

HOUSING DIVISION – MONTANA BOARD OF HOUSING

**Radisson Colonial Hotel – 2301 Colonial Drive – Helena, Montana 59601
August 15, 2016**

ROLL CALL OF BOARD

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

STAFF: Bruce Brensdal, Executive Director
Ginger Pfankuch, Accounting & Finance Manager
Vicki Bauer, Homeownership Program
Mary Bair, Multifamily Program
Stacy Collette, Operations Manager
Penny Cope, Marketing
Paula Loving, Executive Assistant
Todd Jackson, Multifamily
Mary Palkovich, Loan Servicing Manager
Angela Heffern, Accounting & Finance Program
Kellie Guariglia, Multifamily Program
Jeannene Maas, Homeownership Program
Charlie Brown, Homeownership Program
Laurel Fisher, Intern
Cindy Maxwell, Administrative Assistant
Bob Vanek, Multifamily Program
Rena Oliphant, Multifamily Program
Diana Collver-Vanek, Section 8 Program

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

UNDERWRITERS: Mina Choo, RBC Capital

OTHERS: Marney McCleary, CAPNM
Heather McMilin, Homeward, Inc.
Andrea Davis, Homeward, Inc.
Sam Long, Summit Housing
Rusty Snow, Summit Housing
Neil Fortier, NeighborWorks Great Falls
Trent Rogers, Travois
Alex Burkhalter, Housing Solutions, LLC
Robert Robinson, HRCXI

Rvonda Stordahl, Public Housing Authority of Butte, Butte
Affordable Housing
Babe Ayers, The Meadows - Lewistown, MT
Louise Langford, The Meadows - Lewistown, MT
Micki Phillips, The Meadows - Lewistown, MT
Gayle Drewry, The Meadows - Lewistown, MT
Steve Dymoke, GMD Development
Nickie Baker-John, Parkview Senior Center
Beki Brandborg, Echo Enterprises
Gene Leuwer, GL Development
Tracy Menuetz, HRDC IX
Kent Martimer, Theis and Talle
Merry Lee Olson, YWCA Billings – Gateway Vista
Don Sterhan, Mountain Plains Equity Group
Shane Walk, Mountain Plains Equity Group
Lori Davison, Missoula Housing Authority
Harlan Wells, Missoula Housing Authority
Leslie Jensen, First Interstate Bank
Chancy Kittson, Blackfeet Housing
Kyle Roberts, City of Polson

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

CALL MEETING TO ORDER

Chairman J.P. Crowley called the Montana Board of Housing (MBOH) meeting to order at 8:35 a.m. (Tape 1 - 0:18). Introductions were made. Chairman Crowley asked for any public comment that is not listed on the agenda.

APPROVAL OF MINUTES

Bruce Brensdaal notified the Board on the June 6, 2016 MBOH Board meeting minutes of an error in typing on page 3, second paragraph of Homeownership Program. (Tape 1 – 6:24) The motion by Pat Melby reads “*Pat Melby moved to eliminate the expiration date on the 80% Combined setaside and **all** any non-profit organization to participate in the program*”. This should read “*80% Combined setaside and **allow** any*”.

Pat Melby moved to approve the June 6, 2016 MBOH Board meeting minutes with the change mentioned and Doug Kaercher seconded the motion (Tape 1 – 7:05). Vice Chairperson McKee asked for comments. The amended June 6, 2016 MBOH Board minutes were approved with Bob Gauthier abstaining.

FINANCE PROGRAM

Ginger Pfankuch presented to the Board a request to consider the option of selecting a new trustee to serve as the Bond Trustee for the Single Family Bond program (Tape 1 – 7:47). Ginger and Bruce Brensdaal explained the interest from other parties to become the Bond Trustee. Bob Gauthier moved to have Staff proceed with selection process of Bond Trustee services for Single Family Bond program and present a recommendation (Tape 1 – 11:55). Pat Melby seconded the motion. Chairman Crowley asked for comments. Sean Rau stated he looked forward to responding to the process. The motion was approved unanimously (Tape 1 – 12:25).

Ginger Pfankuch presented to the Board the Investment Policy for approval (Tape 1 – 12:51). Ginger stated the Investment Policy is to be reviewed annually and currently the Policy is up to date. Jeanette McKee moved to approve the Investment Policy and Doug Kaercher seconded the motion (Tape 1 – 13:28) J.P. Crowley asked for comments. The Investment Policy was approved unanimously.

Ginger Pfankuch provided the Board with the Finance update (Tape 1 – 13:53). Single Family Mortgage Bond, 2016 series A closed in May for a total amount of \$64.6 million. \$24.6 million was used to refund the 2007 series A bonds which had a higher interest rate. The remainder was issued in order to acquire more mortgage loans. Debt service was paid at the beginning of June for the Single Family Indentures.

HOMEOWNERSHIP PROGRAM

Vicki Bauer presented to the Board the Single Family Bond Resolution No. 16-0815-S3 (Tape 1 – 15:59). The Resolution approves the issuance of Single Family Bonds and authorizes the aggregate principal amount of \$75,000,000 to finance loans or refund outstanding bonds or both. The resolution is written to give us the flexibility to issue bonds under any of the three indentures and to refund bonds from any of the three indentures. John Wagner, Kutak Rock, provided input on the Bond issuance (Tape 1 – 17:40). Mina Choo, RBC Capital, provided input on the Market (Tape 1 – 18:04).

Bob Gauthier moved to approve Single Family Bond Resolution No. 16-0815-S3 and Pat Melby seconded the motion (Tape 1 – 18:39). Chairman Crowley asked for comments. The Bond Resolution No. 16-0815-S3 was approved unanimously.

Vicki Bauer provided the Board with the Homeownership update (Tape 1 – 19:19). Vicki reviewed the Portfolio Year to Year Comparison with the Board (Tape 1 – 20:45).

LOAN SERVICING PROGRAM

Mary Palkovich provided the Board with the Loan Servicing update (Tape 1 – 25:00). Borrowers are now receiving monthly statements on their loan history. Servicing staff received 68 payments by phone in its second month of service.

MULTIFAMILY PROGRAM

Bruce Brensdaal informed the Board of the request from Fort Peck Housing Authority (Tape 1 – 28:30). The request is to reconsider the Letter of Intent for their project for the 2017 Housing Credits. The request was received on August 12, 2016, which

provided no time to be placed on agenda and provide the Board with information. No action was taken. Pat Melby made a comment of reviewing the QAP plan for specific language such as being postmarked by a date (Tape 1 – 33:28). Mary Bair stated the program is working on electronic payment submission.

Mary Bair brought to the Board the 2017 Housing Credit Letter of Intent (Tape 1 – 33:55). Bruce Brensdaal and Mary Bair reviewed the process.

Mary Bair presented the 2017 Housing Credit Letter of Intent Presentations:

Noblehomestead, Pablo - New Construction, 20 family units – Developer is Aloha Noblehouse & Tim Birk/Evergreen International Inc. (Tape 1 – 39:54). Kay Midro, Executive Director for Aloha Noblehouse, presented the Noblehomestead project (Tape 1 – 40:00). Chairman Crowley asked for public comment (Tape 1 – 48:38). Jody Paxton made public comment (Tape 1 – 48:40).

Bitter Creek Villas (Yellowstone Villas), Wolf Point-Culbertson – Acquisition/Rehabilitation, 16 family units – GL Development (Tape 1 – 50:40). Gene Leuwer, GL Development, presented the Bitter Creek Villas project (Tape 1 – 52:10). Chairman Crowley asked for public comment (Tape 1 – 54:40).

Cutbank Villas, Cut Bank – Acquisition/Rehabilitation, 19 senior units – Developer is GL Development (Tape 1 – 55:08). Gene Leuwer, GL Development, presented the Cut Bank Villas project (Tape 1 – 56:02). Chairman Crowley asked for public comment (Tape 1 – 57:30). Mike Baker provided comment (Tape 1 – 57:46).

Aspen Place III, Butte – New Construction, 32 family units – Developer is Thomas Development and Butte Affordable Housing (Tape 1 – 1:00:08). Rvonda Stordahl, Butte Housing Authority and Butte Affordable Housing, presented the Aspen Place III project (Tape 1 – 1:01:07). Chairman Crowley asked for public comment (Tape 1 – 1:06:55).

Nicole Court/Stevensville Senior Apartments, Stevensville – New Construction, 16 senior units - Developer is HRC District XI and Missoula Housing Authority (Tape 1 – 1:07:10). Jim Morton, HRC District XI, presented the Stevensville Senior Apartments project (Tape 1 – 1:08:10). Bob Robertson provided architect input (Tape 1 – 1:10:00). Harlan Wells, Missoula Housing Authority, provided further information (Tape 1 – 1:12:40). Chairman Crowley asked for public comment (Tape 1 – 1:12:50).

Polson Landing, Polson – New Construction, 35 family units - Developer is Housing Solutions (Tape 1 – 1:13:00). Alex Burkhalter, Housing Solutions, presented the Polson Landing project (Tape 1 – 11:13:54). Chairman Crowley asked for public comment (Tape 1 – 1:19:34). Kyle Roberts made comments (Tape 1 – 1:19:40).

American Square, Missoula – New Construction, 54 senior units - Developer is Housing Solutions (Tape 1 – 1:23:45). Alex Burkhalter, Housing Solutions, presented the American Square project (Tape 1 – 1:24:45). Chairman Crowley asked for public comment (Tape 1 – 1:31:50).

North Stone Residences, Helena – New Construction, 24 senior units - Developer is Rocky Mountain Development Council (Tape 1 – 1:32:15). Liz Mogstad, Rocky

Mountain Development Council, presented the North Stone Residences project (Tape 1 – 1:32:50). Chairman Crowley asked for public comment (Tape 1 – 1:37:15).

Blackfeet Homes VI, Browning – New Construction, 30 family units - Developer is Blackfeet Housing and Travois (Tape 1 – 1:37:30). Chancy Kittson, Blackfeet Housing, presented the Blackfeet Homes VI project (Tape 1 – 1:38:25). Chairman Crowley asked for public comment (Tape 1 – 1:45:07).

The Meadows Senior Apartments, Lewistown – Acquisition/Rehabilitation, 35 senior units - Developer is Homeward, Inc. and Thies & Talle (Tape 1 – 1:45:30). Heather McMilin, Homeward, presented the The Meadows Senior Apartments project (Tape 1 – 1:46:30). Kent Mortimer, Thies & Talle, provided additional information (Tape 1 – 1:47:30). Chairman Crowley asked for public comment (Tape 1 – 1:55:08). Public comment was made by Babe Ayers, Louise Lanford and Micki Phillips (Tape 1 – 1:55:42).

Gallatin Forks Senior Living, Bozeman – New Construction, 42 senior units - Developer is Housing Summit Group (Tape 1 – 2:21:54). Sam Long, Housing Summit, presented the Gallatin Forks Senior Living project (Tape 1 – 2:22:40). Tracy Menuetz, HRDC IX, provided additional comments (Tape 1 – 2:27:45). Rusty Snow, Housing Summit, provided additional information (Tape 1 – 2:29:35). Chairman Crowley asked for public comment (Tape 1 – 2:30:20).

Old Joe Apartments, Missoula – New Construction, 20 family units - Developer is Missoula Housing Authority (Tape 1 – 2:30:35). Andrea Davison, Missoula Housing Authority, presented the Old Joe Apartments project (Tape 1 – 2:32:25). Harlan Wells, Missoula Housing Authority, provided additional information (Tape 1 – 2:36:40). Chairman Crowley asked for public comment (Tape 1 – 2:37:20).

Gateway Vista, Billings – New Construction, 16 senior units - Developer is Billings YWCA and CR Builders (Tape 1 – 2:38:30). Mary Lee Olson, Billings YWCA, presented the Gateway Vista project (Tape 1 – 2:40:24). Chairman Crowley asked for public comment (Tape 1 – 2:48:20). Leslie Jensen, First Interstate Bank, provided comment (Tape 1 – 2:49:00). Don Sterhan, Mountain Plains Equity Group, provided comment (Tape 1 – 2:51:20).

Missoula 4%/9%, Missoula – New Construction, 30 senior units - Developer is Homeward, Inc. (Tape 2 – 8:42). Heather McMilin, Homeward, presented the Missoula 4%/9% project (Tape 2 – 9:40). Andrea Davis, Homeward, provided additional information (Tape 2 - 16:15). Chairman Crowley asked for public comment (Tape 2 – 22:40).

Rockcress Commons – New Construction, 124 family units - Developer is GMD Development and NeighborWorks Great Falls (Tape 2 – 23:28). Steve Dymoke, GMD Development, presented the Rockcress Commons project (Tape 2 – 24:54). Neil Fortier, NeighborWorks Great Falls, provided additional information (Tape 2 – 28:20). Chairman Crowley asked for public comment (Tape 2 – 37:42). Brett Downey, Great Falls Development Authority, provided comment (Tape 2 – 37:50).

Evergreen Commons, Evergreen – New Construction, 24 family units - Developer is Housing Solutions (Tape 2 – 41:22). Alex Burkhalter, Housing Solutions, presented the

evergreen Commons project (Tape 2 – 42:15). Chairman Crowley asked for public comment (Tape 2 – 47:55).

Alpine View Apartments, Columbia Falls – New Construction, 24 family units - Developer is Housing Solutions (Tape 2 – 48:12). Alex Burkhalter, Housing Solutions, presented the Alpine View Apartments project (Tape 2 – 48:55). Chairman Crowley asked for public comment (Tape 2 – 53:30).

Courtyard Apartments, Kalispell – Acquisition/Rehabilitation, 32 family units - Developer is Recapitalization Montana and Rural Integrity (Tape 2 – 53:49). Marney McCleary, CAPNM, presented the Courtyard Apartments project (Tape 2 – 54:48). Chairman Crowley asked for public comment (Tape 2 – 1:05:20).

Livingston Memorial Hospital, Livingston – New Construction, 32 family units - Developer is Homeword (Tape 2 – 1:06:53). Andrea Davis, Homeword, presented the Livingston Memorial Hospital project (Tape 2 – 1:07:35). Chairman Crowley asked for public comment (Tape 2 – 1:21:14). Tracy Menezes, HRDC IX, provided comment (Tape 2 – 1:21:20).

Mary Bair and Bruce Brensda explained the process of the Letter of Intent and Board Selection of the Projects for Invitation to submit full application (Tape 2 – 1:22:43).

Doug Kaercher moved to invite The Meadows in Lewistown to submit full application and Bob Gauthier seconded the motion (Tape 2 – 1:27:48). Doug stated he liked this project last year and meets all the criteria and would help this area of the state. Chairman Crowley asked for comments (Tape 2 – 1:28:41). A roll call vote was taken and The Meadows was approved to submit full application for the 2017 Housing Credits unanimously.

Bob Gauthier moved to invite Blackfeet Homes VI in Browning to submit full application and Doug Kaercher seconded the motion (Tape 2 – 1:29:40). Bob stated this project's costs are contained and a low developer's fee. Chairman Crowley asked for comments (Tape 2 – 1:30:18). Ingrid Firemoon provided support of this project (Tape 2 – 1:30:25). A roll call vote was taken and Blackfeet Homes VI was approved to submit full application for the 2017 Housing Credits unanimously.

Pat Melby moved to invite Livingston Memorial in Livingston to submit full application and Jeanette McKee seconded the motion (Tape 2 – 1:31:50) Pat stated he liked the use of an existing building and while it is a rural community it is a robust community. Chairman Crowley asked for comments (Tape 2 – 1:32:42). A roll call vote was taken and Livingston Memorial was approved to submit full application for the 2017 Housing Credits unanimously.

Jeanette McKee moved to invite Aspen Place III in Butte to submit full application and Doug Kaercher seconded the motion (Tape 2 – 1:33:40). Jeanette stated they have a proven track record and they tried everything to fit within the 4%. Chairman Crowley asked for comments (Tape 2 – 1:34:28). A roll call vote was taken and Aspen Place III was approved to submit full application for the 2017 Housing Credits unanimously.

Pat Melby to invite Rockcress Commons in Great Falls to submit full application and Bob Gauthier seconded the motion (Tape 2 – 1:34:49). Pat likes the cost of this project.

Chairman Crowley asked for comments (Tape 2 – 1:35:30). A roll call vote was taken and Rockcross Commons was approved to submit full application for the 2017 Housing Credits unanimously.

Ingrid Firemoon moved to invite Gateway Vista in Billings to submit full application and Pat Melby seconded the motion (Tape 2 – 1:35:53). Ingrid stated Billings has not had a lot of housing allocation. Chairman Crowley asked for comments (Tape 2 – 1:36:20). A roll call vote was taken and Gateway Vista was approved to submit full application for the 2017 Housing Credits unanimously.

Bob Gauthier moved to invite Polson Landing in Polson to submit full application and Jeanette McKee seconded the motion (Tape 2 – 1:37:10). Bob and Jeanette stated the growth in this area is outstanding. Chairman Crowley asked for comments (Tape 2 – 1:38:10). A roll call vote was taken and Polson Landing was approved to submit full application for the 2017 Housing Credits unanimously.

Ingrid Firemoon moved to invite Yellowstone Villas in Wolf Point to submit full application and seconded the motion (Tape 2 – 1:38:35). Ingrid stated this area needs housing. Chairman Crowley asked for comments (Tape 2 – 1:39:18). A roll call vote was taken and Yellowstone Villas was approved to submit full application for the 2017 Housing Credits unanimously.

J.P. Crowley thanked all the projects for the Letter of Intent (Tape 2 – 1:47:45). In particular, J.P. thanked Homeword for all the efforts on the Missoula 4%/9% project in trying to utilize other types of funding to create housing. J.P. thanked the City of Bozeman for showing support for affordable housing as a community.

Bob Gauthier requested feedback on the Letter of Intent process (Tape 2 - 1:42:44). Bob stated there wasn't a project he wouldn't have been able to support and the developers have been doing work.

Mary Bair brought to the Board the Rockcross Commons Inducement Resolution No. 16-0815-MF1 (Tape 2 - 1:46:14). Pat Melby moved to approve Inducement Resolution No. 16-0815-MF1 and Jeanette McKee seconded the motion. Chairman Crowley asked for comments (Tape 2 – 1:47:50). The Rockcross Commons Inducement Resolution No. 16-0815-MF1 was approved unanimously.

Mary Bair brought to the Board the Valley Villas request for a permanent loan with RD 538 guarantee in the amount of \$300,000 (Tape 2 – 1:48:40). Jeanette McKee moved to approve the loan and Doug Kaercher seconded the motion. Chairman Crowley asked for comments (Tape 2 – 1:49:32). The Valley Villa loan request in the amount of \$300,000 was approved unanimously, contingent underwriting.

Mary Bair provided the Multifamily update (Tape 2 – 1:49:45).

EXECUTIVE DIRECTOR UPDATE

Stacy Collette provided the Operations update including the Strategic Planning (Tape 2 – 1:50:51). Job descriptions are continuing to be completed. Staff will be finalizing the Fannie Mae application within the upcoming week. Work continues on the Landlord engagement training which will take place in October.

Penny Cope provided a marketing update (Tape 2 – 1:58:33). There is a grand opening at Gallatin Forks in Manhattan on August 18, 2016. Rotunda Day is in January 2017.

Bruce BrensdaI mentioned the next Board meeting is stated October 11, 2016 on the Agenda but the date will be October 17, 2016 at the Radisson Colonial Hotel.

Meeting adjourned at 2:12 p.m.

Sheila Rice, Secretary

Date