



# MONTANA HOUSING

## MONTANA BOARD OF HOUSING – BOARD MEETING

- Date:** Tuesday September 12, 2023
- Time:** 8:30 a.m.
- Board Chair:** Bruce Posey
- Remote Attendance:** Join our meetings remotely via Zoom and/or phone
- Conference Call:** Dial: 1 646 558 8656 | Meeting ID: 816 7134 3307 Password: 221122
- Register for Webinar:** <https://mt-gov.zoom.us/meeting/register/tZUrcOirqjgpGtP3ZINvEZ6DHkRo-QfsYcPk>
- Board Offices:** Montana Housing  
301 S Park Ave., Room 240, Helena MT 59601  
Phone: 406.841.2840

## AGENDA ITEMS

- ❖ Meeting Announcements
- ❖ Introductions
- ❖ Public Comments - Public comment is welcome on any public matter that is not on the agenda and that is within the jurisdiction of the agency.

### Minutes

- ❖ Approve Prior Board Meeting Minutes

### Finance Program (Manager: Catherine Koch)

- ❖ Financial Update

### Homeownership Program (Manager: Vicki Bauer)

- ❖ Homeownership Update

### Mortgage Servicing (Manager: Mary Palkovich)

- ❖ Servicing Update

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



MONTANA  
HOUSING

### **Multifamily Program (Manager: Jason Hanson)**

- ❖ Baxter Apartments Bond Resolution
- ❖ Meadowlark Senior loan increase of \$300,000
- ❖ Carter Commons Coal Trust Loan
- ❖ Multifamily Update

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

- ❖ Operations Update (Joe DeFilippis)
  - ARPA Housing Programs (ERA & HAF)
- ❖ Executive Director Update (Cheryl Cohen)

### **Miscellaneous**

#### **Meeting Adjourns**

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

\*We make every effort to hold our meetings at fully accessible facilities. Any person needing reasonable accommodation must notify the Housing Division at 406.841.2840 or TDD 406.841.2702 before the scheduled meeting to allow for arrangements.

# 2023 CALENDAR

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

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

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

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

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

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

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

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

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

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

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

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

## September 2023

12 – Board Meeting via Zoom (not this is a Tuesday, not a Monday)

## October 2023

14–17 – NCSHA Annual Conference - Boston

23 – Board Meeting Housing Credit Award Determinations / QAP – Delta Colonial Helena

24 – Board Training and Strategic Planning – Delta Colonial Helena

## November 2023

13 – Board Meeting via Zoom

## December 2023

11 - No Board meeting currently scheduled



# MONTANA HOUSING

Zoom  
September 12, 2023

## **ROLL CALL OF BOARD**

### **MEMBERS:**

Bruce Posey, Chair (Present)  
Amber Parish (Present)  
Tonya Plummer (Present)  
John Grant (Present)

Jeanette McKee (Present)  
Sheila Rice (Present)  
Cari Yturri (Excused)

### **STAFF:**

Cheryl Cohen, Executive Director  
Joe DeFilippis, Operations Manager  
Ginger Pfankuch, Accounting Program  
Bruce Brensda, Multifamily Program  
Kylee Hughes, Exec Assistant  
Nicole Newman, Community Housing

Vicki Bauer, Homeownership Program  
Jason Hanson, Multifamily Program  
Julie Flynn, Community Housing  
Kellie Guariglia, Multifamily Program  
Mary Palkovich, Servicing Program  
Ashley Miller, Accounting Program

### **COUNSEL:**

Greg Gould, Jackson Murdo & Grant

Drew Page, Kutak Rock

### **UNDERWRITERS:**

Mina Choo, RBC Capital

Patrick Zhang, RBC Capital

### **FINANCIAL ADVISORS:**

David Jones, CSG Advisors

### **OTHERS:**

Alex Burkhalter  
Chris Rudmann  
Julia Hope  
Tyler Currence  
Tyson O'Connell  
Austin Richardson  
Jack Jensen  
Ruth Burke  
Jim Morton  
Jennifer Wheeler

Amber Robbins  
Larry Phillips  
Misty Dalke  
Shyla Patera  
Thom Amdur  
Heather McMilin  
Steve Dymoke  
Dianne Hunt  
Tarie Beck  
Melissa Shannon



Valerie Steichen  
Jacob Elder

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Liz Stotts  
Chase Huber

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

### **CALL MEETING TO ORDER**

0:00 Chair Bruce Posey called the Montana Board of Housing (MBOH) meeting to order at 8:30 a.m.  
1:09 Introductions of Board members and attendees were made.  
4:42 Chair Posey asked for public comment on items not listed on the agenda.

### **APPROVAL OF MINUTES**

#### **August 14, 2023 MBOH Board Meeting Minutes – page 4 of packet**

5:39 Motion: Sheila Rice  
Second: Amber Parish  
The August 14, 2023 MBOH Board meeting minutes were approved unanimously.

### **FINANCE PROGRAM**

#### **Finance Update – page 8 of packet**

6:35 Presenter: Ginger Pfankuch

### **HOMEOWNERSHIP PROGRAM**

#### **Homeownership Update – page 11 of packet**

9:04 Presenters: Vicki Bauer

### **MORTGAGE SERVICING PROGRAM**

#### **Servicing Update – page 15 of packet**

14:14 Presenter: Mary Palkovich

### **MULTIFAMILY PROGRAM**

#### **Baxter Apartments Bond Resolution – page 16 of packet**

18:29 Presenters: Jason Hanson  
Motion: Jeanette McKee



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Second: Amber Parish

The motion to approve resolution 23-0912-MF09 (Baxter) was approved unanimously.

**Meadowlark Senior Apartments in Butte MT Multifamily Loan Program Approval – page 35 of packet**

20:42 Presenter: Jason Hanson

Motion: Sheila Rice

Second: Jeanette McKee

The motion to approve \$1,200,000 Multifamily Loan in first lien position with a 35-year amortization, 20-year term and at a 3.4231% 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 was approved unanimously.

**Carter Commons in Great Falls Coal Trust Multifamily Homes Loan Program Approval – page 40 of packet**

22:45 Presenters: Jason Hanson

Motion: Sheila Rice

Second: John Grant

The motion to approve \$1,700,000 Coal Trust Multifamily Homes Loan in first lien position with a 40-year amortization, 16-year term and at a 3.9725% 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. Approval is contingent upon Administrative Rules being finalized for HB819 that are consistent with this approval was approved unanimously.

**Multifamily Update – page 46 of packet**

28:30 Presenters: Jason Hanson

**OPERATIONS/ EXECUTIVE DIRECTOR**

**Operations/Executive Director Update – page 47 of packet**

31:13 Presenters: Cheryl Cohen, Joe DeFilippis

**MEETING ADJOURNMENT**

43:17 Meeting was adjourned at 9:14 a.m.

DocuSigned by:

*Amber Parish*

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Amber Parish, Secretary

10/26/2023

Date

# BOARD AGENDA ITEM

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## PROGRAM

Accounting and Finance Program

## INVESTMENT DIVERSIFICATION

Diversification is an investment strategy that entails the purchase of a mixture of investments that reduces the exposure to investment risk. 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, 53.0% of MBOH funds were being held in money market earning 5.05%.
- 31.7% of investments were being held in U.S. Treasuries with rates from 0.27% to 6.48%.
  - The lower interest rates were purchased before 2023 market increases and will be maturing at the end of this fiscal year 2024.

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

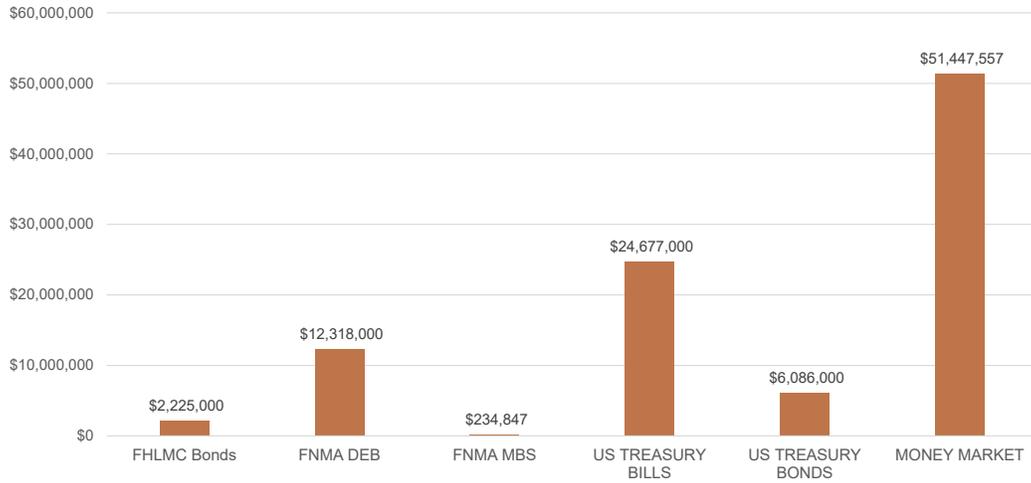
- The weighted average has improved year-to-year from 2.45% in August 2022 to 5.21% in July 2023.
- There was a month-to-month increase from 5.09% to 5.21% from June to July 2023.

## 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.

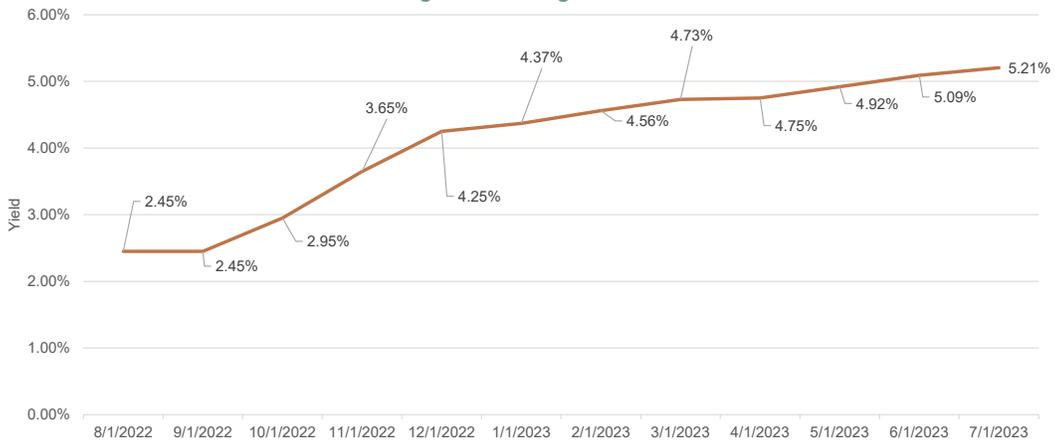
- The FNMA (Fannie Mae) MBS (Mortgage-Backed Securities) are the longest-term maturities in our portfolio and some of the highest yielding at 4.45% and 4.96%.
- Two of the Treasury Bonds were purchased several years ago at a yield of 6.48%. These will be maturing in August 2025.
- The overall total of investments at the end of July 2023 was \$97.0 million with \$51.4 million of that total in money market.

**INVESTMENT DIVERSIFICATION**



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

**Weighted Average Yield**



Finance Program Dashboard  
 Effective 7/31/2023

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AVAILABILITY

Available Now	< 1 year	1 to 5 years	6 to 10 years	> 11 years	Total
\$ 51,447,557	\$ 25,967,000	\$ 17,114,000	\$ 2,225,000	\$ 234,847	\$ 96,988,404

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Investment Maturity Schedule

Maturity Date	Trustee	Type	Par Value
8/1/38	Wilmington Trust	FNMA MBS	48,886.29
8/1/37	Wilmington Trust	FNMA MBS	32,481.24
3/1/37	Wilmington Trust	FNMA MBS	72,363.83
7/1/36	Wilmington Trust	FNMA MBS	14,807.85
5/1/36	Wilmington Trust	FNMA MBS	23,522.15
2/1/36	Wilmington Trust	FNMA MBS	42,785.55
7/15/32	Wilmington Trust	FHLMC BOND	2,225,000.00
11/26/27	Wilmington Trust	FNMA DEB	3,635,000.00
9/27/27	Wilmington Trust	FNMA DEB	4,070,000.00
4/30/26	Wilmington Trust	FNMA DEB	4,613,000.00
8/15/25	Wilmington Trust	T-NOTES & BONDS	4,796,000.00
6/15/24	Wilmington Trust	T-NOTES & BONDS	1,290,000.00
2/22/24	Wilmington Trust	T-BILLS	990,000.00
1/11/24	Wilmington Trust	T-BILLS	8,620,000.00
11/24/23	Wilmington Trust	T-BILLS	8,130,000.00
10/10/23	US Bank Corporate Tr	T-BILLS	6,482,000.00
8/10/23	Wilmington Trust	T-BILLS	455,000.00
7/31/23	US Bank Corporate Tr	US BANK MONEY M	313,490.75
7/31/23	Wilmington Trust	WT GOLDMAN SACH	51,134,066.62
<b>Total</b>			<b>96,988,404.28</b>

# HOMEOWNERSHIP PROGRAM DASHBOARD

September 5, 2023

## RATES

	<u>CURRENT</u>	<u>LAST MONTH</u>	<u>LAST YEAR</u>
MBOH*	5.750	5.50	5.125
Market	6.80	6.83	5.471
10 yr treasury	4.27	4.05	3.200
30 yr Fannie Mae	6.65	6.68	5.412

\*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>
<b>REGULAR PROGRAM</b>						
Series 2023B (since 8.3.23)	68	19,653,700	66	19,036,606	40,000,000	20,963,394
Series 2023B DPA (since 8.3.23)	24	287,124	24	282,249	1,000,000	717,751
80% Combined (20+)	1	232,000	2	480,800	Since July 2023	reg bond funds
<b>SET-ASIDE PROGRAMS</b>						
MBOH Plus	6	69,287	21	208,457	Since July 2023	1,414,311
Set-aside Pool	5	1,165,418	8	1,725,986	Since July 2023	Pre-Ullman funds
NeighborWorks	3	781,723	4	933,127		
CAP NWMT CLT	1	145,600	1	145,600		
Missoula HRDC XI						
Bozeman HRDC IX						
HomeStart	1	238,095	3	647,259		
HUD 184						
Dream Makers						
Sparrow Group						
City of Billings						
Foreclosure Prevent					50,000	50,000
Disabled Accessible					Ongoing	862,950
Lot Refi					2,000,000	726,440
FY24 Habitat	1	157,819	2	300,819	3,751,000	3,450,181
<b>OTHER PROGRAMS</b>						
Veterans (Orig)	1	322,000	436	87,334,283	Revolving	443,765
912 Mrtg Cr Cert (MCC)	2	415,166	19	4,784,252.00	62,500,000	57,715,748

## LOAN PURCHASES BY LENDER

	Jul-23		2023 YTD		2022	
	<u>1st</u>	<u>DPA</u>	<u>1st</u>	<u>DPA</u>	<u>1st</u>	<u>DPA</u>
1ST SECURITY BK MISSOULA 133	1		5	1	2	1
VALLEY BANK RONAN 159	1		2		3	
FIRST MONTANA BANK 172	1	1	1	1		
BRAVARA BANK 186	1		2		2	1
STOCKMAN BANK OF MT MILES 524	8	3	25	15	51	25
FIRST INTERSTATE BANK-WY 601	1		3	1	11	1
US BANK 617			1			
OPPORTUNITY BANK 700	9	4	47	22	86	44
FIRST FEDERAL BANK & TRUST 731					1	1
GLACIER BANK KALISPELL 735	1		4		17	
WESTERN SECURITY BANK 785	2	1	4	3	11	3
MANN MORTGAGE 835	5	2	18	10	80	43
GUILD MORTGAGE COMPANY 842	5	5	11	11	16	13
UNIVERSAL 843	1		7	3	16	11
FAIRWAY INDEPENDENT MRTG 847			14	13	24	21
CORNERSTONE HOME LENDING 850	1	1	3	3	8	6
PRIME LENDING 851			4	4	2	1
BAY EQUITY LLC 853	1		1		7	1
LENDUS LLC 854					5	1
PARAMOUNT RES MTG GRP 855	1	1	3	3	2	1
CHERRY CREEK MORTGAGE 856					1	
HOMESTAR FINANCIAL 861			1	1	1	1
HOMETOWN LENDERS 862					2	1
CROSSCOUNTRY MORTGAGE 863	1	1	9	5	5	4
GUARANTEED RATE 864	2	1	3	2		
FIRST COLONY MORTGAGE 865	2	2	4	4		
CLEARWATER FEDERAL C U 901					2	
INTREPID CREDIT UNION 903			8			
<b>Grand Count</b>	<b>44</b>	<b>22</b>	<b>180</b>	<b>102</b>	<b>355</b>	<b>180</b>

## PORTFOLIO CHANGES

	July		2023 YTD		
	# loans	Princ Bal	# loans	Princ Bal	
<b>June Balance</b>	<b>5,102</b>	<b>491,374,344.98</b>	<b>5,052</b>	<b>480,053,770.57</b>	Dec-22
July Purchases (1st)	44	11,211,423.68	180	42,042,312.30	
July Purchases (2nd)	22	211,273.60	102	1,025,171.60	
July Amortization		(1,367,534.74)		(9,523,549.47)	
July Payoffs (1st)	(18)	(1,519,860.56)	(141)	(12,900,682.83)	
July Payoffs (2nd)	(2)	(13,780.49)	(35)	(192,217.66)	
July Foreclosures	(1)	(59,979.44)	(11)	(668,917.48)	
<b>July Balance</b>	<b>5,147</b>	<b>499,835,887.03</b>	<b>5,147</b>	<b>499,835,887.03</b>	Jul-23

### JULY PORTFOLIO SUMMARY

	# of loans	\$ of loans	% of #	% of \$	
<b>FHA</b>	2,664	324,479,814	51.8%	64.9%	
<b>RD</b>	863	88,918,709	16.8%	17.8%	
<b>VA</b>	333	49,430,171	6.5%	9.9%	
<b>HUD184</b>	37	2,470,295	0.7%	0.5%	
<b>PMI</b>	33	2,257,508	0.6%	0.5%	
<b>Uninsured 1st</b>	229	25,308,769	4.4%	5.1%	
<b>Uninsured 2nd</b>	988	6,970,622	19.2%	1.4%	
	5,147	\$ 499,835,887			
<b>July 2022 Portfolio Balance</b>	5,046	\$ 466,080,828	2.00%	7.24%	percent of Incr/Decr

Servicer	# of loans	\$ of loans	% of #	% of \$
<b>MBOH</b>	5,071	\$ 493,754,011	99%	99%
<b>First Security Bozeman</b>	3	\$ 76,369	0%	0%
<b>First Boulder Valley Bank</b>	1	\$ 44,124	0%	0%
<b>Valley Bank Ronan</b>	40	\$ 4,076,967	1%	1%
<b>Manhattan Bank</b>	1	\$ 81,309	0%	0%
<b>Pioneer Federal Savings</b>	19	\$ 714,699	0%	0%
<b>Guild Mortgage</b>	12	\$ 1,088,408	0%	0%
	5,147	499,835,887		

#### Weighted Average Interest Rate 3.955%

	# of loans	\$ of loans	
0 - 2.99%	1047	\$ 94,273,262	rates up to 4%
3 - 3.99%	1556	\$ 188,033,671	2603 \$ 282,306,933
4 - 4.99%	824	\$ 89,086,382	
5 - 5.99%	1249	\$ 103,932,184	rates 4% and above
6 - 6.99%	430	\$ 23,634,849	2544 \$ 217,528,954
7 - 7.99%	41	\$ 875,540	

### RAM PROGRAM MAY ACTIVITY

<u>Loan Requests</u>	<u>Loans Outstanding</u>	<u>Life of Program</u>	<u>Avail Balance</u>
0	45	236	3,743,949.34
0	2,715,741.77	15,271,126	

### DELINQUENCY AND FORECLOSURE RATES

	MONTANA BOARD OF HOUSING			MORTGAGE BANKERS ASSOC. 6/2023			(most recent available)
	<u>Jul-23</u>	<u>Jun-23</u>	<u>Jul-22</u>	<u>Montana</u>	<u>Region</u>	<u>Nation</u>	
30 Days	1.28	1.35	1.53	1.28	1.52	1.81	
60 Days	0.70	0.82	1.01	0.35	0.46	0.57	
90 Days	<u>2.20</u>	<u>2.39</u>	<u>2.20</u>	<u>0.68</u>	<u>0.83</u>	<u>1.08</u>	
Total Delinquencies	4.18	4.56	4.74	2.31	2.81	3.46	
In Foreclosure	0.23	0.26	0.33	0.35	0.27	0.53	

<b>FY 2023 MBOH Homeownership Program</b>	<b>Bond Program</b>	<b>MCC Program</b>	<b>TOTAL</b>
# of loans originated (First & Second)	481	39	520
\$ of home sales (First only)	\$76,044,298	\$11,625,641	\$87,669,939
\$ of loans originated (First & Second)	\$73,290,616	\$10,569,963	\$83,860,579
<b>NEW HOMES (First Only)</b>			
# of loans on New houses	21	3	24
\$ of home sales on New houses	\$6,790,008	\$897,118	\$7,687,126
\$ of loans on New houses	\$4,843,710	\$814,716	\$5,658,426
<b>EXISTING HOMES</b>			
# of loans on Existing houses	292	36	328
\$ of home sales on Existing	\$69,254,290	\$10,728,523	\$79,982,813
\$ of loans on Existing houses	\$66,779,500	\$9,755,247	\$76,534,747
<b>REHABBED HOMES</b>			
# of Rehab loans	0	0	0
\$ of home sales on Rehab houses	\$0	\$0	\$0
\$ of loans on Rehab houses	\$0	\$0	\$0
<b>STICK-BUILT HOMES</b>			
# Stick built homes	271	34	305
\$ of home sales on stick-built	\$64,925,267	\$9,971,641	\$74,896,908
<b>MANUFACTURED HOMES</b>			
# Manufactured homes	24	2	26
\$ of home sales on manufactured	\$6,219,800	\$511,000	\$6,730,800
<b>MODULAR HOMES</b>			
# Modular homes	0	0	0
\$ of home sales on Modular	\$0	\$0	\$0
<b>CONDOS</b>			
# Condos	4	3	7
\$ of home sales on Condos	\$1,192,500	\$1,143,000	\$2,335,500
<b>TOWNHOMES</b>			
# Townhomes	14	0	14
\$ of home sales on Townhomes	\$3,706,731	\$0	\$3,706,731
Average Sales price (first loans)	\$242,953	\$298,093	\$249,062
Average Loan (first loans)	\$228,828	\$271,025	\$249,062
Average Household size	3	2	
Average Borrower age	34	38	
Average Household Income	\$69,314	\$58,603	\$63,958
Number of Communities receiving loans	61	20	
Number of Counties receiving loans	40	13	
<b>Setasides, special programs and 2nd loans</b>			
	<b>Setaside 1st</b>	<b>DPA 2nds</b>	
Number of loans	35	168	203
Number utilized during the year	7	2	
\$ of home sales	\$7,671,077	\$40,879,805	\$48,550,882
\$ of home loans	\$5,633,238	\$1,667,406	\$7,300,644
Average Income	\$44,917	\$72,641	
Number of Communities receiving loans	14	52	

## MBOH Annual Program Activity Recap 2023

<b>Bond Program</b>			
	<b># of loans</b>	<b>Avg loan \$</b>	<b>Avg income</b>
2023	520	\$228,828	\$69,314
2022	593	\$212,861	\$59,915
2021	551	\$193,834	\$58,342
2020	718	\$177,682	\$55,514
2019	661	\$170,079	\$51,940
2018	617	\$167,453	\$51,335
2017	427	\$153,904	\$47,901
2016	479	\$151,306	\$45,856
2015	274	\$135,329	\$45,995
2014	597	\$135,504	\$46,962
2013	305	\$123,517	\$42,838
2012	281	\$128,303	\$45,988
2011	251	\$130,569	\$47,130
2010	272	\$114,367	\$41,294

<b>MCC Program</b>			
	<b># of loans</b>	<b>Avg loan \$</b>	<b>Avg income</b>
2023	39	\$271,025	\$58,603
2022	39	\$298,739	\$58,905
2021	88	\$249,901	\$56,424
2020	142	\$238,054	\$59,925
2019	140	\$217,990	\$56,542
2018	150	\$202,946	\$50,659
2017	145	\$196,758	\$49,913
2016	121	\$191,145	\$50,718
2015	132	\$181,355	\$50,649
2014	144	\$172,217	\$49,921
2013	92	\$172,343	\$49,660
2012	83	\$156,604	\$49,333
2011	59	\$160,363	\$44,877
2010	92	\$155,766	\$46,749

<b>Bond and MCC Combined</b>			
	<b># of loans</b>	<b>Avg loan \$</b>	<b>Avg income</b>
2023	520	\$255,800	\$59,410
2022	632	\$255,800	\$59,410
2021	639	\$205,228	\$57,383
2020	860	\$191,899	\$57,720
2019	801	\$178,453	\$54,241
2018	767	\$185,200	\$50,997
2017	572	\$175,331	\$47,934
2016	600	\$160,135	\$46,933
2015	406	\$151,359	\$47,616
2014	741	\$142,638	\$47,357
2013	397	\$134,831	\$44,419
2012	364	\$134,756	\$46,751
2011	310	\$136,239	\$46,701
2010	364	\$124,831	\$42,673

# Mortgage Servicing Program Dashboard

Effective 08/31/23

## 2023 Monthly Servicing Report

MONTH	Last Year	Last Month	This Month
	Aug-22	Jul-23	Aug-23
PORTFOLIO TOTAL LOANS	5376	5608	5687
MBOH	5002	5102	5168
BOI	304	304	302
MULTI FAMILY	16	16	16
HAF-Homeownership Assistance Fund	54	186	201
PRINCIPAL (all loans)	\$528,746,339.54	\$563,633,780.44	\$576,801,641.09
ESCROW (all loans)	\$5,218,575.58	\$5,010,694.39	\$5,731,995.00
LOSS DRAFT (all loans)	\$826,423.44	\$719,385.59	\$804,199.08
LOANS DELINQUENT (60+ days)	262	235	230
ACTUAL FORECLOSURE SALES IN MONTH	0	2	1
FORECLOSURES TOTAL CALENDAR YEAR	7	9	10
DELINQUENT CONTACTS TO MAKE	727	748	709
LATE FEES - NUMBER OF LOANS	764	762	810
LATE FEES - TOTAL AMOUNT REVENUE	\$21,097.29	\$21,464.44	\$22,999.27
PAYOFFS	56	21	27
NEW LOANS	79	61	107

## HUD's National Servicing Center TRSII SFDMS Reporting FY 2023 Q1 Final Score 93.58% - Grade A

LOSS MITIGATION	Aug-22	Jul-23	Aug-23
ACTIVE FINANCIALPACKETS	1	0	0
REPAYMENT/SPECIAL FORBEARANCE	0	0	0
COVID19 FORMAL FORBEARANCE	88	95	76
HAMPS, PARTIAL CLAIMS & MODS PNDG	2	19	24
CHAPTER 13 BANKRUPTCIES	11	10	10
PRESERVATION PROPERTIES	7	7	7
REAL ESTATE OWNED PROPERTIES	1	1	1
SHORT SALE	0	0	0
DEED IN LIEU	0	0	0

# BOARD AGENDA ITEM

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## PROGRAM

Multifamily Program

## Agenda Item

Baxter Apartments Bond Resolution approval

## Background

Baxter Apartments is a 50 unit rent-restricted property located in Bozeman. This is an acquisition rehab. The rehab will consist of trash enclosure replacements, restriping of the parking lot, landscaping improvements, a new playground, and concrete work. units will receive new kitchen cabinets, bathroom vanities, shower backings, framing, and door / closet hardware.

This project has submitted a full application that has been reviewed and meets the requirements of the current QAP. All 50 units targets 60% AMI and will be doing \$64,226 of rehab per unit.

The developer is requesting approval of a bond resolution for a not to exceed amount of \$7,500,000 with an expected estimated bond issue of \$9,000,000. The difference being a buffer for unexpected increases during pre-development.

## Staff Recommendation (If Any)

Staff supports this request.

## Motion Option(s)

1. Move to approve resolution 23-0912-MF09 (Baxter)
2. No motion, proposal fails.

## RESOLUTION NO. 23-0912-MF09

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 (BAXTER APARTMENTS PROJECT), SERIES 2023A AND ITS MULTIFAMILY HOUSING REVENUE BONDS (BAXTER APARTMENTS PROJECT), SERIES 2023B, IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$9,000,000; APPROVING THE SALE OF THE SALE OF THE BONDS PURSUANT TO A PURCHASE CONTRACT; APPROVING THE INDENTURES, LOAN AGREEMENTS, PRELIMINARY OFFICIAL STATEMENTS, OFFICIAL STATEMENTS 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 (Baxter Apartments Project), Series 2023A (the “Series 2023A Bonds”) and its Multifamily Housing Revenue Bonds (Baxter Apartments Project), Series 2023B (the “Series 2023B Bonds,” and together with the Series 2023A Bonds, the “Bonds”), the proceeds of which will be used to finance loans to the Borrower (hereinafter defined) for the acquisition, rehabilitation and equipping of Baxter Apartments, a 50-unit apartment community comprised of five two-story buildings, related amenities and surface parking located in Bozeman, Montana; and

WHEREAS, the Series 2023A Bonds will be issued pursuant to an Indenture of Trust (the “Series 2023A Indenture”), between the Board and U.S. Bank Trust Company, National Association as trustee, or any other trust company or bank having the powers of a trust company that is in good standing with the State of Montana, duly authorized to exercise trust powers in the State with a reported capital, surplus and retained earnings of not less than \$50,000,000, and selected by an Authorized Officer, as defined herein (the “Trustee”), which will be in substantially the form included as Exhibit A, subject to the terms, conditions and limitations established herein and in the Indenture; and

WHEREAS, the proceeds of the Series 2023A Bonds will be used to finance a loan (the “Mortgage Loan”) to Baxter Preservation, LLC, a Washington limited liability company, or another affiliate of DevCo, LLC (the “Borrower”), pursuant to a loan agreement, by and between

the Board and the Borrower (the “Series 2023A Loan Agreement”), which will be in substantially the form included as Exhibit B; and

WHEREAS, the Series 2023B Bonds will be issued pursuant to an Indenture of Trust (the “Series 2023B Indenture,” and together with the Series 2023A Indenture, the “Indentures”), between the Board and the Trustee, which will be in substantially the form included as Exhibit C, subject to the terms, conditions and limitations established herein and in the Series 2023B Indenture; and

WHEREAS, the proceeds of the Series 2023B Bonds will be used to finance a loan (the “Bridge Loan,” and together with the Mortgage Loan, the “Loans”) to the Borrower pursuant to a loan agreement, by and between the Board and the Borrower (the “Series 2023B Loan Agreement,” and together with the Series 2023A Loan Agreement, the “Loan Agreements”), which will be in substantially the form included as Exhibit D; 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 approved by the Board with respect to its Multifamily Housing Revenue Bonds (South Forty Apartments Project), Series 2023; and

WHEREAS, a Bond Purchase Agreement (the “Purchase Contract”) to be dated the date of sale of the Bonds among the Board, the Borrower, and the underwriter of the Bonds (the “Underwriter”), will be prepared in substantially the same form included as Exhibit E, pursuant to which the Board would agree to sell, and the Underwriter would agree to purchase, the Bonds at the prices and upon the terms and conditions therein set forth; and

WHEREAS, a Preliminary Official Statement pertaining to the Series 2023A Bonds (the “Series 2023A Preliminary Official Statement”) containing certain information relating to the Board, the Series 2023A Indenture and the Series 2023A Bonds will be prepared in substantially the same form included as Exhibit F, and which is to be used by the Underwriter in connection with the sale of the Series 2023A Bonds to investors; and

WHEREAS, a Preliminary Official Statement pertaining to the Series 2023B Bonds (the “Series 2023B Preliminary Official Statement,” and together with the Series 2023A Preliminary Official Statement, “Preliminary Official Statements”) containing certain information relating to the Board, the Series 2023B Indenture and the Series 2023B Bonds will be prepared in substantially the same form included as Exhibit G, and which is to be used by the Underwriter in connection with the sale of the Series 2023B 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 each of the Loans 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 Agreements, the Project qualifies for federal funds through its receipt of 4% federal low-income housing tax credits.

**Section 2. Approval of Indentures.** The Indentures are 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 Indentures, 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 Indentures.

**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 each 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 Indentures by the Borrower as required by such 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 respective Loan (i.e. net of fees due to the Board and any other parties), be in an aggregate principal amount not to exceed \$9,000,000, 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 Indentures 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 Indentures, with such additions, omissions and changes as are required or permitted by the Indentures 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 signatory of the Trustee.

**Section 4. Approval of Loan Agreements.** The Loan Agreements are hereby approved in the form hereinabove described, and an Authorized Officer is hereby authorized to execute and deliver the Loan Agreements, with such changes, insertions or omissions therein as may be approved by such person, such approval to be evidenced conclusively by the execution of such 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 Statements and Official Statements.** The Preliminary Official Statements are hereby approved in the forms 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 for each of the Series 2023A Bonds and the Series 2023B Bonds substantially in the form of such Preliminary Official Statement with such changes, insertions or omissions therein as may be required to finalize the pricing terms of the respective series of Bonds.

**Section 7. Approval of Purchase Contract and Sale of the Bonds.** A Purchase Contract for the Bonds is hereby approved in the form described above and the execution of the Purchase

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

**Section 8. Reserved.**

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

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

**Section 11. Execution of No-Arbitrage Certificate.** An Authorized Officer is hereby authorized to issue certifications as to the Board's reasonable expectations regarding the amount and use of the proceeds of the Bonds as described in Section 148 of the Internal Revenue Code of 1986, as amended.

**Section 12. Additional Actions Authorized.** The Chair, the Vice Chair, the Secretary or any other member of the Board, and the Executive Director and Treasurer, the Multifamily Program Manager and the Accounting and Finance Manager, acting alone or acting with others, are hereby authorized and directed to execute and deliver any or all other documents which may be required under the terms of the Indentures, the Loan Agreements or the Purchase Contract and to take such other action as may be required or appropriate for the performance of the duties imposed thereby or to carry out the purposes thereof, and the members and officers named above are hereby designated as Authorized Officers for such purposes. With respect to the issuance of the Bonds authorized by this Resolution, such Authorized Officers are also authorized, with the advice of General Counsel or Bond Counsel, to interpret and apply the Board's Policy for Conduit Multifamily Housing Revenue Bonds (the "Policy") and to waive any requirement of the Policy to the extent such interpretation, application or waiver is consistent with the purpose of the Policy.

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

[Remainder of page intentionally left blank]

ADOPTED by the Montana Board of Housing this 12th day of September, 2023.

MONTANA BOARD OF HOUSING

Attest:

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

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

**Baxter Apartments  
Cover Letter**

**Property Description**

Baxter Apartments is located at 2561 Trade Wind Lane, Bozeman, MT 89718. The property consists of 20 one-bedroom units and 30 two-bedroom units (50 units total) across 5 residential buildings. Property amenities include a laundry facility, barbeque areas, community space, on-site parking, close proximity to parks, and a playground. Unit amenities include a full set of electric appliances, a garbage disposal, a dishwasher, walk in closets, and washer/dryer hook ups.

Baxter Apartments was originally built in 2006. The property is currently income and rent restricted by regulatory agreements with the Montana Board of Housing for a total of 30 years from the initial construction.

DevCo will seek a new issuance of tax-exempt bonds and 4% LIHTCs through the Montana Board of Housing. All AMI set asides will be moved to 60% upon closing.



**Management**

The property is currently managed by Tamarack Property Management. The company was established in 1986 and manages many units nationally.

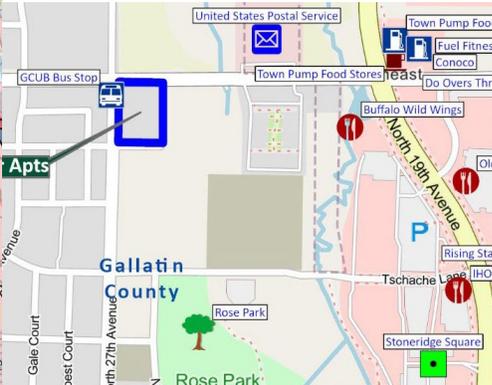
## **Planned Renovations**

In connection with the new issuance of tax-exempt bonds and 4% credits extensive renovations are planned at the property. The current budget includes approximately \$50,000 in hard costs per unit. A summary of the scope is below:

- Replacement of trash enclosures.
- Parking lot repairs covering concrete patching, ADA repairs, and restriping.
- Installation of a new playground.
- New bike racks.
- New concrete pads for and the replacement of picnic tables and mailboxes.
- New grills located throughout the property.
- ADA unit repairs.
- Repainting of building exteriors.
- In select units:
  - New kitchen cabinets.
  - New bathroom vanities.
  - New kitchen counters.
  - New shower backings.
  - New interior and exterior doors.
  - New drywall.
  - New range and hood.
  - New lighting.

## **DevCo Mission Statement**

DevCo Preservation uses its extensive experience in the management, construction and financing of affordable housing to revitalize existing properties and build long lasting communities. By planning extensive renovations and making long-term affordability commitments DevCo Preservation provides quality, affordable housing in growing markets where it is needed most.



## MARKET STUDY SUMMARY

<b>Market Study Company:</b>	Vogt Strategic Insights
<b>Project Name:</b>	Baxter Apartments
<b>Project Market Area:</b>	Bozeman, Montana

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	
0 bedroom			
1 bedroom	\$ 1,635	33.9%	
2 bedroom	\$ 1,850	30.5%	
3 bedroom			
4 bedroom			
5 bedroom			

Reference page:

# of all New Units Needed:  Reference page:

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

Vacancy Rate:  Reference page:

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	US Highway 191	2
2	Interstate 90	2
3	GVUB Bus Stop	0
4	WinCo Foods	1
5	Whole Foods Market	3
6	Target	2
7	Walmart	2
8	Costco Wholesale	2
9	Do Overs Thrift Store	1
10	TJ Maxx	1
11	Ross Dress for Less	1
13	Dollar Store	2
14	Stoneridge Square	1
15	Montana State University	3
16	Emily Dickinson School	1
17	Chief Joseph Middle School	2
18	Bozeman High School	2
19	Bozeman Health Deaconess Regional Medical Center	7
20	Gallatin County Sheriff's Office	3
21	Bozeman Police Department	3
22	Bozeman Fire Station 3	1
23	United States Postal Service	1
24	Town Pump Food Stores	1
25	Conoco	1
26	Exxon	1
27	Town Pump Food Stores	1
28	Conoco	2
29	Exxon	1
30	Town Pump Food Stores	1
31	CVS Pharmacy	1
32	Stockman Bank	1
33	IHOP	1
34	Buffalo Wild Wings	1
35	Old Chicago Pizza Taproom	1
36	Rising Starts Early Learning Center	1
37	Explore Montessori & Academy	1
38	Montana State University Library	5
39	Fuel Fitness Bozeman	1
40	Rose Park	0
41	Dinosaur Park	1
42	Gallatin County Regional Park	1
43	Gallatin Valley YMCA	4
44	Bozeman Art Museum	2
45	Montana Science Center	2
46	Regal Gallatin Valley	2
47	Gallatin Valley Cinema	2
48		
49		
50		

### AMENITIES FORM

Project Name: Broadview Manor East and West; Sunshine Village

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

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

<b>County</b>	<b>Gallatin</b>
<b>Project Name</b>	<b>Baxter Apartments</b>
<b>Developer / General Ptnr</b>	<b>Baxter Developer, LLC</b>
<b>Set-aside</b>	General
<b>HC Requested</b>	4,554,150
<b>Project Type</b>	Family
<b>Construction Type</b>	Acq / Rehab
<b>Projected Construction Start</b>	Oct-23
<b>Projected Completion</b>	Oct-24

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

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

**Square Footage**

Income Restricted Units	30,471
Managers Unit(s)	-
Supportive Services	-
Common Space	9,403
Market/Commercial	-
Total	39,874

**Unit Rents**

0-bdrm	20%	-
0-bdrm	30%	-
0-bdrm	40%	-
0-bdrm	50% (Low HM)	-
0-bdrm	50%	-
0-bdrm	60%	-
0-bdrm	70%	-
0-bdrm	80%	-
0-bdrm		-
0-bdrm		-
1-bdrm	20%	-
1-bdrm	30%	-
1-bdrm	40%	-
1-bdrm	50% (Low HM)	-
1-bdrm	50%	-
1-bdrm	60%	1,072
1-bdrm	70%	-
1-bdrm	80%	-
1-bdrm		-

County			Gallatin
Project Name			Baxter Apartments
Developer / General Ptnr			Baxter Developer, LLC
1-bdrm			-
2-bdrm	20%		-
2-bdrm	30%		-
2-bdrm	40%		-
2-bdrm	50% (Low HM)		-
2-bdrm	50%		-
2-bdrm	60%		1,270
2-bdrm	70%		-
2-bdrm	80%		-
2-bdrm			-
2-bdrm			-
3-bdrm	20%		-
3-bdrm	30%		-
3-bdrm	40%		-
3-bdrm	50% (Low HM)		-
3-bdrm	50%		-
3-bdrm	60%		-
3-bdrm	70%		-
3-bdrm	80%		-
3-bdrm			-
3-bdrm			-
4-bdrm	20%		-
4-bdrm	30%		-
4-bdrm	40%		-
4-bdrm	50% (Low HM)		-
4-bdrm	50%		-
4-bdrm	60%		-
4-bdrm	70%		-
4-bdrm	80%		-
4-bdrm			-
4-bdrm			-
other	20%		-
other	30%		-
other	40%		-
other	50% (Low HM)		-
other	50%		-
other	60%		-
other	70%		-
other	80%		-
other			-
other	mkt		-
other	mgr(60%)		-
Total Monthly Rents			59,540
vacancy factor			7.00%
Adjusted Rent			55,372
other/commercial income			1,458
total rent			56,831
x 12 months			12
Total Annual Income			681,966

<b>County</b>	<b>Gallatin</b>
<b>Project Name</b>	<b>Baxter Apartments</b>
<b>Developer / General Ptnr</b>	<b>Baxter Developer, LLC</b>
<b><u>Expenses</u></b>	
Administration	19,000
Management	34,098
Maintenance	40,000
Operating	74,910
Taxes	1,020
Replacement Reserve	15,000
<b>Total Expenses</b>	<b>184,028</b>

Net Income Before	
Debt Service	497,938

**Financing Sources**

Hard Loan	6,100,000
Hard Loan	2,358,990
Soft Loan	353,576
Soft Loan	-
State HOME	-
State CDBG	-
State NHTF	-
Other	-
Deferred Dev Fee	841,273
HC Equity Competitive	4,089,643
HC Equity Non-Competitive	-
<b>Total Sources:</b>	<b>13,743,482</b>
% of Project Financed by HC:	29.76%

**Return on Sale of HTC**

HTC Requested	4,554,150
HTC Equity	4,089,643
HTC Return on Sale	0.898

**Ratios**

Rent (Income)	681,966
Operating	169,028
Replacement	15,000
Net Income	497,938
Total Debt Service	377,544
Debt Coverage Ratio (DCR)	1.32
Total Expense Ratio	1.21

**Project Costs**

Land	760,000
Building/Acquisition	6,053,000

<b>County</b>	<b>Gallatin</b>
<b>Project Name</b>	<b>Baxter Apartments</b>
<b>Developer / General Ptrn</b>	<b>Baxter Developer, LLC</b>
Site Work	-
Construction / Rehab	3,211,304
Soft Costs	1,937,475
Developer Fees	1,478,802
Reserves	302,900
Total Project Costs	13,743,482
Supportive Services Costs	-
Residential Costs	13,743,482

**Costs versus Sources**

Total Project Costs	13,743,482
Total Financing Sources	13,743,482
Difference	(0)

**Project Cost Limitations**

	<u>Limits</u>	
General Requirements	6.00%	4.75%
Contractor Overhead	2.00%	1.58%
Contractor Profit	6.00%	4.75%
Developer Fees	15.00%	13.20%
Soft Cost	32 or 37 or 40%	36.88%

**Per Unit Comparison**

	<u>Limits</u>	
Cost per unit total	n/a	274,870
Cost per unit residential only	\$350,000	274,870
Cost per unit Const / Rehab	n/a	64,226
Credits per unit	n/a	91,083
Operating Cost per unit	\$3,000 min	3,381
Replacement Reserves	\$300 min	300

**Per Square Foot Comparison**

Construction / Rehab per sq ft	80.54
Total Project Cost per sq ft	344.67
Credits per sq ft	114.21
Credits per sq ft (residential only)	149.46

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

Tenant

**Market Study Data:**

Vacancy Rates	100 occupied%
Absorption Rate	4.2%
Months to Absorb	4
Average Project Rent	1,326
Average Market Rent	1,743
Units needed for Targeted AMI's	715

<b>County</b>	<b>Gallatin</b>
<b>Project Name</b>	<b>Baxter Apartments</b>
<b>Developer / General Ptnr</b>	<b>Baxter Developer, LLC</b>

Market Rents

0-bdrms	-
1-bdrms	1,635
2-bdrms	1,850
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	Preservation
Historic Preservation	na

Local Involvement

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

Green Building and Energy Conservation Standards

Green & Energy Std Met

Tenant Populations with Special Housing Needs

Family Projects	Family Project
Elderly Projects	na

# BOARD AGENDA ITEM

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## PROGRAM

Multifamily Program

## AGENDA ITEM

Meadowlark Senior Apartments in Butte MT Multifamily Loan Program approval

## BACKGROUND

This project is proposed new construction of a 26-unit affordable senior development to be funded with LIHTC and HOME funds. The property is located at 4000 Corto Rd, Butte, Silver Bow County, MT. This senior property will offer one- and two-bedroom units and will be restricted to seniors aged 55+ earning 40,50 and 60 percent AMI. Amenities include a community room with kitchen and lounge, outdoor space for community garden, laundry room, elevator, and exercise room.

This project was awarded \$6,500,000 9% credits in our October 2022 board meeting. It also received a loan commitment for a Multifamily Program Loan in February 2023 for \$900,000. This request increases the amount and extends the amortization period from 30 to 35.

Proposal:

<b>Borrower:</b>	Northwest Meadowlark LLC
<b>Program:</b>	Multifamily Loan Program
<b>Type:</b>	Permanent Amortizing
<b>Amount:</b>	\$1,200,000.00
<b>Term:</b>	20 years
<b>Amortization Period:</b>	35 years
<b>Rate:</b>	3.4231% based on current targeting
<b>Security:</b>	1 <sup>ST</sup> lien position non-recourse
<b>Property Taxes:</b>	NA
<b>Loan Fees:</b>	1% of Loan amount paid at closing.
<b>Escrows:</b>	Will be held with Montana Housing
<b>Underwriting</b>	
<b>Assumptions:</b>	As outlined in Housing Credit Qualified Allocation Plan
<b>Closing and Stabilization</b>	
<b>Conditions:</b>	On or after 3 months of stabilized occupancy.

## STAFF RECOMMENDATION (if any)

Staff supports proposal noted above.

## MOTION OPTION(S)

1. Move to approve \$1,200,000 Multifamily Loan in first lien position with a 35-year amortization, 20-year term and at a 3.4231% 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 16<sup>th</sup>, 2023

Board of Directors  
Jason Hanson – Program Manager  
Montana Board of Housing  
301 S. Park Avenue, Room 240  
Helena, MT 59601

Re: Meadowlark Senior Apartments, Butte, MT Multifamily Loan Program Request

Dear Board Members and Mr. Hanson:

In January 2023, MBOH approved a **\$900,000** loan commitment for the **Meadowlark Senior Apartments in Butte, MT**. Enclosed you will find an updated UniApp for the **Meadowlark Senior Apartments** to support our formal request that the Board consider an increase of \$300K to **\$1,200,000** as a first mortgage to serve as permanent financing for our low-income housing project. Like many projects, material cost increases and labor supply constraints coupled with ongoing interest rate hikes has made underwriting affordable housing loans more difficult than usual. A \$300K increase is supported by our current underwriting and the increased commitment will help close our current funding gap and get this project closed. In addition to this request, we've requested an additional \$130K in CMF funds from a trusted grantor, a waiver of permit fees, increased our deferred developer fee to 50% of total developer fee (\$500K) and value-engineered the project to contain costs. Additionally, we have multiple grant requests in with various organizations, but do not expect any news/awards until their 2024 grant cycles. Moving forward, we will continue to explore cost savings and additional funding sources in efforts to preserve additional loan funds for other Montana housing projects.

Respectfully Submitted,

*Ben Casiano*

Ben Casiano  
Property Developer  
Northwest Real Estate Capital Corp.

<b>County</b>	<b>Silver Bow</b>
<b>Project Name</b>	<b>Meadowlark Senior Apts</b>
<b>Developer / General Ptnr</b>	<b>Northwest Real Estate Capital Corp.</b>
<b>Set-aside</b>	Non-Profit
<b>HC Requested</b>	6,500,000
<b>Project Type</b>	Elderly
<b>Construction Type</b>	New Const
<b>Projected Construction Start</b>	Sep-23
<b>Projected Completion</b>	Jun-24

<u>Unit Numbers</u>	<u>Target</u>	
1-bdrm	40%	3
1-bdrm	50%	9
1-bdrm	60%	7
2-bdrm	40%	1
2-bdrm	50%	2
2-bdrm	60%	4
other	mgr(60%)	-
Total Units		26
Average Income Targeting		52.69%

<u>Square Footage</u>		
Income Restricted Units		18,152
Common Space		4,683
Market/Commercial		-
Total		22,835

<u>Unit Rents</u>		
1-bdrm	40%	531
1-bdrm	50%	688
1-bdrm	60%	846
2-bdrm	40%	625
2-bdrm	50%	814
2-bdrm	60%	1,003
other	mgr(60%)	-
Total Monthly Rents		19,972
vacancy factor		10.00%
Adjusted Rent		17,975
other/commercial income		76
total rent		18,051
x 12 months		12
Total Annual Income		216,608

<u>Expenses</u>		
Administration		14,855
Management		13,549
Maintenance		43,800
Operating		55,788
Taxes		8,430
Replacement Reserve		7,800
Total Expenses		144,222

Net Income Before Debt Service	72,386
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<b>County</b>	<b>Silver Bow</b>
<b>Project Name</b>	<b>Meadowlark Senior Apts</b>
<b>Developer / General Ptnr</b>	<b>Northwest Real Estate Capital Corp.</b>

**Financing Sources**

Soft Loan	74,974
State HOME	750,000
Other	60,000
Other	520,000
Other	100
Other	1,200,000
Deferred Dev Fee	500,000
HC Equity Competitive	5,589,439
HC Equity Non-Competitive	-
Total Sources:	8,694,513
% of Project Financed by HC:	64.29%

**Return on Sale of HTC**

HTC Requested	6,500,000
HTC Equity	5,589,439
HTC Return on Sale	0.860

**Ratios**

Rent (Income)	216,608
Operating	136,422
Replacement	7,800
Net Income	72,386
Total Debt Service	58,848
Debt Coverage Ratio (DCR)	1.23
Total Expense Ratio	1.07

**Project Costs**

Land	144,390
Building/Acquisition	-
Site Work	786,655
Construction / Rehab	5,677,196
Soft Costs	967,100
Developer Fees	1,010,200
Reserves	108,972
Total Project Costs	8,694,513
Supportive Services Costs	-
Residential Costs	8,694,513

**Costs versus Sources**

Total Project Costs	8,694,513
Total Financing Sources	8,694,513
Difference	-

County  
Project Name  
Developer / General Ptnr

Silver Bow  
Meadowlark Senior Apts  
Northwest Real Estate Capital Corp.

**Project Cost Limitations**

	<u>Limits</u>	
General Requirements	6.00%	5.55%
Contractor Overhead	2.00%	5.55%
Contractor Profit	6.00%	
Developer Fees	15.00%	13.59%
Soft Cost	32 or 37 or 40%	29.95%

**Per Unit Comparison**

	<u>Limits</u>	
Cost per unit total	n/a	334,404
Cost per unit residential only	\$350,000	334,404
Cost per unit Const / Rehab	n/a	248,610
Credits per unit	n/a	250,000
Operating Cost per unit	\$3,000 min	5,247
Replacement Reserves	\$300 min	300

**Per Square Foot Comparison**

Construction / Rehab per sq ft	248.62
Total Project Cost per sq ft	380.75
Credits per sq ft	284.65
Credits per sq ft (residential only)	358.09

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

Tenant

# BOARD AGENDA ITEM

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## PROGRAM

Multifamily Program

## AGENDA ITEM

Carter Commons in Great Falls MT Coal Trust Multifamily Homes Loan Program approval

## BACKGROUND

Carter Commons is a senior affordable rental project located in Great Falls, Montana. The project will be made up of 18 one-bedroom units, 6 two-bedroom units and 1 manager's unit. Monthly tenant paid rent will include all utilities as well as washer/dryer in unit, frost free refrigerator, dishwasher, garbage disposal, microwave, air conditioning, large closets, blinds, bedroom and living ceiling fan, neutral paint colors, and hardwood cabinets. The project will have an onsite manager (unit provided for manager), community room, workout area, game room, library with computer, outdoor patio area with BBQ and an elevator for easy access to upper levels.

This project was awarded \$6,500,000 9% credits in our October 2022 board meeting.

Proposal:

<b>Borrower:</b>	Carter Commons LLLP
<b>Program:</b>	Coal Trust Multifamily Homes Loan Program
<b>Type:</b>	Permanent Amortizing
<b>Amount:</b>	\$1,700,000.00
<b>Term:</b>	16 years
<b>Amortization Period:</b>	40 years
<b>Rate:</b>	3.9725% based on July 2023 application submission
<b>Security:</b>	1 <sup>ST</sup> lien position non-recourse
<b>Property Taxes:</b>	Yes, will be subject to property taxes.
<b>Loan Fees:</b>	1% of Loan amount paid at closing.
<b>Escrows:</b>	Will be held with Montana Housing
<b>Underwriting</b>	
<b>Assumptions:</b>	As outlined in Housing Credit Qualified Allocation Plan
<b>Closing and Stabilization</b>	
<b>Conditions:</b>	On or after 3 months of stabilized occupancy.

## STAFF RECOMMENDATION (if any)

Staff supports proposal noted above.

## MOTION OPTION(S)

1. Move to approve \$1,700,000 Coal Trust Multifamily Homes Loan in first lien position with a 40-year amortization, 16-year term and at a 3.9725% 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. Approval is contingent upon Administrative Rules being finalized for HB819 that are consistent with this approval.
2. No motion, proposal fails.



**HOUSING  
SOLUTIONS, LLC**

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

July 19, 2023

Jason Hanson  
Multifamily Program Manager  
Montana Housing  
301 S. Park Ave., Ste. 240  
Helena, MT 59620-0528

RE: Carter Commons Coal Trust Multi-Family Homes Application

Dear Mr. Hanson:

Thank you for the opportunity to submit our request for Coal Trust Multi-Family Homes ("CTMH") funding for Carter Commons. Like other projects funded in 2022, Carter Commons is working through the strain of significantly increased interest rates since its original application for Housing Credits in August of 2022. These increased rates have affected both the debt and equity funding for this project.

With regard to debt, the construction loan rate from the original housing credit application was 5.50% with a perm loan rate at 5.95%. We have been in touch with the same lender as recently as last week and rates currently stand at 7.15% for construction loan and 7.25% for permanent financing. This change in rates equates to significantly increased construction interest. In fact, the budget for construction interest alone has increased nearly \$150,000 from the original application. Simultaneously our loan sources for permanent financing, were we to use a conventional loan at the current rate of 7.25%, have decreased by roughly \$150,000.

Rising interest rates have also created higher yield requirements for housing credit investors. As a result of increased yield requirements, tax credit pricing has decreased since the housing credit application hitting the project with another \$100,000 decrease in project sources. Not only has pricing decreased, but the equity installment schedule has been stretched. Fewer equity dollars during and at completion of construction is also contributing to the additional \$150,000 of construction interest noted above.

Finally, as we continue to move forward with the project's design, and in communication with our contractor, we believe it's realistic to expect the hard cost budget will need increase by roughly 4%, or \$200,000, to complete this project.

For the above reasons, we would like to request \$1,700,000 in CTMH loan program funding with an interest rate at 3.91%, a 16-year term and a 40-year amortization to help solve the significant gap that has been created by rising interest rates and construction costs. This loan, consistent with Coal Trust requirements, would sit in first lien position.

We have two other items to note based on the underwriting in the accompanying UniApp. The QAP on page 24 states that the soft cost hard cost ratio limit is 37% for projects with 24 or fewer units and 32% for projects with greater than 24 units. This project, at 25 units, is running into this 32% limitation due to its smaller size. The small project size means its fixed soft costs are spread across a smaller hard cost budget than might exist for a larger project. As a result, it's difficult to keep this ratio under 32%. Currently, the project's ratio sits at 33.83%. The increase to construction interest in the soft cost budget, caused by rising rates, is what pushed us over this limit. Unfortunately, this is a number we have no control over. One way to solve this would be to increase our hard cost budget (thus increasing the denominator), however this would take a substantial increase in hard costs and it's our desire to only increase the hard cost budget to what is necessary to complete the project. For this reason, we would like to request a waiver to the 32% soft cost hard cost ratio limitation.

Secondly, our project costs have now exceeded the \$280,000 project cost per unit limit in effect when Carter Commons originally submitted its housing credit application. Carter Commons' current project costs are now \$289,442 per unit which we believe still provides great value to the Board. We are unsure whether the original application's cost per unit limit of \$280,000 or the new \$350,000 (as stated in the 2024 QAP) cost per unit applies to this project. In the event the \$280,000 cost per unit limitation is the applicable limitation, we would like to request a waiver to this limit to account for the increase in interest and hard costs in the project's budget.

This request for a CTMH loan is a change in permanent debt financing, but the project otherwise will remain the same. All income limits, rental rates, amenities and other commitments in the housing credit application remain intact with the exception that this project will now pay property taxes and would not be tax exempt. It's worth noting that an added benefit of Coal Trust financing is the ability to provide both housing and property tax revenue to the community through the payment of property taxes.

As MBOH staff is aware, this project is scheduled for a spring 2024 closing due to the extended lead times of electrical service gear. At this time, we have placed our order for electrical gear, completed the geotech report, completed the environmental investigation, and launched into full design and construction document development and are planning to purchase the land in the coming weeks. We are pushing forward on all fronts, as it is our desire to start this project as soon as practicable. Receiving a commitment for CTMH financing would be an integral part of closing this project and resolving the gap created by increased rates and hard costs. Thank you in advance for your consideration of this request.

Sincerely,



Alex Burkhalter

<b>County</b>	<b>Cascade County</b>
<b>Project Name</b>	<b>Carter Commons</b>
<b>Developer / General Ptnr</b>	<b>Housing Solutions, LLC</b>

<b>Set-aside</b>	General
<b>HC Requested</b>	6,500,000
<b>Project Type</b>	Elderly
<b>Construction Type</b>	New Const
<b>Projected Construction Start</b>	May-24
<b>Projected Completion</b>	May-25

<b><u>Unit Numbers</u></b>	<b><u>Target</u></b>	
1-bdrm	40%	1
1-bdrm	50%	11
1-bdrm	60%	6
2-bdrm	40%	1
2-bdrm	50%	3
2-bdrm	60%	2
other	mgr(60%)	1
Total Units		<u>25</u>
Average Income Targeting		52.80%

<b><u>Square Footage</u></b>		
Income Restricted Units		15,492
Managers Unit(s)		600
Common Space		7,056
Market/Commercial		-
Total		<u>23,148</u>

<b><u>Unit Rents</u></b>		
1-bdrm	40%	630
1-bdrm	50%	785
1-bdrm	60%	925
2-bdrm	40%	755
2-bdrm	50%	945
2-bdrm	60%	1,100
other	mgr(60%)	-
Total Monthly Rents		<u>20,605</u>
vacancy factor		7.00%
Adjusted Rent		<u>19,163</u>
other/commercial income		417
total rent		<u>19,580</u>
x 12 months		12
Total Annual Income		<u>234,956</u>

**County**  
**Project Name**  
**Developer / General Ptnr**

**Cascade County**  
**Carter Commons**  
**Housing Solutions, LLC**

**Expenses**

Administration	12,800
Management	16,450
Maintenance	21,500
Operating	53,000
Taxes	25,000
Replacement Reserve	7,500
Total Expenses	<u>136,250</u>

Net Income Before	
Debt Service	98,706

**Financing Sources**

Hard Loan	1,700,000
Deferred Dev Fee	109,093
HC Equity Competitive	5,426,957
HC Equity Non-Competitive	-
Total Sources:	<u>7,236,050</u>
% of Project Financed by HC:	75.00%

**Return on Sale of HTC**

HTC Requested	6,500,000
HTC Equity	5,426,957
HTC Return on Sale	0.835

**Ratios**

Rent (Income)	234,956
Operating	128,750
Replacement	7,500
Net Income	98,706
Total Debt Service	84,911
Debt Coverage Ratio (DCR)	1.16
Total Expense Ratio	1.06

**Project Costs**

Land	310,000
Building/Acquisition	-
Site Work	510,000
Construction / Rehab	4,510,001
Soft Costs	1,041,108
Developer Fees	775,000
Reserves	89,941
Total Project Costs	<u>7,236,050</u>
Supportive Services Costs	-
Residential Costs	7,236,050

**County**  
**Project Name**  
**Developer / General Ptnr**

**Cascade County**  
**Carter Commons**  
**Housing Solutions, LLC**

**Costs versus Sources**

Total Project Costs	7,236,050
Total Financing Sources	7,236,050
Difference	-

**Project Cost Limitations**

	<b><u>Limits</u></b>	
General Requirements	6.00%	4.60%
Contractor Overhead	2.00%	1.55%
Contractor Profit	6.00%	4.60%
Developer Fees	15.00%	12.79%
Soft Cost	32 or 37 or 40%	33.83%

**Per Unit Comparison**

	<b><u>Limits</u></b>	
Cost per unit total	n/a	289,442
Cost per unit residential only	\$280,000	289,442
Cost per unit Const / Rehab	n/a	200,800
Credits per unit	n/a	260,000
Operating Cost per unit	\$3,000 min	5,150
Replacement Reserves	\$300 min	300

**Per Square Foot Comparison**

Construction / Rehab per sq ft	194.83
Total Project Cost per sq ft	312.60
Credits per sq ft	280.80
Credits per sq ft (residential only)	403.93

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

Tenant

# Multi Family Program Dashboard

## September 12, 2023

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

#### Available

Coal Trust	\$52,852,195	
MFLP	\$910,776	
HMF - AHRLF	\$70,440	
HMF - TANF	\$0	Assumes transfer TANF funds to HMF - AHRLF

### Projects Underway

Program	Project	City	Year Awarded	Recipient	Status*
4%	The Manor	Hamilton	TBD	Sapphire Lutheran Homes	Under Review
4%	Parkview Village	Great Falls	2023	Vitus Development, LLC	Approved August
4%	Baxter	Bozeman	2023	Devco Preservation	Up for Approval
4%	North 3rd Apartments	Bozeman	2023	Devco Preservation	Approved in July
4%/HMF	Bozeman Apartments	Bozeman	2023	Rueter Walton Development	Approved in July
4%	Big Fork Senior	Big Fork	2023	Bigfork Senior Housing	Approved in May
4%	Union Place	Missoula	2023	Union Place Apartments LLC	Approved in April
4%	Sunshine Village	Great Falls	2023	Community Preservation Partners	Approved in March
4%	South Forty	Billings	2023	Lincoln Avenue Capital	Approved in January
9%	ANHA LIHTC #2	Crow Agency	2023	Apsaalook Nation HA	Just awarded in October
9%/ MFLP	Cabinet Affordable	Libby	2023	Cabinet Affordable Housing	Just awarded in October
9%	Carter Commons	Great Falls	2023	Carter Commons, LLLP	Just awarded in October
9%/4%	Creek Side Apartments	Missoula	2023	Homeward	Just awarded in October
9%/MFLP	Meadowlark Senior	Butte	2023	Northwest Real Estate Capital Group	Just awarded in October
9%/MFLP	Riverview Apts	Big Sky	2022	Blueline	Under Construction
9%	Bicentennial Apts	Dillon	2022	Dawson Holdings	Under Construction
9%	Baatz Block Apts	Great Falls	2022	Homeward	Rehab Planned 2023
9%	Tapestry Apts	Billings	2022	CLDI	Under Construction
9%/4%	Junegrass 4/9	Kalispell	2022	GMD/Homeward	Under Construction
9%/ARPA	Laurel Depot	Laurel	2021	GL/North Fork Dev.	Under Construction
9%/ARPA	MRM Unified Campus	Billings	2021	MT Rescue Mission	Under Construction
9%/ARPA	Jackson Court	Billings	2021	GL Development	Under Construction
9%/ARPA	AHNA LIHTC 1	Crow Agency	2021	Apsaalooke Nation HA	Closed September 2022
9%/MFLP	Creekside Commons	Kalispell	2021	Housing Solutions	Construction planned for Spring 2023
9%	Crowley Flats	Lewistown	2021	Homeward	Under Construction
4%	Comstock I, II & III	Bozeman	2022	Devco Preservation	Closed November 2022
4%/ARPA	Spruce Grove	Laurel/Bridger	2022	GL Development	Under Construction
4%	Bridger Peaks	Bozeman	2022	Devco Preservation	Under Construction
4%/ARPA	Highland Manor	Havre	2021	Echo Enterprise	Closing Spring 2023
4%	Castlebar	Bozeman	2021	Devco Preservation	Under Construction
4%/ARPA	Villagio	Missoula	2021	Blueline/Missoula HA	Under Construction
4%	Bitterroot Valley Apartments	Hamilton	2021	Summit Housing Group	Under Construction
4%/ARPA	Trinity	Missoula	2021	Blueline.Homeward/Missoula HA	Under Construction
4%	Boulevard	Bozeman	2021	HRDC/Good Housing Partners	Under Construction
4%	Darlington Miles Sherwood	Bozeman	2021	HRDC/Good Housing Partners	Under Construction

# BOARD AGENDA ITEM

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## PROGRAM

Operations/Executive Director

## BOARD MEETINGS

The October 23, 2023, Board meeting will be in-person in Helena at the Delta Colonial Hotel (for Housing Credit allocation decisions). We will also hold the Board's strategic planning session on October 24, 2023, also in-person at the Delta Colonial.

## BOARD TRAINING & CONFERENCE OPPORTUNITIES

- The NCSHA 2024 Legislative Conference (LegCon) will be held March 4 – 6, 2024 in Washington, D.C. LegCon is an opportunity for Board members to connect with and educate our legislators about the impact of federal housing programs in our state; the agenda will also include sessions with federal officials and industry leaders to gain their insights on the 2024 legislative agenda. Board members interested in attending LegCon can notify Cheryl Cohen and Kylee Hughes. The full agenda and registration are not yet available.

## CONTRACTS / PROCUREMENT

- A contract for financial reporting, consulting, and training services was executed with Eide Bailly on September 1, 2023.
- Amendment for Jackson Murdo & Grant general legal counsel contract was executed on September 5, 2023.

## PERSONNEL UPDATE

Montana Housing is actively recruiting for:

- Accountant I
- Community Housing Program Specialist I

Please welcome the following new staff:

- Ashley Miller, Assistant Accounting and Finance Manager, joined the Board staff yesterday. Ashley previously served as an accountant with the Motor Vehicle Division of the Montana Department of Justice. She has experience in accounting daily operations, SABHRS, and employee training.

## EMERGENCY RENTAL ASSISTANCE UPDATE

- As of September 1, 2023, we have awarded almost \$136.9 million in rent and utility assistance.
- Over \$48.5 million in potentially fraudulent applicants (2,770 applications) have been flagged, isolated, and ultimately denied. The team continues to actively pursue payment returns for overpaid situations (i.e., renter moves out before the three months future rent assistance has ended).
- All pending applications have been reviewed; no further applications will be accepted.

# BOARD AGENDA ITEM

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- The Montana Eviction Intervention Program through MLSA will be funded for another year.
- The Department is reviewing other possible eligible uses for any remaining MERA funding per Treasury guidance in FAQ #46 targeted to very low-income families.

## HOMEOWNER ASSISTANCE FUND UPDATE

- As of September 1, 2023, there have been about 850 applications submitted to the statewide program and HAF staff have approved and paid nearly \$2.5 million in total through all statewide program areas.
- HAF Home Repair program has launch and we are accepting applications.
- Eligibility for Home repairs is capped at 50% AMI.

## COMMUNITY HOUSING UPDATE

- Community Housing will accept applications for eligible projects under the HOME, HTF and CDBG-Housing projects (September 15, 2023, application deadline). There will be approximately \$4 million in HOME funds available and \$1.75 million in CDBG-Housing funds. In addition, we will consider forward allocating 2024 HOME and HTF funds to feasible projects (estimating approximately \$2.7 million in both HOME and HTF funds for 2024).
- Community Housing will also accept application for eligible projects under the HOME-ARP program (October 31, 2023, application deadline). This is a one-time source of funds with ~\$10.5 million to award to projects addressing homelessness for qualifying populations. We propose having the same application deadline for the Emergency Shelter Facility Grant (ESFG) program, which has ~\$5 million to grant to non-profits proposing capital improvements or expansion of shelter space.

## EXECUTIVE DIRECTOR UPDATE

- FEMA / HUD Pre-Disaster Housing Planning Initiative. Meeting took place here in Helena on August 30<sup>th</sup> with FEMA and HUD staff, along with Louisiana (our partner state) to accomplish the following:
  - Conduct a research and gap analysis process that focuses on assessing the current posture of disaster housing, identifying relevant federal best practices, and examining other lessons learned/best practices for comparable states and counties.
  - Develop specific recommendations for how to improve upon identified gaps in the State of Montana's Disaster Housing Strategy.
  - Implement identified recommendations to produce an updated 2023 Disaster Housing Strategy.
  - Summit in Chicago, IL. November 7-8.
- MBOH Performance Audit. We have notified a list of Low-Income Housing Tax Credit developers who have worked with MBOH over the last several years to receive a survey about the LIHTC program and our administration of the

## BOARD AGENDA ITEM

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program. This survey is slated for release on or around September 6, 2023. We strongly encourage developer recipients to complete the survey and provide candid responses.

- Master Servicer RFP. The RFP was released September 6, 2023. Details can be found on our website at <https://housing.mt.gov/Meetings-Events-Training/Request-For-Proposal>. Potential Offerors were notified on August 30, 2023 that the RFP would be released shortly.

<b>EVENT</b>	<b>DATE</b>
RFP Issued	9/6/2023
Deadline for Receipt of Written Questions	9/20/2023
Deadline for Posting Written Responses to the State's Website	9/27/2023
RFP Response Due Date	10/4/2023
Public Notice of Intent to Award Contract	11/1/2023
MBOH Board Meeting for Master Servicer Selection	11/13/2023
Due Diligence selected Master Servicer complete	1/15/2024
Intended date for contract award*	1/31/2024

\*The dates above identified by an asterisk are included for planning purposes. These dates are subject to change.

# Community Housing Dashboard

## September 11, 2023

### FUNDS FOR HOME, HTF AND CDBG

	<u>ALLOCATED</u> <u>FROM HUD</u> <sup>1</sup>	<u>AWARDED</u>	<u>REMAINING TO</u> <u>AWARD</u>	<u>REMAINING TO</u> <u>DISBURSE</u> <sup>2</sup>	
HOME	\$ 7,093,131	\$ 2,983,102	\$ 4,110,029	\$ 9,609,158	
HTF	\$ 6,048,846	\$ 6,048,846	\$ -	\$ 9,685,907	
CDBG-Housing	\$ 3,500,000	\$ 1,750,000	\$ 1,750,000	\$ 6,200,662	
CDBG-CV <sup>3</sup>	\$ 10,174,175	\$ 10,174,175	\$ -	\$ 6,115,745	Expenditure deadline July 2027
HOME-ARP <sup>4</sup>	\$ 11,459,768	\$ 572,988	\$ 10,886,780	\$ 11,374,532	Expenditure deadline Sept 2030

<sup>1</sup> The Funds Allocated From HUD column represents the 2022 and 2023 allocations Commerce received for the HOME Investment Partnerships Program (HOME), Housing Trust Fund (HTF) and Community Development Block Grant (CDBG)-Housing Programs.

<sup>2</sup> Includes administrative funds

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

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

	<u>ALLOCATED</u>	<u>AWARDED</u>	<u>REMAINING TO</u> <u>AWARD</u>	<u>REMAINING TO</u> <u>DISBURSE</u>
ESFG	\$ 5,000,000	\$ -	\$ 5,000,000	\$ 5,000,000

The Montana Legislature appropriated \$5 million to the Emergency Shelter Facility Grant Program. Commerce will grant funds to non-profits to increase or improve emergency shelter space to benefit those experiencing homelessness.

If applications from any county exceed \$750,000, Commerce will consult with County officials before awarding funds.

Administrative Rule Making hearing expected to be October 6, 2023.

### PROJECTS UNDERWAY

Program	
HOME	Ten rental projects have been awarded funds. Five are expected to lease up this spring/summer, two are under construction and the other three will be under construction this year. Projects in common with tax credits include Villagio, Trinity, Crowley Flats, Jackson Court, Laurel Depot, Baatz Building and Meadowlark.
HTF	Two projects were recently completed, one will be leasing up soon, three will be underway in the coming months and five were recently awarded funds. Projects in common with Board of Housing include Trinity, Baatz, Highland Manor, Bigfork Senior, Cabinet and the Manor; potential housing credit projects include Twin Creeks and Timber Meadows.
CDBG	Three multi-family construction projects are getting started - one for shelter improvements and two for new apartments in existing buildings in Winnett and Butte.
CDBG-CV	15 projects have been awarded funds. Six projects are completed; the remaining nine projects are underway.
HOME Homebuyer Assistance	Five organizations are qualified to provide down payment and closing cost assistance: NWMT, HRDC 9, HRC XI, Trust Montana and Northwest Montana Community Land Trust.
CDBG Housing Stabilization	Seven local governments are qualified to implement single-family rehabilitation programs: Lake, Missoula and Park Counties; Cities of Choteau, Glasgow, Helena, and Shelby.

### EVENTS and DEADLINES

- 15-Sep-23** **Application deadline for HOME, HTF and CDBG-Housing**  
May pre-allocate 2024 HOME and HTF funds, if oversubscribed with feasible projects.
- 6-Oct-23** **Administrative Rule Making (ARM) hearing for ESFG**
- 31-Oct-23** **Application deadline for HOME-ARP and ESFG funds**  
The ESFG deadline is subject to the result of the ARM process. <https://housing.mt.gov/Community-Housing/HOME-ARP-and-ESFG>

**Note applications for HOME homebuyer assistance and CDBG single-family rehabilitation programs are accepted on a rolling basis, i.e. there is not an application deadline.**

