

# Montana Board of Housing - Board Meeting

**Meeting Location:** via Zoom

**Date:** February 10, 2025

**Time:** 8:30 am

**Board Chair:** Bruce Posey

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

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

**Register for Webinar:** <https://mt-gov.zoom.us/j/81935465044?pwd=ziueoemnVhfF7cigwAYGVabdDFfWyX.1>

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

## Agenda Items:

- Meeting Announcements
- Introductions
- Public Comments – Public comment is welcome on any public matter that is not on the agenda and that is within the jurisdiction of the Board.
- Approve prior meeting's minutes
- Finance Program (Vicki Bauer)
  - Financial Update



- Homeownership Program (Jessica Michel)
  - RAM Loan – Big Timber, MT
  - Homeownership Update
- Mortgage Servicing (Mary Palkovich)
  - Servicing Update
- Multifamily Program (Jason Hanson)
  - Alpenglow 2 Coal Trust Loan Increase
  - Rocky Mountain Flats Multifamily Family Loan
  - Stucky Road Apartments Cost Per Unit Waiver
  - Multifamily Update
  - 2024 Totals
- Operations/Executive Director (Joe DeFilippis + Cheryl Cohen)
  - Operations / Executive Director Update
  - FMR Reevaluation Study
  - Legislative Bill Tracking
  - 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](https://dphhs.mt.gov/detd/mtap/traditionalrelayservice) before the scheduled meeting to allow for arrangements.



## 2025 Board Calendar

- Monday, February 10 via Zoom
- Monday, March 17 via Zoom
- Tuesday, April 15 (Kwataqnuk Resort, Polson, MT)
- Monday, May 12 (Great Northern Hotel, Helena, MT, LOI Presentations)
- Tuesday, May 13 (Great Northern Hotel, Helena, MT, 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 (Kwataqnuk Resort, Polson, MT)
- 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



**Meeting Location:** via Zoom

**Date:** February 10, 2025

**Roll Call of Board Members:**

Bruce Posey, Chair (Excused Absence)

Cari Yturri (Present)

Sheila Rice (Present)

Jeanette McKee (Present)

John Grant (Absent)

Amber Parish (Present)

**Staff:**

Cheryl Cohen, Executive Director

Chandler Rowling, Community Housing

Stacey Purvis, Community Housing

Jason Hanson, Multifamily Manager

Brian Barnes, Multifamily Program

Jessica Michel, Homeownership Manager

Bruce Brensdal, Multifamily Program

Kellie Guariglia, Multifamily Program

Danyel Bauer, Mortgage Servicing

Mary Palkovich, Mortgage Servicing Manager

Vicki Bauer, Finance Manager

Sharon Lofftus, Housing Development

Megan Surginer, Admin Supervisor

Nicole Newman, Community Housing

Julie Flynn, Community Housing Program Manager

**Counsel:**

Greg Gould, Jackson Murdo and Grant    Nathan Bilyeu, Jackson Murdo and Grant

*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](#).*

**Others:**

Jennifer Wheeler	Parker Webb	Don Sterhan
Mina Choo	Misty Dalke	Brian Moloney
John Wagner	Tiffany Hapney	Tyler Currence
Alex Burkhalter	Angela Getchell	Sharey Morris
Daniel Sidder	Emily Strawser	Gretchen Krumm
Heather McMilan	Jason Boal	Larry Phillips
Richard Miltenberger	Shane Walk	

**Call Meeting to Order:**

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

00:01:11 Introductions of Board members and attendees were made.

00:07:20 Vice Chair Rice asked for public comment on items not listed on the agenda.

**Approval of Minutes:****January 13, 2025 MBOH Board Meeting Minutes – See January Minutes in January Board Packet**

00:07:50 Sheila Rice noted the year was incorrect in the minutes. Motion was made to approve the minutes once amended to update the year to 2025.

Motion: Jeanette McKee

Second: Cari Yturri

The January 13, 2025 MBOH Board meeting minutes were approved unanimously with the above noted amendment.

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

00:8:58 Presenter: Vicki Bauer

**Homeownership Program:****Approval of RAM Loan – Big Timber, MT**

00:11:22 Presenter: Jessica Michel

An initial motion was made to deny the RAM Loan request.

Motion: Jeanette McKee

Second: Amber Parish

The initial motion to deny did not pass.

Board members had additional questions prior to final vote. An alternative was discussed to approve moving forward with obtaining an appraisal of the property, after which the RAM Loan could be requested again in a future board meeting with the additional information of the appraisal amount included. A motion was made to that effect.

Motion: Amber Parish

Second: Cari Yturri

The motion to approve moving forward with obtaining an appraisal of the property for this RAM Loan passed with a majority vote of three. Board member Jeanette McKee voted against the motion.

**Homeownership Update**

00:24:10 Presenter: Jessica Michel

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

00:27:20 Presenter: Mary Palkovich

**Multifamily Program:**

**Approval of Alpenglow 2 Coal Trust Loan Increase**

00:30:05 Presenter: Jason Hanson

Motion: Cari Yturri

Second: Jeanette McKee

The motion to approve \$3,000,000 Coal Trust Multifamily Homes Loan in first lien position with a 40-year amortization, 30-year term and at a 3.8825% 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 passed unanimously.

**Approval of Rocky Mountain Flats Multifamily Loan**

00:31:51 Presenter: Jason Hanson

Motion: Cari Yturri

Second: Amber Parish

The motion to approve \$2,200,000 Multifamily Loan Program in first lien position with a 40-year amortization, 16-year term and at a 3.6% 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 passed unanimously.

**Approval of Stucky Road Apartments Cost Per Unit Waiver**

00:37:40 Presenter: Jason Hanson

Motion: Amber Parish

Second: Cari Yturri

The motion to approve a cost per unit waiver of no more than \$400,000 passed unanimously.

**Multifamily Update and 2024 Totals:**

00:48:57 Presenter: Jason Hanson

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



MONTANA BOARD OF HOUSING

00:52:46 Presenter: Cheryl Cohen

**Meeting Adjournment:**

01:04:00 Meeting was adjourned at 9:36 a.m.

Signed by:  
*Amber Parish*

39DD66266A1641E

3/17/2025

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Amber Parish, Secretary

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Date

## Board Agenda Item

Board Meeting: February 10, 2025

### Accounting and Finance Program

#### INVESTMENT DIVERSIFICATION BAR GRAPH

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

- As of December 31, 86.2% of MBOH funds were being held in money market earning 4.61%.
- Remaining funds are invested in FNMA, Freddie Mac and Treasury Bonds, as well as MBS with rates ranging from 3.69% to 6.48%.

#### WEIGHTED AVERAGE YIELD TREND GRAPH

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

- The weighted average has decreased year-to-year from 5.32% in December 2023 to 4.61% in December 2024.
- The rate decreased slightly from 4.68% from November 2024 to December 2024.

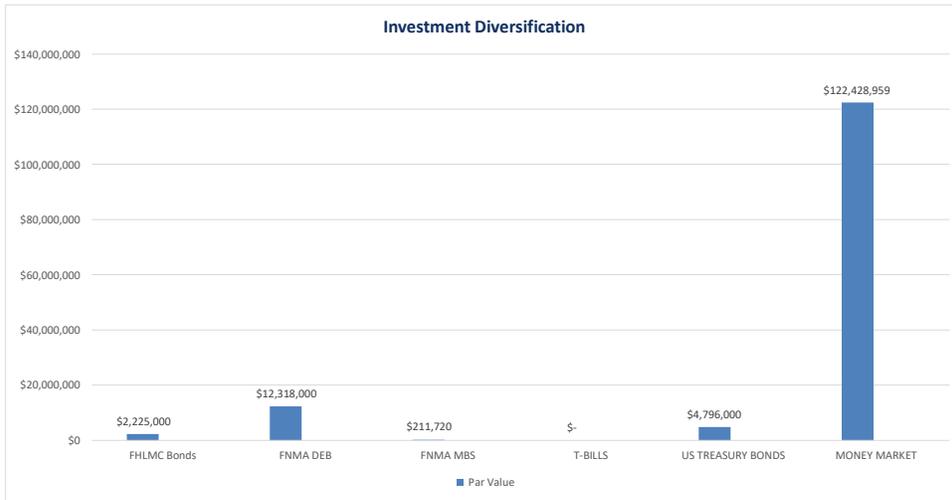
## INVESTMENT PORTFOLIO MATURITY SCHEDULE

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

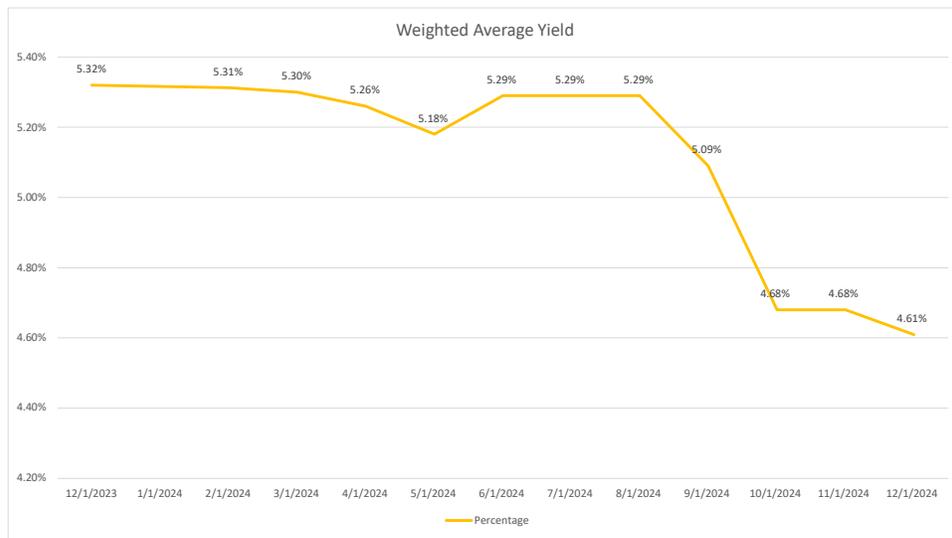
- The FNMA (Fannie Mae) MBS (Mortgage-Backed Securities) are the longest-term maturities in our portfolio with yields at 4.45% and 4.96%.
- Two of the Treasury Bonds were purchased several years ago at a yield of 6.48%. These will be maturing in August 2025.
- The overall total of investments at the end of December 2024 was \$141.9 million with approximately \$122.4 million of that total in money market.

# Finance Program Dashboard

February 10, 2025 (Data as of 12/31/2024 )



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



AVAILABILITY

Available Now	< 1 year	1 to 5 years	6 to 10 years	> 11 years	Total
\$ 122,428,959	\$ 4,796,000	\$ 12,318,000	\$ 2,225,000	\$ 211,720	\$ 141,979,679

### Investment Maturity Schedule

Maturity Date	Trustee	Type	Par Value
8/1/38	Wilmington Trust	FNMA MBS	42,097.75
3/1/37	Wilmington Trust	FNMA MBS	95,394.72
7/1/36	Wilmington Trust	FNMA MBS	13,533.21
5/1/36	Wilmington Trust	FNMA MBS	21,583.55
2/1/36	Wilmington Trust	FNMA MBS	39,110.98
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
12/31/24	US Bank Corporate Tr	US BANK MONEY M	7,898,072.98
12/31/24	Wilmington Trust	WT GOLDMAN SACH	114,530,885.55
<b>Total</b>			<b>141,979,678.74</b>

## Board Agenda Item

Board Meeting: February 10, 2025

### Homeownership Program

#### REVERSE ANNUITY MORTGAGE APPLICATION

A 75-year-old senior has applied for a Reverse Annuity Mortgage (RAM) loan in the amount of \$150,000 against their property located in Big Timber, Montana. The applicant is requesting an initial advance of \$10,000.

The property is located next door to a Church of Jesus Christ of Latter-Day Saints. The Church filed a Special Warranty Deed 2-15-2008 that includes restrictions to the use of the property. See attached Special Warranty Deed.

Upon staff review we find the following:

Special Warranty Deeds are usually done by corporations or large entities to either limit the ability to go back against them in the case of a lawsuit and/or to add additional covenants or conditions of ownership on a piece of property. In this case, it looks like they have added special covenants and restrictions that limit the salability of the land, as follows:

- Mineral rights are all excluded from the land and reserved to the Church of Jesus Christ of Latter-Day Saints or if they have been reserved prior to that, any mineral rights that weren't previously reserved;

**Montana Department of Commerce** | [commerce.mt.gov](http://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](http://dphhs.mt.gov/detd/mtap/traditionalrelayservice)



- No one can manufacture, keep for sale, or sell on the property any alcoholic beverages or “intoxicating liquors”;
- No one can operate a place of public entertainment or amusement on the subject property;
- No “nuisances or offensive activities which is an annoyance or nuisance to a church or private dwelling located nearby.”

The last covenant is especially broad and could be interpreted a plethora of ways, which might hinder marketability or sell ability of the property later. If the Church decides that whoever owned the property was breaking any of the restrictions, they have the right to go to court, get an injunction, enforce the conditions, and force whomever owns the land to pay for all of it. These conditions also run with the land. They do not extinguish with the death of whomever holds the property, either, until 50 years after the date but there is an exception there as well that states if the Church still holds title to an adjacent parcel, they continue instead. All these things could be a liability if we had to sell the property in the future.

MCA 90-6-506 – Repayment or termination of reverse annuity mortgage loan states the following:

- The mortgagor shall repay the reverse annuity mortgage loan as provided in this section.
  - (d) any other occurrence that materially decreases the value of the property securing the loan or that will have the likely effect of causing the loan not to be repaid.

Staff has concerns as to the marketability of the property if foreclosure proceedings should occur.

**Motion Option(s):**

1. Move forward with the application including the ordering of an appraisal for this request.
2. Deny this request based information provided in the title commitment and Special Warranty Deed.

When Recorded, Mail To:

144164 Fee: \$ 21.00 3 Pages Book 85D Page 0179  
SWEET GRASS COUNTY Recorded 02/15/2008 At 04:00 PM  
Sherry Bjornal, Clk & Recdr By [Signature]  
Return to: SWEET GRASS TITLE CO. PO BOX 1067  
BIG TIMBER, MT 59011

Property No. 600-4098

**SPECIAL WARRANTY DEED**

THIS INDENTURE is made the 8<sup>th</sup> day of February, A.D. Two Thousand Eight, between CORPORATION OF THE PRESIDING BISHOP OF THE CHURCH OF JESUS CHRIST OF LATTER-DAY SAINTS, a Utah corporation sole, of [REDACTED]

[REDACTED] party of the FIRST PART, and [REDACTED] joint tenants with full rights of survivorship and not as tenants in common, of [REDACTED] parties of the SECOND PART;

WITNESSETH, that the said part of the FIRST PART, for and in consideration of the lawful money of the United States of America to it in hand paid by said parties of the SECOND PART, the receipt whereof is hereby acknowledged, does by these presents grant, bargain, sell, convey, warrant, and confirm, only against acts of itself and none other or only against all claiming by, through or under it, unto the said parties of the SECOND PART, and to their successors and assigns forever, the hereinafter described real estate situated in the County of Sweet Grass, State of Montana, to-wit:

[REDACTED]

Subject to easements, rights, rights-of-way, reservations, conditions, restrictions, covenants and taxes and assessments of record or enforceable in law or equity.

The Grantor specifically reserves, excepts and retains Mineral Rights. For purposes of this instrument, "Mineral Rights" include, whether on, in or under the premises, all of the following--minerals, whether common or precious; coal; carbons; hydrocarbons; oil; gas; petroleum; chemical elements and substances whether in solid, liquid or gaseous form; and steam and all sources of geothermal energy. In the event all or part of the Mineral Rights have been reserved or severed previously from the surface estate, grantor hereby reserves, excepts and retains all of the Mineral Rights not previously reserved and reserves, excepts and retains its after-acquired title to all of the Mineral Rights to the extent that prior reservations thereof are released or abandoned after the date of this conveyance.

Provided, however, that this conveyance is made and accepted on each of the following conditions and restrictions (the Conditions):

1. Grantee, their successors and assigns shall not manufacture, keep for sale, or sell on the subject property any alcoholic beverages or intoxicating liquors.
2. Grantee, its successors and assigns shall not operate a place of public entertainment or amusement (as defined by local statutes) on the subject property.
3. Grantee, its successors and assigns shall not permit on the subject property a nuisance or offensive activity which is an annoyance or a nuisance to a church or private dwelling located nearby.

The foregoing Conditions touch and concern the property conveyed herein (the Subject Parcel) and the land owned by grantor on the date this deed is recorded is directly abutting the Subject Parcel (the Adjacent Parcel(s)), and constitute permanent restrictions and covenants running with, and for the benefit of, the Adjacent Parcel(s) and shall be binding upon all persons now having or hereafter acquiring any right, title or interest in the Subject Parcel, or any part thereof. In the event that Grantee or any of Grantee's heirs, successors or assigns sells or transfers the Subject Parcel, Grantee shall cause the Conditions to be included in the deed to the grantee in that transaction.

In the event of breach of any of the Conditions, Grantor shall have the right to obtain an injunction enforcing the Conditions and shall be entitled to reasonable attorney's fees and costs from Grantee incurred in the enforcement thereof.

A breach of any of the Conditions, or injunctive relief obtained by Grantor by reason of such breach, shall not defeat or render invalid the lien of any mortgage or deed of trust made in good faith and for value as to the Subject Parcel or any part thereof, but the Conditions shall be binding upon, and effective against, any owner whose title to the Subject Parcel or any part thereof, is acquired by foreclosure, trustee's sale or otherwise.

All and each of the Conditions shall in all respects terminate, expire and end and be of no further effect either legal or equitable and shall not be enforceable upon the first to occur of the following:

1. A period of 50 years expires from the date of the recording of this conveyance (the Expiration Date), unless Grantor owns an Adjacent Parcel on the Expiration Date.
2. Grantor demolishes all of its buildings located on Adjacent Parcels and does not begin construction to replace at least one of them with a building for religious purposes within 36 months of the date the building is demolished.
3. Grantor sells all of its Adjacent Parcels to a buyer or buyers not affiliated with the Church of Jesus Christ of Latter-day Saints.

TOGETHER with all and singular the hereinbefore described premises together with all tenements, hereditaments and appurtenances thereto belonging or in anywise appertaining, and the reversion and reversions, remainder and remainders, rents, issues, and profits thereof; and also all the estate, right, title, interest, right of dower and right of homestead, possession, claim and demand whatsoever, as well at law as in equity, of the said part of the **FIRST PART**, of, in or to the said premises, and every part and parcel thereof, with the appurtenances thereto belonging, **TO HAVE AND TO HOLD**, all and singular the above-mentioned and described premises unto the said parties of the **SECOND PART**, and their successors and assigns forever.



# HOMEOWNERSHIP PROGRAM DASHBOARD

February 10, 2025

## RATES

	<u>CURRENT</u>	<u>LAST MONTH</u>	<u>LAST YEAR</u>
MBOH*	5.500	5.50	5.750
Market	6.68	6.85	6.205
10 yr treasury	4.52	4.58	3.990
30 yr Fannie Mae	6.53	6.53	5.955

\*Current Setaside 5.25, DPA 5.75

## MBS PROGRAM

### RESERVATIONS

<u>January</u>	<u>January</u>
<u>NUMBER</u>	<u>AMOUNT</u>

### LOANS PURCHASED

<u>January</u>	<u>January</u>	<u>January</u>
<u>NUMBER</u>	<u>AMOUNT</u>	<u># DAYS **</u>

Series 2024B (since 04.02.24)	27	7,197,664	38	10,062,883.02	6
Series 2025A (since 1.30.25)	8	2,503,434			
Series 2024B DPA (since 04.02.24)	7	67,022			
Series 2025B DPA (since 1.30.25)	4	58,265			
80% Combined (20+)	2	444,000			

### SET-ASIDE PROGRAMS

MBOH Plus	7	70,004			
NeighborWorks	3	647,739			
CAP NWMT CLT					
Missoula HRDC XI					
Bozeman HRDC IX					
Home\$tart	1	151,612			
HUD 184					
MT Street CLT					
Sparrow Group					
City of Billings	2	436,507			
Foreclosure Prevent					
Disabled Accessible					
Lot Refi					
FY25 Habitat					

### OTHER PROGRAMS

Veterans (Orig)	2	803,681			
912 Mrtg Cr Cert (MCC)					

\*\* # of days from compliance approval to purchase

## JANUARY MBS TURNTIMES

Lender reservation to closing date	19.11	days
Closing Date to compliance submission	11.70	days
Compliance Submssion to review time	1.11	days

## LOAN PURCHASES BY LENDER

	<u>Dec-24</u>	<u>DPA</u>	<u>2024 YTD</u>	<u>DPA</u>
	<u>1st</u>		<u>1st</u>	
1ST SECURITY BK MISSOULA 133			4	1
BANK OF COMMERCE 086			1	
BAY EQUITY LLC 853			5	2
BRAVARA BANK 186			8	5
CHURCHHILL MORTGAGE 869	3	1	7	3
CLEARWATER FEDERAL C U 901			1	
CMG 874			4	2
CORNERSTONE HOME LENDING 850			1	
CROSSCOUNTRY MORTGAGE 863	2	1	14	6
ENVOY 871			2	2
EVERGREEN MORTGAGE 875	1	1	32	17
FAIRWAY INDEPENDENT MRTG 847	3		41	19
FIRST COLONY MORTGAGE 865			2	2
FIRST FEDERAL BANK & TRUST 731	1		2	
FIRST INTERSTATE BANK-WY 601				
FIRST MONTANA BANK 172			4	4
FIRST SECURITY BOZEMAN 061			1	
FLATHEAD HABITAT 991			8	
GLACIER BANK KALISPELL 735			20	5
GUARANTEED RATE 864			13	3

GUILD MORTGAGE COMPANY 842	1	1	25	22
HOMETOWN LENDERS 862			1	1
INTREPID CREDIT UNION 903			1	
LOWER DOT COM, LLC 873	2	4	28	18
MANN MORTGAGE 835			54	25
NOVUS 872	1	1	4	4
ONE TRUST HOME LOAN 868			1	1
OPPORTUNITY BANK 700	3	2	51	19
PIONEER SAVINGS AND LOAN 710			1	
PRIME LENDING 851	3		9	2
STOCKMAN BANK OF MT MILES 524	4	4	61	30
UNION HOME MORTGAGE 876	1	1	1	1
UNIVERSAL 843			1	1
US BANK 617			1	1
VALLEY BNK DIV OF GLACIER BNK 151			2	1
WESTERN SECURITY BANK 785			5	2
YELLOWSTONE BANK 161			3	1
<b>Grand Count</b>	<b>25</b>	<b>16</b>	<b>419</b>	<b>200</b>

### DECEMBER PORTFOLIO SUMMARY

	# of loans	\$ of loans	% of #	% of \$	
FHA	2,918	427,575,324	51.2%	66.9%	
RD	834	88,146,841	14.6%	13.8%	
VA	410	76,605,042	7.2%	12.0%	
HUD184	34	2,142,256	0.6%	0.3%	
PMI	31	1,965,551	0.5%	0.3%	
Uninsured 1st	268	33,034,639	4.7%	5.2%	
Uninsured 2nd	1,207	9,538,736	2.2%	1.5%	
	5,702	\$ 639,008,389			
<b>December 2023 Portfolio Balance</b>	5,397	\$ 556,995,771	5.65%	14.72%	percent of Incr/Decr

### Weighted Average Interest Rate 4.522%

<u>rates up to 4%</u>	
2426	\$ 249,430,537
<u>rates 4% and above</u>	
3276	\$ 389,577,852

### RAM PROGRAM JANUARY ACTIVITY

<u>Loan Requests</u>	<u>Loans Outstanding</u>	<u>Life of Program</u>	<u>Avail Balance</u>
6	37	241	4,630,535.00
900,000	2,484,658.54	15,400,647	

### DELINQUENCY AND FORECLOSURE RATES

	MONTANA BOARD OF HOUSING		Jan-24	MORTGAGE BANKERS ASSOC.9/30/24		
	Jan-25	Dec-24		Montana	Region	Nation
30 Days	1.25	1.28	1.23	1.45	1.74	2.15
60 Days	0.68	0.76	0.86	0.47	0.58	0.74
90 Days	<u>2.67</u>	<u>2.78</u>	<u>2.26</u>	<u>0.58</u>	<u>0.8</u>	<u>1.1</u>
Total Delinquencies	4.60	4.82	4.35	2.50	3.12	3.99
In Foreclosure	0.35	0.28	0.18	0.21	0.23	0.45

(most recent available)

# Mortgage Servicing Program Dashboard

## Effective 01/31/25

### 2025 Monthly Servicing Report

MONTH	<u>Last Year</u>	<u>Last Month</u>	<u>This Month</u>
	1/31/2024	12/31/2024	1/31/2025
PORTFOLIO TOTAL LOANS	6015	6347	6322
MBOH	5416	5676	5653
BOI	302	290	289
MULTIFAMILY	17	21	21
HAF - HOMEOWNERS ASSISTANCE FUND	280	360	359
PRINCIPAL (ALL LOANS)	\$ 637,507,083.93	\$ 737,128,856.81	\$ 734,185,367.83
ESCROW (ALL LOANS)	\$ 5,105,272.51	\$ 4,273,387.18	\$ 5,440,193.35
LOSS DRAFT (ALL LOANS)	\$ 739,738.47	\$ 905,557.74	\$ 882,983.73
LOANS DELINQUENT (60+ DAYS)	290	262	285
ACTUAL FORECLOSURE SALES IN MONTH	0	0	0
FORECLOSURES TOTAL CALENDAR YEAR	11	8	0
DELINQUENT CONTACTS TO MAKE	771	688	704
LATE FEES - NUMBER OF LOANS	1001	969	946
LATE FEES - TOTAL AMOUNT OF REVENUE	\$ 29,893.62	\$ 29,881.35	\$ 28,949.90
PAYOFFS	23	23	31
NEW LOANS	75	37	7

### HUD's National Servicing Center TRSII SFDMS Reporting

#### Federal FY 2024 Final Score 89.08% - Grade B

LOSS MITIGATION	<u>Last Year</u>	<u>Last Month</u>	<u>This Month</u>
	1/31/2024	12/31/2024	1/31/2025
ACTIVE FINANCIAL PACKETS	0	0	0
REPAYMENT/SPECIAL FORBEARANCES	0	0	0
COVID 19 FORMAL FORBEARANCES	0	0	0
PARTIAL CLAIMS & MODS PENDING	16	0	1
CHAPTER 13 BANKRUPTCIES	11	7	7
PRESERVATION PROPERTIES	13	9	7
REAL ESTATE OWNED PROPERTIES	1	1	1
SHORT SALE	0	0	0
DEED IN LIEU	0	0	0

# Board Agenda Item

Board Meeting: February 10, 2025

## Multifamily Program

### COAL TRUST LOAN APPROVAL

Alpenglow 2 in Whitefish, MT

#### Background:

Alpenglow 2 is requesting an increase of \$500,000 from their original approval of \$2,500,000. The total amount is \$3,000,000 in Coal Trust Multifamily Homes (“CTMH”) permanent loan funding at 3.8825% amortized over 40 years with a 30-year term. Unit income targeting will be 16 units of 60-100% AMI and 2 units at market rate. This is total of 18 units.

#### Proposal:

<b>Borrower:</b>	Housing Whitefish Inc.
<b>Program:</b>	Coal Trust Multifamily Homes Loan Program
<b>Type:</b>	Permanent Amortizing
<b>Amount:</b>	\$3,000,000.00
<b>Term:</b>	30 years
<b>Amortization Period:</b>	40 years
<b>Rate:</b>	3.8825% based on November 2023 application

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



<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>	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 the proposal noted above.

**Motion Option(s):**

1. Move to approve \$3,000,000 Coal Trust Multifamily Homes Loan in first lien position with a 40-year amortization, 30-year term and at a 3.8825% 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



10/10/2024

TO: Montana Board of Housing  
RE: Housing Whitefish Project Application

Directors,

Housing Whitefish is resubmitting our Coal Trust Multifamily Homes Program (CTMH) application to ask for a higher loan amount. As we continue to work on our capital stack for this project, we would like more flexibility in our area's median income levels (AMI) than we included in our application.

Our initial application did not utilize the CTMH threshold of 75% of units at 95% AMI and under. We chose to go lower than the threshold so that our project had an average AMI of closer to 80% as we've seen that is where there is a real gap for rental in the community. While we would still like to serve a lower AMI on average, we hope the increased flexibility and potential for a higher loan amount will make this project more sustainable in the long run. We still hope to raise more money through grants and donations to lower our debt, but our key priority is getting this project fully funded and breaking ground.

Another reason why we'd like to be approved for a higher loan amount is that the projected costs are higher than our initial estimates. By utilizing the CTMH AMI threshold we can increase our rental income, which will allow us to support a larger loan to offset some of the increased costs.

Thank you for your consideration and we are available to answer any questions you may have about our updated application.

Best regards,

Daniel Sidder, Executive Director  
[daniel@housingwhitefish.org](mailto:daniel@housingwhitefish.org)

# Board Agenda Item

Board Meeting: February 10, 2025

## Multifamily Program

### MULTIFAMILY LOAN PROGRAM APPROVAL

Rocky Mountain Flats in Bozeman, MT

#### Background:

Rocky Mountain Flats is requesting \$2,200,000 in the Multifamily Loan Program (“MFLP”) permanent loan funding at 3.6% amortized over 40 years with a 16-year term. Unit income targeting will be 30-80% for all 296 family units.

#### Proposal:

<b>Borrower:</b>	BlueLine Development, Inc
<b>Program:</b>	Multifamily Loan Program
<b>Type:</b>	Permanent Amortizing
<b>Amount:</b>	\$2,200,000
<b>Term:</b>	16 years
<b>Amortization Period:</b>	40 years
<b>Rate:</b>	3.60% based on January 2025 application
<b>Security:</b>	1 <sup>ST</sup> lien position non-recourse
<b>Property Taxes:</b>	Yes, will be subject to property taxes

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



<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>	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 the proposal noted above.

**Motion Option(s):**

1. Move to approve \$2,200,000 Multifamily Loan Program in first lien position with a 40-year amortization, 16-year term and at a 3.6% 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

## Rocky Mountain Flats- a 296-unit Affordable Housing Development in Bozeman, MT

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

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

The site is roughly 10-acres and located on the south side of Bozeman at 5532 Fowler Lane. At this time, the property is zoned within Gallatin County zoning district and is currently undergoing annexation into Bozeman city limits. The property will also achieve R-4 zoning (or a zoning district that allows for the intended density) concurrent with annexation into the City of Bozeman. Intrisik Architects have been engaged by the seller of the property to manage the zoning and annexation of the property. Annexation and zoning are scheduled to be in place by March 2025, and the development team does not expect any construction delays associated with achieving annexation or zoning.

In 2019, the City of Bozeman conducted a community housing needs assessment and it recommended that the city would need approximately 6,340 additional housing units by 2025 to address the current community need, with about 60% or 3,765, affordable housing units. In recent years, progress has been made with 592 affordable housing currently under construction out of 1700 total units in the community; however, these figures fall far short of the overall community need. Like many Montana communities, Bozeman has experienced dramatic population growth from 2020 to 2024, which is estimated to be 8.33% over the four-year span. Although the community has grown, housing development has not met expectations which has contributed to the upward pressure on housing costs. With the scale proposed at Rocky Mountain Flats, this development will have a significant effect on the affordable housing need and leave a meaningful impact on the community.

Rocky Mountain Flats will offer 16 units set at 30% of Area Median Income including two 1-bed units, eight 2-bed units, four 3-bed units, and two 4-bed units. Rocky Mountain Flats will also provide 18 units set at 40% AMI with 6-one bedroom, 6 two-bedroom, 2- three bedroom, and 4- four

## Rocky Mountain Flats- a 296-unit Affordable Housing Development in Bozeman, MT

bedroom units. BlueLine Development is partnering with HRDC District IX, a local non-profit company based in Bozeman. HRDC has a strong outreach and focuses on affordable housing needs in the Bozeman community. HRDC will operate as a referral source for potential tenants. Partnering with HRDC will ensure that the development will benefit a broad range of community members that are currently underserved in Bozeman.

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

The development team has submitted an application for tax exempt bond financing and 4% Low Income Housing Tax Credits and has received preliminary approval from MBOH. The total development cost of Rocky Mountain Flats is projected to be approximately \$103,800,000, and this proposal will require a variety of funding sources. The development team has executed an LOI with Enterprise for the equity investment. Additionally, the development team is actively working with several lenders, and it is anticipated that an LOI will be executed in February 2025 for the primary lender.

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

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

# BOZEMAN<sup>MT</sup>

City Commission

May 7, 2024

Jason Hanson  
Multifamily Program Manager  
Montana Board of Housing  
301 S. Park Ave.  
Helena, MT 59601

RE: Rocky Mountain Flats 4% LIHTC Application

Dear Jason Hanson,

It is my pleasure to write a letter of support for BlueLine Development's Low Income Housing Tax Credit application to the Montana Board of Housing. BlueLine Development, Inc. is requesting Tax Credits for the development of Rocky Mountain Flats, a 296-unit multifamily housing complex located on Fowler Lane in Bozeman, Gallatin County.

With the use of Low-Income Housing Tax Credits, Rocky Mountain Flats will provide a mix of one-, two-, three-, and four-bedroom units for families earning between 30% and 80% of Area Median Income. The City of Bozeman desperately needs all housing types, especially rent-restricted affordable housing.

Bozeman has seen unprecedented appreciated in housing prices. The current median home price is nearly \$800,000. This is out of reach for most people, making renting the only other option. Many renter households are in unaffordable living situations. Half of renters in Bozeman are cost burdened and roughly 25% are severely cost burdened.

The proposed LIHTC project will increase the supply for low-income renters and this supply will be absorbed by the current demand from renters, and the expected continued growth of the region. The Bozeman market has seen several cycles where large amounts of new supply are added, the vacancy rate rises, and then stabilizes within a year or two.

We fully support the efforts put forth by BlueLine Development, Inc. as they seek funding to implement this proposal to provide affordable housing in the City of Bozeman. Any project that can help support our citizens with having adequate housing will benefit our community. If you have any questions, please feel free to contact us.

Sincerely,



Terry Cunningham  
Mayor



**BUILDING A: FROM FOWLER**



**BUILDING A: FROM FOWLER**



**BUILDING A: FROM MEAH & EDGERTON**



EDGERTON STREET VIEW: FROM MEAH



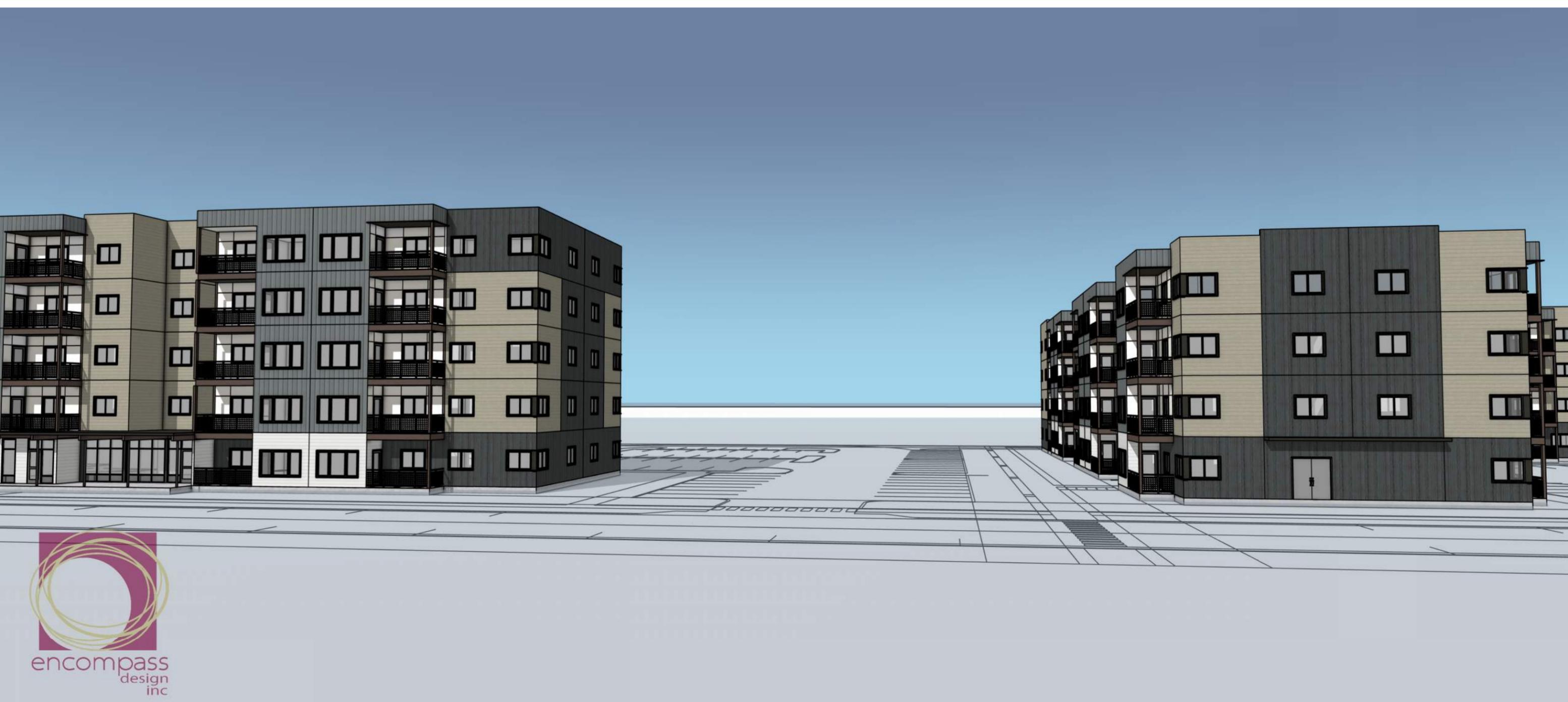
**BUILDING B: FROM MEAH**



**BUILDING B: FROM MEAH**



**BUILDING A: FROM PARKING LOT**



PEDESTRIAN EASEMENT: FROM MEAH



**BUILDING C: FROM MEAH**



**BUILDING C: FROM MEAH**



**BUILDING C: FROM MEAH & GABRIEL**



**BUILDING C: FROM GABRIEL**



BIRD'S EYE: FROM SOUTHWEST



**BIRD'S EYE: FROM SOUTHEAST**



BIRD'S EYE: FROM NORTHEAST



OVERALL EXTERIOR ELEVATION: SOUTH



OVERALL EXTERIOR ELEVATION: WEST



OVERALL EXTERIOR ELEVATION: SOUTH



OVERALL EXTERIOR ELEVATION: EAST

# Board Agenda Item

Board Meeting: February 10, 2025

## Multifamily Program

### COST PER UNIT CAP WAIVER REQUEST

Stucky Road Apartments in Bozeman, MT

#### **Background:**

Lincoln Avenue Communities is requesting a cost per unit waiver in the amount of \$397,767. The project is 348 family units consisting of 120 2-bedrooms, 114 3-bedrooms, and 114 4-bedrooms. Income targeting is 60%AMI.

There are 3 other projects in Bozeman that will be seeking cost per unit waivers as well. The current costs per unit from these 3 projects are \$382,661, \$382,280, and \$380,186. The current QAP has a cost per unit waiver of \$365,000.

#### **Staff Recommendation (if any):**

Staff supports the approval of a cost per unit cap waiver of not more than \$400,000.

#### **Motion Option(s):**

1. Move to approve a cost per unit waiver of no more than \$400,000.
2. No motion, proposal fails.

## Stucky Road Apartments – Bond LOI Application

Project Address: **3000 Stucky Rd, Bozeman, MT 59178**



### Project Overview

Lincoln Avenue Communities (“LAC”) is proud to present Stucky Road Apartments (the “Project”), which is a proposed 4% LIHTC, 348-unit 100% affordable development located just 2 miles southwest of Montana State University. The Project will be a three-story, garden-style development comprised of two, three, and four-bedroom units, with 66% of the site being three and four-bed units. The 20-acre site will include ample parking at 628 spaces or 1.80 per unit. The applicant plans to start construction at the beginning of 2026 and will deliver units starting in 2028.

Amenities will include a clubhouse, dog run, fitness area, playground, and outdoor grill area. The clubhouse will feature a kitchenette, lounge area, TV, games and more to allow residents to enjoy in leisure. The development will also feature 1.5 acres of dedicated parkland that will be improved by LAC and then deeded to the City of Bozeman. The quality amenities and durable construction of the community will ensure this community will remain a high-quality and competitive affordable housing option for Bozeman working families for the long term.

[Bozeman, MT is one of the least affordable rental markets in the country](#), and the continued influx of workers to Bozeman will continue to stress the Bozeman rental market. Comparable 3-bedroom units are currently being rented in the market starting at \$2,800, which is completely unaffordable for many Bozeman working families. To help meet the needs of working families in Bozeman, the applicant is requesting approximately \$77mm in tax-exempt bonds from the Montana Board of Housing (MBOH) to assist in the construction of this development.

### Underwritten Financing

LAC is an industry leader in utilizing the most effective financing structures for affordable housing developments, making projects possible without utilizing soft funding resources. LAC’s equity pricing is projected at .90 and is based on initial investor interest in the community. The permanent mortgage is based on our lender’s current indicative rates. For this community, LAC will utilize tax-exempt bonds and the 4% LIHTC program. LAC will also be deferring a substantial amount of its Cash Development Fee (~88%).

### Construction Costs

LAC has strong relationships with architects and general contractors in various states. For this development, we will be working with Kaas Wilson Architecture, who have completed multiple developments in Bozeman and has a long history of affordable housing design. After getting initial designs from Kaas Wilson, LAC began outreach to general contractors for pricing. LAC identified four general contractors experienced in multi-family development and received pricing indications from each of them. The average cost per unit for our intended development was priced at \$245k per door. The \$245k a door number is the result of both the large units (66% 3 and 4 bedroom) as well as the demand for local subcontractors. Each GC had consistently noted the pricing power of subcontractors. These per-unit hard costs are lower than comparable market-rate development and are

necessary to build a high-quality community. LAC will continue to work with its GC Partner and Kaas Wilson to ensure cost efficiency for the development.

### **Total Development Costs and Soft Costs**

LAC has every incentive to reduce the project costs of this development while also balancing the need to deliver high-quality, affordable housing that will be market-competitive through the affordability term. For every \$1 a 4% bond transaction spends, it ultimately only receives \$0.40 cents in equity, giving every developer the incentive to prioritize cost efficiency. Even with the applicant keeping cost efficiency as a top priority, the development's TDC per unit is currently \$398,000, which exceeds the 2026 TDC limit by \$33k, necessitating the applicant to request a TDC waiver.

The proposed project budget is reflective of market conditions in Bozeman, which, due to some of the highest market rate apartment rents in the country, has some of the highest development costs. Affordable developments compete for scarce developable land with market-rate developers who rent three-bedroom units starting at \$2,800 (over \$1,200 higher than affordable rates) or can sell a three-bedroom condo for over \$650k. Due to the demand for developable land, most land zoned for apartments is being marketed starting at \$1MM per acre. The applicant's 20-acre site is budgeted at \$650k per acre. Additionally, the amount of market-rate construction projects has given pricing power to the small pool of subcontractors in Gallatin County, leading to construction price inflation.

The soft costs are a significant part of the development costs due to the interest required for the project's construction loans. Construction loans are priced off short-term rates, which remain near their highest point in 10 years. Even by the applicant utilizing a construction period interest rate cap (which will save a projected \$8k per unit in interest), the applicant will need to spend \$22k per unit on construction period interest.

While the projected \$398k cost per unit exceeds the cap, the applicant believes the cost is reflective of what it costs in Bozeman to build a quality community consisting primarily of three and four-bed units. The per-bedroom cost of the development is ≈\$133K, so if the development cost per bedroom were applied to a community consisting of 100% two-bed units, the cost per unit would be \$266k, well below the TDC per unit threshold. LAC wishes to provide the three and four-bedroom units that the market demands and not modify their project plans to just satisfy a the cost cap.

Furthermore, while market rate and affordable developers have very different cost structures, the proposed development's \$398k per unit cost satisfies the affordable housing "smell test." When new 3-bedroom condo units start at \$700k, no member of the public would be surprised that it costs \$446k to build three- and four-bedroom affordable units in Bozeman.

### **LAC History**

Lincoln Avenue is one of the most experienced LIHTC developers in the country, with over 24 developments currently under construction around the country. LAC prides itself in setting the industry standard and being one of the strongest and fastest-growing affordable housing developers year after year. We have completed an acquisition and rehabilitation 4% bond deal in Montana in 2023 and have a proven track record securing financing, utilizing advantageous financing structures, and closing on our affordable housing developments while minimizing state resources. We look forward to working with MBOH and bringing much needed affordable multi-family units to the residents of Montana.

1. **#2** in the [Top 50 Affordable Housing Developers of 2023](#)
2. **#8** in the [Top 50 Affordable Housing Owners of 2023](#)
3. **#4** in the [Top 10 Companies Completing Substantial Rehabs in 2023](#)
4. **#9** in the [Top 10 Companies Completing Acquisitions in 2023](#)

# LINCOLN AVENUE COMMUNITIES

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Montana Housing Development



# Introduction: Lincoln Avenue Communities

MISSION DRIVEN. FAMILY OWNED. IMPACT FOCUSED.

## OUR APPROACH

We own, develop, and invest in income aligned housing to support thriving communities

Our experienced and agile team works to provide families with high quality housing through federal, state, and local programs

## OUR FIRM AT A GLANCE



~150 PROPERTIES



~26,500 UNITS  
~3,500 UNITS UNDER CONSTRUCTION



110+ TEAM MEMBERS



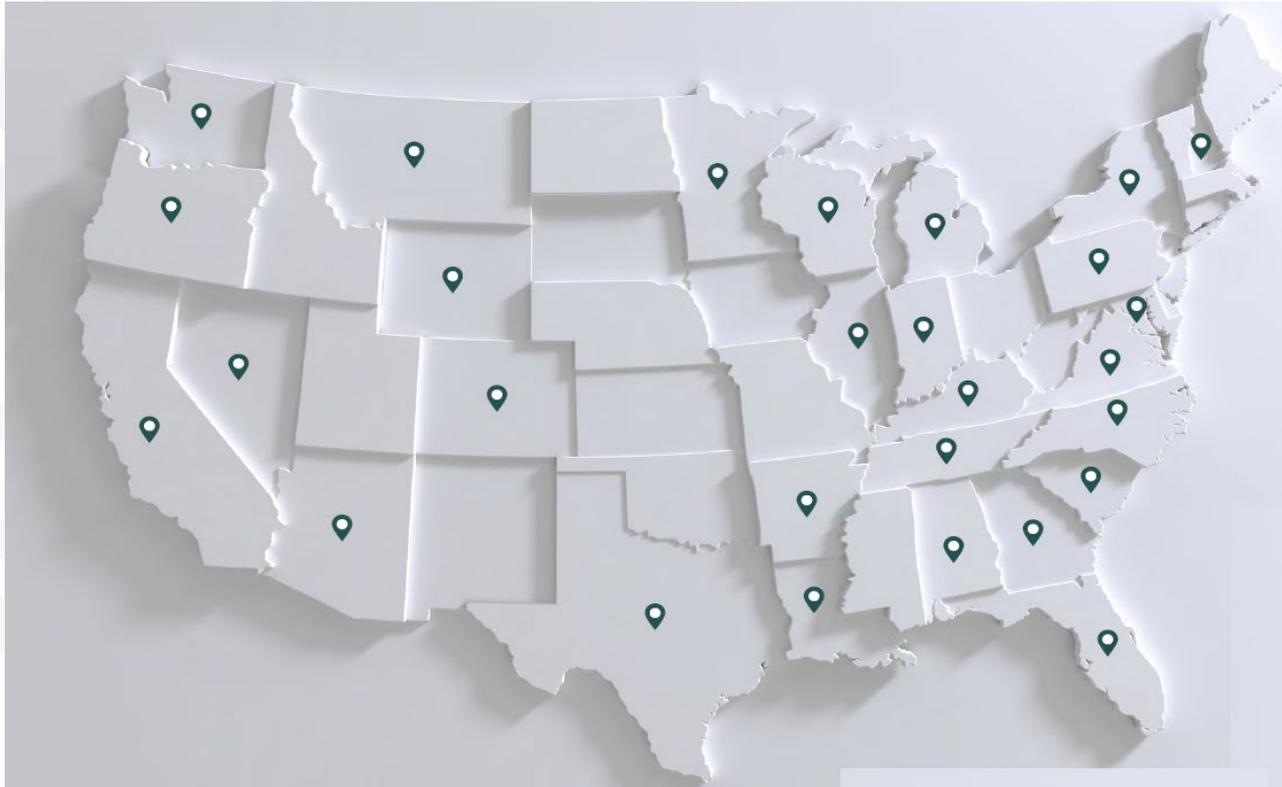
InterQuest Ridge- CO



Cottonwood Ranch – AZ

# Communities We Serve

Serving Residents in 28 States



South Forty Apartments – Billings  
101 Units of Low-income Senior Housing

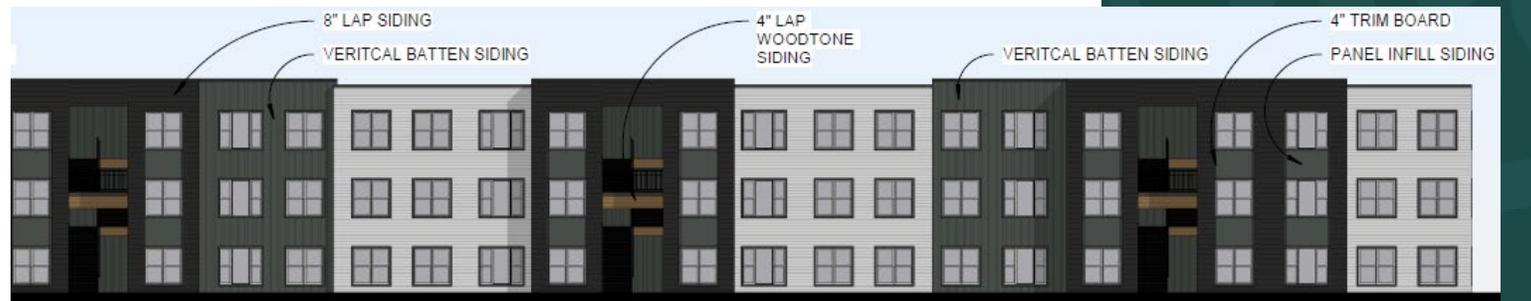


# LAC Example: InterQuest Ridge in Colorado Springs, CO



# Proposed Bozeman Development:

- High-quality LIHTC Family housing development
- 3-story Garden-style Multifamily Buildings
- Unit Mix: 348 units
  - 100% for 60% AMI residents
  - Mix of 2-, 3-, and 4-bedrooms
    - 66% 3 and 4-bedroom units
- Community Amenities
  - Clubhouse, fitness center, dog park, multiple playgrounds, grilling stations, picnic pavilion, and 1.5 acres of public park dedication



# Waiver Request – For Total Development Cost

- We are requesting an increase to \$398,000
- Our development is 66% 3 and 4-bedroom units, which are more expensive to build
  - Our development cost is \$133k per bedroom
  - Our project is respectively 46% more efficient per bedroom and 64% more efficient per resident served than other Bozeman MBOH pipeline communities
  - When you adjust the cost limit for bedroom size utilizing rules for other states, our unit would be below the applicable limits
- Bozeman is one of the least affordable housing markets in the country
  - Nearby 3-bedroom condos sell for \$700k. Providing a 3-bedroom unit for \$398K passes the affordable housing “smell test”

# Stucky Road- Adjusted Cost Per Unit

Washington QAP		
Beds	Limit	% Increase
1	\$ 377,357	–
2	\$ 412,982	109.4 %
3	\$ 500,703	121.2 %
4	\$ 543,103	108.5 %

Tennessee QAP*		
Beds	Limit	% Increase
1	\$ 237,600	–
2	\$ 301,200	126.8 %
3	\$ 396,000	131.5 %
4	\$ 489,600	123.6 %

\*NOTE - Tennessee QAP excludes land

MT QAP (WA Adjustment)		
Beds	Limit	% Increase
1	\$ 320,000	–
2	\$ 350,210	109.4 %
3	\$ 424,598	121.2 %
4	\$ 460,553	108.5 %

MT QAP (TN Adjustment)		
Beds	Limit	% Increase
1	\$ 320,000	–
2	\$ 405,657	126.8 %
3	\$ 533,333	131.5 %
4	\$ 659,394	123.6 %

Stucky Site - Adjusted TDC Cost Limit		
Beds	Units	Adjusted PU Costs
1	–	\$ 320,000
2	120	\$ 350,210
3	114	\$ 424,598
4	114	\$ 460,553
<b>Total</b>	<b>348</b>	<b>\$ 410,725</b>
<b>Stucky Per Unit Costs</b>		<b>\$ 397,883</b>
<b>Spread</b>		<b>\$ 12,842</b>

% below the cost cap 3.13%

Stucky Site - Adjusted TDC Cost Limit		
Beds	Units	Adjusted PU Costs
1	–	\$ 320,000
2	120	\$ 405,657
3	114	\$ 533,333
4	114	\$ 659,394
<b>Total</b>	<b>348</b>	<b>\$ 530,603</b>
<b>Stucky Per Unit Costs</b>		<b>\$ 397,883</b>
<b>Spread</b>		<b>\$ 132,719</b>

% below the cost cap 25.01%

# Stucky Road- Cost Efficiency vs Other Projects

	<b>Bozeman Pipeline Comp Average</b>
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	Average Per Unit	Average Per Bedroom	Average Per Resident
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USES			
LAND	\$ 28,311	\$ 14,662	\$ 10,954
BUILDING COSTS	2,502	1,497	1,188
SITE WORK COSTS	-	-	-
CONSTRUCTION	240,908	125,923	94,329
PROFESSIONAL FEES	7,009	3,354	2,440
CONSTRUCTION/INTERIM FEES	34,530	18,250	13,616
PERMANENT FINANCING FEES	2,050	1,102	841
SOFT COSTS	8,534	4,889	3,788
SYNDICATION COSTS	637	290	208
DEVELOPER FEES	41,283	22,039	16,624
RESERVES	5,049	2,579	1,911
<b>TOTAL</b>	<b>\$ 370,813</b>	<b>\$ 194,584</b>	<b>\$ 145,898</b>

SUBJECT PROPERTY			
<i>Project</i>	<i>Units</i>	<i>Bedrooms</i>	<i>Individuals</i>
STUCKY RD	348	1038	1,557

Total	Per Unit	Per Bedroom	Per Individual	% Change Per Unit Stucky vs Comps	% Change Per Bedroom Stucky vs Comps	% Change Per Resident Stucky vs Comps
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\$ 13,000,000	\$ 37,356	\$ 12,524	\$ 8,349	24.2 %	(17.1) %	(31.2) %
-	-	-	-	-	-	-
-	-	-	-	-	-	-
94,575,546	\$ 271,769	\$ 91,113	60,742	11.4 %	(38.2) %	(55.3) %
1,678,000	\$ 4,822	\$ 1,617	1,078	(45.4) %	(107.5) %	(126.4) %
9,915,767	\$ 28,494	\$ 9,553	6,369	(21.2) %	(91.0) %	(113.8) %
825,735	\$ 2,373	\$ 796	530	13.6 %	(38.6) %	(58.5) %
564,643	\$ 1,623	\$ 544	363	(425.9) %	(798.8) %	(944.6) %
9,000	\$ 26	\$ 9	6	(2363.4) %	(3247.5) %	(3502.6) %
16,135,304	\$ 46,366	\$ 15,545	10,363	11.0 %	(41.8) %	(60.4) %
1,759,449	\$ 5,056	\$ 1,695	1,130	0.1 %	(52.2) %	(69.1) %
<b>\$ 138,463,444</b>	<b>\$ 397,883</b>	<b>\$ 133,394</b>	<b>\$ 88,930</b>	<b>6.8 %</b>	<b>(45.9) %</b>	<b>(64.1) %</b>



[www.lincolnavenue.com](http://www.lincolnavenue.com)

**Ben Taylor**

VP & Project Partner  
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e: [btaylor@lincolnavenue.com](mailto:btaylor@lincolnavenue.com)

**Brian Moloney**

Director  
m: 509.496.7232  
e: [bmoloney@lincolnavenue.com](mailto:bmoloney@lincolnavenue.com)

# Multi Family Program Dashboard

## February 10, 2025

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

#### Available After Commitments

CTMH	\$57,944	From \$65M Authorized (including loan P&I payments)
MFLP	\$109,813	
HMF - AHRLF	\$292,450	

#### Projects Underway

Amount	Program/Project	City/Units	Year Awarded	Recipient	Est. Completion
4,702,040	9%/CT/HMF/MF/Skyview	Billings	2025	GL Development	Feb-27
6,500,000	9%/4%LB Lofts	Billings/Laurel	2025	Homeword/HomeFront	Sep-26
6,500,000	9%Opportunity Place	Missoula	2025	42-44 Developers	Apr-26
6,500,000	9%/4%/MF/Hidden Creek	Bozeman	2025	United Housing/HRDC	Oct-26
6,500,000	9%/CT/Polson Gardens	Polson	2025	Housing Solutions	Jul-26
6,500,000	9%/CT/The Homestead	Dillon	2025	The Housing Company	Jun-26
2,500,000	CT/Alpenglow II	Whitefish/18	2024	Housing Whitefish	Winter-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	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	Feb-26
10,963,840	4%/The Manor	Hamilton/60	2024	Sapphire Lutheran Homes	Mar-26
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 Community Preservation	Jun-25
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	Nov-25
6,500,000	9%/MF/Cabinet Affordable	Libby/24	2023	Cabinet Affordable Housing	Oct-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	Mar-26, Sep-27
7,700,000	9%/MF/Meadowlark Senior	Butte/26	2023	Group	May-25
6,100,000	9%/Baatz Block Apts	Great Falls/25	2022	Homeword	May-25
8,435,000	9%/ARPA/MRM Unified Campus	Billings/29	2021	MT Rescue Mission	Feb-25
8,015,483	9%/ARPA/AHNA LIHTC 1	Crow	2021	Apsaaloos Nation HA	Dec-24
6,649,597	4%/ARPA/Highland Manor	Havre/32	2021	Echo Enterprise	Dec-24

	<b>CTMH Projects</b>	<b>Loan Amount</b>	<b>Status</b>
<b>HB 16</b> <b>\$15,000,000</b>	Belt - Golden Valley Homes	\$803,060	Approved February 2020; Closed
	Cascade - Quiet Day Manor	\$872,500	Approved February 2020; Closed
	Livingston - Livingston Cottages	\$900,000	Approved February 2020; Closed
	Havre - Highland Manor	\$1,932,000	Approved February 2020
	Helena - Firetower	\$2,674,631	Approved April 2020; Closed
	Joliet / Laurel - Spruce Grove	\$5,173,486	Approved April 2020; Closed
	Havre - Oakwood Village	\$2,100,000	Approved April 2020; Closed
<b>HB 819</b> <b>\$50,000,000</b>	Great Falls - Carter Commons	\$1,700,000	Approved September 2023
	Helena - Twin Creek 9%	\$1,221,360	Approved October 2023
	Hamilton - Riverstone Senior	\$1,550,000	Approved October 2023
	Billings - Mitchell Court	\$2,150,000	Approved October 2023
	Darby - Welcome Way	\$2,090,000	Closed November 2023
	Lolo - Two Rivers	\$5,460,833	Closed February 2024
	Belgrade - Stan's Garden	\$5,051,113	Closed January 2024
	Helena - Twin Creek 4%	\$6,890,000	Closed August 2024
	Great Falls - Elmore Roberts	\$4,989,000	Approved March 2024
	Whitefish - Alpenglow 2	\$2,500,000	Approved April 2024 (pending app +\$500K)
	Red Lodge - RLACF Rentals	\$460,000	Closed September 2024
	Billings - Skyview	\$2,400,000	Application August 2024
	Polson - Polson Gardens	\$1,750,000	Approved October 2024
	Dillon - The Homestead	\$420,000	Approved October 2024
	Missoula - Old Hellgate Village	\$2,807,031	Closed October 2024
Missoula - Casa Loma	\$9,300,000	Approved September 2024	
	<b>Total</b>	<b>\$65,195,014</b>	

### Events and Deadlines

# Board Agenda Item

Board Meeting: February 10, 2025

## Multifamily Program

### 2024 MULTIFAMILY UNIT TOTAL

2024 9% Tax Credit Awarded			
Project	Location	Number of Units	Total Amount
Twin Creek 9%	Helena	20	\$6,500,000
Riverstone Senior	Hamilton	23	\$6,500,000
Mitchell Court	Billings	32	\$6,500,000
Midtown Aspen 9%	Bozeman	23	\$6,350,000
Elmore Roberts	Great Falls	60	\$6,500,000
<b>Total</b>		<b>158</b>	<b>\$32,350,000</b>

2024 4% Tax Credit Awarded				
Project	Location	Number of Units	Tax Credit Total Amount	Bond Total Amount
Aurora	Billings	156	\$16,956,070	\$27,155,000
Twin Creek 4%	Helena	52	\$5,722,670	\$8,537,000
The Manor	Hamilton	60	\$3,969,300	\$6,500,000
Bigfork Sr	Big Fork	24	\$2,075,380	\$3,600,000
<b>Total</b>		<b>292</b>	<b>\$28,723,420</b>	<b>\$45,792,000</b>

### 2024 Coal Trust Loan Approved

Montana Department of Commerce | [commerce.mt.gov](https://commerce.mt.gov) | Montana Board of Housing  
 P.O. Box 200528 | Helena, MT 59620-0528 | Phone: 406-841-2840 | Fax: 406-841-2841  
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<b>Project</b>	<b>Location</b>	<b>Number of Units</b>	<b>Total Amount</b>
Skyview	Billings	36	\$2,400,000
Polson Gardens	Polson	24	\$1,750,000
The Homestead	Dillon	20	\$420,000
Casa Loma	Missoula	38	\$9,300,000
Alpenglow 2	Whitefish	18	\$2,500,000
Elmore Roberts*	Great Falls		\$4,989,000
Mitchell Court*	Billings		\$450,000
Old Hellgate Village	Missoula	32	\$2,807,031
Twin Creek 4*	Helena		\$6,890,000
RLACF Rentals	Red Lodge	4	\$460,000
<b>Total</b>		<b>172</b>	<b>\$31,966,031</b>

**2024 Multifamily Loan Program Approved**

<b>Project</b>	<b>Location</b>	<b>Number of Units</b>	<b>Total Amount</b>
Skyview*	Billings		\$512,994
Hidden Creek 9%	Bozeman	20	\$1,075,249
<b>Total</b>		<b>20</b>	<b>\$1,588,243</b>

**Total Multifamily Units 2024**

	<b>Number of Units</b>	<b>Total Amount</b>
<b>Grand Total</b>	<b>642</b>	<b>\$140,419,694</b>

\* designates the unit count is already included elsewhere

## Board Agenda Item

Board Meeting: February 10, 2025, at 8:30 am

### Operations / Executive Director

#### BOARD MEETINGS

- The next Board meeting will be held on Monday, March 17, 2025, at 8:30 a.m. via Zoom.

#### BOARD MEMBER OPPORTUNITIES

- The NCSHA 2025 Legislative Conference (LegCon) will be held March 10 – 12, 2025 in Washington, D.C. LegCon is an opportunity for Board members to connect with and educate our federal delegation about the impact of federal housing programs in Montana; the agenda will also include sessions with federal officials and industry leaders to gain their insights on the 2025 legislative agenda. Bruce Posey, Shelia Rice, and Cheryl Cohen are registered to attend.
- The Montana Housing Coalition is organizing a Legislative Housing Day on Wednesday, April 16, 2025, at the Capitol Rotunda.

#### CONTRACTS / PROCUREMENT

- Emphasys Software contract has been executed.
- Acorn Mortgage Consulting, LLC contract has been routed for execution. This contract will be in its final year and is due to expire March 26, 2026.

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## PERSONNEL

The Commerce Housing Division is actively recruiting for the following positions:

- Housing Choice Voucher Contract Manager (two vacancies).
- Housing Choice Voucher Contract Manager (lead position).

Staffing Updates:

- Michelle Todd joined the Servicing team on January 27 as the new Risk Mitigation Specialist. Michelle is an experienced real estate asset professional that has served on small Fortune 500 industry leading companies. Her specialties are lending, REO (Real Estate Owned) properties, foreclosures, reverse mortgages & property management in a high-volume environment.
- Jessica John joins as our new Executive Assistant on February 10. Jessica has considerable experience in areas of event planning, having worked most currently with a large hotel operator. She also used to raise guide dog puppies for persons with visual impairments and interned with Yellowstone Forever, living at the Lamar Buffalo Ranch from the summer of 2019 to mid-summer 2020.

## PRO-HOUSING NOFO

Montana was awarded the PRO Housing grant for \$7M dollars. Through our partnership with the Montana League of Cities and Towns, we will provide \$5 million in PRO Housing funds to 11 Montana LUPA communities to complete the planning and public participation work needed to meet the deadline of May 17, 2026, for compliance with the Act. This includes finalizing the land use plans and maps, collecting the data and analyzing the impacts of proposed development patterns on local services and facilities,

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the local economy, natural resources, the environment, and any hazards to development, providing public participation and comment on those impacts and necessary mitigation, and implementing the land use plan through the adoption of specific zoning ordinances and subdivision regulations.

The State of Montana will use the remaining \$2 million in PRO Housing funds to create programs that communities statewide can access to further incentivize affordable housing development. The State will provide a cafeteria menu of options that communities can choose from to incentivize the increase of affordable housing development.

## HOMEOWNER ASSISTANCE FUND

- HAF Home Repairs has closed. All other HAF application types are still being accepted.
- As of January 29, 2025, 2,668 applications have been submitted to the statewide program. HAF staff have approved and paid over \$12.5 million in total through all statewide program applications.
- As of January 29, 2025, 573 home repair applications have been submitted.
- Twenty-One (21) applications are approved and complete.
- Forty-Three (43) applications are currently under construction.

## COMMUNITY HOUSING

- The Community Housing group has made official awards to five projects: \$416,100 in HTF to the Housing Company for construction of the Homestead Apartments in Dillon; \$1,517,100 in HTF to United Housing Partners for the

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construction of the Hidden Creek Apartments in Bozeman; \$220,000 in HOME to HRDC IX to complete its rehabilitation of the Colorado Apartments in Belgrade; \$350,000 in HOME to GL Development to construct Skyview in Billings and \$982,000 in HOME to HomeFront to rehabilitate Laurel Gardens. Staff met with the developers January 29<sup>th</sup> to prepare for requesting waivers from or documenting compliance with the Build America, Buy America Act.

- Staff attended NCSHA's HFA Institute where they learned the federal budget for 2025 may get passed by Memorial Day. Sometime after that, HUD will announce Montana's allocation of HOME, HTF and CDBG, which will determine the amounts there will be for the fall round of applications. By the end of February, we will have less than two years of HOME and HTF allocations remaining to disburse showing the timeliness with which we get the funds committed for organizations and developers to spend.
- The work on the Draft 2025-2029 Consolidated Plan will be wrapping up soon to be available on Commerce's web site mid-February. Commerce and DPHHS will host a [public meeting](#) about the Draft Consolidated Plan March 4, 2025 at 10:00. Commerce will accept public comment on the Plan through March 21, 2025.

## EXECUTIVE DIRECTOR

- Please see enclosed Fair Market Rent Reevaluation Summary and cover letter for FMR Rent Data submission to HUD dated January 8, 2025.

## LEGISLATIVE SESSION

- See enclosed Bill Tracker for housing-related bills, updated February 3, 2025.

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Commerce is scheduled to present our budgets to the Legislature's joint Appropriations Committee on February 6-7, 2025.

- **SB 219** *Revise member of board of housing to require tribal and veteran representation* is scheduled for hearing in Senate Business, Labor and Economic Affairs on Tuesday, February 4 at 8:30 am.

## LEGISLATIVE ENGAGEMENT POLICY

Members of Boards, Councils/Commissions, and Authorities (“Boards”) that are administratively attached to Commerce by statute may testify on legislation on behalf of the Board if: (i) the Board has requested the member to comment on its behalf; and (ii) the Board has received prior approval from the Governor’s Office. At the beginning of this testimony, the Board Member should identify themselves as a member of the Board and state that they are testifying at the request of the Board. Board members also may testify on legislation as private citizens or in their other professional roles, but it must be clear in their testimony they are not testifying as a Board Member.



# Fair Market Rent Reevaluation Study

## JOINT APPROPRIATIONS SUBCOMMITTEE ON HEALTH AND HUMAN SERVICES (B)

Wednesday, January 22, 2025

### **BHSFGC Recommendation**

Provide one-time grant funding up to \$1,000,000 to the Montana Department of Commerce (Commerce) to work in partnership with the Montana National Association of Housing and Redevelopment Officials (MT NAHRO) HUD Fair Market Rent Solutions Workgroup to conduct a statewide FMR Reevaluation project.

Increasing Montana's base FMRs would be a permanent and wholistic solution to addressing the state's affordable housing crisis. However, before the state can set an accurate increase in the base FMR, Montana needs to conduct a study that gathers accurate, necessary information to be able to provide people with needed access to housing supports.

### **Timeline**

- May 20, 2024: Behavioral Health for Future Generations Commission approves Near Term Initiative #8: Fair Market Rent Reevaluation Study
- July 30, 2024: Commerce / DPHHS Memorandum of Understanding executed
- July 31, 2024: Governor Gianforte approved FMR Near Term Initiative
- August 14, 2024: Commerce issued Request for Proposals for a qualified survey vendor

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 **COMMERCE**

- September 13, 2024: RFP closed
- September 20, 2024: Commerce issued Public Notice of Intent to Award Contract
- October 10, 2024: Contract with selected vendor executed; kick-off meeting held
- October 15, 2024: Commerce provided vendor with list of subsidized addresses
- October 16, 2024: Vendor obtained Commerce approval of questionnaire and communications with survey participants
- October 18, 2024: Vendor completed ABS address list
- October 18, 2024: Vendor established online survey
- October 21, 2024: Vendor reviewed address list and send to printer
- October 30, 2024: Mail merge completed in preparation for initial mailing
- November 18, 2024: Vendor began data entry for returned completed surveys
- November 18, 2024: Vendor issued first text push
- November 29, 2024: Online push postcard mailed
- December 16, 2024: Vendor issued final text push
- December 20, 2024: Vendor completed data entry / data file
- December 27, 2024: Vendor performed data cleansing, weighting, imputing, and analysis
- December 31, 2024: Vendor delivered draft summary report and PC-compatible files in Excel and R-format to Commerce
- January 3, 2025: Vendor delivered final summary report and PC-compatible file in Excel and R-format to Commerce
- January 8, 2025: FMR study data submitted to HUD (two days in advance of federal statutory deadline).
- January 17, 2025: Vendor delivered written certification to Commerce that all PII from respondents has been deleted

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## **Budget**

The executed contract with the selected qualified vendor is for a sum not to exceed \$445,653, less than half the approved cost allocation. Commerce is waiting for the final invoice from the vendor but estimates total cost will be approximately \$440,000.

## **Survey Results**

The universe of all 100,213 renter households identified in a database maintained by Marketing Systems Group (MSG), a marketing list vendor, with addresses in Montana was used for this study. A total of 3,970 responses were received, resulting in a 4.0 percent response rate.

Our vendor was able to identify 688 cases that met the U.S. Department of Housing and Urban Development's (HUD's) qualifying criteria for reporting FMR, based on one, two, or three-bedroom units, recent renters, and nonsubsidized units; 980 met HUD's qualifying criteria when the move year of 2022 is considered as a recent renter; and 2,085 cases met all criteria except for recent mover.

Using just 2024 and 2023 recent renters, for the four HUD FMR Metro Areas in Montana, the 40th percentile rents are between \$71 (Great Falls) and \$251 (Missoula) higher than 2025 HUD FMRs; and for the nonmetropolitan balance of the state, the 40th percentile rent is \$374 more than the FMR calculated by HUD (and \$634 more than the U.S. nonmetropolitan median FMR).

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## **Next Steps**

HUD is in receipt and is reviewing our FMR reevaluation request and underlying survey data. We cannot predict what HUD's ultimate determination will be, nor timeline by which we will receive HUD's response. However, the survey results certainly reinforce what has been our underlying concern – that HUD's Fair Market Rent methodology is not accurately representing actual market rents in Montana, especially nonmetropolitan areas.

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January 8, 2025

Solomon Greene, Principal Deputy Assistant Secretary  
Adam Bibler, Director  
Policy Development and Research  
U.S. Department of Housing and Urban Development  
410 Seventh Street, SW  
Washington, D.C. 20410

RE: Montana FMR Reevaluation Rent Survey Data Submittal Fair Market Rents for the Housing Choice Voucher, Moderate Rehabilitation Single Room Occupancy, and Other Programs Fiscal Year 2025 - Request for Reevaluation of the FY2025 Fair Market Rents for the following PHAs covering the State of Montana:

- Montana Department of Commerce (MT901)
- Home Front (MT001)
- Great Falls Housing Authority (MT002)
- Housing Authority of Butte (MT003)
- Helena Housing Authority (MT004)
- Richland County Housing Authority (MT006)
- Whitefish Housing Authority (MT015)
- Missoula Housing Authority (MT033)

HUD PPRD Team:

We are submitting the report and data from the HUD FMR Reevaluation the Montana Department of Commerce (MDOC) commissioned in September of 2024, in coordination with the other Montana PHA Voucher and Rental Assistance programs.

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These data are submitted in support of the State of Montana’s request for reevaluation of the FMR and 50th Percentile Rent for the four HUD Metro FMR Areas, other larger population Montana counties, as well as all the nonmetropolitan counties throughout the entire state of Montana.

As you are already aware, for the past several years, MDOC, as well as many of the local Montana public housing authorities across the state, have worked to maximize Housing Choice Voucher (HCV) payment standards, but have found we continue to lag well behind even the applicable 60 percent Low-Income Housing Tax Credit (LIHTC) restricted rents—much less market rate rents—despite utilizing all of the possible HUD FMR waivers available. With less than 50 percent of the State’s HCV holders able to successfully find housing in the private sector, it became critical to us and to all the affordable housing providers in the state, to undertake a comprehensive statewide reevaluation of the FMR to better inform state, county, FMR Metro Area, and regional FMRs. As a result, MDOC contracted with Econometrica, Inc. to undertake a survey of all renters within the state. This undertaking yielded nearly four thousand responses (a four percent response rate), many of which fall in the four HUD FMR areas, as well as other more populated areas of the state, while also capturing some surveys across the entire state.

Econometrica, Inc. has provided several options regarding the grouping of this data for analytical purposes, providing cases for potential changes in the FMR areas; use of county specific FMRs in areas of greater population versus just “balance of state FMR”; and/or use of the nonmetropolitan state FMR versus the national nonmetropolitan FMR. MDOC, and other PHAs in the state, encourage HUD to not only review the raw data provided but to also review Econometrica’s various options in their report for FMR grouping and to consider them as possible solutions to Montana’s most extreme FMR inaccuracies.

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The survey results determined that the 40th percentile rent for FY25 is \$374 more than median state nonmetropolitan HUD FY25 FMR and \$634 more than the median U.S. nonmetropolitan HUD FY25 FMR, which begs the question as to HUD's justification for utilizing the "lower" of the two standards for state minimum rents and particularly in a situation such as this when a local survey proves how profoundly mismatched they are to the actual market.

Thank you for your consideration and please let us know if you have any questions regarding this report, the data, or the survey. We look forward to working with you further on this critical Montana FMR issue.

Sincerely,

A handwritten signature in blue ink, appearing to read "Cheryl Cohen".

Cheryl Cohen

Commerce Housing Division Administrator

On behalf of the FY2025 Montana Statewide FMR Reevaluation Project covering the State of Montana:

- Montana Department of Commerce (MT901)
- Home Front (MT001)
- Great Falls Housing Authority (MT002)
- Housing Authority of Butte (MT003)
- Helena Housing Authority (MT004)
- Richland County Housing Authority (MT006)
- Whitefish Housing Authority (MT015)
- Missoula Housing Authority (MT033)

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# Housing MT

Report Date: February 3, 2025

Bill Number	Bill Sponsor	Current Committee	Last Action	Next Hearing
<a href="#">HB 21</a>	Sponsor: Brewster, Larry; Requester: Local Government Interim Committee		01/29/25 - (H) Tabled in Committee	
Establish a Montana workforce housing tax credit				
<a href="#">HB 63</a>	Sponsor: Darling, Julie; Requester: Department of Administration by State Administration and Veterans' Affairs Interim Committee		01/31/25 - (S) Hearing	3:00PM 02/05/2025 SENATE (S) State Administration Hearing RM 335
Extend application of bond validating act				
<a href="#">HB 154</a>	Sponsor: Karlen, Jonathan; Requester: Flowers, Pat		01/31/25 - (H) Hearing	2:00PM 02/03/2025 HOUSE (H) Appropriations Hearing Room 102
Establish a housing fairness tax credit				
<a href="#">HB 277</a>	Sponsor: Close, Brian; Requester: Close, Brian		01/23/25 - (H) Hearing	
Require a minimum lease term for mobile home lot rentals				
<a href="#">HB 304</a>	Sponsor: Karlen, Jonathan; Requester: Karlen, Jonathan		01/29/25 - (H) Hearing	8:00AM 02/03/2025 HOUSE (H) Judiciary Hearing Room 137
Revise security deposit laws to provide tenants more information and time				
<a href="#">HB 305</a>	Sponsor: Karlen, Jonathan; Requester: Karlen, Jonathan		01/31/25 - (H) Fiscal Note Unsigned	8:00AM 02/05/2025 HOUSE (H) Judiciary Hearing Room 137
Establish the mobile home park dispute resolution program				
<a href="#">HB 306</a>	Sponsor: Baum, Denise; Requester: Karlen, Jonathan		01/30/25 - (H) Fiscal Note Printed	
Provide tax credit to landlords that rent for below market rate				

## Housing MT

Report Date: February 3, 2025

Bill Number	Bill Sponsor	Current Committee	Last Action	Next Hearing
<a href="#">HB 310</a>	Sponsor: Nikolakakos, Melissa; Requester: Nikolakakos, Melissa		01/28/25 - (H) Hearing	
	Establish grant program to increase community shelter capacity for homeless population			
<a href="#">HB 311</a>	Sponsor: Kortum, Kelly; Requester: Kortum, Kelly		01/30/25 - (H) Hearing	8:00AM 02/05/2025 HOUSE (H) Judiciary Hearing Room 137
	Require the refund of rental application fees			
<a href="#">LC0106</a>	Requester: State Auditor by Economic Affairs Interim Committee		09/04/24 - (LC) Drafter Assigned	
	Require title insurance producers to file a bond			
<a href="#">LC0141</a>	Requester: Curdy, Willis		09/04/24 - (LC) Drafter Assigned	
	Generally revise laws for manufactured homes and the mobile home community			
<a href="#">LC0142</a>	Requester: Curdy, Willis		09/04/24 - (LC) Drafter Assigned	
	Generally revise laws for manufactured homes and the mobile home community			
<a href="#">LC0155</a>	Requester: Curdy, Willis		11/14/24 - (LC) Draft On Hold	
	Generally revise state rental laws			
<a href="#">LC0156</a>	Requester: Curdy, Willis		09/05/24 - (LC) Drafter Assigned	
	Generally revise mobile and manufactured home laws			
<a href="#">LC0401</a>	Requester: Zolnikov, Daniel		09/27/24 - (LC) Draft On Hold	
	Generally revise mortgage laws			
<a href="#">LC0523</a>	Requester: Webber, Susan		01/27/25 - (LC) Draft Taken Off Hold	
	Interim study of barrier to mortgage lending on native trust land			
<a href="#">LC0526</a>	Requester: Webber, Susan		10/08/24 - (LC) Drafter Assigned	
	Refund rental application fee			
<a href="#">LC0547</a>	Requester: Webber, Susan		01/08/25 - (LC) Draft Taken Off Hold	
	Revise requirements for rental security deposit refund			
<a href="#">LC0583</a>	Requester: Bogner, Kenneth		01/17/25 - (LC) Draft Taken Off Hold	
	Revise manufactured/mobile home laws			

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Bill Number	Bill Sponsor	Current Committee	Last Action	Next Hearing
<a href="#">LC0694</a>	Requester: Dunwell, Mary Ann		10/31/24 - (LC) Drafter Assigned	
	Provide for housing voucher risk pool for landlords			
<a href="#">LC0705</a>	Requester: Mandeville, Forrest		10/31/24 - (LC) Drafter Assigned	
	Revise laws related to accessory dwelling units			
<a href="#">LC0787</a>	Requester: Bogner, Kenneth		11/04/24 - (LC) Draft On Hold	
	Revise mortgages of real property laws			
<a href="#">LC1114</a>	Requester: Jones, Llew		11/11/24 - (LC) Drafter Assigned	
	Generally revise laws related to affordable housing			
<a href="#">LC1169</a>	Requester: Jones, Llew		11/11/24 - (LC) Drafter Assigned	
	Provide funding to address affordable housing			
<a href="#">LC1283</a>	Requester: Hinkle, Jedediah		11/11/24 - (LC) Drafter Assigned	
	Revise laws related to housing provider organizations that receive public funding			
<a href="#">LC1287</a>	Requester: Hinkle, Jedediah		11/11/24 - (LC) Drafter Assigned	
	Revise laws related to public and nonprofit housing			
<a href="#">LC1318</a>	Requester: Hinkle, Jedediah		11/12/24 - (LC) Draft On Hold	
	Revise laws on public and nonprofit housing			
<a href="#">LC1380</a>	Requester: Gillette, Jane		02/02/25 - (LC) Draft in Edit	
	Provide exemption for certain modifications to residential property			
<a href="#">LC1774</a>	Requester: Gillette, Jane		11/20/24 - (LC) Drafter Assigned	
	Transfer low-income housing programs from DPHHS to Dept of Commerce			
<a href="#">LC1860</a>	Requester: Fern, Dave		01/15/25 - (LC) Draft Died in Process	
	Provide income tax relief for property taxes paid			
<a href="#">LC1864</a>	Requester: Fern, Dave		11/22/24 - (LC) Drafter Assigned	
	Provide housing price transparency for residential appraisals			
<a href="#">LC1865</a>	Requester: Fern, Dave		11/22/24 - (LC) Drafter Assigned	
	Provide appraisal procedures for deed restricted properties			
<a href="#">LC1867</a>	Requester: Fern, Dave		12/11/24 - (LC) Draft On Hold	
	Constitutional amendment to change investment restrictions for coal trust			

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Bill Number	Bill Sponsor	Current Committee	Last Action	Next Hearing
<a href="#">LC1868</a>	Requester: Fern, Dave		01/20/25 - (LC) Draft Ready for Delivery	
Authorize additional funding for the coal trust multi-family home loan program				
<a href="#">LC1874</a>	Requester: Fern, Dave		12/26/24 - (LC) Draft On Hold	
Revise shared equity housing program				
<a href="#">LC1877</a>	Requester: Fern, Dave		11/22/24 - (LC) Drafter Assigned	
Regulatory reform for creation of mobile home parks				
<a href="#">LC1879</a>	Requester: Fern, Dave		01/29/25 - (LC) Draft On Hold	
Create housing improvement district				
<a href="#">LC1880</a>	Requester: Fern, Dave		01/15/25 - (LC) Draft Died in Process	
Revise resort tax eligibility and allow use for workforce housing				
<a href="#">LC1921</a>	Requester: Boldman, Ellie		01/29/25 - (LC) Draft On Hold	
Require the refund of certain residential lease application fees				
<a href="#">LC2128</a>	Requester: Seekins-Crowe, Kerri		01/30/25 - (LC) Draft in Input/Proofing	
Revise tax lien and deed laws and provide equity threshold				
<a href="#">LC2147</a>	Requester: Kassmier, Josh		11/29/24 - (LC) Draft On Hold	
Revise community reinvestment plan laws				
<a href="#">LC2168</a>	Requester: Regier, Matt		11/29/24 - (LC) Drafter Assigned	
Revise landlord laws				
<a href="#">LC2200</a>	Requester: Hinkle, Jedediah		12/05/24 - (LC) Drafter Assigned	
Revise laws related to landlords and tenants and local governments				
<a href="#">LC2276</a>	Requester: Noland, Mark		12/30/24 - (LC) Draft On Hold	
Generally revise housing tax credit for seniors				
<a href="#">LC2505</a>	Requester: Nikolakakos, George		12/08/24 - (LC) Draft On Hold	
Increase elderly homeowner and renter income tax credit				
<a href="#">LC2508</a>	Requester: Nikolakakos, George		12/08/24 - (LC) Draft On Hold	
Provide for refunds of residential lease application fees				

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<a href="#">LC2520</a>	Requester: Nikolakakos, George		12/08/24 - (LC) Draft On Hold	
	Generally revise laws related to mobile home parks			
<a href="#">LC2529</a>	Requester: Howell, SJ		12/08/24 - (LC) Drafter Assigned	
	Create Montana emergency solutions grant for rapid re-housing			
<a href="#">LC2531</a>	Requester: Griffith, Alanah		12/08/24 - (LC) Drafter Assigned	
	Generally revise housing laws, repeal unit ownership act and adopt the uniform community interest act			
<a href="#">LC2579</a>	Requester: Thane, Mark		12/20/24 - (LC) Draft Ready for Delivery	
	Provide for all ages homeowner and renter tax credit			
<a href="#">LC3144</a>	Requester: Vinton, Mike		12/13/24 - (LC) Drafter Assigned	
	Provide funding for public right of way new housing development infrastructure			
<a href="#">LC3183</a>	Requester: Close, Brian		12/13/24 - (LC) Drafter Assigned	
	Interim study to review Montana county and municipal housing authorities			
<a href="#">LC3244</a>	Requester: Karlen, Jonathan		02/01/25 - (LC) Draft in Input/Proofing	
	Allow covenants that provide housing affordability			
<a href="#">LC3245</a>	Requester: Seckinger, Joshua		12/14/24 - (LC) Draft On Hold	
	Increase elderly homeowner/renter tax credit			
<a href="#">LC3693</a>	Requester: Rosenzweig, Scott		01/29/25 - (LC) Draft On Hold	
	Generally revise property tax laws			
<a href="#">LC3708</a>	Requester: Rosenzweig, Scott		12/14/24 - (LC) Drafter Assigned	
	Interim study of residential housing options near Gardiner			
<a href="#">LC3711</a>	Requester: Rosenzweig, Scott		12/14/24 - (LC) Drafter Assigned	
	Interim study of state credit rating support for purchasers of manufactured homes			
<a href="#">LC3714</a>	Requester: Rosenzweig, Scott		01/06/25 - (LC) Draft On Hold	
	Generally provide funding for affordable housing in gateway communities			
<a href="#">LC3752</a>	Requester: Pope, Christopher		12/14/24 - (LC) Drafter Assigned	
	Generally revise policies on state subsidy and incentive of affordable housing development			

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Bill Number	Bill Sponsor	Current Committee	Last Action	Next Hearing
LC3753	Requester: Pope, Christopher		12/14/24 - (LC) Drafter Assigned	
	Generally revise state housing incentives			
LC3755	Requester: Pope, Christopher		12/14/24 - (LC) Drafter Assigned	
	Generally revise state housing programs and policy			
LC3786	Requester: Zephyr, Zooley		12/14/24 - (LC) Drafter Assigned	
	Establish a tenant bill of rights			
LC3789	Requester: Zephyr, Zooley		12/14/24 - (LC) Drafter Assigned	
	Interim study of the landlord tenant act			
LC3842	Requester: Powers, Debo		01/08/25 - (LC) Draft Ready for Delivery	
	Remove the restriction on inclusionary zoning			
LC3982	Requester: Cohenour, Jill		12/15/24 - (LC) Drafter Assigned	
	Revise landlord tenant laws to provide for disclosure of screening process			
LC4304	Requester: Fern, Dave		01/11/25 - (LC) Drafter Assigned	
	Generally revise laws related to the Housing Montana Fund			
LC4307	Requester: Darling, Julie		01/12/25 - (LC) Drafter Assigned	
	Study of incentivizing housing density and affordability			
SB 101	Sponsor: Beard, Becky; Requester: Beard, Becky		01/31/25 - (H) Rereferred to Committee	
	Revise laws related to squatting			
SB 103	Sponsor: Tempel, Russ; Requester: Tempel, Russ		01/31/25 - (S) Transmitted to House	
	Revise fee for issuing an execution or order of sale on foreclosure of lien			
SB 126	Sponsor: Dunwell, Mary Ann; Requester: Dunwell, Mary Ann		01/24/25 - (S) Tabled in Committee	
	Revise tenant moveout laws			
SB 133	Sponsor: Hertz, Greg; Requester: Hertz, Greg		01/16/25 - (S) Hearing	
	Revise impact fee laws			

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<a href="#">SB 146</a>	Sponsor: Beard, Becky; Requester: Beard, Becky		01/25/25 - (S) Hearing	
Creating the private property protection act				
<a href="#">SB 172</a>	Sponsor: Fern, Dave; Requester: Flowers, Pat		01/23/25 - (S) Hearing	
Revise resort tax eligibility and allow use for workforce housing				
<a href="#">SB 213</a>	Sponsor: Zolnikov, Daniel; Requester: Zolnikov, Daniel		02/01/25 - (S) Hearing	3:00PM 02/12/2025 SENATE (S) Local Government Hearing Room 405
Revise the state building code to allow single stairwells in certain buildings				
<a href="#">SB 219</a>	Sponsor: Webber, Susan; Requester: Webber, Susan		01/30/25 - (S) Hearing	8:30AM 02/04/2025 SENATE (S) Business, Labor and Economic Affairs Hearing Room 422
Revise membership of board of housing to require tribal and veteran representation				
<a href="#">SB 225</a>	Sponsor: Morigeau, Shane; Requester: Morigeau, Shane		01/29/25 - (S) Referred to Committee	
Provide income tax credit for renters				
<a href="#">SB 252</a>	Sponsor: Fern, Dave; Requester: Fern, Dave		01/31/25 - (S) First Reading	
Revise land use laws related to manufactured and factory built homes				

