



# MONTANA HOUSING

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|                              |  |
|------------------------------|--|
| <b>Meeting Location:</b>     | Virtual / Zoom   |
| <b>Date:</b>                 | March 13, 2023   |
| <b>Time:</b>                 | 8:30 a.m.  |
| <b>Board Chair:</b>          | Sheila Rice  |
| <b>Remote Attendance:</b>    | Join our meetings remotely via Zoom and/or phone                                     |
| <b>Conference Call:</b>      | Dial: 1 646 558 8656   Meeting ID: 817 7598 2546                                     |
| <b>Register for Webinar:</b> | <a href="#">Meeting Registration - Zoom</a>  |
| <b>Board Offices:</b>        | Montana Housing<br>301 S Park Ave., Room 240, Helena MT 59601<br>Phone: 406.841.2840 |

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## 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 (Supervisor: Vicki Bauer)

- ❖ Homeownership Update

### Mortgage Servicing (Manager: Mary Palkovich)

- ❖ Servicing Update

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



MONTANA  
HOUSING

### Multifamily Program (Manager: Jason Hanson)

- ❖ Sunshine and Broadview Bond Resolution
- ❖ Multifamily Update

### Operations / Executive Director (Joe DeFilippis / Cheryl Cohen)

- ❖ Operations Update (Joe DeFilippis)
  - ARPA Housing Programs (ERA & HAF)
- ❖ Community Housing Update (Julie Flynn)
- ❖ Rental Assistance Update (Kelly Shields)
- ❖ Executive Director / Legislative Update (Cheryl Cohen)

### 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.

# 2023 CALENDAR

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

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

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

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

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

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

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

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

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

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

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

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

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

## **January 2023**

9 – Board Meeting via Zoom

## **February 2023**

13 – Board Meeting via Zoom

## **March 2023**

13 – Board Meeting via Zoom

## **April 2023**

17 – Board Training – Springhill Suites Kalispell MT

18 - Board Meeting – Springhill Suites Kalispell MT

## **May 2023**

15-17 – Housing Partnership Conference - Delta Colonial Helena

22 – Letter of Intent Presentation – Helena Great Northern Hotel

23 – Board Meeting – Helena Great Northern Hotel

## **June 2023**

12 – Board Meeting via Zoom

## **July 2023**

10 – Board Meeting via Zoom

## **August 2023**

14 – Board Meeting via Zoom

## **September 2023**

11 – Board Strategic Planning – Miles City Sleep Inn

12 – Board Meeting – Miles City Sleep Inn

## **October 2023**

15–18 – NCSHA Annual Conference - Boston

23 – Board Meeting Housing Credit Award Determinations / QAP – via Zoom

## **November 2023**

13 - No Board Meeting

## **December 2023**

11 - No Board Meeting



# MONTANA HOUSING

Zoom  
March 13, 2023

## **ROLL CALL OF BOARD**

### **MEMBERS:**

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

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

### **STAFF:**

Cheryl Cohen, Executive Director  
Joe DeFilippis, Operations Manager  
Ginger Pfankuch, Accounting Program  
Bruce Brensda, Multifamily Program  
Kylee Hughes, Exec Assistant  
Jason Hanson, Multifamily Program  
Megan Surginer, Office Manager  
Jen Stepleton, Community Housing

Vicki Bauer, Homeownership Program  
Nicole McKeith, Multifamily Program  
Kellie Guariglia, Multifamily Program  
Julie Flynn, Community Housing  
Mary Palkovich, Servicing Program  
Nicole Newman, Community Housing  
Chandler Rowling, Community Housing  
Charles Brown, Homeownership

### **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

### **OTHERS:**

Larry Phillips  
Chris Ruddman  
Misty Dalke  
Jennifer Olson

Jennifer Wheeler  
Julia Hope  
Ronalee Skees

*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*



# MONTANA 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 Chair Sheila Rice called the Montana Board of Housing (MBOH) meeting to order at 8:30 a.m.  
2:41 Introductions of Board members and attendees were made.  
6:09 Chair Rice asked for public comment on items not listed on the agenda.

## **APPROVAL OF MINUTES**

### **February 13, 2023 MBOH Board Meeting Minutes – page 5 of packet**

6:50 Motion: Cari Yturri  
Second: Bruce Posey  
The February 13, 2023 MBOH Board meeting minutes were approved unanimously.

## **FINANCE PROGRAM**

### **Finance Update – page 9 of packet**

7:19 Presenter: Ginger Pfankuch

## **HOMEOWNERSHIP PROGRAM**

### **Homeownership Update – page 12 of packet**

13:19 Presenters: Vicki Bauer

## **MORTGAGE SERVICING PROGRAM**

### **Servicing Update – page 14 of packet**

16:32 Presenter: Mary Palkovich

## **MULTIFAMILY PROGRAM**

### **Sunshine and Broadview Manor East and West in Great Falls MT Bond Resolution approval – page 15 of packet**

19:49 Presenters: Jason Hanson  
Motion: Jeanette McKee  
Second: Cari Yturri  
Move to approve resolution 23-0313-MF02 (Sunshine and Broadview East & West).



MONTANA  
HOUSING

**Multifamily Update – page 31 of packet**

23:24 Presenters: Jason Hanson

**OPERATIONS/ EXECUTIVE DIRECTOR**

**Operations/Executive Director/Rental Assistance/Community Housing Update –  
page 32 of packet**

24:08 Presenter: Joe DeFilippis, Julie Flynn

**MEETING ADJOURNMENT**

33:37 Meeting was adjourned at 9:08 a.m.

DocuSigned by:

*Adam Hertz*

B39BAEE79072432

Adam Hertz, Secretary

4/21/2023

Date

# BOARD AGENDA ITEM

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## PROGRAM

Accounting and Finance Program

## INVESTMENT DIVERSIFICATION

Diversification is an investment strategy that entails the purchase of a mixture of investments that reduces the exposure to investment risk.

- 67.7% of BOH's investments are currently being held in Money Market accounts earning 4.21%.
- 16.6% is being held in US Treasury Bills earning between 2.81 – 4.51% based on maturity date and purchase date.
- 4.5% is being held in US Treasury Bonds earning between 0.27 – 6.48%.
- 0.5% is being held in US Treasury Strips at 0.5%. US Treasury Strips are bonds that are sold at a discount to their face value with full face value paid out at maturity. The Strips all matured in February 2023.
- The remaining investments are in federally secured Freddie Mac and Fannie Mae securities. The yields range from 3.69% to 6.48%.
- \$5.7 million of the Money Market funds were invested in March, in Treasuries at 4.69% and 4.875%.

## WEIGHTED AVERAGE YIELD TREND

Weighted average is a calculation that takes into account the varying degrees of importance of the yields in an investment data set. BOH uses the average yield for specific investment types and the par value of those same investment types to calculate the weighted average yield.

- The weighted average has improved from 1.03% to 4.37% over the last 12 months.
- There was an increase from 4.25% to 4.37% between December 2022 and January 2023.

## PORTFOLIO MATURITY

Indicates who holds the investment securities on BOH behalf, the type of security, the date of maturity and the PAR value, which is the face value of the security at the time of issuance.

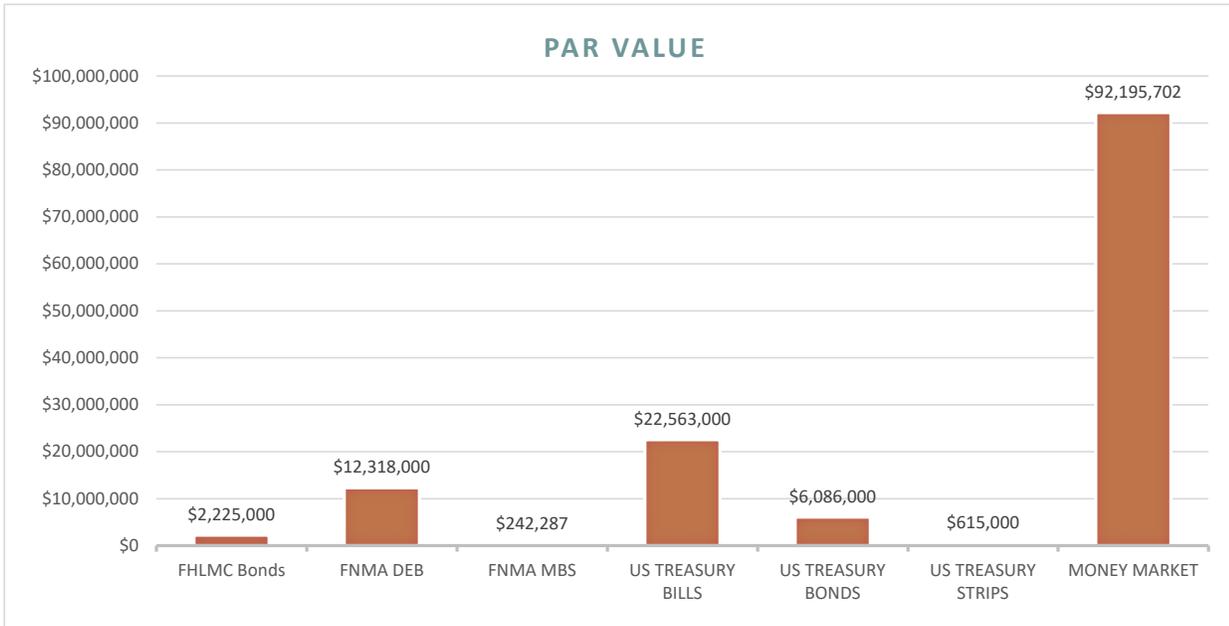
- The FNMA (Fannie Mae) MBS (Mortgage-Backed Securities) are the longest-term maturities in our portfolio and some of the highest yielding at 4.45% and 4.96%
- Two of the Treasury Bonds were purchased several years ago at a yield of 6.48%. These will be maturing in 2025.
- The overall total of investments at the end of January was \$136 million.

## OTHER INFORMATION

- The Board's audited FY22 financial statements are available on the Legislative Audit website at <https://leg.mt.gov/content/Publications/Audit/Report/22-07.pdf> or on the EMMA at <https://emma.msrb.org/P11647116-P11268686-P11695754.pdf>

# Program Dashboard

January 31, 2022

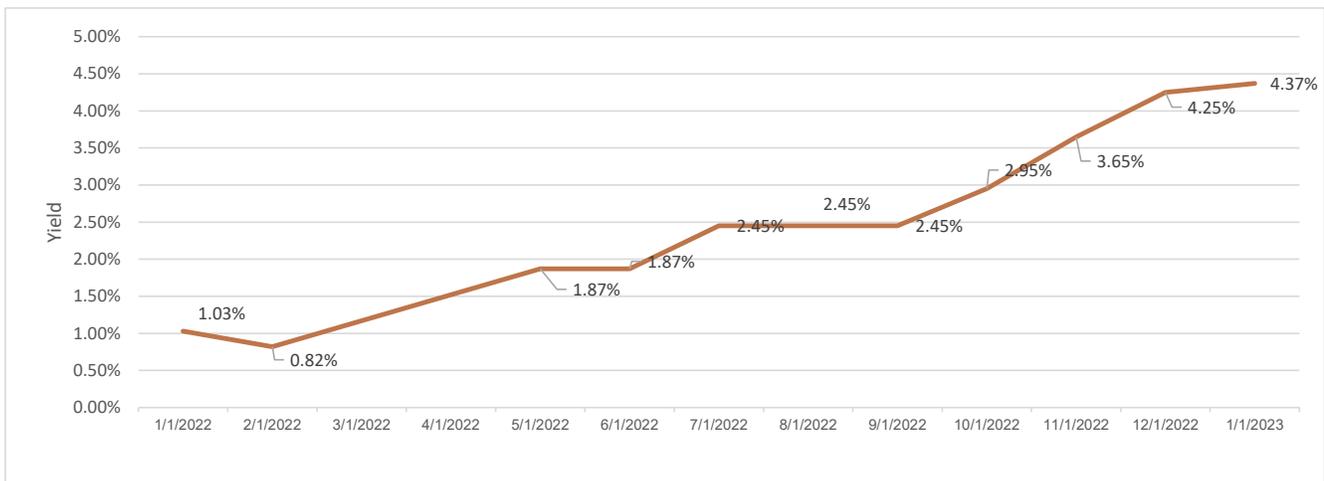


**FNMA: Federal National Mortgage Association (Fannie)**

**FHLB: Federal Home Loan Bank**

**FHLMC: Federal Home Loan Mortgage Corporation (Freddie)**

**FFCB: Federal Farm Credit Bank**



| Available Now | < 1 year      | 1 to 5 years  | 6 to 10 years | > 11 years | Total          |
|---------------|---------------|---------------|---------------|------------|----------------|
| \$ 92,195,702 | \$ 23,178,000 | \$ 18,404,000 | \$ 2,225,000  | \$ 242,287 | \$ 136,244,989 |

## Investment Maturity Schedule

| Maturity Date | Trustee              | Type            | Par Value      |
|---------------|----------------------|-----------------|----------------|
| 8/1/2038      | Wilmington Trust     | FNMA MBS        | 50,845.59      |
| 8/1/2037      | Wilmington Trust     | FNMA MBS        | 33,345.58      |
| 3/1/2037      | Wilmington Trust     | FNMA MBS        | 74,663.33      |
| 7/1/2036      | Wilmington Trust     | FNMA MBS        | 15,236.63      |
| 5/1/2036      | Wilmington Trust     | FNMA MBS        | 24,174.28      |
| 2/1/2036      | Wilmington Trust     | FNMA MBS        | 44,021.69      |
| 7/15/2032     | Wilmington Trust     | FHLMC BOND      | 2,225,000.00   |
| 11/26/2027    | Wilmington Trust     | FNMA DEB        | 3,635,000.00   |
| 9/27/2027     | Wilmington Trust     | FNMA DEB        | 4,070,000.00   |
| 4/30/2026     | Wilmington Trust     | FNMA DEB        | 4,613,000.00   |
| 8/15/2025     | Wilmington Trust     | T-NOTES & BONDS | 4,796,000.00   |
| 6/15/2024     | Wilmington Trust     | T-NOTES & BONDS | 1,290,000.00   |
| 8/10/2023     | Wilmington Trust     | T-BILLS         | 455,000.00     |
| 6/15/2023     | Wilmington Trust     | T-BILLS         | 5,590,000.00   |
| 5/25/2023     | Wilmington Trust     | T-BILLS         | 15,185,000.00  |
| 3/2/2023      | US Bank Corporate Tr | T-BILLS         | 1,192,000.00   |
| 2/15/2023     | Wilmington Trust     | TSTRIPS         | 615,000.00     |
| 2/2/2023      | US Bank Corporate Tr | T-BILLS         | 141,000.00     |
| 1/31/2023     | US Bank Corporate Tr | US BANK MONEY M | 4,977,799.04   |
|               | Wilmington Trust     | WT GOLDMAN SACH | 87,217,903.05  |
| <b>Total</b>  |                      |                 | 136,244,989.19 |

# Homeownership Program Dashboard

March 3, 2023

## RATES

|                  | <u>CURRENT</u> | <u>LAST MONTH</u> | <u>LAST YEAR</u> |
|------------------|----------------|-------------------|------------------|
| MBOH*            | 5.500          | 5.75              | 3.125            |
| Market           | 6.64           | 5.77              | 3.867            |
| 10 yr treasury   | 4.08           | 3.53              | 1.860            |
| 30 yr Fannie Mae | 6.39           | 5.25              | 3.451            |

\*Current Setaside 5.25, DPA 5.75

## LOAN PROGRAMS

|                                  | <u>Feb<br/>RESERVATIONS</u> | <u>AMOUNT</u> | <u>TOTAL<br/>NUMBER</u> | <u>AMOUNT</u> | <u>ORIGINAL<br/>AMOUNT</u> | <u>BALANCE</u>   |
|----------------------------------|-----------------------------|---------------|-------------------------|---------------|----------------------------|------------------|
| <b>REGULAR PROGRAM</b>           |                             |               |                         |               |                            |                  |
| Series 2022C (since 9.23.22)     | 25                          | 5,252,119     | 108                     | 24,444,380    | 38,835,000                 | 14,390,620       |
| Series 2022C DPA (since 9.23.22) | 17                          | 156,670       | 60                      | 589,617       | 1,165,000                  | 575,383          |
| 80% Combined (20+)               |                             |               | 11                      | 1,777,235     | <b>Since July 2022</b>     | reg bond funds   |
| <b>SET-ASIDE PROGRAMS</b>        |                             |               |                         |               |                            |                  |
| MBOH Plus                        | 2                           | 13,375        | 18                      | 142,062       | <b>Since July 2022</b>     | 1,482,581        |
| Set-aside Pool                   |                             |               | 10                      | 1,608,900     | <b>Since July 2022</b>     | Pre-Ullman funds |
| NeighborWorks                    |                             |               | 4                       | 609,955       |                            |                  |
| CAP NWMT CLT                     |                             |               |                         |               |                            |                  |
| Missoula HRDC XI                 |                             |               |                         |               |                            |                  |
| Bozeman HRDC IX                  |                             |               |                         |               |                            |                  |
| Home\$tart                       |                             |               | 2                       | 401,996       |                            |                  |
| HUD 184                          |                             |               |                         |               |                            |                  |
| Dream Makers                     |                             |               |                         |               |                            |                  |
| Sparrow Group                    |                             |               | 1                       | 130,998       |                            |                  |
| City of Billings                 |                             |               | 3                       | 465,951       |                            |                  |
| Foreclosure Prevent              |                             |               |                         |               | 50,000                     | 50,000           |
| Disabled Accessible              |                             |               |                         |               | Ongoing                    | 862,950          |
| Lot Refi                         |                             |               |                         |               | 2,000,000                  | 726,440          |
| FY22 Habitat                     |                             |               | 13                      | 2,176,186     | 3,609,900                  | 1,433,714        |
| <b>OTHER PROGRAMS</b>            |                             |               |                         |               |                            |                  |
| Veterans (Orig)                  |                             |               | 430                     | 85,517,664    | Revolving                  | 307,288          |
| 911 Mrtg Cr Cert (MCC)           | 4                           | 957,029       | 5                       | 1,436,779.00  | 50,000,000                 | 48,563,221       |

## January CHANGES

## 2023 YTD

|                     | <u># loans</u> | <u>Princ Bal</u>      | <u># loans</u> | <u>Princ Bal</u>      |        |
|---------------------|----------------|-----------------------|----------------|-----------------------|--------|
| <b>Dec Balance</b>  | <b>5,052</b>   | <b>480,063,770.57</b> | <b>5,052</b>   | <b>480,063,770.57</b> | Dec-22 |
| Jan Purchases (1st) | 26             | 6,028,127.45          | 26             | 6,028,127.45          |        |
| Jan Purchases (2nd) | 19             | 185,309.00            | 19             | 185,309.00            |        |
| Jan Amortization    |                | (1,359,654.38)        |                | (1,359,654.38)        |        |
| Jan Payoffs (1st)   | (25)           | (2,354,099.90)        | (25)           | (2,354,099.90)        |        |
| Jan Payoffs (2nd)   | (9)            | (55,122.86)           | (9)            | (55,122.86)           |        |
| Jan Foreclosures    | (4)            | (150,932.12)          | (4)            | (150,932.12)          |        |
| <b>Jan Balance</b>  | <b>5,059</b>   | <b>482,357,397.76</b> | <b>5,059</b>   | <b>482,357,397.76</b> | Jan-23 |

## DELINQUENCY AND FORECLOSURE RATES

### MONTANA BOARD OF HOUSING

### MORTGAGE BANKERS ASSOC. 12/2022

(most recent available)

|                     | <u>Jan-23</u> | <u>Dec-22</u> | <u>Jan-22</u> | <u>Montana</u> | <u>Region</u> | <u>Nation</u> |
|---------------------|---------------|---------------|---------------|----------------|---------------|---------------|
| 30 Days             | 1.23          | 1.56          | 1.56          | 1.31           | 1.62          | 1.97          |
| 60 Days             | 0.77          | 0.85          | 0.55          | 0.41           | 0.52          | 0.63          |
| 90 Days             | <u>2.39</u>   | <u>2.47</u>   | <u>3.30</u>   | <u>0.83</u>    | <u>0.97</u>   | <u>1.32</u>   |
| Total Delinquencies | 4.39          | 4.88          | 5.41          | 2.55           | 3.11          | 3.92          |
| In Foreclosure      | 0.53          | 0.46          | 0.51          | 0.34           | 0.30          | 0.57          |

## LOAN PURCHASES BY LENDER

|                                | Jan-23     |            | 2023 YTD   |            | 2022       |            |
|--------------------------------|------------|------------|------------|------------|------------|------------|
|                                | <u>1st</u> | <u>DPA</u> | <u>1st</u> | <u>DPA</u> | <u>1st</u> | <u>DPA</u> |
| FIRST SECURITY BOZEMAN 061     |            |            |            |            |            |            |
| 1ST COMMUNITY BK GLASGOW 095   |            |            |            |            |            |            |
| 1ST SECURITY BK MISSOULA 133   | 2          |            | 2          |            | 2          | 1          |
| VALLEY BANK RONAN 159          |            |            |            |            | 3          |            |
| YELLOWSTONE BANK BILLINGS 161  |            |            |            |            |            |            |
| BRAVARA BANK 186               |            |            |            |            | 2          | 1          |
| STOCKMAN BANK OF MT MILES 524  | 3          | 1          | 3          | 1          | 51         | 25         |
| FIRST INTERSTATE BANK-WY 601   |            |            |            |            | 11         | 1          |
| OPPORTUNITY BANK 700           | 4          | 3          | 4          | 3          | 86         | 44         |
| FIRST FEDERAL BANK & TRUST 731 |            |            |            |            | 1          | 1          |
| GLACIER BANK KALISPELL 735     |            |            |            |            | 17         |            |
| WESTERN SECURITY BANK 785      | 1          | 1          | 1          | 1          | 11         | 3          |
| MANN MORTGAGE 835              | 3          | 3          | 3          | 3          | 80         | 43         |
| GUILD MORTGAGE COMPANY 842     |            |            |            |            | 16         | 13         |
| UNIVERSAL 843                  | 1          | 1          | 1          | 1          | 16         | 11         |
| FAIRWAY INDEPENDENT MRTG 847   | 4          | 4          | 4          | 4          | 24         | 21         |
| CORNERSTONE HOME LENDING 850   | 2          | 2          | 2          | 2          | 8          | 6          |
| PRIME LENDING 851              |            |            |            |            | 2          | 1          |
| BAY EQUITY LLC 853             |            |            |            |            | 7          | 1          |
| LENDUS LLC 854                 |            |            |            |            | 5          | 1          |
| PARAMOUNT RES MTG GRP 855      | 2          | 2          | 2          | 2          | 2          | 1          |
| CHERRY CREEK MORTGAGE 856      |            |            |            |            | 1          |            |
| HOMESTAR FINANCIAL 861         | 1          | 1          | 1          | 1          | 1          | 1          |
| HOMETOWN LENDERS 862           |            |            |            |            | 2          | 1          |
| CROSSCOUNTRY MORTGAGE 863      | 3          | 1          | 3          | 1          | 5          | 4          |
| CLEARWATER FEDERAL C U 901     |            |            |            |            | 2          |            |
| Grand Count                    | 26         | 19         | 26         | 19         | 355        | 180        |

## MBOH January PORTFOLIO

|                  | <u># of loans</u> | <u>\$ of loans</u> | <u>% of #</u> | <u>% of \$</u> |                      |
|------------------|-------------------|--------------------|---------------|----------------|----------------------|
| FHA              | 2,635             | 310,241,795        | 52.1%         | 64.3%          |                      |
| RD               | 879               | 91,274,327         | 17.4%         | 18.9%          |                      |
| VA               | 325               | 46,181,798         | 6.4%          | 9.6%           |                      |
| HUD184           | 38                | 2,665,479          | 0.8%          | 0.6%           |                      |
| PMI              | 34                | 2,355,995          | 0.7%          | 0.5%           |                      |
| Uninsured 1st    | 214               | 23,200,278         | 4.2%          | 4.8%           |                      |
| Uninsured 2nd    | 934               | 6,437,726          | 18.5%         | 1.3%           |                      |
|                  | 5,059             | \$ 482,357,398     |               |                |                      |
| Serviced by MBOH | 4,983             | \$ 476,376,999     | 98%           | 99%            |                      |
| Jan 2022 Balance | 5,115             | \$ 463,161,600     | -1.09%        | 4.14%          | percent of Incr/Decr |

### Weighted Average Interest Rate 3.833%

|           | <u># of loans</u> | <u>\$ of loans</u> |                           |
|-----------|-------------------|--------------------|---------------------------|
| 0 - 2.99% | 1047              | \$ 95,991,069      | <u>rates up to 4%</u>     |
| 3 - 3.99% | 1605              | \$ 196,774,515     |                           |
| 4 - 4.99% | 853               | \$ 92,670,916      |                           |
| 5 - 5.99% | 1109              | \$ 76,521,241      | <u>rates 4% and above</u> |
| 6 - 6.99% | 403               | \$ 19,441,627      |                           |
| 7 - 7.99% | 42                | \$ 958,029         |                           |
|           |                   |                    | 2407 \$ 189,591,814       |

# Mortgage Servicing Program Dashboard

## Effective 02/28/2023

### 2023 Monthly Servicing Report

| MONTH                             | Last Year        | Last Month       | This Month       |
|-----------------------------------|------------------|------------------|------------------|
|                                   | Feb-22           | Jan-23           | Feb-23           |
| PORTFOLIO TOTAL LOANS             | 5413             | 5448             | 5462             |
| MBOH                              | 5072             | 5009             | 5011             |
| BOI                               | 311              | 304              | 305              |
| MULTI FAMILY                      | 16               | 16               | 16               |
| HAF-Homeownership Assistance Fund | 14               | 119              | 130              |
| PRINCIPAL (all loans)             | \$521,459,949.91 | \$544,681,743.27 | \$544,729,504.57 |
| ESCROW (all loans)                | \$6,361,452.86   | \$4,829,542.07   | \$5,665,712.81   |
| LOSS DRAFT (all loans)            | \$707,468.00     | \$765,351.56     | \$759,248.15     |
| LOANS DELINQUENT (60+ days)       | 278              | 258              | 288              |
| ACTUAL FORECLOSURE SALES IN MONTH | 0                | 3                | 0                |
| FORECLOSURES TOTAL CALENDAR YEAR  | 1                | 3                | 3                |
| DELINQUENT CONTACTS TO MAKE       | 667              | 695              | 672              |
| LATE FEES - NUMBER OF LOANS       | 780              | 815              | 811              |
| LATE FEES - TOTAL AMOUNT REVENUE  | \$20,990.91      | \$22,514.40      | \$22,276.59      |
| PAYOFFS                           | 40               | 36               | 24               |
| NEW LOANS                         | 59               | 62               | 38               |

### HUD's National Servicing Center TRSII SFDMS Reporting FY 2022 Q4 Final Score 91.71% - Grade A

| LOSS MITIGATION                     | Feb-22 | Jan-23 | Feb-23 |
|-------------------------------------|--------|--------|--------|
| ACTIVE FINANCIALPACKETS             | 2      | 1      | 0      |
| REPAYMENT/SPECIAL FORBEARANCE       | 4      | 0      | 0      |
| COVID19 FORMAL FORBEARANCE (JAN 23) | 150    | 93     | 100    |
| HAMPS, PARTIAL CLAIMS & MODS PNDG   | 36     | 8      | 8      |
| CHAPTER 13 BANKRUPTCIES             | 15     | 10     | 10     |
| PRESERVATION PROPERTIES             | 6      | 7      | 8      |
| REAL ESTATE OWNED PROPERTIES        | 1      | 2      | 2      |
| SHORT SALE                          | 0      | 0      | 0      |
| DEED IN LIEU                        | 0      | 0      | 0      |

# BOARD AGENDA ITEM

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## BOARD MEETING DATE

March 13, 2023

## PROGRAM

Multifamily Program

## AGENDA ITEM

Sunshine and Broadview Manor East and West in Great Falls MT Bond Resolution approval

## BACKGROUND

Sunshine Village is a 72-unit senior project, originally built in 1979, located in Great Falls, Montana. This at-risk property currently operates under a 97% Section-8 HAP contract that is due to expire in September 2023. The project consists of one 3-story building housing one- and two-bedroom units, on a 1.66-acre lot. The project is serviced by two elevators and has an office, community room, laundry facilities and separate maintenance building.

Broadview Manor East and West, is a scattered site 20-unit family project, originally built in 1980, located in Great Falls, Montana. The at-risk properties currently operate under a 100% Section-8 HAP contract that is due to expire in October 2023. The project consists of two 2-story and two 3-story buildings housing three- and four-bedroom units, on two lots totaling 0.79-acres. Laundry facilities are provided onsite at each location.

This project has submitted a full application that has been reviewed and meets the requirements of the current QAP. It has Project Based Section 8 in 90 of the 92 units and will be doing \$67,129 of rehab per unit.

The developer is requesting approval of a bond resolution for a not to exceed amount of \$19,000,000 with an expected estimated bond issue of \$15,500,000. The difference being a buffer for unexpected increases during pre-development.

## STAFF RECOMMENDATION (if any)

Staff supports this request.

## MOTION OPTION(S)

1. Move to approve resolution 23-0313-MF02 (Sunshine and Broadview East & West).
2. No motion, proposal fails.

## **RESOLUTION NO. 23-0313-MF02**

A RESOLUTION OF THE MONTANA BOARD OF HOUSING MAKING FINDINGS WITH RESPECT TO HOUSING NEEDS WITHIN MONTANA; APPROVING A BORROWING, AND REPAYMENT THEREOF, IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$19,000,000; APPROVING A FUNDING LOAN AGREEMENT, BORROWER LOAN AGREEMENT AND OTHER RELATED DOCUMENTS; AUTHORIZING THE EXECUTION OF SUCH DOCUMENTS; AND PROVIDING FOR OTHER MATTERS PROPERLY RELATING THERETO.

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

WHEREAS, the Board intends to borrow on a non-recourse limited obligation basis from Glacier Bank (or such other financial institution as is approved by the Chair, Vice Chair or Executive Director and Treasurer) (the “Funding Lender”) an aggregate principal amount not to exceed \$19,000,000, the proceeds of which will be used to finance a mortgage loan for the acquisition, rehabilitation and equipping of (i) Sunshine Village, (ii) Broadview Manor East, and (iii) Broadview Manor West, affordable housing developments consisting of 92 units located in multiple buildings and scattered sites located in Great Falls, Montana (collectively, the “Project”); and

WHEREAS, the borrowing by the Board will be pursuant to a Funding Loan Agreement, among the Board, the Funding Lender and a fiscal agent to be determined by the Board (the “Fiscal Agent”) (the “Funding Loan Agreement”), and the agreement to repay such borrowing shall be reflected in a non-recourse revenue debt obligation (the “Obligation”) to be issued to the Funding Lender pursuant thereto, which Funding Loan Agreement and Obligation will be in substantially the form approved by the Board with respect to the Junegrass Apartments financing in 2022 (the “Junegrass Financing”), subject to the terms, conditions and limitations established herein and in the Funding Loan Agreement; and

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

WHEREAS, the interest on the Obligation is intended to qualify for a federal tax exemption under Section 142 of Internal Revenue Code of 1986 (the "Code"), and to ensure that the Obligation maintains its tax exempt status, the Borrower will enter into a Regulatory Agreement and Declaration of Restrictive Covenants (the "Regulatory Agreement"), which will be in substantially the same form as such agreement approved by the Board with respect to the Junegrass Financing.

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

**Section 1. Public Hearing and Findings.**

(a) The Board hereby finds and determines that the Project financed through the above described borrowing and issuance of the Obligation constitutes a "housing development" within the meaning of Section 90-6-103(8) of the Act; and

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

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

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

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

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

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

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

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

**Section 3. Authorization and Execution of the Obligation.** The execution and delivery of the Board’s Obligation to the Funding Lender is hereby authorized and approved. The final amount and terms of the Obligation shall be determined by an Authorized Officer, consistent with the terms of the Funding Loan Agreement and subject to the following conditions. The Obligation shall not be a general obligation of the Board but shall be a limited non-recourse obligation payable solely and only from Mortgage Loan payments and any other moneys pledged under the Funding Loan Agreement by the Borrower as required by the Borrower Loan Agreement. The Obligation shall mature no later than 40 years from its date of issuance, bear interest at a fixed or floating rate no greater than the net rate paid on the Mortgage Loan (i.e., net of fees due to the Board and any other parties), be in a principal amount not to exceed \$19,000,000, be subject to prepayment and have the other terms and provisions as described to the Board, and definitively set forth in the Funding Loan Agreement upon execution and delivery as aforesaid in Section 2 hereof. The Obligation shall be executed and delivered substantially in the form set forth in the Funding Loan Agreement, with such additions, omissions and changes as are required or permitted by the Funding Loan Agreement and approved by the signatories thereto. The Obligation shall be executed in the name of the Board by the Chair or the Vice Chair of the Board, and attested to by the Secretary or the Treasurer, each of whom is hereby appointed as an Authorized Governmental Lender Representative (as such term is defined in the Funding Loan Agreement) for purposes of executing and attesting the Obligation, and their execution shall evidence their approval of the final terms thereof. Such signatures may be by facsimile; provided, however, that such Obligation shall not be valid or obligatory for any purpose unless the attestation by the authorized officer of the Board shall be a manual signature or the Obligation is authenticated by the manual signature of an authorized officer of the Fiscal Agent.

**Section 4. Approval of Borrower Loan Agreement.** The Borrower Loan Agreement is hereby approved in the form hereinabove described, and an Authorized Officer is hereby authorized to execute and deliver the Borrower Loan Agreement, with such changes, insertions or omissions therein as may be approved by such person, such approval to be evidenced conclusively by such execution of the Borrower Loan Agreement.

**Section 5. Approval of Regulatory Agreement.** The Regulatory Agreement is hereby approved in the form hereinabove described, and an Authorized Officer is authorized and directed to execute and deliver the same, with such changes, insertions or omissions therein as may be

approved by such person, such approval to be evidenced conclusively by such execution of the Regulatory Agreement.

**Section 6. Ratification of Prior Actions.** All action previously taken by the officers, members or staff of the Board within the authority granted herein, with respect to the Funding Loan Agreement, the Borrower Loan Agreement, the Regulatory Agreement and the Obligation is hereby approved, confirmed and ratified.

**Section 7. Execution of Documents.** In the event of the absence or disability of an Authorized Officer, or if for any other reason any of them are unable to execute the documents referred to in this Resolution, such documents may be executed by another member of the Board or by the Multifamily Program Manager or the Accounting and Finance Manager, with the same effect as if done by an Authorized Officer and without the further authorization of the Board. The execution of such documents by such member shall be conclusive evidence of his or her authority to so act.

**Section 8. Execution of No-Arbitrage Certificate.** An Authorized Officer is hereby authorized to issue certifications as to the Board's reasonable expectations regarding the amount and use of the proceeds of the Obligation as described in Section 148 of the Code, as amended.

**Section 9. Additional Actions Authorized.** The Chair, the Vice Chair, the Secretary or any other member of the Board, and the Executive Director and Treasurer, the Multifamily Program Manager and the Accounting and Finance Manager, acting alone or acting with others, are hereby authorized and directed to execute and deliver any or all other documents which may be required under the terms of the Funding Loan Agreement and the Borrower Loan Agreement, and to take such other action as may be required or appropriate for the performance of the duties imposed thereby or to carry out the purposes thereof, and the members and officers named above are hereby designated as Authorized Governmental Lender Representatives for such purposes. With respect to the issuance of the Bonds authorized by this Resolution, such Authorized Governmental Lender Representatives are also authorized, with the advice of General Counsel or Bond Counsel, to interpret and apply the Board's Policy for Conduit Multifamily Housing Revenue Bonds (the "Policy") and to waive any requirement of the Policy to the extent such interpretation, application or waiver is consistent with the purpose of the Policy.

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

[Remainder of Page Intentionally Left Blank]

ADOPTED by the Montana Board of Housing this 13th day of March, 2023.

MONTANA BOARD OF HOUSING

Attest:

By \_\_\_\_\_  
Sheila Rice, Chair

By \_\_\_\_\_  
Cheryl Cohen, Executive Director



Date: January 11, 2023

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

RE: Cover Letter / Sunshine Village, Broadway Manor East, and West / 4% Non-Competitive Application

Dear Montana Board of Housing:

Community Preservation Partners is pleased to present you with an application for 4% tax credits and tax-exempt bonds.

***The project being submitted is as follows:***

Name: Sunshine Village (Senior); Broadview Manor East and West (Family)  
City: Great Falls / County: Cascade  
Developer: Community Preservation Partners, LLC (CPP) and Hampstead Development Partners, Inc. (Hampstead)  
General Partner Owner: MT2 GP, LLC  
Managing General Partner: FFAH V Great Falls, LLC  
Set-aside: 40% of eligible units at 60% AMI

Project Description:

The MT2 Community Partners, LP portfolio consists of Sunshine Village ("Sunshine") a 72-unit senior community, the family properties of Broadview Manor East totaling 8-units, and Broadview Manor West totaling 12-units ("Broadview"). All sites are in Great Falls, Montana within a 6-mile radius of each other. None of the properties are currently in the LIHTC program but do benefit from a HUD project-based section 8 HAP contract covering 100% of the units. **Sunshine's contract expires September 30, 2023 and Broadview's expires October 31, 2023**, putting the properties at-risk of losing their affordability and converting to a market rate property, potentially displacing 72 seniors and 20 families. Sunshine consists of one three-story building with both one- and two-bedroom units. Broadview East has two two-story buildings while Broadview West has two three-story buildings, both locations having three- and four-bedroom units. Both Sunshine and Broadview were built in 1979 and 1980 respectively. Sunshine has a leasing office, community room and separate maintenance building. All locations provide laundry facilities and uncovered open parking.

CPP is seeking bond financing and a 4% tax credit award to acquire, rehabilitate and preserve the affordability of these properties. Because the existing affordability restrictions expire in less than 1-year, both Sunshine and Broadview are considered Preservation Projects, and to preserve the very low-income units and prevent displacement of the residents, we will be requesting a 20-year renewal of the expiring HAP contracts and encumbering the property with a new LURA to ensure affordability for a minimum of 50 years.

In addition to bonds and 4% tax credit equity, debt financing will be provided by Glacier Bank, a Seller Note in the amount of \$2mm will be issued, along with deferred developer fee and net operating income will be used to finance the project. The project will target tenants at 50% and 60% AMIs. Fifty percent or a minimum of 46-units will be restricted to 50% AMI as a property tax exemption will be provided for the property. If awarded, the applicant will be able to have permits issued and financing closed within 30 days of receiving the tax credit allocation, with the rehabilitation completing first quarter 2024.

Sunshine's single three-story building has two entrance points with elevator access at both entrances, units are accessed through an interior hallway. Broadview's building construction consists of two-and

three-stories, with the first level consisting of basement style units. Units have either an exterior entry or an interior hallway entry. All floor levels are accessible by stairs only, and there are no elevators at the Broadview properties. Currently heating is provided by electric baseboard units or gas wall units, and cooling is provided by window AC units at all property locations.

Post-rehabilitation units will include energy efficient upgrades, such as energy star rated appliances. New low VOC vinyl plank flooring will be installed, along with LED lighting fixtures, formaldehyde free cabinets and counters, low VOC paint and low flow plumbing fixtures. Exteriors will be updated with new paint, balcony replacement at Sunshine and stair replacement at the Broadviews. There will be ADA unit and path of travel upgrades and the parking lots resurfaced. Total per unit construction related expenditures are more than \$67k per unit. Any proposed landscape improvements will address water conservation.

In addition to the property upgrades, the redevelopment plan for Sunshine and Broadview will include amenities focused on improving the resident's quality of life. The community space at Sunshine will be used to host social programming and encourage residents to gather which will create a stronger community. Site-wide Wi-Fi will be provided to the residents free of charge, which is a valuable amenity that will also allow residents to further their education, help in searching for jobs, and expand their communication skills. Post-rehabilitation all sites will implement a smokefree policy.

Market conditions for both Sunshine and Broadview shows strong demand, and the PMA evidences a low average vacancy of 1.2% or less. The low-income properties currently are 98% leased or better and do not face lease up risk. Based on our market study, with an assumed 85% tenant retention rate post-rehabilitation, the overall capture rate is 2.9% or less.

**CPP (Applicant, Co-Developer)** is an established preservation developer, actively promoting, preserving and assisting existing owners with recapitalizing and revitalizing their affordable housing portfolios since 2004. CPP has successfully acquired, developed, and rehabilitated over 13,500 units of affordable multifamily housing across the US, including Montana.

**Hampstead (Sponsor, Co-Developer)** is a national affordable housing developer and has developed over 7,000 affordable units in 11 states. This will be Hampstead's ninth development in the state of Montana. Hampstead is a well-capitalized entity capable of arranging all levels of financing including acquisition bridge loans, conventional debt, tax credit equity, and the use of its own equity to bring a project to fruition.

**FPI Management (Management Agent)** formed in 1968, specializes in the management of affordable housing with a current portfolio of over 1,000 low-income properties including the State of Montana. They have expertise and experience in addressing the complex eligibility and reporting requirements often associated with diverse financing of tax credit properties and project-based Section 8 transactions

**Hooker DeJong, Inc. (HDJ) (Architect)** formed in 1936, is a leading national A/E with extensive skills and experience in the area of affordable housing rehabilitation and design and has recent experience working in the State of Montana. HDJ is involved in the upfront scoping, design and preparation of construction drawings, and the construction administration.

**MFRG-ICON (General Contractor)** has extensive affordable housing rehabilitation experience throughout the national and has worked on several communities in the State of Montana. Their primary focus is on the construction and rehabilitation of affordable housing and specialize in occupied renovations. They have temporarily relocated over 30,000 families and seniors without incident.

If you have any questions please contact me at (949)246-6083 or kbuckland@cpp-housing.com.

Sincerely,

Karen Buckland  
Vice President – Development



View of West Subject



View of East Subject

**Market Study Summary**

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

0 Bedroom \$ \_\_\_\_\_ %

1 Bedroom \$ \_\_\_\_\_ %

2 Bedroom \$ \_\_\_\_\_ %

3 Bedroom \$ \$1,239 -13.77%

4 Bedroom \$ \$1,383 -18.41% Reference page: 74

# of New Units Needed: 269 Reference page: 80

Vacancy Rate 1.2 % Reference page: 67

Capture Rate 1.1 % Reference page: 80  
(projected income eligible tenants who will move in next year/proposed units)

Units needed in market area 1,254 Reference page: 79

Absorption Rate N/A % N/A months Reference page: 60  
(proposed units/existing LIH, market area units required)

Penetration Rate 1.1 % Reference page: 75  
(existing LIH units/total eligible households)

Number of LI households that can afford rent of proposed project 249

Reference page: 79

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

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

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

Reference page: 20-21

**Market Study Summary**

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

|           |                 |                 |                           |
|-----------|-----------------|-----------------|---------------------------|
| 0 Bedroom | \$ _____        | _____ %         |                           |
| 1 Bedroom | \$ <u>894</u>   | <u>-22.51</u> % |                           |
| 2 Bedroom | \$ <u>1,072</u> | <u>-17.47</u> % |                           |
| 3 Bedroom | \$ _____        | _____ %         |                           |
| 4 Bedroom | \$ _____        | _____ %         | Reference page: <u>62</u> |

# of New Units Needed: 375 Reference page: 68

Vacancy Rate 0.8 % Reference page: 55

Capture Rate 2.9 % Reference page: 67  
(projected income eligible tenants who will move in next year/proposed units)

Units needed in market area 375 Reference page: 74

Absorption Rate N/A % N/A months Reference page: 56  
(proposed units/existing LIH, market area units required)

Penetration Rate 2.7 % Reference page: 68  
(existing LIH units/total eligible households)

Number of LI households that can afford rent of proposed project 300

Reference page: 67

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

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

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

Reference page: 15

### AMENITIES FORM

Project Name: Broadview Manor East and West; Sunshine Village

| All Units                  | Yes/No | Incremental<br>Cost<br>Per Unit | Benefit  |
|----------------------------|--------|---------------------------------|--|
| Air Conditioning           | No     |                                 |  |
| Carport/Garage             | No     |                                 |  |
| Dishwasher                 | No     |                                 |  |
| Disposal                   | No     |                                 |  |
| Extra storage outside unit | No     |                                 |  |
| Microwave                  | No     |                                 |  |
| Patios or Balconies        | Yes    | \$ 186,000.00                   | which is beneficial to Seniors who are less mobile and still enjoy getting outdoors in a safe environment. |
| Washer/dryer hookups       | No     |                                 |  |
| Washer/dryer in unit       | No     |                                 |  |

| Project Wide               | Yes/No | Incremental<br>Cost<br>Total | Benefit  |
|----------------------------|--------|------------------------------|--|
| Basketball hoop/pad        | No     |                              |  |
| Car plug ins               | Yes    | \$ 22,000.00                 | The Broadview Manor projects currently have car plug ins and will be maintained based on resident use.   |
| Community Garden           | No     |                              |  |
| Community Room             | Yes    | \$ 15,000.00                 | residents to gather and socialize. We believe this will help create a greater sense of community on-site.  |
| Computer(s) for tenant use | No     |                              |  |
| Library                    | Yes    | \$ 5,000.00                  | The Sunshine property currently has a library which will be upgraded to provides access to literature and space for reading.                             |
| On site Manager            | Yes    | \$ 5,000.00                  | Increases security and safety measures, with regular inspections and tenant engagement.  |
| Outdoor community area     | Yes    | \$ 2,970.00                  | The Sunshine property has a large open lawn and surrounding benches will be installed so residents can gather and socialize while enjoying the outdoors. |
| Play Area                  | No     |                              |  |
| Hotspot/Wi-Fi              | Yes    | -                            | Provides access to learning, entertainment, banking, shopping and other necessary services.  |
| Other:                     |        |                              |  |

|                                  |  |
|----------------------------------|--|
| <b>County</b>                    | <b>Cascade</b>   |
| <b>Project Name</b>              | <b>Broadview Manor East and<br/>West; Sunshine Village<br/>Partners, LLC (CPP) and<br/>Hampstead Development</b> |
| <b>Developer / General Ptner</b> |  |

|                                     |             |
|-------------------------------------|-------------|
| <b>Set-aside</b>                    | General     |
| <b>HC Requested</b>                 | 8,594,820   |
| <b>Project Type</b>                 | Elderly     |
| <b>Construction Type</b>            | Acq / Rehab |
| <b>Projected Construction Start</b> | Apr-23      |
| <b>Projected Completion</b>         | Mar-24      |

| <u>Unit Numbers</u>      | <u>Target</u> |           |
|--------------------------|---------------|-----------|
| 1-bdrm                   | 50%           | 40        |
| 1-bdrm                   | 60%           | 20        |
| 2-bdrm                   | 50%           | 6         |
| 2-bdrm                   | 60%           | 4         |
| 2-bdrm                   | 60%           | 1         |
| 3-bdrm                   | 60%           | 10        |
| 4-bdrm                   | 60%           | 10        |
| 2                        | mgr(60%)      | 1         |
| Total Units              |               | <u>92</u> |
| Average Income Targeting |               | 54.95%    |

| <u>Square Footage</u>   |  |               |
|-------------------------|--|---------------|
| Income Restricted Units |  | 62,241        |
| Managers Unit(s)        |  | 687           |
| Common Space            |  | 2,000         |
| Market/Commercial       |  | -             |
| Total                   |  | <u>64,928</u> |

| <u>Unit Rents</u>       |          |                  |
|-------------------------|----------|------------------|
| 1-bdrm                  | 50%      | 1,190            |
| 1-bdrm                  | 60%      | 1,190            |
| 2-bdrm                  | 50%      | 1,345            |
| 2-bdrm                  | 60%      | 1,345            |
| 2-bdrm                  | 60%      | 1,072            |
| 3-bdrm                  | 60%      | 1,425            |
| 4-bdrm                  | 60%      | 1,635            |
| 2                       | mgr(60%) | 1,072            |
| Total Monthly Rents     |          | <u>117,594</u>   |
| vacancy factor          |          | 5.00%            |
| Adjusted Rent           |          | <u>111,714</u>   |
| other/commercial income |          | 2,025            |
| total rent              |          | <u>113,740</u>   |
| x 12 months             |          | 12               |
| Total Annual Income     |          | <u>1,364,875</u> |

|                                 |  |
|---------------------------------|--|
| <b>County</b>                   | <b>Cascade</b>   |
| <b>Project Name</b>             | <b>Broadview Manor East and<br/>West; Sunshine Village<br/>Partners, LLC (CPP) and<br/>Hampstead Development</b> |
| <b>Developer / General Ptrn</b> |  |

**Expenses**

|                       |                |
|-----------------------|----------------|
| Administration        | 29,996         |
| Management            | 54,096         |
| Maintenance           | 140,728        |
| Operating             | 319,241        |
| Taxes                 | 1,000          |
| Replacement Reserve   | 27,600         |
| <b>Total Expenses</b> | <b>572,661</b> |

|                                   |         |
|-----------------------------------|---------|
| Net Income Before<br>Debt Service | 792,214 |
|-----------------------------------|---------|

**Financing Sources**

|                              |                   |
|------------------------------|-------------------|
| Hard Loan                    | 10,958,000        |
| Other                        | 2,000,000         |
| Other                        | 997,652           |
| Deferred Dev Fee             | 1,460,977         |
| HC Equity Non-Competitive    | 7,734,564         |
| <b>Total Sources:</b>        | <b>23,151,193</b> |
| % of Project Financed by HC: | 33.41%            |

**Return on Sale of HTC**

|                    |           |
|--------------------|-----------|
| HTC Requested      | 8,594,820 |
| HTC Equity         | 7,734,564 |
| HTC Return on Sale | 0.900     |

**Ratios**

|                           |           |
|---------------------------|-----------|
| Rent (Income)             | 1,364,875 |
| Operating                 | 545,061   |
| Replacement               | 27,600    |
| Net Income                | 792,214   |
| Total Debt Service        | 688,161   |
| Debt Coverage Ratio (DCR) | 1.15      |
| Total Expense Ratio       | 1.08      |

**Project Costs**

|                            |                   |
|----------------------------|-------------------|
| Land                       | 928,768           |
| Building/Acquisition       | 10,141,185        |
| Site Work                  | -                 |
| Construction / Rehab       | 6,175,847         |
| Soft Costs                 | 2,641,599         |
| Developer Fees             | 2,843,794         |
| Reserves                   | 420,000           |
| <b>Total Project Costs</b> | <b>23,151,193</b> |
| Supportive Services Costs  | -                 |
| Residential Costs          | 23,151,193        |

|                                 |  |
|---------------------------------|--|
| <b>County</b>                   | <b>Cascade</b>   |
| <b>Project Name</b>             | <b>Broadview Manor East and West; Sunshine Village</b> |
| <b>Developer / General Ptnr</b> | <b>Partners, LLC (CPP) and Hampstead Development</b>   |

**Costs versus Sources**

|                         |            |
|-------------------------|------------|
| Total Project Costs     | 23,151,193 |
| Total Financing Sources | 23,151,193 |
| Difference              | -          |

**Project Cost Limitations**

|                      | <u>Limits</u>   |        |
|----------------------|-----------------|--------|
| General Requirements | 6.00%           | 4.74%  |
| Contractor Overhead  | 2.00%           | 1.58%  |
| Contractor Profit    | 6.00%           | 4.74%  |
| Developer Fees       | 15.00%          | 15.00% |
| Soft Cost            | 32 or 37 or 40% | 33.62% |

**Per Unit Comparison**

|                                | <u>Limits</u> |         |
|--------------------------------|---------------|---------|
| Cost per unit total            | n/a           | 251,643 |
| Cost per unit residential only | \$350,000     | 251,643 |
| Cost per unit Const / Rehab    | n/a           | 67,129  |
| Credits per unit               | n/a           | 93,422  |
| Operating Cost per unit        | \$3,000 min   | 5,925   |
| Replacement Reserves           | \$300 min     | 300     |

**Per Square Foot Comparison**

|                                      |        |
|--------------------------------------|--------|
| Construction / Rehab per sq ft       | 95.12  |
| Total Project Cost per sq ft         | 356.57 |
| Credits per sq ft                    | 132.37 |
| Credits per sq ft (residential only) | 136.58 |

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

**Market Study Data:**

|                                 |       |
|---------------------------------|-------|
| Vacancy Rates                   | 1.2%  |
| Absorption Rate                 | NA    |
| Months to Absorb                | NA    |
| Average Project Rent            | 1,278 |
| Average Market Rent             | 1,396 |
| Units needed for Targeted AMI's | 1,254 |

**Market Rents**

|         |       |
|---------|-------|
| 0-bdrms | -     |
| 1-bdrms | 1,154 |
| 2-bdrms | 1,299 |
| 3-bdrms | 1,437 |
| 4-bdrms | 1,695 |
| other   | -     |

County

Cascade

Project Name

Broadview Manor East and  
West; Sunshine Village

Developer / General Ptnr

Partners, LLC (CPP) and  
Hampstead Development

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**Development Evaluation Criteria and Selection**

Lower Income Tenants

Income and Rent Level Targeting. 40-60%  
Project-Based Rental Subsidy. YES

Project Characteristics

Amenities Grocery Store  
Small Town / Tribal Designation Area na  
Affordable Housing Stock na  
Historic Preservation na

Local Involvement

Community Input Local Community Input  
QCT / Local Community Revitalization Plan na  
Communication / Relationships na

Green Building and Energy Conservation Standards

Green & Energy Std Met

Tenant Populations with Special Housing Needs

Family Projects Family Project  
Elderly Projects na

# Multi Family Program Dashboard

## March 13, 2023

### Funds For Coal Trust, MFLP, Housing Montana Fund

#### Available

|            |           |
|------------|-----------|
| Coal Trust | \$819,052 |
| MFLP       | \$368,237 |
| Housing MF | \$478,483 |

### Projects Underway

| Program  | Project                      | City           | Year Awarded | Recipient                           | Status*                              |
|----------|------------------------------|----------------|--------------|-------------------------------------|--------------------------------------|
| 9%       | ANHA LIHTC #2                | Crow Agency    | 2023         | Apsaalook Nation HA                 | Just awarded in October              |
| 9%/ MFLP | Cabinet Affordable           | Libby          | 2023         | Cabinet Affordable Housing          | Just awarded in October              |
| 9%       | Carter Commons               | Great Falls    | 2023         | Carter Commons, LLLP                | Just awarded in October              |
| 9%       | Creek Side Apartments        | Missoula       | 2023         | Homeword                            | Just awarded in October              |
| 9%/MFLP  | Meadowlark Senior            | Butte          | 2023         | Northwest Real Estate Capital Group | Just awarded in October              |
| 9%/MFLP  | Riverview Apts               | Big Sky        | 2022         | Blueline                            | Closing in March                     |
| 9%       | Bicentennial Apts            | Dillon         | 2022         | Dawson Holdings                     | Under Construction                   |
| 9%       | Baatz Block Apts             | Great Falls    | 2022         | Homeword                            | Rehab Planned Start for Early 2023   |
| 9%       | Tapestry Apts                | Billings       | 2022         | CLDI                                | Under Construction                   |
| 9%/4%    | Junegrass 4/9                | Kalispell      | 2022         | GMD/Homeward                        | Under Construction                   |
| 9%/ARPA  | Laurel Depot                 | Laurel         | 2021         | GL/North Fork Dev.                  | Under Construction                   |
| 9%/ARPA  | MRM Unified Campus           | Billings       | 2021         | MT Rescue Mission                   | Under Construction                   |
| 9%/ARPA  | Jackson Court                | Billings       | 2021         | GL Development                      | Under Construction                   |
| 9%/ARPA  | AHNA LIHTC 1                 | Crow Agency    | 2021         | Apsaalooke Nation HA                | Closed September 2022                |
| 9%/MFLP  | Creekside Commons            | Kalispell      | 2021         | Housing Solutions                   | Construction planned for Spring 2023 |
| 9%       | Crowley Flats                | Lewistown      | 2021         | Homeword                            | Under Construction                   |
| 4%       | Comstock I, II & III         | Bozeman        | 2022         | Devco Preservation                  | Closed November 2022                 |
| 4%/ARPA  | Spruce Grove                 | Laurel/Bridger | 2022         | GL Development                      | Under Construction                   |
| 4%       | Bridger Peaks                | Bozeman        | 2022         | Devco Preservation                  | Under Construction                   |
| 4%/ARPA  | Highland Manor               | Havre          | 2021         | Echo Enterprise                     | Closing Spring 2023                  |
| 4%       | Castlebar                    | Bozeman        | 2021         | Devco Preservation                  | Under Construction                   |
| 4%/ARPA  | Villagio                     | Missoula       | 2021         | Blueline/Missoula HA                | Under Construction                   |
| 4%       | Bitterroot Valley Apartments | Hamilton       | 2021         | Summit Housing Group                | Under Construction                   |
| 4%/ARPA  | Trinity                      | Missoula       | 2021         | Blueline.Homeword/Missoula HA       | Under Construction                   |
| 4%       | Boulevard                    | Bozeman        | 2021         | HRDC/Good Housing Partners          | Under Construction                   |
| 4%       | Darlington Miles Sherwood    | Bozeman        | 2021         | HRDC/Good Housing Partners          | Under Construction                   |
| 4%       | Sunshine Village             | Great Falls    | 2023         | Community Preservation Partners     | On board agenda for March            |
| 4%       | Big Fork Senior              | Big Fork       | 2023         | Bigfork Senior Housing              | Application Review                   |
| 4%       | Lumberyard                   | Bozeman        | 2023         | Rueter Walton Development           | Application Review                   |
| 4%       | South Forty                  | Billings       | 2023         | Lincoln Avenue Capital              | Approved in January                  |

### Events and Deadlines

Fairmont Compliance Training  
9% Letter of Intent Submissions

First week of April  
Due by April 10, 2023

# BOARD AGENDA ITEM

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## PROGRAM

Operations/Executive Director

## BOARD MEETINGS

The next scheduled Board meeting is April 18, 2023 and will be held in-person at the Springhill Suites in Kalispell. Board members who are not available to attend in person will have the option to join virtually via Zoom.

## BOARD TRAINING & CONFERENCE OPPORTUNITIES

- Our next Board training will be held April 17, 2023 at the Springhill Suites in Kalispell. Board members are strongly encouraged to attend in-person. Jeanette McKee and Adam Hertz will be joining virtually due to scheduling conflicts.
- Board members are strongly encouraged to attend our Montana Housing Partnership Conference, May 15–17, 2023 in Helena at the Delta Marriott. Please inform Kylee Hughes by Friday, March 17 if you would like to attend the conference.

## CONTRACTS / PROCUREMENT

- Emphasys contract routed for signatures.
- Elkins Consulting contract recently executed to provide strength-based training and team-building for all housing division staff. Interested Board members can also take the Strength Finders assessment under this contract, and we could consider a Board-focused convening with Sarah Elkins under a strategic planning framework, if there is interest from the Board.
- Acorn Mortgage Consulting contract is with the Department of Administration for sole source approval.
- First Interstate Bank contract has been routed for execution.
- RFP for Financial/CPA services for secondary reviews of financial statements is under development.
- Five (5) outside legal contracts will be completed and ready to route within the next few weeks.

## PERSONNEL UPDATE

Montana Housing has no open recruitments at this time.

## EMERGENCY RENTAL ASSISTANCE UPDATE

- As of March 1, 2023, we have awarded \$118.4 million in rent and utility assistance and about 4,160 applications are currently under review.
- Over \$48.3 million in potentially fraudulent applicants have been flagged, isolated, and ultimately denied. The team is actively pursuing payment returns for overpaid situations (i.e., renter moves out before the three months future rent assistance has ended).
- The MERA team is implementing various process improvements to help speed up application review cycle times to address the application backlog, including employing the ARPA call center to assist with calls and reassigning our three phone staff to review applications, creating a greater level of expectations and accountability and providing tools to support application reviews.
- Applications are processed in the date order submitted, with the exception of expedited applications for eminent evictions and utility shut-offs.
- The program put a pause on new applications and continues, for now, to accept continuing assistance applications. Projections indicate that we will complete the wind down of the program around the end of April/May. However, the program could go longer depending on funding available.

# BOARD AGENDA ITEM

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## HOMEOWNER ASSISTANCE FUND UPDATE

- As of March 2, 2023, there have been 539 applications submitted to the statewide program and HAF staff have approved and paid over \$1.6 million in total through all statewide program areas.
- The HAF team is working on a power point presentation, in conjunction with a servicer, to be presented to delinquent borrowers to help educated those in need of the HAF program.
- HAF staff are continuing to discuss areas of program expansion in programmatic areas as well as maximum amount of household funds to ensure a well-rounded program that meets Montana homeowner needs.

## COMMUNITY HOUSING UPDATE

- See Community Housing Dashboard in board packet.

## RENTAL ASSISTANCE UPDATE

- See Rental Assistance Dashboard in board packet.

## EXECUTIVE DIRECTOR UPDATE

- Cheryl, Joe and Kylee continue to participate in the Disaster Housing Work Group.
  - Community MT is lead on collaborating with DES on the needs analysis and cost estimates for a possible CDBG-DR appropriation request.
  - The Disaster Housing Work Group completed its initial review of the draft Disaster Housing Strategy document, and Commerce Research and Information Services is finishing work on data and maps to include in the Strategy (i.e., FEMA hazard maps, social vulnerability index etc.).
  - We now have a technical assistance contracting opportunity with FEMA, including a workshop focused on Disaster Housing Recovery in April in Chicago. This is a well-timed opportunity for additional (free) technical assistance to develop a robust Disaster Housing Strategy for the state of Montana.
  - Continuing to coordinate with Commerce leadership on various other emergency response and recovery efforts, including participation in Emergency Support Function annexes, review of Department of Emergency Services Multi-Hazard Mitigation Plan update, participating in FEMA trainings and an upcoming Council of State Community Development Agencies (COSFDA) Disaster Recovery Bootcamp to be held in Denver, CO from June 27-29, 2023.
- The Legislative Audit Division Performance Audit of the Montana Board of Housing will proceed; we received the enclosed audit engagement letter dated February 21, 2023. Assigned auditors from the Legislative Audit Division will continue to join upcoming Board meetings and trainings to learn more about the operations of the Board.

## LEGISLATIVE UPDATE

- See attached Bill Tracking for March 8, 2023.

# Community Housing Dashboard

## March 13, 2023

### FUNDS FOR HOME, HTF AND CDBG

|                       | <u>ALLOCATED</u><br><u>FROM HUD</u> <sup>1</sup> | <u>AWARDED</u>   | <u>REMAINING TO</u><br><u>AWARD</u> | <u>REMAINING TO</u><br><u>DISBURSE</u> <sup>2</sup> |                                |
|-----------------------|--|------------------|-------------------------------------|---|--------------------------------|
| HOME                  | \$ 3,420,477.00                                  | \$ 2,638,079.00  | \$ 782,398.00                       | \$ 7,181,555.00                                     |                                |
| HTF                   | \$ 2,982,433.00                                  | \$ 948,243.00    | \$ 2,034,190.00                     | \$ 6,994,910.00                                     |                                |
| CDBG-Housing          | \$ 1,750,000.00                                  | \$ 780,000.00    | \$ 970,000.00                       | \$ 4,635,586.00                                     |                                |
| CDBG-CV <sup>3</sup>  | \$ 10,174,175.00                                 | \$ 10,174,175.00 | \$ -                                | \$ 7,787,876.00                                     | Expenditure deadline July 2026 |
| HOME-ARP <sup>4</sup> | \$ 11,459,768.00                                 | \$ 572,988.00    | \$ 10,886,780.00                    | \$ 10,313,791.00                                    | Expenditure deadline Sept 2030 |

<sup>1</sup> The Funds Allocated From HUD column represents the 2022 allocation Commerce received for the HOME Investment Partnerships Program (HOME), Housing Trust Fund (HTF) and Community Development Block Grant (CDBG)-Housing Programs.

<sup>2</sup> Includes administrative funds

<sup>3</sup> CDBG-CV funds were allocated by HUD through the federal CARES Act in July 2021 to address the impacts of COVID.

<sup>4</sup> HOME-ARP funds were allocated by HUD through the American Rescue Plan Act in September 2021 to primarily address homelessness.

### 2023 Allocations

HUD announced 2023 allocations for HOME and CDBG February 27, 2023.  
The HOME allocation increased by less than 1%; CDBG increased by less than 0.1%.  
HUD anticipates providing HTF allocation amount in April 2023.

### PROJECTS UNDERWAY

| Program                    |   |
|----------------------------|---|
| HOME                       | Nine (9) projects have been awarded funds. Five (5) are expected to lease up this spring/summer and the other four (4) will be under construction this year.                          |
| HTF                        | Seven (7) projects have been awarded funds. Boulevards in Bozeman just closed out while two others will close out this spring. The remaining three will be underway this summer/fall. |
| CDBG                       | Four (4) projects are working through their start up with environmental review and contracting.   |
| CDBG-CV                    | 15 projects have been awarded funds. Four (4) projects completed; (9) more under contract; remaining projects will be underway 1st or 2nd quarter 2023                                |
| HOME Homebuyer Assistance  | Five organizations are qualified to provide down payment and closing cost assistance: NWMT, HRDC 9, HRC XI, Trust Montana and Northwest Montana Community Land Trust                  |
| CDBG Housing Stabilization | Six local governments are qualified to implement single-family rehabilitation programs: Lake and Missoula Counties; Cities of Choteau, Glasgow, Helena, and Shelby                    |

### EVENTS and DEADLINES

|           |   |
|-----------|---|
| 6-Mar-23  | <b>Submitted HOME-ARP Allocation Plan to HUD</b><br>HUD will provide feedback 45-60 days from submission  |
| 7-Mar-23  | <b>Application workshop for HOME, HTF and CDBG-Housing</b><br>Well attended   |
| 7-Jun-23  | <b>Anticipated application deadline for remaining 2022 HTF and CDBG-Housing funds</b><br>\$2,034,190 HTF available; \$1,197,394 CDBG available for Housing rehabilitation and for addressing homelessness   |
| 15-Sep-23 | <b>Anticipated application deadline for 2023 HOME, HTF and CDBG-Housing</b><br>2023 funding for HOME and CDBG remained steady. HTF allocation amount expected in April.<br>Note applications for HOME homebuyer assistance and CDBG single-family rehabilitation programs are accepted on a rolling basis, i.e. there is no application deadline. |

# Section 8 Program Dashboard

## February 28, 2023

### Totals

|                    | <u>Previous Month</u> | <u>Current Month</u> | <u>Change</u> |
|--------------------|-----------------------|----------------------|---------------|
| Paid Units         | 7,061                 | 7,074                | 13            |
| Budgeted Units     |                       | 8,317                |               |
| All Section 8 HAPs | 3,974,318             | 4,026,056            | 51,738        |

### Section 8 Tenant Based Programs

|   | <u>Month</u>  |               |               | <u>Year HAP</u> | <u>HUD Budget</u> | <u>Fees</u> | <u>Term</u>   |
|---|---------------|---------------|---------------|-----------------|-------------------|-------------|---------------|
|   | <u>Jan-23</u> | <u>Feb-23</u> | <u>Change</u> |                 |                   |             |               |
| <b>Housing Choice Voucher (HCV)</b>               |               |               |               |                 |                   | 119,994     | <b>CY2023</b> |
| Paid Units (3625 Agency contracts)                | 2,910         | 2,938         | 28            |                 |                   |             |               |
| Current Month Payment Amount                      | 1,495,644     | 1,527,542     | 31,898        | 3,023,186       |                   | 243,862     |               |
| <b>Veterans Affairs Supportive Housing (VASH)</b> |               |               |               |                 |                   |             | <b>CY2023</b> |
| Number Units Paid (321 Authorized)                | 170           | 166           | -4            |                 |                   | 6,770       |               |
| Payment Amount                                    | 84,388        | 83,769        | -619          | 168,157         |                   | 13,695      |               |
| <b>Moderate Rehabilitation (ModRehab)</b>         |               |               |               |                 |                   |             |               |
| Number Contracts                                  |               |               | 0             |                 |                   |             |               |
| Paid Units (297 Authorized)                       | 195           | 193           | -2            |                 |                   | 7,601       |               |
| Payment Amount                                    | 111,369       | 107,122       | -4,247        | 218,491         |                   | 14,991      |               |
| <b>Mainstream</b>                                 |               |               |               |                 |                   |             |               |
| Number Units Paid                                 | 35            | 37            | 2             |                 |                   | 1,600       |               |
| Payment Amount                                    | 23,491        | 23,997        | 506           | 47,488          |                   | 3,552       |               |
| <b>Project Based VASH</b>                         |               |               |               |                 |                   |             |               |
| Number Units Paid                                 | 32            | 35            | 3             |                 |                   | 1,365       |               |
| Payment Amount                                    | 18,540        | 20,266        | 1,726         | 38,806          |                   | 2,614       |               |
| <b>EHV</b>  |               |               |               |                 |                   |             |               |
| Number Units Paid                                 | 57            | 59            | 2             |                 |                   | 2,414       |               |
| Payment Amount                                    | 30,745        | 32,839        | 2,094         | 63,584          |                   | 5,358       |               |

### Section 8 Project Based Programs

|  |           |           |        |            |                  |                                  |
|--|-----------|-----------|--------|------------|------------------|----------------------------------|
| <b>Project-Based (PBS8)</b>                    |           |           |        |            |                  | <b>Admin Earnings</b>            |
| Contracts                                      | 89        | 89        | 0      |            |                  | 91,427                           |
| Units Paid (4132 Authorized with 8bb)          | 3,634     | 3,616     | -18    |            |                  | Contract Extension               |
| Payment Amount                                 | 2,193,487 | 2,213,525 | 20,038 |            |                  |                                  |
| Calendar Year Admin Earnings                   |           |           |        |            |                  | 182,858                          |
| <b>811 Project Rental Assistance Demo (FY)</b> |           |           |        |            | <b>1,900,000</b> | 157,000 <b>Five Year</b>         |
| Rental Assistance Contracts (RAC)              |           |           | 0      | Disbursed: | 877,539          | Balance: 1,022,461               |
| Units (grant requires 82)                      | 28        | 30        | 2      |            |                  | 8 Units Kalispell                |
| Payment Amount                                 | 16,654    | 16,996    | 342    |            |                  | 40 Units Missoula                |
|  |           |           |        |            |                  | 5 Units Ronan                    |
|  |           |           |        |            |                  | <u>21 Units Bozeman/Belgrade</u> |
|  |           |           |        |            |                  | 74                               |

# LEGISLATIVE AUDIT DIVISION

Angus Maciver, Legislative Auditor  
Deborah F. Butler, Legal Counsel



Deputy Legislative Auditors:  
Cindy Jorgenson  
William Soller

February 21, 2023

Cheryl Cohen  
Executive Director  
Montana Board of Housing  
P.O. Box 200528  
Helena, MT 59620-0528

Dear Director Cohen:

The Legislative Audit Committee requested a performance audit of the Board of Housing and its affordable housing programs. Performance audits are designed to assess state government operations, review regulatory compliance, and consider process efficiency and effectiveness. Based on audit assessment work, we have determined that an audit of the Board of Housing is warranted. We have gathered background information and are developing an audit plan, which includes an assessment of audit scope, objectives, and proposed methodologies.

Once audit scope and objectives are determined, audit team members will contact you to schedule an audit entrance conference. Audit entrance conferences provide an opportunity for discussion of proposed audit scope, objectives, and methodologies. The entrance conference also provides an opportunity for you or your staff to ask questions about the audit process. If you have any questions, concerns, or would like additional information, please contact Amber Robbins, Management & Program Analyst Supervisor or me at 444-3122. Thank you for your assistance.

Sincerely,

A handwritten signature in blue ink, appearing to read "W. Soller".

William Soller, Deputy Legislative Auditor  
Performance and Information Systems Audits

cc: Scott Osterman, Director, Department of Commerce

S:\Admin\Correspondence\23\BOH\23P-04\ws-Cohen-23P-04-entrance-ltr.docx\cr

# Housing MT

Report Date: March 8, 2023

| Bill Number   | Bill Sponsor                 | Current Committee                            | Last Action                                    | Next Hearing  |
|---|------------------------------|--|--|---|
| <a href="#">HB 5</a>  | Mike Hopkins(R) HD 92        | Appropriations (H)                           | 03/15/23 - Hearing                             | 8:00AM 03/15/2023<br>House<br>Appropriations<br>Hearing<br>Room 102 |
| Long-range building appropriations                                |                              |  |  |   |
| <a href="#">HB 25</a>   | Tom Welch(R) HD 72           | Taxation (S)                                 | 02/01/23 - Committee Report--Bill<br>Concurred |   |
| Repeal gray water property abatement                              |                              |  |  |   |
| <a href="#">HB 30</a>   | Alice Buckley(D) HD 63       | Business, Labor, and Economic Affairs<br>(S) | 02/16/23 - Signed by Governor                  |   |
| Generally revise mortgage laws                                    |                              |  |  |   |
| <a href="#">HB 56</a>   | Julie Dooling(R) HD 70       | Taxation (S)                                 | 02/27/23 - Returned from Enrolling             |   |
| Extend the application of the bond validating act                 |                              |  |  |   |
| <a href="#">HB 244</a>  | Dave Fern(D) HD 5            | Appropriations (H)                           | 02/02/23 - First Reading                       |   |
| Revise laws governing the housing Montana fund                    |                              |  |  |   |
| <a href="#">HB 246</a>  | Scot Kerns(R) HD 23          | Local Government (H)                         | 02/14/23 - Transmitted to Senate               |   |
| Allow for the zoning of tiny dwelling units                       |                              |  |  |   |
| <a href="#">HB 296</a>  | Kerri Seekins-Crowe(R) HD 43 | Judiciary (S)                                | 03/10/23 - Hearing                             | 9:00AM 03/10/2023<br>Senate<br>Judiciary<br>Hearing<br>Room 303     |
| Revising laws relating to real estate transaction disclosures     |                              |  |  |   |
| <a href="#">HB 318</a>  | SJ Howell(D) HD 95           | Taxation (H)                                 | 02/08/23 - Tabled in Committee                 |   |
| Providing housing tax incentives                                  |                              |  |  |   |
| <a href="#">HB 358</a>  | Katie Zolnikov(R) HD 45      | Business and Labor (H)                       | 02/21/23 - Transmitted to Senate               |   |
| Revise property manager license law                               |                              |  |  |   |
| <a href="#">HB 370</a>  | Dave Fern(D) HD 5            | Taxation (H)                                 | 02/10/23 - Tabled in Committee                 |   |
| Revise resort tax eligibility and allow use for workforce housing |                              |  |  |   |

# Housing MT

Report Date: March 8, 2023

| Bill Number  | Bill Sponsor                | Current Committee      | Last Action   | Next Hearing  |
|--|-----------------------------|------------------------|---|---|
| <a href="#">HB 380</a>   | Gregory Frazer(R) HD 78     | Human Services (H)     | 02/17/23 - Committee Report--Bill Passed as Amended |   |
| Establish a grant funding program to support homelessness care providers         |                             |                        |   |   |
| <a href="#">HB 407</a>   | Dave Fern(D) HD 5           | Taxation (H)           | 02/21/23 - Committee Report--Bill Passed as Amended |   |
| Provide for affordable housing abatements  |                             |                        |   |   |
| <a href="#">HB 416</a>   | Jim Hamilton(D) HD 61       | Taxation (H)           | 02/22/23 - Tabled in Committee                      |   |
| Provide income tax credit for renting dwelling below market rate                 |                             |                        |   |   |
| <a href="#">HB 428</a>   | Michael Yakawich(R) HD 51   | Judiciary (H)          | 02/15/23 - Tabled in Committee                      |   |
| Generally revise mobile home park laws   |                             |                        |   |   |
| <a href="#">HB 429</a>   | George Nikolakakos(R) HD 26 | Judiciary (H)          | 02/15/23 - Tabled in Committee                      |   |
| Require notification of mobile home park sale with a right to purchase           |                             |                        |   |   |
| <a href="#">HB 430</a>   | Jane Gillette(R) HD 64      | Taxation (H)           | 02/17/23 - Hearing                                  |   |
| Establish a rent local program funded with tax on short-term rentals             |                             |                        |   |   |
| <a href="#">HB 507</a>   | Ed Stafman(D) HD 62         | Human Services (H)     | 02/27/23 - Tabled in Committee                      |   |
| Establish medicaid medical respite care program for homeless individuals         |                             |                        |   |   |
| <a href="#">HB 523</a>   | Michael Yakawich(R) HD 51   | Business and Labor (H) | 03/02/23 - First Reading                            |   |
| Require reporting on emergency rental assistance paid to businesses and landlord |                             |                        |   |   |
| <a href="#">HB 546</a>   | Dave Fern(D) HD 5           | Appropriations (H)     | 03/15/23 - Hearing                                  | 8:00AM 03/15/2023<br>House<br>Appropriations<br>Hearing<br>Room 102 |
| Authorize additional funding for coal trust loan program for housing             |                             |                        |   |   |
| <a href="#">HB 553</a>   | Alice Buckley(D) HD 63      | Local Government (H)   | 02/23/23 - Tabled in Committee                      |   |
| Housing for Montana Families Act   |                             |                        |   |   |
| <a href="#">HB 574</a>   | Kim Abbott(D) HD 83         | Business and Labor (H) | 02/20/23 - Hearing Canceled                         |   |
| Establish workforce housing trust fund   |                             |                        |   |   |
| <a href="#">HB 646</a>   | Ed Stafman(D) HD 62         | Human Services (H)     | 02/28/23 - Tabled in Committee                      |   |
| Establish a housing stability services program                                   |                             |                        |   |   |

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| Bill Number            | Bill Sponsor   | Current Committee | Last Action   | Next Hearing |
|------------------------|--|-------------------|---|--------------|
| <a href="#">HB 731</a> | Steven Galloway(R) HD 24   | Judiciary (H)     | 03/03/23 - Transmitted to Senate                    |              |
|                        | Generally revise landlord tenant law   |                   |   |              |
| <a href="#">HB 732</a> | Steven Galloway(R) HD 24   | Judiciary (H)     | 02/28/23 - Tabled in Committee                      |              |
|                        | Generally revise landlord tenant law   |                   |   |              |
| <a href="#">HB 785</a> | Zoey Zephyr(D) HD 100  | Judiciary (H)     | 03/03/23 - Transmitted to Senate                    |              |
|                        | Revise landlord-tenant laws  |                   |   |              |
| <a href="#">HB 819</a> | Paul Green(R) HD 41  | Taxation (H)      | 03/02/23 - Referred to Committee                    |              |
|                        | Create Montana community reinvestment act to fund workforce housing            |                   |   |              |
| <a href="#">LC0024</a> | Brad Molnar (R) SD 28  |                   | 02/23/23 - Draft On Hold                            |              |
|                        | Provide for property tax rebate in certain counties                            |                   |   |              |
| <a href="#">LC0103</a> | Llew Jones (R) HD 18   |                   | 03/03/23 - Bill Draft Text Available Electronically |              |
|                        | Provide funding to address affordable housing                                  |                   |   |              |
| <a href="#">LC0105</a> | Llew Jones (R) HD 18   |                   | 03/03/23 - Draft in Assembly                        |              |
|                        | Optional alternative property tax payment schedule for primary residences      |                   |   |              |
| <a href="#">LC0106</a> | Llew Jones (R) HD 18   |                   | 11/09/22 - Draft On Hold                            |              |
|                        | Low income elderly property tax assistance                                     |                   |   |              |
| <a href="#">LC0561</a> | Steve Fitzpatrick (R) SD 10  |                   | 12/28/22 - Draft Ready for Delivery                 |              |
|                        | Revise law regarding certain covenants   |                   |   |              |
| <a href="#">LC0675</a> | Steve Fitzpatrick (R) SD 10  |                   | 01/25/23 - Draft On Hold                            |              |
|                        | Provide evaluations of state & local regulatory actions re: taking of property |                   |   |              |
| <a href="#">LC0896</a> | Kenneth Walsh (R) HD 71  |                   | 02/06/23 - Draft Ready for Delivery                 |              |
|                        | Revise workforce housing laws  |                   |   |              |
| <a href="#">LC0934</a> | Greg Hertz (R) SD 6  |                   | 11/01/22 - Draft Request Received                   |              |
|                        | Generally revise housing laws  |                   |   |              |
| <a href="#">LC1194</a> | Terry Moore (R) HD 54  |                   | 02/21/23 - Draft Back for Redo                      |              |
|                        | Create the Montana Community Land Trust Act                                    |                   |   |              |
| <a href="#">LC1327</a> | Janet Ellis (D) SD 41  |                   | 03/02/23 - Draft in Edit                            |              |
|                        | Establish graduated fee on short term rentals with money going to housing      |                   |   |              |

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| Bill Number   | Bill Sponsor                 | Current Committee | Last Action                         | Next Hearing |
|---|------------------------------|-------------------|-------------------------------------|--------------|
| <a href="#">LC1664</a>  | Julie Dooling (R) HD 70      |                   | 03/03/23 - Draft in Assembly        |              |
| Partial exemption for renting a dwelling under market rent                |                              |                   |                                     |              |
| <a href="#">LC1665</a>  | Julie Dooling (R) HD 70      |                   | 12/26/22 - Draft On Hold            |              |
| Generally revise tax laws   |                              |                   |                                     |              |
| <a href="#">LC1747</a>  | Andrea Olsen (D) SD 50       |                   | 11/29/22 - Draft Request Received   |              |
| Eliminate pre-established loan products                                   |                              |                   |                                     |              |
| <a href="#">LC1808</a>  | Andrea Olsen (D) SD 50       |                   | 11/30/22 - Draft Request Received   |              |
| Authorize a local vacant building registration fee                        |                              |                   |                                     |              |
| <a href="#">LC2198</a>  | John Fitzpatrick (R) HD 77   |                   | 12/02/22 - Draft Request Received   |              |
| Create revolving loan fund for workforce housing                          |                              |                   |                                     |              |
| <a href="#">LC2310</a>  | George Nikolakakos (R) HD 26 |                   | 02/23/23 - Draft Ready for Delivery |              |
| Establish a Montana workforce housing tax credit                          |                              |                   |                                     |              |
| <a href="#">LC2368</a>  | Christopher Pope (D) SD 31   |                   | 12/03/22 - Draft Request Received   |              |
| Revise laws related to housing affordability                              |                              |                   |                                     |              |
| <a href="#">LC2504</a>  | Ellie Boldman (D) SD 45      |                   | 12/03/22 - Draft Request Received   |              |
| Study of emergency and supportive housing options for certain populations |                              |                   |                                     |              |
| <a href="#">LC2510</a>  | Ellie Boldman (D) SD 45      |                   | 02/10/23 - Draft On Hold            |              |
| Generally revise tax laws on occupied or "in use" homes                   |                              |                   |                                     |              |
| <a href="#">LC2654</a>  | Steve Fitzpatrick (R) SD 10  |                   | 12/03/22 - Draft Request Received   |              |
| Revise housing laws   |                              |                   |                                     |              |
| <a href="#">LC2994</a>  | Mary Caferro (D) HD 82       |                   | 02/14/23 - Draft On Hold            |              |
| Establish state tax credit relating to single family housing              |                              |                   |                                     |              |
| <a href="#">LC3002</a>  | Mary Caferro (D) HD 82       |                   | 12/04/22 - Draft Request Received   |              |
| Establish a program for temporary rental assistance                       |                              |                   |                                     |              |
| <a href="#">LC3108</a>  | Mike Hopkins (R) HD 92       |                   | 02/08/23 - Draft On Hold            |              |
| Generally revise senior homeowner/renter tax credit                       |                              |                   |                                     |              |
| <a href="#">LC3507</a>  | Dave Fern (D) HD 5           |                   | 02/20/23 - Draft Ready for Delivery |              |
| Revise the Residential Mobile Home Lot Rental Act                         |                              |                   |                                     |              |

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| Bill Number  | Bill Sponsor                | Current Committee                         | Last Action                         | Next Hearing |
|--|-----------------------------|---|-------------------------------------|--------------|
| <a href="#">LC3729</a>   | Pat Flowers (D) SD 32       |   | 12/12/22 - Draft On Hold            |              |
| Establish affordable housing trust fund                                |                             |   |                                     |              |
| <a href="#">LC4544</a>   | Ed Stafman (D) HD 62        |   | 01/17/23 - Draft Request Received   |              |
| Interim study of housing and tenancy supports                          |                             |   |                                     |              |
| <a href="#">LC4619</a>   | Jason W Ellsworth (R) SD 43 |   | 02/24/23 - Draft Ready for Delivery |              |
| Confirm governor's appointees for board of housing                     |                             |   |                                     |              |
| <a href="#">SB 15</a>  | Shannon O'Brien(D) SD 46    | Taxation (S)                              | 02/02/23 - Tabled in Committee      |              |
| Provide for all ages homeowner and renter tax credit                   |                             |   |                                     |              |
| <a href="#">SB 105</a>   | Steve Fitzpatrick(R) SD 10  | Business, Labor, and Economic Affairs (S) | 01/31/23 - Transmitted to House     |              |
| Prohibit rent control of private property                              |                             |   |                                     |              |
| <a href="#">SB 194</a>   | Mary Ann Dunwell(D) SD 42   | Taxation (S)                              | 01/31/23 - Hearing                  |              |
| Income tax credit for landlords who rent for below market rate         |                             |   |                                     |              |
| <a href="#">SB 245</a>   | Daniel Zolnikov(R) SD 22    | Local Government (S)                      | 02/27/23 - Transmitted to House     |              |
| Revise municipal zoning to allow multifamily and mixed use development |                             |   |                                     |              |
| <a href="#">SB 323</a>   | Jeremy Trebas(R) SD 13      | Local Government (S)                      | 03/03/23 - Transmitted to House     |              |
| Allow for duplex, triplex, and fourplex housing in city zoning         |                             |   |                                     |              |
| <a href="#">SB 331</a>   | Greg Hertz(R) SD 6          | Local Government (S)                      | 03/03/23 - Transmitted to House     |              |
| Revise condo and townhouse exemptions                                  |                             |   |                                     |              |
| <a href="#">SB 386</a>   | Mark Noland(R) SD 5         | Business, Labor, and Economic Affairs (S) | 03/02/23 - 3rd Reading Failed       |              |
| Revise laws relating to real estate transaction                        |                             |   |                                     |              |
| <a href="#">SB 407</a>   | Shane A Morigeau(D) SD 48   | Local Government (S)                      | 03/03/23 - Transmitted to House     |              |
| Revise municipal zoning laws   |                             |   |                                     |              |
| <a href="#">SB 409</a>   | Ellie Boldman(D) SD 45      | Local Government (S)                      | 02/27/23 - Tabled in Committee      |              |
| Allow for the condemnation and reacquisition of a mobile home park     |                             |   |                                     |              |
| <a href="#">SB 417</a>   | Brad Molnar(R) SD 28        | Finance and Claims (S)                    | 03/02/23 - Transmitted to House     |              |
| Pay off bonded debt  |                             |   |                                     |              |

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|---|------------------------|---|--------------------------------|--------------|
| <a href="#">SB 476</a>                                    | Ellie Boldman(D) SD 45 | Judiciary (S)                             | 02/28/23 - Tabled in Committee |              |
| Prohibit housing discrimination based on source of income |                        |   |                                |              |
| <a href="#">SR 43</a>                                     | Jason D Small(R) SD 21 | Business, Labor, and Economic Affairs (S) | 02/03/23 - Hearing Canceled    |              |
| Confirm governor's appointees for the board of housing    |                        |   |                                |              |