

MONTANA BOARD OF HOUSING

Montana Board of Housing – Best Western Plus Great Northern Inn
1345 1st Street – Havre, Montana 59501
April 13, 2015

ROLL CALL OF BOARD

MEMBERS: J.P. Crowley, Chairman (Present)
Bob Gauthier (Present)
Doug Kaercher (Present)
Ingrid Firemoon (Present)
Jeanette McKee (Present)
Pat Melby (Present via Conference Call)
Sheila Rice (Excused)

STAFF: Bruce Brensdal, Executive Director
Mary Bair, Multifamily Program
Vicki Bauer, Homeownership Program
Cody Pearce, Accounting Program
Penny Cope, Public Relations
Stacy Collette, Operations Manager
Paula Loving, Executive Assistant
Angela Heffern, Accounting Program

COUNSEL: Greg Gould, Luxan and Murfitt
John Wagner, Kutak Rock

UNDERWRITERS: Mina Choo, RBC Capital

OTHERS: Heather McMilin, Homeword
Alex Burkhalter, Housing Solutions
Steve Dymoke, GMD Development
Gene Leuwer, GL Development
Beki Brandborg, Echo Development
Gregory Dunfield, GMD Development

CALL MEETING TO ORDER

Chairman JP Crowley called the Montana Board of Housing (MBOH) to order at 8:30 a.m. Introductions were made. Chairman asked for any public comment not on the agenda. Heather McMilin, Homeword, provided an update on Southern Lights. Building 1 is complete and Homeword has submitted a HOME application for Building 2. Ms. McMilin stated mediation is proceeding and hopefully a resolution will be reached within the next couple of months.

APPROVAL OF MINUTES

Bob Gauthier moved to approve the January 9, 2015 MBOH Board meeting minutes and Doug Kaercher seconded the motion. Chairman Crowley asked for comments. Board Council, Greg Gould (Luxan and Murffit), stated clarification needed to be made in regards to the 2016 Qualified Allocation Plan amendment motion. Paula Loving stated on page 3 of the minutes currently states: *Doug Kaercher moved to amend the original motion to include the follow staff recommendations exclude the page 35 amenities and altering page 44-45 to include 7B of the 1976 Act. Pat Melby seconded the motion...* The statement should reflect the original motion was revised instead of amended and should read:

Doug Kaercher agreed to revise the original motion to include the following staff recommendations excluding page 35 Amenities and altering page 44-45 to include 7B of the 1976 Act. Pat Melby agreed to the motion as revised.

Bob Gauthier revised the original motion to include the clarification of the January 9, 2015 Board meeting minutes. Doug Kaercher seconded the motion. The amended January 9, 2015 Board meeting minutes were passed unanimously.

FINANCE PROGRAM

Cody Pearce provided the Finance update.

Cody Pearce brought to the Board the Investment Policy with staff suggested revisions. These revisions are based on programs that are no longer in existence.

Bob Gauthier moved to approve the Investment Policy with the following changes and Jeanette McKee seconded the motion:

- Section VI A – remove “transit bonds guaranteed by the Washington Area Transit Authority” as these bonds are no longer backed by the federal program.
- Section VI B 7 – remove in its entirety as Student Loan Marketing Association is no longer backed by the federal government.
- Section VI B 9 – remove in its entirety as Resolution Funding Corporation is no longer issuing new bonds.

Chairman Crowley asked for comments. The Revised Investment Policy was approved unanimously.

HOMEOWNERSHIP PROGRAM

Vicki Bauer brought to the Board the Income Limits released by HUD on March 6, 2015. These are temporary income limits based on HUD's decision to eliminate the 2012 HUD income limits and new income limits should be released within the next few months. Jeanette McKee moved to approve the temporary Income Limits and Doug Kaercher seconded the motion. Chairman Crowley asked for comments. The Income Limits were approved unanimously.

Vicki Bauer provided a Homeownership Program update. Vicki in March 2015, the regular loan programs has reserved 24 loans; Score Advantage program has reserved one loan, Veteran's loan program has reserved three loans, and one loan through the setaside Habitat for Humanity program. The current interest rate is 3.25%.

Vicki Bauer provided the Board with the Delinquency and Foreclosure Report, Servicer's Report and the Setaside Report.

MULTIFAMILY PROGRAM

Mary Bair presented to the Board the Qualified Contract Process. Doug Kaercher moved to approve the Qualified Contract Process and Bob Gauthier seconded the motion. Chairman Crowley asked for comments. The Qualified Contract Process was approved unanimously.

Mary Bair brought to the Board a Reverse Annuity Mortgage exception request. This request comes from a married couple (71 year old male and 68 year old female) from Bonner MT, with an annual income of \$24,309.60. The couple requested a \$21,000 cash advance to payoff a home equity line of credit, and additional bills. Jeanette McKee moved to approve the Reverse Annuity Mortgage exception request. Bob Gauthier seconded the motion. Chairman Crowley asked for comments. The cash advance of \$21,000 Reverse Annuity Mortgage exception request was approved unanimously.

Mary Bair brought to the Board Bond Resolution 15-0413-MF01. Bond Resolution 15-0413-MF01 is:

GRANTING PRELIMINARY APPROVAL TO THE ISSUANCE OF ITS MULTIFAMILY HOUSING REVENUE BONDS IN ONE OR MORE SERIES IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$5,000,000 TO FINANCE CERTAIN MULTIFAMILY HOUSING PROJECTS.

Mary Bair introduced Greg Dunfield (GMD Development) and Heather McMilin (Homeword, Inc) who requested the funding. This is a tax exempt bond inducement in the amount of \$5 million dollars for the preservation of Glacier Ridge, Libby I and Libby II projects. A combined 90 units will benefit from this acquisition and rehabilitation. All three projects benefit from Project Based Section 8 and USDA RD rental assistance contracts. The rehabilitation of these projects will include new roofs, siding, trim, soffits, HE windows and insulation. Each unit will have new countertops, faucets, kitchen sinks, plumbing and flooring, along with HVAC upgrades.

Bob Gauthier moved to approve Bond Resolution 15-0413-MF01 and Doug Kaercher seconded the motion. Chairman Crowley asked for comments. Bond Resolution 15-0413-MF01 was approved unanimously.

Mary Bair brought to the Board Resolution 15-0413-MF02. Board Resolution 15-0413-MF02 is:

GRANTING PRELIMINARY APPROVAL TO THE ISSUANCE OF ITS MULTIFAMILY HOUSING REVENUE BONDS IN ONE OR MORE SERIES IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$12,000,000 TO FINANCE A MULTIFAMILY HOUSING PROJECT.

GMD Development and Homeward, Inc. requested this funding. Greg Dunfield and Heather McMilin provided an overview of the tax exempt bond inducement request of \$12 million dollars. This project would be a new construction family housing project in Bozeman with 110 – 136 units consisting of one, two and three bedroom units.

Ingrid Firemoon moved to approve Resolution 15-0413-MF02 and Jeanette McKee seconded the motion. Chairman Crowley asked for comments. Resolution 15-0413-MF02 was approved unanimously.

Mary Bair provided the Board with the Multifamily program update.

EXECUTIVE DIRECTOR UPDATE

Bruce Brensdaal stated the next meeting will be on June 8, 2015 in Bozeman and will be held in conjunction with the 2015 Annual Housing Conference.

Meeting adjourned at 9:36 a.m.

Sheila Rice, Secretary

Date