

Meeting Location: Virtual/Zoom

Date: September 9, 2024

Time: 8:30 am

Board Chair: Bruce Posey

Remote Attendance: Join our meetings remotely via Zoom and/or phone

Conference Call: Dial: 1-646-558-8656, Meeting ID: 867 8523 9583, Password: 075666

Register for Webinar: <https://mt-gov.zoom.us/meeting/register/tZlqf-yqrTlvEtfQhLwY75Qn2dx8-so0aeWu#>

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 agency.
- Approve prior meeting's minutes
- Finance Program (Manager: Vicki Bauer)
 - Financial Update

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Agenda Items (continued):

- Homeownership Program (Manager: Jessica Michel)
 - Homeownership Update
- Mortgage Servicing (Manager: Mary Palkovich)
 - Servicing Update
- Multifamily Program (Manager: Jason Hanson)
 - Old Hellgate Resident Owned Community – Coal Trust Multifamily Loan
 - Casa Loma – Coal Trust Multifamily Loan
 - Mitchell Court – Coal Trust Multifamily Loan (Increase)
 - Multifamily Update
- Operations/Executive Director (Joe DeFilippis + Cheryl Cohen)
 - Operations Update
 - Executive Director Update
 - 2025 MBOH Calendar - Proposed
 - Rental Assistance Dashboard
- Miscellaneous
- Meeting Adjourns

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

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

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2024 Montana Board of Housing Calendar

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

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

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

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

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

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

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

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

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

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

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

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

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September 2024

9: Board Meeting via Zoom

28-1: [NCSHA Annual Conference – Phoenix AZ \(MBOH staff and Board Members welcome\)](#)

October 2024

21: Board Strategic Planning, Fairmont Hot Springs Resort, Anaconda, MT

22: Board Meeting Housing Credit Award Determinations / QAP, Fairmont Hot Springs Resort, Anaconda, MT

November 2024

4: Board Meeting via Zoom

December 2024

9: No Board Meeting (subject to change)

Meeting Location: Virtual/Zoom

Date: September 9, 2024

Roll Call of Board Members:

Bruce Posey, Chair (Present)

Cari Yturri (Present)

Sheila Rice (Present)

Jeanette McKee (Present)

John Grant (Present)

Tonya Plummer (Present)

Amber Parish (Present)

Staff:

Cheryl Cohen, Executive Director

Joe DeFilippis, Operations Manager

Stacey Purvis, Executive Assistant

Jason Hanson, Multifamily Manager

Vicki Bauer, Finance Manager

Jessica Michel, Homeownership Manager

Charlie Brown, Homeownership

Brian Barnes, Multifamily Program

Bruce Brensdal, Multifamily Program

Kellie Guariglia, Multifamily Program

Julles Engel, Housing Development

Sharon Lofftus, Housing Development

Megan Surginer, Office Manager

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

Greg Gould, Jackson Murdo and Grant

Others:

Heather McMilin

Drew Page

John Wagner

Misty Dalke

Alex Burkhalter

Jennifer Wheeler

Tyler Currence

Andrew Chanania

Adam Poeschl

Julia Hope

Paul Capps

Mina Choo

Larry Phillips

Christian Pritchett

Beki Brandborg

David Jones

Gene Leuwer

Call Meeting to Order:

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

00:01:21 Introductions of Board members and attendees were made.

00:04:41 Chair Posey asked for public comment on items not listed on the agenda.

Approval of Minutes:**August 12, 2024 MBOH Board Meeting Minutes – page 5 of packet**

00:05:47 Motion: Cari Yturri

Second: Amber Parish

The August 12, 2024 MBOH Board meeting minutes were approved unanimously.

Accounting:**Accounting Update – page 9 of packet**

00:6:12 Presenter: Vicki Bauer

Homeownership Program:**Homeownership Update – page 13 of packet**

00:10:01 Presenter: Jessica Michel

Mortgage Servicing Program:**Servicing Update – page 16 of packet**

00:13:23 Presenter: Mary Palkovich

Multifamily Program:**Approval of Old Hellgate Resident Owned Community - Coal Trust Multifamily Loan – page 17 of packet**

00:19:36 Presenter: Jason Hanson

Motion: Sheila Rice

Second: Jeanette McKee

The motion to approve Old Hellgate Resident Owned Community - Coal Trust Multifamily Loan passed unanimously.

Approval of Casa Loma - Coal Trust Multifamily Loan – page 24 of packet

00:25:14 Presenter: Jason Hanson

Motion: Jeanette McKee

Second: Cari Yturri

The motion to approve Casa Loma - Coal Trust Multifamily Loan passed unanimously.

Approval of Mitchell Court - Coal Trust Multifamily Loan Increase – page 34 of packet

00:34:28 Presenter: Jason Hanson

Motion: John Grant

Second: Amber Parish

The motion to approve Mitchell Court - Coal Trust Multifamily Loan Increase passed unanimously.

Multifamily Update – page 37 of packet

00:37:12 Presenter: Jason Hanson

Operations/ Executive Director:**Operations/Executive Director Update – page 39 of packet**

00:41:45 Presenters: Joe DeFilippis and Cheryl Cohen

Public Comment:

00:59:16 Heather McMilin with HomeWord extended invitation to meeting participants and Board members to attend the HomeWord 30 year anniversary celebration at Highland Brewing in Missoula on September 10th at 5:30 p.m.

Meeting Adjournment:

00:59:48 Meeting was adjourned at 9:30 a.m.

Amber Parish, Secretary

Date

Board Agenda Item

Board Meeting: September 9, 2024

Accounting and Finance Program

INVESTMENT DIVERSIFICATION

Diversification is an investment strategy that entails the purchase of a mixture of investments that reduces the exposure to investment risk. The Board portfolio is invested in historically low risk investments. FHLMC (Freddie Mac) and FNMA (Fannie Mae) are Government Sponsored Enterprises (GSE) that are currently under government conservatorship and some investors assume they are implicitly guaranteed by the federal government.

- As of July 31, 56.7% of MBOH funds were being held in money market earning 5.20%. These funds consist of the bond proceeds from the 2024A issue and other pots of money where we are currently purchasing set-aside loans.
- 30.3% of funds were invested in T-Bills earning 5.10% to 5.25%.
- Remaining funds are invested in FNMA and Freddie Mac Bonds or MBS with rates ranging from 3.69% to 6.25%.

WEIGHTED AVERAGE YIELD TREND

Weighted average is a calculation that considers the varying degrees of importance of the yields in an investment data set. MBOH uses the average yield for specific

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investment types and the par value of those same investment types to calculate the weighted average yield.

- The weighted average has improved year-to-year from 5.21% in July 2023 to 5.29% in July 2024.
- The rate remained steady at 5.29% from June 2024 to July 2024.

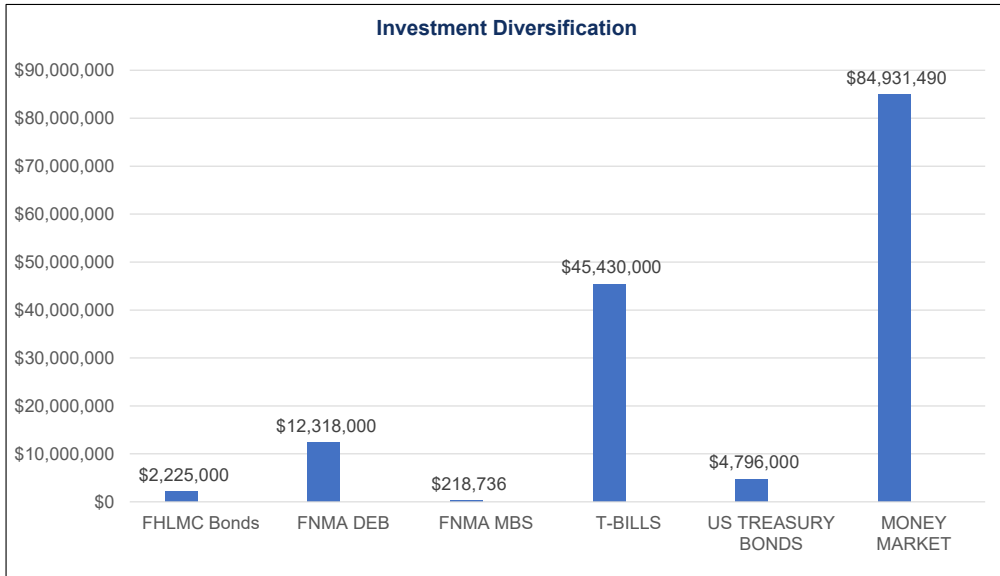
PORTFOLIO MATURITY

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.

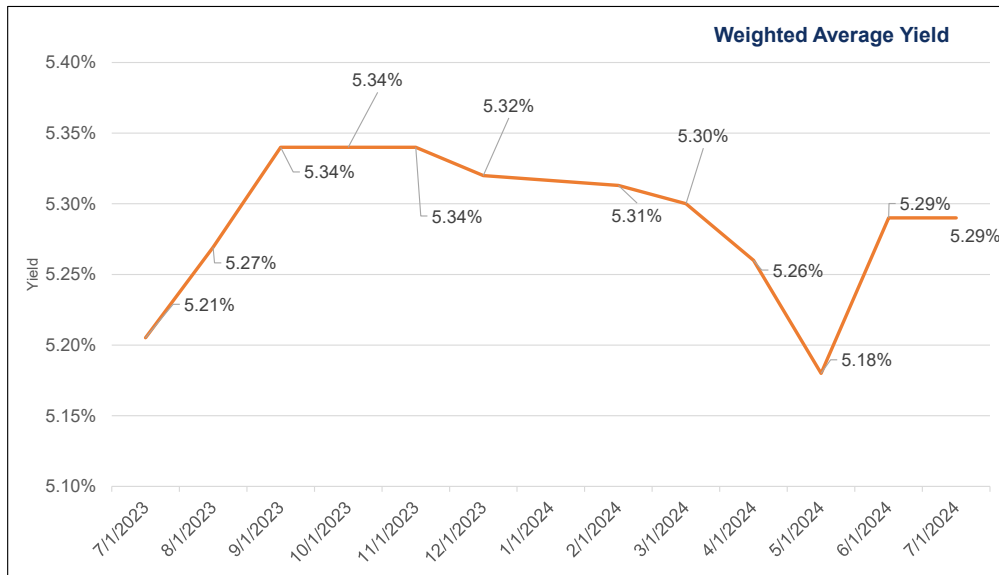
- The FNMA (Fannie Mae) MBS (Mortgage-Backed Securities) are the longest-term maturities in our portfolio with yields at 4.45% and 4.96%.
- Two of the Treasury Bonds were purchased several years ago at a yield of 6.48%. These will be maturing in August 2025.
- The overall total of investments at the end of July 2024 was \$149.9 million with approximately \$84.5 million of that total in money market.

Finance Program Dashboard

September 9, 2024 (Data as of July 31, 2024)



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



Finance Program Dashboard

September 9, 2024 (Data as of July 31, 2024)

AVAILABILITY

<u>Available Now</u>	<u>< 1 year</u>	<u>1 to 5 years</u>	<u>6 to 10 years</u>	<u>> 11 years</u>	<u>Total</u>
\$ 84,931,490	\$ 45,430,000	\$ 17,114,000	\$ 2,225,000	\$ 218,736	\$ 149,919,227

Investment Maturity Schedule

<u>Maturity Date</u>	<u>Trustee</u>	<u>Type</u>	<u>Par Value</u>
8/1/38	Wilmington Trust	FNMA MBS	44,181.00
3/1/37	Wilmington Trust	FNMA MBS	98,250.89
7/1/36	Wilmington Trust	FNMA MBS	13,917.51
5/1/36	Wilmington Trust	FNMA MBS	22,168.02
2/1/36	Wilmington Trust	FNMA MBS	40,218.83
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
11/29/24	Wilmington Trust	T-BILLS	38,350,000.00
8/10/24	US Bank Corporate Tr	T-BILLS	7,080,000.00
6/30/24	US Bank Corporate Tr	US BANK MONEY M	503,343.52
	Wilmington Trust	WT GOLDMAN SACHS	84,428,146.77
Total			149,919,226.54

HOMEOWNERSHIP PROGRAM DASHBOARD

September 3, 2024

RATES

	<u>CURRENT</u>	<u>LAST MONTH</u>	<u>LAST YEAR</u>
MBOH*	5.750	5.75	5.750
Market	6.23	6.57	6.748
10 yr treasury	3.87	4.15	4.120
30 yr Fannie Mae	6.53	6.95	6.593

*Current Setaside 5.50, DPA 6.00

LOAN RESERVATIONS

	<u>August NUMBER</u>	<u>August AMOUNT</u>	<u>TOTAL NUMBER</u>	<u>TOTAL AMOUNT</u>	<u>ORIGINAL AMOUNT</u>	<u>BALANCE</u>
REGULAR PROGRAM						
Series 2024A (since 04.02.24)	40	11,618,515	225	65,020,706	62,406,015	(2,614,691)
Series 2024A DPA (since 04.02.24)	24	276,770	103	1,316,059	1,235,000	(81,059)
80% Combined (20+)			6	1,252,064	Since July 2023	reg bond funds
SET-ASIDE PROGRAMS						
MBOH Plus			67	656,775	Since July 2023	1,317,303
NeighborWorks	2	369,606	19	3,248,295	Since July 2023	Pre-Ullman funds
CAP NWMT CLT	1	153,000	3	442,596		
Missoula HRDC XI						
Bozeman HRDC IX						
Home\$tart	1	169,159	6	1,090,405		
HUD 184						
MT Street CLT			1	135,972		
Sparrow Group						
City of Billings			6	1,159,899		
Foreclosure Prevent					50,000	50,000
Disabled Accessible					Ongoing	862,950
Lot Refi					2,000,000	726,440
FY24 Habitat	2	510,000	15	2,528,521	3,751,000	1,222,479
OTHER PROGRAMS						
Veterans (Orig)			452	92,326,443	Revolving	42,883
912 Mrtg Cr Cert (MCC)			40	10,879,144.52	62,500,000	39,120,855

LOAN PURCHASES BY LENDER

	<u>Jul-24</u>		<u>2024 YTD</u>		<u>2023 YTD</u>	
	<u>1st</u>	<u>DPA</u>	<u>1st</u>	<u>DPA</u>	<u>1st</u>	<u>DPA</u>
FIRST SECURITY BOZEMAN 061			1			
BANK OF COMMERCE 086			1		1	1
1ST SECURITY BK MISSOULA 133			2		10	2
VALLEY BANK RONAN 159					2	
YELLOWSTONE BANK 161	1	1	2	1	2	2
FIRST MONTANA BANK 172	1	1	4	4	3	2
BRAVARA BANK 186	1		6	3	4	1
STOCKMAN BANK OF MT MILES 524	10	4	38	17	60	29
FIRST INTERSTATE BANK-WY 601					5	1
US BANK 617			1	1	2	
OPPORTUNITY BANK 700	4	2	36	10	109	44
PIONEER SAVINGS AND LOAN 710			1			
FIRST FEDERAL BANK & TRUST 731					1	
GLACIER BANK KALISPELL 735	2	1	16	5	16	
WESTERN SECURITY BANK 785			1		5	4
MANN MORTGAGE 835	10	6	42	18	70	40
GUILD MORTGAGE COMPANY 842	2	2	13	12	23	23
UNIVERSAL 843			1	1	20	13
FAIRWAY INDEPENDENT MRTG 847	1	1	29	16	28	20
CORNERSTONE HOME LENDING 850	1		1		9	8
PRIME LENDING 851	2	2	3	2	8	5
BAY EQUITY LLC 853			5	2	4	
PARAMOUNT RES MTG GRP 855					3	3
AM CAP 858					3	2
HOMESTAR FINANCIAL 861					1	1
HOMETOWN LENDERS 862			1	1		
CROSSCOUNTRY MORTGAGE 863	1	1	7	3	22	7
GUARANTEED RATE 864	2	2	8	2	19	7
FIRST COLONY MORTGAGE 865			2	2	8	8
WINTRUST MORTGAGE 867					2	2
ONE TRUST HOME LOAN 868			1	1		
CHURCHHILL MORTGAGE 869	2	1	4	1		
ENVOY 871	1	1	1	1		
NOVUS 872			1	1		

LOWER DOT COM, LLC 873	4	2	16	8		
CMG 874			1			
EVERGREEN MORTGAGE 875	6	2	9	5		
CHURCHILL MORTGAGE 869			3	1	5	2
CLEARWATER FEDERAL C U 901			1		1	
INTREPID CREDIT UNION 903			1		10	
FLATHEAD HABITAT 991			8			
Grand Count	51	29	267	118	456	227

PORTFOLIO CHANGES

	July		2024 YTD		
	# loans	Princ Bal	# loans	Princ Bal	
June Balance	5,510	590,750,803.88	5,397	556,995,770.50	Dec-23
July Purchases (1st)	51	14,033,667.76	267	69,496,995.22	
July Purchases (2nd)	29	310,296.00	118	1,260,707.88	
July Amortization		(1,557,478.32)		(10,372,426.63)	
July Payoffs (1st)	(23)	(2,554,688.08)	(158)	(15,133,174.13)	
July Payoffs (2nd)	(8)	(35,485.24)	(58)	(311,359.72)	
July Foreclosures	-	-	(7)	(989,397.12)	
July Balance	5,559	600,947,116.00	5,559	600,947,116.00	Jul-24

JULY PORTFOLIO SUMMARY

	# of loans	\$ of loans	% of #	% of \$	
FHA	2,857	398,165,051	51.4%	66.3%	
RD	843	88,912,469	15.2%	14.8%	
VA	394	70,515,306	7.1%	11.7%	
HUD184	34	2,190,929	0.6%	0.4%	
PMI	31	2,041,871	0.6%	0.3%	
Uninsured 1st	257	30,417,630	4.6%	5.1%	
Uninsured 2nd	1,143	8,703,860	20.6%	1.4%	
	5,559	\$ 600,947,116			
July 2023 Portfolio Balance	5,046	\$ 466,080,828	10.17%	28.94%	percent of Incr/Decr

Servicer	# of loans	\$ of loans	% of #	% of \$
MBOH	5,484	\$ 594,913,156	99%	99%
First Security Bozeman	3	\$ 70,005	0%	0%
First Boulder Valley Bank	1	\$ 40,515	0%	0%
Valley Bank Ronan	40	\$ 3,927,892	1%	1%
Manhattan Bank	1	\$ 77,080	0%	0%
Pioneer Federal Savings	18	\$ 874,887	0%	0%
Guild Mortgage	12	\$ 1,043,582	0%	0%
	5,559	600,947,116		

Weighted Average Interest Rate 4.390%

	# of loans	\$ of loans	
0 - 2.99%	1056	\$ 89,746,053	rates up to 4%
3 - 3.99%	1430	\$ 169,262,886	2486 \$ 259,008,938
4 - 4.99%	753	\$ 80,042,525	
5 - 5.99%	1564	\$ 187,580,764	rates 4% and above
6 - 6.99%	718	\$ 73,597,350	3073 \$ 341,938,178
7 - 7.99%	38	\$ 717,538	

RAM PROGRAM JULY ACTIVITY

<u>Loan Requests</u>	<u>Loans Outstanding</u>	<u>Life of Program</u>	<u>Avail Balance</u>
1	150,000	41 2,637,407.00	238 15,401,072 5,530,535.00

DELINQUENCY AND FORECLOSURE RATES

	MONTANA BOARD OF HOUSING			MORTGAGE BANKERS ASSOC. 6/2024			(most recent available)
	<u>Jul-24</u>	<u>Jun-24</u>	<u>Jul-23</u>	<u>Montana</u>	<u>Region</u>	<u>Nation</u>	
30 Days	1.26	1.69	1.28	1.54	1.83	2.28	
60 Days	0.94	0.80	0.70	0.41	0.54	0.70	
90 Days	<u>2.34</u>	<u>2.03</u>	<u>2.20</u>	<u>0.59</u>	<u>0.72</u>	<u>1</u>	
Total Delinquencies	4.54	4.52	4.18	2.54	3.09	3.98	
In Foreclosure	0.25	0.27	0.23	0.26	0.22	0.43	

Mortgage Servicing Program Dashboard

September 9, 2024 (Data as of August 31, 2024)

2024 Monthly Servicing Report

MONTH	<u>Last Year</u>		<u>Last Month</u>		<u>This Month</u>	
	8/31/2023		7/31/2024		8/31/2024	
PORTFOLIO TOTAL LOANS	5687		6236		6274	
MBOH	5168		5599		5599	
BOI	302		292		293	
MULTIFAMILY	16		19		19	
HAF - HOMEOWNERS ASSISTANCE FUND	201		366		363	
PRINCIPAL (ALL LOANS)	\$	576,801,641	\$	688,698,795	\$	701,696,423
ESCROW (ALL LOANS)	\$	5,731,995	\$	4,707,194	\$	5,365,053
LOSS DRAFT (ALL LOANS)	\$	804,199	\$	738,973	\$	750,964
LOANS DELINQUENT (60+ DAYS)	230		264		304	
ACTUAL FORECLOSURE SALES IN MONTH	1		0		0	
FORECLOSURES TOTAL CALENDAR YEAR	10		4		4	
DELINQUENT CONTACTS TO MAKE	709		692		781	
LATE FEES - NUMBER OF LOANS	810		1003		967	
LATE FEES - TOTAL AMOUNT OF REVENUE	\$	22,999	\$	30,572	\$	29,362
PAYOFFS	27		33		42	
NEW LOANS	107		84		81	

HUD's National Servicing Center TRSII SFDMS Reporting
Federal FY 2023 Final Score 93.97% - Grad A
***FHA Revision of Tier Score Pending**

LOSS MITIGATION	<u>Last Year</u>		<u>Last Month</u>		<u>This Month</u>	
	8/31/2023		7/31/2024		8/31/2024	
ACTIVE FINANCIAL PACKETS	0		0		0	
REPAYMENT/SPECIAL FORBEARANCES	0		0		0	
COVID 19 FORMAL FORBEARANCES	76		0		0	
PARTIAL CLAIMS & MODS PENDING	24		15		13	
CHAPTER 13 BANKRUPTCIES	10		7		7	
PRESERVATION PROPERTIES	7		10		9	
REAL ESTATE OWNED PROPERTIES	1		4		3	
SHORT SALE	0		0		0	
DEED IN LIEU	0		0		0	

Board Agenda Item

Board Meeting: September 9, 2024

Multifamily Program

COAL TRUST LOAN APPROVAL

Old Hellgate Village in Missoula, MT.

Background:

Old Hellgate Village is located in Missoula at 6125 Mullan Road. The community is currently licensed for 34 manufactured home units. The 6.99 acre property is currently under contract with a closing date of January 11, 2025. The seller of the community, Maura Quinn Stobie, is interested in supporting the resident ownership model.

Proposal:

Borrower:	NeighborWorks Montana
Program:	Coal Trust Multifamily Homes Loan program
Type:	Permanent Amortizing
Amount:	\$2,807,031
Term:	30 years
Amortization Period:	40 years
Rate:	4.0725% based on August 2024 application
Security:	1 ST lien position non-recourse

Montana Department of Commerce | 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



Property Taxes: Yes, will be subject to property taxes

Loan Fees: 1% of Loan amount paid at closing

Escrows: Will be held with MBOH

Underwriting Assumptions: Outlined in Housing Credit QAP

Closing & Stabilization Conditions: On or after 3 months of stable occupancy

Staff Recommendation (if any):

Staff supports the proposal noted above.

Motion Option(s):

1. Move to approve \$2,807,031 Coal Trust Multifamily Homes Loan in first lien position with a 40-year amortization, 30-year term and at a 4.0725% interest rate that will close on or after 3 months of stabilized occupancy, with the staff's discretion to change loan terms or funding pool if needed.
2. No motion, proposal fails.



August 2, 2024

Montana Housing
301 S Park Avenue
Helena, MT 59620

RE: Old Hellgate Village Application FBO TBD Entity Name

NeighborWorks Montana (NWMT) is requesting on behalf of the residents of Old Hellgate Village a loan from the Multifamily Coal Trust Homes Program to support the conversion of this park to resident ownership.

Old Hellgate Village is a manufactured home community located in Missoula, Montana. NWMT is working with the residents of the community to purchase the land their homes are located on from the seller. As part of this, NWMT will work as the Certified Technical Assistance Provider (CTAP) for the residents living in the community and help them to organize and create a board of directors for their cooperative as well as find financing, assist with vendors, and create a capital improvement plan for their community.

Old Hellgate Village is located in Missoula at 6125 Mullan Road. The community is currently licensed for 34 manufactured home units. The approximately 6.99 acre property is currently under contract with a purchase price of \$2.515 million and a closing date of January 11, 2025. The sellers of the community, Maura Quinn Stobie, is interested in supporting the resident ownership model.

Currently, the residents have scheduled their first organizing meetings and have expressed interest in pursuing resident ownership for their community with NWMT's support. Some of the residents are interested in this opportunity as it provides future security for their homes and families. The members of the community will be able to make their own decisions with each household having a vote on governance, financial needs, future infrastructure improvements, and lot rental rates; all things that the residents currently have unavailable to them. NeighborWorks Montana worked with these residents a year and a half ago and was unable to completely close the resident purchase due to an issue with financing.

NWMT views this model of conversion between investor ownership to resident ownership as a key method to preserve affordability and create ownership in these communities. In the investor ownership structure, residents own their homes but not the land under them. This can make their housing unstable as they never know when their lot rent will increase or what will happen if the community changes ownership. It is also highly concerning that the manufactured home owners are normally not given long term leases and are not protected from having the land under their home sold out from under them to a developer who inflates rents without warning or pursues eviction to convert the property into a different type of development. Many homes are unable to be

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that gives every Montanan the opportunity to live in a home where they can thrive.



relocated due to condition, if they can be relocated it is a very cumbersome, lengthy and expensive process. Because of this it creates a large disparity for those living in these communities knowing that they likely cannot afford to undertake the process and may not find a new location for their home. One developer/owner of these communities equated the situation residents face to “a diner where all the customers are chained to the booths” – essentially powerless to change their situation. The ROC model is focused on providing a better balance of power for those living in these manufactured home parks by putting the decisions in their collective hands while providing market rate prices to purchase the land from the existing owners.

NWMT has helped residents in 21 manufactured home communities across the state of Montana convert to resident homeownership and works to find them financing, helps with budgets and projections, and overall governance. NWMT is an affiliate of ROC USA, the national arm that supports this work, and has a large amount of resources to help the members of these communities with organizing as well as ongoing governance. As part of NWMT’s efforts to support this work, the residents traditionally decide to keep NWMT on as a technical assistance provider to assist in their operations once the conversion to resident ownership is completed.

Financing is traditionally received from ROC Capital, a CDFI connected with ROC USA, but NWMT has also completed conversions with local banks in Montana that want to support this work including Opportunity Bank and Glacier Bank. Traditionally, financing has an extended amortization period and a 10-year balloon at a smaller LTV. NWMT supports the remainder of the acquisition and conversion costs with a secondary loan with a similar repayment timeline. During the first 10 years, the community residents operate the community and over time show financial growth and capacity. At the time of the balloon repayments, many ROCs can leverage their operating history, equity and knowledge of their community to apply for traditional credit lines and commercial loans from local and national banks.

Attached to this application you will find the items requested for your review of this project. For items listed in the threshold document by Montana Housing staff that are currently unavailable or require some explanation, please review the narratives document.

Thank you again for your consideration of the to-be-named Belgrade ROC project. Please let us know if you have any questions while reviewing this application and the supporting documents.

DocuSigned by:

264FFBB15657454...

Danielle Maiden
Cooperative Housing Director

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TBD Entity (Old Hellgate Village) Project Narratives

5. Zoning – Narrative

We have reached out to Lauren Ryan, Missoula County Planner III, requesting information regarding zoning status:

The existing Old Hellgate Village Mobile Home Park on the property is in compliance with Missoula County land use and zoning regulations. Mobile Home Parks are a permitted use in the RM zoning district. Mobile home parks are permitted provided they meet sanitation, subdivision, and licensing requirements.

6. Utilities – Narrative

We have reached out to NorthWestern Energy, Republic Services, and The City of Missoula requesting information regarding the utilities offered at the property. Northwestern Energy and Republic have confirmed they provide services to the community. We have been in conversation with the City of Missoula regarding the eventual connection to City services. Currently there are wells for water and a septic system on the property.

7. Preliminary Financing Letter – Capital Stack Narrative

The financing expectation for this Resident Owned Community (ROC) is for the Montana Multifamily Coal Trust Homes Program to be in the first mortgage position. These funds are expected to cover up to 95% of the loan to value of the property acquisition. NeighborWorks Montana will provide the secondary financing for this project acquisition and will include the funding of reserves and other costs. NWMT will be providing subordinate financing for this purchase as well. Finally, the membership cooperative will be providing a small amount of funds from membership fees collected to round out the capital stack.

16. CMA/Appraisal – Narrative

An appraisal was completed by Colliers International and had an as-is market value of \$2.45 million as of August 29, 2022 when NWMT was previously working on this transaction. This appraisal has been attached and Colliers has provided an update to that appraisal as part of this transaction showing the property now estimated to be worth \$2.55 million.

17. Site Plan

A google maps screenshot is attached and shows the site from above via satellite. A full site plan will be included with either the property Conditions Report (PCR) or Appraisal report once completed.

20. Legal Ownership Entity and Development Team – Narrative

Legal ownership and organization documentation is not yet completed and is listed as “To Be Determined” until the documentation can be completed and filed at the state and federal

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level. The current expectation for this project is for the community members to organize as a mutual benefit corporation as has been completed in other projects in the past. When legal documents are filed, we will send all applicable documents to the applicable staff members at the state.

21. Broadband

Tenants currently have access to multiple internet providers onsite including Spectrum and other internet service. Currently no infrastructure upgrades are being planned.

26. Non-Profit Set-aside

There is no set-aside for this loan program, NWMT considers this section Not Applicable

27. Developer Fee Agreement

NeighborWorks Montana completes Resident Owned Community (ROC) conversions as the Certified Technical Assistance Providers (CTAP) to the cooperative, helping them organize and working through financial strategies. NWMT normally receives a fee upon closing for this work as well as an annual fee to continue to provide governance oversight, assistance in financial oversight and budgeting, and rule enforcement, the annual fee is agreed upon prior to resident purchase in the CTAP Agreement.

32. CNA

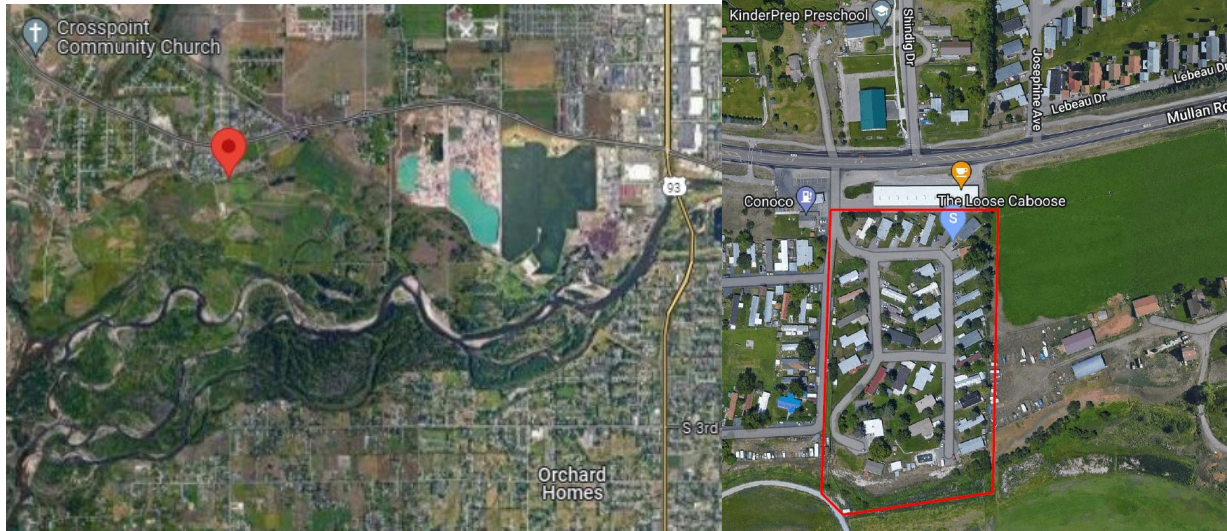
A Property Conditions Report (PCR) was completed by WGM Group when NWMT was working on this transaction initially. The PCR completed by the WGM Group has items similar to a CNA and will include an overview of infrastructure items or major repair/improvement needs and expected costs. An update to the PCR has been completed by WGM group as part of this transaction and will be finalized in the coming weeks. A capital improvement plan will consider the items included in the PCR and the residents in conjunction with NWMT as consultants will be created with a 15-year improvement plan to ensure all priority and other repairs can be completed through the life of the loan.

35. Operating Reserve

Traditionally, reserves set up during the conversion to resident ownership include 1 month of debt service payments and 1.5 months of capital to cover operating expenses and replacement reserve payments. NeighborWorks has included these as well as priority repairs and a replacement reserve set aside at closing.

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Old Hellgate Pictures



EXAMPLE HOMES



EXAMPLE HOMES



STREET SCENE



STREET SCENE

Board Agenda Item

Board Meeting: September 9, 2024

Multifamily Program

COAL TRUST LOAN APPROVAL

Casa Loma in Missoula, MT

Background:

Casa Loma will include 36 units of one, two and three bedroom apartments constructed over 10,000 square feet of commercial office space. Unit income targeting will range between 80% and 90% of Area Median Income (AMI). Commercial office space will be developed under a commercial condo structure and financed separately from the Coal Trust funds.

Proposal

Borrower:	Casa Loma LLP
Program:	Coal Trust Multifamily Homes Loan program
Type:	Permanent Amortizing
Amount:	\$9,300,000
Term:	30 years
Amortization Period:	40 years
Rate:	4.0725% based on August 2024 application

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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



Security:	1 ST lien position non-recourse
Property Taxes:	Yes, will be subject to property taxes
Loan Fees:	1% of Loan amount paid at closing
Escrows:	Will be held with MBOH

Underwriting Assumptions: Outlined in Housing Credit QAP

Closing & Stabilization Conditions: On or after 3 months of stable occupancy

Staff Recommendation (if any):

Staff supports the proposal noted above.

Motion Option(s):

1. Move to approve \$9,300,000 Coal Trust Multifamily Homes Loan in first lien position with a 40-year amortization, 30-year term and at a 4.0725% interest rate that will close on or after 3 months of stabilized occupancy, with the staff's discretion to change loan terms or funding pool if needed.
2. No motion, proposal fails.

BlueLine Development, Inc. (BLD) and Casa Loma, LLC are proposing the development of 38 units of affordable housing (80%-90% of AMI), and 10,000 square feet of commercial office space, located at the 900 block of South Avenue West, Missoula MT 59801. This land is currently owned by Casa Loma, LLC, a joint venture between the principals of BlueLine Development and two local real estate investors. The ownership deed can be found on Tab 4 of the application.

The estimated 2.24 acre parcel of land (Tab 17 Site Plan) will be developed into 38 units of multi-family housing, with 9,368 square feet of commercial office space on the ground floor. A condominium structure separating the ownership of the commercial space from the residential space will be put in place to ensure the use of Coal Trust funds are used only for affordable residential development.

The intent of this project is to provide additional affordable housing for the City of Missoula between 80% and 100% of AMI. The City of Missoula has provided support for this concept through it's approval of the vacation of South Sussex Bypass and approval of over \$2.2 million in TIF financing in order to redevelop the intersection at South Avenue West and Stephens Avenue into the roundabout reflected in the site plan included with this application. Additionally, the City has expressed support for an additional \$3.96 million in gap financing in recognition of the need for these middle income units.

Casa Loma will be developed by Casa Loma, LLC, a Joint Venture Special Purpose Entity formed between the principals of BLD and local investors Dan Ermatinger and Mike Basile. The property will be managed by BlueLine Property Management Company (BLPMC). BLD is an experienced Missoula-based affordable housing developer that has utilized a variety of financing tools including LIHTC, HOME, NHTF, TCAP, and many others. Over the years, BLD has developed over 2,900 affordable housing units in Montana, Wyoming, Colorado, North Dakota, South Dakota, Utah, New Mexico and Minnesota. BLPMC currently manages over 850 units, with an additional 662 units under construction.

Dan Ermatinger was part of the development team, and has an ownership position in Villagio Apartments, the largest affordable multi-family project in Montana, for which BLD was also a consultant on. Dan has a long history of philanthropy and development in the Missoula community, with examples of their work including Habitat for Humanity, the YWCA, YMCA, Westside Park / Lowell Elementary School, Missoula County Public Schools, Missoula Goodfellows, and a variety of youth and outdoor recreational organizations.

Mike Basile is co-Owner of Berkshire Hathaway Home Services Montana with Dan Ermatinger. Mike has been in the real estate business since 1980 and is a Certified Brokerage Manager, Certified Residential Specialist and Graduate REALTOR Institute. Mike currently serves as the Federal Policy Coordinator for Senator Steve Daines and was recently inducted into the Gallatin Association of Realtors Hall of Fame.

The proposed development will provide much needed housing and office space for the Missoula community without the use of competitive LIHTCs. The development team is requesting \$9,300,000 in Montana Coal Trust Funds to finance the proposed development. Furthermore, the development is proposing a TIF investment of \$2,212,046 from the City of Missoula, which will be repaid through property tax revenue generated by the development. Additional debt will include a \$1,862,700 mortgage specifically for the commercial space. Based on current rates, the development team is underwriting the loan at a 7% interest rate with a 30-year amortization. The proposed debt sizing allows the development to achieve a 1.15 debt service coverage ratio. The proposed underwriting also includes a \$1,375,425 deferred developer fee, or 90% of the total developer fee.

Introduction:

BlueLine Development is proposing the new construction of Casa Loma, a 38-Unit affordable housing complex, located at 900 South Avenue West, Missoula MT 59801. The City of Missoula, through the Missoula Redevelopment Agency, has committed over \$2.2 million dollars in Tax Increment Financing to fund the redevelopment of the adjacent intersection at South Avenue West and Stephens Avenue and the City has approved the vacation of the existing Sussex Bypass, unlocking the full potential of the site for affordable development at 80% and 90% of AMI.

While the City's TIF commitment only requires the project to commit 20% of overall rental units to individuals at or below 80% of AMI, the Missoula Redevelopment Agency has expressed support for additional gap financing in exchange for all units being targeted to individuals at or below 90% of AMI.

Factors Considered by the Board:

Items from the list that Casa Loma fulfills:

- Geographical Distribution
 - Casa Loma will utilize Coal Trust funds targeted to individuals at 80% and 90% of AMI in Missoula, MT, a historically underutilized source of financing and underserved income section.
- Need for Affordable Housing in the Community
 - No current developments in the City of Missoula specifically target individuals between 80% and 100% of AMI.
- Sustainable Energy Savings Initiatives
 - The project will be subject the City of Missoula's Design Excellence Standards, which requires projects to incorporate a number of energy saving initiatives including, but not limited to, integration of low impact development features, use of landscaping to reduce need for heating and cooling and use of materials that reduce energy consumption
- Augmentation and/or Sources of Funds
 - Casa Loma is requesting \$9,300,000 in Coal Trust Funds against nearly \$20,000,000 in total development costs. The project has received a commitment of TIF financing in the amount of \$2,212,046 and expects to receive additional community funding in the amount of \$3,960,000. The project will receive an additional permanent loan on the commercial space in the amount of \$1,862,700 and the developers have committed \$1,375,425 in deferred developer fees and will leave \$1,300,000 in land value in the project.

Lower Income Tenants:

Income and Rent Level Targeting: Casa Loma will offer 38 units for tenants making 80%-90% of Area Median Income (AMI). While the City of Missoula has experienced

significant development addressing the needs of individuals at or below 70% of AMI in the last three years, no developments have addressed the need between 80% and 100% of AMI. Given the extreme growth Missoula has experienced since 2020 and the subsequent rise in market rate rents, individuals between 80% and 100% are more often facing rent burden by paying more than 30% of their gross monthly income for housing costs.

Project Characteristics:

Amenities: The Bridge Apartments is in a prime location in Midtown Missoula and has a walk score of 78 – Very Walkable. The project is within one mile of 15 restaurants, five grocery stores, 11 coffee shops, six schools and 14 bus stops.

Local Involvement:

Communication / Relationships: The City of Missoula has been extremely supportive of this development, as evidenced by their approval of the vacation of Sussex, which currently cuts through the site, and allocation of over \$2.2 million in TIF funds for the redevelopment of the South Avenue West and Stephens intersection.

Community Input: On July 18, 2022 the City of Missoula held a public hearing and heard all matters related to the vacation of the Sussex cut through and no negative comments were received. The City approved the vacation of the Sussex right of way on July 25, 2022.

Green Building & Energy Conservation Standards:

Casa Loma will follow the City of Missoula's Design Excellence Standards for sustainable site and building design. These standards require the following sustainable design initiatives:

- Integrate low impact development (LID) features to minimize impacts to the municipal stormwater system and area watersheds.
- Use landscaping to reduce the need for heating and cooling.
- Choose a material that reduces energy consumption.
- Where possible, incorporate LID features in a parking lot.
- Consider including a building design feature that conserves energy.
- When redeveloping a site, salvage or reuse site and building materials where possible.
- If a parking area is essential, provide one that supports fuel-efficient and electronic vehicles.

County	Missoula
Project Name	Casa Loma
Developer / General Ptnr	BlueLine Development, Inc.
Project Type	Family
Construction Type	New Const
Projected Construction Start	Apr-25
Projected Completion	Jun-26

<u>Unit Numbers</u>	<u>Target</u>	
1-bdrm	80%	7
1-bdrm	90%	7
2-bdrm	80%	6
2-bdrm	90%	6
3-bdrm	80%	6
3-bdrm	90%	6
other	mgr(60%)	-
Total Units		<u>38</u>
Average Income Targeting		85.00%

<u>Square Footage</u>	
Income Restricted Units	32,500
Common Space	450
Market/Commercial	9,368
Total	<u>42,318</u>

<u>Unit Rents</u>		
1-bdrm	80%	1,286
1-bdrm	90%	1,455
2-bdrm	80%	1,537
2-bdrm	90%	1,740
3-bdrm	80%	1,771
3-bdrm	90%	2,005
other	mgr(60%)	-
Total Monthly Rents		<u>61,505</u>
vacancy factor		7.00%
Adjusted Rent		<u>57,200</u>
other/commercial income		<u>20,792</u>
total rent		77,991
x 12 months		<u>12</u>
Total Annual Income		935,896

<u>Expenses</u>	
Administration	21,152
Management	46,794
Maintenance	44,050
Operating	51,350
Taxes	46,367
Replacement Reserve	13,300
Total Expenses	<u>223,013</u>

Net Income Before Debt Service	712,883
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County	Missoula
Project Name	Casa Loma
Developer / General Ptnr	BlueLine Development, Inc.

Financing Sources

Hard Loan	Coal Trust	9,300,000
Hard Loan	Glacier for Comm	1,862,700
Soft Loan	TIF	2,212,046
Soft Loan	Msl Redev	3,960,000
Deferred Dev Fee		1,375,425
Total Sources:		18,710,171
% of Project Financed by HC:		

Ratios

Rent (Income)	935,896
Operating Expenses	209,713
Replacement	13,300
Net Income	712,883
Total Debt Service	620,175
Debt Coverage Ratio (DCR)	1.15
Total Expense Ratio	1.11

Project Costs

Land	695,000
Site Work	2,602,000
Construction / Rehab	11,238,164
Soft Costs	2,501,007
Developer Fees	1,529,000
Reserves	145,000
Total Project Costs	18,710,171
Commercial Costs	2,557,250
Residential Costs	16,152,921

Costs versus Sources

Total Project Costs	18,710,171
Total Financing Sources	18,710,171
Difference	-

Project Cost Limitations

	<u>Limits</u>	
General Requirements	6.00%	4.68%
Contractor Overhead	2.00%	1.56%
Contractor Profit	6.00%	4.68%
Developer Fees	15.00%	9.36%
Soft Cost	40.00%	29.12%

Per Unit Comparison

	<u>Limits</u>	
Cost per unit residential only	\$350,000	425,077
Operating Cost per unit	\$3,000 min	5,519
Replacement Reserves	\$300 min	350

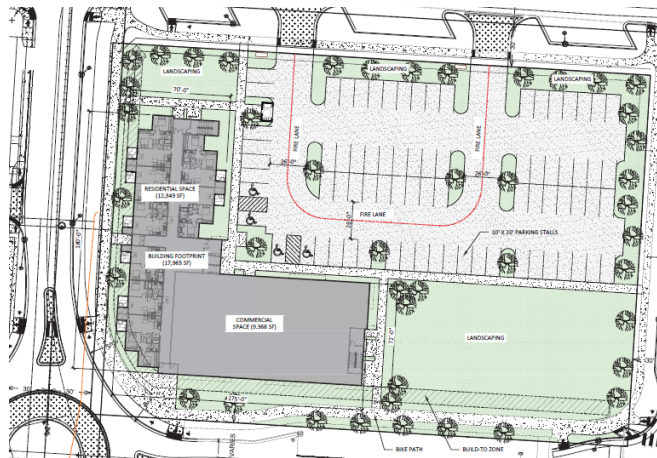
Per Square Foot Comparison

Construction / Rehab per sq ft	265.56
Total Project Cost per sq ft	442.13

Utilities Paid by (Tenant / Owner)

Tenant

900-910 South Ave W Missoula MT





August 2, 2024

Mr. Jason Hanson
Montana Department of Commerce
301 S. Park Avenue
Helena, MT 59601

RE: Casa Loma, Missoula Housing Project

Dear Mr. Hanson:

Please accept this letter of support for the application for Multi-Family Coal Trust Funds for the Casa Loma development in Midtown Missoula. The housing shortage and housing prices are growing challenges in Missoula and developments like Casa Loma are critical if we are going to be able to provide housing for our workforce. The Missoula Redevelopment Agency has been working with this project for some time and has determined that this development meets the City's and the Agency's priorities and outcomes for housing projects in our community.

The Missoula Redevelopment Agency accepts applications on an on-going basis for affordable housing projects and awards funding based on community benefit, financial viability, and the need for "gap funding" support. The City expects an application for this project and will review the application through our normal review process. We believe that, in addition to financial support from MRA, funding from the Multi-Family Coal Trust Fund is a critical component for the success of this important development and encourage you to provide the support necessary for success.

Please feel free to contact me at 406-552-6156, if you have any questions regarding our support of this project.

Respectfully,

A handwritten signature in blue ink, appearing to read 'Ellen Buchanan', is written over a horizontal line.

Ellen Buchanan
Director
Missoula Redevelopment Agency

Board Agenda Item

Board Meeting: September 9, 2024

Multifamily Program

INCREASE TO APPROVED COAL TRUST LOAN

Background:

Mitchell Court is requesting an increase to their previously approved Coal Trust Multifamily Home Loan. Due to cost increases, as outlined in the letter below, the previous loan amount was underleveraged. In order to make up for the cost increases, GL Development LLC is requesting an increase of Coal Trust funds to \$2,150,000. This reflects an increase of \$450,000. The amortization period will also change from 30 years to 40 years.

Proposal:

Borrower:	GL Development, LLC
Program:	Coal Trust Multifamily Homes Loan program
Type:	Permanent Amortizing
Amount:	\$2,150,000
Term:	20 years
Amortization Period:	40 years
Rate:	3.8325% based on August 2023 application submission
Security:	1 ST lien position non-recourse
Property Taxes:	Yes, will be subject to property taxes



Loan Fees: 1% of Loan amount paid at closing

Escrows: Will be held with MBOH

Underwriting Assumptions: As outlined in Housing Credit QAP

Closing & Stabilization Conditions: On or after 3 months of stable occupancy

Staff recommendation (if any):

Staff supports proposal noted above. This is a \$450,000 increase to the allocation that was previously approved by the Board on October 23, 2023.

Motion Option(s)

1. Move to approve a \$450,000 increase to the previously approved \$1,700,000 Coal Trust Multifamily Home Loan at Mitchell Court, for a new loan amount of \$2,150,000. The CTMH loan will be in first lien position with a 40-year amortization, 20-year term and at a 3.8325% interest rate that will close on or after 3 months of stabilized occupancy, with the staff's discretion to change loan terms or funding pool if needed.
2. No motion, proposal fails.



August 20 2024

Bruce Posey, Chair
Montana Board of Housing
301 S. Park Ave
Helena MT, 59601

Re: Coal Trust Multifamily Homes Program Loan Increase Request – Mitchell Court

Dear Board Chair Posey,

With an allocation of 2024 9% Housing Credits and committed loans from Montana Board of Housing Multifamily Coal Trust Homes Loan program, the Montana HOME program, City of Billings HOME program, Montana Healthcare Foundation, and Billings Tax Increment Financing, Mitchell Court is poised to deliver 32 new rental homes in Billings' South Side neighborhood. Targeting 50% and 60% of AMI households, Mitchell Court will offer 14 one-bedroom, 14 two-bedroom, and 4 three-bedroom homes.

During the last twelve months, the Mitchell Court development team has worked hard to comply with the myriad funding and regulatory requirements, and have secured necessary approvals to solicit hard bids from qualified subcontractors, which are due August 29, 2024. Based on conversations with our general contractor and informal subcontractor reactions to the plans and specifications released on the Montana Plans Exchanges, there is real concern bids will come in higher than anticipated.

Therefore, Mitchell Court respectfully requests a \$450,000 increase to the allocation of Coal Trust Multifamily Homes permanent debt available to the Mitchell Court project, and extend the loan amortization to 40 years. As demonstrated in the attached Uniform Application, Mitchell Court has sufficient cash flow to service this additional debt. The exact amount of additional loan proceeds Mitchell Court will use is entirely predicated on the results based on the lowest, responsible bids received from subcontractors and actual project cost increases.

This increase in Mitchell Court's CTMH permanent loan will not supplant any other funding sources as other loan products are not feasible given the lien priority required by the Montana Coal Trust Multifamily Homes loan program.

Thank you for your consideration of this request. Please don't hesitate to reach out to me with questions at gleuwer1139@msn.com or 406.459.5332.

Sincerely,



Gene Leuwer
Mitchell Court LLLP

Multi Family Program Dashboard

September 9, 2024

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

Available After Commitments

CTMH	\$445,208	From \$65M Authorized (including loan P&I payments)
MFLP	\$281,467	
HMF - AHRLF	\$245,304	

Projects Underway

Amount	Program/Project	City/Units	Year Awarded	Recipient	Est. Completion
460,000.00	CT/RLACF	Red Lodge/4	2024	Red Lodge Community Foundation	Aug-26
2,500,000	CT/Alpenglow II	Whitefish/18	2024	Housing Whitefish	Fall-26
30,460,886	9%/CT/4%Twin Creek	Helena/72	2024	United Housing Partners	Sep-26
8,050,000	9%/CT/Riverstone Senior	Hamilton/23	2024	Housing Solutions Community Preservation Partners	April-26
6,500,000	9%/CT/Elmore Roberts	Great Falls/60	2024	Partners	Dec-26
13,197,880	9%/4%/7th & Aspen	Bozeman/46	2024	Boundry Dev & HRDC	May-26
8,200,000	9%/CTMitchell Court	Billings/32	2024	GL Development	Aug-25
10,963,840	4%/The Manor	Hamilton/60	2024	Sapphire Lutheran Homes	Feb-26
18,341,480	4%/Parkview Village	Great Falls/84	2023	Vitus Development, LLC	Aug-24
11,993,710	4%Baxter	Bozeman/50	2023	Devco Preservation	Aug-24
82,575,000	4%North 3rd Apartments	Bozeman/216	2023	Devco Preservation	Sep-25
58,551,220	4%/HMF/Lumberyard	Bozeman/155	2023	Rueter Walton Development	Jun-25
7,414,040	4%/Big Fork Senior	Big Fork/24	2023	Bigfork Senior Housing	Jun-25
14,342,680	4%/Union Place	Missoula/63	2023	Union Place Apts LLC Community Preservation Partners	Jan-24
23,985,160	4%/Sunshine Village	Great Falls/92	2023	Partners	Dec-24
6,435,000	9%/ANHA LIHTC #2	Agency/23	2023	Apsaalook Nation HA	Dec-25
6,500,000	9%/MF/Cabinet Affordable	Libby/24	2023	Cabinet Affordable Housing	Aug-25
8,200,000	9%/CT/Carter Commons	Great Falls/25	2023	Carter Commons, LLLP	Jul-25
41,961,750	9%/4%/Creek Side Apartments	Missoula/161	2023	Homeword Northwest Real Estate Capital Group	Apr-26, Oct-25
7,700,000	9%/MF/Meadowlark Senior	Butte/26	2023	Group	Oct-24
7,991,250	9%/MF/Riverview Apts	Big Sky/25	2022	Blueline	Jul-24
6,100,000	9%/Baatz Block Apts	Great Falls/25	2022	Homeword	Feb-25
6,200,000	9%/Tapestry Apts	Billings/26	2022	CLDI	Feb-24
5,812,010	9%/ARPA/Laurel Depot	Laurel/19	2021	GL/North Fork Dev.	Aug-24
8,435,000	9%/ARPA/MRM Unified Campus	Billings/29	2021	MT Rescue Mission	Nov-24
8,435,000	9%/ARPA/Jackson Court	Billings/38	2021	GL Development	Aug-24
8,015,483	9%/ARPA/AHNA LIHTC 1	Crow	2021	Apsaalooke Nation HA	Aug-24
6,649,597	4%/ARPA/Highland Manor	Havre/32	2021	Echo Enterprise	Dec-24

	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
	Livingstone - 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	\$5,356,765	Closed January 2024
	Helena - Twin Creek 4%	\$6,890,000	Approved January 2024
	Elmore Roberts	\$4,989,000	Approved March 2024
	Whitefish - Alpenglow 2	\$2,500,000	Approved April 2024
	Red Lodge - RLACF Rentals	\$460,000	Closing September 2024
	Skyview	\$2,400,000	Application August 2024
	Polson Gardens	\$1,750,000	Application August 2024
	The Homestead	\$420,000	Application July 2024
	Old Hellgate Village (ROC)	\$2,807,031	Application August 2024
Casa Loma	\$9,300,000	Application August 2024	
	Total	\$65,500,666	

Events and Deadlines

QAP Discussion at Board meeting 10/21/2024

Board Agenda Item

Board Meeting: September 9, 2024 at 8:30 am

Operations / Executive Director

BOARD MEETINGS

- The next Board meeting will be held Tuesday, October 22, 2024 at 8:30 a.m. at Fairmont Hot Springs Resort, 1500 Fairmont Rd, Fairmont, MT 59711. A Zoom option will be available for those unable to join in-person.

BOARD MEMBER OPPORTUNITIES

- September 10, 2024: Draft Fair Housing Equity Plan Public Hearing at 10:00 a.m. Register in advance for the Zoom webinar [here](#). After registering for Zoom, you will receive a confirmation email containing information about joining the webinar. Access the draft document [here](#). View the hearing presentation [here](#). Comments regarding the draft document must be received by Commerce no later than 5:00 p.m. on Friday, September 20, 2024.
- September 12, 2024: Housing Coordinating Team meeting at 10:00 a.m.
- September 23, 2024: Twin Creek Apartments Groundbreaking at 11:00 a.m. at 300 Dorothy St, Helena, MT 59601. Please RSVP to Roeg Escleva roeg@uhousingpartners.com by September 11.

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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



- September 28 – October 1, 2024: [2024 Annual Conference & Showplace — NCSHA](#), Phoenix, AZ. Shelia Rice, Jeanette McKee and Bruce Posey have confirmed their attendance.
- October 21, 2024: Board Training and Strategic Planning session will be held Monday, October 21, 2024 at 8:30 a.m. at Fairmont Hot Springs Resort, Anaconda, MT. A Zoom option will be available for those unable to join in-person.

CONTRACTS / PROCUREMENT

- The Request For Proposal (RFP) to select a qualified vendor to support a statewide Fair Market Rent Reevaluation Survey is underway. The solicitation will close on September 13, and the evaluation committee will begin reviewing responses.
- HDS Software hosting contract for the Rental Assistance Bureau is complete; we are no longer on SITSD server.
- CoreLogic Tax Services LLC is due for renewal on October 15 and has been prepared for execution. This vendor provides and maintains tax payment status non-escrow tax, escrow tax reporting, and payment services and online systems access in our loan portfolio with mortgage servicing.

PERSONNEL

- We say goodbye to Laura Morrison, who served as our Program Specialist with the Rental Assistance Bureau. Laura's last day was August 30, 2024. Laura has worked at Commerce for nearly 18 years and will be greatly missed. We wish her all the best with her future endeavors.

- The Rental Assistance Bureau is recruiting for two positions, the Program Specialist position vacated by Laura Morrison, as well as a position supporting the 811 PRA and Mainstream programs.

EMERGENCY RENTAL ASSISTANCE

- With remaining Emergency Rental Assistance funds, the Montana Department of Commerce is continuing to contract with Montana Legal Services Association to provide eviction prevention services. However, MLSA is no longer able to assist renters who have only received a past due rent notice, unless the renter is a client of MLSA and in need of legal advice to respond to a complaint, summons or court-ordered eviction.

HOMEOWNER ASSISTANCE FUND

- As of August 29, 2024, 1,977 applications have been submitted to the statewide program. HAF staff have approved and paid over \$7 million in total through all statewide program applications.
- HAF Home Repair program is receiving steady monthly applications.
 - As of August 29, 2024, 376 home repair applications have been submitted.
 - Four (4) applications are approved and complete.
 - Twenty (20) applications are currently under construction.
- We received approval for a Quality Control FTE to serve as a floater between the HAF programs. This position is under recruitment.

PRO-HOUSING NOFO ROUND 2

- HUD recently announced a Notice of Funding Opportunity for the second round of PRO Housing funding. There are a few differences. Significant changes from Round 1 (FY23) to Round 2 (FY24) include an updated need rating factor to reflect the FY24 Appropriations Act directive to prioritize applicants who demonstrate progress and commitment to overcoming local barriers, primarily by enacting improved laws and regulations.
- The overall funding for Round 2 (FY24) increased to \$100 million from \$85 million, and the maximum award amount was changed to \$7 million. The number of expected awards increased for Round 2 (FY24) to 30 awards. HUD received 160 applications that met the threshold for review, with a total ask of \$1.15 billion dollars, and was thus oversubscribed by more than \$1 billion.
- Montana Department of Commerce intends to reapply and is determining what changes to make to our original application based on feedback we received from HUD.

COMMUNITY HOUSING

- Deadline for HOME, Housing Trust Fund and Community Development Block Grant applications is September 17, 2024. We expect to receive applications for more funds than we have available to award. Because our 2024 Annual Action Plan has not yet been approved by HUD, the Build America Buy America Act provisions for all building materials will apply to any projects awarded HTF or HOME funds this fall.

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For CDBG-Housing grants made this round, the Buy America Preference will apply to iron, steel and only some construction materials.

- The Draft Fair Housing Equity Plan is available for review on our [website](#). Interested individuals may register for a Zoom meeting scheduled for September 10, to hear an overview of the Plan and its goals for furthering fair housing in the coming five years.
- Projects financed with one-time sources continue to make good progress. CDBG-CV funds provided by HUD through the CARES Act are over 60% spent down. Over 70% of the state-funded Emergency Shelter Facility Grant Program is under contract and 21% of the funds have been expended. Finally, about 12% of the HOME-ARP funds provided through the American Rescue Plan Act have been disbursed.

EXECUTIVE DIRECTOR

- The deadline to apply for the HB 819 Community Reinvestment Organization application was August 30, 2024. Cheryl Cohen, Mark Blasdel and Angie Nelson will serve on the application review committee. CRO application review will occur through the end of October 2024. The deadline to establish a CRO in HB 819 is December 31, 2024. The deadline for CRO applicants to provide requested information for CRO certification is January 15, 2025.
- The Montana Board of Housing Legislative Audit Committee Performance Audit was presented at the Economic Affairs Interim Committee (EAIC) on August 29, 2024. There were no follow up questions for MBOH staff. Legislative auditors indicated that they would review MBOH's response to its recommendations in the future (12-18 months).

- Local Government Interim Committee (LGIC) is holding a housing-focused meeting on September 10, 2024 beginning at 9:00 a.m. Meeting materials, draft agenda and instructions to request remote meeting login information are available [here](#). The draft [agenda](#) currently includes the following topics:
 - Montanans Against Irresponsible Densification (MAID) v Montana litigation update
 - HB 819 Community Reinvestment Organization Update from NeighborWorks Great Falls
 - SB 382 Montana Land Use Planning Act Update & Potential Legislation
 - PRO Housing Grant NOFO
 - Review Draft Final Report: Land Use Legislation
 - Potential Bill Draft: Workforce Housing Tax Credits
 - Panel discussion to include Jason Hanson, Don Sterhan, Mark Shelburne and Tim Simplot.

- Cheryl Cohen is attending the Brookings-Lincoln State Housing Policy Workshop, September 19-20, 2024 in Cambridge, MA. Ann Schwend, Commerce's Community MT Planning Program Supervisor, is also attending. The workshop will focus on bringing states who are further down land use reform paths with states that are newer to this approach, like Montana. This workshop will be a great opportunity to network with other states and learn about best practices, strategies for coalition building, tracking data and evaluating progress. There will be a focus on technical assistance states are providing to localities to implement reforms.

- Cheryl Cohen's vacation / holiday schedule:
 - September 12-17, 2024
 - October 2-11, 2024 (October 14 is Columbus Day Holiday)
 - November 7-15, 2024
 - November 25-29, 2024
 - December 20-25, 2024

- Discuss draft 2025 MBOH Calendar (next page). The 2025 MBOH calendar will be finalized at the Board's October 21, 2024 meeting. Please inform Stacey Purvis and/or Cheryl Cohen if you have any significant conflicts with the 2025 dates proposed.

2025 Montana Board of Housing Calendar

Board meetings are generally held the second Monday of each month, excluding Mondays that conflict with other conferences or networking opportunities. In April and October, a Board training and strategic planning session is held on Monday, with the Board meeting following on Tuesday. All Board meetings begin at 8:30 am.

Board Meetings

- Monday, January 13 via Zoom
- Monday, February 10 via Zoom
- Monday, March 17 via Zoom
- Tuesday, April 15 (Location TBD)
- Monday, May 12 (Location TBD, LOI Presentations)
- Tuesday, May 13 (Location TBD, LOI Invitations to Apply)
- Monday, June 9 via Zoom
- Monday, July 14 via Zoom
- Monday, August 11 via Zoom
- Monday, September 8 via Zoom
- Tuesday, October 21 via Zoom (Location TBD, LIHTC 9% Awards & QAP)
- Monday, November 10 via Zoom
- Monday, December 8 via Zoom (subject to cancellation)

Board Training & Strategic Planning

- Monday, April 14 (Location TBD)
- Monday, October 20 (Location TBD)



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.

- Monday, March 10 – Wednesday, March 12: NCSHA Legislative Conference, WA D.C.
- Monday, May 5 – Wednesday, May 7: Mountain Plains Regional Housing Summit, Jackson Hole, WY
- Monday, May 19 – Wednesday, May 21: Montana Housing Partnership Conference, Billings, MT
- Saturday, October 4 – Tuesday, October 7: NCSHA Annual Conference, New Orleans, LA



