

Montana Board of Housing - Board Meeting

Meeting Location: Zoom

Date: June 9, 2025

Time: 8:30 am

Board Chair: Bruce Posey

Remote Attendance: Join our meeting in-person or remotely via Zoom and/or phone

Conference Call: Dial: 1-646-558-8656, Meeting ID: 819 3546 5044, Password: 827364

Register for Webinar: <https://mt-gov.zoom.us/meeting/register/tZUkdOysqD4qHtCIJvQ4oFrt54yXL5dudYfv>

Board Offices: Montana Department of Commerce
Montana Board of Housing
301 S. Park Ave., Room 240, Helena, MT 59601
Phone: 406-841-2840

Agenda Items:

- Meeting Announcements
- Introductions
- Public Comments – Public comment is welcome on any public matter that is not on the agenda and that is within the jurisdiction of the Board.
- Approve prior meeting's minutes
- Finance Program – Update will be provided at July's board meeting. The MBOH accounting team is working toward fiscal year-end.



- Homeownership Program (Jessica Michel)
 - Single-Family Bond Resolution 25-0609 SF02_2025B
 - Habitat for Humanity Set-Aside Request
 - Reverse Annuity Mortgage Program – Proposed Changes to Administrative Rules of Montana
 - Homeownership Update
- Mortgage Servicing (Mary Palkovich)
 - Servicing Update
- Multifamily Program (Jason Hanson)
 - Goldspur at Urban Farm Bond Resolution No. 25-0609-MF05
 - Centennial Village Bond Resolution No. 25-0609-MF06
 - Multifamily Dashboard – update to be provided in July
- Operations/Executive Director (Joe DeFilippis + Cheryl Cohen)
 - Operations / Executive Director Update
 - Rental Assistance Dashboard
- Miscellaneous
- Meeting Adjourns

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

Commerce/MBOH makes every effort to hold meetings at fully accessible facilities. Any person needing reasonable accommodation must notify the MBOH at 406-841-2840 or visit Montana Relay 711: dphhs.mt.gov/detd/mtap/traditionalrelayservice before the scheduled meeting to allow for arrangements.

2025 Board Calendar

- Monday, June 9 via Zoom
- Monday, July 14 via Zoom
- Monday, August 11 via Zoom
- Monday, September 8 via Zoom
- Tuesday, October 21 (Havre Inn & Suites, Havre, MT, LIHTC 9% Awards & QAP)
- Monday, November 10 via Zoom
- Monday, December 8 via Zoom (subject to cancellation)

Board Training & Strategic Planning

- Monday, October 20 (Havre Inn & Suites, Havre, MT)

BOARD MEMBER ATTENDANCE POLICY

Board Members are expected to attend all scheduled Board meetings and training sessions, including attendance in person where a meeting is so designated. It is recognized that Members may be unable to attend some meetings due to conflicts with prior-scheduled commitments or unforeseen circumstances. Members are expected to notify the Board Chair as far in advance as possible if they will be unable to attend. Members may not have more than two (2) absences from meetings or training sessions within any calendar year, only one (1) of which may be unexcused. Members will be considered absent unless they attend the entire meeting or training session. Please refer to the Montana Board of Housing [Board Attendance Policy](#) adopted May 13, 2024 for details.



Conferences & Networking Opportunities

Board members will receive updates on conference agendas, early bird registration deadlines and related logistics from Board staff as more detailed information is available.

- Saturday, October 4 – Tuesday, October 7: NCSHA Annual Conference, New Orleans, LA

Meeting Location: via Zoom

Date: June 9, 2025

Roll Call of Board Members:

Bruce Posey, Chair (Present)

Sheila Rice (Present)

Amber Parish (Present)

Jeanette McKee (Present)

Rachel Arthur (Absent)

Richard Miltenberger (Present)

Ryan Aikin (Present)

Staff:

Cheryl Cohen, Executive Director

Mary Palkovich, Mortgage Servicing Manager

Jessica John, Executive Assistant

Jason Hanson, Multifamily Manager

Vicki Bauer, Finance Manager

Jessica Michel, Homeownership Manager

Joe DeFilippis, Operations Manager

Chandler Rowling, Community Housing

Megan Surginer, Office Manager

Julie Hope, Training and Development

Jesse Ennis, Multifamily Program

Danyel Bauer, Mortgage Servicing Supervisor

Kellie Guariglia, Multifamily Program

Charles Brown, Homeownership Program

Bruce Brensdal, Multifamily Program

Julie Flynn, Community Housing Manager

Julles Engel, Community Housing

Brian Barnes, Multifamily Program

Ryan Collver, Multifamily Program

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

Counsel:

Nathan Bilyeu, Jackson Murdo and Grant

Others:

Mina Choo	Erin Goudreau	Roegilene Escleva
Angela Getchell	Russ Hill	Drew Page
Don Sterhan	Misty Dalke	Andy Bollig
Eddie Starz	Larry Phillips	Shane Walk
Jim Woolyhand	Cam Hager	Tyler Currence
MaryBeth Morand	Jennifer Wheeler	Austin Richardson

Owen W.

Call Meeting to Order:

00:00:00 Board Chair Bruce Posey called the Montana Board of Housing (MBOH) meeting to order at 8:30 a.m.

00:01:12 Introductions of Board members, Board staff, and attendees were made.

00:05:10 Board Chair Posey asked for public comment on items not listed on the agenda.

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Approval of Minutes:**May 13 MBOH Board Meeting Minutes – See May Minutes in May Board Packet**

00:07:15 Motion: Richard Miltenberger

Second: Sheila Rice

The May 13, 2025 MBOH Board meeting minutes were approved unanimously.

Accounting:**Accounting Update**

00:08:36 Presenter: Cheryl Cohen

No update was made for this Board Meeting.

Homeownership Program:**Approval of Bond Resolution No. 25-0609 SF02_2025B**

00:09:14 Presenter: Jessica Michel

A suggestion to amend the Bond Resolution was made to give the authority for the next issue back to the Board. No official motion was made for the amendment.

Board Members had additional questions prior to the vote. Drew Page and Cheryl Cohen both spoke on the Bond Resolution. No other alternative or amendment motion was made. Motion was made to approve the Bond Resolution as presented.

Motion: Jeanette McKee

Second: Sheila Rice

The motion to approve the issuance of fixed or variable rate Mortgage Revenue Bonds in an aggregate principal amount not to exceed \$200,000,000 to finance loans or refund previously issued bonds, or both passed with a majority vote of five. Board Chair Bruce Posey voted against the motion.

Approval of Habitat for Humanity Set-Aside Request

00:34:56 Presenter: Jessica Michel

The amount of the set-aside was clarified before a motion was made.

Motion: Sheila Rice

Second: Richard Miltenberger

The Motion to approve the requested set-aside funds for FY2026 for the amount of \$2,415,000 with an expiration date of June 30, 2026 passed unanimously.

Approval of Proposed Condominium Requirement Changes to MBOH Policy

00:49:57 Presenter: Jessica Michel

Presented with these proposed changes were proposed changes to the Administrative Rules of Montana for the Reverse Annuity Mortgage Program, a motion was not made to pass these changes.

Motion: Ryan Aikin

Second: Jeanette McKee

The motion to approve the proposed condominium requirement changes to the Montana Board of Housing Policy passed unanimously.

Homeownership Update

01:12:55 Presenter: Jessica Michel

Mortgage Servicing Program:**Servicing Update**

01:17:55 Presenter: Mary Palkovich

Multifamily Program:**Approval of Bond Resolution No. 25-0609-MF05**

01:24:00 Presenter: Jason Hanson

Motion: Sheila Rice

Second: Richard Miltenberger

The motion to approve the Bond Resolution No. 25-0609-MF05 in the amount not to exceed \$30,000,000 passed unanimously.

Approval of Bond Resolution No. 25-0609-MF06

01:27:17 Presenter: Jason Hanson

Motion: Jeannette McKee

Second: Sheila Rice

The motion to approve the Bond Resolution No. 25-0609-MF06 in the amount not to exceed \$7,500,000 passed unanimously.

Multifamily Update

01:30:11 Presenter: Jason Hanson

No update was made for this Board Meeting.

Operations/ Executive Director:**Operations/Executive Director Update**

01:30:27 Presenter: Joe DeFilippis and Cheryl Cohen

Meeting Adjournment:

01:38:34 Meeting was adjourned at 10:09 a.m.

Amber Parish, Secretary

Date

Board Agenda Item

Board Meeting: June 9, 2025

Homeownership Program

APPROVAL OF BOND RESOLUTION NO. 25-0609 SF02_2025B

The attached Resolution approves the issuance of fixed or variable rate Mortgage Revenue Bonds in an aggregate principal amount not to exceed \$200,000,000 to finance loans or refund previously issued bonds, or both.

The Resolution is written to give MBOH the flexibility to issue one or more new issues under any of the three indentures and to refund bonds from any of the three indentures. Historically, Single Family Mortgage Revenue Bond Resolutions presented to the Board have allowed flexibility for one or more issues, but issues have typically been limited to just one.

To provide maximum flexibility for MBOH to respond to quickly changing conditions in the capital markets and any potential changes to federal tax law governing the issuance of tax-exempt municipal bonds, staff are presenting this not to exceed \$200,000,000 Resolution. Although this amount is significantly larger than the amount of Single Family Mortgage Revenue Bonds that the Board typically authorizes, MBOH has already been allocated more than enough private activity bond volume cap carryforward from 2023 and 2024 to issue this amount of bonds. We are intending to issue multiple issues under this Resolution over the next one to two years.

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Even though this Resolution allows for a Floating Rate Note as a variable rate option, we intend to issue fixed interest rate bonds under the SFI Indenture to purchase new money mortgage loans.

As of May 30, we had approximately \$10 million left to reserve in the 2025A issue that closed on April 15, 2025. We expect to have that fully reserved by the end of June, then we will begin reserving mortgages to be funded with the 2025B issue. We have started working with the finance team to structure the next issue and are monitoring interest rates to keep us competitive while mitigating risk. This Resolution will allow us to move forward with the 2025B bond issue; a kick-off call to establish the amount to issue and schedule was held Tuesday, June 3rd.

Our current lending rates are 5.50% for first mortgages with no DPA, 5.75% for first mortgages with DPA and the set-aside rate is set at 5.25%. Set-aside loans are being funded with recycled pre-Ullman funds.

PROPOSAL

Staff requests that the Board approve the attached Bond Resolution No. 25-0609 SF02_2025B.

RESOLUTION NO. 25-0609 SF02_2025B

A RESOLUTION OF THE MONTANA BOARD OF HOUSING MAKING FINDINGS WITH RESPECT TO HOUSING NEEDS WITHIN MONTANA; APPROVING THE ISSUANCE AND DELIVERY OF, AND AUTHORIZING THE DETERMINATION OF CERTAIN TERMS OF, ONE OR MORE NEW ISSUES OF SINGLE FAMILY BONDS IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$200,000,000, WITH FIXED OR VARIABLE RATES, TO FINANCE LOANS, REFUND OUTSTANDING BONDS OR BOTH; APPROVING THE SALE OF SAID BONDS PURSUANT TO A PURCHASE CONTRACT; APPROVING THE SUPPLEMENTAL TRUST INDENTURE, PRELIMINARY OFFICIAL STATEMENT AND FINAL OFFICIAL STATEMENT IF THE BONDS ARE SOLD TO THE PUBLIC, CONTINUING DISCLOSURE AGREEMENT AND OTHER DOCUMENTS RELATED THERETO; AUTHORIZING THE EXECUTION OF SUCH DOCUMENTS; AND PROVIDING FOR OTHER MATTERS PROPERLY RELATING THERETO.

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

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

WHEREAS, the Board intends to issue its Single Family Mortgage Bonds, Single Family Program Bonds or Single Family Homeownership Bonds, in one or more series or subseries in an aggregate principal amount not to exceed \$200,000,000 with fixed or variable rates (the “New Series Bonds”), under the provisions of either the Trust Indenture dated March 7, 1977, as restated and amended, the Trust Indenture dated August 16, 1979, as amended, or the Trust Indenture dated as of December 1, 2009 (each, the “General Indenture”), each between the Board and Wilmington Trust, National Association (as successor trustee), as trustee, which New Series Bonds will be used to finance mortgage loans to provide additional moneys to finance single family dwellings in the State pursuant to the Mortgage Purchase and Servicing Guide and the forms of the Invitation to Participate and Notice of Acceptance previously approved by the Board, and to fund certain reserve funds, if necessary, or to refund bonds previously issued for such purpose; and

WHEREAS, a Supplemental Trust Indenture (the “Supplemental Indenture”) (together with the General Indenture under which the New Series Bonds are to be issued, which it supplements, the “Trust Indenture”), between the Board and Wilmington Trust, National Association (as successor trustee), as Trustee, will be prepared in substantially the form of such document previously approved by the Board and used in connection with the issuance of the Single Family Mortgage Bonds, 2025 Series A (the “2025 Series A Bonds”) with appropriate changes as hereinafter described, whereby the Board would issue the New Series Bonds subject to the terms, conditions and limitations established in the Trust Indenture; and

WHEREAS, if the New Series Bonds are to be sold to the public, a Preliminary Official Statement (the “Preliminary Official Statement”) will be prepared in substantially the form of such document previously approved by the Board and used in connection with the marketing of the 2025 Series A Bonds, containing certain information relating to the Board, the Trust Indenture and the New Series Bonds, and which will be distributed to the prospective purchasers of such New Series Bonds and others by a group of investment dealers and brokers represented by RBC Capital Markets, LLC (the “Underwriters”); and

WHEREAS, a Continuing Disclosure Agreement (the “Continuing Disclosure Agreement”) will be prepared in substantially the form of such document previously approved by the Board and used in connection with the sale of the 2025 Series A Bonds containing the agreement of the Board to annually update certain financial and operating information in the final Official Statement (as hereinafter described) and to timely provide notice of the occurrence of certain specified events; and

WHEREAS, a purchase contract (the “Purchase Contract”), to be dated the date of sale of the New Series Bonds, between the Board and the Underwriters (or if the New Series Bonds are sold to a single institutional investor, such investor) will be prepared in substantially the form of such document previously approved by the Board and used in connection with the sale of the 2025 Series A Bonds, pursuant to which the Board would agree to sell and the New Series Bonds purchaser would agree to purchase the New Series Bonds, at the prices and upon the terms and conditions therein set forth;

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

Section 1. Findings.

(a) The Board hereby finds and determines:

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

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

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

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

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

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

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

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

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

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

Section 3. Authorization of Bonds. The issuance, sale and delivery of the Board’s New Series Bonds, in one or more series or subseries, is hereby authorized and approved, subject to the following provisions. The New Series Bonds shall be issued in an aggregate principal amount (not to exceed \$200,000,000), mature on the date or dates (but no more than 40 years from the date of issuance), bear interest at the rate or rates (which may be fixed or variable rate, such weighted average interest rates initially not exceeding 7.0% per annum and in no case shall the interest rate on any maturity exceed 14%), be sold to the bond purchaser(s) for an amount (but not less than 98.5% of the principal amount of the Bonds), be subject to optional, special optional, mandatory and sinking fund redemption, be subject to mandatory or optional tenders and convertible into fixed or variable rate bonds, be issued under the related General Indenture, and have such other terms and provisions, all as are determined by the Chair and Executive Director (with the advice of such members of the Board as are available upon the pricing of such New Series Bonds) and definitively set forth in the related Supplemental Indenture or Purchase Contract upon execution and delivery as authorized in Sections 2 and 5 hereof. The New Series Bonds shall be executed and delivered substantially in the form set forth in the Trust Indenture, with such additions, omissions and changes as are required or permitted by the Trust Indenture. The New Series Bonds shall be executed in the name of the Board by the 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 Officer (as such term is defined in the Trust Indenture) for purposes of executing and attesting the New Series Bonds. Such signatures may be in facsimile, provided, however, that such New Series Bonds shall not be valid or obligatory for any purpose until authenticated by the manual signature of an authorized officer of the Trustee.

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

Section 5. Approval of Purchase Contract and Sale of the Bonds. A Purchase Contract for a series of New Series Bonds is hereby approved in the form described above and the execution of the Purchase Contract by the Chair, the Vice Chair or Executive Director of the Board is hereby authorized and

directed in order to effectuate the sale of the related New Series Bonds with such changes, insertions or omissions therein as may be approved by such person, such approval to be evidenced conclusively by such execution of the Purchase Contract.

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

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

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

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

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

Section 11. Execution of Tax Certificate and Declaration of Intent. The Chair, the Vice Chair or the Executive Director of the Board is hereby authorized to issue certifications as to the Board’s reasonable expectations regarding the amount and use of the proceeds of the New Series Bonds as described in Section 148 of the Internal Revenue Code of 1986, as amended. The Board also hereby declares its intention, within the meaning of Section 1.150-2 of the Internal Revenue Code regulations, to facilitate continuous funding of its Single Family Program (as described above) by, from time to time, financing mortgage loans and then issuing bonds in an amount to be determined by the Board in one or more series within 18 months thereof to reimburse itself for such financing, which reimbursement amount is presently expected to not exceed \$200,000,000 (or such greater reimbursement amount as may from time to time be

determined by written declaration of the Executive Director), provided that this declaration does not obligate the Board to issue any such bonds.

Section 12. Additional Actions Authorized. The Chair, the Vice Chair, the Secretary or any other member of the Board, and the Executive Director and Treasurer, the Single Family Program Manager and the Accounting and Finance Manager, acting alone or acting with others, are hereby authorized and directed to execute and deliver any or all other documents which may be required under the terms of the Trust Indenture and a Purchase Contract, to take such other action (including, without limitation, making any bond designations) as may be required or appropriate for the performance of the duties imposed thereby or to carry out the purposes thereof and the members and officers named above are hereby designated as Authorized Officers for such purposes.

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

ADOPTED by the Montana Board of Housing this 9th day of June, 2025.

MONTANA BOARD OF HOUSING

Attest:

By _____
Chair

By _____
Treasurer/Executive Director

Board Agenda Item

Board Meeting: June 9, 2025

HABITAT SET-ASIDE REQUEST

State of Montana Habitat for Humanity affiliates request an annual allocation of set-aside funds each fiscal year. At the end of the fiscal year (June 30), any unused portion of the allocation expires.

In July 2024, the Board approved a \$2,955,000 set-aside allocation for Habitat affiliates. As of May 30, 2025, with loans in process, Habitat affiliates had used \$2,549,611 (as reflected in the table below), leaving a balance of \$405,389 that will expire June 30, 2025.

Appraised Value	Purchase Price	Original Loan Amount	Total Gross / Yr	HH Size	City
366,000	366,000	204,692	44,588.00	5	Billings
402,000	402,000	255,000	57,098.81	3	Somers
405,000	405,000	265,000	55,868.80	4	Hamilton
256,000	237,000	177,600	47,512.41	3	Great Falls
455,000	455,000	255,000	53,530.75	4	Somers
300,000	300,000	225,456	59,796.15	2	Billings
409,632	187,631	181,650	52,400.26	4	Belgrade

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Board staff convened a meeting with Habitat for Humanity affiliates on April 23, 2025 to discuss their programs, any potential changes on the horizon, new development opportunities, and how MBOH can best partner with Habitat for Humanity affiliates going forward.

PROPOSAL

Bill Bean, Executive Director of Habitat for Humanity of Ravalli County and Board liaison, has requested set-aside funds for FY2026 for the amount of \$2,415,000 with an expiration date of June 30, 2026.

Staff has determined there are adequate funds available and requests the Board approve this set-aside allocation.

Board Agenda Item

Board Meeting: June 9, 2025

Reverse Annuity Mortgage Program

PROPOSED REVISIONS TO ADMINISTRATIVE RULES OF MONTANA

Attached are the proposed changes to the Administrative Rules of Montana for the Reverse Annuity Mortgage program.

Proposed Condominium Requirement Changes To MBOH Policy

Staff propose the following changes:

- Maximum of 20% of the portfolio to be condominiums.
- Minimum of 50% of the condominium project must be owner-occupied.
- No more than 35% of the condominium project can be commercial in nature.
- Minimum of 70% of the condominium project must be sold units (not vacant).

Except for the maximum number of condominiums in the portfolio, the above items are in line with FHA requirements without requiring the condominium project or individual units to be FHA approved.

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8.111.401 PURPOSE OF REGULATIONS

- (1) These rules are enacted by the Montana Board of Housing ("board") to provide explanation and guidance to individuals in applying for reverse annuity mortgage loans. The legislature in enacting the reverse annuity mortgage loan program provided that the board shall adopt all procedural and substantive rules for the administration of the loan program. These rules are in conformance with the legislative directive.
- (2) These rules shall be liberally construed to secure just, speedy, and inexpensive determination of the issues presented.
- (3) If further information is needed as to procedures or instructions on reverse annuity mortgage loans, it will be furnished by the board.

8.111.402 DEFINITIONS

As used in these rules, the following words and phrases have the following meanings:

- (1) "Appraisal" means an opinion of a qualified FHA appraiser on the nature, quality, and value of specific interests in identified real estate approved for Federal Housing Administration (FHA) purposes.
- (2) "Family income" means the income of all adult members of the household, other than full-time students. The income is the amount of anticipated total income from all sources for the subsequent 12-month period from application. This includes nontaxable income such as social security and municipal bond interest. Any investment or business losses cannot be subtracted in determining gross income. An exclusion will be allowed for certain defined, nonreimbursed, ongoing, medical, and independent living expenses.
- (3) "Permanent vacation of the secured property" means any period when the mortgagor (or the last to survive) does not live in the residence for a period of 180 consecutive days.
- (4) "FHA" means Federal Housing Administration.

8.111.403 COUNSELING REQUIREMENTS

- (1) All applicants for reverse annuity mortgage loans must complete the required reverse annuity mortgage counseling by a certified reverse annuity mortgage counselor.
- (2) Information as to the required counseling is available by contacting the Board of Housing by mail at P.O. Box 200528, Helena, MT 59620-0528 or by telephone at (406) 841-2840 ~~5~~ or ~~(406) 841-2838~~.

8.111.404 ELIGIBILITY REQUIREMENTS

(1) To be eligible for a reverse annuity mortgage loan, the applicant must do the following:

(a) successfully complete the required reverse annuity mortgage counseling by a certified reverse annuity mortgage counselor. ~~(i)~~ Information about required counseling is available by contacting the Board of Housing by mail at P.O. Box 200528, Helena, MT 59620- 0528 or by telephone at (406) 841-28405 or (406) 841-2838;

(b) submit a reverse annuity mortgage application package to the board;

(c) agree to allow the board to obtain a current FHA appraisal and title insurance policy for the property;

(d) agree to pay for all closing costs including, but not limited to, the appraisal, title insurance policy, document recording, and other closing costs which can be included in the loan principal amount;

(e) assure that the reverse annuity loan is in first lien position at loan closing;

(f) be at least 68 years of age or older, except as provided on a case-by-case basis by the Board of Housing;

(g) meet the income limits as set by the board;

(h) if the property is jointly owned, both borrowers must meet all of the conditions;

(i) if property is jointly owned, it must be held as joint tenants, with rights of survivorship.

8.111.405 INCOME LIMITS AND LOAN AMOUNTS

(1) The annual income limits to be eligible for a reverse annuity mortgage loan shall not exceed 200% of the poverty level per household size as set forth by the U.S. Department of Health and Human Services, changing each year.

(2) A loan amount may not exceed 80% of the appraised value of the property. The board will set the maximum dollar amount of a loan which amount may be changed by the board. The minimum dollar amount of a loan is \$15,000.

8.111.406 REPAYMENT OF THE LOAN

(1) Repayment of the reverse annuity mortgage loan is not required so long as the borrower, or the last surviving borrower, has not permanently vacated the secured property and no event of default has occurred as provided in the loan documents. Notification to the board is required if the secured property has been vacated by the borrower or last surviving borrower for more than 180 consecutive days.

(2) The borrower may pay the outstanding loan balance in full at any time without penalty.

(3) The board may include in the reverse annuity mortgage loan documents such terms, conditions, and requirements as are usual and customary in similar loan transactions and which are designed to protect the value of the property securing the loan or to assure repayment of the loan. (4) The loan becomes due and payable and any remaining advances terminate upon the occurrence of any of the following events:

- (a) the death of the last surviving borrower;
- (b) sale or transfer of the property to anyone other than an original borrower;
- (c) permanent vacation of the secured property by the borrower; or
- (d) any other act or occurrence which constitutes an event of default under the mortgage instrument securing the loan.

8.111.407 SECURITY FOR THE LOAN

(1) The property pledged as security for the reverse annuity mortgage will be the only source the board has for repayment of the loan.

(2) The property pledged as security of the reverse annuity mortgage loan must meet the following requirements:

(a) Located in the State of Montana

(b) Owner occupied

(c) Single Family residences including townhomes and condominiums

(d) No manufactured homes are eligible

(e) Must meet FHA appraisal standards

(f) ~~Condominiums~~ Condominiums may be approved by the ~~b~~Board staff at its sole discretion--the ~~b~~Board staff's analysis will, among other things, ensure

that its total reverse annuity mortgage loan portfolio is not overexposed to risk posed by condominiums. can not exceed a percentage of the portfolio as determined by the Board from time to time.

—Condominiums must be FHA approved and no more than 25% of the total number of condominium units in any project may be financed by the board.

8.111.408 INTEREST RATE

- (1) The board will set an interest rate for the reverse annuity mortgage program, which rate may be changed by the board.

8.111.409 CASH ADVANCES

- (1) The board may disburse a portion of the loan amount as a cash advance at closing for any one or more of the following purposes:
 - (a) satisfaction of any liens on the property;
 - (b) necessary repairs to the property;
 - (c) actual loan closing costs, including but not limited to appraisals, title policies, recording of documents, and other closing costs; and
 - (d) other items to assist the borrower to continue residing in the property, including but not limited to, medical expenses, transportation expenses (including automobile purchase and loan payoff), payoff of credit card debt, and supportive and specialized care services.
- (2) To receive a cash advance at closing, the borrower must submit a request in writing on forms supplied by the board.
- (3) A cash advance for any of the purposes specified in (1) ~~may be approved~~must be approved by board staff along with other loan approvals:
 - (a) in an amount not to exceed \$~~130~~,000 by board staff along with other loan approvals; and
 - ~~(a)(b)~~ (b) in an amount greater than \$10,000 but less than \$50,000, by the board's homeownership program manager;
 - ~~(c) in an amount exceeding \$530,000 by the board in a duly noticed meeting on a case-by-case basis.~~

- (4) A cash advance may be disbursed either to the borrower or to third parties as directed by the borrower and approved by the board. All cash advances disbursed at closing shall be added to the initial loan balance.

HOMEOWNERSHIP PROGRAM DASHBOARD

June 9, 2025

RATES

	CURRENT	LAST MONTH	LAST YEAR
MBOH*	5.500	5.50	5.750
Market	6.61	6.53	6.838
10 yr treasury	4.43	4.17	4.550
30 yr Fannie Mae	6.53	6.53	6.645

*Current Setaside 5.25, DPA 5.75

MBS PROGRAM

RESERVATIONS		LOANS PURCHASED BY IHFA	
May	May	May	May
NUMBER	AMOUNT	NUMBER	AMOUNT

Series 2025A (since 1.30.25)	69	20,243,128	50	14,510,103.04
Series 2025A DPA (since 1.30.25)	33	412,117		
80% Combined (20+)	2	536,000		
SET-ASIDE PROGRAMS				
MBOH Plus DPA	5	51,311		
NeighborWorks	1	353,220		
CAP NWMT CLT				
Missoula HRDC XI				
Bozeman HRDC IX				
Home\$tart				
HUD 184				
MT Street CLT				
Sparrow Group				
City of Billings				
Foreclosure Prevent				
Disabled Accessible				
Lot Refi				
FY25 Habitat	5	1,157,505		
OTHER PROGRAMS				
Veterans (Orig)	3	960,000		
912 Mrtg Cr Cert (MCC)	1	194,000		

APRIL MBS TURNTIMES

Lender reservation to closing date	20.28	days
Closing Date to compliance submission	24.36	days
Compliance Submission to review time	1.46	days

LOAN PURCHASES BY LENDER

	Apr-25	DPA	2025 YTD	DPA
	1st		1st	
1ST SECURITY BK MISSOULA 133				
BANK OF COMMERCE 086				
BAY EQUITY LLC 853				
BRAVARA BANK 186	1	1	2	2
CHURCHHILL MORTGAGE 869	2		3	
CLEARWATER FEDERAL C U 901				
CMG 874	1		1	
CORNERSTONE HOME LENDING 850				
CROSSCOUNTRY MORTGAGE 863	4	1	13	5
ENVOY 871			1	1
EVERGREEN MORTGAGE 875	8	3	30	14
FAIRWAY INDEPENDENT MRTG 847	2		18	7
FIRST COLONY MORTGAGE 865				
FIRST FEDERAL BANK & TRUST 731			1	
FIRST INTERSTATE BANK-WY 601			1	1
FIRST MONTANA BANK 172			1	1
FIRST SECURITY BOZEMAN 061				
FLATHEAD HABITAT 991				
GLACIER BANK KALISPELL 735			1	
GUARANTEED RATE 864	1	1	4	2

GUILD MORTGAGE COMPANY 842	5		17	5
HOMETOWN LENDERS 862				
INTREPID CREDIT UNION 903			1	1
LOWER DOT COM, LLC 873	1	1	8	4
MANN MORTGAGE 835				
NEW AMERICAN FUNDING 878			1	
NOVUS 872	1	1	4	4
ONE TRUST HOME LOAN 868	1		2	
OPPORTUNITY BANK 700	3		30	7
PIONEER SAVINGS AND LOAN 710				
PRIME LENDING 851			4	
STOCKMAN BANK OF MT MILES 524	8	3	25	9
SYNERGY ONE LENDING 880	2	2	7	4
UNION HOME MORTGAGE 876				
UNIVERSAL 843				
US BANK 617				
VALLEY BNK DIV OF GLACIER BNK 151			3	3
WESTERN SECURITY BANK 785	1	1	9	2
WINTRUST MORTGAGE 867			1	1
YELLOWSTONE BANK 161			1	
Grand Count	41	14	189	73

APRIL 2025 PORTFOLIO SUMMARY

	# of loans	\$ of loans	% of #	% of \$	
FHA	3,011	458,788,972	51.3%	67.3%	
RD	831	89,107,392	14.2%	13.1%	
VA	438	85,117,265	7.5%	12.5%	
HUD184	34	2,087,651	0.6%	0.3%	
PMI	31	1,911,047	0.5%	0.3%	
Uninsured 1st	273	34,345,707	4.6%	5.0%	
Uninsured 2nd	1,254	10,049,225	21.4%	1.5%	
April 2025 Portfolio Balance	5,872	\$ 681,407,259			
April 2024 Portfolio Balance	5,474	\$ 579,240,387	7.27%	17.64%	percent of Incr/Decr

Weighted Average Interest Rate 4.617%

rates up to 4%	
2395	\$ 243,418,834
rates 4% and above	
3477	\$ 437,988,425

RAM PROGRAM APRIL ACTIVITY

<u>Loan Requests</u>	<u>Loans Outstanding</u>	<u>Life of Program</u>	<u>Avail Balance</u>
1 150,000	44 2,640,240.75	249 16,408,307	3,849,704.55

DELINQUENCY AND FORECLOSURE RATES

	MONTANA BOARD OF HOUSING			MORTGAGE BANKERS ASSOC. 9/30/24			(most recent available)
	<u>May-25</u>	<u>Apr-25</u>	<u>May-24</u>	<u>Montana</u>	<u>Region</u>	<u>Nation</u>	
30 Days	1.14	1.08	1.28	1.45	1.74	2.15	
60 Days	0.61	0.80	0.82	0.47	0.58	0.74	
90 Days	<u>1.82</u>	<u>2.06</u>	<u>1.73</u>	<u>0.58</u>	<u>0.8</u>	<u>1.1</u>	
Total Delinquencies	3.57	3.94	3.83	2.50	3.12	3.99	
In Foreclosure	0.65	0.54	0.27	0.21	0.23	0.45	

Mortgage Servicing Program Dashboard
Effective 05/31/25

2025 Monthly Servicing Report

MONTH	<u>Last Year</u>		<u>Last Month</u>		<u>This Month</u>	
	5/31/2024		4/30/2025		5/31/2025	
PORTFOLIO TOTAL LOANS	6143		6248		6208	
MBOH	5479		5580		5545	
BOI	291		291		287	
MULTIFAMILY	19		21		21	
HAF - HOMEOWNERS ASSISTANCE FUND	354		356		355	
PRINCIPAL (ALL LOANS)	\$	668,879,079	\$	725,328,979	\$	720,928,944
ESCROW (ALL LOANS)	\$	3,199,305	\$	7,976,254	\$	3,942,199
LOSS DRAFT (ALL LOANS)	\$	731,634	\$	989,743	\$	949,639
LOANS DELINQUENT (60+ DAYS)	221		271		281	
ACTUAL FORECLOSURE SALES IN MONTH	0		0		0	
FORECLOSURES TOTAL CALENDAR YEAR	4		2		2	
DELINQUENT CONTACTS TO MAKE	683		634		690	
LATE FEES - NUMBER OF LOANS	911		940		990	
LATE FEES - TOTAL AMOUNT OF REVENUE	\$	27,678.58	\$	29,302.81	\$	32,205.60
PAYOFFS	54		24		39	
NEW LOANS	99		4		2	

HUD's National Servicing Center TRSII SFDMS Reporting
Expected Jan-Mar Q2 2025 in May - Not Released to Servicers yet

LOSS MITIGATION	<u>Last Year</u>		<u>Last Month</u>		<u>This Month</u>	
	5/31/2024		4/30/2025		5/31/2025	
ACTIVE FINANCIAL PACKETS	1		0		3	
REPAYMENT/SPECIAL FORBEARANCES	0		0		2	
COVID 19 FORMAL FORBEARANCES	0		0		0	
PARTIAL CLAIMS & MODS PENDING	19		2		1	
CHAPTER 13 BANKRUPTCIES	8		6		6	
PRESERVATION PROPERTIES	10		6		10	
REAL ESTATE OWNED PROPERTIES	2		1		1	
SHORT SALE	0		0		0	
DEED IN LIEU	0		0		0	

FORECLOSURES

	5/31/2025	
FORECLOSURES INITIATED	35	
FORECLOSURE SALES SCHEDULED	19	
FHA	23	
VA	2	
USDA/RD	9	
OTHER LOAN TYPE	1	
#1 BILLINGS	9	
#2 GREAT FALLS	5	
#3 BUTTE	4	
OTHER CITIES	17	
TOTAL PRINC BALANCE (ALL)	\$	4,831,040

Board Agenda Item

Board Meeting: June 9, 2025

Multifamily Program

BOND RESOLUTION NO. 25-0609-MF05 APPROVAL

Goldspur at Urban Farm in Bozeman, MT

Background:

Goldspur at Urban Farm is a 145-unit family project located in Bozeman, MT. This is a new construction project costing approximately \$359,536 per unit. Roers Bozeman Affordable Apartments Owner, LLC is the applicant and is requesting a bond amount not to exceed \$30,000,000. This amount includes the buffer. Unit AMI's will target 60%.

Staff Recommendation (if any):

Staff supports the proposal noted above.

Motion Option(s):

1. Move to approve bond resolution no. 25-0609-MF05 in the amount not to exceed \$30,000,000.
2. No motion, proposal fails.

1. Description of Applicant

a. Description/Qualifications of Team Members

Developer: Roers Companies

Roers Companies is a vertically integrated real estate firm that is powered by in-house development, construction, and property management. With 13,000 units built/under construction and \$2.9 Billion in real estate developed, Roers has emerged as an industry leader in market rate, workforce, and affordable housing.

Roers Companies is backed by a strong team and led by its' founders, brothers Brian and Kent Roers.

With each project, Roers Companies curates a team consisting of our in-house experts as well as third parties with local experience and strong industry knowledge. The proposed team for this site is outlined below.

Civil Engineer: Morrison-Maierle

Architect: Kaas Wilson Architects

Construction: Roers General Contracting

Roers General Contracting is Roers' in-house General Contractor. Becoming fully established in 2023, Roers General Contracting has allowed Roers to further leverage vertical integration. Roers General Contracting is supported by a leadership team with 40+ years of construction experience and with combined successful delivery of 10,000+ multifamily units. Roers General Contracting currently has 14 projects under construction.

Financial Partners:

- Walker Dunlop Equity
- Walker Dunlop Debt – Fannie MTEB
- Deferred Development Fee

Proposed Operator: Roers Residential

The property will be operated by Roers Residential, Roers Companies' in-house property management company. Founded in 2012 (FKA: Core Living, Bison Management), Roers Residential has been involved in the successful lease up and operation of the majority of Roers' properties. With over 30 properties currently in lease up/operation, Roers Residential has a proven track record of success in market rate, 55+, affordable, and mixed-use developments. Geographically, Roers Residential currently operates in Minnesota, Wisconsin, Texas, Iowa, South Dakota, North Dakota, and Montana and will soon begin lease ups in Colorado, Arizona, and Florida. Roers Residential provides full-service property management – including marketing, leasing, maintenance, asset



management, compliance, and accounting and has a strong focus on resident retention and technology integration.

2. Project Description

a. Project Overview

Roers Companies is proposing a new construction, high quality, 145-unit, 100% affordable (LIHTC) apartment project located at 8553 Huffine Lane Bozeman, MT. The project is located on the sprawling west side of the city, where significant development has occurred over the last several years. This single-building project will contain 59 Two-, 66 Three- and 20 Four-bedroom units, catering to the large population of renters at the 60% AMI level in Bozeman. The project is on 3.3 acres of land, located at Urban Farm, a master planned development that is set to have single family, commercial, retail, office, recreation and hospitality. The project is working towards a real estate tax-exemption in partnership with the Human Resource Development Council (a non-for-profit organization).

The design process is underway with initial plans in place. The project will also include a leasing space, community room/lounge, fitness center, patio/grill area, dog park, and storage lockers, which will all be centrally located on the first floor. Unit Amenities will include high quality hard surfaced counter tops, ceiling fans, low flow efficient appliances, and spacious living areas. The amenities offered in this project cater to the active lifestyle of Bozeman residents, providing spaces for recreation, socialization, and relaxation. The inclusion of a dog park and storage lockers also acknowledges the needs of pet owners and outdoor enthusiasts, who value convenient access to amenities that support their hobbies. By incorporating these amenities, the project aims to enhance the quality of life for its residents, fostering a sense of community and making the property more attractive in Bozeman's competitive rental market.

The project will capitalize on the strong demand in the market. The project is estimated to achieve a 12.5% capture rate (Novogradac Market Study, PDF page 114) and a penetration rate of 5.9% (Novogradac Market Study, PDF page 116). The vacancy in the primary market area is also averaged at 3.0% for comparable properties (Novogradac Market Study, PDF Page 121) illustrating strong need for the product type.



Development Criteria

b. Local Community Revitalization Plan

The City of Bozeman has adopted the 2020 Community Plan which states the goals for development throughout the City. Goal N-3 calls for housing in a variety of types including ***"Promote the development of 'Missing Middle' housing (side by side or stacked duplex, triplex, live-work, cottage housing, group living, rowhouses/ townhouses, etc.) as one of the most critical components of affordable housing."*** (PDF Page 36 of Bozeman Community Plan).

c. Local Community Input

The project will be on the February 11th City Council Meeting Agenda for a public hearing. The project has been in two cycles of the Bozeman Chronical and has not received any comments to date. The Urban Farm master plan (of which the subject project is a part), has gone through extensive neighborhood and community input processes as a part of their pre-plat process.

d. Location in a QCT

The project is not located in a qualified census tract.

e. Local Entity Commitment

Roers Companies is partnering with the Human Resource Development Corporation on the project. HRDC will work be partnering to provide a tax exemption for the project which is necessary for the project's financing.

f. Design Requirements

Kaas-Wilson Architect has provided a brief narrative discussing design requirement qualifications.

g. Income Rent Level and Targeting

The project will restrict 100% of the units at the 60% AMI level, which meets the federally required minimum set aside requirements, i.e., the 40-60 test.

h. Amenities



Per **Page 34** of the Novogradac performed Market study there are eight public amenities within 1.5 miles. They are listed below:

- 1 Hyalite Fire District Rae Station 0.4 miles
- 2 Norton East Park 0.4 miles
- 3 Bozeman Health Cottonwood Clinic Primary Care 0.6
- 4 First Security Bank 0.7 miles
- 5 Town & Country Foods Ferguson 0.8 miles miles
- 6 Bus stop 0.8
- 7 Conoco gas station 0.8
- 8 Gallatin High School 1.5 miles 4.8 miles

It is important to note that the location of the project is more than ideal for an Affordable Multi-family project and will cater to the needs of tenants per **Page 32** of the Novogradac performed Market study. Please see below:

The Subject site is located within a larger (106± acre) master-planned mixed-use community known as Urban + Farm. As part of the larger plans for the area, the land surrounding the Subject site to the north, east, and west is proposed for development with various uses, including both detached and attached single-family homes, mixed-use, commercial uses, multifamily development, parks and open space, and a fire station, all of which will exhibit excellent condition upon completion. The vacant land adjacent to the north of the Subject site is proposed for development with attached single-family homes, to the west is proposed for development with a park and dog park, and to the east is proposed for development with a 140-unit market rate multifamily property.

i. Tenant Population with Special Housing Needs

79 out of the project's 145 units are Three- and Four-Bedroom units, meeting this section's criteria for individuals with children or large families.



RESOLUTION NO. 25-0609-MF05

A RESOLUTION OF THE MONTANA BOARD OF HOUSING MAKING FINDINGS WITH RESPECT TO HOUSING NEEDS WITHIN MONTANA; APPROVING THE ISSUANCE OF ITS MULTIFAMILY HOUSING REVENUE BONDS (GOLDSPUR AT URBAN FARM PROJECT), SERIES 2025, AND ITS MULTIFAMILY TAX-EXEMPT BONDS (MBS-SECURED) (GOLDSPUR AT URBAN FARM PROJECT), SERIES 2025, IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$30,000,000; APPROVING THE SALE OF THE BONDS PURSUANT TO A PURCHASE CONTRACT; APPROVING THE INDENTURE, FINANCING AGREEMENT, PRELIMINARY OFFICIAL STATEMENT, OFFICIAL STATEMENT AND OTHER RELATED DOCUMENTS; AUTHORIZING THE EXECUTION OF SUCH DOCUMENTS; AND PROVIDING FOR OTHER MATTERS PROPERLY RELATING THERETO.

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

WHEREAS, the Board intends to issue its Multifamily Housing Revenue Bonds (Goldspur At Urban Farm Project), Series 2025, and its Multifamily Tax-Exempt Bonds (MBS-Secured) (Goldspur at Urban Farm Project), Series 2025 (the “Bonds”), the proceeds of which will be used to finance a loan to the Borrower (hereinafter defined) for the acquisition, construction and equipping of Goldspur at Urban Farm, a 145-unit apartment community comprised of one four-story building containing units of various sizes, related amenities and surface parking located in Bozeman, Montana; and

WHEREAS, the Bonds will be issued pursuant to an Indenture of Trust (the “Indenture”) between the Board and U.S. Bank Trust Company, National Association as trustee, or any other trust company or bank having the powers of a trust company that is in good standing with the State of Montana, duly authorized to exercise trust powers in the State with a reported capital, surplus and retained earnings of not less than \$50,000,000, and selected by an Authorized Officer, as defined herein (the “Trustee”), which will be substantially in the form on file with the Multifamily Program Manager with such changes, additions, or omissions as approved by an Authorized Officer; and

WHEREAS, the proceeds of the Bonds will be used to finance a loan (the “Mortgage Loan”) to Roers Bozeman Affordable Apartments Owner LLC, a Minnesota limited liability company LLC (the “Borrower”), pursuant to a Financing Agreement by and between the Board and the Borrower (the “Financing Agreement”), which will be substantially in the form on file

with the Multifamily Program Manager with such changes, additions, or omissions as approved by an Authorized Officer; and

WHEREAS, the interest on the Bonds is intended to qualify for a federal tax exemption under Section 142 of the Internal Revenue Code of 1986 (the “Code”), and to ensure that the Bonds maintain their tax exempt status, the Borrower will enter into a Regulatory Agreement and Declaration of Restrictive Covenants (the “Regulatory Agreement”), which will be substantially in the form on file with the Multifamily Program Manager with such changes, additions, or omissions as approved by an Authorized Officer; and

WHEREAS, a Bond Purchase Agreement (the “Purchase Contract”) to be dated the date of sale of the Bonds among the Board, the Borrower, and the underwriter of the Bonds (the “Underwriter”), which will be substantially in the form on file with the Multifamily Program Manager with such changes, additions, or omissions as approved by an Authorized Officer, pursuant to which the Board would agree to sell, and the Underwriter would agree to purchase, the Bonds at the prices and upon the terms and conditions therein set forth; and

WHEREAS, a Preliminary Official Statement pertaining to the Bonds (the “Official Statement”) containing certain information relating to the Board, the Indenture and the Bonds which will be substantially in the form on file with the Multifamily Program Manager with such changes, additions, or omissions as approved by an Authorized Officer, and which is to be used by the Underwriter in connection with the sale of the Bonds to investors.

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

Section 1. Public Hearing and Findings.

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

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

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

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

(iii) that the conditions, restrictions and limitations contained in the Indenture and contained in the program documents relating to the loan financed thereby and to be financed are sufficient to ensure that the Project will be well

planned and well designed so as to constitute decent, safe and sanitary housing and that the “housing sponsors” (as defined in Section 90-6-103(10) of the Act) are financially responsible;

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

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

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

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

Section 3. Authorization of the Bonds. The execution and delivery of the Board’s Bonds are hereby authorized and approved. The final amount and terms of the Bonds shall be determined by an Authorized Officer, consistent with the terms of the Indenture and subject to the following conditions. The Bonds shall not be general obligations of the Board but shall be limited obligations payable solely and only from loan payments and any other moneys pledged under the Indenture by the Borrower as required by the Indenture. The Bonds shall mature no later than 40 years from their date of issuance, bear interest at a fixed or floating rate no greater than the net rate paid on the Loan (i.e. net of fees due to the Board and any other parties), be in a principal amount not to exceed \$30,000,000, be subject to optional, special optional, mandatory or sinking fund redemption or tender and have the other terms and provisions as described to the Board, and definitively set forth in the Indenture upon execution and delivery as aforesaid in Section 2 hereof. The Bonds shall be executed and delivered substantially in the form set forth in the Indenture, with such additions, omissions and changes as are required or permitted by the Indenture and approved by the signatories thereto. The Bonds shall be executed in the name of the Board by the 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 Officer for purposes of executing and attesting the Bonds, and their execution shall evidence their approval of the final terms thereof. Such signatures may be by facsimile; provided, however, that such Bonds shall not be valid or obligatory for any purpose until authenticated by the manual signature of an authorized officer of the Trustee.

Section 4. Approval of Financing Agreement. The Financing Agreement is hereby approved in the form hereinabove described, and an Authorized Officer is hereby authorized to execute and deliver the Financing Agreement, with such changes, insertions or omissions therein as may be approved by such person, such approval to be evidenced conclusively by the execution of the Financing 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. Approval of Preliminary Official Statement and Official Statement. The Preliminary Official Statement is hereby approved in the form described above, with such changes, insertions or omissions therein as may be approved by an Authorized Officer. Each such person is hereby authorized to execute and deliver a final official statement substantially in the form of the Preliminary Official Statement with such changes, insertions or omissions therein as may be required to finalize the pricing terms of the Bonds.

Section 7. Approval of Purchase Contract and Sale of the Bonds. A Purchase Contract for the Bonds is hereby approved in the form described above and the execution of the Purchase Contract by an Authorized Officer is hereby authorized and directed in order to effectuate the sale of the Bonds with such changes, insertions or omissions therein as may be approved by such person, such approval to be evidenced conclusively by such execution of the Purchase Contract.

Section 8. Reserved.

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

Section 10. Execution of Documents. In the event of the absence or disability of 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 11. 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 Bonds as described in Section 148 of the Code.

Section 12. Additional Actions Authorized. The Chair, the Vice Chair, the Secretary or any other member of the Board, and the Executive Director and Treasurer, the Multifamily Program Manager and the Accounting and Finance Manager, acting alone or acting with others, are hereby authorized and directed to execute and deliver any or all other documents which may

be required under the terms of the Indenture, the Financing Agreement, or the Purchase Contract and to take such other action as may be required or appropriate for the performance of the duties imposed thereby or to carry out the purposes thereof, and the members and officers named above are hereby designated as Authorized Officers for such purposes. With respect to the issuance of the Bonds authorized by this Resolution, such Authorized Officers are also authorized, with the advice of General Counsel or Bond Counsel, to interpret and apply the Board's Policy for Conduit Multifamily Housing Revenue Bonds (the "Policy") and to waive any requirement of the Policy to the extent such interpretation, application or waiver is consistent with the purpose of the Policy.

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

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ADOPTED by the Montana Board of Housing this ____ day of May, 2025.

MONTANA BOARD OF HOUSING

Attest:

By _____
Bruce Posey, Chair

By _____
Cheryl Cohen, Executive Director

MARKET STUDY SUMMARY

Market Study Company:	Novogradac
Project Name:	Roers Affordable At Urban Farm
Project Market Area:	The PMA includes the cities of Bozeman, Four Corners, and Belgrade.

Is the project, as proposed, viable?

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

	Market Rents	% Project Rents Below	Reference page:
0 bedroom			
1 bedroom			
2 bedroom	\$ 2,100	34.5%	
3 bedroom	\$ 2,900	45.0%	
4 bedroom	\$ 3,000	41.4%	
5 bedroom			103

of all New Units Needed: Reference page:

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

Vacancy Rate: Reference page:

Months to Lease-up: Reference page:

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

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

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

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

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

<input type="text" value="0.8 mi"/>	miles to grocery store (convenience store does not count)
<input type="text" value="0.6 mi"/>	miles to medical services appropriate and available to all prospective tenants (e.g., hospital, doctor offices, etc.) and are one of the following:

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

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

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

All other services and distance to each.

	Other Service	Distance (mi)
1	Hyalite Fire District Rae Station	0.4 mi
2	Norton East Park	0.4 mi
3	First Security Bank	0.7 mi
4	Conoco gas station	0.8 mi
5	Gallatin High School	1.5 mi
6	Hyalite Elementary School	1.6 mi
7	Rosauers Supermarket & Pharmacy	1.7 mi
8	Bozeman Police Department	2.8 mi
9	Dollar Tree	2.9 mi
10	United States Postal Service	3.1 mi
11	Montana State University Library	3.4 mi
13	Sacajawea Middle School	3.9 mi
14	Walmart Supercenter	4.0 mi
15	Bozeman Health Deaconess Regional Medical Center	4.8 mi
16		
17		
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County	Roers Affordable at Urban Gallatin
Project Name	Roers Bozeman Affordable Farm
Developer / General Ptnr	Apartments Owner LLC
Set-aside	General
HC Requested	18,488,950
Project Type	Family
Construction Type	New Const
Projected Construction Start	Oct-25
Projected Completion	May-27

Unit Numbers

Target

0-bdrm	20%	-
0-bdrm	30%	-
0-bdrm	40%	-
0-bdrm	50% (Low HM)	-
0-bdrm	50%	-
0-bdrm	60%	-
0-bdrm	70%	-
0-bdrm	80%	-
0-bdrm		-
0-bdrm		-
1-bdrm	20%	-
1-bdrm	30%	-
1-bdrm	50% (Low HM)	-
1-bdrm	40%	-
1-bdrm	50%	-
1-bdrm	60%	-
1-bdrm	70%	-
1-bdrm	80%	-
1-bdrm		-
1-bdrm		-
2-bdrm	20%	-
2-bdrm	30%	-
2-bdrm	40%	-
2-bdrm	50% (Low HM)	-
2-bdrm	50%	-
2-bdrm	60%	59
2-bdrm	70%	-
2-bdrm	80%	-
2-bdrm		-
2-bdrm		-
3-bdrm	20%	-
3-bdrm	30%	-
3-bdrm	40%	-
3-bdrm	50% (Low HM)	-
3-bdrm	50%	-
3-bdrm	60%	66
3-bdrm	70%	-
3-bdrm	80%	-
3-bdrm		-
3-bdrm		-
4-bdrm	20%	-
4-bdrm	30%	-

County	Gallatin		
Project Name	Farm		
Developer / General Ptnr	Apartments Owner LLC		
	4-bdrm	40%	-
	4-bdrm	50% (Low HM)	-
	4-bdrm	50%	-
	4-bdrm	60%	20
	4-bdrm	70%	-
	4-bdrm	80%	-
	4-bdrm		-
	4-bdrm		-
	other	20%	-
	other	30%	-
	other	40%	-
	other	50% (Low HM)	-
	other	50%	-
	other	60%	-
	other	70%	-
	other	80%	-
	other		-
	other	mkt	-
	other	mgt(60%)	-
Total Units			145
Average Income Targeting			60.00%

Square Footage

Income Restricted Units	166,264
Managers Unit(s)	-
Supportive Services	-
Common Space	45,984
Market/Commercial	-
Total	212,248

Unit Rents

0-bdrm	20%	-
0-bdrm	30%	-
0-bdrm	40%	-
0-bdrm	50% (Low HM)	-
0-bdrm	50%	-
0-bdrm	60%	-
0-bdrm	70%	-
0-bdrm	80%	-
0-bdrm		-
0-bdrm		-
1-bdrm	20%	-
1-bdrm	30%	-
1-bdrm	40%	-
1-bdrm	50% (Low HM)	-
1-bdrm	50%	-
1-bdrm	60%	-
1-bdrm	70%	-
1-bdrm	80%	-
1-bdrm		-

County	Gallatin		
Project Name	Farm		
Developer / General Ptnr	Apartments Owner LLC		
	1-bdrm		-
	2-bdrm	20%	-
	2-bdrm	30%	-
	2-bdrm	40%	-
	2-bdrm	50% (Low HM)	-
	2-bdrm	50%	-
	2-bdrm	60%	1,426
	2-bdrm	70%	-
	2-bdrm	80%	-
	2-bdrm		-
	2-bdrm		-
	3-bdrm	20%	-
	3-bdrm	30%	-
	3-bdrm	40%	-
	3-bdrm	50% (Low HM)	-
	3-bdrm	50%	-
	3-bdrm	60%	1,645
	3-bdrm	70%	-
	3-bdrm	80%	-
	3-bdrm		-
	3-bdrm		-
	4-bdrm	20%	-
	4-bdrm	30%	-
	4-bdrm	40%	-
	4-bdrm	50% (Low HM)	-
	4-bdrm	50%	-
	4-bdrm	60%	1,837
	4-bdrm	70%	-
	4-bdrm	80%	-
	4-bdrm		-
	4-bdrm		-
	other	20%	-
	other	30%	-
	other	40%	-
	other	50% (Low HM)	-
	other	50%	-
	other	60%	-
	other	70%	-
	other	80%	-
	other		-
	other	mkt	-
	other	mgt(60%)	-
Total Monthly Rents			229,444
vacancy factor			5.00%
Adjusted Rent			217,972
other/commercial income			10,259
total rent			228,231
x 12 months			12
Total Annual Income			2,738,767

County	Gallatin
Project Name	Farm
Developer / General Ptnr	Apartment's Owner LLC
<u>Expenses</u>	
Administration	41,750
Management	82,163
Maintenance	108,750
Operating	429,500
Taxes	-
Replacement Reserve	50,750
Total Expenses	<u>712,913</u>
Net Income Before Debt Service	2,025,854
<u>Financing Sources</u>	
Hard Loan	26,933,000
Hard Loan	1,467,000
Soft Loan	-
Soft Loan	-
State HOME	-
State CDBG	-
State NHTF	-
Other	564,215
Other	2,693,300
Other	3,353,159
Other	(3,353,159)
Deferred Dev Fee	4,208,217
HC Equity Competitive	-
HC Equity Non-Competitive	<u>16,267,023</u>
Total Sources:	52,132,754
% of Project Financed by HC:	31.20%
<u>Return on Sale of HTC</u>	
HTC Requested	18,488,950
HTC Equity	16,267,023
HTC Return on Sale	0.880
<u>Ratios</u>	
Rent (Income)	2,738,767
Operating Expenses	662,163
Replacement	50,750
Net Income	2,025,854
Total Debt Service	1,768,477
Debt Coverage Ratio (DCR)	1.15
Total Expense Ratio	1.10
<u>Project Costs</u>	
Land	2,600,000
Building/Acquisition	-
Site Work	1,743,145

County	Gallatin
Project Name	Farm
Developer / General Ptnr	Apartment's Owner LLC
Construction / Rehab	30,548,864
Soft Costs	10,103,397
Developer Fees	6,029,006
Reserves	1,108,343
Total Project Costs	52,132,754
Supportive Services Costs	-
Residential Costs	52,132,754

Costs versus Sources

Total Project Costs	52,132,754
Total Financing Sources	52,132,754
Difference	0

Project Cost Limitations

	<u>Limits</u>	
General Requirements	6.00%	3.27%
Contractor Overhead	2.00%	1.63%
Contractor Profit	6.00%	3.27%
Developer Fees	15.00%	14.22%
Soft Cost	40.00%	44.95%

Per Unit Comparison

	<u>Limits</u>	
Cost per unit total	n/a	359,536
Cost per unit residential only	\$350,000	359,536
Cost per unit Const / Rehab	see section below	222,704
Credits per unit	n/a	127,510
Operating Cost per unit	\$3,000 min	4,567
Replacement Reserves	\$350 min	350

Per Square Foot Comparison

Construction / Rehab per sq ft	143.93
Total Project Cost per sq ft	245.62
Credits per sq ft	87.11
Credits per sq ft (residential only)	111.20

Utilities Paid by (Tenant / Owner)

Tenant

Market Study Data:

Vacancy Rates	5.0%
Absorption Rate	86.0%
Months to Absorb	6
Average Project Rent	1,634
Average Market Rent	3,310
Units needed for Targeted AMI's	1,159

County	Meets Affordable at Urban Gallatin
Project Name	Meets Affordable at Urban Farm
Developer / General Ptnr	Meets Affordable at Urban Apartments Owner LLC

Market Rents

0-bdrms	-
1-bdrms	-
2-bdrms	2,438
3-bdrms	3,104
4-bdrms	4,387
other	-

Acq Rehab Info:

Reserves kept by existing owner	-
Other cash out by existing owner	-
Current Debt on Property	-
	-
	-
	-
	-

Development Evaluation Criteria and Selection

Lower Income Tenants

Income and Rent Level Targeting.	60%
Project-Based Rental Subsidy.	NO

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	Local Entity Participation

Green Building and Energy Conservation Standards

Meets Requirements

Tenant Populations with Special Housing Needs

Family Projects	Family Project
Elderly Projects	na

Board Agenda Item

Board Meeting: June 9, 2025

Multifamily Program

BOND RESOLUTION NO. 25-0609-MF06 APPROVAL

Centennial Village Apartments in Great Falls, MT

Background:

Centennial Village Apartments is a 48-unit family property located in Great Falls, MT. This is an acquisition/rehab project costing approximately \$237,794 per unit. Vitus Development III, LLC is the developer and is requesting a bond amount not to exceed \$7,500,000. This amount includes the buffer. Unit AMI's will target 60% and Vitus will renew the project-based rental assistance contract for 20 years upon its acquisition, subject to federal appropriations.

Bond Resolution No. 25-0414-MF02 for Centennial was previously approved by the Board at its April 15, 2025 meeting. Since approval of that Resolution, the structure of the bond deal has changed. Bond counsel has reviewed the new structure - which changed loan types from a Fannie Mae to a Freddie Mac loan product - and supports the adjustments; the bond amount will stay the same.

Staff Recommendation (if any):

Staff supports the proposal noted above. With Board approval of bond resolution no. 25-0609-MF06, the prior bond resolution no. 25-0414-MF02 will become void.

Motion Option(s):

1. Move to approve bond resolution no. 24-0609-MF06 in the amount not to exceed \$7,500,000.
2. No motion, proposal fails.

RESOLUTION NO. 25-0609-MF06

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 \$7,500,000; APPROVING A FUNDING LOAN AGREEMENT, PROJECT 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 Berkadia Commercial Mortgage LLC (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 \$7,500,000, the proceeds of which will be used to finance a mortgage loan for the acquisition, rehabilitation and equipping of the Centennial Village Apartments, an affordable housing development consisting of 48 units located in Great Falls, Montana (the “Project”); and

WHEREAS, the borrowing by the Board will be pursuant to a Funding Loan Agreement among the Board, the Funding Lender and U.S. Bank Trust Company, National Association (or such other financial institution as is approved by Borrower, Funding Lender and the Chair, Vice Chair or Executive Director and Treasurer) (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 Parkview Apartments financing in 2023 (the “Parkview Apartments 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 Centennial Village Housing Partners, LP, a Montana limited partnership, or a similar affiliate of Vitus Development III, LLC (the “Borrower”), pursuant to a Project Loan Agreement, by and between the Board and the Borrower (the “Project Loan Agreement”), which will be in substantially the form used in the Parkview Apartments Financing, subject to the terms, conditions and limitations established herein; and

WHEREAS, the interest on the Obligation is intended to qualify for a federal tax exemption under Section 142 of the Internal Revenue Code of 1986 (the "Code"), and to ensure that the Obligation maintains its tax exempt status, the Borrower will enter into a Regulatory Agreement and Declaration of Restrictive Covenants (the "Regulatory Agreement"), which will be in substantially the same form as such agreement approved by the Board with respect to the Parkview Apartments 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 Project 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 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 Funding 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 \$7,500,000, 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 Officer (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 Funding Loan Agreement. The Funding Loan Agreement is hereby approved in the form hereinabove described, and an Authorized Officer is hereby authorized to execute and deliver the Funding 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 Funding 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 Project 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 Project 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 Officers for such purposes. With respect to the issuance of the Obligation authorized by this Resolution, such Authorized Officers are also authorized, with the advice of General Counsel or Bond Counsel, to interpret and apply the Board's Policy for Conduit Multifamily Housing Revenue Bonds (the "Policy") and to waive any requirement of the Policy to the extent such interpretation, application or waiver is consistent with the purpose of the Policy.

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

[Remainder of Page Intentionally Left Blank]

ADOPTED by the Montana Board of Housing this 9th day of June, 2025.

MONTANA BOARD OF HOUSING

Attest:

By _____
Bruce Posey, Chair

By _____
Cheryl Cohen, Executive Director

Board Agenda Item

Board Meeting: June 9, 2025

Operations / Executive Director

BOARD MEETINGS

- The next Board meeting will be held on Monday, July 14, 2025, at 8:30 a.m. via Zoom.

BOARD MEMBER OPPORTUNITIES

- The 2025 NCSHA Annual Conference & Showplace will be held in New Orleans October 4-7. Registration is not yet open. The Annual Conference & Showplace brings together HFA Executive Directors, staff, and board members and their industry partners to explore solutions to the affordable housing community's toughest, fast-moving challenges. If you are interested in attending the conference, please email Jessica John – jess.john@mt.gov and Cheryl Cohen – Cheryl.cohen@mt.gov.

CONTRACTS / PROCUREMENT

- Eide Bailly contract was routed for execution on May 16. This contract is for GASB financial reporting consulting services for MBOH.

STAFFING UPDATES

- Zentra Adams (Loan & Bond Specialist with Servicing's loss mitigation team) has resigned with her last day on June 6. We wish her well in her future endeavors. The Montana Board of Housing will be actively recruiting for this position.

HOMEOWNER ASSISTANCE FUND

- HAF staff has worked diligently to clear the backlog of inspection reports and are very close to having all inspections in the Home Repairs program reviewed and cases moved to the next stage.
- As of May 29, 2025, 2,978 applications have been submitted to the statewide program.
- HAF staff have approved and paid over \$17 million in total through all statewide program applications.

COMMUNITY HOUSING

- Montana's 2025-2029 Consolidated Plan is through its public comment period and should be submitted to HUD before the June 9, 2025 board meeting.
- On May 14, 2025, HUD provided Montana's funding allocations for the Community Development Block Grant, Housing Trust Fund, and HOME Investment Partnerships Program. As expected, funding remained similar to 2024 levels.
- For the September 17, 2025 application deadline, there will be \$3,150,000 available in (2024 and 2025) CDBG funds for activities to rehabilitate affordable



housing and address homelessness, \$2,713,000 for HOME-eligible activities and \$2,821,000 for HTF projects.

- The public comment period for Montana's 2024 Consolidated Annual Performance Evaluation Report ended June 6, 2025 and will be submitted to HUD prior to June 27, 2025.
- Staff are scheduling and conducting visits to 71 properties financed with CDBG, CDBG-CV, ESFG, HOME, HOME-ARP and HTF proceeds.

EXECUTIVE DIRECTOR

- The Montana Board of Housing's financial audit for the fiscal year ended June 30, 2024 will be presented to the Legislative Audit Committee on June 13, 2025. Cheryl Cohen, Vicki Bauer, and Tara Engquist (CPA and partner with Eide Bailly) will participate in the hearing. A copy of the audit and the Board's response can be found here:
<https://archive.legmt.gov/content/Committees/Administration/Audit/2025-26/Meetings/June-2025/24-07.pdf>
- The Rental Assistance team is completing a waiting list purge and will be announcing a re-opening of the Housing Choice Voucher waiting lists mid-June for a July 1 re-opening. Separate waiting lists will also be established for the Moderate Rehabilitation and Mainstream Voucher programs.
- The Fiscal Year 2026 PHA Administrative Plan was posted for public comment from February 28, 2025 through April 14, 2025 with a public hearing held March 5, 2025. The PHA Administrative Plan was then finalized, submitted to and approved by the U.S. Department of Housing and Urban Development and will go into effect July 1, 2025. The revised Plan includes the following changes:

Montana Department of Commerce | commerce.mt.gov | Montana Board of Housing
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- HOTMA flexibilities including changes in how income, assets, and deductions are calculated (On Friday, May 30, HUD announced that the HOTMA Final Rule compliance date was extended from July 1, 2025 to January 6, 2026);
- Adopts the new National Standards for the Physical Inspection of Real Estate (NSPIRE) for an October 1, 2025 effective date (currently HUD's implementation deadline, which may be extended);
- Improves waiting list management by separating the Moderate Rehabilitation and Mainstream Voucher program waiting lists and allowing owner-maintained waiting lists for Project-Based Vouchers;
- Updates income verification processes to allow Safe Harbor use of income determinations under TANF, Medicaid, LIHTC, and SSI for annual reexaminations of income; and
- Adopts new federal flexibilities for Veteran Affairs Supportive Housing vouchers.

LEGISLATIVE SESSION

- **HB 505** *Revise laws on Montana housing infrastructure revolving loan fund on deed restrictions, usage, and interest* (Board of Investments program) was signed by the Governor on May 13.
- **HB 924** *Generally revise state finance laws* passed the House (60-39) as amended by the Senate on April 29 and was returned from enrolling on April 30.
- **HB 931** *Allow for nonprofit development and management of attainable workforce housing on state lands* was signed by the Governor on May 13.



- **HJ 30** *Study resolution on incentivizing housing density and affordability* passed and was filed with Secretary of State on May 6.

Rental Assistance Dashboard
June 9, 2025 (Data as of May 31, 2025)

Totals

	<u>Previous Month</u>	<u>Current Month</u>	<u>Change</u>
Paid Units	6,944	6,884	(60)
Budgeted Units		8,317	
All Section 8 HAPs	4,955,905	5,293,063	337,158

Rental Assistance Tenant Based Programs

	<u>Month Apr-25</u>	<u>May-25</u>	<u>Change</u>	<u>Year HAP</u>	<u>HUD Budget</u>	<u>Fees</u>	<u>Term</u>
Housing Choice Voucher (HCV)							CY2025
Paid Units (3625 Agency contracts)	2,944	2,885	(59)			152,206	
Current Month Payment Amount	1,968,365	1,939,851	(28,514)	9,688,260		777,407	
Veterans Affairs Supportive Housing (VASH)							CY2025
Number Units Paid (321 Authorized)	235	239	4			12,448	
Payment Amount	157,625	159,358	1,733	758,055		59,823	
Moderate Rehabilitation (ModRehab)							
Number Contracts			0				
Paid Units (297 Authorized)	107	98	-9			4,812	
Payment Amount	73,242	66,840	-6,402	364,472		26,175	
Mainstream							
Number Units Paid	24	23	-1			1,277	
Payment Amount	17,596	16,855	-741	85,088		6,830	
Project Based VASH							
Number Units Paid	0	0	0			0	
Payment Amount	0	0	0	0		0	
EHV							
Number Units Paid	57	56	-1			3,219	
Payment Amount	43,210	43,035	-175	216,729		16,884	

Rental Assistance Project Based Programs

Project-Based Section 8						Admin Earnings
Contracts	89	89	0			113,323
Units Paid (4132 Authorized with 8bb)	3,556	3,562	6			Contract Extension
Payment Amount	2,681,973	3,055,765	373,792			
Calendar Year Admin Earnings						566,615
811 Project Rental Assistance Demo (FY)					1,900,000	157,000 Five Year
Rental Assistance Contracts (RAC)			0	Disbursed:	1,251,802	Balance: 648,198
Units (grant requires 82)	21	21	0			8 Units Kalispell
Payment Amount	13,894	11,359	-2,535			40 Units Missoula
						5 Units Ronan
						21 Units Boz/Belgrade
						74