ROLL CALL OF BOARD

MEMBERS: Pat Melby, Chairman (Present)
Bob Gauthier (Present)
Johnnie McClusky (Present)
Jeanette McKee (Present)
Sheila Rice (Present)
Eric Schindler (Present)
Amber Sundsted (Present)

STAFF: Bruce Brensdal, Executive Director
Ginger Pfankuch, Finance Program
Vicki Bauer, Homeownership Program
Mary Palkovich, Mortgage Servicing Program
Mary Bair, Multifamily Program
Stacy Collette, Operations Manager
Penny Cope, Marketing
Todd Jackson, Marketing
Paula Loving, Executive Assistant
Cindy Maxwell, Administrative Assistant
Julie Hope, Homeownership Program
Hannah Rotter, Homeownership Program
Kellie Guariglia, Multifamily Program
Charlie Brown, Multifamily Program
Justin Schedel, Finance Program
Rena Oliphant, Multifamily Program

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

UNDERWRITERS: Mina Choo, RBC Capital
Patrick Zhang, RBC Capital

OTHERS: Eileen Piekarz, Rural Community Assistance Corporation
Marney McCleary, Community Action Partnership of NWMT
Beki Brandborg, Echo Enterprises
Glen Meier, Nemont Manor
Jim Rector, Nemont Manor
Kirk Bruce, Affiliated Developers
Joe Mueller, American Building Co
Robin Haidle, CAPNWMT
Gene Leuwer, GL Development
Caleb Burton, Deer Lodge City Council
Michael Blakely, Powell County Chamber
Laura Burrowes, CAPNWMT
Tracy Diaz, CAPNWMT
Alex Burkhalter, Housing Solutions, Inc.
Andrea Davis, Homeword
Heather McMilin, Homeword
Steve Dymoke, GMD Development
Kyle Hopsted, Broadwater Health Center
Revonda Stordahl, Butte Affordable Housing
Erica DuHame, Butte Affordable Housing
Tom Mannschreck, Thomas Development
Barbara Mannschreck, Thomas Development
Dianne Hunt, Syringa Properties, LLC
Taylor Hunt, Syringa Housing Corp.
David Magistralli, Habitat for Humanity Gallatin Valley
Jim Morton, District XI HRDC
Robert Robinson, Human Resources Council XI
Michael Wojdylak, Park County Board of Realtors
Teri Gottlob, Cut Bank Villas
Jeff Gottlob, Cut Bank Villas
Jessica Stillman, Befrienders
Denise Posey, Summit Housing Group
Sam Long, Summit Housing Group
Michael DesRosier, Glacier County Commissioner
Ron Rides At The Door, Glacier County Commissioner
Carla Adair, RMDC
Lori Ladas, RMDC
Don Sterhan, Mountain Plains Equity Group
Sue Carothers, RMDC
Brian Bender, City of Deer Lodge
Del Schubring, Townsend
Tracy Menuez, HRDC IX
Carson Taylor, City of Bozeman
Zane Cozby, City of Deer Lodge
Kate Weaver, MSU Park Co Extension
Bill Kerns, State Bank of Townsend
Mary Upton, Townsend Chamber of Commerce
Bob Saxby, Townsend
Laura Obert, Broadwater County – Townsend.
Greg Dunfield, GMD Development
Ashley Grant, Homeword
Jacqueline Isaly
Jarod Nygren
Bonnie Craigle
Julie Stietler
These written minutes, together with the audio recordings of this meeting and the Board Packet, constitute the official minutes of the referenced meeting of the Montana Board of Housing (MBOH). References in these written minutes to tapes (e.g., FILE 1 – 4:34) refer to the location in the audio recordings of the meeting where the discussion occurred and the page numbers refer to the page in the Board Packet. The audio recordings and Board Packet of the MBOH meeting of this date are hereby incorporated by reference and made a part of these minutes. The referenced audio recordings and Board Packet are available on the MBOH website at Meetings and Minutes.

CALL MEETING TO ORDER

FILE 1 Chairman Pat Melby called the Montana Board of Housing (MBOH) meeting to order at 8:30 a.m.
4:15 Bruce Brensdal reviewed the Webinar and location details for the meeting.
4:26 Chairman Pat Melby asked for public comment on items not listed on agenda.
7:12 Andrea Davis, Homeword Inc., informed the Board that Homeword, Inc., is in the process of purchasing the Creekside Apartments in Missoula.
7:38 11:04 Introductions of Board and Attendees of the meeting were made.

APPROVAL OF MINUTES

May 8, 2017 Board Meeting Minutes – page 3 of the packet
17:31 Bob Gauthier moved to approve the May 8, 2017 MBOH Board meeting minutes and Jeanette McKee seconded the motion.
18:10 The May 8, 2017 MBOH Board minutes were approved unanimously.

FINANCE PROGRAM

Financial Update – page 11 of the packet
18:10 Ginger Pfankuch provided the Finance program update.

HOMEOWNERSHIP PROGRAM

Set-aside Program Approval – Habitat for Humanity – page 15 of the packet
22:40 Vicki Bauer brought to the Board the Habitat for Humanity proposal which requested a set-aside for FY2018 of $2 million with an expiration date of June 30, 2018.
24:40 Vicki Bauer introduced Dave Magistralli, Habitat for Humanity, who provided an update of Habitat for Humanity.
28:30 Bob Gauthier moved to approve the set-aside of $2 million for FY2018 to Habitat for Humanity and Sheila Rice seconded the motion.
Chairman Melby asked for Board and public comment.
The requested $2 million set-aside for FY 2018 was approved unanimously.

Income and Purchase Price Approval – page 19 of the packet
29:00 Vicki Bauer brought to the Board the Purchase Price Limit review and Income Limit approval.
Bond Counsel, John Wagner, Kutak Rock, supports the staff’s recommendation of the 2017 HUD median income numbers and income limits.

Bob Gauthier questioned whether the numbers reflected a reduction of household income and housing prices.

John Wagner explained the numbers are based by HUD and do not reflect housing values.

Bruce Brensdal asked for clarification on the charts. Discussion followed.

Sheila Rice moved to approve the Income Limits based on the 2017 HUD median income numbers. Jeanette McKee seconded the motion.

Chairman Melby asked for Board and public comment. The Income limits were approved unanimously.

2017B Bond Resolution Approval – page 25 of the packet

Vicki Bauer brought to the Board the 2017B Bond Resolution No. 17-0626-S1, in the amount not to exceed $75 million to finance loans, refund outstanding bonds or both.

John Wagner, Kutak Rock, stated this is the standard resolution used by MBOH.

Mina Choo, RBC Capital, stated the monitoring of the market and communication with MBOH staff continues.

Chairman Melby asked for Board discussion.

Johnnie McClusky asked for a background of how the issuance of Bonds works for MBOH and the investors. Discussion followed.

Sheila Rice moved to approve Bond Resolution No. 17-0626-S1 in the amount not to exceed $75 million to finance loans, refund outstanding bonds or both. Bob Gauthier seconded the motion.

Chairman Melby asked for Board and public comment. The Bond Resolution No. 17-0626-S1 was approved unanimously.

Homeownership Program Update – page 33 of the packet

Vicki Bauer provided the Board with the Homeownership program update.

MORTGAGE SERVICING PROGRAM

Mortgage Servicing Program Update – page 37 of the packet

Mary Palkovich provided the Board with the Mortgage Servicing program update.

EXECUTIVE DIRECTOR UPDATE

Operations Update

Stacy Collette provided the Board with the Operations update.
**Marketing Update**

59:20  No Marketing update was provided. Bruce Brensdal stated the Administrative Dashboard has the recent events coordinated by Marketing.

59:30  Bruce Brensdal reviewed the Board calendar. The next Board meeting will be in September at Fairmont. This will include strategic planning session on the Sunday before. The NCSHA Annual Conference takes place in October. The November 20th meeting will be the 2018 Housing Credits allocation meeting.

1:01:18  Bruce reviewed the Section 8 program Dashboard.

**MULTIFAMILY PROGRAM**

**Multifamily Program Update – page 47 of the packet**

1:07:00  Mary Bair provided the Multifamily program update.

1:08:44  Sheila Rice updated the Board on the River Run Apartments in Great Falls.

**2018 Housing Credits – Letter of Intent – page 49 of the packet**

1:10:00  Chairman Melby asked Bruce Brensdal to review the 2018 Housing Credits – Letter of Intent process.

1:28:24  After a break, Chairman Melby asked for public comment on any project before the project presentation process started.

1:29:12  Glen Myer made public comment on Nemont Manor.

1:31:06  Jim Rector made public comment on Nemont Manor.

1:35:10  Sheila Rice made a few comments. Sheila clarified that there is no relationship between Neighborworks Montana and Neighborworks Great Falls. Sheila disclosed that Neighborworks Great Falls is in a partnership with GMD Development for a prior approved project, Rockcress Apartments. However, this partnership shouldn’t affect any discussion today.

1:36:25  Mary Bair and Bruce Brensdal reviewed the demographic information and the project details within the Board packet. Open discussion included the Board.

**Cut Bank Villas**

1:50:34  Beki Brandborg (Echo Enterprises) presented Cut Bank Villas in Cut Bank. This is an acquisition/rehabilitation project of 19 senior units, requesting $2,710,000 in Housing Credits.

1:56:50  Mike DesRosier (Glacier County Commissioner) made public comment for Cut Bank Villas

1:58:30  Ron Rides At The Door (Glacier County Commissioner) made public comment for Cut Bank Villas.

1:59:40  Chairman Melby asked for any more public comment for Cut Bank Villas.

1:59:54  Teri Gottlob (Cut Bank Villas co-manager) made public comment for Cut Bank Villas.
2:03:30 Beki Brandborg played a video public comment from Glacier Community Health Center.

2:09:55 Chairman Melby asked for Board comments or questions.

2:10:00 Sheila Rice asked if there were any reserves on this project. Discussion followed.

**Nicole Court**

2:11:03 Jim Morton (HRC District XI) presented Nicole Court in Stevensville. This is a new construction project of 16 senior units, requesting $3,387,500 in Housing Credits.

2:21:55 Beki Brandborg provided public comment for Nicole Court

2:22:43 Chairman Melby asked for Board comments or questions.

2:22:46 Sheila Rice pointed out this project was on the high end of the cost per unit. Discussion followed.

**Meadows Senior Apartments**

2:26:25 Kent Mortimer (Thies and Talle) presented Meadows Senior Apartments in Lewistown. This is an acquisition/rehabilitation project of 35 senior units, requesting $2,984,910 in Housing Credits.

2:33:50 Carrie Von made public comment on Meadows Senior Apartments.

2:35:45 Courtney Amal made public comment on Meadows Senior Apartments.

2:37:07 Chairman Melby asked for Board comments or questions.

2:37:10 Sheila Rice inquired about the current owner and any reserves. Discussion followed.

**Heights Senior Apartments**

2:41:17 Steve Dymoke (GMD Development) presented Heights Senior Apartments in Billings. This is a new construction project of 38 senior units, requesting $6,775,000 in Housing Credits.

2:52:38 Chairman Melby asked for Board comments or questions.

2:52:46 Sheila Rice inquired about the guarantee of the 4% part of the combination 4/9% Housing Credit projects. Discussion followed.

2:54:00 Pat Melby inquired about the return of Housing Credits for this project is 6.8. Discussion followed.

**Copper Ridge Apartments**

2:55:53 Thomas Mannschreck (Thomas Development) and Revonda Stordahl (Butte Affordable Housing) presented Copper Ridge Apartments in Butte. This is a new construction project of 32 family units, requesting 5,202,360 in Housing Credits.

3:04:30 Chairman Melby asked for Board comments or questions.

3:04:42 Sheila Rice inquired about the tax credit sale amount is higher than the other projects. Discussion followed.
**Timber Ridge Apartments**

**FILE 2**

9:30 Sam Long (Summit Housing Group Inc.) presented Timber Ridge Apartments in Bozeman. This is a new construction project of 32 senior units, requesting $6,775,000 in Housing Credits.

15:45 Carson Taylor (Mayor of Bozeman) made public comment on Timber Ridge Apartments.

17:55 Tracy Menuez (HRDC District IX) made public comment on Timber Ridge Apartments.

19:26 Jessica Stillman (Befrienders) made public comment on Timber Ridge Apartments.

21:25 A video was played as public comment on Timber Ridge Apartments.

25:04 Chairman Melby asked for Board comments or questions.

25:33 Johnnie McClusky inquired about the market study demographics. Discussion followed.

**Livingston Memorial Hospital**

30:04 Heather McMilin (Homeword, Inc.) presented the Livingston Memorial Hospital in Livingston. This is a new construction project of 34 family units, requesting $5,900,000 in Housing Credits.

39:44 Kate Weaver (MSU Park County Extension) made public comment on Livingston Memorial Hospital.

48:10 Tracy Menuez (HRDC District IX) made public comment on Livingston Memorial Hospital.

49:44 Michael Wojdylak (Park County Board of Realtors) made public comment on Livingston Memorial Hospital.

52:35 Chairman Melby asked for Board comments or questions.

52:40 Sheila Rice inquired about the high cost per unit. Discussion followed.

**Evergreen Commons**

54:40 Alex Burkhalter (Housing Solutions, LLC) presented Evergreen Commons in Evergreen. This is a new construction project of 24 family units, requesting $5,300,000 in Housing Credits.

1:01:15 Chairman Melby asked for Board comments or questions.

**Cottonwood Creek Apartments**

1:01:26 Gene Leuwer (GL Development LLC) presented Cottonwood Creek Apartments in Deer Lodge. This is a new construction project of 24 family units, requesting $4,320,000 in Housing Credits.

1:05:20 Zane Cozby (Mayor of Deer Lodge) made public comment on Cottonwood Creek Apartments.

1:06:54 Brian Bender, (Administrator for City of Deer Lodge) made public comment on Cottonwood Creek Apartments.
Caleb Burton (Deer Lodge City Council) made public comment on Cottonwood Creek Apartments.

Chairman Melby asked for Board comments or questions.

**Homestead Lodge Apartments**
1:11:32 Taylor Hunt and Dianne Hunt (Syringa Housing Corporation) presented Homestead Lodge Apartments in Absarokee. This is an acquisition/rehabilitation project of 32 senior units, requesting $4,053,451 in Housing Credits.

Chairman Melby asked for Board comments or questions.

Bob Gauthier inquired about the Tax Credit history. Discussion followed.

Due to a scheduling conflict, Chairman Melby allowed for public comment for the Crow Creek Apartments. Kyle Hopsted (Broadwater Health Center Administrator) provided public comment for the Crow Creek Apartments.

**Fort Peck 4**
1:22:05 Billy Lummus (RTHawk Housing Alliance LLC) presented Fort Peck 4 in Wolf Point and Poplar. This is a new construction project of 24 senior units, requesting $6,428,120 in Housing Credits.

Chairman Melby asked for Board comments or questions.

Bob Gauthier pointed out this project has the lowest tax credit bidding price. Discussion followed.

Kirk Bruce (Affiliated Developers, Inc.) presented Nemont Manor Retirement Residences in Glasgow. This is an acquisition/rehabilitation project of 100 senior units, requesting $6,775,000 in Housing Credits.

Chairman Melby asked for Board comments or questions.

Bob Gauthier inquired about the relationship of Affiliated Developers to this existing project. Discussion followed.

Sheila Rice inquired on utilizing the 4% Housing Credits and the purchasing from nonprofit company. Discussion followed.

**Courtyard Apartments**
1:48:46 Marney McCleary (CAPNMT) and Eileen Pikartz (RCAC) presented Courtyard Apartments in Kalispell. This is an acquisition/rehabilitation project of 32 family units, requesting $4,469,300 in Housing Credits.

Tracy Diaz (CAPMT) made public comment on Courtyard Apartments.

Laura Burrowes (CAPMT) made public comment on Courtyard Apartments.

Robin Haidle (CAPMT) made public comment on Courtyard Apartments.
2:01:44 Jarod Nygren (Senior Planner for City of Kalispell) made public comment on Courtyard Apartments.

2:03:06 Krista Lammers (City of Kalispell) made public comment on Courtyard Apartments.

2:04:01 Chairman Melby asked for Board comments or questions.

2:04:04 Sheila Rice inquired about the ownership and why will this project go to market rates if not funded. Discussion followed.

2:05:19 Bob Gauthier asked about the Board’s financing into this project. Discussion followed.

**Alpine View**

2:06:20 Alex Burkhalter (Housing Solutions, LLC) presented Alpine View in Columbia Falls. This is a new construction project of 24 family units, requesting $5,425,000 in Housing Credits.

2:14:06 Chairman Melby asked for Board comments or questions.

2:14:12 Sheila Rice asked Alex Burkhalter to rank the three projects Housing Solutions submitted for 2018 Housing Credits. Discussion followed.

**Whitefish Family Housing**

2:26:22 Darren Murphy (Commonwealth Development Corporation of America) presented Whitefish Family Housing in Whitefish. This is a new construction project of 27 family units, requesting $6,084,440 in Housing Credits.

2:35:20 Chairman Melby asked for Board comments or questions.

2:35:25 Sheila Rice pointed out Whitefish Family Housing is the highest cost per unit. Discussion followed.

**Creekside Commons**

2:36:50 Alex Burkhalter (Housing Solutions LLC) presented Creekside Commons in Kalispell. This is a new construction project of 40 senior units, requesting $5,950,000 in Housing Credits.

2:44:13 Chairman Melby asked for Board comments or questions.

**North Stone Residences**

2:44:25 Lorrie Ladas (Rocky Mountain Development Council) and Don Sterhan (Mountain Plains Equity Group) presented North Stone Residences in Helena. This is a new construction project of 35 senior units, requesting $6,667,000 in Housing Credits.

2:57:33 Chairman Melby asked for Board comments or questions.

**Crow Creek Apartments**

2:57:45 Beki Brandborg (Echo Enterprises LLC) presented Crow Creek Apartments in Townsend. This is a new construction project of 20 family units, requesting $3,700,000.

3:03:17 Marsha Biber (Broadwater Health Center and Realtor) made public comment on Crow Creek Apartments.
3:04:54 Bryan Norborg (Broadwater County Economic Development) made public comment on Crow Creek Apartments.

3:06:15 Donna Harper (Broadwater Health Center Auxiliary President) made public comment on Crow Creek Apartments.

3:08:43 Bob Saxby (Mustang Hotel Owner) made public comment on Crow Creek Apartments.

3:09:50 Ernie Flourey (Broadwater County Development Corporation) made public comment on Crow Creek Apartments.

3:11:10 Laura Obert (Broadwater County Commissioner) made public comment on Crow Creek Apartments.

3:13:32 Mike Gallagher made public comment on Crow Creek Apartments.

3:15:01 Kellie McBride made public comment on Crow Creek Apartments.

3:16:25 Dell Schubring made public comment on Crow Creek Apartments.

3:19:15 Bill Kerns (State Bank of Townsend) made public comment on Crow Creek Apartments.

3:19:42 Marie Keller (former Mayor of Townsend) read a letter from the current Mayor of Townsend. Ms. Keller made public comment on Crow Creek Apartments.

3:22:47 Chairman Melby asked for Board comments or questions.

3:22:50 Sheila Rice questioned the ability to have this as a small rural project. Discussion followed.

2:24:08 Chairman Melby asked for any public comment on any project that has been presented.


3:26:34 Marney McCleary (CAPNMT) made clarification that the two loans with MBOH have been paid off.

3:26:55 Chairman Melby asked for Board comment or questions for any project presented.

3:27:05 Jeanette McKee inquired if there were any compliance issues with any of projects of the Developers. Discussion followed.

FILE 3 Chairman Melby asked Bruce Brensdal to clarify the set-aside for Housing Credits.

1:03 Mr. Brensdal explained the Rural/Small project and Non-profit set-asides.

2:53 Bruce Brensdal reviewed the proposed plan of Board discussion of the projects.

3:29 Chairman Melby asked for each Board members to discuss their top two or three projects and after discussion the Board would come to a consensus of eight projects.

4:12 Bob Gauthier stated his top three projects for the 2018 Housing Credits and provided supporting rationale. These were Copper Ridge Apartments, Meadows Senior Apartments and Creekside Commons.

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Jeanette McKee stated her top three projects for the 2018 Housing Credits and provided supporting rationale. These were Courtyard Apartments, Livingston Memorial Hospital, and Creekside Commons.

Sheila Rice stated her top four projects for the 2018 Housing Credits and provided supporting rationale. These were Senior Heights, Fort Peck 4, Courtyard Apartments and Crow Creek Apartments.

Amber Sunsted stated her top three projects for the 2018 Housing Credits and provided supporting rationale. These were Livingston Memorial Hospital, Cottonwood Creek, and Senior Heights.

Johnnie McClusky stated his top four projects for the 2018 Housing Credits and provided supporting rationale. These were Senior Heights, Homestead Lodge, Fort Peck 4, and Cottonwood Creek.

Eric Schindler stated his top three projects for the 2018 Housing Credits and provided supporting rationale. These were Meadows Senior Apartments, Courtyard Apartments, and Copper Ridge Apartments.

Pat Melby stated his top three projects for the 2018 Housing Credits and provided supporting rationale. These were Livingston Memorial Hospital, Creekside Commons, and Senior Heights.

Jeanette McKee revealed the projects listed by Board members in their top project review:

- Senior Heights Apts – 4 votes
- Copper Ridge Apts – 3 votes
- Livingston Memorial – 3 votes
- Courtyard Apts – 3 votes
- Creekside Commons – 3 votes
- Meadows Senior – 2 votes
- Homestead Lodge – 1 votes
- Crow Creek Apts – 1 vote
- Cottonwood Creek – 2 votes
- Fort Peck 4 – 2 votes

Mary Bair provided more information on the 4/9% projects – Senior Heights Apartments and Copper Ridges Apartments.

Sheila Rice stated she would like to consider Townsend’s Crow Creek Apartments.

Bob Gauthier stated in the spirit of a fourth vote, he would like to include Fort Peck 4.

Amber Sunsted stated if the Board removed the two projects (Homestead and Crow Creek) that only have one vote, it would bring the total to eight projects.

Chairman Melby confirmed the consensus of the top eight projects by the Board’s personal preference, and would entertain a motion as such, with the discussion of replacing projects.
19:45 Sheila Rice moved and Eric Schindler seconded the following eight projects be approved to submit the full application for the 2018 Housing Credits:

Senior Heights Apartments
Copper Ridge Apartments
Livingston Memorial Hospital
Courtyard Apartments
Creekside Commons
Meadows Senior Apartments
Fort Peck 4

21:44 After calculations, Bruce Brensdal provided the requested Housing Credits of the eight projects, including many non-profit entities.

22:10 Chairman Melby asked for any amendments to the motion or discussion by the Board.

23:33 Sheila Rice stated this process is very hard, stretching Housing Credits across the state. Ms. Rice mentioned the state of Montana does not have any State funds for housing. Ms. Rice the need to

23:53 Senior Heights Apartments, Copper Ridge Apartments, Livingston Memorial Hospital, Courtyard Apartments, Creekside Commons, Meadows Senior Apartments, and Fort Peck 4 to submit the full application of the 2018 Housing Credits were approved unanimously.

24:11 Bob Gauthier moved to adjourn and Sheila Rice seconded the motion. Meeting was adjourned

Meeting adjourned at 3:42 p.m.

Sheila Rice, Secretary

Date