

# Montana Board of Housing - Board Meeting

**Meeting Location:** Zoom

**Date:** July 14, 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 (Vicki Bauer)
  - Finance Update



- Homeownership Program (Jessica Michel)
  - Participating Lender Approval Request – Bison Ventures, LLC
  - Habitat Set-Aside – Request for additional funds
  - Reverse Annuity Mortgage (RAM) Administrative Rules
  - Homeownership Update
- Mortgage Servicing (Mary Palkovich)
  - Servicing Update
- Multifamily Program (Jason Hanson)
  - Riverview Apartments - Cost per Unit waiver
  - Rocky Mountain Flats - Bond Resolution
  - Hidden Creek 4 - Bond Resolution
  - Multifamily Update
- 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](http://dphhs.mt.gov/detd/mtap/traditionalrelayservice) before the scheduled meeting to allow for arrangements.

## 2025 Board Calendar

- 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:** July 14, 2025

**Roll Call of Board Members:**

Bruce Posey, Chair (Present)

Sheila Rice (Present)

Amber Parish (Present)

Jeanette McKee (Present)

Rachel Arthur (Present)

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

Megan Surginer, Office Manager

Julles Engel, Community Housing

Charles Brown, Homeownership Program

Brian Barnes, Multifamily Program

Jesse Ennis, Multifamily Program

Kellie Guariglia, Multifamily Program

Ryan Collver, Multifamily Program

Bruce Brensdal, Multifamily Program

Jen Stepleton, Community Housing

Stacey Purvis, Community Housing

Julie Flynn, Community Housing Manager

*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:**

Morgan Heckford	Angela Getchell	Marybeth Morand	Patrick Zhang
Christian Pritchett	Don Sterhan	Tyler Currence	Shane Walk
Jeremy West	Andrew Chanania	Austin Trunkle	Maddy Mason
Tiffany Hapney	Cameron Rokich	Emily Strawser	Jennifer Wheeler
David Fine	Hilary Devlin	Gene Leuwer	Roegilene Escleva
Austin Richardson	Seth O'Connell	Mina Choo	Kathleen Rose Dionora

**Call Meeting to Order:**

00:00:00 Board Chair Bruce Posey called the Montana Board of Housing (MBOH) meeting to order at 8:32 a.m.

00:01:07 Introductions of Board members, Board staff, and attendees were made.

00:04:41 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**

00:05:17 Motion: Jeanette McKee

Second: Richard Miltenberger and Sheila Rice

The June 9, 2025 MBOH Board meeting minutes were approved unanimously.

**Accounting:****Accounting Update**

00:06:44      Presenter: Vicki Bauer

**Homeownership Program:****Approval of Bison Ventures, LLC as a Participating Lender**

00:11:27      Presenter: Jessica Michel

Motion: Jeanette McKee

Second: Sheila Rice

The motion to approve Bison Ventures, LLC as a Participating Lender for Montana Board of Housing passed unanimously.

**Approval of Habitat for Humanity Set-Aside Request – Additional Funds**

00:15:43      Presenter: Jessica Michel

Motion: Sheila Rice

Second: Amber Parish and Rachel Arthur

The Motion to approve this additional \$1,551,000 set-aside request for a total FY26 Habitat set-aside of \$3,966,000 was passed unanimously.

**Approval of Proposed Revisions to Administrative Rules of Montana – Reverse Annuity Mortgage**

00:23:57      Presenter: Jessica Michel

Motion: Rachel Arthur

Second: Jeannette Mckee

The motion to approve the proposed revisions to Administrative Rules of Montana – Reverse Annuity Mortgage passed unanimously.

**Homeownership Update**

00:26:48      Presenter: Jessica Michel

**Mortgage Servicing Program:****Servicing Update**

00:29:53      Presenter: Mary Palkovich

**Multifamily Program:****Approval of Cost per Unit Cap Waiver Request for Riverview Apartments, Blueline Development**

00:34:31      Presenter: Jason Hanson

The Board had several questions and discussion with concerns toward the precedent that approving this waiver would set for other lenders. Jason Hanson (Multifamily Program Manager) answered a few questions for the Board. Nathan Bilyeu (Board Counsel) in answer to a Board Question stated that each determination is looked at on individualized facts and circumstances for determination, the Board as far as legal precedence goes makes the determination upon asking Board staff, and the developer who is attending to determine that the universe of facts and circumstance that justify this exception has no bearing on how the board has to handle these cases legally moving forward. The Board requested that the staff make changes so that these issues are brought to the Board earlier. The Board had a few more questions which were answered by Christian Pritchett (Blueline Development) and David Fine (City of Bozeman Urban Renewal Program Manager). Chair Posey provided comments to developers stressing the critical importance that cost per unit and other data presented to the Board must be true and accurate at all stages in the application and development process. Sheila Rice, Jeanette McKee, and Amber Parish had further comments before the motion came to a vote. No alternative or amendment motion was made.

Motion: Sheila Rice

Second: Richard Miltenberger

The motion to approve the Cost per Unit Cap Waiver was approved by a roll call vote of six. Jeanette McKee voted against the motion.

**Approval of Bond Resolution No. 25-0714-MF07**

00:55:38      Presenter: Jason Hanson

By approving this resolution, the Board is also approving the cost per unit waiver with current per unit costs at \$371,872.70. Sheila requested that the staff hold a workshop on what the housing agencies are trying to do to control cost. Jason Hanson made note that this resolution was in line with other resolutions from Bozeman at this time. David Fine (City of Bozeman Urban Renewal Program Manager) provided comment on the need of this project for the Bozeman area. Christian Pritchett (Blueline Development) provided comment towards the project before the motion came to a vote.

Motion: Richard Miltenberger

Second: Ryan Aikin and Rachel Arthur

The motion to approve the Bond Resolution No. 25-0714-MF07 in the amount not to exceed \$73,000,000 passed unanimously.

**Approval of Bond Resolution No. 25-0714-MF04**

01:02:59      Presenter: Jason Hanson

Motion: Sheila Rice and Ryan Aikin

Second: Amber Parish

The motion to approve the Bond Resolution No. 25-0714-MF04 in the amount not to exceed \$40,000,000.

**Multifamily Update**

01:07:08      Presenter: Jason Hanson

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

01:09:50      Presenter: Joe DeFilippis and Cheryl Cohen

**Meeting Adjournment:**

01:25:56      Meeting was adjourned at 9:57 a.m.

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Amber Parish, Secretary

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Date

## Board Agenda Item

Board Meeting: July 14, 2025

### Accounting and Finance Program

#### INVESTMENT DIVERSIFICATION BAR GRAPH

Diversification is an investment strategy that entails the purchase of a mixture of investments that reduces the exposure to investment risk. Currently, there are few investments options available that fit within the Board's Investment Policy, so most funds are invested in money market.

- As of May 31, 70.9% of MBOH funds were being held in money market earning 4.18%.
- The remaining funds are invested in FNMA, Freddie Mac and Treasury Bonds, with rates ranging from 3.69% to 6.48%.
- As of May 31, we have purchased \$47.7 million of GNMA MBS and \$1.8 million of FNMA MBS with bond proceeds

#### WEIGHTED AVERAGE YIELD TREND GRAPH

MBOH uses the average yield for each investment type and the par value of those same investment types to calculate the weighted average yield.

- The weighted average has decreased year-to-year from 5.18% in May 2024 to 4.50% in May 2025.
- The rate remained steady at 4.5% from April 2025 to May 2025.
- The averages include the rates on the MBS.

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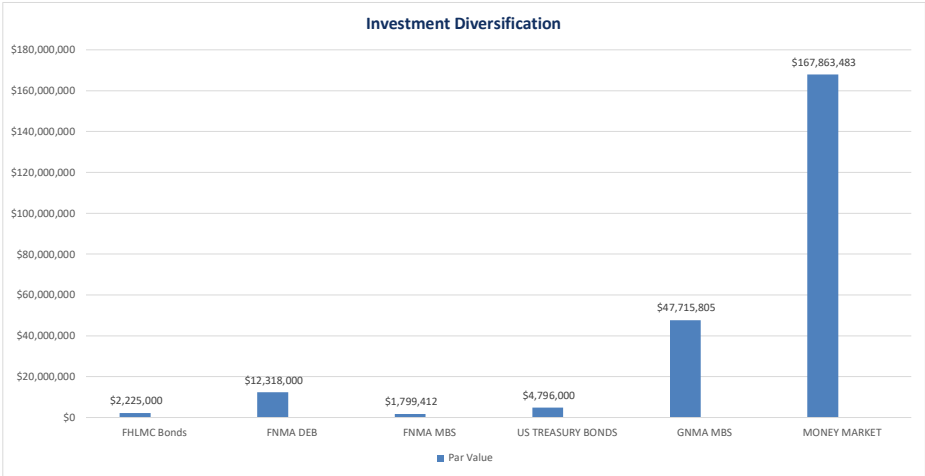


## INVESTMENT PORTFOLIO MATURITY SCHEDULE

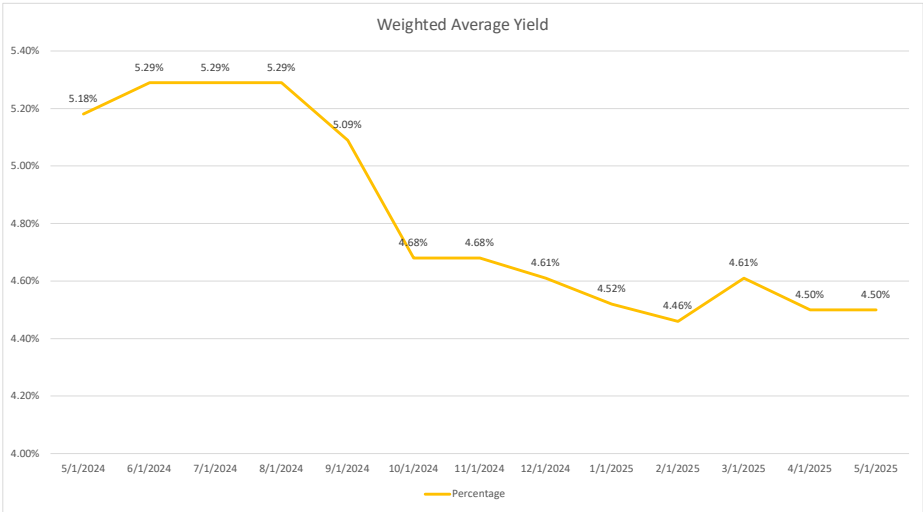
Indicates who holds the investment securities on behalf of MBOH, the type of security, the date of maturity and the PAR value, which is the face value of the security at the time of issuance.

- The GNMA (Ginnie Mae) and FNMA (Fannie Mae) MBS (Mortgage-Backed Securities) are the longest-term maturities in our portfolio with yields at 4.45% and 5.0%.
- Two of the Treasury Bonds were purchased several years ago at a yield of 6.48%. These will be maturing in August 2025.
- The overall total of investments at the end of May 2025 was \$236.7 million with approximately \$167.8 million that total in money market. The money market balance includes \$36.5 million that was used to pay June 1<sup>st</sup> debt service, as well as \$57 million in the 2025A Acquisition account.

	sf1	sf2	sf11	total
Principal Maturity Installment Pmt	7,430,000.00	1,470,000.00		8,900,000.00
Principal Sinking Fund Installment Pmt	220,000.00	50,000.00	520,000.00	790,000.00
Interest Pmt	10,942,823.21	1,203,337.51	136,093.75	12,282,254.47
Additional Principal Payments as Directed	12,610,000.00	1,640,000.00	290,000.00	14,540,000.00
	<b>31,202,823.21</b>	<b>4,363,337.51</b>	<b>946,093.75</b>	<b>36,512,254.47</b>
	531,240,000.00	60,990,000.00	7,890,000.00	600,120,000.00



FNMA: Federal National Mortgage Association (Fannie)  
FHLMC: Federal Home Loan Mortgage Corporation (Freddie)



AVAILABILITY

Available Now	< 1 year	1 to 5 years	6 to 10 years	> 11 years	Total
\$ 167,863,483	\$ 13,479,000	\$ 3,635,000	\$ 2,262,376	\$ 49,477,841	\$ 236,717,701

Investment Maturity Schedule

Maturity Date	Trustee	Type	Par Value
5/20/55	Wilmington Trust	GNMA MBS IHFA	9,587,197.00
5/1/55	Wilmington Trust	FNMA MBS IHFA	475,850.00
4/20/55	Wilmington Trust	GNMA MBS IHFA	7,688,799.82
4/1/55	Wilmington Trust	FNMA MBS IHFA	450,839.47
3/20/55	Wilmington Trust	GNMA MBS IHFA	8,132,261.50
2/20/55	Wilmington Trust	GNMA MBS IHFA	19,253,513.35
2/1/55	Wilmington Trust	FNMA MBS IHFA	416,434.42
1/20/55	Wilmington Trust	GNMA MBS IHFA	3,054,033.33
1/1/55	Wilmington Trust	FNMA MBS IHFA	273,332.34
8/1/38	Wilmington Trust	FNMA MBS	39,966.34
3/1/37	Wilmington Trust	FNMA MBS	92,472.49
7/1/36	Wilmington Trust	FNMA MBS	13,140.84
2/1/36	Wilmington Trust	FNMA MBS	37,376.26
7/15/32	Wilmington Trust	FHLMC BOND	2,225,000.00
11/26/27	Wilmington Trust	FNMA DEB	3,635,000.00
4/30/26	Wilmington Trust	FNMA DEB	8,683,000.00
8/15/25	Wilmington Trust	T-NOTES & BONDS	4,796,000.00

## Board Agenda Item

Board Meeting: July 14, 2025

### Homeownership Program

#### **LENDER APPROVAL – Bison Ventures, LLC**

Bison Ventures, LLC was founded in 2021. Their corporate headquarters is in Scottsdale, AZ with their Montana location located at 2001 11<sup>th</sup> Ave, Bldg A, Suite 28 in Helena, MT. They are opening a new branch in Missoula in July 2025. They have 40 direct employees, including one employee in Montana with the expectation of growing their Montana offices.

Bison Ventures specializes in government insured loans for first time homebuyers and are approved to underwrite FHA, VA, USDA, RD mortgage loans. They plan to participate in the Board's Regular Bond, DPA, and MCC programs. Bison Ventures' mission is "To become the higher road". They are committed to helping their clients achieve their financing goals while providing an informed lending experience that is unmatched in the industry.

Bison Ventures' application material, quality control plan and financials have been reviewed and approved by staff, and they meet all requirements for becoming a Montana Board of Housing Participating Lender. Their full application and financial information are available for Board members to review upon request.

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## PROPOSAL

Staff requests the Board to approve Bison Ventures, LLC as a Participating Lender for Montana Board of Housing.

# Board Agenda Item

Board Meeting: July 14, 2025

## Homeownership Program

### **ADDITIONAL SET-ASIDE REQUEST - Habitat for Humanity**

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.

At the June 9, 2025 meeting, the Board approved a \$2,415,000 set-aside for allocation for Habitat affiliates. On June 9, 2025, after the Board meeting, the Flathead Habitat for Humanity affiliate contacted the Board staff to inform us that the \$454,000 allotment for Flathead was incorrectly requested. Flathead Habitat is requesting an additional \$1,551,000 allotment for a total of \$2,005,000 for fiscal year 2026. This request brings the total allotment for FY2026 for all Montana Habitat affiliates to \$3,966,000.

Flathead Habitat is constructing the following residences in FY 2026:

- Two 2 bedroom Townhome duplexes each at \$405,000
- One 3 bedroom Townhome (duplex) at \$410,000
- One 4 bedroom Townhome (duplex) at \$420,000
- One single family home (CLT) at \$365,000

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## PROPOSAL

Board staff consulted with our financial advisors, and we have sufficient funds to approve this additional \$1,551,000 request for a total FY26 Habitat set-aside of \$3,966,000. Staff requests the Board to approve this additional set-aside request.

## Board Agenda Item

Board Meeting: July 14, 2025

### Homeownership Program

#### **PROPOSED REVISIONS TO ADMINISTRATIVE RULES OF MONTANA – Reverse Annuity Mortgage**

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

In response to Board Member feedback from the Board meeting on June 9, 2025, the following changes have been made to the proposed revisions to the Administrative Rules of Montana 8.111.407 Security for the loan:

- Single Family residences including townhomes, condominiums and manufactured homes.
- Must meet HUD Handbook 4000.1 guidelines.
- Manufactured Homes must meet the MBOH General Terms and Conditions of MBOH MBS Regular Bond Loan Program requirements.

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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 qualified 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 qualified reverse annuity mortgage counselor. ~~(#)~~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, condominiums, and manufactured homes.

No manufactured homes are eligible

(d) Must meet HUD Handbook 4000.1 guidelines. ~~FHA appraisal standards~~

~~(e) 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.~~

~~(f) Manufactured Homes must meet the MBOH General Terms and Conditions of MBOH MBS Regular Bond Loan Program requirements.~~

~~—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) 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

July 14, 2025

RATES

	CURRENT	LAST MONTH	LAST YEAR
MBOH*	5.625	5.50	5.750
Market	6.49	6.61	6.681
10 yr treasury	4.24	4.41	4.360
30 yr Fannie Mae	6.53	6.53	6.530

\*Current Setaside 5.375, DPA 5.875

MBS PROGRAM

RESERVATIONS

June NUMBER	June AMOUNT
----------------	----------------

Series 2025 A (since 1.30.25)  
and Series 2025 B (since 6.9.25)

81	25,353,348
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Series 2025 A DPA (since 1.30.25)  
and Series 2025 B DPA (since 6.9.25)

34	392,385
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80% Combined (20+)

5	1,203,992
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SET-ASIDE PROGRAMS

MBOH Plus DPA

7	78,695
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NeighborWorks

2	441,225
---	---------

CAP NWMT CLT

Missoula HRDC XI

Bozeman HRDC IX

1	162,000
---	---------

Home\$tart

HUD 184

MT Street CLT

Sparrow Group

City of Billings

Foreclosure Prevent

Disabled Accessible

Lot Refi

FY25 Habitat

OTHER PROGRAMS

Veterans (Orig)

2	806,637
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912 Mrtg Cr Cert (MCC)

4	1,439,669
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LOANS PURCHASED BY IHFA

June NUMBER	June AMOUNT
----------------	----------------

39 11,044,278

DELINQUENCIES

First Mortgages

10-29 days	30-89 days	90-119 days
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DPA

10-29 days	30-89 days	90-119 days
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FORECLOSURES

MAY MBS TURNTIMES

Lender reservation to closing date	16.48	days
Closing Date to compliance submission	26.33	days
Compliance Submission to review time	1.60	days

LOAN PURCHASES BY LENDER

	May-25 1st	DPA	2025 YTD 1st	DPA
1ST SECURITY BK MISSOULA 133	1		1	
BANK OF COMMERCE 086				
BAY EQUITY LLC 853				
BRAVARA BANK 186	1	1	3	3
CHURCHHILL MORTGAGE 869	2		5	
CLEARWATER FEDERAL C U 901				
CMG 874			1	
CORNERSTONE HOME LENDING 850				
CROSSCOUNTRY MORTGAGE 863	1		14	5
ENVOY 871			1	1
EVERGREEN MORTGAGE 875	11	6	41	20
FAIRWAY INDEPENDENT MRTG 847	4		22	7
FIRST BANK OF MONTANA 073	1	1	1	1
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		2	
GUARANTEED RATE 864	2	2	6	4
GUILD MORTGAGE COMPANY 842	7	6	24	11
HOMETOWN LENDERS 862				
INTREPID CREDIT UNION 903			1	1
LOWER DOT COM, LLC 873	4	1	12	5
MANN MORTGAGE 835				
NEW AMERICAN FUNDING 878			1	
NOVUS 872			4	4
ONE TRUST HOME LOAN 868			2	
OPPORTUNITY BANK 700	4	3	34	10
PIONEER SAVINGS AND LOAN 710				
PRIME LENDING 851			4	
STOCKMAN BANK OF MT MILES 524	11	3	36	12
SYNERGY ONE LENDING 880			7	4
UNION HOME MORTGAGE 876	2	2	2	2
UNIVERSAL 843				
US BANK 617				
VALLEY BNK DIV OF GLACIER BNK 151			3	3
WESTERN SECURITY BANK 785	4	4	13	6
WINTRUST MORTGAGE 867			1	1
YELLOWSTONE BANK 161			1	
<b>Grand Count</b>	<b>56</b>	<b>29</b>	<b>245</b>	<b>102</b>

### MAY 2025 PORTFOLIO SUMMARY

	# of loans	\$ of loans	% of #	% of \$	
FHA	3,029	467,432,170	51.2%	67.4%	
RD	829	88,977,527	14.0%	12.8%	
VA	443	86,641,934	7.5%	12.5%	
HUD184	34	2,076,973	0.6%	0.3%	
PMI	31	1,899,352	0.5%	0.3%	
Uninsured 1st	279	35,987,010	4.7%	5.2%	
Uninsured 2nd	1,273	10,300,071	21.5%	1.5%	
May 2025 Portfolio Balance	5,918	\$ 693,315,036			
May 2024 Portfolio Balance	5,485	\$ 583,660,221	7.89%	18.79%	percent of Incr/Decr

### Weighted Average Interest Rate 4.643%

rates up to 4%	
2392	\$ 241,081,407
rates 4% and above	
3526	\$ 452,233,629

### RAM PROGRAM MAY ACTIVITY

<u>Loan Requests</u>	<u>Loans Outstanding</u>	<u>Life of Program</u>	<u>Avail Balance</u>
0	45 2,704,614.01	250 16,516,329	3,741,682.25

### DELINQUENCY AND FORECLOSURE RATES

	MONTANA BOARD OF HOUSING			MORTGAGE BANKERS ASSOC.03/31/2025			(most recent available)
	<u>Jun-25</u>	<u>May-25</u>	<u>May-24</u>	<u>Montana</u>	<u>Region</u>	<u>Nation</u>	
30 Days	1.27	1.14	1.28	1.38	1.57	1.92	
60 Days	0.79	0.61	0.82	0.49	0.56	0.68	
90 Days	<u>1.99</u>	<u>1.82</u>	<u>1.73</u>	<u>0.68</u>	<u>0.84</u>	<u>1.14</u>	
Total Delinquencies	4.05	3.57	3.83	2.55	2.97	3.74	
In Foreclosure	0.53	0.65	0.27	0.28	0.30	0.49	

Mortgage Servicing Program Dashboard  
Effective 06/30/25

2025 Monthly Servicing Report

MONTH	Last Year	Last Month	This Month
	6/30/2024	5/31/2025	6/30/2025
PORTFOLIO TOTAL LOANS	6186	6208	6168
MBOH	5512	5545	5506
BOI	289	287	288
MULTIFAMILY	19	21	21
HAF - HOMEOWNERS ASSISTANCE FUND	366	355	353
PRINCIPAL (ALL LOANS)	\$ 677,059,831	\$ 720,928,944	\$ 715,981,231
ESCROW (ALL LOANS)	\$ 3,869,286	\$ 3,942,199	\$ 5,305,380
LOSS DRAFT (ALL LOANS)	\$ 684,444	\$ 949,639	\$ 900,884
LOANS DELINQUENT (60+ DAYS)	223	281	289
ACTUAL FORECLOSURE SALES IN MONTH	0	0	3
FORECLOSURES TOTAL CALENDAR YEAR	4	2	5
DELINQUENT CONTACTS TO MAKE	655	690	630
LATE FEES - NUMBER OF LOANS	864	990	1023
LATE FEES - TOTAL AMOUNT OF REVENUE	\$ 26,369.83	\$ 32,205.60	\$ 33,593.09
PAYOFFS	31	39	41
NEW LOANS	74	2	5

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

LOSS MITIGATION	Last Year	Last Month	This Month
	6/30/2024	5/31/2025	6/30/2025
ACTIVE FINANCIAL PACKETS	0	3	0
REPAYMENT/SPECIAL FORBEARANCES	0	2	2
COVID 19 FORMAL FORBEARANCES	0	0	0
PARTIAL CLAIMS & MODS PENDING	9	1	3
CHAPTER 13 BANKRUPTCIES	7	6	6
PRESERVATION PROPERTIES	10	10	9
REAL ESTATE OWNED PROPERTIES	3	1	1
SHORT SALE	0	1	1
3RD PARTY (@ SALE)	0	0	2

FORECLOSURES

	6/30/2025
FORECLOSURES INITIATED	29
#1 BILLINGS	7
#2 GREAT FALLS	5
#3 BUTTE	3
OTHER CITIES	14
TOTAL PRINC BALANCE (ALL)	\$ 4,379,197
FORECLOSURE SALES SCHEDULED	17
FHA	12
VA	2
USDA/RD	3
OTHER LOAN TYPE	0

# Board Agenda Item

Board Meeting: July 14, 2025

## Multifamily Program

### Cost Per Unit Cap Waiver Request

Riverview Apartments in Big Sky, MT. (Blueline Development, Inc.)

#### Background:

On June 9, 2025, Blueline Development, Inc. submitted their final accountant cost certifications (IRS Form 8609) for Riverview Apartments as the project was completed and achieved full occupancy in January 2025. The project's final Total Cost Per Unit (TCU) is \$459,487, which is above the applicable 2026 Qualified Allocation Plan cap of \$365,000. Blueline Development, Inc. has formally requested a cost per unit cap waiver from the Board.

Riverview Apartment's original application submitted in August 2021 included a TCU of \$306,242. The Board voted to award 9% competitive Low Income Housing Tax Credits to Riverview Apartments at its October 18, 2021 meeting. At the same October 18 meeting, the Board also approved a waiver to permit all LIHTC developments in the MBOH pipeline at that time, including 9% LIHTC projects like Riverview awarded that same day, to adhere to the newly proposed \$320,000 Total Cost Per Unit included in the draft 2023 QAP.

**Montana Department of Commerce** | [commerce.mt.gov](https://commerce.mt.gov) | Montana Board of Housing  
P.O. Box 200528 | Helena, MT 59620-0528 | Phone: 406-841-2840 | Fax: 406-841-2841  
Montana Relay 711: [dphhs.mt.gov/detd/mtap/traditionalrelayservice](https://dphhs.mt.gov/detd/mtap/traditionalrelayservice)



On January 9, 2023, the Board approved a \$1,500,000 Multifamily Program Loan for Riverview Apartments. The TCU in the updated application submitted for the MFPL in December 2022 was \$403,459. Unfortunately, Board staff did not catch this increase from the original Housing Credit application.

On November 25, 2024, the Board's 2026 QAP was approved with the following language, "All Development Cost Limitations in this QAP will apply to all current Applications and Projects and to all Projects awarded Credits under a prior QAP." The TCU limitation in the 2026 QAP was increased to \$365,000. This \$365,000 then became the new limit applicable to Riverview Apartments.

Blueline Development, Inc. has submitted quarterly progress reports during the project's construction phase from January 2022 through March 2025. Quarterly report instructions direct developers to "describe any delays or funding gaps or details for the information provided" so Board staff can stay apprised of the project's progress. Riverview's quarterly reports did indicate some cost increases and delays, but did not quantify these costs increases and no funding gaps were indicated. With their Total Cost Per Unit waiver request, Blueline Development, Inc. has included a summary of why the costs have increased since the initial application. As costs have gone up, the developer has not increased its developer fee, and they are also deferring more of the developer fee than had been indicated in their initial application.

**Motion Options:**

1. If approved, the project is finished and closed out.

2. If waiver is not approved, negative ramifications would include:

- Board staff would be unable to execute the required IRS Form 8609, Low-Income Housing Credit Allocation and Certification. This is the form that would qualify the property under LIHTC and initiate the 10-year tax credit period for investors. Therefore, the project's investors would not receive the tax credits they were anticipating.
- In addition to the impact on this specific project and its investors, not approving this waiver could also impact investors going forward who may not look as favorably to investing in Montana.
- Without the Housing Credits, the 25 affordable rental homes at Riverview Apartments with an anticipated 50-year period of affordability would likely be lost to the Big Sky community and its lower wage workforce.

Riverview Apartments was additionally awarded \$813,064 in Montana Emergency Rental Assistance Other Eligible Uses (MERA) funds. The MERA funds, overseen by the U.S. Treasury, require it to be paired with certain other affordable housing programs; in the case of Riverview, it was the LIHTC allocation that made it eligible for the MERA funds. If the waiver is not approved, the MERA funds will also likely be removed from the project and returned to U.S. Treasury at the project's expense as those funds were already expended on eligible developments costs.

**Additional Considerations:**

- Going forward, Board staff is making changes to and increasing enforcement of required developer quarterly reporting. Staff will provide updates to the Board on

a quarterly basis regarding any significant changes, cost escalations, and/or construction delays projects are experiencing.

- The Board should be aware that Riverview's Multifamily Program Loan closed on June 20, 2025. Board staff consulted with legal counsel prior to allowing the closing to proceed.
- Board staff and legal counsel will also consider potential adjustments to Montana's Qualified Allocation Plan and MBOH multifamily loan program administration. For example, the QAP could be revised to reduce or otherwise limit deferred developer fee in cases where the developer fails to request and receive Board approval for exceeding the Total Cost Per Unit limitation. Board staff could also require a cost per unit waiver approved by the Board in advance of any multifamily loan closing in the future.
- Finally, there has been recent national media coverage involving excessive LIHTC per unit development costs elsewhere in the country. Given the favorable federal legislative changes to LIHTC in the One Big Beautiful Bill, as well as concerns raised by some Montana state legislators, MBOH is extremely cognizant of our responsibility as a Housing Finance Agency to contain development costs. We will continue to work with developers, legal counsel, national subject matter experts and others to ensure MBOH continues to align with best practices in LIHTC administration, including cost containment rules and incentives.



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June 27, 2025

Re: Riverview Apartments – Request for Cost Per Unit Waiver

Montana Board of Housing,

We appreciate the opportunity to present the final development costs for Riverview Apartments and formally request a waiver for exceeding the per-unit cost threshold outlined in the Qualified Allocation Plan (QAP).

The final cost per unit for Riverview Apartments totaled \$459,486.68, which exceeds the standard cost-per-unit cap as well as the COVID-related cost waiver provided to projects awarded during that award cycle. While we anticipated higher construction costs given the location and timing, several unique and unforeseen challenges contributed to elevated costs.

Project Background and Challenges:

Remote Location & Local Conditions

Constructing in Big Sky, a remote resort community, presented substantial logistical and cost challenges. Limited access to labor and materials, seasonal constraints, and premium pricing typical of such markets all contributed to higher-than-average development expenses.

Shared Site Complications

Riverview Apartments occupies two buildings within a larger eight-building Planned Unit Development (PUD) shared with Lone Mountain Land (LML). As part of this PUD, the project was subject to HOA participation, shared access easements, site coordination requirements, and infrastructure connectivity obligations.

Key complications included:

- The entire PUD began as modular construction per LML, which Riverview Apartments deterred from prior to construction start and they did not – required

design changes between shared sites as well as logistics around crane placement/access issues

- Requirement to use a civil contractor designated by Lone Mountain Land/HOA, leading to cost overruns and delays.
- Utility installation: LML required all utilities for the site to be under their scope, which were then delayed by a year, which delayed critical path items within our buildings as well as delayed connectivity, thus requiring temporary heating systems and water tanks during construction.

#### Construction Methodology Shift

The original design called for modular construction, as preferred by the HOA. However, modular bids returned substantially over budget and were not feasible for Riverview Apartments' 25-units. Consequently, the development team transitioned to stick-built construction prior to Construction Document issuance and while design changes were minimal, the switch necessitated several RFIs and change orders, including:

- Addition and rerouting of mechanical components (e.g., bathroom/microwave exhaust ducting).
- Inclusion of vapor barriers.
- Structural changes to exterior entrances/walkways.
- Installation of a radon mitigation system.
- Revisions to plumbing routes.

#### Utility and Inspector-Driven Adjustments

- Relocation of electrical gear per Northwestern Energy's direction.
- Fixture changes required by the electrical inspector.

#### Owner-Responsibility Items

Several items were identified as "by owner" when finalizing the construction contract but were required to comply with different requirements:

- Window blinds.



- 
- Winter condition measures (exceeded estimations due to lack of fall 2023 utility installation – shared site complication).

### Escalating Fees

Between the project's initial application in 2021 and its completion in 2025, water and sewer connection fees increased substantially, adding unexpected cost pressure; these fees for both buildings totaled more than \$220,000.

Throughout the ever-changing development and construction process, the development team, including BSCHT as our non-profit partner, reacted in ways to reduce impact on local and state sources as much as possible while finding creative financial solutions:

- A local Big Sky nonprofit donated solar panels to the project, of which we were able to collect IRA 48 solar energy credits for via the Investor Limited Partner.
- Local funding secured via the Big Sky Area Resort Tax funds, which were contributed at 3 phases of the project.
- MERA funding was awarded to the non-profit partner allocated to the project.
- NeighborWorks Montana provided funding once the project Placed In Service.
- At conversion, in addition to the MBOH Multifamily Loan, Riverview Apartments' operating income as well as General Partner cash were contributed in order to achieve permanent loan closing.

Despite these challenges, Riverview Apartments now provides 25 families in the Big Sky community with quality, affordable housing—enabling them to thrive, not merely survive, without facing a rent burden.

We respectfully request your consideration for a waiver of the per-unit cost cap in recognition of the exceptional conditions under which this project was delivered. We are proud of the outcome and grateful for your continued support in helping meet the region's critical housing needs.



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Sincerely,

A handwritten signature in black ink, appearing to read "N. Richmond", with a stylized, flowing script.

Nathan Richmond

President & Chief Executive Officer, BlueLine Development, Inc.

Member of the Sole Member of the Managing General Partner, Riverview Apartments, LLLP

## Board Agenda Item

Board Meeting: July 14, 2025

### Multifamily Program

#### **BOND RESOLUTION NO. 25-0714-MF07 APPROVAL**

Rocky Mountain Flats in Bozeman, MT

##### **Background:**

Rocky Mountain Flats is a 296-unit family project located in Bozeman, MT. This is a new construction project costing approximately \$371,872.70 per unit. Blueline Development Inc. is the developer and is requesting a bond amount not to exceed \$73,000,000. This amount includes the buffer. Unit AMI's will target 30 - 80% AMI.

Blueline Development Inc. has officially requested a cost per unit waiver as \$371,872.70 per unit is slightly above the applicable 2026 QAP's \$365,000 per unit limitation. However, the amount is lower though than the \$395,000 per unit being discussed in the 2027 QAP revision workshops. The project has \$1,058,000 earmarked in MERA Other Eligible Uses funds. Additionally, the Board approved a \$2,200,000 Multifamily Program Loan for Rocky Mountain Flats in February 2025.

**Montana Department of Commerce** | [commerce.mt.gov](https://commerce.mt.gov) | Montana Board of Housing  
P.O. Box 200528 | Helena, MT 59620-0528 | Phone: 406-841-2840 | Fax: 406-841-2841  
Montana Relay 711: [dphhs.mt.gov/detd/mtap/traditionalrelayservice](https://dphhs.mt.gov/detd/mtap/traditionalrelayservice)



**Staff Recommendation (if any):**

Staff supports the proposal noted above.

**Motion Option(s):**

1. Move to approve bond resolution no. 25-0714-MF07 in the amount not to exceed \$73,000,000. By approving this bond resolution, the Board is also approving the cost per unit waiver with current per unit costs at \$371,872.70.
2. No motion, proposal fails.

## **RESOLUTION NO. 25-0714-MF 07**

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 \$73,000,000; APPROVING THE FORM OF CERTAIN FINANCING DOCUMENTS 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 JPMorgan Chase Bank, N.A. (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 \$73,000,000, the proceeds of which will be used to finance a mortgage loan for the acquisition, construction and equipping of the Rocky Mountain Flats, an affordable housing development consisting of 296 units located in Bozeman, 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 multifamily note (the “Note”) to be issued to the Funding Lender pursuant thereto, which Funding Loan Agreement and Note will be in substantially the form on file with the Multifamily Program Manager with such changes, additions, omissions as approved by an authorized officer; and

WHEREAS, the proceeds of the borrowing will be used to finance a loan (the “Loan”) to Rocky Mountain Flats, LLLP, a Montana limited liability limited partnership, or a similar affiliate of BlueLine Development, Inc. (the “Borrower”), pursuant to a Borrower Loan Agreement, by and among the Board, the Fiscal Agent, the Funding Lender, and the Borrower (the “Borrower Loan Agreement”), which will be in substantially the form on file with the Multifamily Program Manager with such changes, additions, omissions as approved by an authorized officer; and

WHEREAS, upon the satisfaction of certain conditions to conversion set forth in a Construction Phase Financing Agreement by and among the Borrower, JPMorgan Chase Bank,

N.A., in its capacity as the permanent bondholder (“the Permanent bondholder”), and U.S. Bank, National Association, in its capacity as trustee (the “Trustee”), the Project shall convert to the permanent phase and the borrowing by the Board, as evidenced by the Note, shall be replaced by to the Montana Board of Housing Multifamily Housing Revenue Bonds (Rocky Mountain Flats Project) (the “Bonds,” and together with the Note, the “Obligations”); and

WHEREAS, the Bonds will be issued pursuant to a Permanent Trust Indenture (the “Indenture”), between the Board and the Trustee, which will be in substantially the form on file with the Multifamily Program Manager with such changes, additions, omissions as approved by an authorized officer, whereby the Board would be authorized to issue the Bonds subject to the terms, conditions and limitations established herein and in the Indenture; and

WHEREAS, the proceeds of the Bonds will be used to finance a loan to provide funds to replace the Note, pursuant to a Permanent Financing Agreement by and among the Board, the Trustee and the Borrower (the “Financing Agreement”), which will be in substantially the form on file with the Multifamily Program Manager with such changes, additions, omissions as approved by an authorized officer; and

WHEREAS, the interest on the Obligations 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 Obligations maintain their tax exempt status, the Borrower will enter into a Regulatory Agreement and Declaration of Restrictive Covenants (the “Regulatory Agreement”), which will be in substantially the form on file with the Multifamily Program Manager with such changes, additions, omissions as approved by an authorized officer.

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 Obligations 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 Obligations 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 Obligations.** The execution and delivery of the Board’s Obligations to the Funding Lender and Permanent Bondholder are hereby authorized and approved. The final amount and terms of the Obligations shall be determined by an Authorized Officer, consistent with the terms of the Funding Loan Agreement and subject to the following conditions. The Obligations shall not be general obligations of the Board but shall be limited non-recourse obligations 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 Obligations 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 mortgage loan (i.e., net of fees due to the Board and any other parties), be in a principal amount not to exceed \$73,000,000, be subject to prepayment and have the other terms and provisions as described to the Board, and definitively set forth in the Funding Loan Agreement upon execution and delivery as aforesaid in Section 2 hereof. The Obligations 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 Obligations 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 Obligations, and their execution shall evidence their approval of the final terms thereof. Such signatures may be by facsimile; provided, however, that such Obligations 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 Obligations are 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 Borrower Loan Agreement, the Regulatory Agreement and the Obligations are 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 Obligations as described in Section 148 of the Code, as amended.

**Section 9. Additional Actions Authorized.** The Chair, the Vice Chair, the Secretary or any other member of the Board, and the Executive Director and Treasurer, the Multifamily Program Manager and the Accounting and Finance Manager, acting alone or acting with others, are hereby authorized and directed to execute and deliver any or all other documents which may be required under the terms of the Funding Loan Agreement and the Borrower Loan Agreement, and to take such other action as may be required or appropriate for the performance of the duties imposed thereby or to carry out the purposes thereof, and the members and officers named above are hereby designated as Authorized Officers for such purposes. With respect to the issuance of the Obligations 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.

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ADOPTED by the Montana Board of Housing this 14th day of July, 2025.

MONTANA BOARD OF HOUSING

Attest:

By \_\_\_\_\_  
Bruce Posey, Chair

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



BlueLine Development, Inc. is proposing the new construction of Rocky Mountain Flats, a 296-unit multi-family development in Bozeman. The development will be 100% affordable and will offer units to tenants with incomes ranging from 30% AMI to 80% AMI. Rocky Mountain Flats will be comprised of 1-, 2-, 3-, and 4-bedroom units. By offering units with 3 and 4 bedrooms, the development will help meet an unaddressed need in the community: affordable housing for larger families with children. Rocky Mountain Flats is committed to maintaining affordability levels for at least 50 years.

Rocky Mountain Flats will offer amenities, conveniences, and building features comparable to market rate rental properties in the Bozeman community. The development will have a modern design while being constructed with time-tested materials that will withstand the Bozeman climate. The development team is committed to including energy efficient upgrades, which will require building features that reinforce energy and building efficiencies such as lower U-valued windows, efficient heating systems, and increased insulation R-values. These added features will provide a more sustainable development and grant tenants a reduction in energy costs. Each unit will be equipped with in-unit washer and dryers, dishwashers, microwaves, fiber or similar wiring for internet, LED lighting, and private decks and patios. The development will offer a community room / building that will include a full kitchen for group use. Also, the property is adjacent to a large public park that will provide a safe space for children to play outdoors. Rocky Mountain Flats will be in a residential area close to all the amenities and employment opportunities the City of Bozeman has to offer.

The site is roughly 10-acres and located on the south side of Bozeman at 5532 Fowler Lane. At this time, the property is zoned within Gallatin County zoning district and is currently undergoing annexation into Bozeman city limits. The property will also achieve R-5 zoning (or a zoning district that allows for the intended density) concurrent with annexation into the City of Bozeman. Intrisik Architects have been engaged by the seller of the property to manage the zoning and annexation of the property. Annexation and zoning are scheduled to be in place on or before November 2024, and the development team does not expect any construction delays associated with achieving annexation or zoning.

In 2019, the City of Bozeman conducted a community housing needs assessment and it recommended that the city would need approximately 6,340 additional housing units by 2025 to address the current community need, with about 60% or 3,765, affordable housing units. In recent years, progress has been made with 592 affordable housing currently under construction out of 1,700 total units in the community; however, these figures fall far short of the overall community need. Like many Montana communities, Bozeman has experienced dramatic population growth from 2020 to 2024, which is estimated to be 8.33% over the four-year span. While the community has grown, housing development has not matched that speed of growth, which has contributed to the upward pressure on housing costs. In a market study conducted by Prior and Associates, it was determined that the City of Bozeman has an overall vacancy rate of 4.1% and 1.6% in LIHTC properties. With the scale proposed at Rocky Mountain Flats, this development will have a significant effect on the affordable housing need and leave a meaningful impact on the community.

Rocky Mountain Flats will offer 16 units set at 30% of Area Median Income, including two 1-bed units, eight 2-bed units, four 3-bed units, and two 4-bed units. The development is working with Montana Department of Commerce to commit 811 project-based vouchers for all 30% AMI units. The development team is committed to providing housing for those individuals living with disabilities. BlueLine Development is proposing to partner with a local non-profit company and has been in discussions with Greater Impact, Inc. Greater Impact has a strong outreach and focuses on important



community needs including recovery programs, housing needs and educational programs. Greater Impact will operate as a service provider for the property, as well as a referral source for potential tenants. The development will provide space in the community building for Greater Impact to provide tenant services such as group meetings, counseling, and/or life-skill classes. Partnering with a local non-profit will ensure that the development benefits a broad range of community members that are currently underserved in Bozeman.

BlueLine is proposing to use LIHTC, MERA funds, and City of Bozeman funds to successfully complete and operate Rocky Mountain Flats. This funding combination is essential to the project's success. Rocky Mountain Flats is providing 296-units with 30-80% rent levels and anticipating high construction costs due to the current market; therefore, these funding programs provide essential equity during the construction phase and the critical lease-up period.

The total development cost of Rocky Mountain Flats is projected to be about \$104,755,000, and this proposal will require various funding sources. The development is eligible for approximately \$4,634,864 in annual tax credits and based on credit pricing of \$0.88, this equates to approximately \$40,782,721 in direct equity investment, or approximately 39% of the total development costs (See Equity LOIs in Tab 8). Based on the total projected project costs, Rocky Mountain Flats will require approximately \$16 million in gap financing. Without commitments of LIHTC and other gap financing, the development of Rocky Mountain Flats is not financially viable with rent restrictions.

BlueLine Development, Inc. is the developer and sponsor of Rocky Mountain Flats. BlueLine Development has been consulting and developing affordable housing since 2011 and is currently constructing one development in Montana, Riverview Apartments, an affordable project in Big Sky. The BlueLine Development team is also developing affordable housing units in Colorado, Utah, South Dakota, North Dakota, New Mexico, and Wyoming. Of these out of state projects, BlueLine owns development in Utah, South Dakota and Wyoming, and has partnered in the ownership of several Colorado developments to provide financial guarantees for small non-profits. BlueLine is a consultant on the remainder of the developments. In addition to Low Income Housing Tax Credits, BlueLine has used HOME funds, Rural Development loan guarantees, 1602 Tax Credit Exchange Funds, NAHASDA, Tax Credit Assistance Funds, Minnesota state deferred loans and many other conventional financing methods. BlueLine Development has successfully developed or consulted on the development of 50+ federally compliant projects, using a multitude of LIHTC, HOME, and NHTF funds, and should be considered a low-risk developer.

Rocky Mountain Flats will provide safe and affordable housing for many tenants, significantly impacting the City of Bozeman. The development will offer a range of units from one to four bedrooms while offering rents set at 30% to 80% of area median income. Based on the assumption of 1.5 people per bedroom and the unit mix at Rocky Mountain Flats, this development will positively impact 1,128 people, having a great impact and a long-lasting positive influence on the community.

Sincerely,

A handwritten signature in blue ink that reads "Jason Boal". The signature is fluid and cursive, with the first name "Jason" and last name "Boal" clearly legible.

Jason Boal  
BlueLine Development, Inc.  
406-214-4788  
jason@bluelinedevelopment.com

## MARKET STUDY SUMMARY

<b>Market Study Company:</b>	Prior & Associates
<b>Project Name:</b>	Rocky Mountain Flats
<b>Project Market Area:</b>	Bozeman & Surrounding Unincorporated Lands

Is the project, as proposed, viable?

Average (comparable/achievable) 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	\$ 1,797	16.4%	
2 bedroom	\$ 2,007	10.4%	
3 bedroom	\$ 2,339	11.3%	
4 bedroom	\$ 3,200	27.8%	
5 bedroom			
			73

# of all New Units Needed:  Reference page:

# of units needed for the targeted AMI 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)

miles to grocery store (convenience store does not count)

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

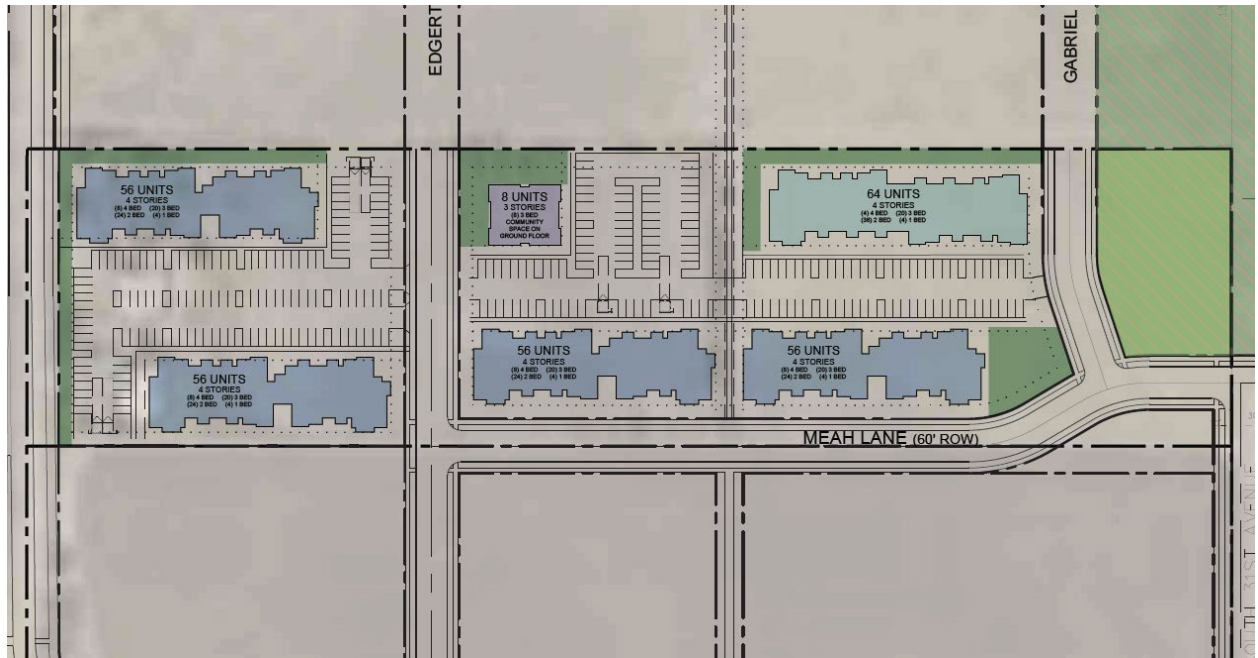
☒ A Project is located within 1½ miles of the specified amenity or essential service.

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

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

**All other services and distance to each.**

	Other Service	Distance (mi)
1	Convenience Store	2.1 Miles
2	Grocery Store	1.8 Miles
3	Specialty Market	2.0 Miles
4	Neighborhood Shopping Center	1.7 Miles
5	Community Shopping Center	2.0 Miles
6	Big Box Retail Store	4.1 Miles
7	Shopping Mall	2.1 Miles
8	Elementary School	2.3 Miles
9	Middle School	1.7 Miles
10	High School	2.9 Miles
11	Head Start	2.6 Miles
13	University	1.8 Miles
14	Recreation Center	3.6 Miles
15	Community Center	4.8 Miles
16	Park	Adjacent
17	Library	3.7 Miles
18	Bus Stop	1.9 Miles
19	Hospital	3.6 Miles
20	Medical Clinic	2.0 Miles
21	Government Offices	3.6 Miles
22	Post Office	3.5 Miles
23	Police Station	2.4 Miles
24	Fire Station	1.8 Miles
25	Pharmacy	1.8 Miles
26	Senior Center	3.8 Miles
27	Childcare Center	2.4 Miles
28	Fire Station	2.4 Miles
29	Medical Offices	1.3 Miles
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County	Gallatin
Project Name	Rocky Mountain Flats
Developer / General Ptnr	BlueLine Development, Inc
Set-aside	-
HC Requested	48,979,570
Project Type	Family
Construction Type	-
Projected Construction Start	Oct-25
Projected Completion	Dec-27

**Unit Numbers**

	<b><u>Target</u></b>	
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%	2
1-bdrm	50% (Low HM)	-
1-bdrm	40%	6
1-bdrm	50%	6
1-bdrm	60%	4
1-bdrm	70%	-
1-bdrm	80%	2
1-bdrm		-
1-bdrm		-
2-bdrm	20%	-
2-bdrm	30%	8
2-bdrm	40%	6
2-bdrm	50% (Low HM)	-
2-bdrm	50%	38
2-bdrm	60%	38
2-bdrm	70%	16
2-bdrm	80%	26
2-bdrm		-
2-bdrm		-
3-bdrm	20%	-
3-bdrm	30%	4
3-bdrm	40%	2
3-bdrm	50% (Low HM)	-
3-bdrm	50%	20
3-bdrm	60%	54
3-bdrm	70%	6
3-bdrm	80%	22
3-bdrm		-
3-bdrm		-
4-bdrm	20%	-
4-bdrm	30%	2

County	Gallatin		
Project Name	Rocky Mountain Flats		
Developer / General Ptnr	BlueLine Development, Inc		
4-bdrm	40%		4
4-bdrm	50% (Low HM)		-
4-bdrm	50%		4
4-bdrm	60%		7
4-bdrm	70%		8
4-bdrm	80%		11
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			296
Average Income Targeting			60.00%

#### Square Footage

Income Restricted Units	234,400
Managers Unit(s)	-
Supportive Services	-
Common Space	51,680
Market/Commercial	-
Total	286,080

#### 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%	645
1-bdrm	40%	868
1-bdrm	50% (Low HM)	-
1-bdrm	50%	1,091
1-bdrm	60%	1,314
1-bdrm	70%	-
1-bdrm	80%	1,761
1-bdrm		-

County	Gallatin	
Project Name	Rocky Mountain Flats	
Developer / General Ptnr	BlueLine Development, Inc	
1-bdrm		-
2-bdrm	20%	-
2-bdrm	30%	762
2-bdrm	40%	1,030
2-bdrm	50% (Low HM)	-
2-bdrm	50%	1,297
2-bdrm	60%	1,565
2-bdrm	70%	1,833
2-bdrm	80%	2,101
2-bdrm		-
2-bdrm		-
3-bdrm	20%	-
3-bdrm	30%	866
3-bdrm	40%	1,176
3-bdrm	50% (Low HM)	-
3-bdrm	50%	1,485
3-bdrm	60%	1,795
3-bdrm	70%	2,104
3-bdrm	80%	2,414
3-bdrm		-
3-bdrm		-
4-bdrm	20%	-
4-bdrm	30%	955
4-bdrm	40%	1,301
4-bdrm	50% (Low HM)	-
4-bdrm	50%	1,646
4-bdrm	60%	1,991
4-bdrm	70%	2,336
4-bdrm	80%	2,682
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		500,811
vacancy factor		5.00%
Adjusted Rent		475,770
other/commercial income		6,667
total rent		482,437
x 12 months		12
Total Annual Income		5,789,246

<b>County</b>	<b>Gallatin</b>
<b>Project Name</b>	<b>Rocky Mountain Flats</b>
<b>Developer / General Ptnr</b>	<b>BlueLine Development, Inc</b>
<b><u>Expenses</u></b>	
Administration	20,500
Management	282,403
Maintenance	553,122
Operating	464,347
Taxes	-
Replacement Reserve	103,600
Total Expenses	<u>1,423,972</u>
Net Income Before Debt Service	4,365,274
<b><u>Financing Sources</u></b>	
Hard Loan	56,078,000
Hard Loan	2,960,000
Soft Loan	2,200,000
Soft Loan	628,400
State HOME	-
State CDBG	-
State NHTF	-
Other	666,000
Other	799,200
Other	1,331,120
Other	652,800
Deferred Dev Fee	4,599,564
HC Equity Competitive	-
HC Equity Non-Competitive	<u>40,159,233</u>
Total Sources:	110,074,317
% of Project Financed by HC:	36.48%
<b><u>Return on Sale of HTC</u></b>	
HTC Requested	48,979,570
HTC Equity	40,159,233
HTC Return on Sale	0.820
<b><u>Ratios</u></b>	
Rent (Income)	5,789,246
Operating Expenses	1,320,372
Replacement	103,600
Net Income	4,365,274
Total Debt Service	3,888,916
Debt Coverage Ratio (DCR)	1.12
Total Expense Ratio	1.09
<b><u>Project Costs</u></b>	
Land	9,000,000
Building/Acquisition	-
Site Work	-

<b>County</b>	<b>Gallatin</b>
<b>Project Name</b>	<b>Rocky Mountain Flats</b>
<b>Developer / General Ptnr</b>	<b>BlueLine Development, Inc</b>
Construction / Rehab	70,250,038
Soft Costs	18,447,709
Developer Fees	9,545,000
Reserves	2,831,570
Total Project Costs	110,074,317
Supportive Services Costs	-
Residential Costs	110,074,317

#### **Costs versus Sources**

Total Project Costs	110,074,317
Total Financing Sources	110,074,317
Difference	0

#### **Project Cost Limitations**

	<b><u>Limits</u></b>	
General Requirements	6.00%	4.58%
Contractor Overhead	2.00%	1.53%
Contractor Profit	6.00%	4.58%
Developer Fees	15.00%	10.76%
Soft Cost	40.00%	39.85%

#### **Per Unit Comparison**

	<b><u>Limits</u></b>	
Cost per unit total	n/a	371,873
Cost per unit residential only	\$350,000	371,873
Cost per unit Const / Rehab	n/a	237,331
Credits per unit	n/a	165,472
Operating Cost per unit	\$3,000 min	4,461
Replacement Reserves	\$300 min	350

#### **Per Square Foot Comparison**

Construction / Rehab per sq ft	245.56
Total Project Cost per sq ft	384.77
Credits per sq ft	171.21
Credits per sq ft (residential only)	208.96

<b><u>Utilities Paid by (Tenant / Owner)</u></b>	\$	-
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#### **Market Study Data:**

Vacancy Rates	
Absorption Rate	
Months to Absorb	-
Average Project Rent	1,744
Average Market Rent	-
Units needed for Targeted AMI's	-

County	Gallatin
Project Name	Rocky Mountain Flats
Developer / General Ptnr	BlueLine Development, Inc

Market Rents

0-bdrms	-
1-bdrms	-
2-bdrms	-
3-bdrms	-
4-bdrms	-
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.	
Project-Based Rental Subsidy.	NO

Project Characteristics

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

Local Involvement

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

Green Building and Energy Conservation Standards

Meets Requirements

Tenant Populations with Special Housing Needs

Family Projects	Family Project
Elderly Projects	na



June 27, 2025

RE: Rocky Mountain Flats – Waiver requests

Montana Board of Housing,

As we continue the development and pre-construction process for Rocky Mountain Flats (RMF), which will bring 296 news housing units to Bozeman, and working toward closing and construction start later this year, we're requesting a cost per unit waiver for this project.

RMF is currently anticipated to cost \$371,872.70 total per unit which is outside of the QAP limit, thus the request for a cost/unit waiver. Mainly these costs are driven by location – land cost, permitting and impact fees, the City's requirements for infrastructure improvements to our site, as well as labor and general construction in the Bozeman area.

Thank you for your consideration.

Sincerely,

A handwritten signature in black ink, appearing to read "N. Richmond", is written over a light blue horizontal line.

Nathan Richmond

President & Chief Executive Officer, BlueLine Development, Inc.

Member of the Sole Member of the Managing General Partner, Rocky Mountain Flats, LLLP

# Board Agenda Item

Board Meeting: July 14, 2025

## Multifamily Program

### BOND RESOLUTION NO. 25-0714-MF04 APPROVAL

Hidden Creek 4 Apartments in Bozeman, MT

#### Background:

Hidden Creek 4 Apartments is a 158-unit family project located in Bozeman, MT. This is a new construction project costing approximately \$354,764 per unit. United Housing Partners, LLC is the developer and is requesting a bond amount not to exceed \$40,000,000. This amount includes the buffer. Unit AMI's will target 30% - 70%.

#### Staff Recommendation (if any):

Staff supports the proposal noted above.

#### Motion Option(s):

1. Move to approve bond resolution no. 25-0714-MF04 in the amount not to exceed \$40,000,000.
2. No motion, proposal fails.

## **RESOLUTION NO. 25-0714-MF04**

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 (HIDDEN CREEK 4 APARTMENTS), SERIES 2025, IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$40,000,000; APPROVING THE SALE OF SAID BONDS PURSUANT TO A PURCHASE CONTRACT, APPROVING THE TRUST INDENTURE, 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 (Hidden Creek 4 Apartments), Series 2025 in an aggregate principal amount not to exceed \$40,000,000 (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 Hidden Creek 4 Apartments, a 158-unit affordable housing development located in Bozeman, Montana (the “Project”); and

WHEREAS, the Bonds will be issued pursuant to a Trust Indenture (the “Indenture”) between the Board and U.S. Bank Trust Company, National Association, as trustee, or any other trust company or bank having the powers of a trust company that is in good standing with the State of Montana, duly authorized to exercise trust powers in the State with a reported capital surplus and retained earnings of not less than \$100,000,000, and selected by an Authorized Officer, as defined herein (the “Trustee”), which will be in substantially the form as the Trust Indenture approved by the Board with respect to its Multifamily Housing Revenue Bonds (Twin Creek Apartments Project), Series 2024 (the “Twin Creek Financing”) subject to the terms, conditions and limitations established herein and in the Indenture; and

WHEREAS, the proceeds of the Bonds will be used to finance a loan (the “Mortgage Loan”) to Hidden Creek 4 Housing Associates LLLP, a Montana limited liability limited partnership, or another affiliate of Human Resource Development Council of District IX, Inc. or United Housing Partners LLC (collectively, the “Borrower”), pursuant to a loan agreement, by and among the Board, the Borrower and the Trustee (the “Loan Agreement”), which will be in substantially the same form as such agreement approved by the Board with respect to the in the Twin Creek Financing; and

WHEREAS, the interest on the Bonds is intended to qualify for a federal tax exemption under Section 142 of the Internal Revenue Code of 1986 (the “Code”), and to ensure that the Bonds maintain their tax exempt status, the Borrower will enter into a Regulatory Agreement and Declaration of Restrictive Covenants (the “Regulatory Agreement”), which will be in substantially the same form as such agreement approved by the Board with respect to the Twin Creek Financing; and

WHEREAS, a Bond Purchase Agreement (the “Purchase Contract”) to be dated the date of sale of the Bonds between the Board, the Borrower and the initial purchaser of the Bonds (the “Purchaser”), will be prepared in substantially the same form as such agreement approved by the Board with respect to the Twin Creek Financing, pursuant to which the Board would agree to sell, and the Purchaser would agree to purchase, the Bonds at the prices and upon the terms and conditions therein set forth; and

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

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

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

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

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

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

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

(iii) that the conditions, restrictions and limitations contained in the Indenture and contained in the program documents relating to the loan financed thereby and to be financed are sufficient to ensure that the Project will be well planned and well designed so as to constitute decent, safe and sanitary housing and

that the “housing sponsors” (as defined in Section 90-6-103(10) of the Act) are financially responsible;

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

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

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

**Section 2. Approval of Indenture.** The Indenture is hereby approved in the form hereinabove described, and the Chair, the Vice Chair or the Executive Director and Treasurer of the Board (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 \$40,000,000 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 Loan Agreement.** The Loan Agreement is hereby approved in the form hereinabove described, and an Authorized Officer is hereby authorized to execute and deliver the Loan Agreement, with such changes, insertions or omissions therein as may be approved by such person, such approval to be evidenced conclusively by such execution of the Loan Agreement.

**Section 5. Approval of Regulatory Agreement.** The Regulatory Agreement is hereby approved in the form hereinabove described, and 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.** A Preliminary Official Statement for the Bonds is hereby approved in the form described above, with such changes, insertions or omissions therein as may be approved by 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. Ratification of Prior Actions.** All action previously taken by the officers, members or staff of the Board within the authority granted herein, with respect to the Indenture, the Loan Agreement, the Regulatory Agreement, the Preliminary Official Statement, the Purchase Contract and the Bonds is hereby approved, confirmed and ratified.

**Section 9. 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 10. 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 11. Additional Actions Authorized.** The Chair, the Vice Chair, the Secretary or any other member of the Board, and the Executive Director and Treasurer, the Multifamily Program Manager and the Accounting and Finance Manager, acting alone or acting with others, are hereby authorized and directed to execute and deliver any or all other documents which may be required under the terms of the Indenture, the Loan Agreement or the Purchase Contract and to

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

**Section 12. Effective Date.** This Resolution shall become effective immediately.

[Remainder of Page Intentionally Left Blank]

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

August 5, 2024

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

Dear Board of Housing:

This letter with attachments meets the requirements of the Qualified Allocation Plan (QAP) as it relates to submission of a 4% Low Income Tax Credit (LIHTC) Application.

### Executive Summary:

United Housing Partners LLC (UHP) in partnership with the Human Resource Development Council (HRDC) propose to build 182 affordable apartments in Bozeman, Montana at 1221 Durston Road on land currently owned by Gallatin County (the County) by twinning 9% & 4% Low Income Housing Tax Credits (LIHTCs) along with a Glacier Bank Back 2 Back loan, a Montana Housing Multifamily Loan, Housing Trust Funds (HTF), Capital Magnet Funds, and other soft loans. This structure will allow the Montana Board of Housing to leverage a single 9% LIHTC award to create 182 new LIHTC homes, eight community land trust (CLT) homes, and a daycare.

In addition to the donated land (5.61 acres), the County has committed \$2.45mm in American Rescue Plan Act (ARPA) funding. The City of Bozeman has also committed an additional \$2mm (Gallatin Impact) toward the Project. Hidden Creek will include 8 extreme low-income apartments for beneficiaries earning 30% area median income (AMI) or lower. Using Income Averaging (IA), the Project will have a weighted average income restriction of 60% across all dwellings and include the following unit mix:

Project & Unit Mix Summary							
	Bedrooms	Baths	Sqft	30% Units	60% Units	70% units	Total Units
9% Project	1 Bedroom	1	597	0	20	0	20
9% Project	2 Bedroom	1	852	0	0	0	0
9% Project	3 Bedroom	2	1,113	0	0	0	0
<b>TOTAL 9% Project</b>		<b>20</b>	<b>11940</b>	<b>0</b>	<b>20</b>	<b>0</b>	<b>20</b>
	Bedrooms	Baths	Sqft	30% Units	60% Units	70% units	Total Units
4% Project	1 Bedroom	1	597	0	68	0	68
4% Project	2 Bedroom	1	852	8	48	24	80
4% Project	3 Bedroom	2	1,113	0	0	0	0
4% Project	4 Bedroom	2	1,330	0	14	0	14
<b>TOTAL 4% Project</b>		<b>176</b>	<b>127,376</b>	<b>8</b>	<b>130</b>	<b>24</b>	<b>162</b>
<b>TOTAL All Buildings</b>		<b>196</b>	<b>139316</b>	<b>8</b>	<b>150</b>	<b>24</b>	<b>182</b>

### Financing Plan:

Hidden Creek 4 and Hidden Creek 9 will be managed as separate projects with one set of financials for Hidden Creek 4 and another for Hidden Creek 9 kept by the same management company. Common project expenses will be split prorata based on unit count with 88% of expenses going to Hidden Creek 4 and 12% of expenses going to Hidden Creek 9. Project specific expenses such as, but not limited to, financial audits will not be split prorata and will be billed directly to Hidden Creek 4 or Hidden Creek 9.

Hidden Creek 9 will be financed with a construction loan of \$4.5mm that will be paid off with a permanent Multifamily Loan Program Loan from Montana Housing of \$1,075,249 and 9% LIHTC equity of \$5,348,499.

Hidden Creek 4 will be financed with a construction loan of \$35mm, a back to back tax exempt permanent loan of \$16,968,921, an ARPA loan of \$2,450,000, \$1.9mm in National Housing Trust Funds, a \$2mm Capital Magnet Fund Loan, a City of Bozeman Loan of \$2mm, reinvestment income from the \$19.1mm in short term tax exempt mm bonds, 4% LIHTC equity estimated at \$23.5mm, and a substantial deferred developer fee.

Hidden Creek 4 permanent financing: at Stabilization the construction loan will be paid off with a permanent loan from Glacier Bank and the LIHTC equity. HRDC's status as a 501c(3) will allow the Project to qualify for a property tax

exemption (15-6-221(1)(a)(i), MCA) as well as qualify for the Board's non-profit set aside. A summary of all permanent sources is shown below.

SOURCES OF FUNDS	Total	Per-Unit	% Total	4% Project	9% Project
First Mortgage	\$18,044,170	\$102,057	29.5%	\$16,968,921	\$1,075,249
ARPA	\$2,450,000	\$13,462	3.9%	\$2,450,000	\$0
National HTF	\$1,900,000	\$10,440	3.0%	\$1,900,000	\$0
Seller Note (Land)	\$1,640,000	\$8,021	2.3%	\$1,459,780	\$180,220
Capital Magnet Fund	\$2,000,000	\$10,989	3.2%	\$2,000,000	\$0
Bozeman City Loan	\$2,000,000	\$10,989	3.2%	\$2,000,000	\$0
LIHTC Equity (Federal)	\$28,865,749	\$153,058	44.2%	\$23,517,250	\$5,348,499
Bond Reinvestment Income	\$2,063,411	\$6,781	2.0%	\$2,063,411	\$0
Additional Deferred Dev Fee	\$7,105,942	\$33,644	9.7%	\$7,105,942	\$0
	\$66,069,272	\$363,018	100%	\$59,465,304	\$6,603,968

#### Project Based Vouchers:

Hidden Creek included thirty 30% AMI units both at LOI submission and when the County and City committed a combined \$4.45mm toward the Project. UHP still hopes to include these in the final project, however, without project-based vouchers (PBV) for these HTF units there is no way financially feasible to include more than eight.

Gallatin County doesn't have a housing authority (HA). HRDC serves as the regional Field Agency (FA), overseeing and administering the County's Housing Choice Vouchers. FAs are not able to project base vouchers the way HAs are. This means PBVs in Bozeman would have to be assigned out of the State's voucher allotment.

If Montana Housing decides to release a competitive proposal to project base a number of the state's HCVs, UHP will apply for 30 PBVs at Hidden Creek. Unfortunately, the 2025 QAP threshold would not allow the Project to include underwriting for these vouchers without a commitment, so they were removed for this application.

The removal of these vouchers reduces the amount of debt Hidden Creek 4 can raise from \$20,338,969 to \$16,968,921<sup>1</sup>. This is \$3,335,048 lost in loan proceeds.

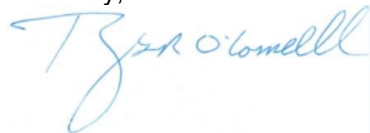
#### Justification for Need:

Bozeman is ground zero for the affordable housing crisis. According to Realtor.com, the median list price of homes for sale in Bozeman is \$862,900 as of June 2024<sup>2</sup>. Gallatin County has prioritized finding a solution and both the County and the City of Bozeman have shown a willingness to make significant financial commitments to deliver Hidden Creek to their community. Finding a project that combines more funding sources to leverage the max \$650,000 annual 9% credits will be difficult, particularly in the current market environment. Adding the eight CLT homes and the County owned daycare only furthers the impact.

The third-party market study found 0 vacancies in existing LIHTC units and a need for 2,244 additional restricted units in Bozeman<sup>2</sup>. This is why both Mayor Terry Cunningham and Gallatin Commissioner Zach Brown both appeared in person to sing its praises at the Board's May LOI presentations, where Commissioner Brown was quoted as saying, "The total cash and land contributions for this project are close to \$7mm. This community will never have this opportunity again."

Hidden Creek Apartments is the result of three and a half years of work by Gallatin County, UHP, and HRDC. It is also a blueprint for future public private housing solutions. The sponsor cannot deliver these \$23,517,250 in 4% non-competitive tax credits without securing a 9% award in 2025. UHP and HRDC thank the Board for their consideration!

Sincerely,



Tyson O'Connell  
Tyson@uhousingpartners.com  
406-531-4745

<sup>1</sup> 7\_PrelimFinLet\_HC4

<sup>2</sup> 13\_FullMktStudy\_HC 4

## MARKET STUDY SUMMARY

<b>Market Study Company:</b>	Prior & Associates
<b>Project Name:</b>	Hidden Creek Apartments 4%
<b>Project Market Area:</b>	City of Bozeman

Is the project, as proposed, viable?

Average (comparable/achievable) 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	\$ 1,909	30.1%-40.8%	
2 bedroom	\$ 2,178	27.2%-39.2%	
3 bedroom	\$ 2,490	N/A	
4 bedroom	N/A		
5 bedroom			68

# of all New Units Needed:  Reference page:

# of units needed for the targeted AMI 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)

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

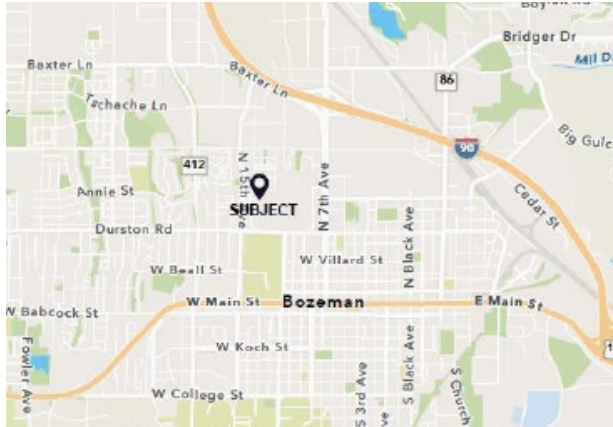
☒ A Project is located within 1½ miles of the specified amenity or essential service.

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

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

**All other services and distance to each.**

	Other Service	Distance (mi)
1	Convenience Store	0.4 miles
2	Grocery Store	0.4 miles
3	Specialty Market	N/A
4	Neighborhood Shopping Center	0.4 miles
5	Community Shopping Center	0.5 miles
6	Big Box Retail Store	0.6 miles
7	Shopping Mall	1.5 miles
8	Elementary School	0.5 miles
9	Middle School	3.2 miles
10	High School	0.8 miles
11	Head Start	0.9 miles
13	University	1.5 miles
14	Recreation Center	0.5 miles
15	Community Center	one mile
16	Park	Adjacent
17	Library	1.5 miles
18	Bus Stop	0.1 mile
19	Hospital	Two miles
20	Medical Clinic	0.3 miles
21	Government Offices	1.2 miles
22	Post Office	1.1 miles
23	Police Station	1.1 miles
24	Fire Station	1.4 miles
25	Pharmacy	0.4 miles
26	Senior Center	0.8 miles
27	Childcare Center	0.5 miles
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**SITE & NEIGHBORHOOD PHOTOS**



**LOOKING SOUTHEAST AT THE SITE**



**LOOKING SOUTH ALONG THE SITE'S EASTERN BORDER**



**NORTH – JUNIPER STREET LOOKING WEST**



County	Gallatin
Project Name	Hidden Creek 4 Apartments
Developer / General Ptnr	Hidden Creek Developers LLC
Set-aside	Non-Profit
HC Requested	28,090,470
Project Type	Family
Construction Type	New Const
Projected Construction Start	Aug-25
Projected Completion	Sep-27

<u>Unit Numbers</u>	<u>Target</u>	
0-bdrm	20%	-
0-bdrm	30%	-
0-bdrm	40%	-
0-bdrm	50% (Low HM)	-
0-bdrm	50%	-
0-bdrm	60%	-
0-bdrm	70%	-
0-bdrm	80%	-
0-bdrm		-
0-bdrm		-
1-bdrm	20%	-
1-bdrm	30%	16
1-bdrm	50% (Low HM)	-
1-bdrm	40%	-
1-bdrm	50%	-
1-bdrm	60%	-
1-bdrm	70%	48
1-bdrm	80%	-
1-bdrm		-
1-bdrm		-
2-bdrm	20%	-
2-bdrm	30%	20
2-bdrm	40%	-
2-bdrm	50% (Low HM)	-
2-bdrm	50%	-
2-bdrm	60%	-
2-bdrm	70%	60
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%	-
3-bdrm	70%	-
3-bdrm	80%	-
3-bdrm		-
3-bdrm		-
4-bdrm	20%	-
4-bdrm	30%	4

County	Gallatin		
Project Name	Hidden Creek 4 Apartments		
Developer / General Ptnr	Hidden Creek Developers LLC		
	4-bdrm	40%	-
	4-bdrm	50% (Low HM)	-
	4-bdrm	50%	-
	4-bdrm	60%	-
	4-bdrm	70%	10
	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		158
	Average Income Targeting		59.87%
<b><u>Square Footage</u></b>			
	Income Restricted Units		132,539
	Managers Unit(s)		-
	Supportive Services		-
	Common Space		2,520
	Market/Commercial		-
	Total		135,059
<b><u>Unit Rents</u></b>			
	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%	1,225
	1-bdrm	40%	-
	1-bdrm	50% (Low HM)	-
	1-bdrm	50%	-
	1-bdrm	60%	-
	1-bdrm	70%	1,331
	1-bdrm	80%	-
	1-bdrm		-

County			Gallatin
Project Name			Hidden Creek 4 Apartments
Developer / General Ptnr			Hidden Creek Developers LLC
	1-bdrm		-
	2-bdrm	20%	-
	2-bdrm	30%	1,557
	2-bdrm	40%	-
	2-bdrm	50% (Low HM)	-
	2-bdrm	50%	-
	2-bdrm	60%	-
	2-bdrm	70%	1,582
	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%	-
	3-bdrm	70%	-
	3-bdrm	80%	-
	3-bdrm		-
	3-bdrm		-
	4-bdrm	20%	-
	4-bdrm	30%	2,663
	4-bdrm	40%	-
	4-bdrm	50% (Low HM)	-
	4-bdrm	50%	-
	4-bdrm	60%	-
	4-bdrm	70%	2,006
	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			240,260
vacancy factor			7.00%
Adjusted Rent			223,442
other/commercial income			5,538
total rent			228,980
x 12 months			12
Total Annual Income			2,747,757

<b>County</b>	<b>Gallatin</b>
<b>Project Name</b>	<b>Hidden Creek 4 Apartments</b>
<b>Developer / General Ptnr</b>	<b>Hidden Creek Developers LLC</b>
<b><u>Expenses</u></b>	
Administration	128,363
Management	106,256
Maintenance	304,287
Operating	425,486
Taxes	-
Replacement Reserve	55,300
Total Expenses	<u>1,019,692</u>
Net Income Before Debt Service	1,728,065
<b><u>Financing Sources</u></b>	
Hard Loan	21,834,916
Hard Loan	-
Soft Loan	500,000
Soft Loan	2,000,000
State HOME	-
State CDBG	-
State NHTF	1,517,100
Other	3,206,667
Other	2,462,500
Other	1,423,736
Other	256,000
Deferred Dev Fee	5,397,063
HC Equity Competitive	-
HC Equity Non-Competitive	<u>22,005,047</u>
Total Sources:	60,603,029
% of Project Financed by HC:	36.31%
<b><u>Return on Sale of HTC</u></b>	
HTC Requested	28,090,470
HTC Equity	22,005,047
HTC Return on Sale	0.783
<b><u>Ratios</u></b>	
Rent (Income)	2,747,757
Operating Expenses	964,392
Replacement	55,300
Net Income	1,728,065
Total Debt Service	1,563,499
Debt Coverage Ratio (DCR)	1.11
Total Expense Ratio	1.06
<b><u>Project Costs</u></b>	
Land	1,459,780
Building/Acquisition	-
Site Work	4,375,695

<b>County</b>	<b>Gallatin</b>
<b>Project Name</b>	<b>Hidden Creek 4 Apartments</b>
<b>Developer / General Ptnr</b>	<b>Hidden Creek Developers LLC</b>
Construction / Rehab	34,850,825
Soft Costs	11,302,534
Developer Fees	7,560,844
Reserves	1,053,351
Total Project Costs	60,603,029
Supportive Services Costs	-
Residential Costs	60,603,029

#### **Costs versus Sources**

Total Project Costs	60,603,029
Total Financing Sources	60,603,029
Difference	-

#### **Project Cost Limitations**

	<b><u>Limits</u></b>	
General Requirements	6.00%	4.20%
Contractor Overhead	2.00%	1.40%
Contractor Profit	6.00%	4.20%
Developer Fees	15.00%	15.00%
Soft Cost	40.00%	46.36%

#### **Per Unit Comparison**

	<b><u>Limits</u></b>	
Cost per unit total	n/a	383,563
Cost per unit residential only	\$350,000	383,563
Cost per unit Const / Rehab	n/a	247,425
Credits per unit	n/a	177,788
Operating Cost per unit	\$3,000 min	6,104
Replacement Reserves	\$300 min	350

#### **Per Square Foot Comparison**

Construction / Rehab per sq ft	258.04
Total Project Cost per sq ft	448.72
Credits per sq ft	207.99
Credits per sq ft (residential only)	211.94

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

Tenant

#### **Market Study Data:**

Vacancy Rates	2.4%
Absorption Rate	4970.0%
Months to Absorb	8
Average Project Rent	1,647
Average Market Rent	2,192
Units needed for Targeted AMI's	2,244

<b>County</b>	<b>Gallatin</b>
<b>Project Name</b>	<b>Hidden Creek 4 Apartments</b>
<b>Developer / General Ptnr</b>	<b>Hidden Creek Developers LLC</b>

Market Rents

0-bdrms	-
1-bdrms	1,909
2-bdrms	2,178
3-bdrms	2,490
4-bdrms	N/A
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

# Multifamily Program Dashboard

July 14, 2025

## Coal Trust Multifamily Homes Program, Multifamily Loan Program and Housing Montana Fund Loan Programs

### Available After Commitments

CTMH	\$697,677	From \$65M Authorized (including loan P&I payments)
MFLP	\$689,747	
HMF - AHRLF	\$390,416	

### Projects Underway

Amount	Program/Project	City/Units	Year Awarded	Recipient	Est. Completion
7,500,000	4%Centennial Village	Great Falls	2025	Vitus Development LLC	TBD
12,000,000	4%Aspen Village	Great Falls	2025	Vitus Development LLC	TBD
42,000,000	4%Montana 6	Scattered	2025	NWMT Affordable Housing	TBD
2,200,000	MF/Rocky Mountain Flats	Bozeman	2025	Blueline Development, Inc	TBD
30,000,000	Goldspur at Urban Farm	Bozeman	2025	Roers Bozeman Affordable Apartments Owner LLC	May-27
4,702,040	9%/CT/HMF/MF/Skyview	Billings	2025	GL Development	Feb-27
6,500,000	9%/4%LB Lofts	Billings/Laurel	2025	Homeword/HomeFront	Sep-26
6,500,000	9%Opportunity Place	Missoula	2025	42-44 Developers	May-26
6,500,000	9%/4%/MF/Hidden Creek	Bozeman	2025	United Housing/HRDC	Oct-26, Sep-27
6,500,000	9%/CT/Polson Gardens	Polson	2025	Housing Solutions	Jul-26
6,500,000	9%/CT/The Homestead	Dillon	2025	The Housing Company	Jun-26
7,500,000	4%/Franklin School	Great Falls	2024	Vitus Development LLC	TBD
2,500,000	CT/Alpenglow II	Whitefish/18	2024	Housing Whitefish	Fall-27
30,460,886	9%/CT/4%Twin Creek	Helena/72	2024	United Housing Partners	Sep-25, Apr-26
8,050,000	9%/CT/Riverstone Senior	Hamilton/23	2024	Housing Solutions	Apr-26
27,155,000	4%/The Aurora	Billings	2024	Kamaka Affordable Housing, LLC	Jul-26
13,197,880	9%/4%/MidtownAspen	Bozeman/46	2024	Boundry Dev & HRDC	Jun-26
8,200,000	9%/CTMitchell Court	Billings/32	2024	GL Development	Feb-26
10,963,840	4%/The Manor	Hamilton/60	2024	Sapphire Lutheran Homes	Mar-26
82,575,000	4%/Westlake	Bozeman/216	2023	Devco Preservation	Sep-25
58,551,220	4%/HMF/Beaumont	Bozeman/155	2023	Rueter Walton Development	Jun-25
7,414,040	4%/Big Fork Senior	Big Fork/24	2023	Bigfork Senior Housing	Jun-25
6,435,000	9%/ANHA LIHTC #2	Agency/23	2023	Apsaalook Nation HA	Nov-25
6,500,000	9%/MF/Cabinet Affordable	Libby/24	2023	Cabinet Affordable Housing	Oct-25
41,961,750	9%/4%/Creek Side Apartments	Missoula/161	2023	Homeword	Dec-25, Sep-27
7,700,000	9%/MF/Meadowlark Senior	Butte/26	2023	Northwest Real Estate Capital Group	May-25
6,100,000	9%/Baatz Block Apts	Great Falls/25	2022	Homeword	Jul-25

	CTMH Projects	Loan Amount	Status
HB 16 \$15,000,000	Belt - Golden Valley Homes	\$803,060	Approved February 2020; Closed
	Cascade - Quiet Day Manor	\$872,500	Approved February 2020; Closed
	Livingston - Livingston Cottages	\$900,000	Approved February 2020; Closed
	Havre - Highland Manor	\$1,932,000	Approved February 2020
	Helena - Firetower	\$2,674,631	Approved April 2020; Closed
	Joliet / Laurel - Spruce Grove	\$5,173,486	Approved April 2020; Closed
	Havre - Oakwood Village	\$2,100,000	Approved April 2020; Closed
HB 819 \$50,000,000	Great Falls - Carter Commons	\$1,700,000	Approved September 2023
	Helena - Twin Creek 9%	\$1,221,360	Approved October 2023
	Hamilton - Riverstone Senior	\$1,550,000	Approved October 2023
	Billings - Mitchell Court	\$2,150,000	Approved October 2023
	Darby - Welcome Way	\$2,090,000	Closed November 2023
	Lolo - Two Rivers	\$5,460,833	Closed February 2024
	Belgrade - Stan's Garden	\$5,051,113	Closed January 2024
	Helena - Twin Creek 4%	\$6,890,000	Closed August 2024
	Great Falls - Elmore Roberts	\$4,989,000	Approved March 2024
	Whitefish - Alpenglow 2	\$3,000,000	Approved April 2024
	Red Lodge - RLACF Rentals	\$460,000	Closed September 2024
	Billings - Skyview	\$2,400,000	Application August 2024
	Polson - Polson Gardens	\$1,750,000	Approved October 2024
	Dillon - The Homestead	\$420,000	Approved October 2024
	Missoula - Old Hellgate Village	\$2,807,031	Closed October 2024
	Missoula - Casa Loma	\$9,300,000	Approved September 2024
Total		\$65,695,014	

### Events and Deadlines

Tuesday, July 15 at 9:00 am  
Thursday, July 17 at 10:00 am  
Thursday, Aug. 14 at 10:00 am

Public Hearing - Rocky Mountain Flats MF Housing Revenue Obligation Notice  
Public Hearing - CDBG Housing Rehabilitation and Development Application  
Housing Coordinating Team - Rachel Rohner with VA

# Board Agenda Item

Board Meeting: July 14, 2025

## Operations / Executive Director

### BOARD MEETINGS

- The next Board meeting will be held on Monday, August 11, 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 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](mailto:jess.john@mt.gov) and Cheryl Cohen [cheryl.cohen@mt.gov](mailto:cheryl.cohen@mt.gov).

### CONTRACTS / PROCUREMENT

- Outside Legal Counsel (Jackson, Murdo & Grant P.C.) renewal contract was executed on June 24, 2025.
- Foreclosure Legal Services (Hendrickson Law Firm P.C.) renewal contract was executed on June 26, 2025.

**Montana Department of Commerce** | [commerce.mt.gov](https://commerce.mt.gov) | Montana Board of Housing  
P.O. Box 200528 | Helena, MT 59620-0528 | Phone: 406-841-2840 | Fax: 406-841-2841  
Montana Relay 711: [dphhs.mt.gov/detd/mtap/traditionalrelayservice](https://dphhs.mt.gov/detd/mtap/traditionalrelayservice)





- Bond Counsel (Kutak Rock, LLC) renewal contract was executed on June 27, 2025.

## STAFFING UPDATES

- Currently recruiting for Mortgage Servicing Loan and Bonds Specialist.

## HOMEOWNER ASSISTANCE FUND

- A total 3,040 apps submitted in the statewide programs to-date.
- HAF has spent almost \$18 million in all programs to-date.
- HAF team completed a county outreach campaign to notify each county treasurer about the HAF lien prevention program. This campaign is already generating referrals.
- Recently transitioned some staff to assist with the Home Repairs program to continue processing applications timely, given the program's Period of Performance concluded next September.
- Partnering with Montana VA for a joint presentation webinar to spark interest for veteran loans.
- Facebook marketing for the program on June 23, 2025 sparked more interest as well.

## EXECUTIVE DIRECTOR

- A working group to discuss the 2027 QAP and Administrative Rulemaking for HB 924 was held on Thursday, June 12, 2025. HB 924 rulemaking was also included on the MT NAHRO Thursday, July 10 meeting agenda to solicit input from local

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public housing authorities. Finally, staff are in process of scheduling another information discussion regarding HB 924 rulemaking with representatives from the MT Continuum of Care, Community Land Trust organizations, port authorities and other economic development organizations.

- Aiming for September 2, 2025 ARM deadline to file, which requires documentation submitted to the Governor's Office two weeks prior by August 19.
  - MBOH staff are working with BOI, DOA, DOR, and OBPP on a GO Trust Memorandum of Understanding to solidify roles and responsibilities of each agency.
- The MBOH 24-07 Financial Statements were adopted by the Legislative Audit Committee on Friday, June 13, 2025. The Committee did not have any specific questions about the financial statements, nor the Board's responses to legislative audit recommendations.
- MBOH and Frontier Strategies have been working to document the Board's current state processes for homeownership, servicing, multifamily, and finance programs. As of Wednesday, July 2, a total of 114 processes have been mapped and approved. These processes will be used as part of a Requirements Package for a future information system Request for Proposals, likely in early 2026. Additionally, process documentation will be advantageous for training/new employee on-boarding, information-sharing with legislative auditors, and can be used to augment our internal control plan and/or risk assessments.
- The Rental Assistance team is completed a waiting list purge and re-opened the Housing Choice Voucher waiting lists on July 1. Separate waiting lists were also be established for the Moderate Rehabilitation program by geographical region. Please see attached Rental Assistance Dashboard for a comprehensive update





on our waiting lists and applications received (377 applications during first 30 hours of re-opening). We also established a new waiting list preference for up to 75 individuals who are active participants in good standing with Montana Treatment Court and joined their Treatment Coordinators Monthly Meeting on Friday, July 11.

- Cheryl Cohen will attend NCSHA's Executive Director Workshop in Annapolis, MD July 20 – July 23, 2025. The workshop will include dedicated time to assess key strategic and operational issues associated with passage of the H.R. 1 (OBBA), including the permanent 12 percent increase to Housing Credit authority beginning calendar year 2026 and permanently lowering the bond financing threshold from 50 percent to 25 percent for 4 percent Housing Credit programs financed with tax-exempt bonds. From a message from Stockton Williams, NCSHA Executive Director, "The Housing Credit provisions in the bill represent the most substantial expansion of federal affordable housing resources in 25 years. They will put the tools in states' hands to finance up to an additional 1.22 million affordable homes than otherwise would have been possible over the next decade, according to [an analysis](#) by Novogradac.
- An interview to acknowledge MBOH's 50<sup>th</sup> anniversary is now posted to the Commerce website, along with our press release, op-ed, and timeline: <https://commerce.mt.gov/Housing/Montana-Board-of-Housing/50>.



Rental Assistance Dashboard
July 14, 2025 (Data as of June 30, 2025)

Totals

	<u>Previous Month</u>	<u>Current Month</u>	<u>Change</u>
Paid Units	3,301	3,566	265
Budgeted Units		8,317	
All Section 8 HAPs	2,225,939	2,217,907	(8,032)
All Waitlists		840	

Rental Assistance Tenant Based Programs

	<u>Month</u> <u>5/31/2025</u>	<u>6/30/2025</u>	<u>Change</u>	<u>Year</u> <u>HAP</u>	<u>HUD</u> <u>Budget</u>	<u>Fees</u>	<u>Term</u>
<b>Housing Choice Voucher (HCV)</b>							<b>CY2025</b>
Paid Units (3625 Agency contracts)	2,885	2,887	2			152,667	
Current Month Payment Amount	1,939,851	1,966,560	26,709	11,654,820		930,074	
<b>Veterans Affairs Supportive Housing (VASH)</b>							<b>CY2025</b>
Number Units Paid (321 Authorized)	239	237	-2			12,978	
Payment Amount	159,358	155,500	-3,858	913,555		72,801	
<b>Moderate Rehabilitation (ModRehab)</b>							
Number Contracts			0				
Paid Units (297 Authorized)	98	69	-29			3,495	
Payment Amount	66,840	33,771	-33,069	398,243		29,670	
<b>Mainstream</b>							
Number Units Paid	23	24	1			1,451	
Payment Amount	16,855	18,372	1,517	103,460		8,281	
<b>Project Based VASH</b>							
Number Units Paid	0	0	0			0	
Payment Amount	0	0	0	0		0	
<b>EHV</b>							
Number Units Paid	56	56	0			3,160	
Payment Amount	43,035	43,478	443	260,207		20,045	

Rental Assistance Project Based Programs

Project-Based Section 8					Admin Earnings		
Contracts	89	89	0		237,547		
Units Paid (4132 Authorized with 8bb)	3,562	3,383	-179		Contract Extension		
Payment Amount	3,055,765	2,702,446	-353,319				
Calendar Year Admin Earnings					804,162		
<b>811 Project Rental Assistance Demo (FY)</b>					<b>1,900,000</b>	<b>157,000</b>	
Rental Assistance Contracts (RAC)			0	Disbursed:	1,309,337	Balance:	590,663
Units (grant requires 82)	21	22	1			8 Units Kalispell	
Payment Amount	11,359	20,735	9,376			40 Units Missoula	
						5 Units Ronan	
						21 Units Boz/Belgrade	
						74	

Rental Assistance Waiting Lists

6/30/2025 | Waitlist re-opening 7/1/2025

Regional Field Agencies

Action for Eastern Montana	34	36
HomeFront Billings	50	21
Billings HRDC (outside city limits)	0	14
Bozeman	179	36
Butte	67	14
Helena	64	31
Kalispell	106	20
Lewistown	0	11
Missoula	293	40
Opportunities Inc (Great Falls & Havre)	47	84
Moderate Rehabilitation Billings		4
Moderate Rehabilitation Chinook		1
Moderate Rehabilitation Great Falls		4
Moderate Rehabilitation Helena		3
Moderate Rehabilitation Missoula		8
		50 Paper applications
TOTAL	840	377 as of 2:45pm 7/02/25