



MONTANA HOUSING

Meeting Location: Zoom only

Date: February 14, 2022

Time: 8:30 a.m.

Chairperson: Sheila Rice

Remote Attendance: Join our meetings remotely via Zoom and phone.

To register for Zoom, Click: https://mt.gov.zoom.us/meeting/register/tZEucu6opjMuHtb1_vplfFD6xK6ptnfWVz84

To participate by phone:

Dial 888-556-4567, Meeting ID: 853 5708 8442, Passcode: 512840

Board Offices: Montana Housing
301 S Park Ave., Room 240,
Helena MT 59601
Phone: 406.841.2840

AGENDA ITEMS

- ❖ Meeting Announcements
- ❖ Introductions
- ❖ 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)

- ❖ Habitat Approval
- ❖ Income and Purchase Price Review and Approval
- ❖ Participating Lender Approval if necessary–

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

- ❖ Homeownership Update

Mortgage Servicing (Manager: Vicki Bauer for Mary Palkovich)

- ❖ Servicing Update

Multifamily Program (Manager: Nicole McKeith)

- ❖ Junegrass 4% Bond Resolution
- ❖ Bridger Peaks 4% Bond Resolution
- ❖ Highland Manor Coal Trust Loan
- ❖ Creekside Site Changes
- ❖ Multifamily Update

Operations/Executive Director (Joe DeFilippis / Cheryl Cohen)

- ❖ Operations/Executive Director 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.

2022 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					

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

2022

February 2022

14 – Board Meeting – Zoom

March 2022

14 – No Board Meeting

14-16 – NCHSA Legislative Conference - DC

April 2022

11 – Finance Training – Fairmont Hot Springs

12 – Board Meeting – Fairmont Hot Springs

May 2022

2-3 – Mountain Plains Summit – Billings

16 – Board Meeting – Zoom (Letter of Intent)

17 – Board Meeting – Zoom

June 2022

13 – Board Meeting – Helena

14-15 – Housing Conference - Virtual

21-24 – Housing Credit Connect - Chicago

July 2022

11 – No Board Meeting

August 2022

8 – Board Meeting – Zoom

September 2022

12 – Strategic Planning Session – Great Falls

13 – Board Meeting – Great Falls

October 2022

17 – Board meeting – Zoom

22-25 – NCHSA Annual Conference - Houston

November 2022

14 – No Board Meeting

December 2022

12 – No Board Meeting

*** All meeting dates are subject to change



MONTANA HOUSING

Zoom Only
February 14, 2022

ROLL CALL OF BOARD

MEMBERS:

Bruce Posey, Vice-Chairman (Present)	Jeanette McKee (Present)
Adam Hertz, Treasurer (Present)	Sheila Rice, Chairwoman (Present)
Cari Yturri (Present)	Tonya Plummer (Newly appointed, Excused)
Charles Robison (Present)	

STAFF:

Joe DeFilippis, Operations Manager	Vicki Bauer, Homeownership Program
Ginger Pfankuch, Finance Program	Nicole McKeith, Multifamily Program
Mary Palkovich, Mortgage Servicing Program	Paula Loving, Executive Assistant
Julie Flynn, Community Housing	Bruce Brensdal, Multifamily Program
Charlie Brown, Homeownership Program	Kellie Guariglia, Multifamily Program

COUNSEL:

Greg Gould, Jackson Murdo & Grant

UNDERWRITERS:

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

FINANCIAL ADVISORS:

David Jones, CSG Advisors

OTHERS:

Alex Burkhalter	Cassidy Kipp	Gene Lewuer
Heather McMilin	Jacy Head	John Harrington
Joseph Tait	Larry Phillips	Lindseigh Omichinski
Loralee Dalton	Misty Dalke	Steve Dymoke
Tom Grabinski	Traci Clark	Tyler Currence

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 Bruce Posey called the Montana Board of Housing (MBOH) meeting to order at 8:31 a.m.
- 2:00 Introductions of Board members and attendees were made.
- 8:00 Chairman Posey asked for public comment on items not listed on the agenda.
Public comment was made by individual, Lindseigh Omichinski

APPROVAL OF MINUTES

November 15, 2021, MBOH Board Meeting Minutes – page 4 of packet

- 15:15 Motion: Jeanette McKee
Second: Adam Hertz

The corrected November 15, 2021, MBOH Board meeting minutes, including Creekside reconsideration roll call vote – changing “Bruce Posey – Yes” to “Sheila Rice – Yes” were approved unanimously.

FINANCE PROGRAM

Finance Update – page 9 of packet

- 17:10 Presenters: Ginger Pfankuch

HOMEOWNERSHIP PROGRAM

Habitat For Humanity Portfolio Purchases – page 12 of packet

- 20:05 Motion: Adam Hertz
Second: Sheila Rice

The Board purchase of the Flathead and Kootenai Valley Partners Habitat for Humanity loan portfolios, using Single Family I Combined Revenue, Special Reserve, and Pre-Ullman funds was approved unanimously.

Income and Purchase Price Limits – page 13 of packet

- 23:45 Motion: Adam Hertz
Second: Jeanette McKee

The Revised 2021 income limits were approved unanimously.

Homeownership Update – page 15 of packet

- 27:25 Presenters: Vicki Bauer

MORTGAGE SERVICING PROGRAM

Servicing Update – page 17 of packet

- 30:20 Presenters: Vicki Bauer

MULTIFAMILY PROGRAM

Junegrass Place Resolution No. 22-0214-MF01 – page 18 of packet

35:45 Motion: Sheila Rice

Second: Adam Hertz

The Resolution No. 22-0214-MF01 for Junegrass Place 4% credits was approved unanimously.

Bridger Peaks Resolution No. 22-0214-MF02 – page 35 of packet

43:45 Motion: Jeanette McKee

Second: Sheila Rice

The Resolution No. 22-0214-MF01 for Bridger Peaks Apartments 4% credits was approved unanimously.

Highland Manor Loan Structure and Amount – page 52 of packet

45:30 Motion: Cari Yturri

Second: Sheila Rice

The Highland Manor request to change to a amortization and 30 year term and increase the total loan amount to \$1,132,000 was approved unanimously.

Creekside Site Location Change – page 58 of packet

47:45 Motion: Adam Hertz

Second: Jeanette McKee

The Creekside Commons request for a location site change was approved unanimously.

Multifamily Update – page 67 of packet

54:30 Presenters: Nicole McKeith

OPERATIONS/EXECUTIVE DIRECTOR

Operations/Executive Update – page 69 of packet

1:03:00 Presenters: Joe DeFilippis

MEETING ADJOURNMENT

9:44:30 Meeting was adjourned at 9:44 a.m.

DocuSigned by:

Adam Hertz

Adam Hertz, Secretary

4/22/2022

Date

Certificate Of Completion

Envelope Id: F1FB9E585C254C009AD30558C57F7260
 Subject: Please DocuSign: Feb14MBOHMinutes.pdf
 Source Envelope:
 Document Pages: 3
 Certificate Pages: 4
 AutoNav: Enabled
 Envelopeld Stamping: Enabled
 Time Zone: (UTC-07:00) Mountain Time (US & Canada)

Status: Completed
 Envelope Originator:
 Paula Loving
 PO Box 200501
 301 S. Park Ave
 Helena, MT 596200501
 ploving@esign.mt.gov
 IP Address: 161.7.39.7

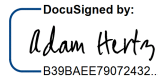
Record Tracking

Status: Original
 4/22/2022 12:27:57 PM
 Holder: Paula Loving
 ploving@esign.mt.gov
 Location: DocuSign

Signer Events

Adam Hertz
 adamhertz@eralambros.com
 Security Level: Email, Account Authentication (None)

Signature



Signature Adoption: Pre-selected Style
 Signed by link sent to adamhertz@eralambros.com
 Using IP Address: 69.145.153.166

Timestamp

Sent: 4/22/2022 12:29:00 PM
 Viewed: 4/22/2022 12:31:51 PM
 Signed: 4/22/2022 12:32:00 PM

Electronic Record and Signature Disclosure:

Accepted: 4/22/2022 12:31:51 PM
 ID: b7dff5ed-8e23-42bb-81d3-04ebe249b4f2

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
Witness Events	Signature	Timestamp
Notary Events	Signature	Timestamp
Envelope Summary Events	Status	Timestamps
Envelope Sent	Hashed/Encrypted	4/22/2022 12:29:00 PM
Certified Delivered	Security Checked	4/22/2022 12:31:51 PM
Signing Complete	Security Checked	4/22/2022 12:32:00 PM
Completed	Security Checked	4/22/2022 12:32:00 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

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 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 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 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: Zoom only

Date: February 14, 2022

Time: 8:30 a.m.

Chairperson: Sheila Rice

Remote Attendance: Join our meetings remotely via Zoom and phone.

To register for Zoom, Click: https://mt.gov.zoom.us/meeting/register/tZEucu6opjMuHtb1_vplfFD6xK6ptnfWVz84

To participate by phone:

Dial 888-556-4567, Meeting ID: 853 5708 8442, Passcode: 512840

Board Offices: Montana Housing
301 S Park Ave., Room 240,
Helena MT 59601
Phone: 406.841.2840

AGENDA ITEMS

- ❖ Meeting Announcements
- ❖ Introductions
- ❖ 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)

- ❖ Habitat Approval
- ❖ Income and Purchase Price Review and Approval
- ❖ Participating Lender Approval if necessary–

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

- ❖ Homeownership Update

Mortgage Servicing (Manager: Vicki Bauer for Mary Palkovich)

- ❖ Servicing Update

Multifamily Program (Manager: Nicole McKeith)

- ❖ Junegrass 4% Bond Resolution
- ❖ Bridger Peaks 4% Bond Resolution
- ❖ Highland Manor Coal Trust Loan
- ❖ Creekside Site Changes
- ❖ Multifamily Update

Operations/Executive Director (Joe DeFilippis / Cheryl Cohen)

- ❖ Operations/Executive Director 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.

2022 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					

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

2022

February 2022

14 – Board Meeting – Zoom

March 2022

14 – No Board Meeting

14-16 – NCHSA Legislative Conference - DC

April 2022

11 – Finance Training – Fairmont Hot Springs

12 – Board Meeting – Fairmont Hot Springs

May 2022

2-3 – Mountain Plains Summit – Billings

16 – Board Meeting – Zoom (Letter of Intent)

17 – Board Meeting – Zoom

June 2022

13 – Board Meeting – Helena

14-15 – Housing Conference - Virtual

21-24 – Housing Credit Connect - Chicago

July 2022

11 – No Board Meeting

August 2022

8 – Board Meeting – Zoom

September 2022

12 – Strategic Planning Session – Great Falls

13 – Board Meeting – Great Falls

October 2022

17 – Board meeting – Zoom

22-25 – NCHSA Annual Conference - Houston

November 2022

14 – No Board Meeting

December 2022

12 – No Board Meeting

*** All meeting dates are subject to change



Zoom Only
November 15, 2021

ROLL CALL OF BOARD

MEMBERS:

Sheila Rice, Chairwoman (Present)	Cari Yturri (Present)
Adam Hertz, Treasurer (Present)	Charles Robison (Present)
Bruce Posey, Vice-Chairman (Present)	Jeanette McKee (Present)

STAFF:

Cheryl Cohen, Executive Director	Vicki Bauer, Homeownership Program
Paula Loving, Executive Assistant	Nicole McKeith, Multifamily Program
Julie Flynn, Community Housing	Bruce Brensdal, Multifamily Program
Charlie Brown, Homeownership Program	Todd Jackson, Commerce Communications
Nicole Newman, Community Housing	Jennifer Stepleton, Community Housing

COUNSEL:

Greg Gould, Jackson Murdo & Grant

UNDERWRITERS:

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

FINANCIAL ADVISORS:

Eugene Slater, CSG Advisors	David Jones, CSG Advisors
-----------------------------	---------------------------

OTHERS:

Alex Burkhalter	Andrew Chanania	Becky Brockie
Beki Brandborg	Gene Leuwer	Gerald Fritts
Heather McMilin	Jackie Girard	Jane Gillette
Jason Boal	Jennifer Wheeler	Julie Stiteler
June Beartusk	Laura Seyfang	Logan Anderson
Maddie Alpert	Maddy Mason	Peter Mathison
Tyler Currence		

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 Chairwoman Sheila Rice called the Montana Board of Housing (MBOH) meeting to order at 8:32 a.m.
- 2:05 Introductions of Board members and attendees were made.
- 5:55 Chairwoman Rice asked for public comment on items not listed on the agenda. Public comment was made by Representative Jane Gillette.

APPROVAL OF MINUTES

October 18, 2021 MBOH Board Meeting Minutes – page 4 of packet

- 1:37:45 Motion: Cari Yturri
Second: Jeanette McKee
The October 18, 2021 MBOH Board meeting minutes were approved unanimously.

FINANCE PROGRAM

Finance Update – page 11 of packet

- 9:30 Presenters: Ginger Pfankuch

HOMEOWNERSHIP PROGRAM

Bond Resolution 21-1115-SF03_2022A – page 14 of packet

- 12:55 Motion: Bruce Posey
Second: Adam Hertz
Bond Resolution No. 21-1115-SF03_2022A in an aggregate principal amount not to exceed \$75,000,000 was approved unanimously.

Bond Advantage Program Change – page 20 of packet

- 17:40 Motion: Cari Yturri
Second: Jeanette McKee
The Bond Advantage Down Payment Assistance loan limit increase from \$10,000 to \$12,500 was approved unanimously.

Participating Lender Approval – Hometown Lenders, Inc. – page 21 of packet

- 22:40 Motion: Bruce Posey
Second: Jeanette McKee
Hometown Lenders, Inc was approved unanimously as an MBOH participating lender.

Homeownership Update – page 22 of packet

25:40 Presenters: Vicki Bauer

MORTGAGE SERVICING PROGRAM

Servicing Update – page 24 of packet

28:30 Presenters: Vicki Bauer

MULTIFAMILY PROGRAM

Remaining 2022 Tax Credits – page 25 of packet

32:15 Project Updates for Crowley Flats, Creekside Commons, Carter Commons, Riverview Apartments, Hardin Senior Housing and Cabinet Affordable Housing.

58:00 Motion: Bruce Posey

Second: Adam Hertz

The motion to allocate and award 2022 Housing Credits in the amount of \$220,000 to Crowley Flats was approved unanimously, as an increase in the amount of Housing Credits previously awarded to and reserved for the Project, based upon the Project’s written request for such increase and pursuant to Section 4.I of the 2022 QAP, and subject to the following conditions: (1) amendment of the existing Reservation Agreement between MBOH and the Project Owner with respect to such prior award, to provide for the increase in the amount of Credits and the addition of any additional mandatory terms, requirements and conditions applicable to 2022 Credits not already included in the Reservation Agreement.

1:02:30 Motion: Jeanette McKee

Second: Bruce Posey

Creekside Commons was approved unanimously for the reduction of number of units from 36 to 30 with no additional Housing Credits awarded.

1:04:10 Motion: Jeanette McKee

Second: Cari Yturri

The motion to award 2022 Housing Credits to Riverside Apartments in the amount of \$6,491,250 was approved unanimously, subject to the following condition: in the event that the amount of 2022 Housing Credits available to MBOH is reduced by the IRS after this award determination, the amount of Credits awarded to the Project shall be reduced as necessary to reflect the reduction in available 2022 Credits.

1:09:45 Motion: Adam Hertz

Second: Cari Yturri

Roll Call:

Adam Hertz	Yes
Bruce Posey	No
Cari Yturri	No

Jeanette McKee No
Bruce Posey Yes

The reconsideration of the Creekside Commons waiver failed.

1:19:10 Motion: Bruce Posey

Second: Jeanette McKee

The motion of Board having held the 2022 First Award Round open and continuing for purposes of consideration of award or allocation of the 2022 Credits not awarded at the October 18, 2021 Board meeting in the amount of \$6,179,830 (the "Remaining Credits") and the Board having awarded or allocated such Remaining Credits, the 2022 First Award Round is deemed completed and is hereby closed was approved unanimously.

Qualified Allocation Plan & Qualified Contract Process – page 42 of packet

1:20:25 Motion: Cari Yturri

Second: Bruce Posey

The Qualified Contract Process was approved unanimously and will follow the Administrative rule process.

1:24:30 Motion: Bruce Posey

Second: Adam Hertz

The 2023 Qualified Allocation Plan was approved unanimously and will follow the Administrative rule process.

Laurel Depot Reconfiguration – page 102 of packet

1:29:50 Motion: Jeanette McKee

Second: Bruce Posey

The Laurel Depot reconfiguration and modification request was approved unanimously.

Highland Manor Bond Resolution – page 111 of packet

1:32:40 Motion: Jeanette McKee

Second: Bruce Posey

The Highland Manor Bond Resolution No. 21-1115-MF04 was approved unanimously.

Multifamily Update – page 137 of packet

1:35:00 Presenters: Nicole McKeith

OPERATIONS/EXECUTIVE DIRECTOR

Operations/Executive Update

1:38:45 Presenters: Cheryl Cohen

MEETING ADJOURNMENT

1:49:20 Meeting was adjourned at 10:37 a.m.

Adam Hertz, Secretary

Date

BOARD AGENDA ITEM

PROGRAM

Finance Program

AGENDA ITEM

Financial Update

BACKGROUND

Montana statute grants the Board of Housing the power to invest any funds not required for immediate use, subject to the individual indenture requirements. The Board invests mortgage loan collections until debt service payment dates and reserves and operating funds until needed.

As of the end of December, the Board had \$95.6 million in money market accounts and another \$30 million in other short and long-term investments. Of the \$95.6 million that was in money market at the end of December, we were able to invest in short-term treasuries with maturity dates from 5 to 13 months. This will increase our weight average yield over the next few months.

The Investment Diversification chart shows 76% the Board funds that were in money market at the end of December along with the 12% that are in Treasuries. Treasuries have been the only options with yields that are better than the money market rates for some time.

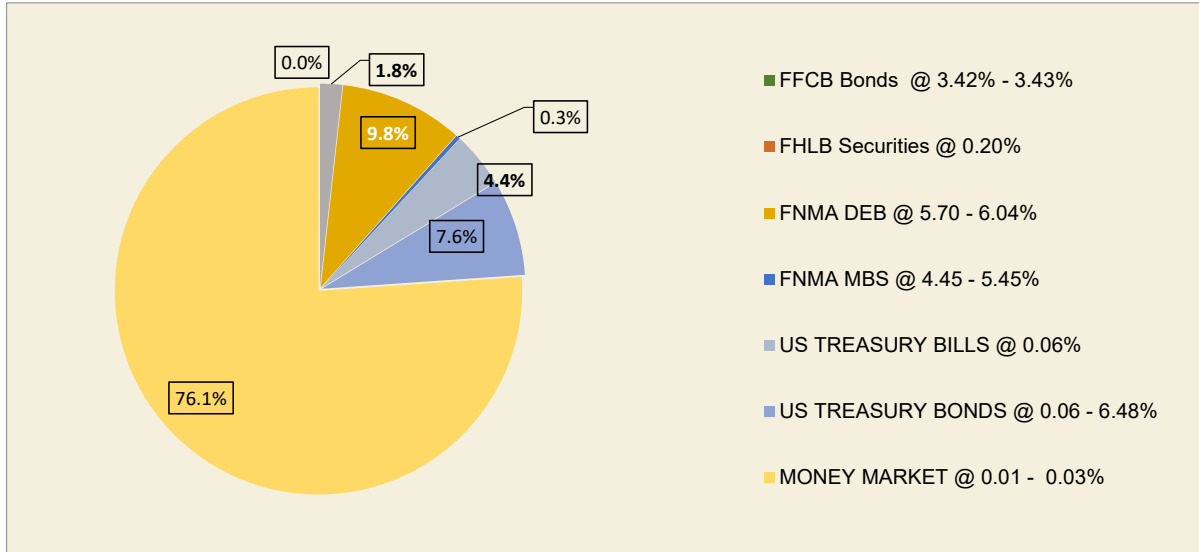
The weighted average yield rose in December even before the investment made in January.

The portfolio maturity is still mainly in the 0 to 5 year periods. 83% is either currently available or will mature within a year. 15% will mature in 1 to 5 years and the remaining 2% will mature in the next 16 years.

Accounting & Finance Dashboard

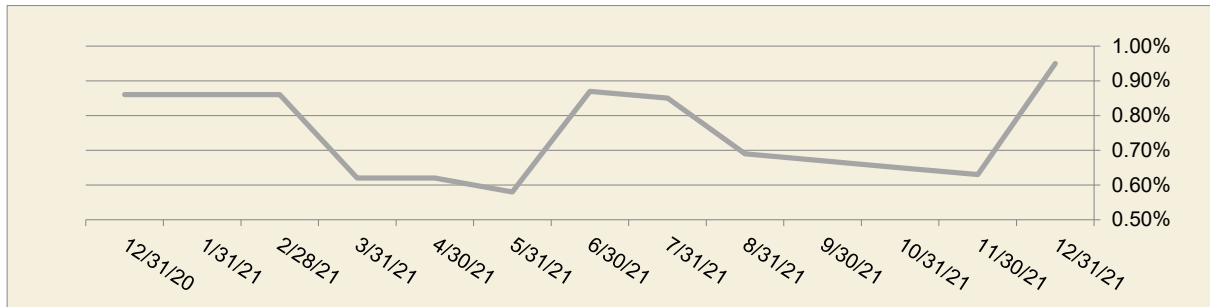
Data as of December 31, 2021

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, 2021

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
\$ 95,619,327	\$ 9,002,000	\$ 18,404,000	\$ 2,225,000	\$ 293,483	\$ 116,400	\$ -	\$ 125,660,210

**Montana Board of Housing
Accounting and Finance
Investment Maturity Schedule
December 31, 2021**

Maturity Date	Trustee Bank	Investment Type	Par Value
1/27/2022	Wilmington Trust	T-BILLS	5,507,000.00
8/15/2022	US Bank Corporate Tr	T-NOTES & BONDS	3,495,000.00
6/15/2024	Wilmington Trust	T-NOTES & BONDS	1,290,000.00
8/15/2025	Wilmington Trust	T-NOTES & BONDS	4,796,000.00
4/30/2026	Wilmington Trust	FNMA DEB	4,613,000.00
9/27/2027	Wilmington Trust	FNMA DEB	4,070,000.00
11/26/2027	Wilmington Trust	FNMA DEB	3,635,000.00
7/15/2032	Wilmington Trust	FHLMC BOND	2,225,000.00
2/1/2036	Wilmington Trust	FNMA MBS	46,596.47
5/1/2036	Wilmington Trust	FNMA MBS	25,532.64
7/1/2036	Wilmington Trust	FNMA MBS	62,742.48
3/1/2037	Wilmington Trust	FNMA MBS	123,472.30
8/1/2037	Wilmington Trust	FNMA MBS	35,138.94
8/1/2038	Wilmington Trust	FNMA MBS	54,910.74
12/1/2038	Wilmington Trust	FNMA MBS	61,489.74
12/31/2022	US Bank Corporate Tr	US BANK MONEY M	2,886,406.89
	Wilmington Trust	WT GOLDMAN SACH	92,732,920.08
Total			125,660,210.28

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

BOARD AGENDA ITEM

PROGRAM

Homeownership Program

AGENDA ITEM

Habitat Loan Portfolio Purchases

BACKGROUND

In 2017 the Board approved the purchase of a portfolio of loans from Flathead Valley Habitat for Humanity, due to some changes in their office, the sale did not happen.

Now the Board of Housing has been approached by 2 Habitat affiliates requesting that we consider the purchase of their aged portfolio of loans that they no longer want to hold in house.

- Flathead Valley Habitat: Portfolio balance just under \$800,000 and they are all 0% loans. The servicing would have to be transferred to us; currently they are being serviced by AmeriNat. There may be a fee for this transfer, Habitat has stated they will pay the fee if there is.
-
- Kootenai Valley Partners Habitat: Portfolio balance just under \$700,000 and they are all 0% loans. The loans are serviced by Habitat.

This is something other HFAs have done to provide Habitat partners with liquidity. We anticipate purchasing them at a discount to be determined by staff and negotiated with Habitat (Wyoming purchases Habitat loans at 95%). Legal counsel for the Board previously determined the Board has the authority to enter into this transaction.

We would purchase these loans using SFI Combined Revenue, Special Reserve funds, or Pre-Ullman Funds. Staff has determined we have adequate funds for these purchases.

PROPOSAL

Staff requests permission to proceed with the purchase of these portfolios.

BOARD AGENDA ITEM

PROGRAM

Homeownership Program

AGENDA ITEM

Purchase Price Limit Review and Income Limit Approval

BACKGROUND

On January 1, 2022, new FHA loan limits became effective and there were significant increases statewide. Per the IRS Revenue Procedure 2021-17 currently in effect, an HFA has the option to calculate new purchase price limits using the 2022 FHA loan limits or to continue using the purchase price limits published last year in the Revenue Procedure. Attached are new purchase price limits that could be implemented. It only makes sense to increase the purchase price limits if the income limits are adjusted too.

The higher average area purchase prices also allow us to update the income limits for our programs, when we calculate the limits based on the high housing cost adjustment. Kutak performed this calculation and new income limits we could use for our programs are attached for your review and approval.

These changes to the purchase price and income limits would be in effect until the IRS issues new revenue procedures with updated safe harbor limits in next couple of months. They would provide the Board the best opportunity to help more Montana families achieve homeownership.

Staff has the authority to implement the new purchase price limits, however the Board's administrative rules require that "each June or at other times as necessary, the Board is to review, establish and revise income limits for lower income persons and families in need of housing assistance under the Board's programs". Therefore, staff had to wait to request approval to change the income limits.

PROPOSAL

The Board has the option of setting program income limits at or below the safe harbor limits. Staff requests that the Board approve the attached income limits based on the high housing cost adjustment.

Staff also requests the Board permit staff to make future changes to the income limits without advance Board approval, to the extent such changes are permitted by the IRS, where necessary to timely update the income limits to assist Montana families achieve homeownership under changing market conditions. Staff would update the Board of changes made at the next meeting.

Board Meeting: February 14, 2022

	NEW HUD 2021 Income		REVISED 2021 Income		Diff Small	Diff Large	
	Small Household	Large Household	Small Household	Large Household			
BEAVERHEAD	73300	84295	83902	96488	10,602	12,193	14%
BIG HORN	73300	84295	84122	96741	10,822	12,446	15%
Blaine	87960	102620	87960	102620	0	0	0%
BROADWATER	73300	84295	83902	96488	10,602	12,193	14%
CARBON	80000	92000	82322	94671	2,322	2,671	3%
CARTER	73300	84295	84122	96741	10,822	12,446	15%
CASCADE	73300	84296	82319	94667	9,019	10,371	12%
City of Great Falls	87960	102620	87960	102620	0	0	0%
CHOUTEAU	73300	84295	84122	96741	10,822	12,446	15%
CUSTER	78300	90045	82662	95062	4,362	5,017	6%
DANIELS	75800	87170	83462	95982	7,662	8,812	10%
DAWSON	76200	87630	83082	95545	6,882	7,915	9%
Deer Lodge	87960	102620	87960	102620	0	0	0%
FALLON	80900	93035	82142	94464	1,242	1,429	2%
FERGUS	73300	84295	84122	96741	10,822	12,446	15%
Flathead	88560	103320	88560	103320	0	0	0%
GALLATIN	94247	108384	106680	124460	12,433	16,076	15%
Gallatin Census							
Tracts 6 and 11.01	106680	124460	106680	124460	0	0	0%
GARFIELD	73300	84295	84122	96741	10,822	12,446	15%
GLACIER	73300	84295	84122	96741	10,822	12,446	15%
GOLDEN VALLEY	76500	87975	83782	96350	7,282	8,375	10%
GRANITE	73300	84295	84122	96741	10,822	12,446	15%
Hill	87960	102620	87960	102620	0	0	0%
JEFFERSON	84200	96830	84200	96830	0	0	0%
JUDITH BASIN	73300	84295	84122	96741	10,822	12,446	15%
LAKE	73300	84295	84122	96741	10,822	12,446	15%
LEWIS & CLARK	87900	101085	87900	101085	0	0	0%
LIBERTY	73300	84295	84122	96741	10,822	12,446	15%
LINCOLN	73300	84295	82319	94667	9,019	10,372	12%
Lincoln Census Tr 2	87960	102620	87960	102620	0	0	0%
McCONE	73300	84295	84122	96741	10,822	12,446	15%
MADISON	73300	84295	84122	96741	10,822	12,446	15%
MEAGHER	73300	84295	84122	96741	10,822	12,446	15%
Mineral	87960	102620	87960	102620	0	0	0%
Missoula	94920	110740	94920	110740	0	0	0%
MUSSELSHELL	73300	84295	84122	96741	10,822	12,446	15%
PARK	74700	85905	89640	104580	14,940	18,675	22%
PETROLEUM	73300	84295	84122	96741	10,822	12,446	15%
PHILLIPS	73300	84295	84122	96741	10,822	12,446	15%
PONDERA	73300	84295	84122	96741	10,822	12,446	15%
POWDER RIVER	73300	84295	84122	96741	10,822	12,446	15%
POWELL	73300	84295	84122	96741	10,822	12,446	15%
PRAIRIE	73300	84295	84122	96741	10,822	12,446	15%
RAVALLI	73300	84295	84442	97109	11,142	12,814	15%
RICHLAND	83600	96140	83600	96140	0	0	0%
ROOSEVELT	73300	84295	84122	96741	10,822	12,446	15%
ROSEBUD	75000	86250	83542	96074	8,542	9,824	11%
Sanders	87960	102620	87960	102620	0	0	0%
SHERIDAN	77500	89125	83182	95660	5,682	6,535	7%
Silver Bow	87960	102620	87960	102620	0	0	0%
STILLWATER	83000	95450	83000	95450	0	0	0%
SWEET GRASS	73300	84295	84122	96741	10,822	12,446	15%
TETON	73300	84295	84122	96741	10,822	12,446	15%
TOOLE	73300	84295	84122	96741	10,822	12,446	15%
TREASURE	73300	84295	84122	96741	10,822	12,446	15%
VALLEY	73300	84295	84122	96741	10,822	12,446	15%
WHEATLAND	73300	84295	84122	96741	10,822	12,446	15%
WIBAUX	73300	84295	84122	96741	10,822	12,446	15%
YELLOWSTONE	80000	92000	82322	94671	2,322	2,671	3%

County / area	2021	2021 revised Purchase Price Limit	amount of change	percent of change
Beaverhead	\$311,979	\$367,584.00	\$55,605	18%
Big Horn	\$311,979	\$367,584.00	\$55,605	18%
* Blaine	\$381,308	\$449,269.00	\$67,961	18%
Broadwater	\$311,979	\$367,584.00	\$55,605	18%
Carbon	\$311,979	\$367,584.00	\$55,605	18%
Carter	\$311,979	\$367,584.00	\$55,605	18%
Cascade	\$311,979	\$367,584.00	\$55,605	18%
* City of Great Falls	\$381,308	\$449,269.00	\$67,961	18%
Chouteau	\$311,979	\$367,584.00	\$55,605	18%
Custer	\$311,979	\$367,584.00	\$55,605	18%
Daniels	\$311,979	\$367,584.00	\$55,605	18%
Dawson	\$311,979	\$367,584.00	\$55,605	18%
* Deer Lodge	\$381,308	\$449,269.00	\$67,961	18%
Fallon	\$311,979	\$367,584.00	\$55,605	18%
Fergus	\$311,979	\$367,584.00	\$55,605	18%
* Flathead	\$404,835	\$471,610.00	\$66,775	16%
Gallatin	\$418,818	\$527,548.00	\$108,730	26%
Gallatin Census * Tracts 6 and 11.01	\$511,889	\$644,781.00	\$132,892	26%
Garfield	\$311,979	\$367,584.00	\$55,605	18%
Glacier	\$311,979	\$367,584.00	\$55,605	18%
Golden Valley	\$311,979	\$367,584.00	\$55,605	18%
Granite	\$311,979	\$367,584.00	\$55,605	18%
* Hill	\$381,308	\$449,269.00	\$67,961	18%
Jefferson	\$311,979	\$367,584.00	\$55,605	18%
Judith Basin	\$311,979	\$367,584.00	\$55,605	18%
Lake	\$311,979	\$367,584.00	\$55,605	18%
Lewis & Clark	\$311,979	\$367,584.00	\$55,605	18%
Liberty	\$311,979	\$367,584.00	\$55,605	18%
Lincoln	\$311,979	\$367,584.00	\$55,605	18%
* Lincoln Census Tr 2	\$381,308	\$449,269.00	\$67,961	18%
Madison	\$311,979	\$367,584.00	\$55,605	18%
McCone	\$311,979	\$367,584.00	\$55,605	18%
Meagher	\$311,979	\$367,584.00	\$55,605	18%
* Mineral	\$381,308	\$449,269.00	\$67,961	18%
* Missoula	\$415,910	\$503,542.00	\$87,632	21%
Musselshell	\$311,979	\$367,584.00	\$55,605	18%
Park	\$330,221	\$401,940.00	\$71,719	22%
Petroleum	\$311,979	\$367,584.00	\$55,605	18%
Phillips	\$311,979	\$367,584.00	\$55,605	18%
Pondera	\$311,979	\$367,584.00	\$55,605	18%
Powder River	\$311,979	\$367,584.00	\$55,605	18%
Powell	\$311,979	\$367,584.00	\$55,605	18%
Prairie	\$311,979	\$367,584.00	\$55,605	18%
Ravalli	\$311,979	\$368,781.00	\$56,802	18%
Richland	\$312,100	\$367,584.00	\$55,484	18%
Roosevelt	\$311,979	\$367,584.00	\$55,605	18%
Rosebud	\$311,979	\$367,584.00	\$55,605	18%
* Sanders	\$381,308	\$449,269.00	\$67,961	18%
Sheridan	\$311,979	\$367,584.00	\$55,605	18%
* Silver Bow	\$381,308	\$449,269.00	\$67,961	18%
Stillwater	\$311,979	\$367,584.00	\$55,605	18%
Sweet Grass	\$311,979	\$367,584.00	\$55,605	18%
Teton	\$311,979	\$367,584.00	\$55,605	18%
Toole	\$311,979	\$367,584.00	\$55,605	18%
Treasure	\$311,979	\$367,584.00	\$55,605	18%
Valley	\$311,979	\$367,584.00	\$55,605	18%
Wheatland	\$311,979	\$367,584.00	\$55,605	18%
Wibaux	\$311,979	\$367,584.00	\$55,605	18%
Yellowstone	\$311,979	\$367,584.00	\$55,605	18%

* Targeted Areas

Homeownership Program Dashboard

February 7, 2022

RATES

	<u>CURRENT</u>	<u>LAST MONTH</u>	<u>LAST YEAR</u>
MBOH*	2.875	2.63	2.50
Market	3.67	3.28	2.59
10 yr treasury	1.92	1.76	1.15
30 yr Fannie Mae	3.33	2.94	2.05

*Current Setaside 2.625, DPA 3.125

LOAN PROGRAMS

	<u>Jan/Feb RESERVATIONS</u>	<u>AMOUNT</u>	<u>TOTAL NUMBER</u>	<u>AMOUNT</u>	<u>ORIGINAL AMOUNT</u>	<u>BALANCE</u>
REGULAR PROGRAM						
Series 2022A (since 11.1.21)	34	7,251,000	68	15,549,505	29,000,000	13,450,495
Series 2022A DPA (since 11.1.21)	18	180,542	38	371,618	1,000,000	628,382
80% Combined (20+)	2	457,600	12	2,033,040	Since July 2021	reg bond funds
SET-ASIDE PROGRAMS						
MBOH Plus	6	44,177	20	125,967	Since July 2021	1,190,862
Set-aside Pool	2	289,733	31	5,196,889	Since July 2021	reg bond funds
NeighborWorks	1	142,450	5	735,922		
CAP NWMT CLT			1	167,565		
Missoula HRDC XI				515,262		
Bozeman HRDC IX			2			
HomeStart	1	147,283	15	2,492,016		
HUD 184						
Dream Makers						
Sparrow Group			1	133,333		
City of Billings			7	1,152,791		
Foreclosure Prevent			0	0	50,000	50,000
Disabled Accessible			227	16,497,050	Ongoing	862,950
Lot Refi			12	1,273,560	2,000,000	726,440
FY21 Habitat			4	528,348	2,553,807	2,025,459
OTHER PROGRAMS						
Veterans (Orig)			404	78,802,866	Revolving	1,413,516
911 Mrtg Cr Cert (MCC)			138	35,582,467	75,000,000	39,417,533

DECEMBER CHANGES

	<u># loans</u>	<u>Princ Bal</u>	<u># loans</u>	<u>Princ Bal</u>	
Nov Balance	5,129	462,844,533.47	5,564	504,221,182.71	Dec-20
Dec Purchases (1st)	29	6,192,423.34	371	75,261,243.92	
Dec Purchases (2nd)	19	171,833.00	224	1,895,029.82	
Dec Amortization		(1,305,548.57)		(15,595,072.59)	
Dec Payoffs	(64)	(5,548,466.20)	(1,035)	(102,298,572.35)	
Dec Foreclosures			(11)	(1,129,036.47)	
Dec Balance	5,113	462,354,775.04	5,113	462,354,775.04	Dec-21

DELINQUENCY AND FORECLOSURE RATES

	MONTANA BOARD OF HOUSING			MORTGAGE BANKERS ASSOC. 9/2021			(most recent available)
	<u>Dec-21</u>	<u>Nov-21</u>	<u>Dec-20</u>	<u>Montana</u>	<u>Region</u>	<u>Nation</u>	
30 Days	1.08	1.38	1.42	1.14	1.28	1.57	
60 Days	0.92	0.75	0.99	0.37	0.45	0.53	
90 Days	<u>3.13</u>	<u>3.31</u>	<u>3.93</u>	<u>1.92</u>	<u>2.38</u>	<u>2.94</u>	
Total Delinquencies	5.13	5.44	6.34	3.43	4.11	5.04	
In Foreclosure	0.58	0.53	0.18	0.27	0.18	0.46	

LOAN PURCHASES BY LENDER

Dec-21 2021 YTD 2020

	<u>1st</u>	<u>DPA</u>	<u>1st</u>	<u>DPA</u>	<u>1st</u>	<u>DPA</u>
FIRST SECURITY BOZEMAN 061			1	1	14	8
1ST COMMUNITY BK GLASGOW 095	2	2	5	5	8	6
1ST SECURITY BK MISSOULA 133			5	1	5	2
VALLEY BANK RONAN 159			4		3	
YELLOWSTONE BANK BILLINGS 161			1		4	4
FIRST MONTANA BANK, BUTTE 172					1	1
AMERICAN BANK CENTER 186	1	1	5	3		
STOCKMAN BANK OF MT MILES 524	5	3	45	27	46	18
FIRST INTERSTATE BANK-WY 601			14	7	23	6
U.S. BANK N.A. 617						
OPPORTUNITY BANK 700	8	3	93	41	94	34
FIRST FEDERAL BANK & TRUST 731	1	1	3	1	2	2
GLACIER BANK KALISPELL 735	1		8	2	15	1
WESTERN SECURITY BANK 785			10	7	17	7
MANN MORTGAGE 835	2	1	62	36	53	35
GUILD MORTGAGE COMPANY 842	2	2	23	22	9	7
UNIVERSAL 843	2	2	31	27	24	17
FAIRWAY INDEPENDENT MRTG 847	2	2	19	18	23	17
CORNERSTONE HOME LENDING 850	1	1	7	7	6	5
PRIMELENDING 851	1		1			
BAY EQUITY LLC 853			13	12	10	10
LENDUS LLC 854	1	1	12	5	27	13
PARAMOUNT RES MTG GRP 855			1	1	3	3
CHERRY CREEK MORTGAGE 856			3	1	1	1
OPEN MORTGAGE 857					3	2
MAJOR MORTGAGE AMCAP 858					1	1
PACIFIC RESIDENTIAL 859					1	
MISSOULA FEDERAL C U 901			5			
Grand Count	29	19	371	224	393	200

MBOH DECEMBER PORTFOLIO

	<u># of loans</u>	<u>\$ of loans</u>	<u>% of #</u>	<u>% of \$</u>	
FHA	2,684	293,341,840	52%	63%	
RD	962	97,467,027	19%	21%	
VA	321	41,609,505	6%	9%	
HUD184	43	3,094,682	1%	1%	
PMI	38	2,854,930	1%	1%	
Uninsured 1st	196	18,402,978	4%	4%	
Uninsured 2nd	869	5,583,813	17%	1%	
	5,113	\$ 462,354,775			
December 2020 Balance	5,564	\$ 504,221,183	-8.11%	-8.30%	percent of Incr/Decr
Serviced by MBOH	5,033	\$ 456,013,772	98%	99%	

Weighted Average Interest Rate 3.768%

	<u># of loans</u>	<u>\$ of loans</u>	
0 - 2.99%	945	\$ 79,506,116	<u>rates up to 4%</u>
3 - 3.99%	1716	\$ 213,031,777	
4 - 4.99%	960	\$ 103,239,492	
5 - 5.99%	1020	\$ 51,130,907	<u>rates 4% and above</u>
6 - 6.99%	423	\$ 14,248,249	
7 - 7.99%	49	\$ 1,198,234	
			2452 \$ 169,816,882

Mortgage Servicing Program Dashboard Effective 1/31/22

	Last Year	Last Month	This Month
MONTH	JAN 2021	DEC 2021	JAN 2022
PORTFOLIO TOTAL LOANS	5189	5407	5399
MBOH	4847	5078	5070
BOI	324	313	313
MULTI FAMILY	18	16	16
PRINCIPAL (all loans)	\$501,860,680.00	\$523,209,414.63	\$522,001,352.09
ESCROW (all loans)	\$5,374,919.17	\$4,790,984.60	\$5,445,353.12
LOSS DRAFT (all loans)	\$973,619.40	\$737,849.87	\$727,995.33
LOANS DELINQUENT (60+ days)	302	297	311
ACTUAL FORECLOSURE SALES IN MONTH	1	0	1
FORECLOSURES TOTAL CALENDAR YEAR	1	8	1
DELINQUENT CONTACTS TO MAKE	653	635	683
LATE FEES - NUMBER OF LOANS	483	717	718
LATE FEES - TOTAL AMOUNT	\$13,874.02	\$19,578.04	\$19,638.88
PAYOFFS	54	68	47
NEW LOANS/TRANSFERS	30	45	39

2022 Monthly Servicing Report

LOSS MITIGATION	JAN 2022	HUD's National Servicing Center TRSII SFDMS Reporting FY 2021 Q4 Score 94.11% Tier 1 - Grade A
ACTIVE FINANCIALPACKETS	2	
REPAYMENT/SPECIAL FORBEARANCE	4	
COVID19 FORMAL FORBEARANCE (DEC 21)	150	
HAMPS, PARTIAL CLAIMS & MODS PNDG	36	
CHAPTER 13 BANKRUPTCIES	15	
PRESERVATION PROPERTIES	6	
REAL ESTATE OWNED PROPERTIES	1	
SHORT SALE	0	
DEED IN LIEU	0	

BOARD AGENDA ITEM

PROGRAM

Multifamily Program

AGENDA ITEM

Junegrass Place Resolution Approval

BACKGROUND

Junegrass Place in Kalispell is the 4% side of the project approved in October 2021 during the 9% competitive awards.

The project will have 114 units; 57 one-bedroom units, 35 two-bedrooms, 21 three-bedroom and one manager's unit.

PROPOSAL

Staff supports approving this resolution.

RESOLUTION NO. 22-0214-MF01

A RESOLUTION OF THE MONTANA BOARD OF HOUSING MAKING FINDINGS WITH RESPECT TO HOUSING NEEDS WITHIN MONTANA; APPROVING A BORROWING, AND REPAYMENT THEREOF, IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$26,000,000; APPROVING A FUNDING LOAN AGREEMENT, BORROWER 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 borrow and issue evidences of indebtedness concerning repayment thereof and to make loans and purchase 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 borrow on a non-recourse limited obligation basis from Glacier Bank (or such other financial institution as is approved by the Chair, Vice Chair or Executive Director and Treasurer) (the “Funding Lender”) an aggregate principal amount not to exceed \$26,000,000, the proceeds of which will be used to finance a mortgage loan for the acquisition, construction and equipping of Junegrass Place, a 114-unit affordable housing development located in Kalispell, Montana (the “Project”); and

WHEREAS, the borrowing by the Board will be pursuant to a Funding Loan Agreement, among the Board, the Funding Lender and a fiscal agent to be determined by the Board (the “Fiscal Agent”) (the “Funding Loan Agreement”), and the agreement to repay such borrowing shall be reflected in a non-recourse revenue debt obligation (the “Obligation”) to be issued to the Funding Lender pursuant thereto, which Funding Loan Agreement and Obligation will be in substantially the form approved by the Board with respect to the Arrowleaf Park Apartments financing in 2020 (the “Arrowleaf Park Financing”), subject to the terms, conditions and limitations established herein and in the Funding Loan Agreement; and

WHEREAS, the proceeds of the borrowing will be used to finance a loan (the “Mortgage Loan”) to a Montana registered limited partnership, limited liability company or a similar affiliate of GMD Development, LLC or Homeword, Inc. (the “Borrower”), pursuant to a Borrower Loan Agreement, by and among the Board, the Borrower and the Funding Lender (the “Borrower Loan Agreement”), which will be in substantially the form used in the Arrowleaf Park Financing; and

WHEREAS, the interest on the Obligation 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 Obligation maintains its tax exempt status, the Borrower will enter into a Regulatory Agreement

and Declaration of Restrictive Covenants (the “Regulatory Agreement”), which will be in substantially the same form as such agreement approved by the Board with respect to the Arrowleaf Park Financing.

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

Section 1. Public Hearing and Findings.

(a) The Board hereby finds and determines that the Project financed through the above described borrowing and issuance of the Obligation 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 Funding Loan Agreement 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 which is 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 Obligation 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 if the Mortgage Loan constitutes a direct loan, in accordance with Section 90-6-109(1)(f), by virtue of the Board effectuating the loan of the Obligation proceeds to the Borrower pursuant to the Borrower Loan Agreement,

the Project qualifies for federal funds through its receipt of 4% federal low-income housing tax credits.

Section 2. Approval of Funding Loan Agreement. The Funding Loan Agreement is hereby approved in the form hereinabove described, and the Chair, the Vice Chair or the Executive Director and Treasurer of the Board is hereby authorized and directed to select a Fiscal Agent and to execute and deliver the Funding Loan Agreement, with such changes, insertions or omissions therein as may be approved by such signatory, such approval to be evidenced conclusively by such execution of the Funding Loan Agreement.

Section 3. Authorization and Execution of the Obligation. The execution and delivery of the Board's Obligation to the Funding Lender is hereby authorized and approved. The final amount and terms of the Obligation shall be determined by the Chair, Vice Chair or Executive Director and Treasurer of the Board, consistent with the terms of the Funding Loan Agreement and subject to the following conditions. The Obligation shall not be a general obligation of the Board but shall be a limited non-recourse obligation payable solely and only from Mortgage Loan payments and any other moneys pledged under the Funding Loan Agreement by the Borrower as required by the Borrower Loan Agreement. The Obligation shall mature no later than 40 years from its date of issuance, 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 \$26,000,000, be subject to prepayment and have the other terms and provisions as described to the Board, and definitively set forth in the Funding Loan Agreement upon execution and delivery as aforesaid in Section 2 hereof. The Obligation shall be executed and delivered substantially in the form set forth in the Funding Loan Agreement, with such additions, omissions and changes as are required or permitted by the Funding Loan Agreement and approved by the signatories thereto. The Obligation shall be executed in the name of the Board by the Chair or the Vice Chair of the Board, and attested to by the Secretary or the Treasurer, each of whom is hereby appointed as an Authorized Governmental Lender Representative (as such term is defined in the Funding Loan Agreement) for purposes of executing and attesting the Obligation, and their execution shall evidence their approval of the final terms thereof. Such signatures may be by facsimile; provided, however, that such Obligation shall not be valid or obligatory for any purpose unless the attestation by the authorized officer of the Board shall be a manual signature or the Obligation is authenticated by the manual signature of an authorized officer of the Fiscal Agent.

Section 4. Approval of Borrower Loan Agreement. The Borrower Loan Agreement is hereby approved in the form hereinabove described, and the Chair, the Vice Chair or the Executive Director and Treasurer of the Board is hereby authorized to execute and deliver the Borrower 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 Borrower Loan Agreement.

Section 5. Approval of Regulatory Agreement. The Regulatory Agreement is hereby approved in the form hereinabove described, and the Chair, the Vice Chair 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. Ratification of Prior Actions. All action previously taken by the officers, members or staff of the Board within the authority granted herein, with respect to the Funding Loan Agreement, the Borrower Loan Agreement, the Regulatory Agreement and the Obligation is hereby approved, confirmed and ratified.

Section 7. Execution of Documents. In the event of the absence or disability of the Chair, the Vice Chair 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 Chair, the Vice Chair 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 8. Execution of No-Arbitrage Certificate. The Chair, the Vice Chair 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 Obligation as described in Section 148 of the Internal Revenue Code of 1986, as amended.

Section 9. Additional Actions Authorized. The Chair, the Vice Chair, the 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 Funding Loan Agreement and the Borrower Loan Agreement, 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 Governmental Lender Representatives for such purposes.

Section 10. Effective Date. This Resolution shall become effective immediately.

[Remainder of Page Intentionally Left Blank]

ADOPTED by the Montana Board of Housing this 14th day of February, 2022.

MONTANA BOARD OF HOUSING

Attest:

By _____
Sheila Rice, Chair

By _____
Cheryl Cohen, Executive Director



December 3, 2021

Board of Directors
Nicole Whyte – Multifamily Program Officer
Montana Housing
301 S. Park Avenue, Room 240
Helena, MT 59601

Re: Junegrass Place, Kalispell, MT – 4% LIHTC Application

Dear Nicole and Board Members,

On behalf of the housing development staffs of Homeword and GMD Development, we are pleased to submit for your consideration our application for 4% low-income housing tax credits and tax-exempt bonds for the construction of a 114 unit family apartment project. This application is intended to be read in conjunction with the application for our adjacent 9% LIHTC project, which was granted an award of credits in September 2021. Together, the two projects will create 138 units of housing, collectively serving families at 50% and 60% AMI.

A requested annual allocation of \$1,329,395 in 4% credits would allow for a needed expansion in the number of affordable housing units serving this high demand rental market with a high quality, family housing community. It will also leverage our previous award of \$478,000 in annual 9% credits.

Some additional highlights of our 4% application:

- The 114 units will be a combination of 1,2 and 3-bedroom units in six, three story walk-up garden style buildings. Paths and walkways throughout the site will encourage connectivity through the

GMD Development, LLC
520 Pike Street, Suite 1010
Seattle, WA 98101

site and beyond. The architectural character will be contemporary, mountain vernacular, with rich earth-tone colors as well.

- Renewable energy systems, such as solar photovoltaic and solar-thermal hot water are planned to be incorporated to offset utility costs for the residents and the common area operations.
- The infill development site is centrally located, near to retail, medical services, churches, grocery stores, pharmacies, public parks, bus transit, and other essential services and amenities.
- Per the Market Study (enclosed), the overall multifamily vacancy rate in Kalispell is currently 0% and both the low income and family low-income vacancy is 0%, with waiting lists at virtually all properties. In addition, there are currently 464 households on the Section 8 voucher waiting list.
- Since August 2017 average rents in the area have increased by 55-65% with 44.4% of households rent burdened paying over 30% of income for rent, and 19.4% paying more than 50%.
- Projected affordable rental rates will range from 27-44% below market rents.

Over the past 10 years GMD Development and Homeword have been reliable stewards of the Montana LIHTC programs and have a demonstrated track record with the completion of 8 affordable housing projects throughout the state, including both 4% and 9% credits, totaling 520 units. GMD Development has successfully completed 2 twinned projects: 124 unit Rockcross Commons in Great Falls, and the 136 unit Starner Gardens senior in Billings (Homeword as Co-GP).

The attached 4% LIHTC application demonstrates the urgent need to develop new, family housing units in a high demand market, a wide range and depth of local support, a solid financing plan, a construction scope that utilizes alternative energies and green building practices, all carefully managed by a highly experienced affordable housing development team with an outstanding track record in Montana.

If you have any questions, please do not hesitate to contact Steve at 206-745-6464
Steve@gmddevelopment.com.

Regards,

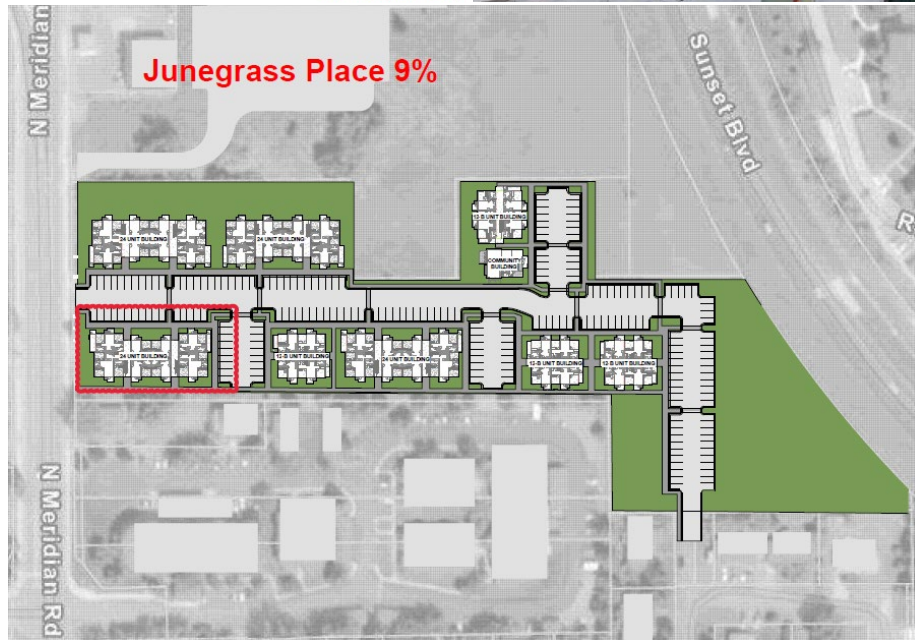


Steve Dymoke
GMD Development LLC

GMD Development, LLC
520 Pike Street, Suite 1010
Seattle, WA 98101



12 UNIT BUILDING
SCHEME 3 (BOOTHBAY BLUE,
NIGHT GRAY, PEARL GRAY)



County	Flathead
Project Name	Junegrass Place 4%
	GMD Development LLC and Homeword
Developer / General Ptnr	
Set-aside	Non-Profit
HC Requested	\$13,293,947
Project Type	Family
Construction Type	New Const
Projected Construction Start	Apr-22
Projected Completion	Aug-23

<u>Unit Numbers</u>	<u>Target</u>	
1-bdrm	60%	57
2-bdrm	60%	35
3-bdrm	60%	21
other	mgr	1
Total Units		<u>114</u>
Average Income Targeting		60.00%

<u>Square Footage</u>		
Income Resticted Units		93,752
Managers Unit(s)		1,146
Common Space		1,751
Market/Commercial		-
Total		<u>96,649</u>

<u>Unit Rents</u>		
1-bdrm	60%	736
2-bdrm	60%	884
3-bdrm	60%	1,021
other	mgr	1,021
Total Monthly Rents		\$ <u>95,354</u>
vacancy factor		7.00%
Adjusted Rent		\$ <u>88,679</u>
other/commercial income		\$4,100
total rent		\$ <u>92,779</u>
x 12 months		12
Total Annual Income		\$ <u>1,113,351</u>

<u>Expenses</u>		
Administration		28,272
Management		47,317
Maintenance		75,104
Operating		227,772
Taxes		2,850
Replacement Reserve		34,200
Total Expenses		\$ <u>415,515</u>
Net Income Before Debt Service		\$ 697,836

County	Flathead
Project Name	Junegrass Place 4%
Developer / General Ptnr	GMD Development LLC and Homeword

Financing Sources

Hard Loan		11,267,503
Soft Loan		542,269
Other		174,459
Deferred Dev Fee		2,412,997
HC Equity Non-Competative		12,627,987
Total Sources:	\$	27,025,215
% of Project Financed by HC:		46.73%

Return on Sale of HTC

HTC Requested	\$	13,293,947
HTC Equity	\$	12,627,987
HTC Return on Sale	\$	0.950

Ratios

Rent (Income)	\$	1,113,351
Operating Expenses	\$	381,315
Replacement Reserves	\$	34,200
Net Income Available for DS	\$	697,836
Total Debt Service	\$	606,813
Debt Coverage Ratio (DCR)		1.15
Total Expense Ratio		1.09

Project Costs

Land		-
Building/Acquisition		-
Site Work		3,089,275
Construction / Rehab		17,119,330
Soft Costs		2,847,092
Developer Fees		3,458,354
Reserves		511,164
Total Project Costs	\$	27,025,215

Costs versus Sources

Total Project Costs	\$	27,025,215
Total Financing Sources	\$	27,025,215
Difference	\$	-

Project Cost Limitations

	<u>Limits</u>	
General Requirements	6.00%	4.80%
Contractor Overhead	2.00%	1.69%
Contractor Profit	6.00%	3.60%
Developer Fees	15.00%	15.00%
Soft Cost	32 or 37%	31.20%

County
Project Name

Flathead
Junegrass Place 4%
GMD Development LLC
and Homeword

Developer / General Ptnr

Per Unit Comparison

	<u>Limits</u>		
Cost per unit total	n/a	\$	237,063
Cost per unit residential only	\$280,000	\$	237,063
Credits per unit	n/a	\$	116,614
Operating Cost per unit	\$3,000 min	\$	3,345
Replacement Reseves	\$300 min	\$	300

Per Square Foot Comparison

Construction / Rehab per sq ft	\$	177.13
Total Project Cost per sq ft	\$	279.62
Credits per sq ft	\$	137.55
Credits per sq ft (residential only)	\$	141.80

Utilities Paid by (Tenant / Owner)

Tenant

Market Study Data:

Vacancy Rates	0.0%
Absorption Rate	107.7%
% of Mkt Rents	73.3%
Units needed	350

Market Rents

0-bdrms	\$	-
1-bdrms	\$	1,079
2-bdrms	\$	1,235
3-bdrms	\$	1,398
4-bdrms	\$	-
other	\$	-

County
Project Name

Flathead
Junegrass Place 4%
GMD Development LLC
and Homeword

Developer / General Ptnr

<u>Evaluation Scoring</u>	<u>Points Available</u>	
1 <u>Extended Low Income Use</u>	100	100
2 <u>Lower Income Tenants</u>	200	40
3 <u>Project Location</u>	100	100
4 <u>Housing Needs Characteristics</u>		
Community Input	30	30
Appropriate Size	35	-
Market Need - Vacancy	35	35
Total	100	65
5 <u>Project Characteristics</u>		
Preservation of or Increase QCT or Revitalization Plan Historic Preservation Project Based Rent Subsidy Green & Energy	(100 pts for any one of these 4 categories) 100	100 - - - 100
	200	200
6 <u>Development Team Characteristics</u>	400	400
7 <u>Participation of Local Entity</u>	60	-
8 <u>Tenant Populations</u>	100	100
9 <u>Developer Knowledge and Response</u>		-
Management past performances		
Late responses to MBOH		
Management Weaknesses		
Total Points Available	1,260	1,005
Self Evaluation Score		1,005
minimum competitive score	1,000	
minimum non-competitive score	800	



Market Study Summary – Kalispell (Junegrass Place 4 % Apartments)

The market study must clearly identify the following on a summary sheet: must be in the first 10 pages of the market study.

Average (comparable) market unit rents in immediate area and the percent the proposed project rents are below these rents.

0 Bedroom	\$ _____	_____ %	
1 Bedroom	\$ <u>1,079</u>	<u>19-44</u> %	
2 Bedroom	\$ <u>1,235</u>	<u>15-41</u> %	
3 Bedroom	\$ <u>1,398</u>	<u>14-40</u> %	
4 Bedroom	\$ _____	_____ %	Reference page: <u>A-47</u>

of New Units Needed: 350 Reference page: A-35

Vacancy Rate 0.0 % Reference page: C-2

Capture Rate 32.5 % Reference page: A-40
(projected income eligible tenants who will move in next year/proposed units)

Units needed in market area 350 Reference page: A-35

Absorption Rate 107.7 % 3 months Reference page: A-40
(proposed units/existing LIH, market area units required)

Penetration Rate 14.8 % Reference page: A-40
(existing LIH units/total eligible households)

Number of LI households that can afford rent of proposed project 1,062

Reference page: A-40

Distances to essential services as listed in Development Evaluation Criteria #3.

List of essential services must contain the list below and list the distance: On Following Page

Grocery store, public schools, Senior Center, Bank, Laundromat (only if washer/dryer not included in unit or onsite);, Medical services appropriate and available to all prospective tenants (e.g., hospital, doctor offices, etc.); , Pharmacy services appropriate and available to all prospective tenants , Gas station and/or convenience store, Post Office, Public Park, Shopping(department, clothing or essentials – does not include convenience store), and Public Library.



Amenities Form Unit	Yes/No	Incremental Cost	Benefit
Air Conditioning	Yes	Included in heat pump system	
Carport/Garage	No		
Dishwasher	Yes	500.00	Competitive amenity in market
Disposal	No		
Extra Storage outside unit	No		
Microwave	No		
Patios or Balcones	Yes	4,850.00	Outdoor, private areas, fresh air
Washer/dryer hookups	Yes	875.00	Competitive amenity; allows residents to lease/purchase w/d
Washer/dryer in unit	No		

Community	Yes/No	Incremental Cost	Benefit
Basketball hoop/pad	No		
Car plug ins	No		
Community Garden	Yes	\$2,500.00	Community building, educational, fresh vegetables
Community Room	Yes	\$125,000.00	Community building, on-site gathering
Computer(s) for tenant use	No		
Library	No		
On site Manager	Yes	In payroll	Essential for a 144 unit property, leasing and oversight
Outdoor community area	Yes	\$25,000.00	Community building, on-site gathering
Play Area	Yes	\$50,000.00	Area for kids to gather and play- property expects large number of families with kids
hotspot/wifi	No		

Other:			
--------	--	--	--

BOARD AGENDA ITEM

PROGRAM

Multifamily Program

AGENDA ITEM

Bridger Peaks Resolution Approval

BACKGROUND

Bridger Peaks Apartments was originally built in 2004 as a 9% competitive project in Bozeman MT. This application acquires and rehabs the project using tax exempt bonds and 4% credits.

The project has 60 units; 15 one-bedroom units and 15 two-bedrooms.

PROPOSAL

Staff supports approving the resolution.

RESOLUTION NO. 22-0214-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 (BRIDGER PEAKS APARTMENTS PROJECT) SERIES 2022, IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$12,000,000; APPROVING THE SALE OF SAID BONDS PURSUANT TO A PURCHASE CONTRACT; APPROVING THE TRUST INDENTURE, LOAN AGREEMENT, PRELIMINARY OFFICIAL STATEMENT, OFFICIAL STATEMENT 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 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 (Bridger Peaks Apartments Project) Series 2022 in an aggregate principal amount not to exceed \$12,000,000 (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 Bridger Peaks Apartments, a 60-unit affordable housing development located in Bozeman, Montana; and

WHEREAS, the Bonds will be issued pursuant to a Trust Indenture (the “Indenture”), between the Board and U.S. Bank Trust Company, National Association as trustee, or any other trust company or bank having the powers of a trust company that is in good standing with the State of Montana, duly authorized to exercise trust powers in the State with a reported capital, surplus and retained earnings of not less than \$100,000,000 selected by an Authorized Officer, as defined herein, (the “Trustee”), which will be in substantially the form as the Trust Indenture approved by the Board with respect to its Multifamily Housing Revenue Bonds (Spruce Grove Apartments Project), Series 2022 (the “Spruce Grove Financing”) subject to the terms, conditions and limitations established herein and in the Indenture; and

WHEREAS, the proceeds of the Bonds will be used to finance a loan (the “Mortgage Loan”) to Bridger Peaks Apartments , LLC, a Washington registered limited liability company, or another affiliate of DevCo, LLC or Hearthstone Group (the “Borrower”), pursuant to a loan agreement, by and among the Board, the Borrower and the Trustee (the “Loan Agreement”), which will be in substantially the form as such agreement approved by the Board with respect to the Spruce Grove Financing; 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 Declaration of Restrictive Covenants (the “Regulatory Agreement”), which will be in substantially the same form as such agreement approved by the Board with respect to the Spruce Grove Financing; and

WHEREAS, a Bond Purchase Agreement (the “Purchase Contract”) to be dated the date of sale of the Bonds between the Board, the Borrower and the initial purchaser of the Bonds (the “Purchaser”), will be prepared in substantially the same form as such agreement approved by the Board with respect to the Spruce Grove Financing, 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; and

WHEREAS, a draft of a Preliminary Official Statement (the “Preliminary Official Statement”) is to be prepared containing certain information relating to the Board, the Indenture and the Bonds, such information being substantially similar to that provided in the final Official Statement approved by the Board with respect to the Spruce Grove Financing, and which is to be used by the Purchaser in connection with the sale of the Bonds to investors; and

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

Section 1. Public Hearing and 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 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 which is 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 if the Loan constitutes a direct loan, in accordance with Section 90-6-109(1)(f), by virtue of the Board loaning the Bond proceeds to the Borrower pursuant to the Loan Agreement, 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 the form hereinabove described, and the Chair, the Vice Chair or the Executive Director and Treasurer of the Board is hereby authorized and directed to select a trustee and to execute and deliver the Indenture, with such changes, insertions or omissions therein as may be approved by such signatory, such approval to be evidenced conclusively by such execution of the Indenture.

Section 3. Authorization of the Bonds. The execution 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 Loan payments and any other moneys pledged under the Indenture by the Borrower as required by the Indenture. The Bonds shall mature no later than 40 years from their date of issuance, bear interest at a fixed or floating rate no greater than the net rate paid on the Loan (i.e. net of fees due to the Board and any other parties), be in a principal amount not to exceed \$12,000,000, be subject to optional, special optional, mandatory or sinking fund redemption or tender 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 and approved by the signatories thereto. 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, and their execution shall evidence their approval of the final terms thereof. Such signatures may be by 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 the form hereinabove described, and the Chair, the Vice Chair 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 the form hereinabove described, and the Chair, the Vice Chair 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 Preliminary Official Statement and Official Statement. A Preliminary Official Statement for the Bonds is hereby approved in the form described above, with such changes, insertions or omissions therein as may be approved by the Chair, the Vice Chair and the Executive Director and Treasurer of the Board. Each such person 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 required to finalize the pricing terms of the Bonds.

Section 7. Approval of Purchase Contract and Sale of the Bonds. A Purchase Contract for the Bonds is hereby approved in the form described above and the execution of the Purchase Contract by the Chair, the Vice Chair or Executive Director and Treasurer of the Board is hereby authorized and directed in order to effectuate the sale of the 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 8. Reserved.

Section 9. Ratification of Prior Actions. All action previously taken by the officers, members or staff of the Board within the authority granted herein, with respect to the Indenture, the Loan Agreement, the Regulatory Agreement, the Preliminary Official Statement, the Purchase Contract and the Bonds is hereby approved, confirmed and ratified.

Section 10. Execution of Documents. In the event of the absence or disability of the Chair, the Vice Chair 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 Chair, the Vice Chair 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 11. Execution of No-Arbitrage Certificate. The Chair, the Vice Chair 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 12. Additional Actions Authorized. The Chair, the Vice Chair, the 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, the Loan Agreement or 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 Policy for Conduit 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 13. Effective Date. This Resolution shall become effective immediately.

[Remainder of Page Intentionally Left Blank]

ADOPTED by the Montana Board of Housing this 14th day of February, 2022.

MONTANA BOARD OF HOUSING

Attest:

By _____
Sheila Rice, Chair

By _____
Cheryl Cohen, Executive Director

**Bridger Peaks Apartments
Executive Summary**

Property Description

Bridger Peaks Apartments is located at 1483 N 15th Avenue in the city of Bozeman. The property was developed in 2004 and has one 60-unit, three story building that consists of 45 one-bedroom units and 15 two-bedroom units, all designated for seniors ages 55+. Property Amenities include a Community Room, Courtyard, Library, Exercise Facility, Central Laundry, Picnic Areas, Recreation Areas and an On-Site Manager. Unit Amenities include central heating and air conditioning, energy efficient appliances that include a range, refrigerator, dishwasher and disposal, a pantry, window coverings, and an open floor plan.

The property was originally built as a LIHTC development and therefore all units are rent restricted by regulatory agreements with the Montana Board of Housing until 12/31/2049. The initial compliance period ended in 2019.

DevCo will seek a new issuance of tax-exempt bonds and 4% LIHTCs through the Montana Board of Housing and will extend the affordability commitments. 98% of the units will be designated to be rented at affordable levels with 28 units being at 60% of AMI and 22 units at 50% of AMI. One unit at the property will remain an administrative unit.



Management

The property is currently managed by Tamarack Property Management. Tamarack has extensive history in managing affordable properties in Montana and currently oversees a portfolio of over 1,400 affordable units in Montana, in addition to conventional, commercial and HUD properties in Montana, Wyoming and Utah.

Planned Renovations

In connection with the new issuance of tax-exempt bonds and 4% credits extensive renovations are planned to be completed at the property. The current budget includes approximately \$41,000/unit in which will cover the following:

- Repair of existing asphalt
- Parking Lot Restriping, curb painting and new ADA signage
- New Kitchen Cabinets, Kitchen Countertops, Sinks and Fixtures
- Installation of all new appliances
- Replacement of new Fire Rated Entry Door Doors and Hardware
- Installation of New Low E Vinyl windows
- Installation of LVP Flooring Throughout Units
- Installation of Towel Bars, shower Rods, Grab Bars and Vanities
- New Gas Water Heaters
- New LED Light Fixtures
- ADA Upgrades

DevCo Mission Statement

DevCo Preservation uses its extensive experience in the management, construction and financing of affordable housing to revitalize existing properties and build long lasting communities. By planning extensive renovations and making long-term affordability commitments DevCo Preservation provides quality, affordable housing in growing markets where it is needed most.



Subject exterior



Community room



Typical living area

County		Gallatin	
Project Name		Bridger Peaks Apartments	
Developer / General Ptrn		Bridger Peaks Manager, LLC	
HC Requested			\$5,460,886
Project Type			Elderly
Construction Type			Acq / Rehab
Projected Construction Start			May-22
Projected Completion			May-23
<u>Unit Numbers</u>			
		<u>Target</u>	
	1-bdrm	60%	45
	2-bdrm	60%	15
	other	mgr	-
	Total Units		<u>60</u>
	Average Income Targeting		60.00%
<u>Square Footage</u>			
	Income Restricted Units		38,250
	Managers Unit(s)		-
	Common Space		9,750
	Market/Commercial		-
	Total		<u>48,000</u>
<u>Unit Rents</u>			
	1-bdrm	60%	1,001
	2-bdrm	60%	1,201
	other	mgr	-
Total Monthly Rents			\$ 63,060
vacancy factor			<u>7.00%</u>
Adjusted Rent			\$ 58,646
other/commercial income			\$350
total rent			<u>\$ 58,996</u>
x 12 months			12
Total Annual Income			<u>\$ 707,950</u>
<u>Expenses</u>			
	Administration		19,672
	Management		46,390
	Maintenance		31,500
	Operating		137,139
	Taxes		-
	Replacement Reserve		18,000
Total Expenses			<u>\$ 252,701</u>
Net Income Before Debt Service			\$ 455,249
<u>Financing Sources</u>			
	Hard Loan		9,230,800
	Soft Loan		100
	Deferred Dev Fee		160,904
	HC Equity Competative		4,636,086
Total Sources:			<u>\$ 14,027,890</u>
% of Project Financed by HC:			33.05%
<u>Return on Sale of HTC</u>			
HTC Requested		\$	5,460,886
HTC Equity		\$	4,636,086
HTC Return on Sale		\$	0.849
<u>Ratios</u>			
Rent (Income)		\$	707,950

County**Gallatin****Project Name****Bridger Peaks Apartments****Developer / General Ptrn****Bridger Peaks Manager, LLC**

Operating Expenses	\$	234,701
Replacement Reserves	\$	18,000
Net Income Available for DS	\$	455,249
Total Debt Service	\$	380,746
Debt Coverage Ratio (DCR)		1.20
Total Expense Ratio		1.12

Project Costs

Land		720,000
Building/Acquisition		6,280,000
Site Work		-
Construction / Rehab		3,426,392
Soft Costs		1,685,992
Developer Fees		1,704,357
Reserves		211,149
Total Project Costs	\$	14,027,890

Costs versus Sources

Total Project Costs	\$	14,027,890
Total Financing Sources	\$	14,027,890
Difference	\$	(0)

Project Cost Limitations

	<u>Limits</u>	
General Requirements	6.00%	4.62%
Contractor Overhead	2.00%	1.63%
Contractor Profit	6.00%	4.90%
Developer Fees	15.00%	14.96%
Soft Cost	32 or 37%	32.42%

Per Unit Comparison

	<u>Limits</u>	
Cost per unit	\$235,000	\$ 233,798
Credits per unit	n/a	\$ 91,015
Operating Cost per unit	\$3,000 min	\$ 3,912
Replacement Reseves	\$300 min	\$ 300

County	Gallatin
Project Name	Bridger Peaks Apartments
Developer / General Ptnr	Bridger Peaks Manager, LLC

Per Square Foot Comparison

Construction / Rehab per sq ft	\$	71.38
Total Project Cost per sq ft	\$	292.25
Credits per sq ft	\$	113.77
Credits per sq ft (residential only)	\$	142.77

Utilities Paid by (Tenant / Owner) Owner

Market Study Data:

Vacancy Rates	0.4%
Absorption Rate	40.2%
% of Mkt Rents	71.6%
Units needed	30

Market Rents

1-bdrms	\$	1,316
2-bdrms	\$	1,621

Evaluation Scoring

	<i>Points Available</i>	
1 <u>Extended Low Income Use</u>	100	-
2 <u>Lower Income Tenants</u>	200	40
3 <u>Project Location</u>	100	100
4 <u>Housing Needs Characteristics</u>		
Community Input	30	-
Appropriate Size	35	35
Market Need - Vacancy	35	35
Total	100	70
5 <u>Project Characteristics</u>		
Preservation of or Increase QCT or Revitalization Plan	(100 pts for any one of these 4 categories)	100
Historic Preservation		-
Project Based Rent Subsidy		-
Green & Energy	100	-
Total	200	100
6 <u>Development Team Characteristics</u>	400	400
7 <u>Participation of Local Entity</u>	60	-
8 <u>Tenant Populations</u>	100	100
9 <u>Developer Knowledge and Response</u>		-
Management past performances		
Late responses to MBOH		
Management Weaknesses		
Total Points Available	1,260	810
Self Evaluation Score		810
minimum competitive score	1,000	
minimum non-competitive score	800	

MARKET STUDY SUMMARY

The following section provides all information requested for the Market Study Summary per MBOH market study guidelines.

Average Comparable Market Rents

The following table illustrates the average comparable market unit rents and the percent the Subject's proposed rents are below the average comparable rents.

AVERAGE COMPARABLE MARKET UNIT RENTS RELATIVE TO PROPOSED PROJECT RENTS

Unit Type	Average Comparable Market Rent	Subject's Highest Proposed LIHTC Rent	Subject Proposed Rent Advantage
1BR	\$1,316	\$950	-28%
2BR	\$1,621	\$1,125	-31%

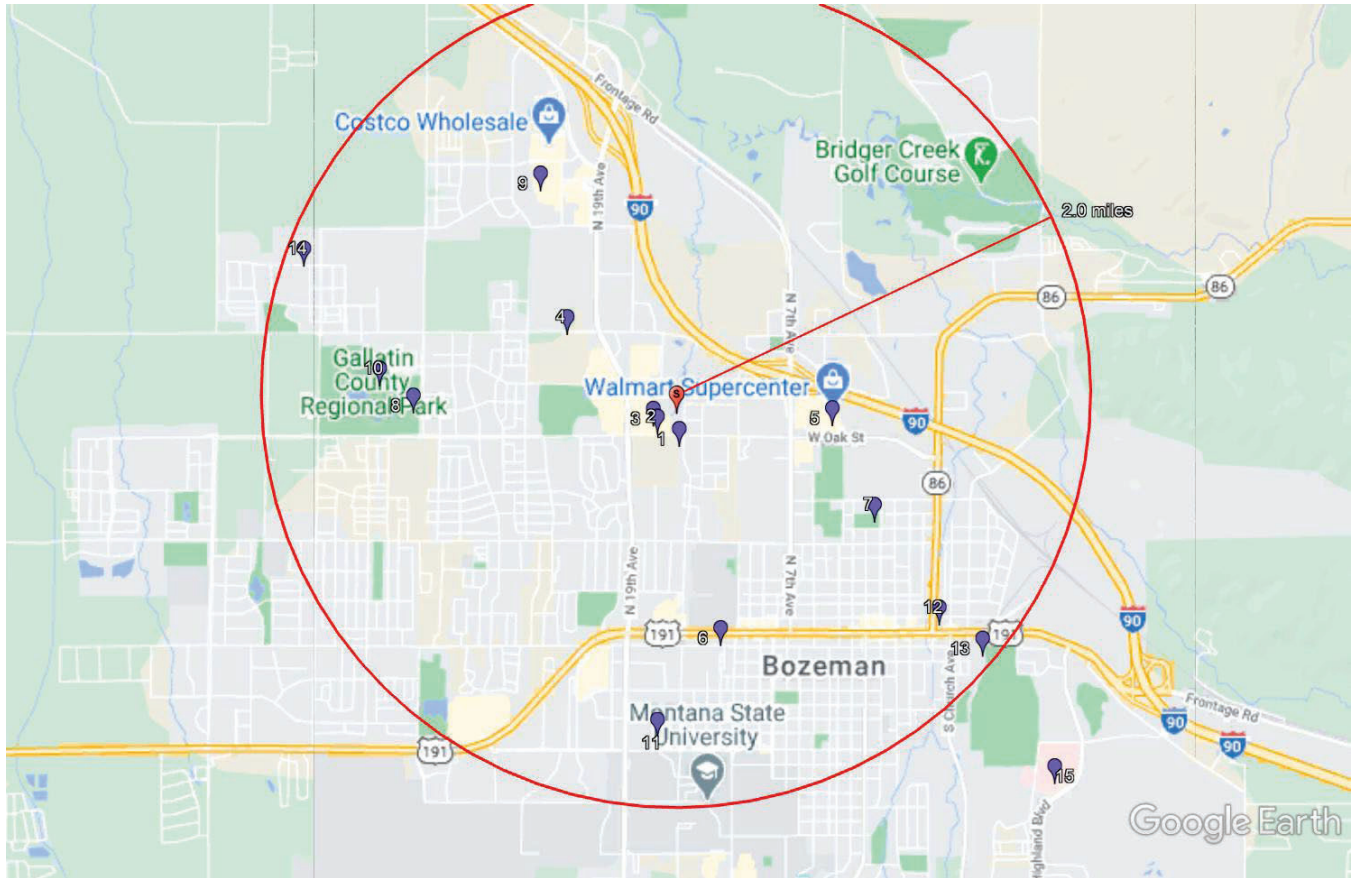
Market Study Reference Pages: 105-106

Vacancy, Demand, and Absorption

The following table illustrates conclusions on vacancy, demand, and absorption for the Subject as proposed.

MARKET STUDY SUMMARY			
Number of New Units Needed	30	Reference Page:	108
Comparable Vacancy Rate	0.4%	Reference Page:	99
Capture Rate (projected income eligible tenants who will move in next year/proposed units)	26.8%	Reference Page:	109
Units needed in market area	224	Reference Page:	109
Absorption Rate (projected units/existing LIH, market area units required)	40.2%	Reference Page:	113
Penetration Rate (existing LIHTC units/total eligible households)	8.4%	Reference Page:	111
Number of LI households that can afford rent of proposed project	748	Reference Page:	108

Distances to Essential Services



LOCATIONAL AMENITIES

Map #	Service or Amenity	Distance from Subject (Crow)
1	Bus Stop	0.1 miles
2	Wells Fargo Bank	0.1 miles
3	Smith's Food and Drug	0.1 miles
4	United States Postal Service	0.7 miles
5	Walmart Pharmacy	0.8 miles
6	Bozeman High School	1.1 miles
7	Bozeman Senior Social Center	1.1 miles
8	Bozeman Fire Station	1.3 miles
9	Target	1.3 miles
10	Gallatin County Regional Park	1.4 miles
11	Bozeman Police Department	1.5 miles
12	Hawthorne Elementary School	1.6 miles
13	Bozeman Public Library	1.8 miles
14	Chief Joseph Middle School	1.9 miles
15	Bozeman Health Deaconess Hospital	2.5 miles

Amenities Form Unit	Yes/No	Incremental Cost	Benefit
Air Conditioning			
Carport/Garage			
Dishwasher			
Disposal			
Extra Storage outside unit			
Microwave			
Patios or Balcones			
Washer/dryer hookups	Yes	0.00	Already present at site
Washer/dryer in unit			

Community	Yes/No	Incremental Cost	Benefit
Basketball hoop/pad			
Car plug ins			
Community Garden	Yes	\$0.00	Already present at site
Community Room	Yes	\$6,630.00	Paint, Prime and install new appliances in community kitchen
Computer(s) for tenant use			
Library			
On site Manager	Yes		Already present at site
Outdoor community area	Yes	\$0.00	Already present at site
Play Area			
hotspot/wifi			
Fitness Center	Yes	\$0.00	Already present at site

BOARD AGENDA ITEM

PROGRAM

Multifamily Program

AGENDA ITEM

Highland Manor Loan Structure and Amount – Coal Trust Loan Program

BACKGROUND

The Highland Manor is a 32-unit family project in Havre, MT that is a Rural Development project with 100% rental assistance. It is being acquired and rehabbed using tax exempt bonds and the 4% credit.

This is a request to change the Coal Tax Trust loan to a 30-year term and amortization. This is required by RD and is consistent with past projects we have financed.

They also originally proposed a commercial loan and are requesting that the amount of the Coal Trust loan be increased to cover this loan. The original loan approved was for \$520,509.00 and the request is to increase this amount to \$1,132,000.00.

PROPOSAL

Approve changes to a 30-year amortization and 30 year term and the total loan amount to \$1,132,000.00.

January 27, 2022

**Cheryl Cohn, Executive Director
Montana Board of Housing
301 S. Park Ave
Helena MT, 59601**

**Re: Multifamily Coal Trust Homes Program Loan Application – Highland Manor 4
Residences LLLP**

Dear Cheryl,

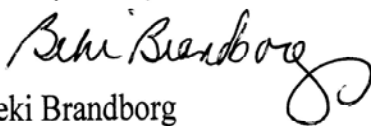
I submit this application for an additional loan from the Montana Coal Trust Loan application. The requested loan will total \$1,132,000. The Highland Manor 4 project currently has been approved for a loan totaling \$500,00 and anticipated market rate debt of \$550,000.

The Project received about \$115,000 less in combined ARPA and HTF money than had been applied for given the limited amounts of those funds available. The additional ARPA and HTF funds received went a long way in accommodating the increased cost construction that currently exists.

My goal is to complete a quality renovation at Highland Manor. If the Coal Trust Loan is approved it will allow the project to add an additional \$82,000 to the budget currently anticipated. The lower interest rate for the Coal Trust Loan allows the project to carry additional debt and complete an increased level of renovation. One requirement of Rural Development's is that the term of the Coal Trust Loan be for 30 years and have a 30 year amortization. The attached Uni-app reflects those requirements. The one item not available for the Uni-App is the completed CNA. The CNA is still a work in progress between Rural Development and the CNA provider.

As you may recall, the 32 units of Rural Development 515 financed rental units will have all units covered by Rural Development Rental Assistance (RA) after completion. Currently 30 of the 32 units have RA. Almost all of the current tenants have incomes at or below 30% of AMI. I anticipate those AMI levels will continue to exist after renovation.

Thank you for your consideration.


Beki Brandborg

**Beki Brandborg
Echo Enterprises, LLP
4835 Echo Drive
Helena, MT 59602
406-431-2151
beki@montana.com**

County	Hill
Project Name	Highland Manor
Developer / General Ptnr	Echo Enterprises LLC
HC Requested	2,394,420
Project Type	Family
Construction Type	Acq / Rehab
Projected Construction Start	Jun-22
Projected Completion	Jun-23

<u>Unit Numbers</u>	<u>Target</u>	
1-bdrm	30%	7
2-bdrm	30%	25
other	mgr(60%)	-
Total Units		<u>32</u>
Average Income Targeting		30.00%

<u>Square Footage</u>	
Income Restricted Units	23,800
Managers Unit(s)	-
Supportive Services	-
Common Space	-
Market/Commercial	-
Total	<u>23,800</u>

<u>Unit Rents</u>		
1-bdrm	30%	650
2-bdrm	30%	750
other	mgr(60%)	-
Total Monthly Rents		<u>23,300</u>
vacancy factor		5.00%
Adjusted Rent		<u>22,135</u>
other/commercial income		-
total rent		<u>22,135</u>
x 12 months		<u>12</u>
Total Annual Income		<u>265,620</u>

<u>Expenses</u>	
Administration	11,258
Management	12,000
Maintenance	41,336
Operating	46,920
Taxes	25,480
Replacement Reserve	10,656
Total Expenses	<u>147,650</u>

Net Income Before Debt Service	117,970
--------------------------------	---------

County	Hill
Project Name	Highland Manor
Developer / General Ptnr	Echo Enterprises LLC

Financing Sources

Hard Loan	896,819
Hard Loan	1,132,000
Soft Loan	300,000
State NHTF	1,441,696
Other	859,517
Other	55,580
Deferred Dev Fee	1,396
HC Equity Non-Competative	2,058,994
Total Sources:	<u>6,746,002</u>
% of Project Financed by HC:	30.52%

Return on Sale of HTC

HTC Requested	2,394,420
HTC Equity	2,058,994
HTC Return on Sale	0.860

Ratios

Rent (Income)	265,620
Operating	136,994
Replacement	10,656
Net Income	117,970
Total Debt Service	88,485
Debt Coverage Ratio (DCR)	1.33
Total Expense Ratio	1.12

Project Costs

Land	150,000
Building/Acquisition	946,819
Site Work	180,000
Construction / Rehab	3,289,207
Soft Costs	1,188,612
Developer Fees	723,020
Reserves	268,344
Total Project Costs	<u>6,746,002</u>
Supportive Services Costs	-
Residential Costs	6,746,002

Costs versus Sources

Total Project Costs	6,746,002
Total Financing Sources	<u>6,746,002</u>
Difference	-

County	Hill
Project Name	Highland Manor
Developer / General Ptnr	Echo Enterprises LLC

Project Cost Limitations

	<u>Limits</u>	
General Requirements	6.00%	4.43%
Contractor Overhead	2.00%	1.48%
Contractor Profit	6.00%	4.43%
Developer Fees	15.00%	12.90%
Soft Cost	32 or 37 or 40%	41.87%

Per Unit Comparison

	<u>Limits</u>	
Cost per unit total	n/a	210,813
Cost per unit residential only	\$280,000	210,813
Cost per unit Const / Rehab	n/a	108,413
Credits per unit	n/a	74,826
Operating Cost per unit	\$3,000 min	4,281
Replacement Reseves	\$300 min	333

Per Square Foot Comparison

Construction / Rehab per sq ft	138.20
Total Project Cost per sq ft	283.45
Credits per sq ft	100.61
Credits per sq ft (residential only)	100.61

Utilities Paid by (Tenant / Owner) Tenant

County	Hill
Project Name	Highland Manor
Developer / General Ptnr	Echo Enterprises LLC

<u>Evaluation Scoring</u>	<u>Points Available</u>	
1 <u>Extended Low Income Use</u>	100	100
2 <u>Lower Income Tenants</u>	200	190
3 <u>Project Location</u>	100	100
4 <u>Housing Needs Characteristics</u>		
Community Input	30	30
Appropriate Size	35	35
Market Need - Vacancy	35	35
Total	100	100
5 <u>Project Characteristics</u>		
Preservation of or Increase QCT or Revitalization Plan	(100 pts for any one of	100
Historic Preservation	these 4	-
Project Based Rent Subsidy	categories)	-
Green & Energy	100	100
	200	200
6 <u>Development Team Characteristics</u>	400	400
7 <u>Participation of Local Entity</u>	60	30
8 <u>Tenant Populations</u>	100	100
9 <u>Developer Knowledge and Response</u>		-
Management past performances		
Late responses to MBOH		
Management Weaknesses		
Total Points Available	1,260	1,220
Self Evaluation Score		1,170
minimum competitive score	1,000	
minimum non-competative score	800	

BOARD AGENDA ITEM

PROGRAM

Multifamily Program

AGENDA ITEM

Creekside Site Location Change

BACKGROUND

Creekside Commons was awarded 2021 9% credits for a 36-unit senior complex in Kalispell. At the November 2021 Board meeting, the project was approved to reduce the units to 30. Unfortunately, there were unknown site issues discovered in geotechnical report that make it impossible for the site to be used for a large apartment complex.

The developers have secured a new site, a quarter mile from the old one and are proposing 31 units for the same tax credit award amount.

PROPOSAL

Staff supports the site change for Creekside Commons.



HOUSING
SOLUTIONS, LLC

*"Unless the Lord builds the house,
its builders labor in vain"*

January 18, 2022

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

RE: Creekside Request for Site Change

Chair Rice and Members of the Board:

The story of Creekside Commons has continued to evolve behind the scenes over the past couple of months. In late November, after the November 15 board meeting, we received the engineer's geotechnical report for our property. The report included bad news. The soils were silt and clays, which was expected. What was not expected was ground water found as shallow as four feet in some places. The very high ground water, along with the poor soil composition, was a one-two punch that couldn't be overcome. After discussions with the contractor and engineers, we were left with no choice but to abandon this site and search for a new one.

Property in Kalispell is hard to come by, so the search was not easy, however, we found a site that will serve as a suitable replacement for the old property. The new site is currently under contract and located just south of 2 Mile Drive. The property sits between the existing Gateway Community Center and the recently completed Apartments @ 2 Mile. This is only a quarter mile away from the original site which means the community amenities such as the Rails to Trails trail, the non-profit organizations existing within the Gateway Community Center, Albertsons and many other amenities that were noted in the original application are still nearby. In fact, in most cases, these amenities are now closer. Please see Exhibit A for an aerial depiction showing the new property relative to the old.

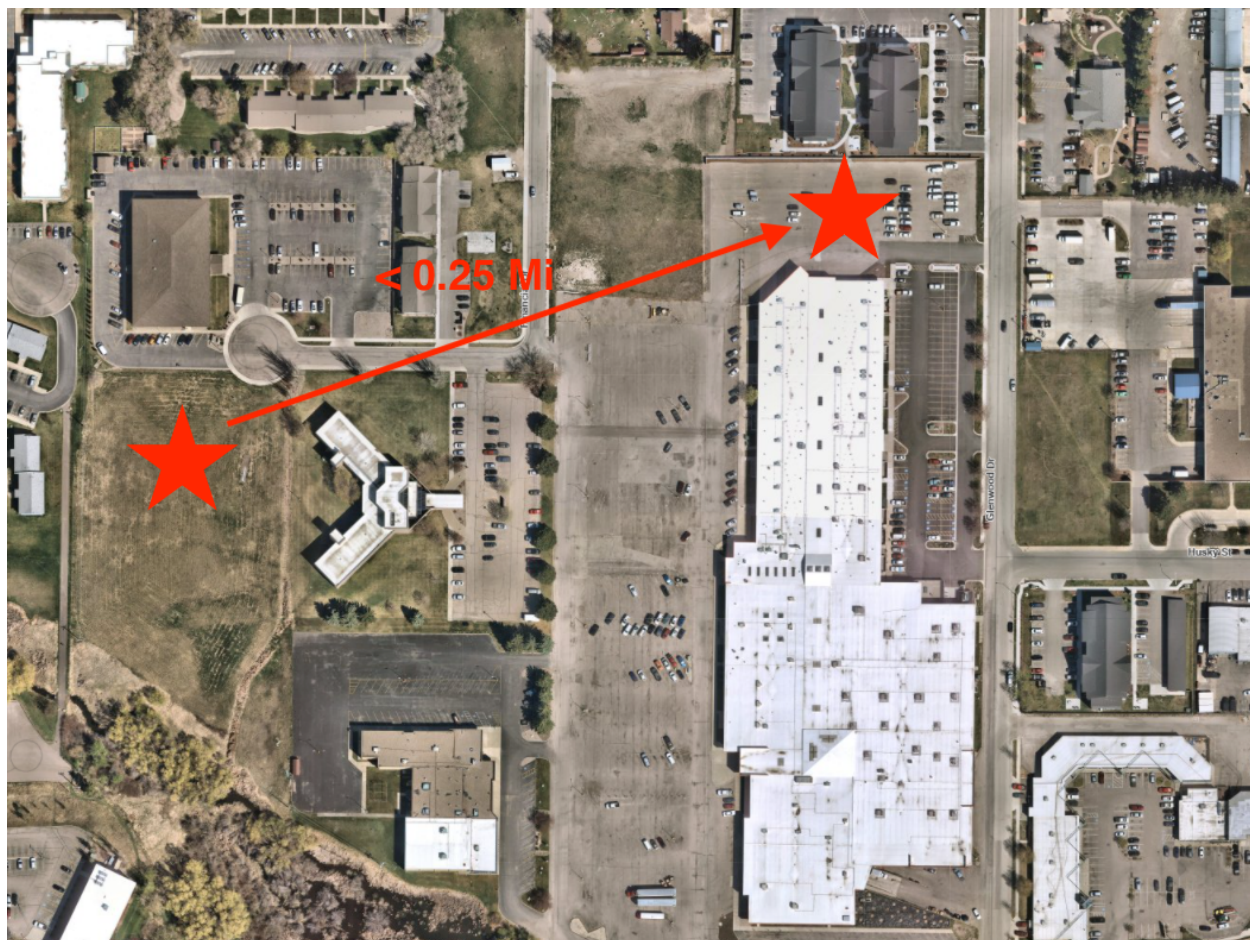
The board's decision in November to allow Creekside to re-size was critical in allowing us to put this new property under contract. The cost savings afforded by the re-sizing were what kept this project alive and made the new site possible given the inflated prices in Kalispell.

Though we were approved to reduce the project to 30 units, we will be able to provide 31 units which is reflected in the latest set of underwriting provided to staff.

Thank you for your consideration,

Alex Burkhalter

Exhibit A



PROTECTED HIDDEN TAB

City	Kalispell
County	Flathead County
Project Name	Creekside Commons
Developer / General Ptrn	Housing Solutions, LLC
Set-aside	General
HC Requested	6,435,000
Project Type	Elderly
Construction Type	New Const
Projected Construction Start	Sep-22
Projected Completion	Sep-23

<u>Unit Numbers</u>	<u>Target</u>	
0-bdrm	20%	-
0-bdrm	30%	-
0-bdrm	40%	-
0-bdrm	50% (Low HM)	-
0-bdrm	50%	-
0-bdrm	60%	-
0-bdrm	70%	-
0-bdrm	80%	-
0-bdrm	0%	-
0-bdrm	0%	-
1-bdrm	20%	-
1-bdrm	30%	-
1-bdrm	50% (Low HM)	-
1-bdrm	40%	3
1-bdrm	50%	19
1-bdrm	60%	2
1-bdrm	70%	-
1-bdrm	80%	-
1-bdrm	0%	-
1-bdrm	0%	-
2-bdrm	20%	-
2-bdrm	30%	-
2-bdrm	40%	1
2-bdrm	50% (Low HM)	-
2-bdrm	50%	4
2-bdrm	60%	1
2-bdrm	70%	-
2-bdrm	80%	-
2-bdrm	0%	-
2-bdrm	0%	-
3-bdrm	20%	-
3-bdrm	30%	-
3-bdrm	40%	-
3-bdrm	50% (Low HM)	-
3-bdrm	50%	-
3-bdrm	60%	-
3-bdrm	70%	-
3-bdrm	80%	-
3-bdrm	0%	-
3-bdrm	0%	-
4-bdrm	20%	-
4-bdrm	30%	-
4-bdrm	40%	-
4-bdrm	50% (Low HM)	-
4-bdrm	50%	-
4-bdrm	60%	-
4-bdrm	70%	-
4-bdrm	80%	-

County	<u>Flathead County</u>		
Project Name	<u>Creekside Commons</u>		
Developer / General Ptnr	<u>Housing Solutions, LLC</u>		
4-bdrm	0%	-	-
4-bdrm	0%	-	-
other	20%	-	-
other	30%	-	-
other	40%	-	-
other	50% (Low HM)	-	-
other	50%	-	-
other	60%	-	-
other	70%	-	-
other	80%	-	-
other	0%	-	-
other	mkt	-	-
other	mgr(60%)	-	1
Total Units			<u>31</u>
Average Income Targeting			50.00%

Square Footage

Income Resticted Units	19,092
Managers Unit(s)	600
Supportive Services	-
Common Space	7,734
Market/Commercial	-
Total	<u>27,426</u>

Unit Rents

0-bdrm	20%	-
0-bdrm	30%	-
0-bdrm	40%	-
0-bdrm	50% (Low HM)	-
0-bdrm	50%	-
0-bdrm	60%	-
0-bdrm	70%	-
0-bdrm	80%	-
0-bdrm	0%	-
0-bdrm	0%	-
1-bdrm	20%	-
1-bdrm	30%	-
1-bdrm	40%	530
1-bdrm	50% (Low HM)	-
1-bdrm	50%	660
1-bdrm	60%	795
1-bdrm	70%	-
1-bdrm	80%	-
1-bdrm	0%	-
1-bdrm	0%	-
2-bdrm	20%	-
2-bdrm	30%	-
2-bdrm	40%	635
2-bdrm	50% (Low HM)	-
2-bdrm	50%	795
2-bdrm	60%	955
2-bdrm	70%	-
2-bdrm	80%	-
2-bdrm	0%	-
2-bdrm	0%	-
3-bdrm	20%	-
3-bdrm	30%	-
3-bdrm	40%	-
3-bdrm	50% (Low HM)	-

County	<u>Flathead County</u>		
Project Name	<u>Creekside Commons</u>		
Developer / General Ptnr	<u>Housing Solutions, LLC</u>		
	3-bdrm	50%	-
	3-bdrm	60%	-
	3-bdrm	70%	-
	3-bdrm	80%	-
	3-bdrm	0%	-
	3-bdrm	0%	-
	4-bdrm	20%	-
	4-bdrm	30%	-
	4-bdrm	40%	-
	4-bdrm	50% (Low HM)	-
	4-bdrm	50%	-
	4-bdrm	60%	-
	4-bdrm	70%	-
	4-bdrm	80%	-
	4-bdrm	0%	-
	4-bdrm	0%	-
	other	20%	-
	other	30%	-
	other	40%	-
	other	50% (Low HM)	-
	other	50%	-
	other	60%	-
	other	70%	-
	other	80%	-
	other	0%	-
	other	mkt	-
	other	mgr(60%)	-
Total Monthly Rents			20,490
vacancy factor			7.00%
Adjusted Rent			19,056
other/commercial income			300
total rent			19,356
x 12 months			12
Total Annual Income			232,268

County	Flathead County
Project Name	Creekside Commons
Developer / General Ptnr	Housing Solutions, LLC

Expenses

Administration	15,300
Management	16,259
Maintenance	32,541
Operating	63,000
Taxes	-
Replacement Reserve	9,300
Total Expenses	<u>136,400</u>

Net Income Before	
Debt Service	95,868

Financing Sources

Hard Loan	1,278,467
Hard Loan	-
Soft Loan	-
Soft Loan	-
State HOME	-
State CDBG	-
State NHTF	-
Other	-
Other	-
Other	-
Other	-
Deferred Dev Fee	249,753
HC Equity Competative	5,533,547
HC Equity Non-Competative	-
Total Sources:	<u>7,061,767</u>
% of Project Financed by HC:	78.36%

Return on Sale of HTC

HTC Requested	6,435,000
HTC Equity	5,533,547
HTC Return on Sale	0.860

Ratios

Rent (Income)	232,268
Operating	127,100
Replacement	9,300
Net Income	95,868
Total Debt Service	79,890
Debt Coverage Ratio (DCR)	1.20
Total Expense Ratio	1.07

Project Costs

Land	450,000
Building/Acquisition	-
Site Work	600,000
Construction / Rehab	4,312,333
Soft Costs	891,289
Developer Fees	700,000
Reserves	108,145
Total Project Costs	<u>7,061,767</u>
Supportive Services Costs	-
Residential Costs	7,061,767

County	<u>Flathead County</u>
Project Name	<u>Creekside Commons</u>
Developer / General Ptrn	<u>Housing Solutions, LLC</u>

Costs versus Sources

Total Project Costs	7,061,767
Total Financing Sources	<u>7,061,767</u>
Difference	-

County

Flathead County

Project Name

Creekside Commons

Developer / General Ptnr

Housing Solutions, LLC

Project Cost Limitations

	<u>Limits</u>	
General Requirements	6.00%	4.62%
Contractor Overhead	2.00%	1.26%
Contractor Profit	6.00%	4.62%
Developer Fees	15.00%	12.06%
Soft Cost	32 or 37 or 40%	29.68%

Per Unit Comparison

	<u>Limits</u>	
Cost per unit total	n/a	227,799
Cost per unit residential only	\$280,000	227,799
Cost per unit Const / Rehab	n/a	158,462
Credits per unit	n/a	207,581
Operating Cost per unit	\$3,000 min	4,100
Replacement Reseves	\$300 min	300

Per Square Foot Comparison

Construction / Rehab per sq ft	157.24
Total Project Cost per sq ft	257.48
Credits per sq ft	234.63
Credits per sq ft (residential only)	326.78

Utilities Paid by (Tenant / Owner)

Tenant

Market Study Data:

Vacancy Rates	0.3%
Absorption Rate	65.3%
Months to Absorb	1.0%
% of Mkt Rents	63.4%
Units needed for Targeted AMI's	170

Market Rents

0-bdrms	-
1-bdrms	985
2-bdrms	1,101
3-bdrms	-
4-bdrms	-
other	-

9% Active Tax Credit Projects

<u>Project</u>	<u>City</u>	<u>HC Year</u>	<u>Developer</u>	<u>Status</u>
Riverview Apts	Big Sky	2022	Blueline	Ground Breaking Summer 2022
Bicentennial Apts	Dillon	2022	Dawson Holdings	Rehab start date Summer 2022
Baatz Block Apts	Great Falls	2022	Homeword	Rehab Planned Start for Early 2023
Tapestry Apts	Billings	2022	CLDI	Ground Breaking Summer 2022
Junegrass 4/9	Kalispell	2022	GMD/ Homeword GL/North Fork	Working on 4% Bond App
Laurel Depot	Laurel	2021	Development	ARPA Gap Financing
MRM Unified Campus	Billings	2021	MT Rescue Mission	ARPA Gap Financing
Jackson Court	Billings	2021	GL Development Apsalooke Nation	ARPA Gap Financing
AHNA LIHTC 1	Crow Agency	2021	Housing Authority	ARPA Gap Financing
Creekside Commons	Kalispell	2021	Housing Solutions	Delay in start of construction- COVID
Crowley Flats	Lewistown	2021	Homeword	Construction starting Spring '22
Timber Ridge Apts	Bozeman	2020	Summit Housing Group Syringa Housing	Under Construction
Homestead Lodge	Absarokee	2020	Corporation Wishcamper	Complete- waiting for 8609's
Fire Tower Apts	Helena	2020	Development	Under Construction
Burnt Fork Place	Stevensville	2020	HRC/Housing Solutions	Waiting for 8609's
Skyview	Missoula	2020	Housing Solutions	Under Construction

Private Activity Bonds/ 4% Tax Credits

<u>Project</u>	<u>City</u>	<u>Amount</u>	<u>Developer</u>	<u>Status</u>
2022				
Comstock I, II & III	Bozeman	\$ 15,000,000.00	Devco Preservation	Waiting for Full App
GMD/Homeword TBD F	Kalispell	\$ 26,000,000.00	GMD	Waiting for Full App
Spruce Grove	Laurel / Bridger	\$ 7,000,000.00	GL Development	Closing February- Gap Financing
2021				
Highland Manor	Havre	\$ 3,000,000.00	Echo Enterprise	Increasing Coal Trust Loan
Bridger Peaks	Bozeman	\$ 8,500,000.00	Devco Preservation	Closing Spring 2022
Castlebar	Bozeman	\$ 15,000,000.00	Devco Preservation Blueline, Missoula	Closed Nov 2021
Villagio	Missoula	\$ 43,000,000.00	Housing Auth	Under Construction- Gap Financing
Bitterroot Valley Apartm	Hamilton	\$ 6,000,000.00	Summit Housing Group Blueline, Homeword, Missoula Housing	Under Construction
Trinity	Missoula	\$ 36,000,000.00	Authority HRDC/Good Housing	Under Construction- Gap Financing
Boulevard	Bozeman	\$ 7,000,000.00	Partners HRDC/Good Housing	Under Construction
Darlington Miles Sherwoo	Bozeman	\$ 30,500,000.00	Partners	Under Construction
2020				

Arrowleaf	Bozeman	\$ 19,000,000.00	GMD Development 2 LLC & HRDC	Under Construction
Perennial Park	Bozeman	\$ 26,000,000.00	GMD Development 2 LLC & HRDC	Under Construction

Multi-Family Loan Programs

1/31/2022

Coal Trust Loans

Available Balance \$ 621,119.00

Loans in Process:

Spruce Grove	\$5,173,486	
Highland Manor	\$520,509	increasing request
Oakwood Village	\$3,600,000	

Housing Montana Fund

Available Balance \$ 756,043.00

TANF

Available Balance \$ 507,923.00

RAM

Active Loans		50
Outstanding Balance	\$1,529,617	
Available Balance	\$ 1,433,705.00	

BOARD AGENDA ITEM

PROGRAM

Operations / Executive Director

BOARD MEETINGS

The next scheduled board meeting is Tuesday, April 12, 2022, at 8:30 am at Fairmont Hot Springs. This meeting will be in conjunction with a Board training on Monday, April 11, 2022.

BOARD TRAINING OPPORTUNITIES

Our next Board training is scheduled for Monday, April 11, 2022 and will be held in-person at the Fairmont Hot Springs Resort located at 1500 Fairmont Road, Fairmont, MT 59711. Please inform Paula Loving if you have any conflicts with this date, or if you have a preference or need an accommodation to join the training remotely.

- NCSHA Legislative Conference, March 14 – 16, WA D.C.
- Mountain Plains Regional Housing Summit, May 1 – 4, Billings
- Montana Housing Partnership Conference, June 14 – 15, virtual

CONTRACTS / PROCUREMENT

- We executed a new contract with Montana Legal Services Association for an expanded eviction prevention and diversion program using Emergency Rental Assistance funds on February 1, 2022.
- Emphasys Software, Inc. contract termed December 31, 2021. We are working with vendor to finalize terms for renewal.
- Contracts with Acorn Mortgage Consulting and CSG Financial Advisors are up for renewal in March and April 2022.

GSE SELLER/SERVICER UPDATE

- Team is continuing to work with Acorn Mortgage Consulting, LLC on business model comparisons (Montana Housing as Seller / Servicer, Montana Housing as Seller / Servicer using a Sub-Servicer, or Montana Housing using a Master Servicer).

PERSONNEL UPDATE

- Montana Housing is in various recruitment stages for the following positions:

BOARD AGENDA ITEM

- Site Specific & Special Housing Programs Supervisor
- Multifamily Programs Officer
- HAF Accounting Specialist
- Administrative Assistant
- Mortgage Accountant
- Compliance Specialist for Federal Reporting
- New Employees
 - Rental Assistance Programs Manager – Kelly Shields
 - HAF Application Reviewer – Jamie LeMieux
 - Administrative Assistant – Destiny Sjoden
 - Daily Operations Supervisor – Danyel Bauer
 - HAF Program Supervisor – Kacy Johnson
 - Rental Assistance Accountant – Hannah Rotter

EMERGENCY RENTAL ASSISTANCE UPDATE

- Launched co-current administration of ERA2 program at end of January 2022.
- Working on new marketing campaign to inform citizens of expanded program eligibility.
- Program is exceeding our expectations with respect to application volume and funds awarded, particularly given the tightly prescribed federal eligibility parameters.
- At time of program inception, we estimated between 7,000 to 8,000 potentially eligible applicants with an average award of \$5,600 per household for a total estimated expenditure of \$44 million.
- Through February 9, 2022, over 13,436 complete applications have been submitted, with nearly 7,400 applications (5,724 new and 1,672 continued assistance) approved awarding over \$41 million in rent and utility assistance! The average award – including continued assistance – is now over \$6,880 per approved household. Approximately 1,400 applications are currently under review
- Montana's estimated rent debt remains one of the lowest in the country, with only Idaho, South Dakota, Wyoming and Vermont having lower estimated rent debt. National Equity Atlas has a rent debt in America map that includes county and state level data, based on Dec 1 – Dec 13 Census Household Pulse Survey. This survey estimates 11,000 households in Montana are behind on rent with total rent debt of \$19.6 million – all data being estimates.
- Staff has demonstrated responsible public stewardship of these funds. Approximately 900 potentially fraudulent applications requesting over \$14 million in assistance were flagged, isolated and ultimately denied.

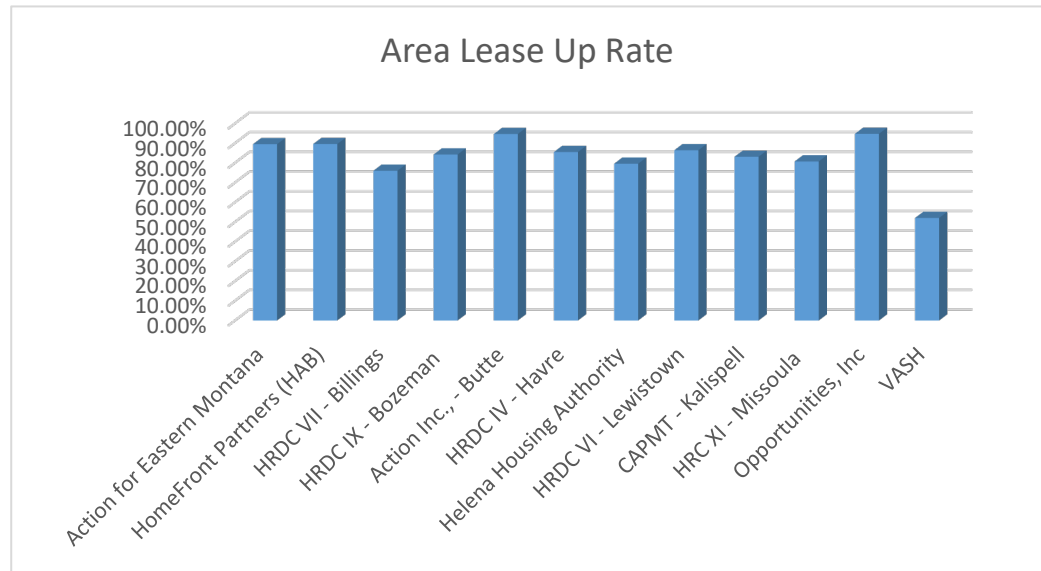
BOARD AGENDA ITEM

HOMEOWNER ASSISTANCE FUND UPDATE

- Beginning week three with ServiceNow for development of HAF online application and processing system.
- The Montana HAF Plan was finalized and submitted to the U.S. Department of the Treasury on September 28, 2021. As has been the experience with most other states, Treasury provided Montana Housing with a list of follow-up questions in mid-November and requested responses within 30-days. Montana Housing submitted the requested information on December 14, 2021. Treasury formally approved the Montana HAF Plan on January 18, 2022.

Housing Choice Voucher Program Waiting List as of February 1, 2022

Agency	Contract	2/1/2022	Lease up %
Action for Eastern Montana	190	170	89.47%
HomeFront Partners (HAB)	460	412	89.57%
HRDC VII - Billings	150	114	76.00%
HRDC IX - Bozeman	425	358	84.24%
Action Inc., - Butte	280	265	94.64%
HRDC IV - Havre	200	171	85.50%
Helena Housing Authority	225	179	79.56%
HRDC VI - Lewistown	125	108	86.40%
CAPMT - Kalispell	355	295	83.10%
HRC XI - Missoula	415	335	80.72%
Opportunities, Inc	550	521	94.73%
VASH	367	191	52.04%



Waiting List No. as of February 3, 2022

Action for Eastern Montana	291
HomeFront Partners (HAB)	651
HRDC VII - Billings	328
HRDC IX - Bozeman	497
Action Inc. - Butte	321
HRDC IV - Havre	0
Helena Housing Authority	579
CAPMT - Kalispell	778
HRDC VI - Lewistown	0
HRC XI - Missoula	1100
Opportunities, Inc	0
Total State Waiting List	4545

