



MONTANA HOUSING

Meeting Location: Zoom

Date: October 17, 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/tZlIdO6srzgpHNPeaF47SVdoS53Klfh1MqYm>

To participate by phone:

Dial 888-556-4567, Meeting ID: 868 3741 3367, Passcode: 403771

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)

- ❖ MCC Resolution Approval
- ❖ DPA Program Changes
- ❖ Participating Lender Approval - First Colony Mortgage, Guaranteed Rate

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: Mary Palkovich)

- ❖ Servicing Update

Multifamily Program (Jason Hanson)

- ❖ 2023 Housing Credit Full Applications
- ❖ Highland Manor Coal Trust Increase
- ❖ Multifamily Update

Executive Director/Operations (Cheryl Cohen/Joe DeFilippis)

- ❖ Executive Director/Operations 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
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30	31					

February						
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July						
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2022

October 2022

17 – Board meeting – Zoom
22-25 – NCHSA Annual Conference - Houston

November 2022

14 – Board Meeting - Zoom

December 2022

12 – No Board Meeting

*** All meeting dates are subject to change



MONTANA HOUSING

Zoom
October 17, 2022

ROLL CALL OF BOARD

MEMBERS:

Sheila Rice, Chairwoman (Present)
Adam Hertz (Present)
Tonya Plummer (Present)
John Wright (Present)

Jeanette McKee (Excused)
Bruce Posey (Present)
Cari Yturri (Present)

STAFF:

Cheryl Cohen, Executive Director
Joe DeFilippis, Operations Manager
Charlie Brown, Homeownership Program
Bruce Brensda, Multifamily Program
Kylee Hughes, Exec Assistant
Jason Hanson, Multifamily Program
Natalie Lisko, Community Housing
Jen Stepleton, Community Housing

Vicki Bauer, Homeownership Program
Nicole McKeith, Multifamily Program
Kellie Guariglia Multifamily Program
Ginger Pfankuch, Accounting
Mary Palkovich, Servicing Program
Julie Flynn, Community Housing
Chandler Rowling, Community Housing

COUNSEL:

Greg Gould, Jackson Murdo & Grant
Drew Page, Kutak Rock

John Wagner, Kutak Rock

UNDERWRITERS:

Mina Choo, RBC Capital

Patrick Zhang, RBC Capital

FINANCIAL ADVISORS:

Gene Slater, CSG Advisors

David Jones, CSG Advisors

OTHERS:

Heather McMillan
Misty Dalke
Alex Burkhalter
Larry Phillips
Carilla French
Madison Youlden
Jennifer Wheeler

Tyler Currence
Chase Huber
Kirk Ruth
Kristyn Berg
Gina Boesdorfer
Traci Clark
Emily Harris-Shears



MONTANA HOUSING

Gwen Jones
Andrea Davis
Julie Stiteler
June Beartusk
Gerald Fritts
Joseph Tait
Liz Stotts
Beki Brandborg
Michael O'Neil
Gene Leuwer
Jake Clark
Macie Harlan
John Wright
Gwen Jones
Miriam Smith
Rob Allphin
Wilmot Collins

Wah Chen
Renata Munfrada
Cassidy Kipp
Mackenzie Hollo
Andrew Chanania
Lexine Varughis
Andy Hunthausen
Shane Walk
Logan Anderson
Stacia Timbrook
Billy Lummus
Tracy Diaz
Austin Trunkle
Ben Casiano
Lorna Fogg
Karissa Trujillo
Ray Stout

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 8:30 a.m.

1:34 Introductions of Board members and attendees were made.

5:46 Chairwoman Rice asked for public comment on items not listed on the agenda.

APPROVAL OF MINUTES

September 13, 2022 MBOH Board Meeting Minutes – page 4 of packet

6:35 Motion: Bruce Posey

Second: John Wright

The September 13, 2022 MBOH Board meeting minutes were approved unanimously.



MONTANA HOUSING

FINANCE PROGRAM

Finance Update – page 7 of packet

7:14 Presenter: Ginger Pfankuch

HOMEOWNERSHIP PROGRAM

MCC Resolution Approval 22-1017-SF03_MCC – page 10 of packet

10:18 Presenters: Vicki Bauer

Motion: Bruce Posey

Second: Cari Yturri

The resolution was approved unanimously.

Down Payment Assistance Program Changes – page 13 of packet

14:00 Presenters: Vicki Bauer

Motion: Cari Yturri

Second: Bruce Posey

The staff proposal was approved unanimously

Lender Approval – First Colony Mortgage Corporation – page 14 of packet

19:20 Presenters: Vicki Bauer

Motion: Bruce Posey

Second: John Wright

The lender approval was approved unanimously

Lender Approval – Guaranteed Rate, Inc. – page 15 of packet

23:23 Presenter: Vicki Bauer

Motion: Cari Yturri

Second: Bruce Posey

The lender approval was approved unanimously

Homeownership Update – page 16 of packet

27:12 Presenters: Vicki Bauer

MORTGAGE SERVICING PROGRAM

Servicing Update – page 18 of packet

32:25 Presenter: Mary Palkovich

MULTIFAMILY PROGRAM

2023 Housing Credit Full Applications – page 19 of packet

36:56 Presenters: Cheryl Cohen/Jason Hanson

Project Updates



MONTANA HOUSING

ANHA LIHTC #2 Crow Agency Project Overview – page 23 of packet

42:33 Developer: Apsaalooke Nation Housing Authority and RT Hawk Housing Alliance
Location: Scattered between Crow Agency, Lodge Grass, Wyola and Pryor
Project Type: Family
Construction Type: rehab
Total Units: 23 units
Housing Credits requested: \$6,435,000

Carter Commons, Great Falls – page 30 of packet

53:52 Developer: Housing Solutions
Location: Great Falls
Project Type: Senior
Construction Type: New construction
Total Units: 25 units
Housing Credits requested: \$6,500,000

Cabinet Affordable Housing, Libby – page 43 of packet

57:18 Developer: American Covenant Sr Housing Foundation & Community Action
Partnership of NW Montana
Location: Libby
Project Type: Family
Construction Type: new construction
Total Units: 24 units
Housing Credits requested: \$6,500,000

Creekside Apartments, Missoula – page 54 of packet

59:58 Developer: Homeword Inc
Location: Missoula
Project Type: Family
Construction Type: rehab
Total Units: 120
Housing Credits requested: \$5,750,000

Valley View Apartments, Helena – page 72 of packet

1:13:06 Developer: Housing Solutions
Location: Helena
Project Type: Senior
Construction Type: New Construction
Total Units: 31 units
Housing Credits requested: \$6,500,000

Meadowlark Senior Apartments, Butte – page 90 of packet



MONTANA HOUSING

1:20:04 Developer: Northwest Real Estate Capital Corp
Location: Butte
Project Type: Senior
Construction Type: New Construction
Total Units: 26
Housing Credits requested: \$6,500,000

2023 Housing Credits Executive Session

1:21:50 Board member ranking and discussion of which of the two Housing Solutions projects will make the final five tally
Motion: Adam Hertz
Second: Bruce Posey
The proposal to eliminate Valley View from the final tally was approved unanimously

2022 Housing Credits Awards

1:32:20 Motion: Bruce Posey
Second: Cari Yturri
Roll Call:

Adam Hertz	yes
John Wright	yes
Sheila Rice	yes
Bruce Posey	yes
Cari Yturri	yes

Proposed Motion 1 (General Pool & Non Profit Set Aside)

Move to award 2023 Housing Credits to the following slate of Projects, subject to the conditions specified below. For purposes of the specified conditions, the Projects are awarded Housing Credits in the following order:

1. AHNA LIHTC #2 in the amount of \$6,435,000 originally requested.
2. Carter Commons in the amount of \$6,500,000 originally requested.
3. Cabinet Affordable Housing in the amount of \$6,500,000 originally requested.
4. Creekside Apts 9% in the amount of \$5,750,000 originally requested, contingent upon the applicant also completing the associated 4% application submitted.

Proposed Motion 2 Award Conditions:



MONTANA HOUSING

1. In the event that the amount of 2023 Housing Credits available to MBOH is reduced by the IRS after this award determination, the amount of Credits awarded to the lowest-numbered Project(s) (in reverse order of numbering) shall be reduced as necessary to reflect the reduction in available 2023 Credits. For example, if, after this award determination, the IRS reduces the amount of 2023 Housing Credits available for award by MBOH by \$500,000, and the last numbered Project (e.g. Project No. 5), was awarded \$600,000, the award to such Project is reduced to \$100,000. If the last numbered Project (e.g. Project No. 5) was awarded \$300,000, and the second to last numbered Project (e.g. Project No. 4) was awarded \$600,000, the last priority Project (Project No. 5) award is reduced to \$0 and the second to last priority Project (Project No. 5) award is reduced to \$400,000.

2. Non Profit award Conditions: Non-profit projects awarded credits will be subject to the non-profit set-aside under Code Section 42(h)(5) and MBOH shall so designate such allocation on the project’s IRS Form 8609 in accordance with the applicable QAP. The award to the non-profit project listed first above receiving at least 10% of Montana’s Credit ceiling will be designated by MBOH as the award meeting the non-profit set-aside under Code Section 42(h)(5). Two or more of the above-listed projects may be so designated as necessary to meet the 10% non-profit set-aside under Code Section 42(h)(5) and MBOH shall so designate such allocation on the each such project’s IRS Form 8609.

1:47:11 Motion:

Roll Call:

Adam Hertz	yes
John Wright	yes
Sheila Rice	yes
Bruce Posey	yes
Cari Yturri	yes

Proposed Motion 2 (Additional Remaining Credits Less than Full Award – Single Project)

Move to approve the following remaining applicant project for purposes of an Award of the remaining available Credits in the amount of \$4,933,580 and any additional credits that become available up to the amount of the original full request, according to the following procedure:

The Project listed below will be allowed 30 days to re-submit its Application resized to the above-specified amount of Credits remaining available. After staff underwriting and evaluation of the resized Application, if MBOH staff determines



MONTANA HOUSING

based upon the resized Application that the development is financially feasible and viable as a qualified low income housing Project throughout the Compliance Period, MBOH staff will enter into a Reservation Agreement for the Project for the above-specified amount of Credits. Such award shall be subject to the continuing availability of such credits to MBOH from the IRS.

If the first priority Project fails to submit a resized Application within 30 days or MBOH staff determines that the Project is not financially feasible or viable as proposed in the resized Application, the remaining available credits will be retained for later award in accordance with the applicable QAP.

1. Meadowlark Senior Apts

Highland Manor Apartments Coal Trust Loan Program Increase – page 107 of packet

2:01:28 Presenters: Jason Hanson

Motion: Bruce Posey

Second: Cari Yturri

The increase was approved unanimously

Multifamily Program Updates – page 109 of packet

2:03:30 Presenters: Jason Hanson

OPERATIONS/ EXECUTIVE DIRECTOR

Operations/Executive Director Update – page 111 of packet

2:05:14 Presenter: Cheryl Cohen

MEETING ADJOURNMENT

2:12:57 Meeting was adjourned at 11:00 a.m.

DocuSigned by:

B39BAEF79072432

Adam Hertz, Secretary

11/14/2022

Date

BOARD AGENDA ITEM

PROGRAM

Accounting and Finance

AGENDA ITEM

Financial Update

BACKGROUND

The investment diversification chart shows that we are beginning to improve quality of investments that we can obtain. Currently, we have 54.7% still in money market. With debt service December, we will not purchase Single Family investments between now and then. This will ensure sufficient funds are available for debt service.

We will be reviewing funds available in the Multifamily program to see if purchasing investments in those funds is advantageous. The Multifamily debt service will not occur until February.

29.8% of the portfolio is currently invested in Treasury Bills that will be maturing within the next several months. Some of these funds will be used for debt service and the remaining funds will be available for reinvestment.

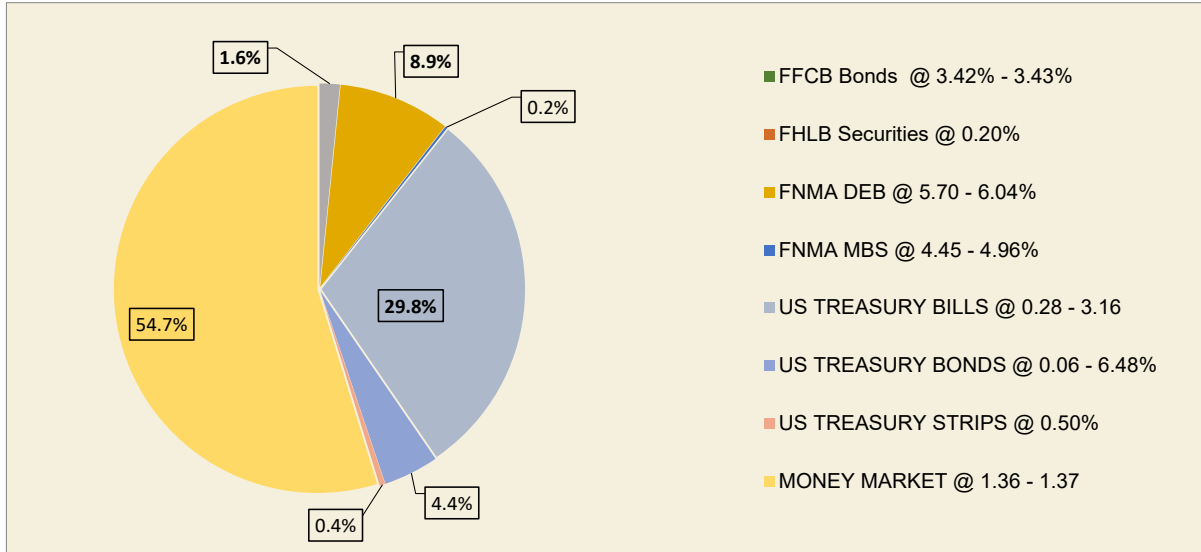
With the market improving, the average trend yield of the Board's portfolio continues to improve as well. It has held steady at 2.45% for the last two months.

Long-term investments with competitive yields have not been available but we continue to look for them for funds that are required to be held long-term. 54.7% of the portfolio is available now with another 30.2% maturing withing the next 12 months.

Accounting & Finance Dashboard

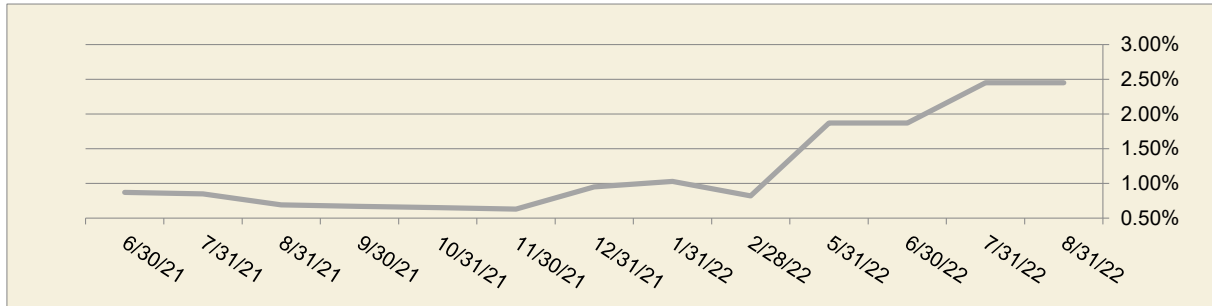
Data as of August 31, 2022

INVESTMENT DIVERSIFICATION



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

WEIGHTED AVERAGE YIELD TREND



PORTFOLIO MATURITY

For August 31, 2022

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
\$ 75,830,991	\$ 41,836,000	\$ 18,404,000	\$ 2,225,000	\$ 248,338	\$ -	\$ -	\$ 138,544,328

BOARD AGENDA ITEM

PROGRAM

Homeownership Program

AGENDA ITEM

MCC Resolution Approval

BACKGROUND

A Mortgage Credit Certificate, also known as an MCC, allows eligible homebuyers to receive a dollar-for-dollar credit on their federal income taxes of up to 20% of the annual amount of interest paid on their mortgage (not to exceed \$2,000). Homeowners are eligible for the tax credit every year they occupy the home as their primary residence.

For example: On a \$150,000 mortgage with an interest rate of 4.00 percent, a borrower will pay approximately \$6,000 in interest the first year. The MCC would allow that borrower to take a federal dollar-for-dollar income tax credit of \$1,200 ($\$6,000 \times 20\%$) for that year. Also, for a borrower who can itemize deductions, they can still claim a mortgage interest deduction for the remaining 80% of the mortgage interest paid.

A borrower does not have to wait until tax time to benefit from an MCC, they can file an amended withholding statement with their employer and increase their monthly take-home pay by the amount of the credit. Using the previous example, a borrower would take the federal tax credit of \$1,200 and translate it into an additional \$100 in their monthly paycheck. This additional income can be used to help qualify a borrower for a loan. The MCC can be attached to any loan statewide, except for a loan financed with mortgage revenue bonds under other Montana Board of Housing Programs.

Attached is a Resolution for your consideration that authorizes the use \$50,000,000 in bond cap to provide \$12,500,000 of tax credit authority, it is a 4 to 1 trade off. The Board has adequate bond cap available to accommodate this request.

PROPOSAL

Staff requests that the Board approve the attached resolution.

RESOLUTION NO. 22-1017-SF03_MCC

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

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

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

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

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

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

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

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

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

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

Section 2. The Board finds and determines that it is necessary to exchange its authority to issue up to \$50,000,000 of private activity bonds for the authority to issue MCCs. The Board directs the Executive Director to make one or more elections, pursuant to Section 25 of the Code, not to issue up to an aggregate of \$50,000,000 of private activity bonds (the "nonissued bond amount") that the Board is authorized and has volume cap available to issue (including any unused carryforward). The nonissued bond amount shall be allocated to a continuation of the current MCC Program. To effectuate the foregoing, the Executive Director is directed to file notice of such election or elections with the Internal Revenue Service, as required by the Code and the regulations.

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

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

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

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

Section 7. This Resolution shall become effective immediately.

ADOPTED by the Montana Board of Housing this 17th day of October, 2022.

MONTANA BOARD OF HOUSING

By _____
Chairman

Attest:

By _____
Treasurer/Executive Director

BOARD AGENDA ITEM

PROGRAM

Homeownership Program

AGENDA ITEM

MBOH DPA Program Adjustments

BACKGROUND

Currently the Board of Housing offers two down payment assistance programs. The first is the Bond Advantage Program which is a 15-year amortizing loan up to \$12,500 that is funded with bond proceeds and the other is a 0% deferred loan up to \$10,000 that is funded with special reserve funds. The deferred program has a DTI requirement of 43% and an income limit of \$55,000 for a household of 1 or 2 and \$65,000 for a household of 3 or more. The combined loan to value allowed by both programs is 105%.

Staff is requesting the following changes to the DPA programs to further assist borrowers. Requested changes:

- Better balance the utilization of both DPA programs offered by making the maximum amount of 0% DPA the same as the amortizing
- Increase the maximum loan amount for both DPA programs to \$15,000
- Increase the income limits for the deferred program to \$60,000 for a household of 1 or 2 and \$75,000 for a household of 3 or more

Use of programs:

	Amortizing DPA	Deferred
2020	163 loans \$1,342,881	37 loans \$214,932
2021	196 loans \$1,725,310	28 loans \$169,720
2022	125 loans \$1,364,828	18 loans \$124,666

We have consulted with the finance team there is room to accommodate an increased DPA loan amount within the bond structure, and we have adequate funds available in the special reserve account for the deferred program.

PROPOSAL

Staff requests the Board's approval to increase the loan limit for both DPA programs to \$15,000 and to increase the income limits for the deferred program to \$60,000 and \$75,000.

BOARD AGENDA ITEM

PROGRAM

Homeownership Program

AGENDA ITEM

Lender Approval – First Colony Mortgage Corporation

BACKGROUND

First Colony Mortgage, with corporate offices in Orem, UT, has served the lending needs of homebuyers since 1984. They have 80 loan officers at 17 locations in 8 states.

First Colony Mortgage has offices in Havre and Missoula, and they have hired loan officers in Montana who have worked with Board programs previously. They are interested in participating in the Board's mortgage loan and MCC programs and are approved to underwrite FHA, RD, and VA loans, as well as approved seller/servicer for Fannie Mae and Freddie Mac. They will sell the servicing of our loans to Montana Board of Housing.

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

Their financial statements are available to Board members for review.

PROPOSAL

Staff requests for the Board to approve First Colony Mortgage Corporation as a participating lender for Montana Board of Housing.

BOARD AGENDA ITEM

PROGRAM

Homeownership Program

AGENDA ITEM

Lender Approval – Guaranteed Rate, Inc.

BACKGROUND

Guaranteed Rate, with corporate offices in Chicago, IL, was founded 22 years ago, in their first year they wrote \$200 million in mortgages with 8 employees. The last ten years they have funded over \$73 billion and now have more than 10,000 employees in 850 offices across the United States.

Guaranteed Rate has offices in Billings, Bozeman, Great Falls, Kalispell, Missoula, and Montana City and many of the loan officers in the state have worked with Board programs previously. They are interested in participating in the Board's mortgage loan and MCC programs and are approved to underwrite FHA, RD, and VA loans, as well as approved seller/servicer for Fannie Mae, Freddie Mac and Ginnie Mae. They will sell the servicing of our loans to Montana Board of Housing.

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

Their financial statements are available to Board members for review.

PROPOSAL

Staff requests for the Board to approve Guaranteed Rate, Inc. as a participating lender for Montana Board of Housing.

Homeownership Program Dashboard

October 7, 2022

RATES

	<u>CURRENT</u>	<u>LAST MONTH</u>	<u>LAST YEAR</u>
MBOH*	5.750	5.13	2.50
Market	6.43	5.55	2.92
10 yr treasury	3.89	3.27	1.58
30 yr Fannie Mae	6.45	5.53	2.59

*Current Setaside 5.50, DPA 6.00

LOAN PROGRAMS

	<u>Sept RESERVATIONS</u>	<u>AMOUNT</u>	<u>TOTAL NUMBER</u>	<u>AMOUNT</u>	<u>ORIGINAL AMOUNT</u>	<u>BALANCE</u>
REGULAR PROGRAM						
Series 2022C (since 9.23.22)	22	5,447,817	22	5,447,817	31,080,000	25,632,183
Series 2022C DPA (since 9.23.22)	4	42,500	4	42,500	920,000	877,500
80% Combined (20+)	6	1,038,400	9	1,464,800	Since July 2022	reg bond funds
SET-ASIDE PROGRAMS						
MBOH Plus	3	19,700	7	48,100	Since July 2022	1,471,956
Set-aside Pool	1	146,969	8	1,296,489	Since July 2022	Pre-Ullman funds
NeighborWorks	1	146,969	4	609,955		
CAP NWMT CLT						
Missoula HRDC XI						
Bozeman HRDC IX						
Home\$tart			1	227,156		
HUD 184						
Dream Makers						
Sparrow Group			1	133,333		
City of Billings			2	326,045		
Foreclosure Prevent					50,000	50,000
Disabled Accessible					Ongoing	862,950
Lot Refi					2,000,000	726,440
FY22 Habitat	2	533,753	8	1,495,170	3,609,900	2,114,730
OTHER PROGRAMS						
Veterans (Orig)	5	1,343,437	422	83,490,049	Revolving	870,578
911 Mrtg Cr Cert (MCC)	4	1,352,000	166	43,501,678	75,000,000	31,498,322

AUGUST CHANGES

2022 YTD

	<u># loans</u>	<u>Princ Bal</u>	<u># loans</u>	<u>Princ Bal</u>	
July Balance	5,046	466,080,827.80	5,113	462,354,775.04	Dec-21
Aug Purchases (1st)	39	8,774,102.02	242	52,874,222.52	
Aug Purchases (2nd)	17	175,794.00	126	1,206,978.85	
Aug Amortization		(1,309,466.05)		(10,689,010.08)	
Aug Payoffs (1st)	(38)	(3,272,912.08)	(333)	(34,253,806.88)	
Aug Payoffs (2nd)	(14)	(62,259.13)	(91)	(504,267.13)	
Aug Foreclosures	-	-	(7)	(602,805.76)	
Aug Balance	5,050	470,386,086.56	5,050	470,386,086.56	Aug-22

DELINQUENCY AND FORECLOSURE RATES

MONTANA BOARD OF HOUSING

MORTGAGE BANKERS ASSOC. 6/2022

(most recent available)

	<u>Jul-22</u>	<u>Jul-22</u>	<u>Aug-21</u>	<u>Montana</u>	<u>Region</u>	<u>Nation</u>
30 Days	1.58	1.53	1.34	1.16	1.41	1.72
60 Days	0.75	1.00	0.68	0.38	0.43	0.52
90 Days	<u>2.36</u>	<u>2.20</u>	<u>4.03</u>	<u>0.99</u>	<u>1.14</u>	<u>1.53</u>
Total Delinquencies	4.69	4.73	6.05	2.53	2.98	3.77
In Foreclosure	0.38	0.34	0.44	0.37	0.31	0.59

LOAN PURCHASES BY LENDER

	Aug-22		2022 YTD		2021	
	<u>1st</u>	<u>DPA</u>	<u>1st</u>	<u>DPA</u>	<u>1st</u>	<u>DPA</u>
FIRST SECURITY BOZEMAN 061					1	1
1ST COMMUNITY BK GLASGOW 095					5	5
1ST SECURITY BK MISSOULA 133	2	1	2	1	5	1
VALLEY BANK RONAN 159			2		4	
YELLOWSTONE BANK BILLINGS 161					1	
BRAVARA BANK 186			2	1	5	3
STOCKMAN BANK OF MT MILES 524	5		37	18	45	27
FIRST INTERSTATE BANK-WY 601	3		8		14	7
OPPORTUNITY BANK 700	6	2	58	32	93	41
FIRST FEDERAL BANK & TRUST 731			1	1	3	1
GLACIER BANK KALISPELL 735	3		11		8	2
WESTERN SECURITY BANK 785	2	1	8	2	10	7
MANN MORTGAGE 835	10	6	56	32	62	36
GUILD MORTGAGE COMPANY 842	1	1	13	10	23	22
UNIVERSAL 843	3	3	8	8	31	27
FAIRWAY INDEPENDENT MRTG 847	1	1	17	14	19	18
CORNERSTONE HOME LENDING 850	2	2	6	5	7	7
PRIME LENDING 851					1	
BAY EQUITY LLC 853			3		13	12
LENDUS LLC 854			5	1	12	5
PARAMOUNT RES MTG GRP 855					1	1
CHERRY CREEK MORTGAGE 856			1		3	1
HOMESTAR FINANCIAL 861			1	1		
HOMETOWN LENDERS 862			1			
CLEARWATER FEDERAL C U 901	1		2		5	
Grand Count	39	17	242	126	371	224

MBOH AUGUST PORTFOLIO

	<u># of loans</u>	<u>\$ of loans</u>	<u>% of #</u>	<u>% of \$</u>	
FHA	2,651	302,729,125	52%	64%	
RD	905	93,367,454	18%	20%	
VA	317	42,869,732	6%	9%	
HUD184	38	2,716,355	1%	1%	
PMI	35	2,473,227	1%	1%	
Uninsured 1st	201	20,149,258	4%	4%	
Uninsured 2nd	903	6,080,936	18%	1%	
	5,050	\$ 470,386,087			
July 2021 Balance	5,240	\$ 472,142,685	-3.63%	-0.37%	percent of Incr/Decr
Serviced by MBOH	4,973	\$ 464,338,493	98%	99%	

Weighted Average Interest Rate 3.73%

	<u># of loans</u>	<u>\$ of loans</u>	
0 - 2.99%	1056	\$ 97,210,210	<u>rates up to 4%</u>
3 - 3.99%	1673	\$ 206,689,225	2729 \$ 303,899,435
4 - 4.99%	887	\$ 96,969,933	
5 - 5.99%	1013	\$ 56,541,312	<u>rates 4% and above</u>
6 - 6.99%	377	\$ 11,951,874	2321 \$ 166,486,652
7 - 7.99%	44	\$ 1,023,533	

Mortgage Servicing Program Dashboard Effective 09/30/22

	Last Year	Last Month	This Month
MONTH	SEP 2021	AUG 2022	SEP 2022
PORTFOLIO TOTAL LOANS	5,490	5,376	5,368
MBOH	5158	5002	4991
BOI	316	304	302
MULTI FAMILY	16	16	16
HAF Homeownership Assistant Fund	NA	54	59
PRINCIPAL (all loans)	\$527,837,420.46	\$528,746,339.54	\$529,611,881.16
ESCROW (all loans)	\$6,171,849.92	\$5,218,575.58	\$5,600,112.10
LOSS DRAFT (all loans)	\$832,597.47	\$826,423.44	\$803,827.27
LOANS DELINQUENT (60+ days)	340	262	243
ACTUAL FORECLOSURE SALES IN MONTH	1	0	0
FORECLOSURES TOTAL CALENDAR YEAR	7	7	7
DELINQUENT CONTACTS TO MAKE	671	727	620
LATE FEES - NUMBER OF LOANS	581	764	757
LATE FEES - TOTAL AMOUNT	\$16,257.07	\$21,097.29	\$20,366.16
PAYOFFS	93	56	51
NEW LOANS/TRANSFERS	42	79	43

2022 Monthly Servicing Report

LOSS MITIGATION	SEP 2022	HUD's National Servicing Center TRSII SFDMS Reporting FY 2022 Q2 Score 93.81% Tier 1 - Grade A
ACTIVE FINANCIALPACKETS	4	
REPAYMENT/SPECIAL FORBEARANCE	0	
COVID19 FORMAL FORBEARANCE (AUG)	77	
HAMPS, PARTIAL CLAIMS & MODS PNDG	0	
CHAPTER 13 BANKRUPTCIES	11	
PRESERVATION PROPERTIES	7	
REAL ESTATE OWNED PROPERTIES	1	
SHORT SALE	0	
DEED IN LIEU	0	

BOARD AGENDA ITEM

PROGRAM

Housing Credit Program - Multifamily

AGENDA ITEM

2023 Housing Credit Full Applications Board Selection of Applications for Award

BACKGROUND

The deadline for submittal of the 2023 Housing Credit full applications was August 1, 2022.

There are 6 applications for consideration. Applications are limited to \$6,500,000 of the available credits, a total of \$29,750,000. There is \$368,580 credits remaining from 2022 as well, for a total of \$30,118,580.

The board must designate at least 10% (\$2,975,000) of credit ceiling to applications that applied in the nonprofit pool. There are 3 applications in the nonprofit pool this round.

If an application were to be partially funded (resize and submit an application within 30 days) staff would recommend it not be one of the small rural applications or the acquisition/rehabilitation applications. Those applications are very hard to resize to a lesser amount of credits.

In your packet you will find:

First Packet Released Sept 19:

- 1- Demographic & population graph- applicable counties on top/separated
- 2- # of Units in Last 10 years & 4% & 9% Projects by County

Second Packet Released Oct 3:

Projects are grouped together and include:

1. Cover Letter
2. Project Packet
 - a. Summary cover page with project photos
 - b. Project letter
 - c. Mini Market Study Summary
 - d. Project Amenities
 - e. Public Support Letters 2023
3. Board member worksheet for notetaking
4. Housing Credit project list award summary
5. Developer past project award and completion
6. Spreadsheets showing project comparative information

Board Meeting: October 17, 2022

BOARD AGENDA ITEM

Non-profit

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

The 10% nonprofit set aside may be met by an Award to an application involving a Qualified Nonprofit Organization out of any other set aside or the general pool.

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

Small Rural Applications

For purposes of this status, a Small Rural Application: (1) submitted tax credit Application requesting tax credits in an amount up to but no more than 12.5% of the state's Available Annual Credit Allocation, and (2) proposed to be developed and constructed in a location that is not within the city limits of Billings, Bozeman, Butte, Great Falls, Helena, Kalispell, or Missoula.

Board Consideration and Determination Process

At the MBOH Board's May 16 & 17, 2022 meeting, the Board considered Letters of Intent and selected eight (8) Projects to submit full Applications for Housing Credit Awards.

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

Full Funding of Applications

Just as MBOH will not allocate more Credits than necessary for the financial feasibility of the development and its viability, MBOH will not award Credits in an amount less than it deems necessary for these purposes. Therefore, if the Board Awards Credits to an Application, it will Award the amount of Credits determined by MBOH staff for the Application based upon the Applicant's requested amount (except for any de minimis reduction because of lack of available Credits to fully fund the full Credit amount).

If the remaining amount of available Credits is insufficient to fully fund an additional Project, before Awarding a Project in an amount less than requested by the Applicant (except for any de minimis reduction) the Board may:

- prioritize the remaining Projects for an Award from the remaining Credits;
- make any remaining Credits available in a future cycle;
- increase the amount of Housing Credits reserved for a previously Awarded Project based upon the Project's application for an increase submitted under

Board Meeting: October 17, 2022

BOARD AGENDA ITEM

Section K;

- elect to Award less than all available Credits;
- elect to not Award any Credits; or
- adopt any other reasonable option permitted under this QAP.

The first priority Project for an Award will be allowed 30 days to re-submit its Application resized to the amount of Credits remaining available. If MBOH determines that the development is financially feasible, it will enter into a Reservation Agreement. If the first priority Project fails to submit or is not feasible, MBOH will invite the next priority Project(s).

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

Award Determination Selection Standard

The MBOH Board will select Applications to receive an Award that it determines best meet the most pressing affordable housing needs of low-income people in Montana, taking into consideration:

- all of the requirements, considerations, factors, limitations, Development Evaluation Criteria, set asides, priorities and data (including without limitation the statistical data in the MBOH Statistical Data Form) set forth in this QAP and all federal requirements (together referred to in this QAP as the "Selection Criteria");
- the Development Evaluation Criteria scoring; and
- all other information provided to the MBOH Board regarding the applicant Projects.
 - a. The geographical distribution of Housing Credit Projects;
 - b. The rural or urban location of the Projects;
 - c. The overall income levels targeted by the Projects (including deeper targeting of income levels);
 - d. The need for affordable housing in the community, including but not limited to current Vacancy Rates;
 - e. Rehabilitation of existing low-income housing stock;
 - f. Sustainable energy savings initiatives;
 - g. Financial and operational ability of the Applicant to fund, complete and maintain the Project through the Extended Use Period;
 - h. Past performance of an Applicant in initiating and completing tax credit Projects;
 - i. Cost of construction, land and utilities, including but not limited to costs/credits per square foot/unit;
 - j. The Project is being developed in or near a historic downtown neighborhood;
 - k. The frequency of Awards in the respective areas where Projects are located;
 - l. Preserving project rental assistance or have or are planning to add Section 811 units to an existing project; and/or
 - m. Augmentation and/or sources of funds.

If the MBOH Board Awards Credits to an Applicant where the Award is not in keeping with the Selection Criteria of this QAP, it will publish a written explanation that will be

Board Meeting: October 17, 2022

BOARD AGENDA ITEM

made available to the general public pursuant to Section 42(m)(1)(A)(iv) of the Internal Revenue Code.

If all of the authorized Credits are Awarded after a particular cycle, MBOH may place qualifying Applications which did not receive an Award of tax credits on a waiting list for potential Award of Housing Credits in the event Credits become available at a later date. Any available Credits that are not Awarded or reserved in a particular cycle may in the discretion of the MBOH Board be made available for Award in a future cycle or may be used to increase the amount of Housing Credits reserved for a previously Awarded Affordable Community as provided in this QAP.



ANHA LIHTC #2, Crow Agency

Apsaalooke Nation Housing Authority & RT Hawk Housing Alliance- Rehab-23 Units

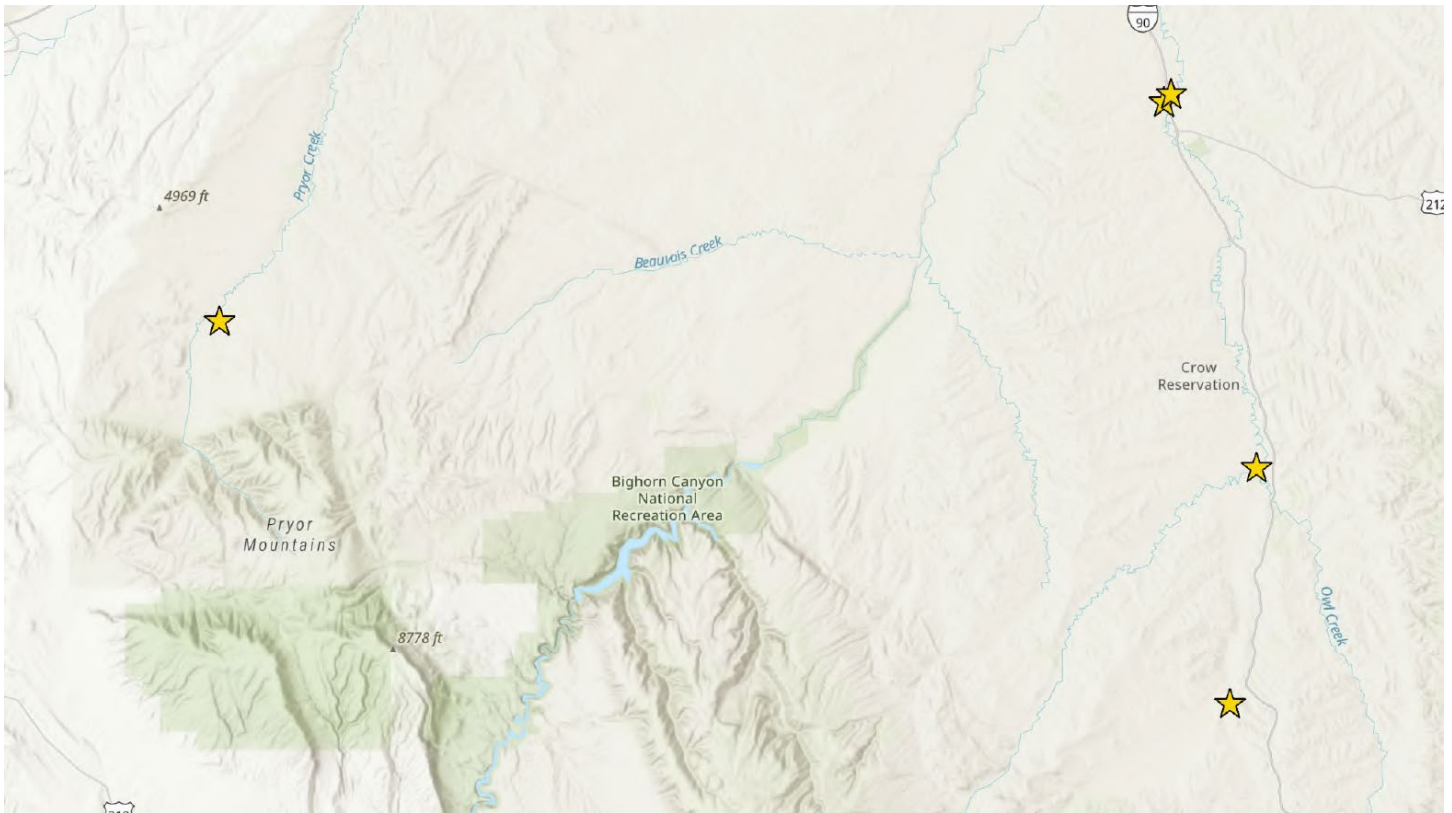
Substantial Changes from LOI to Full application: Units decreased to 23 from 37, Cost Per Unit @ \$302,404 up from \$236,638

Board Considerations	Staff Comments
Rural, Urban, Tribal	Rural & Tribal
Income Levels Targeted	6 @ 30%, 17 @ 60%
Sustainable energy savings initiatives	Received points for Green Initiatives
Developer History/Past Performance:	See 10 year history- delay of informing staff of 2 million dollar financing gap
Credits Per Unit/Credits Per Sq Ft	\$279,783 / \$233.36
Cost Per Unit/ Cost Per Sq Ft	\$302,404 / \$175.82
Frequency of award in that area	Last Award: AHNA LIHTC #1 2021 Credits
Rental Subsidies	HAP Agreement
Outlying features from other projects	Scattered Site SFR's & Multifamily Units; Tribal projects

Staff Notes from Underwriting process:

- Tenant Paid Utilities
- Amenities include: Air Conditioning, Patios, and Washer and Dryer Hookups
- The rents will be limited to no more than 30% due to a rental policy which is based on NAHASDA rent regulations.
- The HAP will be used on an as needed basis to ensure that all expenses (replacement reserves and asset management/compliance fees) are paid.







P.O. Box 99 * #245 Weaver * Crow Agency, MT 59022
Ph: (406) 638-7145 * Fax: (406) 638-2668

July 21, 2022

Montana Board of Housing
301 S. Park Ave.
P.O. Box 200528
Helena, MT 59620-0528

RE: HC – ANHA LIHTC #2 (Housing Credit – Cover Letter)

Dear Board of Housing:

The project will be located within the exterior boundaries of the Crow Reservation and will consist of the rehabilitation of 23 single-family units. The single-family homes are scattered between Crow Agency, Lodge Grass, Wyola, and Pryor. The project will consist of units that serve individuals with children or large families.

The Crow Agency location contains 7 single-family units which consists of one 2 bedroom/1 bath unit, four 3 bedroom/1bath units, as well as one 4 bedroom/1 bath unit and one 4 bedroom/1.5 bath unit with sizes ranging from 888 sq. ft. to 1,584 sq. ft. 1,295 sq. ft. The Lodge Grass location contains 7 single family units which consists of one 2 bedroom/1 bath unit, four 3 bedroom/1 bath units, and two 4 bedroom/1 bath units with sizes ranging from 888 sq. ft. to 1295 sq. ft. The Wyola location contains 4 single-family units which consists of three 3 bedroom/1 bath units, and one 4 bedroom/1 bath unit with sizes ranging from as low as 1295 sq. ft. to 1401 sq. ft. The Pryor location contains 5 single-family units which consists of four 3 bedroom/1 bath units, and two 4 bedroom/1 bath units with sizes ranging from 1008 sq. ft. to 1295 sq. ft.

The project will be energy efficient and affordable to low-income families on the reservation. The project will be financed with a combination of investor equity and funds from the Apsaalooke Nation Housing Authority. The permanent debt will be soft and will be payable from available cash flow. In addition, rents will be limited to no more than 30% of a tenant's adjusted gross income following the Apsaalooke Nation Housing Authority's (ANHA) existing rental policy which is based on NAHASDA rent regulations. In order to accommodate the potential loss of operating income by charging lower rents, the ANHA will provide a Housing Assistance Payments (HAP) Agreement. The HAP will be used on an as needed basis to ensure that all expenses (including replacement reserves, asset management fees, and compliance fees) are paid.

The project will have limited amenities at each site however each unit will have a kitchen and bathroom. The rehab of the units will include increasing energy efficiency and washer/dryer hookups. No community amenities are being added due to the scattered sites.

The need for this housing at Apsaalooke Nation is insurmountable and the Apsaalooke Nation Housing Authority has long managed affordable housing and been working on different methods to improve their dilapidated affordable housing stock. The rehabilitation of these units will help

the Apsaalooke Nation Housing Authority meet their mission of providing the highest quality, affordable housing to the people of the Crow Reservation. In addition, the need for the rehabilitated units is clearly defined in the Apsaalooke Nation Indian Housing Plan.

The project has full support of the community and the Tribe. As you well know, it is extremely difficult to develop housing on the reservation. With the funds we can generate from the tax credit program, we can stretch our resources and ensure these rental units are safe, decent, and energy efficient. We are excited about embarking on this project and look forward to working with MBOH. If at any time you have any questions, please do not hesitate to contact my office.

Sincerely,

A handwritten signature in black ink that reads "Florest Rowland". The signature is written in a cursive style with a horizontal line underneath the name.

Florest Rowland
Executive Director
Apsaalooke Nation Housing Authority

MARKET STUDY SUMMARY

Market Study Company:	Bowen National Research
Project Name:	ANHA LIHTC #2
Project Market Area:	Boundaries of the Apsáalooke Nation Reservation

Is the project, as proposed, viable?

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

	Market Rents	% Project Rents Below	
0 bedroom	-	-	
2 bedroom	\$ 810	53.7%	
3 bedroom	\$ 825	78.8%	
3 bedroom	\$ 825	42.4%	
4 bedroom	\$ 920	37.5%	Reference page:
5 bedroom	-	-	<input type="text" value="VI-7"/>

of all New Units Needed: Reference page:

of units needed for the targeted AMI of the project: Reference page:

Vacancy Rate: Reference page:

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

Absorption Rate: Reference page:
 (proposed units/existing LIH, market area units required)

Penetration Rate: Reference page:
 (existing LIH units/total eligible households)

Number of LI households that can afford rent of proposed project: Reference page:

Distance (miles) to: (only fill this out at full market study)

miles to grocery store (convenience store does not count)

miles to medical services appropriate and available to all prospective tenants (e.g., hospital, doctor offices, etc.) and are one of the following:

A Project is located within 1½ miles of the specified amenity or essential service.

Public or contracted transportation (not including taxi or school bus service) is reasonably available to the specified amenity or service (i.e., the Project is located within ¼ mile of fixed bus stop or on a same day call basis) (or letter from provider committing to establish such service); or

Where applicable, the specified amenity or service is available via a no-charge delivery service to the Project Location (all distances must be as specified in the Project's market study).

All other services and distance to each.

	Other Service	Distance (mi)
1	US Indian Affairs Bureau (Major Employer)	0.5
2	Apsáalooke Trading Post (Convenience Store)	0.6
3	Custer Battlefield Trading Post/Café (Shopping)	3.2
4	Crow Agency Public School (School)	0.4
5	Crow/Northern Cheyenne Hospital (Medical)	2.8
6	Crow Agency Police Department (Police)	0.3
7	Crow Fire Department (Fire)	0.6
8	U.S. Postal Service (Post Office)	0.8
9	First Interstate Bank (Bank)	13.8
10	Crow Senior Center (Senior Center)	<0.1
11	Little Big Horn College (Recreation Center)	0.6
13	Conoco (Gas Station)	0.8
14	Crow/Northern Cheyenne Hospital (Pharmacy)	2.8
15	Crow Hop (Restaurant)	2.7
16		
17		

AMENITIES FORM

Project Name: ANHA LIHTC #2

All Units	Yes/No	Incremental Cost Per Unit	Benefit
Air Conditioning	Yes		Ensures clean air in the unit and a comfortable interior environment. As part of the heating
Carport/Garage	No		
Dishwasher	No		
Disposal	No		
Extra storage outside unit	No		
Microwave	No		
Patios or Balconies	Yes		Private amenity to the outdoors for family gatherings
Washer/dryer hookups	Yes		Convenience and ensures an affordable option for families.
Washer/dryer in unit			

Project Wide	Yes/No	Incremental Cost Total	Benefit
Basketball hoop/pad	No		
Car plug ins	No		
Community Garden	No		
Community Room	No		
Computer(s) for tenant use	No		
Library	No		
On site Manager	No		
Outdoor community area	No		
Play Area	No		
Hotspot/Wi-Fi	No		
Other:			



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Ph: (406) 638-7145 * Fax: (406) 638-2668

July 28, 2022

Montana Board of Housing
301 S. Park Ave.
PO Box 200528
Helena, MT 59620

RE: ANHA LIHTC #2 - PHA

To Whom It May Concern,

Please accept this letter as a formal request for a waiver for the total development costs of the ANHA LIHTC #2 project. At the time of the LOI the anticipated costs for the project were well within the cost caps. However, the costs as outlined in the CNA dictated that we needed to adjust the expected costs for this project. In addition, the first project will be closing with an approved budget with the investor this week and is of a very similar size and scope. The costs are below the \$320,000 waived limit as laid out in the QAP but are beyond the initial \$280,000 limit.

If you have any questions, please do not hesitate to call.

Sincerely,

Florest Rowland
Executive Director



Carter Commons, Great Falls

Housing Solutions- New Construction-25 Units

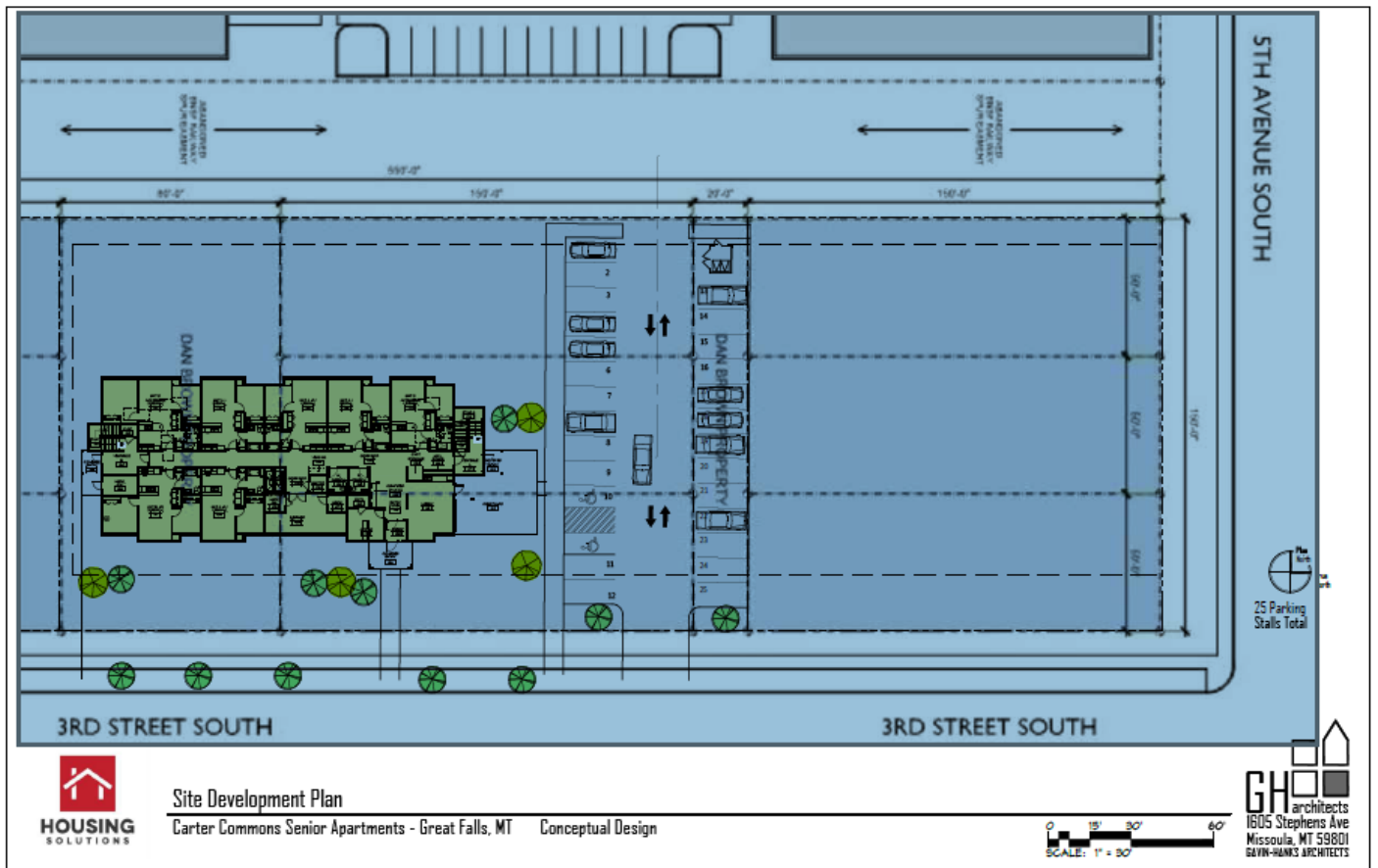
Substantial Changes from LOI to Full application: none

Board Considerations	Staff Comments
Rural, Urban, Tribal	Urban
Income Levels Targeted	2 @ 40, 14 @ 50, 9 @ 60
Sustainable energy savings initiatives	Received points for Green Initiates
Developer History/Past Performance:	Housing Solutions- See 10 yr History sheet, no known compliance or development issues
Credits Per Unit/Credits Per Sq Ft	\$260,000/ \$280.80
Cost Per Unit/ Cost Per Sq Ft	\$273,976/ \$295.90
Frequency of award in that area	Last award was 2022 for Baatz, Acq. rehab. Last senior new construction award was Voyageur 2014.
Rental Subsidies	No rental assistance for property
Outlying features from other projects	Elderly, located in QCT, level site ready for construction

Staff Notes from Underwriting process:

- Market Study could not find one vacant rental unit for comparisons-increasingly difficult for Seniors to find quality affordable housing
- Amenities include: AC, Dishwasher, Disposal, Microwave, Washer/Dryer in units, Community Garden, Community Room, Computer for tenant use, Library, On Site Manager, Outdoor community area, hotspot/Wi-Fi
- Bus stop 0.1 miles from Property
- Utilities: Owner paid







HOUSING
SOLUTIONS, LLC

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

August 1st, 2022

Chair Rice & Members of the Board
Montana Housing
301 S. Park Ave., Ste. 240
Helena, MT 59620-0528

RE: Carter Commons / 2023 LIHTC Application

Dear Chair Rice & Members of the Board:

We are pleased to once again bring forward a full application for Carter Commons in Great Falls. The need for these homes has only increased since last year as clearly shown in the market study.

The market study indicated a need for 270 new affordable senior homes in the community today (Market Study – Page 5). Similar to last year, the market study also revealed staggering statistics including a 0% vacancy rate across the 1,761 units surveyed in Great Falls (Market Study – Page C-2). With these vacancy rates, it's not a surprising that rents for 1- and 2-bedroom apartments in Great Falls have increased on average 10% since the full market study last year (Market Study – Page A-3). We have all heard of the bidding wars for houses, but the latest articles across our nation are talking of bidding wars among renters (Parker, W. 2022, June 27. Bidding Wars Overheated the Home-Buyer Market, Now They're Coming for Renters. *Wall Street Journal*.). This is the current state of the rental market and Great Falls is no exception.

In addition, it has been a number of years since the last senior award in the community (Cascade Ridge funded in 2014). This lack of new affordable senior homes as well as the strong demand in the local market for housing has put considerable pressure on existing senior rental projects. Look no further for evidence of this than Cascade Ridge itself with a waitlist of over 150 names (Market Study – Page A-32).

In addition to the existing demand for senior housing, the senior population in Great Falls is projected to outpace the general population. The 65+ population is projected to grow at 2.2% annually from 2022-27 while the general population is projected to grow at only 0.4% per year over the same period (Market Study – Page A-3).

Carter Commons would help meet this need by bringing 25 new senior homes to the community with rental rates between 20-44% below market rents (Market Study – Page 5). Carter's current rental rates range from \$595-\$850 per month for a one-bedroom home and \$715-\$950 a month for a two-bedroom home with rents *including all utilities*.

The need for these new homes is clear from the market study, however perhaps equally compelling was testimony received at the public hearing we held as part of the tax credit application. The mayor, city commissioners, as well as members of the public all spoke in support of the project. The mayor and commissioners in particular have submitted a letter of support with this application detailing the need for these homes in Great Falls.

The project itself would sit in an excellent location just six blocks south of downtown Great Falls and four blocks north of 10th Ave South. Within a mile of the site, one can find the Senior Center, Alluvion Health Center, an IGA grocery store, the library, post office, banking and the Holiday Village Shopping Mall which includes 42 different stores (Market Study – Page 6). Carter Park is directly across from the site and the Rivers Edge Trail is about two blocks west of the site. Finally, a bus stop is located one tenth of a mile away from the property (Market Study – Page 6). The location is perfect for an infill project and would be an ideal place for seniors to live.

Nothing in terms of design or amenities has changed since the LOI presentation. Each individual apartment will feature all the standard appliances, including microwave, dishwasher and washer/dryer. Carter Commons will be one building with a secured entry and interior apartment access. An elevator in the building gives all units a zero-step entry and fully visitable. A community room with kitchen will be the primary gathering place for morning coffee, book clubs, movie nights and themed parties for residents. An exercise room will keep folks moving throughout the winter months. We will also include a library, game room and computer room. These common spaces are relatively inexpensive as they are simply furnished open space that is otherwise unusable within the building footprint. Outside, a community patio area, barbecue and community gardens will be available for resident use. We've found these spaces and amenities to be well used.

We understand you have difficult decisions on where to place your limited resources and would urge you to carefully consider this excellent location and needed project in Great Falls.

As always, Housing Solutions and its longstanding development team is positioned to take this project from Housing Tax Credit award to serving seniors in Great Falls. We look forward to the opportunity to partner with Montana Housing to meet the needs of seniors in Great Falls.

Sincerely,

A handwritten signature in blue ink, appearing to read "Alex Burkhalter", with a long horizontal flourish extending to the right.

Alex Burkhalter

MARKET STUDY SUMMARY

Market Study Company:	Property Dynamics
Project Name:	Carter Commons Apartments
Project Market Area:	Great Falls, MT

Is the project, as proposed, viable?

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

	Market Rents	% Project Rents Below	
0 bedroom			
1 bedroom	\$ 1,068	20 - 44%	
2 bedroom	\$ 1,235	23 - 42%	
3 bedroom			
4 bedroom			
5 bedroom			

Reference page:

of all New Units Needed: Reference page:

of units needed for the targeted AMI of the project: Reference page:

Vacancy Rate: Reference page:

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

Absorption Rate: Reference page:
 (proposed units/existing LIH, market area units required)

Penetration Rate: Reference page:
 (existing LIH units/total eligible households)

Number of LI households that can afford rent of proposed project: Reference page:

Distance (miles) to: (only fill this out at full market study)

miles to grocery store (convenience store does not count)

miles to medical services appropriate and available to all prospective tenants (e.g., hospital, doctor offices, etc.) and are one of the following:

A Project is located within 1½ miles of the specified amenity or essential service.

Public or contracted transportation (not including taxi or school bus service) is reasonably available to the specified amenity or service (i.e., the Project is located within ¼ mile of fixed bus stop or on a same day call basis) (or letter from provider committing to establish such service); or

Where applicable, the specified amenity or service is available via a no-charge delivery service to the Project Location (all distances must be as specified in the Project's market study).

All other services and distance to each.


	Other Service	Distance (mi)
1	Bus Stop	0.1
2	Carter City Park	0.1
3	County Health Department	0.2
4	U.S. Bank	0.3
5	Convenience Store/Gas Station - Exxon	0.3
6	Post Office	0.4
7	Library	0.6
8	Fire Station	0.7
9	Alluvion Health Center	0.8
10	IGA Grocery	0.8
11	Senior Center	0.8
13	Dollar Tree	0.8
14	Holiday Village Mall - Ross, TJ Maxx, Scheels, etc. (42 stores)	0.8
15	Target	1.7
16	Albertsons Grocery	1.8
17	Hospital	2.2
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AMENITIES FORM

Project Name: Carter Commons

All Units	Yes/No	Incremental Cost Per Unit	Benefit
Air Conditioning Carport/Garage	Yes	\$ -	July and August average over 80 degrees with peak high temperatures over 100 degrees. For a VTAC System, heating/cooling has become industry standard, therefore there is no additional cost to include AC.
	No		
Dishwasher	Yes	\$ 500.00	Today's seniors (55+) could be born as recent as 1967. Many have never lived as adults without a dishwasher. Dishwashers have become a part of the standard appliance package in homes.
Disposal Extra storage outside unit	Yes	\$ 120.00	Undersink disposal increase the livability and greatly reduce the number of maintenance calls for backed up sinks.
	No		
Microwave Patios or Balconies	Yes	\$ 100.00	Similar to the dishwasher, almost all households now have a microwave. By including a rangehood/microwave combo we can save precious kitchen counter space in these efficient units.
	No		
Washer/dryer hookups	Yes	\$ 1,200.00	Today's seniors are accustomed to having a washer/dyer in their homes. The hookups are about \$1,200 for plumbing, electrical and venting.
Washer/dryer in unit	Yes	\$ 800.00	The equipment is around \$800 per unit. The extra \$800 to include the machines is wisely spent as it saves from move in/out damage of tenant owned equipment. Also tenant owned equipment will be of unknown age/quality and my be more prone to cause water damage to the apartment.

Project Wide	Yes/No	Incremental Cost Total	Benefit
Basketball hoop/pad	No		
Car plug ins	No		
Community Garden	Yes	\$ -	Incorporated into the landscape plan. No real additional costs for this.
Community Room	Yes	\$150,000/project	The community room is the social hub for the community, facilitating activities and interactions between the residents.
Computer(s) for tenant use	Yes	\$1,000/project	So much information and resources are available online now, this is a low cost item that is a great amenity for residents. Additionally, initial application, rent payments, and maintenance requests are moving in the direction of online. This will give the future and current residents without a computer a place to submit these items.
Library	Yes	\$500/project	The nature of the building design creates spaces that can't be used for homes. We have included a "library" in an otherwise unusable space in the building. This results in gaining an amenity for very little incremental costs that would be used for furniture, a book shelf and a sitting area.
On site Manager	Yes	\$7,500/project	We have included the cost of the managers equipment on site. The actual cost of the site manager is borne in operations. The site manager is essential to the successful operation of the property. Leasing units, tenant income verification, overseeing maintenance, cleaning, organizing activities, and other tasks are just a few of the daily tasks they complete to keep the project running.
Outdoor community area	Yes	\$12,000/project	There will be a patio area off of the community room. Montana winters can be long, having a space to enjoy our quick summers is important for the residents.
Play Area	No		
Hotspot/Wi-Fi	Yes	\$1,000/project	Community spaces will have WiFi available at little to no additional cost to the project.
Other:			



1801 Benefis Court Great Falls, MT 59405
Toll Free - 1.800.551.3191 Phone - 406.454.6990 Fax - 406.454.6991

June 9, 2022

City Commission
2 Park Drive South
Great Falls, MT 59401

RE: Public Comment for Carter Commons

Dear City Commissioners:

As the Director of Cascade County Aging Services, I would like to take this opportunity to express support for the Carter Commons project. We provide a number of services to older adults including meals on wheels, homemaker services, the state health insurance program (Medicare/open enrollment counseling), respite care services and transportation as well as information and referral services to anyone who has questions regarding elder care or service issues. Allowing the elderly to age in place, safely, and with independence and dignity is the goal of Aging Services.

The Carter Commons project addresses a critical need in Great Falls for additional affordable housing for seniors as well as the need to ensure that their housing is safe, well maintained, and provides for their independence. The location of this project between downtown and 10th Avenue South provides accessibility to City-County Health, Alluvion, the Great Falls Transit Hub, other government services and businesses that provide goods and services to seniors. Currently most affordable housing has wait lists, rents are on the rise and the supply of safe homes is low. Carter Commons will bring much needed homes to Great Falls. It will offer accessible features and design elements that support safety, independence and dignity for the seniors of Great Falls.

We are prepared to provide services to the residents of Carter Commons and support Housing Solutions proposed project. This project is urgently needed, and we look forward to helping support its future residents.

Sincerely,

A handwritten signature in blue ink, appearing to read "Kimberliegh L. Thiel-Schaaf".

Kimberliegh L. Thiel-Schaaf, Director
Area VIII Agency on Aging – Cascade County

From: Lisa C. Kunz lkunz@greatfallsmt.net
Subject: FW: SHYLA PATERA Commission items
Date: July 19, 2022 at 1:17 PM

To: Bob Kelly bkelly@greatfallsmt.net, Eric Hinebauch ehinebauch@greatfallsmt.net, Joe McKenney jmckenney@greatfallsmt.net, Rick Tryon rtryon@greatfallsmt.net, Susan Wolff swloff@greatfallsmt.net
Cc: Greg Doyon gdoyon@greatfallsmt.net, Charles Anderson canderson@greatfallsmt.net, Craig Raymond craymond@greatfallsmt.net, Tyler Currence tyler@housing-solutions.org

LK

For your consideration during the public hearing for Agenda Item 16 this evening.

Lisa Kunz
City Clerk/Records Manager
Civic Center Room 204
406.455.8451

From: Mark Sanders <msanders082@gmail.com>
Sent: Tuesday, July 19, 2022 12:43 PM
To: Krista Artis <kartis@greatfallsmt.net>; commission <commission@greatfallsmt.net>; Shyla Patera <spatera@ncils.org>; Shyla Patera <shycpat@icloud.com>; Tom Osborn <tosborn@ncils.org>
Subject: SHYLA PATERA Commission items

To the Great Falls City Commission: My name is Shyla Patera. I am the independent living specialist employed by and representing North Central Independent Living Services trauma Inc. We, at NCILS, support the building of Carter Commons . Housing is important for people with disabilities and Great Falls seniors and the commission support of Carter Commons will assist our city in promoting accessible , affordable, and universally designed housing. NCILS will work with the GreatFalls BID to enhance accessible tourism options in Great Falls for all of Montana and Montanans with disabilities.

Shyla Patera

City of Great Falls e-mails may be subject to Montana's Right To Know law (Article II Sec 9, Montana Constitution) and may be a Public Record (2-6-1002, M.C.A.) and available for public inspection.



Planning & Community Development
Room 112
2 Park Drive South
Great Falls, MT 59401

April 27, 2022

Tyler Currence
Housing Solutions LLC
PO Box 2099
Missoula, MT 59806

RE: Carter Commons
Senior Affordable Housing

Dear Mr. Currence,

On behalf of the City of Great Falls, I would like to offer our full support for the Carter Commons affordable housing project. We are pleased that you are bringing this proposal once again before the Montana Board of Housing for tax credit funding.

Our most recent growth policy identifies a need for safe and affordable housing in Great Falls. Carter Commons would be a strong step toward helping our low and moderate-income senior citizens. The need for this sort of housing has only grown more acute since last year. Great Falls' elderly population continues to be significantly underserved in housing options.

The location of your proposal is well selected. It fits in well with the overall development plan for the area and will provide residents with easy access to downtown Great Falls as well as the amenities located off of 10th Ave S. just to the south of the property. The site also has excellent access to Carter Park and is near existing infrastructure.

For these reasons, we would like to offer our support for Carter Commons. Please stay in touch as you continue to seek funding for this project.

Sincerely,

A handwritten signature in blue ink, appearing to read "Craig Raymond", with a long horizontal flourish extending to the right.

Craig Raymond
Director, Planning and Community Development
City of Great Falls

P. O. Box 5021, 59403-5021



August 23, 2022

Chair Rice & Members of the Board
Montana Housing
301 S. Park Ave., Ste. 240
Helena, MT 59620-0528

RE: Carter Commons Affordable Housing

Dear Chair Rice & Members of the Board:

The City of Great Falls would like to express its full support for Housing Solutions, LLC's application for Federal Housing Tax Credits. The proposed project, Carter Commons, would provide 25 much needed new senior homes to our community.

The past two years have brought unprecedented price growth and rental increases to our housing market. Vacancies are at an all-time low and as a result, seniors, who often live on fixed incomes, have particularly struggled to find affordable homes.

The proposed project location sits between downtown to the north and 10th Avenue to the south. In addition, Carter Park and the River's Edge Trail are nearby. With close proximity to grocery stores, health care, and public transportation, the Commission supports the development of infill sites such as this. During the project hearing held on July 19, 2022, the Commission heard support for the project from neighbors, business owners and other housing advocates in Great Falls.

This development also aligns with the City of Great Fall's Growth Policy, which recognizes the need for a safe and affordable housing supply (*City of Great Falls Growth Policy Update 2013/2025 Imagine Great Falls, p. 130*).

We expect the need for new senior affordable homes to increase in the future as our population continues to age. We thank you in advance for carefully considering this much-needed project for our community.

Sincerely,

Handwritten signature of Bob Kelly in blue ink.

Bob Kelly, Mayor

Handwritten signature of Rick Tryon in blue ink.

Rick Tryon, Commissioner

Handwritten signature of Eric Hinebauch in blue ink.

Eric Hinebauch, Commissioner

Handwritten signature of Susan Wolff in blue ink.

Susan Wolff, Commissioner

Handwritten signature of Joe McKenney in blue ink.

Joe McKenney, Commissioner



April 21, 2022

Tyler Currence
Housing Solutions, LLC
PO Box 2099
Missoula, MT 59806

RE: Carter Commons
Great Falls Senior Affordable Housing

Dear Mr. Currence,

I am pleased that you will once again be submitting Carter Commons for tax credit funding. At Great Falls Development Authority, we are involved in a number of endeavors including downtown revitalization, brownfield redevelopment, workforce, infrastructure, and housing, among other things. For this reason, I am well aware of the need for affordable homes in Great Falls and specifically for new senior affordable housing. The last few years have seen unprecedented price increases in both our homeownership and rental markets. Carter Commons would help provide much needed affordable housing for seniors in the area.

GFDA is a regional public/private economic development partnership and certified Community Development Financial Institution. We are formed as a broad partnership that serves the thirteen-county Great Falls Montana trade area, comprised of the Great Falls MSA and a vast rural and tribal region of north central Montana. Our partnership includes Cascade County, Great Falls College MSU, Little Shell Tribe of Chippewa Indians, University of Providence, Great Falls Public Schools, Great Falls International Airport Authority, Great Falls Tourism, Great Falls Area Chamber of Commerce, and over 150 local and regional businesses and institutions.

Again, I would like to offer full support for your Carter Commons project on behalf of the Great Falls Development Authority. Please stay in touch as you continue to seek funding for this project.

Sincerely,

A handwritten signature in blue ink, appearing to read "Brett Doney".

Brett Doney
President & CEO

Cabinet Affordable Housing, Libby

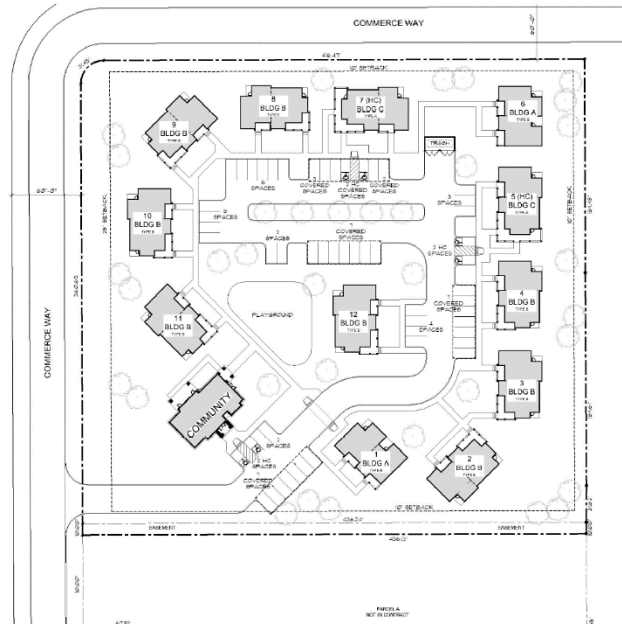
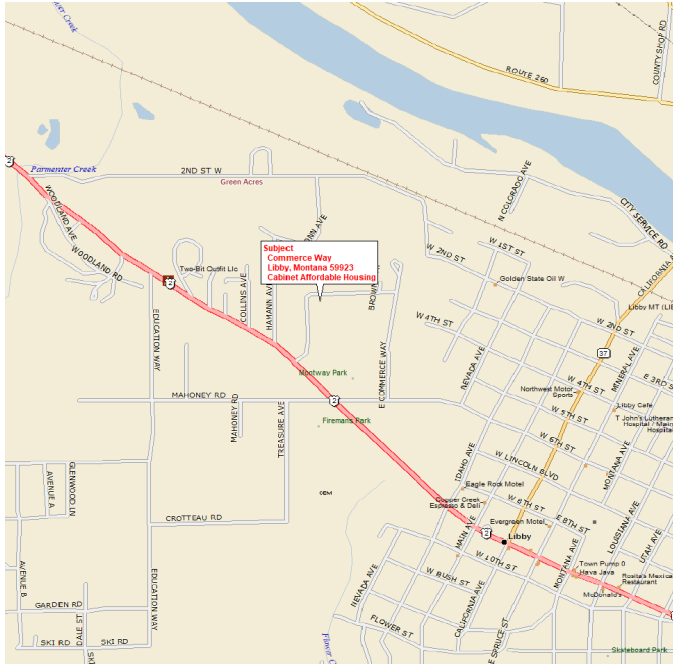
**American Covenant Sr Housing Foundation & Community Action Partnership of NW Montana-
New Construction-24 Units**

Substantial Changes from LOI to Full application: none

Board Considerations	Staff Comments
Rural, Urban, Tribal	Rural
Income Levels Targeted	12 @ 50% & 12 @ 60%
Sustainable energy savings initiatives	Received points for Green Initiatives
Developer History/Past Performance:	ACSHF/CAPNWMT-See 10 yr History sheet, no known compliance or development issues
Credits Per Unit/Credits Per Sq Ft	\$270,833/\$297.62
Cost Per Unit/ Cost Per Sq Ft	\$279,881/\$307.56
Frequency of award in that area	Last Award: Green Meadow Manor-1999, 34 units
Rental Subsidies	No rental assistance
Outlying features from other projects	Community Action Partnership will be on-site as a service provider

Staff Notes from Underwriting process:

- Amenities include Air Conditioning, Carport/Garage, Dishwasher, Patios/Balconies, Washer/dryer hookups, Community Room, Computer(s) for tenant use, Outdoor community area, Play Area, hotspot/Wi-Fi
- Roughly 70% of the market area workers are in the service/laborer industry
- Has public transportation available from the site and also offers rides to Kalispell three times a week
- Utilities: tenant pays electric, heating, air conditioning, hot water, range/microwave, refrigerator, owner pays, water, sewer, trash



Cabinet Affordable Housing, LLC

234 Shelter Valley Drive
Kalispell, MT 59901

406-235-6593

Montana Board of Housing
P. O. BOX 200528
Helena, MT. 59620-0528

July 23, 2022

Dear MBOH Chairman, Board Members, and Staff:

I am pleased to submit the Cabinet Affordable Housing application for a 9% housing tax credit award. This new and innovative project is a worthy investment that will satisfy a growing community need and offer rents that are well below market rate in the area (page 10).

Libby is a community that has rich history in the State of Montana. For many years it was a robust, bustling extraction-based economy. Then, through a series of mine closures and declaration of the area as a Super Fund Site by the Environmental Protection Agency in 2002, the area became more economically strained, but remained resilient in the face of changing industries. Great efforts went into remediation to help reduce the negative impacts of asbestos as well as vermiculite on the landscape and community. It has been noted that after 15 years of aggressive clean-up most of the asbestos that created the contamination, is now safely removed or inaccessible. The Chamber of Commerce in Libby reports that there are no longer any lingering concerns about the health impacts of the area, in fact, the air quality has now improved to better than most Montana communities. Following the hard work of a thorough and methodical clean-up process, the area is focused on the future. According to the Libby Chamber of Commerce, the cost of living in the community is 8.5% lower than the national average, which makes it an appealing destination for those seeking mountain towns and those working to stay afloat in the changing economy.

Libby is staged for growth. In 2019 Isotex Health, LLC opened doors in Libby creating 120 new jobs (pg 49). Currently work is being done to bring a medium-density fiberboard plant to the area, a move that would create 150 new jobs. Another effort is to expand senior housing options in the area, an effort that would create an additional 30 jobs for the area. Furthermore, there is growth within existing sectors, such as health care, tourism and outdoor recreation. Per the Market Study, the top employers currently in Libby are healthcare and retail (¶4 pg 47).

However, what Libby is missing, is safe and affordable housing that meets the needs of the community. The community of Libby has only one rent restricted multifamily housing complex. Which operates with a waiting list as demand is always high. Most of the rent restricted apartment complexes in the area are intended for seniors. Census data indicates that 33% of the Lincoln County residents are over 62 years of age (¶1 pg 53) with a disproportionate 74% of restricted units in the community being targeted for this group (¶1 pg 65). This means that the community only has 30 units out of 116 rent restricted units are multi-family despite most renters being under 62 years of age within the community. These units are 43 years old, however updates were completed in 2001 (¶1 pg 93). It is further understood that as workforce opportunities continue to increase in the area, a correlating demand on housing will also occur. The current demand for housing is a result of population growth, household composition and to replace old or outdated units. Older units typically carry a higher energy burden for tenants and are also suspect for other ongoing health exposures, such as lead based paint or improperly grounded electric.

The Cabinet Affordable Housing project will bring twenty-four (24) newly constructed homes for tenants in the Libby area looking for a safe and affordable family option. The Market study commissioned for this project strongly supports the appropriateness of income targeting for households at 50% or 60% of Area Median Income in Libby, with an anticipated 561 rental households in the area being income-eligible (§4 pg 66). The demand in the area, along with current rental market trends, led to the Gill Group concluding in the Market Study that absorption rate for this project would be two to three months (§7 pg 63).

The Cabinet Affordable Housing project is joint venture between American Covenant Senior Housing Foundation and Community Action Partnership of Northwest Montana. Both non-profit entities have served Montana communities for nearly 20 years. CAPNM has been aiding households in Libby since 1976. In 2018, 52% of the households in Libby received assistance from CAPNM. As an established non-profit in the area, CAPNM will be basing the agency's satellite office in Libby, on the campus of the Cabinet Affordable Housing project. This will allow for eligible tenants to pursue assistance with key programs such as low-income energy assistance program, Housing Navigation services or the Employment & Training program. In addition to the programming currently available to help offset monthly expenses so that households are better able to cover basic needs, CAPNM also provides the only HUD certified housing counseling in the area. This includes pre-purchase counseling and homebuyer education services. Having services on-site will benefit the property, the tenants and the community. The property will have a community room that is available for classes and equipped with computers for tenant use.

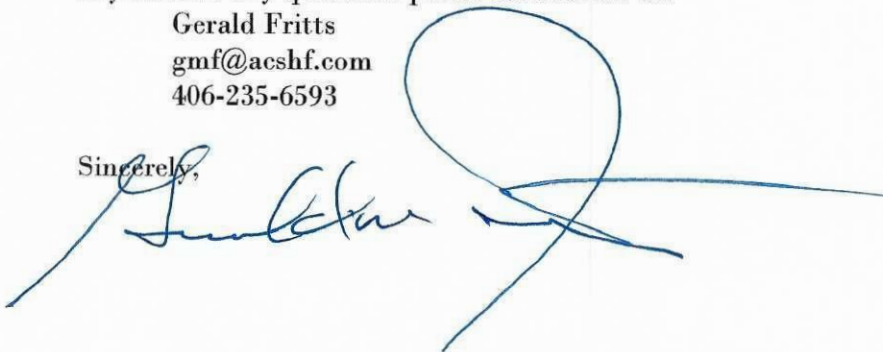
The area is primed for economic growth and continued industry expansion. The market lacks adequate housing to meet the demands of current and future residents. It is known that when housing demand increases, it is our neighbors with low-incomes who are impacted the most. The joint venture project proposal is well suited to address the housing needs for low- and moderate-income households, as identified within the Market Study. Libby has never had a multifamily housing tax credit allocation and the last allocation was over 20 years ago (this was a project in which CAPNM also participated). The community has articulated their goals for housing growth and the proposal mimics many of the elements listed as being important within the growth plan.

Our application package clearly illustrates a need for low income housing tax credit multi-family project in Libby, a Development Team with a proven record of performance and a plan for long-term viability.

If you have any questions please contact me at:

Gerald Fritts
gmf@acshf.com
406-235-6593

Sincerely,

A handwritten signature in blue ink, appearing to read "Gerald Fritts", is written over the typed name and contact information. The signature is fluid and includes a large loop at the end.



EXECUTIVE SUMMARY

It is the opinion of the analyst that a market exists for the 24-unit complex designed for families, and that there is no need for additional alterations of any kind. This recommendation is made based on the information included in this report and assuming that the project will be completed as detailed in this report. Any changes to the subject as proposed could alter the findings in this report.

MARKET STUDY SUMMARY

Market Study Company:	Gill Group, Inc.
Project Name:	Cabinet Affordable Housing
Project Market Area:	Lincoln County

Is the project, as proposed, viable? YES

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

	Market Rents	% Project Rents Below	Reference page:
0 bedroom	N/A	N/A	
1 bedroom	\$ 865	9.5% - 26.7%	
2 bedroom	\$ 975	5.2% - 23.6%	
3 bedroom	N/A	N/A	
4 bedroom	N/A	N/A	
5 bedroom	N/A	N/A	98

of all New Units Needed: 73 Reference page: 66

of units needed for the targeted AMI of the project: 42, 49 Reference page: 66

Vacancy Rate: 0.0% Reference page: 65

Capture Rate: 33.0% Reference page: 66
 (projected income eligible tenants who will move in next year/proposed units)

Absorption Rate: 33.0% Reference page: 64
 (proposed units/existing LIH, market area units required)

Penetration Rate: 5.4% Reference page: 65
 (existing LIH units/total eligible households)

Number of LI households that can afford rent of proposed project: 447 Reference page: 60

Distance (miles) to: (only fill this out at full market study)

<input type="checkbox"/> 1	miles to grocery store (convenience store does not count)
<input type="checkbox"/> 1	miles to medical services appropriate and available to all prospective tenants (e.g., hospital, doctor offices, etc.) and are one of the following:

A Project is located within 1½ miles of the specified amenity or essential service.

Public or contracted transportation (not including taxi or school bus service) is reasonably available to the specified amenity or service (i.e., the Project is located within ¼ mile of fixed bus stop or on a same day call basis) (or letter from provider committing to establish such service); or

Where applicable, the specified amenity or service is available via a no-charge delivery service to the Project Location (all distances must be as specified in the Project's market study).



All other services and distance to each.

	Other Service	Distance (mi)
1	Neumann Foot and Ankle Clinic	1
2	Cabinet Peaks Clinic General Surgery	1
3	Libby Clinic	1
4	Cabinet Peaks Medical Center	1
5	Senior Life Solutions Mental Health	1
6	Northwest Community Health Center	1
7	Rosauers Pharmacy	1
8	Granite Pharmacy Libby	1
9	Lincoln County Campus	0
10	Libby High School	1
11	Kootenai Valley Christian School	1
13	Libby Elementary School	1
14	Headstart Kootenai Valley	1
15	Sunshine Preschool	1
16	Roseauers	1
17	Lola's Oriental Grocery Store	1
18	Libby Empire Foods	1
19	Lincoln County Credit Union	0
20	Rocky Mountain Bank	1
21	Glacier Bank	1
22	First Montana Bank	1
23	Kootenai Valley Federal Credit Union	1
24	Ace Home and Garden Center	1
25	Rivemist Home Décor	1
26	Kootenai Thrift and Retail Outlet	1
27	Libby Community Thrift Shop	1
28	Libby's Closet	1
29	The Keep	1
30	Libby Floral & Gift Shop	1
31	Lincoln County Transportation Service	0
32	Lincoln County Library	1
33	Libby Community Garden	0
34	Firemans Park Campground	1
35	Lincoln County Veteran's Memorial	1
36	Riverfront Park	1
37	Fred Brown Pavilion	1
38	Riverfront Blues Festival Libby Montana	1
39	United States Post Office	1
40	Libby Area Chamber of Commerce	0
41	Highway Patrol	1
42	Libby Volunteer Fire Department	1
43	Libby Police Department	1
44	Libby Volunteer Ambulance Service	1
45	City of Libby	1
46	Families in Partnership	0
47	Libby Food Pantry	1
48	Pregnancy Care Center	1
49	Libby Senior Citizens Food Distribution Center	1
50	Libby Care Center of Cascada	1

AMENITIES FORM

Project Name: **Cabinet Affordable Housing**

All Units	Yes/No	Incremental Cost Per Unit	Benefit
Air Conditioning	Yes	\$5,000/unit	assists w/healthy air quality w/in the home by restricting entry of harmful airborne particles.
Carport/Garage	Yes	\$2,600 /unit	Covered parking provides protection from elements & decreased maintenance costs.
Dishwasher	Yes	\$600 /unit	Economically and environmentally Energy Star dishwashers reduce water usage.
Disposal	No		
Extra storage outside unit	No		
Microwave	No		
Patios or Balconies	Yes	\$800 /unit	Patios provide tenants with covered outdoor space promoting improved health, happiness.
Washer/dryer hookups	Yes	\$350 /unit	hookups provide the opportunity to install appliances, which is desirable for many households.
Washer/dryer in unit	No		

Project Wide	Yes/No	Incremental Cost Total	Benefit
Basketball hoop/pad	No		
Car plug ins	No		
Community Garden	No		
Community Room	Yes	\$ 240,000.00	provides a common area to gather for socialization & access to resources.
Computer(s) for tenant use	Yes	\$ 2,500.00	Access to technology helps bridge the digital divide in rural and frontier communities.
Library	No		
On site Manager	No		
Outdoor community area	Yes	\$ 1,500.00	being outdoors has physical and psychological benefits & promotes a sense of community.
Play Area	Yes	\$ 15,000.00	Access to age appropriate play area promotes social & developmental needs of children.
Hotspot/Wi-Fi	Yes	\$ 1,500.00	available in the community room allowing equal access to entertainment and communication
Other:			

RECEIVED

AUG 15 2022

MONTANA BOARD OF
HOUSING

294 Dawson Street
Libby, Montana 59923
August 11, 2022

Montana Board of Housing
P. O. Box 200528
Helena, MT 59620

RE: Cabinet Affordable Housing project in Libby

Dear Friends,

I have lived in Libby off and on since I was a child in the 1950s. Many of the older houses from my childhood are still being lived in despite their age and disrepair. There is a great need for decent housing for people in Libby, especially for those of lesser means.

I am excited by the prospect of having this project built in our community. I am particularly appreciative of the fact that these duplexes will not look like, nor will they feel like, "low income" housing. They are very attractive on the exterior, but they also have amenities that accommodate the realities of modern living.

I especially applaud the use of solar panels and other measures that will keep energy costs as low as possible for the residents. Also, providing access to the internet is crucial for people to live well and be a part of modern society. Having laundry facilities in the common area can mean a lot to a busy single mother or elderly resident. It also adds to the community-feel of this complex, as does the play area.

It is obvious that much thought has gone into the planning of this project. It addresses the aesthetic, financial, and social needs of future residents. The location is convenient as well since it is within walking distance of most of the services people need.

As I understand it, providing these homes at an affordable rent is dependent upon receiving these tax credits. These 24 units will not solve the housing problems in Libby, but they will be a great, positive example and step in the right direction. Please consider this application favorably. It will be a great addition to the Libby community.

Sincerely,



Donna Martin
Retired United Methodist Pastor

cc: Community Action Partnership of Northwest Montana

RECEIVED

AUG 22 2022

**MONTANA BOARD OF
HOUSING**

August 18, 2022

Montana Board of Housing
P.O. Box 200528
Helena, MT 59620-0528

In Troy, Montana there are no apartments or townhouses here. The housing issues is not affordable, and they are old and need a lot of work and a lot of people can't afford to update them. I have been saying with my sister and I know she wants me to move out, but how can I with all the rent that you can't afford and the houses that need so much work to them. The ones that I could afford.

Went and looked at a house in Libby and the house was \$180,000 and it needed over \$80,000 dollars' worth of work done to that. I am a single mom, and I can't afford to make those updates to the house.

There needs to be help with the local people not the people who are coming from out of state and taking away our affordability house options or our apartment rentals. There needs to be more grants or something to help people get a house.

We need more help in this small town of Troy for the local people not all those out of state people. The jobs in this town are not high paying jobs. The people do not make the kind of money they want to charge for a rental here or purchase a house.

Thank you,

Barbara Shaw
235 Bighorn Way
Troy, MT 59935

RECEIVED

AUG 19 2022

MONTANA BOARD OF
HOUSING

P.O. Box 1193
Libby, MT 59923
August 16, 2022

Montana Board of Housing
P.O. Box 200528
Helena, MT 59620-0528

Dear Sir:

I am writing in support of the Cabinet Affordable Housing Project in Libby. It is important that this project be financed.

In several places in Montana people have to live in their cars because housing costs too much. Young Montanans are unable to buy a home because they do not earn enough money.

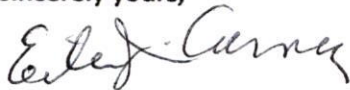
As a former teacher, I know how difficult it is for students who do not have a good place to live. It is hard for them to do their work out-side of class and to keep up with what they need to do to pass a class.

The plans for Libby would build 24 one and two bedroom units. There would be solar panels on the roofs for energy saving and good insulation to defray the cost of heating.

I hope you will consider financing these much needed structures to alleviate the housing crunch in Libby.

Thank you for your consideration of my request.

Sincerely yours,



Eileen Carney

State representative 2001-2004

RECEIVED

SEP 14 2022

MONTANA BOARD OF
HOUSING

September 12, 2022

Montana Board of Housing
P.O. Box 200528
Helena, MT 59620-0528

Dear Montana Board of Housing,

We feel that you need to send letters to the renters in Libby, MT that live in apartments. There are no rentals or affordable housing here. In the newspapers last week there was two townhouses that are new and being build and they are going for \$325,000.00 guess what we can't afford them. Just a couple of months ago there where townhouses for \$198,000.00 of course they went fast, and we never had a change to buy them. When you drive by there if is out of state people who got it.

We found out that Zach McNew that is on the city council for Libby and owes Town and Country lied to you and informed you that we don't need any affordable housing here or rentals here. He is a Slam Lord of this town, and he has a property management company. Therefore, he does not want any affordable housing or new rentals here because he wants to run and price use renters out of Libby. Some of us are waiting to find another apartment or waiting for a house to come available.

There are no jobs in this town to afford that kind of rent. Even if you had two jobs you can't afford \$1200.00 rental.

We need to get a rental bill started to stop all this that Mr. McNew is doing to this town. He lives at the Golf course in a nice house and just got a new jeep and doesn't care about this town just his pocket.

Please help use little people.

We are afraid he will see our names and repercussion could happen.

Thank you,

Libby Renters
Libby, MT 59923

Creekside Apartments, Missoula

Homeword Inc – Acq / Rehab – 9% is 41 units; 4% is 120 units

Substantial Changes from LOI to Full application: none

Board Considerations	Staff Comments
Rural, Urban, Tribal	Urban
Income Levels Targeted	29 @ 50%, 12 @ 60%
Sustainable energy savings initiatives	Not getting any points for Green and Energy but are doing several items like energy star, low VOC, recycling, water flow, smoke free, no formaldehyde, etc
Developer History/Past Performance:	Homeword - See 10 yr History sheet, no known compliance or development issues
Credits Per Unit/Credits Per Sq Ft	\$140,244/ \$155.93
Cost Per Unit/ Cost Per Sq Ft	\$248,954/ \$271.47
Frequency of award in that area	Last Award: 2019 Skyview (Missoula) – 36 units
Rental Subsidies	No rental assistance for property
Outlying features from other projects	4/9 project, acq / rehab of existing project

Staff Notes from Underwriting process:

- Market Study could not find one vacant rental unit for comparisons-increasingly difficult for Seniors to find quality affordable housing
- Amenities include: AC, Garages, Patio, Extra Storage, Basketball Hoops, Community Room, On Site Mgr, Outdoor Community Area, Play Area.
- Utilities: tenant paid







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

August 1, 2022

Dear Staff and Board Members,

We are excited to present to you our 9% Creekside application for consideration of an allocation of 2023 Housing Tax Credits. Proposed as a twinned 9%/4% tax credit and tax-exempt bond rehab project for the 161 apartments, we and the over 200 current residents of Creekside are grateful for this opportunity.

In 2017, working closely with the City of Missoula, First Security Bank (FSB) and NeighborWorks Montana (NWMT), **Homeword competed against market rate buyers and was successful in acquiring Creekside Apartments to preserve its critical affordability.** The City of Missoula issued a 501c3 Conduit Bond that FSB purchased and created a debt structure manageable for the property and its ongoing affordable operations. FSB also invested EQ2 funds with NWMT, who in turn loaned them to Creekside as subordinate debt. This first of its kind, creative financing package allowed Homeword to acquire Creekside in a competitive market bid at the time, before we knew what would happen now with dramatically rising real estate prices. As is the case with most, if not all housing tax credit transactions, **the seller keeps the funds in the replacement reserves therefore leaving no savings available for the new owner to do larger rehab or repair.** The advantageous loan terms allowed for interest only payments to FSB for the first three years to catch up on deferred maintenance. While that was helpful, a full-scale rehab is now necessary to improve the living conditions, comfort, and on-going affordability of these 161 apartments.

Creekside's only means of affordability restrictions, like many other early housing credit properties in Montana, is the housing credit Declaration of Restrictive Covenants. These early projects only required 30 years of affordability, while most projects now commit to 46 years and most recently 50 years. Buyers, as we are seeing in practice here in Montana today, would have purchased Creekside with the anticipation of the deed restriction burning off in 2026. Additionally, it was marketed as "Qualified Contract" eligible. The property would have easily gone to market rents and rented to students and other professionals as it's located directly across the river from the University of Montana and close to downtown Missoula. Homeword is thankful for the partnership that enabled us to purchase Creekside in 2017. If this project were to come up for sale today, the creative financing package established would not have produced enough proceeds to acquire and preserve Creekside. Since 2020, we have observed deed restricted properties in Montana selling for 30% more than rent and debt supported value.

If the property had gone to market rate in 2017, the roughly 42 households with Housing Choice Vouchers would have been displaced and would have had trouble finding homes then. It would be almost impossible now, with a less than 1% vacancy rate reported in 2021. The COVID migration put intense pressure on all rental and homeownership markets across the state.

At the time of acquisition, Homeword knew Creekside would need significant rehabilitation within 5-7 years. The Capital Needs Assessment (CNA) done then illustrated most of the overall building systems were nearing the end of their useful lives. This has certainly proven true and illustrated within this application in the rehabilitation scope proposed – all new siding, roofing, windows, mechanical, plumbing and more. Another byproduct of the last few years lies in the reality that construction pricing, both labor and materials, have increased by percentages not seen in our lifetimes. While the markets are still volatile, there does seem to be some settling – nowhere near where we were, but in the realm of limited predictability. The proposed twinned credit approach gives Creekside the best opportunity to succeed in getting ahead of repair and replacements that cannot be handled simply by operations. The buildings were constructed at a very efficient price point in 1996, using materials now known to not last for durability (like vinyl siding) and thus not setting them up for long term success with capital improvement needs. Homeword is proposing a rehabilitation using more durable materials and replacing key equipment to mitigate future repairs, make replacements more reasonable and alleviate pressure on operations. For example, Fireweed Court was built about the same time as Creekside. While the vinyl siding needs to be replaced in full at Creekside, Homeword hasn't even had to paint Fireweed Court's cementitious siding.

That said, buildings do not last forever, and all acquisition/rehab projects are not created equal. Homeword has been working with Missoula City staff and had several meetings with City Council as part of this application and ongoing strategic conversations about overall housing strategies. **Deed restricted affordable properties have a slim operating margin by design and to have long-term affordability, there must be additional capital investment.** As we look at Montana's affordable portfolio and our own, we need to be strategic about resources and the approach to overall capital needs and how those needs are addressed. Material and systems choices at the time of construction are critical – Creekside was built in a way that most materials and systems wear out about the same time, while other projects like Fireweed have stretched the replacement timeline over a longer period. Fireweed certainly has capital needs, but Homeword is actively assessing these physical needs and looking at timing and potential resources. One solution would be simply refinancing, while another may be aggregating projects into group funding requests as scattered sites. **Equity from Housing Tax Credits is the most effective source for a large-scale rehab needed at Creekside Apartments.**

This project represents a confluence of unique circumstances that allow us to rehabilitate Creekside to long-term, sustainable operations as a critical component of Missoula and Montana's housing portfolio. Homeword is working creatively to maintain the 501c3 bond and the NWMT financing as they are far more advantageous than other loan products available today. Homeword will utilize the values established in the Comparative Market Assessment to leverage acquisition credits to greatly assist with rehabilitation expenses, trying not to rely on soft sources that would overcomplicate the project and potentially have unintended consequences for existing residents. These concepts are laced throughout this application.

We hope that the Montana Board of Housing members will see the timing benefits of this request and the complexity involved with the proposed financial restructuring to extend affordability restrictions for Montanans. We appreciate your consideration.

Sincerely,



Andrea Davis, Executive Director



Heather McMilin, Project Development Director

MARKET STUDY SUMMARY

Market Study Company:	Property Dynamics
Project Name:	Creekside Apartments (9 % LIHTC Units)
Project Market Area:	Missoula, MT

Is the project, as proposed, viable?

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

	Market Rents	% Project Rents Below	
0 bedroom	\$ 1,249	37 - 48%	
1 bedroom	\$ 1,338	37 - 49%	
2 bedroom	\$ 1,523	34 - 46%	
3 bedroom	\$ 1,694	32 - 45%	
4 bedroom			Reference page:
5 bedroom			A-52

of all New Units Needed: Reference page:

of units needed for the targeted AMI of the project: Reference page:

Vacancy Rate: Reference page:

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

Absorption Rate: Reference page:
 (proposed units/existing LIH, market area units required)

Penetration Rate: Reference page:
 (existing LIH units/total eligible households)

Number of LI households that can afford rent of proposed project: Reference page:

Distance (miles) to: (only fill this out at full market study)

miles to grocery store (convenience store does not count)
 miles to medical services appropriate and available to all prospective tenants (e.g., hospital, doctor offices, etc.) and are one of the following:

A Project is located within 1½ miles of the specified amenity or essential service.

Public or contracted transportation (not including taxi or school bus service) is reasonably available to the specified amenity or service (i.e., the Project is located within ¼ mile of fixed bus stop or on a same day call basis) (or letter from provider committing to establish such service); or

Where applicable, the specified amenity or service is available via a no-charge delivery service to the Project Location (all distances must be as specified in the Project's market study).

All other services and distance to each.

	Other Service	Distance (mi)
1	Cenex Convenience Store / Gas Pumps	0.6
2	Albertsons Grocery - Osco Pharmacy	0.6
3	Gregory Park	0.7
4	1st Security Bank	0.9
5	Library	1.0
6	Fire Station	1.0
7	Post Office	1.1
8	Hospital	1.5
9	Senior Center	1.7
10	Medical Clinic - University Mt. Curry	1.9
11	High School - Hellgate	2.0
13	Elementary School - Paxson	2.4
14	Middle School	2.9
15	Walmart / Target	4.3
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AMENITIES FORM

Project Name: Creekside Apartments

All Units	Yes/No	Incremental Cost Per Unit	Benefit
Air Conditioning	Yes	\$ 2,000.00	Existing AC units replaced as needed, some are currently new.
Carport/Garage	Yes	\$ 500.00	The garages as part of the original development are either used as garages or storage.
Dishwasher			
Disposal			
Extra storage outside unit	Yes	\$ -	The garages as part of the original development are either used as garages or storage.
Microwave			
Patios or Balconies	Yes	\$ -	Existing balconies
Washer/dryer hookups			
Washer/dryer in unit			

Project Wide	Yes/No	Incremental Cost Total	Benefit
Basketball hoop/pad	Yes	\$ -	existing amenity
Car plug ins	No		
Community Garden	No		
Community Room	Yes	\$ -	existing amenity
Computer(s) for tenant use			
Library			
On site Manager	Yes	\$ -	existing
Outdoor community area	Yes	\$ -	existing outdoor areas, dog run and interior yard space
Play Area	Yes	\$ -	existing playground
Hotspot/Wi-Fi			
Other: On-site Laundry	Yes	\$ -	existing



ALL NATIONS HEALTH CENTER

830 WEST CENTRAL AVENUE | MISSOULA, MT 59801 | (406) 829-9515

Montana Housing, Community Housing
Montana Department of Commerce
P.O. Box 200528
301 S. Park Avenue
Helena, MT 59620-0528

June 30, 2022

Re: Homeword Creekside Apartments Renovation Project in Missoula, MT, Housing Tax Credit and HOME applications

To Whom It May Concern:

We are writing this letter to express our support for the rehabilitation that Homeword is proposing for their Creekside Apartments in Missoula.

Established in 1970, All Nations Health Center (All Nations) is one of 41 Urban Indian Health Programs (UIHP) located throughout the United States. While its services are designed *by Natives for Natives*, All Nations honors traditional values such as charity and generosity and makes its services available to everyone regardless of race, ethnicity, or income status. The U.S. Census Bureau estimates that American Indian/Alaska Native (AIAN) individuals make up about 4.3% of the residents of Missoula County, a population of roughly 4,894—making it the largest minority group in the county.¹ AIANs and other minority groups are most at risk for negative health outcomes caused by a myriad of social determinants of health, like access to safe and affordable housing. The types of homes available at the Creekside Apartments need to be preserved to allow Missoula's most vulnerable residents to live in safety and stability.

In a recent Robert Wood Johnson Foundation grant-funded research initiative conducted with Missoula's AIAN residents, All Nations learned that 65% of AIANs in Missoula County are "very concerned" about housing affordability.² It is paramount that the Creekside Apartments rehabilitation project be supported by Housing Tax Credits in order to ensure that Missoulians who are most at-risk of being displaced from their housing due to rising housing costs have access to high-quality, affordable housing.

The scope of this proposal is aligned with All Nation's mission to provide for healthy, sustainable lives for our Native people and the surrounding Missoula-area community through culturally based, holistic care. All Nations recognizes that housing is a critical aspect of the healthcare continuum. All Nations requests

¹ U.S. Census Bureau. (2017). Table DP05. ACS DEMOGRAPHIC AND HOUSING ESTIMATES: 2013-2017 American Community Survey 5-Year Estimates. Accessed December 22, 2018 at <https://www.census.gov/acs/www/data/data-tables-and-tools/data-profiles/2017/>.

² Comprehensive Report to Wisdom Council Members. Bellwether Research. November 22, 2021.

Serving the Missoula Community Since 1970

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Montana Housing's thoughtful consideration in the allocation of the highly-sought-after Housing Tax Credits and HOME Partnership grant funds.

Sincerely,

A handwritten signature in black ink, appearing to read "Azure S. McGinty". The signature is written in a cursive, flowing style.

Azure S. McGinty, Executive Director
All Nations Health Center



City Council Office

435 Ryman
Missoula, MT 59802
Phone: 406-552-6012

E-mail: council@ci.missoula.mt.us
Web: www.ci.missoula.mt.us/citycouncil/

Montana Housing, Community Housing
Montana Department of Commerce
P.O. Box 200528
301 S. Park Avenue
Helena, MT 59620-0528

Wednesday, July 20, 2022

Re: Homeword Creekside Apartments Renovation Project in Missoula, MT, Housing Tax Credit and HOME applications

To Whom it may Concern:

The Missoula City Council is proud to support the rehabilitation project that Homeword is proposing for their Creekside Apartments in Missoula.

Housing is a critical and urgent need in our community and we see the incredible value Creekside Apartments brings to our city and to our city-wide housing goals. We hear from residents consistently about their housing needs and the inventory gap for units that people with a range of incomes can afford. This project aligns with the adopted city-wide housing policy, A Place to Call Home, our city's climate goals as well as the Mayor's Strategic Plan.

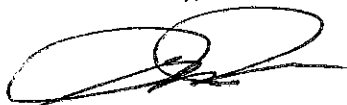
As members of Council, we understand that investments in dedicated, income restricted housing are not one-time endeavors. Ensuring the long-term habitability and affordability of this project is a priority and with that comes the obligation of additional investment. Housing preservation plays a key role in the health of our housing market. Losing 161 income restricted units would be a devastating blow to the residents who live there and our entire community.

While the original builder did not use durable materials, we have seen Homeword's stewardship of resources and thoughtful design work throughout their portfolio of housing projects and have every confidence that this building will be more sustainable once these improvements are made. It is a long-held belief that providing safe and healthy housing is a critical need for neighbors of all incomes. The Mayor's Strategic Plan emphasizes the City's action-oriented focus on health and safety, and community design and livability which further promotes maintaining existing resources. Creekside Apartments are located near services, including The University of Montana, downtown Missoula, and the Kim Williams Trails. This connectivity to the built and natural environment promotes wellbeing and autonomy.

We are so grateful to Montana Housing and the Montana Board of Housing's ongoing partnership and support of Missoula's efforts to preserve and create housing that people of all incomes are proud to call home.

In conclusion, the Creekside Apartments renovation project will sustain an essential resource for 161 households who are stably housed with incomes below 60 percent of the Area Median Income. In a Place to Call Home we emphasized Council's role in supporting and advocating for Low Income Housing Tax Credit projects that support our overall housing priorities. We appreciate the challenge of allocating finite resources and respectfully request your thoughtful consideration of Homeward's plan and community goals when deciding where to allocate the essential Housing Tax Credits.

Sincerely,



Gwen Jones
City Council President, City of Missoula

cc: Andrea Davis, Homeward



missoula food bank
& community center

Montana Housing, Community Housing
Montana Department of Commerce
P.O. Box 200528
301 S. Park Avenue
Helena, MT 59620-0528

6/27/2022

Re: Homeword Creekside Apartments Renovation Project in Missoula, MT, Housing Tax Credit and HOME applications

Dear Staff and Board Members:

Missoula Food Bank & Community Center writes to express our support for Homeword's rehabilitation project at Creekside Apartments in Missoula.

In 2021, Missoula Food Bank & Community Center supported the basic food needs of 1 in 4 people in Missoula County, and the months of March, April, and May of 2022 have been our busiest on record. People in this community struggle with food security largely because of an impossible housing market.

On average, customers of our food bank spend 61% of their monthly income simply keeping a roof overhead, nearly twice the amount considered to be affordable by HUD. This rehabilitation project will help to retain safe and affordable housing for 300 people in our community who, if displaced, would face significant barriers in finding another home.

This project site is one we know well. During the school year, MFB&CC serves Schools Out Day meals at Creekside Apartments. More than fifty children who otherwise depend on school meals in the cafeteria come eat with us these days. Creekside is home for these joyful, resilient students. In investing Housing Tax Credit and HOME dollars in this project, you are also investing in their stability and futures.

We understand that these dollars are limited, and that housing across the state is pressured. We encourage you to allocate these precious resources at Creekside Apartments. Thank you for your time and thoughtful consideration, particularly during these challenging times for families.

Sincerely,



Jessica D. Allred
Interim Co-Executive Director

cc: Andrea Davis, Homeword

we nourish community



July 25, 2022

Montana Housing, Community Housing
Montana Department of Commerce
P.O. Box 200528
301 S. Park Avenue
Helena, MT 59620-0528

Re: Homeword Creekside Apartments Renovation Project in Missoula, MT, Housing Tax Credit and HOME Applications

Dear Staff and Board Members:

We are writing this letter in support of Homeword's application for Housing Tax Credits and HOME funds for the rehabilitation of Creekside Apartments in Missoula, MT.

Creekside provides 161 homes for families of all sizes and plays a critical role in meeting the need for rental housing in Missoula. Rents in our area have skyrocketed over the past two years, and maintaining and preserving existing affordable housing projects is more important than ever. This property is 26 years old and because it was not built with the most durable materials, is aging quickly and requires extensive repairs.

The Missoula Housing Authority (MHA) serves over 1500 low and moderate income households, many of them with disabled and/or senior family members. For the first time in over 25 years people receiving new vouchers have been unable to find homes to rent, and those with vouchers have lost homes they have lived in for years when owners have chosen to sell or increase the rent by as much as \$300/month. Projects like Creekside are the best, and often the only option for people struggling to find a home they can afford. MHA currently has 47 families with vouchers who have found a home at Creekside.

Without Homeword's efforts to purchase and preserve these homes they could easily have been taken to full market rate and lost forever to our community's affordable housing inventory.

Thank you for your thoughtful consideration of Homeword's applications when deciding where to allocate the limited supply of Housing Tax Credits and HOME dollars. We appreciate so much your support of projects like this that preserve the critical supply of homes people can afford.

Sincerely,

Lori Davidson
Executive Director
Missoula Housing Authority

July 5, 2022

Re: Homeward Creekside Apartments
Renovation Project in Missoula, MT
Housing Tax Credit & Home applications

Dear Sirs,

I am a resident in Creekside Apartments and have been for six years. I enjoy living here because its river-front property in a beautiful canyon. Also this housing is affordable for its residents. I am retired from USPS and receive SSI as well, but still need to work to make ends meet. Life is expensive when you are the only one in the household and there isn't "affordable" housing any more. I love living at Creekside apts and hope it remains home for all its residents.

Thank you
Janet Lockhart
apt P105

July 7, 2022

Montana Housing, Community Housing
Montana Department of Commerce
P.O. Box 200528
301 S. Park Avenue
Helena, MT 59620-0528

Re: Homeword Creekside Apartments Renovation Project in Missoula, MT, Housing Tax Credit and HOME applications

Dear Staff and Board Members:

I am writing on behalf of the Human Resource Council (HRC) to express support for the rehabilitation that Homeword is proposing for the Creekside Apartments in Missoula. Fortunately for our community Homeword was able to purchase the Creekside Apartments in order to preserve and continue the affordable rents for the 161 apartments at the property as it was facing conversion to market rents. In order to purchase the Creekside Apartments Homeword needed several partners to participate in the financing structure that was needed to raise the capital for the purchase. That financing structure was complicated, but proved government and the private sector could combine efforts to achieve a very positive outcome.

Once Homeword finalized the purchase, efforts began to document the deferred maintenance and repairs needed. That documentation has been completed and now our community knows the extent to which the deferred maintenance and repairs have impacted the apartments. The costs to make needed repairs are more than what is available in reserves for the property and more than what our community alone can contribute. Therefore, we now ask for your assistance.

HRC operates rent assistance programs that help very low income people with their rent. You already know the low vacancy rates and high rents that permeate communities throughout Montana. For HRC staff assisting people with locating and securing housing they have only a few properties that have rents that qualify for the rent assistance program, Creekside is one of those properties. As an example, a couple who participate in HRC's Youth Homelessness Demonstration Project recently found housing at Creekside, there were no other housing options for them as they were facing being unhoused. This is only one of many examples of people who have been and will be living at the Creekside Apartments.

The award of Housing Tax Credits and HOME funding will ensure the apartments at Creekside will remain affordable for decades and will continue to be a sought-after place to live.

Sincerely,



Jim Morton
Executive Director

Incapacity
Assessment
Services

Low Income
Advocacy

Workforce
Development

Energy
Assistance

Owner
Occupied
Home
Rehabilitation
Loan Program

Affordable
Housing
Development

First Time
Homebuyer
Assistance

2-1-1
Information
& Referral

Residential
Energy
Conservation

Rental
Assistance

Summer
Food
Service

A LEADER IN COMMUNITY ACTION SINCE 1965

1801 South Higgins Avenue, Missoula, Montana 59801 (406) 728-3710 FAX (406) 728-7680

Offices in Missoula, Mineral and Ravalli Counties  Equal Opportunity in Service and Employment





Montana Housing, Community Housing
Montana Department of Commerce
P.O. Box 200528
301 S. Park Avenue
Helena, MT 59620-0528

July 18, 2022

Dear Staff and Board Members:

On behalf of Missoula Economic Partnership (MEP), I write in support of the rehabilitation that Homeward is proposing for their Creekside Apartments in Missoula. As Missoula's economic development organization, MEP's role is to coordinate community-wide action to address barriers impeding the growth of individuals and businesses. This involves addressing barriers that prevent workers from filling good paying jobs and reaching economic self-sufficiency.

In 2021, MEP completed a Comprehensive Economic Development Strategy (CEDS) to identify factors that impact Missoula County's economy, and ways the public and private sector can positively impact those factors. We learned that a major challenge facing local businesses is attracting and retaining employees. Among the largest contributing factors to this is housing affordability and availability.

In Missoula, businesses of all sizes and across all industries indicate that they are currently experiencing high demand for their products and services and have strong potential for continued growth. Our unemployment rate is currently 2.8%. However, local employers are experiencing a shortage of labor and are reporting difficulty retaining and growing the workforce due to the increased cost and lack of housing, especially affordable housing. According to the Missoula Organization of Realtors, in 2021 rents increased 5.57% in Missoula, and vacancy rates continued to decline to a new all-time low average rate of 1.3%.

Missoula must preserve and sustain our current inventory of workforce housing units; if we do not, housing prices will continue to rise and the set of people who can afford to live in Missoula will change. This will directly impact our employers and workforce as some types of work, firms, and industries will become unviable at the wages required to afford housing.

Homeward's Creekside Apartments provide rental housing at an affordable price in a safe, convenient neighborhood with access to transportation. Support for Creekside's rehabilitation is in alignment with MEP's strategic plan and our region's 2021 Comprehensive Economic Development Strategy (CEDS). We fully support this critically-needed project and ask for your thoughtful consideration when allocating our state's limited Housing Tax Credits and HOME Partnership grant funds.

Sincerely,

A handwritten signature in blue ink, appearing to read "Grant Kier".

Grant Kier
CEO



Montana Housing, Community Housing
Montana Department of Commerce
P.O. Box 200528
301 S. Park Avenue
Helena, MT 59620-0528

July 7, 2022.

Re: Homeward Creekside Apartments Renovation Project in Missoula, MT, Housing Tax Credit and HOME applications


Dear Staff and Board Members:

On behalf of Partnership Health Center (PHC), a federally qualified health center in Missoula, MT, I am writing this letter to express our support for Homeward's Creekside Apartments Renovation Project in Missoula. PHC works to provide access to care for underserved and low-income Missoula residents, and operates several programs that support people who are houseless or at risk of losing their housing. Stable, affordable housing like that provided by the Creekside Apartments is a necessity for a healthful life.

Missoula is currently in a housing crisis—wages have not kept up with the high cost of living in Missoula County where the median home price was \$550,000 in April of 2022, up 22% from the previous year. The rental market has seen a similar trend, with the median cost of a 2 bedroom apartment above \$1,000 for the first time ever. The 161 homes at the Creekside Apartments provide affordable housing to approximately 300 people earning 60% or less of the Area Median Income (AMI), about \$16.50 an hour. Without access to affordable housing, Creekside residents would be in danger of being cost-burdened by housing or priced out of the market. Necessary repairs to the complex, which was built in 1996, will ensure that the Creekside Apartments remain affordable for another 46 years.

Homeward's Creekside Apartment Renovation Project will ensure that hundreds of Missoula residents working in childcare, service jobs and education, as well as frontline medical workers continue to have access to safe, stable and affordable housing. PHC joins the Montana Board of Housing Support and Appreciate Montana Housing in urging you to think of Homeward when deciding where to allocate highly-sought-after Housing Tax Credits.

Sincerely,



Rebecca Goe MA, MPH
Partnership Health Center
Director of Innovation

Address: 401 Railroad Street W, Missoula, MT 59802 | PartnershipHealthCenter.org

Phone: (406) 258-4789 | Fax: (406) 258-4732 | Email:

partnership@phc.missoula.mt.us

Healthy People, Strong Communities



Missoula
COUNTY

United Way of Missoula County



July 8, 2022

Montana Housing, Community Housing
Montana Department of Commerce
P.O. Box 200528
301 S. Park Avenue
Helena, MT 59620-0528

Re: Homeword Creekside Apartments Renovation Project in Missoula, MT, Housing Tax Credit and HOME applications

Dear Staff and Board Members:

We are writing this letter to express United Way of Missoula County's strong support for the rehabilitation that Homeword is proposing for their Creekside Apartments in Missoula.

Creekside Apartments represent a vital piece of Missoula's rental market, supplying 161 affordable housing units for 300 people in a time when rent is skyrocketing and rental vacancy is less than 3%. Thanks to the work of Homeword, Creekside Apartments will be designated affordable housing for nearly five more decades rather than converting to market-rate apartments in 2026. As a significant portion of the very limited supply of affordable housing in Missoula, it is crucial that these residences remain in good repair with lasting, sustainable upgrades and maintenance. Unfortunately, the property is 26 years old and aging fast due to the original developers use of less durable materials. These repairs are desperately needed as the vinyl siding fails, shingles are blowing off of the roof, windows aren't properly insulated, and more.

As a longtime partner in community-wide efforts to address homelessness, United Way of Missoula County has a strong understanding of the need to keep people in safe, quality housing in Missoula. Given Montana's rapidly rising housing costs and lack of affordable housing, the current residents of Creekside Apartments would be hard-pressed to find another place to live if their apartments continued to deteriorate and become unsafe for habitation. Not only will the approval of the rehabilitation keep our neighbors safe and secure in their homes, but will provide savings over time through reduced energy use, less waste, and a longer building lifespan.

We understand that there are many requests for funding coming to your department and countless important projects to be considered. We believe that the responsible maintenance of already existing and well-stewarded affordable housing is crucial in the fight to keep Montanans housed. We request your thoughtful consideration of the Creekside Apartments rehabilitation when deciding where to allocate the highly-sought-after Housing Tax Credits. Thank you.

Sincerely,

Susan Hay Patrick
Chief Executive Officer

cc: Andrea Davis, Homeword

PRESIDENT
Mike Nugent
Berkshire Hathaway
Home Services

VICE PRESIDENT
Randy Riley
Wells Fargo

TREASURER
Gwen Landquist
Clearwater Credit Union

PAST PRESIDENT
Melissa Matassa-Stone
WGM Group

Elise Guest
Missoula County Public
Schools

Rebekah DuBois
Mountain States Farm
Bureau

Robert Hamilton
Community Medical
Center

Yvette Heintz
Yvette Heintz
Psychotherapy

Karen Myers
Providence St. Patrick
Hospital

Murray Pierce
Missoula County

Todd Rahr
Grizzly Sports Properties

Martin Rogers
Worden Thane P.C.

Katie Stevens
Stevens & Company

Jim Strauss
Missoulian

Holly Truitt
Holly Truitt Consulting

Dan White
Scheel's

Jason B. Williams
Blackfoot

CHIEF EXECUTIVE OFFICER
Susan Hay Patrick

Bill & Rosemary Gallagher Center, 412 W Alder St, Missoula MT 59802 / (406) 549-6104

Valley View Apartments, Helena

Housing Solutions- New Construction-Senior- 31 Units

Substantial Changes from LOI to Full application: none

Board Considerations	Staff Comments
Rural, Urban, Tribal	Urban
Income Levels Targeted	3 @ 40%, 23 @50%, 4 @60%
Sustainable energy savings initiatives	Received points for Green Initiatives
Developer History/Past Performance:	Housing Solutions- See 10 yr History sheet, no known compliance or development issues
Credits Per Unit/Credits Per Sq Ft	\$209,677 / \$236
Cost Per Unit/ Cost Per Sq Ft	\$237,143 / \$267
Frequency of award in that area	Last Senior Award: 2015 Guardian Acq Rehab Last New Cons Award: Red Alder 2019
Rental Subsidies	none
Outlying features from other projects	Good on-site amenities, 4 units of permanent supportive units

Staff Notes from Underwriting process:

- 4 units with be permanent supportive housing with partnered case management from St Peters Hospital & United Way – change from LOI
- Utilities paid by owner, washer, dryers, AC provided in units
- Infill project- within walking distance to new health center, grocery etc,
- The project will have an onsite manager (unit provided for manager), community room, workout area, game room, library with computer, outdoor patio area with BBQ and an elevator for easy access to upper levels







**HOUSING
SOLUTIONS, LLC**

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

August 1st, 2022

Chair Rice & Members of the Board
Montana Housing
301 S. Park Ave., Ste. 240
Helena, MT 59620-0528

RE: Valley View Village / 2023 LIHTC Application

Dear Chair Rice & Members of the Board:

We are pleased to present our full application for Valley View Village. This proposal would bring 31 much needed new senior homes to Helena.

Since LOI, the proposal's excellent location, rent and income set asides, and building concept have remained the same. However, after visiting with Michael O'Neil, the director of the Helena Housing Authority, we will be designating four of the homes as permanent supportive housing. Conversations with Mr. O'Neil brought to our attention the many households in Helena who suffer from an unstable housing situation or are chronically homeless and the existing partnerships through the FUSE Initiative designed to serve these households. Valley View Village will work closely with the Helena Housing Authority to identify residents who would be eligible for these permanent supportive homes. In addition, St Peter's Health and the local United Way, as part of the FUSE Initiative, would provide comprehensive case management for the four identified households. Case management would include supportive services such as access to the coordinated entry system, health care, harm reduction programming, substance use counseling, skill building classes, behavioral health services, renter education, housing liaison services, housing case management among other services. With the need for permanent supportive housing on the rise, we are pleased to add this set aside to Valley View Village.

Unsurprisingly, and as many of you know anecdotally, there is a tremendous need in Helena for new affordable homes. The market study surveyed 1,344 units in the Helena area and not a single vacancy was found (Market Study – Page C-2). This 0% vacancy includes all tax credit and low-income properties in the area with most of these properties carrying significant waitlists in some cases as high as 550 names (Market Study – Page C-1). While rents are rising across the state, Helena is undoubtedly at the leading edge of rent increases. As shared in the LOI presentation, according to the Washington Post, Lewis & Clark County had the fifth fastest rent growth from first quarter 2020 to first quarter 2022 of any county in the country (Bhattarai, A. et al. 2022, April 21. Rents are rising everywhere. See how much prices are up in your area. *The Washington Post*). The market study confirms these large increases noting that **one-bedroom rents have increased 16-31% per year** since Property Dynamic's June 2019 survey and **two-bedroom rents have increased 14-31% per year** over the same period (Market Study – Page A-

3). Rents were not low in Helena to begin with, so these large annual increases translate to significant rental rates. For example, a two-bedroom one bath at Elkhorn Flats was **\$995 in 2019 and is currently renting for \$1,691; an increase of nearly \$700 per month.** (Market Study – Page C-6). The market study notes that if Valley View Village were to rent as a market rate project, its average comparable market rent would be \$1,375 for a one bedroom and \$1,535 for a two bedroom (Market Study – Page 5). These numbers are difficult to believe, but they reflect the pace of rent increases during the pandemic and specifically the rapid rent growth in Lewis & Clark County.

Helena's demographic trends also show a need for new senior housing. The senior population (age 55+) in the primary market area (Cities of Helena, East Helena and Helena Valley Southeast CDP) has grown at 2.4% annually from 2010-2022 which is three times the general population's annual growth rate of 0.8% over the same period (Market Study – Page A-4). In addition, the senior population is projected to continue to outpace the general population growth from 2022-2027 (Market Study – Page A-4).

Despite these large increases in the senior population and the unprecedented zero vacancy coupled with rent increases, Helena has not been awarded a new construction senior project in the last 10 years. For this reason, Valley View Village would meet a significant need in the community for new senior housing with rental rates between 32-47% below market (Market Study – Page 5). One-bedroom homes would rent for \$735-\$900 per month depending on income and two bedrooms for \$885-\$1,050 per month with rents **including all utilities.**

The location of any project is what makes it unique and the site we've identified for Valley View Village is ideal for senior housing. The property is located just one-half block north of Prospect Ave. and is within one mile of Walgreens, CVS, Albertsons, Safeway, PureView Health Center, Walmart and St. Peter's Hospital (Market Study – Page 6). Other local eateries and amenities are also located nearby. These sorts of infill sites are increasingly rare and valuable. We are pleased to be able to bring this location to you for consideration this year.

Nothing in terms of design or amenities has changed since the LOI presentation. Each individual apartment will feature all the standard appliances, including, dishwasher and washer/dryer. An elevator in the building means all homes are zero-step entry. Common spaces will include a community room with kitchen, exercise room, library, game room and computer stations. Outside will include a community patio area, barbecue and community gardens. We've found these spaces and amenities to be well used.

We understand you have difficult decisions on where to place your limited resources and would urge you to carefully consider this project's excellent location, permanent supportive housing set aside and the unbelievable need for these homes in Helena.

Sincerely,


Alex Burkhalter



Lewis & Clark C O U N T Y



BOARD OF COUNTY COMMISSIONERS

Andy Hunthausen

Jim McCormick

Tom Rolfe

City County Building 316 North Park Helena, Montana 59623 406.447.8304 Fax: 406.447.8370

October 7, 2022

Chair Rice & Members of the Board
Montana Housing
301 S. Park Ave., Ste. 240
Helena, MT 59620-0528

RE: Valley View Village Affordable Housing

Dear Chair Rice & Members of the Board:

The Lewis and Clark County Commission would like to express its full support for Housing Solutions, LLC's application for Federal Housing Tax Credits.

As residents of Lewis and Clark County, we are well-aware of the local housing challenges including the rapid increase in rental rates over the past few years. There is a strong need for all types of housing in Helena including affordable senior housing. This project's long term affordability commitment will make it particularly valuable to our community. We are also pleased to hear that four of the homes will be designated as supportive housing in collaboration with the local Housing is Healthcare FUSE Initiative.

This proposal would bring 31 much needed new affordable senior homes to our community in an excellent location. We ask that you carefully consider this much needed development for Helena. Thank you in advance for your consideration.

Sincerely,

Jim McCormick
Commission, Chair

MARKET STUDY SUMMARY

Market Study Company:	Property Dynamics
Project Name:	Valley View Village Apartments
Project Market Area:	Helena, MT

Is the project, as proposed, viable?

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

	Market Rents	% Project Rents Below	
0 bedroom			
1 bedroom	\$ 1,375	35 - 47%	
2 bedroom	\$ 1,535	32 - 42%	
3 bedroom			
4 bedroom			
5 bedroom			

Reference page:

of all New Units Needed: Reference page:

of units needed for the targeted AMI of the project: Reference page:

Vacancy Rate: Reference page:

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

Absorption Rate: Reference page:
 (proposed units/existing LIH, market area units required)

Penetration Rate: Reference page:
 (existing LIH units/total eligible households)

Number of LI households that can afford rent of proposed project: Reference page:

Distance (miles) to: (only fill this out at full market study)

miles to grocery store (convenience store does not count)
 miles to medical services appropriate and available to all prospective tenants (e.g., hospital, doctor offices, etc.) and are one of the following:

A Project is located within 1½ miles of the specified amenity or essential service.

Public or contracted transportation (not including taxi or school bus service) is reasonably available to the specified amenity or service (i.e., the Project is located within ¼ mile of fixed bus stop or on a same day call basis) (or letter from provider committing to establish such service); or

Where applicable, the specified amenity or service is available via a no-charge delivery service to the Project Location (all distances must be as specified in the Project's market study).

All other services and distance to each.

	Other Service	Distance (mi)
1	Ramey Park	0.1
2	Bank - Opportunity Bank of MT	0.1
3	Fire Station	0.1
4	Safeway Grocery	0.2
5	Convenience Store/Gas Station - Exxon	0.2
6	Albertsons	0.4
7	CVS Pharmacy	0.5
8	Walgreens Pharmacy	0.5
9	Medical Clinic - PureView Health Center	0.5
10	Walmart	1.0
11	Hospital	1.0
13	Post Office	1.6
14	Library	1.8
15	Senior Center	1.8
16	Costco	2.6
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AMENITIES FORM

Project Name: Valley View Village

All Units	Yes/No	Incremental	Benefit
		Cost Per Unit	
Air Conditioning	Yes	\$ -	July and August average over 80 degrees with peak high temperatures over 100 degrees.
Carport/Garage	No		
Dishwasher	Yes	\$ 500.00	Today's seniors (55+) could be born as recent as 1967. Many have never lived as adults without a dishwasher. Dishwashers have become a part of the standard appliance package in homes.
Disposal	Yes	\$ 120.00	Undersink disposal increase the livability and greatly reduce the number of maintenance calls for backed up sinks.
Extra storage outside unit	No		
Microwave	Yes	\$ 100.00	Similar to the dishwasher, almost all households now have a microwave. By including a rangehood/microwave combo we can save precious kitchen counter space in these efficient units.
Patios or Balconies	No		
Washer/dryer hookups	Yes	\$ 1,200.00	Today's seniors are accustomed to having a washer/dyer in their homes. The hookups are about \$1,200 for plumbing, electrical and venting.
Washer/dryer in unit	Yes	\$ 800.00	The equipment is around \$800 per unit. The extra \$800 to include the machines is wisely spent as it saves from move in/out damage of tenant owned equipment. Also tenant owned equipment will be of unknown age/quality and may be more prone to cause water damage to the apartment.

Project Wide	Yes/No	Incremental	Benefit
		Cost Total	
Basketball hoop/pad	No		
Car plug ins	No		
Community Garden	Yes	\$ -	Incorporated into the landscape plan. No real additional costs for this.
Community Room	Yes	\$150,000/project	The community room is the social hub for the community, facilitating activities and interactions between the residents.
Computer(s) for tenant use	Yes	\$1,000/project	So much information and resources are available online now, this is a low cost item that is a great amenity for residents. Additionally, initial application, rent payments, and maintenance requests are moving in the direction of online. This will give the future and current residents without a computer a place to submit these items.

Library	Yes	\$500/project	The nature of the building design creates spaces that can't be used for homes. We have included a "library" in an otherwise unusable space in the building. This results in gaining an amenity for very little incremental costs that would be used for furniture, a book shelf and a sitting area.
On site Manager	Yes	\$7,500/project	We have included the cost of the managers equipment on site. The actual cost of the site manager is borne in operations. The site manager is essential to the succesful operation of the property. Leasing units, tenant income verification, overseeing maintenance, cleaning, organizing activities, and other tasks are just a few of the daily tasks they complete to keep the project running.
Outdoor community area Play Area	Yes	\$12,000/project	There will be a patio area off of the community room. Montana winters can be long, having a space to enjoy our quick summers is important for the residents.
	No		
Hotspot/Wi-Fi	Yes	\$1,000/project	Community spaces will have WiFi available at little to no additional cost to the project.
Other:			



The Salvation Army

Helena Corps Community Center

A Center for Worship & Service

1330 Hudson St. • Helena, MT 59601

Phone (406) 442-8244 • Fax (406) 442-8134



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SEP 14 2022

HOUSING

Celebrating 125 Years of service to Helena

September 8, 2022

Chair Rice & Members of the Board
Montana Housing
301 S. Park Ave., Ste. 240
Helena, MT 59620-0528

RE: Valley View Village Affordable Housing

Dear Chair Rice & Members of the Board:

The Salvation Army would like to express its full support for Housing Solutions, LLC's application for Federal Housing Tax Credits. The proposed project, Valley View Village, would bring 31 much needed new senior homes to Helena.

Over the past two years, Helena's rental rates have climbed at a rapid pace. Seniors in our community have specifically been underserved in the housing market and have struggled to find affordable homes. Valley View Village's below market rents and its four units set aside for supportive housing would be a tremendous benefit to the community.

The Salvation Army is seeing more people in our community struggling including seniors with landlords raising rent and no affordable place to move. This puts an added stress on these people knowing that they may end up being homeless. Affordable Housing would help these people not having to choose homelessness, but the ability to pay without taking their whole income and living in a safe community.

Sincerely,

Val Mattfeldt
Social Programs Manager

Founded in 1865 by General William Booth

*Brian Peddle, General *Lt. Col. Douglass Riley, Territorial Commander*

*Lt. Colonel Cindy Foley, Divisional Commander *Majors Brian & Iva West, Corps Officers*



PUREVIEW | Health Center

1930 9th Ave, Helena, MT 59601 | 406.457.0000 | PureViewHealthCenter.org

August 29, 2022

Chair Rice & Members of the Board
Montana Housing
301 S. Park Ave., Ste. 240
Helena, MT 59620-0528

RE: Valley View Village Affordable Housing

Dear Chair Rice & Members of the Board:

PureView Health Center would like to express its full support for Housing Solutions, LLC's application for Federal Housing Tax Credits. The proposed project, Valley View Village, would bring 31 much needed new senior homes to Helena.

Over the past two years, Helena's rental rates have climbed at a rapid pace. Seniors in our community have specifically been underserved in the housing market and have struggled to find affordable homes. Valley View Village's below market rents and its four units set aside for supportive housing would be a tremendous benefit to the community.

PureView Health Center is the federally qualified health center (FQHC) in Helena, East Helena and Lincoln, MT, and we see the affects of Helena's housing shortage on a daily basis. PureView serves 8,000 unique patients per year of which 25% are at or below 100% of the Federal Poverty Level (FPL). In the calendar year of 2021, PureView saw 445 adults and seniors experiencing homelessness. This was nearly double the amount from 2020. Helena needs inventory of affordable housing for our aging population who are experiencing inflation with very little increase to their social security benefits and are falling quickly below the FPL.

PureView fully supports Housing Solutions, LLC's application for Federal Housing Tax Credits for the Valley View Village project.

Sincerely,



Jill-Marie Steeley, MPH
CEO



Ellie Ray, Planner II
Community Development Department
316 North Park Avenue, Room 404
Helena, MT 59623

: Phone: 406-447-8491
: Fax: 406-447-8460
: Email: eray@helenamt.gov

helenamt.gov

Date: April 19, 2022

Cheryl Cohen
Housing Division Administrator
Montana Department of Commerce
301 S. Park Avenue
Helena, MT 59620-0528

Dear Cheryl:

On behalf of the city of Helena Community Development Department, I would like to submit this letter of support for the Housing Solutions, LLC, Low-income Housing Tax Credit application for the development of the Valley View Village in Helena.

The proposed 31-units at Valley View Village will help toward a pronounced need for safe, affordable, and accessible housing stock for our community's senior population. The past two years of a pandemic have put the lack of affordable housing and services for the elderly in our community into stark relief as rental and homeownership housing costs have skyrocketed for all and social services have worked hard to keep the elderly housed while also combatting social isolation. The Valley View Village development is proposed for a vacant parcel ripe for infill development and has a wide array of amenities within a mile of the property, including groceries, pharmacies, and doctor's offices located along a key commercial corridor. It is also appropriately zoned as B-2 (General Commercial) to allow multi-family housing by right.

The development of new affordable senior housing units will further the city's 2019 Growth Policy goals by "supporting the provision of housing that is safe, available, accessible, and affordable for all Helena residents." Further, the proposal supports the Growth Policy objectives to "promote and maintain development of a diverse housing stock," "support the development of housing located in proximity to necessary services and quality of life assets," and, more specifically, "support and expand the supply of housing for lower income, senior citizens, persons with disabilities, homeless, and others with special needs." These goals are also reflected in the 2018 Housing Needs Assessment, which established goals and policies to ensure that residents maintain access to safe, sanitary, affordable housing and the preservation of our existing housing stock.

We hope that you favorably consider Housing Solution, LLCs, tax credit application, and we look forward to the seeing their housing development come to fruition for the betterment of the Helena community.

Sincerely,

Ellie Ray
Planner II/Grants Coordinator



Wilmot Collins, Mayor
316 North Park Avenue, Room 323
Helena, MT 59623

: Phone: 406-447-8410
: Fax: 406-447-8460
: Email: wcollins@helenamt.gov

helenamt.gov

Date: September 21, 2022

Chair Rice & Members of the Board
Montana Housing
301 S. Park Avenue, Suite 240
Helena, MT 59620-0528

RE: Valley View Village Affordable Housing

Dear Chair Rice & Members of the Board:

On behalf of the City of Helena, I would like to submit this letter of support for the Housing Solutions, LLC, Low-income Housing Tax Credit application for the development of the Valley View Village in Helena.

Helena has been cited by the Washington Post as having among the highest rent increases in the nation since the beginning of 2020 (*The Washington Post*. "Rent is Rising Everywhere". <https://www.washingtonpost.com/business/interactive/2022/rising-rent-prices/>). This fits what we hear anecdotally in the community. The senior population in particular has been greatly impacted by these rental increases.

Our understanding is that the proposed, Valley View Village, would bring 31 much needed affordable homes for seniors to our community. The project would sit in a great location just one block north of Prospect Ave. and near numerous amenities within walking distance including groceries stores, medical care, and pharmacies.

Further, this project would be in line with our growth policy. The growth policy notes that one of the City's objectives is to "Support and expand the supply of housing for lower income, senior citizens, persons with disabilities, homeless or other special needs." (*City of Helena Growth Policy, Chapter 4, Pg. 18*). This proposals' commitment to designate four homes as supportive housing in collaboration with the local Housing is Healthcare FUSE Initiative fits the aim of this goal nearly perfectly and will be a tremendous resource for our community.

Thank you in advance for your consideration of this much needed proposal for Helena.

Sincerely,

Wilmot Collins
Mayor, City of Helena

Kellie Goodwin McBride
CJS Director

(406) 447-8380 Office
(406) 449-8452 Fax



Law and Justice Center
Physical: 406 Fuller Avenue, Ste. 202
Mail: 316 N. Park Avenue
Helena, Montana 59623
kmcbride@lccountymt.gov

Lewis and Clark County

Department of Criminal Justice Services

August 15, 2022

Chair Rice & Members of the Board
Montana Housing
301 S. Park Ave., Ste. 240
Helena, MT 59620-0528

RE: Valley View Village Affordable Housing

Dear Chair Rice & Members of the Board:

Criminal Justice Services would like to express its full support for Housing Solutions, LLC's application for Federal Housing Tax Credits. The proposed project, Valley View Village, would bring 31 much needed new senior homes to Helena.

Over the past two years, Helena's rental rates have climbed at a rapid pace. Seniors in our community have specifically been underserved in the housing market and have struggled to find affordable homes. Valley View Village's below market rents and its four units set aside for supportive housing would be a tremendous benefit to the community.

When helping with Pretrial and Transitional services for individuals assigned to us, housing needs are at the top of the list. It is a common theme that the one thing that we struggle to be able to consistently provide help for is proper access to housing as they are consistently full and/or have a waiting list of more than a year. There is a huge need for more affordable housing access, particularly here in Helena.

Sincerely,

Anthony D'Amato
Education and Transition Coordinator
Lewis and Clark County Criminal Justice Services Department

Criminal Justice Services Mission:

To improve the safety of the citizens of Lewis and Clark County and ensure the equitable and efficient treatment of defendants, offenders, and victims.



September 23, 2022

Chair Sheila Rice & Members of the Board
Montana Housing-Montana Board of Housing
301 S. Park Ave., Ste. 240
Helena, MT 59620-0528

RE: Valley View Village Affordable Housing

Dear Chair Rice & Members of the Board:

The Helena Housing Authority (HHA) strongly supports Housing Solutions, LLC's tax credit application for the Valley View Village project-new affordable homes for seniors, and persons with disabilities centrally located in Helena. The construction of this affordable housing is vital to addressing the critical issues of homelessness, community independence, and stable affordable homes for the elderly and persons with disabilities in our community.

Housing Solutions, LLC has committed to set aside four of the homes at Valley View Village as supportive housing for those 55+ or with permanent disabilities who are experiencing homelessness or an unstable housing environment and are frequent users of community systems (health care, criminal justice, emergency services etc.). Housing Solutions commitment of these four affordable apartments is in support of our Helena Area Housing is Healthcare FUSE Partnership involving St. Peter's Health, United Way, and HHA along with the full social service network here in Helena. The FUSE set-aside units will ensure that those with the greatest priority housing need in our Helena community will have an affordable home along with community support services to help them succeed in community living.

In addition, Housing Solutions proactively agreed to a referral agreement with HHA to accept HHA Voucher program referrals for the Valley View apartments overall. This arrangement will ensure that voucher program participants will always be welcomed in the leasing process of these affordable homes. A rental voucher is worthless without a welcoming property owner.

The Helena area is facing the tightest rental housing market in my housing career with an extremely limited supply of rentals and skyrocketing rents. An April 2022 study found that Lewis and Clark County had among the highest percentage rent increases in the entire country with an over 35% increase in rent prices over the last two years. Helena badly needs these additional Valley View affordable homes.

We are grateful that Housing Solutions, a proven successful private LIHTC developer, is developing this Valley View project to help us address our dire housing needs here in Helena.

We strongly encourage MBOH to provide an award of tax credits to the Valley View Helena project. Thank you for your consideration.

Sincerely,



Michael M. O'Neil
Executive Director

812 Abbey Street, Helena, MT 59601 (406) 442-7970 FAX: (406) 442-0574 TTY: 1-800-253-4091





The Salvation Army

Helena Corps Community Center

A Center for Worship & Service

1330 Hudson St. • Helena, MT 59601

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Celebrating 125 Years of service to Helena



September 8, 2022

Chair Rice & Members of the Board
Montana Housing
301 S. Park Ave., Ste. 240
Helena, MT 59620-0528

RE: Valley View Village Affordable Housing

Dear Chair Rice & Members of the Board:

The Salvation Army would like to express its full support for Housing Solutions, LLC's application for Federal Housing Tax Credits. The proposed project, Valley View Village, would bring 31 much needed new senior homes to Helena.

Over the past two years, Helena's rental rates have climbed at a rapid pace. Seniors in our community have specifically been underserved in the housing market and have struggled to find affordable homes. Valley View Village's below market rents and its four units set aside for supportive housing would be a tremendous benefit to the community.

The Salvation Army is seeing more people in our community struggling including seniors with landlords raising rent and no affordable place to move. This puts an added stress on these people knowing that they may end up being homeless. Affordable Housing would help these people not having to choose homelessness, but the ability to pay without taking their whole income and living in a safe community.

Sincerely,

Val Mattfeldt
Social Programs Manager

Founded in 1865 by General William Booth

*Brian Peddle, General *Lt. Col. Douglass Riley, Territorial Commander*

*Lt. Colonel Cindy Foley, Divisional Commander *Majors Brian & Iva West, Corps Officers*

August 24, 2022

Chair Rice & Members of the Board
Montana Housing
301 S. Park Ave., Ste. 240
Helena, MT 59620-0528

RE: Valley View Village Affordable Housing

Dear Chair Rice & Members of the Board:

St. Peter's Health would like to express its full support for Housing Solutions, LLC's application for Federal Housing Tax Credits. The proposed project, Valley View Village, would bring 31 much needed new senior homes to Helena.

Over the past two years, Helena's rental rates have climbed at a rapid pace. Seniors in our community have specifically been underserved in the housing market and have struggled to find affordable homes. Valley View Village's below market rents and its four units set aside for supportive housing would be a tremendous benefit to the community.

The Helena Regional Housing is Healthcare FUSE (Frequent Users of Systems Engagement) Initiative led by St. Peter's Health, United Way, Helena Housing Authority, and community partners collectively has a goal to provide services that benefit qualified residents' physical, emotional, and mental well-being, thereby contributing to more stable housing outcomes. The four units set aside for FUSE clients in the Housing Solutions LLC's application will have an incredible impact. Residents will receive supportive services arranged by the FUSE Initiative designated community health workers/case managers at St. Peter's Health.

Studies show that when we keep people housed, it reduces their need for emergency care, often times resulting in an increase in use of preventative care services-improving health and reducing cost for the health system and our overall community. The Housing is Healthcare FUSE initiative provides support and advocacy for patients with complex medical backgrounds and housing situations, many of them being seniors who face significant challenges to housing security.

Sincerely,



Wade Johnson
CEO of St. Peter's Health



of the Lewis and Clark Area

United Way of the Lewis & Clark Area

75 East Lyndale Avenue, Helena, Montana 59601

406-442-4360

www.unitedwaylca.org

August 23, 2022

Chair Rice & Members of the Board
Montana Housing
301 S. Park Ave., Ste. 240
Helena, MT 59620-0528

RE: Valley View Village Affordable Housing

Dear Chair Rice & Members of the Board:

The United Way of the Lewis and Clark Area (UWLCA) would like to express its full support for Housing Solutions, LLC's application for Federal Housing Tax Credits. The proposed project, Valley View Village, would bring 31 much needed new senior homes to Helena.

Over the past two years, Helena's rental rates have climbed at a rapid pace. Seniors in our community have specifically been underserved in the housing market and have struggled to find affordable homes. Valley View Village's below market rents and its four units set aside for supportive housing would be a tremendous benefit to the community.

UWLCA hosts Greater Helena Area Housing First, partnering with agencies tackling housing instability in our community. We are Helena's local continuum of care organization, and we collaborate on FUSE (Frequent Users of Systems Engagement), Community Health Improvement Plan (CHIP) and the annual Point in Time Survey (PIT). We have seen the number of unhoused individuals and families in our community increase significantly over the past five years. As the lead agency for the local continuum of care we host the weekly case conferencing meeting where the goal is to connect people to housing and services. Due to the lack of available rentals and the skyrocketing rental prices we are rarely able to find people housing in a timely fashion. This is an issue we are hoping to resolve by working with community landlords like Valley View Village.

Again, I would like to express my support for this project.

Sincerely,

A handwritten signature in blue ink that reads "Emily McVey".

Emily McVey
Executive Director
United Way of the Lewis and Clark Area

Meadowlark Senior Apartments, Butte

Northwest Real Estate Capital Corp - New Construction-26 Units

Substantial Changes from LOI to Full application: Original units were 30; CPU is now \$308,360 (at LOI \$245,784) and requesting a waiver of the \$280,000 cap.

Board Considerations	Staff Comments
Rural, Urban, Tribal	Urban
Income Levels Targeted	4 @ 40%, 11 @ 50%, 11 @ 60%
Sustainable energy savings initiatives	Received points for Green Initiatives
Developer History/Past Performance:	Northwest Real Estate – 2013 Sweet Grass Apts Shelby; 2014 Buffalo Grass Apts Cut Bank, no known compliance or development issues
Credits Per Unit/Credits Per Sq Ft	\$250,000/ \$284.65
Cost Per Unit/ Cost Per Sq Ft	\$308,360/ \$351.10
Frequency of award in that area	Last 9% Award: 2010 Meadowlands (Butte) – 48 senior units
Rental Subsidies	No rental assistance for property
Outlying features from other projects	Elderly, located in QCT, level site ready for construction

Staff Notes from Underwriting process:

- Amenities include AC, Dishwasher, Disposal, Patio, Community Garden, Community Room, Computer for tenant use, On Site Manager, Outdoor community area, hotspot/Wi-Fi
- Bus stop 0.3 miles: Walmart .4 miles: Bank .9 miles from Property
- Achievable Market rents are over 22% higher than proposed rents.
- Utilities: Tenant paid

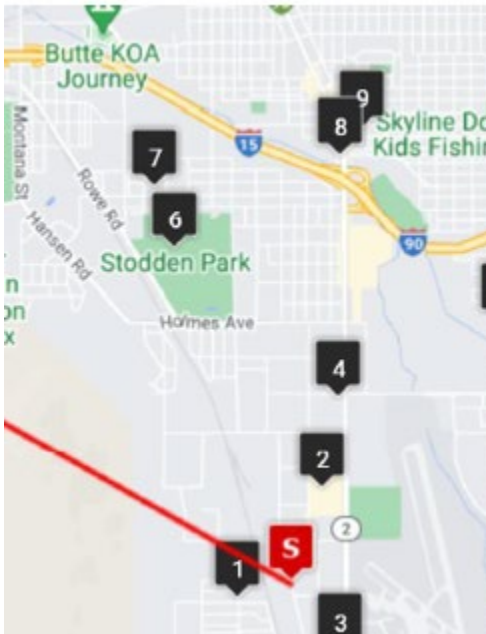




View of Subject site facing northeast



View of Subject site facing southeast



August 1, 2022

Board of Directors

Nicole McKeith – Multifamily Program Manager

Montana Board of Housing

301 S. Park Avenue, Room 240

Helena, MT 59601

Re: Meadowlark Senior Apartments, Butte, MT – 9% LIHTC Application

Dear Ms. McKeith and Board Members:

Enclosed you will find the **Meadowlark Senior Apartments** 2023 Low-Income Housing Tax Credit application. An investment by Montana Board of Housing will provide much needed clean, safe, and affordable housing for seniors in Butte, MT. Meadowlark is the result of an extensive year-long search for property that will accommodate a clean, safe, and affordable project, is close-in to amenities, and is in an “up-and-coming” part of Butte that required the efforts of tireless local realtors, brokers, and senior service providers to locate and consult on. To top it all off, the current landowner is an affordable housing advocate and is excited to see their property be purchased and used for such a great cause.

The requested annual allocation of \$650,000 would help create desperately needed affordable housing for seniors. According to MBOH’s tax credit calendar, the last award for a senior project in Butte was in 2011. Since that award, the senior population has increased **25%** while the general population has increased 3%.

Application Summary:

- 26 apartments will be a combination of one- and two-bedroom units in a single, two-story garden style building. Outdoor amenities include gathering space (covered patio and open area) and a community garden.
- The community room includes a full kitchen, computer lab and lounge where tenants can gather to socialize and meet with the project Service Provider. Tenants can also access the Resident Services’ online portal to seek out needed resources, initiate referral requests and work with Coordinators on referral follow through.
- This infill development is close to parks, schools, transit, employment centers, grocery, medical and other essential services.
- The project will serve seniors at 40%, 50% and 60% AMI. According to the market study, there is a current need for 652 affordable units in the market area and 226 units at these AMI levels (Novogradac pg. 4).

- The market vacancy rate of 1% indicates demand is far outstripping supply in the market area. Almost all LIHTC property managers surveyed for the Market Study indicated current waitlists are 1-3 years long and the Butte PHA reports there are currently 249 households on the Housing Choice Voucher waitlist (Ibid, multiple).
- According to the market study, the project's achievable rents provide a rent advantage between 18%-50% compared to Novogradac's estimates (Novogradac pg. 2)

At LOI, Meadowlark was proposed as a 30-unit housing project with 14 one-bedroom and 16 two-bedroom units anticipated to be single-story. As the design team continued to work on the layout, we continued consulting with local senior service providers regarding amenities, unit sizes, programming etc. It was ultimately determined that a single-story project would not be feasible and that the unit sizes could potentially be too small for a project where we want seniors to be able to "age in place". Unit sizes increased moderately, and it was determined that additional one-bedroom units would create a more marketable (and affordable) apartment. Adding the second floor increased the amount of common space (hallways), which increased project cost. However, the end result is a more marketable project with more one bedrooms (17 units) than two bedrooms (9) for a total unit count of 26. The loss of four units is not ideal, however, larger units, shared interior hallways and the addition of an elevator still result in an affordable, marketable, and accessible project for seniors in Butte.

Since 1999, Northwest Real Estate Capital Corp (NWRECC) has been and continues to be a committed partner with many State Housing Agencies in building, preserving, and managing affordable housing. To date, our development activities have created or preserved 44 housing projects consisting of ~1,500 units totaling \$180 million in project costs across Idaho, Oregon, Montana, and Utah. NWRECC's motto is "*housing with pride, life with dignity*", and an award of credits for the **Meadowlark Senior Apartments** will provide much needed affordable housing in a community with a demonstrated need for more housing options.

If you have any questions, please don't hesitate to contact Ben at 208-947-7041 or bcasiano@nwrecc.org.

Respectfully Submitted,

Ben Casiano

MARKET STUDY SUMMARY

Market Study Company:	Novogradac
Project Name:	Meadowlark
Project Market Area:	The Primary Market Area (PMA) for the Subject is generally defined as the cities of Butte, Whitehall, and Anaconda, as well as outlying

Is the project, as proposed, viable?

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

	Market Rents	% Project Rents Below	
0 bedroom			
1 bedroom	\$ 636	-20.3% to 21.3%	
2 bedroom	\$ 918	-4.2% to 34.7%	
3 bedroom			
4 bedroom			Reference page: <input style="width: 50px;" type="text"/>
5 bedroom			

of all New Units Needed: Reference page:

of units needed for the targeted AMI of the project: Reference page:

Vacancy Rate: Reference page:

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

Absorption Rate: Reference page:
 (proposed units/existing LIH, market area units required)

Penetration Rate: Reference page:
 (existing LIH units/total eligible households)

Number of LI households that can afford rent of proposed project: Reference page:

Distance (miles) to: (only fill this out at full market study)

miles to grocery store (convenience store does not count)

miles to medical services appropriate and available to all prospective tenants (e.g., hospital, doctor offices, etc.) and are one of the following:

A Project is located within 1½ miles of the specified amenity or essential service.

Public or contracted transportation (not including taxi or school bus service) is reasonably available to the specified amenity or service (i.e., the Project is located within ¼ mile of fixed bus stop or on a same day call basis) (or letter from provider committing to establish such service); or

Where applicable, the specified amenity or service is available via a no-charge delivery service to the Project Location (all distances must be as specified in the Project's market study).

All other services and distance to each.

	Other Service	Distance (mi)
1	Warren & Sunset Bus Stop	0.3 miles
2	Walmart Supercenter	0.4 miles
3	Conoco Gas Station	0.4 miles
4	Glacier Bank	0.9 miles
5	Home Atherton Volunteer Fire Department	1.5 miles
6	Stodden Park	1.6 miles
7	United Stated Post Office	1.9 miles
8	Walgreens Pharmacy	2.0 miles
9	Safeway	2.1 miles
10	Front Street Train Station	3.1 miles
11	Belmont Senior Citizen Center	3.8 miles
13	St. James Hospital	3.9 miles
14	Butte-Silver Bow Public Library	4.0 miles
15	Butte Sheriff's Department	4.1 miles
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AMENITIES FORM

Project Name: Meadowlark Senior Apartments

All Units	Incremental Cost		Benefit
	Yes/No	Per Unit	
Air Conditioning	Yes	N/A	A/C is considered a standard amenity and costs are included in the budget. Will not incremental costs to the project
Carport/Garage			
Dishwasher	Yes	N/A	Dishwashers are standard amenities and do not add incremental costs to the project.
Disposal	Yes	N/A	Standard amenity, reduces incidences of clogged pipes and unnecessary maintenance calls
Extra storage outside unit	No		
Microwave	No		
Patios or Balconies	Yes	\$ 5,500.00	Private outside areas have been shown to improve mental health and are a net positive to the project
Washer/dryer hookups	No		
Washer/dryer in unit	No		

Project Wide	Incremental Cost		Benefit
	Yes/No	Total	
Basketball hoop/pad	No		
Car plug ins	No		
Community Garden	Yes	\$ 12,000.00	Community gardens provide gathering spaces for socializing and encourage tenants to grow some of their own food
Community Room	Yes	\$ 293,000.00	Provides an interior gather space for socializing. Is critical to our Service Provider and their mission.
Computer(s) for tenant use	Yes	\$ 2,000.00	Tenants can access needed resources and stay connected to family. They will also have access to Resident Services through the computer room
Library	No		
On site Manager	Yes		managers respond to tenant needs/emergencies and will be a liasion between the Service Provider and tenants
Outdoor community area	Yes	\$ 15,000.00	Like the community room, outdoor gathering areas promote socializing and give tenants a place to quietly enjoy nature while playing games, picnicing etc.
Play Area	No		
Hotspot/Wi-Fi	Yes	\$ 1,500.00	Wi-Fi in the community room/lounge will give those tenants without home computers an additional area to access the internet via a smart device to access resources.
Other:			

Montana Housing
2023 Housing Credit Awards

City	County	Project Name	Sponsor / Developer	Entity Type	Set-aside	Housing Type	Construction Type	Letter of Intent		Full App		
								Units	HC Request 10 yr total	Units	HC Request 10 yr total	
Projects invited to Full Application:												
1	Crow Agency	Big Horn	ANHA LIHTC #2	Apsaalooke Nation HA	Tribal	General	Family	Acq/Rehab	37	\$ 6,435,000	23	\$ 6,435,000
2	Great Falls	Cascade	Carter Commons	Housing Solutions	For-Profit	General	Senior	New	25	\$ 6,400,000	25	\$ 6,500,000
3	Libby	Lincoln	Cabinet Aff Housing	Amer Covenant / CAP NWMT	Non-Profit	General	Family	New	24	\$ 6,500,000	24	\$ 6,500,000
4	Missoula	Missoula	Creekside Apartments 9%	Homeword Inc	Non-Profit	General	Family	Acq/Rehab	40	\$ 5,750,000	41	\$ 5,750,000
5	Helena	Lewis & Clark	Valley View Village	Housing Solutions	For-Profit	General	Senior	New	31	\$ 6,500,000	31	\$ 6,500,000
6	Butte	Silver Bow	Meadowlark Senior Apts	Northwest Real Estate Cap	Non-Profit	General	Senior	New	30	\$ 6,500,000	26	\$ 6,500,000
7	Belgrade	Gallatin	Yellowstone Plaza 9%	Boundary Dev / HRDC	Non-Profit	General	Family	New	30	\$ 6,400,000		
8	Miles City	Custer	Sage Grouse Homes	GL Development	For-Profit	General	Family	New	26	\$ 6,500,000		
Letter of Intent Projects not selected for Full Application												
1	Glasgow	Valley	Valley Court Apartments	Echo Enterprises	For-Profit	Small/Rural	Family	Acq Rehab	12	\$ 3,490,000		
2	Bigfork	Flathead	Bigfork Senior Housing	Oakleaf Community	Non Profit	Small/Rural	Senior	Acq/Rehab	24	\$ 3,594,600		
3	Kalispell	Flathead	Cherry Orchard	GL Development	For-Profit	General	Senior	Acq/Rehab	24	\$ 6,180,000		
4	Great Falls	Cascade	Centennial Village	Community Preservation Ptrs	Non-Profit	General	Family	Acq/Rehab	48	\$ 6,500,000		
5	Kalispell	Flathead	Junegrass Place 9%	GMD Development	Non-Profit	General	Family	New	24	\$ 950,000		
Total Projects									375	71,699,600	170	38,185,000

* - The above was randomly selected and is the order updates will be given at the October meeting.
 * - Junegrass Place 9% in Kalispell withdrew LOI on 4/29/2022.
 * - Sage Grouse Homes in Miles City withdrew FA on 7/19/2022.
 * - Yellowstone Plaza 9% in Belgrade withdrew FA on 8/1/2022.

Current Year Credits (est based on 2022)	29,750,000
2022 Credits Remaining	368,580
Returned Credits	-
2023 National Pool Credits from 2022	-
Available Credits:	30,118,580
Minimum Required to be Awared to Non-Profits (10%):	2,975,000
Maximum Request for a Small Rural Project (12.5%):	3,718,750
Maximum Credit Per Project:	6,500,000

Project Name	Sponsor / Developer	City	ST	Contact	email	Telephone
ANHA LIHTC #2	Apsaalooke Nation HA	Crow Agency	MT	Miriam Smith	m.smith@a-resource.com	(406) 623-7146
Carter Commons	Housing Solutions	Missoula	MT	Alex Burkhalter	alex@housing-solutions.org	(406) 203-1558
Cabinet Aff Housing	Amer Covenant / CAP NWMT	Kalispell	MT	Gerald Fritts	gmf@acshf.com	(406) 235-6593
Creekside Apartments 9%	Homeword Inc	Missoula	MT	Heather McMillan	heather@homeword.org	(406) 532-4663
Valley View Village	Housing Solutions	Missoula	MT	Alex Burkhalter	alex@housing-solutions.org	(406) 203-1558
Meadowlark Senior Apts	Northwest Real Estate Cap	Boise	ID	Ben Casiano	bcasiano@nwrecc.org	(208) 947-7041
Yellowstone Plaza 9%	Boundary Dev / HRDC	Bozeman	MT	Crosby Branch	crosby@boundarydev.com	(763) 248-3004
Sage Grouse Homes	GL Development	Helena	MT	Gene Leuwer	gleuwer1139@msn.com	(406) 459-5332
Valley Court Apartments	Echo Enterprises	Helena	MT	Beki Brandborg	beki@montana.com	(406) 431-2151
Bigfork Senior Housing	Oakleaf Community	Kalispell	MT	Gerald Fritts	gmf@acshf.com	(406) 235-6593
Cherry Orchard	GL Development	Helena	MT	Gene Leuwer	gleuwer1139@msn.com	(406) 459-5332
Centennial Village	Community Preservation Ptrs	Irvine	CA	Karen Buckland	kbuckland@cpp-housing.com	(949) 246-6083
Junegrass Place 9%	GMD Development	Seattle	WA	Steve Dymoke	steve@gmddevelopment.com	(206) 745-6464

2023 Housing Credit Full Applications
Comparative Data for Presentation to the Board

Project Name	HC Requested	Cost per unit total	Cost per unit Const / Rehab	Construction / Rehab per sq ft	Total Project Cost per sq ft	% of Project Financed by HC:	Credits per sq ft	Projected Construction Start
ANHA LIHTC #2	\$ 6,435,000	\$ 302,404	\$ 210,800	\$ 175.82	\$ 252.22	77.48%	233.36	Apr-23
Carter Commons	\$ 6,500,000	\$ 273,976	\$ 192,800	\$ 186.19	\$ 295.90	80.66%	280.80	Jul-23
Cabinet Aff Housing	\$ 6,500,000	\$ 279,881	\$ 200,349	\$ 220.16	\$ 307.56	82.24%	297.62	Feb-23
Creekside Apts 9%	\$ 5,750,000	\$ 250,252	\$ 68,497	\$ 74.69	\$ 272.89	47.63%	152.93	Oct-23
Creekside Apts 4%	\$ 10,021,350	\$ 217,029	\$ 60,180	\$ 76.53	\$ 275.99	32.70%	106.20	Oct-23
Valley View Village	\$ 6,500,000	\$ 237,143	\$ 179,774	\$ 183.78	\$ 266.85	75.15%	235.94	Jul-23
Meadowlark Senior Apts	\$ 6,500,000	\$ 308,360	\$ 226,462	\$ 246.60	\$ 351.10	69.72%	284.65	Mar-23

Year Award	Project Name	Developer	Actual Completed Construction
2014	Apsaalooke Warrior	Apsaalooke National Housing Author	7/15
2021	AHNA LIHTC #1	Apsaalooke National Housing Author	closed 9/22/2022
2018	Courtyard Apartments	CAP NWMT	10/19
2018	Starners Gardens 4%	GMD Development / Homeward	5/21
2018	Starners Gardens 9%	GMD Development / Homeward	12/20
2022	Junegrass Place 4%	GMD Dev/Homeward	Construction ongoing
2022	Junegrass Place 9%	GMD Dev/Homeward	Construction ongoing
2013	Soroptimist Village	Homeward	1/14
2015	Sweet Grass Commons	Homeward, Inc	Completed 2017
2018	Bluebunch Flats (Additional credits 2019)	Homeward	Completed 8/22
2019	Alpenglow	Homeward, Inc.	Completed 4/22
2021	Crowley Flats(additional credits 2022)	Homeward	Completed May 2022
2021	Trinity 4%	Homeward / Missoula HA / Blueline	Construction ongoing
2022	Baatz Perm Supp Apts	Homeward / NWGF	Starting rehab beginning of 2023
2013	Aspen Place-Msla	Housing Solutions	10/14
2014	Yellowstone Commons	Housing Solutions	6/15
2017	Polson Landing	Housing Solutions	12/17
2020	Skyview	Housing Solutions	Completed 6/22
2021	Creekside Commons	Housing Solutions	Starting construction Spring 2023

City County		Crow Agency, MT Big Horn	Great Falls Cascade County	Libby Lincoln	Missoula Missoula County	Missoula Missoula County	Helena Lewis & Clark County	Butte Silver Bow
Project Name		ANHA LIHTC #2	Carter Commons	Cabinet Aff Housing	Creekside Apts 9%	Creekside Apts 4%	Valley View Village	Meadowlark Senior Apts
Developer / General Ptnr		Apsaalooke Nation Housing Authority	Housing Solutions, LLC	Housing & CAP of NW MT	Homeword Inc.	Homeword Inc.	Housing Solutions, LLC	Northwest Real Estate Cap
Set-aside		General	General	Non-Profit	Non-Profit	Non-Profit	General	Non-Profit
HC Requested		6,435,000	6,500,000	6,500,000	5,750,000	10,021,350	6,500,000	6,500,000
Project Type		Family	Elderly	Family	Family	Family	Elderly	Elderly
Construction Type		Acq / Rehab	New Const	New Const	Acq / Rehab	Acq / Rehab	New Const	New Const
Projected Construction Start		Apr-23	Jul-23	Feb-23	Oct-23	Oct-23	Jul-23	Mar-23
Projected Completion		Apr-24	Jul-24	Dec-23	Oct-24	Oct-24	Jul-24	Mar-24
Unit Numbers	Target							
0-bdrm	50% (Low HM)	-	-	-	-	1	-	-
0-bdrm	50%	-	-	-	3	-	-	-
0-bdrm	60%	-	-	-	1	7	-	-
1-bdrm	50% (Low HM)	-	-	-	-	1	-	-
1-bdrm	40%	-	1	-	-	-	2	3
1-bdrm	50%	-	11	10	2	-	17	9
1-bdrm	60%	-	6	4	2	33	2	7
1-bdrm	0%	-	-	-	-	2	-	-
2-bdrm	40%	-	1	-	-	-	1	1
2-bdrm	50% (Low HM)	-	-	-	-	1	-	-
2-bdrm	50%	-	3	2	22	-	6	2
2-bdrm	60%	2	2	8	6	55	2	4
2-bdrm	0%	-	-	-	-	4	-	-
3-bdrm	30%	6	-	-	-	-	-	-
3-bdrm	50% (Low HM)	-	-	-	-	1	-	-
3-bdrm	50%	-	-	-	2	-	-	-
3-bdrm	60%	9	-	-	2	14	-	-
3-bdrm	0%	-	-	-	-	1	-	-
4-bdrm	60%	6	-	-	-	-	-	-
other	mgr(60%)	-	1	-	1	-	1	-
Total Units		23	25	24	41	120	31	26
Average Income Targeting		52.17%	52.80%	55.00%	52.93%	59.65%	50.65%	52.69%
Square Footage								
Income Restricted Units		27,576	15,492	19,840	33,457	94,363	19,638	18,152
Managers Unit(s)		-	600	-	1,240	-	600	-
Supportive Services		-	-	1,000	-	-	-	-
Common Space		-	7,056	1,000	2,902	-	7,311	4,683
Market/Commercial		-	-	-	-	-	-	-
Total		27,576	23,148	21,840	37,599	94,363	27,549	22,835

City County	Crow Agency, MT Big Horn	Great Falls Cascade County	Libby Lincoln	Missoula Missoula County	Missoula Missoula County	Helena Lewis & Clark County	Butte Silver Bow
Project Name	ANHA LIHTC #2	Carter Commons	Cabinet Aff Housing	Creekside Apts 9%	Creekside Apts 4%	Valley View Village	Meadowlark Senior Apts
Developer / General Ptnr	Apsaalooke Nation Housing Authority	Housing Solutions, LLC	Housing & CAP of NW MT	Homeword Inc.	Homeword Inc.	Housing Solutions, LLC	Northwest Real Estate Cap

<u>Unit Rents</u>									
0-bdrm	50% (Low HM)	-	-	-	-	646	-	-	
0-bdrm	50%	-	-	-	646	-	-	-	
0-bdrm	60%	-	-	-	789	789	-	-	
1-bdrm	40%	-	595	-	-	-	735	497	
1-bdrm	50% (Low HM)	-	-	-	-	685	-	-	
1-bdrm	50%	-	745	634	685	-	850	646	
1-bdrm	60%	-	850	783	838	838	900	795	
1-bdrm	0%	-	-	-	-	733	-	-	
2-bdrm	40%	-	715	-	635	-	885	584	
2-bdrm	50% (Low HM)	-	-	-	-	818	-	-	
2-bdrm	50%	-	890	745	818	-	1,000	762	
2-bdrm	60%	375	950	924	1,002	1,002	1,050	941	
2-bdrm	0%	-	-	-	-	920	-	-	
3-bdrm	30%	175	-	-	-	-	-	-	
3-bdrm	50% (Low HM)	-	-	-	-	940	-	-	
3-bdrm	50%	-	-	-	940	-	-	-	
3-bdrm	60%	475	-	-	1,152	1,152	-	-	
3-bdrm	0%	-	-	-	-	1,152	-	-	
4-bdrm	60%	575	-	-	-	-	-	-	
other	mgr(60%)	-	-	-	1,152	-	-	-	
Total Monthly Rents			9,525	19,175	18,354	35,117	113,802	26,705	18,742
vacancy factor			7.00%	7.00%	7.00%	5.00%	5.00%	7.00%	5.00%
Adjusted Rent			8,858	17,833	17,069	33,361	108,112	24,836	17,805
other/commercial income			-	270	208	-	-	300	72
total rent			8,858	18,103	17,277	33,361	108,112	25,136	17,877
x 12 months			12	12	12	12	12	12	12
Total Annual Income			106,299	217,233	207,327	400,334	1,297,343	301,628	214,523

<u>Expenses</u>									
Administration		25,500	14,800	25,500	12,090	31,087	16,300	15,850	
Management		4,252	15,206	19,296	18,977	48,798	21,114	13,549	
Maintenance		20,173	23,404	17,000	51,994	133,700	26,340	38,900	
Operating		22,575	55,000	53,144	116,211	298,828	95,000	48,460	
Taxes		-	-	-	14,000	36,000	-	7,650	
Replacement Reserve		6,900	7,500	7,200	12,300	36,000	9,300	9,100	
Total Expenses			79,399	115,910	122,140	225,572	584,413	168,054	133,509

Net Income Before Debt Service		26,900	101,323	85,187	174,762	712,930	133,574	81,014
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City County	Crow Agency, MT Big Horn	Great Falls Cascade County	Libby Lincoln	Missoula Missoula County	Missoula Missoula County	Helena Lewis & Clark County	Butte Silver Bow
Project Name	ANHA LIHTC #2	Carter Commons	Cabinet Aff Housing	Creekside Apts 9%	Creekside Apts 4%	Valley View Village	Meadowlark Senior Apts
Developer / General Ptnr	Apsaalooke Nation Housing Authority	Housing Solutions, LLC	Housing & CAP of NW MT	Homeword Inc.	Homeword Inc.	Housing Solutions, LLC	Northwest Real Estate Cap
Financing Sources							
Hard Loan	816,523	1,240,000	1,100,000	-	-	1,560,000	-
Hard Loan	750,000	-	-	520,000	1,300,000	-	-
Soft Loan	-	-	-	4,654,814	11,687,339	-	-
State HOME	-	-	-	-	2,000,000	-	750,000
Other	-	-	-	-	750,000	-	300,000
Other	-	-	-	-	-	-	56,920
Other	-	-	-	-	-	-	100
Other	-	-	-	-	-	-	1,177,000
Deferred Dev Fee	-	84,940	92,693	198,498	1,788,862	266,997	143,896
HC Equity Competitive	5,388,774	5,524,448	5,524,448	4,887,011	-	5,524,448	5,589,439
HC Equity Non-Competitive	-	-	-	-	8,517,295	-	-
Total Sources:	6,955,297	6,849,388	6,717,141	10,260,323	26,043,496	7,351,445	8,017,355
% of Project Financed by HC:	77.48%	80.66%	82.24%	47.63%	32.70%	75.15%	69.72%
Return on Sale of HTC							
HTC Requested	6,435,000	6,500,000	6,500,000	5,750,000	10,021,350	6,500,000	6,500,000
HTC Equity	5,388,774	5,524,448	5,524,448	4,887,011	8,517,295	5,524,448	5,589,439
HTC Return on Sale	0.837	0.850	0.850	0.850	0.850	0.850	0.860
Ratios							
Rent (Income)	106,299	217,233	207,327	400,334	1,297,343	301,628	214,523
Operating Expenses	72,499	108,410	114,940	213,272	548,413	158,754	124,409
Replacement Reserves	6,900	7,500	7,200	12,300	36,000	9,300	9,100
Net Income Available for DS	26,900	101,323	85,187	174,762	712,930	133,574	81,014
Total Debt Service	-	84,345	66,082	150,000	590,000	106,112	69,987
Debt Coverage Ratio (DCR)	-	1.20	1.29	1.17	1.21	1.26	1.16
Total Expense Ratio	1.34	1.08	1.10	1.07	1.10	1.10	1.05
Project Costs							
Land	-	310,000	25,000	-	-	-	126,453
Building/Acquisition	700,000	-	-	5,174,814	12,987,339	-	-
Site Work	-	510,000	-	-	-	510,000	256,894
Construction / Rehab	4,848,400	4,310,000	4,808,380	2,808,389	7,221,574	5,063,002	5,631,128
Soft Costs	700,430	862,657	888,721	810,120	2,076,583	864,210	918,126
Developer Fees	680,000	775,000	831,540	1,300,000	3,330,000	800,000	1,010,200
Reserves	26,467	81,732	163,500	167,000	428,000	114,233	74,554
Total Project Costs	6,955,297	6,849,388	6,717,141	10,260,323	26,043,496	7,351,445	8,017,355
Supportive Services Costs	-	-	-	-	-	-	-
Residential Costs	6,955,297	6,849,388	6,717,141	10,260,323	26,043,496	7,351,445	8,017,355
Costs versus Sources							
Total Project Costs	6,955,297	6,849,388	6,717,141	10,260,323	26,043,496	7,351,445	8,017,355
Total Financing Sources	6,955,297	6,849,388	6,717,141	10,260,323	26,043,496	7,351,445	8,017,355
Difference	-	-	-	-	-	-	-

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Project Cost Limitations

	<u>Limits</u>							
General Requirements	6.00%	4.84%	4.60%	4.24%	3.83%	3.83%	4.60%	5.24%
Contractor Overhead	2.00%	1.61%	1.55%	1.41%	1.28%	1.28%	1.55%	1.75%
Contractor Profit	6.00%	4.84%	4.60%	4.24%	3.83%	3.83%	4.60%	5.24%
Developer Fees	15.00%	10.88%	13.64%	14.60%	14.78%	14.94%	12.43%	14.84%
Soft Cost	32 or 37 or 40%	24.88%	31.69%	34.73%	26.43%	26.75%	26.45%	32.00%

Per Unit Comparison

	<u>Limits</u>							
Cost per unit total	n/a	302,404	273,976	279,881	250,252	217,029	237,143	308,360
Cost per unit residential only	\$280,000	302,404	273,976	279,881	250,252	217,029	237,143	308,360
Cost per unit Const / Rehab	n/a	210,800	192,800	200,349	68,497	60,180	179,774	226,462
Credits per unit	n/a	279,783	260,000	270,833	140,244	83,511	209,677	250,000
Operating Cost per unit	\$3,000 min	3,152	4,336	4,789	5,202	4,570	5,121	4,785
Replacement Reserves	\$300 min	300	300	300	300	300	300	350

Per Square Foot Comparison

Construction / Rehab per sq ft	175.82	186.19	220.16	74.69	76.53	183.78	246.60
Total Project Cost per sq ft	252.22	295.90	307.56	272.89	275.99	266.85	351.10
Credits per sq ft	233.36	280.80	297.62	152.93	106.20	235.94	284.65
Credits per sq ft (residential only)	233.36	403.93	327.62	165.72	106.20	321.18	358.09

Utilities Paid by (Tenant / Owner)

Tenant	Owner	Tenant	Tenant	Tenant	Owner	Tenant
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Market Study Data:

Vacancy Rates	0.0%	0.0%	0.0%	0.8%	0.8%	0.0%	1.0%
Absorption Rate	242.1%	43.0%	33.0%	84.1%	84.1%	58.0%	56.6%
Months to Absorb	-	2.0	2-3 months	100% leased	100% leased	0.1	3.0
% of Mkt Rents	91.4%	66.6%	96.9%	65.8%	65.8%	59.2%	76.2%
Units needed for Targeted AMI's	145	270	42	1,147	1,147	174	226

Market Rents

0-bdrms	-	-	-	1,249	1,249	-	-
1-bdrms	810	1,068	865	1,338	1,338	1,375	975
2-bdrms	825	1,235	975	1,523	1,523	1,535	1,200
3-bdrms	825	-	-	1,694	1,694	-	-
4-bdrms	920	-	-	-	-	-	-

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Project Name	ANHA LIHTC #2	Carter Commons	Cabinet Aff Housing	Creekside Apts 9%	Creekside Apts 4%	Valley View Village	Meadowlark Senior Apts
Developer / General Ptner	Apsaalooke Nation Housing Authority	Housing Solutions, LLC	Housing & CAP of NW MT	Homeword Inc.	Homeword Inc.	Housing Solutions, LLC	Northwest Real Estate Cap

Evaluation Scoring

	<i>Points Available</i>						
<u>Extended Low Income Use</u>	100	100	100	100	100	100	100
<u>Lower Income Tenants</u>	200	200	200	100	200	200	200
<u>Project Location</u>	100	-	100	100	100	100	100
<u>Housing Needs Characteristics</u>							
Community Input	30	30	30	30	30	30	30
Appropriate Size	35	35	35	35	35	35	35
Market Need - Vacancy	35	35	35	35	35	35	35
Total	100	100	100	100	100	100	100
<u>Project Characteristics</u>							
Preservation of or Increase QCT or Revitalization Plan	(100 pts for any one of these 4 categories)	100	-	-	100	100	100
Historic Preservation		100	100	100	-	-	100
Project Based Rent Subsidy		-	-	-	-	-	-
Green & Energy		100	100	100	-	100	100
Total	200	200	200	200	100	200	200
<u>Development Team Characteristics</u>	400	400	400	400	400	400	400
<u>Participation of Local Entity</u>	60	60	60	60	30	60	60
<u>Tenant Populations</u>	100	100	100	100	100	100	100
<u>Developer Knowledge and Response</u>							
Management past performances		-	-	-	-	-	-
Late responses to MBOH							
Management Weaknesses							
Total Points Available	1,260	1,160	1,260	1,160	1,130	1,260	1,260
Self Evaluation Score		1,160	1,260	1,260	1,130	1,260	1,260
minimum competitive score	1,000						
minimum non-competitive score	800						

BOARD AGENDA ITEM

PROGRAM

Multifamily Program

AGENDA ITEM

Highland Manor Apartments - Coal Trust Loan Program Increase

BACKGROUND

Highland Manor Apartments in Havre MT is a 32-unit acquisition rehab project being developed by Echo Enterprises LLC.

The developer is requesting to increase the Coal Trust loan from \$1,132,000 to \$1,932,000. This is a 30-year amortization, 30-year term and 2.25% interest rate.

The increase request is due to not only inflationary cost increases to materials and supplies, but the rise of interest rates. This additional amount would allow the project to eliminate the Glacier Bank Loan, with a much higher, and continuing to rise, interest rate. This would also eliminate the co first position loan, which is problematic to Glacier Bank, fully allowing the Coal Trust Loan to be in first position.

PROPOSAL

Staff supports approving the request for an \$800,000 increase to the Coal Trust Loan.

September 21, 2022

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

Re: Multifamily Coal Trust Homes Program Loan – Loan Increase Request
Highland Manor

Dear Executive Director Cohen,

I am writing to request consideration of an increase to the Multifamily Coal Trust Homes Program (CTL) loan to preserve Highland Manor, an existing rent-assisted 32-unit affordable family housing development in Havre, MT.

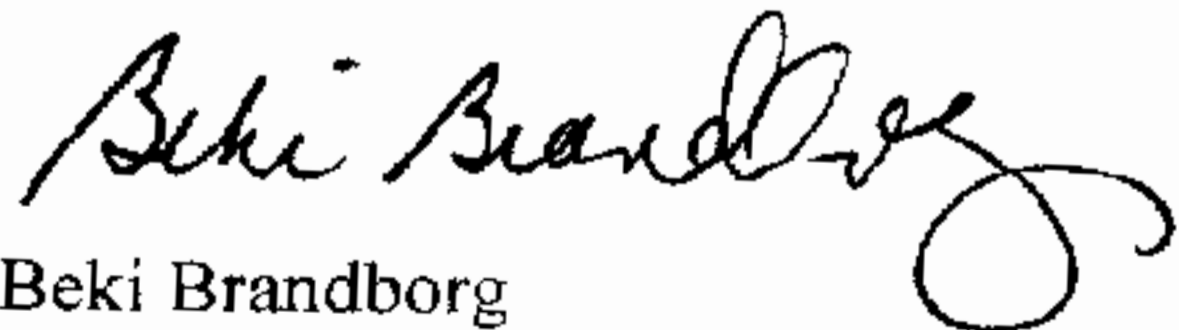
Currently, this project's capital stack is comprised of an MBOH CTL, 4% tax credit equity, a loan from Glacier Bank, a USDA RD 515 loan, a NeighborWorks Montana Coal Trust Matching loan, HTF funds, and an allocation of ARPA funds. Given the incomes of current tenants, we expect the \$1,132,000 MBOH CTL to have a 2.25% interest rate and a term and amortization schedule of 30 years. The proposed \$535,000 Glacier Bank loan's interest rate is set at 5.94% with a 35 year am and 16 year term.

The Federal Reserve's interest rate hikes appear set to continue for some time, meaning it is likely the interest rate on Glacier Bank's loan will increase by the time this project completes the RD 515 Transfer and Assumption process and we close on the financing. Furthermore, we have encountered issues with obtaining approval from Glacier Bank to take co-first lien position as proposed and discussed with MBOH staff. Furthermore, getting RD comfortable with a co-first lien position presents a challenge as well.

Increasing borrowing costs and inflation making it more expensive to secure materials and labor for the proposed rehabilitation makes it increasingly difficult to make this project a reality. An additional allocation of \$800,000 will allow the project to eliminate the Glacier Bank loan; eliminating the co-first lien position hurdle, decrease the financing cost and increase the hard construction budget by approximately \$492,000 from the previous budget; much of which is a direct result of savings realized by the decreased interest expense.

Therefore, we respectfully request a \$800,000 increase, resulting in a total MBOH CTL investment of \$1,932,000. Thank you for your consideration, please don't hesitate to contact me at beki@montana.com or 406.431.2151

Sincerely,


Beki Brandborg
Highland Manor 4 Residences LLLP

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	Broke Ground
Bicentennial Apts	Dillon	2022	Dawson Holdings	Under Construction
Baatz Block Apts	Great Falls	2022	Homeword	Rehab Planned Start for Early 2023
Tapestry Apts	Billings	2022	CLDI	Closing with investor Oct 15, 2022
Junegrass 4/9	Kalispell	2022	GMD/ Homeword GL/North Fork	Under Construction
Laurel Depot*	Laurel	2021	Development	Under Construction
MRM Unified Campus*	Billings	2021	MT Rescue Mission	Requesting Refreshed Credits
Jackson Court*	Billings	2021	GL Development Apsaalooke Nation	Under Construction
AHNA LIHTC 1*	Crow Agency	2021	Housing Authority	Closed September 2022
Creekside Commons	Kalispell	2021	Housing Solutions	Construction planned for Spring 2023
Crowley Flats	Lewistown	2021	Homeword	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	Closing October 2022
Spruce Grove*	Laurel / Bridger	\$ 7,000,000.00	GL Development	Under Construction
Bridger Peaks	Bozeman	\$ 8,500,000.00	Devco Preservation	Closed End of June
2021				
Highland Manor	Havre	\$ 3,000,000.00	Echo Enterprise	Closing Spring 2023
Castlebar	Bozeman	\$ 15,000,000.00	Devco Preservation Blueline, Missoula	Under Construction
Villagio*	Missoula	\$ 43,000,000.00	Housing Auth	Under Construction
Bitterroot Valley Apartmer	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
Boulevard	Bozeman	\$ 7,000,000.00	Partners HRDC/Good Housing	Under Construction
Darlinton Miles Sherwood	Bozeman	\$ 30,500,000.00	Partners	Under Construction

* Received ARPA SLFRF Gap
Financing

Multi-Family Loan Programs

10/1/2022

Coal Trust Loans

Available Balance \$ 1,636,000.00

Loans in Process:

Highland Manor	\$ 1,132,000.00	Requesting an increase
Oakwood Village	\$ 2,100,000.00	

Housing Montana Fund

Available Balance	\$ 465,900.00
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TANF

Available Balance	\$ 516,048.00
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RAM

Active Loans		46
Outstanding Balance	\$ 1,378,358.00	
Available Balance	\$ 1,677,560.00	

BOARD AGENDA ITEM

PROGRAM

Operations/Executive Director

BOARD MEETINGS

The next scheduled board meeting is November 14, 2022 and will be held virtually via Zoom.

BOARD TRAINING OPPORTUNITIES

- 2022 NCSHA Annual Conference & Showplace, October 22 – 25 (Houston, TX). Registration is now open. The [NCSHA Annual Conference](#) has traditionally included sessions specifically for board members, including board governance and related topics. Please contact Kylee Hughes, Executive Assistant, at Kylee.Hughes2@mt.gov to register.

CONTRACTS / PROCUREMENT

- CoreLogic Tax Services for Servicing expires October 15, 2022. This contract is in progress.
- NeighborWorks Montana for the Montana Emergency Rental Assistance (MERA) program - technical assistance to renters and landlords - is in process as a sole source contract.
- Montana Legal Services Association for meeting emerging needs based on COVID-19 and accompanying economic downturn is in process as a sole source.

GSE SELLER/SERVICER UPDATE

- Freddie Mac Annual Certification Report was submitted by the due date September 28, 2022.
- We continue to have quarterly check-ins with Freddie Mac.

PERSONNEL UPDATE

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

- Reverse Annuity Mortgage Specialist
- Administrative Assistant (2 FTE positions open)
- Program Specialist for Community Housing

New team members:

- Melissa Higgins is our new ARPA Housing Program Executive as of September 26th. She worked as a Bureau Chief at DPHHS since 2018.
- Tara Green is our new MERA Program Manager as of October 3rd. She has experience with rental assistance programs in Ada County, ID, but most recently worked as a Legal Secretary at the Montana Tax Appeal Board.

EMERGENCY RENTAL ASSISTANCE UPDATE

- Through September 2022, we have awarded \$85.5 million in rent and utility assistance. The average award – including continued assistance – is over

Board Meeting October 17, 2022

BOARD AGENDA ITEM

\$7,200 per approved household. Approximately 1,700 applications are currently under review.

- Staff have demonstrated responsible public stewardship of these funds. Approximately 2,400 potentially fraudulent applications requesting over \$42.7 million in assistance have been flagged, isolated, and ultimately denied.

HOMEOWNER ASSISTANCE FUND UPDATE

- As of September 30, 2022, there have been 224 applications submitted to the statewide program and HAF staff have approved and paid over \$113,000 in total through all statewide program areas.
- HAF staff are still in the developing and testing stages of completing the reporting features within the online platform for ease of quarterly Federal Treasury reporting.
- The program will be interviewing for a new reviewer position to assist with the quality and ease of application review in the next couple of weeks.
- Within the month of September, our fraud reviewer has detected and stopped payments to 6 potentially fraudulent applications submitted to the program.

EXECUTIVE DIRECTOR UPDATE

- Cheryl and Joe are participating in the newly formed Disaster Housing Work Group. Kickoff meeting was held August 30th with staff from FEMA, HUD, USDA-RD, DES, and Salvation Army. Weekly meetings started last week and bringing in more stakeholders (Department of Labor and Industry, DEQ - to mention a few).
- Governor's [Housing Task Force](#) update.