



FROM HOUSING TAX CREDIT TO HOMEOWNERSHIP

Salish & Kootenai Housing Authority

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And

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FELSMAN ADDITION

- Constructed in 1998 using Housing Tax Credits
- 20 single family units
 - 10 3 bedroom
 - 10 4 bedroom
- Fee Simple land
 - Less than .25 acres
- Located on North end of Pablo
 - Walking distance to all amenities
- Rents
 - 3 bedroom \$365 + utilities
 - 4 bedroom \$ 395 + utilities



RENTAL PROGRAM QUALIFICATIONS

○ SKHA Requirements

- Past history
- Pass background check
- Minimum income \$20,000



○ HTC income requirements

- 8 household could be at 60% local AMI
 - Family size 4 max income was \$ 34,860 (2014 AMI limits)
- 12 households could be at 50% local AMI
 - Family size 4 max income was \$ 29,050 (2014 AMI limits)

HOMEOWNERSHIP PROGRAM

- ◉ Complete Application process
- ◉ Credit report review
- ◉ Complete credit repair
- ◉ Mortgage ready by 2014
- ◉ Complete homebuyer education

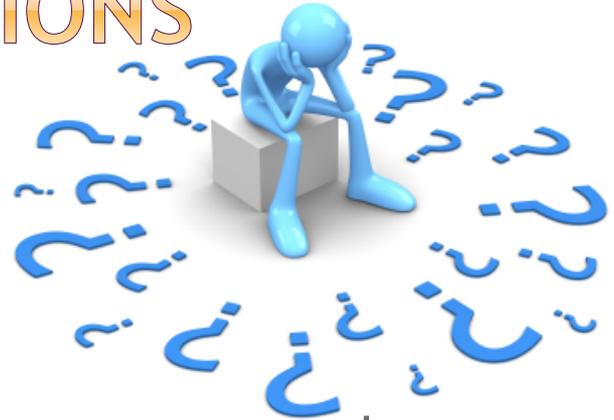


RENTAL LEASE AGREEMENT

- Tenants entered into 6 month lease agreement
- Homeownership clause
 - Minimum income
 - Work with homeownership program
- If tenant choose not purchase
 - Tenant priority for SKHA rental



HOUSING TAX CREDIT YEAR 15 DECISIONS



- HTC program
 - Extended Use Agreement
 - Income
 - Rent
 - How to release the extended use agreement (LURA)

- Transfer ownership of homes from LP to SKHA
 - Legal Review
 - Accounts

- Create lighting district (Street lights)

RESTRICTIONS

○ HTC

- Remain affordable for 15 additional years
- How would it affect the sale?

○ SKHA

- Restrictive Lien Agreement
 - Equity in property treated as a subsidy
 - Repayment of subsidy if sold/refinanced in 5 years
 - Percentage forgiven each year



LENDERS

- Community Bank - 10
 - MBOH 1st homebuyers - 9
 - HUD 184 program - 9
 - VA - 1

- Eagle Bank - 1
 - HUD 184 program 1

- Valley Bank - 2 pending

- Tribal Credit program - 7



LOAN AMOUNTS

- 3 bedroom \$55,000
 - Average Bank (PITI) \$ 250 (4%)
 - Average Tribal Credit (PI) \$ 330 (6%)
- 4 bedroom \$60,000
 - Average Bank (PITI) \$ 300 (4%)
 - VA Loan (PITI) \$ 235 (2.78%)
 - Average Tribal Credit (PI) \$ 360 (6%)



AVAILABLE ASSISTANCE

- CSKT member
 - Buy/down assistance
 - Closing Cost Assistance
- Home\$tart
- Savings accounts/Individual Deposit Accounts



DOWNFALL

- Covenants and Restrictions
- Current tenant purchase falls apart
- New HTC Qualified applicant
 - Too high or too little income
 - Poor credit
- METH contamination
 - Time to ready unit
- Homeowners responsibilities
 - Street cleaning
 - Sidewalks
 - Neighbor tension



SUCCESS STORY

- ◉ Single Mother with teenage son
- ◉ Minimum wage with very sporadic child support
- ◉ Had to file Bankruptcy
- ◉ http://www.charkoosta.com/2014/2014_05_08/Flathead_Finance_student_buys_home.html





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