

Montana Board of Housing — Board Meeting

Meeting Location: Zoom

Date: March 16, 2026

Time: 8:30 a.m.

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: 889 8314 2280
- Password: 523646

Register for Webinar: mt-gov.zoom.us/meeting/register/tZwkf-qpqjkoEtTQNygNB23ryez6Nh6ZIGr1

Board Offices:

Montana Department of Commerce

Montana Board of Housing

301 S. Park Ave., Room 240

Helena, MT 59601

406-841-2840

Agenda Items

- Meeting Announcement
- 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)
 - Program Update
- Homeownership Program (Jessica Michel)
 - loanDepot Lender Approval Request
 - Dashboard Analysis
 - Homeownership Update
- Multifamily Program (Jason Hanson)
 - The Elms Apartments Bond Resolution No. 26-0316-MF03
 - Sheep Mountain Residences Bond Resolution No. 26-0316-MF04
 - Multifamily Update
- Mortgage Servicing (Jesse Ennis)
 - Servicing Update
- Operations/Executive Director (Joe DeFilippis + Cheryl Cohen)
 - Rental Assistance Dashboard
 - Operations / Executive Director Update
- Miscellaneous
- Meeting Adjourns

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

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



2026 Montana Board of Housing Calendar

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

Board meetings (training and strategic planning dates in green):

- Monday, Jan. 12 via Zoom
- Monday, Feb. 9 via Zoom
- Monday, March 16 via Zoom
- **Monday, April 13 — Hamilton, MT**
- Tuesday, April 14 — Hamilton
- Monday, May 11 (Great Northern Hotel, Helena, MT, LOI Presentations)
- Tuesday, May 12 (Great Northern Hotel, Helena, MT, LOI Invitations to Apply)
- Monday, June 8 via Zoom
- Monday, July 20 via Zoom
- Monday, Aug. 10 via Zoom
- Monday, Sept. 14 via Zoom
- **Monday, Oct. 19 — Fort Benton, MT**
- Tuesday, Oct. 20 via Zoom (LIHTC 9% Awards and QAP) — Fort Benton, MT
- Monday, Nov. 16 via Zoom
- Monday, Dec. 14 via Zoom (subject to cancellation)

Conferences and 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.

1. Monday, Jan. 12- Friday, Jan. 16: HFA Institute, Washington D.C
2. Monday, March 9-Wednesday, March 11: NCSHA Legislative Conference, Washington D.C.
3. Monday, May 18-Wednesday, May 20: Montana Housing Partnership Conference, Fairmount Hot Springs, MT
4. Monday, June 2-Friday, June 5: Housing Credit Connect St. Louis, MO
5. Saturday, Oct. 3-Tuesday, Oct. 6: NCSHA Annual Conference, Detroit, MI



Meeting Location: Virtual via Zoom

Date: February 9, 2026

Time: 8:30 am

Roll Call of Board Members:

Bruce Posey, Chair (Present)

Sheila Rice (Present)

Amber Parish (Present)

Jeanette McKee (Present)

Rachel Arthur (Present)

Richard Miltenberger (Present)

Ryan Aikin (Present)

Staff:

Cheryl Cohen, Executive Director

Julie Flynn, Community Housing Manager

Logan Colberg, Executive Assistant

Jason Hanson, Multifamily Manager

Joe DeFilippis, Operations Manager

Megan Surginer, Administrative Manager

Bruce Brensdal, Multifamily Program

Charles Brown, Homeownership Program

Kellie Guariglia, Multifamily Program

Jesse Ennis, Mortgage Servicing Manager

Nicole Newman, Program Specialist

Jessica Michel, Homeownership Manager

Vicki Bauer, Finance Manager

Danyel Bauer, Daily Ops Supervisor

Brian Barnes, Multifamily Program

Ashley Miller, Finance Supervisor

Ryan Culver, Multifamily Program

Julles Engel, Community Program

Counsel:

Nathan Bilyeu

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:

Mina Choo	Misty Dalke	Parker Webb	Partick Zhang
Tyler Currence	Drew Page	Angelia Getchell	Trista Crantz
Karl Ladenberg	Rob Joy		

Call Meeting to Order:

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

00:01:25 Introductions of Board members, Board staff, and attendees were made.

00:04:36 Board Chair Posey asked Public Comment for anything under the Board's jurisdiction but not included on today's agenda. No Public Comments were made.

Approval of Minutes:**January 12 MBOH Board Meeting Minutes – See January Minutes in December's Board Packet**

00:04:59 Motion: Sheila Rice
Second: Richard Miltenberger
January 12, 2026 MBOH Board meeting minutes were approved unanimously.

Finance Program:**Finance Update**

00:05:54 Presenter: Vicki Bauer

Homeownership Program:**Approval of Supreme Lending as a Participating Lender**

00:18:24 Presenter: Jessica Michel
Motion: Jeanette McKee

Second: Rachel Arthur

The motion to approve Supreme Lending as a Participating Lender for Montana Board of Housing passed unanimously.

Homeownership Update

00:21:34 Presenter: Jessica Michel

Mortgage Servicing Program:

Servicing Update

00:24:40 Presenter: Jesse Ennis

Multifamily Program:

Multifamily Update

00:28:25 Presenter: Jason Hanson

The Board engaged in discussion regarding Bond cap. Jason Hanson provided comments stating there is carry-over from previous projects and the Board will not face issues exceeding the volume cap.

Asset Management Update

00:37:44 Presenter: Brian Barnes

The Board requests that median in addition to mean be taken into consideration when displaying the Asset Management graphs.

Operations/ Executive Director:

Approval of 2026 MBOH Board Meeting Location Amendments

00:47:16 Presenter: Cheryl Cohen

Motion: Amber Parish

Second: Ryan Aikin

The motion to approve 2026 MBOH Board Meeting Location Amendments passed unanimously.

Rental Assistance Update

00:49:15 Presenter: Cheryl Cohen

Operations/Executive Director Update

00:54:15 Presenter: Joe DeFilippis and Cheryl Cohen

Meeting Adjournment:

01:05:05 Meeting was adjourned at 9:35 a.m.

Amber Parish, Secretary

Date

Board Agenda Item

Board meeting: March 16, 2026

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 limited investments options available that fit within the Board's Investment Policy, so most funds are invested in money market.

- At the end of January, the Board's investment balance, not including new program MBS's, was \$112.5 million with approximately \$97.7 million deposited in money market, earning 3.60%.
- The remaining \$14.7 million of funds are invested in FNMA and Freddie Mac Bonds and a small MBS from a prior program, with rates ranging from 3.69% to 6.25%.
- The MBS program, as of the end of January, we had purchased \$173.3 million of GNMA MBS and \$9.1 million of FNMA MBS with bond proceeds.

Weighted Average Yield Trend Graph

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

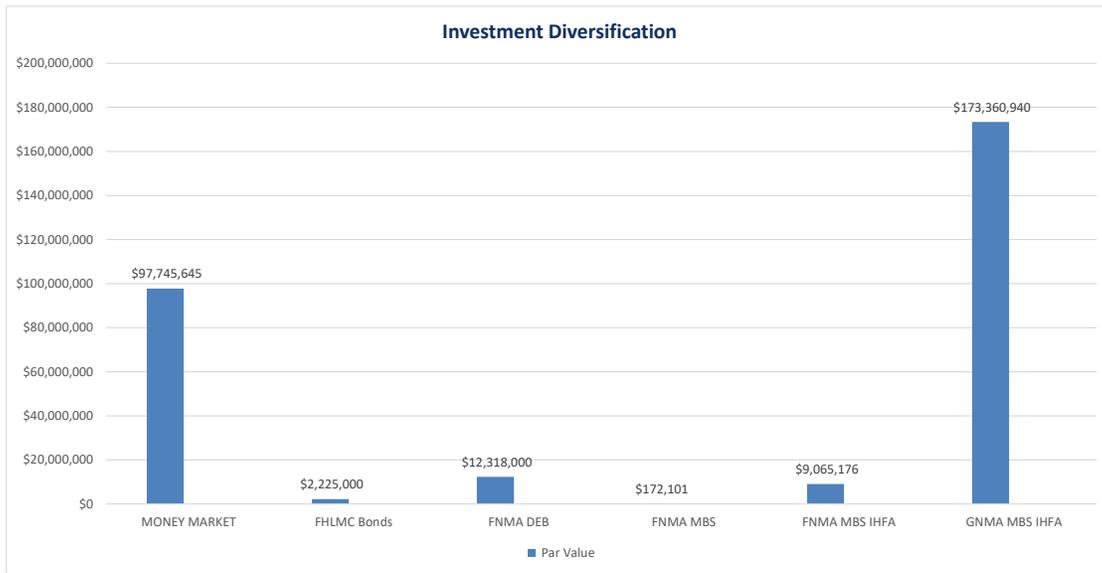
- The weighted average yield on investments has decreased year-to-year from 4.61% in January 2025 to 3.86% in January 2026.
- The rate decreased from 3.91% in December to 3.86% in January 2026.
- These averages do not include the rates on the MBS which range from 4.75 to 5.375%.

BONDS

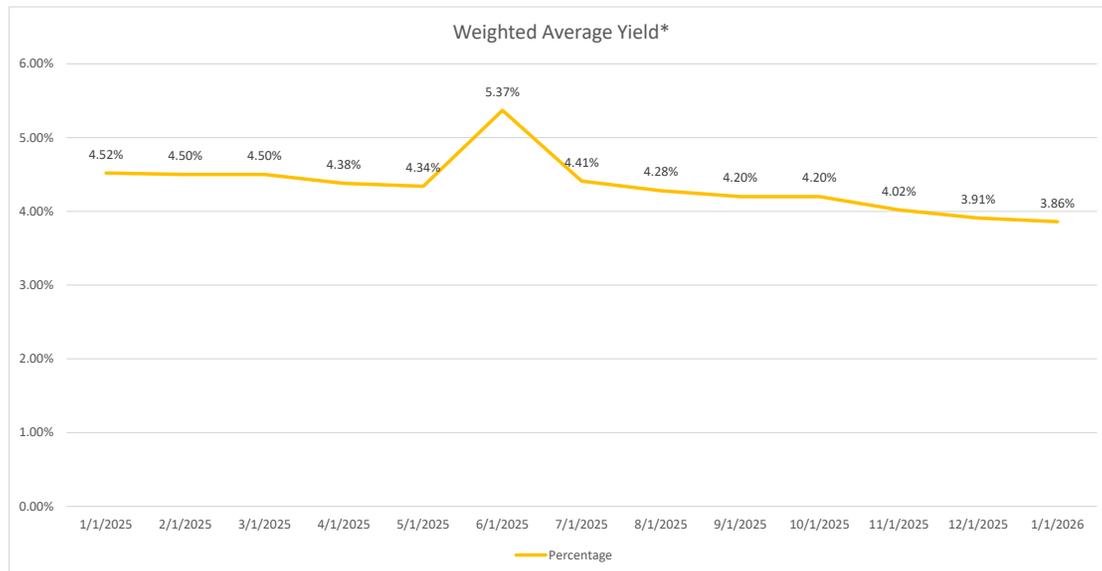
- Single Family, Multi Family, Teachers outstanding balances are listed on the dashboard
- We closed the 2026A bond issue for \$70,000,000, on February 19th.

Finance Program Dashboard

March 16, 2026 (Data as of 1/31/2026)



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



*Does not include rate on MBS

Bonds Outstanding (After December 1st Debt Service)

SF 1	730,030,000
SF 2	64,710,000
SF 11	7,070,000
Multifamily	75,000
Teachers	86,366
TOTAL	801,971,366

Board Agenda Item

Board meeting: March 16, 2026

Homeownership Program

LENDER APPROVAL - loanDepot

loanDepot was founded in Delaware by Anthony Hsieh in 2010. Their headquarters is in Irvine, California. They have a nationwide team of over 6,000 employees. Their Montana location is located at 534 W Higgins in Missoula and is home to 2 employees.

Delivering a digital mortgage experience that is powered by their proprietary mello® software platform that powers every loan transaction, and together with their mello smartloan – their end-to-end fully digital mortgage, loanDepot offers a comprehensive range of purchase and refinance mortgage products including FHA, VA and USDA, Jumbo, Non-QM and conventional loans. They look forward to originating Regular Bond, Down Payment Assistance and Mortgage Credit Certificate programs that MBOH offers.

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

PROPOSAL

Staff requests the Board approve loanDepot as a Participating Lender for Montana Board of Housing.

Board Agenda Item

Board meeting: March 6, 2026

Homeownership Program

DASHBOARD – WHAT TO KEEP? A DEEP DIVE

What items on the current Homeownership Program dashboard assist Board members in excogitating program decisions? Which items are of less value to your review and can be removed?

- **Rates** - Do Board members wish to continue to see current lending rates as well as rates for the prior month and prior year for comparison? Could prior rate history be removed on future dashboards?
- **MBS Program** - Do Board members review the itemized number of reserved loans for each program with the corresponding dollar amounts? Do you use the IHFA purchased numbers to review the current status of the MBS program? Do the foreclosure numbers help you in making program decisions? How does the MBS turn times increase your understanding of the program?
- **Loan Purchases by Lender** – Do you monitor the number of loans closed by each lender each month? Does the YTD running total help or could this column be only data to be presented to the Board one time at the end of a calendar year?
- **Portfolio Summary** – With our in-house portfolio expected to decrease in the coming years, is this information still helpful in making program decisions? Do you review the percentage of number of loans and the percentage of dollar of loans to understand the increase or decrease from the portfolio numbers a year ago?
- **Weighted Average Interest Rate** – Is the weighted average helpful information when considering program decisions?

- **RAM Program Activity** – Is the information provided valuable? Would you like Board staff to give an annual or semiannual program update regarding the number of loans, balance of loans and available program balance? Is the number of loans and dollar amount for the life of the program edifying?
- **Delinquency and Foreclosure Rates** – Board staff find this information useful and enlightening. Do Board members? The Servicing dashboard reflects delinquency and foreclosure rates for our in-house portfolio, but that dashboard does not reflect the small number of loans serviced by outside servicers (grandfather in from Master Servicer / MBS transition).

HOMEOWNERSHIP PROGRAM DASHBOARD

March 16, 2026

RATES

	<u>CURRENT</u>	<u>LAST MONTH</u>	<u>LAST YEAR</u>
MBOH*	5.625	5.63	5.500
Market	5.95	6.01	6.795
10 yr treasury	4.24	4.12	4.550
30 yr Fannie Mae	6.53	6.53	6.530

*Current Setaside 5.375, DPA 5.875

MBS PROGRAM

RESERVATIONS

	<u>February NUMBER</u>	<u>February AMOUNT</u>
Series 2026 A (since 10.21.25)	18	4,583,932
Series 2025 B	1	361,212
Series 2026 A DPA (since 10.21.25)	12	132,630
Series 2025 B	1	15,000
80% Combined (20+)		
SET-ASIDE PROGRAMS		
MBOH Plus DPA	2	23,000
NeighborWorks		
CAP NWMT CLT		
Missoula HRDC XI		
Bozeman HRDC IX		
Home\$art		
HUD 184		
MT Street CLT		
Sparrow Group		
City of Billings	1	215,201
Foreclosure Prevent		
Disabled Accessible		
Lot Refi		
FY26 Habitat	1	231,470
OTHER PROGRAMS		
Veterans (Orig)	2	708,382
912 Mrtg Cr Cert (MCC)	5	1,258,800

LOANS PURCHASED BY IHFA

<u>February NUMBER</u>	<u>February AMOUNT</u>	
25	6,144,901	1st Mortgages only
DELINQUENCIES		
First Mortgages		
30-59 days	60-89	89-120+
19	2	6
FORECLOSURES		
30-59	60-89	89-120+
3	1	4
FHA 1st Mortgages		
VA 1st Mortgages		
RD 1st Mortgages		
Conventional Mtg		
DPA		
	2	

FEBRUARY MBS TURNTIMES

Lender reservation to closing date	17.56	days
Closing Date to compliance submission	26.28	days
Compliance Submission to review time	5.84	days

LOAN PURCHASES BY LENDER

	<u>Jan-26 1st</u>	<u>DPA</u>	<u>2026 YTD 1st</u>	<u>DPA</u>
1ST SECURITY BK MISSOULA 133				
BRAVARA BANK 186				
CHURCHHILL MORTGAGE 869				
CLEARWATER FEDERAL C U 901				
CMG 874				
CORNERSTONE HOME LENDING 850				
CROSSCOUNTRY MORTGAGE 863	1	1	1	1
ENVOY 871				
EVERGREEN MORTGAGE 875	2	1	2	1
FAIRWAY INDEPENDENT MRTG 847	5	3	5	3
FIRST BANK OF MONTANA 073				
FIRST COLONY MORTGAGE 865				

FIRST FEDERAL BANK & TRUST 731				
FIRST INTERSTATE BANK-WY 601				
FIRST MONTANA BANK 172				
FLATHEAD HABITAT 991				
GLACIER BANK KALISPELL 735	1		1	
GUARANTEED RATE 864	2	2	2	2
GUILD MORTGAGE COMPANY 842	4	3	4	3
HOMETOWN LENDERS 862				
INTREPID CREDIT UNION 903				
LOWER DOT COM, LLC 873	5	3	5	3
NEW AMERICAN FUNDING 878	4	4	4	4
NOVUS 872	1	1	1	1
ONE TRUST HOME LOAN 868				
OPPORTUNITY BANK 700	3	3	3	3
PRIME LENDING 851				
SECURITY NATIONAL MTG CO 879				
STOCKMAN BANK OF MT MILES 524	6	5	6	5
SYNERGY ONE LENDING 880	1	1	1	1
UNION HOME MORTGAGE 876	1	1	1	1
UNIVERSAL 843				
VALLEY BNK DIV OF GLACIER BNK 151				
VIP MORTGAGE 883				
WESTERN SECURITY BANK 785				
WINTRUST MORTGAGE 867				
YELLOWSTONE BANK 161				
Grand Count	36	28	36	28

JANUARY 2026 PORTFOLIO SUMMARY

	# of loans	\$ of loans	% of #	% of \$	
FHA	2,729	397,120,939	48.0%	66.6%	
RD	770	79,426,959	13.6%	13.3%	
VA	388	70,199,386	6.8%	11.8%	
HUD184	33	1,982,388	0.6%	0.3%	
PMI	30	1,793,901	0.5%	0.3%	
Uninsured 1st	267	33,390,318	4.7%	5.6%	
Uninsured 2nd	1,463	12,464,461	25.8%	2.1%	
January 2026 Portfolio Balance	5,680	\$ 596,378,352			
January 2025 Portfolio Balance	5,703	\$ 639,084,812	-0.40%	-6.68%	percent of Incr/Decr

Weighted Average Interest Rate 4.552%

rates up to 4%	
2323	\$ 226,402,704
rates 4% and above	
3357	\$ 370,975,598

RAM PROGRAM DECEMBER ACTIVITY

<u>Loan Requests</u>	<u>Loans Outstanding</u>		<u>Life of Program</u>		<u>Avail Balance</u>
	45	2,906,568.92	249	16,616,094	4,651,785.08

DELINQUENCY AND FORECLOSURE RATES

	MONTANA BOARD OF HOUSING			MORTGAGE BANKERS ASSOC.12/31/2025			(most recent available)
	<u>Jan-26</u>	<u>Dec-25</u>	<u>Jan-25</u>	<u>Montana</u>	<u>Region</u>	<u>Nation</u>	
30 Days	1.41	1.76	1.25	1.45	1.82	2.07	
60 Days	0.90	0.74	0.67	0.76	0.82	0.92	
90 Days	2.15	2.55	2.67	0.77	1.08	1.27	
Total Delinquencies	4.46	5.05	4.59	2.98	3.72	4.26	
In Foreclosure	0.85	0.74	0.35	0.30	0.35	n/a	

Board Agenda Item

Board meeting: March 16, 2026

Multifamily Program

Bond Resolution No. 26-0316-MF03 Approval

The Elms in Kalispell

Background:

- The Elms Apartments is a 60-unit family property located in Kalispell, MT. This is an acquisition rehabilitation project costing approximately \$262,996 per unit. TE Miller and Mach Dev are the developers and are requesting a bond amount not to exceed \$11,000,000. This amount includes the buffer. Unit AMI's will target 60% and all 60 units have Section 8 rental assistance. A letter of support was received by the City of Kalispell's Assistant Development Services Director.

Staff Recommendation (if any):

- Staff support the proposal noted above.

Motion Options(s):

1. Move to approve Bond Resolution No. 26-0316-MF03 in the amount not to exceed \$11,000,000.
2. No motion, proposal fails.

Montana Board of Housing

RE: The Elms Apartments, 330 3rd Ave W, Kalispell, MT 59901,

Dear Montana Board of Housing,

We are pleased to submit the application for The Elms Development to be financed through Private Activity Bonds and 4% Low-Income Housing Tax Credits. The Elms Apartments is a planned acquisition and rehabilitation of an existing HUD-assisted, 60-unit affordable senior rental community with a HAP contract, located at 330 3rd Avenue W in Kalispell, Flathead County. The project is being co-developed by Mach Development and TE Miller Development, a team dedicated to preserving affordability and designing and maintaining high-quality housing that strengthens the social and economic fabric of the communities they serve.

Physical Description

The Elms Apartments is a planned high-amenity, senior affordable housing community designed to offer 60 one-bedroom units in one three-story elevator building. The renovation will address all major infrastructure issues as needed, including replacing roofs, windows, HVAC, hot water tanks, repairing exterior walls, exterior paint, replacing flooring, replacing fixtures and appliances, and replacing cabinets and countertops. Additionally, the rehab will incorporate energy efficient building practices.

All units will offer A/C, covered balcony, in unit storage, hard surface counter tops, carpet in bedrooms, and LVP wood flooring outside of bedroom. Kitchen appliances will include stainless steel oven/range, refrigerator, and microwave. These amenities will be upgraded as part of the rehabilitation.

Community amenities will include an elevator, lounge area, community room, library, exercise room, central laundry, outdoor garden, outdoor BBQ area, and on-site management. The services at the Apartments will include art classes and activities such as bingo and jewelry-making.

Location and Neighborhood

The Elms Apartments will be located on a 1.14-acre site at 330 3rd Ave W, east of S Main St in Flathead County. The site is in a vibrant area of Kalispell, near a number of amenities.

The Elms Apartments are within 0.9 miles of a Smith's grocery store, medical clinics within 0.5 to 0.9 miles, 0.7 miles from a Walgreens Pharmacy. Residents will also have access to Glacier Bank (0.3 miles), a post office (0.2 miles), a gas station (0.5 miles), and a number of small businesses and restaurants. The development is also located within 0.3 miles of the Kalispell Center Mall, providing residents with a range of retail options.

Residents will be able to enjoy outdoor recreation at Woodland Park (1 mile) and Depot Park (0.6 miles). The Kalispell Senior Center is also within 0.7 miles of the development, and offers a range of exercise, music, art, and dance classes, as well as community activities. Additionally, the Logan Health Emergency Department is 1.6 miles from the project location. The nearest fire station is within 0.4 miles of the site, and the nearest police station is within 0.6 miles. The Flathead County Public Library is also within 0.4 miles of the Elms Apartments.

Resident Population and Market Demand

Unit Type	Number of Units	Res. Square Footage
1 Bedroom		
60% AMI	19	600
<60% AMI (PBV)	41	600
Total	60	36,000

The need for affordable housing in Kalispell is overwhelming and urgent. According to the University of Montana's 2023 Flathead County Housing Report, the median home price increased 231% over the last decade, reaching \$655,400 in 2022. Meanwhile, the median income household can now only afford about half the cost of a median-priced home.

The Novogradac Market Study for the Elms Apartments further confirms the critical shortage of affordable units, particularly for seniors:

- Vacancy rates among comparable properties were at a weighted average of 1.2%, with two of the four LIHTC properties reporting full occupancy and three of the four LIHTC properties reporting long waiting lists (p. 2-3).
- The study concludes that the Subject is entering a supply-constrained market with a projected absorption rate of 111% and strong lease-up timeline (p. 3).

Development Team Experience

Mach, LLC and TE Miller Development, LLC

The project will be developed by Mach, LLC and TE Miller Development, LLC, both privately held real estate developers and owners, that oversee a portfolio of affordable apartment communities. The team has collectively developed over \$500 million in multifamily housing.

Tushie-Montgomery Associates, P.C.

Tushie-Montgomery Architects (TMA) is a full-service architecture and design firm based in Minneapolis, Minnesota, with over 40 years of experience delivering thoughtful, client-driven design solutions.

Praxis Consulting Group, LLC

Mach and TE Miller will receive consulting assistance from Praxis Consulting Group, LLC. Praxis is a Nevada-based consulting firm that helps non-profit, for-profit and government organizations develop and finance affordable housing. Since 2004, Praxis has secured the financing for over 140 affordable housing developments totaling over 16,200 units and over \$4.07 billion in financing.

Financing and Timeline

The financing for Elms Apartments includes tax-exempt bonds issued by Montana Board of Housing (MBOH), equity from the sale of non-competitive 4% Low Income Housing Tax Credits, and Montana NeighborWorks funds. The Elms Apartments anticipates closing its financing and starting construction in May 2026, with construction completion by January 2027.

Thank you for your time and commitment to affordable housing in Montana.

Sincerely,

Matt Belles, Development Lead

RESOLUTION NO. 26-0316-MF03

A RESOLUTION OF THE MONTANA BOARD OF HOUSING MAKING FINDINGS WITH RESPECT TO HOUSING NEEDS WITHIN MONTANA; APPROVING A BORROWING, AND REPAYMENT THEREOF, IN ONE OR MORE SERIES IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$11,000,000; APPROVING A FUNDING LOAN AGREEMENT, BORROWER LOAN AGREEMENT AND OTHER RELATED DOCUMENTS; AUTHORIZING THE EXECUTION OF SUCH DOCUMENTS; AND PROVIDING FOR OTHER MATTERS PROPERLY RELATING THERETO.

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

WHEREAS, the Board intends to borrow on a non-recourse limited obligation basis from Glacier Bank (or such other financial institution as is approved by the Chair, Vice Chair or Executive Director and Treasurer) (the “Funding Lender”) an aggregate principal amount not to exceed \$11,000,000, in one or more series, the proceeds of which will be used to finance a mortgage loan for the acquisition, rehabilitation and equipping of The Elms Apartments, a 60-unit affordable housing development located in Kalispell, Montana (the “Project”); and

WHEREAS, the borrowing by the Board will be pursuant to a Funding Loan Agreement, among the Board, the Funding Lender and a fiscal agent to be determined by the Board (the “Fiscal Agent”) (the “Funding Loan Agreement”), and the agreement to repay such borrowing shall be reflected in a non-recourse revenue debt obligation (the “Obligation”) to be issued to the Funding Lender pursuant thereto, which Funding Loan Agreement and Obligation will be in substantially

the form approved by the Board with respect to The Manor financing in 2024 (the “The Manor Financing”), subject to the terms, conditions and limitations established herein and in the Funding Loan Agreement; and

WHEREAS, the proceeds of the borrowing will be used to finance a loan (the “Mortgage Loan”) to Mach Elms 2 LLC, a Montana limited liability company, or a similar affiliate of MACH Development LLC, or subsidiaries or affiliates thereof (collectively, the “Borrower”), pursuant to a Borrower Loan Agreement, by and among the Board, the Borrower and the Funding Lender (the “Borrower Loan Agreement”), which will be in substantially the form used in The Manor Financing; and

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

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

Section 1. Public Hearing and Findings.

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

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

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

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

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

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

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

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

Section 2. Approval of Funding Loan Agreement. The Funding Loan Agreement is hereby approved in the form hereinabove described, and the Chair, the Vice Chair or the Executive Director and Treasurer of the Board (each an “Authorized Officer”) is hereby authorized and

directed to select a Fiscal Agent and to execute and deliver the Funding Loan Agreement, with such changes, insertions or omissions therein as may be approved by such signatory, such approval to be evidenced conclusively by such execution of the Funding Loan Agreement.

Section 3. Authorization and Execution of the Obligation. The execution and delivery of the Board's Obligation to the Funding Lender is hereby authorized and approved. The final amount and terms of the Obligation shall be determined by an Authorized Officer, consistent with the terms of the Funding Loan Agreement and subject to the following conditions. The Obligation shall not be a general obligation of the Board but shall be a limited non-recourse obligation payable solely and only from the Borrower's Mortgage Loan payments and any other moneys pledged under the Funding Loan Agreement by the Borrower as required by the Borrower Loan Agreement, and because such other means of payment have been provided to pay the Board's Obligation, the Obligation is not subject to the limitation described in Section 90-6-111(5) of the Act. The Obligation shall mature no later than 40 years from its date of issuance, bear interest at a fixed or floating rate no greater than the net rate paid on the Mortgage Loan (i.e., net of fees due to the Board and any other parties), be in a principal amount not to exceed \$11,000,000, be subject to prepayment and have the other terms and provisions as described to the Board, and definitively set forth in the Funding Loan Agreement upon execution and delivery as aforesaid in Section 2 hereof. The Obligation shall be executed and delivered substantially in the form set forth in the Funding Loan Agreement, with such additions, omissions and changes as are required or permitted by the Funding Loan Agreement and approved by the signatories thereto. The Obligation shall be executed in the name of the Board by the Chair or the Vice Chair of the Board, and attested to by the Secretary or the Treasurer, each of whom is hereby appointed as an Authorized Governmental Lender Representative (as such term is defined in the Funding Loan Agreement) for purposes of executing and attesting the Obligation, and their execution shall evidence their approval of the final terms thereof. Such signatures may be by facsimile; provided, however, that such Obligation shall not be valid or obligatory for any purpose unless the attestation by the authorized officer of the Board shall be a manual signature or the Obligation is authenticated by the manual signature of an authorized officer of the Fiscal Agent.

Section 4. Approval of Borrower Loan Agreement. The Borrower Loan Agreement is hereby approved in the form hereinabove described, and an Authorized Officer is hereby

authorized to execute and deliver the Borrower Loan Agreement, with such changes, insertions or omissions therein as may be approved by such person, such approval to be evidenced conclusively by such execution of the Borrower Loan Agreement.

Section 5. Approval of Regulatory Agreement. The Regulatory Agreement is hereby approved in the form hereinabove described, and an Authorized Officer is authorized and directed to execute and deliver the same, with such changes, insertions or omissions therein as may be approved by such person, such approval to be evidenced conclusively by such execution of the Regulatory Agreement.

Section 6. Ratification of Prior Actions. All action previously taken by the officers, members or staff of the Board within the authority granted herein, with respect to the Funding Loan Agreement, the Borrower Loan Agreement, the Regulatory Agreement and the Obligation is hereby approved, confirmed and ratified.

Section 7. Execution of Documents. In the event of the absence or disability of an Authorized Officer, or if for any other reason any of them are unable to execute the documents referred to in this Resolution, such documents may be executed by another member of the Board or by the Multifamily Program Manager or the Accounting and Finance Manager, with the same effect as if done by an Authorized Officer and without the further authorization of the Board. The execution of such documents by such member shall be conclusive evidence of his or her authority to so act.

Section 8. Execution of No-Arbitrage Certificate. An Authorized Officer is hereby authorized to issue certifications as to the Board's reasonable expectations regarding the amount and use of the proceeds of the Obligation as described in Section 148 of the Code, as amended.

Section 9. Additional Actions Authorized. The Chair, the Vice Chair, the Secretary or any other member of the Board, and the Executive Director and Treasurer, the Multifamily Program Manager and the Accounting and Finance Manager, acting alone or acting with others, are hereby authorized and directed to execute and deliver any or all other documents which may be required under the terms of the Funding Loan Agreement and the Borrower Loan Agreement, and to take such other action as may be required or appropriate for the performance of the duties

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

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

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ADOPTED by the Montana Board of Housing this ____ day of March, 2026.

MONTANA BOARD OF HOUSING

By _____

Bruce Posey, Chair

Attest:

By _____

Cheryl Cohen, Executive Director

The Elms Apartments 4% Kalispell MT Pictures



City	Kalispell
County	Flathead County
Project Name	The Elms
HC Requested	6,495,660

<u>Unit Numbers</u>	<u>Target</u>	
1-bdrm	60%	60
other	mgr(60%)	-
Total Units		60
Average Income Targeting		60.00%

<u>Square Footage</u>		
Income Restricted Units		39,000
Total		39,000

<u>Unit Rents</u>		
1-bdrm	60%	1,243
other	mgr(60%)	-
Total Monthly Rents		74,593
vacancy factor		5.00%
Adjusted Rent		70,863
other/commercial income		6,800
total rent		77,663
x 12 months		12
Total Annual Income		931,956

Expenses

Administration	17,854
Management	35,431
Maintenance	125,140
Operating	108,978
Taxes	-
Replacement Reserve	21,000
Total Expenses	<u>308,403</u>

Net Income Before Debt Service 623,553

Financing Sources

Hard Loan	7,736,771
Hard Loan	750,000
Other	750,000
Other	236,427
Deferred Dev Fee	850,842
HC Equity Non-Competitive	<u>5,455,707</u>
Total Sources:	15,779,747
% of Project Financed by HC:	34.57%

Return on Sale of HTC

HTC Requested	6,495,660
HTC Equity	5,455,707
HTC Return on Sale	0.840

Ratios

Rent (Income)	931,956
Operating Expenses	287,403
Replacement Reserves	21,000
Net Income Available for DS	623,553
Total Debt Service	\$502,228
Debt Coverage Ratio (DCR)	1.24
Total Expense Ratio	1.15

Project Costs

Land	834,409
Building/Acquisition	7,165,591
Site Work	-
Construction / Rehab	4,026,840
Soft Costs	1,565,637
Developer Fees	1,917,270
Reserves	270,000
Total Project Costs	15,779,747
Supportive Services Costs	-
Residential Costs	15,779,747

Costs versus Sources

Total Project Costs	15,779,747
Total Financing Sources	15,779,747
Difference	-

Project Cost Limitations

	<u>Limits</u>	
General Requirements	6.00%	3.10%
Contractor Overhead	2.00%	1.55%
Contractor Profit	6.00%	0.00%
Developer Fees	15.00%	15.03%
Soft Cost	40 or 45%	28.96%

Per Unit Comparison

	<u>Limits</u>	
Cost per unit total	n/a	262,996
Cost per unit residential only	\$365,000	262,996
Cost per unit Const / Rehab	n/a	67,114
Credits per unit	n/a	108,261
Operating Cost per unit	\$3,000 min	4,790
Replacement Reserves	\$350 min	350

Per Square Foot Comparison

Construction / Rehab per sq ft	103.25
Total Project Cost per sq ft	404.61
Credits per sq ft	166.56
Credits per sq ft (residential only)	166.56

Utilities Paid by (Tenant / Owner)

Tenant

Market Study Data:

Vacancy Rates	1.2%
Absorption Rate	111 to 101.6%
Months to Absorb	2 months
Average Project Rent	1,300
Average Market Rent	1,320
Units needed for Targeted AMI's	60

Market Rents

1-bdrms	1,320
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Board Agenda Item

Board meeting: March 16, 2026

Multifamily Program

Bond Resolution No. 26-0316-MF04 Approval

Sheep Mountain Residences in Livingston

Background:

- Sheep Mountain Residences is a 24-unit family property located in Livingston, MT. This is a new construction project costing approximately \$262,500 per unit. Boundary Development is the developer and requests a bond amount not to exceed \$4,200,000. This amount includes the buffer. Unit AMI's will target 60%. This project is tied to Sheep Mountain Residences 9% that was awarded at last year's October meeting.

Staff Recommendation (if any):

- Staff support the proposal noted above.

Motion Options(s):

1. Move to approve Bond Resolution No. 26-0316-MF04 in the amount not to exceed \$4,200,000.
2. No motion, proposal fails.

Cover Letter

Date: **August 4th, 2025**

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

RE: HC Application – **Sheep Mountain Residences, Combined 4% and 9%**

Dear Board of Housing:

Boundary Development and HRDC (“Developer”) propose a 48-unit affordable family housing project in Livingston, MT, addressing a long-standing shortage in a community that has seen little subsidized housing development in recent years. This is evidenced by our market study which estimated a need of 3,936 units for the target AMI within the Primary Market Area. The Project will include 48 units in total and will be divided into two condominiums (a “4% Parcel” and “9% Parcel”) and will be financed using both 4% and 9% tax credits as well as tax-exempt bonds (on the 4% Parcel only).

Livingston and nearby Paradise Valley face rising rents and limited options for low-income families. This project will provide essential housing while fostering strong local partnerships and community engagement to meet the specific needs of the area. By collaborating closely with city staff and community members, we are committed to delivering a development that is both impactful and widely supported. This effort builds on the success of our ongoing 96-unit affordable housing project in Bozeman (7th and Aspen), showcasing our ability to execute meaningful, community-driven developments.

Proximity to Downtown and Amenities:

The proposed site is located 1 mile from downtown Livingston and conveniently located 0.5 miles from the 4 Ranges Wellness Center, which is under construction and will offer significant benefits for future residents. The wellness center will provide residents free access to amenities like aquatics areas, an indoor gym, fitness facilities, a walking and running track, studio spaces, classrooms, and partner organization spaces. These resources will promote health, wellness, and community engagement year-round. The wellness center's proximity enhances the appeal of our housing while supporting residents' well-being, reflecting our dedication to creating developments that align with

community priorities and improve quality of life.

Justification for Need:

Livingston, Montana, serves as a critical housing hub for a vast geographic area, including Shields Valley, Gardiner, Paradise Valley, and neighboring Gallatin County. Additionally, Livingston is poised to support workers from new industrial operations like the White Sulphur Springs Mine. However, the rapid growth of these employers, combined with increased tourism and the rising popularity of the area among second-home buyers, has placed immense strain on the local housing market.

The demand for affordable housing in Livingston has outpaced supply, leading to skyrocketing costs and the displacement of long-time residents. Vacancy rates are near zero, making it increasingly difficult for local employers to attract and retain workers due to a lack of affordable options. Over the past decade, Park County has delivered only 89 new subsidized units—37 of which were LIHTC-funded—leaving a significant gap in workforce housing. Our proposed 48-unit development aims to address this crisis by serving households earning 50–60% of Area Median Income (AMI), directly targeting the unmet need identified in market studies.

These credits are vital to enabling the construction of affordable housing that supports local residents and workers. Without this investment, both employers and employees will face continued challenges, threatening economic stability across Park County and beyond.

Project Amenities:

The proposed project has been thoughtfully designed with significant input from the community to ensure it meets the most pressing local needs. One of the largest needs identified is housing for the older generation, particularly one-bedroom units. To address this, the project includes a total of 32 one-bedroom units, 12 two-bedroom units, and 4 three-bedroom units, with 5 units (10% of the total) specifically targeted for persons with disabilities. All units will feature Energy Star appliances, open living and kitchen areas, and ample natural light with great views. The building will also provide on-site parking, bike storage, a playground and shared open spaces to foster community interaction. Additionally, the design incorporates sustainability principles and fully complies with

MBOH Green Building requirements, ensuring energy efficiency and environmental responsibility.

- Energy-efficient design compliant with MBOH Green Building standards.
- Mix of 1- to 3-bedroom units, including ADA-accessible options.
- Proximity to the Wellness Center, public transit, and essential services.
- On-site parking, bike storage, and community spaces.
- On going discussions with Wind Rider Transit, a free, fixed-route service, to add a bus stop at our property location.

Project Structure and Financing

The application submitted herein is for the 9% Parcel. We have included a Proforma for the 4% Parcel as well as a combined Proforma. The parcels were sized at 24 units each in order to allow for a viable financing structure for both components, maximizing the total unit count. Glacier Bank has submitted a letter of intent to provide construction and permanent financing for the Project. US Bank has submitted a letter of intent to purchase the tax credits. Boundary, HRDC, Glacier and US Bank have a track-record of working together to successfully execute on complex project financings. Given current construction costs, lower AMIs, and elevated interest rates, an award of both credits will be necessary in order to make the project feasible.

Sponsor Overview:

The Project will be developed, owned and managed by Boundary Development and HRDC. Boundary Development is based in Bozeman and is currently developing \$200 million of housing projects, including a 96-unit affordable and middle-income project in Bozeman. HRDC is a non-profit Community Action Agency (CAA) dedicated to strengthening the community and advancing the quality of people's lives in southwest Montana. HRDC instills hope, develops resources, designs solutions and changes lives. The HRDC team has completed more than \$100 million in housing and public facilities development.

Boundary Development and HRDC bring a track record of success that ensures execution, certainty, and financial stability. We respectfully request consideration for housing credits to make this vital project feasible.

If you have any questions, please contact me at:

Joe Walsh | joe@boundarydev.com | 503-784-9411

Sincerely,

Joseph Walsh

Joseph Walsh, Boundary Development
President/CEO, HRDC

A handwritten signature in blue ink, appearing to read 'HG', with a small flourish at the end.

Heather Grenier,

RESOLUTION NO. 26-0316-MF04

A RESOLUTION OF THE MONTANA BOARD OF HOUSING MAKING FINDINGS WITH RESPECT TO HOUSING NEEDS WITHIN MONTANA; APPROVING A BORROWING, AND REPAYMENT THEREOF, IN ONE OR MORE SERIES IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$4,200,000; APPROVING A FUNDING LOAN AGREEMENT, BORROWER LOAN AGREEMENT AND OTHER RELATED DOCUMENTS; AUTHORIZING THE EXECUTION OF SUCH DOCUMENTS; AND PROVIDING FOR OTHER MATTERS PROPERLY RELATING THERETO.

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

WHEREAS, the Board intends to borrow on a non-recourse limited obligation basis from Glacier Bank (or such other financial institution as is approved by the Chair, Vice Chair or Executive Director and Treasurer) (the “Funding Lender”) an aggregate principal amount not to exceed \$4,200,000, in one or more series, the proceeds of which will be used to finance a mortgage loan for the acquisition, construction and equipping of Sheep Mountain Residences, an affordable housing development consisting of 24 units located in Livingston, Montana (the “Project”); and

WHEREAS, the borrowing by the Board will be pursuant to a Funding Loan Agreement, among the Board, the Funding Lender and a fiscal agent to be determined by the Board (the “Fiscal Agent”) (the “Funding Loan Agreement”), and the agreement to repay such borrowing shall be reflected in a non-recourse revenue debt obligation (the “Obligation”) to be issued to the Funding Lender pursuant thereto, which Funding Loan Agreement and Obligation will be in substantially the form approved by the Board with respect to the Midtown Aspen financing in 2024 (the

“Midtown Aspen Financing”), subject to the terms, conditions and limitations established herein and in the Funding Loan Agreement; and

WHEREAS, the proceeds of the borrowing will be used to finance a loan (the “Mortgage Loan”) to Sheep Mountain Residences LLC, a Montana limited liability company, or a similar affiliate of Boundary Development LLC, or subsidiaries or affiliates thereof (collectively, the “Borrower”), pursuant to a Borrower Loan Agreement, by and among the Board, the Borrower and the Funding Lender (the “Borrower Loan Agreement”), which will be in substantially the form used in the Midtown Aspen Financing; and

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

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

Section 1. Public Hearing and Findings.

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

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

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

(ii) that private enterprise has not provided an adequate supply of decent, safe and sanitary housing in the housing market area at rentals or prices

which persons or families of lower income can afford or provided sufficient mortgage financing for homes for occupancy by persons or families of lower income;

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

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

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

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

Section 2. Approval of Funding Loan Agreement. The Funding Loan Agreement is hereby approved in the form hereinabove described, and the Chair, the Vice Chair or the Executive Director and Treasurer of the Board (each an “Authorized Officer”) is hereby authorized and directed to select a Fiscal Agent and to execute and deliver the Funding Loan Agreement, with

such changes, insertions or omissions therein as may be approved by such signatory, such approval to be evidenced conclusively by such execution of the Funding Loan Agreement.

Section 3. Authorization and Execution of the Obligation. The execution and delivery of the Board's Obligation to the Funding Lender is hereby authorized and approved. The final amount and terms of the Obligation shall be determined by an Authorized Officer, consistent with the terms of the Funding Loan Agreement and subject to the following conditions. The Obligation shall not be a general obligation of the Board but shall be a limited non-recourse obligation payable solely and only from the Borrower's Mortgage Loan payments and any other moneys pledged under the Funding Loan Agreement by the Borrower as required by the Borrower Loan Agreement, and because such other means of payment have been provided to pay the Board's Obligation, the Obligation is not subject to the limitation described in Section 90-6-111(5) of the Act. The Obligation shall mature no later than 40 years from its date of issuance, bear interest at a fixed or floating rate no greater than the net rate paid on the Mortgage Loan (i.e., net of fees due to the Board and any other parties), be in a principal amount not to exceed \$4,200,000, be subject to prepayment and have the other terms and provisions as described to the Board, and definitively set forth in the Funding Loan Agreement upon execution and delivery as aforesaid in Section 2 hereof. The Obligation shall be executed and delivered substantially in the form set forth in the Funding Loan Agreement, with such additions, omissions and changes as are required or permitted by the Funding Loan Agreement and approved by the signatories thereto. The Obligation shall be executed in the name of the Board by the Chair or the Vice Chair of the Board, and attested to by the Secretary or the Treasurer, each of whom is hereby appointed as an Authorized Governmental Lender Representative (as such term is defined in the Funding Loan Agreement) for purposes of executing and attesting the Obligation, and their execution shall evidence their approval of the final terms thereof. Such signatures may be by facsimile; provided, however, that such Obligation shall not be valid or obligatory for any purpose unless the attestation by the authorized officer of the Board shall be a manual signature or the Obligation is authenticated by the manual signature of an authorized officer of the Fiscal Agent.

Section 4. Approval of Borrower Loan Agreement. The Borrower Loan Agreement is hereby approved in the form hereinabove described, and an Authorized Officer is hereby authorized to execute and deliver the Borrower Loan Agreement, with such changes, insertions or

omissions therein as may be approved by such person, such approval to be evidenced conclusively by such execution of the Borrower Loan Agreement.

Section 5. Approval of Regulatory Agreement. The Regulatory Agreement is hereby approved in the form hereinabove described, and an Authorized Officer is authorized and directed to execute and deliver the same, with such changes, insertions or omissions therein as may be approved by such person, such approval to be evidenced conclusively by such execution of the Regulatory Agreement.

Section 6. Ratification of Prior Actions. All action previously taken by the officers, members or staff of the Board within the authority granted herein, with respect to the Funding Loan Agreement, the Borrower Loan Agreement, the Regulatory Agreement and the Obligation is hereby approved, confirmed and ratified.

Section 7. Execution of Documents. In the event of the absence or disability of an Authorized Officer, or if for any other reason any of them are unable to execute the documents referred to in this Resolution, such documents may be executed by another member of the Board or by the Multifamily Program Manager or the Accounting and Finance Manager, with the same effect as if done by an Authorized Officer and without the further authorization of the Board. The execution of such documents by such member shall be conclusive evidence of his or her authority to so act.

Section 8. Execution of No-Arbitrage Certificate. An Authorized Officer is hereby authorized to issue certifications as to the Board's reasonable expectations regarding the amount and use of the proceeds of the Obligation as described in Section 148 of the Code, as amended.

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

are hereby designated as Authorized Governmental Lender Representatives for such purposes. With respect to the issuance of the Obligation authorized by this Resolution, such Authorized Governmental Lender Representatives are also authorized, with the advice of General Counsel or Bond Counsel, to interpret and apply the Board's Policy for Conduit Multifamily Housing Revenue Bonds (the "Policy") and to waive any requirement of the Policy to the extent such interpretation, application or waiver is consistent with the purpose of the Policy.

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

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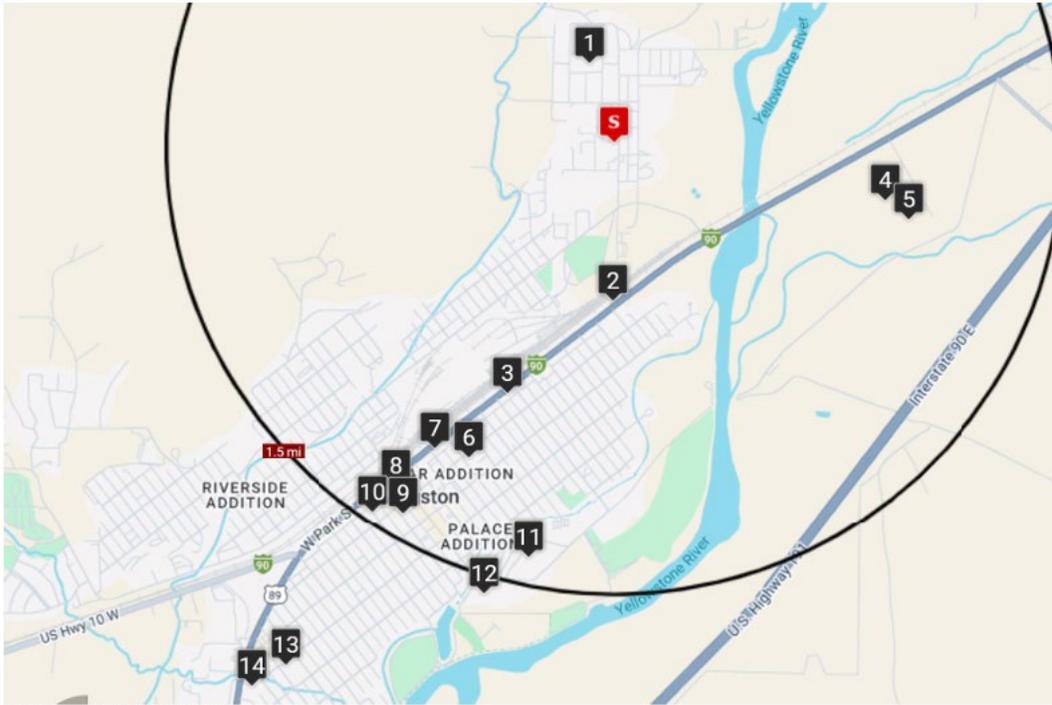
ADOPTED by the Montana Board of Housing this 16th day of March, 2026.

MONTANA BOARD OF HOUSING

Attest:

By _____
Bruce Posey, Chair

By _____
Cheryl Cohen, Executive Director



Source: Google Earth, July 2025

LOCATIONAL AMENITIES

#	Service or Amenity	Distance to Subject	#	Service or Amenity	Distance to Subject
1	Green Acres Park	0.3 miles	8	American Bank	1.4 miles
2	Bus stop	0.5 miles	9	United States Postal Service	1.4 miles
3	Exxon	0.9 miles	10	Livingston-Park County Public Library	1.4 miles
4	Livingston Healthcare Pharmacy	0.9 miles	11	Sleeping Giant Middle School	1.4 miles
5	Livingston Healthcare	1.0 mile	12	Park High School	1.6 miles
6	Livingston Police Department	1.1 miles	13	Winans Elementary School	2.0 miles
7	Park County Rural Fire District 1	1.2 miles	14	Town & Country Foods	2.2 miles





Subject site



Subject site



Subject site



Subject site



Subject site



Subject site

City	Livingston
County	Park
Project Name	Sheep Mountain Residences (4%)
HC Requested	3,026,400

<u>Unit Numbers</u>	<u>Target</u>	
1-bdrm	60%	16
2-bdrm	60%	6
3-bdrm	60%	2
other	mgr(60%)	-
Total Units		24
Average Income Targeting		60.00%

Square Footage

Income Restricted Units	18,240
Managers Unit(s)	-
Supportive Services	-
Common Space	-
Market/Commercial	-
Total	18,240

Unit Rents

1-bdrm	60%	1,007
2-bdrm	60%	1,190
3-bdrm	60%	1,308
other	mgr(60%)	-
Total Monthly Rents		25,868
vacancy factor		7.00%
Adjusted Rent		24,057
other/commercial income		700
total rent		24,757
x 12 months		12
Total Annual Income		297,087

Expenses

Administration	5,180
Management	22,282
Maintenance	30,500
Operating	44,000
Taxes	-
Replacement Reserve	8,400
Total Expenses	110,362
Net Income Before Debt Service	186,725

Financing Sources

Hard Loan	2,246,997
Hard Loan	1,250,000
Deferred Dev Fee	200,000
HC Equity Competitive	-
HC Equity Non-Competitive	2,603,003
Total Sources:	<u>6,300,000</u>
% of Project Financed by HC:	41.32%

Return on Sale of HTC

HTC Requested	3,026,400
HTC Equity	2,603,003
HTC Return on Sale	0.860

Ratios

Rent (Income)	297,087
Operating Expenses	101,962
Replacement Reserves	8,400
Net Income Available for DS	186,725
Total Debt Service	\$155,907
Debt Coverage Ratio (DCR)	1.20
Total Expense Ratio	1.12

Project Costs

Land	275,000
Building/Acquisition	-
Site Work	-
Construction / Rehab	4,249,188
Soft Costs	845,346
Developer Fees	763,000
Reserves	<u>167,466</u>
Total Project Costs	6,300,000
Supportive Services Costs	-
Residential Costs	6,300,000

Costs versus Sources

Total Project Costs	6,300,000
Total Financing Sources	<u>6,300,000</u>
Difference	(0)

Project Cost Limitations

	<u>Limits</u>	
General Requirements	6.00%	4.35%
Contractor Overhead	2.00%	1.55%
Contractor Profit	6.00%	4.94%
Developer Fees	15.00%	14.98%
Soft Cost	40 or 45%	37.85%

Per Unit Comparison

	<u>Limits</u>	
Cost per unit total	n/a	262,500
Cost per unit residential only	\$365,000	262,500
Cost per unit Const / Rehab	n/a	177,049
Credits per unit	n/a	126,100
Operating Cost per unit	\$3,000 min	4,248
Replacement Reserves	\$350 min	350

Per Square Foot Comparison

Construction / Rehab per sq ft	232.96
Total Project Cost per sq ft	345.39
Credits per sq ft	165.92
Credits per sq ft (residential only)	165.92

Utilities Paid by (Tenant / Owner)

Tenant and Owner

Market Study Data:

Vacancy Rates	4.4%
Absorption Rate	58.5%
Months to Absorb	7
Average Project Rent	1,203
Average Market Rent	2,602
Units needed for Targeted AMI's	3,936

Market Rents

0-bdrms	-
1-bdrms	2,093
2-bdrms	2,251
3-bdrms	3,461
4-bdrms	-
other	-

Multifamily Program Dashboard

March 16, 2026

MBOH Multifamily Loan Programs

	<u>Amount</u>	<u>Source</u>
Go Housing - HMF	16,620,945	Funds held by DOR
GO Housing -MFHP	13,395,024	Funds held by DOR
MBOH-MF	3,588,379	Funds held by MBOH
MBOH-HMF	1,688,069	Funds held by MBOH

Pipeline Bond Projects Not Yet Closed

<u>Bond Project</u>	<u>Amount</u>	<u>Units</u>	<u>City</u>	<u>Stage</u>	<u>Developer</u>
Rocky Mountain Flats	63,000,000	296	Bozeman	Approved	Blueline
AP Cedar, Mount PJ	29,100,000	164	Anaconda	Approved	Good Housing
Hidden Creek 4 Apts	35,679,182	158	Bozeman	Approved	United Housing
The Beck Apts	35,706,454	149	Bozeman	Approved	Kamaka
Goldspur at Urban Farms	28,000,000	145	Bozeman	Approved	Roers
Sage Peak Sr	19,574,000	101	Bozeman	Approved	Dev Co
Alder Ridge	44,000,000	240	Bozeman	Approved	Dev Co
Elms Apts	9,941,142	60	Kalispell	In Review	Homeword
The Henley I & II	54,538,422	330	Great Falls	In Review	Kamaka
Sheep Mountain 4	4,158,000	24	Livingston	In Review	Boundary Dev
Timberwolf	30,000,000	228	Kalispell	In Review	Boundary Dev
Mountain View Manor	9,700,000	50	Whitefish	In Review	Good Housing
RC3	13,500,000	119	Sidney/Fair	In Review	Good Housing
KP3	15,000,000	116	Kalispell	Incoming	Beneficial Housing
North Park	24,800,000	150	Billings	Incoming	Dev Co
Woodward	34,000,000	171	Bozeman	Incoming	Rueter Walton
Cottage Park	9,000,000	60	Missoula	Incoming	Good Housing
Towers 4	13,750,000	101	Billings	Incoming	Homeword
GMD Kalispell Family	17,000,000	135	Kalispell	Incoming	GMD
LB Lofts & Laurel	27,000,000	109	Billings	Incoming	Homeword
Fort Crossing ("MRL")	24,000,000	178	Missoula	Incoming	UH/MHA
Copper Grove	43,000,000	272	Bozeman	Incoming	Inland Group

Mortgage Servicing Program Dashboard

Effective 2/28/26

2025 Monthly Servicing Report

MONTH	<u>Last Year</u>	<u>Last Month</u>	<u>This Month</u>
	2/28/2025	1/31/2026	2/28/2026
PORTFOLIO TOTAL LOANS	6299	5927	5886
MBOH	5631	5285	5247
BOI	289	17	17
VHLP		266	265
MULTIFAMILY	21	20	21
HAF - HOMEOWNERS ASSISTANCE FUND	358	339	336
PRINCIPAL (ALL LOANS)	\$731,353,930	\$693,207,207	\$688,712,689
ESCROW (ALL LOANS)	\$7,640,827	\$7,229,126	\$8,460,995
LOSS DRAFT (ALL LOANS)	\$1,167,252	\$945,207	\$819,902
LOANS DELINQUENT (60+ DAYS)	314	315	272
ACTUAL FORECLOSURE SALES IN MONTH	0	2	1
FORECLOSURES TOTAL CALENDAR YEAR	0	2	3
DELINQUENT CONTACTS TO MAKE	679	668	605
LATE FEES - NUMBER OF LOANS	866	982	947
LATE FEES - TOTAL AMOUNT OF REVENUE	\$26,864	\$32,563	\$31,359
PAYOFFS	25	24	43
NEW LOANS	3	2	2

HUD's National Servicing Center TRSII Scorecard FY2025: Tier 3 / Grade D

LOSS MITIGATION	<u>Last Year</u>	<u>Last Month</u>	<u>This Month</u>
	2/28/2025	1/31/2026	2/28/2026
ACTIVE FINANCIAL PACKETS	0	1	0
REPAYMENT/SPECIAL FORBEARANCES	1	13 / 5	9
COVID 19 FORMAL FORBEARANCES	0	0	0
PARTIAL CLAIMS & MODS PENDING (TPPs)	2	8	6
CHAPTER 13 BANKRUPTCIES	6	4	4
PRESERVATION PROPERTIES	9	10	9
REAL ESTATE OWNED PROPERTIES	1	1	1
SHORT SALE	0	0	0
3RD PARTY (@ SALE)	0	0	0

FORECLOSURES

	2/28/2026
FORECLOSURES INITIATED	44
#1 BILLINGS	11
#2 GREAT FALLS	7
#3 BUTTE	6
OTHER CITIES	20
TOTAL PRINC BALANCE (ALL)	\$7,797,179
FORECLOSURE SALES SCHEDULED	27
FHA	26
VA	1
USDA/RD	0
OTHER LOAN TYPE	0

Rental Assistance Dashboard

January, 2026 Dashboard (Data as of March 5, 2026)

Totals

	<u>Previous Month</u>	<u>Current Month</u>	<u>Change</u>
Paid Units	6,976	7,013	37
Budgeted Units		8,317	
All Section 8 HAPs	5,340,284	5,679,567	339,283
All Waitlists	3,269	4,340	1,071

Rental Assistance Tenant Based Programs

	<u>Month</u>	<u>Month</u>	<u>Change</u>	<u>Year HAP</u>
	<u>12/31/2025</u>	<u>1/31/2026</u>		
Housing Choice Voucher (HCV)				
Paid Units (VMS)	2,920	2,952	32	
Current Month Payment Amount	2,164,225	2,223,250	59,025	2,223,250
Veterans Affairs Supportive Housing (VASH)				
Number Units Paid (VMS)	297	304	7	
Payment Amount	198,645	204,567	5,922	204,567
Moderate Rehabilitation (ModRehab)				
Paid Units (71 Authorized)	47	38	-9	
Payment Amount	28,318	27,772	-546	27,772
Mainstream Vouchers				
Number Units Paid (VMS)	20	20	0	
Payment Amount	17,268	17,288	20	17,288
Project Based VASH				
Number Units Paid (VMS)	17	28	11	
Payment Amount	6,278	10,755	4,477	10,755
<i>NOTE: 1/2026 Utilization on Two Year Tool combines VASH and PBVASH</i>				
EHV				
Number Units Paid (VMS)	46	46	0	
Payment Amount	38,594	38,856	262	38,856

Rental Assistance Project Based Programs

Project-Based Section 8				
Contracts	85	85	0	
Units Paid (4132 Authorized with 8bb)	3,616	3,612	-4	
Housing Assistance Payment Amount	2,879,323	3,157,079	277,756	
811 Project Rental Assistance Demo (FY)				
Rental Assistance Contracts (RAC)	2	2	0	
Units leased(grant requires 82)	13	13	0	
Housing Assistance Payment Amount	7,633	0	-7,633	No payment received from HUD Jan. 2026
Original grant is terminating; transitioning to annual contracts.				
<i>NOTE: 811 HAP disbursed and balance numbers are from eLOCCS 1/2/2026 current</i>				

Rental Assistance Waiting Lists

Regional Field Agencies	<u>1/5/2026</u>	<u>3/5/2026</u>	<u>Change</u>	<u>Vouchers issued since 7/1/2025</u>		
				<u>1/5/2026</u>	<u>3/4/2026</u>	<u>Change</u>

Action for Eastern Montana	86	82	-4	22	23	1
HomeFront Billings	408	546	138	36	54	18
Billings HRDC (outside city limits)	71	116	45	58	77	19
Bozeman	351	395	44	62	92	30
Butte	198	232	34	55	71	16
Helena	85	119	34	38	56	18
Kalispell	286	372	86	26	35	9
Lewistown	12	21	9	24	26	2
Missoula	558	606	48	33	43	10
Opportunities Inc (Great Falls & Havre)	222	502	280	363	420	57
Moderate Rehabilitation Billings	289	464	175			
Moderate Rehabilitation Chinook	0	0	0			
Moderate Rehabilitation Great Falls	511	621	110			
Moderate Rehabilitation Helena	0	0	0			
Moderate Rehabilitation Missoula	192	264	72			
TOTAL	3269	4340	1071	717	897	180

Board Agenda Item

Board Meeting: March 16, 2026

Operations / Executive Director

BOARD MEETINGS

- Our next Board meeting will be held Monday, April 13 and Tuesday, April 14, 2026, at 8:30 a.m. in Hamilton, MT at the Bitterroot River Inn, 139 Bitterroot Plaza Dr, Hamilton, MT. 59840, in person and via Zoom. Monday's meeting will be dedicated to Board training and strategic planning.

BOARD MEMBER OPPORTUNITIES

- NCSHA LegCon was moved to April 21 - 23, 2026. Cheryl Cohen, Bruce Posey, Richard Miltenberger, and Ryan Aiken are planning to attend. The [Preliminary Agenda](#) is now available for review. Logan Colberg has secured meetings with all members of the Montana delegation (specifically, their designated staff).
- The Montana Housing Partnership Conference will be held at Fairmont Hot Springs in Fairmont, MT May 18 - 20. Board members interested in attending who haven't already contacted Logan Colberg for registration and logistics are encouraged to do so as soon as possible. Early bird registration ends April 1.

CONTRACTS / PROCUREMENT

- Amendment for Halliday, Watkins, and Mann P.C. (foreclosure attorneys) was executed on February 26. This amendment will grant Halliday signing authority to execute assignments of mortgage and substitutions of trustee in the Mortgage Electronic Registration System (MERS) on the Board's behalf.
- Amendment/Renewal for First Interstate Bank (mortgage servicing banking accounts) is being drafted.

- A new contract is being drawn up with CSG Advisors. The previous contract completed its 7-year term. Board staff are pleased that CSG Advisors will continue to provide financial advisory services for both single family and multifamily programs.

PERSONNEL

- Kristi Hernandez accepted the Part Time Property Preservation Specialist in Servicing. Kristi has experience working at Student Assistance Foundation, Department of Transportation, Department of Corrections, and Department of Justice. Her first day was March 2.
- Kirsten Gordon accepted the Housing Waitlist Coordinator in Rental Assistance. Kirsten is an experienced property manager and leasing agent, recently working for RTE Property Group. Her first day was March 9.

HOMEOWNERS ASSISTANCE FUND

- A total of 3,949 applications have been submitted to all statewide programs as of March 6, 2026.
- HAF has spent over \$28 million on all programs.
- Hiring a part-time temporary Home Repairs Compliance Specialist to finish out the HAF Home Repairs applications.
- Anticipating closing the utility assistance program by the end of March due to expending allotted funds for that program.

COMMUNITY HOUSING

- HUD's 2026 budget has been signed into law. HUD should announce allocation amounts for HOME and CDBG by mid-April. The HTF allocation is dependent on GSE activity volume and is typically announced around the same time. We anticipate the allocations to be similar to 2024 and 2025.



- HOME, HTF and CDBG-Housing applications will be due Sept. 15, 2026. We accept applications on a rolling basis for CDBG-Housing Stabilization and HOME-Homebuyer Assistance programs to undertake single family rehabilitation and provide down payment financing, respectively.
- We are beginning to draft the 2025 Consolidated Annual Performance Evaluation Report and 2026 Annual Action Plan. Watch for opportunities to comment on the CAPER and AAP on June 10 and July 9, respectively.
- We are receiving and reviewing annual compliance documents for the HOME and HTF rental portfolio, and staff are beginning to schedule site visits.

EXECUTIVE DIRECTOR

- The Montana Departments of Commerce and Agriculture are planning a Road Show to visit 10 cities from mid-June to late-August to meet with local leadership and elected officials. The purpose of these meetings is to provide an overview of Commerce and Agriculture programs that support Montana communities, highlighting specific investments and results over recent years. The list of cities and dates are included below (may be subject to change).

Cheryl Cohen will attend 7 of the 10 cities, with Julie Flynn, Jason Hanson, and Jessica Michel covering the remaining 3. We will have the opportunity to invite 2 or 3 partners or stakeholders to join each visit. Board members who are interested in attending the convening nearest to your residence can reach out to Cheryl Cohen to discuss logistics.

- Havre, June 16 from 1:30 – 4:00
- Lewiston, June 17 from 9:00 – 11:30
- Great Falls, July 8 from 9:30 – 12:00
- Butte, July 9 from 9:30 – 12:00 (Jessica Michel)
- Billings, July 15 from 1:30 – 4:00 (Julie Flynn)
- Bozeman, July 16 from 9:00 – 11:30 (Jason Hanson)



- Kalispell, July 28 from 1:30 – 4:00
 - Missoula, July 29 from 9:00 – 11:30
 - Wolf Point, August 11 from 1:30 – 4:00
 - Glendive, August 12 from 9:00 – 11:30
 - Helena, August 15 from 9:00 – 11:30
-
- The Economic Affairs Interim Committee will be discussing [HJ 55: Property Management Licensing and Practice](#) at their Tuesday, March 10 meeting. This topic is listed on the [agenda](#) to begin at 2:10 pm. There will be an opportunity for public comment following panelist presentations, which include speakers from Department of Labor and Industries, the National Association of Residential Property Managers, a Montana Property Education Course Instructor, MT Landlords Association, and Montana Legal Services Association. The committee hearing can be streamed live from legmt.gov (select “Now Streaming” in the upper right corner). Members of the public wishing to provide comment but who are unable to attend in-person in Helena can visit <https://www.legmt.gov/participate/> to register for remote participation.

 - Board members and stakeholders are invited to join our March 12 [Housing Coordinating Team Meeting](#) for a discussion on housing and community needs assessments. The Montana Board of Housing will share its intention to procure a statewide housing needs assessment and will solicit feedback from stakeholders on this call. Additionally, attendees will learn about MSU Extension’s housing education and community coaching for rural communities, and the Commerce Community MT Division’s Community Technical Assistance Program. To register, please visit <https://commerce.mt.gov/Public-Participation/Events-and-Meetings> and select “Meeting Link” on the March 12 event summary.



- The audit of the FY25 MBOH Financial Statements will be presented to the Legislative Audit Committee at their April 9-10, 2026, meetings. The specific day and time are still TBD.

- **Public Hearing: Fiscal Year 2027 Public Housing Authority Annual Plan and Administrative Plan**: April 15 at 10 a.m. Commerce announces the public hearing for the Fiscal Year 2027 Public Housing Authority Annual Plan and Administrative Plan for the Housing Choice Voucher Program, the Moderate Rehabilitation Program and related voucher programs.

The PHA Annual Plan, which includes the 2027 Administrative Plan, has been developed and published to incorporate new federal regulatory requirements and other administrative modifications. The public is now encouraged to review the **draft document** and provide feedback.

The hearing will be held on Zoom; presentation materials will be available on **Commerce’s website** in advance. The public hearing will provide attendees with an opportunity to respond to Commerce’s FY2027 PHA Annual Plan and Administrative Plan. Commerce will consider any comments or views provided orally during the public hearing or in writing during the comment period, beginning March 2, 2026, and ending April 15, 2026, at 5 p.m.

- The Montana Department of Commerce is working to ensure compliance with the Federal Department of Justice’s **final rule** update regarding accessibility requirements under Title II of the ADA for state and local governments’ websites, mobile applications and digital content. We recently communicated with developers and stakeholders who submit materials that are included in our Board packets and posted to the Commerce website requesting they take steps to ensure materials submitted to MBOH are Section 508 compliant. The Homeownership Program Board Agenda Item regarding information to retain or remove from the Homeownership Dashboard relates to this requirement. At

this time, we are soliciting input from Board members on what materials are critical to continue to include in Board packets and specifically if certain document types are desired that may be difficult to align with Section 508. These documents include but may not be limited to:

- Site / floor plans
 - Architect renderings
 - Tables including merged cells
 - Market Studies (continue to provide all content currently provided or shift to a staff narrative summary of key metrics and takeaways?).
- Board staff are continuing to develop our training / strategic planning agenda for the April in-person meetings in Hamilton. RBC Capital Markets will join us in-person as well. Many thanks to Jeanette McKee for working with Logan Colberg on the selection of restaurant for our dinner, and to Logan for arranging a tour at the Daly Mansion as part of our visit. As noted last month, Board members are strongly encouraged to voice their opinions on any additional training needs or requests for this convening. Presently, the following areas are under consideration for a deeper dive in April (not all may make the agenda):
 - CLT / Habitat Set-Asides
 - Hazard Insurance Policy
 - Loss Draft Policy
 - Investment Policy
 - Update on RFP for software solutions
 - Policy areas for Cheryl and Board members to bring to NCSHA LegCon and meetings on the Hill with members of the Montana Federal Delegation.
 - Multifamily pipeline discussion
 - Multifamily loan presentations for June Board meeting
 - 2029 Objectives, Goals, Strategies, and Measures (OGSM)