

HOUSING DIVISION – MONTANA BOARD OF HOUSING

Holiday Inn Helena
22 N. Last Chance Gulch – Helena Montana 59601
January 19, 2016

ROLL CALL OF BOARD

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

STAFF: Bruce Brensdal, Executive Director
Mary Bair, Multifamily Program
Ginger Pfanckuch, Accounting & Finance Manager
Vicki Bauer, Homeownership Program
Mary Palkovich, Servicing Program
Stacy Collette, Operations Manager
Paula Loving, Executive Assistant
Kellie Guariglia, Multifamily Program
Angela Heffern, Accounting Program
Todd Jackson, Multifamily Program
Charlie Brown, Homeownership Program
Jeannene Maas, Homeownership Program
Rena Oliphant, Multifamily Program
Ashly Amato, Administrative Assistant
Kendra Lloyd, Multifamily Program
Danyel Bauer, Homeownership Program
Bob Vanek, Multifamily Program

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

UNDERWRITERS: Mina Choo, RBC Capital

OTHERS:

Kay Midro, Aloha Noblehouse, Inc.
Jodie Paxton, Aloha Noblehouse, Lake County
Adam Gratzner, Freedom's Path
Mike Tolomeo, Freedom's Path
Don Sterhan, Mountain Plains Equity Group
Eileen Piekarz, Courtyard Apts – RCAC

Marney McCleary, Courtyard Apts – CAPNM
Jennifer Seigel, Courtyard Apts – RCAC
Chris DSchaak, City of Wolf Point, Mayor
Heather McMilin, Homeward, Inc.
Andrea Davis, Homeward, Inc.
Tim Howard, Sterling

Wendy Thomas, City of Bozeman
Gene Leuwer, GL Development
Beki Brandborg, Echo Enterprises
Jeff Rupp, Bozeman HRDC
Harlan Wells, Missoula Housing Authority
Jim Morton, Human Resource Council
Robert Robinson, Human Resource Council
Lucy Brown, Housing Authority of Billings
Patti Webster, - Webinar
Heather Grenier, HRDC, Bozeman
Tracy Menuetz, HRDC, Bozeman
Brian Guger, HRDC Bozeman
Alex Burkhalter, Housing Solution, LLC
Daryn Murphy, Commonwealth Development
Merrylee Olson, - Webinar
Peter Gray, Benefis Health Systems
Steve Dymoke, - Webinar
Chancy Kittson, Blackfeet Housing
Gary MacDonald Roosevelt County
Same Long, Summit Housing group
Rusty Snow, Summit Housing Group
Stacey Umhey, SAFE
Gerald Fritts, Noblehomestead
Gerald Greenstein, Aloha Noblehouse, Inc.
Fred Sterhan, Mountain Plains Equity Group

Logan Anderson, Mountain Plains Equity
Group
Janet Talle, Thies & Talle Enterprise
Kenneth Talle, Thies & Talle Enterprise
Brian Barns, DPHHS MFP
Alicia Copeland, Blackfeet Housing Authority
Tori Matjousky, GNDC – North Star
Brianna Vine, GNDC – North Star
Maureen Rude, NeighborWorks
Lauren Moore, Vista Villa
Bryan Shumway, Vista Villa
Thom Mannschreck, Thomas Development
Kyle Roberts, City of Polson
Mark Shrives, City of Polson
Ashley Grant - Webinar
Craig Frohlich - Webinar
Deborah Peters - Webinar
Greg Dunfield - Webinar
Joe Easton - Webinar
Laura Bland - Webinar
Paul Ainger - Webinar
Robert Clark - Webinar
Scott Deaton - Webinar
Seana Rau - Webinar
Teresa Bell - Webinar
William Haynes - Webinar

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

CALL MEETING TO ORDER

Chairman JP Crowley called the Montana Board of Housing (MBOH) meeting to order at 8:40 a.m. (11:40). Chairman asked for any public comment not on the agenda (11:50). Bruce Brensdal reviewed the meeting and webinar process (12:05). Introductions were made (14:15).

APPROVAL OF MINUTES

Sheila Rice moved to approve the November 9, 2015 MBOH Board meeting and Jeanette McKee seconded the motion. (20:25). Chairman Crowley asked for comments. Bruce Brensdal stated with MBOH will change the current process of official minutes to include audio recording of the minutes. Most legislative meetings are recorded and recently, Board of Investments has changed its policy to include audio of the meeting for official minutes. MBOH policy, starting the November 19, 2015 Board meeting

minutes will include a written summary of the meeting agenda items and reference audio timestamps. Records retention schedules will be revised to include the audio of the meetings as part of official minutes. Chairman Crowley inquired if there was an error on the time stamp of second paragraph of Call to Order section regarding Neighborworks (22:03). Paula Loving stated that during the Public Comment section it was noted that Kia Peterson from NeighborWorks would be making a presentation later on in the Board meeting and this is why the timestamp shows a skip in time of 43 minutes. Jeanette McKee stated a note should be added to the timestamp stating the presentation from NeighborWorks took place later in the meeting. November 9, 2015 Board meeting minutes were passed unanimously (23:48).

FINANCE PROGRAM

Ginger Pfankuch provided Finance program update. (24:00) Per the November 30, 2015 data, Montana Board of Housing had 69% of their investments in Money Market Accounts with rates from 0.01% - 0.02% (1-2 basis points). In December, investments for approximately \$65 million were made in discount notes with interest rates ranging from 0.30% -0.63% (30-60 basis points) depending on the term of the note, more investments for another \$9 million with rates from 0.35% to 0.66% (35-66 basis points) were made this month. These higher rate investments will help our weighted average yield over the next few months.

HOMEOWNERSHIP PROGRAM

Vicki Bauer brought to the Board the Bond Resolution No 16-0119-S1 (26:32). This bond issuance will provide new money for loan purchases and allow for refinancing of the 2007A bonds if determined. Pat Melby moved to approve Bond Resolution No 16-0119-S1 in the amount of \$80 million and Sheila Rice seconded the motion (28:37). Chairman Crowley asked for comments. Bond Resolution No 16-0119-S1 was approved unanimously (29:05).

Vicki Bauer provided a Homeownership Program update (29:17). In the month of December, MBOH received 44 new loan reservations. Seven Score Advantage loans and three 80% Combined loans were reserved during December. Lender training was conducted in November and December 2015.

MULTIFAMILY PROGRAM

Bruce Brensdaal brought to the Board the Villa Vista Inducement Resolution 16-0119-MF1 (32:24). Vista Villa is located in Great Falls and is a 96 family unit scattered-site project with Project Based Section 8 subsidy. Chairman Crowley questioned the dollar amount discrepancy between first paragraph and third paragraph (34:25). Pat Melby moved approve Resolution 16-0119-MF1 in the amount of \$9 million for Villa Vista Housing with the change of \$7.5 million to \$9 million in second paragraph of the body and Doug Kaercher seconded the motion (35:54). Chairman Crowley asked for comments. Resolution 16-0119-MF1 passed with Sheila Rice abstaining due to NeighborWorks participation within the project (36:37).

Bruce Brensdaal brought to the Board the 2016 Housing Tax Credits (37:00). Bruce reviewed the contents of the Board Packet. (37:10) Kellie Guariglia provided the Board with a site presentation of all projects (51:10). Public comment was allowed at the beginning or after the presentation (57:40).

- Little Jon Apartments, Big Fork – Developer is GMD Development/Homeward – The proposed project will be the acquisition/rehabilitation of 31 family units and is requesting \$2,625,390 in Housing Credits. Public comment was by Andrea Davis (58:33).
- Big Sky Villas, Belgrade – Developer is HRDC District IX, Inc.– The proposed project will be the acquisition/rehabilitation of 24 family units and is requesting \$2,680,000 in Housing Credits. Public comment was made by Heather Grenier and Tracy Menuetz (59:32).
- Noblehomestead, Pablo – Developer is Aloha Noblehouse – The proposed project will be the new construction of 24 family units and is requesting \$2,680,000 in Housing Credits. Public comment was by [REDACTED] (1:01:30).
- Cascade Ridge Senior Living – Phase II, Great Falls – Developer is Benefis Cascade Ridge, LLC and CR Builders, LLC – The proposed project will be the new construction of 16 senior units and is requesting \$319,730 in Housing Credits. Public comment was by Peter Gray (1:01:58).
- Courtyard Apartments, Kalispell – Developer is Recapitalization Montana, LLC and Rural Integrity, LLC– The proposed project will be the acquisition/rehabilitation of 32 family units and is requesting \$3,539,270 in Housing Credits. Public comment was by Eileen Pickarz (1:02:53).
- Nicole Court Senior Apartments, Stevensville – Developer is District XI Human Resource Council– The proposed project will be the new construction of 16 senior units and is requesting \$3,315,820 in Housing Credits. Public comment was by Jim Morton, Harlan Wells and Bob Robinson (1:04:49).
- Riverview Meadow Apartments, Whitefish – Developer is Commonwealth Development Corporation – The proposed project will be the new construction of 36 family units and is requesting \$6,700,000 in Housing Credits. Public comment was by Daryn Murphy (1:06:40).
- Meadows Senior Apartments, Lewistown – Developer is Thies and Talle Enterprises – The proposed project will be the acquisition/rehabilitation of 35 senior units and is requesting \$3,533,810 in Housing Credits. Public comment was by Heather McMilin, Ken and Janet Talle (1:08:32).
- Gateway Vista, Billings – Developer is Billings YWCA and CR Builders LLC – The proposed project will be the new construction of 24 family units and is requesting \$4,157,760 in Housing Credits. Public comment was by Don Sterhan and Marylee Olson (1:10:12).
- Polson Landing, Polson – Developer is Housing Solutions – The proposed project will be the new construction of 40 family units and is requesting

\$6,150,000 in Housing Credits. Public comment was by Alex Burkhalter, Mark Shrives and Kyle Roberts (1:12:26).

- North Star Apartments, Wolf Point – Developer is GL Development – The proposed project will be the new construction of 28 family units and is requesting \$5,900,000 in Housing Credits. Public comment was by Chris DSchaak, Tori Matejousky, Brianna Vine, Gary MacDonald, and Gene Leuwer (1:19:25).
- Rose Park Apartments, Bozeman – Developer is Summit Housing Group, LP – The proposed project will be the new construction of 42 senior units and is requesting \$6,587,500 in Housing Credits. Public comment was by Carson Taylor and Rusty Snow (1:25:32).
- Timber Meadows, Kalispell – Developer is Immanuel Lutheran Communities and CR Builders, LLC – The proposed project will be the new construction of 40 senior units and is requesting \$6,700,000 in Housing Credits. Public comment was by Don Sterhan (1:30:14).
- Red Fox Apartments, Billings – Developer is Housing Authority of Billings – The proposed project will be the new construction of 30 family units and is requesting \$3,395,880 in Housing Credits. Public comment was by Lucy Brown (1:31:50).
- Valley Villas, Hamilton – Developer is Echo Enterprises – The proposed project will be the acquisition/rehabilitation of 34 family units and is requesting \$5,603,920 in Housing Credits. Public comment was by Beki Brandborg and Stacey Umhey (1:35:10).
- Stower Commons, Miles City – Developer is Housing Solutions – The proposed project will be the new construction of 24 family units and is requesting \$4,450,000 in Housing Credits. Public comment was by Alex Burkhalter (1:39:29).
- Freedom's Path at Fort Harrison, Helena – Developer is Communities for Veterans Montana LLC – The proposed project will be the acquisition/rehabilitation of 22 family units and new construction of 20 family units and is requesting \$6,704,660 in Housing Credits. Public comment was by Adam Gratzner and Mike Tolomeao (1:41:00).
- Blackfeet Homes VI, Browning – Developer is Blackfeet Housing – The proposed project will be the new construction of 30 family units and is requesting \$6,623,400 in Housing Credits. Public comment was by Chancy Kittson (1:50:50).
- Aspen Place III, Butte – Developer is Butte Affordable Housing/Thomas Development Co. – The proposed project will be the new construction of 32 family units and is requesting \$5,185,610 in Housing Credits. Public comment was by Thomas Mannschreck (1:56:42).

After a break and additional introductions, Sheila Rice spoke to the Housing audience and the need for Housing resources (2:27:37).

Sheila Rice moved to approve allocation of 2016 Housing Credits to Big Sky Villas and

Jeanette McKee seconded the motion (2:28:22). Chairman Crowley asked for comments. Bob Gauthier and Sheila Rice made comments. A roll call vote was taken (2:31:12)

Pat Melby – Yes

Sheila Rice – Yes

Jeanette McKee – Yes

Doug Kaercher – No

Bob Gauthier – No

J.P. Crowley – Yes

By a vote of 4/2 in favor, Big Sky Villas was awarded 2016 Housing Credits in the amount of \$2,680,000.

Jeanette McKee moved to approve allocation of 2016 Housing Credits to Little Jon Apartments and Doug Kaercher seconded the motion (2:31:44). Chairman Crowley asked for comments. Sheila Rice made comments. A roll call vote was taken (2:32:35)

Pat Melby – Yes

Sheila Rice – No

Jeanette McKee – Yes

Doug Kaercher – Yes

Bob Gauthier – No

J.P. Crowley – Yes

By a vote of 4/2 in favor, Little Jon Apartments was awarded 2016 Housing Credits in the amount of \$2,625,390.

Chairman Crowley and Bruce Brensdaal updated the Board on the requirements of small set-aside and rural fulfillment (2:31:44)

Sheila Rice moved to approve allocation of 2016 Housing Credits to Cascade Ridge II and Jeanette McKee seconded the motion (2:34:00). Chairman Crowley asked for comments. Bruce Brensdaal reminded the Board the request is an additional request from an award. Doug Kaercher made comments. A roll call vote was taken (2:35:06):

Pat Melby – Yes

Sheila Rice – Yes

Jeanette McKee – Yes

Doug Kaercher – Yes

Bob Gauthier – Yes

J.P. Crowley – Yes

By a vote of 6/0 in favor, Cascade Ridge was awarded 2016 Housing Credits in the amount of \$319,730.

Jeanette McKee moved to approve allocation of 2016 Housing Credits to Valley Villas and Pat Melby seconded the motion (2:35:27). Chairman Crowley asked for comments. Bob Gauthier made comments. A roll call vote was taken (2:36:49):

Pat Melby – Yes

Sheila Rice – Yes

Jeanette McKee – Yes

Doug Kaercher – Yes

Bob Gauthier – No

J.P. Crowley – Yes

By a vote of 5/1 in favor, Valley Villas was awarded 2016 Housing Credits in the amount of \$5,603,920.

Pat Melby moved to approve allocation of 2016 Housing Credits to Freedom's Path and Doug Kaercher seconded the motion (2:37:14). Chairman Crowley asked for comments. Pat Melby, Doug Kaercher, Jeanette McKee and Bob Gauthier made comments. A roll call vote was taken (2:41:00):

Pat Melby – Yes

Sheila Rice – Yes

Jeanette McKee – Yes

Doug Kaercher – Yes

Bob Gauthier – Yes

J.P. Crowley – Yes

By a vote of 6/0 in favor, Freedom's Path was awarded 2016 Housing Credits in the amount of \$6,704,660.

Sheila Rice moved to approve allocation of 2016 Housing Credits to Red Fox and Pat Melby seconded the motion (2:41:36). Chairman Crowley asked for comments. A roll call vote was taken (2:42:17):

Pat Melby – Yes

Sheila Rice – Yes

Jeanette McKee – Yes

Doug Kaercher – Yes

Bob Gauthier – No

J.P. Crowley – Yes

By a vote of 6/0 in favor, Red Fox was awarded 2016 Housing Credits in the amount of \$3,395,880.

Sheila Rice moved to approve allocation of 2016 Housing Credits to Courtyard Apartments (2:42:46). There was no second for the motion.

Bob Gauthier moved to approve allocation of 2016 Housing Credits to Blackfeet VI and Sheila Rice seconded the motion (2:43:41). Penny Cope informed the Board of the remaining 2016 Housing Credits available for allocation. Blackfeet VI would not be able to be funded fully (2:44:13). Chairman Crowley asked for comments. Pat Melby, Jeanette McKee, Alicia Copeland made public comments. Bob Gauthier and Sheila Rice moved to amend original motion to include a "conditional award of Housing Credits based on underwriting of project" (2:47:04). A roll call vote was taken (2:47:40):

Pat Melby – Yes

Sheila Rice – Yes

Jeanette McKee – No

Doug Kaercher – No

Bob Gauthier – Yes

J.P. Crowley – No

By a vote of 3/3, Blackfeet VI was not awarded 2016 Housing Credits.

Jeanette McKee moved to approve allocation of a conditional award of 2016 Housing Credits based on underwriting of project to North Star and Bob Gauthier seconded the motion (2:48:22). Chairman Crowley asked for comments. Gene Leuwer made public comments. A roll call vote was taken (2:52:20):

Pat Melby – Yes

Sheila Rice – Yes

Jeanette McKee – Yes

Doug Kaercher – No

Bob Gauthier – Yes

J.P. Crowley – Yes

By a vote of 5/1 in favor, North Star was conditionally awarded 2016 Housing Credits in the amount of \$5,570,420. North Star requested \$5,900,000.

Sheila Rice moved to a contingent award of any refunding 2016 Housing Credits to Courtyard Apartments and Pat Melby seconded the motion (2:52:48). Chairman Crowley asked for comments. Gene Leuwer made public comments. A roll call vote was taken (2:54:04):

Pat Melby – Yes

Sheila Rice – Yes

Jeanette McKee – Yes

Doug Kaercher – Yes

Bob Gauthier – No

J.P. Crowley – Yes

By a vote of 5/1 in favor, Courtyard Apartments was awarded 2016 Housing Credits contingent on refunded by awarded projects in the amount of \$3,539,270. Bruce Brensdaal clarified the period of this contingent award. The award would be valid through December 31, 2016 and would roll into 2017 Housing Credits after (2:55:38).

Bruce Brensdaal brought to the Board Sweetgrass Commons and its substantial changes in the application (2:59:45). Sweetgrass Commons is a project under construction in Missoula. The project was awarded credits in 2015. The project is currently a 26-unit project.

The developer is proposing to add one unit. The additional unit would be a benefit to the property as it will generate additional income to the property. The additional unit cost is raising total cost approximately \$100,000.

Other substantial changes the staff noticed during our review was the original application showed 8,567 square feet in common space and is now proposed to have 17,552 square feet in common space. The original application described a basement in the property or possibly an underground parking garage. The current construction plans include an underground parking garage. A memo from the developer is attached to this agenda item.

Heather McMilin, Homeword, provided a review of the changes (3:01:38). Jeanette McKee moved to approve the substantial changes in the Sweetgrass Commons 2015 Housing Credits award (3:05:36). Pat Melby seconded the motion. Chairman Crowley asked for comments. A roll call vote was taken (3:05:55):

Pat Melby – Yes

Sheila Rice – Yes

Jeanette McKee – Yes

Doug Kaercher – Yes

Bob Gauthier – Yes

J.P. Crowley – Yes

By a vote of 6/0 in favor, the 2015 Housing Credits allocated project, Sweetgrass Commons changes to application was approved.

Bruce Brensdal brought to the Board a request from Sweetgrass Commons for additional Housing Credits in the amount of \$330,061 (3:06:21). Sweetgrass Commons is a project under construction in Missoula. The project was awarded credits in 2015. This project was not awarded the full ask of credits in 2015. The balance of the original credit ask is \$ 330,610. The developer (Homeword) is requesting the balance of the credits at this time, if credits become available or are remaining from the 2016 round. Sheila Rice moved to approve the contingent award of 2016 Housing Credits, following award to Courtyard Apartments, to Sweetgrass Commons and Bob Gauthier seconded the motion (3:06:54). Chairman Crowley asked for comments. Heather McMilin provided a review. . A roll call vote was taken (3:09:35):

Pat Melby – Yes

Sheila Rice – Yes

Jeanette McKee – Yes

Doug Kaercher – Yes

Bob Gauthier – Yes

J.P. Crowley – Yes

By a vote of 6/0 in favor, Sweetgrass Commons was awarded a contingent 2016 Housing Credits in the amount of \$330,610 after Courtyard Apartments.

Bruce Brensdal provided the Board with the Multifamily program update (3:10:03).

EXECUTIVE DIRECTOR UPDATE

Stacy Collette provided the Operations update (3:13:19). A strategic planning session will take place in March before the Board meeting.

Penny Cope provided the Marking update (3:15:00). Penny reviewed new items added to the Housing website. The 2016 Housing Conference will be in Kalispell on May 23-25, 2016 and the Board is encouraged to attend. The Montana Financial Education Coalition conference is scheduled for February 24, 2016 in Helena.

Bruce Brensdaal reviewed the meeting schedule (3:18:15). There will be a conference call Board meeting on February 8, 2016. The main topic for this meeting will be the 2017 Qualified Allocation Plan Draft.

Meeting adjourned at 2:00 p.m. (3:22:38)

Sheila Rice, Secretary

Date