

## **MONTANA BOARD OF HOUSING**

Apsalooke Nation Housing Authority – Crow Agency, MT  
Little Big Horn College – Cultural Center  
May 8, 2014

### **ROLL CALL OF BOARD**

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

**STAFF:** Bruce Brensdal, Executive Director  
Mary Bair, Multifamily Program  
Vicki Bauer, Homeownership Program  
Penny Cope, Public Relations  
Paula Loving, Executive Assistant  
Justin Schedel, Accounting Program  
Jeannene Maas, Homeownership Program  
Charlie Brown, Homeownership Program  
Julie Hope, Homeownership Program

**COUNSEL:** Greg Gould

**UNDERWRITERS:** None

**OTHERS:** Brenda Pretty Paint, Crow Tribe Housing Board  
Frances Pretty Paint, Crow Tribe Housing Board  
Kellie Gill, BlueLine Development  
Nate Shepard, BlueLine Development  
Nate Richmond, BlueLine Development  
Alex Burkhalter, Housing Solutions  
Karl Little Owl, Apsalooke Housing Authority  
Darrin Old Coyote, Crow Tribe Chairman  
Shawn Backbone, Crow Tribe Vice Secretary

**CALL MEETING TO ORDER**

Vice Chairwoman Jeanette McKee called the Montana Board of Housing (MBOH) Board meeting to Order at 10:05 a.m. Introductions were made. Bruce Brensda reviewed the process for Webinar. Vice Chairwoman asked for any public comment not on the agenda.

Apsaalooke Housing Authority Director, Karl Little Owl, welcomed the Board to the Crow Agency. Mr. Little Owl thanked the Board for the allocation of Housing Tax Credits for the Apsaalooke Warrior Apartment project, as this project is greatly needed. The Board’s approval of the project is giving the Apsaalooke Nation the chance at the American dream. Mr. Little Owl invited the Board to the ground breaking ceremony and was excited to show the community the efforts to improve the Nation. Bob Gauthier stated MBOH has always been supportive of the tribes in Montana. There are two board members that are Native American and the key to successful housing is the involvement of the tribal leadership. The Housing Authority by itself does not work as well if the tribal leadership is not involved.

**APPROVAL OF MINUTES**

Bob Gauthier moved to approve the January 22, 2014 and April 14, 2014 Board meeting minutes. Sheila Rice seconded the motion. Vice Chairwoman Jeanette McKee asked for comments.

A roll call vote was taken:

Sheila Rice	Yes
Bob Gauthier	Yes
JP Crowley	Yes
Doug Kaercher	Yes
Jeanette McKee	Yes

The January 22, 2014 and April 14, 2014 Board meeting minutes were passed unanimously.

**ACCOUNTING PROGRAM**

There was no Finance update provided at this meeting.

**HOMEOWNERSHIP PROGRAM**

Vicki Bauer provided the Homeownership Program update. Vicki updated the Board with the Programs History Comparison for the last three years. 2014 reflects the competitive interest rate and the new programs MBOH have introduced to attract borrowers. Vicki stated the MCC program will be coming to the Board for funding at the next Board meeting. Vicki reviewed the Delinquency and Foreclosure rates, along with the Set-aside summary. Vicki informed the Board that the MBOH Servicing was ranked as a Tier 1 Servicer with HUD for loss mitigation performance. This is the highest ranking a servicer can receive and it rewards the servicer by paying a higher incentive rate and claims reimbursement rate for a 12-month period. This ranking

reflects the dedicated Servicing staff's efforts to provide loss mitigation and home retention to the MBOH borrowers.

Vicki Bauer brought to the Board a request of additional funding for the 80% Combined Program. Vicki provided a brief history of the program which was initially funded in July 2013 in the amount of \$4.5 million from 2007A1 Pre-Ullman funds. This program would offer low-LTV uninsured loans at regular program rates to homebuyers who were eligible for NeighborWorks MT (NWMT) 20+ Community Second program and would be available only to the group of lenders selected by NWMT for the 20+ Community Second Program. The program provided a first position loan for 80% of the purchase price, and NWMT provided an amortizing second loan for the other 20%. It provided a valuable alternative to the current high cost of an FHA-insured loan. After the well-received program fully committed the initial funds by March, 2014, the Board approved an additional \$700,000 to purchase loans already in the process.

Vicki stated the request for an addition \$5 million for the 80% Combined program. The hope is the market conditions are favorable to finance an additional \$5 million to extend the program for another year. Vicki stated the Board would not know until the next bond issuance. Bob Gauthier moved to approve an additional funding for the 80% Combined Program in the amount of \$5 million. JP Crowley seconded the motion. Vice Chairwoman McKee asked for comments. Jeanette asked if the program guidelines will be staff driven to allow these funds to sustain a longer duration. Vicki stated Staff is working on structuring guidelines to help extend the life of this program.

A roll call vote was taken:

Sheila Rice	Abstain
Bob Gauthier	Yes
JP Crowley	Yes
Doug Kaercher	Yes
Jeanette McKee	Yes

The additional funding for the 80% Combined Program was approved.

### **MULTIFAMILY PROGRAM**

Mary Bair provided the Multifamily Program update. Mary provided information on Tax Credit Compliance visits for Tax Credit properties in the last 1 1/2 years. Most of these properties are in compliance and are in good standing. A small percentage of the properties have had some difficulties with non-compliance and 8823's have been issued to the IRS. The Makoshika project in Glendive became a topic of discussion. Mary stated the project's foundation has problems due to unstable sandy ground it is built on. This instability has caused major structural issues and the outcome of the entire project remains unclear. Alex Burkhalter, Housing Solutions, stated this project's issues with the type of soil in Glendive is providing insight for the recently awarded Tax Credit project, Pearson's Place and they are taking great care in providing the proper geo-tech prior to going forward.

**EXECUTIVE DIRECTOR UPDATE**

Bruce Brensdal reintroduced Karl Little Owl, who introduced the Chairman of the Crow Tribe, Darrin Old Coyote, and Vice Secretary, Shawn Backbone. The Chairman welcomed the Board to the Crow Nation and expressed his thanks for the awarding of Tax Credits for the Apsaalooke Warrior Apartments. Invitation to the ground breaking ceremony and lunch was extended to the Board. Bruce presented gifts to the Chairman, Vice Secretary and Housing Authority Director.

Penny Cope reminded the Board of the 2014 Montana Housing Conference which will take place May 20-22, in Miles City. This conference is becoming an essential part of Housing for Montana and the content is becoming more in-depth each year.

Meeting adjourned at 11:45 a.m.

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Sheila Rice, Secretary

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Date