



Meeting Location:
 MACo Building
 2715 Skyway Drive
 (406) 449-4360

Board Offices:
 301 S Park Ave., Room 240
 Helena MT 59601
 (406) 841-2840

Thank you for joining us for this Public Meeting

Date: Monday, August 10, 2015 **Time:** 10:00 a.m.
Chairperson: JP Crowley

Remote Attendance Information:
 You may join our meetings from your office or home via webinar and phone.

Dial (877) 273-4202
 Access Code: 7233056#
 Webinar: [Click here to register](#)

Public comment is welcome on any public matter that is not on the agenda and that is within the jurisdiction of the agency. Please sign in on our attendance sheet.

AGENDA ITEMS

Public Comments

Minutes

- ☒ Approve Prior Board Meeting Minutes

Finance Program (Manager: Ginger Pfankuch)

- ☒ Finance Update

Homeownership Program (Manager: Vicki Bauer)

- ☒ New Lender Approval
- ☒ Homeownership Program Update

Multifamily Program (Manager: Mary Bair)

- ☒ Letters of Intent
 - Noble Homestead, Pablo
 - Riverview Meadow Apartments, Whitefish
 - Meadows Senior Apartments, Lewistown
 - Courtyard Apartments, Kalispell

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○ Red Fox Apartments, Billings	1.5
○ Big Sky Villas, Belgrade	1.6
○ Timber Meadows, Kalispell	1.7
○ Stower Commons, Miles City	1.8
○ Bitterroot Valley Villas, Hamilton	1.9
○ Little Jon Apartments, Big Fork	1.10
○ Cascade Ridge Senior Living – Phase II, Great Falls	1.11
○ Rose Park Apartments, Bozeman	1.12
○ Trapper Peak Apartments, Hamilton	1.13
○ Aspen Place III, Butte	1.14
○ Freedom’s Path at Fort Harrison, Helena	1.15
○ Polson Landing, Polson	1.16
○ Missoula Senior, Missoula	1.17
○ Glasgow Apartments, Glasgow	1.18
○ Nicole Court Senior Apartments, Stevensville	1.19
○ North Star Apartments, Wolf Point	1.20
○ Blackfeet Homes VI, Browning	1.21
○ River Ridge Apartments, Missoula	1.22
○ Gateway Vista, Billings	1.23
○ Sweetgrass Commons, Missoula	1.24
○ Southern Lights, Billings	1.25
❖ Hillview Apartments, Havre	2
❖ Tax Exempt Private Placement Policy	3

❌ RAM Exception

4

❌ Multifamily Program Update

5

Executive Director (Bruce Brensdal)

❌ Updates

- NCSHA Conference

❌ Mortgage Servicing Update (Mary Palkovich)

- Updates

❌ Operations Update (Stacy Collette)

- Strategic Planning
- Performance Reviews
- Office Remodel

❌ Marketing Update (Penny Cope)

- Customer Relationship Management System

❌ Miscellaneous

Meeting Adjourns

Training Session (if schedule allows)

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

*We make every effort to hold our meetings at fully accessible facilities. Any person needing reasonable accommodation must notify the Housing Division at (406) 841-2840 or TDD (406) 841-2702 before the scheduled meeting to allow for arrangements.

Future Meeting Dates and Locations (subject to change)

September 14, 2015: Helena

January 19, 2016 (Tuesday): Helena

April 11, 2016: unknown

July 11, 2016: No meeting

October 11, 2016: No meeting

November 9, 2015: Helena

February 8, 2016: No meeting

May 9, 2016: No meeting

August 8, 2016: unknown

November 14, 2016: Helena

December 14, 2015: Helena

March 14, 2016: unknown

June 13, 2016: unknown

September 12, 2016: Helena

December 12, 2016: No meeting



Montana Board of Housing – Best Western Plus Gran Tree Inn
1325 N 7th Avenue – Bozeman, Montana 59715
June 8, 2015

ROLL CALL OF BOARD

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

STAFF: Bruce Brensdal, Executive Director
Mary Bair, Multifamily Program
Vicki Bauer, Homeownership Program
Mary Palkovich, Servicing Program
Stacy Collette, Operations Manager
Penny Cope, Public Relations
Paula Loving, Executive Assistant
Charlie Brown, Homeownership Program
Jeannene Maas, Homeownership Program
Jessica Johnson, Servicing Program
Angela Heffern, Accounting Program
Kellie Guarliglia, Multifamily Program

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

UNDERWRITERS: Mina Choo, RBC Capital

OTHERS: Heather McMilin, Homeward
Andrea Davis, Homeward
Brian Barnes, DPPHS
Dave Parker, MDOC – Housing Division
Jeff Rupp, HRDC Bozeman

CALL MEETING TO ORDER

Chairman JP Crowley called the Montana Board of Housing (MBOH) to order at 10:00 a.m. Introductions were made. Chairman asked for any public comment not on the

agenda. Heather McMilin, Homeward, provided an update on Southern Lights. Building 1 is complete with the exception of landscaping and some finishing touches. Homeward is awaiting decision on Montana Department of Commerce, HOME financing.

APPROVAL OF MINUTES

Bob Gauthier moved to approve the April 13, 2015 MBOH Board meeting minutes and Jeannene McKee seconded the motion. Chairman Crowley asked for comments. The April 13, 2015 Board meeting minutes were passed unanimously.

FINANCE PROGRAM

Bruce Brensdaal provided Finance program update. Bruce introduced Ginger Pfankuch as Cody Pearce's replacement as Finance and Accounting Program Manager whose last day was June 6, 2015. Ginger Pfankuch will start on July 6, 2015.

HOMEOWNERSHIP PROGRAM

Vicki Bauer brought to the Board the 2015 Income Limits released by HUD on May 22, 2015. These replace the temporary income limits set in April. Doug Kaercher moved to approve the Income Limits and Pat Melby seconded. Chairman Crowley asked for comments. The Income Limits were approved unanimously. Bob Gauthier and Pat Melby requested more information regarding the targeted area determinations from HUD.

Vicki Bauer presented to the Board Bond Resolution No. 15-0608-S1. This bond issuance would allow for refinancing of two to three bond series and provide new money for loan purchases. Jeanette McKee moved approve Bond Resolution No. 15-0608-S1 and Pat Melby seconded the motion. Chairman Crowley asked for comments. Bond Resolution No. 15-060815-S1 was approved unanimously.

Vicki Bauer brought to the Board a request from Habitat for Humanity. Vicki introduced Dave Magistrelli from Habitat for Humanity, who thanked the Board for the support for the Habitat for Humanity program. Sheila Rice moved to approve the setaside request of \$880,000 for the fiscal year 2016, which will expire June 30, 2016. Doug Kaercher seconded the motion. Chairman Crowley asked for comments. Bruce Brensdaal informed the Board that financially, the Board has funds available for the request. The Habitat for Humanity setaside request in the amount of \$880,000 was approved unanimously.

Vicki Bauer brought to the Board a setaside request for the Disabled Accessible Affordable Homeownership Program (DAAHP) extension. This program provides affordable loans to physically disabled borrowers and allows modifications to the home to make it more architecturally accommodating for their mobility limitations. Within the past year there has been one loan purchased within this program. The current allocated funding for the DAAHP program is \$1,001,568, which expires June 30, 2015. Doug Kaercher moved to approve the allocation of setaside funds for the DAAHP program in the amount of \$1,001,568 for fiscal year 2016 and Sheila Riced seconded

the motion. Chairman Crowley asked for comments. The DAAHP setaside was approved unanimously.

Vicki Bauer brought to the Board a setaside extension request for the Lot Refinance Program. This program provides the permanent financing for new constructed homes that are built on lots where the homebuyer has title to the lot but still owes on the lot and the title is encumbered. The lot must have been purchased within the last two years. This program has not been utilized in the last year. Sheila Rice moved to approve the setaside extension for the Lot Refinance Program in the amount of \$726,440 for fiscal year 2016. Pat Melby seconded the motion. Chairman Crowley asked for comments. The Board inquired about the history of the program. The program allows borrowers to roll the cost of the lot into their mortgage, which would be considered a refinance under the regular program. These loans must be funded with Pre-Ullman funds, so they are considered a setaside. Borrowers have not utilized the program, because the Board has not had the most favorable rate. Sheila asked that the Pre-Ullman funds be evaluated to see if a better rate could be offered. The Lot Refinance Program setaside extension was approved unanimously.

Vicki Bauer provided a Homeownership Program update, which included a review of loan portfolio breakout, the Delinquency and Foreclosure Report, Servicer's Report and the Setaside Report. Vicki stated during the Annual Housing Conference, two awards will be given to participating lenders First Interstate Bank and Opportunity Bank.

MULTIFAMILY PROGRAM

Mary Bair presented the Chippewa Cree Housing Authority requested changes to Chippewa Cree Homes I. Pat Melby stated there are several factors in determining the award of Tax Credits, and questioned if these changes create a significant change to the originally proposed application. Mary stated the QAP requires Board notification when changes would change the score received. Bob Gauthier moved to approve the changes presented and Doug Kaercher seconded the motion. Jeanette requested follow-up on how this project is affected by these changes. The Chippewa Cree Housing Authority project change was approved unanimously.

Mary Bair provided the Board with the Multifamily program update. A public meeting will be held on Thursday, June 11, 2015 for the 4% Bond transaction. This Bond transaction is financing for Oakmeadows by Homeword and GMD Development.

EXECUTIVE DIRECTOR UPDATE

Bruce Brendsda reviewed the upcoming Board meeting schedule and stated the September meeting will be moved to August 10, 2015 due to the timing of the 2016 Housing Credits – Letter of Intent, and the processing times for the entire Housing Credit allocation process.

Bruce Brendsda introduced Mary Palkovich as the new MBOH Loan Servicing Program Manager.

Stacy Collette provided an update on Mortgage Servicing. The First Interstate Bank loan portfolio transfer was completed last week and overall the transfer was highly successful.

Penny Cope provided a marketing update. The Annual Housing Conference starts immediately after this Board meeting and will run through Thursday. Board members are encouraged to attend. The website has been live for a while and working through any issues.

Meeting adjourned at 11:10 a.m.

Sheila Rice, Secretary

Date

AGENDA ITEM

Financial Update

BACKGROUND

Provides investment diversification which is used to mitigate risk in the Housing investment portfolio.

The Weighted Average Yield Trend shows a slight drop due to the reduction in the number of investments at fiscal yearend. The weighted average yield takes all portions of the portfolio into consideration when considering the expected yield.

The Investment Maturity Schedule shows when each of the Housing Division investments will mature, which Trustee is handling the investment, the type of investment and the par value of the investment. The maturity dates and par value are summarized in the Portfolio Maturity table.

PROGRAM

Homeownership Program

AGENDA ITEM

Prime Mortgage Lending, Inc. application for approval as Participating Lender

BACKGROUND

Prime Mortgage Lending, Inc. has a home office in Apex, NC with their sole Montana Branch at 1351 Stoneridge Dr., Ste. C, Bozeman, MT, 59718 with a staff of 2 loan officers and a branch manager. Their primary interest is in our MCC Program and they are anxious to get started. Prime Mortgage is approved to underwrite FHA and VA loans, and they intend to sell servicing to MBOH for program loans.

Their Articles of Incorporation is dated February 14, 2005 from North Carolina. According to the most recent Report of Condition for quarter ending June 30, 2015, Prime Lending has equity to asset ratio of 17.71% which meets the criteria for MBOH participating lenders (6%). All required Errors and Omissions and Fidelity Bond Insurance requirements have been met. Prime Mortgage Lending received their Secretary of State Certificate of Authorization on July 7, 2015. No adverse regulatory actions against Prime Mortgage Lending, Inc. exist.

Prime Mortgage Lending, Inc. financial statements are available to Board members on request.

Caroline Roy available for questions

PROPOSAL

Prime Mortgage, Inc. meets the requirements to become a Participating Lender, staff proposes they be approved.

Homeownership Program Dashboard

August 3, 2015

Rates

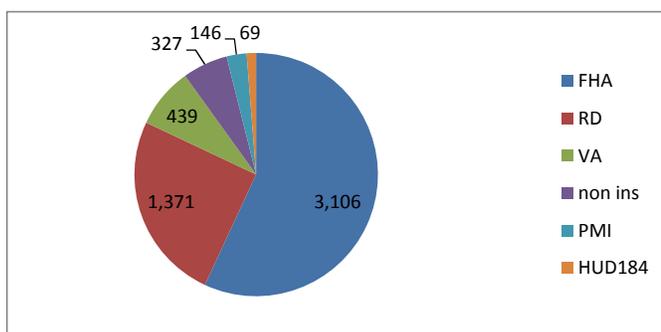
	Current	Last Month	Last Year
MBOH	3.250	3.250	4.00
Market	3.625	3.875	4.00
10 yr treasury	2.230	2.43	2.52
30 yr Fannie Mae	3.505	3.73	3.78

Loan Programs

	July 2015 reservations	Amount	Total: Number	Amount	Original Amount	Balance
Regular Program						
Series 2015B(bridge)	55	9,195,067	67	10,777,457	20,000,000	9,222,543
Set-asides:						
Veterans (Orig)	5	979,967	187	30,195,771	40,000,000	9,804,229
Score Advantage	5	27,577	99	512,354	1,500,000	987,646
80% Combined (20+)	2	268,000	47	5,178,490	9,500,000	4,321,510
Foreclosure Prevent	0	-	1	4,365	50,000	45,635
Disabled Accessible	0	-	226	16,358,432	Ongoing	1,001,568
Lot Refi	0	-	12	1,273,560	2,000,000	726,440
Habitat	0	-	0	-	880,000	880,000

MBOH Portfolio as of June 2015

5,458 Loans* (4,212 serviced by MBOH)



*This a 6.5% decrease in portfolio size from June 2014 when we had 5,839 loans

Delinquency and Foreclosure Rates

	Montana Board of Housing		Mortgage Bankers Assoc. 3/2015		
	Jun-15	Jun-14	Montana	Region	Nation
30 Days	2.16	1.94	1.36	1.78	2.29
60 Days	1.21	1.15	0.45	0.61	0.83
90 Days	<u>1.78</u>	<u>1.71</u>	<u>0.93</u>	<u>1.37</u>	<u>2.02</u>
Total Delinquencies	5.15	4.80	2.74	3.76	5.14
In Foreclosure	0.71	0.80	0.77	1.26	2.22

Delinquency and Foreclosure Rates Montana Board of Housing Loan Portfolio

For Period Ending:	15-Jun	15-May	15-Apr	15-Mar	15-Feb	15-Jan
30 Days	2.16	2.18	2.24	2.27	2.34	2.9
60 Days	1.21	1.02	0.97	1	1.42	1.09
90 Days	1.78	1.64	1.59	1.52	1.56	1.84
Total Delinquencies	5.15	4.84	4.8	4.79	5.32	5.83
In Foreclosure	0.71	0.81	0.78	0.91	1.05	0.99

For Comparison

Mar 2015 (most recent available)*

	Montana	Region	Nation
30 Days	1.36	1.78	2.29
60 Days	0.45	0.61	0.83
90 Days	0.93	1.37	2.02
Total Delinquencies	2.74	3.76	5.14
In Foreclosure	0.77	1.26	2.22

* Comparison Data from National Delinquency Survey, Mortgage Bankers Association

FY 2015 MBOH Homeownership Program	Bond Program	MCC Program	TOTAL
# of loans originated (First & Second)	274	132	406
\$ of home sales (First only)	\$35,679,352	\$24,702,446	\$60,381,798
\$ of loans originated (First & Second)	\$33,567,534	\$23,938,870	\$57,506,404
NEW HOMES			
# of loans on New houses	29	20	49
\$ of home sales on New houses	\$4,730,948	\$4,274,527	\$9,005,475
\$ of loans on New houses	\$3,921,408	\$4,103,076	\$8,024,484
EXISTING HOMES			
# of loans on Existing houses	217	112	329
\$ of home sales on Existing houses	\$30,805,434	\$20,427,919	\$51,233,353
\$ of loans on Existing houses	\$29,366,188	\$19,835,794	\$49,201,982
REHABBED HOMES			
# of Rehab loans	1	0	1
\$ of home sales on Rehabbed houses	\$142,970	\$0	\$142,970
\$ of loans on Rehabbed houses	\$138,634	\$0	\$138,634
STICK-BUILT HOMES			
# Stick built homes	195	118	313
\$ of home sales on stick-built homes	\$28,411,302	\$22,349,246	\$50,760,548
MANUFACTURED HOMES			
# Manufactured homes	28	0	28
\$ of home sales	\$3,968,200	\$0	\$3,968,200
MODULAR HOMES			
# Modular homes	0	0	0
\$ of home sales on Modular homes	\$0	\$0	\$0
CONDOS			
# Condos	24	14	38
\$ of home sales on Condos	\$3,199,850	\$2,353,200	\$5,553,050
Average Purchase Price (first loans)	\$144,451	\$187,140	\$159,319
Average Loan (first loans)	\$135,329	\$181,355	\$151,359
Average Household size	2	2	
Average Borrower age	36	34	
Average Household Income	\$45,995	\$50,649	\$47,508
Number of Communities receiving loans	59	26	
Number of Counties receiving loans	29	14	
Setasides, special programs and 2nd loans			
Number of loans placed in setaside programs	74	47 first loans; 27 second loans	
Number of setasides utilized during the year	6		
\$ of home sales in setaside programs	\$7,320,775		
\$ of home loans in setaside programs	\$6,430,596	First & Second combined	
Average Income in setaside program	\$48,778		
Number of Communities receiving loans	17		

MBOH Annual Program Activity Recap

(fiscal year)

Bond Program				
	# of loans	average sale price	average loan amount	average income
2015	274	\$144,450	\$135,329	\$45,995
2014	597	\$142,342	\$135,504	\$46,962
2013	305	\$135,460	\$123,517	\$42,838
2012	281	\$135,473	\$128,303	\$45,988
2011	251	\$138,570	\$130,569	\$47,130
2010	272	\$129,042	\$114,367	\$41,294
2009	434	\$128,813	\$118,023	\$39,647
2008	1626	\$134,391	\$125,405	\$40,482
2007	1610	\$126,093	\$118,383	\$40,017

MCC Program				
	# of loans	average sale price	average loan amount	average income
2015	132	\$187,140	\$181,355	\$50,649
2014	144	\$179,806	\$172,217	\$49,921
2013	92	\$177,066	\$172,343	\$49,660
2012	83	\$161,836	\$156,604	\$49,333
2011	59	\$163,593	\$160,363	\$44,877
2010	92	\$159,773	\$155,766	\$46,749
2009	29	\$174,551	\$160,107	\$48,359
2008	19	\$160,421	\$153,996	\$43,155
2007	17	\$107,885	\$102,097	\$34,008

Bond and MCC combined				
	# of loans	average sale price	average loan amount	average income
2015	406	\$159,318	\$151,359	\$47,616
2014	741	\$149,623	\$142,638	\$47,357
2013	397	\$145,101	\$134,831	\$44,419
2012	364	\$141,485	\$134,756	\$46,751
2011	310	\$143,332	\$136,239	\$46,701
2010	364	\$136,810	\$124,831	\$42,673
2009	501	\$130,149	\$119,812	\$40,248
2008	1645	\$134,691	\$125,735	\$40,480
2007	1641	\$126,103	\$118,338	\$39,991

Purchases by Loan Type

Number of loans

	FHA	VA	RD	HUD-184	Special Program Non Insured	Score Adv (2nd loan)	total
2011	146	26	66	7	6		251
2012	146	39	86	3	7		281
2013	138	28	107	2	24	6	305
2014	210	69	213	4	54	47	597
2015	92	30	99	7	19	27	274
Total	732	192	571	23	110	53	1681

Percent of Activity

	FHA	VA	RD	HUD-184	Special Program Non Insured	Score Adv (2nd loan)	
2011	58.2%	10.4%	26.3%	2.8%	2.4%	0.0%	100.0%
2012	52.0%	13.9%	30.6%	1.1%	2.5%	0.0%	100.0%
2013	45.2%	9.2%	35.1%	0.7%	7.9%	2.0%	100.0%
2014	35.2%	11.6%	35.7%	0.7%	9.0%	7.9%	100.0%
2015	33.6%	10.9%	36.1%	2.6%	6.9%	9.9%	100.0%

Loan Amounts

	FHA	VA	RD	HUD-184	Special Program Non Insured	Score Adv (2nd loan)	total
2011	18,229,812.00	3,794,216.00	9,300,948.00	946,163.00	501,624.00		32,772,763.00
2012	18,146,617.00	6,225,014.00	10,672,520.00	427,279.00	581,753.00		36,053,183.00
2013	17,883,086.00	4,251,081.00	13,449,399.00	280,992.00	1,782,206.00	25,787.00	37,672,551.00
2014	29,427,256.00	12,093,958.00	32,571,653.00	546,982.00	6,017,894.00	238,061.00	80,895,804.00
2015	12,466,858.00	4,686,971.00	13,798,906.00	495,780.00	1,977,715.00	141,304.00	33,567,534.00
Total	96,153,629.00	31,051,240.00	79,793,426.00	2,697,196.00	10,861,192.00	263,848.00	220,820,531.00

Percent of Activity

	FHA	VA	RD	HUD-184	Special Program Non Insured	Score Adv (2nd loan)	
2011	55.6%	11.6%	28.4%	2.9%	1.5%	0.0%	100.0%
2012	50.3%	17.3%	29.6%	1.2%	1.6%	0.0%	100.0%
2013	47.5%	11.3%	35.7%	0.7%	4.7%	0.1%	100.0%
2014	36.4%	15.0%	40.3%	0.7%	7.4%	0.3%	100.0%
2015	37.1%	14.0%	41.1%	1.5%	5.9%	0.4%	100.0%

Montana Board of Housing

As of 6/30/2015

MCC Program Monthly Loan Reservation Activity						
	2013		2014		2015	
	# of loans	\$ of loans	# of loans	\$ of loans	# of loans	\$ of loans
January	6	\$935,999	13	\$2,267,148	8	\$1,447,142
February	9	\$1,785,065	10	\$1,742,502	16	\$3,021,984
March	8	\$1,419,539	11	\$1,926,459	6	\$1,040,872
April	7	\$1,251,453	17	\$3,123,787	14	\$2,409,453
May	12	\$2,242,587	17	\$3,016,050	13	\$2,334,841
June	5	\$976,660	19	\$3,409,363	16	\$3,066,800
July	23	\$4,034,372	20	\$3,659,132		
August	12	\$1,797,581	15	\$2,533,807		
September	12	\$2,080,105	13	\$2,225,974		
October	6	\$992,918	10	\$1,953,571		
November	7	\$1,089,610	6	\$1,202,700		
December	8	\$1,552,290	12	\$2,404,789		
yearly total	115	\$20,158,179	163	\$29,465,282	73	\$13,321,092
Average	10	\$165,486	14	\$180,769	12	\$182,481

Source and use tax credit authority							
Election Date	Series	Waived bond authority	volume of loans supported	Dollar amt of loans	No of certs issued	Amt reserved @6/30/15	remaining balance available
12/16/2002	900	\$40 million	\$50,000,000	\$5,803,018	50		(closed)
10/17/2005	901	\$5 million	\$6,250,000	\$6,229,750	42		(closed)
4/7/2008	902	\$4 million	\$5,000,000	\$4,981,634	32		(closed)
1/12/2009	903	\$10 million	\$12,500,000	\$12,497,814	79		(closed)
10/19/2009	904	\$10 million	\$12,500,000	\$12,379,315	79		(closed)
2/7/2011	905	\$12 million	\$15,000,000	\$14,996,446	95		(closed)
6/26/2012	906	\$16 million	\$20,000,000	\$19,988,943	113		(closed)
8/12/2013	907	\$24 million	\$30,000,000	\$29,787,952	170	\$0	\$212,048
6/9/2014	908	\$40 million	\$50,000,000	\$10,305,764	56	\$7,491,585	\$32,202,651
				\$116,970,636	716	\$7,491,585	\$32,414,699

Notable Comments from Lender/Realtor training:

I attended the class today and it was fantastic! I got more real information from your class than any I've attended in the last 20 years. It was well presented and fast paced, with an amazing amount of really useful information. Thank you for sending the power point out early, I had printed it and brought it along and I'm so glad. You and your team did a great job.

Sincerely,
Kate Reid
Broker/Owner
Windermere Bozeman Real Estate

I enjoyed the conference today. I am still fairly new to real estate/lending/processing so it was great to hear from all of you. I am a processor with First Interstate Bank, I was the one in the back in the red shirt with all of the tax questions. (Of course I ask the tax questions that was my major in college). It was really good to hear how your program works! I know we all appreciate everyone coming down to give us a better grasp on the great program you offer.

Best Regards,
Heather John
First Interstate Bank

PROGRAM

Multifamily Program

AGENDA ITEM

Tax Credit Overview

BACKGROUND

The low income housing tax credit is established under Section 42 of the Internal Revenue Code of 1986. The credit is a federal income tax credit for Owners of qualifying rental housing which meets certain low income occupancy and rent limitation requirements. The per state resident amount of tax credit allocated annually for housing is limited to \$2.30 with a minimum cap as allocated by IRS, whichever is larger. Montana Board of Housing (MBOH) is the state agency that allocates the tax credits for housing located in Montana. MBOH currently has over 200 properties and 6,200 units that it monitors for compliance.

PROPOSAL

PROGRAM

Multifamily Program

AGENDA ITEM

Housing Credit Letters of Intent

BACKGROUND

The Letter of Intent is to give Board and Staff a general overview of potential Housing Credit applications that may be submitted in the 2016 allocation round. The information includes the project's city, amount of credits being asked for, number of buildings and units, and a breakdown of units and what percent of AMI expected to be targeted.

PROPOSAL

The Letter of Intent provides the Board and Staff with an opportunity to review, discuss and ask questions regarding potential 2016 Housing Credit applications that may be submitted at a later date.

Small Projects

Large Projects

	Noblehometea d - Pablo	Trapper Peak Apartments - Hamilton	Big Sky Villas - Belgrade	Little Jon - Big Fork	TBD Glasgow Apartments - Glasgow	Rose Park Apartments - Bozeman	Red Fox Apartments - Billings	Blackfeet Homes VI - Browning	Gateway Vista - Billings	Courtyard Apartments - Kalispell	Timber Meadows - Kalispell	Slower Commons - Miles City	Missoula Senior - Missoula	Poison Commons - Poison	Sweet Grass Commons - Missoula	River Ridge Apartments - Missoula	Meadows Senior Apartments - Lewistown	Cascade Ridge Phase II - Great Falls	Valley Villas I & II - Hamilton	Southern Lights - Billings	Freedom's Path - Fort Harrison	Riverview Meadow - Whitefish	Nicole Court - Stevensville	Aspen Place III - Butte	North Star Apartments - Wolf Point
1. Number of Units	24	15	24	32	16	42	30	30	27	32	40	24	61	40	26	70	35	16	34	20	42	36	16	32	26
2. New Construction	x	x			x	x	x	x			x	x	x	x				x				x	x	x	x
3. Acquisition/Rehab			x	x						x						x	x		x	x	x				
4. Profit/Non-Profit	Non-Profit	Profit	Non-Profit	Non-Profit	Profit	Profit	Profit	Profit	Non-Profit	Non-Profit	Non-Profit	Profit	Profit	Profit	Non-Profit	Profit	Profit	Non-Profit	Profit	Non-Profit	Non-Profit	Profit	Non-Profit	Non-Profit	Non-Profit
5. Family/Senior	Family	Family	Family	Family	Family	Senior	Family	Family	Family	Family	Senior	Family	Senior	Family	Family	Senior	Senior	Senior	Family	Family	Family	Family	Senior	Family	Family
6. Credits Requested	\$260,000	\$268,000	\$268,000	\$257,779	\$258,948	\$658,750	\$347,693	\$667,060	\$432,318	\$382,927	\$662,500	\$485,000	\$670,000	\$663,000	33061/128061	\$95,421	\$276,550	\$32,970	\$327,654	\$350,000	\$670,466	\$658,000	\$342,988	\$472,716	\$543,000
7. Total Project Costs	\$4,011,132	\$2,956,853	\$3,580,000	\$3,867,678	\$2,921,270	\$7,371,121	\$5,216,320	\$6,899,978	\$4,691,665	\$5,344,109	\$7,667,782	\$5,072,064	\$8,766,575	\$7,412,920	\$6,003,731	\$7,271,629	\$3,889,642	\$2,936,963	\$4,477,212	\$3,475,000	\$9,644,358	\$8,244,016	\$3,814,700	\$6,058,235	\$5,979,000
8. Cost per Unit	\$167,131	\$197,124	\$149,167	\$120,865	\$182,579	\$175,503	\$173,877	\$229,999	\$173,765	\$167,003	\$191,695	\$211,336	\$143,714	\$185,323	\$230,913	\$103,880	\$111,133	\$183,560	\$131,683	\$173,750	\$229,628	\$229,000	\$238,419	\$189,320	\$229,962
9. Credits per Unit	10,833.00	178,667.00	111,667.00	8,056.00	16,184.00	15,684.00	11,590.00	22,235.00	16,012.00	11,966.00	16,653.00	20,208.00	10,984.00	16,575.00	1,272.00	1,363.00	7,901.00	2,061.00	9,637.00	17,500.00	15,963.00	18,278.00	21,437.00	14,772.00	20,885.00
10. Cost per sq ft	\$143.77	\$193.26	\$196.44	\$166.71	\$205.72	\$168.00	\$207.74	\$173.58	\$179.76	\$237.44	\$138.35	\$189.30	\$173.98	\$174.01	\$175.20	\$149.84	\$189.17	\$152.49	\$169.05	\$125.91	\$251.44	\$207.79	\$259.15	\$189.23	\$183.97
11. Credits per sq ft	9.32	17.52	14.71	11.11	18.24	15.01	13.85	16.78	16.56	17.01	11.95	18.10	13.30	15.56	0.96	2.03	13.45	1.71	12.37	12.68	17.48	16.58	23.30	14.77	16.71

Aloha N O B L E H O U S E, Inc.

July 14, 2015

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

RECEIVED

JUL 30 2015

DOC HOUSING

RE: MHTC (Montana Housing Tax Credit) Letter of Intent

Dear Board of Housing:

This letter with attachment meets the requirements of the Qualified Allocation Plan as it relates to submission of a "Letter of Intent" in order to be eligible to submit an application in October.

The project being submitted is as follows:

Name: NOBLEHOMESTEAD Pablo, LLC
City: Pablo
County: Lake
Developer: *Aloha* NOBLEHOUSE, Inc. & American Covenant Senior Housing Foundation, Inc.
HTC Consultant: Evergreen International, Inc.
Project Type: New Construction
Set-aside: Small Project and or Non-Profit

Project Description: 24 units of new construction, all 3-bedroom units. The project is located adjacent to tribal housing of similar type.

Anticipated Amenities: Community room, computer room, and private exam room.

General Description of Project Location to Services: Excellent location near elementary school, grocery, senior facilities, community college, gas station, post office, and other community services.

If you have any questions please contact me at kay.midro@alohanoblehouse.org or Gerald Fritts at 406-235-6593 – lender@centurylink.net.

Sincerely,


Kay D. Midro
Executive Director
Tel: 406-858-2484
Fax: 406-858-2485

Attachment

Exhibit D-2 - Letter of Intent Template Attachment

(cells highlighted in yellow need data input)

County / City	Lake
Project Name	NOBLEHOMESTEAD Pablo
Developer	Aloha Noblehouse, Inc.
Set-aside	small project
HTC Requested	\$ 260,000
Project Type	Family

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Unit Numbers

Target

1-bdrm	40%	
1-bdrm	50%	
1-bdrm	60%	
1-bdrm	Mkt	
2-bdrm	40%	
2-bdrm	50%	
2-bdrm	60%	
2-bdrm	Mkt	
3-bdrm	40%	
3-bdrm	50%	
3-bdrm	60%	24
3-bdrm	Mkt	
other	40%	
other	50%	
other	60%	
other	Mkt	
other	Mgr	
Total Units		24

Financing Sources

Hard Loan	\$ 1,350,000
Soft Loan	
Soft Loan	
Soft Loan	
HOME Program	
CDBG Program	
Other	
Deferred Dev Fee	\$ 66,527
Tax Credits	\$ 2,305,605
AHP	\$ 289,000
Total Sources:	\$ 4,011,132

Return on Sale of HTC

HTC Requested	\$ 260,000
HTC Taken over 10 yrs	\$ 2,600,000
HTC Equity	\$ 2,305,605
HTC Return on Sale	\$ 0.887

Square Footage

Low Income/Common	27,900
Market/Commercial	
Total	27,900

Project Costs

Total Project Costs	\$ 4,011,132
----------------------------	---------------------

Costs versus Sources

Total Project Costs	\$ 4,011,132
Total Financing Sources	\$ 4,011,132
Difference	\$ -

Unit Rents

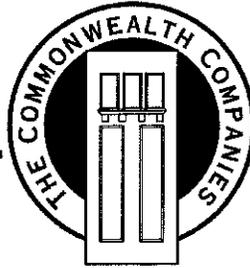
1-bdrm	40%	
1-bdrm	50%	
1-bdrm	60%	
1-bdrm	Mkt	
2-bdrm	40%	
2-bdrm	50%	
2-bdrm	60%	
2-bdrm	Mkt	
3-bdrm	40%	
3-bdrm	50%	
3-bdrm	60%	\$ 994
3-bdrm	Mkt	
other	40%	
other	50%	
other	60%	
other	Mkt	
other	Mgr	

Per Unit Comparison

Cost per unit	\$ 167,131
Credits per unit	10833.33

Per Square Foot Comparison

Cost per sq ft	\$ 143.77
Credits per sq ft	\$ 9.32



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AUG 03 2015

DOC HOUSING

July 30, 2015

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

RE: MHTC (Montana Housing Tax Credit) Letter of Intent

Dear Board of Housing:

This letter with attachment meets the requirements of the Qualified Allocation Plan as it relates to submission of a "Letter of Intent" in order to be eligible to submit an application in October.

The project being submitted is as follows:

Name:	Riverview Meadow Apartments
City:	Whitefish
County:	Flathead
Developer:	Commonwealth Development Corporation
HTC Consultant:	N/A
Project Type:	Family
Set-aside:	General Pool

Project Description:

Riverview Meadow Apartments will serve a growing need for affordable family workforce housing in the City of Whitefish. A collaborative partnership between Commonwealth Development Corporation and the Whitefish Housing Authority will guarantee the success of this much-needed project. The project will consist of thirty-six (36) one, two and three bedroom units which will be affordable to households earning 40%, 50% and 60% of median income.

Commonwealth has spent over two years searching for a cost effective site to build new affordable housing in Whitefish. High land prices and construction costs in the area are significant impediments to new affordable development. Located at approximately 6365 U.S. Highway 93 South, the site for Riverview will cost significantly less than comparable sites on the market, it is properly zoned for multifamily and it is flat with existing utilities. The site is also located in the city's tax increment district which will bring some soft financing to the project.

Whitefish has seen continued growth through the recession and post-recession with almost no new multifamily units built in the last ten years. Since 2000, the population of Whitefish has grown by 36% (5,032 in 2000 and 6,864 in 2014). The last tax credit project to receive funding in the city was in 2002, nearly 13 years ago. The vacancy rate remains very low with most rental housing operating at near 100% occupancy. The lack of affordable housing in Whitefish is having a major impact on both employers and employees and it threatens the livability of the community. In planning for this project over the last two



years, Commonwealth reached out to many of the larger employers in Whitefish to discuss housing needs for their workforce. We found that workers are forced to commute from places with a greater supply of housing such as Columbia Falls or Kalispell. Rent burdened households experience compounding problems of high transportation costs and housing uncertainty when they can't live in the communities in which they work. Employers also faced difficulty recruiting for positions because of the scarce housing.

A veteran owned company, Commonwealth Development Corporation has successfully developed over 1200 tax credit units in twenty-seven different projects. Our tax credit portfolio includes new cottage and townhome developments, urban midrise buildings and several adaptive reuse historic projects. We have worked in several states and are experienced in all types of development and construction, including cold-weather climates similar to Montana. The principal of Commonwealth owns a home in Whitefish providing additional insight into the market and the benefit of additional oversight of the project in the future.

Anticipated Amenities:

The project will feature spacious units with well-designed kitchens and living spaces, washer and dryer hookups and energy efficient lighting, appliances and heating. There will be adequate parking, an onsite community room with computer stations, a central laundry facility and outdoor gardening space. Residents will also enjoy ample open space and adjacent natural features like the Whitefish River.

General Description of Project Location to Services:

This project will be centrally located to a host of services. The site is one mile south of downtown Whitefish, less than ½ mile from the major grocery store in town and one-tenth of a mile from Mountain Mall. Residents will be able to walk to get food and other essentials. Municipal services including schools are a short bus or car ride to the city center. Eagle Transit operated by Flathead County offers bus service from Mountain Mall to the center of Whitefish and then around the city via the Whitefish City Bus system. The site is also located ¾ of a mile from the new North Valley Hospital where residents will benefit from both employment opportunities and medical care.

We look forward to working with the Montana Board of Housing on this project. If you have any questions please contact me at: 503-956-2970

Sincerely,

Daryn Murphy
Vice President of Development

Attachment

Exhibit D-2 - Letter of Intent Template Attachment

(cells highlighted in yellow need data input)

County / City	Flathead/Whitefish
Project Name	Riverview Meadows Commonwealth Development Corporation
Developer	General
Set-aside	General
HTC Requested	\$ 658,000
Project Type	Family

<u>Unit Numbers</u>	<u>Target</u>	
1-bdrm	40%	1
1-bdrm	50%	2
1-bdrm	60%	-
1-bdrm	Mkt	-
2-bdrm	40%	2
2-bdrm	50%	13
2-bdrm	60%	3
2-bdrm	Mkt	-
3-bdrm	40%	1
3-bdrm	50%	9
3-bdrm	60%	5
3-bdrm	Mkt	-
other	40%	-
other	50%	-
other	60%	-
other	Mkt	-
other	Mgr	-
Total Units		36

<u>Square Footage</u>	
Low Income/Common	39,675
Market/Commercial	
Total	39,675

<u>Unit Rents</u>		
1-bdrm	40%	\$ 364
1-bdrm	50%	\$ 476
1-bdrm	60%	
1-bdrm	Mkt	
2-bdrm	40%	\$ 438
2-bdrm	50%	\$ 573
2-bdrm	60%	\$ 708
2-bdrm	Mkt	
3-bdrm	40%	\$ 494
3-bdrm	50%	\$ 649
3-bdrm	60%	\$ 805
3-bdrm	Mkt	
other	40%	
other	50%	
other	60%	
other	Mkt	
other	Mgr	

<u>Financing Sources</u>	
Hard Loan	\$ 977,451
Soft Loan	
Soft Loan	
Soft Loan	
HOME Program	\$ 750,000
CDBG Program	
Other (TIF)	\$ 100,000
Deferred Dev Fee	\$ 34,604
Tax Credits	\$ 6,381,961
Other	
Total Sources:	\$ 8,244,016

<u>Return on Sale of HTC</u>	
HTC Requested	\$ 658,000
HTC Taken over 10 yrs	\$ 6,580,000
HTC Equity	\$ 6,381,961
HTC Return on Sale	\$ 0.970

<u>Project Costs</u>	
Total Project Costs	\$ 8,244,016

<u>Costs versus Sources</u>	
Total Project Costs	\$ 8,244,016
Total Financing Sources	\$ 8,244,016
Difference	\$ -

<u>Per Unit Comparison</u>	
Cost per unit	\$ 229,000
Credits per unit	18277.77778

<u>Per Square Foot Comparison</u>	
Cost per sq ft	\$ 207.79
Credits per sq ft	\$ 16.58

THIES & TALLE

ENTERPRISES, INC

Exhibit D-1 - Letter of Intent Template Letter

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JUL 22 2015

DOC HOUSING

July 21 , 2015

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

RE: MHTC (Montana Housing Tax Credit) Letter of Intent

Dear Board of Housing:

This letter with attachment meets the requirements of the Qualified Allocation Plan as it relates to submission of a "Letter of Intent" in order to be eligible to submit an application in October.

The project being submitted is as follows:

Name: Meadows Senior Apartments
City: Lewistown
County: Fergus
Developer: Thies and Talle Enterprises
HTC Consultant: Rippley Richard Real Estate Development Services
Project Type: Acquisition & Rehabilitation. Preservation of Affordable housing.
Set-aside: 40/60 with further income targeting at 40% and 50% AMI

Project Description:

The existing Meadows Senior Apartments was originally built in 1978 and consists of 35 1 & 2 bedroom apartments in 9 buildings. They are all single story apartments for seniors 55 years and older. This property is older and is in need of capital improvements. The current owner intends to transfer ownership to a new entity and rehabilitate the project, spending approximately \$45,600 per unit. Rehabilitation will include a new roof, new siding, a new parking lot and concrete work, new doors, insulation and unit upgrades. The hope is to put in enough improvements so that the project can serve seniors in Lewistown for another 35 years.

All renovations will be done with residents in place and no relocation is anticipated. Thies & Talle Enterprises has completed 9 rehabilitation developments, successfully minimalizing the disruption to residents.

The project currently has a Section 8 contract providing rental assistance to all 35 units and the new owner intend to keep that contract in place. The project currently has no debt. The developer intends to pay for the acquisition and rehabilitation through a combination of new debt through the Montana Board of Housing 538 Loan Guaranty program and equity from LIHTC.

Anticipated Amenities:

The project contains a large community room and kitchen, library and on-site laundry. Through the rehabilitation, improvement to the units will include the addition of dishwashers, disposals, microwaves, air conditioning, high quality cabinets and flooring.

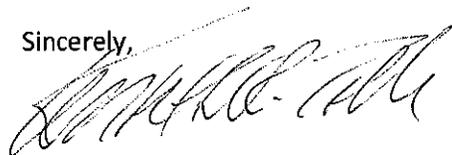
General Description of Project Location to Services:

This project is conveniently located about ½ mile from downtown Lewistown and walking distance (less than .7 miles) of all of the following services: grocery and pharmacy, schools, senior center, bank, doctor's office, gas station, post office, public park and library.

If you have any questions please contact me at:

Ken Talle
Thies and Talle Enterprises
470 West 78th Street, Suite 260
Chanhassen, MN 55317
Phone: 952-906-7209
e-mail: ktalle@thiestalle.com

Sincerely,



Attachment

Exhibit D-2 - Letter of Intent Template Attachment

(cells highlighted in yellow need data input)

County / City	Fergus/Lewist own
Project Name	Meadows Senior Apart
Developer	Thies & Talle Enterprise
Set-aside	None
HTC Requested	\$ 276,550
Project Type	Senior

<u>Unit Numbers</u>	<u>Target</u>	
1-bdrm	40%	4
1-bdrm	50%	21
1-bdrm	60%	6
1-bdrm	Mkt	
2-bdrm	40%	
2-bdrm	50%	
2-bdrm	60%	4
2-bdrm	Mkt	
3-bdrm	40%	
3-bdrm	50%	
3-bdrm	60%	
3-bdrm	Mkt	
other	40%	
other	50%	
other	60%	
other	Mkt	
other	Mgr	
Total Units		35

<u>Square Footage</u>	
Low Income/Common	20,562
Market/Commercial	-
Total	20,562

<u>Unit Rents</u>		
1-bdrm	40%	30% of income/\$603
1-bdrm	50%	30% of income/\$603
1-bdrm	60%	30% of income/\$603
1-bdrm	Mkt	
2-bdrm	40%	
2-bdrm	50%	
2-bdrm	60%	30% of income/\$736
2-bdrm	Mkt	
3-bdrm	40%	
3-bdrm	50%	
3-bdrm	60%	
3-bdrm	Mkt	
other	40%	
other	50%	
other	60%	
other	Mkt	
other	Mgr	

<u>Financing Sources</u>	
Hard Loan	\$ 991,534
Soft Loan	
Soft Loan	
Soft Loan	
HOME Program	
CDBG Program	
Interest from Operations	\$ 225,000
Deferred Dev Fee	\$ 73,796
Tax Credits	\$ 2,599,312
Other	
Total Sources:	\$ 3,889,642

<u>Return on Sale of HTC</u>	
HTC Requested	\$ 276,550
HTC Taken over 10 yrs	\$ 2,765,500
HTC Equity	\$ 2,599,312
HTC Return on Sale	\$ 0.940

<u>Project Costs</u>	
Total Project Costs	\$ 3,889,642

<u>Costs versus Sources</u>	
Total Project Costs	\$ 3,889,642
Total Financing Sources	\$ 3,889,642
Difference	\$ -

<u>Per Unit Comparison</u>	
Cost per unit	\$ 111,133
Credits per unit	7,901

<u>Per Square Foot Comparison</u>	
Cost per sq ft	\$ 189.17
Credits per sq ft	\$ 13.45

July 28, 2015

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

RE: MHTC (Montana Housing Tax Credit) Letter of Intent

Dear Board of Housing:

This letter with attachment meets the requirements of the Qualified Allocation Plan as it relates to submission of a "Letter of Intent" in order to be eligible to submit an application in October.

The project being submitted is as follows:

Name: Courtyard Apartments/Courtyard Associates, LP

City: Kalispell, Montana

County: Flathead

Developer: Recapitalization Montana, LLC ("ReCAP") and Rural Integrity, LLC ("RI")

HTC Consultant: Community Economics, Inc.

Project Type: Family/9% LIHTC/Substantial Rehabilitation/Preservation

Set-aside: 10%/Qualified Non-Profit

Project Description:

The Courtyard Apartments project is the preservation and rehabilitation of two existing federally-financed affordable rental housing developments through acquisition by Courtyard Associates, a Montana Limited Partnership. Courtyard Apartments were developed and owned by the City of Kalispell (16 units) and by Community Action Partnership of Northwest Montana (CAPNM) (16 units) in 1994 and 1995. Sixteen of the apartments are nearing the end of their HOME period of affordability (2016). The other sixteen units were acquired by CAPNM from the City of Kalispell in 2013 and the HOME period of affordability expired in 3/2015. CAPNM paid off the Supportive Housing Program (SHP) Loan early in 2015, and no longer has a binding agreement with HUD to utilize 16 of the units as transitional housing. Eight of the existing 16 transitional units will become Section 811 Units for persons with disabilities as units become available.

The co-developers of the project are Recapitalization Montana, LLC ("ReCAP") and Rural Integrity, LLC ("RI"). ReCAP is a subsidiary of Community Action Partnership of Northwest Montana, and Rural

Integrity, LLC is a subsidiary of RCAC, a nonprofit corporation founded in 1978. RCAC provides technical assistance, training and financing to assist rural communities in achieving their goals and visions across 15 states. RCAC's housing staff of 20 has a myriad of single family and multifamily affordable housing development experience.

Courtyard is one of the 7 affordable housing complexes in ReCAP 6 + 1 (the working name for the larger preservation project). In addition to Courtyard, ReCAP 6+1 is comprised of three Rural Development 515 Elderly/Disabled apartment complexes, and three LIHTC properties that have reached or are about to reach the end of their 15 year compliance period. This effort encompasses over 300 units of affordable rental housing in two counties (Flathead and Lincoln) and three cities (Kalispell, Columbia Falls, and Libby).

Anticipated Amenities:

The existing Courtyard Apartments have good bones, and with major rehabilitation and modernization, this apartment complex will provide the City of Kalispell with excellent low-income housing stock for years to come. Inside the apartments, many modernization and energy efficiency upgrades will take place such as: new energy star appliances, high quality flooring, high quality cabinets, window blinds, carpeting and low VOC paint. Handicapped units will exceed 504 standards. HVAC system upgrades, including air conditioning units and heat recovery ventilators, will greatly improve the indoor air quality for tenants. An addition onto Building #1 will add a community/training room with a kitchenette, manager's and maintenance office, public restrooms, and a much-needed enlarged laundry room. Around the site, the parking lot will be re-surfaced and striped, and landscaping upgraded for water efficiency. A dog park, new playground equipment, and a gazebo will be installed in the grassy central courtyard. The exteriors of the buildings will receive new windows, siding, roofing, and exterior stair enclosures to protect stairs from the harsh winter elements of Montana.

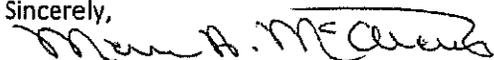
General Description of Project Location to Services:

Courtyard Apartments is ideally located to provide residents easy access to nearby shopping, services, schools and employment. The site is on Airport Road, an eighth of a mile from Route 93 and the Main Street in Kalispell. The proximity to Main Street means residents at Courtyard Apartments can walk to work and shopping. All services and employment opportunities are within a one and a half miles of Courtyard Apartments. Public transit is easily accessible and available.

If you have any questions please contact me at:

Community Action Partnership, Inc.
406-758-5411 or
mmccleary@capnwmt.org

Sincerely,



Maren A. "Marney" McCleary, Housing Director

Exhibit D-2 - Letter of Intent Template Attachment
 (cells highlighted in yellow need data input)

County / City	Flathead/ Kalispell
Project Name	Courtyard Apartments
Developer	Ri, LLC and ReCAP, LLC
Set-aside HTC Requested	nonprofit \$ 382,927

Project Type Family/Preservation

<u>Unit Numbers</u>	<u>Target</u>	
1-bdrm	40%	2
1-bdrm	50%	19
1-bdrm	60%	
1-bdrm	Mkt	
2-bdrm	40%	2
2-bdrm	50%	7
2-bdrm	60%	
2-bdrm	Mkt	
3-bdrm	40%	
3-bdrm	50%	2
3-bdrm	60%	
3-bdrm	Mkt	
other	40%	
other	50%	
other	60%	
other	Mkt	
other	Mgr	
Total Units		32

<u>Square Footage</u>		
Low Income/Common Market/Commercial		22,507
Total		22,507

<u>Unit Rents</u>		
1-bdrm	40%	\$ 348
1-bdrm	50%	\$ 460
1-bdrm	60%	
1-bdrm	Mkt	
2-bdrm	40%	\$ 416
2-bdrm	50%	\$ 551
2-bdrm	60%	
2-bdrm	Mkt	
3-bdrm	40%	
3-bdrm	50%	\$ 613
3-bdrm	60%	
3-bdrm	Mkt	
other	40%	
other	50%	
other	60%	
other	Mkt	
other	Mgr	

<u>Financing Sources</u>	
Hard Loan	\$ 180,000
Soft Loan	\$ 1,265,000
Soft Loan	\$ 328,112
Soft Loan	
HOME Program	
CDBG Program	
Other	
Deferred Dev Fee	\$ 125,000
Tax Credits	\$ 3,445,997
Other	
Total Sources:	\$ 5,344,109

<u>Return on Sale of HTC</u>	
HTC Requested	\$ 382,927
HTC Taken over 10 yrs	\$ 3,829,270
HTC Equity	\$ 3,445,997
HTC Return on Sale	\$ 0.900

<u>Project Costs</u>	
Total Project Costs	\$ 5,344,109

<u>Costs versus Sources</u>	
Total Project Costs	\$ 5,344,109
Total Financing Sources	\$ 5,344,109
Difference	\$ -

<u>Per Unit Comparison</u>	
Cost per unit	\$ 167,003
Credits per unit	11966.46875

<u>Per Square Foot Comparison</u>	
Cost per sq ft	\$ 237.44
Credits per sq ft	\$ 17.01



**HOUSING
AUTHORITY OF
BILLINGS**

2415 1ST AVENUE NORTH
BILLINGS, MONTANA 59101
406-245-6391
www.billingsha.org

MONTANA RELAY: 711
FAX: 406-245-0387

July 27, 2015

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

RECEIVED

JUL 29 2015

DOC HOUSING

RE: MHTC (Montana Housing Tax Credit) Letter of Intent

Dear Board of Housing:

This letter with attachment meets the requirements of the Qualified Allocation Plan as it relates to submission of a "Letter of Intent" in order to be eligible to submit an application in October.

The project being submitted is as follows:

Name: Red Fox Apartments, LLLP
City: Billings
County: Yellowstone
Developer: Housing Authority of Billings
HTC Consultant: Jim Brown, CPA
Project Type: Multifamily
Set-aside:

Project Description: Red Fox Apartments, if funded will consist of 30 units, 15 one bedroom units and 15 two bedroom units, in 8 buildings. The project will serve those at 40%, 50% and 60% of AMI. The Billings Consolidated Plan calls for small bedroom sizes as a priority. The Housing Authority has several programs such as VASH Vouchers (homeless veterans), and the Shelter-Plus-Care (homeless chronically mentally ill), as well as our other assistance programs whose participants have a very difficult time finding affordable housing in our community. An energy star mechanical system and appliances will be installed, as well as an extremely efficient building envelope, will add to the residents comfort and reduce utility bills.

At the Authority's last Section Eight Voucher issuance, only 53% of voucher holders were able to find housing in their 60 day allotted time line, this is after being on the waiting list for a year and a half for the assistance. The additional new construction of affordable units is needed in the Billings community, to be able to serve the low, to extremely low income.

Anticipated Amenities: washers, dryers and hookups, in each apartment, dishwashers, disposals, balconies (decks or patios), playground equipment, a park, community gardens, bike path, bus stop on a bus line, car plug-ins.



EQUAL HOUSING
OPPORTUNITY

General Description of Project Location to Services: The proposed project is close to schools, churches, jobs, health care clinics, a super Wal-Mart, restaurants, professional services, grocery stores, hardware stores, convenience stores, transportation, laundry mats, banks, clothing stores, fitness centers, and entertainment all within 1.7 miles or less from the proposed site.

If you have any questions please contact me at: lucyb@billingsha.org

Sincerely,

A handwritten signature in black ink, appearing to read "Lucy Brown". The signature is fluid and cursive, with the first name "Lucy" being more prominent than the last name "Brown".

Lucy Brown
Executive Director

Exhibit D-2 - Letter of Intent Template Attachment
 (cells highlighted in yellow need data input)

County / City	Yellowstone Billings
Project Name	Red Fox
Developer	Housing Authority
Set-aside	
HTC Requested	\$ 347,693
Project Type	Family

<u>Unit Numbers</u>	<u>Target</u>	
1-bdrm	40%	3
1-bdrm	50%	12
1-bdrm	60%	
1-bdrm	Mkt	
2-bdrm	40%	
2-bdrm	50%	7
2-bdrm	60%	8
2-bdrm	Mkt	
3-bdrm	40%	
3-bdrm	50%	
3-bdrm	60%	
3-bdrm	Mkt	
other	40%	
other	50%	
other	60%	
other	Mkt	
other	Mgr	
Total Units		30

<u>Square Footage</u>	
Low Income/Common	25,110
Market/Commercial	
Total	25,110

<u>Unit Rents</u>		
1-bdrm	40%	\$ 482
1-bdrm	50%	\$ 602
1-bdrm	60%	\$ 723
1-bdrm	Mkt	
2-bdrm	40%	
2-bdrm	50%	\$ 722
2-bdrm	60%	\$ 867
2-bdrm	Mkt	
3-bdrm	40%	
3-bdrm	50%	
3-bdrm	60%	
3-bdrm	Mkt	
other	40%	
other	50%	
other	60%	
other	Mkt	
other	Mgr	

<u>Financing Sources</u>		
Hard Loan	\$	430,198
Soft Loan	\$	652,228
Soft Loan		
Soft Loan		
HOME Program		
CDBG Program		
Other	\$	541,125
Deferred Dev Fee	\$	115,833
Tax Credits	\$	3,476,936
Other		
Total Sources:	\$	5,216,320

<u>Return on Sale of HTC</u>		
HTC Requested	\$	347,693
HTC Taken over 10 yrs	\$	3,476,930
HTC Equity	\$	3,476,936
HTC Return on Sale	\$	1,000

<u>Project Costs</u>		
Total Project Costs	\$	5,216,320

<u>Costs versus Sources</u>		
Total Project Costs	\$	5,216,320
Total Financing Sources	\$	5,216,320
Difference	\$	-

<u>Per Unit Comparison</u>		
Cost per unit	\$	173,877
Credits per unit		11,590

<u>Per Square Foot Comparison</u>		
Cost per sq ft	\$	207.74
Credits per sq ft	\$	13.85

RED FOX HABDC
PROJECTED BUDGET AND SOURCES OF FUNDS
July-15

	<u>Red Fox HABDC</u> <u>Projected</u>	<u>Red Fox HABDC</u> <u>Eligible Costs</u>	
PRE-DEVELOPMENT COSTS-			
Advertising	-	-	
Market Study	6,000	6,000	
Software Costs	-	-	
Accounting	3,750	3,750	
Consulting	-	-	
Attorney Fees	-	-	
Admin Wages & Benefits	46,875	46,875	
Other	825	825	
Total	57,450	57,450	
CONSTRUCTION COSTS-			
Architect	120,608	120,608	
Insurance	55,054	55,054	
Building Costs	3,199,760	3,199,760	
Land Acquisition	541,125	-	
Site Work	559,238	559,238	
Environmental Work	6,375	6,375	
Contingency	150,000	150,000	
Escalation	-	-	
Legal Fees	-	-	
Development Fee	468,961	468,961	
Total Construction	5,101,120	4,559,995	
INTERIM FINANCING-			
Audit Cost Certification	-	-	
Tax Credit Fees	-	-	
Interim Financing-			
Origination	-	-	
Loan Costs	-	-	
Interest	-	-	
Total	-	-	
PERMANENT FINANCING-			
Origination	-	-	
Closing Costs/Appraisal	-	-	
Total	-	-	
RESERVES-			
Operating Reserve	48,750		
Replacement Reserve	9,000		
Total	57,750	-	
TOTAL COSTS	5,216,320	4,617,445	
SOURCES OF FINANCING-			
	<u>Credits</u>	<u>Rate</u>	<u>Amount</u>
Tax Credit Sales Estimated @	7.53%	\$ 1.00	3,476,936
Deferred Development Fee			115,833
HAB Land Contribution			541,125
HAB Equity Contribution			652,228
Bank Financing	5.5%, 15 years		430,198
Total			5,216,320
BANK FINANCING-			
Amount	430,198		
Rate	5.5%		
Term in Years	15		
Monthly Payment	\$3,515.08		
Annual Debt Service	\$42,180.91		



**BUILDING A
BETTER
COMMUNITY**

Exhibit D-1 - Letter of Intent

July 31, 2015

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

**RECEIVED
AUG 03 2015
DOC HOUSING**

thehrdc.org

RE: MHTC (Montana Housing Tax Credit) Letter of Intent

Dear Board of Housing:

This letter with attachment meets the requirements of the Qualified Allocation Plan as it relates to submission of a "Letter of Intent" in order to be eligible to submit an application in October.

The project being submitted is as follows:

Name: Big Sky Villas
City: Belgrade
County: Gallatin
Developer: HRDC District IX, Inc.
HTC Consultant: GL Development
Project Type: Family
Set-aside: Small Rural Projects

Project Description: HRDC will sponsor the project and serve as the General Partner through a LLC. A Rural Development 515 Project currently owned by Kermit Mueller with 24 units will be acquired and rehabilitated. 21 of the 24 units have rental assistance through Rural Development. HRDC will use the Housing Tax Credit Program and the HOME Program to finance the acquisition and rehabilitation of the project. The acquisition and rehabilitation will increase the quality of federally subsidized housing and assure its availability for the next 46 years.

Anticipated Amenities: Air conditioner, washer and dryer on site, washer-dryer hook-ups in unit, high quality cabinets, microwave, disposal, high quality flooring.

General Description of Project Location to Services: The project is located blocks away from two grocery stores, bank facilities, and retail shops near the I-90 interchange in Belgrade.

If you have any questions please contact me at: 406-587-4486

Sincerely,

Heather Grenier, Chief Operations Officer

Enc. (2)

e: hello@thehrdc.org

a: 32 South Tracy
Bozeman, Montana 59715
p: 406.587.4486

a: 111 South 2nd Ave
Livingston, MT 59047
p: 406.333.2537

HRDC

BUILDING A BETTER COMMUNITY
www.thehrdc.org

Exhibit D-2 - Letter of Intent Attachment

(cells highlighted in yellow need data input)

County / City	Gallatin/Belgrade
Project Name	Big Sky Villas
Developer	Dist IX HRDC
Set-aside	small rural, non-profit
HTC Requested	\$ 268,000
Project Type	Family

Unit Numbers

	Target	
1-bdrm	40%	1
1-bdrm	50%	6
1-bdrm	60%	1
1-bdrm	Mkt	
2-bdrm	40%	3
2-bdrm	50%	10
2-bdrm	60%	3
2-bdrm	Mkt	
3-bdrm	40%	
3-bdrm	50%	
3-bdrm	60%	
3-bdrm	Mkt	
other	40%	
other	50%	
other	60%	
other	Mkt	
other	Mgr	
Total Units		24

Square Footage

Low Income/Common	18,224
Market/Commercial	-
Total	18,224

Unit Rents

1-bdrm	40%	\$ 410
1-bdrm	50%	\$ 470
1-bdrm	60%	\$ 555
1-bdrm	Mkt	
2-bdrm	40%	\$ 460
2-bdrm	50%	\$ 525
2-bdrm	60%	\$ 590
2-bdrm	Mkt	
3-bdrm	40%	\$ 495
3-bdrm	50%	\$ 580
3-bdrm	60%	\$ 625
3-bdrm	Mkt	
other	40%	
other	50%	
other	60%	
other	Mkt	
other	Mgr	

Financing Sources

Hard Loan	\$ 340,000
Soft Loan	
Soft Loan	
Soft Loan	
HOME Program	\$ 750,000
CDBG Program	
Other	
Deferred Dev Fee	\$ -
Tax Credits	\$ 2,412,000
Other	\$ 78,000
Total Sources:	\$ 3,580,000

Return on Sale of HTC

HTC Requested	\$ 268,000
HTC Taken over 10 yrs	\$ 2,680,000
HTC Equity	\$ 2,412,000
HTC Return on Sale	\$ 0.900

Project Costs

Total Project Costs	\$ 3,580,000
----------------------------	---------------------

Costs versus Sources

Total Project Costs	\$ 3,580,000
Total Financing Sources	\$ 3,580,000
Difference	\$ -

Per Unit Comparison

Cost per unit	\$ 149,167
Credits per unit	11166.66667

Per Square Foot Comparison

Cost per sq ft	\$ 196.44
Credits per sq ft	\$ 14.71



RECEIVED
AUG 03 2015
DOC HOUSING

July 31, 2015

Montana Board of Housing
P.O. Box 200528
Helena, MT 59620-0528

RE: MHTC (Montana Housing Tax Credit) Letter of Intent

Dear Board of Housing:

This letter (with attachment) meets the requirements of the Qualified Allocation Plan as it relates to submission of a "Letter of Intent" in order to be eligible to submit an application in October.

The project being submitted is as follows:

Name:	Timber Meadows
City:	Kalispell
County:	Flathead
Developer:	Immanuel Lutheran Communities and CR Builders, LLC
HTC Consultant:	Mountain Plains Equity Group, Inc.
Project Type:	Independent Senior Housing
Set-aside:	Non-Profit

Project Description:

One 2-story building; 2 wings connected by a central common area. The facility will house 20 one-bedroom units and 20 two-bedroom units with elevator access to the second story units. Of the 40 units, 4 will be handicapped accessible units and one will be a manager's unit. The facility will be constructed on a site of approximately 3.5 acres in size, with extensive landscaping and greenery throughout. In addition to surface parking along the entrance to the facility, the complex will also include 40 single-car garages for tenant usage.

Anticipated Amenities:

Each unit will include window blinds, carpeting, refrigerator, stove/oven, disposal, dishwasher, microwave, washer/dryer, ceiling fans, central air, patio/balcony and exterior storage closet. All appliances will be *Energy Star* rated for energy efficiency. Additionally, a single-car garage will be included with each unit at no additional charge. The development will feature a community room with a fireplace and kitchen area, residents' lounge (upstairs), a library/computer room, an exercise room and a manager's office. An outdoor patio area with fire pit will be located just outside the community room, with easy access to a walking path that encompasses the property.

Montana Board of Housing

July 31, 2015

Page 2

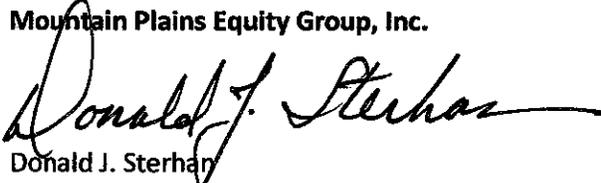
General Description of Project Location in proximity to Services:

The project will be located at 41 Meridian Court, in the northwest area of Kalispell, MT. Services in the immediate area available to the project will include medical care facilities, pharmacies, shopping (including grocery stores), department stores, banks, churches, restaurants and easy access to public transportation. In addition, the project is located in close proximity to the Kalispell Regional Hospital, Flathead Valley Community College, and the Flathead County Fairgrounds, as well as several parks and public schools.

If you have any questions, or would like more information about this senior housing proposal, please contact me directly at **(406) 254-1677**.

Sincerely,

Mountain Plains Equity Group, Inc.


Donald J. Sterhan
President

/DJS
Attachment

Exhibit D-2 - Letter of Intent Template Attachment

County / City	Flathead Kalispell
Project Name	Timber Meadows Immanuel Lutheran Communities and CR Builders, LLC
Developer	Non-Profit
Set-aside	\$ 662,500
HTC Requested	Senior
Project Type	

<u>Unit Numbers</u>	<u>Target</u>	
1-bdrm	40%	4
1-bdrm	50%	10
1-bdrm	60%	6
1-bdrm	Mkt	-
2-bdrm	40%	-
2-bdrm	50%	10
2-bdrm	60%	9
2-bdrm	Mkt	-
3-bdrm	40%	-
3-bdrm	50%	-
3-bdrm	60%	-
3-bdrm	Mkt	-
other	40%	-
other	50%	-
other	60%	-
other	Mkt	-
other	Mgr	1
Total Units		40

<u>Square Footage</u>	
Low Income/Common	55,422
Market/Commercial	-
Total	55,422

<u>Unit Rents</u>		
1-bdrm	40%	\$ 338
1-bdrm	50%	\$ 442
1-bdrm	60%	\$ 545
1-bdrm	Mkt	\$ -
2-bdrm	40%	\$ -
2-bdrm	50%	\$ 531
2-bdrm	60%	\$ 654
2-bdrm	Mkt	\$ -
3-bdrm	40%	\$ -
3-bdrm	50%	\$ -
3-bdrm	60%	\$ -
3-bdrm	Mkt	\$ -
other	40%	\$ -
other	50%	\$ -
other	60%	\$ -
other	Mkt	\$ -
other	Mgr	\$ -

<u>Financing Sources</u>	
Hard Loan	\$ 500,000
Soft Loan	
Soft Loan	
Soft Loan	
HOME Program	\$ 750,000
CDBG Program	
Other	
Deferred Dev Fee	\$ 124,661
Tax Credits	\$ 6,293,121
Other	
Total Sources:	\$ 7,667,782

<u>Return on Sale of HTC</u>	
HTC Requested	\$ 662,500
HTC Taken over 10 yrs	\$ 6,625,000
HTC Equity	\$ 6,293,121
HTC Return on Sale	\$ 0.950

<u>Project Costs</u>	
Total Project Costs	\$ 7,667,782

<u>Costs versus Sources</u>	
Total Project Costs	\$ 7,667,782
Total Financing Sources	\$ 7,667,782
Difference	\$ -

<u>Per Unit Comparison</u>	
Cost per unit	\$ 191,695
Credits per unit	\$ 16,562.50

<u>Per Square Foot Comparison</u>	
Cost per sq ft	\$ 138.35
Credits per sq ft	\$ 11.95



**HOUSING
SOLUTIONS**

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

July 30, 2015

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

RE: MHTC (Montana Housing Tax Credit) Letter of Intent

Dear Board of Housing:

The project being submitted is as follows:

Name:	Stower Commons	Developer:	Housing Solutions
City:	Miles City	Project Type:	Family
County:	Custer County	Set Aside:	General Pool

Project Description:

Stower Commons will be a 24 unit family property located in Miles City. Shopping, dining, entertainment, and it's proximity to the Bakken are all driving growth in the community. I distinctly say proximity, as it is still very family friendly and not overrun with oil field workers, but close enough to the work that families aren't being separated by days of driving. It continues to be a family friendly community and a great place to raise children.

Consisting of one, two and three bedroom units, the property will be a badly needed asset to the community of Miles. Located in the 10th largest city in Montana and the largest city east of Billings, Stower will begin to make a dent in the struggle for affordable housing in Miles City.

This property will be first ever new construction tax credit property in Miles and only the second 9% tax credit award; the first being a acquisition rehab in 2006. We plan on again partnering with Action for Eastern Montana, which has an office in Miles City, to makes sure our tenants have access to resources in their community.

5014 Elk Hills Court, Missoula MT 59803
P. 406.203.1558 F. 406.203.1559

HOUSING-SOLUTIONS.ORG

Anticipated Amenities:

As is our standard, the rents will be affordable and below market, but the quality and amenity package will be first rate. All units will include a washer/dryer, dishwasher, microwave, garbage disposal, double stainless sinks, refrigerators, stove/oven, ceiling fans in each bedroom, blinds, additional tenant storage, and covered parking. The project will include an onsite leasing office and community room. The buildings themselves will be constructed to last well beyond the initial 15 year compliance period by using cement board siding, 30 year roofing and other more durable construction materials. The full application will show the project exceeding all of the Board of Housing outlined energy and green building requirements.

General Description of Project Location to Services:

Stower Commons is ideally located for easy access to tenant services. Just one block west of Haynes Ave, the property is directly behind a grocery store. It is three blocks from the site to Highland Park Elementary School. One of Miles Cities greatest city parks, Wilbaux Park, with climbing toys, basketball court and the Frog Kiddy Pool, is just a short walk through a beautiful established neighborhood with side walks. Shopping, dining, banking, and medical services by Billings Clinic Milles City and the Holy Rosary Healthcare center are all easily accessed just off Haynes Ave.

Thank you for your preliminary consideration of this much needed project in a community in great need. If you have any questions please feel free to contact me:

Sincerely,



Alex Burkhalter
PO Box 2099
Missoula MT 59803
T: (406) 203 1558 E: alex@housing-solutions.org

Enclosed: *Exhibit D-2 LOI Attachment*

Exhibit D-2 - Letter of Intent Template Attachment
 (cells highlighted in yellow need data input)

County / City	Custer County Miles City
Project Name	Stower Commons
Developer	Housing Solutions LLC
Set-aside	General
HTC Requested	\$ 485,000
Project Type	Family

<u>Unit Numbers</u>	<u>Target</u>	
1-bdrm	40%	1
1-bdrm	50%	2
1-bdrm	60%	1
1-bdrm	Mkt	
2-bdrm	40%	1
2-bdrm	50%	9
2-bdrm	60%	3
2-bdrm	Mkt	
3-bdrm	40%	1
3-bdrm	50%	4
3-bdrm	60%	1
3-bdrm	Mkt	
other	40%	
other	50%	
other	60%	
other	Mkt	
other	Mgr	1
Total Units		24

<u>Square Footage</u>	
Low Income/Common	26,794
Market/Commercial	-
Total	26,794

<u>Unit Rents</u>		
1-bdrm	40%	\$ 345
1-bdrm	50%	\$ 450
1-bdrm	60%	\$ 515
1-bdrm	Mkt	
2-bdrm	40%	\$ 415
2-bdrm	50%	\$ 535
2-bdrm	60%	\$ 660
2-bdrm	Mkt	
3-bdrm	40%	\$ 465
3-bdrm	50%	\$ 610
3-bdrm	60%	\$ 755
3-bdrm	Mkt	
other	40%	
other	50%	
other	60%	
other	Mkt	
other	Mgr	\$ 660

<u>Financing Sources</u>	
Hard Loan	\$ 583,000
Soft Loan	
Soft Loan	
Soft Loan	
HOME Program	
CDBG Program	
Other	
Deferred Dev Fee	\$ 27,510
Tax Credits	\$ 4,461,554
Other	
Total Sources:	\$ 5,072,064

<u>Return on Sale of HTC</u>	
HTC Requested	\$ 485,000
HTC Taken over 10 yrs	\$ 4,850,000
HTC Equity	\$ 4,461,554
HTC Return on Sale	\$ 0.920

<u>Project Costs</u>	
Total Project Costs	\$ 5,072,064

<u>Costs versus Sources</u>	
Total Project Costs	\$ 5,072,064
Total Financing Sources	\$ 5,072,064
Difference	\$ -

<u>Per Unit Comparison</u>	
Cost per unit	\$ 211,336
Credits per unit	20208.33333

<u>Per Square Foot Comparison</u>	
Cost per sq ft	\$ 189.30
Credits per sq ft	\$ 18.10

July 28, 2015

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

RECEIVED
JUL 28 2015
DOC HOUSING

RE: MHTC (Montana Housing Tax Credit) Letter of Intent

Dear Board of Housing:

This letter, with attachment, meets the requirements of the Qualified Allocation Plan as it relates to submission of a "Letter of Intent" in order to be eligible to submit an application in October, 2015.

The project being submitted is as follows:

Name: Bitterroot Valley Villas LP
City: Hamilton
County: Ravalli
Developer: Beki Glyde Brandborg
HTC Consultant: GL Development
Project Type: Family
Set-aside: No

Project Description: I will sponsor the project and serve as the General Partner through Echo Enterprises, LLC. I will acquire and rehabilitate what are now two Rural Development projects owned by Kermit Mueller. The project has 34 units in three buildings. Twenty-nine of the thirty-four units have rental assistance through Rural Development. The two adjacent RD projects will be combined into one Housing Tax Credit acquisition/rehabilitation project.

Anticipated Amenities: Air source heat exchange units (including air conditioning), high quality cabinets, high quality flooring, improved and additional handicapped accessibility, and outdoor safety and recreation enhancements.

General Description of Project Location to Services: Located adjacent to hospital and large playground park. A few blocks to downtown, elementary and middle schools, Senior Center, other parks, library, pharmacies, Post Office, six banks, and multiple doctors' offices. Also, the apartments are within one mile of two gas stations and five grocery stores.

If you have any questions, please contact me at: 406-431-2151

Sincerely,



Beki Glyde Brandborg
4835 Echo Drive, Helena, MT 59602

406-431-2151

beki@montana.com

Attachments: Form D-2 and Echo Enterprises check #120 for \$1,000.00.

Exhibit D-2 - Letter of Intent Template Attachment
(cells highlighted in yellow need data input)

Valley Villas I and II
Hamilton MT
July 27, 2015

County / City	Ravalli, Hamilton
Project Name	Valley Villas
Developer	Beki Brandborg
Set-aside	none
HTC Requested	\$ 327,654
Project Type	Family

<u>Unit Numbers</u>	<u>Target</u>		
1-bdrm	40%		2
1-bdrm	50%		4
1-bdrm	60%		2
1-bdrm	Mkt		
2-bdrm	40%		4
2-bdrm	50%		17
2-bdrm	60%		5
2-bdrm	Mkt		
3-bdrm	40%		
3-bdrm	50%		
3-bdrm	60%		
3-bdrm	Mkt		
other	40%		
other	50%		
other	60%		
other	Mkt		
other	Mgr		
Total Units			<u>34</u>

<u>Square Footage</u>	
Low Income/Common	26,484
Market/Commercial	
Total	<u>26,484</u>

<u>Unit Rents</u>			
1-bdrm	40%	\$	450
1-bdrm	50%	\$	562
1-bdrm	60%	\$	675
1-bdrm	Mkt		
2-bdrm	40%	\$	540
2-bdrm	50%	\$	675
2-bdrm	60%	\$	810
2-bdrm	Mkt		
3-bdrm	40%		
3-bdrm	50%		
3-bdrm	60%		
3-bdrm	Mkt		
other	40%		
other	50%		
other	60%		
other	Mkt		
other	Mgr		

<u>Financing Sources</u>	
Hard Loan	\$ 1,391,764
Soft Loan	
Soft Loan	
Soft Loan	
HOME Program	
CDBG Program	
Other	
Deferred Dev Fee	\$ 55,194
Tax Credits	\$ 2,883,355
Other	\$ 146,899
Total Sources:	<u>\$ 4,477,212</u>

<u>Return on Sale of HTC</u>	
HTC Requested	\$ 327,654
HTC Taken over 10 yrs	\$ 3,276,540
HTC Equity	\$ 2,883,355
HTC Return on Sale	\$ 0.880

<u>Project Costs</u>	
Total Project Costs	<u>\$ 4,477,212</u>

<u>Costs versus Sources</u>	
Total Project Costs	\$ 4,477,212
Total Financing Sources	\$ 4,477,212
Difference	<u>\$ -</u>

<u>Per Unit Comparison</u>	
Cost per unit	\$ 131,683
Credits per unit	9636.882353

<u>Per Square Foot Comparison</u>	
Cost per sq ft	\$ 169.05
Credits per sq ft	\$ 12.37



July 31, 2015

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

RECEIVED
AUG 03 2015
DOC HOUSING

RE: MHTC (Montana Housing Tax Credit) Letter of Intent

Dear Board of Housing:

This letter with attachment meets the requirements of the Qualified Allocation Plan as it relates to submission of a "Letter of Intent" in order to be eligible to submit an application in October.

The project being submitted is as follows:

Name: **Little Jon Apartments**

City: **Big Fork**

County: **Flathead**

Developer: **GMD Development / Homeword**

HTC Consultant: **n/a**

Project Type: **Rural Development preservation, Acquisition, Minor Rehabilitation**

Set-aside: **Small Rural / Non-profit**

Project Description:

The Little Jon Apartments is an existing 32 unit affordable housing community originally developed under the USDA-RD program in 1994. The proposed redevelopment will include the acquisition, renovation and preservation of these units in perpetuity as affordable housing. The transaction will also bring new ownership to the property which will be focused on stabilizing operations, improving the resident experience and enhancing the presence of the property in the community. One unit will be eligible to be a manager's unit.

Anticipated Amenities:

The Little Jon Apartments currently has a small, older playground that will be replaced with a newer, modern play area and structures for the resident children. The on-site leasing/management office will be remodeled. Other anticipated amenities are a new BBQ/Picnic area and raised beds for resident gardening.

General Description of Project Location to Services:

- Big Fork Schools (Elementary, Junior and HS) - 0.4 miles
- Grocery: Harvest foods- 1.0 miles
- Senior Center: Lake view Care Center - <0.1 mile
- Bank: Glacier Bank - 0.6 miles
- Laundromat: Washboard- 0.6 miles
- Medical Services: Bigfork Family Practice- 1.9 miles
- Gas Station/Convenient Store: Big Fork Stage Shop - 0.5 miles
- Post Office: Big Fork USPS- 0.7 miles
- Park: Flathead Lake State Park - 2 miles
- Library: ImagineIF Library 0.8 miles
- Shopping: Lake Hills Shopping Center - 1.0 miles

If you have any questions please contact us at: Greg Dunfield, (206) 745-3699, greg@gmddev.net, or Andrea Davis at (406) 532-4663, ext. 18, andrea@homeword.org.

Sincerely



Gregory M. Dunfield
GMD Development, Inc.



Andrea Davis
Homeword, Inc.

Attachment: LOI Attachment

Exhibit D-2 - Letter of Intent Template Attachment

County / City	Flathead / Big Fork
Project Name	Little Jon
Developer	GMD Development/ Homeword
Set-aside	Small Rural/Non-profit
HTC Requested	\$ 257,779
Project Type	Family

<u>Unit Numbers</u>	<u>Target</u>	
1-bdrm	40%	
1-bdrm	50%	
1-bdrm	60%	8
1-bdrm	Mkt	
2-bdrm	40%	
2-bdrm	50%	
2-bdrm	60%	20
2-bdrm	Mkt	
3-bdrm	40%	
3-bdrm	50%	
3-bdrm	60%	4
3-bdrm	Mkt	
other	40%	
other	50%	
other	60%	
other	Mkt	
other	Mgr	
Total Units		32

<u>Square Footage</u>	
Low Income/Common	23,200
Market/Commercial	-
Total	23,200

<u>Unit Rents</u>		
1-bdrm	40%	
1-bdrm	50%	
1-bdrm	60%	\$ 654
1-bdrm	Mkt	
2-bdrm	40%	
2-bdrm	50%	
2-bdrm	60%	\$ 784
2-bdrm	Mkt	
3-bdrm	40%	
3-bdrm	50%	
3-bdrm	60%	\$ 906
3-bdrm	Mkt	
other	40%	
other	50%	
other	60%	
other	Mkt	
other	Mgr	

<u>Financing Sources</u>	
Hard Loan	\$ 150,000
RD-515 loan	\$ 1,124,691
Soft Loan	
Soft Loan	
HOME Program	
CDBG Program	
Solar Credits	\$ 13,200
Deferred Dev Fee	\$ 77,348
Tax Credits	\$ 2,394,796
Reserves from Seller	\$ 109,144
Total Sources:	\$ 3,869,179

<u>Return on Sale of HTC</u>	
HTC Requested	\$ 257,779
HTC Taken over 10 yrs	\$ 2,577,790
HTC Equity	\$ 2,394,796
HTC Return on Sale	\$ 0.929

<u>Project Costs</u>	
Total Project Costs	\$ 3,867,678

<u>Costs versus Sources</u>	
Total Project Costs	\$ 3,869,179
Total Financing Sources	\$ 3,869,179
Difference	\$ -

<u>Per Unit Comparison</u>	
Cost per unit	\$ 120,865
Credits per unit	\$8,056

<u>Per Square Foot Comparison</u>	
Cost per sq ft	\$ 166.71
Credits per sq ft	\$ 11.11



RECEIVED
AUG 03 2015
DOC HOUSING

July 31, 2015

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

RE: MHTC (Montana Housing Tax Credit) Letter of Intent

Dear Board of Housing:

This letter (with attachment) meets the requirements of the Qualified Allocation Plan as it relates to submission of a "Letter of Intent" in order to be eligible to submit an application in October.

The project being submitted is as follows:

Name: Cascade Ridge Senior Living – Phase II
City: Great Falls
County: Cascade
Developer: Benefis Cascade Ridge, LLC and CR Builders, LLC
HTC Consultant: Mountain Plains Equity Group, Inc.
Project Type: Independent Senior Housing
Set-aside: Non-Profit

Project Description:

Cascade Ridge Phase II is a planned expansion of Cascade Ridge Senior Living (Phase I), a 40-unit, 3.5 acre LIHTC project completed in 2012. This 2016 LIHTC application will be a follow-up to the 2015 LIHTC application to request additional Housing Tax Credits to offset the unforeseen rising construction costs. The additional tax credits requested will assist in closing the financing gap to complete construction on the two-story, 16-unit addition. This new addition will be connected to the original Phase I building. The project will add 16 more units by creating a limited common area, complemented by another elevator (separate and away from the elevator already utilized in the main/original complex). This 16-unit expansion will consist of 8 one-bedroom and 8 two-bedroom apartments for seniors (age 55 and above), two of the units will be fully handicap accessible with the balance being adaptable.

Anticipated Amenities:

Each unit will include window blinds, carpeting, refrigerator, stove/oven, disposal, dishwasher, microwave, washer/dryer, ceiling fans, central air, patio/balcony and exterior storage closet. All appliances will be *Energy Star* rated for energy efficiency. All of the unit types will feature an *open concept* kitchen and living room. A single-car garage will be included with each unit at no additional charge. As Phase II of an existing property, this new addition will have access to the project's existing amenities, including the community room (with kitchen and fireplace), upper level residents' lounge, crafts room, library/computer room, exercise room, community laundry, outdoor patio with fire pit and an on-site manager's office. The complex also contains extensive landscaping and greenery, as well as a walking path that encircles the property.

Montana Board of Housing

July 31, 2015

Page 2

General Description of Project Location to Services:

The project will be located at 3001 15th Avenue South in Great Falls, MT. Services in the immediate area available to the project will include medical care facilities, pharmacies, shopping (including grocery stores), department stores, banks, churches and restaurants. Public transportation (city bus service) is available at the street corner, only 100 feet away, giving easy access to other area points of interest, including the University of Great Falls, the C.M. Russell Museum, and the Lewis and Clark Interpretive Center. Located on the campus of Benefis Health System, Cascade Ridge Phase II will be within close proximity to Benefis Hospital, the Great Falls Clinic, as well as several parks, recreational areas and public schools within a one-mile radius.

If you have any questions, or require more information, please contact me at **(406) 254-1677**. Thank you for your consideration.

Sincerely,

Mountain Plains Equity Group, Inc.



Donald J. Sterhan
President

/DJS
Attachment

Exhibit D-2 - Letter of Intent Template Attachment
(cells highlighted in yellow need data input)

County / City	Cascade Great Falls
Project Name	Cascade Ridge Phase II
Developer	Benefis Cascade Ridge, LLC and CR Builders, LLC
Set-aside	Non-Profit
HTC Requested	\$ 32,970
Project Type	Senior

<u>Unit Numbers</u>	<u>Target</u>	
1-bdrm	40%	2
1-bdrm	50%	5
1-bdrm	60%	1
1-bdrm	Mkt	-
2-bdrm	40%	-
2-bdrm	50%	5
2-bdrm	60%	3
2-bdrm	Mkt	-
3-bdrm	40%	-
3-bdrm	50%	-
3-bdrm	60%	-
3-bdrm	Mkt	-
other	40%	-
other	50%	-
other	60%	-
other	Mkt	-
other	Mgr	-
Total Units		16

<u>Square Footage</u>	
Low Income/Common	19,260
Market/Commercial	-
Total	19,260

<u>Unit Rents</u>		
1-bdrm	40%	\$ 355
1-bdrm	50%	\$ 465
1-bdrm	60%	\$ 578
1-bdrm	Mkt	\$ -
2-bdrm	40%	\$ -
2-bdrm	50%	\$ 563
2-bdrm	60%	\$ 693
2-bdrm	Mkt	\$ -
3-bdrm	40%	\$ -
3-bdrm	50%	\$ -
3-bdrm	60%	\$ -
3-bdrm	Mkt	\$ -
other	40%	\$ -
other	50%	\$ -
other	60%	\$ -
other	Mkt	\$ -
other	Mgr	\$ -

<u>Financing Sources</u>	
Hard Loan	\$ 405,000
Soft Loan	
Soft Loan	
Soft Loan	
HOME Program	
CDBG Program	
2015 Tax Credit Equity	\$ 2,230,942
Deferred Dev Fee	
Tax Credits - Add 2016	\$ 300,000
Other - GP Capital	\$ 100
Total Sources:	\$ 2,936,042

<u>Return on Sale of HTC</u>	
HTC Requested	\$ 32,970
HTC Taken over 10 yrs	\$ 329,700
HTC Equity	\$ 300,000
HTC Return on Sale	\$ 0.910

<u>Project Costs</u>	
Total Project Costs	\$ 2,936,963

<u>Costs versus Sources</u>	
Total Project Costs	\$ 2,936,963
Total Financing Sources	\$ 2,936,042
Difference	\$ 921

<u>Per Unit Comparison</u>	
Cost per unit	\$ 183,560
Credits per unit	\$ 2,060.63

<u>Per Square Foot Comparison</u>	
Cost per sq ft	\$ 152.49
Credits per sq ft	\$ 1.71



283 W Front Street, Suite 1
Missoula, MT 59802
Phone (406) 541 0999
Fax (406) 541-0997

Exhibit D-1 - Letter of Intent Template Letter

August 3rd, 2015

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

RE: MHTC (Montana Housing Tax Credit) Letter of Intent

Dear Board of Housing:

This letter with attachment meets the requirements of the Qualified Allocation Plan as it relates to submission of a "Letter of Intent" in order to be eligible to submit an application in October.

The project being submitted is as follows:

Name: Rose Park Apartments, LP
City: Bozeman
County: Gallatin
Developer: Summit Housing Group, Inc.
HTC Consultant: None
Project Type: Senior
Set-aside: General

Project Description: 42 units of senior housing.

Anticipated Amenities: Energy Star Appliances, Air Conditioning, Ceiling Fans, Extra Insulation, Programmable Thermostats, Community Room, Green Space, close to ALL Services

General Description of Project Location to Services: The site is located in Northwest Bozeman. It's within a mile of most major services including, Smith's Food and Drug, Lowes, Home Depot, Staples, Costco, YMCA. There is also a bus stop planned to be on site by the time these apartments are built.

If you have any questions please contact me at: (406) 541-0999 x 233

Sincerely,

A handwritten signature in black ink, appearing to read "RS", is written over a horizontal line.

Rusty Snow

Exhibit D-2 - Letter of Intent Template Attachment
 (cells highlighted in yellow need data input)

County / City	Gallatin Bozeman
Project Name	Rose Park Apartments
Developer	Summit Housing
Set-aside	General
HTC Requested	\$ 658,750
Project Type	Senior

<u>Unit Numbers</u>	<u>Target</u>	
1-bdrm	40%	3
1-bdrm	50%	13
1-bdrm	60%	8
1-bdrm	Mkt	
2-bdrm	40%	2
2-bdrm	50%	13
2-bdrm	60%	3
2-bdrm	Mkt	
3-bdrm	40%	-
3-bdrm	50%	-
3-bdrm	60%	-
3-bdrm	Mkt	
other	40%	
other	50%	
other	60%	
other	Mkt	
other	Mgr	
Total Units		42

<u>Square Footage</u>	
Low Income/Common	43,875
Market/Commercial	-
Total	43,875

<u>Unit Rents</u>		
1-bdrm	40%	\$ 429
1-bdrm	50%	\$ 557
1-bdrm	60%	\$ 626
1-bdrm	Mkt	
2-bdrm	40%	\$ 515
2-bdrm	50%	\$ 669
2-bdrm	60%	\$ 738
2-bdrm	Mkt	
3-bdrm	40%	\$ -
3-bdrm	50%	\$ -
3-bdrm	60%	\$ -
3-bdrm	Mkt	
other	40%	
other	50%	
other	60%	
other	Mkt	
other	Mgr	

<u>Financing Sources</u>	
Hard Loan	\$ 1,210,000
Soft Loan	
Soft Loan	
Soft Loan	
HOME Program	
CDBG Program	
Other	\$ 26,000
Deferred Dev Fee	\$ 75,227
Tax Credits	\$ 6,059,894
Other	
Total Sources:	\$ 7,371,121

<u>Return on Sale of HTC</u>	
HTC Requested	\$ 658,750
HTC Taken over 10 yrs	\$ 6,587,500
HTC Equity	\$ 6,059,894
HTC Return on Sale	\$ 0.920

<u>Project Costs</u>	
Total Project Costs	\$ 7,371,121

<u>Costs versus Sources</u>	
Total Project Costs	\$ 7,371,121
Total Financing Sources	\$ 7,371,121
Difference	\$ -

<u>Per Unit Comparison</u>	
Cost per unit	\$ 175,503
Credits per unit	15684.52381

<u>Per Square Foot Comparison</u>	
Cost per sq ft	\$ 168.00
Credits per sq ft	\$ 15.01



283 W Front Street, Suite 1
Missoula, MT 59802
Phone (406) 541 0999
Fax (406) 541-0997

Exhibit D-1 - Letter of Intent Template Letter

August 3rd, 2015

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

RE: MHTC (Montana Housing Tax Credit) Letter of Intent

Dear Board of Housing:

This letter with attachment meets the requirements of the Qualified Allocation Plan as it relates to submission of a "Letter of Intent" in order to be eligible to submit an application in October.

The project being submitted is as follows:

Name: Trapper Peak Apartments
City: Hamilton
County: Ravalli
Developer: Summit Housing Group, Inc.
HTC Consultant: None
Project Type: Family
Set-aside: Small Project

Project Description: 15 units of multifamily housing.

Anticipated Amenities: Energy Star Appliances, Air Conditioning, Ceiling Fans, Extra Insulation, Programmable Thermostats, Green Space, close to Services

General Description of Project Location to Services: The site is located in Northeast Hamilton. It's within a mile of most major services including, Albertsons, Super 1, K-Mart, Walgreens, Hamilton High school, the Fairgrounds, and Washington Elementary School.

If you have any questions please contact me at: (406) 541-0999 x233

Sincerely,

A handwritten signature in black ink, appearing to read "Rusty Snow", is written over a horizontal line.

Rusty Snow

Exhibit D-2 - Letter of Intent Template Attachment
 (cells highlighted in yellow need data input)

County / City	Ravalli Hamilton
Project Name	Trapper Peak Apartments
Developer	Summit Housing
Set-aside	Small Project
HTC Requested	\$ 268,000
Project Type	Family

<u>Unit Numbers</u>	<u>Target</u>	
1-bdrm	40%	
1-bdrm	50%	
1-bdrm	60%	
1-bdrm	Mkt	
2-bdrm	40%	1
2-bdrm	50%	5
2-bdrm	60%	2
2-bdrm	Mkt	
3-bdrm	40%	1
3-bdrm	50%	5
3-bdrm	60%	1
3-bdrm	Mkt	
other	40%	
other	50%	
other	60%	
other	Mkt	
other	Mgr	
Total Units		15

<u>Square Footage</u>	
Low Income/Common	15,300
Market/Commercial	
Total	15,300

<u>Unit Rents</u>		
1-bdrm	40%	
1-bdrm	50%	
1-bdrm	60%	
1-bdrm	Mkt	
2-bdrm	40%	\$ 445
2-bdrm	50%	\$ 580
2-bdrm	60%	\$ 715
2-bdrm	Mkt	
3-bdrm	40%	\$ 499
3-bdrm	50%	\$ 654
3-bdrm	60%	\$ 810
3-bdrm	Mkt	
other	40%	
other	50%	
other	60%	
other	Mkt	
other	Mgr	

<u>Financing Sources</u>	
Hard Loan	\$ 490,000
Soft Loan	
Soft Loan	
Soft Loan	
HOME Program	
CDBG Program	
Other	\$ -
Deferred Dev Fee	\$ 1,500
Tax Credits	\$ 2,465,353
Other	
Total Sources:	\$ 2,956,853

<u>Return on Sale of HTC</u>	
HTC Requested	\$ 268,000
HTC Taken over 10 yrs	\$ 2,680,000
HTC Equity	\$ 2,465,353
HTC Return on Sale	\$ 0.920

<u>Project Costs</u>	
Total Project Costs	\$ 2,956,853

<u>Costs versus Sources</u>	
Total Project Costs	\$ 2,956,853
Total Financing Sources	\$ 2,956,853
Difference	\$ -

<u>Per Unit Comparison</u>	
Cost per unit	\$ 197,124
Credits per unit	17866.66667

<u>Per Square Foot Comparison</u>	
Cost per sq ft	\$ 193.26
Credits per sq ft	\$ 17.52

Exhibit D-1 - Letter of Intent

RECEIVED

AUG 03 2015

DOC HOUSING

August 3, 2015

Via Email: Mary Bair (mbair@mt.gov)

Montana Board of Housing
P.O. Box 200528
Helena, MT 59620-0528

RE: MHTC (Montana Housing Tax Credit) Letter of Intent

Dear Board of Housing:

This letter with attachment meets the requirements of the Qualified Allocation Plan as it relates to submission of a "Letter of Intent" in order to be eligible to submit an application in October.

The project being submitted is as follows:

Name: Aspen Place III
City: Butte
County: Butte-Silver Bow
Developer: Butte Affordable Housing ("BAH")/Thomas Development Co. ("TDC")
HTC Consultant: None
Project Type: Family
Set-aside: Non Profit

Project Description: Entities owned by affiliates of Butte Affordable Housing and Thomas Development Co. have recently acquired Atherton I and II (renamed Aspen Place I and II). A \$1,500,000 renovation of these 68 units is underway.

The affordable rental market in Butte is very tight. The Public Housing Authority of Butte reports essentially no vacancy.

We propose to develop a third phase with a 32-unit addition. The mix will be 16 two-bedroom units and 16 three-bedroom units. We will provide four Section 504 units thus exceeding Section 504 requirements. The site is owned by an affiliate of Thomas Development Co. so the development team has site control.

Our costs are based on construction costs incurred on developments just completed or under construction. The costs are below MBOH guidelines. To provide the affordable rents we desire, we request the 130% basis boost.

Amenities: The development will be constructed to LEED for Homes Platinum standards. This is the designation the Meadowland Senior community achieved. It is the highest level of recognition of environmentally responsible and sustainable construction. Apartment amenities include:

Unit Amenities: Dishwasher, disposal, microwave, washer/dryer, carport, extra storage outside, patios/balconies, high quality flooring, high quality cabinets, and substantially all of the other amenities listed in the Qualified Allocation Plan.

Community Amenities: Play area, community garden, basketball pad/hoop and outdoor community area with tables, barbeque and covered shelter.

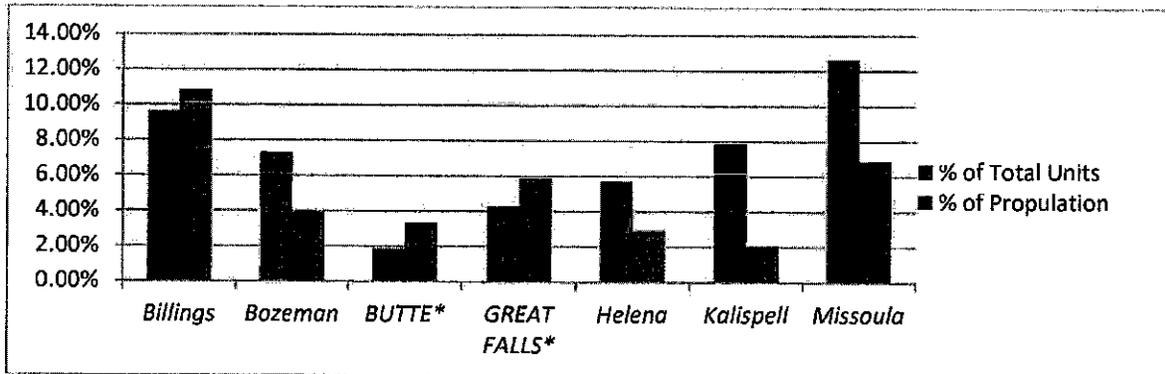
The Aspen III residents will have no cost access to the community building, computers, business center, and resident management at Aspen I and II. Appropriate easements and cost-sharing arrangements will be made among the Aspen I, II, and III owners.

General Description of Project Location to Services: The developers have had the benefit of owning and/or operating Atherton I and II (as then known) and Meadowlands for many years. The properties have excellent proximity to grocery, medical, dental, schools, retail shopping, and houses of worship.

Butte-Silver Bow has, on a relative basis, fewer affordable housing units developed per capita than Billings, Bozeman, Great Falls, Helena, Kalispell, or Missoula. Butte-Silver Bow has readily endorsed our reacquisition of Aspen Place I and II and development of Meadowlands. We anticipate similar support for Aspen III.

City	# of Projects	Total Units	% of Total Units	% of Population
Billings	17	587	9.65%	10.85%
Bozeman	12	444	7.30%	3.97%
Butte	3	116	1.91%	3.37%
Great Falls	7	263	4.32%	5.90%
Helena	10	346	5.69%	2.94%
Kalispell	13	480	7.89%	2.09%
Missoula	25	770	12.65%	6.88%

*Under served



*Under served

If you have any questions please contact us at: Ms. Revonda Stordahl, Butte Affordable Housing of Butte, Butte Affordable Housing, Inc., 220 Curtis St, Butte, Montana 59701-1852, (406) 782-6461, rstordahl@buttehousing.org.

Sincerely,
 Butte Affordable Housing

Revonda Stordahl, Manager

Attachment

Sincerely,
 Thomas Development Co.

Thomas C. Mannschreck, President

For
 with her verbal authorization.

Exhibit D-2 - Letter of Intent Template Attachment
 (cells highlighted in yellow need data input)

County / City

Silver Bow County/Butte

Project Name

**Aspen Place III
 Butte Affordable Housing & Thomas
 Development**

Developer

Set-aside

HTC Requested

\$ 472,716

Project Type

Family

Unit Numbers

Target

1-bdrm	40%	-
1-bdrm	50%	-
1-bdrm	60%	-
1-bdrm	Mkt	-
2-bdrm	40%	2
2-bdrm	50%	10
2-bdrm	60%	4
2-bdrm	Mkt	-
3-bdrm	40%	2
3-bdrm	50%	10
3-bdrm	60%	4
3-bdrm	Mkt	-
other	40%	-
other	50%	-
other	60%	-
other	Mkt	-
other	Mgr	-
Total Units		32

Financing Sources

Hard Loan	\$ 1,258,772
Soft Loan	-
Soft Loan	-
HOME Program	\$ -
CDBG Program	-
HOME Match	\$ -
Deferred Dev Fee	\$ 72,299
Tax Credits	\$ 4,727,164
Other	-
Total Sources:	\$ 6,058,235

Return on Sale of HTC

HTC Requested	\$ 472,716
HTC Taken over 10 yrs	\$ 4,727,164
HTC Equity	\$ 4,727,164
HTC Return on Sale	\$ 1,000

Square Footage

Low Income/Common
 Market/Commercial

Total

32,016

32,016

Project Costs

Total Project Costs \$ 6,058,235

Costs versus Sources

Total Project Costs	\$ 6,058,235
Total Financing Sources	\$ 6,058,235
Difference	\$ (0)

Unit Rents*

1-bdrm	40%	-
1-bdrm	50%	-
1-bdrm	60%	-
1-bdrm	Mkt	-
2-bdrm	40%	\$ 540
2-bdrm	50%	\$ 675
2-bdrm	60%	\$ 810
2-bdrm	Mkt	\$ -
3-bdrm	40%	\$ 623
3-bdrm	50%	\$ 778
3-bdrm	60%	\$ 934
3-bdrm	Mkt	\$ -
other	40%	-
other	50%	-
other	60%	-
other	Mkt	-
other	Mgr	-

Per Unit Comparison

Cost per unit	\$ 189,320
Credits per unit	\$ 14,772

Per Square Foot Comparison

Cost per sq ft	\$ 189.23
Credits per sq ft	\$ 14.77

* Gross rents, before utility allowances



Exhibit D-1 - Letter of Intent

July 31, 2015

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

RECEIVED
AUG 03 2015
DOC HOUSING

RE: MHTC (Montana Housing Tax Credit) Letter of Intent

Dear Board of Housing:

This letter with attachment meets the requirements of the Qualified Allocation Plan as it relates to submission of a "Letter of Intent" in order to be eligible to submit an application in October.

The project being submitted is as follows:

Name: Freedom's Path at Fort Harrison
City: Helena
County: Lewis & Clark
Developer: Communities for Veterans Montana LLC
HTC Consultant: Not Applicable
Project Type: Family/New Construction (20 units) & Historic Rehabilitation (22 units)
Set-aside: General Pool

Project Description:

The development will consist of 42 units to include the historic renovation of 22 units consisting of Efficiency, 1, 2 and 4 bedrooms and 20 units of new construction consisting of 1, 2 & 3 bedroom units. The project will use as its primary financing source Low Income Housing Tax Credit (LIHTC) equity. The project will target homeless, at-risk and disabled Veteran individuals and households with incomes ranging from 40% to 60% of Area Median Household Income (AMHI). In addition to Low Income Housing Tax Credits, the project will rely on Historic Tax Credits, a Veterans Administration Capital Contribution, a no-cost land lease and developer equity to fund the development.

The anticipated total project cost is just under \$9,650,000. This equates to \$223,554 per unit.

Anticipated Unit and On-Site Amenities:

Community amenities will include on site management, a fitness center, a clubhouse, community room, library, food pantry/distribution center, playground and laundry. In addition to a free-standing community building, the lower level of Building 2 will be converted to community space for individual Veterans while the new community center will concentrate on families. There will be additional office areas for special needs services.

Additionally, units will include a refrigerator, electric range, microwave oven, dishwasher, carpeting, window blinds, central air conditioning, washer and dryer hookups, cable and a security system.

Project Location and Services:

Freedom's Path will be located on the VA Campus. Based on its population of Veterans, this proximity to VA medical, pharmacy, and therapy services will be a critically important component to the population to be served, which will be predominantly homeless or at-risk of homelessness Veterans, many with VA documented disabilities. Thus, the project will be sited at the best possible location for the population to be served.

In addition to its proximity to VA services and amenities, the location affords the best of two locational worlds. It provides a pastoral setting which will provide for potential health and healing for Veterans coping with PTSD or other service connected conditions. It has been repeatedly demonstrated that treatment options that include non-stressful and supportive environments are critical to the healing process for war scarred Veterans and their families.

Equally important, the development will be within proximity to broader community programs, services, and amenities that will allow for opportunities for essential services, employment and re-integration into the mainstream civilian community, also a primary goal of this housing initiative.

VA Support

The location of the project is a direct function of the VA's initiative to end Veteran homelessness and as such, the project enjoys strong support within the VA community. This is demonstrated by the land lease option provided, along with a significant Capital Contribution, and the expected award of HUD-VASH project based housing vouchers.

Historic Preservation

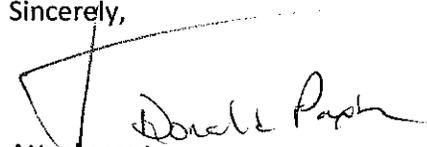
The eight (8) buildings selected for renovation are all historically significant and contributing historic structures on the VA campus. Their rehabilitation will provide a much sought preservation of these key structures, supported by the local VA and the broader Helena and Montana preservation communities.

Unit Mix and Density

Due to the nature of the housing, which blends new and rehabilitated units with a broad array of housing types and sizes, the project has the breadth and flexibility to serve Veteran housing needs across family sizes and life situations. This diversity is desirable for meeting the housing needs of a diverse Veteran population in a low density, attractive community.

If you have any questions please contact me at:

Sincerely,



Attachment

(note: Font and size is set and must not be changed for letter or attachment, please limit to a maximum two pages)

Exhibit D-2 - Letter of Intent Template Attachment

(cells highlighted in yellow need data input)

County / City	Lewis & Clark/Helena
Project Name	Freedoms Path at Fort Harrison
Developer	Communities for Veterans Montana LLC
Set-aside HTC Requested	\$ 670,466
Project Type	Family

Unit Numbers

Target

1-bdrm	40%	3
1-bdrm	50%	13
1-bdrm	60%	6
1-bdrm	Mkt	-
2-bdrm	40%	2
2-bdrm	50%	8
2-bdrm	60%	3
2-bdrm	Mkt	-
3-bdrm	40%	-
3-bdrm	50%	2
3-bdrm	60%	2
3-bdrm	Mkt	-
4-bdrm	50%	2
Efficiency	50%	1
other	60%	
other	Mkt	
other	Mgr	
Total Units		42

Financing Sources

Hard Loan	
Soft Loan	
Soft Loan	
Soft Loan	
HOME Program	
CDBG Program	
Historic Tax Credits	\$ 733,342
Deferred Dev Fee	\$ 279,665
Tax Credits	\$ 5,631,351
VA Grant	\$ 3,000,000
Total Sources:	\$ 9,644,358

Return on Sale of HTC

HTC Requested	\$ 670,466
HTC Taken over 10 yrs	\$ 6,704,660
HTC Equity	\$ 5,631,351
HTC Return on Sale	\$ 0.840

Project Costs

Total Project Costs	\$ 9,644,358
----------------------------	---------------------

Costs versus Sources

Total Project Costs	\$ 9,644,358
Total Financing Sources	\$ 9,644,358
Difference	\$ -

Per Unit Comparison

Cost per unit	\$ 229,628
Credits per unit	15963.47619

Per Square Foot Comparison

Cost per sq ft	\$ 251.44
Credits per sq ft	\$ 17.48

Square Footage

Low Income/Common Market/Commercial	38,356
Total	38,356

Unit Rents

1-bdrm	40%	\$ 552
1-bdrm	50%	\$ 650
1-bdrm	60%	\$ 659
1-bdrm	Mkt	
2-bdrm	40%	\$ 663
2-bdrm	50%	\$ 758
2-bdrm	60%	\$ 769
2-bdrm	Mkt	
3-bdrm	40%	
3-bdrm	50%	\$ 956
3-bdrm	60%	\$ 1,018
3-bdrm	Mkt	
4-bdrm	50%	\$ 1,067
4-bdrm	40%	
EFF	50%	\$ 645
other	Mkt	
other	Mgr	



HOUSING SOLUTIONS

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

July 29th, 2015

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

RE: MHTC (Montana Housing Tax Credit) Letter of Intent

Dear Board of Housing:

The project being submitted is as follows:

Name:	Polson Landing	Developer:	Housing Solutions LLC
City:	Polson	Project Type:	Family
County:	Lake County	Set Aside:	General Pool

Project Description:

Polson Landing will be 40 unit family property located in Polson MT. The community of Polson is currently experiencing a period of rapid growth and affordable housing is a component that must be included. SuperWalmart is less than two years old, a new Red Lion Hotel, Walgreen's, Murdoch's, Mackenzie River Pizza, a new medical clinic and several other smaller businesses have recently opened their doors to Polson and Lake County. When I begin talking with the city officials and stakeholders, a common concern was new housing for the labor needed for these new employers.

This is where the power of the Housing Tax Credit comes in. Polson Landing will be home for many of these new jobs. The Landings 1, 2 and 3 bedroom units will be an important piece of the puzzle for the community of Polson and Lake County. The property will also be this first in recent history for Polson. The last tax credit award was a small allocation to rental subsidized project, Sunny Slope Vista in 2002. The most recent Housing Credits in Lake County were a 2004 award in Pablo.

While some cities, counties and market areas in Montana are showing continuous negative growth, Polson has demonstrated it's long term desirability with continuous growth for the last 15 years. The recent addition of new businesses and services to the area, industry as a whole agrees Polson is growing market with great potential.

Anticipated Amenities:

As is our standard, the rents will be affordable and below market, but the quality and amenity package will be first rate. All units will include a washer/dryer, dishwasher, microwave, garbage disposal, double stainless sinks, refrigerators, stove/oven, ceiling fans in each bedroom, blinds, additional tenant

5014 Elk Hills Court, Missoula MT 59803
P. 406.203.1558 F. 406.203.1559

HOUSING-SOLUTIONS.ORG

storage, and covered parking. The project will include an onsite leasing office, community room and children's play area. The buildings themselves will be constructed to last well beyond the initial 15 year compliance period by using cement board siding, 30 year roofing and other more durable construction materials. The full application will show the project exceeding all Board of Housing outlined energy and green building requirements.

General Description of Project Location to Services:

As with any Housing property; proximity to jobs, services, schools and transportation are critical. At the time of this letter we are still pursuing several options for the project location.

If you have any questions please contact me at:

Alex Burkhalter
PO Box 2099
Missoula MT 59806
T: (406) 203 1558
E: alex@housing-solutions.org

Thank you for your preliminary consideration of Polson for 2016 Housing Tax Credits,


Alex Burkhalter

Enclosed: Exhibit D-2 LOI Attachment

Exhibit D-2 - Letter of Intent Template Attachment
 (cells highlighted in yellow need data input)

County / City Lake County / City of Polson
Project Name Polson Commons
Developer Housing Solutions LLC
Set-aside General
HTC Requested \$ 663,000
Project Type Family

<u>Unit Numbers</u>	<u>Target</u>	
1-bdrm	40%	
1-bdrm	50%	3
1-bdrm	60%	1
1-bdrm	Mkt	
2-bdrm	40%	3
2-bdrm	50%	15
2-bdrm	60%	7
2-bdrm	Mkt	
3-bdrm	40%	1
3-bdrm	50%	6
3-bdrm	60%	3
3-bdrm	Mkt	
other	40%	
other	50%	
other	60%	
other	Mkt	
other	Mgr	1
Total Units		40

<u>Square Footage</u>	
Low Income/Common	42,600
Market/Commercial	
Total	42,600

<u>Unit Rents</u>		
1-bdrm	40%	
1-bdrm	50%	
1-bdrm	60%	
1-bdrm	Mkt	
2-bdrm	40%	\$ 405
2-bdrm	50%	\$ 535
2-bdrm	60%	\$ 660
2-bdrm	Mkt	
3-bdrm	40%	\$ 455
3-bdrm	50%	\$ 605
3-bdrm	60%	\$ 750
3-bdrm	Mkt	
other	40%	
other	50%	
other	60%	
other	Mkt	
other	Mgr	\$ 660

<u>Financing Sources</u>	
Hard Loan	\$ 1,005,000
Soft Loan	
Soft Loan	
Soft Loan	
HOME Program	
CDBG Program	
Other	
Deferred Dev Fee	\$ 317,029
Tax Credits	\$ 6,090,891
Other	
Total Sources:	\$ 7,412,920

<u>Return on Sale of HTC</u>	
HTC Requested	\$ 663,000
HTC Taken over 10 yrs	\$ 6,630,000
HTC Equity	\$ 6,090,891
HTC Return on Sale	\$ 0.919

<u>Project Costs</u>	
Total Project Costs	\$ 7,412,920

<u>Costs versus Sources</u>	
Total Project Costs	\$ 7,412,920
Total Financing Sources	\$ 7,412,920
Difference	\$ -

<u>Per Unit Comparison</u>	
Cost per unit	\$ 185,323
Credits per unit	\$ 16,575

<u>Per Square Foot Comparison</u>	
Cost per sq ft	\$ 174.01
Credits per sq ft	\$ 15.56

August 3rd, 2015

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

RE: MHTC (Montana Housing Tax Credit) Letter of Intent

Dear Board of Housing:

The project being submitted is as follows:

Name:	Missoula Senior	Developer:	Sparrow Group Inc
City:	Missoula	Project Type:	Senior
County:	Missoula County	Set Aside:	General Pool

As Montana's second largest city, Missoula is western hub for medical services. The need for dedicated affordable senior housing has been documented in recent marketing studies (258 units needed) and demonstrated with the quick lease up (six weeks) of the Aspen Place project. Further, the senior tax credit vacancy rate is 0.0%.

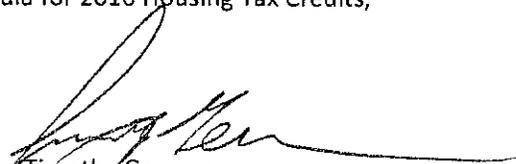
The Missoula Senior Project will be a 61 unit, secured access building of approximately 50,388 square feet; featuring a generous community space. The property amenities will also include a community garden and a paved walking path. To encourage relationships, the community room will provide a kitchen, space and planned activities for the tenants. The property will also highlight an internet station and exercise room. The onsite manager will assist in lease up and then be responsible for the operation of the property. This will include the coordination of events and activities such as: bingo, monthly birthday celebrations, potlucks, video bowling league and health screenings.

The building will be constructed to last well beyond the initial 15-year compliance period by using cement board siding, 30 year roofing and other durable construction materials. The full application will demonstrate that the project exceeds all Board of Housing outlined energy and green building requirements.

Each apartment will have an individual heating and cooling unit, washer and dryer, dishwasher, double sink, upgraded carpet and vinyl, and blinds.

It is important for senior properties to be conveniently located close to shopping, transportation and services. At the time we are still pursuing several options for the project location.

Thank you for your preliminary consideration of Missoula for 2016 Housing Tax Credits,


Timothy German



Enclosed: Exhibit D-2 LOI Attachment

P.O. Box 1555 | Lolo, MT 59847
(406) 240-3430 | TIM@SPARROWGROUPLLC.COM

Exhibit D-2 - Letter of Intent Template Attachment
 (cells highlighted in yellow need data input)

County / City	<u>Misoula County</u> <u>Missoula</u>
Project Name	<u>Missoula Senior</u>
Developer	<u>Sparrow Group</u>
Set-aside	General
HTC Requested	\$ 670,000
Project Type	Senior

<u>Unit Numbers</u>	<u>Target</u>	
1-bdrm	40%	5
1-bdrm	50%	27
1-bdrm	60%	10
1-bdrm	Mkt	
2-bdrm	40%	2
2-bdrm	50%	10
2-bdrm	60%	6
2-bdrm	Mkt	
3-bdrm	40%	
3-bdrm	50%	
3-bdrm	60%	
3-bdrm	Mkt	
other	40%	
other	50%	
other	60%	
other	Mkt	
other	Mgr	1
Total Units		<u>61</u>

<u>Square Footage</u>	
Low Income/Common	50,388
Market/Commercial	
Total	<u>50,388</u>

<u>Unit Rents</u>		
1-bdrm	40%	\$ 460
1-bdrm	50%	\$ 575
1-bdrm	60%	\$ 690
1-bdrm	Mkt	
2-bdrm	40%	\$ 555
2-bdrm	50%	\$ 690
2-bdrm	60%	\$ 800
2-bdrm	Mkt	
3-bdrm	40%	
3-bdrm	50%	
3-bdrm	60%	
3-bdrm	Mkt	
other	40%	
other	50%	
other	60%	
other	Mkt	
other	Mgr	\$ 690

<u>Financing Sources</u>	
Hard Loan	\$ 2,400,000
Soft Loan	
Soft Loan	
Soft Loan	
HOME Program	
CDBG Program	
Other	
Deferred Dev Fee	\$ 2,848
Tax Credits	\$ 6,363,727
Other	
Total Sources:	<u>\$ 8,766,575</u>

<u>Return on Sale of HTC</u>	
HTC Requested	\$ 670,000
HTC Taken over 10 yrs	\$ 6,700,000
HTC Equity	\$ 6,363,727
HTC Return on Sale	\$ 0.950

<u>Project Costs</u>	
Total Project Costs	\$ 8,766,575

<u>Costs versus Sources</u>	
Total Project Costs	\$ 8,766,575
Total Financing Sources	\$ 8,766,575
Difference	\$ -

<u>Per Unit Comparison</u>	
Cost per unit	\$ 143,714
Credits per unit	\$ 10,984

<u>Per Square Foot Comparison</u>	
Cost per sq ft	\$ 173.98
Credits per sq ft	\$ 13.30

Exhibit D-1 - Letter of Intent Template Letter

July 30, 2015

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

RECEIVED
AUG 03 2015
DOC HOUSING

RE: MHTC (Montana Housing Tax Credit) Letter of Intent

Dear Board of Housing:

This letter with attachment meets the requirements of the Qualified Allocation Plan as it relates to submission of a "Letter of Intent" in order to be eligible to submit an application in October.

The project being submitted is as follows:

Name: TBD Glasgow Apartments
City: Glasgow
County: Valley County
Developer: Northwest Real Estate Capital Corp.
HTC Consultant: BlueLine Development, Inc.
Project Type: Family
Set-aside: Small Project set-aside

Project Description: TBD Glasgow Apartments is a 16 unit development targeting families with incomes between 49%-60% of area median income (AMI) and charging rents at 40%-60% AMI. This development will consist of 11 three- bedroom; two- bath units and 4 two- bedroom; two- bath units. The two-bedroom unit's net rent will range from \$462-\$739, and the three-bedrooms will be \$518-\$838. A recent housing study commissioned by the City of Glasgow has determined there is a great need for affordable housing in the city. The influx of workers supporting the oil and gas industry has continued to put pressure on housing in the region. Furthermore, the housing demand in Glasgow is anticipated to increase by 10% in the next 10 years. BlueLine Development, Inc. in conjunction with Northwest Real Estate Capital Corp. will attempt to address the need for additional affordable housing in Glasgow with our development.

Anticipated Amenities: Our apartments will be spacious and will be equipped with many amenities not found in other projects. Some of these amenities include: washers and dryers, air conditioning, extra storage space, high-speed internet and cable TV wiring, refrigerators, electric stoves and ranges with an overhead hood, microwave ovens, in-sink garbage disposals and dishwashers, all in addition to an energy-efficient and noise-reducing building design. The development will also include a children's play area containing playground equipment, storage for tenants and a manager's office.

These amenities will not only provide a more comfortable living environment, but will also be beneficial from a management and maintenance standpoint. Using quality appliances, building materials and a time tested building design reduces ongoing maintenance and operating expenses. Providing a washer and dryer in each rental unit reduces damage and maintenance costs from tenants moving appliances, reduces water damage risks from older machines, and adds to the affordability of the rental unit.

General Description of Project Location to Services: The proposed development's site is conveniently located in the City of Glasgow, and is in close proximity most services including schools, grocery stores, churches, and banks.

If you have any questions please contact me at: (406) 214-8145 or nate@bluelinedevelopment.net

Sincerely,

A handwritten signature in black ink, appearing to read "Nate Richmond", with a long, sweeping horizontal stroke extending to the right.

Nate Richmond

Attachment

Exhibit D-2 - Letter of Intent Template Attachment

(cells highlighted in yellow need data input)

County / City	Valley/ Glasgow
Project Name	TBD
Developer	Northwest Real Estate
Set-aside HTC Requested Project Type	Small Rural Project \$ 258,948 Family

Unit Numbers

Target

1-bdrm	40%	
1-bdrm	50%	
1-bdrm	60%	
1-bdrm	Mkt	
2-bdrm	40%	1
2-bdrm	50%	2
2-bdrm	60%	2
2-bdrm	Mkt	
3-bdrm	40%	1
3-bdrm	50%	8
3-bdrm	60%	2
3-bdrm	Mkt	
other	40%	
other	50%	
other	60%	
other	Mkt	
other	Mgr	
Total Units		16

Square Footage

Low Income/Common Market/Commercial	14,200
Total	14,200

Unit Rents

1-bdrm	40%	
1-bdrm	50%	
1-bdrm	60%	
1-bdrm	Mkt	
2-bdrm	40%	\$ 462
2-bdrm	50%	\$ 600
2-bdrm	60%	\$ 739
2-bdrm	Mkt	
3-bdrm	40%	\$ 518
3-bdrm	50%	\$ 678
3-bdrm	60%	\$ 838
3-bdrm	Mkt	
other	40%	
other	50%	
other	60%	
other	Mkt	
other	Mgr	

Financing Sources

Hard Loan	\$ 575,000
Soft Loan	
Soft Loan	
Soft Loan	
HOME Program	
CDBG Program	
Other	
Deferred Dev Fee	\$ 67,756
Tax Credits	\$ 2,278,514
Other	
Total Sources:	\$ 2,921,270

Return on Sale of HTC

HTC Requested	\$ 258,948
HTC Taken over 10 yrs	\$ 2,589,480
HTC Equity	\$ 2,278,514
HTC Return on Sale	\$ 0.880

Project Costs

Total Project Costs	\$ 2,921,270
---------------------	--------------

Costs versus Sources

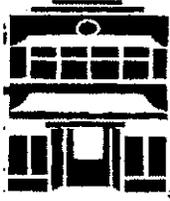
Total Project Costs	\$ 2,921,270
Total Financing Sources	\$ 2,921,270
Difference	\$ -

Per Unit Comparison

Cost per unit	\$ 182,579
Credits per unit	16184.25

Per Square Foot Comparison

Cost per sq ft	\$ 205.72
Credits per sq ft	\$ 18.24



Capital Opportunities, Inc.

321 East Main, Suite #215

Bozeman, Montana 59715

RECEIVED
AUG 03 2015
DOC HOUSING

July 31, 2015

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

RE: MHTC (Montana Housing Tax Credit) Letter of Intent

Dear Board of Housing:

This letter with attachment meets the requirements of the Qualified Allocation Plan as it relates to submission of a "Letter of Intent" in order to be eligible to submit an application in October.

The project being submitted is as follows:

Name: Nicole Court Senior Apartments
City: Stevensville
County: Ravalli
Owner: Capital Opportunities
Developer: District XI Human Resource Council
HTC Consultant: Missoula Housing Authority
Project Type: New Construction
Set-aside: None

Project Description:

District XI Human Resource Council will be partnering with Capital Opportunities and the Missoula Housing Authority to build 16 units of senior affordable housing. The development will be built to universal design standards and be constructed using cutting edge materials and come equipped with many amenities not found in other multi-family developments. Some of these amenities include: upgraded finishes, air conditioning, extra storage space, off street parking, wired for high-speed internet and cable TV, refrigerator, electric flat top stove and range, an overhead hood and/or microwave oven, dishwasher and an energy efficient, noise reducing building design. Once completed, the development will be a beneficial addition to the neighborhood and will provide safe, efficient, homes the tenants can be proud to live in.

Anticipated Amenities:

Amenities Units

- Dishwasher
- Extra Storage
- High Quality Cabinets
- Carports
- Air Conditioning
- High Quality Flooring

General Description of Project Location to Services:

The development is located in the bedroom community of Stevensville Montana and is within 1 ½ mile of numerous amenities and essential services.

If you have any questions please contact me at:

Jim Morton, Executive Director

District XI Human Resource Council, Inc.
1801 South Higgins Avenue
Missoula, Montana 59801
Telephone 406-728-3710

Exhibit D-2 - Letter of Intent Template Attachment

(cells highlighted in yellow need data input)

County / City	Ravalli/Steven sville
Project Name	Nicole Court
Developer	Human Resource
Set-aside	Not for Profit
HTC Requested	\$ 342,988
Project Type	Senior

<u>Unit Numbers</u>	<u>Target</u>	
1-bdrm	40%	
1-bdrm	50%	
1-bdrm	60%	
1-bdrm	Mkt	
2-bdrm	40%	2
2-bdrm	50%	8
2-bdrm	60%	6
2-bdrm	Mkt	
3-bdrm	40%	
3-bdrm	50%	
3-bdrm	60%	
3-bdrm	Mkt	
other	40%	
other	50%	
other	60%	
other	Mkt	
other	Mgr	
Total Units		16

<u>Square Footage</u>	
Low Income/Common	14,720
Market/Commercial	
Total	14,720

<u>Unit Rents</u>	
1-bdrm	40%
1-bdrm	50%
1-bdrm	60%
1-bdrm	Mkt
2-bdrm	40%
2-bdrm	50%
2-bdrm	60%
2-bdrm	Mkt
3-bdrm	40%
3-bdrm	50%
3-bdrm	60%
3-bdrm	Mkt
other	40%
other	50%
other	60%
other	Mkt
other	Mgr

<u>Financing Sources</u>	
Hard Loan	\$ 500,000
Soft Loan	
Soft Loan	
Soft Loan	
HOME Program	
CDBG Program	
Other	
Deferred Dev Fee	\$ 56,636
Tax Credits	\$ 3,258,064
Other	
Total Sources:	\$ 3,814,700

<u>Return on Sale of HTC</u>	
HTC Requested	\$ 342,988
HTC Taken over 10 yrs	\$ 3,429,880
HTC Equity	\$ 3,258,064
HTC Return on Sale	\$ 0.950

<u>Project Costs</u>	
Total Project Costs	\$ 3,814,700

<u>Costs versus Sources</u>	
Total Project Costs	\$ 3,814,700
Total Financing Sources	\$ 3,814,700
Difference	\$ -

<u>Per Unit Comparison</u>	
Cost per unit	\$ 238,419
Credits per unit	21436.75

<u>Per Square Foot Comparison</u>	
Cost per sq ft	\$ 259.15
Credits per sq ft	\$ 23.30

RECEIVED

JUL 27 2015

MDOC HOUSING

Exhibit D-1 - Letter of Intent Template Letter

July 28, 2015

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

RE: MHTC (Montana Housing Tax Credit) Letter of Intent

Dear Board of Housing:

This letter, with the attachments, meets the requirements of the Qualified Allocation Plan as it relates to submission of a "Letter of Intent" in order to be eligible to submit an application in October.

The project being submitted is as follows:

Name: North Star Apartments
City: Wolf Point
County: Roosevelt
Developer: GL Development
HTC Consultant: None
Project Type: Family
Set-aside: non-profit

Project Description: North Star Residences will have 26 units -- six 1-bedroom, twelve 2- bedroom units and eight 3-bedroom units. It will be located adjacent to the Hospital and Pharmacy on the North side of Wolf Point. The site is approximately 3 acres and will accommodate what is anticipated to be a two story building. The City of Wolf Point has already been awarded a HOME grant to assist with project financing.

Anticipated Amenities: Dishwasher, disposal, washer/dryer hook-ups, microwave, air conditioning, high quality flooring, high quality cabinets, car plug-ins, play area, community garden, and outdoor community area.

General Description of Project Location to Services: The project is located on the Northern edge of Wolf Point adjacent to the Hospital. Borge City Park is 200 feet to the West of the property. A convenience Store is .5 miles away, and Albertsons grocery store is .65 miles from the property. The Main Street retail shopping district is .8 miles away. As for schools, Frontier Elementary School is within .25 mile, and Wolf Point Jr. High and Wolf Point High School are within a mile. Ft. Peck Community College is .9 miles from the site as well. The Library is .9 miles away, the Senior Center is 1 mile away, and Wolf Point City Hall is 0.9 miles. Trinity Hospital is 50 feet South of the property.

If you have any questions please contact me at: 406-459-5332.

Sincerely,



Gene Leuwer
4799 Echo Drive, Helena, MT 59602

406-459-5332

gleuwer1139@msn.net

Exhibit D-2 - Letter of Intent Template Attachment

(cells highlighted in yellow need data input)

County / City	Roosevelt/Wolf Point
Project Name	North Star Apartments
Developer	GL Development
Set-aside	non-profit
HTC Requested	\$ 543,000
Project Type	Family

<u>Unit Numbers</u>	<u>Target</u>	
1-bdrm	40%	2
1-bdrm	50%	4
1-bdrm	60%	
1-bdrm	Mkt	
2-bdrm	40%	1
2-bdrm	50%	11
2-bdrm	60%	
2-bdrm	Mkt	
3-bdrm	40%	
3-bdrm	50%	6
3-bdrm	60%	2
3-bdrm	Mkt	
other	40%	
other	50%	
other	60%	
other	Mkt	
other	Mgr	-
Total Units		26

<u>Square Footage</u>	
Low Income/Common	32,500
Market/Commercial	
Total	32,500

<u>Unit Rents</u>		
1-bdrm	40%	\$ 450
1-bdrm	50%	\$ 562
1-bdrm	60%	
1-bdrm	Mkt	
2-bdrm	40%	\$ 447
2-bdrm	50%	\$ 675
2-bdrm	60%	
2-bdrm	Mkt	
3-bdrm	40%	
3-bdrm	50%	\$ 778
3-bdrm	60%	\$ 934
3-bdrm	Mkt	
other	40%	
other	50%	
other	60%	
other	Mkt	
other	Mgr	\$ 562

<u>Financing Sources</u>	
Hard Loan	\$ 302,000
Soft Loan	
Soft Loan	
Soft Loan	
HOME Program	\$ 750,000
CDBG Program	
Other	
Deferred Dev Fee	\$ 50,000
Tax Credits	\$ 4,877,000
Other	
Total Sources:	\$ 5,979,000

<u>Return on Sale of HTC</u>	
HTC Requested	\$ 543,000
HTC Taken over 10 yrs	\$ 5,430,000
HTC Equity	\$ 4,877,000
HTC Return on Sale	\$ 0.898

<u>Project Costs</u>	
Total Project Costs	\$ 5,979,000

<u>Costs versus Sources</u>	
Total Project Costs	\$ 5,979,000
Total Financing Sources	\$ 5,979,000
Difference	\$ -

<u>Per Unit Comparison</u>	
Cost per unit	\$ 229,962
Credits per unit	20884.61538

<u>Per Square Foot Comparison</u>	
Cost per sq ft	\$ 183.97
Credits per sq ft	\$ 16.71

JUL 30 2015



July 27, 2015

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

RE: MHTC (Montana Housing Tax Credit) Letter of Intent

Dear Board of Housing:

This letter with attachment meets the requirements of the Qualified Allocation Plan as it relates to submission of a "Letter of Intent" in order to be eligible to submit an application in October.

The project being submitted is as follows:

Name: Blackfeet Homes VI
City: Browning, MT
County: Glacier
Developer: Blackfeet Housing
HTC Consultant: Travois
Project Type: New Construction/Family
Set-aside: General

Project Description: Blackfeet Housing, the Tribally Designated Housing Entity of the Blackfeet Nation, plans to develop the Blackfeet Homes VI project with low income housing tax credits. This project would construct 30 new housing units on the Blackfeet Indian Reservation in Browning, Glacier County, Montana. Of the 30 homes, it is anticipated that fifteen will be three-bedroom units and fifteen will be four-bedroom units. The project will target households with annual incomes of up to 40%, 50% and 60% of Area Median Household Income. Blackfeet Housing has engaged an architecture firm that is well versed in maximizing energy efficiency through various green building techniques while at the same time keeping construction costs reasonable and affordable.

The need for new housing on the Blackfeet Reservation is undeniable. The Tribe's Indian Housing Plan and independent market studies previously conducted on the reservation document a vital need for new units. Additionally, Blackfeet Housing maintains an extensive waitlist of households in need of safe and affordable homes. Community support for new housing on the reservation is extensive. Furthermore, Blackfeet Housing has a successful LIHTC track record with five LIHTC projects already completed and occupied; its ability to succeed with this sixth LIHTC endeavor is evident.

Several financing and operating aspects of this project make it superior to non-tribal applications. First, the project will be financed with a combination of investor equity and "soft" funds from Blackfeet Housing. The permanent debt will be payable from available cash flow, meaning there will be no required debt service payments and Blackfeet Housing can charge minimal rents to serve the low-income tribal members. Because Blackfeet Housing is the sole lender, there is also virtually no risk of foreclosure. Additionally, Blackfeet Housing will execute a Housing Assistance Payments ("HAP") Agreement and an operating deficit guaranty that will guarantee the project's operations.

Anticipated Amenities: Blackfeet Housing intends on incorporating the design amenities utilized in its fifth, "Blackfeet Homes V" project. These include: Commercial grade sheet vinyl with a hardwood look for flooring, washer and dryer hook ups, high efficiency hot water heaters, humidity sensor exhaust fans in bathrooms, passive solar design to take maximum advantage of solar energy, front and/or side covered porches, paved driveways and walkways from drive to front entry, landscaping with native plants to decrease the amount of dirt and dust in the area and use limited quantities of water for irrigation. Additionally, Blackfeet Housing aims to design all units to be 100% adaptable with appropriate clearances for future conversion to full accessibility.

General Description of Project Location to Services: The project's homes would be located in western Browning. Browning offers a variety of amenities and services within close proximity of the proposed development, including a grocery store, public schools (elementary, middle and high), a senior center, a hospital and various doctors' offices, a post office, restaurants, a library, a pharmacy, gas stations/convenience stores, a municipal airport, community college, fire station, several churches and a bank. The Blackfeet Transit Program is a transportation system that serves the Blackfeet Nation and provides on-call, on-site pick up services. In addition, the Browning Amtrak station is just a few miles southeast of the site near the intersection of Wippert Drive and Heart Butte Road. Browning is also home to the Tribal offices and departments.

Numerous recreational opportunities also exist on the reservation. Government Square is the nearest park to the site and includes a basketball court, a walking path and open green space. There are also various lakes and streams throughout the reservation that are available for fishing and other aquatic activities. Residents have the opportunity to participate in hunting activities within the reservation too.

The project has full support of the community and the tribe. It is extremely difficult to develop housing on the reservation, so with the funds generated from the tax credit program, Blackfeet Housing can stretch its limited resources and build more safe, decent, and energy efficient houses for tribal members. We are excited about embarking on this project and look forward to working again with MBOH. If you have any questions, please contact me at (406) 338-7942 or chancy@blackfeethousing.org.

Sincerely,



Chancy Kittson
Executive Director

LOI Attachment Enclosed

Exhibit D-2 - Letter of Intent Template Attachment

(cells highlighted in yellow need data input)

County / City	Glacier County/Browning
Project Name	Blackfeet Homes VI
Developer	Blackfeet Housing
Set-aside	General
HTC Requested	\$ 667,060
Project Type	Family

Unit Numbers

	Target	
1-bdrm	40%	-
1-bdrm	50%	-
1-bdrm	60%	-
1-bdrm	Mkt	-
2-bdrm	40%	-
2-bdrm	50%	-
2-bdrm	60%	-
2-bdrm	Mkt	-
3-bdrm	40%	2
3-bdrm	50%	9
3-bdrm	60%	4
3-bdrm	Mkt	-
other (4-bdrm)	40%	1
other (4-bdrm)	50%	10
other (4-bdrm)	60%	4
other	Mkt	-
other	Mgr	-
Total Units		30

Square Footage

Low Income/Common	39,750
Market/Commercial	-
Total	39,750

Unit Rents

1-bdrm	40%	\$ -
1-bdrm	50%	\$ -
1-bdrm	60%	\$ -
1-bdrm	Mkt	\$ -
2-bdrm	40%	\$ -
2-bdrm	50%	\$ -
2-bdrm	60%	\$ -
2-bdrm	Mkt	\$ -
3-bdrm	40%	\$ 623
3-bdrm	50%	\$ 778
3-bdrm	60%	\$ 934
3-bdrm	Mkt	\$ -
other (4-bdrm)	40%	\$ 695
other (4-bdrm)	50%	\$ 868
other (4-bdrm)	60%	\$ 1,042
other	Mkt	\$ -
other	Mgr	\$ -

Financing Sources

Hard Loan	\$ -
Soft Loan	\$ 963,740
Soft Loan	\$ -
Soft Loan	\$ -
HOME Program	\$ -
CDBG Program	\$ -
Other	\$ -
Deferred Dev Fee	\$ -
Tax Credits	\$ 5,936,238
Other	\$ -
Total Sources:	\$ 6,899,978

Return on Sale of HTC

HTC Requested	\$ 667,060
HTC Taken over 10 yrs	\$ 6,670,600
HTC Equity	\$ 5,936,238
HTC Return on Sale	\$ 0.890

Project Costs

Total Project Costs	\$ 6,899,978
----------------------------	---------------------

Costs versus Sources

Total Project Costs	\$ 6,899,978
Total Financing Sources	\$ 6,899,978
Difference	\$ -

Per Unit Comparison

Cost per unit	\$ 229,999
Credits per unit	22,235

Per Square Foot Comparison

Cost per sq ft	\$ 173.58
Credits per sq ft	\$ 16.78

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Missoula
HOUSING AUTHORITY

1235 34th St. Missoula, MT 59801

July 21, 2014

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

RE: MHTC (Montana Housing Tax Credit) Letter of Intent

Dear Board of Housing:

This letter with attachment meets the requirements of the Qualified Allocation Plan as it relates to submission of a "Letter of Intent" in order to be eligible to submit an application in October.

The project being submitted is as follows:

Name: River Ridge Apartments (RRA)
City: Missoula
County: Missoula
Developer: Missoula Housing Authority (MHA)
HTC Consultant: N/A
Project Type: Acquisition Rehabilitation
Set-aside: None

Project Description:

MHA will be applying for the balance of original credit ask for River Ridge Apartments, an acquisition rehabilitation, 70 unit senior Housing Tax Credit Development that has passed the initial 15 year compliance period. The Missoula Housing Authority has acquired the property by exercising a right of first refusal. Because many systems are reaching the end of their useful life, the Missoula Housing Authority intends to do a major rehabilitation. The rehabilitation will add significant green components, energy efficient features, lower the rents of some of the units, and replace major systems. This will lead to a healthier living environment, reduced operating costs, and add decades of life to the building.

Anticipated Amenities:

Amenities Units

- Dishwasher
- Disposal
- Extra Storage

- High Quality Cabinets
- Carports and/or Garages
- Air Conditioning
- High Quality Flooring

Amenities Community

- Computers for tenant use
- Community room with Kitchen
- Two Elevators
- Pergola
- Community Garden
- On site manager
- Library
- 3 Laundry rooms

General Description of Project Location to Services:

RRA is located within 500 feet of a fixed route bus stop with 15 minute service intervals that connects the development to all tenant services, employment opportunities, and neighboring downtown Missoula. Additionally, at RRA is located within 0.1 miles of Gateway Credit Union, .2 miles from a strip mall that includes: Albertsons Grocery, Osco Drug, Gas Station, and 8 additional retail stores; .2 miles from Northgate Plaza Medical Center/Community Physicians Group; .2 miles from Target, .4 miles from a Super Wal-Mart; .6 miles from 12-Plex Movie Theater; .7 miles from a Post Office; .8 miles from Costco; and, .8 miles from a fire station.

If you have any questions please contact me at:

Missoula Housing Authority
1235 35th St
Missoula, MT 59808
(406) 549-4113 Ext 105

Sincerely,
Lori Davidson, Executive Director, Missoula Housing Authority



Exhibit D-2 - Letter of Intent Template Attachment

(cells highlighted in yellow need data input)

County / City	Missoula Missoula
Project Name	River Ridge Apartments
Developer	Housing Authority
Set-aside	None
HTC Requested	\$ 95,421
Project Type	Senior

<u>Unit Numbers</u>	<u>Target</u>	
1-bdrm	40%	6
1-bdrm	50%	35
1-bdrm	60%	17
1-bdrm	Mkt	
2-bdrm	40%	1
2-bdrm	50%	8
2-bdrm	60%	3
2-bdrm	Mkt	
3-bdrm	40%	
3-bdrm	50%	
3-bdrm	60%	
3-bdrm	Mkt	
other	40%	
other	50%	
other	60%	
other	Mkt	
other	Mgr	
Total Units		70

<u>Square Footage</u>	
Low Income/Common	47,030
Market/Commercial	1,500
Total	48,530

<u>Unit Rents</u>		
1-bdrm	40%	\$ 486
1-bdrm	50%	\$ 608
1-bdrm	60%	\$ 729
1-bdrm	Mkt	
2-bdrm	40%	\$ 584
2-bdrm	50%	\$ 730
2-bdrm	60%	\$ 876
2-bdrm	Mkt	
3-bdrm	40%	
3-bdrm	50%	
3-bdrm	60%	
3-bdrm	Mkt	
other	40%	
other	50%	
other	60%	
other	Mkt	
other	Mgr	

<u>Financing Sources</u>	
Hard Loan	\$ 2,481,513
Soft Loan	
Soft Loan	
Soft Loan	
HOME Program	
CDBG Program	
2014 Credits	\$ 3,874,550
Deferred Dev Fee	
Tax Credits	\$ 915,566
Other	
Total Sources:	\$ 7,271,629

<u>Return on Sale of HTC</u>	
HTC Requested	\$ 95,421
HTC Taken over 10 yrs	\$ 954,210
HTC Equity	\$ 916,042
HTC Return on Sale	\$ 0.960

<u>Project Costs</u>	
Total Project Costs	\$ 7,271,629

<u>Costs versus Sources</u>	
Total Project Costs	\$ 7,271,629
Total Financing Sources	\$ 7,271,629
Difference	\$ (0)

<u>Per Unit Comparison</u>	
Cost per unit	\$ 103,880
Credits per unit	1363.157143

<u>Per Square Foot Comparison</u>	
Cost per sq ft	\$ 149.84
Credits per sq ft	\$ 2.03



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July 31, 2015

Montana Board of Housing
P.O. Box 200528
Helena, MT 59620-0528

RE: MHTC (Montana Housing Tax Credit) Letter of Intent

Dear Board of Housing:

This letter (with attachment) meets the requirements of the Qualified Allocation Plan as it relates to submission of a "Letter of Intent" in order to be eligible to submit an application in October.

The project being submitted is as follows:

Name:	Gateway Vista
City:	Billings
County:	Yellowstone
Developer:	Billings YWCA and CR Builders, LLC
HTC Consultant:	Mountain Plains Equity Group, Inc.
Project Type:	Multi-Family Housing
Set-aside:	Non-Profit

Project Description:

One 2-story building; 2 wings connected by a central common area. The facility will house 27 units, with 15 one-bedroom units and 12 two-bedroom units. Gateway Vista will feature elevator access to the second story units. The facility will be constructed on a site of approximately 1.5 acres in size, with extensive landscaping and greenery throughout. In addition to surface parking along the entrance to the facility, the complex may also include carports for tenant usage.

Anticipated Amenities:

Each unit will include a full kitchen, window blinds, carpeting, microwave, dishwasher, ceiling fans and central air. All appliances will be *Energy Star* rated for energy efficiency. The development will feature a community room, offices, a small conference room, central laundry room, BBQ and picnic area, and playground area.

Montana Board of Housing

July 31, 2015

Page 2

General Description of Project Location in proximity to Services:

The project will be located on the present YWCA campus, located at 909 Wyoming Avenue (near downtown Billings). Services offered on the campus include child care, employment and training center, and short-term transitional housing. The services in the immediate area include medical care facilities, pharmacies, shopping (including grocery stores), banks, churches, restaurants, education opportunities, and public transportation. In addition, the project is located close to Billings Clinic, and St. Vincent Healthcare, Rocky Mountain College, and Montana State University of Billings, and numerous parks and public schools.

If you have any questions, or would like more information about this housing project, please contact me directly at (406) 254-1677.

Sincerely,

Mountain Plains Equity Group, Inc.



Donald J. Sterhan
President

/DJS

Attachment

Exhibit D-2 - Letter of Intent Template Attachment
(cells highlighted in yellow need data input)

County / City	Yellowstone Billings
Project Name	Gateway Vista Billings YWCA and CR
Developer	Builders, LLC
Set-aside	Non-Profit
HTC Requested	\$ 432,318
Project Type	Family

<u>Unit Numbers</u>	<u>Target</u>	
1-bdrm	40%	3
1-bdrm	50%	12
1-bdrm	60%	-
1-bdrm	Mkt	-
2-bdrm	40%	-
2-bdrm	50%	5
2-bdrm	60%	7
2-bdrm	Mkt	-
3-bdrm	40%	-
3-bdrm	50%	-
3-bdrm	60%	-
3-bdrm	Mkt	-
other	40%	-
other	50%	-
other	60%	-
other	Mkt	-
other	Mgr	-
Total Units		27

<u>Square Footage</u>	
Low Income/Common	26,100
Market/Commercial	-
Total	26,100

<u>Unit Rents</u>			
1-bdrm	40%	\$	350
1-bdrm	50%	\$	465
1-bdrm	60%	\$	-
1-bdrm	Mkt	\$	-
2-bdrm	40%	\$	-
2-bdrm	50%	\$	560
2-bdrm	60%	\$	690
2-bdrm	Mkt	\$	-
3-bdrm	40%	\$	-
3-bdrm	50%	\$	-
3-bdrm	60%	\$	-
3-bdrm	Mkt	\$	-
other	40%	\$	-
other	50%	\$	-
other	60%	\$	-
other	Mkt	\$	-
other	Mgr	\$	-

<u>Financing Sources</u>		
Hard Loan	\$	665,000
Capital Contribution	\$	179,415
Soft Loan	\$	-
Soft Loan	\$	-
HOME Program	\$	-
CDBG Program	\$	-
Other	\$	7
Deferred Dev Fee	\$	-
Tax Credits	\$	3,847,250
Other	\$	-
Total Sources:	\$	4,691,665

<u>Return on Sale of HTC</u>		
HTC Requested	\$	432,318
HTC Taken over 10 yrs	\$	4,323,180
HTC Equity	\$	3,847,250
HTC Return on Sale	\$	0.890

<u>Project Costs</u>		
Total Project Costs	\$	4,691,665

<u>Costs versus Sources</u>		
Total Project Costs	\$	4,691,665
Total Financing Sources	\$	4,691,665
Difference	\$	-

<u>Per Unit Comparison</u>		
Cost per unit	\$	173,765
Credits per unit	\$	16,011.78

<u>Per Square Foot Comparison</u>		
Cost per sq ft	\$	179.76
Credits per sq ft	\$	16.56



Homeword

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July 31, 2015

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

RE: MHTC (Montana Housing Tax Credit) Letter of Intent

Dear Board of Housing:

This letter with attachment meets the requirements of the Qualified Allocation Plan as it relates to submission of a "Letter of Intent" in order to be eligible to submit an application in October, 2015.

The project being submitted is as follows:

Name: Sweetgrass Commons
City: Missoula
County: Missoula
Developer: Homeword, Inc.
HTC Consultant: n/a
Project Type: Rental, Family, New Construction
Set-aside: Non-Profit

Project Description:

At the future location on a vacant parcel within the Old Sawmill District (OSD) near the Clark Fork River in Missoula's Riverfront Neighborhood, this project will provide sustainably designed homes for households earning less than 60% Area Median Income. The recently created OSD is in the heart of Missoula and central to all resources and amenities that our City has to offer. This site was part of a massive Brownfield redevelopment that took many years and many partners. Significant public and private resources went into this 46 acre revitalization project. Homeword is pleased to be proposing this housing project as the inclusion of affordable housing within this mixed use, urban infill district.

With a variety of sizes of rental apartments, this new development will provide opportunities for a variety of residents to be able to afford safe and healthy housing in the heart of Missoula. The Urban Missoula Project will have 26 studio, one, two and three bedroom units targeted at households earning 40 to 60% Area Median Income. The current design proposes a three-story building with a basement. The goal is to provide underground parking if it is financially feasible, or in carports as an alternative solution.

Although Homeword received a 2015 allocation for this project last year, we are reserving the ability to request a 2016 allocation for the following reasons:

- The 2015 allocation was partial, leaving a significant \$300,000 to \$350,000 gap in financing with all other potentials sources at the maximum.

1535 Liberty Lane, Ste 116A | Missoula, MT 59808-2026 | 406-532-4663 P | 406-541-0239 F |
www.homeword.org

- The extremely volatile nature of the construction industry at this time – some costs have seen a 20 to 30% increase in the last six months alone, and because of the partial allocation, we had to take additional time to try to secure as much other funding as possible, therefore being unable to move more quickly into construction (among other factors).
- Although we have requested State HOME funds, it is not clear if those will be available any longer for affordable rental housing in Montana, and if those are not received the financial gap would be insurmountable and the larger request for additional credits will be submitted with the project's full application in October.

Anticipated Amenities:

Durable exterior materials will be chosen for the project: fiber cement siding is impervious to decay and holds paint extremely well, looking good for years after initial construction; metal siding provides textural relief on the exterior and has a factory finish that is nearly impenetrable. Quality interiors – high-efficiency heating and cooling systems, real linoleum flooring, sturdy recycled-materials carpeting, accent walls enlivening the interior environment, durable well-built kitchen cabinets – all add to the sense that Homeword is providing residents with homes, not just a temporary place to stay.

Project Amenities:

- Dishwashers in 3 bedroom units
- Washer-Dryers hook-ups within 3 bedroom units
- On Site Manager's Office
- Library & Resident Lounge Space
- Separate resident storage areas
- Outdoor Community Areas
- Patios/Balconies
- Covered Parking
- Elevator
- Air Conditioning

General Description of Project Location to Services:

The site is conveniently located within walking distance of several grocery stores, a grade school, a high school and alternative high school, the Missoula trail system, bus routes, city parks and recreation areas. Built in the urban core of Missoula, this project location will benefit from close proximity to numerous employers, the job service, the University of Montana and medical services. Located in an Urban Renewal District, it is in a "buffer" neighborhood between more intense commercial and multi-family development and single family detached housing neighborhoods to the south. Located close to the Milwaukee Trail, the California Street pedestrian bridge, the Montana Natural History Center, Ogren Stadium and McCormick and Silver Parks, this will be an ideal location for residents who like to get out and enjoy our beautiful Montana environment.

If you have any questions please contact Andrea at 406-532-4663, ext. 18, andrea@homeword.org or Heather, 406-532-4663, ext. 36, heather@homeword.org.

Sincerely,



Andrea Davis
Homeword, Inc.



Heather McMilin
Homeword, Inc.

Attachment: MHTC LOI Attachment

Exhibit D-2 - Letter of Intent Attachment for Sweetgrass Commons						
(cells highlighted in yellow need data input)						
County / City		Missoula / Missoula				
Project Name		Sweetgrass Commons				
Developer		Homeword, Inc.				
Set-aside		Non Profit				
HTC Requested		\$ 33,061		or	\$ 128,061 *	
Project Type		Rental, Family		*larger request depends on State HOME		
Unit Numbers		Target		Financing Sources		
	1-bdrm	40%	1	Hard Loan	\$	110,000
	1-bdrm	50%	7	Soft Loan		
	1-bdrm	60%	3	Soft Loan-Seller note	\$	49,000
	1-bdrm	Mkt		Soft Loan-AHP	\$	233,974
	2-bdrm	40%	1	HOME Program	\$	750,000
	2-bdrm	50%	1	CDBG Program	\$	385,000
	2-bdrm	60%	1	City HOME Program	\$	100,000
	2-bdrm	Mkt		Deferred Dev Fee	\$	75,757
	3-bdrm	40%	1	Tax Credits	\$	330,610
	3-bdrm	50%	4	2014 Tax Credits	\$	3,969,390
	3-bdrm	60%	1	Total Sources:	\$	6,003,731
	3-bdrm	Mkt				
	studio	40%	1	Return on Sale of HTC		
	studio	50%	4	HTC Requested	\$	33,061
	studio	60%	1	HTC Taken over 10 yrs	\$	330,610
	other	Mkt		HTC Equity	\$	330,610
	other	Mgr		HTC Return on Sale	\$	1,000
	Total Units		26			
Square Footage				Project Costs		
	Low Income/Common		34,268	Total Project Costs	\$	6,003,731
	Market/Commercial		-			
	Total		34,268	Costs versus Sources		
Unit Rents				Total Project Costs	\$	6,003,731
	1-bdrm	40%	\$ 486	Total Financing Sources	\$	6,003,731
	1-bdrm	50%	\$ 604	Difference	\$	-
	1-bdrm	60%	\$ 729	Per Unit Comparison		
	1-bdrm	Mkt				
	2-bdrm	40%	\$ 584	Cost per unit	\$	230,913
	2-bdrm	50%	\$ 730	Credits per unit		1271.576923
	2-bdrm	60%	\$ 876	Per Square Foot Comparison		
	2-bdrm	Mkt				
	3-bdrm	40%	\$ 674	Cost per sq ft	\$	175.20
	3-bdrm	50%	\$ 842	Credits per sq ft	\$	0.96
	3-bdrm	60%	\$ 1,011			
	3-bdrm	Mkt				
	studio	40%	\$ 454			
	studio	50%	\$ 567			
	studio	60%	\$ 681			
	other	Mkt				
	other	Mgr				



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July 31, 2015

Montana Board of Housing
PO Box 200528
301 S. Park Ave., Ste. 240
Helena MT 59620-0528

RE: MHTC (Montana Housing Tax Credit) Letter of Intent

Dear Board of Housing:

This letter with attachment meets the requirements of the Qualified Allocation Plan as it relates to submission of a "Letter of Intent" in order to be eligible to submit an application in October.

The project being submitted is as follows:

Name: Southern Lights
City: Billings
County: Yellowstone
Developer: Homeword, Inc.
HTC Consultant: NA
Project Type: Family, Rehabilitation
Set-aside: Non-Profit

Project Description:

After extensive 3rd party testing, Homeword regrets to inform the Board that Southern Lights has been diagnosed with construction defects related to the improper installation of the weather resistant barrier, as well as improper installation of door and window assemblies. These defects have led to extensive water infiltration throughout the wall assemblies. In addition, unapproved and unknown finish material substitutions by the contractor or subcontractors have led to premature degradation of exterior metalwork, including the balconies and stair system. The scope of the repair is well beyond the means of replacement reserves or Homeword as the guarantor. With much thought and consideration, we are submitting this LOI again as a placeholder in case we need to formally ask for additional credits. We are involved in legal actions with the general contractor, and may go to mediation in August, but the contractor's insurance company appears to be continuing to attempt to delay settlement. We have requested State HOME funds, but have been told by staff it may be 2016 before we know whether State HOME funds can be allocated.

Southern Lights is a 20 unit tax credit property with five one-bedroom units, nine two-bedroom units, four three-bedroom units and two four-bedroom units. All utilities are included in the rent. Homeword is in consultation with the staff of Montana Board of Housing and Asset Resolution staff of Enterprise (investment partner) to find a reasonable solution to maintain the health and safety of the facility.

Anticipated Amenities:

Southern Lights is a model of well designed, high-density, infill in an existing neighborhood by scaling the size of the buildings to match the existing character of the neighborhood. Based on community input at a well-attended design charrette, the following unit amenities were prioritized:

- Energy efficient heating and cooling;
- Building with low-toxic materials;
- Building with high quality, durable and sustainable materials, and
- On-site laundry facilities and in-unit washer/dryer for four bedroom units.

Southern Lights captures the vision of a true sense of community. At Southern Lights, fully accessible common spaces and recreation areas include:

- A community room for residents' meetings, social events and workshops and a comfortable place where social service agencies can bring their services directly to residents. Resident services have included homeownership training and neighborhood task force meetings;
- Kitchen space for resident use in the community room;
- A central courtyard provides a gathering space for all residents, an outdoor gathering area and a kid-friendly play area for families; and
- An on-site management office.

This additional credit request would ensure the amenities and community can be continue to be enjoyed by all the households in a healthy built environment.

General Description of Project Location to Services:

Southern Lights is centrally located, just south of downtown in a well-established core neighborhood in Billings. The project is adjacent to a large City park, which provides children's play areas, BBQ areas, baseball fields, tennis courts, basketball courts and a public pool. Three city bus routes leave from within 0.1 miles of the site where residents can take a route to Rimrock Mall, west-end shopping areas and downtown. Schools are located conveniently nearby with school bus service offered. Just over a mile from the site is Orchard Elementary School and just a mile from the site is Riverside Middle School. Additionally, the public library is located a mile away, with city bus service to and from the area.

If you have any questions please contact Andrea at 406-532-4663, ext. 18, andrea@homeword.org or Heather, 406-532-4663, ext. 36, heather@homeword.org.

Sincerely,



Andrea Davis
Homeword, Inc.



Heather McMilin
Homeword, Inc.

Attachment: Letter of Intent Attachment

Exhibit D-2 - Letter of Intent Template Attachment							
(cells highlighted in yellow need data input)							
County / City			Billings / Yellowstone				
Project Name			Southern Lights				
Developer			Homewood, Inc.				
Set-aside			Non-Profit				
HTC Requested			\$ 350,000				
Project Type			Family; Rehabilitation				
Unit Numbers	Target				Financing Sources		
1-bdrm	40%		2		Hard Loan	\$ 200,000	
1-bdrm	50%		3		Soft Loan		
1-bdrm	60%		-		Soft Loan		
1-bdrm	Mkt		-		Soft Loan		
2-bdrm	40%		5		HOME Program		
2-bdrm	50%		4		CDBG Program		
2-bdrm	60%		-		Other-GC settlement	\$ 300,000	
2-bdrm	Mkt		-		Deferred Dev Fee		
3-bdrm	40%		-		Tax Credits	\$ 2,975,000	
3-bdrm	50%		4		Other		
3-bdrm	60%		-		Total Sources:	\$ 3,475,000	
3-bdrm	Mkt		-				
4-bdrm	40%		1		Return on Sale of HTC		
4-bdrm	50%		1		HTC Requested	\$ 350,000	
other	60%		-		HTC Taken over 10 yrs	\$ 3,500,000	
other	Mkt		-		HTC Equity	\$ 2,975,000	
other	Mgr		-		HTC Return on Sale	\$ 0.850	
Total Units			20				
Square Footage					Project Costs		
Low Income/Common			27,600		Total Project Costs	\$ 3,475,000	
Market/Commercial							
Total			27,600		Costs versus Sources		
Unit Rents					Total Project Costs	\$ 3,475,000	
1-bdrm	40%	\$	485		Total Financing Sources	\$ 3,475,000	
1-bdrm	50%	\$	538		Difference	\$ -	
1-bdrm	60%	\$	-				
1-bdrm	Mkt	\$	-		Per Unit Comparison		
2-bdrm	40%	\$	582		Cost per unit	\$ 173,750	
2-bdrm	50%	\$	727		Credits per unit	17500	
2-bdrm	60%	\$	-				
2-bdrm	Mkt	\$	-		Per Square Foot Comparison		
3-bdrm	40%	\$	-		Cost per sq ft	\$ 125.91	
3-bdrm	50%	\$	840		Credits per sq ft	\$ 12.68	
3-bdrm	60%	\$	-				
3-bdrm	Mkt	\$	-				
4-bdrm	40%	\$	750				
4-bdrm	50%	\$	937				
other	60%	\$	-				
other	Mkt	\$	-				
other	Mgr	\$	-				

PROGRAM

Multifamily Program

AGENDA ITEM

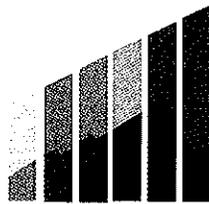
Hillview project changes

BACKGROUND

Hillview Apartments is a 52 unit property in Havre that received an award of Housing Credits in 2013. After the rehabilitation was completed but before Form 8609(s) were issued, MBOH received an architect's letter from the developer stating some of the items promised in the energy and green category in the application were not completed. The developer did not submit requests for advance approval of the substantial changes as required by the QAP. Additional information is provided in the letters included in the Board packet.

PROPOSAL

Hillview now requests Board approval of the changes. Board approval of substantial changes is required as a condition of issuance of Form 8609(s) for the Project. The QAP provides that substantial changes include any change that would have affected Application scoring, and staff determined that the changes would have affected scoring.



MONTANA
DEPARTMENT OF COMMERCE

HOUSING DIVISION – MONTANA BOARD OF HOUSING

July 20, 2015

GMD Development/Homeword
Greg Dunfield/Andrea Davis

Dear Greg and Andrea;

Montana Board of Housing (MBOH) has received a copy of the May 28, 2015 architect's letter for the Hillview Apartment renovation. This letter is to notify you of the process required for consideration of the Project changes identified in the architect's letter and to notify you of other potential issues related to these Project changes.

Housing credits were awarded for the Hillview Project in the 2013 allocation round based upon the project as described in the submitted Application. You have advised MBOH that Project construction has been completed and you have requested issuance of the Form 8609s. The architect's letter, however, indicates that there are a number of changes in the Project from the Project as described in the Application.

To obtain issuance of Form 8609(s), the Project must be placed in service in substantial accordance with the Project as described and proposed in the Project Application, except to the extent that substantial changes have been approved by the Board as provided in the Applicable QAP. See *attached* 2016 QAP pp. 41-42 (Final Allocations/8609). For purposes of final allocation, the applicable QAP is the 2016 QAP. See *attached* 2016 QAP p. 2 (Definition of "Applicable QAP").

The QAP for 2013, and every year thereafter, required that the Applicant immediately notify MBOH in writing of any major or substantial changes in the Project, required that review and approval of such changes must be completed prior to the changes taking effect, and provided that changes completed with MBOH approval may result in the loss of credits. Based upon the architect's letter, several energy conservation and green building measures promised in the application were not included in Project construction. Several of these changes are substantial changes that require MBOH approval under the Project Changes section of the 2013 and subsequent years' QAPs. MBOH received prior notification of and approved only one of the Project changes (roofing color). MBOH was not notified of any of the other changes before they were made.

Energy Conservation Measures:

The Application provided for insulation at R-9.35 in below grade walls, which exceeds 2009 IECC by 115%. Insulation exceeding IECC 2009 standards was a threshold item for energy conservation point scoring under the 2013 QAP, which meant that this requirement had to be met to obtain any further points for energy conservation. The architect's letter indicates that below grade wall insulation was not installed. This change would have affected the Project's Application score by eliminating all points awarded for energy conservation measures. Other promised energy conservation measures not included are programmable thermostats and light colored roofing. The change for light colored roofing would not have changed the points in the energy category at that time and was approved by Mary Bair July 2014.

MEG O'LEARY, DIRECTOR



STEVE BULLOCK, GOVERNOR

<http://housing.mt.gov>

301 S. Park Ave. Ste 240 | P.O. Box 200528 | Helena, MT | 59620-0528 | Phone:406.841.2840 | Fax:406.841.2841 | TDD:406.841.2702

housing@mt.gov

Green Building Measures:

Use of Montana products was not accomplished, although some items were purchased locally. Use of Montana products was a threshold item for green building point scoring under the 2013 QAP, which meant that this requirement had to be met to obtain any discretionary points for green building measures. This change would have affected the Project's Application score for green by reducing the points awarded for green building measures. In addition, Onsite Recycling of construction materials was determined to be "not warranted," although some cabinets, appliances and windows were "repurposed" or recycled through the local HRDC.

Because the Project changes reflected in the architect's letter reflect that substantial changes were made in the Project, these changes required approval by the MBOH Board and Form 8609s cannot be issued until and unless the Board approves such changes. It will be the Board's decision whether or not to approve any substantial changes and, if not approved, what effect such non-approval will have on the tax credit allocation.

The unapproved changes will be presented to the Board at the August 10, 2015 Board meeting. If you wish to submit a formal approval request and any further written explanation or documentation for the Board's consideration, such written materials must be received by MBOH on or before Friday July 31, 2015. In addition, you and/or other persons knowledgeable about the Project changes should be present at the Board meeting to discuss the changes, and to answer any Board questions regarding the changes, their effects on the Project and why MBOH was not notified of the changes before they were made.

You should also be advised that, as provided by the 2016 QAP and any future QAPs, the failure to notify the Board in advance of substantial changes and obtain Board approval of such changes on this Project may result in the award of negative points on future applications submitted by any entity or individual participating in the current Project. Please see Development Evaluation Criteria and Scoring, Section 9, Developer Knowledge and Responsiveness (attached), for more details. Based upon the submitted application, Hillview was awarded 10 points for the energy conservation and green building measures. With the Project changes reflected in the architect's letter, the application would not have scored these 10 points. Under the current scoring structure, points awarded in this area are 10 times the points awarded under the 2013 QAP. Accordingly, GMD and/or Homeward, and/or GMD/Homeward will all receive a negative 100 points on their next competitive application/s.

If you have further questions regarding this matter, please contact me.

Sincerely,



Mary S. Bair
Multifamily Program Manager
Montana Board of Housing

Enc.

* **Changes to Project or Application**

The Applicant must immediately notify MBOH in writing of any proposed substantial changes in the Project. MBOH must review and approve any proposed substantial changes to the Project, including but not limited to changes to:

- Applicant, Developer, HC Consultant or any other principal participant in the Project;
- Quality of construction;
- Unit composition;
- Target group;
- Location;
- Required information presented in the Application.
- Sources and Uses (refer to Section 3).
- Any change that would have affected the Application scoring under the Applicable QAP.

Specific approval by the MBOH Board is required for substantial changes. Requests must be submitted to MBOH with proper justification at least 30 days before the change is expected to take place. MBOH review and Board approval of changes must be completed prior to the change taking effect. Changes completed without MBOH Board approval, may result in the termination of the Reservation Agreement and/or loss of some or all credits.

Any requested changes submitted requiring MBOH action may incur additional fees. Changes to tax credit site, construction of building(s), architectural, engineering, or any on-site review by any member of MBOH will incur additional charges. Fees will be determined based upon the cost of MBOH Staff travel for that purpose.

SECTION 12 - COMPLIANCE MONITORING

Federal law requires state allocating agencies (MBOH) to monitor compliance with provisions of Section 42 of the Internal Revenue Code (26 U.S.C. § 42). In addition, Federal law requires allocating agencies to provide a procedure the agency will follow in monitoring for non-compliance and to inform tax credit recipients (Owners) of procedures and requirements.

Included in the requirements are procedures for notifying the Internal Revenue Service (IRS) of any non-compliance of which the allocating agency becomes aware. Federal income tax regulations related to Procedures for Monitoring Compliance with Housing Credit Requirements are published in 26 CFR Part 1 and 602.

For complete HC compliance guidance, refer to the MBOH HC Compliance Manual, available at <http://housing.mt.gov/About/MF/manuals.mcpX>

Compliance Fees

Developments will incur and must pay to MBOH a compliance monitoring fee to offset the costs for MBOH compliance monitoring. The compliance monitoring fee of \$45.00 per each non-market unit (subject to change) is payable annually at the time of the Owner's Submission of the Owner's Certificate of Continuing Program Compliance.

If the Owner's Certification of Continuing Program Compliance is not received by the deadline, a late fee of \$100.00 or 25% of the compliance monitoring fee, whichever is greater, will be charged.

10% Test

MBOH requires that more than 10% of the expected basis in a Project, including land, must be expended by the 10% Carryover Cost Certification deadline. MBOH requires that Developers provide an independent third party CPA Cost Certification, in a format established by MBOH, verifying compliance with the 10% test.

Developers must submit the 10% requirements, including the required CPA Cost Certification, other documents and the 10% test underwriting fee by the deadline. Failure to do so will result in the loss of the credit Award. The fee for 10% test underwriting is \$1,000, which fee must be paid at the time of submission of 10% test information and documentation. **Failure to provide the 10% test information so that it is received by MBOH by the deadline will result in a \$5,000.00 late fee. At the Developer's request, one extension will be granted if requested before the deadline. A fee of \$2,500.00 will be imposed for the extension. The extension will not exceed the period allowed by federal law.**

At 10% Test, MBOH staff will re-evaluate:

- The Sources and Uses of funds;
- Total financing planned for the Project;
- Proceeds or receipts expected to be generated by the tax credits;
- Reasonableness of the development and operation costs;
- Projected Rental Income and Operational Expenses;
- Debt Coverage Ratio; and
- Tax Credits required for financial feasibility of the Project.

Deadline for submission of the required 10% information is the end of the twelfth month following the credit Award. Developers that fail to pay the required fee will be deemed not to have met the 10% Test requirements. Failure to submit certification for 10% documentation or to meet the 10% Test will cause forfeiture of Awarded, reserved or allocated tax credits for the Project.

Placed in Service

Placed in Service (PIS) is the date on which the building is ready and available for its specifically assigned function (the date on which the first unit in the building is certified as being suitable for occupancy in accordance with State or local law). This certification is the Certificate of Occupancy (C of O).

New Construction and substantial Rehabilitation buildings must be placed in service (receive C of O), not later than the close of the second calendar year following the calendar year in which the Carryover commitment is made.

Other Rehabs that are not substantial (accomplished with residents in place during Rehab) can place in service at the end of the 24 month or shorter period over which the required amount of expenditures are aggregated. The Owner selects the placed in service date in this case unless local approval is required.

Final Allocations/8609

Documentation supporting a request for issuance of IRS Form 8609(s) must be submitted to MBOH within 6 months of the last building Placed In Service date. MBOH will not allocate tax credits on IRS Form 8609(s) until a qualified building is placed in service. A site visit and file audit by MBOH may be conducted prior to the issuance of the IRS Form 8609(s). Notwithstanding other provisions of this QAP, to obtain issuance of Form 8609(s), the Project must be placed in service in substantial accordance with the Project as described

and proposed in the Project Application, except to the extent that substantial changes have been approved by the Board as provided in the Applicable QAP.]

The Final Allocation/8609 underwriting fee is \$2,500, which fee must be paid at the time of submission of the request for issuance of IRS Form 8609(s). If the paperwork is not received by MBOH within the 6 months, a \$5,000.00 late fee will be assessed.

The request for issuance of IRS Form 8609(s) must include:

- Certification of required blower door or infrared test results (if not previously submitted);
- The independent third party CPA's Cost Certification and Owner's Statements (available in Exhibit C);
- Exhibit C Sponsor Certification of the UniApp;
- The architect's verification that the items for green and energy listed in the Application as well as provisions of accessibility listed in Section 3 have been incorporated;
- Certificates of Occupancy (C of O's);
- Copies of all permanent loan and/or grant documents;
- Copy of partnership/equity agreement; and
- Statement of items or costs excluded from eligible basis.
- Statement identifying the first year of the credit period, which statement must name the specific year (e.g., 2017).
- The Final Allocation/8609 underwriting fee.

If the required fee is not submitted, the Project will be deemed not to have met Final Allocation requirements and MBOH will not issue Form 8609(s). MBOH will complete the final credit Allocation evaluation. Typical turn-around time for 8609(s) is 4-8 weeks after submission of all required documentation and the fee. Once the 8609(s) are issued and delivered to the Owner, the bottom half must be completed and signed. **A copy of each completed 8609 must be sent back to MBOH within 90 days of issuance. Failure to provide the completed 8609(s) so that they are received by MBOH by the deadline will result in a \$1,000.00 late fee.**

SECTION 11 - DEVELOPER/APPLICANT RESPONSIBILITIES

Applicant must respond to a written MBOH request within 10 working days. Failure to do so may result in the Application being deemed ineligible for that funding round.

Applicant must proceed according to the timeframe identified in the Implementation Schedule. Adjustments up to 60 days are acceptable. Any changes in the Implementation Schedule greater than 60 days must be submitted in writing with justification to MBOH. Any changes not reported or not approved may jeopardize the credits. If the schedule is more than 60 days behind, a late fee of \$1,000.00 will be assessed.

State Law Requirements

The Applicant and Development Team must agree to comply with Montana State law requirements (e.g., certificate of contractor registration, workers compensation, unemployment compensation, and payroll taxes). MBOH will include this certification in the execution of all Reservation and Carryover Allocation documents.

Public Notification

Any public relations actions by a recipient of tax credits involving MBOH funds or tax credits must specifically state that a portion of the funding is from MBOH. This will be included in

Consistent with the foregoing and notwithstanding any other provision of this QAP, all tax credit Awards, Reservations, Carryover Allocations and Final Allocations are subject to and conditional upon IRS authorization and allocation of tax credits for the State of Montana.

SECTION 1 – DEFINITIONS

As used in this QAP, the following definitions apply unless the context clearly requires a different meaning:

“4% Credits” means HCs that may be Awarded in accordance with the applicable QAP to Projects with tax-exempt financing under the volume limitation on private activity bonds and outside the competitive allocation process applicable to 9% Credits.

“9% Credits” means HCs that may be Awarded through the competitive process in accordance with the applicable QAP.

“10% Carryover Cost Certification” means the certification that must be provided to MBOH using the forms provided and including the items specified in Exhibit C to this QAP with respect to a Carryover Allocation.

“Absorption Rate” means the number of months projected in the Application’s market study for a Project to become fully leased.

“Acquisition” means obtaining title, lease or other legal control over a property for purposes of an HC Project.

“Acquisition/Rehab” means Acquisition of a property with one or more existing buildings and renovation meeting Montana’s minimum Rehabilitation standard of one or more existing buildings on the property as part of an HC Project.

“Allocation” means an Initial Allocation, Carryover Allocation or a Final Allocation.

“Applicable QAP” means: (a) for purposes of any substantive issues relating to an Award, or to the Development Evaluation Criteria, Scoring, Selection Criteria or Selection Standard for such Award, the particular year’s QAP under which the Application is or was submitted, evaluated and Awarded HCs; or (b) for purposes of Project changes, Reservation, Carryover, Carryover Allocation, Final Allocation, compliance requirements, compliance audits, and any post-Award procedures, the QAP most recently adopted.

“Applicant” means the entity identified as such in the Application, and who is and will remain responsible to MBOH for the Application.

“Application” means a request for an Award of HCs submitted in the form and according to the requirements of this QAP.

“Architect” means a professional licensed by the applicable state authority as a building architect.

“Available Annual Credit Allocation” is defined as and includes the state’s actual or estimated credit ceiling for the current year plus any other available credits from prior year credit authority determined as of 20 business days prior to the applicable Application deadline, and includes any credits held back pursuant to court order or subject to Award under the Corrective Award set aside.

“Award” means selection of a Project by the MBOH Board to receive a Reservation of HCs.

“Award Determination Meeting” means the meeting of the MBOH Board at which the Board selects one or more Applicants to receive an Award.

5. Project Characteristics* (0-16 points)

Preservation of or Increase in Housing Stock

Proposes the preservation of existing federally assisted housing stock or increases the affordable housing stock through the use of funds from other sources to leverage the tax credit dollars. (0-2 points)

Amenities

Developments that include higher quality amenities in comparison with other applications in the same round of competition. Items which may be considered would be higher quality cabinets, floor and wall finishes, dishwashers, carpents, central computer or recreation rooms, emergency buttons in each unit, on site managers, air conditioning and playgrounds. Luxury amenities will not be considered. Items deemed luxury amenities include swimming pools, golf courses, tennis courts and similar amenities. These items are meant only to be examples and are not to be considered complete lists. The amenities and qualities itemized will be analyzed and awarded points accordingly. Use of existing terrain and landscaping that matches the surrounding area to enhance the grounds and use of innovative accessibility will receive favorable consideration as amenities under this section. The added costs attributed to the project because of higher quality amenities will be considered on a project by project basis for a cost to benefit assessment. (0-4 points)



Green Building and Energy Conservation Standards

Applicant's justification for green building and energy conservation includes but is not limited to Energy Star building and appliance initiatives, water saving devices, green construction and materials, heating, and insulation applications. The applicant's architect must provide a letter confirming the initiatives incorporated into the project. This letter must be included in the application. **Threshold items must exceed the IECC 2009 standards. The architect's letter must explain how, and by what amount, threshold items WILL EXCEED the IECC 2009 standards.** NOTE: The applicant's architect also must provide certification upon completion of the project confirming that the initiatives were incorporated. (0-10 points)

NOTE: Standards prescribed by ResCHECK will NOT be accepted.

Energy	Scoring Items	New	Rehab
Threshold	Insulation, Windows – Exceeds IECC 2009 standards, Add Air Lock Doors (Single Bldg hi-rise Rehab) (2 points)	<input type="checkbox"/>	<input type="checkbox"/>
Threshold	Furnace/Boiler – Exceeds IECC 2009 standards, Electric heating – Energy Star (1 point)	<input type="checkbox"/>	<input type="checkbox"/>
Threshold	Energy Star Appliances (1 point)	<input type="checkbox"/>	<input type="checkbox"/>
Discretionary	Water Flow Saving Devices	<input type="checkbox"/>	<input type="checkbox"/>
Discretionary	Florescent Lights	<input type="checkbox"/>	<input type="checkbox"/>
Discretionary	Photovoltaic Panels	<input type="checkbox"/>	<input type="checkbox"/>
Discretionary	Ceiling Fans – LR & Bdrm	<input type="checkbox"/>	<input type="checkbox"/>
Discretionary	Hydromatic heating/Ground Source	<input type="checkbox"/>	<input type="checkbox"/>
Discretionary	Light Colored Roofing/Metal Roofing	<input type="checkbox"/>	<input type="checkbox"/>
Discretionary	Whole Unit Circulating Fan	<input type="checkbox"/>	<input type="checkbox"/>
Discretionary	Permeable Paving	<input type="checkbox"/>	<input type="checkbox"/>
Discretionary	Programmable Thermostats	<input type="checkbox"/>	<input type="checkbox"/>
Discretionary	Hot Water Pipe Insulation	<input type="checkbox"/>	<input type="checkbox"/>
Discretionary	Minimize Glass on East/West Exposure	<input type="checkbox"/>	<input type="checkbox"/>
Discretionary	Building Orientation	<input type="checkbox"/>	<input type="checkbox"/>
Discretionary	Commissioning Conducted	<input type="checkbox"/>	<input type="checkbox"/>
Discretionary	Window Overhang	<input type="checkbox"/>	<input type="checkbox"/>
Discretionary	Other (List) _____	<input type="checkbox"/>	<input type="checkbox"/>

Threshold items – 2 points for insulation/windows, 1 point each for remaining scoring item
 Discretionary items for new construction – 1 point for 4 to 7 of 15 items, 2 points for 8 to 15 of 15 items

Discretionary items for rehab construction-- 1 point for 3 to 5 of 12 items, 2 points for 6 to 12 of 12 items

Green Building	Scoring Items	New	Rehab
Threshold	Low/No VOC paint/adhesive (1 point)	<input type="checkbox"/>	<input type="checkbox"/>
Threshold	Use of Montana products (1 point)	<input type="checkbox"/>	<input type="checkbox"/>
Discretionary	Engineered Lumber (GluLam, etc.)	<input type="checkbox"/>	<input type="checkbox"/>
Discretionary	Flyash Concrete Greater than 30%	<input type="checkbox"/>	<input type="checkbox"/>
Discretionary	Recycled Insulation	<input type="checkbox"/>	<input type="checkbox"/>
Discretionary	Recycled Sheetrock	<input type="checkbox"/>	<input type="checkbox"/>
Discretionary	Water Efficient Landscaping	<input type="checkbox"/>	<input type="checkbox"/>
Discretionary	Formaldehyde Free/Full Sealed Countertop and Cabinets	<input type="checkbox"/>	<input type="checkbox"/>
Discretionary	Dimmable Lights (Common Areas)	<input type="checkbox"/>	<input type="checkbox"/>
Discretionary	Task Lighting (Shine Down)	<input type="checkbox"/>	<input type="checkbox"/>
Discretionary	Motion Sensor Light Switches	<input type="checkbox"/>	<input type="checkbox"/>
Discretionary	On-site Recycle of Construction Material	<input type="checkbox"/>	<input type="checkbox"/>
Discretionary	Vented Range/Bathroom Fans	<input type="checkbox"/>	<input type="checkbox"/>
Discretionary	Recycled material Carpet/Flooring	<input type="checkbox"/>	<input type="checkbox"/>
Discretionary	Smoke-free policy that would apply to all project units, common areas and buildings, with the exception of specifically designated smoking areas outside of residential buildings	<input type="checkbox"/>	<input type="checkbox"/>
Discretionary	Other (List) _____	<input type="checkbox"/>	<input type="checkbox"/>
Discretionary	Other (List) _____	<input type="checkbox"/>	<input type="checkbox"/>
Discretionary	Other (List) _____	<input type="checkbox"/>	<input type="checkbox"/>
		_____	_____
Threshold items – 1 point for each scoring item			
Discretionary items – 1 point for 3 to 5 of 15 items, 2 points for 6 or more of 15 items			
TOTAL (up to 10 points)		_____	_____

6. Development Team (Sponsor) Characteristics* (0-6 points)

Participation by an entity with a demonstrated track record of quality experience in completed development or management of low income housing tax credit projects. The Board will consider all members of the development team and whether housing projects have been developed and operated with the highest quality either in Montana or another state. Special attention will be paid to existing projects, amount of active local community participation used to develop projects, and a management entity with a good compliance track record and specialized training. If an entity has a poor demonstrated track record with respect to developments in Montana or in another state, the Board reserves the right to assign up to ten (10) negative points. MBOH reserves the right to contact community officials, developer team references, credit bureaus, other state tax credit administering agencies and all other sources as appropriate (0-6 points or as much as minus (-) 10 points each for (i) poor demonstrated track record with respect to developments in Montana or in another state, or (ii) for failure to respond within 10 working days of MBOH letter of inquiry).

The application must list all LIHTC projects in Montana or any other state developed, owned, managed or consulted on by applicant or for which an award of tax credits was received, whether or not such projects were successfully completed. Applicant must consent in writing, on a form Exhibit E, for other state tax credit agencies to provide information to MBOH regarding the applicant's history of performance on other tax credit projects.

7. Demonstration of a Montana Presence (0-5 points)

Key members of the applicant's development team have a presence in Montana. For purposes of this section, Montana presence means that a team member has a physical presence of some kind in the state of Montana, such as owning an affordable housing project in Montana with a demonstrated quality product, being licensed in Montana (e.g., a licensed contractor), maintaining an office or operation in Montana or other presence in Montana indicating familiarity and experience with development or project operation in Montana. Montana presence does not mean or require that applicants, developers or team members must be Montana businesses, entities or residents.

8. Tenant Populations with Special Housing Needs* (100 points possible)

An Application will be awarded 10 points for each 5% of the units targeting the following identified needs up to a maximum of 100 points. The Application must specify the number of units targeted for each category. Section B Part XII, Units Accessibility, of the UniApp will be used to calculate the score for this item. Units may not be counted more than once or in more than one category for purposes of awarding points.

- Units targeted specifically for individuals with children or large families (units with 2 or more bedrooms).
- Units targeted specifically as Section 504 fully accessible units exceeding minimum fair housing requirements.
- Units targeted specifically for persons with disabilities (Application must describe the strategy that will be used to market available units to disabled persons throughout the Extended Use Period).

If the Project is an Elderly Property as defined in federal law, the Application will receive 100 points under this provision.

Example:

- 2 – 2 bdrm units meet family requirement 20% – 40 points
- 2 – 1 bdrm units exceed section 504 20% – 40 points
- 1 – 1 bdrm unit targeted to mental illness 10% – 20 points
- 5 – 1 bdrm units with no targeting 50% – 0 points
- 10 – Total units in Project – 100 total points received

9. Developer Knowledge and Responsiveness (Up to minus (-) 400 points possible)

If an entity or individual participating in a Project has a demonstrated poor track record with respect to developments in Montana or in another state, MBOH may assign negative points. For purposes of determining a participant's track record, MBOH may contact community officials, Developer team references, credit bureaus, other state tax credit administering agencies and any other sources as MBOH deems appropriate. As much as minus (-) 100 points may be assigned for each of the following (i) demonstrated poor track record with respect to developments in Montana or in another state, and/or (ii) for failure to respond within 10 working days of MBOH letter of inquiry. **(Up to Minus (-) 200 points possible)**

Applicants, Consultants, Developers, Owners or other Development Team members with past demonstrated management weaknesses, including but not limited to those listed below may be assigned negative points for this section **(Up to Minus (-) 200 points possible)**, for example:

- Has not followed-through on the development of a Project from Application to rent-up and operation;
- Has not complied with MBOH submission, compliance or other requirements applicable during Project development, construction and Extended Use Period;
- Has not maintained a Project to Section 42 or other program standards;
- Has or had numerous or outstanding substantial non-compliance issues or IRS 8823's (consideration will be given the type of 8823);
- Has not been trained in a certified compliance training program;

- Has not retrained management on compliance at least every four years;
- Has requested income targeting changes that are not supported by unanticipated hardship;
- Has requested additional credits more than once;
- Has made significant changes to previous tax credit applications; or
- Has significantly diminished the quality and long term viability of a previous Project by lowering costs below a reasonable level.
- Any member of the Development Team has outstanding late fees due and payable to MBOH.

* Indicates federally mandated criteria

Developments not scoring the minimum Development Evaluation Criteria score of 1100 points (or 850 points for non-competitive 4% Credit Bond Deals) will not receive further consideration. Applications scoring at least the minimum Development Evaluation Criteria score of 1100 points or 850 points for non-competitive 4% Credit Bond Deals and meeting all other requirements of this QAP will be considered for an Award of tax credits as provided in this QAP.

Award Determination Selection Standard

The MBOH Board will select those Projects to receive an Award of tax credits that it determines best meet the most pressing housing needs of low income people within the state of Montana, taking into consideration: (i) all of the requirements, considerations, factors, limitations, Development Evaluation Criteria, set asides, priorities and data (including without limitation the statistical data in Exhibit G) set forth in this QAP and all federal requirements (together referred to in this QAP as the "Selection Criteria"); (ii) the Development Evaluation Criteria scoring; and (iii) all other information provided to the MBOH Board regarding the applicant Projects.

The awarding of points to Projects pursuant to the Development Evaluation Criteria is for purposes of determining that the Projects meet at least the minimum Development Evaluation Criteria required for further consideration and to assist the MBOH Board in evaluating and comparing Projects. Development Evaluation Criteria scoring is only one of several considerations taken into account by the MBOH Board and does not control the selection of Projects that will receive an Award of tax credits. In addition to any other Selection Criteria specified in this QAP, the MBOH Board may consider the following factors in selecting Projects for an Award of tax credits to qualifying Projects:

- The geographical distribution of tax credit Projects;
- The rural or urban location of the Projects;
- The overall income levels targeted by the Projects;
- The need for affordable housing in the community, including but not limited to current Vacancy Rates;
- Rehabilitation of existing low income housing stock;
- Sustainable energy savings initiatives;
- Financial and operational ability of the Applicant to fund, complete and maintain the Project through the Extended Use Period;
- Past performance of an Applicant in initiating and completing tax credit Projects;
- Cost of construction, land and utilities, including but not limited to costs/credits per square foot/unit; and/or

The frequency of Awards in the respective areas where Projects are located. If the MBOH Board Awards credits to an Applicant where the Award is not in keeping with the Selection Criteria of this QAP, it will publish a written explanation that will be made available to the general public pursuant to Section 42(m)(1)(A)(iv) of the Internal Revenue Code.



July 28, 2015

Mary Bair
Multifamily Program Manager
Montana Board of Housing
301 S. Park Ave Suite 240
Helena, MT 59620

Dear Mary:

We have received your letter dated July 20, 2015 regarding the failure to properly notice and request approval of design changes for the Hillview project by the Montana Board of Housing (MBOH) and wish to respond in a timely manner for the August 10, 2015 MBOH Board meeting.

Attached please find a letter requesting retroactive approval of design changes for the Hillview project in Havre. Also attached is the Architect Certification and a cover letter from L'Heureux Page Werner, PC clarifying changes made to the Architect's Certification originally presented to you as part of the 8609 request. Through this process we recognized the architect's certification letter contained errors about what was accomplished during the renovation. We believe our explanation and the architect's revised certification clarifies the improvements that were made to the property and meet the intent of the application threshold and discretionary points in the 2013 QAP.

During the course of the renovation the Project Architect, Jim Page, left the firm and the remaining principals weren't familiar with the project specifics. When asked to write the Architect Certification, they did not examine carefully the changes that were made in the field and how they related to the commitments made in the MT Housing Tax Credit application for Hillview. It was our oversight that we did not recognize this when submitting for the 8609 approval.

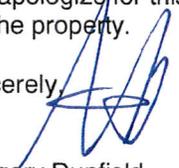
We want to assure you and the Board that we did not cut any corners in this project renovation - in fact significant additional Green Building and Energy Conservation scope of work was added during the renovation and enhanced the project in several ways that will benefit the long term operations of the property.

Both GMD Development and Homeword individually as organizations and as partners have addressed internal quality control processes to ensure this situation doesn't happen again.

We will be attending the August 10th Board meeting to present the explanation and retroactive request for approval as well as be available for questions related to the changes made at Hillview.

We apologize for this oversight and appreciate the opportunity to present the circumstances and outcome for the property.

Sincerely,


Gregory Dunfield
GMD Development LLC



Andrea Davis
Homeword, Inc.

Green Building Measures

Submitted May 28, 2015; Corrected July 29, 2015

This document identifies the green building and energy conservation elements incorporated in the Hillview Apartment project. This remodeling project is a continuation of HomeWORD and GMD Development's mission to develop sustainable projects. Hillview apartments benefit from a good location with easy access to services, stores and is adjacent to the Havre Middle School.

A. Energy Conservation – Threshold Items

1. Insulation: The ceilings, exterior walls, floors and basement were insulated exceeding levels required by the 2009 International Energy Conservation Code (IECC) for renovations.
 - a. R-49 in the attic; *exceeds 2009 IECC by 45%*
 - b. R-16 in exterior walls; *exceeds 2009 IECC by 154%*
 - c. R-9.35 in at below grade walls; *exceeds 2009 IECC by 115%-*
Below grade wall insulation was not installed due to prohibitive costs. Costs for the below grade insulation was exacerbated by the amount of excavation, backfill, hardscape demo, and hardscape replacement required as the perimeter of all eight buildings was impacted. Costs were also high due to the numerous utilities entering the individual buildings necessitating a fair amount of hand excavation. After reviewing and comparing the costs, the architect and Owner chose to increase the budget for solar capability from \$200,000 to \$258,000, after determining that the increased solar would provide superior energy conservation and sustainability than the below grade insulation and still fit within the project budget. The overall project as constructed exceeds the 2009 IECC requirements.
2. Windows: The exterior fenestration exceeded requirements of the 2009 International Energy Conservation Code (IECC) for Climate 6, per Table 402.1.1 as amended by the State of Montana.
 - a. Windows: U-factor = 0.30 (0.33 required); *exceeds IECC by 7%-*
windows provided have a U-factor of 0.32
 - b. Doors: U-factor = 0.30 (0.33 required); *exceeds IECC by 10%-*
glazing in doors provided have a U-factor of 0.33
3. Heating and Cooling: The existing boilers were replaced. The new HVAC system incorporates high efficiency gas fired modular boilers. Efficiency has been increased from a probable 75-80% range to 94%. The new systems exceed 2009 IECC standards by 10% or greater AFUE. Each unit has new thermostats.

4. Energy Star Appliances: Project has a common laundry facility with ENERGY STAR compliant washers. Clothes dryers are ENERGY STAR compliant appliances. In addition each dwelling unit and the Community Room is provided with a refrigerator/freezer. All refrigerators/freezers, hot water heaters and furnaces are ENERGY STAR qualified. Ranges were provided in all dwelling units. Ranges not currently available as ENERGY STAR qualified appliances were chosen with energy efficiency in mind.

B. Energy Conservation – Discretionary Items

1. A Photovoltaic panel system was installed. The installed system is a 34kW placed on all buildings. The total anticipated offset for the proposed system is 48,000 kWhs/year. *Additionally the Owner installed a complete solar thermal (hot water) system in four of the residence buildings and in the Community building. Rough-in for future hot water systems were installed in three out of the four remaining buildings.*
2. Water Flow Saving Devices: All plumbing fixtures are water flow saving devices.
 - a. Lavatory faucet flow rates will be 1.5 gpm or less and meet US EPA WaterSense specifications and be certified. *Faucets installed are .5 gpm*
 - b. Showerhead flow rates will be 1.75 gpm or less. *Showerheads installed are 1.75 gpm*
 - c. Toilets will be dual flush with an average flow rate of 1.28 gpm and will meet the US EPA WaterSense specifications and be certified. *Toilets installed have an average flow rate of 1.28 gpm*
 - d. Kitchen faucets will have a flow rate of 2.2 gpm or less. *Kitchen faucets installed have a flow rate of 2.2 gpm*
3. Fluorescent Lights: All light fixtures installed are either fluorescent light fixtures or LED high efficiency both inside the dwelling units and in all common and mechanical areas.
4. Light Colored Roofing: will have a light colored roofing material on the low slope with a Solar Reflectance Index over 78 reducing cooling costs and the potential for adding to an urban island affect. *Light colored roofing was not installed due to only one non-aesthetic color choice and due to our climate having more heating days than cooling days making light colored roofing not as energy efficient as dark colored roofing. This change was approved by MBOH on July 8, 2014.*
5. Programmable Thermostats: Every dwelling unit as well as the Community Building will have separate programmable thermostats per the 2009 IECC Section 403.1.1. The thermostats have a minimum of two (2) program periods allowing minimum of four (4) set point time periods per day. *Programmable thermostats were installed in all dwelling units as well as the Community Building.*

6. Hot Water Pipe Insulation: All hot water piping serving the domestic hot water needs of the building was insulated to R-2 or better where concealed in the building assemblies. Piping for domestic hot water was not located in unconditioned spaces.

C. Green Building – Threshold Items

1. Low/Zero VOC paints, sealants and adhesives: All installed sealants, adhesives and paints met the requirements below. Sealants for interior materials will be limited to 250 grams per liter. Adhesives for interior materials will be limited to 70 grams per liter. Low VOC paints with 50 grams per liter or less with the Green Seal Standard GS-11 certification will be used where zero VOC products are not appropriate. All paints will be certified as low or zero VOC by one of the following:
 - a. Green Seal Standard GS-11
 - b. Greenguard Certification for Paints and Coatings
 - c. Scientific Certification (SCS) Standard EC-10.2-2007, Indoor Advantage Gold
 - d. Master Painters Institute (MPI) Green Performance Standards GPS-1 or GPS-2
 - e. A third-party low-emitting product list based on CA Section 01350
2. Use of Montana Products: In order to reduce the use of petroleum products necessary to transport goods and materials this project will specify preference for the use of Montana products produced within 500 miles of Great Falls. In some cases, such as all lumber and framing materials, only Montana products will be allowed. Other Montana products that will be specified will be engineered lumber materials, particle board, oriented strand board (OSB), concrete, fly-ash concrete and casework. In all cases throughout design and construction, effort will be made to specify Montana products that meet the other green goals and energy requirements of the project. *The project team made every effort to use Montana products where possible. Some of the Montana products used were framing materials, asphalt paving, concrete and roof trusses. The contractor at the team's behest was able to use approximately 98% of local (Montana) labor and 95% of the suppliers and subcontractors were Montana businesses.*

D. Green Building – Discretionary Items

1. Recycled Insulation: All insulating materials used contain recycled content. Insulation is free of added urea formaldehyde resins or binders.
2. Formaldehyde-free/Full Sealed Counter-tops and Cabinets: All materials in cabinets and counter-tops are free of added urea formaldehyde resins.
3. Lighting: The lighting design incorporated lighting in all areas where it is appropriate. In kitchens, lighting that illuminates countertops and work surfaces were provided with separate switching. In bathrooms, vanity lights were provided with separate switching from the fan and overhead lighting.

4. Occupancy Sensor Light Switches: Occupancy sensor light switches were installed where appropriate. Motion sensor light switches will control lighting in corridors, mechanical and electrical rooms and common tenant-use rooms such as the community room, laundry rooms and storage rooms.
5. On-site Recycling of Construction Material: During construction the Contractor will be required to set-up and maintain recycling areas for wood waste, metal waste, aluminum, paper products, concrete, and glass (if available). Monthly reports on the amount of materials recycled will be required and submitted with each pay application. *Every effort was taken to recycle materials utilizing the limited recycling resources available in Havre, MT. The contractor worked with the local HRDC office and cabinetry, appliances, and windows were repurposed (a method of recycling) where ever possible and items not repurposed were recycled through the HRDC office.*
6. Vented Range/Bathroom Fans: Source-specific ventilation was installed in kitchens and bathrooms as well as in the laundry room. All source-specific ventilation is vented to the outside to exhaust moisture and odors to the exterior of the building away from tenants. Venting to the outside improves indoor air quality and reduces the possibility of mold and mildew growth in the interior.
7. Recycled Content Counter-tops: Laminate material made with a minimum of 20% post-industrial or post-consumer recycled content was used in all kitchens.

July 28, 2015

Mary Blair
Montana Board of Housing

Via email

Re: Architect's Letter for Hillview Apartments, Havre, MT

Dear Ms. Bair:

We felt it necessary to clarify the changes we made to the Architect's Letter regarding Green Building Measures. After substantial completion of the project, but before issuance of the Architect's Letter, the principal architect on the project abruptly left our firm. As you can imagine, there was a bit of confusion regarding the final scope of the work as I wrote the Architect's Letter.

In fact our team (with Hardy Construction) did recycle as much as possible and even worked with the HRDC to re-use cabinetry, windows and appliances. This was above and beyond the originally listed Green Building Measures.

Even though the insulation was not installed along the perimeter foundation walls, the insulation in the walls and ceiling exceeds the requirements of the energy code. The windows used also exceed the original requirements. We believe that overall, with the changes, the project met or exceeded the requirements.

The team worked diligently to use Montana products as much as possible. Hardy Construction again went above and beyond the original Green Building Measures to use 98% Montana labor and 95% of the suppliers and subcontractors were Montana businesses.

I hope this clears up the confusion regarding the Green Building Measures incorporated into the Hillview project. Thank you.

Regards;
L'Heureux Page Werner, PC



Stephen M. L'Heureux, AIA
President

stephenl@lpwarchitecture.com

L'Heureux Page Werner 

15 Fifth Street South
Great Falls, Montana 59401

406.771.0770 ext. 313
www.lpwarchitecture.com



July 29, 2015

Mary Bair, Multifamily Program Manager
Montana Board of Housing
PO Box 200528
301 S. Park Avenue, Room 240
Helena, MT 59620-0528

Re: Hillview Apartments, Havre, MT – Request for Approval of Design Changes

Dear Ms. Bair and Board Members,

On behalf of Homeword and GMD Development, we are writing this letter to request retroactive approval of changes in the design and construction of the Hillview rehabilitation project in Havre, MT. First, thanks to the MBOH tax credit allocation, 52 affordable homes in Havre have been preserved for future generations, and 52 families in Havre have a safe, healthy, affordable place to live. The HUD rental subsidy was also preserved, making these homes even more affordable.

Next, in response to the letter of July 20, 2015, we understand our oversight of requesting approval to design changes from what was stated in our LIHTC application and what was actually built. We wish to respond, explain, and request retroactive approval of necessary design changes.

Architect Letter Corrections

1. The Architect's letter, dated May 18, 2015, had some factual errors in it. As you may remember, the Project Architect, Jim Page, left the architectural firm of L'Heureux Page Werner about halfway through construction, so his knowledge and expertise on this particular project were not available to Steve L'Heureux and Kevin Lacey when the letter was being written. We have requested correction of the following errors:
 - a. Programmable thermostats were installed in all units – please see approved submittal attached to this letter.

GMD Development, LLC
520 Pike Street, Suite 1010
Seattle, WA 98101

- b. Use of Montana Products: The use of Montana products wherever possible was specified and was never removed as a requirement from the project. In fact, the product used most by the project was 98% Made in Montana – labor, and labor was more than 50% of the overall project costs, so more than half of the project used a Montana product. Over 95% of the suppliers and subcontractors are based in Montana. However, as the project scope was almost entirely limited to finishes and systems (with the exception of the small community building), very few Montana made products were available. There was proportionally very little framing, and the framing lumber and sheathing were purchased at the local lumberyard where 90% of the framing materials are Montana products. Proportionally very little engineered lumber materials were used, but the entry and community building roof trusses were manufactured in Montana and obtained directly from the manufacturer. There was no local supplier of fly-ash concrete to be found in Havre, although a local supplier of regular concrete was used for the very small amount of concrete at the project. In addition, the asphalt paving installed at the north parking lot was a Montana product. The casework was supplied by a Montana company, though an Oregon manufactured product was chosen as the closest available manufacturer currently making certified no-urea-formaldehyde-added traditional casework. In summary, Montana products were used wherever feasible and financially and environmentally responsible, and the requirement for the use of Montana products whenever possible remained in effect and was frequently communicated to the contractor.
- c. On-site recycling of construction materials: Again, this was included in the specifications and never removed by the Owners/Developers as a condition of the project. However, as the architect noted, very little of the construction materials could be recycled in Havre, Montana because local waste removal systems do not support recycling. Some of the cabinets were recycled through the Havre HRDC, as well as some of the appliances, windows, electrical and plumbing fixtures. Whatever on-site recycling of construction materials that could be achieved, given the scope of the work, was achieved by this. However, we included and achieved enough other green building elements that had we chosen not to attempt any recycling of building materials or not shown it on the application, there would have been no change to the scoring on this item.

Retroactive Approval Request

2. The Hillview application indicated that, among many other improvements to the exterior building envelope, we would install insulation at below-grade walls. It also indicated that the “insulation, windows - exceeds IECC 2009 standards” (from 2013 QAP, Scoring Items checklist, page 22). While we did not insulate the below-grade walls, we did, in fact, exceed the 2009 IECC requirements. Basically, the only 2009 IECC Code requirements that apply to renovated buildings are that the finished building does not use more energy than it did prior to renovation, and any building elements that are altered or added meet the code requirements for new buildings (see below and attached for full text for the 2009 IECC). There are no code

requirements that insulation be added to below grade walls. There are also no code requirements that insulation be added to above grade walls unless those wall framing cavities are exposed during renovations. We added insulation to all of the exterior above grade walls although it was not required by the Code; that exceeds the 2009 IECC requirements. In addition, the insulation added to the roof/ceiling cavity further exceeds the requirements, and the window U-value also exceeds the code requirements.

Although the financial and logistical infeasibility of adding the below grade insulation was discussed at a site meeting where MBOH staff were present, we recognize we did fail to formally request approval of this change prior to moving forward. The change would not, however, have altered the scoring for the application. The project, as constructed, does exceed the 2009 IECC as required in the threshold energy conservation item.

In addition, we added significant additional solar photovoltaic and solar thermal hot water systems to the project which will further offset energy use at the property with a renewable energy source. This is another change for which we failed to obtain MBOH approval. With this letter, we formally request retroactive approval of these changes – no added insulation at below grade walls, and additional solar photovoltaic and thermal hot water system capacity.

We accept responsibility and recognize our oversight for not making formal design change requests to MBOH in a timely fashion and want to reassure the Board of Housing and Staff that we continue to be committed to safe, sustainable and financially responsible construction of affordable housing in Montana. Hillview is a great example of this, and we believe all of our staff and yours can be proud of the accomplishments achieved at this project. We are also committed to maintaining appropriate communications between our staff and MBOH, and deeply regret this failure in this instance. Fortunately no scoring would have changed had we not included this in the original application; nonetheless, we understand the importance of MBOH's approval prior to making design changes. If we had followed the proper procedure and sought the prior MBOH approval of these design changes there would have been no change to the scoring since the project still exceeded the requirements on the windows and insulation for renovated buildings under the 2009 IECC, or as stated in the QAP threshold item "Insulation, windows – Exceeds IECC 2009 Standards".

If you have any questions, please do not hesitate to contact Greg at 206-745-3699 or greg@gmddev.net or Andrea at (406) 532-HOME x18, or andrea@homeword.org.

Sincerely,



Gregory M. Dunfield
GMD Development, LLC



Andrea Davis
Homeword, Inc.

Note: The 2009 IECC states:

“101.4 Applicability. Where, in any specific case, different sections of this code specify different materials, methods of construction or other requirements, the most restrictive shall govern. Where there is a conflict between a general requirement and a specific requirement, the specific requirement shall govern.

101.4.1 Existing buildings. Except as specified in this chapter, this code shall not be used to require the removal, alteration or abandonment of, nor prevent the continued use and maintenance of, an existing building or building system lawfully in existence at the time of adoption of this code.101.4.3 Additions, alterations, renovations or repairs.”

101.4.3 Additions, alterations, renovations or repairs to an existing building, building system or portion thereof shall conform to the provisions of this code as they relate to new construction without requiring the unaltered portion(s) of the existing building or building system to comply with this code. Additions, alterations, renovations or repairs shall not create an unsafe or hazardous condition or overload existing building systems. An addition shall be deemed to comply with this code if the addition alone complies or if the existing building and addition comply with this code as a single building.

Exception: The following need not comply provided the energy use of the building is not increased:

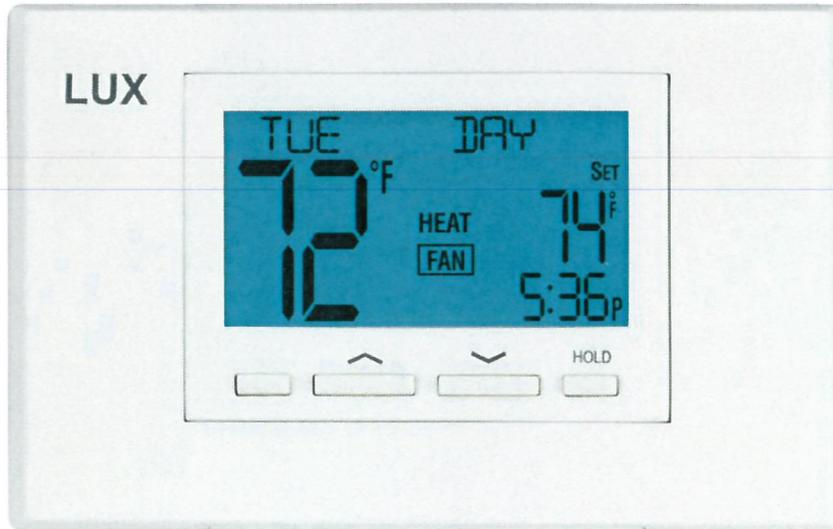
1. Storm windows installed over existing fenestration.
2. Glass only replacements in an existing sash and frame.
3. Existing ceiling, wall or floor cavities exposed during construction provided that these cavities are filled with insulation.
4. Construction where the existing roof, wall or floor cavity is not exposed.
5. Reroofing for roofs where neither the sheathing nor the insulation is exposed. Roofs without insulation in the cavity and where the sheathing or insulation is exposed during reroofing shall be insulated either above or below the sheathing.
6. Replacement of existing doors that separate conditioned space from the exterior shall not require the installation of a vestibule or revolving door, provided, however, that an existing vestibule that separates a conditioned space from the exterior shall not be removed.
7. Alterations that replace less than 50 percent of the luminaires in a space, provided that such alterations do not increase the installed interior lighting power.

8. Alterations that replace only the bulb and ballast within the existing luminaires in a space provided that the alteration does not increase the installed interior lighting power.”

7 Day Programmable Thermostat

Universal
Compatibility

TX9100U



For Use On:

Heating and cooling systems including single and multi-stage heat pumps plus 2nd stage cooling

Not For Use On:

Electric baseboard heat (120-240V)

Batteries - Requires 2 AA Alkaline batteries – not included

UPC Code – 0 21079 11910 3

Master Carton - 6 units

Features

- Universal compatibility for all system types except electric baseboard heat
- Each day of the week can be programmed differently
- Exclusive Lux® Speed Slide™ for easy programming
- User selectable periods per day – 2 or 4
- Energy usage monitor
- Special day program
- Programmable air filter life timer
- Keyboard lockout for unauthorized users
- Adjustable vacation hold – set for 1-30 days
- Smart recovery – enables the set temperature to be reached by the programmed time
- Temporary temperature override
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10/11

CHAPTER 1

ADMINISTRATION

I PART 1-SCOPE AND APPLICATION

SECTION 101 SCOPE AND GENERAL REQUIREMENTS

101.1 Title. This code shall be known as the *International Energy Conservation Code* of [NAME OF JURISDICTION], and shall be cited as such. It is referred to herein as "this code."

101.2 Scope. This code applies to *residential* and *commercial buildings*.

101.3 Intent. This code shall regulate the design and construction of buildings for the effective use of energy. This code is intended to provide flexibility to permit the use of innovative approaches and techniques to achieve the effective use of energy. This code is not intended to abridge safety, health or environmental requirements contained in other applicable codes or ordinances.

101.4 Applicability. Where, in any specific case, different sections of this code specify different materials, methods of construction or other requirements, the most restrictive shall govern. Where there is a conflict between a general requirement and a specific requirement, the specific requirement shall govern.

101.4.1 Existing buildings. Except as specified in this chapter, this code shall not be used to require the removal, *alteration* or abandonment of, nor prevent the continued use and maintenance of, an existing building or building system lawfully in existence at the time of adoption of this code.

101.4.2 Historic buildings. Any building or structure that is listed in the State or National Register of Historic Places; designated as a historic property under local or state designation law or survey; certified as a contributing resource with a National Register listed or locally designated historic district; or with an opinion or certification that the property is eligible to be listed on the National or State Registers of Historic Places either individually or as a contributing building to a historic district by the State Historic Preservation Officer or the Keeper of the National Register of Historic Places, are exempt from this code.

101.4.3 Additions, alterations, renovations or repairs. Additions, alterations, renovations or repairs to an existing building, building system or portion thereof shall conform to the provisions of this code as they relate to new construction without requiring the unaltered portion(s) of the existing building or building system to comply with this code. Additions, alterations, renovations or repairs shall not create an unsafe or hazardous condition or overload existing building systems. An addition shall be deemed to comply with this code if the addition alone complies or if the exist-

ing building and addition comply with this code as a single building.

Exception: The following need not comply provided the energy use of the building is not increased:

1. Storm windows installed over existing fenestration.
2. Glass only replacements in an existing sash and frame.
3. Existing ceiling, wall or floor cavities exposed during construction provided that these cavities are filled with insulation.
4. Construction where the existing roof, wall or floor cavity is not exposed.
5. Reroofing for roofs where neither the sheathing nor the insulation is exposed. Roofs without insulation in the cavity and where the sheathing or insulation is exposed during reroofing shall be insulated either above or below the sheathing.
6. Replacement of existing doors that separate *conditioned space* from the exterior shall not require the installation of a vestibule or revolving door, provided, however, that an existing vestibule that separates a *conditioned space* from the exterior shall not be removed.
7. Alterations that replace less than 50 percent of the luminaires in a space, provided that such alterations do not increase the installed interior lighting power.
8. Alterations that replace only the bulb and ballast within the existing luminaires in a space provided that the *alteration* does not increase the installed interior lighting power.

101.4.4 Change in occupancy or use. Spaces undergoing a change in occupancy that would result in an increase in demand for either fossil fuel or electrical energy shall comply with this code. Where the use in a space changes from one use in Table 505.5.2 to another use in Table 505.5.2, the installed lighting wattage shall comply with Section 505.5.

101.4.5 Change in space conditioning. Any nonconditioned space that is altered to become *conditioned space* shall be required to be brought into full compliance with this code.

101.4.6 Mixed occupancy. Where a building includes both *residential* and *commercial* occupancies, each occupancy shall be separately considered and meet the applicable provisions of Chapter 4 for *residential* and Chapter 5 for *commercial*.

PROGRAM

Multifamily Program

AGENDA ITEM

Private Placement Policy for Multifamily Revenue Bonds

BACKGROUND

MBOH has done Private Placement/Conduit Tax Exempt Bond deals in the past. The last were the Rainbow/Silver Bow conduit bond deals in 2011/2012. These transactions use MBOH Bond CAP. The bonds are sold/held by another institution/bank, typically private placed. This type of transaction has become the most popular financing structure mainly due to lower costs of issuance and is attractive to investors.

PROPOSAL

Review the Private Placement Policy for Multifamily Revenue Bonds.

**Montana Board of Housing
Private Placement Policy
for
Unrated/Unenhanced Multifamily Housing Revenue Bonds**

The following policy (“Policy”) shall apply to the issuance of unrated or unenhanced revenue bonds of the Montana Board of Housing (“MBOH”) to be sold to individuals or multiple institutions for the financing of multifamily rental housing projects in certain areas of the State. For purposes of this Policy, “unrated or unenhanced bonds” shall mean (i) those bonds that are not rated Aa/AA (or equivalent) or better by a national rating agency or (ii) those bonds that are not insured, guaranteed or otherwise enhanced by an entity, the unsecured debt of which is rated Aa/AA (or equivalent) or better by a national rating agency.

A. Terms of the Transaction.

1. Bond issues must be (a) rated Aa/AA (or equivalent) or better by a national rating agency; (b) be enhanced by an entity, the unsecured debt of which is rated Aa/AA (or equivalent) or better by a national rating agency; or (c) privately placed with sophisticated investors or to an Institutional Purchaser.)

2. Bonds must be in denominations of at least \$100,000 (or the entire principal amount of the bond issue in the event it is less than \$100,000).

3. There must be a trustee for the bondholders, identified by the borrower, which must be the trust department of a federally regulated financial institution. The Board may waive this requirement for certain bond structured deals if requested by the bond purchaser.

4. Only Bonds issued for multifamily housing projects which incorporate the use of low income housing tax credits shall be considered under this Policy.

5. The Purchaser of the Bonds shall determine whether or not the Bonds or the underlying loan shall be credit enhanced by a third party .

6. The Purchaser of the bonds shall be represented by nationally recognized securities law counsel and such counsel shall deliver written assurances with respect to review by the Purchaser of the terms of the transaction

B. Cost of Issuance.

The MBOH imposes a fee for the issuance of loans made with long-term tax exempt

private placement bonds of 25 basis points annually for projects issuing less than \$10 million or 20 basis points annually for projects issuing \$10 million or more. The Board will also include a clause stating that if the bonds are prepaid before 10 years the project will pay the net present value (calculated at current 10 year treasury rate) of any remain fees due during that 10 year period. If short-term bonds the Board will assess a one-time annualized fee of 150 basis points; or in either case such lesser amount as may be permitted by the federal tax laws. This spread is used to defray ~~enhance~~ costs related to the issue, administration, and compliance, in part, for the multifamily portfolio. This fee may be negotiated lower with staff if special circumstances warrant a reduced fee. This fee is payable to the MBOH at origination and August 1, annually, thereafter based upon the principle balance on August 1.

C. Initial Private Placement.

1. Each Purchaser of a privately placed Bond must execute an Investor Letter acceptable to the MBOH and its counsel. The Investor Letter (a current form of which is available from MBOH) will be addressed to the Trustee and MBOH and will contain certain representations and agreements from the Purchaser, including, but not limited to, the following:

a. Certain boldface representations to the effect that (i) the Purchaser is an “accredited investor” under the federal securities laws and, if an individual, an “individual accredited investor” under the Montana Securities Act, (ii) the Purchaser understands that the Bond is not rated and should be considered a speculative investment and (iii) the Purchaser has determined to either (A) require, and has approved, credit enhancement for the Bonds or (B) waive any requirement that Credit Enhancement be provided.

b. The Purchaser represents that it has undertaken its own diligence with respect to the Bonds, the security for the Bonds, the terms of the Bonds, the project, the developer, whether or not to require credit enhancement and any and all other factors relevant to its decision to invest in the Bonds.

c. The Purchaser acknowledges that the MBOH has not undertaken any underwriting and is not responsible for any disclosure concerning the Bonds or the security or source of payment for the Bonds.

d. The Purchaser will not undertake any “Transfer of Bond Interest” without having the Transferee sign a similar Investor Letter (see further Policy points below). (The term “Transfer of Bond Interest” is defined in the “Securities Laws Matters” portion of the Investor Letter to include any sale, pledge or other transfer of all or a portion of an ownership or security interest in the Bonds.)

e. The Purchaser represents it has requested, received and reviewed pro forma financials concerning the project and projections of cashflows for the term of the Bonds, reflecting costs, revenues and reasonable inflation factors, all of which have been certified by the party preparing them and has determined the same to be an adequate basis for investing in the Bonds.

f. The Purchaser will indemnify or otherwise~~and hold~~ hold harmless MBOH and its related parties from all damages, losses or claims, including but not limited to, Purchaser’s misrepresentations or failure to comply with the terms of the Investor Letter

and any and all damages, losses or claims by any subsequent owner of the Bonds. Such indemnification shall survive payment of the Bonds.

2. In connection with purchasing the Bonds, counsel to the Purchaser (which must be nationally recognized securities law counsel) will be required to deliver to MBOH and the Trustee (i) written assurance that the Purchaser has reviewed the terms of the transaction under the supervision of that counsel and to the best of that counsel's knowledge after due inquiry, the representations of the Purchaser stated in the Investor Letter are accurate and (ii) an opinion to the effect that the Purchaser has the authority to invest in the Bonds for its own account and that the provisions of the Investor Letter, including the indemnification provisions, are legal, valid and binding and enforceable against the Purchaser. Counsel to the purchaser shall also deliver an opinion that the Purchaser of the Bonds is not acting as an "underwriter" of the Bonds for federal or Montana state securities laws purposes.

D. Transfers of Bond Interests.

1. No Transfer of Bond Interest will be permitted within 90 days of the issuance date without an opinion of nationally recognized securities law counsel to the effect that such Transfer of Bond Interest does not constitute an underwriting or securities transaction requiring registration or disclosure under, and is in compliance with, the federal or state securities and banking laws.

2. Each Transferee must execute an Investor Letter substantially similar to the one executed by the original Purchaser.

3. Each Transferee must deliver a written assurance and opinion of counsel (see paragraph B-2 above).

4. Each owner of a Bond making a Transfer of Bond Interest must execute a certificate satisfactory to MBOH to the effect that, after due inquiry, such transferor/owner has reason to believe that the representations of the Transferee set forth in its Investor Letter are accurate and that such transferor/owner has disclosed to the Transferee such information and risks concerning the Bonds and related security as a reasonable investor would consider to be material.

E. Final Board Approval

1. The Board reserves the right to refuse to participate in a conduit ~~deal~~ financing if other extenuating circumstances arise.

Multifamily & RAM Program Dashboard

August 4, 2015

Loan Programs

July 2015	Applications ##	\$\$	Active Loans: ##	\$\$	Set-aside \$\$	Balance \$\$
<u>Reverse Annuity (RAM)</u>						
RAM	-	-	57	4,588,811	6,000,000	1,411,189
<u>Housing Montana Fund</u>						
TANF						
Standard Program						
<u>Bond Programs</u>						
Regular Program	-	-	14	2,533,021		
Conduit	7	25,000,000	10	46,628,046		
Rish Share	-	-	6	8,402,564		

Housing Credits (HCs) Allocation

	City	Award	HC Year	Status
Soroptimist Village	Great Falls	12-Apr	2012	8609 issued
Blackfeet Homes V	Browning	12-Apr	2012	submitted 8609 paperwork
Hillview Apartments	Havre	13-Apr	2013	submitted 8609 paperwork
Fort Peck Sust Village	Poplar	13-Apr	2013	10? Homes on site
Apsalooke Warrior	Crow Agency	13-Dec	2014	grand opening scheduled August 25
Yellowstone Commons	Glendive	13-Dec	2014	75% leased; received Certificates of Occupany
Sunset Village	Sidney	13-Dec	2014	closed with investor; 9% construction complete
Voyageur Apartments	Great Falls	13-Dec	2014	water lines installed; foundation walls installed
Cedar View	Malta	13-Dec	2014	3 buildings complete interior; construction 80%
Chippewa Cree Homes I	Box Elder	13-Dec	2014	construction underway on half a dozen homes
Antelope Court	Havre	14-Nov	2015	construction to start late summer
Cascade Ridge II	Great Falls	14-Nov	2015	working through legal on ptrshp/rest cov
Gallatin Forks	Manhattan	14-Nov	2015	waiting on other funding sources to proceed
Guardian Apartments	Helena	14-Nov	2015	closing mid August; partnership agreement drafted
Stoneridge Apartments	Bozeman	14-Nov	2015	begin construction this month
Sweet Grass Commons aka				
Urban Missoula	Missoula	14-Nov	2015	begin construction early fall/ letter of intent
River Ridge	Missoula	14-Mar	2015	letter of intent

Housing Credits (HCs) Compliance

	Last Month	Year to Date	Last Year
Project Site Visits	-	62	93
Units Inspected	-	1,221	1,141
Issues Identified	-	-	

Projects w/Comp	Owner	Management	audit done	pending	Explanation
Town Site Apts	H D A Mgmt	HDA Mgmt	3/14/14		working with property to correct
Rangeview Apts	Hardin Partners LP	HDA Mgmt	8/28/14		Siding needs painted-summer 2015
Holland Park/MF loan	Gt Falls Housing Auth	GF Housing Auth	10/10/14		Rec grant money. Will work on issues
Southern Lights	Homeword	Tamarack Mgmt	12/31/14		1st phase comp/2nd start in June?
Arlee Senior	S&K	S&K	4/8/15		minor issues
Felsman North & East	S&K	S&K	4/8/15		Minor Issues
Lenox Flats	Homeword	Tamarack Mgmt	4/30/15		Missing Orig Move In TIC
Courtyard I	Pacifc Development	Infinity Mgmt	5/18/15		minor issues
Soroptimist Village	HomeWord	Tamarack Mgmt	5/22/15		still working on files
Shadow Mountain	Ray Linder	Tohper Realty	6/25/15		multiple minor issues / roof inspection