



Thank you for attending this public meeting and for your support of affordable housing.

Date: Monday, November 9, 2015

Time: 8:30 a.m.

Chairperson: JP Crowley

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

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

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](#)

AGENDA ITEMS

Public Comments - 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.

Minutes

- ☒ Approve Prior Board Meeting Minutes
 - August 10, 2015
 - August 20, 2015

Finance Program (Manager: Ginger Pfankuch)

- ☒ Finance Update 1

Homeownership Program (Manager: Vicki Bauer)

- ☒ Homeownership Program Update 1

Multifamily Program (Manager: Mary Bair)

- ☒ 2015 CMA Requirement 1
- ☒ Consideration of Threshold Review Requirements 2
 - Red Fox
 - Gateway Vista
 - Noblehomestead
 - Polson Landing
 - Stower Commons

The Board of Housing's mission is to create affordable housing opportunities for Montanans whose needs are not met by the market. We value people, families, communities, fairness, teamwork, mutual respect, integrity. We are committed and passionate about collaborating with our partners to make sure Montana's families and communities have attainable, affordable, accessible and sustainable homes.

- Timber Meadows
- ✘ Presentations for Housing Credit Applications 3
- ✘ RAM Exception 4
- ✘ Multifamily Program Update 5

Executive Director (Bruce Brensda)

- ✘ Updates
 - NCSHA Conference 1

✘ Mortgage Servicing Update (Mary Palkovich)

- Strategic Planning 1
- Updates 2

✘ Operations Update (Stacy Collette)

- Strategic Planning 1
- Performance Reviews 2
- Office Remodel 3

✘ Marketing Update (Penny Cope)

- Grand Opening at Hillview Apartments in Havre 1
- Upcoming events 2
- Housing Conference 3
- MFEC Conference 4

✘ 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)

January 19, 2016 (Tuesday): Helena	February 8, 2016: No meeting	March 14, 2016: unknown
April 11, 2016: unknown	May 9, 2016: No meeting	June 13, 2016: unknown
July 11, 2016: No meeting	September 12, 2016: Helena	August 8, 2016: unknown
October 11, 2016: No meeting	November 14, 2016: Helena	December 12, 2016: No meeting

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HOUSING DIVISION – MONTANA BOARD OF HOUSING

MACo Building
2715 Skyway Drive – Helena Montana 59602
August 10, 2015

ROLL CALL OF BOARD

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

STAFF: Bruce Brensdal, Executive Director
Mary Bair, Multifamily Program
Ginger Pfankuch, Accounting & Finance Manager
Vicki Bauer, Homeownership Program
Mary Palkovich, Servicing Program
Stacy Collette, Operations Manager
Paula Loving, Executive Assistant
Kellie Guariglia, Multifamily Program
Angela Heffern, Accounting Program
Todd Jackson, Multifamily Program
Charlie Brown, Homeownership Program
Jeannene Maas, Homeownership Program
Jessica Johnson, Servicing Program
Rena Oliphant, Multifamily Program
Kendra Lloyd, Multifamily Program
Dave Parker, Section 8 Program Manager

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

UNDERWRITERS: Mina Choo, RBC Capital

OTHERS: Nate Richmond, BlueLine Development
Jason Beal, BlueLine Development
Tom Mannschreck, Thomas Development
Heather Grenier, HRDC IX
Liz Mogstad, RMDC
Don Sterhan, Mountain Plains Equity Group,
Dargan Murphy, Commonwealth
Julie Siheler, Homeward

Heather McMilin, Homeword
Andrea Davis, Homeword
Greg Dunfield, GMD Development
Harlan Wells, Missoula Housing Authority
Steve Hanson, LPW Architects
Steve Dymoke, GMD Development
Adam Gratzner, Communities For Veterans
Alex Burkhalter, Housing Solutions
Rusty Snow, Summit Housing
Mike Hughes, Mike Hughes Building
Beki Brandborg, Echo Enterprises
Gene Leuwer, GL Development
Brian Barnes, DPPHS
Caroline Roy, Prime Mortgage Lending Inc.
Lucy Brown, Housing Authority of Billings
Lori Davidson, Missoula Housing Authority

CALL MEETING TO ORDER

Vice Chairperson Jeanette McKee called the Montana Board of Housing (MBOH) meeting to order at 10:03 a.m. Introductions were made. Chairman asked for any public comment not on the agenda.

APPROVAL OF MINUTES

Pat Melby moved to approve the June 8, 2015 MBOH Board meeting minutes and Doug Kaercher seconded the motion. Vice Chairperson McKee asked for comments. The June 8, 2015 Board meeting minutes were passed unanimously.

FINANCE PROGRAM

Bruce Brensdal introduced Ginger Pfankuch as the new Finance and Accounting Program Manager, who provided Finance program update. Ginger reviewed the Diversification of the MBOH portfolio.

HOMEOWNERSHIP PROGRAM

Vicki Bauer introduced Caroline Roy who brought to the Board a request from Prime Mortgage Lending, Inc., for approval as an MBOH Participating Lender. Prime Mortgage has a branch office in Bozeman with two loan officers with a parent company in Apex, NC. Their primary interest is in the MBOH MCC Program. Doug Kaercher moved to approve Prime Mortgage Lending, Inc., as an MBOH Participating Lender and Pat Melby seconded the motion. Vice-Chairperson McKee asked for comments. Prime Mortgage Lending, Inc., was approved unanimously as a Participating Lender.

Vicki Bauer provided a Homeownership Program update. Staff is working on the next Bond issuance for the regular program and will include the refinancing of three bond series.

MULTIFAMILY PROGRAM

Mary Bair presented the Letter of Intents for the 2016 Housing Credits. 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.

Bruce Brensdaal provided the overview of the Letter of Intent process. 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.

Mary Bair introduced each Letter of Intent project:

- Noble Homestead, Pablo – Developer is Aloha NOBLEHOUSE Inc. & American Covenant Senior Housing Foundation, Inc. – The proposed project will be the new construction of 24 family units. At current, the Housing Credits requested is \$260,000. The Cost per unit is \$167,131 and cost per square foot is \$143.77.
- Riverview Meadow Apartments, Whitefish – Developer is Commonwealth Development Corporation – Daryn Murphy stated the proposed project will be the new construction of 36 family units. At current, the Housing Credits requested is \$658,000. The Cost per unit is \$229,000 and cost per square foot is \$207.79. Mr. Murphy the application will be more refined in hopes to keep costs down.
- Meadows Senior Apartments, Lewistown – Developer is Thies and Talle Enterprises – Ken Talle stated the proposed project will be the acquisition/rehabilitation of 35 senior units. At current, the Housing Credits requested is \$276,550. The Cost per unit is \$111,133 and cost per square foot is \$189.17. This property is 100% Project Based Section 8 rental assistance and will need rehabilitation to allow it to offer 30% AMI.
- Courtyard Apartments, Kalispell – Developer is Recapitalization Montana, LLC and Rural Integrity, LLC – Marney McClarey from Community Action Partnership of Northwest Montana stated the proposed project will be the acquisition/rehabilitation of 32 family units. At current, the Housing Credits requested is \$382,927. The Cost per unit is \$167,003 and cost per square foot is \$237.44. Ms. McClarey stated this property is the first property in the state to have Section 811 units.
- Red Fox Apartments, Billings – Developer is Housing Authority of Billings – Lucy Brown stated the proposed project will be the new construction of 30 family units. At current, the Housing Credits requested is \$347,693. The Cost

- per unit is \$173,877 and cost per square foot is \$207.74. Ms. Brown stated this application will have more one bedroom units than prior applications due to the difficulties finding affordable housing for the VASH and Shelter Plus Care programs. The need for affordable housing is so high that the last Subsidy voucher issuance only resulted in 53% lease up.
- Big Sky Villas, Belgrade – Developer is HRDC District IX, Inc. – Heather Grenier stated the proposed project will be the acquisition/rehabilitation of 24 family units. At current, the Housing Credits requested is \$268,000. The Cost per unit is \$149,167 and cost per square foot is \$196.44. Ms. Grenier stated the last tax credit property awarded to Belgrade was in 2007 and this would property would preserve the Rural Development subsidy.
 - Timber Meadows, Kalispell – Developer is Immanuel Lutheran Communities and CR Builders, LLC – Don Sterhan from Mountain Plains Equity Group stated the proposed project will be the new construction of 40 senior units. At current, the Housing Credits requested is \$662,500. The Cost per unit is \$191,695 and cost per square foot is \$138.35.
 - Stower Commons, Miles City – Developer is Housing Solutions – Alex Burkhalter stated the proposed project will be the new construction of 24 family units. At current, the Housing Credits requested is \$485,000. The Cost per unit is \$211,336 and cost per square foot is \$189.30. Mr. Burkhalter stated this application has decreased the number of units and increased the one bedroom units from its previous applications.
 - Bitterroot Valley Villas, Hamilton – Developer is Beki Glyde Brandborg– Beki Brandborg stated the proposed project will be the acquisition/rehabilitation of 34 family units. At current, the Housing Credits requested is \$327,654. The Cost per unit is \$131,683 and cost per square foot is \$169.05. Ms. Brandborg stated this is the only family units in Hamilton which receives Rural Development subsidy and it contains no vacancy.
 - Little Jon Apartments, Big Fork – Developer is GMD Development/Homeword – Steve Dymoke stated the proposed project will be the acquisition/rehabilitation of 32 family units. At current, the Housing Credits requested is \$257,779. The Cost per unit is \$120,865 and cost per square foot is \$166.71. Mr. Dymoke stated the goal of this project is the preservation of the Rural Development subsidy.
 - Cascade Ridge Senior Living – Phase II, Great Falls – Developer is Benefis Cascade Ridge, LLC and CR Builders, LLC – Don Sterhan from Mountain Plains Equity Group stated the proposed project will be the new construction of 16 senior units. At current, the Housing Credits requested is \$32,970. The Cost per unit is \$183,560 and cost per square foot is \$152.49. Mr. Sterhan stated the construction cost from the approved 2012 application was higher than anticipated and when asked clarified the additional Housing Credits would not increase the cost per unit.
 - Rose Park Apartments, Bozeman – Developer is Summit Housing Group, LP –

Rusty Snow stated the proposed project will be the new construction of 16 senior units. At current, the Housing Credits requested is \$32,970. The Cost per unit is \$183,560 and cost per square foot is \$152.49.

- Trapper Peak Apartments, Hamilton – Developer is Summit Housing Group, Inc. – Rusty Snow stated the proposed project will be the new construction of 15 family units. At current, the Housing Credits requested is \$268,000. The Cost per unit is \$197,124 and cost per square foot is \$193.26.
- Aspen Place III, Butte – Developer is Butte Affordable Housing/Thomas Development Co. – Thomas Mannschreck stated the proposed project will be the new construction of 32 family units. At current, the Housing Credits requested is \$472,716. The Cost per unit is \$189,320 and cost per square foot is \$189.23. Mr. Mannschreck stated the affordable housing in Butte is very small and this project, along with the rehabilitation of recently acquired Atherton I and II (renamed Aspen Place I and II), will ease some of the zero vacancy in Butte.
- Freedom’s Path at Fort Harrison, Helena – Developer is Communities for Veterans Montana LLC – Adam Gratzler stated the proposed project will be the acquisition/rehabilitation of 22 family units and new construction of 20 family units. At current, the Housing Credits requested is \$670,466. The Cost per unit is \$229,628 and cost per square foot is \$251.44. Mr. Gratzler stated an application for HUD VASH has been submitted by Department of Commerce for this project.
- Polson Landing, Polson – Developer is Housing Solutions – Alex Burkhalter stated the proposed project will be the new construction of 40 family units. At current, the Housing Credits requested is \$663,000. The Cost per unit is \$185,323 and cost per square foot is \$174.01.
- Missoula Senior, Missoula – Developer is Sparrow Group Inc. – Alex Burkhalter from Housing Solutions stated the proposed project will be the new construction of 61 senior units. At current, the Housing Credits requested is \$670,000. The Cost per unit is \$143,714 and cost per square foot is \$173.98. Mr. Burkhalter stated the need for affordable housing increases by 50 units each year.
- Glasgow Apartments, Glasgow – Developer is Northwest Real Estate Capital Corp. – Jason Bial from BlueLine Development, Inc., stated the proposed project will be the new construction of 16 family units. At current, the Housing Credits requested is \$258,948. The Cost per unit is \$182,579 and cost per square foot is \$205.72. Mr. Bial stated the last tax credit award in Glasgow was 1992.
- Nicole Court Senior Apartments, Stevensville – Developer is District XI Human Resource Council – Harlan Wells from Missoula Housing Authority stated the proposed project will be the new construction of 16 senior units. At current, the Housing Credits requested is \$342,988. The Cost per unit is \$238,419 and cost per square foot is \$259.15. Mr. Wells stated the cost per unit appears high; however, plans are to bring the cost down by application deadline.
- North Star Apartments, Wolf Point – Developer is GL Development – Gene

Leuwer stated the proposed project will be the new construction of 26 family units. At current, the Housing Credits requested is \$543,000. The Cost per unit is \$229,962 and cost per square foot is \$183.97. Mr. Leuwer stated the cost per unit is high, but this reflects the price to build in the area of Montana.

- Blackfeet Homes VI, Browning – Developer is Blackfeet Housing – Chancy Kittson stated the proposed project will be the new construction of 30 family units. At current, the Housing Credits requested is \$667,060. The Cost per unit is \$229,999 and cost per square foot is \$173.58. Mr. Kittson stated this is the sixth time this project has submitted for tax credits and the current waitlist is around 150. The rental units will have Native American Housing Assistance and Self Determination Act (NAHASDA).
- River Ridge Apartments, Missoula – Developer is Missoula Housing Authority – Harlan Wells stated the proposed project will be the acquisition/rehabilitation of 70 senior units. At current, the Housing Credits requested is \$95,421. The Cost per unit is \$1,363.00 and cost per square foot is \$149.84. Mr. Wells stated this application was originally awarded in 2015 with returned tax credits. The amount being asked is the remaining balance not awarded in 2015.
- Gateway Vista, Billings – Developer is Billings YWCA and CR Builders LLC – Don Sterhan from Mountain Plains Equity Group stated the proposed project will be the new construction of 27 family units. At current, the Housing Credits requested is \$432,318. The Cost per unit is \$173,765 and cost per square foot is \$179.76.
- Sweetgrass Commons, Missoula – Developer is Homeward, Inc. – Heather McMilin stated the proposed project will be the new construction of 26 family units. At current, the Housing Credits requested is \$33,061. The Cost per unit is \$230,913 and cost per square foot is \$175.20. Ms. McMilin stated these tax credits would allow for a full award of tax credits of the initial application submitted in 2015.
- Southern Lights, Billings – Developer is Homeward, Inc. – Heather McMilin stated the proposed project will be the acquisition/rehabilitation of 20 family units. At current, the Housing Credits requested is \$350,000. The Cost per unit is \$173,750 and cost per square foot is \$125.91. Ms. McMilin stated the HOME application was up for review in Washington DC.

Vice Chairperson McKee thanked all applicants for their time and efficient overview of each project. Jeanette asked the applicants if they had questions for the Board. Alex Burkhalter stated he appreciated the discussion of the Letters of Intent. Mr. Burkhalter asked if the Board could provide any feedback on what each Board member will be looking for during their review of projects.

Doug Kaercher stated he wants to know how shovel ready the project is and where the land is in the city. Doug also stated the comparable cost per unit for all projects.

Sheila Rice stated she generally looks for geographical distribution over the history of tax credits. Sheila stated she will be looking for underserved areas of tax credits. Sheila

also stated the Board will need to decide how to award projects based on rehabilitation or new construction.

Pat Melby elaborated on the new construction vs rehabilitation, stating he will look at the maturity of the existing tax credit properties.

J.P. Crowley stated he will look at the cost of rehabilitation and the overall cost of project and the number of units.

Jeanette McKee stated she will review the cost per square foot and the struggle with the cost to build in areas. Jeanette reminded the applicants that no Board member knows what the other Board members are thinking until the day of the award meeting, which can make for a messy process and she stated she appreciates the applicants support for the process.

Mary Bair brought to the Board a request from GMD Development and Homeword regarding substantial changes in the Hillview Apartments. Greg Dunfield, GMD Development, and Andrea Davis, Homeword, provided a history of the project. Located in Havre, the Hillview Apartments is a 52 unit property that received Housing Credits in 2013. Through the process the Architect left the project and failed to provide several design changes. A complete review of the application and the project resulted in substantial changes which needed MBOH Board approval. While this was an oversight, both Mr. Dunfield and Ms. Davis apologized to the Board for failure to recognize the process. Documentation had been submitted for the Board's review to clarify any changes to the project.

Pat Melby moved to retroactively approve the Hillview Apartments changes. Sheila Rice seconded the motion. Vice Chairperson McKee asked for comments.

Sheila Rice noted for the record that the scoring of the initial project submission would not have changed. The Hillview Apartment changes were approved unanimously.

Mary Bair brought to the Board the Private Placement Policy. Bruce Brensdaal stated normally with bond issuances, a trustee is utilized to ensure all steps are completed. In this type of bond issuance, these bonds are sold to a bank and the bank holds the loan for the project, making the trustee unnecessary.

Pat Melby moved to approve the amended Private Placement Policy. J.P. Crowley seconded the motion. Vice-Chairperson McKee asked for comments. Thomas Mannshreck stated his support for this policy. The Private Placement Policy was approved unanimously.

Mary Bair provided the Board with the Multifamily program update. Mary introduced Nate Richmond, BlueLine Development, who provided the Board with an update of the Apsalooke Warrior Apartments. The Grand opening will be August 25, 2015 and extended the invitation to the Montana Board of Housing.

EXECUTIVE DIRECTOR UPDATE

Bruce Brensdaal inquired the Board's availability for a Conference Board meeting on August 20, 2015 for a bond issuance application for the Larkspur Apartments in

Bozeman. Based on availability, there will be a Larkspur Apartments bond issuance will take place on August 20, 2015 at 9:00 a.m.

Mary Palkovich provided the Loan Servicing program update. Staff has been working to finalize all of the recent transfer of loan portfolios to MBOH.

Stacy Collette provided the Operations update. Staff continues to work on the Strategic planning and updates will be provided at the training session in November. In addition, staff has been working to update all job descriptions as required by the Department.

Meeting adjourned at 1:20 p.m.

Sheila Rice, Secretary

Date

HOUSING DIVISION – MONTANA BOARD OF HOUSING

Conference Call
301 S. Park Avenue, Room 240– Helena Montana 59601
August 20, 2015

ROLL CALL OF BOARD

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

STAFF: Bruce Brensdaal, Executive Director
Mary Bair, Multifamily Program
Vicki Bauer, Homeownership Program
Ginger Pfankuch, Accounting & Finance Manager
Stacy Collette, Operations Manager
Penny Cope, Public Relations
Paula Loving, Executive Assistant
Kellie Guariglia, Multifamily Program

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

UNDERWRITERS:

OTHERS: Heather McMilin, Homeward
Andrea Davis, Homeward
Steve Dymoke, GMD Development
Greg Dunfield, GMD Development
Garrett Downs

CALL MEETING TO ORDER

Chairman J.P. Crowley called the Montana Board of Housing (MBOH) meeting to order at 9:00 a.m. Introductions were made. Chairman asked for any public comment not on the agenda.

MULTIFAMILY PROGRAM

Mary Bair presented to the Board the Larkspur Commons Apartments Tax Exempt Bond transaction. The Larkspur Commons Apartments will be located in Bozeman Montana and will be a 136 unit family property located just off of Oak St. They will be serving tenants at 50% and 60% of area medium income. This is a tax exempt bond transaction. At the April Board meeting in Havre the Board approved the inducement resolution. GMD/Homeword are now ready to move forward. Greg Dunfield, GMD Development stated this project has moved quickly. They have conducted city meetings and secured financial backing. Andrea Davis stated the need for this project in Bozeman. The city has recovered and new development has increased but the need for affordable housing still remains high.

Bob Gauthier moved to approve the Private Placement/Conduit Tax exempt Bond Resolution No 15-0820-MF03:

A Resolution of the Montana Board of Housing making findings with respect to housing needs within Montana; approving a borrowing, and repayment thereof, in aggregate principal amount not to exceed \$16,000,000; approving a funding loan agreement, borrower loan agreement and other related documents; authorizing the execution of such documents; and providing for other matters properly relating thereto.

Jeanette McKee seconded the motion. Chairman Crowley asked for comments. John Wagner, Kutak Rock, stated this conduit is the same as previous conduit resolutions with the exception that these bonds are being bought by Citibank and not the public, placing more responsibility on Citibank. Bond Resolution No 15-0820-MF03 for Larkspur Commons Apartment was approved unanimously.

Bruce Brensdaal stated there will be TEFRA Notice for Multifamily and Single Family bonds.

Meeting adjourned at 9:20 a.m.

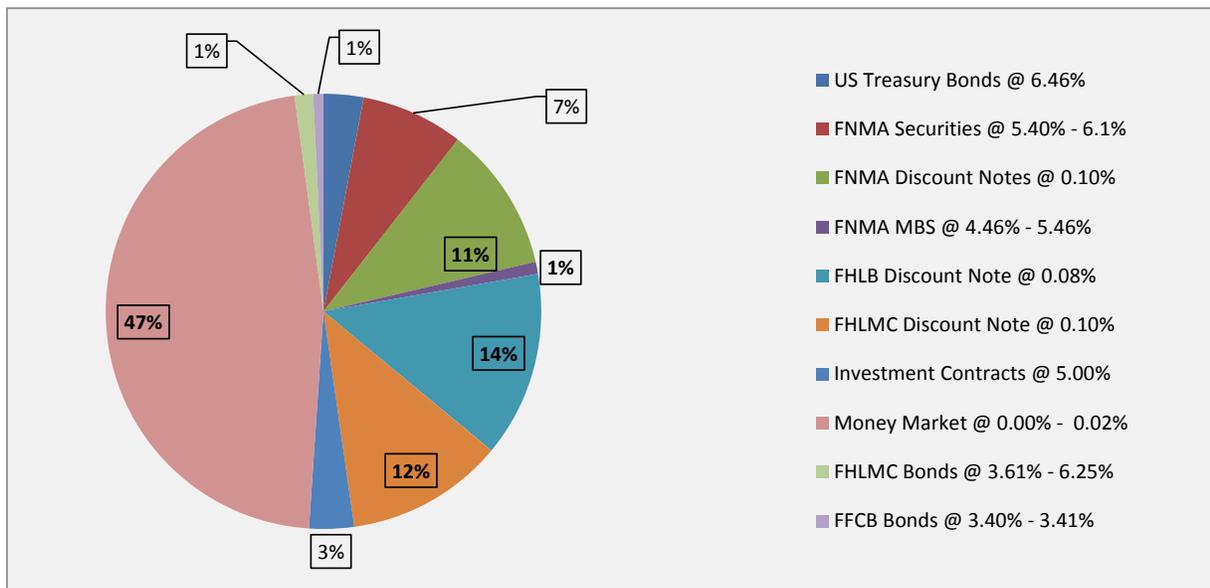
Sheila Rice, Secretary

Date

Accounting & Finance Dashboard

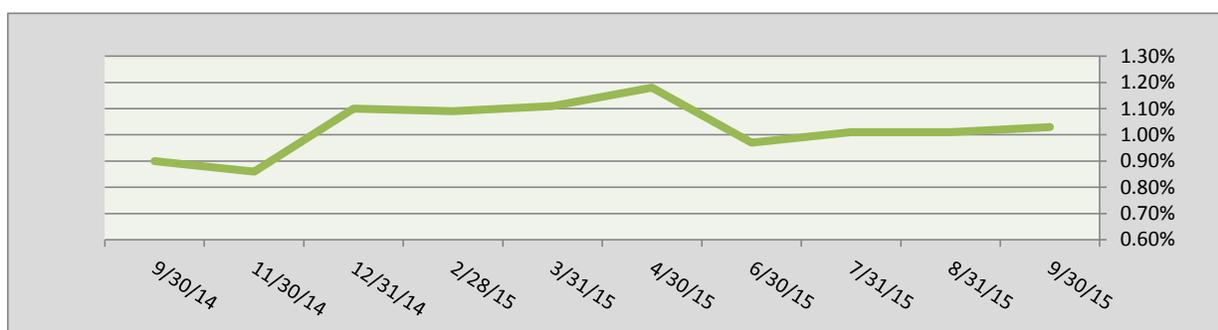
Data as of September 30, 2015

Investment Diversification



FNMA = Federal National Mortgage Association
 FHLB = Federal Home Loan Bank
 FHLMC = Federal Home Loan Mortgage Corporation
 FFCB = Federal Farm Credit Bank

Weighted Average Yield Trend



Portfolio Maturity

Available Now	Less than 1 year	5 to 10 Years	10 to 15 years	15 to 20 years	20 to 25 years	Grand Total
\$ 75,938,465	\$ 58,811,000	\$ 10,639,000	\$ 7,705,000	\$ 2,425,825	\$ 6,673,040	\$ 162,192,329

**Montana Board of Housing
Accounting and Finance
Investment Maturity Schedule
September 30, 2015**

Maturity Date	Par Value	Trustee Bank	Investment Type
9/30/2015	6,310,237.07	US Bank Corporate	Money Market
9/30/2015	69,578,108.51	Wells Fargo Bank	Money Market
9/30/2015	50,119.00	Wells Fargo Bank	Treasury
11/25/2015	10,003,000.00	Wells Fargo Bank	FHLB DN
11/25/2015	750,000.00	Wells Fargo Bank	FHLB DN
11/25/2015	500,000.00	Wells Fargo Bank	FHLB DN
11/25/2015	1,000,000.00	Wells Fargo Bank	FHLB DN
11/25/2015	750,000.00	Wells Fargo Bank	FHLB DN
11/25/2015	500,000.00	Wells Fargo Bank	FHLB DN
11/25/2015	760,000.00	Wells Fargo Bank	FHLB DN
11/25/2015	500,000.00	Wells Fargo Bank	FHLB DN
11/25/2015	3,751,000.00	Wells Fargo Bank	FHLB DN
11/25/2015	1,200,000.00	Wells Fargo Bank	FHLB DN
11/25/2015	1,100,000.00	Wells Fargo Bank	FHLB DN
11/25/2015	1,500,000.00	Wells Fargo Bank	FHLB DN
12/15/2015	14,008,000.00	Wells Fargo Bank	FNMA DN
12/15/2015	1,204,000.00	Wells Fargo Bank	FNMA DN
12/15/2015	4,002,000.00	Wells Fargo Bank	FHLMC DN
12/15/2015	1,500,000.00	Wells Fargo Bank	FHLMC DN
12/15/2015	5,492,000.00	Wells Fargo Bank	FHLMC DN
12/15/2015	8,007,000.00	Wells Fargo Bank	FHLMC DN
12/15/2015	2,284,000.00	Wells Fargo Bank	FNMA DN
05/24/2021	1,212,000.00	Wells Fargo Bank	FFCB
05/24/2021	18,000.00	Wells Fargo Bank	FFCB
08/15/2025	3,882,100.00	Wells Fargo Bank	T-NOTES & BONDS
08/15/2025	913,900.00	Wells Fargo Bank	T-NOTES & BONDS
04/30/2026	3,513,606.89	Wells Fargo Bank	FNMA DEB
04/30/2026	1,099,393.11	Wells Fargo Bank	FNMA DEB
09/27/2027	3,493,000.00	Wells Fargo Bank	FNMA DEB
09/27/2027	577,000.00	Wells Fargo Bank	FNMA DEB
11/26/2027	3,145,000.00	Wells Fargo Bank	FNMA DEB
11/26/2027	490,000.00	Wells Fargo Bank	FNMA DEB
07/15/2032	625,000.00	Wells Fargo Bank	FHLMC BOND
07/15/2032	625,000.00	Wells Fargo Bank	FHLMC BOND
07/15/2032	975,000.00	Wells Fargo Bank	FHLMC BOND
02/01/2036	79,807.50	Wells Fargo Bank	FNMA MBS
05/01/2036	32,088.88	Wells Fargo Bank	FNMA MBS
07/01/2036	88,928.13	Wells Fargo Bank	FNMA MBS
08/01/2036	126,021.28	Wells Fargo Bank	FNMA MBS
03/01/2037	157,667.31	Wells Fargo Bank	FNMA MBS
06/01/2037	1,200,000.00	Wells Fargo Bank	SOCIETE - REPO
06/01/2037	810,300.00	Wells Fargo Bank	SOCIETE - REPO
06/01/2037	1,189,700.00	Wells Fargo Bank	SOCIETE - REPO
06/01/2037	2,200,000.00	Wells Fargo Bank	SOCIETE - REPO
08/01/2037	43,644.22	Wells Fargo Bank	FNMA MBS
08/01/2038	75,254.85	Wells Fargo Bank	FNMA MBS
09/01/2038	63,733.38	Wells Fargo Bank	FNMA MBS
11/01/2038	193,910.36	Wells Fargo Bank	FNMA MBS
12/01/2038	239,957.68	Wells Fargo Bank	FNMA MBS
12/01/2038	161,227.10	Wells Fargo Bank	FNMA MBS
12/01/2038	98,759.86	Wells Fargo Bank	FNMA MBS
01/01/2039	40,803.50	Wells Fargo Bank	FNMA MBS
12/01/2039	72,060.77	Wells Fargo Bank	FNMA MBS
	<u>162,192,329.40</u>		

FNMA = Federal National Mortgage Association

FHLB = Federal Home Loan Bank

FHLMC = Federal Home Loan Mortgage Corporation

FFCB = Federal Farm Credit Bank

Moody's Report Indicates HFAs Will Continue to Experience Strong Financial Performance

Posted: 10/14/2015

Moody's Investors Service (Moody's) recently-released HFA financial medians report concludes that HFA financial profiles demonstrated solid improvement in FY 2014. The report predicts that national wage growth and lower unemployment, which have caused an increase in household formations, will enable HFAs to retain their strong financial positions in the future. The report also notes that if and when the Federal Reserve increases interest rates, HFA financial portfolios should receive an additional boost as HFA products become more attractive than conventional loans and HFA investments generate increased earnings.

HFAs' program asset-to-debt ratio was a significant factor in Moody's positive evaluation of HFAs' financial standing. According to the report, HFAs' asset-to-debt levels reached an all-time high of 1.33 times, a 10 percent increase since 2010 and a 3 percent increase since 2013. The report highlights a decline in outstanding bonds as the key reason for the record asset-to-debt ratio. Of the 49 state HFAs audited for this report, 47 experienced declining outstanding debt, with the total bonds outstanding for all HFAs falling to \$93 billion, down 7 percent from 2013 and 26 percent below the peak in 2010.

The report credits improved operating margins as a contributing element in the positive financial outlook of state HFAs. HFAs' operating margins reached a post-crisis high of over 12 percent in FY 2014, which marked the fourth straight year of growth in HFA operating margins. Moody's attributes the growth to new loan originations and favorable market conditions, specifically, low interest costs and low liquidity fees.

Moody's also highlights the constant improvement of HFAs' net interest spread since 2010. Net interest spread, which reached an all-time high for HFAs of 29 percent, measures the ability of assets to generate enough spread to cover bond interest expenses. Moody's believes that the strong growth of HFAs' net interest spread in 2014 indicates that strong margin levels will continue in the near future. **15**

Homeownership Program Dashboard

November 3, 2015

Rates

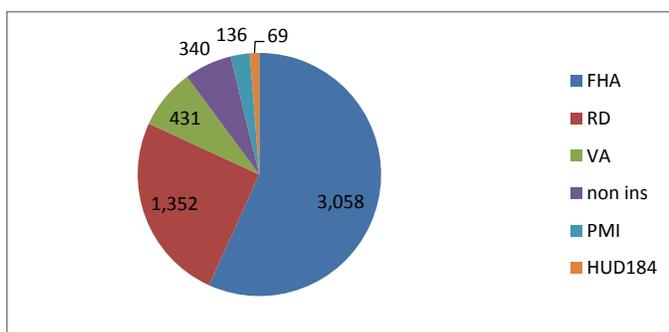
	Current	Last Month	Last Year
MBOH	3.25	3.25	3.75
Market	3.66	3.56	3.88
10 yr treasury	2.20	2.05	2.35
30 yr Fannie Mae	3.45	3.40	3.65

Loan Programs

	Oct 2015 reservations	Amount	Total: Number	Amount	Original Amount	Balance
Regular Program						
Series 2015B	39	4,909,789	177	27,266,728	30,000,000	2,733,272
Set-asides:						
Veterans (Orig)	4	662,180	205	31,066,007	40,000,000	8,933,993
Score Advantage	2	10,445	106	549,299	1,500,000	950,701
80% Combined (20+)	3	381,200	53	6,421,409	9,500,000	3,078,591
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 September 2015

5,386 Loans* (4,213 serviced by MBOH)



*This a 6.3% decrease in portfolio size from September 2014 when we had 5,753 loans

Delinquency and Foreclosure Rates

	Montana Board of Housing		Mortgage Bankers Assoc. 6/2015		
	Sep-15	Sep-14	Montana	Region	Nation
30 Days	2.45	2.59	1.53	1.93	2.52
60 Days	1.06	1.10	0.44	0.63	0.88
90 Days	<u>2.36</u>	<u>1.89</u>	<u>0.82</u>	<u>1.23</u>	<u>1.86</u>
Total Delinquencies	5.87	5.58	2.79	3.79	5.26
In Foreclosure	0.74	0.97	0.76	1.17	2.09

80% Combined ProgramAuthorized by the Board 04/22/2013: Program expires 6/30/16 (114)

Original Setaside		\$	4,500,000	
Additional Setaside	Apr 14	\$	700,000	
Additional Setaside	Apr 14	\$	5,000,000	
Loans Reserved	6	\$	(742,800)	
Loans Purchased	47	\$	(5,810,610)	
Remaining Setaside		\$	3,078,591	\$ 3,078,591

FORECLOSURE PREVENTION SETASIDEAuthorized by the Board 09/13/2004: (499)

Original Setaside		\$	50,000	
Loans Reserved	0	\$	(0)	
Loans Purchased	1	\$	(4,365)	
Remaining Setaside		\$	45,635	\$ 45,635
TOTAL FORECLOSURE PREVENTION SETASIDE:				\$ 45,635

DISABLED ACCESSIBLE AFFORDABLE HOMEOWNERSHIP PROGRAM (DAAHP)MORTGAGE RATE OF 2.750% TO 5%; Authorized by the Board 6/1995: expires 6/30/16 (501),(502)

Original Setaside		\$	3,500,000	
Additional Setaside	(Sep 94)	\$	4,000,000	
Additional Setaside	(Aug 95)	\$	800,000	
Additional Setaside	(Feb 98)	\$	1,000,000	
Transfer to CAP IV	(Mar 97)	\$	(2,000,000)	
Additional Setaside	(Jul 00)	\$	1,000,000	
Additional Setaside	(Aug 01)	\$	500,000	
Additional Setaside	(Oct 02)	\$	500,000	
Additional Setaside	(Mar 04)	\$	1,000,000	
Additional Setaside	(Apr 05)	\$	500,000	
Additional Setaside	(Jan 06)	\$	1,000,000	
Additional Setaside	(Mar 07)	\$	1,000,000	
Additional Setaside	(Feb 08)	\$	1,000,000	
Additional Setaside	(Jul 08)	\$	500,000	
Additional Setaside	(Mar 09)	\$	1,000,000	
Additional Setaside	(Nov 09)	\$	1,000,000	
Additional Setaside	(Nov 10)	\$	500,000	
Additional Setaside	(Jun 13)	\$	560,000	
Loans Reserved	1	\$	(49,587)	
Loans Purchased	227	\$	(16,447,463)	
Remaining Setaside		\$	862,950	\$ 862,950
TOTAL DAAHP SETASIDE:				\$ 862,950

Score Advantage Second MortgageAuthorized by the Board 11/2012 (521)

Original Setaside		\$	1,500,000	
Loans Reserved	7	\$	37,295	
Loans Purchased	99	\$	512,004	
Remaining Setaside		\$	950,701	\$ 950,701

LOT REFINANCE SETASIDEAuthorized by the Board 07/02; Program expires 6/30/2016: (575)

Original Setaside		\$	1,000,000	
Additional Setaside	(May 05)	\$	1,000,000	
Loans Reserved	0	\$	(0)	
Loans Purchased	12	\$	(1,273,560)	
Remaining Setaside		\$	726,440	\$ 726,440
TOTAL LOT REFINANCE SETASIDE:				\$ 726,440

HABITAT FOR HUMANITY SETASIDEMORTGAGE RATE OF 0.375%; Authorized by the Board 9/97; Program expires 06/30/2016: (580)

Original Setaside		\$	750,000	
Additional Setaside		\$	700,000	
Additional Setaside	(Feb 02)	\$	250,000	
Additional Setaside	(Feb 02)	Conventional Funding	\$ 250,000	
Additional Setaside	(Dec 02)	Conventional Funding	\$ 250,000	
Additional Setaside	(Jun 03)	Conventional Funding	\$ 500,000	
Additional Setaside	(Feb 06)	Conventional Funding	\$ 1,000,000	
Additional Setaside	(Oct 07)	Conventional Funding	\$ 1,000,000	

Additional Setaside	(Sep 08)	\$	350,000	
Loans Reserved	0	\$	(0)	
Loans Purchased	74	\$	(5,018,278)	
Remaining Setaside		\$	<u>31,722</u>	
	TOTAL HABITAT FOR HUMANITY SETASIDE:			\$ 31,722
Additional Setaside	(Sep 09)	\$	1,000,000	
Loans Reserved	0	\$	(0)	
Loans Purchased	9	\$	(735,563)	
Remaining Setaside		\$	<u>264,437</u>	
	TOTAL HABITAT FOR HUMANITY SETASIDE:			\$ 264,437
Additional Setaside	(July 10)	\$	1,000,000	
Loans Reserved	0	\$	(0)	
Loans Purchased	4	\$	(334,623)	
Remaining Setaside		\$	<u>665,377</u>	
	TOTAL HABITAT FOR HUMANITY SETASIDE:			\$ 665,377
Additional Setaside	(July 11)	\$	850,000	
Loans Reserved	1	\$	(116,487)	
Loans Purchased	8	\$	(713,743)	
Remaining Setaside		\$	<u>19,770</u>	
	TOTAL HABITAT FOR HUMANITY SETASIDE:			\$ 19,770
Additional Setaside	(June 12)	\$	1,125,000	
Loans Reserved	0	\$	(0)	
Loans Purchased	7	\$	(682,912)	
Remaining Setaside		\$	<u>442,088</u>	
	TOTAL HABITAT FOR HUMANITY SETASIDE:			\$ 442,088
Additional Setaside	(June 13)	\$	1,000,000	
Loans Reserved	0	\$	(0)	
Loans Purchased	7	\$	(710,750)	
Remaining Setaside		\$	<u>289,250</u>	
	TOTAL HABITAT FOR HUMANITY SETASIDE:			\$ 289,250
Additional Setaside	(June 14)	\$	1,215,000	
Loans Reserved	2	\$	(174,918)	
Loans Purchased	6	\$	(563,279)	
Remaining Setaside		\$	<u>476,803</u>	
	TOTAL HABITAT FOR HUMANITY SETASIDE:			\$ 476,803
Additional Setaside	(June 15)	\$	880,000	
Loans Reserved	0	\$	(0)	
Loans Purchased	3	\$	(269,458)	
Remaining Setaside		\$	<u>610,542</u>	
	TOTAL HABITAT FOR HUMANITY SETASIDE:			\$ 610,542
	<u>TOTAL OF ALL INDIVIDUAL SETASIDES:</u>			<u>\$ 6,274,858</u>

DOWN PAYMENT 1ST MORTGAGE SET-ASIDE POOL (OCT 5, 2007)

Jul-07	\$	10,000,000
Approved 9-07/Began using 2-08	\$	10,000,000
Mar-08	\$	5,000,000
Jun-08	\$	10,000,000
January-09	\$	5,000,000
September-09	\$	5,000,000

Pre-Ullman Funds

NHS 111		
Total Loans	\$	12,082,524
HRDC BOZEMAN 275		
Total Loans	\$	2,750,094
HRDCXI COMBINED 309		
Total Loans	\$	2,674,592
TOWN OF BRIDGER 325		
Total Loans	\$	108,900
CITY OF BILLINGS 355		
Total Loans	\$	8,157,169
LAKE COUNTY 383		
Total Loans	\$	497,345
HRDC VI 385		

Total Loans	\$	220,106
CITY OF LEWISTOWN HRDC VI 388		
Total Loans	\$	-
City of Redlodge 390		
Total Loans	\$	521,238
GR8 HOPE SETASIDE 405		
Total Loans	\$	1,574,651
FTHB SAVINGS ACCOUNT PROGRAM 571		
Total Loans	\$	9,662,328
GLACIER AFFORDABLE HOUSING SETASIDE 600		
Total Loans	\$	189,000
Total Loans	\$	-
WHITEFISH HOUSING AUTHORITY 750		
Total Loans	\$	<u>450,918</u>
Total Loans	\$	38,888,865
Amount Remaining in Current Allocation		\$6,991,135

Check:	\$12,385,992
\$ 45,000,000	
- (38,888,865)	Total Loans in Allocation
\$6,111,135	
\$ 6,274,857.98	Total of All Individual Setasides
<u>\$ 12,385,992.49</u>	

**LEGAL MEMORANDUM TO BOARD
REGARDING HOUSING CREDIT APPLICATION
THRESHOLD REQUIREMENTS**

Greg Gould, Board Counsel

November 4, 2015

This memorandum is provided to assist the Board in its consideration of requests from several 2016 Housing Credit Applicants for reconsideration of MBOH staff determinations that their applications do not meet the 2016 QAP's threshold requirements for further consideration.

2016 QAP Provisions

The 2016 QAP specifies a number of threshold requirements that applications must meet in order to be further considered for an award of credits. The 2016 QAP provides in pertinent part:

Threshold Requirements Are Mandatory

Threshold Requirements are mandatory for all Letters of Intent and Applications. Letters of Intent and Applications received not meeting all Threshold Requirements or other requirements of this QAP will be returned un-scored and will receive no further consideration. Fees will not be returned.

MBOH staff may communicate with Applicants for purposes of providing interpretive guidance or other information or for purposes of clarifying Applications. MBOH staff may allow minor corrections to Applications, but will return and will not further consider Applications requiring substantial revision or those that are substantially incomplete.

2016 QAP, p. 26.

The 2016 QAP further provides:

Applications must:

3. Include a cover letter summarizing the Project, limited to 2 pages, which will be provided to MBOH Board members within one week following the application deadline;

7. Market Study prepared and signed by a disinterested third party analyst, with certificate (included in Exhibit B) signed by analyst and notarized. Market Studies must be completed within six (6) months prior to the submission date of the Application, must have the market analyst complete a physical inspection of the market area within one (1) year of the Application and must adhere to minimum market study requirements in Exhibit B.

13. All Applications for land and/or Acquisition transactions must include a comparative market analysis (“CMA”) or an appraisal done by an independent (non-related) party. A CMA or appraisal is not required on leased land.

2016 QAP, pp. 26-27. The CMA Requirement (item 13) was first added in the 2015 QAP and remained the same in substance in the 2016 QAP.

Note that Section 4 of the 2016 QAP provides that MBOH Board, in its discretion, may waive any requirement of the QAP if it determines such waiver to be in the best interests of MBOH, the HC program or the application cycle.

THRESHOLD DETERMINATIONS

On initial review of 2016 applications, MBOH staff determined that certain applications did not meet one or more of these threshold requirements as follows:

- The following application did not include a cover letter as required by threshold requirement 1:
 - Red Fox
- The following applications did not include a comparative market analysis or appraisal as required by threshold requirement 13:
 - Gateway Vista (new construction, donated land)
 - Noblehomestead (new construction, purchased land)
 - Polson Landing (new construction, purchased land)

- Stower Commons (new construction, purchased land)
- Timber Meadows (new construction, donated land¹)
- The following application included a Market Study, but the analyst’s certificate signature was not notarized as required by threshold requirement 7:
 - Noblehomestead

MBOH staff determined that the plain language of these threshold requirements is clear and unambiguous and, based upon the Court determination in the Fort Harrison suit, that staff has no authority to waive them. Accordingly, staff notified the Applicants of the respective threshold deficiencies, and that the applications will be returned and will not be considered further in the 2016 Application round. Staff allowed each applicant the opportunity to indicate where the missing item was included in the application or to request Board review of the staff determination. In response, all of the above-referenced Applicants have submitted written requests for Board review.

DISCUSSION

I will discuss separately each issue and the options available to Board for each issue.

I. Cover Letter Requirement.

The 2016 QAP plainly states that applications must include a cover letter summarizing the Project. The Applicant states that it did not think a cover letter was needed because the Board already had received the Letter of Intent submitted 3 months earlier. The Applicant “assumed” the Board had what it needed. The application as submitted clearly failed to meet the threshold requirement. Moreover, the details of projects may change from the letter of intent stage to the application stage.

Options: The following options are available to address this issue.

- (1) Determine that the threshold requirement was not met and that the application will be returned unscored and not considered further [ALTERNATIVE MOTION1]².
- (2) Waive the Cover Letter requirement for all Applicants [ALTERNATIVE MOTION2].
- (3) Allow the Applicant to submit the cover letter as a “minor correction” to the application [ALTERNATIVE MOTION3].

¹ The Application’s response to the threshold requirement for “proof of ownership” indicates that the sponsor has a buy/sell agreement for purchase of the land for \$320,000. The Application later indicates that the sponsor will contribute the land to the development. A land cost of \$1.00 is indicated in the Application’s use of funds. For purposes of this discussion, the land will be considered to be donated.

² See attached Alternative Motions provided for the Board’s consideration.

I recommend that the Board adopt option 1 or option 3. I do not recommend waiver of this requirement, as this omission was made by only a single applicant and there appears to be no basis to conclude that the requirement was unclear or that the omission was caused by any lack of clarity or MBOH action.

II. Comparative Market Analysis/Appraisal Requirement (“CMA Requirement”).

Some of the Applicants argue that this requirement does not apply to new construction or to land acquired by donation from project sponsors. One Applicant states that the failure to submit a CMA was simply an oversight by its analyst.

Interpretation of CMA Requirement. The Applicants argue that the CMA Requirement does not apply to new construction projects or to projects involving donated land, based upon the language of the requirement. They argue that the CMA provision lacks clarity, is confusing and is subject to various interpretations. They argue that terminology used in this requirement is not used or applied consistently throughout the QAP, i.e., the defined term “Acquisition.” They argue that the phrase “land and/or Acquisition transactions” can be read to include only Acquisition/Rehab projects and not new construction projects. Applicants argue that receipt of the project land by donation is not a land transaction, as the term “transaction” includes only a purchase or sale, and not a donation.

In my opinion, these arguments lack merit. The phrase “land and/or Acquisition transactions” plainly includes and applies to any land transaction and to any Acquisition transaction. Only leased land is excepted from this requirement.

The requirement plainly includes “Acquisition transactions”. The 2016 QAP defines “Acquisition” to mean “obtaining title, lease or other legal control over a property for purposes of an HC Project.” This would, at a minimum, apply to and include Acquisition/Rehab projects, none of which are at issue here.

The requirement, however, also applies to and includes “land transactions.” This phrase is very broad and plainly includes any land transaction. “Transaction” certainly includes a business deal or a purchase or sale, but it also includes “something performed or carried out” and “any activity involving two or more persons.” Black’s Law Dictionary (7th Ed. 1999). Whether land, title to land or the right to use and possess land is obtained by donation from one party to another or for use in a new construction project, it is nonetheless within the plain meaning of “land transaction.” There is no confusion, lack of clarity or ambiguity in the language of this requirement. Moreover, even if “Acquisition” is used to reference Acquisition/Rehab projects, the additional phrase “land transaction” plainly includes other types of projects. If the Board or staff had intended to except donated land or new

construction, it could have and presumably would have specifically so provided, as it did with leased land.

Applicants argue that it is unnecessary for MBOH to know the value of the land for new construction projects, because the purchase and sale agreement identifies the cost of the land. This argument, however, misapprehends the purposes behind the requirement. Purchase and sale agreements may be affected by the relationship between the parties or other factors. The CMA or appraisal provides documentation to support the reasonableness of such land costs.

Applicants also argue that the CMA requirement applies only to projects involving the acquisition and rehabilitation of existing structures, because the value of the land is critical to a proper determination of the amount of 4% acquisition credits allowed and to prevent unscrupulous applicants from manipulating land value to increase 4% acquisition credits.

Applicants, however, do not point to any MBOH Board or Staff pronouncement that this was the sole purpose of the CMA Requirement. Staff intent behind this requirement included providing support for the reasonableness of land costs for purposes of overall project and square footage cost and the amount of credits awarded. Staff intended the requirement to apply broadly and so worded the provision, excepting only leased land.

One developer argues that a CMA makes sense where the project is burdened by a land acquisition cost, the reasonableness of which must be supported by a CMA or appraisal. But where the land is being contributed to the partnership, the value is meaningless because there is no land cost and no cost to justify as reasonable. Such a requirement adds to the project cost but provides no relevant information and could cause the project to incur the cost of 2 appraisals (note, however, that a market analysis meets the requirement and an appraisal is not required). While this may be a good argument that the requirement *should be revised* to exclude donated land, it does not make the plain language of the requirement any less clear.

In my opinion, the language of the requirement plainly and unambiguously applies to all land transactions, including new construction and donated land projects, and should not be interpreted in the strained fashion suggested by the Applicants.

Prior Failure to Apply CMA Requirement. The Applicants point out that substantially the same CMA Requirement was included in the 2015 QAP, but that no CMA or appraisal was submitted for 2 new construction applications that were scored, evaluated and advanced for Board consideration. These 2 projects were Stower Commons and Antelope Court, both of which involved purchased land.³ One of those applications received an award of 2015 credits

³ The Stower Commons 2015 Application indicated that the partnership had a buy/sell agreement to purchase the land for \$255,000. The Antelope Court 2015 Application indicated that the HRDC owned the land but the cost of

(Antelope Court). The developers of 4 of the 5 applications at issue here state that they relied upon the Board's consideration of these applications in 2015 without submission of a CMA in determining that no CMA was required for 2016 applications.

MBOH Staff agree that the referenced 2015 applications did not include the required CMA or appraisal but nonetheless were scored and submitted to the Board for consideration, with Antelope Court receiving an award of credits. Staff indicate, however, that the failure to apply and enforce the CMA requirement to these applications was an oversight and an error. Staff did not make any interpretation or determination that the requirement was inapplicable to those applications; rather, Staff simply erred in failing to note the applicants' omission of this requirement and inadvertently passed the applications on to the scoring and evaluation process.

Nonetheless, the fact that the CMA requirement was not applied to these 2015 applications is troublesome. It is difficult to determine whether all of the 2016 Applicants involved here were aware of that omission at the time they submitted their 2016 applications. The Stower Commons Applicant, however, clearly had to be aware when it submitted its 2016 application that it had not submitted a CMA or appraisal with its 2015 application and that it was not disqualified from further consideration in the 2015 round. An Applicant that in fact knew this information and relied upon it in not submitting a CMA or appraisal could make a case that it justifiably relied upon the Board's nonapplication of the same requirement in the prior round and that it cannot be penalized for doing so.

Note that one Applicant that failed to submit a CMA or appraisal, Noblehomestead, does not argue that the CMA requirement is inapplicable, but simply submits that its contractor, Gill Group, omitted the appraisal from its report.

Options: The Board has the following options to address this issue.

- (1) Determine that the threshold requirement was not met and that the application will be returned unscored and not considered further [ALTERNATIVE MOTION4]⁴.
- (2) Interpret the CMA Requirement as being inapplicable to new construction and donated land projects [ALTERNATIVE MOTION5].
- (3) Waive the CMA Requirement for all Applicants and direct that any submitted CMAs/Appraisals will not be used for any purpose in scoring, evaluation or award [ALTERNATIVE MOTION6].

the land to the partnership was indicated as \$20,000. For purposes of this memo, both projects are considered to include purchased land.

⁴ See attached Motion Alternatives provided for the Board's consideration.

- (4) Allow the Applicants to submit the CMA or Appraisal as a “minor correction” to the applications [ALTERNATIVE MOTION7].

Based upon legal considerations and risks, I recommend option 3 (Alternative Motion 6), waiver of the requirement for all applicants. Although I believe the language of the requirement is clear and unambiguous, at least some of the Applicants involved were aware of and may have relied upon the fact that the requirement was not applied to some 2015 applications. Therefore, enforcement of the requirement under option (1) would not be equitable. In my opinion, the plain language cannot reasonably be interpreted to exclude new construction or donated land projects as contemplated under option (2). Further, the requirement is substantive and option (4) would set a problematic precedent.

If the Board determines that waiver of the requirement is in the best interests of MBOH, the HC program or the application cycle, I recommend that the requirement be waived for all applications (option (3)) and that the CMAs and appraisals that were submitted by other applicants will not be used for any purpose in scoring, evaluation or award. Waiver of the requirement for only some but not all applicants may create actual or perceived inequities among the Applicants.

III. Notarial Acknowledgement Requirement.⁵

The 2016 QAP mandatory threshold requirements include submission with the application of a Market Study prepared and signed by a disinterested third party analyst, with a certificate signed by the analyst and notarized. Noblehomestead’s application included a Market Study with a certificate that was signed by the analyst but not notarized as required by the QAP. Noblehomestead acknowledges that the analyst’s signature on the Market Study certificate was not notarized but argues that this was a rare oversight by its market analyst, Gill Group. Noblehomestead begs the Board’s grace based upon Gill’s professionalism. The notarization is a clear threshold requirement which, by the Applicant’s own admission, was not met.

Options: The Board has the following options to address this issue.

- (1) Determine that the notarization requirement was not met and that the application be returned unscored and not considered further [ALTERNATIVE MOTION8]⁶.

⁵ If Noblehomestead’s Application is disqualified based upon the CMA requirement, the Board need not consider or decide this issue.

⁶ See attached Motion Alternatives provided for the Board’s consideration.

(2) Allow the Applicant to resubmit the certificate with notarization as a “minor correction” to the application [ALTERNATIVE MOTION9].

I do not recommend waiver of this requirement, as this omission was made by only a single applicant and there appears to be no basis to conclude that the requirement was unclear or that the omission was caused by any lack of clarity or MBOH action.

I will be available at the Board meeting to answer any further questions you may have.

INDEX OF ALTERNATIVE MOTIONS

- 1 Red Fox Cover Letter Omitted – Application Disqualified (p. 10)
- 2 Red Fox Cover Letter Omitted – Requirement Waived For All Applicants (p. 11)
- 3 Red Fox Cover Letter Omitted – Correction Permitted (p. 12)

- 4 Applicants’ CMA/Appraisal Omitted – Applications Disqualified (p. 13)
- 5 Applicants’ CMA/Appraisal Omitted – Interpretation: Requirement Not Applicable (p. 14)
- 6 Applicants’ CMA/Appraisal Omitted – Requirement Waived For All Applicants (p. 15)
- 7 Applicants’ CMA/Appraisal Omitted – Corrections Permitted (p. 16)

- 8 Noblehomestead Notarization Omitted – Application Disqualified (p. 17)
- 9 Noblehomestead Notarization Omitted – Correction Permitted (p. 18)

ALTERNATIVE MOTION NO. 1

Moved that the Board hereby finds, determines and resolves:

1. That the 2016 Housing Credit Application submitted for the Red Fox Apartments Project failed to meet the mandatory Threshold Requirement to include a cover letter summarizing the Project (2016 QAP, Section 8, pp. 26-27);
2. That the Application be returned to the Applicant un-scored and receive no further consideration for an award of Housing Credits in the 2016 Allocation Round, as provided in the 2016 QAP (2016 QAP, Section 8, p. 26); and
3. That Applications fees will not be returned, as provided in the 2016 QAP (2016 QAP, Section 8, p. 26).

DATED this 9th Day of November 2015.

ALTERNATIVE MOTION NO. 2

Moved that the Board hereby finds, determines and resolves:

1. That the 2016 Housing Credit Application submitted for the Red Fox Apartments Project failed to meet the mandatory Threshold Requirement to include a cover letter summarizing the Project (2016 QAP, Section 8, pp. 26-27);
2. Section 4 of the 2016 QAP provides that the Board, in its discretion, may waive any requirement of the QAP if it determines such waiver to be in the best interests of MBOH, the HC program or the application cycle (2016 QAP, Section 4, pp. 22);
3. Waiver of the Threshold Requirement to include a cover letter summarizing the Project on pp. 26-27 of the 2016 QAP, as applicable to all 2016 Applications for Housing Credits, is in the best interests of the MBOH, the HC program and the application cycle. The information to be included in the cover letters was provided to MBOH previously in the Projects' respective Letters of Intent and the Board deems consideration of all Applications without regard to the cover letter to be in the best interests of the MBOH, the HC program and the application cycle;
4. That the Threshold Requirement to include a cover letter summarizing the Project on pp. 26-27 of the 2016 QAP be and hereby is waived in its entirety for all 2016 Housing Credit Applications, and that any cover letters submitted with or as part of any such Applications shall be disregarded and not further considered for any purpose in the 2016 Allocation Round; and
5. That all submitted 2016 Applications for Housing Credits be evaluated and scored as provided in the 2016 QAP; provided, that this determination shall not be deemed to waive any requirement or provision of the 2016 QAP except as specifically provided herein.

DATED this 9th Day of November 2015.

ALTERNATIVE MOTION NO. 3

Moved that the Board hereby finds, determines and resolves:

1. That the 2016 Housing Credit Application submitted for the Red Fox Apartments Project failed to meet the mandatory Threshold Requirement to include a cover letter summarizing the Project (2016 QAP, Section 8, pp. 26-27);
4. That despite the failure to include such cover letter, the Application is substantially complete and late submission of the cover letter is not a substantial revision to the Application and is permitted under the 2016 QAP as a minor correction (2016 QAP, Section 8, p. 26); and
5. That upon Applicant's submission of a cover letter summarizing the Project, as required under the Threshold Requirements of the 2016 QAP (2016 QAP, Section 8, pp. 26-27), such cover letter to be delivered to and received by MBOH no later than November 16, 2015 at 5:00 p.m., the Application be evaluated and scored as provided in the 2016 QAP; provided, however, that this determination shall not be deemed to waive any requirement or provision of the 2016 QAP except as specifically provided herein.

DATED this 9th Day of November 2015.

ALTERNATIVE MOTION NO. 4

Moved that the Board hereby finds, determines and resolves:

1. That the 2016 Housing Credit Applications submitted for the Gateway Vista, Noblehomestead, Polson Landing, Stower Commons and Timber Meadows Projects failed to meet the mandatory Threshold Requirement to include a comparative market analysis or appraisal as required Threshold Requirement No. 13 (“CMA Requirement”) (2016 QAP, Section 8, pp. 26-27);
2. That the 2016 Housing Credit Applications submitted for the Gateway Vista, Noblehomestead, Polson Landing, Stower Commons and Timber Meadows Projects be returned to the respective Applicants un-scored and receive no further consideration for an award of Housing Credits in the 2016 Allocation Round, as provided in the 2016 QAP (2016 QAP, Section 8, p. 26); and
3. That Applications fees for the respective Applications will not be returned, as provided in the 2016 QAP (2016 QAP, Section 8, p. 26).

DATED this 9th Day of November 2015.

ALTERNATIVE MOTION NO. 5

Moved that the Board hereby finds, determines and resolves:

1. That the Board adopts, ratifies and approves the following interpretation of the 2016 QAP Threshold Requirement No. 13 (2016 QAP, Section 8, pp. 26-27): Threshold Requirement No. 13 of the 2016 QAP, set forth in Section 8 at pages 26-27, does not apply to 2016 Housing Credit Applications: (a) for new construction projects, or (b) with respect to any land donation transaction proposed or completed for or as part of any project; and
2. That the failure to submit a Comparative Market Analysis or Appraisal with or as part of a 2016 Application pursuant to 2016 QAP Threshold Requirement No. 13 shall not require return of or disqualification of such Application from further consideration or award of credits to the extent such Application proposes a new construction project or a project including a land donation transaction, and such Applications shall be evaluated, scored and further considered as provided in the 2016 QAP.

DATED this 9th Day of November 2015.

ALTERNATIVE MOTION NO. 6

Moved that the Board hereby finds, determines and resolves:

1. That the 2016 Housing Credit Applications submitted for the Gateway Vista, Noblehomestead, Polson Landing, Stower Commons and Timber Meadows Projects failed to meet the mandatory Threshold Requirement to include a comparative market analysis or appraisal as required by Threshold Requirement No. 13 (“CMA Requirement”) (2016 QAP, Section 8, pp. 26-27);
2. Section 4 of the 2016 QAP provides that the Board, in its discretion, may waive any requirement of the QAP if it determines such waiver to be in the best interests of MBOH, the HC program or the application cycle (2016 QAP, Section 4, pp. 22);
3. Waiver of the Threshold Requirement to include a comparative market analysis or appraisal as required by Threshold Requirement No. 13 (“CMA Requirement”) (2016 QAP, Section 8, pp. 26-27), as applicable to all 2016 Applications for Housing Credits, is in the best interests of the MBOH, the HC program and the application cycle. The Board deems consideration of all Applications without regard to such requirement to be in the best interests of the MBOH, the HC program and the application cycle;
4. That the Threshold Requirement to include a comparative market analysis or appraisal as required by Threshold Requirement No. 13 (“CMA Requirement”) of the 2016 QAP be and hereby is waived in its entirety for all 2016 Housing Credit Applications, and that any comparative market analyses or appraisals submitted with or as part of any such Applications pursuant to such Threshold Requirement shall be disregarded and not further considered for any purpose in the 2016 Allocation Round; and
5. That all submitted 2016 Applications for Housing Credits be evaluated and scored as provided in the 2016 QAP; provided, that this determination shall not be deemed to waive any requirement or provision of the 2016 QAP except as specifically provided herein.

DATED this 9th Day of November 2015.

ALTERNATIVE MOTION NO. 7

Moved that the Board hereby finds, determines and resolves:

1. That the 2016 Housing Credit Applications submitted for the Gateway Vista, Noblehomestead, Polson Landing, Stower Commons and Timber Meadows Projects failed to meet the mandatory Threshold Requirement to include a comparative market analysis or appraisal as required by Threshold Requirement No. 13 (“CMA Requirement”) (2016 QAP, Section 8, pp. 26-27);
2. That the late submission of such comparative market analyses or appraisals is permitted under the 2016 QAP as minor correction to such Applications (2016 QAP, Section 8, p. 26); and
3. That upon each respective Applicant’s submission of a comparative market analysis or appraisal, as required by Threshold Requirement No. 13 (“CMA Requirement”) of the 2016 QAP, such comparative market analysis or appraisal to be delivered to and received by MBOH no later than November 16, 2015 at 5:00 p.m., the Application be evaluated and scored as provided in the 2016 QAP; provided, however, that this determination shall not be deemed to waive any requirement or provision of the 2016 QAP except as specifically provided herein.

DATED this 9th Day of November 2015.

ALTERNATIVE MOTION NO. 8

Moved that the Board hereby finds, determines and resolves:

1. That the 2016 Housing Credit Application submitted for the Noblehomestead Project failed to meet the mandatory Threshold Requirement to include a Market Study prepared and signed by a disinterested third party analyst, with a certificate signed by the analyst and notarized (2016 QAP, Section 8, pp. 26-27), in that the analyst's signature on the certificate was not notarized;
2. That the Application be returned to the Applicant un-scored and receive no further consideration for an award of Housing Credits in the 2016 Allocation Round, as provided in the 2016 QAP (2016 QAP, Section 8, p. 26); and
3. That Applications fees will not be returned, as provided in the 2016 QAP (2016 QAP, Section 8, p. 26).

DATED this 9th Day of November 2015.

ALTERNATIVE MOTION NO. 9

Moved that the Board hereby finds, determines and resolves:

1. That the 2016 Housing Credit Application submitted for the Noblehomestead Project failed to meet the mandatory Threshold Requirement to include a Market Study prepared and signed by a disinterested third party analyst, with a certificate signed by the analyst and notarized (2016 QAP, Section 8, pp. 26-27), in that the analyst's signature on the certificate was not notarized;
2. That submission of a corrected Market Study prepared and signed by a disinterested third party analyst, with a certificate signed by the analyst and notarized, is permitted under the 2016 QAP as a minor correction to such Application (2016 QAP, Section 8, p. 26); and
3. That upon Applicant's submission of such corrected Market Study prepared and signed by a disinterested third party analyst, with a certificate signed by the analyst and notarized, as required under the Threshold Requirements of the 2016 QAP, such corrected Market Study to be delivered to and received by MBOH no later than November 16, 2015 at 5:00 p.m., the Application be evaluated and scored as provided in the 2016 QAP; provided, however, that this determination shall not be deemed to waive any requirement or provision of the 2016 QAP except as specifically provided herein.

DATED this 9th Day of November 2015.



**HOUSING
AUTHORITY OF
BILLINGS**

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

MONTANA RELAY: 711
FAX: 406-245-0387

November 3, 2015

Montana Board of Housing, Board
Montana Department of Commerce
301 Park St.
Helena, Mt.

Dear MBOH Board Members,

The Housing Authority of Billings, submitted an application for tax credits for the proposed Red Fox Apartments, LLLP on October 5, 2015. In reviewing our application before submission, to the QAP threshold requirements we felt we met all the threshold items. We are requesting that you consider our explanation, as to why threshold item #3, was missed.

Not until we received the email from the MBOH staff, that we had missed threshold item #3, had we realized that the QAP threshold #3, meant an additional letter from the required two page letter submitted with the LOI that was already at the MBOH. It is very confusing, as threshold item #3, did not state it needed to be different from the LOI summary, we viewed mistakenly, to be part of the overall application process. Also, the electronic upload did not have a named Cover letter line item to attach one to. The uni-application check list did not have a Cover Letter line item, either. So it was easily assumed we did not need a separate letter, albeit mistakenly.

I hope that you will look favorably upon our request to except our LOI summary as meeting threshold, or waive my mistake. The Billings Community has huge waiting lists for families and individuals, and a very tight vacancy factor, it would be a shame for this application not to be judged on its good merits, over this error.

Thank you for your consideration of this important matter.

Respectfully,

Lucy Brown, Executive Director
Housing Authority of Billings





November 3, 2015

Board of Directors

Montana Board of Housing

Attention: Mr. Bruce Brensdal, Executive Director

301 So. Park Avenue

Helena, MT 50601

**RE: 2016 LIHTC Application – Gateway Vista, LLLP (Billings, MT)
Threshold Requirement 13 (CMA/Appraisal)**

Dear Board Members:

I am in receipt of a letter dated October 30, 2015 from Ms. Mary Bair of the Montana Board of Housing (MBOH). This letter was received via e-mail on Monday, November 2, 2015. The letter indicates that the MBOH has determined the Application does not meet a Threshold Requirement as required in the 2016 QAP. Accordingly, the Application is being returned and will not receive any further consideration. The letter also advises the Application and filing fees of \$5,158 paid to date will not be returned.

The **Gateway Vista** project is sponsored by YWCA Billings, a nonprofit entity based in Billings. Mountain Plains Equity Group, Inc. serves as an advisor and consultant to the YWCA Billings in helping to evaluate, plan and develop the housing project, including the preparation of the Low-Income Housing Tax Credit (LIHTC) Application. On behalf of the project sponsor, and as directed in the final paragraph of Ms. Bair's letter, I am writing to disagree and object to the determination made by the MBOH with respect to the LIHTC application submitted for the Gateway Vista project.

Accordingly, I respectfully request an opportunity to be heard on this topic and to voice our objections and rationale before the Board members directly. Given the upcoming Board meeting of November 9th, please consider my request for placement on the Agenda for that same meeting.

To be specific, I am referring to Threshold Item #13 on page 27 of the 2016 QAP. I believe there is a serious and fatal lack of clarity in the language of this particular Threshold Requirement item, thereby creating QAP language that is confusing and clearly subject to various interpretations. In the Gateway Vista project, where the land parcel is being contributed to the partnership by the nonprofit project sponsor, this section would not appear to be applicable. It is certainly not clear that it would apply. Accordingly, our interpretation and contention is simply that it DOES NOT apply. For this reason, we believe the determination by the MBOH is in error and our application should indeed be considered fully by the MBOH.

I respectfully request that you consider this situation in its entirety and in the context of our good faith effort to prepare and present a well-planned project proposal. Please consider an immediate course of action to rectify this situation, under which the Application will be allowed to proceed ahead in competing for an allocation of 2016 Housing Tax Credits.

In support of this request, and to underscore the rationale of our interpretation, a number of issues are outlined below. Individually and collectively, we propose that these issues are substantive enough to justify our interpretation.

Point #1:

The language is unclear and the terminology (definitions) used in this requirement is not used or applied consistently throughout the QAP

The language in question from the 2016 MBOH QAP reads as follows; *"All Applications for land and/or Acquisition transactions must include a comparative market analysis ("CMA") or an appraisal done by and independent (non-related) party. A CMA or appraisal is not required on leased land."*

- The development team interpreted this statement to apply to Acquisition/Rehab projects. The reference to a "land and/or Acquisition transaction" leads the reader to believe this threshold item is applicable for a project that includes a land acquisition or to an Acquisition/Rehab project. The capitalization of the word "Acquisition" is also misleading as throughout the QAP the capitalized word "Acquisition" does indeed refer to Acquisition/Rehab projects.
- Our interpretation is further reinforced by the definition of "Acquisition" as it is used in this threshold item when we compare this to Part VII of the MBOH UniApp that lists New Construction projects separate from Acquisition projects. This section of the UniApp lists Project Activity (mark all that apply) and gives the following choices; New Construction, Acquisition, Rehabilitation, Administration, Homebuyer Assistance, Infrastructure, Community Revitalization and Other (specify). The development team selected only New Construction as the type of project activity. Throughout the entirety of the application the development team refers to the project as a New Construction project and never an Acquisition project.
- The land for the Gateway Vista project will be donated by the principal sponsor, YWCA Billings. Because this property will be donated to the project, there is not a "land acquisition".
- The traditional definition of the word "transaction" as it is used in the language of this transaction is "an instance of buying or selling something, a business deal".

Point #2

It is reasonable to interpret the section does NOT apply, given the information requested is meaningless to a project with donated land.

- What value does a CMA or appraisal bring to a project that receives a land donation from the sponsor? Especially for a cost item that is not basis eligible, we question the purpose of this threshold item in a situation such as the Gateway Vista project; specifically, a New Construction project where the project sponsor is willing to donate the land to the project upon a successful Tax Credit application. In a case like this, there is minimal or no land cost to the project, and an appraisal or CMA will certainly show a land value greater than \$1.
- The CMA or appraisal requirement makes sense in a transaction where the project is burdened with a land acquisition cost which should be supported by such CMA or appraisal as being a reasonable cost. However, the CMA or appraisal requirement makes no sense in application to donated land where the price or cost is totally irrelevant. There is no price to support or justify. The contributed land context is clearly distinguishable from a purchase of land at a price which needs support. Further, the donation of land is analogous to the leased land, which is exempted from the requirement, in terms of negating the need for a CMA or appraisal in that there is no price to support.

Point #3

The language of this Threshold requirement has not been applied uniformly or consistently from one year to the next.

- Investigating the history of this threshold item, it appears this requirement was added in 2015. With this in mind, we cross-referenced other recent projects (applicants) to see how this threshold item was applied. As simply one example, the Antelope Court project located in Havre, MT was funded in the 2015 round without supplying a comparative market analysis or an appraisal done by an independent (non-related) party. To our knowledge, no comment or objection to this absence was communicated to anyone by the MBOH.
 - Granted, the 2015 QAP has slightly different language. However, the 2015 QAP reads as follows; "Comparative market analysis ("CMA") or appraisal done by an independent (nonrelated) party for all land and/or Acquisition transactions. A CMA is not required on leased land". Although the order of the words may have been altered slightly, it is quite obviously a similar sentence that has virtually the same meaning as the 2016 QAP language.
 - Applicants had no guidance or communication from the MBOH that the standard had been modified behind the scenes since the 2015 application rounds. So why would we assume 2016 applicants are subject to a different expectation? We propose that applicants should be able to rely on the application of this standard to 2015 applications absent formal

announcements or rulemaking to the contrary. Rejection of the application, a dramatic action affecting a large number of people, is most certainly not the remedy that the MBOH should pursue should it determine that CMA or appraisal is necessary to support a price even when land is donated for no cost. It could simply now formally announce that this is required and allow the applicants time to provide the CMA or appraisal.

- As the development team assembled the application for the Gateway Vista project, the fact that previously funded projects did not supply this information was a **very strong influence** as we interpreted the language that is now in question.

Point #4

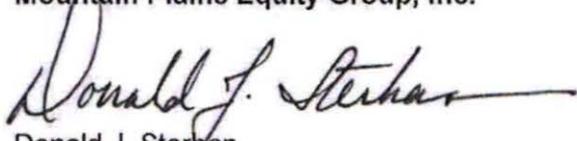
As applied to donated land, the requirement to provide a CMA or appraisal certainly adds to the cost of the project, yet it offers no information that is relevant or beneficial.

- Almost all New Construction projects will have some level of conventional debt. The conventional lender will typically require an appraisal to be completed under their direction to meet internal requirements, and at the cost of the Borrower, before they will close on a construction or permanent loan. This means the Threshold Requirement under question will cause the project to carry the cost of two appraisals: one for the Tax Credit application, and one to receive the needed financing to complete the project on land that is being donated to the project. In the spirit of trying to provide "affordable" housing, it would seem any such requirement by the MBOH for a project to have to double-up on such costs is not helpful and does not provide any benefit or relevant information to the MBOH.

The above points are a summary of the factors that influenced our interpretation of Threshold Item #13. At a minimum, I believe these factors underscore a serious lack of clarity in this particular requirement of the QAP. The effect of the rejection is that, without remedy, applicants are subjected to the death of an application through a new interpretation of this requirement by the MBOH, without notice or information, after having invested a considerable amount of time and resources. I believe we have applied the language correctly – and consistent with previous determinations from the MBOH. A great deal is at stake for this quality affordable housing project. Your consideration will be appreciated.

Sincerely,

Mountain Plains Equity Group, Inc.



Donald J. Stehan
President

cc: Merry Lee Olson, YWCA Billings

Aloha NOBLEHOUSE, Inc.

November 2, 2015

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

Re: Noblehomestead

Dear Ms. Bair:

This is a request for reconsideration of the October 30, 2015, decision to return Aloha NOBLEHOUSE, Inc.'s application for 2016 Housing Credits.

So seldom happening, the Gill Group had a major oversight in not including a notary seal below their signature, and the land comparable. The document attached is an acknowledgment of this admission, and to the professionalism of the Gill Group we beg your grace. We request your acceptance of documents further coming on November 9, 2015. Please see attached letter from Gill Group regarding the market study deficiency and their correction thereof.

The appraisal was also a function of our contract with Gill Group; they simple omitted it from the report.

We appreciate this consideration and the professionalism of the staff.

Respectfully submitted,

Kay D. Midro
Executive Director
PO Box 1411
Marion, MT 59925

Tel: 406-858-2484
Fax: 406-858-2485
E-mail: kay.midro@alohanoblehouse.org



HOUSING
SOLUTIONS

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

November 2nd, 2015

Mary S. Bair
Multifamily Program Manager
Housing Division – Montana Board of Housing
301 South Park Ste 240
Helena MT 59601

RE: Polson Landing 2016 Housing Credits Application

Dear Mrs. Bair,

We are in receipt of your letter dated October 30th, 2015 stating the MBOH staff has determined it will return the above mentioned application for failing to meet Threshold Requirement #13 of 2016 QAP. We disagree with your determination that this Threshold Requirement is applicable to the above mentioned project. As stated in your letter, we would like to ask the MBOH to reconsider the staffs determination at at the November 9th Meeting.

Enclosed, please find our request as well as the supporting documentation.

Sincerely,


Alex Burkhalter



HOUSING
SOLUTIONS

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

November 2nd, 2015

Chairman Crowley and Board Members
Montana Board of Housing
301 South Park Ste 240
Helena MT 59601

RE: 2016 Polson Landing Housing Credits Application

Mr. Chairman, Members of the Board

On October 30, 2015 we received notice the MBOH staff had determined the 2016 Polson Landing Application did not meet threshold requirements of the 2016 Qualified Allocation Plan and will not be considered further in the 2016 Housing Credit Round. MBOH staff determined the 2016 Polson Landing Application did not include a Threshold Item 13, Comparative Market Analysis ("CMA"). We do not disagree, Threshold Item 13 was not included. We are appealing the determination by staff Threshold Item 13 should be applied to new construction applications.

This appeal is based on the historical application Threshold Item 13 to Housing Tax Credit Applications for new construction projects. Following are the points we believe substantiate our request to review the staff determination and demonstrate Threshold Item 13 is not applicable to new construction project applications such as the 2016 Polson Landing Application.

- The Threshold Item requiring CMA's was suggested first for, and then added to, the QAP in 2015. It was a brand new requirement. Exhibit A & B.
- Our review of the 2015 Threshold Requirement related to CMA lead us to believe a CMA was not required for new construction projects. Our reasoning for this conclusion is outlined in Exhibit C.
- Housing Solutions' 2015 Stower Commons Application for a new construction project, under the 2015 QAP, was deemed to have met Threshold Requirements, scored and a part of the 2015 Housing Credit Round without a CMA. Exhibit D.

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

HOUSING-SOLUTIONS.ORG

- There were no significant changes to the threshold requirement related to CMA from the 2015 QAP to the 2016 QAP indicating it would now be applicable to new construction projects when the requirement wasn't previously. Exhibit E.

Based on the points outlined above, we ask you to find Threshold Requirement 13 is not applicable to applications for new construction projects until a time when the QAP is more clearly defined to all applicants. A determination Threshold Requirement 13 is not applicable to new construction projects is consistent with the previous year. Applying the Threshold Requirement 13 consistently will allow the 2016 Polson Landing Application to move forward and be considered for an award of 2016 Housing Tax Credits in January.

Thank you in advance for your careful review of this appeal.

Kindest Regards,



Alex Burkhalter
Housing Solutions LLC

Exhibit A

Cover page and pages of interest from the Final Draft Approved for Public Comment of the 2015 QAP showing the first proposed addition of the Threshold Requirement related to Comparative Market Analysis.

33222222

MONTANA BOARD OF HOUSING

~~LOW INCOME~~ HOUSING TAX CREDIT PROGRAM

~~2014~~2015 QUALIFIED ALLOCATION PLAN (QAP)

**MONTANA BOARD OF HOUSING
PO BOX 200528
HELENA, MONTANA 59620-0528
(406) 841-2840
(406) 841-2841 FAX**

~~minimum development evaluation criteria~~ Development Evaluation Criteria score specified in this QAP.

The MBOH Board reserves the right to not ~~award~~ Award credits to a qualifying ~~small rural project~~ Small Rural Project even if the ~~project~~ Project meets the minimum required score, if the MBOH Board, at its discretion, determines another ~~project~~ Project or ~~projects~~ Projects better meet the most pressing housing needs of low income people within the state of Montana, taking into consideration the Selection Criteria of this QAP as determined in accordance with Section 9.

In the event there are insufficient tax credits available to fully fund all set aside categories, the respective set asides categories shall be funded in the following order of priority: (1) Non-profit; (2) Corrective Award; and (3) Small Rural Project.

SECTION 8 – PRE-APPLICATION LETTER OF INTENT AND APPLICATION PROCESS

~~Read~~ Applicants should read this Qualified Allocation Plan (QAP) and accompanying materials.

~~Determine~~ Applicants are responsible to determine the degree that ~~your~~ their building(s) and development correspond to the MBOH's ~~Development Evaluation~~ Selection Criteria and the other priorities and considerations contained in this QAP.

~~Consult your~~ Applicants are responsible to consult their own tax attorney or accountant concerning: (a) each building's eligibility for the tax credit; (b) the amount of the credit, if any, for which ~~your~~ their building(s) may be eligible; and (c) ~~your~~ their ability and/or ~~your investor's~~ Investor's ability to use the tax credit.

Pre-Application

~~Complete the Uniform Application (UNIAPP) with preliminary information and commission a mini market study as outlined in Exhibit B-1. Pre-Applicants are not required~~ Letter of Intent

~~All Projects wishing to apply for HTCs in Montana must submit information regarding the specific project location but must indicate the general location within a specified city, town or small rural location. Submit the Uniform Application, mini market study and pre-application fee a Letter of Intent by the applicable pre-application deadline (see specified in Section 4 – Application Cycle). The pre-application is mandatory with the applicable fee. If a pre-application is~~ Letter of Intent has not been submitted with respect to an Application according to the requirements of this QAP, MBOH will not consider and will return any full applications such Application un-scored along with the application fee and such Application will not be further considered. All Letters of Intent must be submitted for in the project format included as Exhibit H.

Full-Application

~~Commission~~ Applicants must commission a full market study as outlined in Exhibit B-2.

~~Complete~~ Applicants must complete and submit the Uniform Application and Tax Credit Supplement, full market study and full application fee by the applicable application deadline (see Section 4 – Application Cycle). Applicants must use the most current form of the Uniform Application and Tax Credit Supplement available on the MBOH website at: <http://housing.mt.gov/FAR/housingapps.mcp>

Threshold Requirements

Threshold Requirements are mandatory for ~~full applications~~ all Letters of Intent and Applications. Letters of Intent and Applications received not meeting all Threshold Requirements or other requirements of this QAP will be returned un-scored and will receive no further consideration. Application fees will not be returned.

Submit complete ~~applications~~ Applications to MBOH. Electronic submission of ~~applications~~ Applications using MBOH's system (currently ShareFile) is preferred but hard copy ~~applications~~ Applications will also be accepted. Please contact staff (preferably at least a week ahead of the submission deadline) for specific instructions on how to access this system. MBOH staff may communicate with ~~applicants~~ Applicants for purposes of providing interpretive guidance or other information or for purposes of clarifying ~~applications~~ Applications. MBOH staff may allow minor corrections to ~~applications~~ Applications, but will return and will not further consider ~~applications~~ Applications requiring substantial revision or those that are substantially incomplete.

~~Application~~ Threshold Requirements

To meet the threshold for further consideration, ~~a pre-application~~ all Letters of Intent and Applications must be submitted in accordance with the requirements of this QAP ~~by~~.

Letters of Intent must:

- Include the applicable fee;
- Be received by the applicable deadline; and
- Be substantially complete and in the format prescribed in Exhibit H.

Applications must:

- Include the application fee;
- Be received by the applicable deadline;
- Include a fullcover letter summarizing the Project, limited to 2 pages, which will be provided to MBOH Board members within one week following the application packet ~~must: deadline;~~
- ~~Be substantially complete, and;~~
- ~~Be received by the deadline date.~~
 - ✓ The full application must include all of the following documents, information and items. All the below listed items must be correctly completed and submitted in compliance with for the requirement of this QAP: Application to be considered substantially complete:
- ~~The application fee.~~
- ~~Documentation verifying the General Partner or a member of the LLC (if applicable), and the Management Company personnel have been certified in LIHTC Compliance by one of the nationally recognized training companies.~~
 - ✓ ~~Proof of ability or capacity to construct two or more LIHTC/HTC projects simultaneously, if applicable.~~
 - ✓ Cash flow analysis.
 - ✓ Market Study prepared and signed by a disinterested third party analyst, with certificate (included in Exhibit B-2) signed by analyst and notarized. Market Studies must be completed within six (6) months prior to the submission date of the ~~application~~ Application, must have the market analyst complete a physical inspection of the market area within one (1) year of the Application and must adhere to minimum market study requirements in Exhibit B-2.

- ✓ ~~Site~~Land or Property control through lease, ownership or a legal form of option to purchase.
- ✓ Evidence from applicable local zoning authority of proper zoning addressed (zoning place, planned unit development, zoning change requested) unless no zoning requirements exist. If no zoning requirements exist provide documentation from the proper authority.
- ✓ Utilities Documentation of Availability
- ✓ A preliminary financing letter from a lender indicating the proposed terms and conditions of the loan must be included. The financing letter must formally express interest in financing the ~~project~~Project sufficient to support the terms and conditions represented in the ~~project~~Project financing section of the ~~application~~Application.
- ✓ A letter of interest from an equity provider including an anticipated price based on the market at time of application.
- ✓ Full scale Capital Needs Assessment for Rehabilitation Applications, on the USDA Rural Development Capital Needs Assessment (CNA) template or similar form and a scope of work for the Project.
- ✓ Comparative market analysis ("CMA") or appraisal done by an independent (non-related) party for all land and/or Acquisition transactions. A CMA is not required on leased land.
- ✓ For ~~applications~~Applications proposing ~~rehabilitation~~Rehabilitation or if existing units are being replaced, a preliminary relocation plan addressing the logistics of moving tenants out of their residences and providing temporary housing during the ~~rehabilitation~~Rehabilitation and returning tenants to their residences upon completion of the ~~rehabilitation~~Rehabilitation.
- ✓ A site plan, and a design professional's preliminary floor plan and elevations for the ~~project~~Project.
- ✓ Project/unit amenities.
- ✓ Profit or non-profit status.
- ✓ If a not-for-profit ~~owner~~Owner proposes a property tax exemption, documentation of intent to conduct a public hearing must be submitted with the ~~application~~Application and conducted by the ~~owner~~Owner. Without documentation of intent, the ~~project~~Project will be underwritten as if no exemption was received. Documentation of public hearing(s) must be submitted prior to issuance of the Carryover Commitment.
- ✓ Specify the ~~extended use period~~Extended Use Period.
- ✓ If ~~project~~Project is targeted for Eventual Homeownership, provide supplemental ~~application~~Application documents and information specified in the "Eventual Homeownership" portion of Section 3.
- ✓ Specify selected target income level (20-50) or (40-60).
- ✓ Copy of the public notice and proof of publication meeting requirements under "Public Notice" below in this section.
- ✓ Letters of community support. These support letters must be ~~project~~Project specific and address how the ~~project~~Project meets the needs of the community. New letters of support (as well as new letters of non-support) must be submitted for each ~~application~~Application for each round of competition. Generic support for affordable housing will not be considered support for the specific ~~project~~Project being considered. These letters will be provided to the MBOH Board for its consideration.
- ✓ If the ~~project~~Project is for elderly, stipulation of minimum age (i.e., 55 or 62 and over).
- ✓ A narrative addressing each of the development-evaluation-criteria-and how the application-meets-each-of-these-criteria.-Development Evaluation Criteria,

demonstrating how the Application meets each of these criteria, and providing a specific explanation and justification of the points sought for each scoring item. Narrative references to the Market Study must cite the page and paragraph.

- ✓ Signed indemnification and release including exhibit E.

Applications must also demonstrate that ~~they~~the proposed Projects are financially sound. This includes reasonable financing terms, costs, expenses, and sufficient cash flow to support the operations of the ~~project~~Project, all of which must meet the underwriting standards of MBOH.

Public Notice

A Tax Credit Applicant must place an advertisement in the local newspaper of the intent to apply, and by doing so, encourage public comment to be submitted to MBOH. Such notice must include Name of Project, Number of Units, Location of Project, For-profit or Non-profit status, and, if applicable, Intent to Request Tax-exempt Status for the ~~project~~Project. The notice will be placed as a box advertisement in the newspaper within ~~3090~~ days prior to or not more than 5 working days after the due-date of the ~~application~~Application and will allow for not less than 30 days for response. The advertisement must be published twice within a seven-day period. A copy of the notice, annotated with dates published, must be included in the ~~application~~Application.

Example of Public Notice

(Name of Developer, address, telephone number), a (for-profit/non-profit) organization, hereby notifies all interested persons of (city, town, community name) that we are planning to develop, (Name of ~~project~~Project) an affordable multi-family rental housing complex on the site at (street location). This complex will consist of (number) (one bedroom, two bedroom, or three bedroom) units for (elderly persons/families). This ~~project~~Project (will/will not) be exempt from property taxes.

An ~~application~~Application (will be/has been) submitted to the Montana Board of Housing for federal tax credits financing.

You are encouraged to submit comments regarding the need for affordable multi-family rental housing in your area to the Montana Board of Housing, PO Box 200528, Helena, MT 59620-0528 or FAX (406) 841-2841. Comments will be accepted until 5 PM the Friday before the MBOH Board Award Determination ~~meeting~~Meeting (See application cycles above).

SECTION 9 – EVALUATION AND AWARD

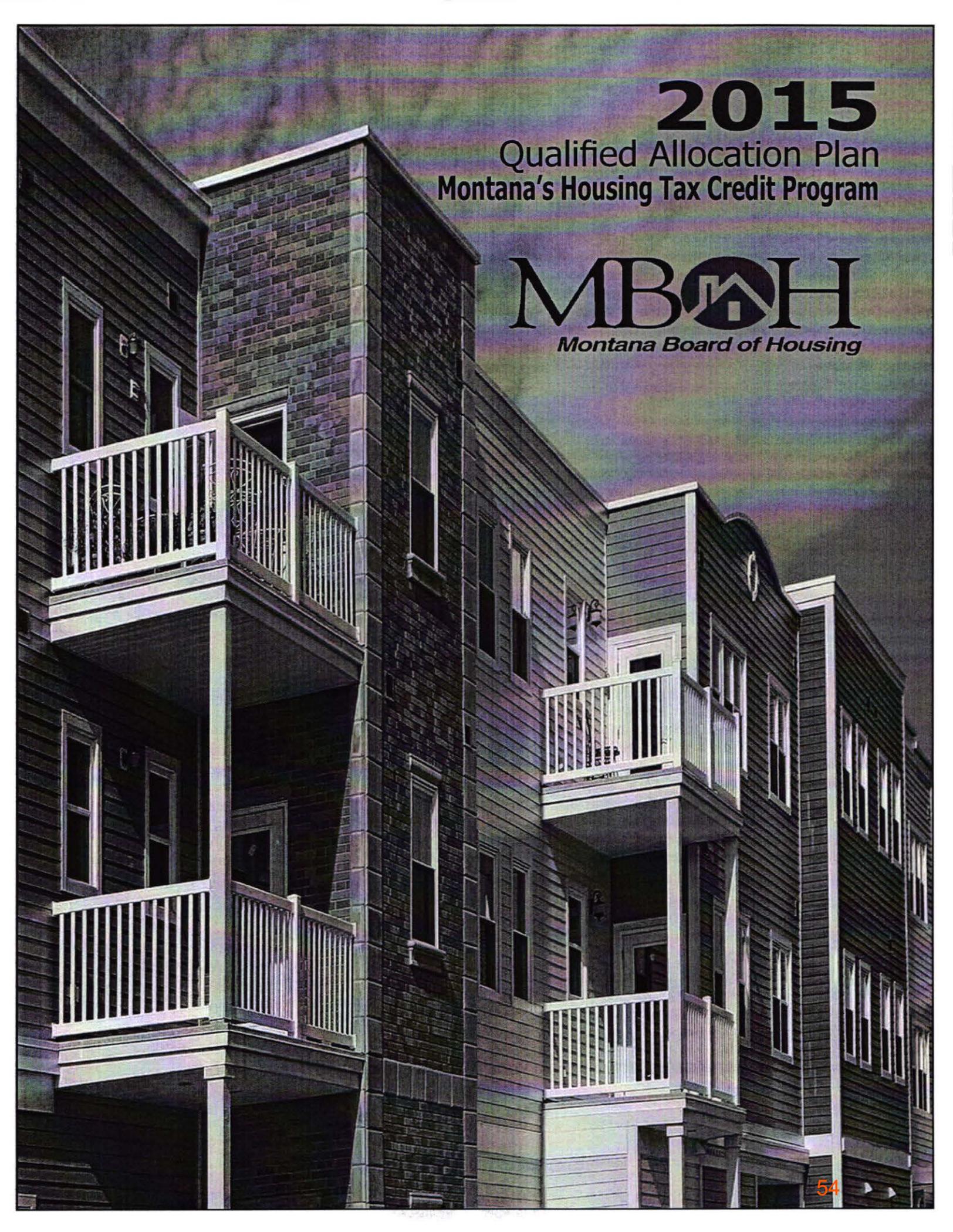
Threshold Evaluation ~~And~~ Considerations

MBOH staff will review all ~~applications~~Applications received by the applicable submission deadline for compliance with all Threshold Requirements, including but not limited to completeness, soundness of the development, and eligibility based on federal requirements and this QAP. Applications determined by MBOH staff to not substantially meet all Threshold Requirements or other requirements of this QAP or federal law will be returned un-scored and will receive no further consideration.

MBOH staff may communicate with ~~applicants~~Applicants for purposes of providing interpretive guidance or other information or for purposes of clarifying ~~or~~, verifying or confirming any information in ~~applications~~Applications. MBOH staff may allow minor corrections to ~~applications~~Applications, but will return and will not further consider

Exhibit B

Cover Page and pages of interest from the Final 2015 QAP showing the adoption of the Threshold Requirement related to Comparative Market Analysis



2015

Qualified Allocation Plan
Montana's Housing Tax Credit Program

MBH
Montana Board of Housing

when it is clearly part of a larger or non-rural Project, the Project will be placed in the proper category as determined by MBOH staff.

To qualify and receive consideration to receive an Award of credits under a set-aside, the Project must meet all applicable requirements of this QAP and must receive minimum Development Evaluation Criteria score specified in this QAP.

The MBOH Board reserves the right to not Award credits to a qualifying Small Rural Project even if the Project meets the minimum required score, if the MBOH Board, at its discretion, determines another Project or Projects better meet the most pressing housing needs of low income people within the state of Montana, taking into consideration the Selection Criteria of this QAP as determined in accordance with Section 9.

In the event there are insufficient tax credits available to fully fund all set aside categories, the respective set asides categories shall be funded in the following order of priority: (1) Non-profit; (2) Corrective Award; and (3) Small Rural Project.

SECTION 8 – LETTER OF INTENT AND APPLICATION PROCESS

Applicants should read this Qualified Allocation Plan (QAP) and accompanying materials.

Applicants are responsible to determine the degree that their building(s) and development correspond to the MBOH's Selection Criteria contained in this QAP.

Applicants are responsible to consult their own tax attorney or accountant concerning: (a) each building's eligibility for the tax credit; (b) the amount of the credit, if any, for which their building(s) may be eligible; and (c) their ability and/or their Investor's ability to use the tax credit.

Letter of Intent

All Projects wishing to apply for MHTCs in Montana must submit a Letter of Intent by the deadline specified in Section 4 with the applicable fee. If a Letter of Intent has not been submitted with respect to an Application according to the requirements of this QAP, MBOH will return such Application un-scored along with the application fee and such Application will not be further considered. All Letters of Intent must be submitted in the format included as Exhibit D-1 and D-2. The Project Location, type (e.g., family or elderly), and developer specified in the Letter of Intent may not be changed in the later Application. Other information in the Letter of Intent (e.g., cost information, number of units, unit sizes, income targeting, rents, hard and soft loan sources, etc.) will be considered the Applicant's best estimates and may be changed in the Application. No market study or mini-market study is required for purposes of a Letter of Intent.

Application

Applicants must commission a full market study as outlined in Exhibit B.

Applicants must complete and submit the Uniform Application and Supplement, full market study and full application fee by the applicable application deadline (see Section 4 – Application Cycle). Applicants must use the most current form of the Uniform Application and Supplement available on the MBOH website at:
<http://housing.mt.gov/FAR/housingapps.mcp>

Threshold Requirements Are Mandatory

Threshold Requirements are mandatory for all Letters of Intent and Applications. Letters of Intent and Applications received not meeting all Threshold Requirements or other requirements of this QAP will be returned un-scored and will receive no further consideration. Fees will not be returned.

Submit complete Applications to MBOH. Electronic submission of Applications using MBOH's system (currently ShareFile) is preferred but hard copy Applications will also be accepted. Please contact staff (preferably at least a week ahead of the submission deadline) for specific instructions on how to access this system. MBOH staff may communicate with Applicants for purposes of providing interpretive guidance or other information or for purposes of clarifying Applications. MBOH staff may allow minor corrections to Applications, but will return and will not further consider Applications requiring substantial revision or those that are substantially incomplete.

Threshold Requirements

To meet the threshold for further consideration, all Letters of Intent and Applications must be submitted in accordance with the requirements of this QAP and the following Threshold Requirements.

Letters of Intent must:

- Include the applicable fee;
- Be received by the applicable deadline; and
- Be substantially complete and in the format prescribed in Exhibit D-1 and D-2.

Applications must:

- Include the application fee;
- Be received by the applicable deadline;
- Include a cover letter summarizing the Project, limited to 2 pages, which will be provided to MBOH Board members within one week following the application deadline;
- Be substantially complete, and include all of the following documents, information and items. All the below listed items must be correctly completed and submitted for the Application to be considered substantially complete:
 - ✓ Cash flow analysis.
 - ✓ Market Study prepared and signed by a disinterested third party analyst, with certificate (included in Exhibit B) signed by analyst and notarized. Market Studies must be completed within six (6) months prior to the submission date of the Application, must have the market analyst complete a physical inspection of the market area within one (1) year of the Application and must adhere to minimum market study requirements in Exhibit B.
 - ✓ Land or Property control through lease, ownership or a legal form of option to purchase.
 - ✓ Evidence from applicable local zoning authority of proper zoning addressed (zoning place, planned unit development, zoning change requested) unless no zoning requirements exists. If no zoning requirements exist provide documentation from the proper authority.
 - ✓ Utilities Documentation of Availability
 - ✓ A preliminary financing letter from a lender indicating the proposed terms and conditions of the loan must be included. The financing letter must formally express interest in financing the Project sufficient to support the terms and conditions represented in the Project financing section of the Application.

- 
- ✓ A letter of interest from an equity provider including an anticipated price based on the market at time of application.
 - ✓ Full scale Capital Needs Assessment for Rehabilitation Applications, on the USDA Rural Development Capital Needs Assessment (CNA) template or similar form and a scope of work for the Project.
 - ✓ Comparative market analysis ("CMA") or appraisal done by an independent (non-related) party for all land and/or Acquisition transactions. A CMA is not required on leased land.
 - ✓ For Applications proposing Rehabilitation or if existing units are being replaced, a preliminary relocation plan addressing the logistics of moving tenants out of their residences and providing temporary housing during the Rehabilitation and returning tenants to their residences upon completion of the Rehabilitation.
 - ✓ A site plan, and a design professional's preliminary floor plan and elevations for the Project.
 - ✓ Project/unit amenities.
 - ✓ Profit or non-profit status.
 - ✓ If a not-for-profit Owner proposes a property tax exemption, documentation of intent to conduct a public hearing must be submitted with the Application and conducted by the Owner. Without documentation of intent, the Project will be underwritten as if no exemption was received. Documentation of public hearing(s) must be submitted prior to issuance of the Carryover Commitment.
 - ✓ Specify the Extended Use Period.
 - ✓ If Project is targeted for Eventual Homeownership, provide supplemental Application documents and information specified in the "Eventual Homeownership" portion of Section 3.
 - ✓ Specify selected target income level (20-50) or (40-60).
 - ✓ Copy of the public notice and proof of publication meeting requirements under "Public Notice" below in this section.
 - ✓ Letters of community support. These support letters must be Project specific and address how the Project meets the needs of the community. New letters of support (as well as new letters of non-support) must be submitted for each Application for each round of competition. Generic support for affordable housing will not be considered support for the specific Project being considered. These letters will be provided to the MBOH Board for its consideration.
 - ✓ If the Project is for elderly, stipulation of minimum age (i.e., 55 or 62 and over).
 - ✓ A narrative addressing each of the Development Evaluation Criteria, demonstrating how the Application meets each of these criteria, and providing a specific explanation and justification of the points sought for each scoring item. Narrative references to the Market Study must cite the page and paragraph.
 - ✓ Signed indemnification and release forms included as Exhibits E to this QAP.

Applications must also demonstrate that the proposed Projects are financially sound. This includes reasonable financing terms, costs, expenses, and sufficient cash flow to support the operations of the Project, all of which must meet the underwriting standards of MBOH.

Public Notice

A Tax Credit Applicant must place an advertisement in the local newspaper of the intent to apply, and by doing so, encourage public comment to be submitted to MBOH. Such notice must include Name of Project, Number of Units, Location of Project, For-profit or Non-profit status, and, if applicable, Intent to Request Tax-exempt Status for the Project. The notice will be placed as a box advertisement in the newspaper within 90 days prior to or not more than 5 working days after the due date of the Application and will allow for not less than 30

Exhibit C

Our understanding of the Threshold Requirement related to CMAs is it was only applicable to projects involving the acquisition and rehabilitation of existing structures. We arrived at this conclusion because of the necessity of knowing the value of the land underlying an existing project in determining the number of 4% Acquisition Credits. For example, if the acquisition price of the project (land and buildings) was \$2,000,000 and the land portion was \$500,000, acquisition credits could be taken on the difference, representing the building value, \$1,500,000. An independent third party report would be required to prevent unscrupulous applicants from driving land value down, thereby increasing the number of 4% Acquisition Credits.

As stated in the Threshold Requirement, CMA's would not be applicable to Acquisition projects with leased land. Not requiring CMA for Acquisition projects with leased land makes sense because the land lease document would determine the value of the land, thereby a CMA to break out the land cost for determining Acquisition Credits would not be required. This is similar to how the required purchase and sale agreement on a new construction project clearly identifies the cost of the land, so a CMA would not be required.

Exhibit D

The list of 2015 Housing Tax Credit projects eligible for award can be found in the minutes of Montana Board of Housing Meeting on November 17th, 2015. Regretfully, when we accessed the archived minutes section of the Board of Housing Website on October 31st, 2015, URL address located below, the minutes of that meeting were not posted.

(<http://housing.mt.gov/About/MBOH/Meetings#Archived-Minutes-304>)

In lieu of MBOH Meeting Minutes, we have attached the scores summary for the projects that met Threshold Requirements in the 2015 round. Housing Solutions' 2015 Stower Commons Application for a new construction project, which did not include a CMA, is included in the scored projects.

City / County	Manhattan / Gallatin	Miles City / Custer	Missoula / Missoula	Helena / Lewis & Clark	Havre / Hill	Bozeman / Gallatin	Great Falls / Cascade	Missoula / Missoula
Project Name	Gallatin Forks	Stower Commons	Urban Missoula	Guardian	Antelope Court	Stoneridge Apts	Cascade Ridge II	River Ridge
Developer / General Ptnr	Syringa Housing Corp	Housing Solutions	Homewood	Detroit Affordable Homes	GL Dev /District IV HRDC	Summit/HRDC	Cascade Ridge II Builders / MPEG	Missoula Housing Authority
GP Organizational Type	Non-Profit	For-Profit	Non-Profit	Non-Profit	Non-Profit	For-Profit	Non-Profit	Gov entity
Set-aside	Non-Profit	General	Non Profit	General	General	Non Profit	General	General
HC Requested	\$ 153,494	\$ 610,000	\$ 430,000	\$ 658,750	\$ 568,750	\$ 658,750	\$ 245,183	\$ 501,723
Project Type	Family	Family	Family	Family	Family	Family	Senior	Elderly 55+
Construction Type	Acq/Rehab	New Const	New Const	Acq/Rehab	New Const	New Const	New Const	Acq/Rehab
Unit Numbers	Target							
0-bdrm 40%	0	0	1	13	0	0	0	0
0-bdrm 50%	0	0	4	56	0	0	0	0
0-bdrm 50%	0	0	0	0	0	0	0	0
0-bdrm 60%	0	0	1	0	0	0	0	0
1-bdrm 40%	1	1	1	0	2	0	2	6
1-bdrm 50%	5	1	7	49	13	0	5	35
1-bdrm 50%	0	0	0	0	4	0	0	0
1-bdrm 60%	2	1	3	0	1	0	1	17
2-bdrm 40%	1	2	1	0	2	4	0	1
2-bdrm 50%	5	12	1	0	6	21	5	8
2-bdrm 50%	0	0	0	0	0	0	0	0
2-bdrm 60%	2	4	1	0	2	5	3	3
3-bdrm 40%	0	1	1	0	0	4	0	0
3-bdrm 50%	0	6	4	0	0	9	0	0
3-bdrm 50%	0	0	0	0	0	0	0	0
3-bdrm 60%	0	2	1	0	0	4	0	0
other mgr	0	0	0	0	0	0	0	0
other mkt	0	0	0	0	0	0	0	0
Total Units	16	30	26	118	30	47	16	70
Square Footage								
Low Income/Common	12,720	32,112	34,268	70,071	25,600	52,752	17,061	48,530
Market/Commercial	-	-	-	-	-	-	-	-
Total	12,720	32,112	34,268	70,071	25,600	52,752	17,061	48,530

City / County			Manhattan / Gallatin	Miles City / Custer	Missoula / Missoula	Helena / Lewis & Clark	Havre / Hill	Bozeman / Gallatin	Great Falls / Cascade	Missoula / Missoula
Project Name			Gallatin Forks	Stower Commons	Urban Missoula	Guardian	Antelope Court	Stoneridge Apts	Cascade Ridge II	River Ridge
Developer / General Ptnr			Syringa Housing Corp	Housing Solutions	Homewood	Detriot Affordable Homes	GL Dev / District IV HRDC	Summit/HRDC	Benefits / CR Builders / MPEG	Missoula Housing Authority
Unit Rents										
	0-bdrm	40%	\$ -	\$ -	\$ 354	\$ 500	\$ -	\$ -	\$ -	\$ -
	0-bdrm	50%	\$ -	\$ -	\$ 461	\$ 500	\$ -	\$ -	\$ -	\$ -
	0-bdrm	50%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	0-bdrm	60%	\$ -	\$ -	\$ 496	\$ -	\$ -	\$ -	\$ -	\$ -
	1-bdrm	40%	\$ 665	\$ 345	\$ 384	\$ -	\$ 368	\$ -	\$ 340	\$ 459
	1-bdrm	50%	\$ 665	\$ 450	\$ 499	\$ 624	\$ 477	\$ -	\$ 445	\$ 574
	1-bdrm	50%	\$ -	\$ -	\$ -	\$ -	\$ 391	\$ -	\$ -	\$ -
	1-bdrm	60%	\$ 665	\$ 515	\$ 545	\$ -	\$ 589	\$ -	\$ 545	\$ 689
	2-bdrm	40%	\$ 740	\$ 415	\$ 462	\$ -	\$ 438	\$ 542	\$ -	\$ 551
	2-bdrm	50%	\$ 740	\$ 535	\$ 599	\$ -	\$ 571	\$ 702	\$ 535	\$ 688
	2-bdrm	50%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	2-bdrm	60%	\$ 740	\$ 660	\$ 654	\$ -	\$ 705	\$ 776	\$ 660	\$ 826
	3-bdrm	40%	\$ -	\$ 465	\$ 518	\$ -	\$ -	\$ 609	\$ -	\$ -
	3-bdrm	50%	\$ -	\$ 610	\$ 677	\$ -	\$ -	\$ 794	\$ -	\$ -
	3-bdrm	50%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	3-bdrm	60%	\$ -	\$ 755	\$ 740	\$ -	\$ -	\$ 852	\$ -	\$ -
	other	mgr	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	other	mkt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Monthly Rents			\$ 11,240	\$ 16,835	\$ 13,887	\$ 65,076	\$ 14,798	\$ 33,780	\$ 8,105	\$ 43,090
vacancy factor			5.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%
Adjusted Rent			\$ 10,678	\$ 15,657	\$ 12,915	\$ 60,521	\$ 13,762	\$ 31,415	\$ 7,538	\$ 40,074
other/commercial income			\$ 258	\$ 150	\$ 300	\$ 912	\$ 300	\$ 392	\$ 366	\$ 2,190
total rent			\$ 10,936	\$ 15,807	\$ 13,215	\$ 61,433	\$ 14,062	\$ 31,807	\$ 7,904	\$ 42,264
x 12 months			12	12	12	12	12	12	12	12
Total Annual Income			\$ 131,232	\$ 189,679	\$ 158,579	\$ 737,192	\$ 168,746	\$ 381,689	\$ 94,844	\$ 507,164
Expenses										
Administration			\$ 9,480	\$ 10,800	\$ 29,900	\$ 27,580	\$ 17,500	\$ 16,500	\$ 11,260	\$ 14,920
Management			\$ 11,136	\$ 13,278	\$ 12,500	\$ 51,563	\$ 15,750	\$ 22,901	\$ 5,652	\$ 30,429
Maintenance			\$ 34,138	\$ 48,495	\$ 41,140	\$ 220,438	\$ 53,582	\$ 98,000	\$ 21,568	\$ 133,900
Operating			\$ 10,235	\$ 34,200	\$ 41,800	\$ 103,617	\$ 27,845	\$ 29,500	\$ 17,720	\$ 106,700
Taxes			\$ 6,250	\$ -	\$ 1,650	\$ 2,000	\$ 8,000	\$ 24,240	\$ 2,400	\$ 600
Replacement Reserve			\$ 12,000	\$ 9,000	\$ 7,800	\$ 35,400	\$ 9,000	\$ 14,400	\$ 4,800	\$ 21,000
Total Expenses			\$ 83,219	\$ 115,773	\$ 134,790	\$ 440,598	\$ 131,677	\$ 205,541	\$ 63,400	\$ 307,549
Net Income Before Debt Service			\$ 48,013	\$ 73,906	\$ 23,789	\$ 296,594	\$ 37,069	\$ 176,148	\$ 31,444	\$ 199,615

City / County	Manhattan / Gallatin	Miles City / Custer	Missoula / Missoula	Helena / Lewis & Clark	Havra / Hill	Bozeman / Gallatin	Great Falls / Cascade	Missoula / Missoula
Project Name	Gallatin Forks	Stower Commons	Urban Missoula	Guardian	Antelope Court	Stoneridge Apts	Cascade Ridge II	River Ridge
Developer / General Ptnr	Syringa Housing Corp	Housing Solutions	Homewood	Detroit Affordable Homes	GL Dev /District IV HRDC	Summit/HRDC	Builders / MPEG	Missoula Housing Authority
Financing Sources								
Hard Loan	\$ 149,062	\$ 865,000	\$ 220,000	\$ 4,000,000	\$ 300,000	\$ 1,902,000	\$ 350,000	\$ 2,450,000
Hard Loan	\$ 421,933	\$ -	\$ 180,000	\$ -	\$ -	\$ -	\$ -	\$ -
Soft Loan	\$ -	\$ 155,854	\$ 233,974	\$ -	\$ -	\$ -	\$ -	\$ -
Soft Loan	\$ -	\$ -	\$ 320,000	\$ -	\$ -	\$ -	\$ -	\$ -
HOME Program	\$ -	\$ -	\$ 750,000	\$ -	\$ 750,000	\$ -	\$ -	\$ -
CDBG Program	\$ -	\$ -	\$ 120,000	\$ -	\$ -	\$ -	\$ -	\$ -
Other- GP Capital	\$ 80,000	\$ -	\$ -	\$ -	\$ -	\$ 26,000	\$ 117,838	\$ -
Deferred Dev Fee	\$ 29,288	\$ -	\$ 37,939	\$ -	\$ 138,753	\$ -	\$ 100,852	\$ 55,732
Tax Credits	\$ 1,381,310	\$ 5,550,445	\$ 3,956,000	\$ 5,665,250	\$ 4,777,500	\$ 5,565,881	\$ 2,181,910	\$ 4,765,897
Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Sources:	\$ 2,061,593	\$ 6,571,299	\$ 5,817,913	\$ 9,665,250	\$ 5,966,253	\$ 7,493,881	\$ 2,750,600	\$ 7,271,629
% of Project Financed by HC:	67.00%	84.46%	68.00%	58.61%	80.08%	74.27%	79.32%	65.54%
Return on Sale of HTC								
HTC Requested	\$ 153,494	\$ 610,000	\$ 430,000	\$ 658,750	\$ 568,750	\$ 658,750	\$ 245,183	\$ 501,723
HTC Taken over 10 yrs	\$ 1,534,940	\$ 6,100,000	\$ 4,300,000	\$ 6,587,500	\$ 5,687,500	\$ 6,587,500	\$ 2,451,830	\$ 5,017,230
HTC Equity	\$ 1,381,310	\$ 5,550,445	\$ 3,956,000	\$ 5,665,250	\$ 4,777,500	\$ 5,565,881	\$ 2,181,910	\$ 4,765,897
HTC Return on Sale	\$ 0.900	\$ 0.910	\$ 0.920	\$ 0.860	\$ 0.840	\$ 0.845	\$ 0.890	\$ 0.950
Debt Coverage Ratio (DCR)								
Net Income Before Debt Service	\$ 48,013	\$ 73,906	\$ 23,789	\$ 296,594	\$ 37,069	\$ 176,148	\$ 31,444	\$ 199,615
Total Debt Service	\$ 32,560	\$ 61,634	\$ 16,687	\$ 239,458	\$ 21,584	\$ 144,263	\$ 25,181	\$ 171,570
Debt Coverage Ratio	1.47	1.20	1.43	1.24	1.72	1.22	1.25	1.16
Project Costs								
Land/Building/Acquisition	\$ 550,000	\$ 255,000	\$ 439,775	\$ 3,500,000	\$ 20,000	\$ 375,000	\$ 117,739	\$ 2,017,000
Site Work	\$ 4,178	\$ 440,000	\$ 115,000	\$ 80,428	\$ 772,428	\$ 200,000	\$ 96,000	\$ 195,000
Construction / Rehab	\$ 1,078,608	\$ 4,486,849	\$ 4,099,402	\$ 4,383,348	\$ 3,811,000	\$ 5,316,613	\$ 1,765,373	\$ 3,415,336
Soft Costs	\$ 214,257	\$ 534,450	\$ 569,736	\$ 824,969	\$ 597,825	\$ 607,268	\$ 403,126	\$ 609,153
Developer Fees	\$ 214,550	\$ 785,000	\$ 500,000	\$ 649,820	\$ 675,000	\$ 850,000	\$ 310,000	\$ 800,000
Reserves	\$ -	\$ 70,000	\$ 94,000	\$ 226,685	\$ 90,000	\$ 145,000	\$ 58,362	\$ 235,140
Total Project Costs	\$ 2,061,593	\$ 6,571,299	\$ 5,817,913	\$ 9,665,250	\$ 5,966,253	\$ 7,493,881	\$ 2,750,600	\$ 7,271,629
Costs versus Sources								
Total Project Costs	\$ 2,061,593	\$ 6,571,299	\$ 5,817,913	\$ 9,665,250	\$ 5,966,253	\$ 7,493,881	\$ 2,750,600	\$ 7,271,629
Total Financing Sources	\$ 2,061,593	\$ 6,571,299	\$ 5,817,913	\$ 9,665,250	\$ 5,966,253	\$ 7,493,881	\$ 2,750,600	\$ 7,271,629
Difference	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

City / County	Manhattan / Gallatin	Miles City / Custer	Missoula / Missoula	Helena / Lewis & Clark	Havre / Hill	Bozeman / Gallatin	Great Falls / Cascade	Missoula / Missoula	
Project Name	Gallatin Forks	Stower Commons	Urban Missoula	Guardian	Antelope Court	Stoneridge Apts	Cascade Ridge II	River Ridge	
Developer / General Ptnr	Syringa Housing Corp	Housing Solutions	Homeward	Detriot Affordable Homes	GL Dev / District IV HRDC	Summit/HRDC	Benefits / CR Bulders / MPEG	Missoula Housing Authority	
Project Cost Limitations									
	<u>Limits</u>								
General Requirements	6.00%	3.94%	5.19%	5.57%	5.68%	5.71%	5.40%	5.16%	5.78%
Contractor Overhead	2.00%	1.85%	1.57%	1.79%	1.79%	1.88%	1.71%	1.73%	1.93%
Contractor Profit	6.00%	3.79%	5.16%	5.81%	5.37%	5.75%	5.12%	4.90%	5.79%
Developer Fees	15.00%	9.46%	14.83%	10.73%	7.70%	13.43%	14.15%	13.85%	9.53%
Soft Cost	30.00%	26.26%	25.46%	23.28%	18.52%	27.11%	24.73%	34.67%	25.04%
Per Unit Comparison									
Cost per unit	\$ 128,850	\$ 219,043	\$ 223,766	\$ 81,909	\$ 198,875	\$ 159,444	\$ 171,913	\$ 103,880	
Credits per unit	\$ 9,593	\$ 20,333	\$ 16,538	\$ 5,583	\$ 18,958	\$ 14,016	\$ 15,324	\$ 7,167	
Operating Cost per unit	\$ 5,201	\$ 3,859	\$ 5,184	\$ 3,734	\$ 4,389	\$ 4,373	\$ 3,963	\$ 4,394	
Replacement Reseves	\$ 750	\$ 300	\$ 300	\$ 300	\$ 300	\$ 306	\$ 300	\$ 300	
Per Square Foot Comparison									
Cost per sq ft	\$ 162.07	\$ 204.64	\$ 169.78	\$ 137.94	\$ 233.06	\$ 142.06	\$ 161.22	\$ 149.84	
Credits per sq ft	\$ 12.07	\$ 19.00	\$ 12.55	\$ 9.40	\$ 22.22	\$ 12.49	\$ 14.37	\$ 10.34	
Operating Cost per sq ft	\$ 6.54	\$ 3.61	\$ 3.93	\$ 6.29	\$ 5.14	\$ 3.90	\$ 3.72	\$ 6.34	
Tenant Paid Utilities									
Heat	x	x	x		x	x	x		
Air Conditioning	x	x	x		x	x	x		
Cooking	x	x	x		x	x	x		
Other Electric	x	x	x		x	x	x		
Hot Water	x	x	x		x	x	x		
Water, Sewer, Trash									
Owner Paid Utilities									
Heat				x				x	
Air Conditioning				x				x	
Cooking				x				x	
Other Electric				x				x	
Hot Water				x				x	
Water, Sewer, Trash	x	x	x	x	x	x	x	x	
Market Study Data:									
Vacancy Rates	0.0%	1.1%	2.0%	1.7%	0.0%	0.6%	0.5%	2.0%	
Absorption Rate	0mths	2 mo	2 mo	3 mo	2 mo	2 mo	1 mth%	none	
% of Mkt Rents	30% of income	53%	70-80%	70-80%	88-90%	54-77%	84%	70-80%	
Units needed	20	94	91	230	91	166	310	251	

City / County	Manhattan / Gallatin	Miles City / Custer	Missoula / Missoula	Helena / Lewis & Clark	Havre / Hill	Bozeman / Gallatin	Great Falls / Cascade	Missoula / Missoula	
Project Name	Gallatin Forks	Stower Commons	Urban Missoula	Guardian	Antelope Court	Stoneridge Apts	Cascade Ridge II	River Ridge	
Developer / General Ptnr	Syringa Housing Corp	Housing Solutions	Homewood	Detroit Affordable Homes	GL Dev / District IV HRDC	Summit/HRDC	Benefits / CR Builders / MPEG	Missoula Housing Authority	
Evaluation Scoring									
	<i>Points Available</i>								
1 <u>Extended Low Income Use</u>	100	100	100	100	100	100	100	100	
2 <u>Lower Income Tenants</u>	220	220	220	220	220	220	220	220	
3 <u>Project Location</u>									
Grocery Store	20	20	20	20	20	20	20	20	
Other	80	80	80	80	80	80	80	80	
Total	100	100	100	100	100	100	100	100	
4 <u>Housing Needs Characteristics</u>									
Community Input	40	40	40	40	40	40	40	40	
Appropriate Size	50	50	50	-	50	50	50	50	
Appropriate Development Type	40	40	40	40	40	40	40	40	
Market Need - Vacancy	20	20	20	20	20	20	20	20	
Market Need - Absorption Rate	20	20	20	20	20	20	20	20	
Market Need - Rents below Mkt	20	20	20	20	20	20	20	20	
Total	190	190	190	140	190	190	190	190	
5 <u>Project Characteristics</u>									
Preservation of or Increase	20	20	20	20	20	20	20	20	
QCT or Revitalization Plan	10	-	-	-	-	-	-	10	
Preservation of Aff Hsing	20	20	-	20	-	-	-	20	
Project Based Rent Subsidy	50	-	-	50	-	-	-	-	
Amenities	40	40	40	40	40	40	40	40	
Green & Energy	100	75	100	100	75	100	100	100	
Total	240	205	160	160	230	160	160	190	
6 <u>Development Team Characteristics</u>									
Demonstrated Track Record	60	60	60	60	60	60	60	60	
Trained & Cert Dev Team	20	10	20	20	20	20	20	20	
Cold Weather Dev Experience	30	30	30	30	30	30	30	30	
Total	110	100	110	110	110	110	110	110	
7 <u>Participation of Local Entity</u>	50	50	50	50	50	50	50	50	
8 <u>Tenant Populations</u>	100	100	100	100	100	100	100	100	
9 <u>Developer Knowledge and Response</u>									
Management past performances	-	-	-	-	-	-	-	-	
Late responses to MBOH	-	-	-	-	-	-	-	-	
Management Weaknesses	-	-	-	-	-	-	-	-	
Total Points Available	1,110	1,065	1,030	1,050	1,005	1,030	1,030	1,060	

City / County	Manhattan / Gallatin	Miles City / Custer	Missoula / Missoula	Helena / Lewis & Clark	Havre / Hill	Bozeman / Gallatin	Great Falls / Cascade	Missoula / Missoula
Project Name	Gallatin Forks	Stower Commons	Urban Missoula	Guardian	Antelope Court	Stoneridge Apts	Cascade Ridge II	River Ridge
Developer / General Ptnr	Syringa Housing Corp	Housing Solutions	Homeward	Detriot Affordable Homes	GL Dev /District IV HRDC	Summit/HRDC	Builders / MPEG	Missoula Housing Authority

Board Members:

Please find attached project summary schedules, summary of evaluation scoring, additional comment letters and some statistical information you may find useful. The schedule below lists the amount of credits available. If you have any questions please contact me.

Available Credit Calculations:								
HTC Ceiling	\$	2,680,000						
2014 Carryforward	\$	1,866						
	\$	2,681,866						
10% NP Set-aside	\$	268,000						
Rural Set-aside 1	\$	268,187						
Rural Set-aside 2	\$	268,187	\$	536,373	Total Rural Set-aside			
Max per Developer	\$	670,000						
Allocations:								
Total Available	\$	2,681,866						
Corrective	\$	-	\$	2,681,866				
			\$	2,681,866				
			\$	2,681,866				
			\$	2,681,866				
			\$	2,681,866				
Corrective Award	\$	-	\$	-				
			\$	-				

Exhibit E

Cover Page and pages of interest from the Final 2016 QAP are attached. Below please find the 2015 and 2016 Threshold requirements related to the CMAs. The words have been reordered, but there are no changes in the requirement to indicate it has changed from 2015 to be applicable to new construction projects.

2015 QAP Language related to CMA (as referenced in Exhibit B):

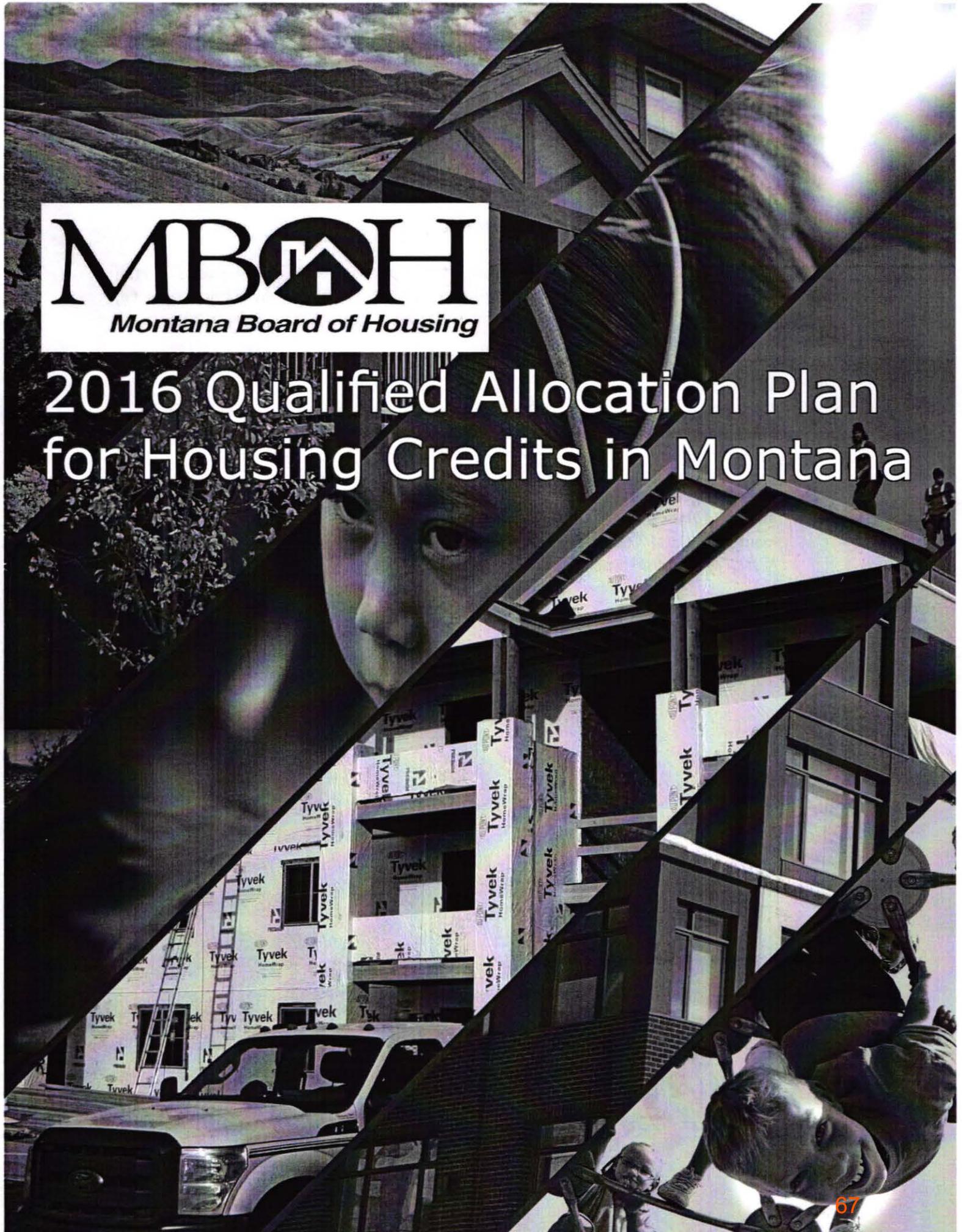
“ ✓ Comparative market analysis (“CMA”) or appraisal done by an independent (non-related) party for all land and/or Acquisition transactions. A CMA is not required on leased land. ”

2016 QAP Language related to CMA:

“13. All Applications for land and/or Acquisition transactions must include a comparative market analysis (“CMA”) or an appraisal done by an independent (non-related) party. A CMA or appraisal is not required on leased land. ”



2016 Qualified Allocation Plan for Housing Credits in Montana



current year, the credits set aside will become classified as the next year's credits, as required by federal code.

If the court orders MBOH to Award credits to any Project under this set-aside, the Project must submit an updated Application so the MBOH can review and underwrite current numbers and assumptions to verify that the amount of credits requested or some other credit amount is justified for Project feasibility, unless otherwise ordered by the court. The corrective awardee must pay the Reservation fee as required in Section 5.

Small Rural Projects

Twenty percent (20%) of the state's Available Annual Credit Allocation is set-aside for Small Rural Projects. For purposes of this set-aside, a Small Rural Project is a Project: (1) for which the submitted tax credit Application requests tax credits in an amount up to but no more than 10% of the state's Available Annual Credit Allocation, and (2) proposed to be developed and constructed in a location that is not within the city limits of Billings, Bozeman, Butte, Great Falls, Helena, Kalispell, or Missoula.

MBOH reserves the right to determine in which set-aside a Project will be reviewed (subject to its eligibility), regardless of its eligibility for any other set-aside. For example, if a Project is submitted as a Small Rural Project in order to utilize the Small Rural Project set-aside when it is clearly part of a larger or non-rural Project, the Project will be placed in the proper category as determined by MBOH staff.

To qualify and receive consideration to receive an Award of credits under a set-aside, the Project must meet all applicable requirements of this QAP and must receive minimum Development Evaluation Criteria score specified in this QAP.

The MBOH Board reserves the right to not Award credits to a qualifying Small Rural Project even if the Project meets the minimum required score, if the MBOH Board, at its discretion, determines another Project or Projects better meet the most pressing housing needs of low income people within the state of Montana, taking into consideration the Selection Criteria of this QAP as determined in accordance with Section 9.

In the event there are insufficient tax credits available to fully fund all set aside categories, the respective set asides categories shall be funded in the following order of priority: (1) Non-profit; (2) Corrective Award; and (3) Small Rural Project.

SECTION 8 – LETTER OF INTENT AND APPLICATION PROCESS

Applicants should read this Qualified Allocation Plan (QAP) and accompanying materials.

Applicants are responsible to determine the degree that their building(s) and development correspond to the MBOH's Selection Criteria contained in this QAP.

Applicants are responsible to consult their own tax attorney or accountant concerning: (a) each building's eligibility for the tax credit; (b) the amount of the credit, if any, for which their building(s) may be eligible; and (c) their ability and/or their Investor's ability to use the tax credit.

Letter of Intent

All Projects wishing to apply for HCs in Montana must submit a Letter of Intent by the deadline specified in Section 4 with the applicable fee. If a Letter of Intent has not been submitted with respect to an Application according to the requirements of this QAP, MBOH will return such Application un-scored along with the application fee and such Application

will not be further considered. All Letters of Intent must be submitted in the format included as Exhibit D-1 and D-2. The Project Location, type (e.g., family or elderly), and Developer specified in the Letter of Intent may not be changed in the later Application. Other information in the Letter of Intent (e.g., cost information, number of units, unit sizes, income targeting, rents, hard and soft loan sources, etc.) will be considered the Applicant's best estimates and may be changed in the Application. No market study or mini-market study is required for purposes of a Letter of Intent.

Application

Applicants must commission a full market study as outlined in Exhibit B.

Applicants must complete and submit the Uniform Application and Supplement, full market study and full application fee by the applicable application deadline (see Section 4 – Application Cycle). Applicants must use the most current form of the Uniform Application and Supplement available on the MBOH website at:
<http://housing.mt.gov/FAR/housingapps.mcp>

Threshold Requirements Are Mandatory

Threshold Requirements are mandatory for all Letters of Intent and Applications. Letters of Intent and Applications received not meeting all Threshold Requirements or other requirements of this QAP will be returned un-scored and will receive no further consideration. Fees will not be returned.

Submit complete Applications to MBOH. Electronic submission of Applications using MBOH's system (currently ShareFile) is preferred but hard copy Applications will also be accepted. Please contact staff (preferably at least a week ahead of the submission deadline) for specific instructions on how to access this system. MBOH staff may communicate with Applicants for purposes of providing interpretive guidance or other information or for purposes of clarifying Applications. MBOH staff may allow minor corrections to Applications, but will return and will not further consider Applications requiring substantial revision or those that are substantially incomplete.

Threshold Requirements

To meet the threshold for further consideration, all Letters of Intent and Applications must be submitted in accordance with the requirements of this QAP and the following Threshold Requirements.

ALL FORMS SUBMITTED TO MBOH IN OR AS PART OF THE APPLICATION, DEVELOPMENT, UNDERWRITING, ALLOCATION, COST CERTIFICATION, COMPLIANCE OR OTHER PROCESSES UNDER THIS QAP MUST BE THE MOST CURRENT FORM AVAILABLE ON THE MBOH WEBSITE. If the most current form(s) are not used, submissions may be returned and required to be resubmitted on the correct form.

Letters of Intent must:

1. Include the applicable fee;
2. Be received by the applicable deadline; and
3. Be substantially complete and in the format prescribed in Exhibit D-1 and D-2.

Applications must:

1. Include the application fee;
2. Be received by the applicable deadline;

3. Include a cover letter summarizing the Project, limited to 2 pages, which will be provided to MBOH Board members within one week following the application deadline;
4. Be substantially complete, and include all of the following documents, information and items. All the below listed items 5 through 26 must be correctly completed and submitted for the Application to be considered substantially complete:
5. The fully completed, current UniApp as posted on the MBOH website.
6. Specify the Qualified Management Company that will provide property management service to the Project and provide written evidence of the company's commitment to provide management services. Upon written notice from MBOH that the Application has identified a Management Company that is not a Qualified Management Company, the Applicant must submit to MBOH within ten (10) days a written designation of a Qualified Management Company and written evidence of the replacement company's commitment to provide management services.
7. Market Study prepared and signed by a disinterested third party analyst, with certificate (included in Exhibit B) signed by analyst and notarized. Market Studies must be completed within six (6) months prior to the submission date of the Application, must have the market analyst complete a physical inspection of the market area within one (1) year of the Application and must adhere to minimum market study requirements in Exhibit B.
8. Land or Property control through lease, ownership or a legal form of option to purchase.
9. Evidence from applicable local zoning authority of proper zoning addressed (zoning place, planned unit development, zoning change requested) unless no zoning requirements exist. If no zoning requirements exist provide documentation from the proper authority. Acquisition/Rehabilitation Projects may provide evidence of no change in zoning requirements.
10. Utilities Documentation of Availability. Acquisition/Rehabilitation Projects need only provide documentation for expected additional load.
11. A preliminary financing letter from a lender indicating the proposed terms and conditions of the loan must be included. The financing letter must formally express interest in financing the Project sufficient to support the terms and conditions represented in the Project financing section of the Application.
12. A letter of interest from an equity provider including an anticipated price based on the market at time of application.
13. All Applications for land and/or Acquisition transactions must include a comparative market analysis ("CMA") or an appraisal done by an independent (non-related) party. A CMA or appraisal is not required on leased land.
14. Full scale Capital Needs Assessment for Rehabilitation Applications, on the USDA Rural Development Capital Needs Assessment (CNA) template or similar form and a scope of work for the Project.

15. For Applications proposing Rehabilitation or if existing units are being replaced, a preliminary relocation plan addressing the logistics of moving tenants out of their residences and providing temporary housing during the Rehabilitation and returning tenants to their residences upon completion of the Rehabilitation.
16. A site plan, and a design professional's preliminary floor plan and elevations for the Project.
17. Profit or non-profit status.
18. If a not-for-profit Owner proposes a property tax exemption, documentation of intent to conduct a public hearing must be submitted with the Application and conducted by the Owner. Without documentation of such intent, the Project will be underwritten as if no exemption was received. Documentation of public hearing(s) must be submitted prior to issuance of the Carryover Commitment.
19. Specify the Extended Use Period.
20. If Project is targeted for Eventual Homeownership, provide supplemental Application documents and information specified in the "Eventual Homeownership" portion of Section 3.
21. Specify selected minimum set aside (20-50) or (40-60).
22. Copy of the public notice and proof of publication meeting requirements under "Public Notice" below in this section.
23. Letters of community support. These support letters must be Project specific and address how the Project meets the needs of the community. New letters of support (as well as new letters of non-support) must be submitted for each Application for each round of competition. Generic support for affordable housing will not be considered support for the specific Project being considered. These letters will be provided to the MBOH Board for its consideration.
24. If the Project is an Elderly Property, stipulation of minimum age (i.e., 55 or 62 and over).
25. A narrative addressing each of the Development Evaluation Criteria, demonstrating how the Application meets each of these criteria, and providing a specific explanation and justification of the points sought for each scoring item. Narrative references to the Market Study must cite the page and paragraph.
26. Completed and signed indemnification and Exhibit E release forms included in this QAP.

Applications must also demonstrate that the proposed Projects are financially sound. This includes reasonable financing terms, costs, expenses, and sufficient cash flow to support the operations of the Project, all of which must meet the underwriting standards of MBOH.

Public Notice

A Tax Credit Applicant must place an advertisement in the local newspaper of the intent to apply, and by doing so, encourage public comment to be submitted to MBOH. Such notice must include Name of Project, Number of Units, Location of Project, For-profit or Non-profit



HOUSING
SOLUTIONS

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

November 2nd, 2015

Mary S. Bair
Multifamily Program Manager
Housing Division – Montana Board of Housing
301 South Park Ste 240
Helena MT 59601

RE: Stower Commons 2016 Housing Credits Application

Dear Mrs. Bair,

We are in receipt of your letter dated October 30th, 2015 stating the MBOH staff has determined it will return the above mentioned application for failing to meet Threshold Requirement #13 of 2016 QAP. We disagree with your determination that this Threshold Requirement is applicable to the above mentioned project. As stated in your letter, we would like to ask the MBOH to reconsider the staffs determination at at the November 9th Meeting.

Enclosed, please find our request as well as the supporting documentation.

Sincerely,

Alex Burkhalter



HOUSING
SOLUTIONS

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

November 2nd, 2015

Chairman Crowley and Board Members
Montana Board of Housing
301 South Park Ste 240
Helena MT 59601

RE: 2016 Stower Commons Housing Credits Application

Mr. Chairman, Members of the Board

On October 30, 2015 we received notice the MBOH staff had determined the 2016 Stower Commons Application did not meet threshold requirements of the 2016 Qualified Allocation Plan and will not be considered further in the 2016 Housing Credit Round. MBOH staff determined the 2016 Stower Commons Application did not include a Threshold Item 13, Comparative Market Analysis ("CMA"). We do not disagree, Threshold Item 13 was not included. We are appealing the determination by staff Threshold Item 13 should be applied to new construction applications.

This appeal is based on the historical application of Threshold Item 13 to Housing Tax Credit Applications for new construction projects. Following are the points we believe substantiate our request to review the staff determination and demonstrate Threshold Item 13 is not applicable to new construction project applications such as the 2016 Stower Commons Application.

- The Threshold Item requiring CMA's was suggested first for, and then added to, the QAP in 2015. It was a brand new requirement. Exhibit A & B.
- Our review of the 2015 Threshold Requirement related to CMA lead us to believe a CMA was not required for new construction projects. Our reasoning for this conclusion is outlined in Exhibit C.
- Housing Solutions' 2015 Stower Commons Application for a new construction project, under the 2015 QAP, was deemed to have met Threshold Requirements, scored and a part of the 2015 Housing Credit Round without a CMA. Exhibit D.

- There were no significant changes to the threshold requirement related to CMA from the 2015 QAP to the 2016 QAP indicating it would now be applicable to new construction projects when the requirement wasn't previously. Exhibit E.

Based on the points outlined above, we ask you to find Threshold Requirement 13 is not applicable to applications for new construction projects until a time when the QAP is more clearly defined to all applicants. A determination Threshold Requirement 13 is not applicable to new construction projects is consistent with the previous year. Applying the Threshold Requirement 13 consistently will allow the 2016 Stower Commons Application to move forward and be considered for an award of 2016 Housing Tax Credits in January.

Thank you in advance for your careful review of this appeal.

Kindest Regards,



Alex Burkhalter
Housing Solutions LLC

Exhibit A

Cover page and pages of interest from the Final Draft Approved for Public Comment of the 2015 QAP showing the first proposed addition of the Threshold Requirement related to Comparative Market Analysis.

33222222

MONTANA BOARD OF HOUSING

~~LOW INCOME~~ HOUSING TAX CREDIT PROGRAM

~~2014~~2015 QUALIFIED ALLOCATION PLAN (QAP)

**MONTANA BOARD OF HOUSING
PO BOX 200528
HELENA, MONTANA 59620-0528
(406) 841-2840
(406) 841-2841 FAX**

~~minimum development evaluation criteria~~Development Evaluation Criteria score specified in this QAP.

The MBOH Board reserves the right to not ~~award~~Award credits to a qualifying ~~small rural project~~Small Rural Project even if the ~~project~~Project meets the minimum required score, if the MBOH Board, at its discretion, determines another ~~project~~Project or ~~projects~~Projects better meet the most pressing housing needs of low income people within the state of Montana, taking into consideration the Selection Criteria of this QAP as determined in accordance with Section 9.

In the event there are insufficient tax credits available to fully fund all set aside categories, the respective set asides categories shall be funded in the following order of priority: (1) Non-profit; (2) Corrective Award; and (3) Small Rural Project.

SECTION 8 – PRE-APPLICATION LETTER OF INTENT AND APPLICATION PROCESS

~~Read~~Applicants should read this Qualified Allocation Plan (QAP) and accompanying materials.

~~Determine~~Applicants are responsible to determine the degree that ~~your~~their building(s) and development correspond to the MBOH's ~~Development Evaluation~~Selection Criteria and the other priorities and considerations contained in this QAP.

~~Consult your~~Applicants are responsible to consult their own tax attorney or accountant concerning: (a) each building's eligibility for the tax credit; (b) the amount of the credit, if any, for which ~~your~~their building(s) may be eligible; and (c) ~~your~~their ability and/or ~~your investor's~~their Investor's ability to use the tax credit.

Pre-Application

Complete the Uniform Application (UNIAPP) with preliminary information and commission a mini market study as outlined in Exhibit B-1. Pre-Applicants are not required Letter of Intent

~~All Projects wishing to apply for HTCs in Montana must submit information regarding the specific project location but must indicate the general location within a specified city, town or small rural location. Submit the Uniform Application, mini market study and pre-application fee a Letter of Intent by the applicable pre-application deadline (see specified in Section 4 – Application Cycle). The pre-application is mandatory with the applicable fee. If a pre-application is~~Letter of Intent has not been submitted with respect to an Application according to the requirements of this QAP, MBOH will not consider and will return any full applications such Application un-scored along with the application fee and such Application will not be further considered. All Letters of Intent must be submitted for in the project format included as Exhibit H.

Full-Application

~~Commission~~Applicants must commission a full market study as outlined in Exhibit B-2.

~~Complete~~Applicants must complete and submit the Uniform Application and Tax Credit Supplement, full market study and full application fee by the applicable application deadline (see Section 4 – Application Cycle). Applicants must use the most current form of the Uniform Application and Tax Credit Supplement available on the MBOH website at: <http://housing.mt.gov/FAR/housingapps.mcp>

Threshold Requirements

Threshold Requirements are mandatory for ~~full applications~~ all Letters of Intent and Applications. Letters of Intent and Applications received not meeting all Threshold Requirements or other requirements of this QAP will be returned un-scored and will receive no further consideration. Application fees will not be returned.

Submit complete ~~applications~~ Applications to MBOH. Electronic submission of ~~applications~~ Applications using MBOH's system (currently ShareFile) is preferred but hard copy ~~applications~~ Applications will also be accepted. Please contact staff (preferably at least a week ahead of the submission deadline) for specific instructions on how to access this system. MBOH staff may communicate with ~~applicants~~ Applicants for purposes of providing interpretive guidance or other information or for purposes of clarifying ~~applications~~ Applications. MBOH staff may allow minor corrections to ~~applications~~ Applications, but will return and will not further consider ~~applications~~ Applications requiring substantial revision or those that are substantially incomplete.

~~Application~~ Threshold Requirements

To meet the threshold for further consideration, ~~a pre-application~~ all Letters of Intent and Applications must be submitted in accordance with the requirements of this QAP ~~by~~.

Letters of Intent must:

- Include the applicable fee;
- Be received by the applicable deadline; and
- Be substantially complete and in the format prescribed in Exhibit H.

Applications must:

- Include the application fee;
- Be received by the applicable deadline;
- Include a fullcover letter summarizing the Project, limited to 2 pages, which will be provided to MBOH Board members within one week following the application packet ~~must: deadline;~~
- ~~Be substantially complete, and;~~
- ~~Be received by the deadline date.~~
 - ✓ The full application must include all of the following documents, information and items. All the below listed items must be correctly completed and submitted in compliance withfor the requirement of this QAP: Application to be considered substantially complete:
- ~~The application fee.~~
- ~~Documentation verifying the General Partner or a member of the LLC (if applicable), and the Management Company personnel have been certified in LIHTC Compliance by one of the nationally recognized training companies.~~
 - ✓ ~~Proof of ability or capacity to construct two or more LIHTC/HTC projects simultaneously, if applicable.~~
 - ✓ Cash flow analysis.
 - ✓ Market Study prepared and signed by a disinterested third party analyst, with certificate (included in Exhibit B-2) signed by analyst and notarized. Market Studies must be completed within six (6) months prior to the submission date of the ~~application~~ Application, must have the market analyst complete a physical inspection of the market area within one (1) year of the Application and must adhere to minimum market study requirements in Exhibit B-2.

- ✓ ~~Site~~Land or Property control through lease, ownership or a legal form of option to purchase.
- ✓ Evidence from applicable local zoning authority of proper zoning addressed (zoning place, planned unit development, zoning change requested) unless no zoning requirements exist. If no zoning requirements exist provide documentation from the proper authority.
- ✓ Utilities Documentation of Availability
- ✓ A preliminary financing letter from a lender indicating the proposed terms and conditions of the loan must be included. The financing letter must formally express interest in financing the ~~project~~Project sufficient to support the terms and conditions represented in the ~~project~~Project financing section of the ~~application~~Application.
- ✓ A letter of interest from an equity provider including an anticipated price based on the market at time of application.
- ✓ Full scale Capital Needs Assessment for Rehabilitation Applications, on the USDA Rural Development Capital Needs Assessment (CNA) template or similar form and a scope of work for the Project.
- ✓ Comparative market analysis ("CMA") or appraisal done by an independent (non-related) party for all land and/or Acquisition transactions. A CMA is not required on leased land.
- ✓ For ~~applications~~Applications proposing ~~rehabilitation~~Rehabilitation or if existing units are being replaced, a preliminary relocation plan addressing the logistics of moving tenants out of their residences and providing temporary housing during the ~~rehabilitation~~Rehabilitation and returning tenants to their residences upon completion of the ~~rehabilitation~~Rehabilitation.
- ✓ A site plan, and a design professional's preliminary floor plan and elevations for the ~~project~~Project.
- ✓ Project/unit amenities.
- ✓ Profit or non-profit status.
- ✓ If a not-for-profit ~~owner~~Owner proposes a property tax exemption, documentation of intent to conduct a public hearing must be submitted with the ~~application~~Application and conducted by the ~~owner~~Owner. Without documentation of intent, the ~~project~~Project will be underwritten as if no exemption was received. Documentation of public hearing(s) must be submitted prior to issuance of the Carryover Commitment.
- ✓ Specify the ~~extended-use period~~Extended Use Period.
- ✓ If ~~project~~Project is targeted for Eventual Homeownership, provide supplemental ~~application~~Application documents and information specified in the "Eventual Homeownership" portion of Section 3.
- ✓ Specify selected target income level (20-50) or (40-60).
- ✓ Copy of the public notice and proof of publication meeting requirements under "Public Notice" below in this section.
- ✓ Letters of community support. These support letters must be ~~project~~Project specific and address how the ~~project~~Project meets the needs of the community. New letters of support (as well as new letters of non-support) must be submitted for each ~~application~~Application for each round of competition. Generic support for affordable housing will not be considered support for the specific ~~project~~Project being considered. These letters will be provided to the MBOH Board for its consideration.
- ✓ If the ~~project~~Project is for elderly, stipulation of minimum age (i.e., 55 or 62 and over).
- ✓ A narrative addressing each of the development-evaluation-criteria-and-how-the-application-meets-each-of-these-criteria.-Development Evaluation Criteria,

demonstrating how the Application meets each of these criteria, and providing a specific explanation and justification of the points sought for each scoring item. Narrative references to the Market Study must cite the page and paragraph.

- ✓ Signed indemnification and release including exhibit E.

Applications must also demonstrate that ~~they~~the proposed Projects are financially sound. This includes reasonable financing terms, costs, expenses, and sufficient cash flow to support the operations of the ~~project~~Project, all of which must meet the underwriting standards of MBOH.

Public Notice

A Tax Credit Applicant must place an advertisement in the local newspaper of the intent to apply, and by doing so, encourage public comment to be submitted to MBOH. Such notice must include Name of Project, Number of Units, Location of Project, For-profit or Non-profit status, and, if applicable, Intent to Request Tax-exempt Status for the ~~project~~Project. The notice will be placed as a box advertisement in the newspaper within ~~3090~~ 30 days prior to or not more than 5 working days after the due-date of the ~~application~~Application and will allow for not less than 30 days for response. The advertisement must be published twice within a seven-day period. A copy of the notice, annotated with dates published, must be included in the ~~application~~Application.

Example of Public Notice

(Name of Developer, address, telephone number), a (for-profit/non-profit) organization, hereby notifies all interested persons of (city, town, community name) that we are planning to develop, (Name of ~~project~~Project) an affordable multi-family rental housing complex on the site at (street location). This complex will consist of (number) (one bedroom, two bedroom, or three bedroom) units for (elderly persons/families). This ~~project~~Project (will/will not) be exempt from property taxes.

An ~~application~~Application (will be/has been) submitted to the Montana Board of Housing for federal tax credits financing.

You are encouraged to submit comments regarding the need for affordable multi-family rental housing in your area to the Montana Board of Housing, PO Box 200528, Helena, MT 59620-0528 or FAX (406) 841-2841. Comments will be accepted until 5 PM the Friday before the MBOH Board Award Determination ~~meeting~~Meeting (See application cycles above).

SECTION 9 – EVALUATION AND AWARD

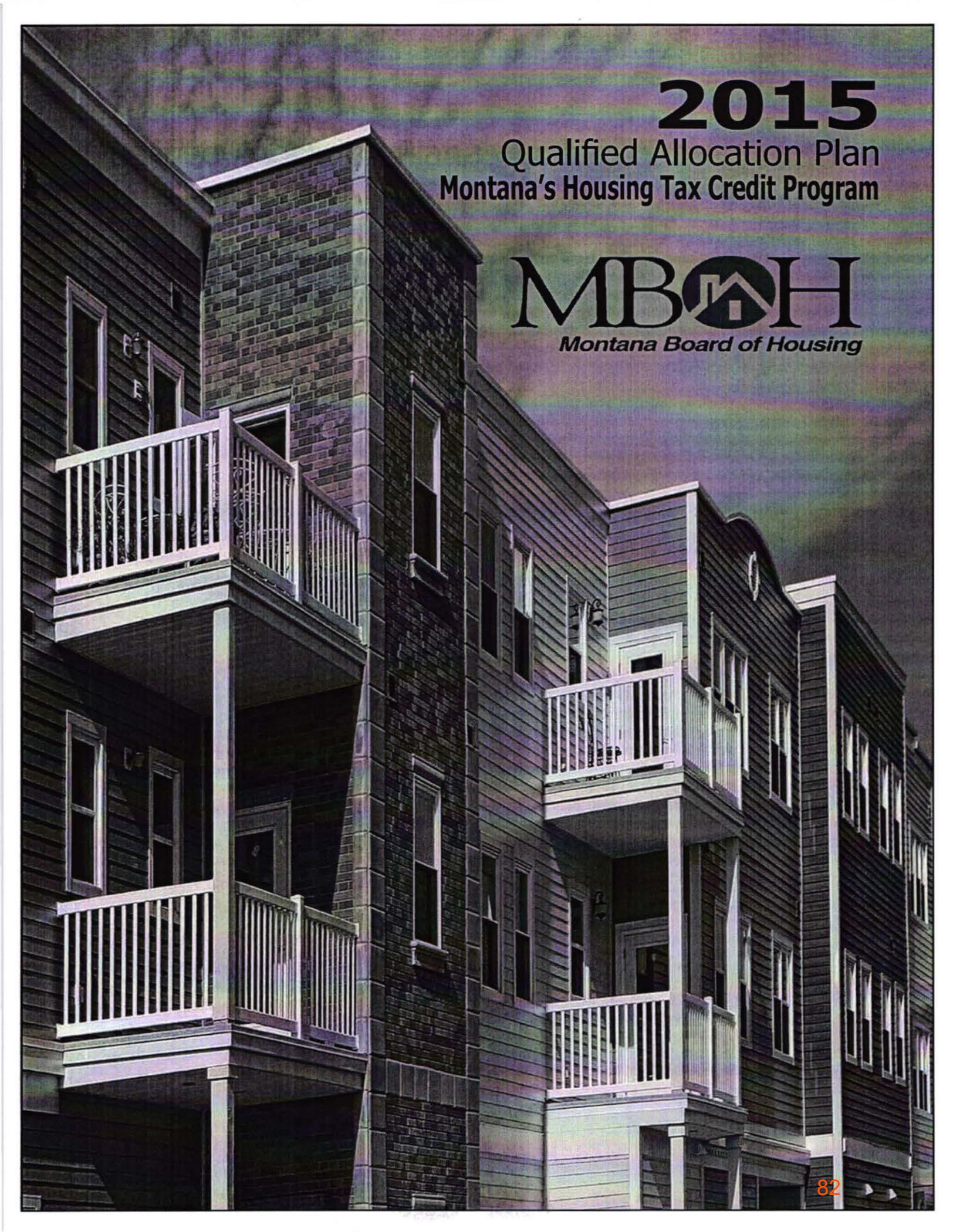
Threshold Evaluation ~~And~~ Considerations

MBOH staff will review all ~~applications~~Applications received by the applicable submission deadline for compliance with all Threshold Requirements, including but not limited to completeness, soundness of the development, and eligibility based on federal requirements and this QAP. Applications determined by MBOH staff to not substantially meet all Threshold Requirements or other requirements of this QAP or federal law will be returned un-scored and will receive no further consideration.

MBOH staff may communicate with ~~applicants~~Applicants for purposes of providing interpretive guidance or other information or for purposes of clarifying or verifying or confirming any information in ~~applications~~Applications. MBOH staff may allow minor corrections to ~~applications~~Applications, but will return and will not further consider

Exhibit B

Cover Page and pages of interest from the Final 2015 QAP showing the adoption of the Threshold Requirement related to Comparative Market Analysis



2015

Qualified Allocation Plan
Montana's Housing Tax Credit Program

MBOH
Montana Board of Housing

when it is clearly part of a larger or non-rural Project, the Project will be placed in the proper category as determined by MBOH staff.

To qualify and receive consideration to receive an Award of credits under a set-aside, the Project must meet all applicable requirements of this QAP and must receive minimum Development Evaluation Criteria score specified in this QAP.

The MBOH Board reserves the right to not Award credits to a qualifying Small Rural Project even if the Project meets the minimum required score, if the MBOH Board, at its discretion, determines another Project or Projects better meet the most pressing housing needs of low income people within the state of Montana, taking into consideration the Selection Criteria of this QAP as determined in accordance with Section 9.

In the event there are insufficient tax credits available to fully fund all set aside categories, the respective set asides categories shall be funded in the following order of priority: (1) Non-profit; (2) Corrective Award; and (3) Small Rural Project.

SECTION 8 – LETTER OF INTENT AND APPLICATION PROCESS

Applicants should read this Qualified Allocation Plan (QAP) and accompanying materials.

Applicants are responsible to determine the degree that their building(s) and development correspond to the MBOH's Selection Criteria contained in this QAP.

Applicants are responsible to consult their own tax attorney or accountant concerning: (a) each building's eligibility for the tax credit; (b) the amount of the credit, if any, for which their building(s) may be eligible; and (c) their ability and/or their Investor's ability to use the tax credit.

Letter of Intent

All Projects wishing to apply for MHTCs in Montana must submit a Letter of Intent by the deadline specified in Section 4 with the applicable fee. If a Letter of Intent has not been submitted with respect to an Application according to the requirements of this QAP, MBOH will return such Application un-scored along with the application fee and such Application will not be further considered. All Letters of Intent must be submitted in the format included as Exhibit D-1 and D-2. The Project Location, type (e.g., family or elderly), and developer specified in the Letter of Intent may not be changed in the later Application. Other information in the Letter of Intent (e.g., cost information, number of units, unit sizes, income targeting, rents, hard and soft loan sources, etc.) will be considered the Applicant's best estimates and may be changed in the Application. No market study or mini-market study is required for purposes of a Letter of Intent.

Application

Applicants must commission a full market study as outlined in Exhibit B.

Applicants must complete and submit the Uniform Application and Supplement, full market study and full application fee by the applicable application deadline (see Section 4 – Application Cycle). Applicants must use the most current form of the Uniform Application and Supplement available on the MBOH website at:
<http://housing.mt.gov/FAR/housingapps.mcp>

Threshold Requirements Are Mandatory

Threshold Requirements are mandatory for all Letters of Intent and Applications. Letters of Intent and Applications received not meeting all Threshold Requirements or other requirements of this QAP will be returned un-scored and will receive no further consideration. Fees will not be returned.

Submit complete Applications to MBOH. Electronic submission of Applications using MBOH's system (currently ShareFile) is preferred but hard copy Applications will also be accepted. Please contact staff (preferably at least a week ahead of the submission deadline) for specific instructions on how to access this system. MBOH staff may communicate with Applicants for purposes of providing interpretive guidance or other information or for purposes of clarifying Applications. MBOH staff may allow minor corrections to Applications, but will return and will not further consider Applications requiring substantial revision or those that are substantially incomplete.

Threshold Requirements

To meet the threshold for further consideration, all Letters of Intent and Applications must be submitted in accordance with the requirements of this QAP and the following Threshold Requirements.

Letters of Intent must:

- Include the applicable fee;
- Be received by the applicable deadline; and
- Be substantially complete and in the format prescribed in Exhibit D-1 and D-2.

Applications must:

- Include the application fee;
- Be received by the applicable deadline;
- Include a cover letter summarizing the Project, limited to 2 pages, which will be provided to MBOH Board members within one week following the application deadline;
- Be substantially complete, and include all of the following documents, information and items. All the below listed items must be correctly completed and submitted for the Application to be considered substantially complete:
 - ✓ Cash flow analysis.
 - ✓ Market Study prepared and signed by a disinterested third party analyst, with certificate (included in Exhibit B) signed by analyst and notarized. Market Studies must be completed within six (6) months prior to the submission date of the Application, must have the market analyst complete a physical inspection of the market area within one (1) year of the Application and must adhere to minimum market study requirements in Exhibit B.
 - ✓ Land or Property control through lease, ownership or a legal form of option to purchase.
 - ✓ Evidence from applicable local zoning authority of proper zoning addressed (zoning place, planned unit development, zoning change requested) unless no zoning requirements exists. If no zoning requirements exist provide documentation from the proper authority.
 - ✓ Utilities Documentation of Availability
 - ✓ A preliminary financing letter from a lender indicating the proposed terms and conditions of the loan must be included. The financing letter must formally express interest in financing the Project sufficient to support the terms and conditions represented in the Project financing section of the Application.

- 
- ✓ A letter of interest from an equity provider including an anticipated price based on the market at time of application.
 - ✓ Full scale Capital Needs Assessment for Rehabilitation Applications, on the USDA Rural Development Capital Needs Assessment (CNA) template or similar form and a scope of work for the Project.
 - ✓ Comparative market analysis ("CMA") or appraisal done by an independent (non-related) party for all land and/or Acquisition transactions. A CMA is not required on leased land.
 - ✓ For Applications proposing Rehabilitation or if existing units are being replaced, a preliminary relocation plan addressing the logistics of moving tenants out of their residences and providing temporary housing during the Rehabilitation and returning tenants to their residences upon completion of the Rehabilitation.
 - ✓ A site plan, and a design professional's preliminary floor plan and elevations for the Project.
 - ✓ Project/unit amenities.
 - ✓ Profit or non-profit status.
 - ✓ If a not-for-profit Owner proposes a property tax exemption, documentation of intent to conduct a public hearing must be submitted with the Application and conducted by the Owner. Without documentation of intent, the Project will be underwritten as if no exemption was received. Documentation of public hearing(s) must be submitted prior to issuance of the Carryover Commitment.
 - ✓ Specify the Extended Use Period.
 - ✓ If Project is targeted for Eventual Homeownership, provide supplemental Application documents and information specified in the "Eventual Homeownership" portion of Section 3.
 - ✓ Specify selected target income level (20-50) or (40-60).
 - ✓ Copy of the public notice and proof of publication meeting requirements under "Public Notice" below in this section.
 - ✓ Letters of community support. These support letters must be Project specific and address how the Project meets the needs of the community. New letters of support (as well as new letters of non-support) must be submitted for each Application for each round of competition. Generic support for affordable housing will not be considered support for the specific Project being considered. These letters will be provided to the MBOH Board for its consideration.
 - ✓ If the Project is for elderly, stipulation of minimum age (i.e., 55 or 62 and over).
 - ✓ A narrative addressing each of the Development Evaluation Criteria, demonstrating how the Application meets each of these criteria, and providing a specific explanation and justification of the points sought for each scoring item. Narrative references to the Market Study must cite the page and paragraph.
 - ✓ Signed indemnification and release forms included as Exhibits E to this QAP.

Applications must also demonstrate that the proposed Projects are financially sound. This includes reasonable financing terms, costs, expenses, and sufficient cash flow to support the operations of the Project, all of which must meet the underwriting standards of MBOH.

Public Notice

A Tax Credit Applicant must place an advertisement in the local newspaper of the intent to apply, and by doing so, encourage public comment to be submitted to MBOH. Such notice must include Name of Project, Number of Units, Location of Project, For-profit or Non-profit status, and, if applicable, Intent to Request Tax-exempt Status for the Project. The notice will be placed as a box advertisement in the newspaper within 90 days prior to or not more than 5 working days after the due date of the Application and will allow for not less than 30

Exhibit C

Our understanding of the Threshold Requirement related to CMAs is it was only applicable to projects involving the acquisition and rehabilitation of existing structures. We arrived at this conclusion because of the necessity of knowing the value of the land underlying an existing project in determining the number of 4% Acquisition Credits. For example, if the acquisition price of the project (land and buildings) was \$2,000,000 and the land portion was \$500,000, acquisition credits could be taken on the difference, representing the building value, \$1,500,000. An independent third party report would be required to prevent unscrupulous applicants from driving land value down, thereby increasing the number of 4% Acquisition Credits.

As stated in the Threshold Requirement, CMA's would not be applicable to Acquisition projects with leased land. Not requiring CMA for Acquisition projects with leased land makes sense because the land lease document would determine the value of the land, thereby a CMA to break out the land cost for determining Acquisition Credits would not be required. This is similar to how the required purchase and sale agreement on a new construction project clearly identifies the cost of the land, so a CMA would not be required.

Exhibit D

The list of 2015 Housing Tax Credit projects eligible for award can be found in the minutes of Montana Board of Housing Meeting on November 17th, 2015. Regretfully, when we accessed the archived minutes section of the Board of Housing Website on October 31st, 2015, URL address located below, the minutes of that meeting were not posted.

(<http://housing.mt.gov/About/MBOH/Meetings#Archived-Minutes-304>)

In lieu of MBOH Meeting Minutes, we have attached the scores summary for the projects that met Threshold Requirements in the 2015 round. Housing Solutions' 2015 Stower Commons Application for a new construction project, which did not include a CMA, is included in the scored projects.

City / County	Manhattan / Gallatin	Miles City / Custer	Missoula / Missoula	Helena / Lewis & Clark	Havre / Hill	Bozeman / Gallatin	Great Falls / Cascade	Missoula / Missoula
Project Name	Gallatin Forks	Stower Commons	Urban Missoula	Guardian	Antelope Court	Stoneridge Apts	Cascade Ridge II	River Ridge
Developer / General Ptrnr	Syringa Housing Corp	Housing Solutions	Homewood	Detroit Affordable Homes	GL Dev /District IV HRDC	Summit/HRDC	Benefits / CR Builders / MPEG	Missoula Housing Authority
GP Organizational Type	Non-Profit	For-Profit	Non-Profit	Non-Profit	Non-Profit	For-Profit	Non-Profit	Gov entity
Set-aside	Non-Profit	General	Non Profit	General	General	Non Profit	General	General
HC Requested	\$ 153,494	\$ 610,000	\$ 430,000	\$ 658,750	\$ 568,750	\$ 658,750	\$ 245,183	\$ 501,723
Project Type	Family	Family	Family	Family	Family	Family	Senior	Elderly 55+
Construction Type	Acq/Rehab	New Const	New Const	Acq/Rehab	New Const	New Const	New Const	Acq/Rehab
Unit Numbers	Target							
0-bdrm 40%	0	0	1	13	0	0	0	0
0-bdrm 50%	0	0	4	56	0	0	0	0
0-bdrm 50%	0	0	0	0	0	0	0	0
0-bdrm 60%	0	0	1	0	0	0	0	0
1-bdrm 40%	1	1	1	0	2	0	2	6
1-bdrm 50%	5	1	7	49	13	0	5	35
1-bdrm 50%	0	0	0	0	4	0	0	0
1-bdrm 60%	2	1	3	0	1	0	1	17
2-bdrm 40%	1	2	1	0	2	4	0	1
2-bdrm 50%	5	12	1	0	6	21	5	8
2-bdrm 50%	0	0	0	0	0	0	0	0
2-bdrm 60%	2	4	1	0	2	5	3	3
3-bdrm 40%	0	1	1	0	0	4	0	0
3-bdrm 50%	0	6	4	0	0	9	0	0
3-bdrm 50%	0	0	0	0	0	0	0	0
3-bdrm 60%	0	2	1	0	0	4	0	0
other mgr	0	0	0	0	0	0	0	0
other mkt	0	0	0	0	0	0	0	0
Total Units	16	30	26	118	30	47	16	70
Square Footage								
Low Income/Common	12,720	32,112	34,268	70,071	25,600	52,752	17,061	48,530
Market/Commercial	-	-	-	-	-	-	-	-
Total	12,720	32,112	34,268	70,071	25,600	52,752	17,061	48,530

City / County			Manhattan / Gallatin	Miles City / Custer	Missoula / Missoula	Helena / Lewis & Clark	Havre / Hill	Bozeman / Gallatin	Great Falls / Cascade	Missoula / Missoula
Project Name			Gallatin Forks	Stower Commons	Urban Missoula	Guardian	Antelope Court	Stoneridge Apts	Cascade Ridge II	River Ridge
Developer / General Ptnr			Syringa Housing Corp	Housing Solutions	Homewood	Detriot Affordable Homes	GL Dev /District IV HRDC	Summit/HRDC	Benefits / CR Builders / MPEG	Missoula Housing Authority
Unit Rents										
	0-bdrm	40%	\$ -	\$ -	\$ 354	\$ 500	\$ -	\$ -	\$ -	\$ -
	0-bdrm	50%	\$ -	\$ -	\$ 461	\$ 500	\$ -	\$ -	\$ -	\$ -
	0-bdrm	50%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	0-bdrm	60%	\$ -	\$ -	\$ 496	\$ -	\$ -	\$ -	\$ -	\$ -
	1-bdrm	40%	\$ 665	\$ 345	\$ 384	\$ -	\$ 366	\$ -	\$ 340	\$ 459
	1-bdrm	50%	\$ 665	\$ 450	\$ 499	\$ 624	\$ 477	\$ -	\$ 445	\$ 574
	1-bdrm	50%	\$ -	\$ -	\$ -	\$ -	\$ 391	\$ -	\$ -	\$ -
	1-bdrm	60%	\$ 665	\$ 515	\$ 545	\$ -	\$ 589	\$ -	\$ 545	\$ 689
	2-bdrm	40%	\$ 740	\$ 415	\$ 462	\$ -	\$ 438	\$ 542	\$ -	\$ 551
	2-bdrm	50%	\$ 740	\$ 535	\$ 599	\$ -	\$ 571	\$ 702	\$ 535	\$ 688
	2-bdrm	50%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	2-bdrm	60%	\$ 740	\$ 660	\$ 654	\$ -	\$ 705	\$ 776	\$ 660	\$ 826
	3-bdrm	40%	\$ -	\$ 465	\$ 518	\$ -	\$ -	\$ 609	\$ -	\$ -
	3-bdrm	50%	\$ -	\$ 610	\$ 677	\$ -	\$ -	\$ 794	\$ -	\$ -
	3-bdrm	50%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	3-bdrm	60%	\$ -	\$ 755	\$ 740	\$ -	\$ -	\$ 852	\$ -	\$ -
	other	mgr	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	other	mkt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Monthly Rents			\$ 11,240	\$ 16,835	\$ 13,887	\$ 65,076	\$ 14,798	\$ 33,780	\$ 8,105	\$ 43,090
vacancy factor			5.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%
Adjusted Rent			\$ 10,678	\$ 15,657	\$ 12,915	\$ 60,521	\$ 13,762	\$ 31,415	\$ 7,538	\$ 40,074
other/commercial income			\$ 258	\$ 150	\$ 300	\$ 912	\$ 300	\$ 392	\$ 366	\$ 2,190
total rent			\$ 10,936	\$ 15,807	\$ 13,215	\$ 61,433	\$ 14,062	\$ 31,807	\$ 7,904	\$ 42,264
x 12 months			12	12	12	12	12	12	12	12
Total Annual Income			\$ 131,232	\$ 189,679	\$ 158,579	\$ 737,192	\$ 168,746	\$ 381,689	\$ 94,844	\$ 507,164
Expenses										
Administration			\$ 9,460	\$ 10,800	\$ 29,900	\$ 27,580	\$ 17,500	\$ 16,500	\$ 11,260	\$ 14,920
Management			\$ 11,136	\$ 13,278	\$ 12,500	\$ 51,563	\$ 15,750	\$ 22,901	\$ 5,652	\$ 30,429
Maintenance			\$ 34,138	\$ 48,495	\$ 41,140	\$ 220,438	\$ 53,582	\$ 98,000	\$ 21,568	\$ 133,900
Operating			\$ 10,235	\$ 34,200	\$ 41,800	\$ 103,617	\$ 27,845	\$ 29,500	\$ 17,720	\$ 106,700
Taxes			\$ 6,250	\$ -	\$ 1,650	\$ 2,000	\$ 8,000	\$ 24,240	\$ 2,400	\$ 600
Replacement Reserve			\$ 12,000	\$ 9,000	\$ 7,800	\$ 35,400	\$ 9,000	\$ 14,400	\$ 4,800	\$ 21,000
Total Expenses			\$ 83,219	\$ 115,773	\$ 134,790	\$ 440,598	\$ 131,677	\$ 205,541	\$ 63,400	\$ 307,549
Net Income Before Debt Service			\$ 48,013	\$ 73,906	\$ 23,789	\$ 296,594	\$ 37,069	\$ 176,148	\$ 31,444	\$ 199,615

City / County	Manhattan / Gallatin	Miles City / Custer	Missoula / Missoula	Helena / Lewis & Clark	Havre / Hill	Bozeman / Gallatin	Great Falls / Cascade	Missoula / Missoula
Project Name	Gallatin Forks	Stower Commons	Urban Missoula	Guardian	Antelope Court	Stoneridge Apts	Cascade Ridge II	River Ridge
Developer / General Ptrnr	Syringa Housing Corp	Housing Solutions	Homeword	Detroit Affordable Homes	GL Dev /District IV HRDC	Summit/HRDC	Builders / MPEG	Missoula Housing Authority
Financing Sources								
Hard Loan	\$ 149,062	\$ 865,000	\$ 220,000	\$ 4,000,000	\$ 300,000	\$ 1,902,000	\$ 350,000	\$ 2,450,000
Hard Loan	\$ 421,933	\$ -	\$ 180,000	\$ -	\$ -	\$ -	\$ -	\$ -
Soft Loan	\$ -	\$ 155,854	\$ 233,974	\$ -	\$ -	\$ -	\$ -	\$ -
Soft Loan	\$ -	\$ -	\$ 320,000	\$ -	\$ -	\$ -	\$ -	\$ -
HOME Program	\$ -	\$ -	\$ 750,000	\$ -	\$ 750,000	\$ -	\$ -	\$ -
CDBG Program	\$ -	\$ -	\$ 120,000	\$ -	\$ -	\$ -	\$ -	\$ -
Other- GP Capital	\$ 80,000	\$ -	\$ -	\$ -	\$ -	\$ 26,000	\$ 117,838	\$ -
Deferred Dev Fee	\$ 29,288	\$ -	\$ 37,939	\$ -	\$ 138,753	\$ -	\$ 100,852	\$ 55,732
Tax Credits	\$ 1,381,310	\$ 5,550,445	\$ 3,956,000	\$ 5,665,250	\$ 4,777,500	\$ 5,565,881	\$ 2,181,910	\$ 4,765,897
Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Sources:	\$ 2,061,593	\$ 6,571,299	\$ 5,817,913	\$ 9,665,250	\$ 5,966,253	\$ 7,493,881	\$ 2,750,600	\$ 7,271,629
% of Project Financed by HC:	67.00%	84.46%	68.00%	58.61%	80.08%	74.27%	79.32%	65.54%
Return on Sale of HTC								
HTC Requested	\$ 153,494	\$ 610,000	\$ 430,000	\$ 658,750	\$ 568,750	\$ 658,750	\$ 245,183	\$ 501,723
HTC Taken over 10 yrs	\$ 1,534,940	\$ 6,100,000	\$ 4,300,000	\$ 6,587,500	\$ 5,687,500	\$ 6,587,500	\$ 2,451,830	\$ 5,017,230
HTC Equity	\$ 1,381,310	\$ 5,550,445	\$ 3,956,000	\$ 5,665,250	\$ 4,777,500	\$ 5,565,881	\$ 2,181,910	\$ 4,765,897
HTC Return on Sale	\$ 0.900	\$ 0.910	\$ 0.920	\$ 0.860	\$ 0.840	\$ 0.845	\$ 0.890	\$ 0.950
Debt Coverage Ratio (DCR)								
Net Income Before Debt Service	\$ 48,013	\$ 73,906	\$ 23,789	\$ 296,594	\$ 37,069	\$ 176,148	\$ 31,444	\$ 199,615
Total Debt Service	\$ 32,560	\$ 61,634	\$ 16,687	\$ 239,458	\$ 21,584	\$ 144,263	\$ 25,181	\$ 171,570
Debt Coverage Ratio	1.47	1.20	1.43	1.24	1.72	1.22	1.25	1.16
Project Costs								
Land/Building/Acquisition	\$ 550,000	\$ 255,000	\$ 439,775	\$ 3,500,000	\$ 20,000	\$ 375,000	\$ 117,739	\$ 2,017,000
Site Work	\$ 4,178	\$ 440,000	\$ 115,000	\$ 80,428	\$ 772,428	\$ 200,000	\$ 96,000	\$ 195,000
Construction / Rehab	\$ 1,078,608	\$ 4,486,849	\$ 4,099,402	\$ 4,383,348	\$ 3,811,000	\$ 5,316,613	\$ 1,765,373	\$ 3,415,336
Soft Costs	\$ 214,257	\$ 534,450	\$ 569,736	\$ 824,969	\$ 597,825	\$ 607,268	\$ 403,126	\$ 609,153
Developer Fees	\$ 214,550	\$ 785,000	\$ 500,000	\$ 649,820	\$ 675,000	\$ 850,000	\$ 310,000	\$ 800,000
Reserves	\$ -	\$ 70,000	\$ 94,000	\$ 226,685	\$ 90,000	\$ 145,000	\$ 58,362	\$ 235,140
Total Project Costs	\$ 2,061,593	\$ 6,571,299	\$ 5,817,913	\$ 9,665,250	\$ 5,966,253	\$ 7,493,881	\$ 2,750,600	\$ 7,271,629
Costs versus Sources								
Total Project Costs	\$ 2,061,593	\$ 6,571,299	\$ 5,817,913	\$ 9,665,250	\$ 5,966,253	\$ 7,493,881	\$ 2,750,600	\$ 7,271,629
Total Financing Sources	\$ 2,061,593	\$ 6,571,299	\$ 5,817,913	\$ 9,665,250	\$ 5,966,253	\$ 7,493,881	\$ 2,750,600	\$ 7,271,629
Difference	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

City / County	Manhattan / Gallatin	Miles City / Custer	Missoula / Missoula	Helena / Lewis & Clark	Havre / Hill	Bozeman / Gallatin	Great Falls / Cascade	Missoula / Missoula	
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Developer / General Ptrn	Syringa Housing Corp	Housing Solutions	Homeword	Detriot Affordable Homes	GL Dev /District IV HRDC	Summit/HRDC	Benefits / CR Builders / MPEG	Missoula Housing Authority	
Project Cost Limitations									
	<u>Limits</u>								
General Requirements	6.00%	3.94%	5.19%	5.57%	5.68%	5.71%	5.40%	5.16%	5.78%
Contractor Overhead	2.00%	1.85%	1.57%	1.79%	1.79%	1.88%	1.71%	1.73%	1.93%
Contractor Profit	6.00%	3.79%	5.16%	5.81%	5.37%	5.75%	5.12%	4.90%	5.79%
Developer Fees	15.00%	9.46%	14.83%	10.73%	7.70%	13.43%	14.15%	13.85%	9.53%
Soft Cost	30.00%	26.26%	25.46%	23.28%	18.52%	27.11%	24.73%	34.67%	25.04%
Per Unit Comparison									
Cost per unit	\$ 128,850	\$ 219,043	\$ 223,766	\$ 81,909	\$ 198,875	\$ 159,444	\$ 171,913	\$ 103,880	
Credits per unit	\$ 9,593	\$ 20,333	\$ 16,538	\$ 5,583	\$ 18,958	\$ 14,016	\$ 15,324	\$ 7,167	
Operating Cost per unit	\$ 5,201	\$ 3,859	\$ 5,184	\$ 3,734	\$ 4,389	\$ 4,373	\$ 3,963	\$ 4,394	
Replacement Reseves	\$ 750	\$ 300	\$ 300	\$ 300	\$ 300	\$ 306	\$ 300	\$ 300	
Per Square Foot Comparison									
Cost per sq ft	\$ 162.07	\$ 204.64	\$ 169.78	\$ 137.94	\$ 233.06	\$ 142.06	\$ 161.22	\$ 149.84	
Credits per sq ft	\$ 12.07	\$ 19.00	\$ 12.55	\$ 9.40	\$ 22.22	\$ 12.49	\$ 14.37	\$ 10.34	
Operating Cost per sq ft	\$ 6.54	\$ 3.61	\$ 3.93	\$ 6.29	\$ 5.14	\$ 3.90	\$ 3.72	\$ 6.34	
Tenant Paid Utilities									
Heat	x	x	x		x	x	x		
Air Conditioning	x	x	x		x	x	x		
Cooking	x	x	x		x	x	x		
Other Electric	x	x	x		x	x	x		
Hot Water	x	x	x		x	x	x		
Water, Sewer, Trash									
Owner Paid Utilities									
Heat				x				x	
Air Conditioning				x				x	
Cooking				x				x	
Other Electric				x				x	
Hot Water				x				x	
Water, Sewer, Trash	x	x	x	x	x	x	x	x	
Market Study Data:									
Vacancy Rates	0.0%	1.1%	2.0%	1.7%	0.0%	0.6%	0.5%	2.0%	
Absorption Rate	0mths	2 mo	2 mo	3 mo	2 mo	2 mo	1 mth%	none	
% of Mkt Rents	30% of income	53%	70-80%	70-80%	88-90%	54-77%	84%	70-80%	
Units needed	20	94	91	230	91	166	310	251	

City / County		Manhattan / Gallatin	Miles City / Custer	Missoula / Missoula	Helena / Lewis & Clark	Havre / Hill	Bozeman / Gallatin	Great Falls / Cascade	Missoula / Missoula
Project Name		Gallatin Forks	Stower Commons	Urban Missoula	Guardian	Antelope Court	Stoneridge Apts	Cascade Ridge II	River Ridge
Developer / General Ptner		Syringa Housing Corp	Housing Solutions	Homeword	Detroit Affordable Homes	GL Dev /District IV HRDC	Summit/HRDC	Cascade Ridge II Builders / MPEG	Missoula Housing Authority
Evaluation Scoring									
	<i>Points Available</i>								
1	<u>Extended Low Income Use</u>	100	100	100	100	100	100	100	100
2	<u>Lower Income Tenants</u>	220	220	220	220	220	220	220	220
3	<u>Project Location</u>								
	Grocery Store	20	20	20	20	20	20	20	20
	Other	80	80	80	80	80	80	80	80
	Total	100	100	100	100	100	100	100	100
4	<u>Housing Needs Characteristics</u>								
	Community Input	40	40	40	40	40	40	40	40
	Appropriate Size	50	50	50	-	50	50	50	50
	Appropriate Development Type	40	40	40	40	40	40	40	40
	Market Need - Vacancy	20	20	20	20	20	20	20	20
	Market Need - Absorption Rate	20	20	20	20	20	20	20	20
	Market Need - Rents below Mkt	20	20	20	20	20	20	20	20
	Total	190	190	190	140	190	190	190	190
5	<u>Project Characteristics</u>								
	Preservation of or Increase QCT or Revitalization Plan	20	20	20	20	20	20	20	20
	Preservation of Aff Hsing	10	-	-	-	-	-	-	10
	Project Based Rent Subsidy	20	-	-	20	-	-	-	20
	Amenities	50	-	-	50	-	-	-	-
	Green & Energy	40	40	40	40	40	40	40	40
	Total	100	75	100	100	75	100	100	100
	Total	240	205	160	160	230	135	160	190
6	<u>Development Team Characteristics</u>								
	Demonstrated Track Record	60	60	60	60	60	60	60	60
	Trained & Cert Dev Team	20	10	20	20	20	20	20	20
	Cold Weather Dev Experience	30	30	30	30	30	30	30	30
	Total	110	100	110	110	110	110	110	110
7	<u>Participation of Local Entity</u>	50	50	50	50	50	50	50	50
8	<u>Tenant Populations</u>	100	100	100	100	100	100	100	100
9	<u>Developer Knowledge and Response</u>								
	Management past performances	-	-	-	-	-	-	-	-
	Late responses to MBOH	-	-	-	-	-	-	-	-
	Management Weaknesses	-	-	-	-	-	-	-	-
	Total Points Available	1,110	1,065	1,030	1,050	1,005	1,030	1,030	1,060

City / County	Manhattan / Gallatin	Miles City / Custer	Missoula / Missoula	Helena / Lewis & Clark	Havre / Hill	Bozeman / Gallatin	Great Falls / Cascade	Missoula / Missoula
Project Name	Gallatin Forks	Stower Commons	Urban Missoula	Guardian	Antelope Court	Stoneridge Apts	Cascade Ridge II	River Ridge
Developer / General Ptnr	Syringa Housing Corp	Housing Solutions	Homeward	Detriot Affordable Homes	GL Dev /District IV HRDC	Summit/HRDC	Builders / MPEG	Missoula Housing Authority

Board Members:

Please find attached project summary schedules, summary of evaluation scoring, additional comment letters and some statistical information you may find useful. The schedule below lists the amount of credits available. If you have any questions please contact me.

Available Credit Calculations:

HTC Ceiling	\$	2,680,000		
2014 Carryforward	\$	1,866		
	\$	<u>2,681,866</u>		
10% NP Set-aside	\$	268,000		
Rural Set-aside 1	\$	268,187		
Rural Set-aside 2	\$	268,187	\$ 536,373	Total Rural Set-aside
Max per Developer	\$	670,000		

Allocations:

Total Available	\$	2,681,866		
Corrective	\$	-	\$ 2,681,866	
			\$ 2,681,866	
			\$ 2,681,866	
			\$ 2,681,866	
			\$ 2,681,866	
			\$ 2,681,866	
Corrective Award	\$	-	\$ -	
			\$ -	
			\$ -	

Exhibit E

Cover Page and pages of interest from the Final 2016 QAP are attached. Below please find the 2015 and 2016 Threshold requirements related to the CMAs. The words have been reordered, but there are no changes in the requirement to indicate it has changed from 2015 to be applicable to new construction projects.

2015 QAP Language related to CMA (as referenced in Exhibit B):

“ ✓ Comparative market analysis (“CMA”) or appraisal done by an independent (non-related) party for all land and/or Acquisition transactions. A CMA is not required on leased land. ”

2016 QAP Language related to CMA:

“13. All Applications for land and/or Acquisition transactions must include a comparative market analysis (“CMA”) or an appraisal done by an independent (non-related) party. A CMA or appraisal is not required on leased land. ”



2016 Qualified Allocation Plan for Housing Credits in Montana

current year, the credits set aside will become classified as the next year's credits, as required by federal code.

If the court orders MBOH to Award credits to any Project under this set-aside, the Project must submit an updated Application so the MBOH can review and underwrite current numbers and assumptions to verify that the amount of credits requested or some other credit amount is justified for Project feasibility, unless otherwise ordered by the court. The corrective awardee must pay the Reservation fee as required in Section 5.

Small Rural Projects

Twenty percent (20%) of the state's Available Annual Credit Allocation is set-aside for Small Rural Projects. For purposes of this set-aside, a Small Rural Project is a Project: (1) for which the submitted tax credit Application requests tax credits in an amount up to but no more than 10% of the state's Available Annual Credit Allocation, and (2) proposed to be developed and constructed in a location that is not within the city limits of Billings, Bozeman, Butte, Great Falls, Helena, Kalispell, or Missoula.

MBOH reserves the right to determine in which set-aside a Project will be reviewed (subject to its eligibility), regardless of its eligibility for any other set-aside. For example, if a Project is submitted as a Small Rural Project in order to utilize the Small Rural Project set-aside when it is clearly part of a larger or non-rural Project, the Project will be placed in the proper category as determined by MBOH staff.

To qualify and receive consideration to receive an Award of credits under a set-aside, the Project must meet all applicable requirements of this QAP and must receive minimum Development Evaluation Criteria score specified in this QAP.

The MBOH Board reserves the right to not Award credits to a qualifying Small Rural Project even if the Project meets the minimum required score, if the MBOH Board, at its discretion, determines another Project or Projects better meet the most pressing housing needs of low income people within the state of Montana, taking into consideration the Selection Criteria of this QAP as determined in accordance with Section 9.

In the event there are insufficient tax credits available to fully fund all set aside categories, the respective set asides categories shall be funded in the following order of priority: (1) Non-profit; (2) Corrective Award; and (3) Small Rural Project.

SECTION 8 – LETTER OF INTENT AND APPLICATION PROCESS

Applicants should read this Qualified Allocation Plan (QAP) and accompanying materials.

Applicants are responsible to determine the degree that their building(s) and development correspond to the MBOH's Selection Criteria contained in this QAP.

Applicants are responsible to consult their own tax attorney or accountant concerning: (a) each building's eligibility for the tax credit; (b) the amount of the credit, if any, for which their building(s) may be eligible; and (c) their ability and/or their Investor's ability to use the tax credit.

Letter of Intent

All Projects wishing to apply for HCs in Montana must submit a Letter of Intent by the deadline specified in Section 4 with the applicable fee. If a Letter of Intent has not been submitted with respect to an Application according to the requirements of this QAP, MBOH will return such Application un-scored along with the application fee and such Application

will not be further considered. All Letters of Intent must be submitted in the format included as Exhibit D-1 and D-2. The Project Location, type (e.g., family or elderly), and Developer specified in the Letter of Intent may not be changed in the later Application. Other information in the Letter of Intent (e.g., cost information, number of units, unit sizes, income targeting, rents, hard and soft loan sources, etc.) will be considered the Applicant's best estimates and may be changed in the Application. No market study or mini-market study is required for purposes of a Letter of Intent.

Application

Applicants must commission a full market study as outlined in Exhibit B.

Applicants must complete and submit the Uniform Application and Supplement, full market study and full application fee by the applicable application deadline (see Section 4 – Application Cycle). Applicants must use the most current form of the Uniform Application and Supplement available on the MBOH website at:
<http://housing.mt.gov/FAR/housingapps.mcpX>

Threshold Requirements Are Mandatory

Threshold Requirements are mandatory for all Letters of Intent and Applications. Letters of Intent and Applications received not meeting all Threshold Requirements or other requirements of this QAP will be returned un-scored and will receive no further consideration. Fees will not be returned.

Submit complete Applications to MBOH. Electronic submission of Applications using MBOH's system (currently ShareFile) is preferred but hard copy Applications will also be accepted. Please contact staff (preferably at least a week ahead of the submission deadline) for specific instructions on how to access this system. MBOH staff may communicate with Applicants for purposes of providing interpretive guidance or other information or for purposes of clarifying Applications. MBOH staff may allow minor corrections to Applications, but will return and will not further consider Applications requiring substantial revision or those that are substantially incomplete.

Threshold Requirements

To meet the threshold for further consideration, all Letters of Intent and Applications must be submitted in accordance with the requirements of this QAP and the following Threshold Requirements.

ALL FORMS SUBMITTED TO MBOH IN OR AS PART OF THE APPLICATION, DEVELOPMENT, UNDERWRITING, ALLOCATION, COST CERTIFICATION, COMPLIANCE OR OTHER PROCESSES UNDER THIS QAP MUST BE THE MOST CURRENT FORM AVAILABLE ON THE MBOH WEBSITE. If the most current form(s) are not used, submissions may be returned and required to be resubmitted on the correct form.

Letters of Intent must:

1. Include the applicable fee;
2. Be received by the applicable deadline; and
3. Be substantially complete and in the format prescribed in Exhibit D-1 and D-2.

Applications must:

1. Include the application fee;
2. Be received by the applicable deadline;

3. Include a cover letter summarizing the Project, limited to 2 pages, which will be provided to MBOH Board members within one week following the application deadline;
4. Be substantially complete, and include all of the following documents, information and items. All the below listed items 5 through 26 must be correctly completed and submitted for the Application to be considered substantially complete:
5. The fully completed, current UniApp as posted on the MBOH website.
6. Specify the Qualified Management Company that will provide property management service to the Project and provide written evidence of the company's commitment to provide management services. Upon written notice from MBOH that the Application has identified a Management Company that is not a Qualified Management Company, the Applicant must submit to MBOH within ten (10) days a written designation of a Qualified Management Company and written evidence of the replacement company's commitment to provide management services.
7. Market Study prepared and signed by a disinterested third party analyst, with certificate (included in Exhibit B) signed by analyst and notarized. Market Studies must be completed within six (6) months prior to the submission date of the Application, must have the market analyst complete a physical inspection of the market area within one (1) year of the Application and must adhere to minimum market study requirements in Exhibit B.
8. Land or Property control through lease, ownership or a legal form of option to purchase.
9. Evidence from applicable local zoning authority of proper zoning addressed (zoning place, planned unit development, zoning change requested) unless no zoning requirements exists. If no zoning requirements exist provide documentation from the proper authority. Acquisition/Rehabilitation Projects may provide evidence of no change in zoning requirements.
10. Utilities Documentation of Availability. Acquisition/Rehabilitation Projects need only provide documentation for expected additional load.
11. A preliminary financing letter from a lender indicating the proposed terms and conditions of the loan must be included. The financing letter must formally express interest in financing the Project sufficient to support the terms and conditions represented in the Project financing section of the Application.
12. A letter of interest from an equity provider including an anticipated price based on the market at time of application.
13. All Applications for land and/or Acquisition transactions must include a comparative market analysis ("CMA") or an appraisal done by an independent (non-related) party. A CMA or appraisal is not required on leased land.
14. Full scale Capital Needs Assessment for Rehabilitation Applications, on the USDA Rural Development Capital Needs Assessment (CNA) template or similar form and a scope of work for the Project.

15. For Applications proposing Rehabilitation or if existing units are being replaced, a preliminary relocation plan addressing the logistics of moving tenants out of their residences and providing temporary housing during the Rehabilitation and returning tenants to their residences upon completion of the Rehabilitation.
16. A site plan, and a design professional's preliminary floor plan and elevations for the Project.
17. Profit or non-profit status.
18. If a not-for-profit Owner proposes a property tax exemption, documentation of intent to conduct a public hearing must be submitted with the Application and conducted by the Owner. Without documentation of such intent, the Project will be underwritten as if no exemption was received. Documentation of public hearing(s) must be submitted prior to issuance of the Carryover Commitment.
19. Specify the Extended Use Period.
20. If Project is targeted for Eventual Homeownership, provide supplemental Application documents and information specified in the "Eventual Homeownership" portion of Section 3.
21. Specify selected minimum set aside (20-50) or (40-60).
22. Copy of the public notice and proof of publication meeting requirements under "Public Notice" below in this section.
23. Letters of community support. These support letters must be Project specific and address how the Project meets the needs of the community. New letters of support (as well as new letters of non-support) must be submitted for each Application for each round of competition. Generic support for affordable housing will not be considered support for the specific Project being considered. These letters will be provided to the MBOH Board for its consideration.
24. If the Project is an Elderly Property, stipulation of minimum age (i.e., 55 or 62 and over).
25. A narrative addressing each of the Development Evaluation Criteria, demonstrating how the Application meets each of these criteria, and providing a specific explanation and justification of the points sought for each scoring item. Narrative references to the Market Study must cite the page and paragraph.
26. Completed and signed indemnification and Exhibit E release forms included in this QAP.

Applications must also demonstrate that the proposed Projects are financially sound. This includes reasonable financing terms, costs, expenses, and sufficient cash flow to support the operations of the Project, all of which must meet the underwriting standards of MBOH.

Public Notice

A Tax Credit Applicant must place an advertisement in the local newspaper of the intent to apply, and by doing so, encourage public comment to be submitted to MBOH. Such notice must include Name of Project, Number of Units, Location of Project, For-profit or Non-profit



November 3, 2015

Board of Directors

Montana Board of Housing

Attention: Mr. Bruce Brensda, Executive Director
301 So. Park Avenue
Helena, MT 50601

**RE: 2016 LIHTC Application -- Timber Meadows, LLLP (Kalispell, MT)
Threshold Requirement 13 (CMA/Appraisal)**

Dear Board Members:

I am in receipt of a letter dated October 30, 2015 from Ms. Mary Bair of the Montana Board of Housing (MBOH). This letter was received via e-mail on Monday, November 2, 2015. The letter indicates that the staff of MBOH has determined the Application does not meet a Threshold Requirement as required in the 2016 QAP. Accordingly, the Application is being returned and will not receive any further consideration. The letter also advises the Application and filing fees of \$7,700 paid to date will not be returned.

The Timber Meadows project is sponsored by Immanuel Lutheran Communities and Mountain Plains Equity Group, Inc. On behalf of the project sponsors, and as directed in the final paragraph of Ms. Bair's letter, I am writing to disagree and object to the determination made by the MBOH staff with respect to the LIHTC application submitted for the Timber Meadows project.

Accordingly, I respectfully request an opportunity to be heard on this topic and to voice our objections and rationale before the Board members directly. Given the upcoming Board meeting of November 9th, please consider my request for placement on the Agenda for that same meeting.

To be specific, I am referring to Threshold Item #13 on page 27 of the 2016 QAP. I believe there is a serious and fatal lack of clarity in the language of this particular Threshold Requirement item, thereby creating QAP language that is confusing and clearly subject to various interpretations. In the Timber Meadows project, where the land parcel is being contributed to the partnership by the nonprofit project sponsor, this section would not appear to be applicable. It is certainly not clear that it would apply. Accordingly, our interpretation and contention is simply that it DOES NOT apply. For this reason, we believe the determination by the MBOH is in error and our application should indeed be considered fully by the MBOH.

I respectfully request that you consider this situation in its entirety and in the context of our good faith effort to prepare and present a well-planned project proposal. Please consider an immediate course of action to rectify this situation, under which the Application will be allowed to proceed ahead in competing for an allocation of 2016 Housing Tax Credits.

In support of this request, and to underscore the rationale of our interpretation, a number of issues are outlined below. Individually and collectively, we propose that these issues are substantive enough to justify our interpretation.

Point #1:

The language is unclear and the terminology (definitions) used in this requirement is not used or applied consistently throughout the QAP

The language in question from the 2016 MBOH QAP reads as follows; *"All Applications for land and/or Acquisition transactions must include a comparative market analysis ("CMA") or an appraisal done by and independent (non-related) party. A CMA or appraisal is not required on leased land."*

- The development team interpreted this statement to apply to Acquisition/Rehab projects. The reference to a "land and/or Acquisition transaction" leads the reader to believe this threshold item is applicable for a project that includes a land acquisition or to an Acquisition/Rehab project. The capitalization of the word "Acquisition" is also misleading as throughout the QAP the capitalized word "Acquisition" does indeed refer to Acquisition/Rehab projects.
- Our interpretation is further reinforced by the definition of "Acquisition" as it is used in this threshold item when we compare this to Part VII of the MBOH UniApp that lists New Construction projects separate from Acquisition projects. This section of the UniApp lists Project Activity (mark all that apply) and gives the following choices; New Construction, Acquisition, Rehabilitation, Administration, Homebuyer Assistance, Infrastructure, Community Revitalization and Other (specify). The development team selected only New Construction as the type of project activity. Throughout the entirety of the application the development team refers to the project as a New Construction project and never an Acquisition project.
- The land for the Timber Meadows project will be donated by the principal sponsor, Immanuel Lutheran Communities. Because this property will be donated to the project there is not a "land acquisition".
- The traditional definition of the word "transaction" as it is used in the language of this transaction is "an instance of buying or selling something, a business deal".

Point #2

It is reasonable to interpret the section does NOT apply, given the information requested is meaningless to a project with donated land.

- What value does a CMA or appraisal bring to a project that receives a land donation from the sponsor? Especially for a cost item that is not basis eligible, we question the purpose of this threshold item in a situation such as the Timber Meadows project; specifically, a New Construction project where the project sponsor is willing to donate the land to the project upon a successful Tax Credit application. In a case like this, there is minimal or no land cost to the project, and an appraisal or CMA will certainly show a land value greater than \$1.
- The CMA or appraisal requirement makes sense in a transaction where the project is burdened with a land acquisition cost which should be supported by such CMA or appraisal as being a reasonable cost. However, the CMA or appraisal requirement makes no sense in application to donated land where the price or cost is totally irrelevant. There is no price to support or justify. The contributed land context is clearly distinguishable from a purchase of land at a price which needs support. Further, the donation of land is analogous to the leased land, which is exempted from the requirement, in terms of negating the need for a CMA or appraisal in that there is no price to support.

Point #3

The language of this Threshold requirement has not been applied uniformly or consistently from one year to the next.

- Investigating the history of this threshold item, it appears this requirement was added in 2015. With this in mind, we cross-referenced other recent projects (applicants) to see how this threshold item was applied. As simply one example, the Antelope Court project located in Havre, MT was funded in the 2015 round without supplying a comparative market analysis or an appraisal done by an independent (non-related) party. To our knowledge, no comment or objection to this absence was communicated to anyone by the MBOH staff.
 - Granted, the 2015 QAP has slightly different language. However, the 2015 QAP reads as follows; "Comparative market analysis ("CMA") or appraisal done by an independent (nonrelated) party for all land and/or Acquisition transactions. A CMA is not required on leased land". Although the order of the words may have been altered slightly, it is quite obviously a similar sentence that has virtually the same meaning as the 2016 QAP language.
 - Applicants had no guidance or communication from the MBOH staff that the standard had been modified behind the scenes since the 2015 application rounds. So why would we assume 2016 applicants are subject to a different expectation? We propose that applicants should be able to rely on the application of this standard to 2015 applications absent formal announcements or rulemaking to the contrary. Rejection of the application, a dramatic action affecting a large number of people, is most certainly not the remedy that the MBOH

should pursue should it determine that CMA or appraisal is necessary to support a price even when land is donated for no cost. It could simply now formally announce that this is required and allow the applicants time to provide the CMA or appraisal.

- As the development team assembled the application for the Timber Meadows project, the fact that previously funded projects did not supply this information was a **very strong influence** as we interpreted the language that is now in question.

Point #4

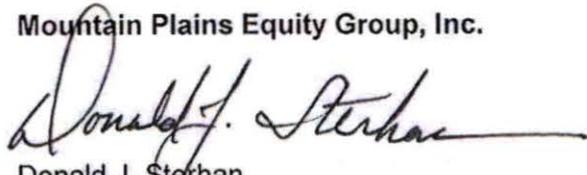
As applied to donated land, the requirement to provide a CMA or appraisal certainly adds to the cost of the project, yet it offers no information that is relevant or beneficial.

- Almost all New Construction projects will have some level of conventional debt. The conventional lender will typically require an appraisal to be completed under their direction to meet internal requirements, and at the cost of the Borrower, before they will close on a construction or permanent loan. This means the Threshold Requirement under question will cause the project to carry the cost of two appraisals: one for the Tax Credit application, and one to receive the needed financing to complete the project on land that is being donated to the project. In the spirit of trying to provide "affordable" housing, it would seem any such requirement by the MBOH for a project to have to double-up on such costs is not helpful and does not provide any benefit or relevant information to the MBOH staff.

The above points are a summary of the factors that influenced our interpretation of Threshold Item #13. At a minimum, I believe these factors underscore a serious lack of clarity in this particular requirement of the QAP. The effect of the rejection is that, without remedy, applicants are subjected to the death of an application through a new interpretation of this requirement by the MBOH, without notice or information, after having invested a considerable amount of time and resources. I believe we have applied the language correctly – and consistent with previous determinations from the MBOH. A great deal is at stake for this quality affordable housing project. Your consideration will be appreciated.

Sincerely,

Mountain Plains Equity Group, Inc.



Donald J. Sterhan
President

cc: Jason Cronk, Immanuel Lutheran Communities

Tab	Property	Community	Type	# Units	# Bdrms	Const Type	Developer/Constultant
	Big Sky Villas	Belgrade	Family	24	1,2&3	Acq/Rehab	HRDC 9
	Little Jon Apts	Big Fork	Family	31	1,2&3	Acq/Rehab	GMD & Homeword
	Red Fox	Billings	Family	30	1&2	New Const	Housing Authority of Billings
	Gateway Vista	Billings	Family	24	1&2	New Const	YWCA Billings/MPEG
	Rose Park	Bozeman	Elderly 55+	42	1&2	New Const	Summit Housing Group & HRDC
	Blackfeet 6	Browning	Family	30	3&4	New Const	Blackfeet Housing/Travois Inc
	Aspen 3	Butte	Family	32	2&3	New Const	Butte Affordable Housing & Thomas Development
	Freedoms Path	Fort Harrison	Family	42	0,1,2,3&4	New Const &Acq/Rehab	Communities for Veterans
	Cascade Ridge II	Great Falls	Elderly 55+	16	1&2	New Const	Benefis/MPEG
	Trapper Creek	Hamilton	Family	15	2&3	New Const	Summit Housing Group
	Valley Villa 1 & 2	Hamilton	Family	34	1&2	Acq/Rehab	Beki Glyde Brandborg/GL Development
	Courtyard	Kalispell	Family	32	1,2&3	Acq/Rehab	Recapitalization Montana & Rural Integrity/Community Economics Inc
	Timber Meadows	Kalispell	Elderly 55+	40	1&2	New Const	Immanuel Lutheran Com & CR Builders/MPEG
	The Meadow Senior	Lewistown	Elderly 62+	35	1&2	Acq/Rehab	Theis &Talle Ent & Homeword/Ripley Richard RE Development Services
	Stower Commons	Miles City	Family	24	1,2&3	New Const	Housing Solutions
	Sweet Grass Commons	Missoula	Family	26	0,1,2&3	New Const	Homeword
	Noblehomestead	Pablo	Family	24	3	New Const	Aloha Noblehouse/Evergreen International
	Polson Landing	Polson	Family	35	1,2&3	New Const	Housing Solutions
	Nicole Court	Stevensville	Elderly 55+	16	2	New Const	Missoula Housing Auth & Garden City Neighbors/Owner Dist 11 HRC
	Riverview Meadows	Whitefish	Family	36	1&2	New Const	Commonwealth Development Corporation
	North Star	Wolf Point	Family	28	1,2&3	New Const	GL Development

Multifamily & RAM Program Dashboard

November 3, 2015

Loan Programs

	Applications	\$\$	Active Loans:	\$\$	Set-aside	Balance
	##		##		\$\$	\$\$
<u>Reverse Annuity</u>						
<u>(RAM)</u>						
RAM	1	150,000	58	4,698,179	6,000,000	1,301,821
<u>Housing Montana</u>						
<u>Fund</u>						
TANF						
Standard Program						
<u>Bond Programs</u>						
Regular Program	-	-	13	2,406,375		
Conduit	2	41,000,000	10	62,628,046		
Risk Share	-	-	6	8,402,564		

Housing Credits (HCs) Allocation

	City	Award	HC Year	Status
Hillview Apartments	Havre	13-Apr	2013	held grand opening Oct 7th
Fort Peck Sust Village	Poplar	13-Apr	2013	have 4 certificates of occupancies
Apsalooke Warrior	Crow Agency	13-Dec	2014	waiting on 8609 paperwork
Sunset Village	Sidney	13-Dec	2014	closed with investor; 9% construction complete
Voyageur Apartments	Great Falls	13-Dec	2014	2nd floor up starting 3rd
Cedar View	Malta	13-Dec	2014	all but 2 buildings completed; 90% done
Chippewa Cree				
Homes I	Box Elder	13-Dec	2014	construction underway on half a dozen homes
Antelope Court	Havre	14-Nov	2015	HOME app, out for bid
Cascade Ridge II	Great Falls	14-Nov	2015	footers are in & construction underway
Gallatin Forks	Manhattan	14-Nov	2015	waiting on other funding sources to proceed
Guardian Apartments	Helena	14-Nov	2015	Closed with investor, starting rehab
Stoneridge				
Apartments	Bozeman	14-Nov	2015	begin construction this month
Sweet Grass				
Commons	Missoula	14-Nov	2015	received HOME funds; pushed back construction; out for bid
River Ridge	Missoula	14-Mar	2015	do work with previous credits received

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 Authority	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

2016 Calendar

January 2016						
Su	Mo	Tu	We	Th	Fr	Sa
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

April 2016						
Su	Mo	Tu	We	Th	Fr	Sa
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30

July 2016						
Su	Mo	Tu	We	Th	Fr	Sa
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

October 2016						
Su	Mo	Tu	We	Th	Fr	Sa
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

February 2016						
Su	Mo	Tu	We	Th	Fr	Sa
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29					

May 2016						
Su	Mo	Tu	We	Th	Fr	Sa
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

August 2016						
Su	Mo	Tu	We	Th	Fr	Sa
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

November 2016						
Su	Mo	Tu	We	Th	Fr	Sa
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30			

March 2016						
Su	Mo	Tu	We	Th	Fr	Sa
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

June 2016						
Su	Mo	Tu	We	Th	Fr	Sa
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30		

September 2016						
Su	Mo	Tu	We	Th	Fr	Sa
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	

December 2016						
Su	Mo	Tu	We	Th	Fr	Sa
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

November 2015

- 9 – Board Meeting in Helena

December 2015

- No Board meeting

January 2016

- 10-15 – NCSHA HFA Institute (Staff only)
- 19 – Board Meeting – Helena (Tuesday)

February 2016

- No Board Meeting
- 29-Mar 2 – LegCon (Board members)

March 2016

- 14 – Board Meeting - TBD

April 2016

- 11 – Board meeting - TBD

May 2016

- 2-5 – Mountain Plains Housing Summit, Jackson Hole WY (Staff and Board Members)
- 23-25 – Annual Housing Conference/Kalispell

June 2016

- 13 – Board Meeting – TBD
- 13-16 – Housing Credit Connect (Staff)

July 2016

- Executive Director’s Workshop TBD
- No Board Meeting

August 2016

- NCSHB Conference (Board Members) TBD
- 8 – Board Meeting – TBD

September 2016

- 12 – Board Meeting – Helena
- 24-27 – Annual Conference & Tradeshow (Staff & Board Members) Miami Beach FL

October 2016

- No Board Meeting

November 2016

- 14 – Board Meeting – Helena

December 2016

- No Board Meeting

Administrative Dashboard

November 9, 2015

Board Meetings

The Board meeting will be held on November 9, 2015 in Helena at the MACo Building (2715 Skyway Drive). This meeting will contain the project presentation for all applications submitted the 2016 Housing Tax Credits. There are 21 applications submitted for the 2016 Housing Tax Credits. The Board meeting will start at 8:30 A.M.

The Board and Staff will have a strategic planning session the evening of November 8th at the Wingate by Wyndham (2007 North Oakes). This will start at 4:00 p.m. and will include dinner.

The award of the 2016 Housing Tax Credits will be at the January 19, 2016 in Helena at the MACo Building. Please keep in mind this is a Tuesday. If you are unable to attend this Board Meeting please notify Paula Loving at 841-2824 or ploving@mt.gov.

Board News

There is no new Board news since last Dashboard

Executive Update

We continue to work with the Governor's Office on opportunities for him to be more involved in housing issues across the state. There are several opportunities in the next few months that we plan on coordinating and will keep you in the loop as these materialize.

Office Management

The Housing Division's reception area continues to be under construction.

New carpet and cubicle design has started for the future Homeownership, Quality Control and Multifamily programs. Within the next couple of weeks, employees will be temporarily relocated so new carpet can be laid. This phase will also include the carpeting of many of Senior Management. During this time, MBOH plans to incorporate our disaster plan, having management work from home.

Operations Update

We are in the process of updating job descriptions and creating career ladders within the organization to facilitate both a culture of learning and growth within the Division. Our interest is to recruit talent, train them and assist in professional growth for a substantial career within the Division. Our target date for delivery is December 1st to Human Resources.

Our QC reviews have proven to be an asset during the legislative audit, providing both substantive information and securing our processes and procedures. We have had a change in staffing and are covering both Section 8 and MBOH QC programs with one staff person for a temporary period of time.

We continue to pursue the Fannie Mae Seller-Servicer application. We have recently spoken with Vermont about their pending application and their servicing model.

Marketing Update

The Marketing and Communications section is busy on several projects. As part of the remodeling of the division's work space, I am gathering beautiful images of Montana to have printed on large stretched canvases. We will hang these in the front, public area as well as in each work area. It should create a more colorful and invigorating environment for staff.

The final preparations are under way for the reprinting of the LegCon Book. This spiral bound book will show the entirety of our work, listing the entire housing inventory we have funded across the state. The book will be organized by county and by tribe. This year, we have added the housing that the Community Development Division programs have funded, to give a more complete picture of how the federal housing dollars make a difference in Montana. It is the hope that this will make an impact on elected officials who may eventually vote on funding issues.

The Housing Resource Guide is being formatted into final print layout and should be available soon. We will share this with our partners across the state and post on our website to assist those who are searching for resources.

A press release goes out this week about the first 811 tenant moving into Courtyard Apartments in Kalispell. This should be a great way to share information about this valuable program and encourage other properties and individuals to take advantage of this program.

Staffing

Accounting – Mary Ler has been selected for this position and will begin working at MBOH on November 16th.

Homeownership – The vacant Loan Purchasing Specialist position has been posted and closed on October 20, 2015. The hiring team has interviewed and is in the process of doing reference checks on a successful candidate.

Tenant Based Section 8 – Leah Norberg has left her position as Contract Manager. The position will be posted shortly.

Quality Control – Jessica Johnson left her position in QC to pursue her career in Bozeman with the City as a neighborhood liaison. The position will be posted in November.

Strategic Planning

Program managers have met with their staff to discuss the progress of 2015 and begin planning for 2016 and 2017. Updates will be given to the Board during the Strategic Planning work session on November 8, 2015. This will be located at the Wingate by Wyndham, starting at 4:00 p.m., with dinner at 6:30 p.m.

Travel – Training and Tribulations

The Housing Finance Agency Institute will take place from January 10-15, 2016. This conference is program specific training for staff. It will strengthen our understanding of program fundamentals and explore advanced techniques. This training is for staff only.

The 2016 Legislative Conference will take place on February 29 – March 2, 2016 in Washington DC. Two Board members usually attend this conference.