

MONTANA BOARD OF HOUSING

Conference Call
(877) 273-4202 and then this number when prompted: 7233056#

Montana Board of Housing (406) 841-2840

Wednesday, August 13, 2014:

- I. **8:30 A.M. CALL MEETING TO ORDER – Chair JP Crowley**
- II. **PUBLIC COMMENT ON ANY PUBLIC MATTER THAT IS NOT ON THE AGENDA OF THE MEETING AND THAT IS WITHIN THE JURISDICTION OF THE AGENCY**
- III. **AGENDA ITEMS**
 - Multifamily Program** (Mary Bair)
 - Fort Harrison Waiver Request
 - Southern Lights Billings MT Loan Request

IV. **ADJORNMENT**

❖ **All agenda items are subject to Board action after public comment.** We make an effort to ensure that our meetings are held at facilities that are fully accessible to persons with disabilities. Any persons needing reasonable accommodations must notify the Housing Division at 406-841-2840 or TDD 406-841-2702 before the scheduled meeting to allow for arrangements.

Future Meeting Dates & Locations: (subject to change)

<u>Day , Date</u>	<u>Location</u>	<u>Day , Date</u>	<u>Location</u>
Monday, September 15, 2014	Billings	Monday, November 17, 2014	Helena
Monday, October 13, 2014	no meeting	Monday, December 8, 2014	no meeting
Friday, January 9, 2015	Helena	Monday, July 13, 2015	no meeting
Monday, February 9, 2015	no meeting	Monday, August 10, 2015	??
Monday, March 9, 2015	??	Monday, September 14, 2015	Helena
Monday, April 13, 2015	Havre	Monday, October 12, 2015	no meeting
Monday, May 11, 2015	no meeting	Monday, November 9, 2015	Helena
Monday, June 8, 2015	Fairmont	Monday, December 14, 2015	no meeting

Memorandum

To: Board Members
Montana Board of Housing

From: Board Staff

Date: August 13, 2014

RE: Community for Veterans 2nd request for waiver of deadline for Letter of Intent

The Montana Department of Commerce was successful in our application to receive 40 HUD VASH vouchers for the Freedom's Path project at Ft Harrison.

Because of this award Community for Veterans has requested that the Board reconsider waiving the deadline for its Letter of Intent and allow them to submit an application by August 25, 2014.

We have attached the following for your consideration:

- Community for Veterans Request
- Announcement of HUD VASH vouchers in Montana
- June 2014 Board Meeting Information

From: [Adam Gratzer](#)
To: [Brensdal, Bruce](#)
Cc: [Parker, David](#); [Bair, Mary](#)
Subject: Freedom's Path
Date: Thursday, August 07, 2014 3:40:29 PM
Attachments: [HUD AND VA ANNOUNCE VOUCHERS TO HELP 40 HOMELESS VETERANS IN MONTANA FIND PERMANENT HOMES .msg](#)

Mr. Brensdal,

As you probably already know, we received great news!

The US Department of Housing and Urban Development recently announced an award of 40 HUD-VASH vouchers to the Montana Department of Commerce (MDOC) for the Freedom's Path project (see attached). We could not have accomplished this without your help. The vouchers equate to \$208,939 annually to assist Montana Veterans. These project-based vouchers provide rental assistance combined with supportive services for homeless Veterans. As a condition of funding, the MDOC must execute an Agreement to enter into Housing Assistance Payments (AHAP) with the project owner, and the project must commence construction within twelve months. As you know, this timeline is unlikely without the aid of Low Income Housing Tax Credit equity to effect a closing.

In order for Communities for Veterans to apply for a competitive 2015 LIHTC allocation in August, the Montana Board of Housing (Board) would have to waive the requirement to submit a Letter of Intent (LOI) prior to submitting its application for LIHTC. We feel a waiver would be especially appropriate now because of the funding announcement. We would like to humbly ask that you please request an emergency meeting of the Board to consider our request for a waiver of the LOI requirement in the QAP and allow this unique opportunity for Montana's Veterans to move forward. We hope to hear from you as soon as possible, so we can complete the work we have put into this project and prepare the application for the Board.

Very Respectfully,

Adam Gratzer
OIF '03 Veteran



Adam Gratzer
Project Manager
3550 South Tamiami Trail Suite 301

Sarasota, FL 34239

(p) 941-929-1270 ext.125

(c) 941-962-6252

(f) 941-929-1271

From: [Guzman, Charlene R](mailto:Guzman_Charlene_R)
To: agratzer@cfveterans.com
Subject: HUD AND VA ANNOUNCE VOUCHERS TO HELP 40 HOMELESS VETERANS IN MONTANA FIND PERMANENT HOMES
Date: Thursday, August 07, 2014 3:34:15 PM
Attachments: [image002.png](#)
[image003.png](#)
[image004.png](#)
[image005.png](#)
[image006.png](#)
[image007.png](#)



HUD NEWS

U.S. Department of Housing and Urban Development – Julián Castro, Secretary
Office of Public Affairs, Washington, DC 20410

HUD No. 14-026
Charlene Guzman
(303) 672-5247

<http://portal.hud.gov/hudportal/HUD?src=/states/montana>

FOR RELEASE

Wednesday
August 6, 2014

HUD AND VA ANNOUNCE VOUCHERS TO HELP 40 HOMELESS VETERANS IN MONTANA FIND PERMANENT HOMES

Project-based HUD-VASH vouchers will help reach the goal of ending Veteran homelessness in 2015

WASHINGTON – The U.S. Department of Housing and Urban Development (HUD) and the U.S. Department of Veterans Affairs (VA) today announced \$208,939 to the Montana Department of Commerce [the State Housing Authority] to help 40 homeless Veterans find permanent housing. The supportive housing assistance announced today is provided through the [***HUD-Veterans Affairs Supportive Housing \(HUD-VASH\) Program***](#) which combines rental assistance from HUD with case management and clinical services provided by VA (see chart below).

Later this year, HUD anticipates awarding approximately 10,000 new HUD-VASH vouchers to build upon significant progress toward ending Veteran homelessness. Since 2008, more than 59,000 vouchers have been awarded and 43,371 formerly homeless Veterans are currently in homes of their own because of HUD-VASH. Rental assistance and support services provided through HUD-VASH are a critical resource for local communities in ending homelessness among our nation’s Veterans.

“We have made great progress, reducing homelessness among Veterans by 24 percent in just three years,” said HUD Secretary Julián Castro. “These vouchers will help communities build on these gains, providing targeted assistance to reach those in need. Ending homelessness is a top priority for me, and HUD looks forward to working with the

Department of Veterans Affairs to ensure that every Veteran has a place to call home in the country they risked everything to protect.”

“This funding allocation makes it possible to help more Veterans in Montana obtain housing and brings us steps closer to our goal of ending Veteran homelessness. Our Veterans have selflessly answered the call of duty. That’s why our nation has its own duty – to help homeless servicemen and women rejoin the very communities they have sacrificed so much to protect,” said HUD Rocky Mountain Regional Administrator Rick M. Garcia. “HUD-VASH is a critically important resource for Montana as the cities of Helena and Missoula have endorsed the HUD and Veterans Affairs Secretaries’ call to end Veterans’ homelessness in 2015 through the [Mayors Challenge](#).”

HUD-VASH is a critical part of the Obama Administration’s commitment to end Veteran homelessness by 2015. [Opening Doors: Federal Strategic Plan to Prevent and End Homelessness](#) serves as a roadmap for how the federal government will work with state and local communities to confront the root causes of homelessness, especially among former servicemen and women.

In the HUD-VASH program, VA Medical Centers (VAMCs) work closely with homeless veterans before referring them to local housing agencies for these vouchers. Decisions are based on a variety of factors, most importantly the duration of the homelessness and the need for longer term, more intensive support in obtaining and maintaining permanent housing. The HUD-VASH program includes both the rental assistance the voucher provides and the comprehensive case management that VAMC staff offers.

Veterans participating in the HUD-VASH program rent privately owned housing and generally contribute no more than 30 percent of their income toward rent. VA offers eligible homeless Veterans clinical and supportive services through its medical centers across the U.S., Guam and Puerto Rico.

###

HUD’s mission is to create strong, sustainable, inclusive communities and quality affordable homes for all. HUD is working to strengthen the housing market to bolster the economy and protect consumers; meet the need for quality affordable rental homes; utilize housing as a platform for improving quality of life; build inclusive and sustainable communities free from discrimination; and transform the way HUD does business. More information about HUD and its programs is available at www.hud.gov and espanol.hud.gov. You can also follow HUD on [Twitter](#), [Facebook](#), [Instagram](#), or sign up for news alerts on [HUD’s Email List](#).

FY 2013 Project-based HUD-VASH voucher awards					
State	Public Housing Authority	City	Partnering VA Medical Facility	# of Vouchers	Amount
	Tuscaloosa				

Alabama	Housing Authority	Tuscaloosa	Tuscaloosa DVAMC	50	\$232,044
California	San Francisco	San Francisco	San Francisco VAMC	75	\$885,294
	Housing Authority County Of Los Angeles	Alhambra	DVA Los Angeles	38	\$323,085
	Housing Authority City Of Los Angeles	Los Angeles	DVA Los Angeles	75	\$715,770
	City Of San Buenaventura	Ventura	DVA Los Angeles	4	\$36,203
	Alameda County	Hayward	Palo Alto HCS	25	\$264,327
	City Of Long Beach	Long Beach	DVA Long Beach	75	\$640,764
Florida	Jacksonville Housing Authority	Jacksonville	N FL/S GA VAMC	75	\$407,637
	Pinellas County	Largo	Bay Pines VA HCS	16	\$111,093
Georgia	Nw Georgia Housing Authority	Rome	Duluth DVA	25	\$125,805
Hawaii	Hawaii Public Housing Authority	Honolulu	Pacific Islands HCS	45	\$396,641
Illinois	Chicago Housing Authority	Chicago	Jesse Brown VAMC	48	\$417,669
	Cook County	Chicago	Edward Hines DVA	72	\$563,708
Massachusetts	Northampton HOUSING AUTHORITY	Northampton	VA Central Western MA	36	\$187,078
Minnesota	Metropolitan Council Hra	St. Paul	Minneapolis DVAMC	20	\$139,774
Missouri	City Of Columbia	Columbia	Harry S. Truman DVA	25	\$100,932
Montana	Montana DOC Public Housing Authority	Helena	Montana HCS	40	\$208,939
North Carolina	Chatham County	Siler City	Durham VAMC	10	\$62,323
New York	NYC Dept. of Housing Preservation & Development	New York City	James J. Peters VAMC	58	\$503,208
	Chillicothe Metro Housing		Chicolte		

Ohio	Authority	Chillicothe	DVAMC	31	\$128,980
	Fairfield Metro Housing Authority	Lancaster	Chicolte DVAMC	5	\$24,142
Oregon	Douglas County	Roseburg	Roseburg VAMC	54	\$178,803
Tennessee	Metropolitan Development	Nashville	Tennessee Valley DVA	32	\$158,028
Texas	Houston Housing Authority	Houston	Michael E. DeBakey VAMC	22	\$132,156
TOTAL				956	\$6,944,403

Charlene R. Guzman

Regional Public Affairs Specialist – Region VIII
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Memorandum

To: Board Members
Montana Board of Housing

From: Board Staff

Date: June 2, 2014

RE: Community for Veterans request for waiver of deadline for Letter of Intent

Communities for Veterans Montana, LLC (CfV) has submitted to the Board a request that the Board waive the 2015 QAP requirement for timely submission of a Letter of Intent to allow acceptance and consideration of CfV's Montana Housing Tax Credit Letter of Intent and anticipated tax credit application for the Freedom's Path project at Ft. Harrison.

The deadline for Letter of Intent submission was May 12, 2014. CfV did not submit its Letter of Intent or fee by that date. On May 28, 2014, Board staff received CfV's waiver request dated May 22, 2014, along with its Letter of Intent and the \$750 fee. Board staff is holding the Letter of Intent and fee pending the Board's determination regarding the waiver request.

Board staff makes no recommendation regarding this request, as it considers this a policy matter for the Board's decision. CfV's waiver request addresses the waiver criteria in considerable detail, i.e., its position as to whether the waiver is in the best interests of MBOH, the tax credit program or the application cycle. To further assist the Board in considering this request, staff provides the following information regarding the QAP provisions and ramifications of granting or not granting the waiver. This memo discusses some but certainly not all of the Board's potential considerations.

Applicable Provisions of 2015 QAP

- Applicants may apply for an Award of tax credits for a particular Project *no later than the applicable submission deadline* specified below or otherwise set by MBOH. (QAP p. 20)
- For the First Allocation Round, Letter of Intent -- *Second Monday in May 2014*. (QAP p. 20)
- The Letter of Intent fee is \$750.00 and *must be submitted to and received in the MBOH office by the applicable Letter of Intent deadline*. (QAP p. 21)
- All Projects wishing to apply for MHTCs in Montana *must submit a Letter of Intent by the deadline* specified in Section 4 with the applicable fee. If a Letter of Intent has not been submitted with respect to an Application according to the requirements of this QAP, MBOH will return such Application un-scored along with the application fee and such Application will not be further considered. (QAP p. 24)
- The MBOH Board, in its discretion, may waive any requirement of this QAP if it determines such waiver to be in the best interests of MBOH, the MHTC program or the application cycle. (QAP p. 21)

Considerations

1. CfV failed to meet the Letter of Intent and fee submission deadline specified in the 2015 QAP. Unless the Board waives this requirement, CfV's failure to meet this deadline precludes consideration of CfV's Freedom's Path project under its Letter of Intent or any later-submitted full Application for 2015 tax credits. CfV would have to wait until the 2016 cycle to seek an award of credits for the project.
2. The QAP authorizes the Board to waive any requirement of the QAP, which allows waiver of the requirement to submit a Letter of Intent and fee by the specified deadline in order to have a project Application considered for an award.
3. CfV's request seeks waiver of the deadline for only one potential applicant – CfV. Other applicants who have met the deadline and other potential applicants would not be permitted to submit a late Letter of Intent. Waiving the deadline solely for CfV, however would not cause or require any delay or rescheduling of the tax credit application process or cycle.
4. If the deadline is waived for CfV, should it be extended for others who may wish to submit a Letter of Intent? There may be other Developers we don't know about who may want to submit a Letter of Intent. Waiving or extending the deadline for other potential applicants in addition to CfV, however, would require delaying and rescheduling the application process, as we would have to move back the full application deadline, the award date and possibly other dates to accommodate additional time for submission of Letters of Intent.
5. In considering the present waiver request, the Board may consider whether or not the requested waiver would disadvantage any other applicant or give CfV an advantage in the tax credit process. Is waiver for a single applicant acceptable if the QAP's waiver criteria are met, if the waived requirement is not substantive, and if the waiver does not unfairly advantage or disadvantage any applicant?
6. Consider the fairness – and perception of fairness -- of granting the waiver for and on Developers that completed their work and met the deadline as expected. On the other hand, while other applicants did meet the deadline, would allowing a waiver significantly advantage or disadvantage any applicant with respect to ultimate success or lack of success in obtaining an award of credits? The substantive LOI and Application requirements would remain the same for all parties. Of course, there would be one more applicant competing for the available credits.
7. Consider the effect of granting the waiver on future compliance with the Board's deadlines. Would granting the waiver open the door for similar problems and requests?
8. Consider any potential effects that granting the waiver request may have on the validity of the 2015 tax credit awards, i.e., the potential that another applicant would file suit and the potential merits of any claims raised. If a waiver were granted and CfV were eventually awarded credits in this cycle, unsuccessful applicants that met the deadline but were not awarded credits may challenge the award. Previous suits have alleged failure of the Board to follow its own rules. Here, however, the Board's rule permits waiver in the Board's discretion.

9. Granting the waiver would increase the competition, which could be a pro or a con depending upon one's perspective. Other applicants likely would disfavor this. However, this may be beneficial from the perspective of allowing the Board more options to select from in awarding credits and meeting housing needs.

10. The entire Section 42 process involves a series of deadlines. If after award one of those deadlines is not met, the credits may be lost and in some cases will definitely be lost.

May 22, 2014

Montana Board of Housing
301 South Park Avenue
Helena Montana 59601

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Dear Chairperson J.P. Crowley and Honorable Board Members:

On behalf of Communities for Veterans Montana LLC (CfV), please accept this formal request that you find it in the best interests of the Montana Board of Housing (MBOH), the Montana Housing Tax Credit Program, and the application cycle to waive the requirement for timely submission of a Letter of Intent (LOI) found in Section 8 of the Montana 2015 Qualified Allocation Plan (QAP). After considering the information presented in the body of this letter, we trust that you will find it in the interest of MBOH to grant the waiver and exercise your discretion to instruct MBOH staff to accept the enclosed letter of intent and cashier's check for the associated fee.

Requirement for Timely Submission on a Letter of Intent

Communities for Veterans did not submit a timely LOI. Section 8 of the QAP requires all developers wishing to apply for Low Income Housing Tax Credits (LIHTC) to submit an LOI by the second Monday in May 2014 (May 12th)¹. Under the QAP, if a developer fails to submit an LOI and subsequently submits an application for an LIHTC allocation, MBOH must "return such application unscored" and may not consider the application for funding. Communities for Veterans was unable to submit the LOI by May 12th and therefore may not submit an application for tax credits in the 2015 cycle unless MBOH waives the requirement for timely submission of a LOI.

The MBOH Board may waive the requirement

The MBOH Board may waive the requirement. Section 4 of the QAP allows the MBOH Board to exercise its discretion to "waive any requirement of [the] QAP if it determines such waiver to be in the best interests of the MBOH, the MHTC program or the application cycle². The prerequisite for timely submission of a LOI and consequent exclusion from the competitive cycle is a requirement of the QAP. Therefore, the MBOH Board may waive the requirement and allow CfV to compete if it finds that it is in the best interests of MBOH, the MHTC program, or the application cycle to do so.

It is in the best interest of the Montana Board of Housing to grant the waiver.

It is in the best interest of the Montana Board of Housing to grant the waiver. The Board may find it in the best interests of Montana, the MBOH, the MHTC program or the application cycle for three reasons: 1) allowing CfV to compete will preserve the state's opportunity to access rental assistance for homeless veterans; 2) it advances the mission of the MBOH to provide decent, safe, sanitary and affordable housing for lower income individuals and families in Montana; and 3) it brings greater competition to the allocation cycle.

¹ Montana Housing Tax Credit Program 2015 Qualified Allocation Plan p. 24; specific deadline located in Sec. 4 at p. 20.

² Montana Housing Tax Credit Program 2015 Qualified Allocation Plan p. 21.

MAY 28 2014

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Allowing CfV to compete will preserve the state's opportunity to access rental assistance for homeless veterans.

Allowing CfV to compete will preserve the state's opportunity to access rental assistance for homeless veterans. As you know, CfV is advancing the development of permanent supportive housing on the grounds of the United States Department of Veterans Affairs (VA) hospital in Ft. Harrison near Helena. The firm is the national leader in the development of supportive housing for veterans and is advancing seven similar projects on VA campuses across the nation. In light of the recent proposal by the Montana Department of Commerce (MDOC) to the United States Department of Housing and Urban Development (HUD) for rental assistance tied to Freedom's Path – Ft. Harrison, the Firm believes the time is right for an application to MBOH for LIHTC in order to meet the VA's goal to end homelessness among veterans by 2015.

On May 5, 2014, the MDOC submitted an application for 40 project based HUD-VASH vouchers HUD. The Veterans Administration Supportive Housing (VASH) voucher program is a joint effort between HUD and the VA to provide permanent supportive housing for homeless veterans. Through local housing authorities, HUD provides rental assistance to veteran households and the VA provides case management. In February of 2014 HUD issued a notice of funding availability (NOFA) for 1,000 HUD-VASH vouchers. After evaluating the scoring criteria in the HUD NOFA, CfV determined that the MDOC had a competitive advantage in the national competition for HUD-VASH. Communities for Veterans staff worked with MDOC staff to facilitate an amendment to the state's section 8 administrative plan. The firm also secured a letter of support from the VA and prepared a substantial part of the MDOC proposal. In order to maximize Montana's competitive position, the MDOC proposal included a timeline that contemplated competition in the 2015 tax credit cycle. If the project cannot secure capital funding by August 2015, MDOC must forfeit the HUD-VASH and return the funding to HUD.

The vouchers represent at least \$2.8 million of rental assistance to Montana veterans over ten years. Accessing this funding is in the best interest of Montana and the MBOH. Allowing CfV to compete in the 2015 tax credit cycle will allow MDOC to remain eligible for the HUD-VASH funding. Therefore, it is in the best interest of Montana and the MBOH to waive the requirement for timely submission of an LOI and allow CfV to complete in the 2015 tax credit cycle.

Allowing CfV to compete advances the mission of the MBOH to provide decent, safe, sanitary and affordable housing for lower income individuals and families in Montana.

The stated mission of the MBOH is to provide decent, safe, sanitary, and affordable housing for lower income individuals and families in Montana³. Freedom's Path – Ft. Harrison will provide high quality housing in a supportive setting for veteran households. All of the families housed at Freedom's Path will be low-income Montanans. It is unlikely this high quality housing will become a reality if CfV cannot compete in the tax credit cycle. Therefore, it is in the best interest of the MBOH to advance its mission to provide decent, safe, sanitary and affordable housing to Montana families by waving the requirement for timely submission of an LOI and allowing CfV to compete in the 2015 tax credit cycle.

³ See description on MBOH website: <http://housing.mt.gov/About/MBOH/default.mcp>

MAY 28 2014

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Allowing CfV to compete will bring greater competition to the allocation cycle.

Allowing CfV to compete will bring greater competition to the allocation cycle. The tax credit program maximizes the utility of public investments in affordable housing by allowing private developers to compete with each other. Through competition for tax credits, MBOH is able to obtain more and better quality housing for low-income households. Maximizing the improved public policy outcomes that flow from greater competition is in the best interest of the MBOH, the MHTC, and the application cycle. Allowing CfV to compete will introduce another competent competitor with an incentive to limit costs and produce high quality affordable housing.

Therefore, it is in the best interest of the MBOH to bring greater competition to the allocation cycle by waiving the requirement for timely submission of an LOI and allowing CfV to compete in the 2015 tax credit cycle.

We respectfully request that you find it in the best interests of the Montana Board of Housing (MBOH), the Montana Housing Tax Credit Program, and the application cycle to waive the requirement for timely submission of a Letter of Intent. After reviewing the QAP and the reasons why it will benefit Montana to allow CfV to compete in the 2015 tax credit cycle, you may exercise your discretion, grant the waiver, and accept the LOI from CfV. Communities for Veterans is committed to serving the low-income veterans of Montana and seeing the Freedom's Path project through to completion. If you have any questions or concerns please feel free to contact myself or Adam Gratzner, the project manager for Freedom's Path – Ft. Harrison. Thank you for your time and thoughtful consideration.



Donald W. Paxton
Managing Member of GP

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Exhibit D-1

May 21, 2014

Montana Board of Housing
PO Box 200528
Helena MT 59620-0528

RE: MHTC (Montana Housing Tax Credit) Letter of Intent
Freedoms Path at Ft Harrison

Dear Board of Housing:

This letter with attachment meets the requirements of the Qualified Allocation Plan as it relates to submission of a "Letter of Intent" in order to be eligible to submit an application in October.

The project being submitted is as follows:

Name: Freedom's Path at Ft. Harrison
City: Fort Harrison, Montana 59636
County: Lewis and Clark
Developer: Communities for Veterans Montana LLC
HTC Consultant: None
Project Type: Rehabilitation of Family Housing
Set-aside: None

Project Description:

The development consists of 11 historic buildings. These buildings have been identified by the State Historic Preservation Office and the VA as eligible for listing on the National Register of Historic Places. The affected properties, most which comprise the circa 1895 historic "Officers' Row.

The proposed project consists of the re-development of a total of 40-units, in an adaptive reuse supportive housing community including single-family homes, duplexes, six-plexes and one multi-family building for military Veteran individuals and households on the Fort Harrison VA Medical Center grounds in the west area of Helena, Montana.

Anticipated Amenities:

The adaptive reuse project will include garden/flat studio, one- and two-bedroom apartments for veterans with disabilities and/or special needs, and two- and four-bedroom townhouse homes for families.

Each unit will include the following amenities:

- GAS RANGE
- MICROWAVE OVEN
- REFRIGERATOR
- CEILING FANS
- HARDWOOD FLOORS
- WINDOW BLINDS
- BASEMENT
- WASHER/DRYER CONNECTIONS

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The subject property will include the following community features:

- COMMUNITY SPACE
- ON-SITE MANAGEMENT
- ACTIVITY ROOM
- TV ROOM
- PLAYGROUND
- BILLIARD TABLE
- SECURE ENTRY
- LAUNDRY ROOM
- SOCIAL SERVICES, EDUCATIONAL PROGRAMS AND ACTIVITIES

There will also be offices devoted to on-site supportive services, which will include case management, support groups, financial literacy classes, employment assistance and computer training. The property will have a large community room for social gatherings, large group presentations and classes, and community building activities.

General Description of Project Location to Services:

- **Grocery Store:** The Safeway (a full service grocery store) in Helena has agreed to provide no-charge delivery service to Freedoms Path residents. Additionally, the Thriftway in Helena will also deliver to the site.
- **Elementary school:** Kessler Elementary School serves students from kindergarten to fifth grade and is located at 2420 Choteau Avenue approximately 1.20 miles from the site of Freedoms Path
- **Middle school:** Helena Middle School and CR Anderson Middle School are both located 4.8 miles away in Helena.
- **High school:** Capital High School is located approximately 2.55 miles from the site in Helena.
- **Bank:** The Elkhorn Federal Credit Union is located at 280 Mount Defense Avenue, less than half a mile from the site of Freedoms Path
- **Laundromat (only if washer/dryer not included in unit or onsite):** Laundry facilities as well as in-unit washer/dryer hookups will be located within the development
- **Medical services appropriate to targeted tenants (e.g., hospital, doctor offices etc.):** Freedoms Path will be located on the Campus of the Ft. Harrison Veterans Administration Hospital.
- **Pharmacy:** A Pharmacy is located on the Ft. Harrison Veterans Administration campus
- **Gas station/convenience store:** The Veterans Canteen Service is located on the Ft. Harrison Veterans Administration campus. There is a gas station within 3.2 miles of the development.
- **Post Office:** There is a Post Office within the Ft Harrison hospital.
- **Park:** The Spring Meadow Lake State Park, part of the Montana State Park System is located approximately 1.3 miles from the site of Freedoms Path.
- **Shopping:** The Broadwater Market is located at 3206 Euclid Avenue, approximately 1.15 miles from the site of Freedoms Path.
- **Bus or transportation stop:** The property is served by on-call public transportation. The owner will coordinate with the Helena Area Transit Service to add this development to the bus route once a residential population is established.
- **Library;** There are several public libraries located within 5 miles in Helena.
- **Recreation:** Centennial Baush Park and Kindrick Legion Field are within 5 miles of the site.

If you have any questions please contact me at:

Email: dpaxton@beneficialcom.com

Telephone: 941-929-1270

Sincerely,



Donald Paxton
Managing member of GP

Exhibit D-2 - Letter of Intent Template Attachment
(cells highlighted in yellow need data input)

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County / City Lewis and Clark/Ft. Harrison
Project Name Freedom's Path at Ft. Harrison
Developer for Veterans Montana LLC
Set-aside
HTC Requested \$ 629,352
Project Type Family

<u>Unit Numbers</u>	<u>Target</u>	
1-bdrm	40%	1
1-bdrm	50%	6
1-bdrm	60%	3
1-bdrm	Mkt	-
2-bdrm	40%	3
2-bdrm	50%	17
2-bdrm	60%	7
2-bdrm	Mkt	-
3-bdrm	40%	-
3-bdrm	50%	-
3-bdrm	60%	-
3-bdrm	Mkt	-
0-bdrm	50%	1
4-bdrm	50%	1
4bdrm	60%	1
other	Mkt	-
other	Mgr	-
Total Units		40

<u>Financing Sources</u>	
Hard Loan	\$ -
Soft Loan	\$ -
Soft Loan	\$ -
Soft Loan	\$ -
HOME Program	\$ -
CDBG Program	\$ -
VA Capital Contribution	\$ 300,000
Deferred Dev Fee	\$ 120,487
Tax Credits	\$ 5,348,961
Historic TC	\$ 1,069,330
Total Sources:	\$ 6,838,778

<u>Return on Sale of HTC</u>	
HTC Requested	\$ 629,352
HTC Taken over 10 yrs	\$ 6,293,520
HTC Equity	\$ 5,348,961
HTC Return on Sale	\$ 0.850

<u>Square Footage</u>		
Low Income/Common		12,388
Market/Commercial		-
Total		12,388

<u>Project Costs</u>	
Total Project Costs	\$ 6,838,778

<u>Unit Rents</u>		
1-bdrm	40%	\$ 531
1-bdrm	50%	\$ 664
1-bdrm	60%	\$ 797
1-bdrm	Mkt	\$ -
2-bdrm	40%	\$ 638
2-bdrm	50%	\$ 797
2-bdrm	60%	\$ 957
2-bdrm	Mkt	\$ -
3-bdrm	40%	\$ 736
3-bdrm	50%	\$ 920
3-bdrm	60%	\$ 1,104
3-bdrm	Mkt	\$ -
0-bdrm	50%	\$ 620
4-bdrm	50%	\$ 1,027
4bdrm	60%	\$ 1,233
other	Mkt	\$ -
other	Mgr	\$ -

<u>Costs versus Sources</u>	
Total Project Costs	\$ 6,838,778
Total Financing Sources	\$ 6,838,778
Difference	\$ -

<u>Per Unit Comparison</u>	
Cost per unit	\$ 170,969
Credits per unit	15733.8

<u>Per Square Foot Comparison</u>	
Cost per sq ft	\$ 552.05
Credits per sq ft	\$ 50.80

Memorandum

To: Board Members
Montana Board of Housing

From: Board Staff

Date: August 13, 2014

RE: Southern Lights Billings MT Loan Request

Homeword presented information on the problems at Southern Lights at the June Board meeting. Southern Lights Owners (Homeword)/General Contractor/Architect were in mediation until late July. Mediation was not successful. Homeword expects to pursue other options.

Homeword hopes to start remediation on the large building in mid August. This aggressive start is to remediate the property by December 31, 2014 to meet year end with no compliance issues.

Homeword will be applying for 2 loans:

- A \$350,000 loan for the large building which will be completed first
- A \$150,000 loan for the second building.
- Several other funding sources are in motion to cover the balance of the \$1.8 million remediation.

MBOH holds the first position mortgage on this property, with a loan balance of \$196,675.

Recommendation: The Board authorize staff to proceed pending usual underwriting.