was completely full with a wait list of 75 names (MS - Page A-2). A senior on a fixed income would quite literally be unable to find a home in Butte. The root of this problem is Butte's lack of new development through the years. For the past ten years, Butte has averaged only 35 new multi-family homes each year in a city with a population of over 34,000 people (MS - Page A-25). Landlords are benefiting from this lack of supply while renters are more burdened than ever. The Market Study points out that 49.4% of renter households in Butte paid more than 30% of their income to rent while 30.6% of renter households paid more than 50% of their income to rent (MS – Page A-3). These numbers are daunting. Compounding to the crisis is the fact that the 65+ population in Butte has grown at 2.1% per year on average over the last 8 years which is substantially higher than the general population growth of 0.2% over the same period (MS – Page A-20). Butte needs new homes more than ever before.

The history of tax credit awards in Butte is also consistent with the low levels of development in the area. Besides the Copper Ridge family project, Butte has not had a project funded since Meadowlands in 2010. Given its population of over 34,000, Butte has received far less than its proportionate share of tax credit homes throughout the history of the program. The Market Study leaves no room for interpretation of its conclusion: the shortage of new affordable homes developed in Butte over the years has severely burdened renters in the area. The need for new homes in Butte is not just great; it's overwhelming.

Paxson Place will take a strong step toward meeting this need by providing 36 new homes. However, and perhaps most importantly, these homes will be affordable. Rents will range from \$475 to \$675 per month, *with all utilities included*. These rental rates are between 18% - 35% below what Paxson Place would rent at if it were a market rate property in the area (MS – Page A-27). Thus, Paxson Place is the ultimate antidote to the severe market conditions in Butte. We must also consider the impact of Paxson Place on the lives of its future residents. Paxson place will provide 36 new, safe, and affordable homes for 36 or more seniors in the Butte area who, more than ever before, need a home they can afford.

The site location has not changed since the LOI stage. As you may recall, the site is located south of the interstate one block west of Harrison Avenue at the intersection of Paxon and Elizabeth Warren. This location will provide residents with the convenience of Glacier Bank, The Montana Club, Goodwill, Buffalo Wild Wings, Walmart and other amenities all located less than one mile away. Additionally, a Butte-Silver Bow Transit Bus stop is just one block away. From here residents can access the orange or blue line to reach their desired location. This is the perfect location for a senior property.

Nothing in terms of design or amenities has changed since the LOI stage. Each individual apartment will feature all the standard appliances, including frost free refrigerator, range, microwave, dishwasher and double sink with garbage disposal. Paxson Place will be one building with a secured building entry and interior apartment access. Residents will enjoy security and comfort as they move about the building in the middle of a Butte winter with little more than a light jacket. An elevator in the building means all units will have a zero step entry and be fully accessible. A community room with full kitchen will be the primary gathering place for morning coffee, book clubs, movie nights and themed parties for residents. An exercise room will keep folks moving throughout the winter months. The community room and exercise room are relatively inexpensive as they are simply furnished open space included within the building footprint. Outside, a community patio area, BBQ and community gardens will be available for resident use. We've found these spaces and amenities to be very well used and make the transition from a single-family home into an apartment easier.

As always, Housing Solutions and its longstanding development team is positioned to take this project from Housing Tax Credit award to serving seniors in Butte throughout the compliance period. We would urge you to look closely at the need in Butte. The need is great everywhere, but we would submit that the need in Butte is, perhaps, greater. We are proud of our work on this project and look forward to the opportunity to partner with Montana Housing in meeting the needs of seniors in Butte.

Sincerely,



Alex Burkhalter

## 4. Cover Letter

# Timber Ridge Apartments

July 29, 2019

Montana Board of Housing  
PO Box 200528  
Helena, MT 59620-0528

RE: Timber Ridge Apartments and Bitterroot Valley Apartments Cover Letter

To: Montana Board of Housing

This cover letter meets the requirements of the Qualified Allocation Plan as it relates to submission of a "Cover Letter" for the application of tax credits.

Summit Housing Group, Inc. (SHG) is excited to be submitting a 9%/4% split site application, Timber Ridge Apartments, LP (TRA) and Bitterroot Valley Apartments, LP (BVA).

TRA will be a newly constructed apartment complex for seniors in Bozeman. TRA will be a three-story building with an elevator consisting of 20 one-bedroom units and 10 two-bedroom units. Each unit will have air conditioning, dishwasher, disposal, microwave, and in-unit washer and dryer, all Energy Star rated. Each unit will have its own patio or balcony with additional storage capacity. The building will have a community room for people to gather in, an outdoor community area, and will be managed by the onsite manager at Stoneridge Apartments next door via Highland Property Management, Inc. (HPM). The units are sized at 752 and 909 square feet respectively. Rents will be 40%, 50%, and 60% AMI, with one-bedroom units at \$572, \$735, and \$898, and two-bedroom units at \$679, \$874, \$1070 respectively.

The site is adjacent to our highly successful Stoneridge Apartments (SRA) which was fully leased in less than one month from the time of completion. SRA has a 0% vacancy with 17 seniors residing there who would prefer living in a building more suited to their needs. Located just west of the intersection of 27th and Tschache, and adjacent to the Stoneridge Apartments, TRA is in an ideal location for seniors. The project site is located within 1 block of the Streamline bus service (free public transportation in Bozeman) on the corner of 27th Avenue and Tschache Street, and within a mile and a half of numerous services including Smith's Food and Drug, b2 Microcare Medical Clinic, Lowes, Home Depot, Staples, Costco, and the YMCA. The Bozeman Senior Center is approximately 2 miles away and on the Streamline route. Rose Park is less than two blocks away providing an open space for additional recreation.

The site for the proposed TRA is wholly owned by Summit Management Group, Inc. who is donating a portion of the land to the project. This site is shovel-ready and has utilities, zoned appropriately, and the land use is restricted for affordable housing. The City of Bozeman has agreed to expedite their planning review process in order to allow for construction activities to begin as soon as April of 2020 with completion 12 months later.

Bozeman is currently the fastest growing city in the state. Bozeman currently has a need for 113 additional one- and two-bedroom senior units. Bridger Peaks Village, the only other senior affordable housing in Bozeman, has a waitlist of 35 names. There are currently 36 people on an active waiting list at SRA. The market study emphasizes this by stating (pg. A-2): "It is our opinion in looking at all of the factors in this study, that the proposed Timber Ridge Apartments will fill a very strong need in the Bozeman area, that is for affordable rental units for very low to low income seniors (at 40 - 60 % AMI). The subject will provide good quality affordable housing with rents running from 10 to 44 % below established market rents in the area. This will be accomplished while offering strong unit amenities that would be considered equal to even the higher-end market rate units in the City... In looking at other areas of the Bozeman rental market, it is clear that there is also a need for affordable family housing, with all existing projects being fully occupied and all including wait lists. The vacancy rate at market rate projects is extremely low at 0.2 %, with just two vacancies found out of 1,054 units surveyed. In fact, two of the nine projects surveyed (one project is still in lease-up) included a wait list. Renters in the Bozeman area currently have very few options, and in most cases, simply have to take what's available (if anything), with no choice of floor or location in the complex. Rents in the City have also seen very high increases over the past 4 - 5 years making it increasingly difficult for very low to low income seniors (and families) to find good quality affordable rental units in the City.

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Since September 2015, rents in the area have increased on average by about 7 % annually (for one bedroom, two-bedroom one bath and two bedroom two baths)."

SHG is partnering with the Human Resource Development Council of District IX, Inc. (HRDC) and will work together and utilize the LIHTC experience of SHG and the local affordable housing experience of HRDC to develop a community that will not only be safe, sanitary housing for our low-income senior residents but also be durable, sustainable, and have the long-term financial health needed to operate a LIHTC community for years to come. This partnership along with the tremendous support from the City of Bozeman and community as a whole will solidify the ongoing success of this affordable community.

BVA will consist of the combined existing multi-family properties of Bitterroot Commons (BC) and Mountainview Apartments I(MV) as a 4% split-site acquisition/rehabilitation project. BC was built in two phases in 2003 and 2004, and consists of 16 two bedroom/two-bathroom units at 1016 square feet. MV was built in 2003, and consists of 24 two bedroom/1 bathroom and 12 three bedroom/2-bathroom units, at 925 square feet and 1183 square feet respectively. Rents will be 50% and 60% AMI, and range from \$657 - \$927. As renovations take place, each unit will include energy star rated appliances, as well as modern updates to recreate a comfortable and efficient living space.

The sites are located conveniently to services for the residents, including grocery and medical services. Both properties are fully leased and have waiting lists. The properties are prime candidates for rehabilitation, as the need for affordable housing in each of these locations is readily apparent. Both areas have a growing population with a lack of affordable housing.

Both sites will continue to be managed by HPM. SHG is partnering with the Human Resource Council of District XI, Inc. for these two locations. As with the Bozeman site, HRC XI will be providing screening and referrals for potential residents, and on-going services on site for residents such as Continued Education, Financial Planning, and Health and Nutrition, and this partnership will continue the success of these communities.

The Town of Darby currently has a need for 3 affordable living units, with a vacancy rate of 0%. The Darby market study emphasizes this by stating on page A-2 "It is our opinion in looking at all of the factors in this report, that the subject Bitterroot Commons, once renovated, will continue to fill a very strong need in the Darby area, that is for affordable rental units for very low to low income households. At the present time the subject is 100 % occupied and includes a wait list of 4 names. The subject is very well located in a mainly residential area, but is less than a half mile from area services and employment opportunities. Those services include the local grocery store, a bank, all public schools, the library, post office and a medical clinic. Because of the population it serves (low income households), we feel that the subject's location is ideal (close to area services) and that it will continue to serve a strong need in the Darby area once renovated. There are currently very limited options for renters in the Darby area, with no units available including market rate and income restricted."

Hamilton has a need of 50 affordable units, also with a vacancy rate of 0%. From the Hamilton market study, page A-2 "It is our opinion in looking at all of the factors in this report that the subject Mountain View Apartments I once renovated will continue to fill a very strong need in the Hamilton area, that is for affordable rental units for very low to low income families. At the present time, Mountain View is 100 % occupied and includes a wait list of seven (7) names, all for its two-bedroom units (note that the wait list is for all 100 units in phase I, II & III). The subject is well located in a mainly residential area of newer apartment communities and good quality single family homes. It is also close to area services including grocery stores, banks and schools."

With the support of each local community, the projects described here are highly valued and needed. As this application for Timber Ridge Apartments and Bitterroot Valley Apartments is a combined 9%/4% application, it gives the Montana Board of Housing the unique opportunity to not only create 30 desperately needed senior units in Bozeman, but keep an additional 52 family units in the Bitterroot Valley affordable for the foreseeable future without having to grant additional 9% tax credits. A win for MBOH, and a win for the communities of Bozeman, Hamilton, and Darby. We look forward to working with MBOH in getting each of these projects started.



**HOUSING  
SOLUTIONS, LLC**

*“Unless the Lord builds the house,  
its builders labor in vain”*

July 29, 2019

Chairman Melby & Members of the Board  
Montana Housing  
301 S. Park Ave., Ste. 240  
Helena, MT 59620-0528

RE: Skyview / 2020 LIHTC Application

Dear Chairman Melby & Members of the Board,

In Paxson Place’s cover letter, I mentioned the need for affordable housing in an area can be shown through facts and figures or through stories of people in the community who need homes they can afford. As a result of living in Missoula for 25 years, stories come more easily for me here than in Butte despite the fact that Butte’s need is just as great, and the city of Butte undoubtedly has its own set of stories equally as heart wrenching. Thus, I will do my best to share both the facts and the stories of Missoula.

Unsurprisingly, the market study shows a critical need for new senior homes in Missoula. Sadly, these shocking facts and figures were just that: unsurprising. Residents of Missoula have for many years struggled to adapt to the burdensome housing conditions in the valley and the market study highlights just how burdensome these conditions have become. The overall vacancy rate in Missoula, for both market rate and subsidized properties, is 0.5% (MS – Page 5). At the four LIHTC senior projects in Missoula, there were no vacancies with all including waitlists ranging from 15 – 162 names (MS - Page A-33). Of renter households in the area, 50.4% paid more than 30% of their income to rent while 27.3% paid more than 50% of their income to rent (MS – Page A-3). The 65+ population in Missoula has grown at 5.1% per year on average over the last 9 years which is 5 times the general population’s growth (MS – Pages A-21 – A-22). Meanwhile rents continue to climb on an annual basis (MS – Page A-30). Finally, there is a need for 266 new senior homes today with an additional 22 new homes needed each year thereafter (MS – Page A-32). The need for new senior housing in Missoula isn’t a question; it’s a fact. At our recent public hearing, these facts came to life in the form of stories we can all understand.

One of the many stories was that of Carol. Carol has been a resident of Missoula for the past 15 years and for the last several years she lived in an apartment off of Front Street. She pressed on through tough winters with snow entering her apartment regularly and a landlord who wouldn’t fix the problem. She endured these conditions because \$500 a month was all she could afford on her limited income. A couple of months ago her landlord raised her rent. With nowhere to turn she now lives in her friends’ basement. She’s one of the lucky ones who had friends to turn to. There were others who shared their stories of tragedy (death of a loved one or medical bills) that resulted in their need for affordable homes. These stories brought the statistics to life. The stories were

sobering and at times difficult to hear, but they accurately reflect the state of affordable housing in Missoula.

It goes without saying that Skyview would put a meaningful dent in this need by providing 36 affordable homes. At LOI stage, Skyview was a 39-unit proposal; it is now 36. After working with the architect it became clear that 36 units was simply a better fit for the neighborhood. Rents will range from \$525 to \$815 per month, *with all utilities included*. These rental rates are between 18% - 40% below what Skyview would rent at if it were a market rate property in the area (MS – Page 5). Skyview would serve Carol and others like her in Missoula who need these homes.

The site location has not changed since the LOI stage. As you may recall, this year's site is a block east of Reserve St. off of S. 9<sup>th</sup> St. W. This is in a well-kept-up walkable neighborhood and in close proximity to Community Hospital and the local Rosauers grocery store. A Mountain Line bus stop is only 2 blocks away and will take the residents to their desired location, including all of the dining, shopping and employment opportunities located nearby. In addition, Franklin Park is just a couple of blocks away and within walking distance of the site. The park will provide a perfect place to relax and spend time with others in the neighborhood. The site location, however, is not without controversy. Existing neighbors attended the public hearing and were opposed to senior housing being built in their neighborhood. Comments ranged from being somewhat considerate to downright intolerant of new housing for seniors in their neighborhood. Despite this, the location is in an area Missoula has planned for high density housing and the senior use fits the area well. The neighborhood is quiet, walkable, and near all the amenities we look for in a senior housing property. We, along with the local city council members, agree that the seniors we serve will contribute to and enjoy living in a quiet neighborhood as much as any of the existing residents. There's no doubt that Skyview will ultimately become an asset to the neighborhood as its residents spend time with the surrounding neighbors.

Nothing in terms of design or amenities has changed since the LOI stage. The unit and building design and amenities are the same as Paxson Place. Each individual apartment will feature all the standard appliances, an elevator, a community room, and exercise room.

As always, Housing Solutions and its longstanding development team is positioned to take this project from Housing Tax Credit award to serving seniors in Missoula throughout the compliance period. Each year that passes the situation in Missoula becomes more critical. We know there is much need across the state, but we would urge you to consider Missoula as a recipient of this year's tax credits. We are proud of our work on this project and look forward to the opportunity to partner with Montana Housing in meeting the needs of seniors in Missoula.

Sincerely,



Alex Burkhalter



July 19<sup>th</sup>, 2019

RE: Pioneer Meadows Apartments- New construction 28 units of multifamily housing

Dear Montana Board of Housing Board Members,

The Housing Company is proposing the development of Pioneer Meadows Apartments, a 28-unit affordable housing apartment development in Dillon, Montana. Pioneer Meadows Apartments will provide a mix of 4 one bedroom, 16 two bedroom and 8 three-bedroom units. Tenants will be charged rents at 40% Area Median Income (AMI), 50% AMI and 60% AMI. Through the use of the Low Income Housing Tax Credit (LIHTC) program, Pioneer Meadows Apartments will offset high construction costs and lack of local investment capital in order to construct an affordable, modern, multi-family housing development in a town that has very limited affordable rental housing.

The proposed development will be in an excellent location that is in close proximity to most services that Dillon has to offer; including grocery stores, medical services, schools, parks and employment opportunities. Pioneer Meadows Apartments will offer amenities to tenants that are difficult to find in the aging housing stock of Dillon. Each unit will be equipped with Energy Star rated appliances including washers and dryers, air conditioning and quality finishes. These amenities will not only provide a more comfortable living environment but will also be beneficial from a management and maintenance standpoint. Using quality appliances, building materials and a time-tested building design reduces ongoing maintenance and operating expenses. Providing a washer and dryer in each rental unit reduces damage and maintenance costs from tenants moving appliances, reduces water damage risks from older machines, and adds to the affordability of the rental unit.

The development will have a club house with a kitchenette, computer room and leasing office. Pioneer Meadows will be marketed as a family development with a children's play area for added tenant convenience. The amenities offered at Pioneer Meadows will promote a sense of community while providing features that are difficult to find in apartment rentals in the Dillon market.

This project is within the city limits and is consistent with the property's intended use. The parcel of land that the Pioneer Meadows Apartments is proposing to develop is zoned C-2 Community Business District. The proposed multi-family development is an allowable use under the current zoning. We have received the full support of the Mayor and the city officials and fully expect a smooth development process.

The proposed project will provide 28 apartments targeting households making at or below 60% of the area median income (AMI). Rents will be set at or below 40%, 50% and 60% AMI levels. Our market study indicates a significant need in the area at these income levels. Property Dynamics has calculated 336 qualified households at the proposed AMI levels and 111 units needed within the market area (Dynamics, A-27). Using a formula of 1.5 people per bedroom, our project should directly benefit 90 people in the Dillon community.

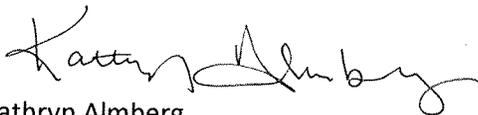
market rate rents in the primary market area are \$782 for a one bed, \$932 for a two bed, and \$1,047 for a three bed (Dynamics, A-26). The proposed rents at Pioneer Meadows will run from 10% to 45% under the net adjusted market rents in the Dillon area (Dynamics, A-44).

While tax credit resources have been awarded to developments in more populous markets throughout the state, the City of Dillon and Beaverhead County has been largely overlooked in recent years. There has only been one tax credit project developed in Dillon which was built in 2004. There are also three other aging RD and HUD properties in the community that were constructed in the 1976 and 1982 (Dynamics, A-26). The market study notes that a large portion of the Dillon housing stock is aging, while a very high percentage of renter households are rent-burdened. Almost 60% of the renter households in Dillon are currently paying more than 30% of their income to rent, and 29% of renter households pay over 50% of their income to rent (Dynamics, A-42). The market study identifies an overall healthy vacancy rate in Dillon of 5.2% (Dynamics, A-44). Additionally, there is a 0% vacancy rate among market rate properties. It is noted in the market study that many of the potential tenants at Pioneer Meadows Apartments will come from rent-burdened households that are currently occupying the aging market rate rent housing units in Dillon (Dynamics, A-41).

Pioneer Meadows Apartments will be developed and managed by The Housing Company. The Housing Company is an experienced affordable housing development company that has utilized a variety of financing tools including LIHTC, HOME funds, Historic Tax Credits, and many others. Over the years, The Housing Company has developed over 800 affordable housing units in nearly two dozen communities. The property management team at The Housing company will provide professional property management services to Pioneer Meadows Apartments and assist residents in achieving their individual and family goals. Additionally, The Housing Company has contracted with BlueLine Development, Inc. for development consulting services. BlueLine Development, Inc. is an experienced Montana affordable housing developer and will assist The Housing Company through the tax credit application process and development on an as needed basis.

The market study conducted by Property Dynamics illustrates the great need for additional affordable housing in the City of Dillon, as a significant population of renters are currently rent-burdened, paying more than 30% of income on rent. Pioneer Meadows Apartments will serve a significant demand for additional affordable housing in a community that has not been allocated a LIHTC project in over 15 years. All members of the development team have extensive experience in managing all phases of development, and the team is confident that Pioneer Meadows Apartments will have a beneficial impact on an underserved population in the Dillon Community.

Sincerely,



Kathryn Almborg  
The Housing Company, Executive Director

## Letter of Intent Narrative

July 28, 2019

Montana Board of Housing  
PO Box 200528  
Helena MT 59620-0528

RE: HC-9% LIHTC Application (Housing Credit – 9% LIHTC Application)

Dear Board of Housing:

This letter with attachment meets the requirements of the Qualified Allocation Plan as it relates to submission of a 9% Low Income Housing Tax Credit Application.

The project being submitted is as follows:

Name:	Fire Tower Apartments (fka Serendipity Apartments)
City:	Helena
County:	Lewis and Clark
Developer:	Wishcamper Development Partners LLC
General Partner Owner:	Fire Tower Apartments Managers LLC
Management Company:	Tamarack Management Company
HC Consultant:	None
Project Type:	Senior/Disabled/Family
Set-aside:	General

### **Project Description:**

Fire Tower Apartments (fka Serendipity Apartments) is an existing 44-unit apartment project located in Helena, MT that currently serves low income elderly tenants and tenants with special needs while also providing market rate rental units to families. The property currently benefits from HUD Project-Based Section 8 Housing Assistance Payment (HAP) Contract on 24 of its 44 units. This HAP contract expires on August 31, 2019. As part of this acquisition and preservation project, Wishcamper Development Partners LLC (WDP) will secure a new 20 year HAP contract for these 24 units, and also secure a new 20 year HAP contract for 4 additional units through a bifurcation and Section 8(b)b transfer under an existing HAP contract at a project in Lewistown, MT.

There are currently no affordable restrictions on the project, other than the expiring HAP contract. Due to its prime location within an Opportunity Zone in Downtown Helena, the property is worth significantly more as a market rate project. Without this acquisition and rehabilitation, there is a high risk of losing Serendipity's current HAP contract that is providing rental assistance to very low income seniors and tenants with special needs. WDP will preserve the HAP contract and go a step further in ensuring the affordability of the project for the years to come by extending the Extended Use Period by 31-years. There is also a high risk of Montana losing the HAP contract that is currently benefiting the project in Lewistown, MT, as it is being bifurcated and unused units will be released to HUD. WDP's development plan will preserve both HAP contracts, and ensure these contracts benefit and target the most venerable AMI level of low income tenants in the Helena community. The revitalization of this dilapidated project will contribute directly to addressing one of the key issues noted in the 2018 Helena Downtown Urban Renewal Plan.

WDP is a national developer of affordable housing that specializes in the preservation of federally subsidized housing. WDP is located in Missoula, and our principals also operate as Wishrock Housing Partners LLC. We have over 80 years of combined experience across 23 states; having developed or redeveloped over 15,000 units of affordable apartment housing. We recently completed a \$5.5mm renovation at River Run Apartments in Great Falls.

**Financing Plan and Use of Tax Credits:**

The proposed development will utilize a construction/permanent loan, TIF Financing, HOME Funds, and LIHTC equity. Equity contributions will be paid in stages and will fund those costs not funded by the construction loan.

The allocation of tax credits and other funding sources will be used for the acquisition and substantial renovation of Fire Tower Apartments (fka Serendipity) and the soft costs of the development. Funds will also be used to create investor-required reserves. Over \$3 million in renovations will take place at Fire Tower. These renovations will turn a dated affordable housing property into a revitalized community asset that will withstand the test of time. Improvements will include: asbestos abatement, renovated kitchens and bathrooms, improved air quality and energy efficiency (Enterprise Green Communities certified), new siding, new retaining wall design and installation, new HVAC systems, electrical and plumbing upgrades, new windows, doors and roof, a community garden, and a new community room.

Most importantly, the tax credits will preserve 24 project-based Section 8 units, convert 20 market rate units to affordable units, and secure an additional 4 project-based Section 8 units.

**Anticipated Amenities and justification for need:**

Because this is an acquisition and rehabilitation of an existing project, the anticipated amenities are limited due to the existing conditions. Nonetheless, WDP will greatly improve the current amenities and the quality of the housing and tenants' lives by meeting Enterprise Green Community standards, and providing:

- Existing A/C units will be replaced with new energy efficient units
- Existing carports will be renovated to repair any noted deficiencies
- All units will have new energy efficient appliances
- Existing patios / balconies will be replaced
- The currently underutilized community room will be renovated to maximize its usefulness to the residents to include a computer room and library
- Onsite manager to oversee the property
- Outdoor community garden

Sincerely,

Tyson O'Connell

<https://wishcamperpartners.com/>

[toconnell@wishcamperpartners.com](mailto:toconnell@wishcamperpartners.com)

406-728-3040, ext. 106

7/24/2019

**Hardin Senior Housing, LLC - Project Cover Letter and Narrative**

**Project Basics:**

Name: Hardin Senior Housing LLC (also known as Rangeview Apartments, its current name)  
City: Hardin  
County: Big Horn  
Developer: American Covenant Senior Housing Foundation, Inc.  
Managing Member Owner: American Covenant Senior Housing Foundation, Inc.  
Management Company: Vantage Properties  
HC Consultant: Ernest Robinson  
Project Type: Acquisition / Rehab  
Set-aside: Non-Profit

**We are making application for 9% LIHTC in the amount of \$358,421 annually for 10 years and this includes a 30% bump or boost (discretionary). *To qualify for the boost, please note that the project is small (24 units), rural (Hardin, MT), using USDA Rural Development funding; also the area is some 45 miles from Billings where goods and professional services are available – (to get providers to travel to Hardin costs more for the same service). The project is a USDA 515 rehab, serving both senior (62 and older) and disabled of the community. The project improvements are designed to extend the life of the project considerably, and, over time will reduce the costs of operation.***

**Improvements**

**Some of the proposed improvements include adding solar panels to cover the costs of power for the project (tenants' power use will be metered individually), covered parking, new boiler to improve heating efficiency by approximately 23%, a covered picnic area, improved community room with library and computer area, and new EnergyStar appliances. The tenant improvements will include new plumbing fixtures, vinyl flooring throughout, new windows, new Energy Star appliances and cabinets.**

**Services**

**We are striving to improve services for our tenant's health, well-being and enjoyment, along with making tenants aware of the community services available. We will hold classes to help with diet, shopping, and how to handle finances. We have contacted Northern Cheyenne Ministerial Association, who has indicated they will aid us in ensuring that the tenants have access to spiritual and mental health counseling.**

**This is a non-smoking property with plans to install appropriate signage.**

**Hardin Senior Housing LLC is in contact with The Circle of Life Montana Homecare Services Agency - that is currently serving 2 tenants at the Rangeview Apartments in Hardin. The agency will continue to provide vital services through their Personal Care Attendants to provide hands-on assistance with meal preps, bathing, dressing, light housekeeping, grocery shopping and transporting tenants to doctor appointments.**

The project has also contacted Crow Housing and Northern Cheyenne Housing (copies of our letters attached). It is our desire to contract with all major housing providers (including USDA 515 and LIHTC projects) when vacancies occur; and to do so as efficiently and quickly as possible using email and/or other online methods.

Who we serve

Of the current tenants, **not one is above 30% AMI**, and we anticipate this to continue. Many tenants are among the poorest in Big Horn County. We have currently 21 of 24 units with Rental Assistance. USDA has indicated they will provide 3 additional R/A units upon approval of the transfer. We have structured the UNIAPP with 6 - 30% units, 9-40% units, 6-50% units (all of these with R/A) and 3 units at 50% without R/A. All units are the same size.

Handicapped units – we have two units designed for physically handicapped and one unit for hearing impaired. (three total)

Our location is within 1.5 miles of all services available in this small community - including grocery, medical services and entertainment. Bus service and door to door on-call service is also available for medical appointments.

Public Information Meeting – City of Hardin Council Meeting

American Covenant Senior Housing Foundation (the Developer) held a public meeting on March 19, 2019 at the Chamber of Commerce in Hardin. We received strong positive comments for need - as well as a neighbor's negative comments on maintenance of the grounds and the occupancy of young people (not seniors) in the complex. Our meeting with the City Council (the same day) was met with several questions about the improvements proposed, the timing of the rehabilitation work, as well as an expressed need for the facility as demonstrated by the City's letter of support.

Funding

Our funding involves more than just LIHTC (Boost). We have construction funds committed from Glacier Bank (a strong proponent of Low Income Housing) and from Rocky Mountain Community Reinvestment Corporation, a new lender to the State of Montana. RM-CRC is a knowledgeable LIHTC lender and supporter of low-income housing...with a true benefit of delivering small loans at reasonable costs. We will be assuming the USDA 515 loan currently on the property. The estimated amount outstanding in our assumed closing schedule is \$853,000.

USDA

USDA Rural Development has sent us a letter of support and is ready to accept our application for transfer subject to the award of our tax credits.

Please do not hesitate to contact me should you have any questions, at [gmf@acshf.com](mailto:gmf@acshf.com).

Gerald Fritts  
Executive Director  
Hardin Senior Housing, LLC  
American Covenant Senior Housing Foundation, Inc.

## **Market Study Summary – Stevensville**

The market study must clearly identify the following on a summary sheet: must be in the first 10 pages of the market study.

Average (comparable) market unit rents in immediate area and the percent the proposed project rents are below these rents.

0 Bedroom	\$ _____	_____ %	
1 Bedroom	\$ _____	_____ %	
2 Bedroom	\$ <u>743</u>	<u>22-35</u> %	
3 Bedroom	\$ <u>860</u>	<u>22</u> %	
4 Bedroom	\$ _____	_____ %	Reference page: <u>A-38</u>

# of New Units Needed: 69 Reference page: A-28

Vacancy Rate 0.0 % Reference page: C-1

Capture Rate 23.2 % Reference page: A-33  
(projected income eligible tenants who will move in next year/proposed units)

Units needed in market area 69 Reference page: A-28

Absorption Rate 75.4 % 1 months Reference page: A-33,34  
(proposed units/existing LIH, market area units required)

Penetration Rate 9.2 % Reference page: A-34  
(existing LIH units/total eligible households)

Number of LI households that can afford rent of proposed project 210

Reference page: A-33

Distances to essential services as listed in Development Evaluation Criteria #3.

List of essential services must contain the list below and list the distance:

Grocery store, public schools, Senior Center, Bank, Laundromat (only if washer/dryer not included in unit or onsite);, Medical services appropriate and available to all prospective tenants (e.g., hospital, doctor offices, etc.); , Pharmacy services appropriate and available to all prospective tenants , Gas station and/or convenience store, Post Office, Public Park, Shopping(department, clothing or essentials – does not include convenience store), and Public Library.

On following Page

**Distances to Essential Services** Reference Page A-12.13

Distances to Site:

1. 0.4 Missoula Federal Credit Union
2. 0.4 Cenex Convenience Store/Gas Station
3. 0.5 Police/Fire Department
4. 0.5 Library
5. 0.6 Senior Center
6. 0.6 Valley Pharmacy
7. 0.6 Rocky Mountain Bank
8. 0.6 Lewis & Clark Park - Community pool
9. 1.0 Burnt Fork Grocery Store
10. 1.0 Post Office
11. 1.1 Providence Lifespan Family Medicine
12. 1.5 Super 1 Foods - Pharmacy - Guardian Healthcare Center

Dial-A-Ride transportation is available from Bitterroot Bus, 8 - 5 Monday through Friday

Distances calculated along dedicated roads - actual driving miles

Distances calculated by Property Dynamics

## Market Study Summary – Absarokee

The market study must clearly identify the following on a summary sheet: must be in the first 10 pages of the market study.

Average (comparable) market unit rents in immediate area and the percent the proposed project rents are below these rents.

0 Bedroom	\$ _____	_____ %	
1 Bedroom	\$ <u>609</u>	<u>NA*</u> %	
2 Bedroom	\$ <u>630</u>	<u>NA*</u> %	
3 Bedroom	\$ _____	_____ %	
4 Bedroom	\$ _____	_____ %	Reference page: <u>A-36</u>

\* All units include rental assistance and tenant pays 30 % of income to rent

# of New Units Needed: 10 Reference page: A-27

Vacancy Rate 0.0 % Reference page: C-1

Capture Rate NA % Reference page: A-32  
(projected income eligible tenants who will move in next year/proposed units)

Units needed in market area 10 Reference page: A-27

Absorption Rate NA % NA months Reference page: A-32  
(proposed units/existing LIH, market area units required)

Penetration Rate 100 % Reference page: A-32  
(existing LIH units/total eligible households)

Number of LI households that can afford rent of proposed project 31

Reference page: A-31

**Note: Because the subject is existing and is fully occupied, the capture, absorption and penetration rates are skewed, and not accurate or non-applicable**

Distances to essential services as listed in Development Evaluation Criteria #3.

List of essential services must contain the list below and list the distance:

Grocery store, public schools, Senior Center, Bank, Laundromat (only if washer/dryer not included in unit or onsite);, Medical services appropriate and available to all prospective tenants (e.g., hospital, doctor offices, etc.); , Pharmacy services appropriate and available to all prospective tenants , Gas station and/or convenience store, Post Office, Public Park, Shopping(department, clothing or essentials – does not include convenience store), and Public Library.

On following Page

Distances to Essential Services Reference Page A-12.13

Distances to Site:

1. 0.2 Yellowstone Bank
2. 0.2 Post Office
3. 0.2 IGA Grocery Store
4. 0.2 Senior Center
5. 0.3 St. Vincent's Medical Clinic
6. 0.4 City Park - Pool - Children's Play Area
7. 0.5 Fire Station

Services Located in Columbus (about 15 miles from the subject):

Plus Pharmacy

Stillwater Family Pharmacy

Stillwater Billings Clinic

Family Dollar

Stillwater County Library

Distances in driving miles along dedicated streets

All distances calculated by Property Dynamics

## Market Study Summary – Butte

The market study must clearly identify the following on a summary sheet: must be in the first 10 pages of the market study.

Average (comparable) market unit rents in immediate area and the percent the proposed project rents are below these rents.

0 Bedroom	\$ _____	_____ %	
1 Bedroom	\$ <u>704</u>	<u>18-33</u> %	
2 Bedroom	\$ <u>890</u>	<u>24-35</u> %	
3 Bedroom	\$ _____	_____ %	
4 Bedroom	\$ _____	_____ %	Reference page: <u>A-39</u>

# of New Units Needed: 153 Reference page: A-28

Vacancy Rate 0.4 % Reference page: C-2

Capture Rate 22.9 % Reference page: A-34  
(projected income eligible tenants who will move in next year/proposed units)

Units needed in market area 153 Reference page: A-28

Absorption Rate 54.2 % 2 months Reference page: A-34  
(proposed units/existing LIH, market area units required)

Penetration Rate 8.4 % Reference page: A-34  
(existing LIH units/total eligible households)

Number of LI households that can afford rent of proposed project 464

Reference page: A-33

Distances to essential services as listed in Development Evaluation Criteria #3.

List of essential services must contain the list below and list the distance:

Grocery store, public schools, Senior Center, Bank, Laundromat (only if washer/dryer not included in unit or onsite);, Medical services appropriate and available to all prospective tenants (e.g., hospital, doctor offices, etc.); , Pharmacy services appropriate and available to all prospective tenants , Gas station and/or convenience store, Post Office, Public Park, Shopping(department, clothing or essentials – does not include convenience store), and Public Library.

On following Page

Distances to Essential Services Reference Page A-13,14

Distances to Site:

1. 0.1 Goodwill - Glacier Bank - Sears Hometown Store etc.
2. 0.1 B-Line Bus Stop - Butte Regional Transit
3. 0.1 Town Pump - Convenience Store & Gas Station
4. 0.4 Walmart - Discount Store/Grocery/Pharmacy
5. 0.7 Stoddard City Park
6. 1.4 Post Office
7. 1.6 Fire Station
8. 3.6 Hospital
9. 3.8 Library
10. 3.9 Senior Center

Distances calculated along dedicated roads - actual driving miles

Distances calculated by Property Dynamics

## Market Study Summary – Bozeman

The market study must clearly identify the following on a summary sheet: must be in the first 10 pages of the market study.

Average (comparable) market unit rents in immediate area and the percent the proposed project rents are below these rents.

0 Bedroom	\$ _____	_____ %	
1 Bedroom	\$ <u>1,022</u>	<u>12-44</u> %	
2 Bedroom	\$ <u>1,191</u>	<u>10-43</u> %	
3 Bedroom	\$ _____	_____ %	
4 Bedroom	\$ _____	_____ %	Reference page: <u>A-43</u>

# of New Units Needed: 113 Reference page: A-31

Vacancy Rate 0.2 % Reference page: C-1

Capture Rate 26.5 % Reference page: A-37  
(projected income eligible tenants who will move in next year/proposed units)

Units needed in market area 113 Reference page: A-31

Absorption Rate 80.5 % 2 months Reference page: A-37  
(proposed units/existing LIH, market area units required)

Penetration Rate 10.6 % Reference page: A-37  
(existing LIH units/total eligible households)

Number of LI households that can afford rent of proposed project 343

Reference page: A-36

Distances to essential services as listed in Development Evaluation Criteria #3.

List of essential services must contain the list below and list the distance:

Grocery store, public schools, Senior Center, Bank, Laundromat (only if washer/dryer not included in unit or onsite);, Medical services appropriate and available to all prospective tenants (e.g., hospital, doctor offices, etc.); , Pharmacy services appropriate and available to all prospective tenants , Gas station and/or convenience store, Post Office, Public Park, Shopping(department, clothing or essentials – does not include convenience store), and Public Library.

Distances to Essential Services Reference Page A-15,16

Distances to Site:

1. 0.1 Bus Stop - (N. 27<sup>th</sup> Avenue & Tschache Street)
2. 0.1 Rose Park
3. 0.3 Post Office
4. 0.4 Town Pump/Conoco Convenience Store
5. 0.6 Yellowstone Bank
6. 0.6 Smith's Grocery/pharmacy, Heritage Bank, Gap & 16 additional stores
7. 0.6 b2 Microcare - Medical Clinic
8. 0.7 Fire Station
9. 1.2 Target, Ross, Etc.
10. 1.4 Costco
11. 2.3 Senior Center
12. 3.4 Library
13. 4.6 Hospital

Distances calculated along dedicated roads - actual driving miles

Distances calculated by Property Dynamics

## Market Study Summary – Missoula

The market study must clearly identify the following on a summary sheet: must be in the first 10 pages of the market study.

Average (comparable) market unit rents in immediate area and the percent the proposed project rents are below these rents.

0 Bedroom	\$ _____	_____ %	
1 Bedroom	\$ <u>873</u>	<u>18-40</u> %	
2 Bedroom	\$ <u>1,022</u>	<u>20-38</u> %	
3 Bedroom	\$ _____	_____ %	
4 Bedroom	\$ _____	_____ %	Reference page: <u>A-43</u>

# of New Units Needed: 266 Reference page: A-32

Vacancy Rate 0.7 % Reference page: C-2

Capture Rate 13.2 % Reference page: A-38  
(projected income eligible tenants who will move in next year/proposed units)

Units needed in market area 266 Reference page: A-32

Absorption Rate 63.9 % 3 months Reference page: A-38  
(proposed units/existing LIH, market area units required)

Penetration Rate 5.2 % Reference page: A-38  
(existing LIH units/total eligible households)

Number of LI households that can afford rent of proposed project 805

Reference page: A-37

Distances to essential services as listed in Development Evaluation Criteria #3.

List of essential services must contain the list below and list the distance:

Grocery store, public schools, Senior Center, Bank, Laundromat (only if washer/dryer not included in unit or onsite);, Medical services appropriate and available to all prospective tenants (e.g., hospital, doctor offices, etc.); , Pharmacy services appropriate and available to all prospective tenants , Gas station and/or convenience store, Post Office, Public Park, Shopping(department, clothing or essentials – does not include convenience store), and Public Library.

Listed on following page

**Distances to Essential Services:** Reference Page: A-14,15

**Distances to Site:**

1. 0.1 Bus Stop
2. 0.2 City Park
3. 0.4 Opportunity Bank
4. 0.4 Natural Foods
5. 0.9 Rosauers - Grocery/Pharmacy/Post Office location
6. 0.9 Holiday Mini-Marker/Gas Station
7. 1.0 Fire Station
8. 1.0 Missoula Goodwill Store
9. 1.4 Hospital/Medical Clinics/Facilities
10. 1.4 Southgate Mall
11. 1.6 Walmart
12. 2.2 Senior Center
13. 3.1 Library

Distances in driving miles along dedicated streets

Distances calculated by Property Dynamics

## Market Study Summary – Dillon

The market study must clearly identify the following on a summary sheet: must be in the first 10 pages of the market study.

Average (comparable) market unit rents in immediate area and the percent the proposed project rents are below these rents.

0 Bedroom	\$ _____	_____ %	
1 Bedroom	\$ <u>782</u>	<u>11-44</u> %	
2 Bedroom	\$ <u>932</u>	<u>12-45</u> %	
3 Bedroom	\$ <u>1,047</u>	<u>10-44</u> %	
4 Bedroom	\$ _____	_____ %	Reference page: <u>A-38</u>

# of New Units Needed: 111 Reference page: A-27

Vacancy Rate 5.2 % Reference page: C-1

Capture Rate 24.3 % Reference page: A-35  
(projected income eligible tenants who will move in next year/proposed units)

Units needed in market area 111 Reference page: A-27

Absorption Rate 45.9 % 3 months Reference page: A-35  
(proposed units/existing LIH, market area units required)

Penetration Rate 8.7 % Reference page: A-35  
(existing LIH units/total eligible households)

Number of LI households that can afford rent of proposed project 336

Reference page: A-34

Distances to essential services as listed in Development Evaluation Criteria #3.

List of essential services must contain the list below and list the distance:

Grocery store, public schools, Senior Center, Bank, Laundromat (only if washer/dryer not included in unit or onsite);, Medical services appropriate and available to all prospective tenants (e.g., hospital, doctor offices, etc.); , Pharmacy services appropriate and available to all prospective tenants , Gas station and/or convenience store, Post Office, Public Park, Shopping(department, clothing or essentials – does not include convenience store), and Public Library.

On following Page

**Distances to Essential Services** Reference Page A-12.13

**Distances to Site:**

1. 0.1 Safeway - Grocery Store/Pharmacy
2. 0.2 Fire Station
3. 0.3 Stockmans Bank
4. 0.3 Family Dollar
5. 0.3 Town Pump - Convenience Store/Gas Pumps
6. 0.5 Parkview Elementary School
7. 0.5 Dillon Middle School
8. 0.5 Centennial Park
9. 0.6 Dillon High School
10. 0.8 Beaverhead Urgent Care
11. 1.0 Library
12. 1.0 Post Office
13. 1.8 Hospital

Dillon City Bus is Dial-a Ride only

Distances in actual driving miles

Distances calculated by Property Dynamics

## **Market Study Summary – Helena (Building A – Senior w/RA)**

The market study must clearly identify the following on a summary sheet: must be in the first 10 pages of the market study.

Average (comparable) market unit rents in immediate area and the percent the proposed project rents are below these rents.

0 Bedroom	\$ _____	_____ %	
1 Bedroom	\$ <u>883</u>	<u>NA*</u> %	
2 Bedroom	\$ <u>1,001</u>	<u>NA*</u> %	
3 Bedroom	\$ _____	_____ %	
4 Bedroom	\$ _____	_____ %	Reference page: <u>A-50</u>

\* All units include rental assistance and tenant pays 30 % of income to rent

# of New Units Needed: 323 Reference page: A-34

Vacancy Rate 1.0 % Reference page: C-1,2

Capture Rate 7.4 % Reference page: A-41  
(projected income eligible tenants who will move in next year/proposed units)

Units needed in market area 323 Reference page: A-34

Absorption Rate 84.8 % NA months Reference page: A-41  
(proposed units/existing LIH, market area units required)

Penetration Rate 3.3 % Reference page: A-42  
(existing LIH units/total eligible households)

Number of LI households that can afford rent of proposed project 978

Reference page: A-41

**Note: Because the subject is existing and is fully occupied, the capture, absorption and penetration rates are skewed, and not accurate or non-applicable**

Distances to essential services as listed in Development Evaluation Criteria #3.

List of essential services must contain the list below and list the distance:

Grocery store, public schools, Senior Center, Bank, Laundromat (only if washer/dryer not included in unit or onsite);, Medical services appropriate and available to all prospective tenants (e.g., hospital, doctor offices, etc.); , Pharmacy services appropriate and available to all prospective tenants , Gas station and/or convenience store, Post Office, Public Park, Shopping(department, clothing or essentials – does not include convenience store), and Public Library.

On following Page

## Market Study Summary – Helena (Building B – w/RA)

The market study must clearly identify the following on a summary sheet: must be in the first 10 pages of the market study.

Average (comparable) market unit rents in immediate area and the percent the proposed project rents are below these rents.

0 Bedroom	\$ _____	_____ %	
1 Bedroom	\$ _____	_____ %	
2 Bedroom	\$ <u>1,001</u>	<u>NA*</u> %	
3 Bedroom	\$ _____	_____ %	
4 Bedroom	\$ _____	_____ %	Reference page: <u>A-50</u>

\* All units include rental assistance and tenant pays 30 % of income to rent

# of New Units Needed: 199 Reference page: A-35

Vacancy Rate 1.0 % Reference page: C-1,2

Capture Rate 3.5 % Reference page: A-45  
(projected income eligible tenants who will move in next year/proposed units)

Units needed in market area 199 Reference page: A-35

Absorption Rate 22.6 % 1 months Reference page: A-45,46  
(proposed units/existing LIH, market area units required)

Penetration Rate 1.2 % Reference page: A-45  
(existing LIH units/total eligible households)

Number of LI households that can afford rent of proposed project 604

Reference page: A-35

Distances to essential services as listed in Development Evaluation Criteria #3.

List of essential services must contain the list below and list the distance:

Grocery store, public schools, Senior Center, Bank, Laundromat (only if washer/dryer not included in unit or onsite);, Medical services appropriate and available to all prospective tenants (e.g., hospital, doctor offices, etc.); , Pharmacy services appropriate and available to all prospective tenants , Gas station and/or convenience store, Post Office, Public Park, Shopping(department, clothing or essentials – does not include convenience store), and Public Library.





Nicole Court - Stevensville

Amenities Form Unit	Yes/No	Incremental Cost	Benefit
Air Conditioning	Yes	\$2,500/Unit	July and August average over 80 degrees with peak high temperatures over 100 degrees. Air conditioning has become industry standard for new construction apartments. The Additional costs is for the condenser and line set to cool the air
Carport/Garage	Yes	\$3,000/Unit	Each tenant will be provided with one covered parking stall per unit. Covered parking will enhance the projects desirability for the long term. Several of the market rate rentals offer garages.
Dishwasher	Yes	\$400/Unit	Dishwashers have become a part of the standard appliance package in homes.
Disposal	Yes	\$120/Unit	Undersink disposal increase the livability and greatly reduce the number of maintenance calls for backed up sinks.
Extra Storage outside unit	No		
Microwave	No		
Patios or Balcones	No	\$2,000/Unit	On of the part targeted groups for these homes are survivors of domestic violence. Having a secure and private place for their children to play outside is important for this security concious population. It also provides all homes with a secondary exit.
Washer/dryer hookups	Yes	\$1,200/Unit	Today's families are accustomed to having a washer/dyer in their homes. The hookups are about \$1,200 for plumbing, electrical and venting.
Washer/dryer in unit	Yes	\$800/Unit	The equipment is around \$800 per unit. The extra \$800 to include the machines is wisely spent as it saves from move in/out damage of tenant owned equipment. Also tenant owned equipment will be of unknown age/quality and my be more prone to cause water damage to the apartment.

**Community**

Basketball hoop/pad	No		
Car plug ins	No		
Community Garden	No		
Community Room	No		
Computer(s) for tenant use	No		
Library	No		
On site Manager	No		
Outdoor community area	No		
Play Area	No		

Homestead Lodge - Absarokee

Amenities Form	Incremental		
Unit	Yes/No	Cost	Benefit
Air Conditioning	No		
Carport/Garage	No		
Dishwasher	No		
Disposal	Yes	60.00	Reduce Solid Waste
Extra Storage outside unit	No		
Microwave	Yes	165.00	Free up counter space/combine with range hood
Patios or Balcones	Yes	Existing	
Washer/dryer hookups	No		
Washer/dryer in unit	No		

**Community**

Basketball hoop/pad	No		
Car plug ins	No		
Community Garden	Yes	Existing	
Community Room	Yes	Existing	
Computer(s) for tenant use	Yes	\$49.00	Allow residents to communicate with friends/family
Library	No		
On site Manager	Yes	Existing	
Outdoor community area	Yes	\$78.00	
Play Area			

Paxson Place - Butte

Amenities Form	Incremental	Benefit
Unit	Yes/No	Cost
Air Conditioning	Yes	\$0/Unit July and August average over 80 degrees with peak high temperatures over 100 degrees. For a VTAC System, heating cooling has become industry standard, therefore there is no additional cost to include AC.
Carport/Garage	No	
Dishwasher	Yes	\$400/Unit Today's seniors (55+) could be born as recent as 1962; many have never lived as adults without a dishwasher. Dishwashers have become a part of the standard appliance package in homes.
Disposal	Yes	\$120/Unit Undersink disposal increase the livability and greatly reduce the number of maintenance calls for backed up sinks.
Extra Storage outside unit	No	
Microwave	Yes	\$75/Unit Similar to the Dishwasher, almost all households now have a microwave. By including a rangehood/microwave combo we can save precious kitchen counter space in these efficient units.
Patios or Balcones	No	
Washer/dryer hookups	Yes	\$1,200/Unit Today's seniors are accustomed to having a washer/dyer in their homes. The hookups are about \$1,200 for plumbing, electrical and venting.
Washer/dryer in unit	Yes	\$800/Unit The equipment is around \$800 per unit. The extra \$800 to include the machines is wisely spent as it saves from move in/out damage of tenant owned equipment. Also tenant owned equipment will be of unknown age/quality and may be more prone to cause water damage to the apartment.

Community

Basketball hoop/pad	No		
Car plug ins	No		
Community Garden	Yes	\$0/Unit	Incorporated into the landscape plan. No real addiotnal costs for this.
Community Room	Yes	\$150,000/proje	The community room is the social hub for the community, facilitatng activities and interactions between the residents
Computer(s) for tenant use	Yes	\$1,000/project	So much information and resources are available online now, this is a low cost item that is a great amenity for residents.
Library	Yes	\$500/project	The nature of the building design creates spaces that can't be used for homes, we have included a "library" in an otherwise unusable space in the building. Resulting in gaining an amenity for very little incremental costs.
On site Manager	Yes	\$7,500/project	We have included the cost of the managers equipment on site. The actual cost of the site manager is borne in operations. The site manager is essential to the succesful operation of the property. Leasing units, tenant income verification, overseeing maintenance, cleaning, organizing activities, and other tasks are just a few of the daily tasks they complete to keep the project running.
Outdoor community area	Yes	\$10,000/projec	There will be a patio area off of the community room. This outdoor space creates a connection for the tenants to both the outdoors and each other. Montana winters can be long, having a space to enjoy our quick summers is important for the residents.
Play Area	No		

Timber Ridge - Bozeman

Unit	Amenities Form Yes/No	Incremental Cost	Benefit
Air Conditioning	Yes	5,000 per unit	Keeps units comfortable during hot summer months efficiently, promotes clean air
Carport/Garage	NO		
Dishwasher	YES	230 per unit	More energy/water conserving and labor efficient than hand washing
Disposal	YES	50 per unit	Helps with the prevention of clogged pipes and less food waste in landfill
Extra Storage outside unit	YES	500 per unit	Convenient accessibility for large and seasonal items, frees up space indoors
Microwave	YES	100 per unit	90% of US households have microwaves, reduces time in preparing food.
Patios or Balcones	YES	1,000 per unit	Keeps tenants connected to nature by allowing easy access outdoors and providing a place to relax.
Washer/dryer hookups	YES	50 per unit	See below
Washer/dryer in unit	YES	750 per unit	Eliminates trips to laundromat, helps prevent unit and building damage from tenants moving large appliances in and out of units

**Community**

Basketball hoop/pad	NO		
Car plug ins	NO		
Community Garden	NO		
Community Room	YES	\$60,000.00	Gives tenants a place to congregate and visit, keeping them active, provides a social outlet and engagement with peers
Computer(s) for tenant use	NO		
Library	NO		
On site Manager	NO		
Outdoor community area	YES	\$20,000.00	Gives tenants ample room to enjoy the outdoors
Play Area	NO		

Skyview - Missoula

Unit	Amenities Form Yes/No	Incremental Cost	Benefit
Air Conditioning	Yes	\$0/Unit	July and August average over 80 degrees with peak high temperatures over 100 degrees. For a VTAC System, heating cooling has become industry standard, therefore there is no additional cost to include AC.
Carport/Garage	No		
Dishwasher	Yes	\$400/Unit	Today's seniors (55+) could be born as recent as 1962; many have never lived as adults without a dishwasher. Dishwashers have become a part of the standard appliance package in homes.
Disposal	Yes	\$120/Unit	Undersink disposal increase the livability and greatly reduce the number of maintenance calls for backed up sinks.
Extra Storage outside unit	Yes	\$1,500/unit	Extra Storage outside the unit is very important for seniors who are transitioning out of large homes and into apartment living. Also, this is required by Missoula zoning.
Microwave	Yes	\$75/Unit	Similar to the Dishwasher, almost all households now have a microwave. By including a rangehood/microwave combo we can save precious kitchen counter space in these efficient units.
Patios or Balcones	No		
Washer/dryer hookups	Yes	\$1,200/Unit	Today's seniors are accustomed to having a washer/dyer in their homes. The hookups are about \$1,200 for plumbing, electrical and venting.
Washer/dryer in unit	Yes	\$800/Unit	The equipment is around \$800 per unit. The extra \$800 to include the machines is wisely spent as it saves from move in/out damage of tenant owned equipment. Also tenant owned equipment will be of unknown age/quality and may be more prone to cause water damage to the apartment.

Community

Basketball hoop/pad	No		
Car plug ins	No		
Community Garden	Yes	\$0/Unit	Incorporated into the landscape plan. No real addiotnal costs for this.
Community Room	Yes	\$150,000/proje	The community room is the social hub for the community, facilitating activities and interactions between the residents
Computer(s) for tenant use	Yes	\$1,000/project	So much information and resources are available online now, this is a low cost item that is a great amenity for residents.
Library	Yes	\$500/project	The nature of the building design creates spaces that can't be used for homes, we have included a "library" in an otherwise unusable space in the building. Resulting in gaining an amenity for very little incremental costs.
On site Manager	Yes	\$7,500/project	We have included the cost of the managers equipment on site. The actual cost of the site manager is borne in operations. The site manager is essential to the succesful operation of the property. Leasing units, tenant income verification, overseeing maintenance, cleaning, organizing activities, and other tasks are just a few of the daily tasks they complete to keep the project running.
Outdoor community area	Yes	\$10,000/projec	There will be a patio area off of the community room. This outdoor space creates a connection for the tenants to both the outdoors and each other. Montana winters can be long, having a space to enjoy our quick summers is important for the residents.
Play Area	No		

Pioneer Meadows

Amenities Form Unit	Yes/No	Incremental Cost	Benefit
Air Conditioning	yes	\$1000/unit estimate	Providing in-unit A/C will allow for tenants to cool their apartment in the summer without opening windows. This will reduce noise complaints from other tenants and provide tenants with a more comfortable living quarters. Additionally, it will contribute to a better marketability of the development.
Carport/Garage	No		
Dishwasher	Yes	\$400/unit estimate	Dishwashers have become a standard appliance for many families. Providing dishwashers will contribute to the development from a marketing perspective as well as added convenience for tenants.
Disposal	yes	\$90/unit estimate	Disposals have become a standard appliance for many families. Providing disposals will contribute to the development from a marketing perspective as well as added convenience for tenants. Additionally, providing disposals will help from a maintenance perspective, as there will be fewer plumbing issues.
Extra Storage outside unit	No		
Microwave	Yes	\$150/unit estimate	Microwaves have become a standard appliance for many families. Providing microwaves will contribute to the development from a marketing perspective as well as added convenience for tenants. This is also reduce maintenance related issues that occur by tenants moving appliances.
Patios or Balcones	Yes	\$3200/unit estimate	Patios and/or balcones will contribute to the marketability of the project as well as enhance the overall aesthetics of the development.
Washer/dryer hookups	Yes	\$300/unit estimate	Providing in-unit washers/dryers will contribute the marketability of the project. This is also reduce maintenance related issues that occur by tenants moving appliances.
Washer/dryer in unit	Yes	\$900/unit estimate	Providing in-unit washers/dryers will contribute the marketability of the project. This is also reduce maintenance related issues that occur by tenants moving appliances.

**Community**

Basketball hoop/pad	No		
Car plug ins	No		
Community Garden	No		
Community Room	Yes	\$120,000/estimate	Pioneer Meadows will offer a community room with a kitchenette, leasing office and computer room. This will help promote a sense of community while offering added convenience and access to a computer. This will add great value from a marketing perspective as well as promoting community engagement.
Computer(s) for tenant use	Yes	\$800.00	Providing a computer for tenant use will offer a modern necessity to households that may not have access to a computer and the internet. This may help tenants with job searches, developing a resume, studying, etc.
Library	No		
On site Manager	Yes	\$31,250/ Year	Having an on site property manager is a necessity for a development of this scale. The manager will be key for a successful lease-up period, as well as assisting in day-to-day operations of the development.
Outdoor community area	Yes	\$800/estimate	The property will have a large green space which will allow for community activities. The estimated cost is \$800 which would include additional landscaping and irrigation.
Play Area	Yes	\$9,000.00	Pioneer Meadows will be marketed as a family development, and providing a play area for children will add to the marketability of the project as well as provide added convenience for tenants. Providing a play area on site will enhance community safety by reducing the need for children to leave the site to visit local parks.

Firetower - Helena

Unit	Amenities Form Yes/No	Incremental Cost	Benefit
Air Conditioning	Yes	12,000.00	The units with existing A/C units will be upgraded with new energy efficient units.
Carport/Garage	Yes	10,000.00	The existing carports will be renovated to repair any noted deficiencies.
Dishwasher	Yes	14,000.00	Units in Building 6 S Park Ave have existing dishwashers that will be replaced.
Disposal	No	0.00	
Extra Storage outside unit	No	0.00	
Microwave	Yes	11,000.00	These will be added in the rehab.
Patios or Balcones	Yes	40,000.00	The existing patios/balconies will be replaced with new durable, green materials to extend its useful life and ensure the safety of
Washer/dryer hookups	No	0.00	
Washer/dryer in unit	No	0.00	

**Community**

Basketball hoop/pad	No	\$0.00	
Car plug ins	Yes	\$2,000.00	Plug ins inside 8 existing carports will be upgraded.
Community Garden	Yes	\$12,000.00	Raised bed area to improve site and tenant space.
Community Room	Yes	\$15,000.00	The community area will be renovated to maximize its usefulness to the residents. Currently the space is under-utilized.
Computer(s) for tenant use	Yes	\$2,000.00	Computers will be added to the community area.
Library	Yes	\$2,500.00	A small library will be added the community room.
On site Manager	Yes	\$20,000.00	The onsite manager's office will be upgraded and a manager will be added.
Outdoor community area	Yes	\$15,000.00	This will include space around community garden.
Play Area	No	\$0.00	

HARDIN SENIOR HOUSING, LLC

Unit	Amenities Form Yes/No	Incremental Cost	Benefit
Air Conditioning	Yes	\$2700/unit	cool the residence
Carport/Garage	Yes	\$1800/unit	vehicle protection
Dishwasher	No		
Disposal	No		
Extra Storage outside unit	No		
Microwave	No		
Patios or Balcones	No		
Washer/dryer hookups	No		
Washer/dryer in unit	No		

**Community**

Basketball hoop/pad	Yes	\$600.00	Senior Project - Horseshoe pit and equipment
Car plug ins	Yes	\$200/unit	existing plug-ins need repair
Community Garden	Yes	\$800.00	two raised beds - approx 10' x 4'
Community Room	Yes		Rehab: new floors, shades, Wi-fi and appliances
Computer(s) for tenant use	Yes	\$1,600.00	New
Library	Yes	\$700.00	Books donated
On site Manager	No		
Outdoor community area	Yes	\$3,000.00	Cover picnic area; include barbecue grill
Play Area	No		



**City of Helena**

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**Community Development Department**  
316 North Park  
Helena, MT 59623  
Telephone: 406-447-8445 Fax: 406-447-8460  
E-mail: shaugen@helenamt.gov

July 25, 2019

Bruce Brensdal, Executive Director  
Montana Board of Housing  
301 S. Park Ave  
PO BOX 200528  
Helena, MT 59620-0528

RE: Fire Tower LIHTC application

Dear Bruce:

On behalf Community Development Department, I would like to submit this letter of support for the Wishcamper Development Partners' tax credit application for the acquisition and rehabilitation of the Fire Tower (old Serendipity) Apartments.

The apartments at the Fire Tower complex are a vital piece to the City's affordable housing puzzle, particularly for low-income elderly and/or disabled residents. Twenty-four of the units provide project-based rental assistance, an essential resource for the community. The property's centralized location in the downtown' allow the residents to live in proximity to an array of businesses and supportive services. The site enables the residents to keep fully integrated into the community and help them live independently and stay part of the community.

The City's 2011 Growth Policy states as a goal the City and its citizens should provide safe and affordable housing for all sectors of the population." The preservation of the existing housing stock is a fundamental task for the City and all its housing providers. By keeping the housing units in service to the community, we further ensure that that there will be safe and affordable housing unit for all of our citizens. The preservation of our existing housing stock is an important goal identified in our 2018 Housing Needs Assessment. Providing residents access to reliable, sanitary, affordable housing for all our citizens is also an important goal identified in the 2018 Housing Needs Assessment. This project accomplishes both.

The Downtown Neighborhood Plan (DNP) encourages downtown housing, notably workforce and affordable housing. It also commits the City to seek out partnerships that provide senior housing, market-rate workforce housing, and subsidized affordable housing." Once rehabilitated, the Fire

Tower Apartments can be a shining example of how to integrate workforce and subsidized housing into a vibrant Downtown landscape and of how to meet these goals

On behalf of the City, we hope that you deem Wishcamper Development Partners' proposal worthy of funding. We are looking forward to having an opportunity to work with them on this project going forward and providing whatever assistance we can.

Sincerely,



Sharon Haugen  
Community Development Director



City of Helena

**City Commission Office  
City of Helena  
316 N. Park Avenue  
Helena MT 59623  
(406) 447-8410**

July 2019

Montana Board of Housing  
PO Box 200528  
Helena MT 59620-0528

RE: Fire Tower Apartments Preservation Project

Board of Housing:

We write this letter of support for the Fire Tower Apartments Preservation Project (fka Serendipity Apartments). Wishcamper Development Partners LLC proposes to purchase the existing 44-unit apartment project that currently serves low-income elderly tenants and tenants with special needs. This project represents a significant opportunity to preserve critical affordable housing in the downtown Helena area, while also adding new affordable units currently set at market rate.

The proposal to purchase the property and upgrade the units to include replacing the existing A/C units with new energy efficient units; existing carports will be renovated to repair any noted deficiencies; all units will have new energy efficient appliances; existing patios/balconies will be replaced; community room will be renovated to maximize its usefulness to the residents; onsite manager to oversee the property and an outdoor garden are all benefits to the residents and the neighborhood.

To assure the units will remain available to low-income elderly tenants and tenants with special needs, Wishcamper Development Partners LLC will secure a new 20-year HUD Project-Based Section 8 Housing Assistance Payment (HAP) Contract for 24 units, convert 20 market rate units to affordable units, and secure an additional four project-based Section 8 units. Without this acquisition and rehabilitation, there is a high risk of losing Serendipity's current HAP contract.

We believe the Fire Tower Apartments Preservation Project will improve the quality of life of the tenants and the revitalization of this dilapidated project will contribute directly to addressing of the of the key issue in the 2018 Helena Downtown Urban Renewal

Plan. The Helena City Commission is in strong support of this project and stands ready to help where we can to see that the project is successful.

As funding applications are evaluated, we ask that you carefully consider and fund the Fire Tower Apartments Preservation Project.

Respectfully,



Wilmot J. Collins, Mayor



Andres Haladay, Commissioner



Ed Noonan, Commissioner



Heather O'Loughlin, Commissioner



Kali Wicks, Commissioner

July 26, 2019

[sphealth.org](http://sphealth.org)

Bruce Brensda, Executive Director  
Montana Board of Housing  
301 S. Park Ave  
PO BOX 200528  
Helena, MT 59620-0528

Dear Mr. Brensda,

I am writing in support of Wishcamper Development Partners' (WDP) proposed rehabilitation of Fire Tower Apartments (formerly known as Serendipity Apartments) which will result in healthy homes for 44 households in downtown Helena.

Many studies over the past few decades have linked housing-related factors and other social determinants to a person's overall health. Unsafe conditions such as overcrowding and indoor pollutants have all been shown to be associated with physical illnesses. Furthermore, we know that substandard home environments can pose a dangerous threat to fetal and early childhood health through exposure to various biological, chemical and physical agents. Throughout my career in health care, I have seen firsthand the lasting impact that poor housing conditions have on families and communities.

As the community health system and largest private employer in Helena, St. Peter's Health is proud to support this strategic opportunity to improve access to quality housing. Our residents have a right to safe, healthy and affordable housing options. WDP's rehabilitation of 44 apartments is a step in the right direction to ensure there is quality housing available.

Please consider approval of the tax credit application for Fire Tower Apartments and support WDP's bid for Housing Trust Fund program funds.

Best regards,



Wade C. Johnson, FACHE  
Chief Executive Officer  
St. Peter's Health

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July 25, 2019

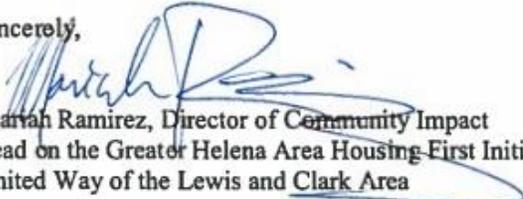
Bruce Brendal, Executive Director  
Montana Board of Housing  
301 S. Park Ave  
PO BOX 200528  
Helena, MT 59620-0528

Dear Bruce,

I am writing to extend our enthusiastic support of Wishcamper Development Partners' efforts to acquire and rehabilitate Serendipity Apartments. As the Lead Entity of the Housing First Initiative here in Helena, our network of housing and service providers work together daily to coordinate resources for members of our community who are most in need of stable housing they can afford. Far too often, renovation and redevelopment projects mean increases in rent in previously affordable buildings, which can be devastating to those who have relied on having a home in their price range. This effort to rejuvenate Serendipity while maintaining its integrity as a housing opportunity that folks with low incomes can afford will continue to allow our neighbors to live within their means. We believe every person deserves the dignity of being stably housed, and we appreciate the efforts of projects like these to help provide such prospects in Helena.

Please feel free to contact us regarding our efforts in housing and interest in projects like these, and thank you for your time and consideration.

Sincerely,

  
Mariah Ramirez, Director of Community Impact  
Lead on the Greater Helena Area Housing-First Initiative & Coordinated Entry System  
United Way of the Lewis and Clark Area



We build strength, stability, self-reliance and shelter.

7/16/2019

Bruce Brensdal, Executive Director  
Montana Housing  
301 S. Park Ave.  
PO Box 200528  
Helena, MT 59620-0528

Dear Mr. Brensdal,

I am happy to write this letter on behalf of Helena Area Habitat for Humanity in support of Wishcamper Development Partners plan to rehabilitate The Fire Tower Apartments (formerly known as The Serendipity Apartments). The complex currently serves some of Helena's most vulnerable residents and is in need of significant rehabilitation. Habitat believes in the importance of preserving affordable housing in Helena for future generations. We feel this project would greatly benefit Helena.

A common theme the Habitat for Humanity staff hears from the public is the tremendous burden placed on families by overpriced housing, the lack of housing stock, and the decayed condition of these units. We frequently visit housing that is unfit for human habitation. Many of these homes are overpriced, with dangerous environmental conditions and poor energy conservation. We are finding that many families are resorting to living in pre-1976 mobile home units in crammed mobile parks. We frequently see the effects of a slum-lord culture that exists in Helena. Helena has begun to suffer from a slow-moving housing crisis that is beginning to affect the local economy, with many businesses unable to find a workforce. We hear of workers moving out of the area, to places like Bozeman, Butte and Missoula, where there has been more of an investment in affordable housing. Helena is suffering a crisis of housing.

The rehabilitation of these units would be a tremendous boost in preserving the affordable housing stock in Helena, while helping stabilize the vulnerable population these units serve.

Thank you for your consideration of this important project.

Kind Regards,

A handwritten signature in black ink, appearing to read "JK", is written over a large, light-colored circular mark.

Jacob Kuntz, Executive Director



July 24, 2019

Bruce Brensda, Executive Director  
Montana Board of Housing  
301 S. Park Ave  
PO BOX 200528  
Helena, MT 59620-0528

RE: Letter of Support for Wishcamper Development Partners Fire Tower Apartments Proposal

Dear Mr. Brensda,

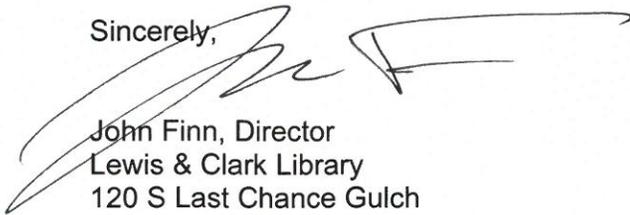
I am happy to write this letter on behalf of Lewis & Clark Library in support of Wishcamper Development Partner's plan to acquire and rehabilitate Fire Tower Apartments (formerly known as Serendipity Apartments). The complex currently serves some of Helena's most vulnerable residents, and is in need of significant rehabilitation.

The main Helena branch of Lewis & Clark Library is only a stone's throw away from these apartments and its tenants often use our services and facility. A common theme the library staff hears from the public is the tremendous burden placed on seniors and families by overpriced housing, the lack of housing stock, and the decayed condition of these units.

Poor housing and environmental conditions can lead to homelessness and losing these affordable apartments that are in close proximity to a host of services would be a significant loss to our community. The Library's 2018-2022 Strategic Plan includes a specific goal to expand resources and partnerships to further address the needs of underserved and changing populations, including working with partners to undertake an improved service model for homeless and transient patrons. While we understand Fire Tower Apartments will not specifically serve transient or homeless households, we believe homelessness prevention is critical component of meeting the needs of our community. The rehabilitation of these units would be a tremendous boost in preserving the affordable housing stock in Helena, while helping stabilize the vulnerable population these units serve.

I urge you to fund this much needed affordable housing preservation project.

Sincerely,



John Finn, Director  
Lewis & Clark Library  
120 S Last Chance Gulch  
Helena, MT 59601



July 24<sup>th</sup>, 2019

Bruce Brensdaal, Executive Director  
Montana Board of Housing  
301 S Park Ave  
PO Box 200528  
Helena, MT 59620-0528

Re: Wishcamper Development Partners Affordable Housing in Helena: Fire Tower Apartments

Dear Mr. Brensdaal,

Montana Business Assistance Connection, Inc. (MBAC) is in support of the application being presented by Wishcamper Development Partners for funds to be used on the Fire Tower Apartments in Helena. MBAC is the State Certified Regional Development Corporation (CRDC) that serves Lewis & Clark, Broadwater and Meagher Counties.

Availability to workforce talent is of significant importance to MBAC and the economic future of the region. Lewis and Clark County is at 2.3% unemployment as of May of 2019. This low number is beginning to impact the ability to grow the economy. Major initiatives focusing on up-skilling current residents and providing new opportunities to those that have fallen out of the traditional workforce are coming online including apprentice programs and training programs at CTI and Helena College.

Communities that address livability factors will be the most resilient and will attract and develop the talent needed. Housing that fits the needs of the entire workforce that is of good quality reflects greatly on the livability and attractiveness of our region.

MBAC is an active participant with the City of Helena in their efforts to implement the Helena Downtown Master Plan which this project exemplifies. Creating a diverse living and working environment in the heart of Helena's historic Downtown is of great importance. This potential project provides much needed housing opportunities to low-income persons and to those new to the workforce. MBAC is in full support of this application and the goals set for the Fire Tower Apartments.

Sincerely,

A handwritten signature in blue ink that reads "Brian K. Obert". The signature is fluid and cursive, written over a white background.

Brian Obert  
Montana Business Assistance Connection, Inc.



City of Helena

## CITY COMMISSION OFFICE

City of Helena  
316 N. Park Avenue  
Helena MT 59623  
(406) 447-8410

**RECEIVED**

SEP 03 2019

**DOC HOUSING**

August 26, 2019

Montana Board of Housing  
PO Box 205528  
Helena MT 59620-0528

RE: Fire Tower Apartments Preservation Project

Board of Housing:

We write this letter of support for the Fire Tower Apartments Preservation Project (fka Serendipity Apartments.) As stated in our previous letter in July 2019, this project represents a significant opportunity to preserve critical affordable housing in the downtown Helena area, while also adding new affordable units currently set at market rate.

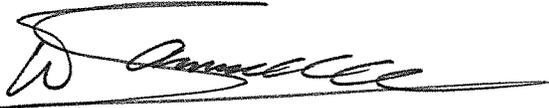
Wishcamper Development Partners LLC proposes to purchase the existing 44-unit apartment project which currently serves low-income elderly tenants and tenants with special needs. The proposal includes replacing the existing A/C units with new energy efficient units; existing carports will be renovated to repair any noted deficiencies; all units will have new energy efficient appliances; existing patios/balconies will be replaced; community room will be renovated to maximize its usefulness to the residents; onsite manager to oversee the property and an outdoor garden are all benefits to the residents and the neighborhood.

To assure the units remain available to low-income elderly tenants and tenants with special needs, Wishcamper Development Partners LLC will secure a new 20-year HUD Project-Based Section 8 Housing Assistance Payment (HAP) Contract for 24 units, convert 20 market rate units to affordable units, and secure an additional four project-based Section 8 units. Without this acquisition and rehabilitation, there is a high risk of losing Serendipity's current HAP contract.

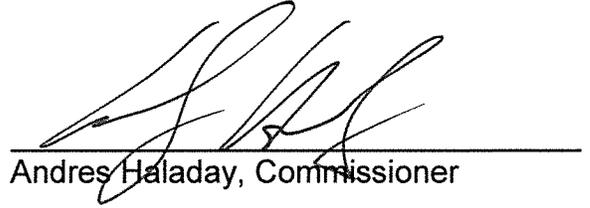
We offer our full support to the Fire Tower Apartments Preservation Project. A project such as this will not only benefit the lives of the residents, but will continue efforts in a key mission of the 2018 Helena Downtown Urban Renewal Plan. The Helena City

Commission extends our gratitude to the Montana Board of Housing for their consideration of such a worthwhile project and offer our assistance in any way to see it come to fruition. Please grant funding to the Fire Tower Apartments Preservation Project.

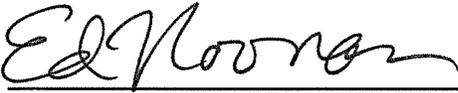
Respectfully,



Wilmot J. Collins, Mayor



Andres Haladay, Commissioner



Ed Noonan, Commissioner



Heather O'Loughlin, Commissioner



Kali Wicks, Commissioner

# MHC

Mental Health Center

*Offering Hope - Sharing Solutions*

July 17, 2019

"I believe that every American should have stable, dignified housing; health care; education - that the most very basic needs to sustain modern life should be guaranteed in a moral society."

Alexandria Ocasio-Cortez

To the Funding Authority,

We know one of the biggest challenges to individuals in rural communities is access to decent, affordable housing. We applaud Syringa Housing Corporation and their plan to rehabilitate Homestead Lodge Apartments in Absarokee, MT. We ask you to fund their request as additional housing in Absarokee is needed.

Our organization will continue to be available to make referrals for housing and to provide services to the tenants of Homestead Lodge. Once again, we urge you to support Syringa's application.

Sincerely,

  
Barbara Mettler M.Ed.  
Executive Director

Dianne Hunt  
Syringa Housing Corporation  
1277 Shoreline Lane  
Boise, ID 83702

Re: Rehabilitation of Homestead Lodge Apartments

Dear Mrs. Hunt:

Homestead Lodge Apartments has provided the Absarokee community with affordable housing for senior citizens and disabled persons for many years. We support the efforts of Syringa Housing Corporation in preserving this valuable housing resource for the citizens of Stillwater County.

Sincerely,

*Gary Race*

GARY RACE  
President, Stillwater Senior Citizens Center  
President, ABSAROKEE Community Services  
Vice President, ABSAROKEE Area Food Bank

July 11, 2019

Jerry and Linda Gardner  
PO Box 684  
Absarokee, MT 59001

RECEIVED  
JUL 15 2019  
BY: \_\_\_\_\_

RE: Homestead Lodge, Absarokee MT

Dear Mrs. Hunt,

As former owners of the grocery store in Absarokee, we feel the Homestead Lodge is a very important asset to Absarokee. It is a place where our older residents can still live within the community after they are no longer able to take care of their own homes or just need to be where there are others who can check of them. It is important to us that this remodel and updating does not change that aspect of the facility. It is sad that the kitchen was removed from the original building because a meal together for those alone would be a great addition to this facility.

During the winter months the Community Congregational Church has soup Saturdays when they share soup, bread and cookies with the residents. This had been going on for over nearly ten years. It is well attended and I believe very much appreciated by the residents. Other groups entertain the residents on holidays. It is vital for those who live there to be included in the on-goings in town.

To update the facility so the residents have better living quarters and are safe is a must. But, it is also important that it is affordable and that the present residents are allowed to continue living there. To take their homes away after many have lived there for a long time would not be right or to make it so expensive they have to move is also not right.

With these concerns in mind, we are hopeful that this facility will remain an active part of the Absarokee Area providing a service to especially the older residents of the area.

Sincerely,



Jerry and Linda Gardner

RECEIVED  
JUL 15 2019  
BY: \_\_\_\_\_

Dianne Hunt  
Syringa Corporation  
1277 Shoreline Lane  
Boise, ID 83702

Re: Rehabilitation of Homestead lodge Apartments

Dear Mrs. Hunt:

Homestead Lodge Apartments has provided the Absarokee community with affordable housing for senior citizens and disabled persons for many years. We support the efforts of Syringa Housing Corporation in preserving this valuable housing resource for the citizens of Stillwater County.

Sincerely,

*Mary Kay Bjorndal, EA*

Mary Kay Bjorndal, EA  
PO Box 764  
115 W. Church St  
Absarokee, MT 59001  
406-696-4220

RECEIVED  
JUL 15 2019  
BY: \_\_\_\_\_

Dianne Hunt  
Syringa Housing  
1277 Shoreline Lane  
Boise, ID 83702

Re: Rehabilitation of Homestead lodge Apartments

Dear Mrs. Hunt:

Homestead Lodge Apartments has provided the Absarokee community with affordable housing for senior citizens and disabled persons for many years. We support the efforts of Syringa Housing Corporation in preserving this valuable housing resource for the citizens of Stillwater County. ,

Sincerely,

*Robert L. Willcoxson, JR*

Robert L. Willcoxson, JR  
PO Box 252  
115 W. Church St  
Absarokee, MT 59001  
406-290-4200

ABSAROOKEE CIVIC CLUB  
P O BOX 52  
ABSAROOKEE, MT 59001

RECEIVED  
JUL 15 2019  
BY: \_\_\_\_\_

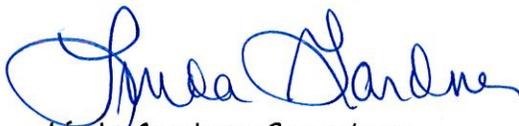
Dianne Hunt  
Syringa Housing Corporation  
1277 Shoreline Lane  
Boise, ID 83702

RE: Rehabilitation of Homestead Lodge Apartments

Dear Mrs. Hunt,

The Absarokee Civic Club would like to give their approval to the efforts of Syringa Housing and the rejuvenating of Homestead Lodge. This complex provides a needed asset to our seniors and others as a place to locate when they are no longer able to take care of their own home or not able to afford a home. This is the only complex in Absarokee so it is very valuable. We would love to see it upgraded to make it more like home for many seniors and others who need this facility.

Sincerely,

  
Linda Gardner, Secretary



COUNTY OF STILLWATER  
STATE OF MONTANA  
STILLWATER COUNTY COMMISSIONERS  
P.O. BOX 970  
COLUMBUS, MONTANA 59019

---

August 20, 2019

Mary S Bair  
Multifamily Program Manager  
Montana Board of Housing

Dear Ms. Bair,

The Stillwater County Commissioners would like to offer their support for the application of the Homestead Lodge in Absarokee Montana before your Board.

The Homestead Lodge offers important housing opportunities for our 62 and over population that may not otherwise be affordable or available in our area. We thank you for your time and consideration of the application and gladly support the efforts being put forth to accomplish that goal.

Signed,

---

Mark Crago, Stillwater County Commission Chairman

Hon. Brandon E. Dewey  
Mayor of Stevensville

Monica Hoffman  
Town Clerk



Stevensville Town Hall  
206 Buck Street  
Stevensville, MT 59870  
Phone: 406-777-5271

July 9, 2019

Tyler Currence  
Housing Solutions LLC  
PO Box 2099  
Missoula, MT 59806

RE: Nicole Court Affordable Housing

Dear Mr. Currence,

Thank you for contacting the Town of Stevensville about your proposed Nicole Court affordable housing project. An important goal of any community, including the Town of Stevensville, is to provide safe, secure and affordable housing to its residents. The Nicole Court project lives well into the goals and priorities of our community.

In 2016, Stevensville saw revisions to its growth policy and identified the goal of providing for a mix of housing options in Stevensville. To accomplish this goal, the community agreed that the development of affordable housing is encouraged and that the Town will identify housing needs and opportunities for providing additional below market rate housing. We continue to support the efforts of the Human Resource Council to develop below market rate housing in Stevensville.

Like much of western Montana, the cost of both rental and for sale housing in Stevensville is increasing. While increasing home prices can be a sign of an improving economy, they can also serve to limit options for people in need of housing. Additionally, as Stevensville's population continues to age, this will likely alter the demand for different housing types and locations.

The Mayor's Office is pleased to write this letter as our support for your proposed project on behalf of the Town of Stevensville. I believe it will be of great benefit to our community and fits well into our vision of growth.

Sincerely,

A handwritten signature in blue ink that reads "Brandon E. Dewey". The signature is written in a cursive style with a long, sweeping underline.

Brandon E. Dewey  
Mayor



*Supporters of  
Abuse  
Free  
Environments, Inc.*

Twenty-Four Hour Crisis  
Hotline  
406/363.4600

PO BOX 534  
Hamilton, MT 59840  
TEL 406/363.2793  
FAX 406/363.0382  
safe@safeinthebitterroot.org

---

July 23, 2019

Jim Morton  
Nicole Court Apartments  
HRC Cottages, Inc.

**RE: Letter of Support for Nicole Court Apartments, Stevensville, Montana.**

Dear Jim:

Supporters of Abuse Free Environments (SAFE) is pleased to support HRC Cottages, Inc. and its partners' 2020 Housing Tax Credit application for the construction of 16 apartments. We agree that the need for affordable housing, particularly for survivors of domestic and sexual violence, in the Town of Stevensville is great, and we are happy to add our voice to the many others in our community who support the efforts of the partners in the Nicole Court Apartments development.

Our support is based on the understanding that the development will be built to universal design standards, be constructed using leading-edge materials, and come equipped with amenities not found in many multi-family developments. Once completed, the development will be a beneficial addition to the neighborhood. The development will provide safe, efficient, homes in which people can be proud to live.

In addition, we are so happy to support a project that will alleviate the current critical need for affordable housing for those fleeing domestic or sexual violence. As you know, SAFE provides housing, services and community programs for those who experience intimate partner violence. Over the past several years, we have identified housing as one of the most critical needs for this vulnerable population. Your design takes into account the specific safety needs of survivors, while also providing an affordable housing option for those families who have traditionally faced numerous barriers to secure and maintain affordable housing. With this project's focus on the needs of survivors, we are hopeful that we will be able to more successfully help those fleeing violence to live safer, more secure, and self-directed lives and we urge the Montana Board of Housing to select your application for funding.

Regards,

Stacey Umhey  
Executive Director, SAFE



July 25, 2019

Mr. Jim Morton  
Nicole Court Apartments  
HRC Cottages, Inc.

**RE: Letter of Support for Nicole Court Apartments, Stevensville, Montana.**

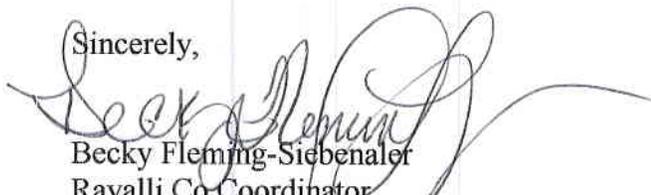
In pursuit of our mission, Summit Independent Living offers a wide array of services that are designed to give individuals with disabilities the tools and resources they need to improve their independence, self-confidence, knowledge, skills and access to community resources. We also work at the community level to reduce attitudinal, architectural and communication barriers; combat discrimination; and promote the development of needed resources, programs, services and policies. Summit ILC's ultimate goal is increased independence, economic opportunity and enhanced quality of life for all persons with disabilities.

As a member of the Affordable Housing Coalition we agree that the need for affordable housing in the Town of Stevensville is great. As such, Summit ILC, supports the efforts of the HRC Cottages, and its partners, in their application for the 2020 Housing Tax Credit application.

Our support is based on the understanding that the development will be built utilizing universal design standards, be constructed using leading-edge materials, and come equipped with amenities not found in many multi-family developments. Once completed, the development will be a beneficial addition to the neighborhood. The development will provide 16 apartments that are safe and efficient homes in which people can be proud to live.

Please feel free to contact Summit ILC should you have any questions.

Sincerely,



Becky Fleming-Siebenaler  
Ravalli Co Coordinator  
Summit Independent Living



Mary Millin  
Independent Living Specialist  
Summit Independent Living

C: Michael Mayer, Executive Director

received  
8/22/19  
ellH

August 16, 2019

I am appalled at the idea of building all the low income rentals, RIGHT BEHIDE OUR HOUSE! We have neighbors who include deer, turkey, racoon, & bear, who pass through our neighborhood regular, which if the housing is allowed the natural neighbors will no longer be.

Also I see many stand pipes on the proposed land. We have an irrigation well here, the standing water in the well, now August 12, is 4 1/2 feet down, in the spring its much higher, I put in a fence this spring, I dug down about 3 feet and hit mud. Which means water is not far away. If for some reason this project is ok by the county commissioners for a septic, We will be forced to sue the County Sanitation Dept. because we know it it will not pass perk legally do to regulation, and mis represention of the true facts. Our city sewer system, and water system is already at its max. Why should I be forced to pay for upgrades in taxes. Why was this project refused in both Darby and Hamilton? Why is it here in Stevensville now. If you the commissioners don't stop this project and protect the tax payers of this county we will have no recourse than to file a lawsuti against everyone involved.

*Bent Laursen*  
*Beverly Laursen*  
Bent & Beverly Laursen

102 Winslett Ave

Stevensville MT 59870

24 July 19

To whom it may concern;

We are writing about the proposed Nicole Court rental development behind Ace Hardware.

We are apposed to this subdivision for many reasons;

1. Too many people in too small an area.
2. Crowded people become aggressive and critical of others around them.
3. more people means more problems
4. drugs, alcohol and violence accompany over crowding of humans.
5. Physical costs on taxpayers we do not want. The Bitterroot Valley is a rural, laid back relaxed, setting of life we all cherish - why destroy it
6. Stevensville already has problems: additional drains on water and sewer use are just asking for more.
7. The water table is 3 feet underground in that proposed subdivision. There will be mold and flooding problems.

I live in Winslett Addition  
adjacent to Nicole Court.  
I have been there since 1978.

Sincerely,

Dennis J. Schutz  
103 W Winslett Ave,  
Stearnsville Mt. 59870

Jake Schutz  
103 Winslett, Ave  
Stearnsville, Mt

406-777-3929

Please Call when  
this becomes an  
agenda item.

August 1, 2019

Stevensville Town Council

206 Buck St

Stevensville MT 59870

RE: Proposed Nichole Court, Stevensville MT

Dear Town Council,

As property owners that abut the proposed project, my wife and I are opposed to the approval of this project for several reasons:

1. Ours is a peaceful and quiet neighborhood of mostly senior citizens. Our street is a small a Cul de Sac that ends where the entrance to the proposed project would begin (Winslett Ave).

In spite of the wonderful buildup in the hand out from the HRC, in time the project would be neither be peaceful or quiet, and in short order would not only increase the noise but also the crime in our neighborhood. Over a not so long time table it will be built up to resemble the proposed project of 2006 (see enclosed copy of layout). My wife worked in Home Health Care for over 20 years. She had clients in numerous Low Income Housing complexes. The number of elderly and hadicapped occupants was very low compared to the total number of residents living in the complex. She was afraid to make any of her visits at night because of the activities going on in these areas. Her clients also were not happy with the neighbors and did not want to go out and take walks in the evening. Many complaints were submitted with no resolutions.

2. Like it or not, with low income housing, comes an increase in law enforcement calls. I speak from experience, having been a Deputy Sheriff in Teton County Wyoming from 1977-1988. Our office spent a lot of time sorting out domestic disturbances, usually precipitated by drugs or alcohol in the low income housing areas. We don't want this kind of activity 10 feet from our back property line.

Stevensville PD is not prepared to handle an increase in calls, and the Sheriffs office is already srtetched thin. It would be the counties duty to its citizens to hire more law enforcement to cover the crime increase that would surely result in building more low

income housing in Stevensville.

3. Property values. I have enclosed a copy of a study done in 2015, by Marketplace.org. It shows that over a 10 year period, surrounding property values fell 2.5 %.

In Montana today, property values are **increasing** by that amount yearly. Is it fair to say that our property value would go backwards at an even higher percentage rate than the area shown in study; just when Stevensville property values are finally starting to catch up with surrounding areas which values have been going up for years.

4. Drainage/water table. The water table as you know, is two feet below the surface. right now. This spring it was higher than that. With addition of storage units to the East of us the problem worsened. They had flooding problems around the storage units this spring because of amount of ground covered by buildings and hard packed gravel surfaces. In fact, the owner installed a drainage system that empties directly onto the Garden City property. I believe this increased the water table, as our crawl space was flooded for the first time in over 18 years. The flooding lasted for a month. It did the same to all of our neighbor's crawl spaces on properties that abut the Garden City property, and most of the neighbor's crawl spaces on the opposite side of the street. More buildings and roads on this property have the potential to make a serious problem of the water situation. Who will take care of that problem when it arises? Who will pay for the damage the water can potentially cause to our homes, and further decrease their values. No body wants to buy homes with flooding crawl spaces and potential water damage to the structure of their homes.

This low income housing project was proposed in Darby and Hamilton and rejected by it's citizens. The citizens of Stevensville that have knowlege of this project say NO to having it built in Stevensville. We as property owners and tax payers DO NOT want this project in our backyard, our neighborhood, or any where in our town of Stevensville.

We hope that you will take into serious consideration the objections of the property owners and tax payers of the town of Stevensville.

Respectfully,

David and Christine Thorson

*David E Thorson*  
*Christine M Thorson*

*106 Winslett*

Enc 3

Hon. Brandon E. Dewey  
Mayor of Stevensville

Monica Hoffman  
Town Clerk



Stevensville Town Hall  
206 Buck Street  
Stevensville, MT 59870  
Phone: 406-777-5271

September 4, 2019

Greetings,

The Town of Stevensville has received numerous items of correspondence from residents and property owners in the Winslett Addition and surrounding area regarding the proposed Nicole Court development. Nicole Court is an affordable family housing development that is being proposed on the site east of Winslett Avenue and south of Eastside Highway.

Some of the feedback the Town has received has been requests to deny or disapprove of the development. We feel it is important to clarify to you as our stakeholders that this development is not subject to the approval of the Mayor's Office or the Town Council. The only authority the Town of Stevensville has currently is to ensure compliance with applicable zoning and development codes. The proposed property is zoned R-2 for multi-family residential development. Nicole Court complies with the zoning requirements of R-2 areas.

Further, the Town of Stevensville always considers the goals of its Growth Policy when addressing development and growth in the community. The most recent Growth Policy was adopted in 2016 and is available on our website at [www.townofstevensville.com/comm-development](http://www.townofstevensville.com/comm-development).

The correspondence we have received has been forwarded to Housing Solutions LLC, who is proposing the development. We have enclosed literature that explains the development and demonstrates how it is anticipated to look. Further questions or inquiries can be sent to:

Alex Burkhalter  
Housing Solutions LLC  
406-203-1558  
[www.housing-solutions.org](http://www.housing-solutions.org)

Thank you again for sharing your feedback regarding this development with the Town.

Sincerely,

A handwritten signature in blue ink that reads "Brandon E. Dewey". The signature is written in a cursive style.

Brandon E. Dewey  
Mayor

**From:** Monica Hoffman monica@townofstevensville.com   
**Subject:** Town of Stevensville  
**Date:** September 6, 2019 at 1:23 PM  
**To:** alex@housing-solutions.org

MH

Good afternoon Alex,

We just wanted to make you aware that we have sent out a letter to some residents currently residing near the proposed Nicole Court development, as we have recently received correspondence from property owners. I have attached what we have needed to included in town hall meetings so far. The Town of Stevensville will continue to support and consider the goals in its Growth Policy.

MONICA HOFFMAN  
TOWN CLERK  
TOWN OF STEVENSVILLE  
406.777.5271 x102  
[MONICA@TOWNOFSTEVENSVILLE.COM](mailto:MONICA@TOWNOFSTEVENSVILLE.COM)



THIS E-MAIL AND ITS ATTACHMENTS MAY BE CONFIDENTIAL AND ARE INTENDED SOLELY FOR THE USE OF THE INDIVIDUAL TO WHOM IT IS ADDRESSED. ANY VIEWS OR OPINIONS EXPRESSED ARE SOLELY THOSE OF THE AUTHOR AND DO NOT NECESSARILY REPRESENT THOSE OF THE TOWN OF STEVENSVILLE. IF YOU ARE NOT THE INTENDED RECIPIENT OF THIS E-MAIL AND ITS ATTACHMENTS, YOU MUST TAKE NO ACTION BASED UPON THEM, NOR MUST YOU COPY OR SHOW THEM TO ANYONE. PLEASE CONTACT THE SENDER IF YOU BELIEVE YOU HAVE RECEIVED THIS E-MAIL IN ERROR. MESSAGES AND ATTACHMENTS SENT TO OR FROM THIS E-MAIL ACCOUNT PERTAINING TO TOWN OF STEVENSVILLE BUSINESS MAY BE CONSIDERED PUBLIC RECORD OR PRIVATE RECORDS DEPENDING ON THE MESSAGE CONTENT UNDER MONTANA'S RIGHT TO KNOW LAWS.



SKMBT\_223190  
90601040.pdf

# **Paxson Place**

## **2020 Housing Tax Credit Application**

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Paxson Place has received a number of letters of support. Any additional letters received will be forwarded to Housing Montana. Enclosed please find letters of support from the following:

- The City-County of Butte-Silver Bow
- The Public Housing Authority of Butte
- The Belmont Senior Citizen Center
- Action Inc.



THE CITY-COUNTY OF  
Butte-Silver Bow

Planning Department

Lori Casey, Director

Ph: 406-497-6250 E-Mail: [planning@bsb.mt.gov](mailto:planning@bsb.mt.gov)

June 10, 2019

Tyler Currence  
Housing Solutions LLC  
PO Box 2099  
Missoula, MT 59806

RE: Paxson Place Affordable Senior Housing  
Butte, Montana

Dear Mr. Currence,

On behalf of the Butte-Silver Bow Planning Board, I am pleased to submit this letter of support for the proposed Paxson Place affordable housing project. The proposed project – to construct 36 residential units for affordable senior living – is directly pertinent to our community's adopted Growth Policy and land use goals to provide safe, affordable housing to the people of Butte-Silver Bow County.

Butte needs more affordable housing and your project would go a long way to help meet that need for our lower and moderate income citizens. The project also recognizes that Butte's population is aging and is significantly underserved in affordable housing options.

We appreciate that you have selected a location that fits nicely with the overall development plan for the community, for example in terms of land use regulations (i.e., zoning) and access to existing public infrastructure, and promotes desirable infill developments.

For these reasons, we would like to offer our strong support for the proposed Paxson Place project. Please keep me updated as this project progresses and don't hesitate to reach out if I can be of any assistance.

Sincerely,

A handwritten signature in blue ink that reads "Lori Casey".

Lori Casey  
Planning Director



220 Curtis Street • Butte, MT 59701-1852  
406-782-6461 • Fax 406-782-6473

---

Revonda Stordahl  
Executive Director

Silverbow Homes 3-1  
Rosalie Manor 3-2  
Elm Street 3-3  
Leggat Apts. 3-4

June 7, 2019

Tyler Currence  
Housing Solutions LLC  
PO Box 2099  
Missoula, MT 59806

RE: Paxson Place Affordable Senior Housing  
Butte, Montana

Dear Mr. Currence,

Thank you for contacting the Public Housing Authority of Butte about your proposed Paxson Place affordable housing project. The Public Housing Authority of Butte is dedicated to providing high-quality, well-managed, affordable housing opportunities to citizens of Butte-Silver Bow as well as providing residents with opportunities for economic self-sufficiency and enhanced quality of life. The importance of safe, secure, and affordable housing cannot be overstated. I am pleased to hear of your proposal and look forward to Montana Board of Housing's decision in October.

We would like to offer our full support for the proposed Paxson Place. These homes will meet an urgent need in our community.

Sincerely,

Revonda Stordahl  
Executive Director



**Ann Ueland**  
*Executive Director*

**Nancy Gibson**  
*Financial Manager*

*Services*

Lunch M-F

Notary

Lifeline®

Tech Nursing Clinic

Activities

Bingo - Pinochle

Home Helpers

Foot Clinic

Meals Delivery

Caregiver Services

Medicare/Medicaid  
Counseling

Transportation

Case Management

Payee Services

Senior Care Advocate

Respite Care

Sneakers on the Go

June 17, 2019

Tyler Currence  
Housing Solutions LLC  
PO Box 2099  
Missoula, MT 59806

RE: Paxson Place Affordable Senior Housing  
Butte, Montana

Dear Mr. Currence,

Thank you for contacting the Belmont Senior Center about your proposed Paxson Place affordable housing project. As you know, we offer support to Butte's elderly residents in many ways including meals delivery, congregate meals, transportation services, educational, health screenings among many other services. We understand the value of affordable, secure housing for seniors. Good homes are the foundation for a healthy life and independent living.

Although, Butte does have a number of Senior Housing many are full and Seniors are put on a wait list.

We would like to offer our full support for the proposed Paxson Place. This project will not only help us fulfill our mission but will also meet a pressing need in our community for affordable Senior housing.

Sincerely,

Ann Ueland, Executive Director  
Belmont Senior Center



July 1, 2019

Tyler Currence  
Housing Solutions LLC  
PO Box 2099  
Missoula, MT 59806

RE: Paxson Place Affordable Senior Housing  
Butte, Montana

Dear Mr. Currence,

Thank you for contacting Action Inc. about your proposed Paxson Place affordable housing project. As you know, Action Inc. assists residents in Southwest Montana by providing housing assistance, food programs, early childhood education, and many other programs. In fact, as part of our mission, we own and operate affordable apartments facilities in Butte and our six-county service area. We understand the value of affordable, secure housing for seniors. Good homes are the foundation for a healthy life and independent living.

We would like to offer our full support for the proposed Paxson Place. This project will not only help us fulfill our mission but will also meet a pressing need in our community for affordable housing.

Sincerely,

Margie Seccomb, Chief Executive Officer  
Action Inc.

**Action Inc. | 25 West Silver Street | Butte, MT | 59701**

**800.382.1325 | [www.butteassistanceprograms.org](http://www.butteassistanceprograms.org)**

*An Equal Opportunity Employer*



# CITY OF DILLON, MONTANA

125 N. IDAHO  
DILLON, MT 59725

TODD K. HAZELBAKER  
DIRECTOR OF OPERATIONS

NEAL STRAUS  
TREASURER

KAYLAN MINOR  
CITY JUDGE



MICHAEL KLAKKEN  
MAYOR

406-683-4245  
FAX 406-683-6361

JANI OLSEN  
CLERK

JAMES DOLAN  
ATTORNEY  
988-0067

May 20, 2019

Montana Board of Housing

Members:

This letter is to show support for the proposal from The Housing Company from Boise, Idaho for the Pioneer Meadows 28 unit multi-family housing complex for the City of Dillon. It has been many years since the City of Dillon has received a project to fund new housing complexes. This project is much needed for the City since there are limited housing available for multi-families.

The proposed location for this specific project is located across the street from a large grocery and pharmacy chain store. It is also within one block and walking distance of various other support businesses including a dental office, an eye doctor, several restaurants, and a theater. Dillon is also the center hub for several smaller towns and is the county seat for Beaverhead County. For the individuals that demand to live in close proximity of their family, the City is the smartest and best location for a new housing complex for families.

I apologize that we could not be present in person to inform and request the committee the various reasons to chose Dillon for the selected project for this cycle but medical circumstances made that not possible.

Please listen carefully to Blake Jumper from The Housing Company and hopefully to chose this project to help Dillon support low income families. Thank you for your time.

  
\_\_\_\_\_  
Michael L. Klakken, Mayor



July 11<sup>th</sup>, 2019

Kathryn AlMBERG  
The Housing Company  
PO Box 6943  
Boise, ID 83707

Dear Kathryn AlMBERG,

Please accept this letter of support for the development of Pioneer Meadows Apartments, a Low-Income Housing Tax Credit apartment complex to be located TBD Franklin Ave., Dillon, MT. I support your effort to strengthen local families and our service area, which includes Beaverhead County by providing affordable housing options in the city of Dillon, MT.

The development of Pioneer Meadows Apartments will include 28 units, offer a mix of one, two, and three-bedroom apartments for families earning up to 49% and 60% Area Median Income (AMI) and will charge rents at 40% to 60% AMI rent levels.

Affordable housing not only strengthens communities but helps local families in need by reinforcing a sense of community while restoring dignity one family at a time. This development will help meet the needs for rental housing in Dillon and aligns with Action Inc.'s objectives to provide affordable multifamily housing options to residents in our service area.

We look forward to the development of this project.

Sincerely,

Margie Seccomb, CEO  
Action Inc.

**Action Inc. | 25 West Silver Street | Butte, MT | 59701**

**800.382.1325 | [www.butteassistanceprograms.org](http://www.butteassistanceprograms.org)**

*An Equal Opportunity Employer*



RECEIVED

SEP 23 2019

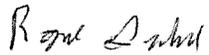
DOC HOUSING

September 19, 2019

Mary S. Bair  
Montana Board of Housing  
PO Box 200528  
Helena, MT 59620-0528

I am writing this letter in response to your letter dated August 12, 2019 and I object to the Pioneer Meadows as currently proposed. I believe Dillon has enough apartments of this type. Currently I can count approximately 75 low income units in various apartment complexes in our area. None of these apartment complexes are fully occupied. They are all still taking new renters. I do believe that the funds would be better spent helping low income families to purchase their own home.

Sincerely



Raymond Graham  
Council Person Ward 3

RECEIVED

JUL 17 2019

DOC HOUSING

526 N. Walnut St.  
Dillon, MT. 59725

July 14, 2019

Montana Board of Housing,

This is in regards to the proposed low income housing project in Dillon, MT. (1) the address advertised is incorrect. Walnut and Franklin do not meet at any point. (2) this is a single family home area. (3) there are affordable housing places all over town with vacancy / for rent signs and listed in the paper - including low income apartments in two different areas.

We as a single family dwelling area do not welcome nor want this in our area. With a planned two story apartment complex it would take away all privacy to residents on Monroe Ave. We as a neighborhood would like to discourage you in every way to say NO to this project.

Sincerely,  
Mary Gardner  
207

**RECEIVED**

Montana Housing

SEP 30 2013

Re: Pioneer Meadows

**DOC HOUSING**

Dear MBOH;

I appreciate the opportunity for feedback. I grew up in Dillon, 20+ years real estate experience including being honored 2016 Montana Association of REALTORS, REALTOR of the Year 2016, and involved in numerous non-profits in Dillon and presently serving on City Council.

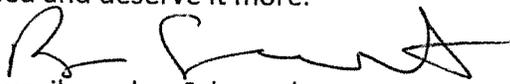
I strongly oppose Pioneer Meadows. I represent many voices in the community and when there is presently at this time over 20 available rentals in Dillon and the three of the larger low income assisted facilities are not full; it clearly shows a community that is presently struggling to get those units filled. To take away potential renters and weaken a local economy with this project is wrong and would have numerous negative impacts in the Dillon community.

Secondly looking at the other communities and one whom is in those communities such as Butte, Bozeman, Missoula and Helena they are in immediate need of housing for family and 55+/Disabled. I would hope that common sense, economics and those folks truly in need within those communities would come first rather than invest in Dillon of which makes no sense.

As an individual that volunteers with many groups in Dillon and Beaverhead County, I know firsthand what is available and whom needs help. And to take away from others within the great state of Montana would be wrong. Dillon does not need this for its residences, families etc. Please remove Dillon from the list and that comes from many individuals that have called me to complain and express concern of empty houses, partially filled units and facilities within Dillon.

Being a REALTOR and a Dillon Councilmember I do know what it is like to make ends meet and live in a very humble 2-bedroom home and at times have struggled to make ends meet. That is why when I know of other communities that are struggling more than Dillon award them accordingly.

I thank you for your time, however please remove Dillon from the list of Communities as others need and deserve it more.

  
Councilmember Schwandt

763 Kentucky Ave.

Dillon, MT 59725

**RECEIVED**

SEP 30 2019

Dear Montana Board of Housing

**DOC HOUSING**

In response to the Pioneer Meadows project in Dillon, MT. We have 2 low income projects in Dillon at this time, with vacancies in both. There for I as a councilmember DO NOT believe we need another low income project in Dillon, MT. and one more thing, we do not need another non taxable property in Dillon.

Sincerely

Daniel Nye  
Councilperson  
Dillon, MT.

RECEIVED

OCT 02 2019

Sept. 29 2019

DOC HOUSING

Montana Board of Housing

P.O. Box 200528

Helena Montana 59620-0528

I, Cynda Gilbreth live at 501 Monroe Ave across from the proposed "Pioneer Meadows" project, and I am strongly opposed to the construction of rental housing for low income individuals and families.

There are numerous empty low income units available in Dillon, and other larger communities are in much more need of these types of projects.

Please consider my input and other concerned people in this neighborhood and community.

Sincerely,

Cynda Gilbreth

Phone 406-925-1501

501 Monroe Ave

Dillon Mt. 59725

508 Monroe Ave.  
Dillon, Mt 59726  
October 7, 2019

Montana Board of Housing  
P.O Box 200528  
Helena, MT 59620-0528

RE: The Housing Company, Boise, ID/Dillon MT, Project

Dear Montana Board of Housing:

I am writing to protest the application of The Housing Company of Boise, ID, for federal tax credits to be used for a low-income housing project in Dillon, MT. The proposed project is to be located at the corner of Walnut Street and Franklin Street.

First, it is my understanding that what the applicant is calling "Franklin Street" is a dedicated alley in Dillon and is not suitable for street traffic.

Second, and more important, we have at least two (2) low-income projects in Dillon, those being the Snowcrest Apartments and the Beaverhead Villa. To the best of my knowledge, there are always vacancies in these projects so I fail to see the need for another low-income project in Dillon. I have lived here for 7 years and there are banners or advertisements for vacancies. You have lots of other towns that could use the money instead of Dillon! There is also a senior citizen project, the Bi-Centennial Apartments, that bases its rents on the tenants' income.

Thank you.

Sincerely,

Jo K. Lasich  
(406-683-3616  
508 Monroe Ave.  
Dillon, MT 59725



**From:** [Michael G](#)  
**To:** [Bair, Mary](#); [Guariglia, Kellie](#)  
**Subject:** Public comment for Skyview project Missoula, MT  
**Date:** Monday, September 30, 2019 11:30:38 PM  
**Attachments:** [Skyview.proposed.site.png](#)

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**CAUTION: This email message may contain an unsafe attachment.**

We scan email attachments for malicious software to protect your computer and the State's network. If we determine that an attachment is unsafe, then we block it and you will only see an attachment called 'Unsupported File Types Alert.txt'. If we cannot scan an attachment, then we provide this warning that the attachment may be unsafe and advise you to verify the sender before opening the attachment. If you don't see a file attached to this message, it doesn't mean that we blocked it, some email signatures contain image files that we cannot scan. Please contact your agency IT staff for more information.

To whom it may concern:

My mom and dad purchased the property at 1115 South Clark Street in 1978. This property is located two houses off 9<sup>th</sup> Street on Clark St (red X on attached image) very close to the proposed site for the Skyview project on 2320 South 9<sup>th</sup> Street West. I am the current owner. My 92 year old mother still resides with me. The house was originally in the county and has been annexed into the city. The only upgrade to infrastructure in the neighborhood since 1978 has been the ability to connect to the city sewer. There has simply been no improvement to the area's infrastructure that would warrant a change in zoning to allow for a 36 unit complex. This is a long standing residential neighborhood. See attached image.

If you overlaid the area of the proposed building site over any portion of our neighborhood, you would find occupancy rates on average between 6-10 residents in 4-5 single family homes.

The 9<sup>th</sup> street lot does not have typical street access. The lot has street access only on the south side of the lot. The east, west and north sides are directly adjacent to property, not streets. The lot is adjacent to 9<sup>th</sup> street. 9<sup>th</sup> street is not a through street. The east side is a dead end. 9<sup>th</sup>'s access three access points: Reserve, Clark and Margaret. During normal business hours it is impossible to turn left on Reserve. That leaves only Clark and Margaret street for access during the day. The estimated increase in automobile trips per day is 288-360 (I got this number from a member of the city council). A huge increase in traffic and especially so due to the location of the lot. Not a good place for this project.

No street lights. No sidewalks. No services within walking distance. Streets in the winter are treacherous and not walkable. Even if these items were in place...this is still a residential neighborhood.

I am opposed to Skyview project. The project would destroy this long standing and quiet residential neighborhood due to the side-effects of overcrowding.

Thank you for your time and consideration.

Michael D. Gaab

# Skyview

## 2020 Housing Tax Credit Application

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Skyview has received a number of letters of support. Any additional letters received will be forwarded to Housing Montana. Enclosed please find letters of support from the following:

- Mayor John Engen
- Missoula Aging Services
- Missoula Housing Authority



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**OFFICE OF THE MAYOR**

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435 RYMAN MISSOULA, MONTANA 59802-4297 (406) 552-6001

July 22, 2019

Montana Housing  
P.O. Box 200528  
Helena, MT 59620-052

Dear Montana Board of Housing Directors:

The City of Missoula would like to express our support of Housing Solutions, LLC's application for Federal Housing Tax Credits. The proposed project, a new senior affordable rental community, will provide over 30 homes to an underserved demographic in our community.

Households with people over age 65 are projected to increase by 2,024 over the next five years. According to the U.S. Census, 7.7% of the population over age 65 is living at poverty levels. This amounts to 662 seniors in our community in desperate need of affordable homes.

The proposed development of this site is in alignment with Our Missoula, the City's adopted Growth Policy. The proposed site is in a neighborhood connected to transit and in close proximity to services.

This development is also in alignment with A Place to Call Home, Missoula's recently adopted Housing Policy. One of the most impactful resources for affordable rental home development is the Low- Income Housing Tax Credit (LIHTC) Program. As such, the City of Missoula is committed to supporting LIHTC projects that are in alignment with our identified needs and our guiding growth documents. If awarded Federal Housing Tax Credits, Housing Solutions, LLC will help Missoula meet the very present and growing need for affordable housing among the 65+ senior population.

Neighboring residents have expressed concerns regarding infrastructure needs, including incomplete sidewalk grids, in the area that could be exacerbated by this development. The City of Missoula is committed to working alongside Housing Solutions, LLC to mitigate these concerns and to ensure this senior affordable rental community is a positive addition to the Franklin to the Fort Neighborhood.

Sincerely,

John Engen  
Mayor

EST. 1982

**MISSOULA *aging* SERVICES**

WE'RE PROUD *of* OUR YEARS

June 20, 2019

Tyler Currence  
Housing Solutions LLC  
PO Box 2099  
Missoula, MT 59806

RE: Skyview Affordable Senior Housing  
Missoula, Montana

Dear Mr. Currence:

Thank you for contacting Missoula Aging Services (MAS) about the proposed Skyview affordable housing project. MAS' mission is to promote the independence, dignity and health of older adults and those who care for them. We do this by offering a variety of support options to Missoula's older residents including housing education, 2EC senior homeowners and renter tax credit assistance, supportive care, caregiving support, and nutritional programs. We understand the value of affordable, secure housing for Missoula's older adults. Good homes are the foundation for a healthy life and independent living. It's no secret that Missoula has a growing older adult population and too few affordable housing options.

The Skyview Apartments will enable Missoula's income eligible older adults to live comfortably without having to make hard choices on how to spend their money while living on fixed incomes. Transportation is another major issue impacting seniors' ability to remain independent and Skyview's location and close proximity to a bus route will allow residents to be more mobile. Residents will also be provided with opportunities to socialize and make new friends relieving feelings of isolation so many older adults experience as they age. The added amenities such as the community room, crafting room, billiards, library and gym allow for on-sight health and entertainment options and another opportunity for residents to socialize with one another. Taken together, the Skyview Affordable Housing project will contribute to Missoula's older adults' ability to remain healthy and independent in their homes.

We would like to offer our full support for the proposed Skyview Apartments. This project will not only help us fulfill our mission but will also meet a pressing need in our community for affordable housing.

Sincerely,



Susan Kohler, Chief Executive Officer  
Missoula Aging Services

T 406.728.7682 F 406.728.7687  
337 Stephens Ave | Missoula, MT 59801  
[MISSOULAAGINGSERVICES.ORG](http://MISSOULAAGINGSERVICES.ORG)



June 13, 2019

Tyler Currence  
Housing Solutions LLC  
PO Box 2099  
Missoula, MT 59806

RE: Skyview Affordable Senior Housing  
Missoula, Montana

Dear Mr. Currence,

Thank you for contacting the Missoula Housing Authority about your proposed Skyview affordable housing project. As you know, Missoula Housing Authority strives to help Missoula residents find safe, affordable homes. It is only once a person has a home in which they feel safe and secure that they can then go on to live healthy, productive lives. I am pleased to hear of your proposal and look forward to Montana Board of Housing's decision in October.

We would like to offer our full support for the proposed Skyview Apartments. These homes will meet an urgent need in our community.

Sincerely,

Lori Davidson, Executive Director  
Missoula Housing Authority

## *July 15 Missoula city council meeting.*

*Public comment which would exceed 3 minutes here submitted in writing.*

My name is Malcolm Lowe. I have been asked to speak on behalf of many of the residents adjacent to the proposed Skyview development. Specifically the citizens in a six block area known as the Rangitsch addition, built in the late 50s, which is made up primarily of owner occupied single family dwellings situated on lots of 8 to 10 thousand square feet. It is a working class neighborhood which expresses the dignity of the American dream and the rewards of hard work. Many of us have lived here for 20, 30 or more years. We went to work, we managed to pay our mortgage, and we paid our taxes. Many of us raised our children here. Many of us are now elderly, on fixed incomes, and finding it difficult to cover the increasing expense of property taxes.

I wish to convey our thoughts and feelings on three different aspects of the proposed development: The placement and funding of affordable housing projects in general, our concerns and objections to the zoning proposed for this property, and our disappointment in our experience of civic engagement.

### *Low income placement and funding:*

We have learned through this process that affordable housing projects such as the Skyview project, through policies of this body, protect the wealthy and enrich the developer while placing additional burdens on lower income taxpayers.

While some might dismiss our objections as a case of NIMBY, not in my back yard, we would like to point out that this council has put in place policies that almost guarantee that such a project never appears in the back yards of the wealthy neighborhoods.

Eran Pehan, director of housing and development, made clear in her interview with Missoula Current that these developments occur in neighborhoods like Franklin to the Fort because there is extra incentive – a full 30 percent extra -- for developers to build in areas the city of Missoula has identified as “low income census tracts” which is a nice way of saying “where poor people already live”. She is quoted: *“It’s most beneficial typically for a developer, in the sense of making a project feasible, when it happens in a qualified census tract.”*

We thank you John DiBari for the sentiments you expressed in the article to the effect that this is not an equitable distribution of these projects. So a university district resident can rest easy under the protection of city policy while saying we cry NIMBY.

Embedded in the State funding of these projects is the stipulation that they will not be assessed property taxes. We agree with Jessie Ramos that this effectively shifts the burden of infrastructure expenses onto a smaller base of taxpaying residents. Other than the impact fees at the time of construction, neither the residents of this complex, nor the developer will contribute to the costs of maintaining our overburdened infrastructure. To make undeniable your endorsement of this inequity, this body recently approved a new plan for using HUD funding which specifically removes sidewalks and other infrastructure improvements from HUD funding eligibility. So while Skyview residents will enjoy cheap rents and the developer will get some 6 million, we, the neighbors, will get stuck with the bill for new sidewalks, plowing the streets and other expenses associated with maintaining services to 39 residences.

### *Specifics of this zoning request*

As we have struggled to protect our neighborhood's integrity, we have gained an understanding of how the funding and placement of affordable housing targets neighborhoods such as ours. But in the end, we have learned that the high density we fear is not unique to the affordable housing project. It is by design. And it is the intention of this body, our city government, that we submit to a zoning 10 times more dense than what we are defending. We have learned we are in the sacrificial zone. We object.

Whether low income or not, to infect our single-family neighborhood with density as high as 1 dwelling per 500 square feet of land is to disrespect the integrity of the people and the values that have made Missoula such a desirable city. We are the workers, we are the taxpayers, we are the ones that plant flowers and mow our lawns and raise good kids. As Alex puts in his proposal to the state, "it is a well-kept-up walkable neighborhood". 39 units on one acre would be an ugly, glaring contrast to the existing single story family homes identified as an asset to his project. But we have been informed that "neighborhood character" is a consideration usually dismissed in a rezoning hearing. Well then let's talk about infrastructure and safety.

A walkable neighborhood he says. We have no sidewalks. We have no street lighting. While the parking proposed for the Skyview project is one per unit, we all know it will exceed that with additional vehicles, trailers and so on. These will be parked on our streets, so effectively our streets will become narrower. And where will elderly pedestrians have to walk to get to the bus? In the street. Streets which are projected to carry an additional 300 cars a day. Add to that the fact that our streets get plowed maybe twice a winter, and you have an icy, dangerous reality for the residents, NOT the rosy picture painted in the developer's proposal. But if one of his residents is injured on that street will he be sued? Or will the city? We, who live on these streets, are telling you that this will create an unsafe situation. If a person is injured walking in the middle of these streets, doesn't some of the responsibility lie with those who decided to overburden the infrastructure?

Proximity to services, Reserve St and the bus line are touted as assets to this proposal. Those of us who live here know that Reserve St is no asset. It must be avoided. We all drive on surface streets to get to the nearest light on Mount in order to safely turn left on Reserve. It cannot be crossed as a pedestrian. The services within a few blocks, with the exception of a liquor store, are mostly offices. Rosauer's is a mile away. The developer has taken the blueprint of the project he built behind Target and wedged it into our neighborhood saying it will work just as well. *There* the infrastructure and services really do exist. *Here* they do not. It is apples and oranges. It is a square peg in a round hole.

While we are addressing only the very local impact of a single high density in-fill project, the cumulative outcome of allowing this sort of density on every block in the sacrificial zone is that the streets will cease to function correctly. Missoulians waiting in traffic will find their quality of life has degenerated into frustration and anger. You cannot expect infrastructure designed for a single-family density to work for 10 times that. The city had the opportunity for a field of dreams, but instead has opted for a field of nightmares: When they come, we might build it.

So we're frustrated. We've gone to work, paid our mortgage, paid our taxes, raised our kids, and mowed our lawns. We hoped our elected officials would represent our views because we frankly don't have time or energy left at the end of the day to dive into the complicated mire of an urban growth plan. We have found some sympathetic ears among you, but in the end we hear that there is not much we can do to stop rezoning for this affordable housing project or any development of similar high density. The game is rigged in favor of developers.

We've been encouraged participate. We did. We came to the subdivision hearing on *May 13*, when it was a proposal to put 4 duplexes on the lot, only to find out that there was an application *dated April 8* in with the state to put these 39 units on the land. Why would we not be wary when the developer tells us how wonderful this thing will be? They've been deceptive from the very outset. Our reward for participation is a bigger pill to swallow. The city's policy that only people within 150 feet of a zoning change get a notification is clearly designed to minimize resistance to your preconceived designs of what is best for a given neighborhood.

We've been encouraged to participate. We tried. The developer gets 6 million and we get the bill for sidewalks.

We've been encouraged to participate. We have. We've paid our taxes. We've mowed our lawns.

We've been encouraged to participate. Yet here we stand shouting in the wind.

**From:** [Bair, Mary](#)  
**To:** [Guariglia, Kellie](#)  
**Subject:** FW: Skyview project in Missoula MT  
**Date:** Monday, September 9, 2019 12:54:13 PM

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Please put in comments and send to Alex & Tyler

**From:** Carol Murray <12cmurray@gmail.com>  
**Sent:** Sunday, September 8, 2019 11:07 AM  
**To:** Bair, Mary <mbair@mt.gov>  
**Subject:** Skyview project in Missoula MT

September 8, 2019

Dear Ms Bair,

I am writing regarding the Skyview project on 9<sup>th</sup> Street in Missoula MT.

I live a block away on 10<sup>th</sup> Street and I am very concerned about higher density in my area.

Both 9<sup>th</sup> and 10<sup>th</sup> Streets are dead end streets so there are only a couple streets that are available for driving in and out. Traffic will become more congested on those streets. In addition, if there is a fire or other danger, there are not many routes or much room for emergency vehicles to get there.

The increased traffic will affect our quiet neighborhood, especially since we do not have sidewalks or street lights to help pedestrians. Since 9<sup>th</sup> and 10<sup>th</sup> are dead ends, the city rarely plows (maybe twice a year), thus making the streets more difficult to maneuver, both by car and by foot. People usually do not walk in the winter due to the icy streets. Walking two blocks to the bus stop can be very treacherous!

The character of our single family housing neighborhood is clean, quiet, and friendly. I know most all of my neighbors, people watch out for one another, and help each other out. Introducing this many more people to the neighborhood will compromise these characteristics.

This area will not support the extra people due to no access for traffic/emergency vehicles and no pedestrian amenities. Adequate infrastructure needs to be in place before this area can accommodate this many housing units.

Thank you.

Carol Murray, LMT

**From:** [Cope, Penny](#)  
**To:** [Bair, Mary](#); [Guariglia, Kellie](#); [Brensdal, Bruce](#); [Cohen, Cheryl](#)  
**Cc:** [Maxwell, Cindy](#)  
**Subject:** FW: Skyview project on 9th street in Missoula  
**Date:** Wednesday, August 21, 2019 12:04:49 PM  
**Attachments:** [City Council prepared statement.docx](#)

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Forwarding this email that was sent to [housing@mt.gov](mailto:housing@mt.gov).

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**From:** Malcolm Lowe <[malcolmlowe@msn.com](mailto:malcolmlowe@msn.com)>  
**Sent:** Thursday, August 15, 2019 3:40 PM  
**To:** DOC Housing (Webmail) <[Housing@mt.gov](mailto:Housing@mt.gov)>  
**Subject:** Skyview project on 9th street in Missoula

Hello board of housing;

I am a neighbor to this proposed project in Missoula. I have been involved in hearings in the city process as they moved toward confirming the need for Affordable Housing. While Alex Burkhalter had an unlimited amount of time to present the project in the hearing at the city council meeting, I found out citizens were limited to 3 minutes. I wish to submit a more extensive version of my commentary for your consideration. We have been characterized as being against elderly citizens with low income. This is not the case. We are against some of the HUD and city policies which determine where these projects are placed. But mostly we are against unreasonable density where the infrastructure will not safely support it. Please take the time to read my brief submission and kindly make sure it is part of the file for your consideration of this project.

Thank You

Malcolm Lowe  
406-880-6414

## Missoula Skyview Project

Dear Mary and fellow colleagues of Montana Board of Housing,

Thank you for your time in reading this letter, I greatly appreciate you listening to the concerns of our neighborhood. I am sure you have difficult decisions to make and I thank you for doing the work you do in taking care of our state's housing needs. I am writing you about the Skyview development in Missoula on 9<sup>th</sup> St. I live directly adjacent to it on the corner of Margaret and 9<sup>th</sup> so I am very much in tune to this neighborhood. I know the developer is trying to do the best he can for projects like these, but I highly disagree this is the proper place for a large complex of 36 units or more.

The infrastructure is just not designed for this type of dense housing. The current zoning would only allow for 8 units to be built on that lot; therefore, the zoning speaks for itself because it is was never designed to support that kind of congestion. It is not a good location for ease of access; even though it's close to Reserve St, everyone in the neighborhood knows to avoid Reserve St. There are no sidewalks on 9<sup>th</sup>, Margaret, or Clark; making it hard for people to walk. Snow removal is rare, last winter we counted the city plow clearing our street once. There is a lot of traffic that diverts off Reserve St because drivers are trying to avoid traffic jams, and they tend to aggressively speed down 9<sup>th</sup> in clear signs of road rage. This would not be good for elderly people trying to walk the streets.

When my wife and I were buying the house, we did our due diligence to research that empty lot on 9<sup>th</sup> because we are very much aware of developers seeking out lots like that to cram in housing. With the zoning only allowing 8 units, we did not think that would be a bad situation, so we decided to buy. Now, the city is telling us they can change the zoning at the drop of a hat. Maybe I am just naïve, but I don't understand the point of zoning when the city can change it so easily. This is our first home; we've waited for 12 years to save up for the right place. Now we feel very discouraged that the city council can just change this, despite 99% of my neighbors all objecting to this. That does not seem like they are representing the people as they should. I've attended the neighborhood meetings and the only people that voice their support for this project live at least 10 blocks away; they simply aren't familiar to this street as we are.

Let me be clear, we are **NOT** against low-income elderly housing in our neighborhood, we gladly welcome all people; just not this size. One neighbor even asked if the development could be cut in half to 18 units; I would agree and support that size. I feel that is a fair compromise. Additionally, with as many people as there are on the waiting list for this type of housing, it would be nice see a much larger complex of 100 or more units be constructed in a better place. Some of the city council members told us we need to do our part in helping the housing crisis in Missoula, but I believe we are helping by asking for an 18-unit complex. If the city really means to help the low-income elderly, they could assist by allocating some of the large properties closer to downtown where infrastructure and services are ideal.

Again, thank you for your time and hard work for our state, I highly respect that. If you have any questions, I would be happy to help. 406-214-7513

Sincerely,

Chris Walchuk

**From:** [Malcolm Lowe](#)  
**To:** [Guariglia, Kellie](#); [Bair, Mary](#)  
**Subject:** RE: Skyview project in Missoula  
**Date:** Thursday, September 12, 2019 9:23:25 AM

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Hello Mary and Kellie;

I submitted my comments to you previously about this project. While those sentiments stand, I want to clarify and reinforce two things now that the timing of zoning hearings is unfolding.

1. It is the density of the proposed zoning change that we object to.
2. If we must live with this density, affordable housing for elderly citizens is preferable.

The City council will vote on the zoning change October 21<sup>st</sup>. You will not make your final decision until the 28<sup>th</sup>. We feel that the need and political appeal of affordable housing will sway the council to approve a zoning density they might not otherwise consider. If they approve it (and we are almost certain they will) and you subsequently **do not** fund the project, we will be left with a zoning allowing a high density apartment block of unspecified population or design. We therefore encourage you to approve the funding if the council clears the way for the project by changing the zoning.

Please make this e-mail part of the file for the project

Thank you.

Malcolm Lowe

**From:** Julie Merritt  
**To:** [Bair, Mary](#)  
**Subject:** Skyview LIHTC Project in Missoula  
**Date:** Saturday, September 21, 2019 11:01:59 AM

---

Ms. Bair

I am writing in support of the Skyview development proposed by Housing Solutions, LLC in Missoula. I am one of the two City Council representatives for the ward where this development is proposed to be built. The affordable senior housing that would be provided by this project is desperately needed in our community. We currently have over 200 seniors in Missoula waiting for affordable housing.

Thank you in advance for your time and consideration.

Julie Merritt, City Council Ward 6 Representative  
(406) 207-2358 [jmerritt@ci.missoula.mt.us](mailto:jmerritt@ci.missoula.mt.us)

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**From:** [Malcolm Lowe](#)  
**To:** [Guariglia, Kellie](#); [Bair, Mary](#)  
**Subject:** Skyview project in Missoula  
**Date:** Friday, August 23, 2019 3:13:37 PM  
**Attachments:** [City Council prepared statement.docx](#)

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Hello Mary and Kellie;

It was nice to meet you yesterday evening at the site of the proposed Skyview project. I didn't want to interrupt your meeting for too long.

I have become sort of the point person for our neighborhood. We are very concerned about the change this project would bring to our streets. I have attached what I wrote to submit to the city council which is more encompassing than what I was able to give orally at the public meeting. I also submitted it to your general e-mail address. I think you are the ones more directly looking at this project, so I wanted to make sure you received it.

From what I saw, when you visited you remained just on the open field which is the lot under consideration. This is disappointing, because the impact of this project would be much greater than just that acre. If you had walked a few blocks you would have observed the lack of sidewalks, street lights, and through-street engineering. You would have seen how much pride there is in our single family homes. You would have seen elderly people in homes they have worked their lives to purchase out taking care of the yards. While a project of this density works behind Target, it would not work here; it would be in jarring contrast to it's surroundings.

Please take the time to read my comments. I would welcome the opportunity to chat with you.

Thank you  
Malcolm Lowe  
1114 Margaret St, Missoula  
406-880-6414

**From:** Wild Nancy  
**To:** [Bair, Mary](#)  
**Subject:** Skyview Project in Missoula, MT  
**Date:** Friday, August 30, 2019 3:52:36 PM

---

I am writing to you regarding the Skyview Project in Missoula, MT.

These are my areas of concern:

1-Lack of sidewalks and street lights if people are walking.

2 It will increase traffic on our already fast moving streets. We have small children living on 9<sup>th</sup> street.

3-Diminishing quality of life due to over crowding.

4-We could use speed bumps to slow down traffic as it is right now.

5-Can't understand the fast traffic since it is a dead end street.

6-Please look at the whole area when you check this property out.

Sent from [Mail](#) for Windows 10

**From:** [John German](#)  
**To:** [Bair, Mary](#); [Guariglia, Kellie](#)  
**Subject:** Skyview Project-Missoula, MT  
**Date:** Tuesday, October 1, 2019 10:41:48 AM

---

Hello Mary and Kellie,

While I have opposed the rezoning of the property at 2320 S 9th ST W, the fact that the rezoning would not be contingent on the funding of the "Skyview" project leaves me anxious about the sort of high density project that could be built there if the funding for "Skyview" does not pass.

We encourage you to please approve the funding if the city council clears the way for the project by changing the zoning. (The contractors have worked with the neighbors in the design of "Skyview", and it would certainly be preferable to the possible alternative.)

Thank you

**From:** [Michael G](#)  
**To:** [Bair, Mary](#); [Guariglia, Kellie](#)  
**Subject:** [EXTERNAL] Public comment for Skyview project Missoula, MT - additional comment #1  
**Date:** Saturday, October 5, 2019 9:07:55 AM

---

I am opposed to the Skyview project. In order for the project to be built the lot needs to be rezoned. The current zoning RT5.4 allows 8 units/acre. The builder has requested that the zoning be changed to RM1-35 which allows 43 units/acre. The proposed project has 36 units. This amount of density will forever change our neighborhood that was established in the late 1950s. An overwhelming super majority of the residents are opposed to this particular project due to the overcrowding issues that will result as well changing the character of a long standing residential neighborhood forever. The project is dependent on funding on your funding. Please do not approve funding for this project.

Thank you again for your time.  
Michael D. Gaab

23. Letters of community  
support  
Timber Ridge Apartments

July 26, 2019

Mr. Rusty Snow  
Summit Housing Group, Inc.  
283 W. Front St., Ste. 1  
Missoula, MT 59802

RE: Summit Housing Group, Inc.'s LIHTC application to the Montana Board of Housing for the creation of affordable rental housing on the property legally described as on Lot 5, Block 8 of the West Winds Subdivision Phases 2A & 2B

Dear Mr. Snow,

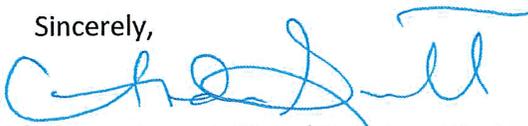
On behalf of the City of Bozeman, please accept this letter as an expression of the City's strong support for the Low Income Housing Tax Credit (LIHTC) application Summit Housing Group is submitting to the Montana Board of Housing for the development of Timber Ridge Apartments, a 40 unit affordable senior housing apartment building.

The development will provide the City with additional affordable rentals, particularly senior housing units where we are experiencing unprecedented low vacancy rates. The site currently carries a Land Use Restriction that requires multifamily development for persons making 65% or below the Area Median Income. It is close to shopping, transit and two large parks which makes it ideal for a LIHTC development.

The City of Bozeman earmarked funding in the FY 20 budget to assist LIHTC developers by paying a portion of the impact fees for housing developed for households earning less than 60% of Area Median Income. Summit Housing has applied for funding under this set aside and staff is recommending the City Commission allocate funding to support this development. In addition, in May of 2018, the City of Bozeman's Community Affordable Housing Advisory Board (CAHAB) recommended the application be brought to the city commission. This recommendation was reaffirmed by the CAHAB in the spring of this year.

As this City continues to experience rapid growth, affordable housing is in short supply. Your proposed project will help meet the need of the senior community at or below 60% of the median income. As the cost of rental housing in Bozeman continues to rise, we feel that a project of this type will help meet the housing needs in the community and we fully support your efforts on the Timber Ridge project.

Sincerely,



Andrea Surratt, City of Bozeman City Manager

**BOZEMAN**<sup>MT</sup>  
Mayor

**RECEIVED**

SEP 16 2019

**DOC HOUSING**

September 9, 2019

Ms. Mary S. Bair  
Multifamily Program Manager  
Montana Board of Housing  
PO Box 200528  
Helena, MT 59620

RE: Summit Housing Group, Inc.'s LIHTC application to the Montana Board of Housing for the creation of affordable rental housing on the property legally described as on Lot 5, Block 8 of the West Winds Subdivision Phases 2A & 2B

Dear Ms. Bair,

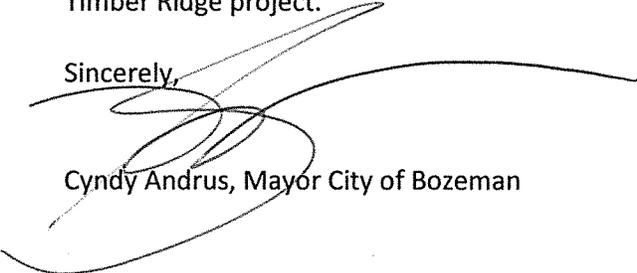
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As this City continues to experience rapid growth, affordable housing is in short supply. This proposed project will help meet the need of the senior community at or below 60% of the median income. As the cost of rental housing in Bozeman continues to rise, we feel that a project of this type will help meet the housing needs in the community and we fully support the Timber Ridge project.

Sincerely,

  
Cyndy Andrus, Mayor City of Bozeman

**DOC HOUSING**

Ms. Mary S. Bair  
Multifamily Program Manager  
Montana Board of Housing  
PO Box 200528  
Helena, MT 59620

RE: Summit Housing Group, Inc.'s LIHTC application to the Montana Board of Housing for the creation of affordable rental housing on the property legally described as on Lot 5, Block 8 of the West Winds Subdivision Phases 2A & 2B

Dear Ms. Bair,

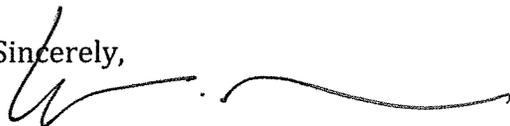
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Sincerely,



Loren D. Olsen, Affordable Housing Program Manager



Rural Development

July 15, 2019

Montana State Office

2229 Boot Hill Court  
Bozeman, Montana  
59715

Montana Board of Housing  
P.O. Box 200528  
Helena, MT 59620-0528

Voice 406.585.2580  
Fax 855.576.2674

Re: Hardin Senior Housing, Hardin, MT

Dear Board Members,

I am writing in support of the application for Low Income Housing Tax Credits submitted by the Hardin Senior Housing LLC for the acquisition and renovation of the Rangeview Apartments complex in Hardin, MT.

Hardin Senior Housing LLC, by their General Partner, American Covenant Senior Housing Foundation, Inc., has notified USDA Rural Development of plans to apply for funding from Montana Board of Housing for an allocation of Low Income Housing Tax Credits to be used to acquire and rehabilitate the property. The proposed new owner must complete an "Application for Federal Assistance" and submit a complete package to Rural Development before a final determination of approval is made, however USDA Rural Development anticipates that it will approve a transfer if a successful application is provided to the Agency.

Upon completion of the application for transfer of ownership, and subject to approval, USDA will transfer the loans and subsidy contracts that currently exist to the approved new borrower entity. The current rental assistance amount associated with this contract is \$89,789 annually. We expect this contract to be renewed on an annual basis.

The transfer and approval of the development are subject to review and approval of the application for eligibility and feasibility in accordance with 7CFR 3560 and all other applicable federal, state and local regulations.

Thank you again for your consideration and vital support of the preservation of the Rangeview Apartments (Hardin Senior Housing Apartments) as affordable housing in this community.

Sincerely,

SANDI MESSINGER  
State Housing Specialist

**BOARD OF COMMISSIONERS  
BIG HORN COUNTY  
P.O. BOX 908  
HARDIN, MT 59034**

Fax (406) 665-9706

(406) 665-9700

E-mail to: [cwells@bighorncountymt.gov](mailto:cwells@bighorncountymt.gov)

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March 11, 2019

American Covenant Senior Housing Foundation, Inc.  
Gerald Fritts, Executive Director  
234 Shelter Valley Drive  
Kalispell, MT 59901

RE: Low Income Housing Tax Credit Application for Rehabilitation of the Rangeview Apartments located at 1218 Rangeview Drive, Hardin, MT

Dear Mr. Fritts:

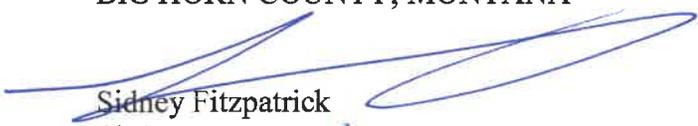
The Big Horn County Commissioners are pleased to hear about your proposed project to rehabilitate the Rangeview Apartments at 1218 Rangeview Drive for senior and disabled housing. Please accept this letter of support for your application for the Low-Income Housing Tax Credits.

The rehabilitation of the 24 apartments will result in a significant improvement in the living conditions of the tenants and ensure that the units will continue to provide much needed affordable housing in Hardin.

We look forward to your affordable multi-family housing project in our community.

Very truly yours,

BOARD OF COMMISSIONERS  
BIG HORN COUNTY, MONTANA

  
Sidney Fitzpatrick  
Chairman

  
Larry Vandersloot  
Member

  
George Real Bird III  
Member

MAYOR  
Joe Purcell



PUBLIC WORKS DIRECTOR  
Rock Massine  
FINANCE OFFICER/CITY  
CLERK  
Michelle Dyckman

Mr. Gerald Fritts, Executive Director  
American Covenant Senior Housing Foundation, Inc.  
234 Shelter Valley Drive  
Kalispell, Mt. 59901

April 9, 2019

Dear Mr. Fritts

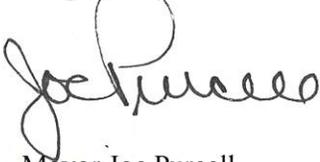
Thank you for your presentation to the Hardin City Council on March 19, 2019. Myself as the Mayor and the Aldermen of the Hardin City Council support your desire to purchase and rehabilitate our local "Range View Apartments".

Continuing to provide quality and affordable Housing to our Seniors and Disabled is an important goal for our local government and the citizens of our community.

The outlines and goals of the renovations you presented will help assure safe, quality housing to a group of high risk citizens.

Thank you for supporting our community.

Respectfully



Mayor Joe Purcell  
City of Hardin

# Circle of Life Home Care



222 N. Center Ave.  
Hardin, MT 59034  
(406) 665-4047

July 12, 2019

American Covenant Senior Housing Foundation, Inc.  
Gerald Fritts, Executive Director  
234 Shelter Valley Drive  
Kalispell, MT 59901

RE: Hardin Senior Housing LLC with Project in Hardin, MT

As a local entity and provider, we are writing this letter in support of the Hardin Senior Housing Project located at 1128 Rangeview Drive, Hardin, MT. In regards to a previous meeting to discuss this project and recent communications with your organization the **Circle of Life Montana Home Care Services Agency** for the elderly and disabled agree to the following:

- 1) Referring of seniors, disabled persons and Veterans as prospective tenants for the Hardin Senior Housing Project in Hardin, MT.
- 2) That we will be able to provide services to disabled Veterans covered by Medicaid.
- 3) That our Personal Care Attendants (PCA) will be able to provide hands on assistance with meal preps, bathing, dressing and light housekeeping.
- 4) Personal Care Attendants (PCA) will be able to assist with grocery shopping.
- 5) That we will be able to provide authorized transportation to and from Doctor appointments or other medical experts in the area.
- 6) That we will pass on information to the tenant of community services the tenant may need.

In addition, the Circle of Life Montana Home Care Services Agency is a Native American specific home care agency and is committed to providing culturally sensitive care to the **Crow and Northern Cheyenne** tenants residing at the Hardin Senior Housing project.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Dacia Daychild".

Dacia Daychild  
Office Coordinator



*Northern Cheyenne Ministerial Association  
Everything Beautiful Thrift Store  
Emahepeva'e Netao'o Hovae'ehe*

*PO Box 50  
Busby, MT 59016  
(406) 592-3643*

March 12, 2019

American Covenant Senior Housing Foundation, Inc.  
Gerald Fritts, Executive Director  
234 Shelter Valley Drive  
Kalispell, MT 59901

RE: American Covenant Hardin Senior Living, LLC with Project in Hardin, MT

We are writing this letter in support of the American Covenant Senior Living Project in Hardin, Montana.

With this letter of support, we agree to the following:

- 1) To refer seniors and disabled to persons to the American Covenant Senior Living Project in Hardin, MT if and when we have any.
- 2) That we will visit disabled and seniors who are living there from time to time with regards to their religious, psychological and emotional needs.
- 3) That we will pass on information to the tenant of community services the tenant may need.

Sincerely,

Willis Busenitz, President  
Northern Cheyenne Ministerial Assn, Inc.  
[wnbusenitz@gmail.com](mailto:wnbusenitz@gmail.com)

## 2020 Housing Credit Proposed Motions:

### Proposed Motion 1

Move to award 2020 and/or 2019 Housing Credits to the following slate of Projects, subject to the conditions specified below. For purposes of the specified conditions, the Projects are awarded Housing Credits in the following order:

- 1.
  - 2.
- (Etc.)

*Options (choose and include one option for each project awarded credits):*

- A. \_\_\_\_ (project) \_\_\_\_ in the amount of \_\_\_\_\_ originally requested.
- B. \_\_\_\_ (project) \_\_\_\_ in the amount of \_\_\_\_\_ originally requested, *contingent upon* the applicant also completing the associated 4% application submitted.

*(Optional Additional Credit Amount Language – if applicable):*

*[Insert in Motion 1, Option A or B, if award will include additional credit amount beyond request] ... as well as the additional amount of \$ \_\_\_\_\_ recommended by staff, for a total Housing Credit amount of \$ \_\_\_\_\_.*

### *Award Conditions:*

1. 2019 National Housing Pool credits made available to MBOH by the IRS for award and all remaining 2019 Housing Credits available for award are awarded first to Projects in the above-specified order. The balance of the Housing Credits awarded to the Projects in the above-specified order (after award of all available 2019 National Housing Pool credits and all available 2019 Housing Credits) shall consist of 2020 Housing Credits. For example, if \$150,000 of 2019 National Pool Credits are available and \$100,000 of 2019 Credits are available, an award of \$600,000 in Housing Credits to the Project no. 1 would consist of the combination of: (a) \$150,000 of 2019 National Pool Credits; (b) \$100,000 of 2019 Credits; and \$350,000 in 2020 Housing Credits. All awards shall consist of 2019 National Pool Credits and 2019 Credits before any 2020 Housing Credits are included in any such award. The Reservation Agreement to be executed by MBOH and the Project owner will specify the particular year and type of credits awarded for each Project.
2. In the event that the amount of 2020 Housing Credits available to MBOH is reduced by the IRS after this award determination, the amount of Credits awarded to the lowest-numbered Project(s) (in reverse order of numbering) shall be reduced as necessary to reflect the reduction in available 2020 Credits. For example, if, after this award determination, the IRS reduces the amount of 2020 Housing Credits available for award by MBOH by \$500,000, and the last numbered Project (e.g.

Project No. 6), was awarded \$600,000, the award to such Project is reduced to \$100,000. If the last numbered Project (e.g. Project No. 6) was awarded \$300,000, and the second to last numbered Project (e.g. Project No. 4) was awarded \$600,000, the last priority Project (Project No. 5) award is reduced to \$0 and the second to last priority Project (Project No. 5) award is reduced to \$400,000.

**Proposed Motion 2**

Move to approve the following slate ranking the remaining applicant projects in the following order of priority for purposes of a later potential award of Housing Credits in the event that additional 2020 or earlier year credits become available for award, and approving award of such available credits by staff without further Board action, *contingent upon*: (i) such project meeting underwriting requirements as determined by staff; and (ii) the available credits being sufficient to fully fund such project (such award moving to the next ranked project in event either contingency not met):

- 1. \_\_\_\_ (project)\_\_\_\_\_
- 2. \_\_\_\_ (project)\_\_\_\_\_
- 3. \_\_\_\_ (project)\_\_\_\_\_
- 4. \_\_\_\_ (project)\_\_\_\_\_

**Proposed Plan for remaining unawarded credits (if any):**

If credits remain available for award (after any contingent awards as provided in Motion 2) staff recommends that such credits automatically be made available for award as 2020 credits in the 2021 award cycle (October 2020), unless used for the above ranked projects or another request approved by the Board. If such remaining 2020 credits are made available for award in the 2021 award cycle, such credits shall be awarded before any award of 2021 credits, but a single application may be awarded a combination of 2020 and 2021 credits.

## 2020 Housing Credit Proposed Motions: Additional Options

### Option 1:

*[If credits are awarded to the Skyview project, and the Board wishes to make a contingent award to the Paxson Place project for the eventuality that the City of Missoula denies Skyview's zoning change, then use the following option for the award under Motion 1]:*

\_(#)\_\_. Skyview in the amount of \$5,900,000 originally requested, *contingent upon* the City of Missoula's approval, at the Missoula City Commission's first meeting occurring after the date of this award, of the zoning change(s) necessary to permit the Project; and *in the event such zoning change is not so approved, then to Paxson Place* in the amount of \$5,900,000 *contingent upon*: (i) Paxson Place re-submitting its Application, within 30 days after the City of Missoula's denial or other non-approval of the required zoning change(s), resized to the \$5,900,000 amount of Credits; and (ii) MBOH staff determination, based upon staff underwriting and evaluation of the resized Application, that the development is financially feasible and viable as a qualified low income housing Project throughout the Compliance Period.

### Option 2:

*[If credits are awarded to the Paxson Place project, and the Board wishes to make a contingent award to the Skyview Project in the event Paxson Place returns its credits, then use the following option for the award under Motion 1]:*

\_(#)\_\_. Paxson Place in the amount of \$6,150,000 originally requested; provided that, *in the event Paxson Place returns all of its awarded credits within \_\_\_ days after the date of this award, then to Skyview* in the amount of \$5,900,000 originally requested; provided, however, that: (i) such award to Skyview shall be *contingent upon* the City of Missoula's approval, at the Missoula City Commission's first meeting occurring after the date of Paxson Place's return of the credits, of the zoning change(s) necessary to permit the Skyview Project; and (ii) any credits returned by Paxson Place in excess of the \$5,900,000 award to Skyview shall be awarded in order of listed priority to any Project that is awarded credits in this award round under a re-sized application, in an amount not exceeding the difference between such Project's originally requested credit amount and the re-sized Application credit amount.

### Option 3:

*[If credits are awarded to the Paxson Place or Skyview project and Option 1 or Option 2 is not used, then use the following language for any ranking/listing of the non-awarded project for purposes of Motion 2 or Motion 3]:*

\_\_\_\_(project)\_\_\_\_\_; provided, however, that credits may be reserved for such project pursuant to this resolution *only* if \_\_\_\_\_(awarded project)\_\_\_\_\_ has returned all credits awarded in this award round.

# BOARD AGENDA ITEM

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## **PROGRAM**

Multifamily Program

## **AGENDA ITEM**

Multifamily update

## **BACKGROUND**

Mary will give an update on the Multifamily Program

## **PROPOSAL**

# Multifamily & RAM Program Dashboard

October 28, 2019

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## LOAN PROGRAMS

	<u>Applications</u>	<u>Active Loans</u>	<u>Outstanding Balance</u>	<u>Available Balance</u>	
<b>Reverse Annuity (RAM)</b>					
RAM		54	\$1,055,244	\$1,448,535	
<b>Housing Montana Fund</b>					
TANF		61	\$269,170	404,900	
Revolving Loans		3	\$835,662	pledged	
AHP		8	\$1,512,117	NA	
<b>Bond Programs</b>					
Regular Program	-	-	11	\$1,008,333	3,384,385
Conduit (2006-2016)	11	\$57,250,000			
Risk Share	-	-	6	\$6,282,085	NA
<b>Housing Credits Assets Administered/Protected</b>					
Allocated			\$561,492,874		
Number of Projects			261		
Number of Families Served			7,954		

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## HOUSING CREDITS (HCs) ALLOCATION

<u>Project</u>	<u>City</u>	<u>Award</u>	<u>HC Year</u>	<u>Status</u>	<u>Owner</u>
Blackfeet VI	Browning	Jan 2017	2017	opening set for October 18, 2019	Blackfeet Housing
Rockcross Commons	Great Falls	Jan 2017	2017	construction underway	GMD/Neighborworks GF
Roosevelt Villas	WP/Culbertson	Jan 2017	2017	asbestos remediation underway	GL Development
Meadows Senior	Lewistown	Nov 2017	2018	8609 paperwork submitted	Theis & Talle
Starnier Gardens 9	Billings	Nov 2017	2018	construction underway	GMD Dev
Copper Ridge/9%	Butte	Nov 2017	2018	construction underway	Butte Aff/Thom Dev
Blue Bunch Flats	Livingston	Nov 2017	2018	construction underway	Homeward
Cottonwood Creek	Deer Lodge	April 2018	2018	closed & foundations poured	GL Development
Freedoms Path	Fort Harrison	Feb 2018	2018	Some units completed	Communities for Veterans
Starnier Gardens 4	Billings	Dec 2017	TE bond	under construction	GMD
Rockcross/4%	Great Falls	Dec 2017	TE bond	under construction	GMD
Copper Ridge	Butte	Dec 2017	TE bond	construction underway	Butte Aff/Thom Dev
Oakwood	Havre	Nov 2018	2019	applying for CTMFH	Affiliated Developer
Meadowlark Vista	Ronan	Nov 2018	2019	returned CDBG funds	Ronan Housing/RCAC
Chapel Court	Billings	Nov 2018	2019	construction underway	St Johns Luth/C.R. Build
Red Alder 9	Helena	Nov 2018	2019	set for mid oct; environmental complete	GL/RMDC
Alpenglow	Whitefish	Nov 2018	2019	ground breaking August; closed	Whitefish HA/Homeward
Red Alder 4	Helena	Nov 2018	2019	set for mid oct; environmental complete	GL/RMDC

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# Operations Dashboard October 2019

## Board Meetings

The next scheduled Board Meeting is Tuesday, April 7, 2020 in Butte. There are no Board Meetings scheduled for November 2019 through March 2020.

## Out of State Board Training

- October 19-22, 2019 - NCSHA Annual Conference – Boston MA (confirmed: Pat, Jeanette and Amber)
- March 9-11, 2020 – NCSHA Legislative Conference – WA D.C. (please confirm interested in attending)
- April 6, 2020 – Board Training – Butte

## Staffing

- Stephanie Crider started as HCV Manager on September 30, 2019.
- Sandra Sysum started as part-time Records Retention Specialist – shared with CDD - on October 7, 2019.
- Todd Foster started as Administrative Assistant on October 15, 2019.
- Several interviews for the open Accountant position were held Wednesday, October 16. The hiring committee hopes to make an offer very soon.

## Website Redesign

Montana Housing, in partnership with the Commerce Communication Team, launched our new, streamlined website on October 15. This was a big undertaking that we completed in just 3 months, and right on deadline. Thank you to the entire Website Redesign Team!

## Procurement

September procurement activities were a continuation on miscellaneous amendments and renewal contracts - CoreLogic (tax service fees for newly boarded loans), HAPPY Software Novation Agreement to MRI Software, and US Bank Master Servicer Agreement. Contracts are either under Commerce legal/fiscal review, with vendors for review or awaiting final execution.

Based on GSE Work Plan tasks and sequencing, we may delay the RFI for third party Quality Control services until we can robustly update our internal Quality Control Plan. Various components of our Quality Control Plan have already been updated, but a robust update will help to inform the RFI process and desired third party quality control scope.

## GSE Seller/Servicer Approval Work Plan

The GSE Work Plan team updated our GSE Work Plan in early October, including identification of work plan tasks to prioritize through year-end. These high priority tasks include: finalizing conventional Mortgage Submission Voucher, completing GSE specific trainings to build our knowledge base (including Freddie Mac technology tools and review of Freddie Mac's Seller/Servicer Guide), closing out our 2019 Lender Recertification process with drafted written procedures, continuing work on an updated Lender Application, and the development of various policies (fraud, anti-money laundering, clean desk/PII).

We are meeting with Freddie Mac during NCSHA in Boston, and are planning for an on-site visit and training with Gina Celli-Marlow from Freddie Mac on November 6, 2019.

Freddie Mac is in the process of review our application, and have not requested any additional information or asked clarifying questions. We were informed they would likely complete their review by the end of October or early November.