ROLL CALL OF BOARD

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

STAFF: Bruce Brensdal, Executive Director
Chuck Nemec, Accounting
Mary Bair, Multifamily Program
Vicki Bauer, Homeownership Program
Penny Cope, Public Relations
Paula Loving, Executive Assistant
Kellie Guariglia, Multifamily Program
Todd Jackson, Multifamily Program
Angela Heffern, Accounting Program
Charlie Brown, Homeownership Program
Jeannene Maas, Homeownership Program
Rena Oliphant, Multifamily Program
Bob Vanek, Multifamily Program
Rachel Young, Administrative Assistant

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

UNDERWRITERS: Mina Choo, RBC Capital Markets

OTHERS: Kathleen Grady, Communities for Veterans
Patrick Klier, Summit Housing Group
Nate Richmond, BlueLine Development
Adam Gratzer, Communities for Veterans
Lucy Brown, Housing Authority of Billings
CALL MEETING TO ORDER

Chairman J.P. Crowley called the Montana Board of Housing (MBOH) Board meeting to Order at 10:05 a.m. Introductions were made. The Chairman asked for any public comments not on the agenda.

APPROVAL OF MINUTES

Doug Kaercher moved to approve August 12, 2013 MBOH Board minutes. Sheila Rice seconded the motion. Chairman Crowley asked for comments. Greg Gould informed the Board of the wrong Multifamily Resolution was attached to the Board minutes. Greg reviewed the correct approved Resolution. Doug Kaercher moved to amend the minutes to include the Multifamily Resolution which waives the entire Soft/Hard Costs. The August 12, 2013 MBOH Board minutes with corrected Multifamily Resolution were approved unanimously.
FINANCE PROGRAM
Chuck Nemec presented the Finance update. The 10-year US Treasury was trading at 2.59% the morning of this Board meeting. MBOH has completed the 2013 B Bond issuance. Out of the $59,980,000 in this issuance, $35 million will result in new loans.

HOMEOWNERSHIP PROGRAM
Vicki Bauer provided the Homeownership program update. The Staff’s intention was to bring to the Board a request for a new bond issuance, however, Staff has decided to wait until the new year. The monthly reservation is approximately $3 million and the Board will not have enough funds reserved for an issuance. The Board will bridge these funds until the new issuance in 2014, along with refunding of some bond series.

Vicki Bauer presented to the Board the Participating Lender application from American Bank Center of North Dakota. Vicki introduced Lee Ann Louck, who provided a brief history of the acquisition. American Bank Center is regulated by the FDIC and has its head office in Dickinson, ND. They have been locally owned since 1909. They have acquired Community First Bank in Glendive and would like to continue to offer Montana Board of Housing loans. MBOH will service these loans. American Bank Center meets all requirements for the MBOH Participating Lender program. Sheila Rice moved to approve American Bank Center as a MBOH participating lender. Pat Melby seconded the motion. Chairman Crowley asked for comments. American Bank Center was approved as an MBOH participating Lender.

Vicki Bauer provided the Homeownership program update. As of the meeting, MBOH has issued 120 regular loan program loans, 12 Score Advantage loans, 13 Veteran loans, and two Habitat for Humanity setaside loans. Vicki provided the Board the setaside and delinquency reports with brief review.

MULTIFAMILY PROGRAM
Mary Bair provided the Board with the Multifamily Program update. Greg Gould, Luxan and Murffit and Board Counsel, provided an update on the Freedoms Path lawsuit. After the Board’s reconsideration of the scoring ordered by the Court, the Board asked for the Court to uphold the Board’s decision on the review of the and asked for the modification of the preliminary injunction because 2013 Tax Credits were being held back, pending the Court’s decision. If these Credits were not allocated by end of 2013, the 9% rate would be lost as the Tax Credits would be carried over to 2014. On October 31, 2013, the Court did modify the injunction to release the 2013 Tax Credits to the contingency award and 2104 Tax Credits would be held out of the 2014 tax credits for the Court’s final ruling on lawsuit. Bruce Brensdal reviewed the total 2014 Credits Tax credits available, taking into consideration this modification. A total of $2,689,352 of 2014 tax credits and carry forward credits are available. Out of this amount, $629,352
will be withheld for the Freedoms Path lawsuit, resulting in $2,060,000 available for 2014 for submitted applications. The Court did allow for a contingency award to be made for the 2014 Tax Credit. As a result, Aspen Place was awarded the contingency award of the 2013 Tax Credits. Jim Morton, HRC District XI, thanked the Board for the 2013 Tax Credit award and all parties involved for agreeing to release the 2013 Contingency Award. Aspen Place is ready to begin. Sheila Rice thanked HRC District XI – Aspen Place for the perseverance for this project.

Mary Bair presented to the Board the 2014 Housing Tax Credit applications for open discussion. There were 11 applications submitted for the full application process. One application was returned for failure to include a narrative. Bruce Brensdal reviewed the process. Initially, the Board welcomed general public comment from anyone regarding the applications. Upon completion of public comment, each applicant had a brief update/presentation of the project.

Within the public comment portion of the process, Jolene Wetterau, Great Falls CDBG Administrator, and Craig Raymond, Great Falls City Planner, spoke in support of the Voyageur Apartments. Studies were conducted for the Great Falls area, and all studies support the need for this project. The City of Great Falls continues to provide high support for the project. The City of Great Falls is continuing to work towards the annexation of the location, including the infrastructure needed for the project.

Greg Dunfield (GMD Development) and Andrea Davis (Homeword, Inc) updated the Board on Cedar View Apartments in Malta. All the 32 family units are Section 8 units and renewal of the Section 8 contract remains part of the preservation of this project. Several meetings have been conducted along the highline with extremely high support of this project.

Alex Burkhalter (Housing Solutions) updated the Board on Pearson Place in Glendive. This will be the first 27 family unit Tax Credit project in Glendive. The only other Tax Credits project is elderly units awarded in 2007. The rent in Glendive has skyrocketed due to the Bakken boom. Person Place will allow for rents at 50 to 70% of fair market rents.

Adam Gratzer (Communities for Veterans) updated the Board on Freedoms Path II at Fort Harrison. Mr. Gratzer pointed out changes to the pre-application due to the research and feedback from Board. The project will contain 16 single occupancy units with separate bedroom and bath with share kitchen, and 12 single and family units. The feedback from Stand Down meeting conducted in Helena had the attendance of approximately 350 with the focus of ending homeless veterans. The majority of those in attendance were single, resulting in the change of housing units.

Eileen Piekarz (Voyageur Apartments – Accessible Space, Inc.) updated the Board on Voyageur Apartments. The 38 accessible affordable units will serve elderly with severe physical disabilities. This project will be collaborate effort
with the City of Great Falls inputting City HOME Funds and Montana Department of Commerce HOME funds, along with the Tax Credits.

Stacey Netz (Richland County Housing Authority), Gene Leuwer (GL Development), Fred Sterhan and Logan Anderson (Mountain Plains Equity Group) updated the Board on Sunset Village Apartments in Sidney. The average rent increase over the last couple of years has increased between 90 and 300%. The Bakken oil boom requires lower-wage paying jobs to support this increase in population. The demolition of 28 current Project Based Section 8 units will be rebuilt and an addition eight non-Project Based units.

Harlan Wells and Lori Davidson (Missoula Housing Authority) updated the Board on River Ridge Apartments in Missoula. Mr. Wells provided HUD study regarding the 4% bond issuance financing, which was suggested by the Board as a possible financing source for funding of affordable housing. The HUD study reflects 4% bond deals are hard to make work in small/soft markets with project that have low rents and high expenses, which is what we have, a project with high expenses, not built as an energy efficient building.

Rusty Snow (Summit Housing Group) and Jeff Rupp (HRDC District IX) updated the Board on the Stoneridge Apartments in Bozeman. After further researching, Stoneridge Apartments was able to secure better pricing for the 48 unit project.

David Bland (Travois) and Beau Mitchell (Chippewa Cree Housing Authority) updated the Board on the Chippewa Cree Apartments in Box Elder (Azure site). With Tax Credits for this project, it will allow for 40 units, instead of eight. The tribe continues to seek out new ways to utilize the funds in the most effective ways.

Lucy Brown (Housing Authority of Billings) updated the Board on Red Fox Apartments in Billings. The unit structure of the 30 units will remain the same, however, the square footage for these units have been reduced resulting in cost per square footage reduction.

Nate Richmond (BlueLine Development), Shawn Backbone (Crow Tribe Executive Branch), Karl Little Owl (Crow Tribe Housing Authority), and Paul Little Light (Crow Tribe Veteran Affairs) updated the Board on the Apsaalooke Warrior Apartments on the Crow Agency. The 15 homeless veteran unit site has been changed to reduce the total project costs.

Mary Bair presented to the Board a Reverse Annuity Mortgage (RAM) exception Request. The request comes from a single man, age 68, from Hungry Horse with an annual income of $21,996. The request is for $19,000 which would pay for home roof repairs, taxes and a personal loan. Pat Melby moved to approve the RAM exception request for $19,000. Sheila Rice seconded the motion. Chairman Crowley asked for comments. The RAM exception for the Hungry Horse individual in the amount of $19,000 was approved unanimously.

Mary Bair provided an update on the 2012 Tax Credit properties which have been placed in service.
EXECUTIVE DIRECTOR

Bruce Brensdal reminded the Board the 2014 Tax Credit Awards will be December 9, 2013 at 10:00 a.m. Upon adjournment of this meeting, the Board will conduct an open forum for the 2015 Qualified Allocation Plan.

Meeting adjourned at 12:20 p.m.