ROLL CALL OF BOARD

MEMBERS: Bob Gauthier (Present)
Jeanette McKee (Present)
Pat Melby (Present)
Sheila Rice (Present)

STAFF: Bruce Brensdal, Executive Director
Vicki Bauer, Homeownership Program
Mary Bair, Multifamily Program
Stacy Collette, Operations Manager
Mary Palkovich, Mortgage Servicing Program
Penny Cope, Marketing
Todd Jackson, Marketing
Paula Loving, Executive Assistant
Ashly Amato, Assistant
Kellie Guariglia, Multifamily Program
Julie Hope, Homeownership Program

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

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

OTHERS: Sam Long
Paul Hoek, Wilmington Trust
Jeff Philp, Orrick
Greg Dunfield, GMD Development
Steve Dymoke, GMD Development
David Magistrelli, Habitat for Humanity, Gallatin Valley
Ron Reyes, Wilmington Trust
Heather McMilin, Homeword
Andrea Davis, Homeword
John Firehammer

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., Tape 1 – 4:34) refer to the location in the
CALL MEETING TO ORDER
Before tape recording  
Vice Chairwoman Jeanette McKee called the Montana Board of Housing (MBOH) meeting to order at 8:37 a.m. Introductions were made.

TAPE 1  
0:28 Bruce Brensdal updated the attendance of Housekeeping items and Webinar procedures.
3:20 Vice Chairwoman McKee started the attendee introduction.
7:51 Vice Chairwoman McKee asked for any public comment that is not listed on the agenda.

APPROVAL OF MINUTES
January 23, 2017 Board Meeting Minutes – page 3 of the packet
6:30 Sheila Rice moved to approve the January 23, 2017 MBOH Board meeting minutes, noting the incorrect date of December 12, 2016 to be changed, and Bob Gauthier seconded the motion.
7:12 Vice Chairwoman McKee asked for comments.

The amended January 23, 2017 MBOH Board minutes were approved unanimously.

FINANCE PROGRAM
Finance Program Update – page 14 of packet.
8:10 Ginger Pfankuch provided the Finance Program update.

HOMEOWNERSHIP PROGRAM
Additional Habitat for Humanity Allocation – page 16 of packet
11:05 Vicki Bauer brought to the Board the request for additional $500,000 set aside funds for the Fiscal Year 2017 Habitat for Humanity.
12:44 Vicki Bauer introduced Dave Magistrelli, Habitat for Humanity, who provided an update of the program.
17:55 Bob Gauthier moved to approve an additional $500,000 to bring the FY2017 allocation to 1,500,000. Sheila Rice seconded the motion.
18:10 Vice Chairwoman McKee asked for public comment.

The $500,000 additional set aside funds was approved for the FY2017 Habitat for Humanity.
Homeownership Program Update – page 17 of the packet
19:08 Vicki Bauer provided the Board with the Homeownership program update.

MORTGAGE SERVICING PROGRAM

Mortgage Servicing Program Update – page 20 of the packet
21:20 Mary Palkovich provided the Mortgage Servicing Program update.

*Meeting was placed on hold and Webinar and recording was restarted due to technical issues.

TAPE 2 Vice Chairwoman McKee called the meeting back to order.
0:14

MULTIFAMILY PROGRAM

2018 Qualified Allocation Plan – page 22 – 117 of the packet
0:16 Mary Bair presented the 2018 Qualified Allocation Plan (See Attachment I), based on public comment and staff review. Mary presented a Guide to the changes. See Attachment II

1:38 Bruce Brensdal and Vice Chairwoman McKee reviewed the process for reviewing the 2018 Qualified Allocation Plan.

1:57 Bob Gauthier moved to approve the 2018 Qualified Allocation Plan as presented for public comment, allowing staff to correct clerical errors and Sheila Rice seconded the motion.

2:22 Mary Bair reviewed the highlighted Public comments and changes. See Attachment II.

3:30 Page 2 - Revise definition of Applicable QAP to apply fees amounts existing at time of Award to same Project through 8609.

6:30 Page 5 - Hard costs change shown needs to be removed, should be referred to in hard to soft cost ratio.

7:38 Greg Gould, Luxan & Murffit, suggested looking at the soft cost and ratio definition together.

10:12 Bob Gauthier moved to approve the Soft and Hard Cost definition outlined. Sheila Rice seconded the motion.

The Soft and Hard Cost definitions were approved unanimously.

10:47 Page 7 and 28 - Revise Small Rural Project definition to remove limit on number of units and increase Project cost cap from 10% to 12.5% of ceiling.

12:14 Page 8 - Soft costs change shown needs to be removed, should be referred to in hard to soft cost ratio.
“Soft-Cost-to-Hard-Cost Ratio” or “Soft Cost Ratio” means total Soft Costs minus the Letter of Intent fee, Application Fee, Reservation Fee, 10% Cost Certification Fee and Final Allocation (8609) fee, as required in the Applicable QAP. divided by the sum of total Hard Costs (as calculated in the UniApp) and land value (as shown by a comparative market analysis or appraisal). Land value is added regardless of whether land is donated, leased, purchased or otherwise acquired.

12:36  Page 14 - Increase limit on Total Project Cost Per Unit from $230,000 to $235,000.
14:55  Page 15 and 44 - Staff Limitation on Soft Costs. Projects must meet this limit at Letter of Intent, Application, 10% Cost Certification and Final Cost Certification. If this limit is exceeded at Final Cost Certification, negative points will be assessed with respect to future Applications as provided in Section 9, Item 9, Developer Knowledge and Responsiveness.
16:33  Sheila Rice moved to approve that projects must meet the limit at Letter of Intent, Application, 10% Cost Certification and Final Cost Certification and will allow staff to assess negative points with respect to future applications. Bob Gauthier seconded the motion.

The amendment was approved unanimously.

18:00  Mary Bair and the Board made clarification the above mention was for 2018 Applications and future application.
20:49  Heather McMilin, Homeword, provided public comment on the above amendment.
23:06  Page 16 - Provide for decrease in Credit amount if Debt Coverage Ratio is outside specified range at Application. Provide for Negative Point assignment if DCR changes significantly after Application.
23:56  Bob Gauthier moved to add language to include ‘for 2018 applications or later’ and Sheila Rice seconded the motion.

The Motion passed unanimously.

24:35  Page 17 - Increase reserves trending from 0% to the amount proposed in application, not to exceed 3%, for MBOH underwriting purposes
26:29  Page 17 and 18 - Clarify applicability of certain accessibility items and change required height of switches, thermostats, etc.
28:21  Page 21 - Tighten criteria for discretionary basis boost.
29:09  Page 23 - Clarify application process for combined 9%/4% Projects and scattered site Projects.
30:04  Bob Gauthier moved to insert additional language in Section 4, Competitive 9% Credit Applications to assure clarity regarding this requirement and Sheila Rice seconded the motion.

This motion was approved unanimously.

30:38  Page 23 and 29 - Establish schedule of dates and deadlines for First Award Round.
Sheila Rice moved to remove the Application Workshop from Section 4, Award Schedule, and Section 8, Application Process. Bob Gauthier seconded the motion. The motion was approved unanimously.

Page 24 - Revise provision for number of Projects invited to submit full Applications.

Page 25 - Establish fee for issuance of 42M letter and require Letter of Intent submission for 4% credit projects.

Page 25 - Clarify application process for combined 9%/4% Projects.

Sheila Rice moved to approve the addition 'or funding portal' to the Application Submission Method for 4% and 9% Letter of Intent and Credit Applications. Bob Gauthier seconded the motion. The motion was approved unanimously.

Page 26 - Increase Letter of Intent Fee and Reservation Fee.

Page 28 and 8 - Revise Small Rural Project definition to remove limit on number of units and increase Project cost cap from 10% to 12.5 % of ceiling.

Page 29 - Provide for Application Workshop prior to Application submission – staff suggests not putting in QAP until done at least once.

Page 31 - Revise requirements for threshold utility documentation.

Bob Gauthier moved to add 3. Include a market study or mini-market; 4. Include the completed market study summary Form posted on the MBOH website; and Sheila Rice seconded the motion. The motion was approved unanimously.


Bob Gauthier and Staff discussed the rationale of this requirement.

Bob Gauthier moved to insert to #13 ‘A CMA or appraisal is not required to be submitted for projects within the exterior boundaries of a reservation. To qualify for this exception, the Application must include documentation demonstrating that the property is located within the exterior boundary of a reservation. For Projects located partly on tribal trust land and partly on fee land, the CMS/appraisal requirement applies to fee land included in the project.’ Sheila Rice seconded the motion. The motion was approved unanimously.


Bob Gauthier moved to approve the replace “with” to “that will have” on threshold requirement #28. Sheila Rice seconded the motion. The motion was approved unanimously.

Page 33- Removed 5 working days after due date on public notice.
Bob Gauthier moved to remove “or not more than 5 work days after” and Sheila Rice seconded the motion. The motion was approved unanimously.

Page 36 - Limit partial funding of Applications.

Page 39 - Remove appropriate development type scoring criteria.

Page 42 and 43 - Provide for notice and opportunity to respond in the event of a Negative Point assignment.

Page 48 - Increase fee for 10% test underwriting and clarify that deadline extensions are not available for submission of 10% test information.

Page 49 - Increase fee for 8609 underwriting and set fees for corrections and re-underwriting.

Page 52 - Provide for periodic compliance fee adjustments and fee posting by MBOH and increase fee amount for late correction submissions, Late fee for management change not reported, time period lengthened.

Page 54 - Increase fee amount for late submission of substantial change notification.

Page 57 and 7 - Incorporate Qualified Contract Process into QAP.

Sheila Rice moved to amend the original motion to approve the 2018 Qualified Allocation Plan to include the amended changes and the Qualified Contract Process. Bob Gauthier seconded the motion. The amended 2018 Qualified Allocation Plan and the Qualified Contract Process was approved unanimously.

Greg Gould explained the need for the Administrative Rules approval, along with a public hearing.

Sheila Rice moved that Staff to publish the Administrative Rules and Bob Gauthier seconded the motion.

Bruce Brensdal thanked Greg Gould, Mary Bair, and Kellie Guariglia for their efforts on the processing of public comments.

Sheila Rice thanked the Developers for their involvement in review and input of the process.

Heather McMilin, Homeword, voiced positive feedback on the process and Greg Gould’s participation.

Reverse Annuity Mortgage Exception – page 195 of packet

Mary Bair brought to the Board a Reverse Annuity Mortgage exception from a female in northeastern Montana in a lump sum of $57,000 to pay off her mortgage and medical bills.
1:32:56 Sheila Rice move to approved the Reverse Annuity Mortgage exception. Pat Melby seconded the motion.

The Reverse Annuity Mortgage exception was approved.

**Rockcress Apartments – page 193 of packet**

1:21:15 Mary Bair introduced Greg Dunfield, GMD Development, who provided an update and request changes on the Rockcress Apartments in Great Falls.

Sheila Rice recused herself from discussion, citing conflict of interest.

1:30:10 Bruce Brensdal stated due to lack of quorum, no vote can take place, however, the Board did approve previously for the Staff to have the ability to review changes and accept within the scope of project.

**Multifamily Program Update – page 197 of packet**

1:38:28 Mary Bair provided the Multifamily program update.

**EXECUTIVE DIRECTOR UPDATE**

1:35:43 Bruce Brensdal provided the Board an Executive Director Update. Mountain Plains Housing Summit will take place May 1 – 3, 2017 and two Board members are approved to attend. During the State Housing Conference, training will be provided for all Board members, including the new members.

1:38:42 Stacy Collette provided the Operations update. MBOH is fully staffed once again. Hannah Rotter was hired to replace Julie Hope in the Homeownership Origination. Section 8 has two openings which are currently posted.

1:42:45 Penny Cope provided the Marketing update. Penny showed the Board how to view the public comment sections on the Housing website. [www.housing.mt.gov](http://www.housing.mt.gov). Penny showed the Housing Resource Guide location on the website. Debbie Morrison worked to create a resource guide for reference, which includes links.

1:45:48 Todd Jackson updated the Board on the drive to make sure Housing news is public for everyone.

1:48:00 Bruce Brensdal provided the Legislative update on all matters which include Housing.

Meeting adjourned at 11:06 a.m.

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Sheila Rice, Secretary

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Date