



# MONTANA HOUSING

Webinar – 301 S. Park Avenue, Suite 240, Helena MT 59601  
February 10, 2020

## **ROLL CALL OF BOARD**

### **MEMBERS:**

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

### **STAFF:**

Bruce Brensdal, Executive Director	Cheryl Cohen, Operations Manager
Mary Bair, Multifamily Program	Vicki Bauer, Homeownership Program
Penny Cope, Research & Outreach Specialist	Paula Loving, Executive Assistant
Kellie Guariglia, Multifamily Program	Charlie Brown, Homeownership Program
Emilie Saunders, Communications	

### **COUNSEL:**

Greg Gould, Luxan and Murfitt

### **UNDERWRITERS:**

Drew Page, Kutak Rock	Mina Choo, RBC Capital
Patrick Zhang, RBC Capital	

## **FINANCIAL ADVISORS:**

### **OTHERS:**

Geoffrey Anderson	Logan Anderson
Sherrie Arey	Amy Barry
Katie Batterbee	Katie Biggs
Laura Billos	Karen Buckland
Alex Burkhalter	Andrew Chanania
Lori Davidson	Andrea Davis
Steve Dymoke	Kris Keller
Tracy Menez	Liz Mogstad
Eran Pehan	Kaia Peterson

Larry Phillips  
Chandler Rowling  
Rvonda Stordahl  
Eric Wiley  
Greg Dunfield  
Alejandro Lara

Nathan Richmond  
Julie Stiteler  
Shane Walk  
Don Sterhan  
Heather McMilin

*\*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**

- 1:00 Chairman Pat Melby called the Montana Board of Housing (MBOH) meeting to order at 8:34 a.m.
- 0:10 Bruce Brensdal reviewed Board meeting process.
- 1:15 Introductions of Board members and attendees were made.
- 4:00 Chairman Melby asked for public comment on items not listed on the agenda.
- 4:25 Steve Dymoke, GMD Development, presented the Arrowleaf and Perennial Apartments project.
- 14:20 Andrea Davis, Homeword, presented the Trinity Apartments project
- 23:35 Tracy Menuetz, HRDC IX, spoke in support of the Arrowleaf and Perennial Apartments
- 24:35 Chandler Rowling, Good Sam Ministries, introduced herself as the Housing Navigator for Lewis & Clark area and offered her resources.
- 25:15 Larry Phillips and Kaia Peterson (NeighborWorks) introduced to the Board a new loan program to help supplement the Montana Coal Trust Homes program.

### **APPROVAL OF MINUTES**

#### **October 28, 2019 MBOH Board Meeting Minutes – page 5 of packet**

- 26:50 Motion: Johnnie McClusky
- Second: Sheila Rice

The October 28, 2019 MBOH Board meeting minutes were approved unanimously.

### **FINANCE PROGRAM**

#### **Finance Update – page 13 of packet**

27:50 Presenters: Bruce Brensdal presented for Ginger Pfankuch

**HOMEOWNERSHIP PROGRAM**

**2020B Bond Resolution – page 17 of packet**

29:35 Presenters: Vicki Bauer

Motion: Jeanette McKee

Second: Sheila Rice

The Bond Resolution No. 20-0210-SF01 was approved unanimously.

**New Lender Approval Pacific Residential Mortgage – page 23 of packet**

33:15 Presenters: Vicki Bauer

Motion: Bob Gauthier

Second: Jeanette McKee

Pacific Residential Mortgage was approved unanimously as an MBOH participating lender.

**Update DAAHP Program**

37:05 Presenters: Vicki Bauer

**Homeownership Update – page 24 of packet**

40:00 Presenters: Vicki Bauer

**MORTGAGE SERVICING PROGRAM**

**Servicing Update – page 28 of packet**

45:45 Presenters: Vicki Bauer presented for Mary Palkovich

**MULTIFAMILY PROGRAM**

**Bond Resolution – Thomas Development – Emporda (amended) page 29 of packet**

47:45 Presenters: Mary Bair, Drew Page

Motion: Sheila Rice

Second: Johnnie McClusky

Bond Resolution No. 20-0210-MF01 was approved unanimously.

**Bond Resolution – Butte Affordable Housing – Silver Bow Homes, Leggat Apts., Rosalie Manor, Elm Street Apts. – Page 31 of packet**

55:30 Presenters: Mary Bair

Motion: Sheila Rice

Second: Amber Parish

Bond Resolution No. 20-0210-MF02 was approved unanimously.

**Bond Resolution – Hampstead Development Partners – Ponderosa Acres – Page 40 of packet**

01:01:15 Presenters: Mary Bair

Motion: Jeanette McKee

Second: Sheila Rice

Bond Resolution No. 20-0210-MF03 was approved unanimously.

**Multifamily Coal Trust Homes Program – NeighborWorks Great Falls – Golden Valley Homes, Quiet Day Manor – page 50 of packet**

01:03:25 Presenters: Mary Bair

Motion: Sheila Rice

Second: Jeanette McKee

The Board approved of the preliminary loan commitment for the Multifamily Coal Trust Homes program – Golden Valley Homes and Quiet Day Manor, and authorized staff to provide a firm commitment and closing after additional required information is submitted and considered complete according to the Board's program requirements and policies in the Montana Administrative Rules and program requirements (see page 49 of packet).

**Multifamily Coal Trust Homes Program – Echo Enterprise – Highland Manor – page 56 of packet**

01:12:15 Presenters: Mary Bair

Motion: Johnnie McClusky

Second: Amber Parish

The Board approved of the preliminary loan commitment for the Multifamily Coal Trust Homes program – Highland Manor, and authorized staff to provide a firm commitment and closing after additional required information is submitted and considered complete according to the Board's program requirements and policies in the Montana Administrative Rules and program requirements (see page 49 of packet).

**Multifamily Coal Trust Homes Program – Bozeman HRDC IX – Livingston Land Trust Cottages – page 60 of packet**

01:17:20 Presenters: Mary Bair

Motion: Sheila Rice

Second: Jeanette McKee

The Board approved of the preliminary loan commitment for the Multifamily Coal Trust Homes program – Livingston Land Trust, and authorized staff to provide a firm commitment and closing after additional required information is submitted and considered complete according to the Board's program requirements and policies

in the Montana Administrative Rules and program requirements (see page 49 of packet).

**Multifamily Loan – Missoula Housing Authority – Cornerstone – page 69 of packet**

01:24:50 Presenters: Mary Bair

Motion: Jeanette McKee

Second: Sheila Rice

Missoula Housing Authority's request for \$150,000 loan for 30 years at 2% using deallocated bonds was approved unanimously.

**Multifamily Update – page 66 of packet**

01:31:25 Presenters: Mary Bair

**OPERATIONS**

**Operations Update – page 70 of packet**

01:50:50 Presenters: Cheryl Cohen

01:58:20 Sheila Rice recognized Maureen Rude, who retired from NeighborWorks in December 2019, for her dedication to Housing for the last 30 years.

**EXECUTIVE DIRECTOR**

**Executive Director Update – page 4 of packet**

01:59:20 Presenters: Bruce Brensdal

**MEETING ADJOURNMENT**

02:02:30 Meeting was adjourned at 10:35 a.m.

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

4/13/2020

\_\_\_\_\_  
Date

### Certificate Of Completion

Envelope Id: 5A7FCBD3124D43CDA987B48378A94C64	Status: Completed
Subject: Please Sign February 10, 2020 Board Minutes	
Source Envelope:	
Document Pages: 5	Signatures: 1
Certificate Pages: 5	Initials: 0
AutoNav: Enabled	Envelope Originator:
Envelopeld Stamping: Enabled	Paula Loving
Time Zone: (UTC-07:00) Mountain Time (US & Canada)	PO Box 200501
	301 S. Park Ave
	Helena, MT 596200501
	ploving@esign.mt.gov
	IP Address: 161.7.39.7

### Record Tracking

Status: Original	Holder: Paula Loving	Location: DocuSign
4/13/2020 3:08:07 PM	ploving@esign.mt.gov	

### Signer Events

Sheila Rice  
sheilaricemt@outlook.com  
Security Level: Email, Account Authentication (None)

### Signature

Signature Adoption: Drawn on Device  
Using IP Address: 75.143.202.102  
Signed using mobile

### Timestamp

Sent: 4/13/2020 3:10:50 PM  
Viewed: 4/13/2020 8:44:08 PM  
Signed: 4/13/2020 8:44:37 PM

**Electronic Record and Signature Disclosure:**  
Accepted: 4/13/2020 8:44:08 PM  
ID: 1ebfede3-85fb-41c8-b460-d71d04c261b2

### In Person Signer Events

### Signature

### Timestamp

### Editor Delivery Events

### Status

### Timestamp

### Agent Delivery Events

### Status

### Timestamp

### Intermediary Delivery Events

### Status

### Timestamp

### Certified Delivery Events

### Status

### Timestamp

### Carbon Copy Events

### Status

### Timestamp

Paula Loving  
ploving@mt.gov  
Security Level: Email, Account Authentication (None)

COPIED

Sent: 4/13/2020 3:10:50 PM

**Electronic Record and Signature Disclosure:**  
Not Offered via DocuSign

### Witness Events

### Signature

### Timestamp

### Notary Events

### Signature

### Timestamp

### Envelope Summary Events

### Status

### Timestamps

Envelope Sent	Hashed/Encrypted	4/13/2020 3:10:51 PM
Certified Delivered	Security Checked	4/13/2020 8:44:08 PM
Signing Complete	Security Checked	4/13/2020 8:44:37 PM
Completed	Security Checked	4/13/2020 8:44:37 PM

**Payment Events**

**Status**

**Timestamps**

**Electronic Record and Signature Disclosure**

## **ELECTRONIC RECORD AND SIGNATURE DISCLOSURE**

From time to time, MT Dept of Commerce (we, us or Company) may be required by law to provide to you certain written notices or disclosures. Described below are the terms and conditions for providing to you such notices and disclosures electronically through the DocuSign, Inc. (DocuSign) electronic signing system. Please read the information below carefully and thoroughly, and if you can access this information electronically to your satisfaction and agree to these terms and conditions, please confirm your agreement by clicking the 'I agree' button at the bottom of this document.

### **Getting paper copies**

At any time, you may request from us a paper copy of any record provided or made available electronically to you by us. You will have the ability to download and print documents we send to you through the DocuSign system during and immediately after signing session and, if you elect to create a DocuSign signer account, you may access them for a limited period of time (usually 30 days) after such documents are first sent to you. After such time, if you wish for us to send you paper copies of any such documents from our office to you, you will be charged a \$0.00 per-page fee. You may request delivery of such paper copies from us by following the procedure described below.

### **Withdrawing your consent**

If you decide to receive notices and disclosures from us electronically, you may at any time change your mind and tell us that thereafter you want to receive required notices and disclosures only in paper format. How you must inform us of your decision to receive future notices and disclosure in paper format and withdraw your consent to receive notices and disclosures electronically is described below.

### **Consequences of changing your mind**

If you elect to receive required notices and disclosures only in paper format, it will slow the speed at which we can complete certain steps in transactions with you and delivering services to you because we will need first to send the required notices or disclosures to you in paper format, and then wait until we receive back from you your acknowledgment of your receipt of such paper notices or disclosures. To indicate to us that you are changing your mind, you must withdraw your consent using the DocuSign 'Withdraw Consent' form on the signing page of a DocuSign envelope instead of signing it. This will indicate to us that you have withdrawn your consent to receive required notices and disclosures electronically from us and you will no longer be able to use the DocuSign system to receive required notices and consents electronically from us or to sign electronically documents from us.

### **All notices and disclosures will be sent to you electronically**

Unless you tell us otherwise in accordance with the procedures described herein, we will provide electronically to you through the DocuSign system all required notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to you during the course of our relationship with you. To reduce the chance of you inadvertently not receiving any notice or disclosure, we prefer to provide all of the required notices and disclosures to you by the same method and to the same address that you have given us. Thus, you can receive all the disclosures and notices electronically or in paper format through the paper mail delivery system. If you do not agree with this process, please let us know as described below. Please also see the paragraph immediately above that describes the consequences of your electing not to receive delivery of the notices and disclosures

electronically from us.

**How to contact MT Dept of Commerce:**

You may contact us to let us know of your changes as to how we may contact you electronically, to request paper copies of certain information from us, and to withdraw your prior consent to receive notices and disclosures electronically as follows:

To contact us by email send messages to: [docontracts@mt.gov](mailto:docontracts@mt.gov)

**To advise MT Dept of Commerce of your new e-mail address**

To let us know of a change in your e-mail address where we should send notices and disclosures electronically to you, you must send an email message to us at [docontracts@mt.gov](mailto:docontracts@mt.gov) and in the body of such request you must state: your previous e-mail address, your new e-mail address. We do not require any other information from you to change your email address..

In addition, you must notify DocuSign, Inc. to arrange for your new email address to be reflected in your DocuSign account by following the process for changing e-mail in the DocuSign system.

**To request paper copies from MT Dept of Commerce**

To request delivery from us of paper copies of the notices and disclosures previously provided by us to you electronically, you must send us an e-mail to [docontracts@mt.gov](mailto:docontracts@mt.gov) and in the body of such request you must state your e-mail address, full name, US Postal address, and telephone number. We will bill you for any fees at that time, if any.

**To withdraw your consent with MT Dept of Commerce**

To inform us that you no longer want to receive future notices and disclosures in electronic format you may:

- i. decline to sign a document from within your DocuSign session, and on the subsequent page, select the check-box indicating you wish to withdraw your consent, or you may;
- ii. send us an e-mail to [docontracts@mt.gov](mailto:docontracts@mt.gov) and in the body of such request you must state your e-mail, full name, US Postal Address, and telephone number. We do not need any other information from you to withdraw consent.. The consequences of your withdrawing consent for online documents will be that transactions may take a longer time to process..

**Required hardware and software**

Operating Systems:	Windows® 2000, Windows® XP, Windows Vista®; Mac OS® X
Browsers:	Final release versions of Internet Explorer® 6.0 or above (Windows only); Mozilla Firefox 2.0 or above (Windows and Mac); Safari™ 3.0 or above (Mac only)
PDF Reader:	Acrobat® or similar software may be required to view and print PDF files
Screen Resolution:	800 x 600 minimum
Enabled Security Settings:	Allow per session cookies

\*\* These minimum requirements are subject to change. If these requirements change, you will be asked to re-accept the disclosure. Pre-release (e.g. beta) versions of operating systems and browsers are not supported.

**Acknowledging your access and consent to receive materials electronically**

To confirm to us that you can access this information electronically, which will be similar to other electronic notices and disclosures that we will provide to you, please verify that you were able to read this electronic disclosure and that you also were able to print on paper or electronically save this page for your future reference and access or that you were able to e-mail this disclosure and consent to an address where you will be able to print on paper or save it for your future reference and access. Further, if you consent to receiving notices and disclosures exclusively in electronic format on the terms and conditions described above, please let us know by clicking the 'I agree' button below.

By checking the 'I agree' box, I confirm that:

- I can access and read this Electronic CONSENT TO ELECTRONIC RECEIPT OF ELECTRONIC RECORD AND SIGNATURE DISCLOSURES document; and
- I can print on paper the disclosure or save or send the disclosure to a place where I can print it, for future reference and access; and
- Until or unless I notify MT Dept of Commerce as described above, I consent to receive from exclusively through electronic means all notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to me by MT Dept of Commerce during the course of my relationship with you.



# MONTANA HOUSING

---

**Meeting Location: Webinar**

301 S. Park Avenue, Suite 240 – Helena MT 59601  
Phone 406.841.2840

**Date:** Monday, February 10, 2020

**Time:** 8:30 a.m.

**Chairperson:** Pat Melby

**Remote Attendance:** Join our meetings remotely via webinar and phone.

**To hear the meeting, Dial** (877) 273-4202, Access Code: 7233056#

**To register for Webinar, Click:** <https://housing.mt.gov/Meetings-Events-and-Training>

**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. (In only on conference call please email contact information to housing.mt.gov)
- ❖ 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)

- ❖ 2020B Bond Resolution
- ❖ New Lender Approvals Pacific Residential Mortgage

**MISSION STATEMENT:**

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



- ❖ Update DAAHP Program
- ❖ Homeownership Update

## Mortgage Servicing (Manager: Mary Palkovich)

- ❖ Servicing Update

## Multifamily Program (Manager: Mary Bair)

- ❖ Bond Resolutions
  - Thomas Development
    - Emporda (amended)
  - Butte Affordable Housing Solutions
    - Silver Bow Homes; Leggat Apts; Rosalie Manor; Elm Street Apts
  - Hampstead Development Partners
    - Ponderosa Acres Billings MT
- ❖ Multifamily Coal Trust Homes Program
  - NeighborWorks Great Falls (NWGF)
    - Golden Valley Homes Belt Mt
    - Quiet Day Manor Cascade MT
  - Echo Enterprise – Beki Brandborg
    - Highland Manor Havre MT
  - Bozeman HRC IX
    - Livingston Land Trust Cottages
- ❖ Multifamily Loan
  - Missoula Housing Authority
    - Cornerstone
- ❖ Reverse Annuity Mortgage Exceptions (if necessary)
- ❖ Multifamily Update

## Operations (Cheryl Cohen)

- ❖ Operations Update

### **MISSION STATEMENT:**

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



MONTANA  
HOUSING

## 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.

### **MISSION STATEMENT:**

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

# 2020 CALENDAR

January						
Su	Mo	Tu	We	Th	Fr	Sa
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

April						
Su	Mo	Tu	We	Th	Fr	Sa
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30		

July						
Su	Mo	Tu	We	Th	Fr	Sa
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

October						
Su	Mo	Tu	We	Th	Fr	Sa
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

February						
Su	Mo	Tu	We	Th	Fr	Sa
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29

May						
Su	Mo	Tu	We	Th	Fr	Sa
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

August						
Su	Mo	Tu	We	Th	Fr	Sa
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

November						
Su	Mo	Tu	We	Th	Fr	Sa
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30					

March						
Su	Mo	Tu	We	Th	Fr	Sa
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

June						
Su	Mo	Tu	We	Th	Fr	Sa
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30				

September						
Su	Mo	Tu	We	Th	Fr	Sa
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30			

December						
Su	Mo	Tu	We	Th	Fr	Sa
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

## January 2020

No Board Meeting

## February 2020

10 – Board Meeting - Webinar

## March 2020

No Board Meeting

9-11 – NCSHA Legislative Conference – Washington DC

## April 2020

6 – Board Meeting – Webinar

## 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

14 – Strategic Planning – Missoula

15 – 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



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

**ROLL CALL OF BOARD**

**MEMBERS:**

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

**STAFF:**

Bruce Brensdal, Executive Director	Cheryl Cohen, Operations Manager
Mary Bair, Multifamily Program	Vicki Bauer, Homeownership Program
Penny Cope, Research & Outreach Specialist	Ginger Pfankuch, Finance Program
Todd Jackson, Marketing	Paula Loving, Executive Assistant
Kellie Guariglia, Multifamily Program	Julie Hope, Homeownership Program
Ryan Collver, Multifamily Program	Todd Foster, Administrative Assistant
Jeannene Maas, Multifamily Program	Charlie Brown, Homeownership Program
Emilie Sanders, MDOC Communications	

**COUNSEL:**

Greg Gould, Luxan and Murfitt

**UNDERWRITERS:**

John Wagner, Kutak Rock

**FINANCIAL ADVISORS:**

Gene Slater, CSG Advisors

**OTHERS:**

Andrew Chanania, AC Solutions	Jason Boal, BlueLine Development
Diana Hunt, Syringa Housing Corp.	Ryan Hackett, Desert Ridge Investments, Inc
Blake Jumper, The Housing Company	Rusty Snow, Summit Housing Group
Alex Burkhalter, Housing Solutions	Tyler Currence, Housing Solutions
Taylor Hunt, Syringa Housing Corp.	Heather McMilin, Homeword, Inc.
Terry Cunningham, City of Bozeman	Tracy Menez, HRDC IX

Jim Morton, HRC District XI	Tyson O'Connell, Wishcamper Development Partners
Don Sterhan, Mountain Plains Equity Group	Sherrie Arey, NeighborWorks Great Falls
Susan Kohler, Missoula Aging Services	Nancy Nicholson, Project Management
Gene Leuwer, GL Development	Laurie Harris
Rick Wiedeman, RNC	Joan Feuner
Alan Nicholson, Serendipity Apartments	Loren Olson, City of Bozeman
Sharon Haugen, City of Helena	Robert Robinson, HRC District XI
Stacey Umhey, SAFE, Hamilton	
Liz Mogstad, Rocky Mountain Development Council	Adrienne Bombelles, MT Budget and Policy Center
Michael O'Neil, Helena Housing Authority	Gwen Jones, Missoula City Council
Larry Phillips, Neighbor Works Montana	Lori Davidson, Missoula Housing Authority
Michael Gaab	Kathryn Almberg, The Housing Company
Julie Stiteler, Homeword, Inc.	Kaia Peterson, NeighborWorks Montana
Robbie Novak, Open Mortgage	Tim Howard, HCC
Dorothy Cabiro, AmCap Mortgage, Ltd.	John Filz, Ravalli Head Start, Inc.
Mary Millin, Summit Independent Living Center	Lindsey Douglas, Flathead City-County Health Department
Cory Bannister, R4 Capital	Dale McCormick Professional Consultants, Inc.
Mary Christopher, NPC Bank	Annie Zimmerman, The Home Center
Jennifer Wheeler, Glacier Bank	

*\*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 Brensdal 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 Brensdal

***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 Brensdal

**MEETING ADJOURNMENT**

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

---

Sheila Rice, Secretary

---

Date

# BOARD AGENDA ITEM

---

## PROGRAM

Accounting and Finance Program

## AGENDA ITEM

Financial Update

## BACKGROUND

The dashboard included in your information is for the month ending December 31, 2019.

Once again, we have been unable to find short or long-term investments that will outperform the current money market rates but are keeping an eye on the market for any possibilities that might arise. Along with the lower yields comes the lower weighted average yield that has fallen for the last couple months. December did show a slight increase.

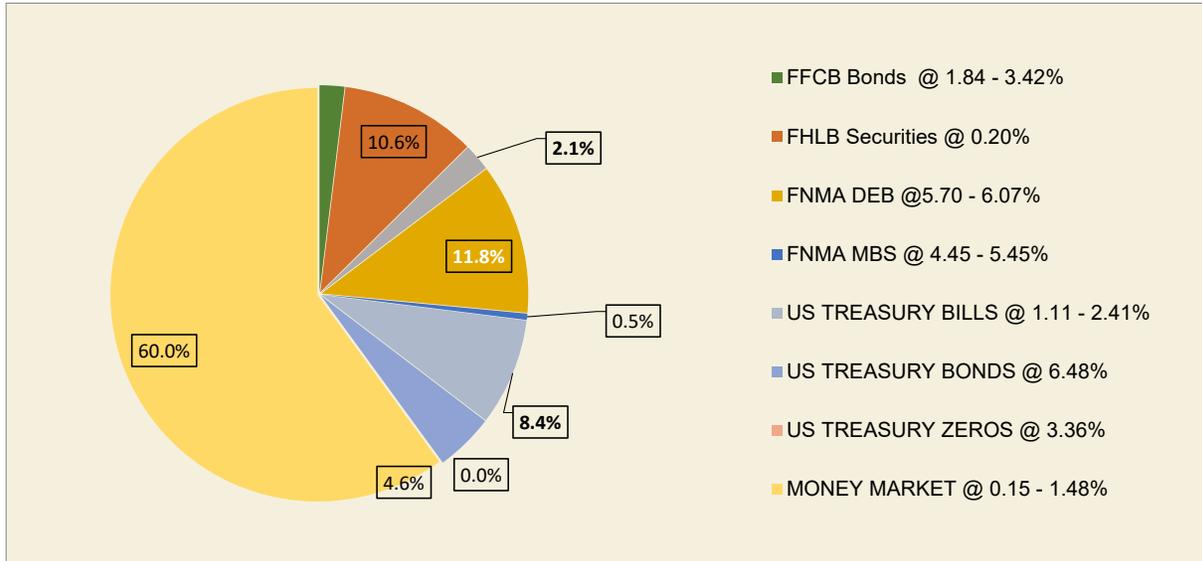
60% of our current investments are the money market funds mentioned previously and are available now. 8.4% of our funds will be available in the next year. These are short-term treasuries. 31.1 percent will mature from 1 to 15 years from now. These are comprised of one long-term treasury and other federally secured securities. The final 0.5% are comprised of Mortgage Backed Securities (MBS) that will mature between 2036 and 2039. The next page lists each of the securities held and their maturity dates.

The final page is the unaudited balance sheet comparison between December of 2018 and 2019. Liabilities have increased due to the issuance of bonds and there was a corresponding increase in assets due to the increase in Mortgage Loans Receivable.

# Accounting & Finance Dashboard

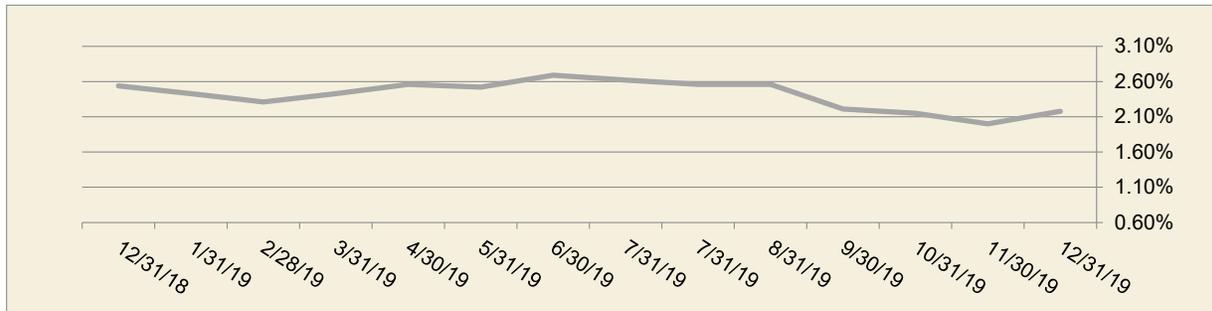
## Data as of December 31, 2019

### 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 December 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
\$ 62,764,962	\$ 8,778,000	\$ 17,951,000	\$ 12,318,000	\$ 2,225,000	\$ 512,340	\$ -	\$ 104,549,302

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

<b>Maturity Date</b>	<b>Trustee Bank</b>	<b>Investment Type</b>	<b>Par Value</b>
12/31/2019	US Bank Corporate Tr	US BANK MONEY M	3,087,624.03
12/31/2019	Wilmington Trust	WT GOLDMAN SACH	59,677,337.67
05/24/2021	Wilmington Trust	FFCB	1,230,000.00
11/29/2021	Wilmington Trust	FHLB	11,120,000.00
08/15/2025	Wilmington Trust	T-NOTES & BONDS	4,796,000.00
04/30/2026	Wilmington Trust	FNMA DEB	4,613,000.00
09/27/2027	Wilmington Trust	FNMA DEB	4,070,000.00
11/26/2027	Wilmington Trust	FNMA DEB	3,635,000.00
07/15/2032	Wilmington Trust	FHLMC BOND	2,225,000.00
02/01/2036	Wilmington Trust	FNMA MBS	51,003.96
05/01/2036	Wilmington Trust	FNMA MBS	27,860.33
07/01/2036	Wilmington Trust	FNMA MBS	71,710.99
03/01/2037	Wilmington Trust	FNMA MBS	135,190.80
08/01/2037	Wilmington Trust	FNMA MBS	38,182.24
08/01/2038	Wilmington Trust	FNMA MBS	62,445.14
12/01/2038	Wilmington Trust	FNMA MBS	65,453.37
12/01/2039	Wilmington Trust	FNMA MBS	60,493.61
01/30/2020	US Bank Corporate Tr	T-BILLS	4,013,000.00
01/30/2020	Wilmington Trust	T-BILLS	1,410,000.00
11/14/2022	Wilmington Trust	FFCB	805,000.00
05/31/2020	Wilmington Trust	T-BILLS	332,000.00
11/30/2020	Wilmington Trust	T-BILLS	3,023,000.00
<b>Total</b>			<b>104,549,302.14</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

Unaudited Financial Data for month ending December 31, 2019

<i>(Dollars in Thousands)</i>	2nd Qtr FY2020	2nd Qtr FY2019	Change
<b>Assets:</b>			
Cash and Cash Equivalents	73,016	71,481	1,535
Investments	50,707	44,645	6,062
Mortgage Loans Receivable, Net	535,133	516,637	18,496
Corporate Advance	183	631	(448)
Interest Receivable	4,104	4,687	(583)
Prepaid Expenses	2	0	2
Acquisition Costs	2,281	2,380	(99)
Capital Assets, Net	1	1	(0)
<b>Total Assets</b>	<b>665,427</b>	<b>640,463</b>	<b>24,964</b>
<b>Deferred Outflow of Resources</b>	<b>666</b>	<b>781</b>	<b>(115)</b>
<b>Liabilities:</b>			
Accounts Payable	186	215	(29)
Funds Held for Others	6,970	7,575	(605)
Accrued Interest - Bond Payable	1,468	1,396	72
Bonds Payable, Net	493,851	472,613	21,238
Arbitrage Rebate Payable	731	652	79
Accrued Compensated Absences	302	280	22
Net Pension Liability	1,836	2,279	(443)
OPEB Liability	52	52	0
<b>Total Liabilities</b>	<b>505,396</b>	<b>485,061</b>	<b>20,335</b>
<b>Deferred Outflow of Resources</b>	<b>429</b>	<b>81</b>	<b>348</b>
Revenues	13,950	13,140	810
Expenses	11,155	10,541	614
<b>Income (Loss)</b>	<b>2,795</b>	<b>2,599</b>	<b>196</b>

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

# BOARD AGENDA ITEM

---

## PROGRAM

Homeownership Program

## AGENDA ITEM

Approval of Bond Resolution 20-0210-SF01

## BACKGROUND

The attached Resolution approves the issuance of fixed or variable rate Mortgage Revenue Bonds in an aggregate principal amount not to exceed \$75,000,000 to finance loans or refund bonds previously issued for such purpose or both.

The resolution is written to give us the flexibility to issue bonds under any of the three indentures and to refund bonds from any of the three indentures.

This resolution is the same as the one approved for the 2020A issue, in that this resolution allows for a Floating Rate Note as a variable rate option and it includes the authority to enter into a standby bond purchase (liquidity) agreement and a remarketing agreement in case it is needed. In addition, it includes the authority to enter into a Continuing Covenant Agreement with the purchaser, which is a document typically required by a purchasing bank when FRN's are privately placed.

As of February 3, we had just over \$7,000,000 left to reserve in the 2020A issue. Our current lending rates are 3.5% with no DPA, 3.75% with DPA and our set-aside rate is 3.25%.

This resolution will allow us to move forward with a new bond issue this spring once the 2020A issue is fully reserved.

## PROPOSAL

Staff requests that the Board approve the attached resolution.

RESOLUTION NO. 20-0210-SF01

A RESOLUTION OF THE MONTANA BOARD OF HOUSING MAKING FINDINGS WITH RESPECT TO HOUSING NEEDS WITHIN MONTANA; APPROVING THE ISSUANCE AND DELIVERY OF, AND AUTHORIZING THE DETERMINATION OF CERTAIN TERMS OF, ONE OR MORE NEW ISSUES OF SINGLE FAMILY BONDS IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$75,000,000, WITH FIXED OR VARIABLE RATES, TO FINANCE LOANS, REFUND OUTSTANDING BONDS OR BOTH; APPROVING THE SALE OF SAID BONDS PURSUANT TO A PURCHASE CONTRACT; APPROVING THE SUPPLEMENTAL TRUST INDENTURE, PRELIMINARY OFFICIAL STATEMENT AND FINAL OFFICIAL STATEMENT IF THE BONDS ARE SOLD TO THE PUBLIC, CONTINUING DISCLOSURE AGREEMENT AND OTHER DOCUMENTS RELATED THERETO; AUTHORIZING THE EXECUTION OF SUCH DOCUMENTS; AND PROVIDING FOR OTHER MATTERS PROPERLY RELATING THERETO.

WHEREAS, the Montana Board of Housing (the “Board”) is authorized pursuant to the Montana Housing Act of 1975, Montana Code Annotated, Sections 90-6-101 through 90-6-127, as amended (the “Act”), to issue and refund its bonds and to purchase mortgage loans or mortgage-backed securities 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 of Montana (the “State”); and

WHEREAS, the Board has previously implemented mortgage purchase programs in order to finance single family dwellings in the State for families and persons of lower income; and

WHEREAS, the Board intends to issue its Single Family Mortgage Bonds, Single Family Program Bonds or Single Family Homeownership Bonds, in one or more series or subseries in an aggregate principal amount not to exceed \$75,000,000 with fixed or variable rates (the “New Series Bonds”), under the provisions of either the Trust Indenture dated March 7, 1977, as restated and amended, the Trust Indenture dated August 16, 1979, as amended, or the Trust Indenture dated as of December 1, 2009 (each, the “General Indenture”), each between the Board and Wilmington Trust, National Association (as successor trustee), as trustee, which New Series Bonds will be used to finance mortgage loans to provide additional moneys to finance single family dwellings in the State pursuant to the Mortgage Purchase and Servicing Guide and the forms of the Invitation to Participate and Notice of Acceptance previously approved by the Board, and to fund certain reserve funds, if necessary, or to refund bonds previously issued for such purpose; and

WHEREAS, a Supplemental Trust Indenture (the “Supplemental Indenture”) (together with the General Indenture under which the New Series Bonds are to be issued, which it supplements, the “Trust Indenture”), between the Board and Wilmington Trust, National Association (as successor trustee), as Trustee, will be prepared in substantially the form of such document previously approved by the Board and used in connection with the issuance of the Single Family Mortgage Bonds, 2020 Series A (the “2020 Series A Bonds”) with appropriate changes as hereinafter described, whereby the Board would issue the New Series Bonds subject to the terms, conditions and limitations established in the Trust Indenture; and

WHEREAS, if the New Series Bonds are to be sold to the public, a Preliminary Official Statement (the “Preliminary Official Statement”) will be prepared in substantially the form of such document previously approved by the Board and used in connection with the marketing of the 2020 Series A Bonds, containing certain information relating to the Board, the Trust Indenture and the New Series Bonds, and which will be distributed to the prospective purchasers of such New Series Bonds and others by a group of investment dealers and brokers represented by RBC Capital Markets, LLC (the “Underwriters”); and

WHEREAS, a Continuing Disclosure Agreement (the “Continuing Disclosure Agreement”) will be prepared in substantially the form of such document previously approved by the Board and used in connection with the sale of each series of the 2020 Series A Bonds containing the agreement of the Board to annually update certain financial and operating information in the final Official Statement (as hereinafter described) and to timely provide notice of the occurrence of certain specified events; and

WHEREAS, a purchase contract (the “Purchase Contract”), to be dated the date of sale of the New Series Bonds, between the Board and the Underwriters (or if the New Series Bonds are sold to a single institutional investor, such investor) will be prepared in substantially the form of such document previously approved by the Board and used in connection with the sale of the 2020 Series A Bonds, pursuant to which the Board would agree to sell and the New Series Bonds purchaser would agree to purchase the New Series Bonds, at the prices and upon the terms and conditions therein set forth;

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

**Section 1. Findings.**

(a) The Board hereby finds and determines:

(i) that the homes to be financed through the issuance of New Series Bonds, and the purchase by the Board from proceeds thereof of mortgage loans or mortgage-backed securities as contemplated by the Trust Indenture, constitute “housing developments” within the meaning of Section 90-6-103(8) of the Act; and

(ii) that the housing market area to be served by homes to be financed as aforesaid consists of the entire State of Montana.

(b) In accordance with Section 90-6-109 of the Act, the Board previously found and hereby confirms:

(i) that there exists a shortage of decent, safe and sanitary housing at rentals or prices which persons and families of lower income can afford within the general housing market area to be served;

(ii) that private enterprise has not provided an adequate supply of decent, safe and sanitary housing in the housing market area at rentals or prices which persons or families of lower income can afford, or provided sufficient mortgage financing for homes for occupancy by persons or families of lower income;

(iii) that the conditions, restrictions and limitations contained in the Trust Indenture and contained in the program documents relating to the mortgage loans financed thereby and to be financed are sufficient to ensure that the homes will be well planned and well designed so as to constitute decent, safe and sanitary housing and that the “housing sponsors” (as defined in Section 90-6-103(10) of the Act) are financially responsible;

(iv) that the homes financed and to be financed which are referred to in paragraph (a) above will be of public use and will provide a public benefit, taking into account the existence of local government comprehensive plans, housing and land use plans and regulations, area-wide plans and other public desires;

(v) that the homes financed and to be financed with the proceeds of the New Series Bonds do not involve the construction of “second homes,” which are defined in the Act to mean homes which would not qualify as the primary residence of the taxpayer for federal income tax purposes relating to capital gains on the sale or exchange of residential property; and

(vi) that the findings required by Section 90-6-109(1)(f) of the Act are inapplicable because the homes financed by the New Series Bonds do not involve direct loans.

**Section 2. Approval of Supplemental Indenture.** A Supplemental Indenture for each series of New Series Bonds is hereby approved in the form described above (and reflecting the provisions of the New Series Bonds consistent with the parameters set forth in the following Section) and the Chairman or the Vice Chairman of the Board is hereby authorized and directed to execute and deliver the Supplemental Indenture with such changes, insertions or omissions therein as may be approved by such Chairman or Vice Chairman, such approval to be evidenced conclusively by such execution of the Supplemental Indenture, and the Treasurer, the Secretary or any other member of the Board is hereby authorized and directed to attest thereto.

**Section 3. Authorization of Bonds.** The issuance, sale and delivery of the Board’s New Series Bonds, in one or more series or subseries, is hereby authorized and approved, subject to the following provisions. The New Series Bonds shall be issued in an aggregate principal amount (not to exceed \$75,000,000, mature on the date or dates (but no more than 40 years from the date of issuance), bear interest at the rate or rates (which may be fixed or variable rate, initially not exceeding 6.0% per annum and in no case to exceed 14%), be sold to the bond purchaser(s) for an amount (but not less than 98.5% of the principal amount of the Bonds), be subject to optional, special optional, mandatory and sinking fund redemption, be subject to mandatory or optional tenders and convertible into fixed or variable rate bonds, be issued under the related General Indenture, and have such other terms and provisions, all as are determined by the Chairman and Executive Director (with the advice of such members of the Board as are available upon the pricing of such New Series Bonds) and definitively set forth in the related Supplemental Indenture or Purchase Contract upon execution and delivery as authorized in Sections 2 and 5 hereof. The New Series Bonds shall be executed and delivered substantially in the form set forth in the Trust Indenture, with such additions, omissions and changes as are required or permitted by the Trust Indenture. The New Series Bonds shall be executed in the name of the Board by the Chairman or the Vice Chairman of the Board, and attested to by the Secretary or the Treasurer, each of whom is hereby appointed as an Authorized Officer (as such term is defined in the Trust Indenture) for purposes of executing and attesting the New Series Bonds. Such signatures may be in facsimile, provided, however, that such New Series Bonds shall not be valid or obligatory for any purpose until authenticated by the manual signature of an authorized officer of the Trustee.

**Section 4. Approval of Preliminary Official Statement and Official Statement.** If the New Series Bonds are to be sold to the public through the Underwriters, a Preliminary Official Statement for a series of New Series Bonds is hereby approved in the form described above, with such changes, insertions or omissions therein as may be approved by the Executive Director, and the Chairman or the Vice Chairman of the Board is hereby authorized to execute and deliver a final official statement (the “final Official Statement”) substantially in the form of the Preliminary Official Statement with such changes, insertions or omissions therein as may be approved by the Chairman or Vice Chairman, such approval to be evidenced conclusively by such execution of the final Official Statement.

**Section 5. Approval of Purchase Contract and Sale of the Bonds.** A Purchase Contract for a series of New Series Bonds is hereby approved in the form described above and the execution of the

Purchase Contract by the Chairman, the Vice Chairman or Executive Director of the Board is hereby authorized and directed in order to effectuate the sale of the related New Series Bonds with such changes, insertions or omissions therein as may be approved by such person, such approval to be evidenced conclusively by such execution of the Purchase Contract.

**Section 6. Authorization of Standby Bond Purchase Agreement, Continuing Covenant Agreement and/or Remarketing Agreement.** If any New Series Bonds are subject to optional or mandatory tender, the Chairman or Vice Chairman of the Board or the Executive Director are authorized to negotiate, execute and deliver one or more (1) standby bond purchase or similar agreements with a financial institution, with a rating of no less than “A1” or the equivalent by Moody’s Investors Service, Inc., whereby such institution agrees to purchase (or provide the Board with funds to purchase) tendered bonds, (2) continuing covenant agreements with the purchaser of such New Series Bonds which agreements may set forth additional covenants with respect to such New Series Bonds, and/or (3) remarketing agreements with any Board approved underwriter with respect to the remarketing of any tendered bonds; such agreements to have such terms and conditions, and provide for the payment by the Board of such fees, as are determined by the Chairman and Executive Director to be in the best interests of the Board, such determinations to be evidenced conclusively by the execution thereof.

**Section 7. Approval of Continuing Disclosure Agreement.** A Continuing Disclosure Agreement for a series of New Series Bonds is hereby approved in the form described above, and the Chairman or Vice Chairman of the Board or the Executive Director is authorized and directed to execute and deliver the same with such changes, insertions or omissions therein as may be approved by such person, such approval to be evidenced conclusively by such execution of the Continuing Disclosure Agreement.

**Section 8. Approval of Program Documents.** The Executive Director and Single Family Program Manager are hereby authorized to continue to use the form of the Mortgage Purchase and Servicing Guide, Invitation to Participate and Notice of Acceptance presently in use, and to the extent they deem necessary and appropriate, the Executive Director and Single Family Program Manager are authorized to execute and deliver the same, with such changes, insertions or omissions therein as may be approved by such person, to continue the Single Family Program.

**Section 9. Ratification of Prior Actions.** All action previously taken by the officers, members or staff of the Board with respect to the Trust Indenture, a Preliminary Official Statement, a Purchase Contract and the New Series Bonds is hereby approved, confirmed and ratified.

**Section 10. Execution of Documents.** In the event of the absence or disability of the Chairman, the Vice Chairman or the Treasurer of the Board, or if for any other reason any of them are unable to execute the documents referred to in this Resolution, such documents may be executed by another member of the Board or by the Single Family Program Manager or the Accounting and Finance Manager, with the same effect as if done by the Chairman, the Vice Chairman or the Treasurer of the Board and without the further authorization of the Board. The execution of such documents by such member shall be conclusive evidence of his or her authority to so act.

**Section 11. Execution of Tax Certificate and Declaration of Intent.** The Chairman, the Vice Chairman or the Executive Director of the Board is hereby authorized to issue certifications as to the Board’s reasonable expectations regarding the amount and use of the proceeds of the New Series Bonds as described in Section 148 of the Internal Revenue Code of 1986, as amended. The Board also hereby declares its intention, within the meaning of Section 1.150-2 of the Internal Revenue Code regulations, to facilitate continuous funding of its Single Family Program (as described above) by, from time to time, financing mortgage loans and then issuing bonds in an amount to be determined by the Board in one or more series within 18 months thereof to reimburse itself for such financing, which reimbursement amount

is presently expected to not exceed \$75,000,000 (or such greater reimbursement amount as may from time to time be determined by written declaration of the Executive Director), provided that this declaration does not obligate the Board to issue any such bonds.

**Section 12. Additional Actions Authorized.** The Chairman, the Vice Chairman, the Secretary or any other member of the Board, and the Executive Director and Treasurer, the Single Family Program Manager and the Accounting and Finance Manager, acting alone or acting with others, are hereby authorized and directed to execute and deliver any or all other documents which may be required under the terms of the Trust Indenture and a Purchase Contract, and to take such other action as may be required or appropriate for the performance of the duties imposed thereby or to carry out the purposes thereof, and the members and officers named above are hereby designated as Authorized Officers for such purposes.

**Section 13. Effective Date.** This Resolution shall become effective immediately.

ADOPTED by the Montana Board of Housing this 10<sup>th</sup> day of February, 2020.

MONTANA BOARD OF HOUSING

Attest:

By \_\_\_\_\_  
Patrick E. Melby, Chairman

By \_\_\_\_\_  
Bruce Brensdaal, Treasurer/Executive Director

# BOARD AGENDA ITEM

---

## PROGRAM

Homeownership Program

## AGENDA ITEM

Lender Approval – Pacific Residential Mortgage

## BACKGROUND

Pacific Residential Mortgage was founded in 2004 based in Lake Oswego, Oregon, with branches and state licensing throughout Oregon, Washington, Idaho and 20 other states.

Pacific Residential Mortgage has an office located in Bozeman where they have staff who have experience with Board programs.

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 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 and per their financial statements, Pacific Residential 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 Pacific Residential Mortgage as a participating lender for Montana Board of Housing.

# Homeownership Program Dashboard

February 3, 2020

## RATES

	<u>CURRENT</u>	<u>LAST MONTH</u>	<u>LAST YEAR</u>
MBOH	3.50	3.50	4.50
Market	3.37	3.45	4.34
10 yr treasury	1.54	1.80	2.70
30 yr Fannie Mae	2.93	3.25	3.96

## LOAN PROGRAMS

	<u>Jan RESERVATIONS</u>	<u>AMOUNT</u>	<u>TOTAL NUMBER</u>	<u>AMOUNT</u>	<u>ORIGINAL AMOUNT</u>	<u>BALANCE</u>
<b>REGULAR PROGRAM</b>						
Series 2020A(10.18.19)	30	5,465,958	131	22,938,822	30,000,000	7,061,178
2020A DPA(10.18.19)	15	125,765	53	442,331	880,000	437,669
80% Combined (20+)	0	0	104	13,741,759	reg bond	
<b>SET-ASIDE PROGRAMS</b>						
MBOH Plus	1	6,035	386	2,300,900	Revolving	40,599
Set-aside Pool (7.1.19)	6	965,328	32	4,860,381	FY2020	
NeighborWorks	1	177,777	8	1,137,008		
CAP NWMT CLT			2	243,484		
Missoula HRDC XI						
Bozeman HRDC IX	2	329,819	6	1,015,824		
Home\$tart	2	308,592	3	369,540		
HUD 184						
Dream Makers						
Sparrow Group			1	137,464		
City of Billings	1	149,140	12	1,957,061		
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	4	473,114	3,377,290	2,904,176
Montana Street	0	0	5	506,910	1,000,000	493,090
<b>OTHER PROGRAMS</b>						
Veterans (Orig)	5	810,409	358	68,178,963	Revolving	1,115,411
910 Mrtg Cr Cert (MCC)	7	1,634,352	261	59,387,485	60,000,000	612,515

## DECEMBER CHANGES

	<u># loans</u>	<u>Princ Bal</u>	<u># loans</u>	<u>Princ Bal</u>	
<b>Nov Balance</b>	<b>5,663</b>	<b>513,494,966.94</b>	<b>5,517</b>	<b>495,617,049.34</b>	January
Dec Purchases (1st)	42	7,321,408.15	449	76,895,252.15	
Dec Purchases (2nd)	23	171,970.04	242	1,559,612.90	
Dec Amortization		(1,329,466.59)		(15,814,906.37)	
Dec Payoffs	(36)	(3,388,571.52)	(487)	(39,790,400.35)	
Dec Foreclosures	(5)	(348,292.98)	(34)	(2,544,593.63)	
<b>December Balance</b>	<b>5,687</b>	<b>515,922,014.04</b>	<b>5,687</b>	<b>515,922,014.04</b>	December

## DELINQUENCY AND FORECLOSURE RATES

	MONTANA BOARD OF HOUSING			MORTGAGE BANKERS ASSOC. 9/2019 <small>(most recent available)</small>		
	<u>Dec-19</u>	<u>Nov-19</u>	<u>Dec-18</u>	<u>Montana</u>	<u>Region</u>	<u>Nation</u>
30 Days	1.51	1.32	1.58	1.51	1.76	2.34
60 Days	0.61	0.60	0.69	0.45	0.55	0.78
90 Days	<u>0.69</u>	<u>0.78</u>	<u>0.69</u>	<u>0.47</u>	<u>0.59</u>	<u>0.97</u>
Total Delinquencies	2.81	2.70	2.96	2.43	2.90	4.09
In Foreclosure	0.72	0.67	0.54	0.46	0.42	0.84

## LOAN PURCHASES BY LENDER

	DECEMBER		2019 YTD	
	<u>1st</u>	<u>DPA</u>	<u>1st</u>	<u>DPA</u>
FIRST SECURITY BOZEMAN 061			13	8
1ST COMMUNITY BK GLASGOW 095	3	3	17	16
1ST SECURITY BK MISSOULA 133	1		9	
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			3	3
BANK OF BRIDGER 354			1	
STOCKMAN BANK OF MT MILES 524	5	3	47	20
FIRST INTERSTATE BANK-WY 601	4	2	35	14
U.S. BANK N.A. 617			2	
OPPORTUNITY BANK 700	2	1	54	25
FIRST FEDERAL BANK & TRUST 731			3	2
WESTERN SECURITY BANK 785			5	
GLACIER BANK KALISPELL 735	4	2	20	3
MANN MORTGAGE 835	8	3	77	49
GUILD MORTGAGE COMPANY 842	1	1	35	20
UNIVERSAL 843	3	3	27	19
FAIRWAY INDEPENDENT MRTG 847	4	2	55	37
CORNERSTONE HOME LENDING 850			3	
BAY EQUITY LLC 853			13	13
LENDUS LLC 854	3	2	21	11
MISSOULA FEDERAL C U 901			3	
Grand Count	39	23	449	242

## MBOH DECEMBER PORTFOLIO

	<u># of loans</u>	<u>\$ of loans</u>	<u>% of #</u>	<u>% of \$</u>	
<b>FHA</b>	2,942	291,585,941	52%	57%	
<b>RD</b>	1,249	136,268,777	22%	27%	
<b>VA</b>	396	51,291,024	7%	10%	
<b>HUD184</b>	57	4,346,734	1%	1%	
<b>PMI</b>	69	6,084,607	1%	1%	
<b>Uninsured 1st</b>	230	22,041,961	4%	4%	
<b>Uninsured 2nd</b>	744	4,302,970	13%	1%	
	5,687	\$ 515,922,014			
<b>Serviced by MBOH</b>	4,938	\$ 447,717,123	87%	87%	
<b>December 2018 Balance</b>	5,517	\$ 495,617,049	3.08%	4.10%	percent of increase

### Weighted Average Interest Rate 4.094%

	<u># of loans</u>	<u>\$ of loans</u>
0 - 2.99%	577	\$ 19,491,140
3 - 3.99%	1713	\$228,645,904
4 - 4.99%	1383	\$164,124,961
5 - 5.99%	1351	\$ 77,948,699
6 - 6.99%	574	\$ 23,473,731
7 - 7.99%	83	\$ 2,213,372
8 - 8.99%	6	\$ 24,207

## LENDER/REALTOR/PARTNER OUTREACH

### Date

6-Nov MBOH Staff  
8-Nov Julie  
14-Nov Julie Vicki  
25-Nov Julie  
27-Nov Julie  
5-Dec Julie  
16-Dec Julie  
27-Jan Vicki

### Event

Freddie Mac Onsite Visit  
Webinar Training - Open Mortgage  
NWMT Partner Call  
Webinar Training - Major Mortgage/Amcap  
Webinar Training - Clearwater CU  
Webinar Training - Major Mortgage/Amcap Closing Dept  
Webinar Training - First Interstate Bank  
NWMT Partner Call

RECEIVED

JAN 24 2020

MONTANA BOARD OF  
HOUSING

NATHAN BILYEU  
DAVID C. DALTHORP  
ERIN LYNDES  
SEAN SLANGER  
SCOTT M. SVEE  
BURT W. WARD  
MURRY WARHANK

JACKSON, MURDO & GRANT, P.C.

ATTORNEYS AT LAW  
203 North Ewing Street  
Helena, MT 59601

OF COUNSEL  
TERRY B. COSGROVE  
JOHN H. GRANT  
DAVID L. JACKSON  
JACQUELINE T. LENMARK  
ROBERT M. MURDO

Direct Dial: (406) 513-1122  
Fax: (406) 443-7033  
Email: [jgrant@jmgm.com](mailto:jgrant@jmgm.com)

January 23, 2020

Vicki Bauer  
Homeownership Program Manager  
Montana Board of Housing  
P.O. Box 200550  
Helena, MT 59620-0550

Re: Commendation Letter - Doug Jensen

Dear Vicki,

Doug Jensen does an excellent job as a representative of the Montana Board of Housing.

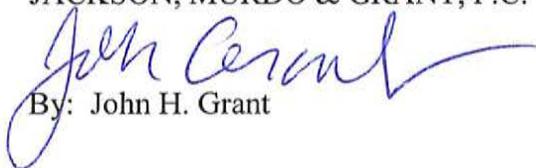
Yesterday, January 22, 2020, I appeared in District Court in Great Falls to have a special administrator appointed in the Rodriguez matter. Doug Jensen was the witness for the Montana Board of Housing. He did an outstanding job. The judge listened to his testimony and immediately ruled in our favor. To paraphrase an EF Hutton commercial, "When Doug speaks the Court listens."

I have worked with Doug for a number of years. He has testified numerous times in many cases. He does a tremendous job of preparing to testify. I never have to check the accuracy of the information that Doug provides since he has already verified it himself. He reviews the loan documents before the hearing, knows the relevant facts, such as the amount owned, the condition of the property, the date of the last payment, the amounts advanced by the board, the occupants of the property, and the efforts to communicate with the borrower and occupants.

While we work with him daily and he does an excellent job, he shines especially bright when he takes the witness stand.

Thank you for making him available. MBOH's reputation in these matters is enhanced by Doug's presence.

Very truly yours,  
JACKSON, MURDO & GRANT, P.C.

  
By: John H. Grant

## Mortgage Servicing Program Dashboard Effective 1/31/20

	Last Year	Last Month	This Month
MONTH	JAN 2019	DEC 2019	JAN 2020
PORTFOLIO TOTAL LOANS	5140	5287	5313
MBOH	4834	4958	4978
BOI	290	315	321
MULTI FAMILY	16	14	14
PRINCIPAL (all loans)	\$ 487,795,234.19	\$ 506,514,406.60	\$ 509,521,767.67
ESCROW (all loans)	\$ 4,861,191.17	\$ 5,192,533.66	\$ 6,164,906.58
LOSS DRAFT (all loans)	\$ 587,274.74	\$ 1,604,490.63	\$ 1,680,196.79
LOANS DELINQUENT (60+ days)	165	179	177
ACTUAL FORECLOSURE SALES IN MONTH	2	3	2
FORECLOSURES TOTAL CALENDAR YEAR	2	18	2
DELINQUENT CONTACTS TO MAKE	732	518	508
LATE FEES - NUMBER OF LOANS	767	755	756
LATE FEES - TOTAL AMOUNT	\$ 21,564.21	\$ 21,691.21	\$ 21,905.69
PAYOFFS	34	35	37
NEW LOANS/TRANSFERS	132	52	66

## 2020 Monthly Servicing Report

LOSS MITIGATION	JAN 2020	<b>HUD's National Servicing Center TRSII Reporting FY19 Final Score 90.91% Tier 1 - Grade A</b>
ACTIVE FINANCIALPACKETS	4	
REPAYMENT/FORBEARANCE	30	
SHORT SALE	0	
DEED IN LIEU	0	
HAMPS/PARTIAL CLAIMS & MODS PNDG	5	
PRESERVATION PROPERTIES	6	
REAL ESTATE OWNED PROPERTIES	2	
CHAPTER 13 BANKRUPTCIES	18	

# BOARD AGENDA ITEM

---

## **PROGRAM**

Multifamily Program

## **AGENDA ITEM**

Emporda bond resolution amendment.

## **BACKGROUND**

Resolution No. 19-0807-MF02 (approved August 7, 2019)

## **PROPOSAL**

Staff recommends approval of the amendment

**RESOLUTION NO. 20-0210-MF01**

AMENDING RESOLUTION NO. 19-0807-MF02 TO AFFIRM THAT THE OBLIGATION OF THE BOARD AND THE MORTGAGE LOAN PREVIOUSLY AUTHORIZED BY RESOLUTION NO. 19-0807-MF02 MAY EACH BEAR INTEREST AT A FLOATING RATE .

WHEREAS, the Montana Board of Housing (the “Board”) adopted Resolution No. 19-0807-MF02 on August 7, 2019 to authorize the Board to borrow an aggregate principal amount not to exceed \$3,600,000 from Cedar Rapids Bank & Trust (the “Lender”) pursuant to a Funding Loan Agreement, the obligation to repay such borrowing to be evidenced by a non-recourse revenue debt obligation (the “Obligation”) to be issued to the Lender and to use the proceeds of such borrowing to finance a mortgage loan to Emporda Apartments LLC, a Montana limited liability company, (the “Borrower”) pursuant to a Borrower Loan Agreement (the “Mortgage Loan”) to finance the acquisition, construction and equipping of the Emporda Apartments, a 36-unit new construction affordable housing development located in Corvallis, Montana (the “Project”); and

WHEREAS, since that time the Borrower has determined that it is in the best interests of the Borrower and the Project that the Mortgage Loan and the Obligation bear interest at a variable rate;

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

**Section 1.** That Resolution No. 19-0807-MF02 is hereby amended to provide that the Mortgage Loan may bear interest at a fixed or floating rate and that the Obligation may bear interest at a fixed or floating rate no greater than the net rate paid by the Borrower on the Mortgage Loan.

**Section 2. Effective Date.** This Resolution shall become effective immediately.

ADOPTED by the Montana Board of Housing this 10<sup>th</sup> day of February, 2010.

MONTANA BOARD OF HOUSING

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

Attest:

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

# BOARD AGENDA ITEM

---

## PROGRAM

Multifamily Program

## AGENDA ITEM

Butte Affordable Housing Solutions (Silver Bow Homes, Leggat Apartments, Rosalie Manor, Elm Street Apartments) – Tax exempt bond resolution

## BACKGROUND

The scattered site in Butte is an acquisition rehab 4% transaction consisting of 343 homes and are currently owned by the Public Housing Authority of Butte and are being converted to a RAD Project Based Section 8 with a 20-year HAP contract.

These projects will need to finish the underwriting process as well as meet all other bond requirement such as TEFRA hearings and an application for bond cap.

## PROPOSAL

Staff has reviewed the proposals. Staff proposes the resolution be approved. All other requirements will need to be meet as usual including underwriting.

## RESOLUTION NO. 20-0210-MF02

A RESOLUTION OF THE MONTANA BOARD OF HOUSING MAKING FINDINGS WITH RESPECT TO HOUSING NEEDS WITHIN MONTANA; APPROVING THE ISSUANCE OF ITS MULTIFAMILY HOUSING REVENUE BONDS (BUTTE PROJECTS) SERIES 2020 IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$55,000,000; APPROVING THE SALE OF SAID BONDS PURSUANT TO A BOND PURCHASE AGREEMENT; APPROVING THE TRUST INDENTURE, LOAN AGREEMENT AND OTHER RELATED DOCUMENTS; AUTHORIZING THE EXECUTION OF SUCH DOCUMENTS; AND PROVIDING FOR OTHER MATTERS PROPERLY RELATING THERETO.

WHEREAS, the Montana Board of Housing (the “Board”) is authorized pursuant to the Montana Housing Act of 1975, Montana Code Annotated, Sections 90-6-101 through 90-6-127, as amended (the “Act”), to issue its bonds and to purchase and make mortgage loans in order to finance housing which will provide decent, safe and sanitary housing for persons and families of lower income in the State of Montana; and

WHEREAS, the Board intends to issue its Multifamily Housing Revenue Bonds (Butte Projects) Series 2020 in an aggregate principal amount not to exceed \$55,000,000 (the “Bonds”), the proceeds of which will be used to finance a loan to the Borrower (hereinafter defined) for the acquisition, rehabilitation and equipping of four (4) separate multifamily rental housing facilities, consisting of a total of three hundred forty-four (344) units and related personal property and equipment, located in Butte, Montana (the “Project”); and

WHEREAS, the Bonds will be issued pursuant to a Trust Indenture (the “Indenture”), between the Board and Wilmington Trust National Association, as trustee (the “Trustee”), the proposed form of which is on file with the Executive Director and Treasurer of the Board, whereby the Board would be authorized to issue the Bonds subject to the terms, conditions and limitations established in the Indenture; and

WHEREAS, the proceeds of the Bonds will be used to finance a loan (the “Mortgage Loan”) to Butte Affordable Housing Solutions, L.P., a Montana limited partnership (the “Borrower”), pursuant to a Loan Agreement between the Board and the Borrower (the “Loan Agreement”) the proposed form of which is on file with the Executive Director and Treasurer of the Board; and

WHEREAS, the interest on the Bonds is intended to qualify for a federal tax exemption under Section 142 of the Internal Revenue Code of 1986 (the “Code”), and to ensure that the Bonds maintain their tax exempt status, the Borrower will enter into one or more Regulatory Agreements and Declarations of Restrictive Covenants (collectively, the “Regulatory Agreement”); and

WHEREAS, the proposed from of a Bond Purchase Agreement (the “Purchase Contract”) between the Board, the Borrower and FMSBONDS, Inc., as initial purchaser (the “Purchaser”) pursuant to which the Board would agree to sell, and the Purchaser would agree to purchase, the Bonds at the prices and upon the terms and conditions therein set forth, is on file with the Executive Director and Treasurer of the Board.

NOW, THEREFORE, BE IT RESOLVED BY THE MONTANA BOARD OF HOUSING AS FOLLOWS:

**Section 1. Findings.**

(a) The Board hereby finds and determines that the Project financed through the issuance of the Bonds constitutes a “housing development” within the meaning of Section 90-6-103(8) of the Act; and

(b) In accordance with Section 90-6-109 of the Act, following a public hearing, the Board finds:

(i) that there exists a shortage of decent, safe and sanitary housing at rentals or prices which persons and families of lower income can afford within the general housing market area to be served;

(ii) that private enterprise has not provided an adequate supply of decent, safe and sanitary housing in the housing market area at rentals or prices which persons or families of lower income can afford or provided sufficient mortgage financing for homes for occupancy by persons or families of lower income;

(iii) that the conditions, restrictions and limitations contained in the Indenture and contained in the program documents relating to the mortgage loan financed thereby and to be financed are sufficient to ensure that the Project will be well planned and well designed so as to constitute decent, safe and sanitary housing and that the “housing sponsors” (as defined in Section 90-6-103(10) of the Act) are financially responsible;

(iv) that the Project to be financed referred to in paragraph (a) above will be of public use and will provide a public benefit, taking into account the existence of local government comprehensive plans, housing and land use plans and regulations, area-wide plans and other public desires;

(v) that the Project to be financed with the proceeds of the Bonds does not involve the construction of “second homes,” which are defined in the Act to mean homes which would not qualify as the primary residence of the taxpayer for federal income tax purposes relating to capital gains on the sale or exchange of residential property; and

(vi) that the Mortgage Loan is a direct loan and that in accordance with Section 90-6-109(1)(f), by virtue of the Board loaning the Bond proceeds to the

Borrower pursuant to the Mortgage Loan, the Project qualifies for federal funds through its receipt of 4% federal low income housing tax credits.

**Section 2. Approval of Indenture.** The Indenture is hereby approved in substantially the form on file with the Executive Director and Treasurer of the Board, and the Chairman, the Vice Chairman or the Executive Director and Treasurer of the Board is hereby authorized and directed to execute and deliver the Indenture, with such changes, insertions or omissions therein as may be approved by such Chairman, Vice Chairman or Executive Director and Treasurer, such approval to be evidenced conclusively by such execution of the Indenture, and the Treasurer, the Secretary, the Finance Officer, the Multifamily Program Manager or any other member of the Board is hereby authorized and directed to attest thereto.

**Section 3. Authorization of Bonds.** The issuance, sale and delivery of the Board's Bonds are hereby authorized and approved. The final amount and terms of the Bonds shall be determined by the Chairman, Vice Chairman or Executive Director and Treasurer of the Board, consistent with the terms of the Indenture and subject to the following conditions. The Bonds shall not be general obligations of the Board but shall be limited obligations payable solely and only from Mortgage Loan payments and any other moneys pledged under the Indenture. The Bonds shall mature no later than 2060, bear interest at a fixed or floating rate no greater than the net rate paid on the Mortgage Loan (i.e. net of fees due the Board and any other parties), be in a principal amount not to exceed \$55,000,000, be subject to optional, special optional, mandatory and sinking fund redemption and have the other terms and provisions as described to the Board and definitively set forth in the Indenture upon execution and delivery as aforesaid in Section 2 hereof. The Bonds shall be executed and delivered substantially in the form set forth in the Indenture, with such additions, omissions and changes as are required or permitted by the Indenture. The Bonds shall be executed in the name of the Board by the Chairman or the Vice Chairman of the Board, and attested to by the Secretary or the Treasurer, each of whom is hereby appointed as an Authorized Officer (as such term is defined in the Indenture) for purposes of executing and attesting the Bonds. Such signatures may be in facsimile; provided, however, that such Bonds shall not be valid or obligatory for any purpose until authenticated by the manual signature of an authorized officer of the Trustee.

**Section 4. Approval of Loan Agreement.** The Loan Agreement is hereby approved in substantially the form on file with the Executive Director and Treasurer of the Board, and the Chairman, the Vice Chairman or the Executive Director and Treasurer of the Board is hereby authorized to execute and deliver the Loan Agreement, with such changes, insertions or omissions therein as may be approved by such person, such approval to be evidenced conclusively by such execution of the Loan Agreement.

**Section 5. Approval of Regulatory Agreement.** The Regulatory Agreement is hereby approved in substantially the same form as such agreement approved by the Board with respect to the Red Alder Residences financing in 2019 and the Chairman, the Vice Chairman or the Executive Director and Treasurer of the Board is authorized and directed to execute and deliver the same, with such changes, insertions or omissions therein as may be approved by such person, such approval to be evidenced conclusively by such execution of the Regulatory Agreement.

**Section 6. Approval of Purchase Contract and Sale of the Bonds.** The Purchase Contract is hereby approved in substantially the form on file with the Executive Director and Treasurer of the Board, and the Chairman, the Vice Chairman or the Executive Director and Treasurer of the Board is hereby authorized to execute and deliver the Purchase Agreement, with such changes, insertions or omissions therein as may be approved by such person, such approval to be evidenced conclusively by such execution of the Purchase Agreement.

**Section 7. Ratification of Prior Actions.** All action previously taken by the officers, members or staff of the Board with respect to the Indenture, the Loan Agreement, the Purchase Contract, the Regulatory Agreement and the Bonds is hereby approved, confirmed and ratified.

**Section 8. Execution of Documents.** In the event of the absence or disability of the Chairman, the Vice Chairman or the Executive Director and Treasurer of the Board, or if for any other reason any of them are unable to execute the documents referred to in this Resolution, such documents may be executed by another member of the Board or by the Multifamily Program Manager or the Accounting and Finance Manager, with the same effect as if done by the Chairman, the Vice Chairman or the Executive Director and Treasurer of the Board and without the further authorization of the Board. The execution of such documents by such member shall be conclusive evidence of his or her authority to so act.

**Section 9. Execution of No-Arbitrage Certificate.** The Chairman, the Vice Chairman or the Executive Director and Treasurer of the Board is hereby authorized to issue certifications as to the Board's reasonable expectations regarding the amount and use of the proceeds of the Bonds as described in Section 148 of the Internal Revenue Code of 1986, as amended.

**Section 10. Additional Actions Authorized.** The Chairman, Vice Chairman, Secretary or any other member of the Board, and the Executive Director and Treasurer, the Multifamily Program Manager and the Accounting and Finance Manager, acting alone or acting with others, are hereby authorized and directed to execute and deliver any or all other documents which may be required under the terms of the Indenture and the Purchase Contract, and to take such other action as may be required or appropriate for the performance of the duties imposed thereby or to carry out the purposes thereof, and the members and officers named above are hereby designated as Authorized Officers for such purposes. With respect to the issuance of the Bonds authorized by this Resolution, such Authorized Officers are also authorized, with the advice of General Counsel or Bond Counsel, to interpret and apply the Board's Private Placement Policy for Unrated/Unenhanced Multifamily Housing Revenue Bonds (the "Policy") and to waive any requirement of the Policy to the extent such interpretation, application or waiver is consistent with the purpose of the Policy.

**Section 11. Effective Date.** This Resolution shall become effective immediately.

[Remainder of Page Intentionally Left Blank]

ADOPTED by the Montana Board of Housing this 10<sup>th</sup> day February, 2020.

MONTANA BOARD OF HOUSING

Attest:

By \_\_\_\_\_  
Patrick E. Melby, Chairman

By \_\_\_\_\_  
Bruce Brensdaal, Executive Director

<b>County</b>	<b>Silver Bow</b>
<b>Project Name</b>	<b>Butte Affordable Housing Solutions</b>
<b>Developer / General Ptrn</b>	<b>Butte Affordable Housing, Inc.</b>

<b>GP Organizational Type</b>	Limited Partnership
<b>Set-aside</b>	General
<b>HC Requested</b>	\$25,132,023
<b>Project Type</b>	Family
<b>Construction Type</b>	Acq / Rehab
<b>Projected Construction Start</b>	Feb-20
<b>Projected Completion</b>	Aug-21

<u>Unit Numbers</u>	<u>Target</u>	
1-bdrm	60%	89
1-bdrm	6000%	24
1-bdrm	6000%	62
1-bdrm	6000%	25
2-bdrm	60%	88
2-bdrm	6000%	5
2-bdrm	6000%	4
2-bdrm	6000%	5
3-bdrm	60%	35
3-bdrm	6000%	6
Total Units		343
Average Income Targeting		60.00%

<u>Square Footage</u>		
Income Restricted Units		231,646
Managers Unit(s)		-
Common Space		34,532
Market/Commercial		-
Total		<u>266,178</u>

<u>Unit Rents</u>		
1-bdrm	60%	775
1-bdrm	6000%	736
1-bdrm	6000%	688
1-bdrm	6000%	688
2-bdrm	60%	954
2-bdrm	6000%	901
2-bdrm	6000%	832
2-bdrm	6000%	832
3-bdrm	60%	1,188
3-bdrm	6000%	1,122
Total Monthly Rents		\$ 290,709
vacancy factor		5.00%
Adjusted Rent		<u>\$ 276,174</u>
other/commercial income		<u>\$365</u>
total rent		<u>\$ 276,539</u>
x 12 months		12
Total Annual Income		<u>\$ 3,318,465</u>

County	Silver Bow
Project Name	Butte Affordable Housing Solutions
Developer / General Ptrn	Butte Affordable Housing, Inc.

**Expenses**

Administration	281,237
Management	239,500
Maintenance	432,913
Operating	544,775
Taxes	-
Replacement Reserve	102,900
Total Expenses	<u>\$ 1,601,325</u>

Net Income Before Debt Service \$ 1,717,140

**Financing Sources**

Hard Loan	28,176,202
Hard Loan	19,810,798
Soft Loan	1,455,858
Deferred Dev Fee	5,000,000
HC Equity Non-Competative	-
HC Equity Competative	21,925,497
Total Sources:	<u>\$ 76,368,355</u>
% of Project Financed by HC:	28.71%

**Return on Sale of HTC**

HTC Requested	\$ 25,132,023
HTC Equity	\$ 21,925,497
HTC Return on Sale	\$ 0.872

**Ratios**

Rent (Income)	\$ 3,318,465
Operating Expenses	\$ 1,498,425
Replacement Reserves	\$ 102,900
Net Income Available for DS	\$ 1,717,140
Total Debt Service	\$ 1,492,976
Debt Coverage Ratio (DCR)	1.15
Total Expense Ratio	1.07

**Project Costs**

Land	751,000
Building/Acquisition	32,574,000
Site Work	-
Construction / Rehab	23,448,200
Soft Costs	8,915,418
Developer Fees	9,132,587
Reserves	1,547,150
Total Project Costs	<u>\$ 76,368,355</u>

**Costs versus Sources**

Total Project Costs	\$ 76,368,355
Total Financing Sources	\$ 76,368,355
Difference	<u>\$ -</u>

<b>County</b>	<b>Silver Bow</b>
<b>Project Name</b>	<b>Butte Affordable Housing Solutions</b>
<b>Developer / General Ptr</b>	<b>Butte Affordable Housing, Inc.</b>

**Project Cost Limitations**

	<u>Limits</u>	
General Requirements	6.00%	4.68%
Contractor Overhead	2.00%	1.56%
Contractor Profit	6.00%	4.68%
Developer Fees	15.00%	14.06%
Soft Cost	32 or 37%	32.22%

**Per Unit Comparison**

	<u>Limits</u>		
Cost per unit	\$235,000	\$	222,648
Credits per unit	n/a	\$	73,271
Operating Cost per unit	\$3,000 min	\$	4,369
Replacement Reserves	\$300 min	\$	300

**Per Square Foot Comparison**

Construction / Rehab per sq ft	\$	88.09
Total Project Cost per sq ft	\$	286.91
Credits per sq ft	\$	94.42
Credits per sq ft (residential only)	\$	108.49

**Utilities Paid by (Tenant / Owner)**

Tenant

# BOARD AGENDA ITEM

---

## PROGRAM

Multifamily Program

## AGENDA ITEM

Ponderosa Acres – Billings – Tax exempt bond resolution

## BACKGROUND

Ponderosa Acres is an acquisition rehab 4% transaction consisting of 120 homes with a current project- based section 8 contract. The contract is set to expire in 2023 but requesting a 20-year renewal of the HAP contract.

These projects will need to finish the underwriting process as well as meet all other bond requirement such as TEFRA hearings and an application for bond cap.

## PROPOSAL

Staff has reviewed the proposals. Staff proposes the resolution be approved. All other requirements will need to be meet as usual including underwriting.

## RESOLUTION NO. 20-0210-MF03

A RESOLUTION OF THE MONTANA BOARD OF HOUSING MAKING FINDINGS WITH RESPECT TO HOUSING NEEDS WITHIN MONTANA; APPROVING THE ISSUANCE OF ITS MULTIFAMILY HOUSING REVENUE BONDS (PONDEROSA ESTATES PROJECT) SERIES 2020 IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$22,500,000; APPROVING THE SALE OF SAID BONDS PURSUANT TO A BOND PURCHASE AGREEMENT; APPROVING THE TRUST INDENTURE, LOAN AGREEMENT AND OTHER RELATED DOCUMENTS; AUTHORIZING THE EXECUTION OF SUCH DOCUMENTS; AND PROVIDING FOR OTHER MATTERS PROPERLY RELATING THERETO.

WHEREAS, the Montana Board of Housing (the “Board”) is authorized pursuant to the Montana Housing Act of 1975, Montana Code Annotated, Sections 90-6-101 through 90-6-127, as amended (the “Act”), to issue its bonds and to purchase and make mortgage loans in order to finance housing which will provide decent, safe and sanitary housing for persons and families of lower income in the State of Montana; and

WHEREAS, the Board intends to issue its Multifamily Housing Revenue Bonds (Ponderosa Estates Project) Series 2020 in an aggregate principal amount not to exceed \$22,500,000 (the “Bonds”), the proceeds of which will be used to finance a loan to the Borrower (hereinafter defined) for the acquisition, rehabilitation and equipping of the Ponderosa Estates Apartments, a one hundred twenty (120) unit community located in Billings, Montana (the “Project”); and

WHEREAS, the Bonds will be issued pursuant to a Trust Indenture (the “Indenture”), between the Board and Wilmington Trust, National Association, or such other bond trustee agreed to by the Board and the hereinafter defined Borrower, as trustee, (the “Trustee”) whereby the Board would be authorized to issue the Bonds subject to the terms, conditions and limitations established in the Indenture; and

WHEREAS, the proceeds of the Bonds will be used to finance a loan (the “Mortgage Loan”) to Ponderosa Acres Partners, L.P., a Montana limited partnership (the “Borrower”), pursuant to a Loan Agreement between the Board and the Borrower (the “Loan Agreement”); and

WHEREAS, the interest on the Bonds is intended to qualify for a federal tax exemption under Section 142 of the Internal Revenue Code of 1986 (the “Code”), and to ensure that the Bonds maintain their tax exempt status, the Borrower will enter into a Regulatory Agreement and Declarations of Restrictive Covenants (the “Regulatory Agreement”); and

WHEREAS, a Bond Purchase Agreement (the “Purchase Contract”) between the Board, the Borrower and Hilltop Securities, Inc., or such other underwriter agreed to by the Board and the

Borrower, as initial purchaser (the “Purchaser”), has been presented to the Board pursuant to which the Board would agree to sell, and the Purchaser would agree to purchase, the Bonds at the prices and upon the terms and conditions therein set forth.

NOW, THEREFORE, BE IT RESOLVED BY THE MONTANA BOARD OF HOUSING AS FOLLOWS:

**Section 1. Findings.**

(a) The Board hereby finds and determines that the Project financed through the issuance of the Bonds constitutes a “housing development” within the meaning of Section 90-6-103(8) of the Act; and

(b) In accordance with Section 90-6-109 of the Act, following a public hearing, the Board finds:

(i) that there exists a shortage of decent, safe and sanitary housing at rentals or prices which persons and families of lower income can afford within the general housing market area to be served;

(ii) that private enterprise has not provided an adequate supply of decent, safe and sanitary housing in the housing market area at rentals or prices which persons or families of lower income can afford or provided sufficient mortgage financing for homes for occupancy by persons or families of lower income;

(iii) that the conditions, restrictions and limitations contained in the Indenture and contained in the program documents relating to the mortgage loan financed thereby and to be financed are sufficient to ensure that the Project will be well planned and well designed so as to constitute decent, safe and sanitary housing and that the “housing sponsors” (as defined in Section 90-6-103(10) of the Act) are financially responsible;

(iv) that the Project to be financed referred to in paragraph (a) above will be of public use and will provide a public benefit, taking into account the existence of local government comprehensive plans, housing and land use plans and regulations, area-wide plans and other public desires;

(v) that the Project to be financed with the proceeds of the Bonds does not involve the construction of “second homes,” which are defined in the Act to mean homes which would not qualify as the primary residence of the taxpayer for federal income tax purposes relating to capital gains on the sale or exchange of residential property; and

(vi) that the Mortgage Loan is a direct loan and that in accordance with Section 90-6-109(1)(f), by virtue of the Board loaning the Bond proceeds to the Borrower pursuant to the Mortgage Loan, the Project qualifies for federal funds through its receipt of 4% federal low income housing tax credits.

**Section 2. Approval of Indenture.** The Indenture is hereby approved in substantially the form approved by the Board on the date hereof with respect to the Butte Projects Financing (the “Butte Projects Financing”), and the Chairman, the Vice Chairman or the Executive Director and Treasurer of the Board is hereby authorized and directed to execute and deliver the Indenture, with such changes, insertions or omissions therein as may be approved by such Chairman, Vice Chairman or Executive Director and Treasurer, such approval to be evidenced conclusively by such execution of the Indenture, and the Treasurer, the Secretary, the Finance Officer, the Multifamily Program Manager or any other member of the Board is hereby authorized and directed to attest thereto.

**Section 3. Authorization of Bonds.** The issuance, sale and delivery of the Board’s Bonds are hereby authorized and approved. The final amount and terms of the Bonds shall be determined by the Chairman, Vice Chairman or Executive Director and Treasurer of the Board, consistent with the terms of the Indenture and subject to the following conditions. The Bonds shall not be general obligations of the Board but shall be limited obligations payable solely and only from Mortgage Loan payments and any other moneys pledged under the Indenture. The Bonds shall mature no later than 2060, bear interest at a fixed or floating rate no greater than the net rate paid on the Mortgage Loan (i.e. net of fees due the Board and any other parties), be in a principal amount not to exceed \$22,500,000, be subject to optional, special optional, mandatory and sinking fund redemption and have the other terms and provisions as described to the Board and definitively set forth in the Indenture upon execution and delivery as aforesaid in Section 2 hereof. The Bonds shall be executed and delivered substantially in the form set forth in the Indenture, with such additions, omissions and changes as are required or permitted by the Indenture. The Bonds shall be executed in the name of the Board by the Chairman or the Vice Chairman of the Board, and attested to by the Secretary or the Treasurer, each of whom is hereby appointed as an Authorized Officer (as such term is defined in the Indenture) for purposes of executing and attesting the Bonds. Such signatures may be in facsimile; provided, however, that such Bonds shall not be valid or obligatory for any purpose until authenticated by the manual signature of an authorized officer of the Trustee.

**Section 4. Approval of Loan Agreement.** The Loan Agreement is hereby approved in substantially the form approved by the Board with respect to the Butte Projects Financing, and the Chairman, the Vice Chairman or the Executive Director and Treasurer of the Board is hereby authorized to execute and deliver the Loan Agreement, with such changes, insertions or omissions therein as may be approved by such person, such approval to be evidenced conclusively by such execution of the Loan Agreement.

**Section 5. Approval of Regulatory Agreement.** The Regulatory Agreement is hereby approved in substantially the same form as such agreement approved by the Board with respect to the Butte Projects Financing and the Chairman, the Vice Chairman or the Executive Director and Treasurer of the Board is authorized and directed to execute and deliver the same, with such changes, insertions or omissions therein as may be approved by such person, such approval to be evidenced conclusively by such execution of the Regulatory Agreement.

**Section 6. Approval of Purchase Contract and Sale of the Bonds.** The Purchase Contract is hereby approved in substantially the form approved by the Board with respect to the Butte Projects Financing, and the Chairman, the Vice Chairman or the Executive Director and

Treasurer of the Board is hereby authorized to execute and deliver the Purchase Agreement, with such changes, insertions or omissions therein as may be approved by such person, such approval to be evidenced conclusively by such execution of the Purchase Agreement.

**Section 7. Ratification of Prior Actions.** All action previously taken by the officers, members or staff of the Board with respect to the Indenture, the Loan Agreement, the Purchase Contract, the Regulatory Agreement and the Bonds is hereby approved, confirmed and ratified.

**Section 8. Execution of Documents.** In the event of the absence or disability of the Chairman, the Vice Chairman or the Executive Director and Treasurer of the Board, or if for any other reason any of them are unable to execute the documents referred to in this Resolution, such documents may be executed by another member of the Board or by the Multifamily Program Manager or the Accounting and Finance Manager, with the same effect as if done by the Chairman, the Vice Chairman or the Executive Director and Treasurer of the Board and without the further authorization of the Board. The execution of such documents by such member shall be conclusive evidence of his or her authority to so act.

**Section 9. Execution of No-Arbitrage Certificate.** The Chairman, the Vice Chairman or the Executive Director and Treasurer of the Board is hereby authorized to issue certifications as to the Board's reasonable expectations regarding the amount and use of the proceeds of the Bonds as described in Section 148 of the Internal Revenue Code of 1986, as amended.

**Section 10. Additional Actions Authorized.** The Chairman, Vice Chairman, Secretary or any other member of the Board, and the Executive Director and Treasurer, the Multifamily Program Manager and the Accounting and Finance Manager, acting alone or acting with others, are hereby authorized and directed to execute and deliver any or all other documents which may be required under the terms of the Indenture and the Purchase Contract, and to take such other action as may be required or appropriate for the performance of the duties imposed thereby or to carry out the purposes thereof, and the members and officers named above are hereby designated as Authorized Officers for such purposes. With respect to the issuance of the Bonds authorized by this Resolution, such Authorized Officers are also authorized, with the advice of General Counsel or Bond Counsel, to interpret and apply the Board's Private Placement Policy for Unrated/Unenhanced Multifamily Housing Revenue Bonds (the "Policy") and to waive any requirement of the Policy to the extent such interpretation, application or waiver is consistent with the purpose of the Policy.

**Section 11. Effective Date.** This Resolution shall become effective immediately.

[Remainder of Page Intentionally Left Blank]

ADOPTED by the Montana Board of Housing this 10<sup>th</sup> day February, 2020.

MONTANA BOARD OF HOUSING

Attest:

By \_\_\_\_\_  
Patrick E. Melby, Chairman

By \_\_\_\_\_  
Bruce Brensdaal, Executive Director

County		Yellowstone	
Project Name		Ponderosa Acres	
Developer / General Ptrn		Hampstead Development Partners, Inc. and Community Preservation Partners, LLC	
GP Organizational Type		For Profit	
Set-aside		General	
HC Requested		\$8,518,370	
Project Type		Family	
Construction Type		Acq / Rehab	
Projected Construction Start		Mar-20	
Projected Completion		Feb-21	
<b>Unit Numbers</b>		<b>Target</b>	
	0-bdrm	60%	14
	1-bdrm	60%	26
	2-bdrm	60%	34
	3-bdrm	60%	46
	Total Units		120
	Average Income Targeting		60.00%
<b>Square Footage</b>			
	Income Restricted Units		94,850
	Managers Unit(s)		-
	Common Space		1,125
	Market/Commercial		-
	Total		95,975
<b>Unit Rents</b>			
	0-bdrm	60%	895
	1-bdrm	60%	1,000
	2-bdrm	60%	1,080
	3-bdrm	60%	1,425
Total Monthly Rents			\$ 140,800
vacancy factor			5.00%
Adjusted Rent			\$ 133,760
other/commercial income			\$1,677
total rent			\$ 135,437
x 12 months			12
Total Annual Income			\$ 1,625,245

<b>County</b>	<b>Yellowstone</b>
<b>Project Name</b>	<b>Ponderosa Acres</b>
<b>Developer / General Ptrn</b>	<b>Hampstead Development Partners, Inc. and Community Preservation Partners, LLC</b>

**Expenses**

Administration	22,685
Management	62,533
Maintenance	127,827
Operating	383,640
Taxes	17,435
Replacement Reserve	36,000
Total Expenses	<u>\$ 650,120</u>

Net Income Before Debt Service \$ 975,125

**Financing Sources**

Hard Loan	16,288,000
Other	1,381,428
Deferred Dev Fee	1,025,958
HC Equity Non-Competative	-
HC Equity Competative	7,836,115
Total Sources:	<u>\$ 26,531,501</u>
% of Project Financed by HC:	29.54%

**Return on Sale of HTC**

HTC Requested	\$ 8,518,370
HTC Equity	\$ 7,836,115
HTC Return on Sale	\$ 0.920

**Ratios**

Rent (Income)	\$ 1,625,245
Operating Expenses	\$ 614,120
Replacement Reserves	\$ 36,000
Net Income Available for DS	\$ 975,125
Total Debt Service	\$ 847,537
Debt Coverage Ratio (DCR)	1.15
Total Expense Ratio	1.09

**Project Costs**

Land	820,000
Building/Acquisition	12,061,625
Site Work	620,118
Construction / Rehab	6,605,070
Soft Costs	2,629,275
Developer Fees	3,287,413
Reserves	508,000
Total Project Costs	<u>\$ 26,531,501</u>

**Costs versus Sources**

Total Project Costs	\$ 26,531,501
Total Financing Sources	<u>\$ 26,531,501</u>
Difference	\$ -

<b>County</b>	<b>Yellowstone</b>
<b>Project Name</b>	<b>Ponderosa Acres</b>
<b>Developer / General Ptr</b>	<b>Hampstead Development Partners, Inc. and Community Preservation Partners, LLC</b>

**Project Cost Limitations**

	<u>Limits</u>	
General Requirements	6.00%	4.68%
Contractor Overhead	2.00%	1.56%
Contractor Profit	6.00%	4.68%
Developer Fees	15.00%	15.00%
Soft Cost	32 or 37%	29.43%

**Per Unit Comparison**

	<u>Limits</u>	
Cost per unit	\$235,000	\$ 221,096
Credits per unit	n/a	\$ 70,986
Operating Cost per unit	\$3,000 min	\$ 5,118
Replacement Reseves	\$300 min	\$ 300

**Per Square Foot Comparison**

Construction / Rehab per sq ft	\$	68.82
Total Project Cost per sq ft	\$	276.44
Credits per sq ft	\$	88.76
Credits per sq ft (residential only)	\$	89.81

**Utilities Paid by (Tenant / Owner)**

Tenant

**MULTIFAMILY COAL TRUST HOMES PROGRAM  
MULTIFAMILY RENTAL – PERMANENT LOAN PROGRAM**

**PROGRAM HIGHLIGHTS**

Type of Program:	The Montana Legislature passed HB16 during the 2019 session. The bill allows for the use of \$15 million of Coal Trust funds to be invested in loans to projects providing multifamily rental homes. Projects must be subject to property taxes.
Eligible Applicants:	Applicant can be a for-profit, non-profit, or governmental entity. The property must be held by a Single Asset Entity.
Types of Projects:	New construction, acquisition and/or rehabilitation of existing multifamily rental homes; and Acquisition of land for multifamily rental homes including land trusts for rental, mobile or manufactured.
Security:	First Mortgage; may be a loan participation or pari passu.
Loan-to-Development Cost	95% or less of Loan to Development Cost is the maximum loan that can be approved per Montana code.
Loan-to-Value: (LTV)	Higher loan amounts compared to appraised replacement cost will be analyzed and may be required to obtain additional guarantees.
Loan Amounts:	Maximum loan based on loan-to-value as noted above. It is also limited by total funds available currently at \$15 million.
Loan Term:	30-year fixed rate maximum but shorter terms are encouraged.
Reserve Requirements:	Escrows established for property taxes and hazard insurance, operating reserve and reserve for replacement.
Loan Rate:	1.5625% if targeting 30% or less AMI households; 2.5625% if targeting from 31% to 50% AMI households; 3.5625% if targeting from 51% to 80% AMI households; 5.5625% if targeting from 81% to 95% AMI households; and Weighted average rate if targeting multiple ranges. Existing projects will use incomes of tenants at application. Example: 10 unit property, 5 units @ 30%, 2 units at 50%, 3 units @ 60% 5 x .015625 = .078125 2 x .025625 = .05125 3 x .035625 = .106875 Total = .23625 Final rate: .23625 / 10 = .023625 (2.3625%)
Underwriting and Fee Limitations:	Underwriting assumptions and fee limitations will follow the most current Qualified Allocation Plan for Housing Credits. <a href="https://housing.mt.gov/Multifamily-Development/Qualified-Allocation-Plan">https://housing.mt.gov/Multifamily-Development/Qualified-Allocation-Plan</a>
MH Fees:	Total of 1% of mortgage loan amount due at application
Compliance Fees:	Will match current compliance fees for Housing Credits. (only listed on fee schedule at this time) <a href="https://housing.mt.gov/Portals/218/Shared/2020QAPFeeSchedule.pdf">https://housing.mt.gov/Portals/218/Shared/2020QAPFeeSchedule.pdf</a>

# BOARD AGENDA ITEM

---

## PROGRAM

Multifamily Program

## AGENDA ITEM

Approval of Multifamily Coal Trust Homes Program Loan Request

- NeighborWorks Great Falls (NWGF)
  - Golden Valley Homes Belt Mt
  - Quiet Day Manor Cascade MT

## BACKGROUND

This proposal is to acquire and preserve Golden Valley Homes (GVH), an existing 22-unit property in Belt MT and the Quiet Day Manor (QDM), an existing 20-unit property in Cascade MT.

These properties serve elderly residents aged 62 or older and/or households with disabilities. QDM’s Housing Assistance Payment (HAP) contract expires on August 27, 2021 and GVH’s HAP contract expires on October 24, 2020. The current owner no longer wishes to maintain these properties and NWGF seeks to preserve these critical housing resources in these small, rural communities. Aside from the HAP contracts, these properties do not have any affordability restrictions and could go market rate if the HAP contracts are not renewed. NWGF intends to renew the HAP contracts for another 20 years and make necessary renovations (as identified in a third party CNA) through available cash flow.

NeighborWorks Great Falls is long time nonprofit housing provider in the Great Falls area. The organization has \$13.7 million net assets as of their September 30, 2018 financial statements. Unrestricted net assets were \$4.7 million and \$7.6 million were temporarily restricted. Net assets increased by \$458,352.

## PROPOSAL

The Board approval of the preliminary loan commitment for the Multifamily Coal Trust Homes program and authorization of staff to provide a firm commitment and closing after additional required information is submitted and considered complete. The following are the details and terms:

- Above named Sponsor and Project(s)
- Amount: \$1,675,560
- Rate: 3%
- Term: 30 years
- Amortization Period: 30 years

Board Meeting: February 10, 2020



December 30, 2019

Bruce Brensdaal, Executive Director  
Montana Board of Housing  
301 S. Park Ave  
Helena MT, 59601

Re: Multifamily Coal Trust Homes Program Loan Application – Quiet Day Manor & Golden Valley Homes

Dear Bruce,

NeighborWorks Great Falls is a member of the National NeighborWorks Network dedicated to creating strong communities. Led by neighborhood residents, NeighborWorks organizations work tirelessly to revitalize communities, reclaim abandoned and distressed properties, and promote affordable housing. Our organization is committed to building strong neighborhoods, creating successful homeowners and developing quality, affordable housing throughout Great Falls and Cascade County. Nationally, NeighborWorks Great Falls is recognized for excellence in homeownership services, having assisted more than 2,200 families become homeowners we were founded in 1980. NeighborWorks Great Falls (NWGF) is pleased to submit this application for a loan from the Multifamily Coal Trust Homes Program to acquire and preserve Quiet Day Manor (QDM), an existing 20 unit property in Cascade, MT and Golden Valley Homes (GVH), an existing 22 unit property in Belt, MT.

QDM and GVH, were built in 1981 and 1979, respectively, with a USDA RD 515 Loan. Over the last 35+ years, the owner has paid off the RD 515 loan. Therefore these properties are no longer governed by a USDA Regulatory Agreement, have no affordability restrictions, and do not offer RD 515 rental assistance. However, all 20 QDM units and 21 of the 22 GVH units benefit from HUD project-based rental assistance through Housing Assistance Payments (HAP) contracts and are restricted to low income seniors age 62 and older, or disabled. QDM's HAP contract expires on August 27, 2021 and GVH's HAP contract expires on October 24, 2020.

The current owner no longer wishes to maintain ownership and there is no guarantee the HAP contracts will be renewed if NWGF is unable to acquire them. NWGF has been working with HUD Denver and the State Section 8 Program to lay the groundwork for a successful HAP contract transfer and 20 year renewal if we are able to secure financing to acquire these properties. A loan from the Coal Trust will coordinate with and preserve federal housing assistance provided through these HAP contracts.

As you will see in the attached Uniform Application, the favorable terms offered by the Coal Trust Homes Program is a critical component of this acquisition because the properties do not generate sufficient long-term cash flow to service debt with standard interest rates of 5 or 6%. Furthermore, NeighborWorks Montana secured a CDFI grant specifically set aside for projects utilizing the Coal Trust



509 1<sup>st</sup> Avenue South, Great Falls, MT 59401  
Email: [info@nwgf.org](mailto:info@nwgf.org) Website: [nwgf.org](http://nwgf.org)  
(406) 791-5861 Fax: (406) 761-5852



Homes Program, approximately \$100,000 of which we will use to acquire QDM and GHV. The NWMT loan will be in second position, subordinate to the Coal Trust Homes Loan.

We commissioned a Capital Needs Assessment (currently in draft form) from the Gill Group based in Grand Rapids, MI. Although not yet final, this investigation supports our plan to acquire the properties, capitalize a reserve fund through available cash flow, and address identified rehabilitation needs through available cash flow. The planned rehabilitation activities are not substantial enough to warrant temporary relocation during renovations though, if necessary, we will use natural vacancies to temporarily house residents.

As a non-profit organization whose mission is to create strong neighborhoods and successful homeowners by developing and promoting quality affordable housing, we firmly believe the Quiet Day Manor and Golden Valley Homes properties are critical housing resources in these small communities and an excellent fit for the Coal Trust Homes Program. Preserving these affordable housing options and associated HAP rent assistance in these small, rural markets is imperative. The Coal Trust Homes Program Loan seems to have been tailor made for organizations like NWGF to preserve small rural properties like Golden Valley and Quiet Day. It is clear that a loan for these properties will meet the ultimate aspirations of all those who work on and championed HB16.

You will find the following documents enclosed with this cover letter:

- I. Uniform Application
- II. Site plan, including floor plans, elevations, and typical unit plans
- III. Site location map
- IV. Evidence of site control
- V. Appraisal
- VI. NWGF's most recent audited financials
- VII. Amenity List form.
- VIII. NWMT Letter of Support
- IX. Company and Team Bio

Please do not hesitate to contact me for more information about our project. We look forward working with the Montana Board of Housing.

Sincerely,



Sherrie Arey, Executive Director  
NeighborWorks Great Falls



509 1<sup>st</sup> Avenue South, Great Falls, MT 59401  
Email: [info@nwgf.org](mailto:info@nwgf.org) Website: [nwgf.org](http://nwgf.org)  
(406) 791-5861 Fax: (406) 761-5852



<b>City</b>	<b>Belt</b>
<b>County</b>	<b>Cascade</b>
<b>Project Name</b>	<b>Cascade</b>
<b>Developer / General Ptrn</b>	<b>Cascade</b>
	<b>Golden Valley Homes &amp; Quiet Day Manor</b>
	<b>NeighborWorks Great Falls</b>

**GP Organizational Type** Limited Liability  
**Loan Requested** Corporations  
 1,675,560

<u>Unit Numbers</u>	<u>Target</u>	
1-bdrm	30%	14
1-bdrm	50%	6
1-bdrm	80%	2
1-bdrm	3000%	10
1-bdrm	5000%	4
1-bdrm	8000%	2
2-bdrm	80%	4
other	mgr	-
<b>Total Units</b>		<b>42</b>
<b>Average Income Targeting</b>		<b>47.14%</b>

<u>Square Footage</u>		
Income Resticted Units		23,642
Managers Unit(s)		-
Common Space		1,568
Market/Commercial		618
<b>Total</b>		<b>25,828</b>

<u>Unit Rents</u>		
1-bdrm	30%	946
1-bdrm	50%	946
1-bdrm	80%	946
1-bdrm	3000%	1,000
1-bdrm	5000%	1,000
1-bdrm	8000%	1,000
2-bdrm	80%	1,140
other	mgr	-
<b>Total Monthly Rents</b>		<b>\$ 41,358</b>
<b>vacancy factor</b>		<b>15.00%</b>
<b>Adjusted Rent</b>		<b>\$ 35,154</b>
<b>other/commercial income</b>		<b>\$492</b>
<b>total rent</b>		<b>\$ 35,646</b>
<b>x 12 months</b>		<b>12</b>
<b>Total Annual Income</b>		<b>\$ 427,756</b>

<b>City</b>	<b>Belt</b>
<b>County</b>	<b>Cascade</b>
<b>Project Name</b>	<b>Cascade</b>
<b>Developer / General Ptr</b>	<b>Cascade</b>
	<b>Golden Valley Homes &amp; Quiet Day Manor</b>
	<b>NeighborWorks Great Falls</b>

**Expenses**

Administration	37,467
Management	42,776
Maintenance	40,000
Operating	105,500
Taxes	14,140
Replacement Reserve	72,033
Total Expenses	<u>\$ 311,916</u>

Net Income Before Debt Service \$ 115,841

**Financing Sources**

Hard Loan	1,675,560
Hard Loan NWMT	100,000
Other NWGF	56,455
Total Sources:	<u>\$ 1,832,015</u>

**Ratios**

Rent (Income)	\$ 427,756
Operating Expenses	\$ 239,883
Replacement Reserves	\$ 72,033
Net Income Available for DS	\$ 115,841
Total Debt Service	\$ 89,830
Debt Coverage Ratio (DCR)	1.29
Total Expense Ratio	1.06

**Project Costs**

Acquisition	1,620,560
Soft Costs	141,455
Reserves	70,000
Total Project Costs	<u>\$ 1,832,015</u>

**Costs versus Sources**

Total Project Costs	\$ 1,832,015
Total Financing Sources	\$ 1,832,015
Difference	<u>\$ -</u>

<b>City</b>	<b>Belt</b>
<b>County</b>	<b>Cascade</b>
<b>Project Name</b>	<b>Cascade</b>
<b>Developer / General Ptrn</b>	<b>Cascade</b>
	<b>Golden Valley Homes &amp; Quiet Day Manor</b>
	<b>NeighborWorks Great Falls</b>

**LTV and LTDC**

Golden Valley Purchase Price	\$	827,200
Quiet Day Purchase Price	\$	793,360
	\$	<u>1,620,560</u>
Golden Valley Appraised Value	\$	1,100,000
Quiet Day Appraised Value	\$	1,055,000
	\$	<u>2,155,000</u>
Total Project Costs	\$	1,832,015
Total Loan Requested	\$	1,675,560
Loan to Development Cost Ratio		91.5%
Loan to Value		77.8%

**Project Cost Limitations**

	<b><u>Limits</u></b>	
Soft Cost	32 or 37%	8.73%

**Per Unit Comparison**

	<b><u>Limits</u></b>	
Cost per unit	\$235,000	\$ 43,619
Operating Cost per unit	\$3,000 min	\$ 5,711
Replacement Reseves	\$300 min	\$ 1,715

**Per Square Foot Comparison**

Total Project Cost per sq ft	\$	70.93
------------------------------	----	-------

**Utilities Paid by (Tenant / Owner)** Owner

# BOARD AGENDA ITEM

---

## PROGRAM

Multifamily Program

## AGENDA ITEM

Approval of Multifamily Coal Trust Homes Program Loan Request

- Echo Enterprise – Beki Brandborg
  - Highland Manor Havre Mt

## BACKGROUND

This proposal is to acquire and preserve Highland Manor, an existing 32-unit family property in Havre MT. The previous owner has passed, and the family is interested in selling the property but also maintaining the USDA RD rental assistance through the 515 program. There is a plan to address rehabilitation needs within the next few years.

Echo Enterprise is solely owned by an individual. Financial information was provided but will not be disclosed in a public document as it is considered confidential.

## PROPOSAL

The Board approval of the preliminary loan commitment for the Multifamily Coal Trust Homes program and authorization of staff to provide a firm commitment and closing after additional required information is submitted and considered complete. The following are the details and terms:

- Above named Sponsor and Project(s)
- Amount: \$520,509
- Rate: 2.5625%
- Term: 10 years
- Amortization Period: 30 years

TO: Bruce Brensda, Montana Board of Housing, Executive Director  
FROM: Beki Brandborg  
DATE: December 30, 2019  
RE: Multifamily Coal Trust Homes Program Loan Application

I am pleased to submit this application for a loan from the Multifamily Coal Trust Homes Program to purchase and preserve the existing 32-unit Highland Manors in Havre, Montana.

The owner of the Manors passed away in 2019 and his family is now interested in passing the ownership to someone else. If not purchased by a buyer interested in maintaining the Manors as an affordable housing development, the loss of the 32 units would be devastating to the residents who depend on the housing and the entire community of Havre.

This loan will preserve the federal housing assistance provided by the USDA Rural Development 515 loan. The first phase will be the acquisition followed by folding this project, along with its USDA RD rental assistance, into a 4%/9% Low Income Housing Tax Credit rehabilitation project, thus leveraging other source of federal assistance and contributing substantially to the local economy through the renovation of the apartments.

Purchase of this property with traditional loan opportunities would be untenable.

The Coal Trust loan will act as a bridge loan until the LIHTC funding partnership takes place, and the loan will be repaid at that time. Another source of financing will take place at that time, allowing the Coal Trust loan funds to be cycled into other worthy projects in Montana.

Enclosed are the following documents:

1. Uniform Application
2. Site plan photos and floor plan diagrams
3. Evidence of site control, a Buy-Sell Agreement
4. Capital Needs Assessment
5. Personal financial statement
6. Amenity List form
7. Application fee of \$\_\_\_\_\_

Thank you very much for your consideration and facilitating this new source of loan funding!

**Beki Glyde Brandborg**  
**406-431-2151**

**4835 Echo Drive, Helena, MT 59602**  
**beki@montana.com**

<b>City</b>	<b>Havre</b>		
<b>County</b>	<b>Hill</b>		
<b>Project Name</b>	<b>Highland Manor</b>		
<b>Developer / General Ptnr</b>	<b>Echo Enterprise</b>		
<b>GP Organizational Type</b>	For-Profit		
<b>Loan Requested</b>	520,509		
<b><u>Unit Numbers</u></b>			
		<b><u>Target</u></b>	
	1-bdrm	30%	7
	2-bdrm	30%	25
	other	mgr	-
	Total Units		<u>32</u>
	Average Income Targeting		30.00%
<b><u>Square Footage</u></b>			
	Income Resticted Units		23,800
	Managers Unit(s)		-
	Common Space		-
	Market/Commercial		-
	Total		<u>23,800</u>
<b><u>Unit Rents</u></b>			
	1-bdrm	30%	700
	2-bdrm	30%	830
	other	mgr	-
	Total Monthly Rents		<u>\$ 25,650</u>
	vacancy factor		7.00%
	Adjusted Rent		<u>\$ 23,855</u>
	other/commercial income		\$0
	total rent		<u>\$ 23,855</u>
	x 12 months		12
	Total Annual Income		<u>\$ 286,254</u>
<b><u>Expenses</u></b>			
	Administration		19,438
	Management		22,656
	Maintenance		101,152
	Operating		31,300
	Taxes		25,480
	Replacement Reserve		9,600
	Total Expenses		<u>\$ 209,626</u>
	Net Income Before Debt Service		<u>\$ 76,628</u>
<b><u>Financing Sources</u></b>			
	Hard Loan	USDA RD	896,819
	Hard Loan	MCTH	520,509
	Other	Reserves	55,580
	Total Sources:		<u>\$ 1,472,908</u>

<b>City</b>	<b>Havre</b>
<b>County</b>	<b>Hill</b>
<b>Project Name</b>	<b>Highland Manor</b>
<b>Developer / General Ptnr</b>	<b>Echo Enterprise</b>

**Ratios**

Rent (Income)	\$	286,254
Operating Expenses	\$	200,026
Replacement Reserves	\$	9,600
Net Income Available for DS	\$	76,628
Total Debt Service	\$	52,087
Debt Coverage Ratio (DCR)		1.47
Total Expense Ratio		1.09

**Project Costs**

Acquisition		1,046,819
Soft Costs		195,205
Reserves		230,884
Total Project Costs	\$	1,472,908

**Costs versus Sources**

Total Project Costs	\$	1,472,908
Total Financing Sources	\$	1,472,908
Difference	\$	-

**LTV and LTDC**

Purchase Price	\$	1,046,819
Appraised Value (CMA \$65k / unit)	\$	2,080,000
Total Project Costs	\$	1,472,908
Total Loan Requested	\$	520,509
Loan to Development Cost Ratio		35.3%
Loan to Value		25.0%

**Project Cost Limitations**

	<b><u>Limits</u></b>	
Soft Cost	32 or 37%	18.65%

**Per Unit Comparison**

	<b><u>Limits</u></b>	
Cost per unit	\$235,000	\$ 46,028
Operating Cost per unit	\$3,000 min	\$ 6,251
Replacement Reseves	\$300 min	\$ 300

**Per Square Foot Comparison**

Total Project Cost per sq ft	\$	61.89
------------------------------	----	-------

**Utilities Paid by (Tenant / Owner)**

Tenant

# BOARD AGENDA ITEM

---

## PROGRAM

Multifamily Program

## AGENDA ITEM

Approval of Multifamily Coal Trust Homes Program Loan Request

- HRDC Bozeman– Tracy Menuez
  - Livingston Land Trust Cottages, Livingston Mt

## BACKGROUND

HRDC Bozeman has partnered with organizations around the state to place the small modular homes purchased from the Bakken region. This project, utilizing the remaining land in our Livingston Land Trust, will place the remaining 12 homes, consisting of 7 one-bedroom homes and 5 two-bedroom homes.

The application proposes rents at 70% AMI. There are few rent-restricted, non-subsidized units available to the general public, and the area has an effective 0% vacancy rate. Utility allowances that are nearly double the actual costs incurred for like homes in Belgrade necessitate running the proforma at 70%. It is the preference of the applicant to reduce rents to 60% AMI, and use actual costs incurred in the Belgrade project to determine an adequate utility allowance. Applicant is open to any other discussions regarding rents and utility allowances as well.

HRDC Bozeman has bid out the project and has an executed contract to commence work as soon as a loan commitment is made. HRDC Bozeman has a proven track record of experience in rental housing development, and a demonstrated commitment to serving low-income families.

HRDC Bozeman has been involved in affordable housing in Bozeman for several years. The organization has \$18.7 million net assets as of their September 30, 2018 financial statements.

Unrestricted net assets were \$7.9 million and \$1.6 were temporarily restricted. New assets increased by \$1.275 million.

## PROPOSAL

The Board approval of the preliminary loan commitment for the Multifamily Coal Trust Homes program and authorization of staff to provide a firm commitment and closing after additional required information is submitted and considered complete. The following are the details and terms:

## BOARD AGENDA ITEM

---

- Above named Sponsor and Project(s)
- Amount: \$1,100,000
- Rate: 3.5625%
- Term: 30 years
- Amortization Period: 30 years



**BUILDING A  
BETTER  
COMMUNITY**

thehrdc.org



e: hello@

January 2, 2020

Montana Board of Housing  
PO Box 200528  
Helena MT 59620-0528

RE: Coal Tax Loan Fund application – Livingston Land Trust Cottages

Dear Board of Housing:

Please see attached HRDC IX's application for the Coal Trust Loan fund to develop 12 affordable homes in Livingston, Montana.

HRDC has partnered with organizations around the state to place the small modular homes purchased from the Bakken region. This project, utilizing the remaining land in our Livingston Land Trust, will place the remaining 12 homes, consisting of 7 one-bedroom homes and 5 two-bedroom homes.

The project being submitted is as follows:

Name: Livingston Land Trust Cottages  
City: Livingston  
County: Park

The application proposes rents at 70% AMI. There are few rent-restricted, non-subsidized units available to the general public, and the area has an effective 0% vacancy rate. Utility allowances that are nearly double the actual costs incurred for like homes in Belgrade necessitate running the proforma at 70%. It is the preference of the applicant to reduce rents to 60% AMI, and use actual costs incurred in the Belgrade project to determine an adequate utility allowance. Applicant is open to any other discussions regarding rents and utility allowances as well.

HRDC has bid out the project, and has an executed contract to commence work as soon as a loan commitment is made. HRDC has a proven track record of experience in rental housing development, and a demonstrated commitment to serving low-income families. We hope that the board will approve this application and allow us to continue our service to the Livingston community.

Sincerely,

Tracy Menez  
Associate Director

p: 406.587.4486

e: hello@thehrdc.org

a: 32 South Tracy  
Bozeman, Montana 59715

**HRDC**  
BUILDING A BETTER COMMUNITY

City	Livingston
County	Park
Project Name	Livingston Land Trust Cottage
Developer / General Ptnr	HRDC of District IX, Inc.
GP Organizational Type	Private, non-profit 501c3
Loan Requested	\$1,100,000

<b><u>Unit Numbers</u></b>	Target	
1-bdrm	70%	7
2-bdrm	70%	5
other	mgr	-
Total Units		<u>12</u>
Average Income Targeting		70.00%

<b><u>Square Footage</u></b>	
Income Restricted Units	\$ 5,930
Managers Unit(s)	-
Common Space	-
Market/Commercial	-
Total	<u>\$ 5,930</u>

<b><u>Unit Rents</u></b>	
1-bdrm	70% \$ 711
2-bdrm	70% \$ 853
Total Monthly Rents	<u>\$ 9,242</u>
vacancy factor	\$ 0
Adjusted Rent	<u>\$ 8,965</u>
other/commercial income	\$ -
total rent	<u>\$ 8,965</u>
x 12 months	<u>\$ 12</u>
Total Annual Income	<u>\$ 107,577</u>

<b><u>Expenses</u></b>	
Administration	\$ 4,200
Management	\$ 7,000
Maintenance	\$ 22,000
Operating	\$ 3,250
Taxes	\$ 4,000
Replacement Reserve	\$ 3,600
Total Expenses	<u>\$ 44,050</u>

Net Income Before Debt Service	\$ 63,527
--------------------------------	-----------

<b><u>Financing Sources</u></b>	
Hard Loan MCTH	\$ 1,100,000

HRDC Sponsor loan	\$	126,919
Deferred Dev Fee	-	
Total Sources:	\$	1,226,919

### **Ratios**

Rent (Income)	\$	107,577
Operating Expenses	\$	40,450
Replacement Reserves	\$	3,600
Net Income Available for DS	\$	63,527
Total Debt Service	\$	59,735
Debt Coverage Ratio (DCR)		1.06%
Total Expense Ratio		1.04%

### **Project Costs**

Building/Acquisition	\$	480,000
Site Work	\$	175,113
Construction / Rehab	\$	434,783
Soft Costs	\$	103,023
Reserves	\$	34,000
Total Project Costs	\$	1,226,919

### **Costs versus Sources**

Total Project Costs	\$	1,226,919
Total Financing Sources	\$	1,226,919
Difference	\$	-

### **LTV and LTDC**

purchase Price	\$	480,000.00
Appraised Value	\$	1,315,000.00
Total Project Costs	\$	1,226,919.00
Total Loan Requested	\$	1,100,000.00

Loan to Development Cost Ratio	89.7%
Loan to Value	83.7%

### **Project Cost Limitations**

	Limits	
General Requirements	6.00%	7.56%
Contractor Overhead	2.00%	1.97%
Contractor Profit	6.00%	4.18%
Developer Fees	15.00%	0.00%
Soft Cost	32 or 37%	6.60%

**Per Unit Comparison**

	Limits		
Cost per unit	\$235,000	\$	102,243
Operating Cost per unit	\$3,000 min	\$	3,371
Replacement Reserves	\$300 min	\$	300

**Per Square Foot Comparison**

Total Project Cost per sq ft		\$	206.90
------------------------------	--	----	--------

**Utilities Paid by (Tenant/Owner)**

Owner

# Multifamily & RAM Program Dashboard

## February 10, 2020

### LOAN PROGRAMS

<u>Applications</u>		<u>Active Loans</u>	<u>Outstanding Balance</u>	<u>Available Balance</u>
<b>Reverse Annuity (RAM)</b>				
	RAM	53	\$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
	Conduit (2006-2016)	11	\$57,250,000	\$1,008,333
	Risk Share	-	-	6
			\$6,282,085	NA
	<b>Multifamily Coal Trust</b>	3	\$3,296,069	\$15,000,000

### Housing Credits Assets Administered/Protected

Total Housing Credits Allocated	\$561,492,874
Number of Projects	261
Number of Families Served	7,954

### Housing Credits (HC) Allocated

<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	homes complete/waiting for 8609 paperwork received temp certificates of occupancy	Blackfeet Housing
Rockcress Commons 9%	Great Falls	Jan 2017	2017	12/31/2019 1:30 PM certificates of occupancy/final cost cert underway	GMD NW GF
Roosevelt Villas	WP/Culbertson	Jan 2017	2017		GL Development

Starner Gardens 9	Billings	Nov 2017	2018	construction underway/rcvd cert of occ for a few buildings 12/12/19 & 12/30/19	GMD Dev Butte Afford Thom Dev
Copper Ridge/9% Blue Bunch Flats	Butte	Nov 2017	2018	construction underway	Homeword
Cottonwood Creek	Deer Lodge	April 2018	2018	construction underway	GL Dev
Freedoms Path	Fort Harrison	Feb 2018	2018	Some units completed	Comm for Vets
Starner Gardens 4%	Billings	Dec 2017	TE bond	construction underway	GMD
Rockcress 4%	Great Falls	Dec 2017	TE bond	received temp certificates of occupancy 12/31/2019 1:30 PM	GMD Butte Aff/Thom Dev Affiliated Developers Ronan Housing RCAC St Johns Luth/C.R. Builders
Copper Ridge 4%	Butte	Dec 2017	TE bond	construction underway	
Oakwood	Havre	Nov 2018	2019	applying for CTMFH	
Meadowlark Vista	Ronan	Nov 2018	2019	set to close this month	
Chapel Court	Billings	Nov 2018	2019	construction underway	
Red Alder 9	Helena	Nov 2018	2019	construction underway	GL/RMDC Whitefish HA Homeword
Alpenglow	Whitefish	Nov 2018	2019	construction underway	
Red Alder 4	Helena	Nov 2018	TE Bond	construction underway	GL/RMDC
<hr/>					
Homestead Lodge	Absarokee	Nov 2019	2020	transfer of ownership	Syringa Housing Corporation
Fire Tower Apts	Helena	Nov 2019	2020	received Housing Trust Funds/looking to start construction June 2020 scheduled to close April 2020	Wishcamper Development HRC/Housing Solutions The Housing Company Housing Solutions
Burt Fork Place	Stevensville	Nov 2019	2020	going out for bids in March 2020	
Pioneer Meadows	Dillon	Nov 2019	2020		
Skyview	Missoula	Nov 2019	2020	working on bids	

## HOUSING CREDITS (HCs) COMPLIANCE

	Year to Date	Last Year
Project Site Visits	65	98
Units monitored	2,187	3,418

---

### Projects inspected and audited

will be sent separately

# BOARD AGENDA ITEM

---

## PROGRAM

Multifamily Program

## AGENDA ITEM

Cornerstone – Missoula, MT – loan request by Missoula Housing Authority

## BACKGROUND

Cornerstone located in Missoula Montana will be 12 homes. It will contain 12 one-bedroom homes targeting persons at 30% AMI or less. This property is targeted to the homeless population and will have project-based vouchers. This project has received Housing Trust Fund, AHP, and MHA Dispo funding. Missoula Housing Authority is requesting \$150,000 loan for 30 years at 2%. The loan funds would be funded with deallocated bonds.

## PROPOSAL

Staff has reviewed the loan request.

Staff requests the Board consider and approve the loan request

# Operations Dashboard February 2020

## Board Meetings

The next scheduled Board Meeting is April 6 webinar. The meeting on Monday, May 18 and Tuesday, May 19 are in Helena and Housing Credit Letter of Intent presentations will be made on Monday, with Board selection on Tuesday.

## Out of State Board Training

- March 9-11, 2020 – NCSHA Legislative Conference – WA D.C. (Jeanette McKee and Bob Gauthier confirmed)
- October 24-27, 2020 – NCSHA Annual Conference – New Orleans (Eric Schindler confirmed)

## Staffing

We've had a number of internal transitions and hires since our last meeting in October, including:

- Hannah Rotter transitioned from the Homeownership program to an open Accountant position in November 2019.
- Becky Shaw emerged from retirement to assist the Project Based Section 8 team on a temporary assignment.
- June Pack transitioned from the Multifamily Program to a Contract Manager in the Rental Assistance Program in October 2019. MF modified this open position to a compliance supervisor role; recruitment process is underway.
- James Neary started in Homeownership in early December. His background at title companies will be an asset to our Homeownership program.
- Jason Krebs, Contract Manager in the Rental Assistance Program, accepted a different work assignment and will begin working on special programs starting on 2/15/2020.
- Departures: Amanda Henrich, Accounting Technician in Mortgage Services, accepted a position with a different state agency. Her last day was January 31, 2020. Interviews for the vacant position began on 2/3/2020. Connie Mullikin, Contract Manager in the Rental Assistance Program, retired in January.

## Contracts / Procurement

- We entered into a new Master Servicer contract with U.S. Bank in December, effective through September 2025.
- Emphasys Software Licensing Agreement was amended in January, extending our contract through December 2020.
- We're current gathering bids for a Document Custodian. Obtaining a Document Custodian is a Freddie Mac requirement.
- We will begin working on contract amendments to extend terms for Acorn Mortgage Consulting (GSE Consultant) and CSG Advisors (Financial Advisors) in advance of current March and April contract end dates.

## GSE Seller/Servicer Approval Work Plan

Freddie Mac approved our Seller/Servicer application on January 13, 2020, making Montana Housing officially a Freddie Mac client. Prior to this approval, we complete a new Lender Approval and Monitoring Plan (LAMP), which outlines various oversight processes for Montana Housing's approval and on-going monitoring of Participating Lenders. Accompanying exhibits for LAMP include a detailed excel spreadsheet documenting our Lender Oversight, Financial Statement and Quality Control Plan reviews, as well as a concise 3-page Participating Lender Assessment Tool that summarized our review and approval process for each applicant. We also updated our GSE Project Plan in early January and continue to work on a variety of deliverables, including a new form of Lender Application and engaging a Document Custodian.

Gina Celli-Marlow with Freddie Mac will be visiting Montana to provide additional training and technical assistance on Thursday, February 27.

## Montana Housing Impact

- Since 2013, federal housing credits have supported the development or rehabilitation of 2,268 affordable homes, creating \$253 million in equity.
- More Montanans are achieving homeownership thanks to low interest rate loans and down payment assistance support from Montana Housing. In just the last year (FY2018-FY2019), we've seen a 37 percent increase in loans originated through Montana Housing's homeownership program.

# Section 8 Program Dashboard

January 1, 2020

HCV, HUD-VASH, MOD REHAB, PBS8, 811 PRA DEMO PROGRAMS:

CURRENT PERIOD: January 2020

SECTION 8 PROGRAMS	<u>Previous Month</u>	<u>Month</u>	<u>Change</u>	<u>Year</u>	<u>HUD</u>	<u>Date</u>
	<u>Dec-2019</u>	<u>Jan-2020</u>		<u>HAP</u>	<u>Budget</u>	<u>Fees</u>
<b>Housing Choice Voucher (HCV)</b>					15,426,099	CY 2020
PBS8 Opt-Out Conversion Funding						
Paid Units (3625 Agency contracts)	3,195	3,199	4			
Current Month Payment Amount	1,534,828	1,550,864	16,037	1,550,864	120,979	
<b>Veterans Affairs Supportive Housing (VASH)</b>						CY2020
Number Units Paid (321 Authorized)	226	227	1			8,187
Payment Amount	109,174	109,802	628	109,802	8,187	
<b>Moderate Rehabilitation (ModRehab)</b>					2,012,728	CY2020
Number Contracts	18	18	0			
Paid Units (297 Authorized)	270	260	-10			9,308
Payment Amount	141,767	129,537	-12,230	129,537	9,308	
<b>Project Based VASH</b>						
Number Units Paid	5	6	1			143
Payment Amount	4,464	5,098	634	5,098	143	
<b>Project-Based (PBS8)</b>						<b>Admin Earnings</b>
Contracts	87	87	0			79,817
Units Paid (4132 Authorized with 8bb)	3,654	3,648	-6			Contract Extension
Payment Amount	1,915,020	1,976,510	61,490			
Calendar Year Admin Earnings						79,817
<b>811 Project Rental Assistance Demo (FY)</b>					1,900,000	157,000 Five Year
Rental Assistance Contracts (RAC)	4	4	0	Disbursed:	345,759	Balance: 1,554,241
Units (grant requires 82)	22	22	0			8 Units Kalispell
Payment Amount	13,992	12,534	-1,458			40 Units Missoula
						5 Units Ronan
						21 Units Bozeman/Belgrade
						74

## TOTALS

	<u>Previous Month</u>	<u>Current Month</u>	<u>Change</u>
Paid Units:	7,372	7,362	-10
Budgeted Units:		8,317	
All Section 8 HAPs	3,719,244	3,784,345	65,101

# Operations Dashboard February 2020

## Board Meetings

The next scheduled Board Meeting is April 6 webinar. The meeting on Monday, May 18 and Tuesday, May 19 are in Helena and Housing Credit Letter of Intent presentations will be made on Monday, with Board selection on Tuesday.

## Out of State Board Training

- March 9-11, 2020 – NCSHA Legislative Conference – WA D.C. (Jeanette McKee and Bob Gauthier confirmed)
- October 24-27, 2020 – NCSHA Annual Conference – New Orleans (Eric Schindler confirmed)

## Staffing

We've had a number of internal transitions and hires since our last meeting in October, including:

- Hannah Rotter transitioned from the Homeownership program to an open Accountant position in November 2019.
- Becky Shaw emerged from retirement to assist the Project Based Section 8 team on a temporary assignment.
- June Pack transitioned from the Multifamily Program to a Contract Manager in the Rental Assistance Program in October 2019. MF modified this open position to a compliance supervisor role; recruitment process is underway.
- James Neary started in Homeownership in early December. His background at title companies will be an asset to our Homeownership program.
- Jason Krebs, Contract Manager in the Rental Assistance Program, accepted a different work assignment and will begin working on special programs starting on 2/15/2020.
- Departures: Amanda Henrich, Accounting Technician in Mortgage Services, accepted a position with a different state agency. Her last day was January 31, 2020. Interviews for the vacant position began on 2/3/2020. Connie Mullikin, Contract Manager in the Rental Assistance Program, retired in January.

## Contracts / Procurement

- We entered into a new Master Servicer contract with U.S. Bank in December, effective through September 2025.
- Emphasys Software Licensing Agreement was amended in January, extending our contract through December 2020.
- We're current gathering bids for a Document Custodian. Obtaining a Document Custodian is a Freddie Mac requirement.
- We will begin working on contract amendments to extend terms for Acorn Mortgage Consulting (GSE Consultant) and CSG Advisors (Financial Advisors) in advance of current March and April contract end dates.

## GSE Seller/Servicer Approval Work Plan

Freddie Mac approved our Seller/Servicer application on January 13, 2020, making Montana Housing officially a Freddie Mac client. Prior to this approval, we complete a new Lender Approval and Monitoring Plan (LAMP), which outlines various oversight processes for Montana Housing's approval and on-going monitoring of Participating Lenders. Accompanying exhibits for LAMP include a detailed excel spreadsheet documenting our Lender Oversight, Financial Statement and Quality Control Plan reviews, as well as a concise 3-page Participating Lender Assessment Tool that summarized our review and approval process for each applicant. We also updated our GSE Project Plan in early January and continue to work on a variety of deliverables, including a new form of Lender Application and engaging a Document Custodian.

Gina Celli-Marlow with Freddie Mac will be visiting Montana to provide additional training and technical assistance on Thursday, February 27.

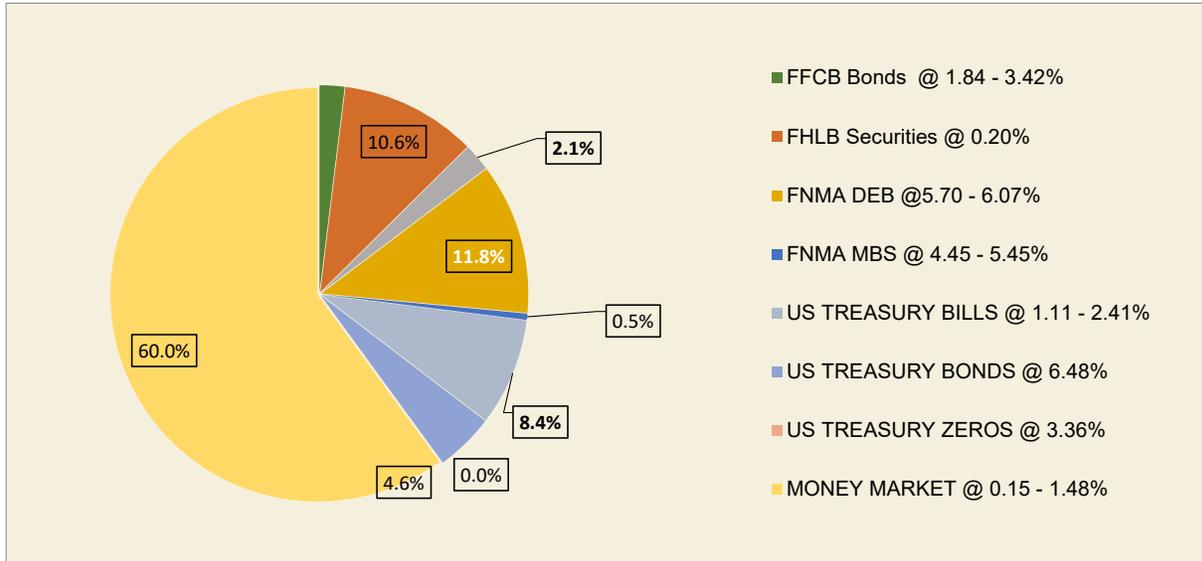
## Montana Housing Impact

- Since 2013, federal housing credits have supported the development or rehabilitation of 2,268 affordable homes, creating \$253 million in equity.
- More Montanans are achieving homeownership thanks to low interest rate loans and down payment assistance support from Montana Housing. In just the last year (FY2018-FY2019), we've seen a 37 percent increase in loans originated through Montana Housing's homeownership program.

# Accounting & Finance Dashboard

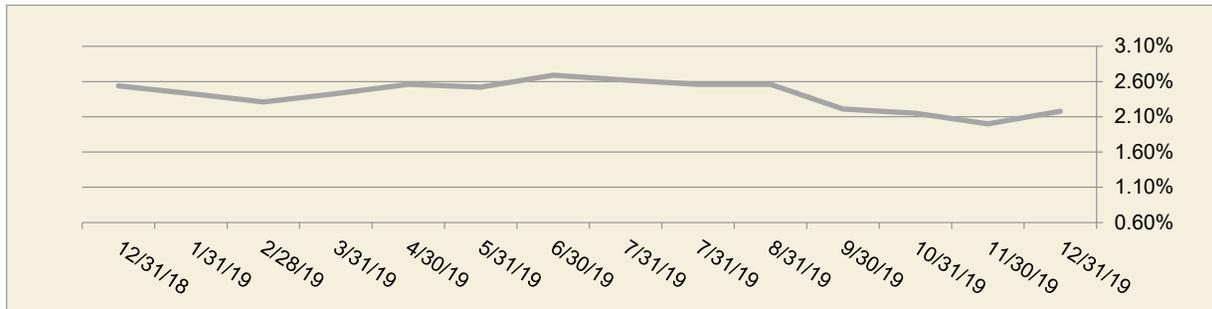
## Data as of December 31, 2019

### 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 December 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
\$ 62,764,962	\$ 8,778,000	\$ 17,951,000	\$ 12,318,000	\$ 2,225,000	\$ 512,340	\$ -	\$ 104,549,302

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

<b>Maturity Date</b>	<b>Trustee Bank</b>	<b>Investment Type</b>	<b>Par Value</b>
12/31/2019	US Bank Corporate Tr	US BANK MONEY M	3,087,624.03
12/31/2019	Wilmington Trust	WT GOLDMAN SACH	59,677,337.67
05/24/2021	Wilmington Trust	FFCB	1,230,000.00
11/29/2021	Wilmington Trust	FHLB	11,120,000.00
08/15/2025	Wilmington Trust	T-NOTES & BONDS	4,796,000.00
04/30/2026	Wilmington Trust	FNMA DEB	4,613,000.00
09/27/2027	Wilmington Trust	FNMA DEB	4,070,000.00
11/26/2027	Wilmington Trust	FNMA DEB	3,635,000.00
07/15/2032	Wilmington Trust	FHLMC BOND	2,225,000.00
02/01/2036	Wilmington Trust	FNMA MBS	51,003.96
05/01/2036	Wilmington Trust	FNMA MBS	27,860.33
07/01/2036	Wilmington Trust	FNMA MBS	71,710.99
03/01/2037	Wilmington Trust	FNMA MBS	135,190.80
08/01/2037	Wilmington Trust	FNMA MBS	38,182.24
08/01/2038	Wilmington Trust	FNMA MBS	62,445.14
12/01/2038	Wilmington Trust	FNMA MBS	65,453.37
12/01/2039	Wilmington Trust	FNMA MBS	60,493.61
01/30/2020	US Bank Corporate Tr	T-BILLS	4,013,000.00
01/30/2020	Wilmington Trust	T-BILLS	1,410,000.00
11/14/2022	Wilmington Trust	FFCB	805,000.00
05/31/2020	Wilmington Trust	T-BILLS	332,000.00
11/30/2020	Wilmington Trust	T-BILLS	3,023,000.00
<b>Total</b>			<b>104,549,302.14</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

Unaudited Financial Data for month ending December 31, 2019

<i>(Dollars in Thousands)</i>	2nd Qtr FY2020	2nd Qtr FY2019	Change
<b>Assets:</b>			
Cash and Cash Equivalents	73,016	71,481	1,535
Investments	50,707	44,645	6,062
Mortgage Loans Receivable, Net	535,133	516,637	18,496
Corporate Advance	183	631	(448)
Interest Receivable	4,104	4,687	(583)
Prepaid Expenses	2	0	2
Acquisition Costs	2,281	2,380	(99)
Capital Assets, Net	1	1	(0)
<b>Total Assets</b>	<b>665,427</b>	<b>640,463</b>	<b>24,964</b>
<b>Deferred Outflow of Resources</b>	<b>666</b>	<b>781</b>	<b>(115)</b>
<b>Liabilities:</b>			
Accounts Payable	186	215	(29)
Funds Held for Others	6,970	7,575	(605)
Accrued Interest - Bond Payable	1,468	1,396	72
Bonds Payable, Net	493,851	472,613	21,238
Arbitrage Rebate Payable	731	652	79
Accrued Compensated Absences	302	280	22
Net Pension Liability	1,836	2,279	(443)
OPEB Liability	52	52	0
<b>Total Liabilities</b>	<b>505,396</b>	<b>485,061</b>	<b>20,335</b>
<b>Deferred Outflow of Resources</b>	<b>429</b>	<b>81</b>	<b>348</b>
Revenues	13,950	13,140	810
Expenses	11,155	10,541	614
<b>Income (Loss)</b>	<b>2,795</b>	<b>2,599</b>	<b>196</b>

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

# Homeownership Program Dashboard

February 3, 2020

## RATES

	<u>CURRENT</u>	<u>LAST MONTH</u>	<u>LAST YEAR</u>
MBOH	3.50	3.50	4.50
Market	3.37	3.45	4.34
10 yr treasury	1.54	1.80	2.70
30 yr Fannie Mae	2.93	3.25	3.96

## LOAN PROGRAMS

	<u>Jan RESERVATIONS</u>	<u>AMOUNT</u>	<u>TOTAL NUMBER</u>	<u>AMOUNT</u>	<u>ORIGINAL AMOUNT</u>	<u>BALANCE</u>
<b>REGULAR PROGRAM</b>						
Series 2020A(10.18.19)	30	5,465,958	131	22,938,822	30,000,000	7,061,178
2020A DPA(10.18.19)	15	125,765	53	442,331	880,000	437,669
80% Combined (20+)	0	0	104	13,741,759	reg bond	
<b>SET-ASIDE PROGRAMS</b>						
MBOH Plus	1	6,035	386	2,300,900	Revolving	40,599
Set-aside Pool (7.1.19)	6	965,328	32	4,860,381	FY2020	
<i>NeighborWorks</i>	1	177,777	8	1,137,008		
<i>CAP NWMT CLT</i>			2	243,484		
<i>Missoula HRDC XI</i>						
<i>Bozeman HRDC IX</i>	2	329,819	6	1,015,824		
<i>Home\$tart</i>	2	308,592	3	369,540		
<i>HUD 184</i>						
<i>Dream Makers</i>						
<i>Sparrow Group</i>			1	137,464		
<i>City of Billings</i>	1	149,140	12	1,957,061		
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	4	473,114	3,377,290	2,904,176
Montana Street	0	0	5	506,910	1,000,000	493,090
<b>OTHER PROGRAMS</b>						
Veterans (Orig)	5	810,409	358	68,178,963	Revolving	1,115,411
910 Mrtg Cr Cert (MCC)	7	1,634,352	261	59,387,485	60,000,000	612,515

## DECEMBER CHANGES

	<u># loans</u>	<u>Princ Bal</u>	<u># loans</u>	<u>Princ Bal</u>	
<b>Nov Balance</b>	<b>5,663</b>	<b>513,494,966.94</b>	<b>5,517</b>	<b>495,617,049.34</b>	January
Dec Purchases (1st)	42	7,321,408.15	449	76,895,252.15	
Dec Purchases (2nd)	23	171,970.04	242	1,559,612.90	
Dec Amortization		(1,329,466.59)		(15,814,906.37)	
Dec Payoffs	(36)	(3,388,571.52)	(487)	(39,790,400.35)	
Dec Foreclosures	(5)	(348,292.98)	(34)	(2,544,593.63)	
<b>December Balance</b>	<b>5,687</b>	<b>515,922,014.04</b>	<b>5,687</b>	<b>515,922,014.04</b>	December

## DELINQUENCY AND FORECLOSURE RATES

### MONTANA BOARD OF HOUSING

### MORTGAGE BANKERS ASSOC. 9/2019

(most recent available)

	<u>Dec-19</u>	<u>Nov-19</u>	<u>Dec-18</u>	<u>Montana</u>	<u>Region</u>	<u>Nation</u>
30 Days	1.51	1.32	1.58	1.51	1.76	2.34
60 Days	0.61	0.60	0.69	0.45	0.55	0.78
90 Days	<u>0.69</u>	<u>0.78</u>	<u>0.69</u>	<u>0.47</u>	<u>0.59</u>	<u>0.97</u>
Total Delinquencies	2.81	2.70	2.96	2.43	2.90	4.09
In Foreclosure	0.72	0.67	0.54	0.46	0.42	0.84

## LOAN PURCHASES BY LENDER

	DECEMBER		2019 YTD	
	<u>1st</u>	<u>DPA</u>	<u>1st</u>	<u>DPA</u>
FIRST SECURITY BOZEMAN 061			13	8
1ST COMMUNITY BK GLASGOW 095	3	3	17	16
1ST SECURITY BK MISSOULA 133	1		9	
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			3	3
BANK OF BRIDGER 354			1	
STOCKMAN BANK OF MT MILES 524	5	3	47	20
FIRST INTERSTATE BANK-WY 601	4	2	35	14
U.S. BANK N.A. 617			2	
OPPORTUNITY BANK 700	2	1	54	25
FIRST FEDERAL BANK & TRUST 731			3	2
WESTERN SECURITY BANK 785			5	
GLACIER BANK KALISPELL 735	4	2	20	3
MANN MORTGAGE 835	8	3	77	49
GUILD MORTGAGE COMPANY 842	1	1	35	20
UNIVERSAL 843	3	3	27	19
FAIRWAY INDEPENDENT MRTG 847	4	2	55	37
CORNERSTONE HOME LENDING 850			3	
BAY EQUITY LLC 853			13	13
LENDUS LLC 854	3	2	21	11
MISSOULA FEDERAL C U 901			3	
Grand Count	39	23	449	242

## MBOH DECEMBER PORTFOLIO

	<u># of loans</u>	<u>\$ of loans</u>	<u>% of #</u>	<u>% of \$</u>	
<b>FHA</b>	2,942	291,585,941	52%	57%	
<b>RD</b>	1,249	136,268,777	22%	27%	
<b>VA</b>	396	51,291,024	7%	10%	
<b>HUD184</b>	57	4,346,734	1%	1%	
<b>PMI</b>	69	6,084,607	1%	1%	
<b>Uninsured 1st</b>	230	22,041,961	4%	4%	
<b>Uninsured 2nd</b>	744	4,302,970	13%	1%	
	5,687	\$ 515,922,014			
<b>Serviced by MBOH</b>	4,938	\$ 447,717,123	87%	87%	
<b>December 2018 Balance</b>	5,517	\$ 495,617,049	3.08%	4.10%	percent of increase

### Weighted Average Interest Rate 4.094%

	<u># of loans</u>	<u>\$ of loans</u>
0 - 2.99%	577	\$ 19,491,140
3 - 3.99%	1713	\$228,645,904
4 - 4.99%	1383	\$164,124,961
5 - 5.99%	1351	\$ 77,948,699
6 - 6.99%	574	\$ 23,473,731
7 - 7.99%	83	\$ 2,213,372
8 - 8.99%	6	\$ 24,207

## LENDER/REALTOR/PARTNER OUTREACH

### Date

6-Nov MBOH Staff  
8-Nov Julie  
14-Nov Julie Vicki  
25-Nov Julie  
27-Nov Julie  
5-Dec Julie  
16-Dec Julie  
27-Jan Vicki

### Event

Freddie Mac Onsite Visit  
Webinar Training - Open Mortgage  
NWMT Partner Call  
Webinar Training - Major Mortgage/Amcap  
Webinar Training - Clearwater CU  
Webinar Training - Major Mortgage/Amcap Closing Dept  
Webinar Training - First Interstate Bank  
NWMT Partner Call

## Mortgage Servicing Program Dashboard Effective 1/31/20

	Last Year	Last Month	This Month
MONTH	JAN 2019	DEC 2019	JAN 2020
PORTFOLIO TOTAL LOANS	5140	5287	5313
MBOH	4834	4958	4978
BOI	290	315	321
MULTI FAMILY	16	14	14
PRINCIPAL (all loans)	\$ 487,795,234.19	\$ 506,514,406.60	\$ 509,521,767.67
ESCROW (all loans)	\$ 4,861,191.17	\$ 5,192,533.66	\$ 6,164,906.58
LOSS DRAFT (all loans)	\$ 587,274.74	\$ 1,604,490.63	\$ 1,680,196.79
LOANS DELINQUENT (60+ days)	165	179	177
ACTUAL FORECLOSURE SALES IN MONTH	2	3	2
FORECLOSURES TOTAL CALENDAR YEAR	2	18	2
DELINQUENT CONTACTS TO MAKE	732	518	508
LATE FEES - NUMBER OF LOANS	767	755	756
LATE FEES - TOTAL AMOUNT	\$ 21,564.21	\$ 21,691.21	\$ 21,905.69
PAYOFFS	34	35	37
NEW LOANS/TRANSFERS	132	52	66

## 2020 Monthly Servicing Report

LOSS MITIGATION	JAN 2020	<b>HUD's National Servicing Center TRSII Reporting FY19 Final Score 90.91% Tier 1 - Grade A</b>
ACTIVE FINANCIALPACKETS	4	
REPAYMENT/FORBEARANCE	30	
SHORT SALE	0	
DEED IN LIEU	0	
HAMPS/PARTIAL CLAIMS & MODS PNDG	5	
PRESERVATION PROPERTIES	6	
REAL ESTATE OWNED PROPERTIES	2	
CHAPTER 13 BANKRUPTCIES	18	

# Multifamily & RAM Program Dashboard

## February 10, 2020

---

### LOAN PROGRAMS

<u>Applications</u>		<u>Active Loans</u>		<u>Outstanding Balance</u>	<u>Available Balance</u>	
<b>Reverse Annuity (RAM)</b>						
	RAM		53	\$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>Multifamily Coal Trust</b>		3	\$3,296,069		\$15,000,000	

### Housing Credits Assets Administered/Protected

Total Housing Credits Allocated	\$561,492,874
Number of Projects	261
Number of Families Served	7,954

### Housing Credits (HC) Allocated

<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	homes complete/waiting for 8609 paperwork received temp certificates of occupancy	Blackfeet Housing
Rockcress Commons 9%	Great Falls	Jan 2017	2017	12/31/2019 1:30 PM certificates of occupancy/final cost cert	GMD NW GF
Roosevelt Villas	WP/Culbertson	Jan 2017	2017	underway	GL Development

Starner Gardens 9	Billings	Nov 2017	2018	construction underway/rcvd cert of occ for a few buildings 12/12/19 & 12/30/19	GMD Dev Butte Afford Thom Dev
Copper Ridge/9% Blue Bunch Flats	Butte	Nov 2017	2018	construction underway	Homeword
Cottonwood Creek	Deer Lodge	April 2018	2018	construction underway	GL Dev
Freedoms Path	Fort Harrison	Feb 2018	2018	Some units completed	Comm for Vets
Starner Gardens 4%	Billings	Dec 2017	TE bond	construction underway	GMD
Rockcress 4%	Great Falls	Dec 2017	TE bond	received temp certificates of occupancy 12/31/2019 1:30 PM	GMD Butte Aff/Thom Dev Affiliated Developers Ronan Housing RCAC St Johns Luth/C.R. Builders
Copper Ridge 4%	Butte	Dec 2017	TE bond	construction underway	
Oakwood	Havre	Nov 2018	2019	applying for CTMFH	
Meadowlark Vista	Ronan	Nov 2018	2019	set to close this month	
Chapel Court	Billings	Nov 2018	2019	construction underway	
Red Alder 9	Helena	Nov 2018	2019	construction underway	GL/RMDC Whitefish HA Homeword
Alpenglow	Whitefish	Nov 2018	2019	construction underway	
Red Alder 4	Helena	Nov 2018	TE Bond	construction underway	GL/RMDC
Homestead Lodge	Absarokee	Nov 2019	2020	transfer of ownership	Syringa Housing Corporation
Fire Tower Apts	Helena	Nov 2019	2020	received Housing Trust Funds/looking to start construction June 2020 scheduled to close April 2020	Wishcamper Development HRC/Housing Solutions The Housing Company Housing Solutions
Burt Fork Place	Stevensville	Nov 2019	2020	going out for bids in March 2020	
Pioneer Meadows	Dillon	Nov 2019	2020		
Skyview	Missoula	Nov 2019	2020	working on bids	

Timber  
Ridge Apts Bozeman

Nov 2019

2020

working on bids

Summit Housing  
Group

## HOUSING CREDITS (HCs) COMPLIANCE

	Year to Date	Last Year
Project Site Visits	65	98
Units monitored	2,187	3,418

---

### Projects inspected and audited

will be sent separately

# Section 8 Program Dashboard

January 1, 2020

HCV, HUD-VASH, MOD REHAB, PBS8, 811 PRA DEMO PROGRAMS:

CURRENT PERIOD: January 2020

SECTION 8 PROGRAMS	<u>Previous Month</u>	<u>Month</u>	<u>Change</u>	<u>Year</u>	<u>HUD</u>	<u>Date</u>
	<u>Dec-2019</u>	<u>Jan-2020</u>		<u>HAP</u>	<u>Budget</u>	<u>Fees</u>
<b>Housing Choice Voucher (HCV)</b>					15,426,099	CY 2020
PBS8 Opt-Out Conversion Funding						
Paid Units (3625 Agency contracts)	3,195	3,199	4			
Current Month Payment Amount	1,534,828	1,550,864	16,037	1,550,864	120,979	
<b>Veterans Affairs Supportive Housing (VASH)</b>						CY2020
Number Units Paid (321 Authorized)	226	227	1			8,187
Payment Amount	109,174	109,802	628	109,802	8,187	
<b>Moderate Rehabilitation (ModRehab)</b>					2,012,728	CY2020
Number Contracts	18	18	0			
Paid Units (297 Authorized)	270	260	-10			9,308
Payment Amount	141,767	129,537	-12,230	129,537	9,308	
<b>Project Based VASH</b>						
Number Units Paid	5	6	1			143
Payment Amount	4,464	5,098	634	5,098	143	
<b>Project-Based (PBS8)</b>						<b>Admin Earnings</b>
Contracts	87	87	0			79,817
Units Paid (4132 Authorized with 8bb)	3,654	3,648	-6			Contract Extension
Payment Amount	1,915,020	1,976,510	61,490			
Calendar Year Admin Earnings						79,817
<b>811 Project Rental Assistance Demo (FY)</b>					1,900,000	157,000 Five Year
Rental Assistance Contracts (RAC)	4	4	0	Disbursed:	345,759	Balance: 1,554,241
Units (grant requires 82)	22	22	0			8 Units Kalispell
Payment Amount	13,992	12,534	-1,458			40 Units Missoula
						5 Units Ronan
						21 Units Bozeman/Belgrade
						74

## TOTALS

	<u>Previous Month</u>	<u>Current Month</u>	<u>Change</u>
Paid Units:	7,372	7,362	-10
Budgeted Units:		8,317	
All Section 8 HAPs	3,719,244	3,784,345	65,101