MONTANA BOARD OF HOUSING

301 S Park Ave., Room 228 - Helena MT 59601
(406) 841-2840
Webinar and Conference Call are preferred however in person attendance is also an option at the above location

Webinar Information: Click on the following link to register and attend the MBOH meeting via GoToWebinar. You will be able to sit at your PC and see the documents that are discussed in the meeting. Use the toll-free conference call to hear the meeting.

https://www1.gotomeeting.com/register/376075296

Conference Call Information: You may listen and participate from your office or home.

You may use this toll free access number: **(877) 273-4202** and then this number when prompted: **7233056#**

Wednesday, January 22, 2014: ***NOTICE DATE CHANGE***

I. 10:00 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

Minutes
- Approval of Prior Board Meeting Minutes

Finance Program (Chuck Nemec)
- Quarterly Investment Report
- Finance Update

Homeownership Program (Vicki Bauer)
- 2014 B Bond Resolution Approval
- West Edge Condo Set-aside Request
- Homeownership Program Update

Multifamily Program (Mary Bair)
- Approval of final 2015 Qualified Allocation Plan
- Approval of publication of the ARM Notice for adoption of the 2015 QAP
- Multifamily Update
- RAM Program Funding & Changes
- RAM – Waiver Request (if needed)

Executive Director (Bruce Brensdal)
- Executive Directors Update
  a. Marketing Update (Penny Cope)
  b. Miscellaneous

IV. ADJORNMENT

V.* TRAINING** ***Financial Statement and Investment Policy

❖ **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)

Day , Date	Location	Day , Date	Location
Monday, February, 2014	no meeting	Monday, July , 2014	no meeting
Monday, March 10, 2014	??	Monday, August 11, 2014	??
Monday, April 14, 2014	??	Monday, September, 2014	no meeting
Monday, May, 2014	no meeting	Monday, October 27, 2014	Helena
Monday, June 9, 2014	Fairmont	Monday, November, 2014	no meeting
		Monday, December 8, 2014	Helena

MONTANA BOARD OF HOUSING

MACo Conference Room - 2715 Skyway Drive - Helena, Montana

December 9, 2013

ROLL CALL OF BOARD

MEMBERS:	J.P. Crowley, Chairman (Present) Bob Gauthier (Present via Webinar) Doug Kaercher (Present) Ingrid Firemoon (Present via Webinar) Jeanette McKee (Present via Webinar) Pat Melby (Present) Sheila Rice (Present)
STAFF:	Bruce Brensdal, Executive Director Mary Bair, Multifamily Program Vicki Bauer, Homeownership Program Penny Cope, Public Relations Paula Loving, Executive Assistant Kellie Guariglia, Multifamily Program Todd Jackson, Multifamily Program Charlie Brown, Homeownership Program Jeannene Maas, Homeownership Program Angela Heffern, Accounting Program Rena Oliphant, Multifamily Program Bob Vanek, Multifamily Program
COUNSEL:	Greg Gould, Luxan and Murfitt John Wagner, Kutak Rock
UNDERWRITERS:	Mina Choo, RBC Capital Markets
OTHERS:	Chris Craig, ACG Dan Billmark, ASI Jack Jenks, Summit Housing Group Sam Long, Summit Housing Group Rusty Snow, Summit Housing Group Kelly Gill, BlueLine Development Nate Richmond, BlueLine Development

Heather McMilin, Homeword
Jason Boal, BlueLine Development
Ronja Abel, Montana Department of Commerce
Adam Gratzer, Communities for Veterans
Emily Siedlik, Travois
Jason Belcourt, Chippewa Cree Housing
Wiley Barker, Communities for Veterans
Jerry Jimison, City of Glendive
Don Sterhan, Mountain Plains Equity Group
Alex Burkhalter, Housing Solutions
Harlan Wells, Missoula Housing Authority
Lucy Brown, Housing Authority of Billings
Shawn Backbone, Crow Tribe
Gene Leuwer, GL Development
Jeff Rupp, HRDC Bozeman
John Firehammer, MTUPP

CALL MEETING TO ORDER

Chairman J.P. Crowley called the Montana Board of Housing (MBOH) Board meeting to Order at 10:04 a.m. Introductions were made. Bruce Brensdal reviewed the process for Webinar.

APPROVAL OF MINUTES

Sheila Rice moved to approve the November 4, 2013 MBOH Board minutes. Doug Karecher seconded the motion. Chairman Crowley asked for comments. Ingrid Firemoon pointed out on page 6; it notes the next Board meeting would be December 8, 2013, which is actually December 9. The amended November 4, 2013 MBOH Board minutes were approved unanimously.

FINANCE PROGRAM

In the absence of Accounting Program Manager, Chuck Nemec, no Finance update was presented to the Board.

HOMEOWNERSHIP PROGRAM

Vicki Bauer provided the Homeownership Program update. The Board has reserved 56 loans since the last Board meeting. The Board has approximately $5.3 million loans reserved in the bridge for the 2014A Bond issuance which will be issued in spring 2014. As of December 2, 2013, MBOH Servicing took over the US Bank portfolio of 383 loans. As of Board meeting time, MBOH now services 3,436 loans.

Vicki Bauer provided the Board with the status reports on Delinquency and Foreclosure. The increase of the delinquency rate within the MBOH portfolio is due to a few circumstances, including the continued refinancing of borrowers who have good credit, leaving those borrowers whose credit does not qualify for

refinancing. In addition, many changes have happened over the last year in the servicing regulations regarding loss mitigation. The Board's servicers had to implement these regulations, allowing first home buyer more options to maintain their homes. Finally, with the implementation of the Servicing program, MBOH worked to develop, implement, and maintain delinquent loan processes while servicing these loans.

MULTIFAMILY PROGRAM

Mary Bair provided the Board with the Multifamily Program update.

Mary Bair brought to the Board the Multifamily Resolution 13-1209-MF1. See ATTACHMENT I. This Bond application would allow Autumn Run Apartments to complete substantial rehabilitation of the existing 121 units, along with new construction of two new buildings and 24 new units. Doug Kaercher moved to approve Resolution 13-1209-MF1. Sheila Rice seconded the motion. Chairman Crowley asked for comments. Resolution 13-1209-MF1 was approved unanimously.

Mary Bair brought to the Board the Multifamily Resolution 13-1209-MF2. See ATTACHMENT II. This bond application would allow for the acquisition, refinance, and rehabilitation of seven properties: Big Sky, Sunridge Point, Westgate Apartments, Courtyard Apartments, Columbia Villa, Teakettle I, and Green Meadow Apartments. Sheila Rice moved to approve Resolution 13-1209-MF2. Doug Kaercher seconded the motion. Chairman Crowley asked for comments. The Resolution 13-1209-MF2 was approved unanimously.

Mary Bair brought to the Board the 2015 Qualified Allocation Plan (QAP). Bruce Brensdal stated Staff's recommendation is to place the 2015 Qualified Allocation Plan for public comment. The public will have until January 9, 2014, close of business to provide comment on the QAP. On January 8, 2014 at 9:00 a.m., a Public Comment Hearing will be conducted at 301 S. Park Avenue, Room 228 – Helena. Mary reviewed changes made to the QAP based on comments from the Board at the November 4, 2013 working session. Pat Melby moved to approve the placement of the 2015 Qualified Allocation Plan for public comment. Sheila Rice seconded the motion. Chairman Crowley asked for public comment. The 2015 Qualified Allocation Plan was approved unanimously for public comment.

Mary Bair presented the 10 Housing Tax Credit (HTC) applications. Mary and Kellie Guariglia traveled across to the state to view the application locations and Kellie provided an overview of these locations. Each applicant provided a very brief overview of the project.

Cedar View Apartments in Malta – Heather McMilin, Homeward Inc. in partnership with GMD Development, stated the project is a rehabilitation project.

Apsaalooke Warrior Apartments at Crow Agency – Nate Richmond, BlueLine Development, stated a Standdown was conducted a few weeks ago, resulting in overwhelming support and generated a waitlist of 30 people.

Pearson Place in Glendive – Alex Burkhalter, Housing Solutions, introduced Jerry Jimison, Mayor of Glendive. Mayor Jimison provided the public hearing resulted in only positive support for the project. The City of Glendive voted to give land to this project. The need for every day jobs is great but due to the lack of affordable housing, these jobs remain unfilled.

Freedoms Path II at Fort Harrison – Adam Gratzer, Communities for Veterans, spoke in objection of the scoring of the insulation. The Freedoms Path Architect letter stated the project would exceed the insulation standard. The misinterpretation of the Architect letter and the flooring insulation value resulted in the failure to meet all of the Level 1 points, and ultimately, no eligibility for any Level 2 points.

In addition to the insulation incorrect scoring, Mr. Gratzer stated the project was not awarded points for the preservation of affordable housing. Freedoms Path requested within the application the point available due to the Veteran's Building Utilization Repurpose and Review (BURR). BURR is a national community revitalization plan to provide affordable housing to disabled and senior veterans. MBOH Staff stated failure to be awarded the point in this area was due to this being a national and not locally driven. The Qualified Allocation Plan does not specifically mention a local revitalization requirement. Mr. Gratzer stated with the correction in scoring in both the Green and Preservation criteria, Freedoms Path would receive an additional five points, resulting in a tie for first place in scoring.

Mary Bair stated the Freedoms Path Architect letter stated the floor insulation would exceed the 2009 standards, however, the Qualified Allocation Plan requires the letter to explain how the project would exceed the 2009 standards. The Architect letter did not explain how the project would exceed the standards. Mary stated the reason Freedoms Path did not receive the point for the revitalization is due to the Qualified Allocation Plan's requirement of being an existing (rehabilitation) housing project. Freedoms Path is a new construction project.

Greg Gould, Luxan & Murfitt and MBOH Board Counsel, verified through the 2009 IEEC standards the floor insulation only meets the standard. Mr. Gratzer clarified the 2009 IEEC standards on flooring are for wood flooring. Freedoms Path's flooring will be concrete and thus measured differently. Through converting into the 2009 IEEC standards, Freedoms Paths flooring exceeds the standard. Greg Gould asked Mr. Gratzer to point to this explanation in the Architect's letter submitted with the application. Mr. Gratzer stated the letter states "floor" and not specifically what type of floor.

Pat Melby stated due to the project meeting the threshold and the confusion raised by Freedoms Path, he moved to amend the Freedoms Path application scoring to include the four points within the Energy Conservation category. Sheila Rice seconded the motion. Chairman Crowley asked for comments. Doug Kaercher questioned if all applicant's scoring will be affected due to this issue.

Pat Melby stated Freedoms Path is the only application at this time asking for the points to be reviewed. Bob Gauthier stated he does not favor the questioning of the points when points are only used to meet threshold. Jeanette McKee stated while there is confusion of the insulation scoring, changing scoring for one project without reviewing the rest of the projects doesn't seem fair, especially since the points are designed to meet threshold. Ingrid Firemoon stated the confusion created by altering one application and not reviewing all other applications does not make sense when the Board has the other things to considering when awarding Tax Credits.

A roll call vote was taken:

Bob Gauthier	Yes
Doug Kaercher	No
Ingrid Firemoon	Yes
Jeanette McKee	No
Pat Melby	Yes
Sheila Rice	Yes
JP Crowley	No

The Freedoms Path application will be awarded four points for Energy and total points will be adjusted to 91. No motion was made on Freedoms Path's motion on the revitalization points.

Sunset Village in Sidney – Don Sterhan, Mountain Plains Equity Group (MPEG), spoke in regards to the missed opportunity on behalf of this project of obtaining five points within Section 7 – Participation of a local entity. MPEG teamed up with Richland Housing Authority as co-developers. The Qualified Allocation Plan requires local participation to be a separate entity. This is an oversight on MPEG and would like for the Board to look at the intent of Qualified Allocation Plan of local participation of Richland Housing Authority's involvement and the services it will provide to this project.

River Ridge Apartments in Missoula – Harlen Wells, Missoula Housing Authority, stated he appreciates Mountain Plains Equity Group's acceptance of the scoring of their application. The River Ridge Apartments missed points in the Energy criteria due to their Architect letter's failure to address the foundation, not the floor, in regards to the 2009 IEEC standards. In discussion with the Architect, the slab already takes into consideration the value and it meets, does not exceed the standards. Mr. Wells stated MBOH Staff scored the application correctly. Mr. Wells hopes the Board will look at the intent of the project.

Stoneridge Apartments in Bozeman – Rusty Snow, Summit Housing Group stated there has been no substantial project award to Bozeman since 2004. Vacancy rate in Bozemen is zero percent. This project is the lowest development costs for new construction.

Chippewa Cree Homes I in Box Elder – Jason Belcourt, Chippewa Cree Housing, expressed thanks for the submission of the application. Emily Siedlik, Travois, stated this 40 unit project will support the housing needs for Native Americans.

Red Fox Apartments in Billings – Lucy Brown, Billings Housing Authority, stated the 30 unit project will allow for 2% service of the housing needs in Billings. The project has reviewed the project and has reduced the costs of the project.

Mary reviewed the Cost Comparison Schedule and the Selection Criteria. Chairman Crowley provided a brief overview of the total Tax Credits available ($2,689,352). The District Court ordered corrective set-aside for Freedoms Path litigation is $629,352, resulting in the 2014 Housing Tax Credits total of $2,060,000. Greg Gould, Luxan & Murfitt, stated the Board could award Tax Credits to a project but it would be contingent on final ruling of the Court, however, no reservation agreement can be entered until final ruling is decided. Finally, Chairman Crowley asked for Board members to provide follow up on the motions in supporting a project

Bob Gauthier moved to approve Voyageur Apartments in Great Falls, based on population it serves and geographical distribution. Sheila Rice seconded the motion. Pat Melby stated he supports this project for the same reasons as Bob. Sheila Rice stated she would support this project due to the amount of non-tax credit funds, including City of Great Falls HOME funds. Sheila stated she really supports the fragile seniors it will serve. Sheila stated of the number of veterans who are in Great Falls due to Malstrom Air Force Base is overwhelming. JP Crowley stated he supports this project due to the amount of extra HOME funds by the City of Great Falls and this is a non-profit project.

Roll Call vote was taken:

Bob Gauthier:	Yes
Doug Kaercher:	Yes
Ingrid Firemoon:	Yes
Jeanette McKee:	Yes
Pat Melby:	Yes
Sheila Rice:	Yes
J.P. Crowley:	Yes

The Voyageur Apartments in Great Falls was approved for 2014 Housing Tax Credits unanimously in the amount of $647,500.

Doug Kaercher moved Pearson Place in Glendive to receive 2014 Housing Tax Credits based on the impact of the need of housing due to the oil boom. Jeanette McKee seconded the motion. Chairman Crowley asked for comments. Ingrid Firemoon supports this motion as she sees the impact the oil industry is having on the communities in the East.

Roll Call vote was taken:

Bob Gauthier:	Yes
Doug Kaercher:	Yes
Ingrid Firemoon:	Yes
Jeanette McKee:	Yes
Pat Melby:	Yes

Sheila Rice: Yes
J.P. Crowley: Yes

Pearson Place in Glendive was approved for 2014 Housing Tax Credits unanimously in the amount of $500,000.

Jeanette McKee moved to approve Red Fox in Billings based on it being the largest in population and not a lot of tax credits awarded. Jeanette commended Lucy Brown on perseverance on resubmission and reworking the application based on the Board's feedback. Doug Kaercher seconded the motion. Chairman Crowley asked for comments. Bob Gauthier stated he likes the application, however, due to the number of the previous years of tax allocations to Billings. Yellowstone County represents 15% population and has received 10% of tax credits and other areas are in desperate need of funding. JP Crowley stated he appreciates the repeated application submission from Red Fox, however, with the limited funding he would prefer to fund the smaller communities.

Roll Call vote was taken:

Bob Gauthier: No
Doug Kaercher: Yes
Ingrid Firemoon: No
Jeanette McKee: Yes
Pat Melby: No
Sheila Rice: No
J.P. Crowley: No

Red Fox in Billings was not approved for 2014 Housing Tax Credits.

Sheila Rice moved to approve Apsaalooke Warrior Apartments at the Crow Agency. Pat Melby seconded the motion. Chairman Crowley asked for comments. Sheila stated this type of project will really make a difference in a small community and in particular for the veterans of this community. Pat stated that he is supporting the project based upon Qualification Allocation Plan criteria regarding geographical distribution and rural area, and because the Crow Agency has never received Tax Credits. Ingrid Firemoon stated she supports this project due to the rural location and the waitlist for housing on the reservations. Bob Gauthier stated that tribes struggle with building housing capacity and are unable to receive HOME Funds. Bob stated he appreciates MBOH for supporting the tribal housing.

Roll Call vote was taken:

Bob Gauthier: Yes
Doug Kaercher: Yes
Ingrid Firemoon: Yes
Jeanette McKee: Yes
Pat Melby: Yes
Sheila Rice: Yes
J.P. Crowley: Yes

The Apsaalooke Warrior Apartments at the Crow Agency was approved unanimously for 2014 Housing Tax Credits in the amount of $259,000.

Sheila Rice moved to approve the Sunset Village in Sidney. Jeanette McKee seconded the motion. Chairman Crowley asked for comments. Sheila stated the oil boom has created a housing crisis and the rents in the area are incredible. In addition, Sheila stated this is a preservation application. Pat Melby stated he supports this project and while he noted that MBOH funded Tax Credits in 2012 in Sidney and again in Glendive this year, the need in this area is so dramatic. Doug Kaercher stated he struggles with this project because he supports all the housing needs in the Baaken area, however, the number of funds in the last couple of years does not support geographical distribution. Ingrid Firemoon stated she will not be supporting this project due to geographical distribution. JP Crowley stated he was undecided, but giving the applicant credit for their intent to include local participation would give this project a perfect score. Jeanette McKee stated the Baaken oil boom is Montana's tsunami and sometimes geographical needs to be disregarded. Bob Gauthier stated while the need is extreme, the oil boom is generating enormous amount of dollars and there is a responsibility to support the housing needs from this growth. This area is the focus on a national level and other areas in Montana only have the Tax Credits funding for affordable housing.

Roll Call vote was taken:

Bob Gauthier:	No
Doug Kaercher:	No
Ingrid Firemoon:	No
Jeanette McKee:	Yes
Pat Melby:	Yes
Sheila Rice:	Yes
J.P. Crowley:	Yes

The Sunset Village in Sidney was approved for 2014 Housing Tax Credits in the amount of $540,471.

Pat Melby moved to award Freedoms Path II with a contingent Award as follows:

> I move that the Board approve the following Resolution and Award:
>
> The Board finds:
>
> The Montana First Judicial District Court, Lewis and Clark County Cause No. DDV-2012-356, *Ft. Harrison Veterans Residence v. Montana Board of Housing, et al.,* has issued an Order enjoining the Board from awarding the entire available 2014 credit amount and requiring the Board to hold back enough 2014 credits to fund the amount of credits requested by Ft. Harrison Veterans Residence in its 2012 application, pending further determination by the Court.
>
> The Court's Order permits the Board to conditionally award the held back credits, subject to further determination of the Court but does not allow the Board to enter into a Reservation Agreement with any conditional awardee.

> Therefore, the Board conditionally awards tax credits from the 2014 general tax credit pool to _____ in the amount of $_____.
>
> This award is subject to the following conditions. No reservation agreement will be entered into by the Board with respect to these conditionally awarded credits until and unless permitted by further Court order.
>
> If the Court issues a further Order releasing these credits from the hold back condition, the Board hereby authorizes staff to enter into a Reservation Agreement with the conditional awardee and to proceed with all other steps customarily taken with respect to tax credit awards.
>
> If the Court issues an order qualifying Ft. Harrison Veterans Residences for an award from the held back credits under the Corrective Award set aside, the Board, subject to any decision to appeal such order, authorizes staff to take all steps to comply with such Court order, unless such action requires formal Board action. In such event, such matter shall be brought before the Board at its next meeting for further action.

Sheila Rice seconded the motion. Chairman Crowley asked for comments. Pat stated he really likes this project and he looks at the need of "community" for the veteran's community. Sheila stated she will vote against this motion citing the comments made in the surveys, which did not seem compelling for tenants to move in immediately. Additionally, in discussion with developers across the State, the Tax Credits properties do house veterans; it just is not specifically designed solely for veterans. Jeanette stated she agrees with the comments made by Sheila.

Roll Call vote was taken:

Bob Gauthier:	No
Doug Kaercher:	No
Ingrid Firemoon:	Yes
Jeanette McKee:	No
Pat Melby:	Yes
Sheila Rice:	No
J.P. Crowley:	Yes

Freedoms Path II was not approved for 2014 Housing Tax Credits.

Sheila Rice moved to approve Cedarview Apartments in Malta for the remaining $113,000 of available 2014 Housing Tax Credits and the remainder of the requested tax credits as a contingent award subjectto the Court's injunction, as follows

> I move that the Board approve the following Resolution and Award:
>
> The Board finds:
>
> The Montana First Judicial District Court, Lewis and Clark County Cause No. DDV-2012-356, *Ft. Harrison Veterans Residence v. Montana Board of Housing, et al.,* has issued an Order enjoining the Board from awarding the entire available 2014 credit amount and requiring the Board to hold back enough 2014 credits to fund the amount of credits requested by Ft. Harrison Veterans Residence in its 2012 application, pending further determination by the Court.

The Court's Order permits the Board to conditionally award the held back credits, subject to further determination of the Court but does not allow the Board to enter into a Reservation Agreement with any conditional awardee with respect to such held back credits.

Unrestricted 2014 tax credits (i.e., tax credits not subject to the Court-ordered holdback) are available for award in the amount of $113,029, and the Board awards these unrestricted tax credits from the 2014 general tax credit pool to Cedarview Apartments in the amount of $113,029. In addition, the Board conditionally awards tax credits from the 2014 general tax credit pool to Cedarview Apartments in the amount of $140,386.

The conditional portion of this award is subject to the following conditions. No reservation agreement will be entered into by the Board with respect to these conditionally awarded tax credits until and unless permitted by further Court order.

If the Court issues a further Order releasing these conditionally awarded tax credits from the hold back condition, the Board hereby authorizes staff to enter into a Reservation Agreement with the conditional awardee with respect to the conditionally awarded credits and to proceed with all other steps customarily taken with respect to tax credit awards.

If the Court issues an order qualifying Ft. Harrison Veterans Residences for an award from the held back credits under the Corrective Award set aside, the Board, subject to any decision to appeal such order, authorizes staff to take all steps to comply with such Court order, unless such action requires formal Board action. In such event, such matter shall be brought before the Board at its next meeting for further action.

Pat Melby seconded the motion. Chairman Crowley asked for comments. Sheila stated this is a small rural community and preservation project which will help this community with affordable housing for many years. Doug Kaercher stated the Board needs to maintain what we already have with housing and this preservation and while this does not fit the geographical distribution, it does fit the need for preservation and the needs in the area. JP Crowley stated he agrees with Doug's comments. Both Pat Melby and Ingrid Firemoon stated support in favor of the project due to the rural distribution.

Roll Call vote was taken:

Bob Gauthier:	Yes
Doug Kaercher:	Yes
Ingrid Firemoon:	Yes
Jeanette McKee:	Yes
Pat Melby:	Yes
Sheila Rice:	Yes
J.P. Crowley:	Yes

The Cedarview Apartments was approved unanimously for the remaining $113,029 of unrestricted 2014 Housing Tax Credits and a contingent Award of $140,386, as provided in the foregoing motion.

Bob Gauthier moved to make a contingent award of the remaining restricted credits in the amount of $488,966 to Chippewa Cree Homes in Box Elder, as follows:

I move that the Board approve the following Resolution and Award:

The Board finds:

The Montana First Judicial District Court, Lewis and Clark County Cause No. DDV-2012-356, *Ft. Harrison Veterans Residence v. Montana Board of Housing, et al.*, has issued an Order enjoining the Board from awarding the entire available 2014 credit amount and requiring the Board to hold back enough 2014 credits to fund the amount of credits requested by Ft. Harrison Veterans Residence in its 2012 application, pending further determination by the Court.

The Court's Order permits the Board to conditionally award the held back credits, subject to further determination of the Court but does not allow the Board to enter into a Reservation Agreement with any conditional awardee.

Therefore, the Board conditionally awards tax credits from the 2014 general tax credit pool to Chippewa Cree Homes in the amount of $488,966.

This award is subject to the following conditions. No reservation agreement will be entered into by the Board with respect to these conditionally awarded credits until and unless permitted by further Court order.

If the Court issues a further Order releasing these credits from the hold back condition, the Board hereby authorizes staff to enter into a Reservation Agreement with the conditional awardee and to proceed with all other steps customarily taken with respect to tax credit awards.

If the Court issues an order qualifying Ft. Harrison Veterans Residences for an award from the held back credits under the Corrective Award set aside, the Board, subject to any decision to appeal such order, authorizes staff to take all steps to comply with such Court order, unless such action requires formal Board action. In such event, such matter shall be brought before the Board at its next meeting for further action.

Jeanette McKee seconded the motion. Chairman Crowley asked for comments. Bob stated that while the remaining balance does not meet the application's requested amount of funds, hopefully the project will be able to start the rehabilitation of these homes and resubmit an application in the following years for the remainder of the homes. Sheila Rice stated this is a good preservation and supports the housing needs on the reservation. JP Crowley stated he supports this project and while it is not the entire project amount, these are single homes and some of the homes can be rehabilitated if the contingent award is validated by the Court's decision. Doug Kaercher stated he supports this because he has seen the need for this rehabilitation. Ingrid Firemoon agreed with previous comments.

Roll Call vote was taken:

Bob Gauthier:	Yes
Doug Kaercher:	Yes
Ingrid Firemoon:	Yes
Jeanette McKee:	Yes
Pat Melby:	Yes
Sheila Rice:	Yes
J.P. Crowley:	Yes

The Chippewa Cree Homes in Box Elder was approved unanimously to receive a contingent award in the amount of $488,966, as provided in the foregoing motion.

EXECUTIVE DIRECTOR

Sheila Rice made comments regarding the State of Montana's budget for housing. The State of Montana has zero funds within the State's budget. Through this process of LIHTC allocation, it is quite clear of the need for rental housing.

Bruce Brensdal reminded the Board of the 2015 Qualified Allocation Plan Public Comment Hearing set for public of the January 8, 2014. The deadline for submitting public comment on the 2015 Qualified Allocation Plan is January 9, 2015. January's Board meeting will be on January 20, 2014 and will be a webinar. Staff will provide a few training sessions for the Board in 2014, including bond issuances.

Penny Cope informed the Board of the 2014 Montana Housing Conference in Miles City, May 20-22. Sheila Rice noted the Request for Presentation will be sent out in January for the Summit.

Meeting adjourned at 1:15 p.m.

_____
Sheila Rice, Secretary

_____
Date

ATTACHMENT I

RESOLUTION 13-1209-MF1

RESOLUTION OF THE MONTANA BOARD OF HOUSING GRANTING PRELIMINARY APPROVAL TO THE ISSUANCE OF ITS MULTIFAMILY HOUSING REVENUE BONDS IN ONE OR MORE SERIES IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED $10,000,000 TO FINANCE A MULTIFAMILY HOUSING PROJECT

WHEREAS, the Montana Board of Housing (the "Board") is authorized by the Montana Housing Act of 1975, Montana Code Annotated, Sections 90-6-101 through 90-6-127, as amended, to issue its revenue bonds and to make or purchase mortgage loans in order to provide decent, safe and sanitary housing for persons and families of lower income in the State of Montana (the "State");

WHEREAS, American Property Development, Inc. ("APD") has requested that the Board indicate its willingness to issue its revenue bonds in an amount not to exceed $10,000,000 (the "Bonds") and use the proceeds thereof to finance a loan to APD or an affiliate thereof (the "Borrower") for the purpose of acquiring, rehabilitating and equipping 121 units of, and constructing two new buildings and 24 new units for, a multifamily development project known as the Autumn Run Apartments, located in Great Falls, Montana (the "Project");

WHEREAS, in furtherance of the purposes of the Act, the Board is preliminarily considering the issuance of the Bonds, the proceeds of which will be used to finance a loan to the Borrower to assist the Borrower in the acquisition, rehabilitation, construction and equipping of the Project; and

WHEREAS, it is intended that the Board take "official action" within the meaning of the applicable provisions of the Internal Revenue Code of 1986, as amended, and any regulations promulgated thereunder for the purpose of issuing the Bonds in an amount not to exceed $8,500,000 for the purpose of acquiring, rehabilitating, constructing and equipping the Project.

NOW, THEREFORE, BE IT RESOLVED, by the Montana Board of Housing that:

Section 1. ***Preliminary Approval***. The issuance of the Bonds for the purpose of financing a loan to the Borrower to allow the Borrower to acquire, rehabilitate, construct and equip the Project is hereby preliminarily approved, and, pursuant to Section 1.150-2 of the Internal Revenue Code Regulations, the Board hereby states its intention to reimburse itself or the Borrower from Bond proceeds for any advances of funds prior to the issuance of any such Bonds.

Section 2. ***Conditions***. The preliminary approval of Section 1 does not obligate the Board to finally approve the issuance of said Bonds. Final approval of the issuance of the Bonds can only be authorized by subsequent Board action, which may contain such conditions thereto as the Board may deem appropriate. The Board in its absolute discretion may refuse to finally authorize the issuance of the Bonds and shall not be liable to the Borrower or any other person for its refusal to do so.

Section 3. ***Prior Resolutions***. All provisions of prior resolutions, or parts thereof, in conflict with the provisions of this Resolution are, to the extent of such conflicts, hereby repealed.

Section 4. ***Effectiveness***. This Resolution shall be effective immediately.

ADOPTED by the Montana Board of Housing this 9th day of December, 2013.

MONTANA BOARD OF HOUSING

_____

Chairman

Attest:

_____

Treasurer/Executive Director

ATTACHMENT II

RESOLUTION 13-1209-MF2

RESOLUTION OF THE MONTANA BOARD OF HOUSING GRANTING PRELIMINARY APPROVAL TO THE ISSUANCE OF ITS MULTIFAMILY HOUSING REVENUE BONDS IN ONE OR MORE SERIES IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED $25,000,000 TO FINANCE CERTAIN MULTIFAMILY HOUSING PROJECTS

WHEREAS, the Montana Board of Housing (the "Board") is authorized by the Montana Housing Act of 1975, Montana Code Annotated, Sections 90-6-101 through 90-6-127, as amended, to issue its revenue bonds and to make or purchase mortgage loans in order to provide decent, safe and sanitary housing for persons and families of lower income in the State of Montana (the "State");

WHEREAS, the Community Action Partnership of Northwest Montana ("CAP") has requested that the Board indicate its willingness to issue its revenue bonds in an amount not to exceed $25,000,000 (the "Bonds") and use the proceeds thereof to finance one or more loans to CAP and a co-development partner/co-general partner to be determined, or an affiliate thereof (the "Borrower") for the purpose of acquiring, rehabilitating and equipping the following seven multifamily/senior residential rental properties containing a total of 261 units: Big Sky, Sunridge Point, Westgate Apartments and Courtyard Apartments in Kalispell, Montana; Columbia Villa and Teakettle I in Columbia Falls, Montana and Green Meadow Apartments in Libby, Montana (together, the "Project");

WHEREAS, in furtherance of the purposes of the Act, the Board is preliminarily considering the issuance of the Bonds, the proceeds of which will be used to finance one or more loans to the Borrower to assist the Borrower in the acquisition, rehabilitation, construction and equipping of the Project; and

WHEREAS, it is intended that the Board take "official action" within the meaning of the applicable provisions of the Internal Revenue Code of 1986, as amended, and any regulations promulgated thereunder for the purpose of issuing the Bonds in an amount not to exceed $25,000,000 for the purpose of acquiring, rehabilitating, constructing and equipping the Project.

NOW, THEREFORE, BE IT RESOLVED, by the Montana Board of Housing that:

Section 1. ***Preliminary Approval***. The issuance of the Bonds for the purpose of financing one or more loans to the Borrower to allow the Borrower to acquire, rehabilitate, construct and equip the Project is hereby preliminarily approved, and, pursuant to Section 1.150-2 of the Internal Revenue Code Regulations, the Board hereby states its intention to reimburse itself or the Borrower from Bond proceeds for any advances of funds prior to the issuance of any such Bonds.

Section 2. ***Conditions***. The preliminary approval of Section 1 does not obligate the Board to finally approve the issuance of said Bonds. Final approval of the issuance of the Bonds can only be authorized by subsequent Board action, which may contain such conditions thereto

as the Board may deem appropriate. The Board in its absolute discretion may refuse to finally authorize the issuance of the Bonds and shall not be liable to the Borrower or any other person for its refusal to do so.

Section 3. ***Prior Resolutions***. All provisions of prior resolutions, or parts thereof, in conflict with the provisions of this Resolution are, to the extent of such conflicts, hereby repealed.

Section 4. ***Effectiveness***. This Resolution shall be effective immediately.

ADOPTED by the Montana Board of Housing this 9th day of December, 2013.

MONTANA BOARD OF HOUSING

_____

Chairman

Attest:

_____

Treasurer/Executive Director

MONTANA BOARD OF HOUSING
INVESTMENT REPORT
DIVERSIFICATION & AVERAGE YIELD
AS OF NOVEMBER 30, 2013

INVESTMENT TYPE OR PROVIDER	PAR VALUE	PERCENT OF TOTAL INVESTMENTS	WEIGHTED AVERAGE YIELD
FHLB DISCOUNT NOTES #	102,134,000	42.1%	0.04
WELLS FARGO TREASURY MONEY MARKET ##	82,900,173	34.2%	0.01
FNMA DISCOUNT NOTES #	16,658,000	6.9%	0.08
FNMA MEDIUM TERM NOTES#	12,318,000	5.1%	5.77
US BANK MONEY MARKET##	6,538,501	2.7%	0.03
MONTANA STATE TREASURY ##	5,677,402	2.3%	0.29
SOCIETE GENERALE @	5,400,000	2.2%	5.00
US TREASURY NOTES & BONDS	4,796,000	2.0%	6.38
FNMA MORTGAGE BACKED SECURITY #	2,755,721	1.1%	5.17
FHLMC BONDS	2,225,000	0.9%	4.70
FFCB NOTES	1,230,000	0.5%	3.41
TOTAL	$ 242,632,797	100.0%	0.68

DIVERSIFICATION BY INVESTMENT TYPE

@ Societe Genrale, hold prepayment, regular payment and reserves for several Single Family bond series.	$ 5,400,000	2.2%	INVESTMENT CONTRACTS
			GOVERNMENT SPONSORED
#FNMA, FHLB, FFCB and FHLMC holds moneys for various series without an investment agreement or where amounts have to be invested outside of the investment agreement. The investments are mostly for prepayments and regular payments until debt service and bond calls.	$ 31,731,721	13.1%	FNMA
	102,134,000	42.1%	FHLB
	3,455,000	1.4%	FHLMC & FFCB
## Wells Fargo and US Bank Money Market holds cash collections which are not yet invested or accounts where liquidity is needed.	$ 89,438,674	36.9%	TRUSTEE
Montana State Treasurer holds cash and money market accounts for Board operations and programs such as RAM.	$ 5,677,402	2.3%	STATE TREASURY
US Treasury investments hold prepayemnts and reserve funds.	$ 4,796,000	2.0%	US TREASURY
	$ 242,632,797	100.0%	

FNMA = FEDERAL NATIONAL MORTGAGE ASSOCIATION
FHLMC = FEDERAL HOME LOAN MORTGAGE CORPORATION
FFCB = FEDERAL FARM CREDIT BANK
FHLB = FEDERAL HOME LOAN BANK

MONTANA BOARD OF HOUSING
QUARTERLY INVESTMENT REPORT

AS OF NOVEMBER 30, 2013

INVESTMENT LISTING
BY MATURITY DATE AND BY INDIVIDUAL SECURITY

MATURITY DATE	INVESTMENT NUMBER	INVESTMENT TYPE	INSTITUTION	PAR VALUE
		Montana State Treasury	MT Board of Investments	5,677,401.63
	9151	MONEY MARKET	US BANK	42,744.00
	9152	MONEY MARKET	US BANK	9,195.12
	9153	MONEY MARKET	US BANK	39,422.53
	9154	MONEY MARKET	US BANK	39,514.14
	9155	MONEY MARKET	US BANK	236,028.19
	9156	MONEY MARKET	US BANK	25,975.19
	9157	MONEY MARKET	US BANK	199,957.36
	9158	MONEY MARKET	US BANK	30,652.28
	9159	MONEY MARKET	US BANK	32,069.53
	9160	MONEY MARKET	US BANK	109,719.73
	9171	MONEY MARKET	US BANK	2,982,741.59
	9172	MONEY MARKET	US BANK	2,506,989.11
	9173	MONEY MARKET	US BANK	60,811.39
	9174	MONEY MARKET	US BANK	101,697.66
	9218	MONEY MARKET	US BANK	104,416.93
	9219	MONEY MARKET	WELLS FARGO	2,740,671.51
	9220	MONEY MARKET	WELLS FARGO	2,489,976.65
	9221	MONEY MARKET	WELLS FARGO	204,699.60
	9222	MONEY MARKET	WELLS FARGO	30,000.00
	9229	MONEY MARKET	WELLS FARGO	249,070.82
	9256	MONEY MARKET	WELLS FARGO	183,659.85
	9257	MONEY MARKET	WELLS FARGO	508,578.13
	9258	MONEY MARKET	WELLS FARGO	921.04
	9259	MONEY MARKET	WELLS FARGO	300,206.69
	9260	MONEY MARKET	WELLS FARGO	301,289.72
	9261	MONEY MARKET	WELLS FARGO	3,697.64
	9269	MONEY MARKET	WELLS FARGO	1,547,203.39
	9270	MONEY MARKET	WELLS FARGO	176,553.82
	9271	MONEY MARKET	WELLS FARGO	302,784.15
	9272	MONEY MARKET	WELLS FARGO	48,749.50
	9273	MONEY MARKET	WELLS FARGO	49,837.91
	9274	MONEY MARKET	WELLS FARGO	5,000.00
	9275	MONEY MARKET	WELLS FARGO	326.25
	9276	MONEY MARKET	WELLS FARGO	5,225.08
	9278	MONEY MARKET	WELLS FARGO	137,111.69
	9283	MONEY MARKET	WELLS FARGO	3,770,452.83
	9284	MONEY MARKET	WELLS FARGO	221,761.27
	9285	MONEY MARKET	WELLS FARGO	234,230.50
	9286	MONEY MARKET	WELLS FARGO	20,000.00
	9287	MONEY MARKET	WELLS FARGO	283,690.41
	9301	MONEY MARKET	WELLS FARGO	235,117.92
	9302	MONEY MARKET	WELLS FARGO	512,093.82
	9303	MONEY MARKET	WELLS FARGO	3,773.63
	9304	MONEY MARKET	WELLS FARGO	151,821.66
	9305	MONEY MARKET	WELLS FARGO	767,330.46
	9306	MONEY MARKET	WELLS FARGO	230,456.29
	9307	MONEY MARKET	WELLS FARGO	2,644.35

9308	MONEY MARKET	WELLS FARGO	654,270.45
9309	MONEY MARKET	WELLS FARGO	549,944.60
9310	MONEY MARKET	WELLS FARGO	2,218.71
9312	MONEY MARKET	WELLS FARGO	607,727.33
9313	MONEY MARKET	WELLS FARGO	929,018.16
9314	MONEY MARKET	WELLS FARGO	1,904.11
9315	MONEY MARKET	WELLS FARGO	723,904.42
9316	MONEY MARKET	WELLS FARGO	97,356.19
9318	MONEY MARKET	WELLS FARGO	232,780.75
9319	MONEY MARKET	WELLS FARGO	2,286,086.90
9320	MONEY MARKET	WELLS FARGO	719,988.79
9321	MONEY MARKET	WELLS FARGO	479,828.96
9322	MONEY MARKET	WELLS FARGO	212,112.53
9326	MONEY MARKET	WELLS FARGO	916,347.35
9327	MONEY MARKET	WELLS FARGO	280,608.64
9328	MONEY MARKET	WELLS FARGO	586.91
9329	MONEY MARKET	WELLS FARGO	16,373.69
9330	MONEY MARKET	WELLS FARGO	584,063.89
9331	MONEY MARKET	WELLS FARGO	262,028.39
9332	MONEY MARKET	WELLS FARGO	4,657.51
9334	MONEY MARKET	WELLS FARGO	742,826.94
9335	MONEY MARKET	WELLS FARGO	544,216.53
9336	MONEY MARKET	WELLS FARGO	3,623.67
9337	MONEY MARKET	WELLS FARGO	75.00
9726	MONEY MARKET	WELLS FARGO	1,003,192.25
9728	MONEY MARKET	WELLS FARGO	1,376,266.84
10025	MONEY MARKET	WELLS FARGO	365.42
10068	MONEY MARKET	US BANK	16,565.84
10452	MONEY MARKET	WELLS FARGO	760,000.00
10577	MONEY MARKET	WELLS FARGO	77,252.15
10578	MONEY MARKET	WELLS FARGO	47,163.38
10602	MONEY MARKET	WELLS FARGO	689,577.65
10618	MONEY MARKET	WELLS FARGO	20,690.96
10633	MONEY MARKET	WELLS FARGO	342,237.44
10634	MONEY MARKET	WELLS FARGO	598,496.20
10636	MONEY MARKET	WELLS FARGO	2,295,906.56
10660	MONEY MARKET	WELLS FARGO	576,222.87
10672	MONEY MARKET	WELLS FARGO	160,379.72
10673	MONEY MARKET	WELLS FARGO	329,766.09
10686	MONEY MARKET	WELLS FARGO	570,911.51
10689	MONEY MARKET	WELLS FARGO	19,942.30
10690	MONEY MARKET	WELLS FARGO	57,571.85
10818	MONEY MARKET	WELLS FARGO	2,330.54
10870	MONEY MARKET	WELLS FARGO	89,070.75
10871	MONEY MARKET	WELLS FARGO	2,476,105.22
10872	MONEY MARKET	WELLS FARGO	38,373.59
10893	MONEY MARKET	WELLS FARGO	2,421,773.42
10894	MONEY MARKET	WELLS FARGO	777,457.68
10895	MONEY MARKET	WELLS FARGO	4,245.89
10896	MONEY MARKET	WELLS FARGO	292,264.38
10897	MONEY MARKET	WELLS FARGO	668,849.52
10898	MONEY MARKET	WELLS FARGO	244,972.54
10899	MONEY MARKET	WELLS FARGO	86,414.54
10901	MONEY MARKET	WELLS FARGO	11,364,559.31
10902	MONEY MARKET	WELLS FARGO	111,702.98

	10904	MONEY MARKET	WELLS FARGO	12,211,260.90
	10905	MONEY MARKET	WELLS FARGO	16,586,712.67
	10906	MONEY MARKET	WELLS FARGO	26,648.75
12/02/13	10822	FNMA DN	WELLS FARGO	93,000.00
	10824	FNMA DN	WELLS FARGO	539,000.00
	10825	FNMA DN	WELLS FARGO	555,000.00
	10827	FNMA DN	WELLS FARGO	175,000.00
	10828	FNMA DN	WELLS FARGO	51,800.00
	10829	FNMA DN	WELLS FARGO	119,000.00
	10830	FNMA DN	WELLS FARGO	327,200.00
	10831	FNMA DN	WELLS FARGO	598,000.00
	10832	FNMA DN	WELLS FARGO	880,000.00
	10833	FNMA DN	WELLS FARGO	822,000.00
	10834	FNMA DN	WELLS FARGO	186,800.00
	10835	FNMA DN	WELLS FARGO	283,000.00
	10836	FNMA DN	WELLS FARGO	1,115,200.00
	10837	FNMA DN	WELLS FARGO	1,199,000.00
	10838	FNMA DN	WELLS FARGO	659,000.00
	10839	FNMA DN	WELLS FARGO	307,000.00
	10840	FNMA DN	WELLS FARGO	604,200.00
	10841	FNMA DN	WELLS FARGO	361,000.00
	10842	FNMA DN	WELLS FARGO	743,300.00
	10843	FNMA DN	WELLS FARGO	192,000.00
	10844	FNMA DN	WELLS FARGO	1,185,900.00
	10845	FNMA DN	WELLS FARGO	297,000.00
	10846	FNMA DN	WELLS FARGO	182,000.00
	10847	FNMA DN	WELLS FARGO	2,688,300.00
	10848	FNMA DN	WELLS FARGO	101,000.00
	10849	FNMA DN	WELLS FARGO	179,000.00
	10850	FNMA DN	WELLS FARGO	1,626,300.00
	10851	FNMA DN	WELLS FARGO	194,000.00
	10852	FNMA DN	WELLS FARGO	394,000.00
	10907	FHLB DN	WELLS FARGO	1,519,000.00
	10908	FHLB DN	WELLS FARGO	1,840,000.00
	10909	FHLB DN	WELLS FARGO	591,000.00
	10910	FHLB DN	WELLS FARGO	202,000.00
	10911	FHLB DN	WELLS FARGO	1,101,000.00
	10912	FHLB DN	WELLS FARGO	1,872,000.00
	10913	FHLB DN	WELLS FARGO	1,795,000.00
	10914	FHLB DN	WELLS FARGO	1,845,000.00
	10915	FHLB DN	WELLS FARGO	2,779,000.00
	10916	FHLB DN	WELLS FARGO	1,776,000.00
	10918	FHLB DN	WELLS FARGO	1,806,000.00
	10919	FHLB DN	WELLS FARGO	1,295,000.00
	10920	FHLB DN	WELLS FARGO	944,000.00
	10921	FHLB DN	WELLS FARGO	582,000.00
	10922	FHLB DN	WELLS FARGO	661,000.00
	10923	FHLB DN	WELLS FARGO	1,176,000.00
	10924	FHLB DN	WELLS FARGO	850,000.00
	10925	FHLB DN	WELLS FARGO	1,715,000.00
	10926	FHLB DN	WELLS FARGO	20,000.00
	10927	FHLB DN	WELLS FARGO	1,169,000.00
	10928	FHLB DN	WELLS FARGO	2,568,000.00
	10941	FHLB DN	WELLS FARGO	726,000.00

01/29/14	10929	FHLB DN	WELLS FARGO	1,000,000.00
	10930	FHLB DN	WELLS FARGO	1,000,000.00
	10931	FHLB DN	WELLS FARGO	15,601,000.00
	10932	FHLB DN	WELLS FARGO	3,000,000.00
	10933	FHLB DN	WELLS FARGO	2,000,000.00
	10934	FHLB DN	WELLS FARGO	20,701,000.00
	10935	FHLB DN	WELLS FARGO	3,000,000.00
	10936	FHLB DN	WELLS FARGO	1,000,000.00
	10937	FHLB DN	WELLS FARGO	6,400,000.00
	10938	FHLB DN	WELLS FARGO	4,600,000.00
	10939	FHLB DN	WELLS FARGO	12,000,000.00
	10940	FHLB DN	WELLS FARGO	3,000,000.00
05/24/21	10450	FFCB	WELLS FARGO	1,212,000.00
	10457	FFCB	WELLS FARGO	18,000.00
08/15/25	6916	T-NOTES & BONDS	WELLS FARGO	3,882,100.00
	6917	T-NOTES & BONDS	WELLS FARGO	913,900.00
04/30/26	7541	FNMA DEB	WELLS FARGO	3,513,606.89
	8124	FNMA DEB	WELLS FARGO	1,099,393.11
09/27/27	10663	FNMA DEB	WELLS FARGO	3,493,000.00
	10664	FNMA DEB	WELLS FARGO	577,000.00
11/26/27	10622	FNMA DEB	WELLS FARGO	3,145,000.00
	10623	FNMA DEB	WELLS FARGO	490,000.00
07/15/32	10631	FHLMC BOND	WELLS FARGO	975,000.00
	10665	FHLMC BOND	WELLS FARGO	625,000.00
	10666	FHLMC BOND	WELLS FARGO	625,000.00
02/01/36	10888	FNMA MBS	WELLS FARGO	84,180.28
03/01/36	8112	FNMA MBS	WELLS FARGO	76,152.66
05/01/36	10887	FNMA MBS	WELLS FARGO	164,990.05
07/01/36	10892	FNMA MBS	WELLS FARGO	95,409.87
08/01/36	10891	FNMA MBS	WELLS FARGO	133,276.12
03/01/37	7819	FNMA MBS	WELLS FARGO	166,871.21
06/01/37	7917	SOCIETE - REPO	WELLS FARGO	1,200,000.00
	7918	SOCIETE - REPO	WELLS FARGO	810,300.00
	7919	SOCIETE - REPO	WELLS FARGO	1,189,700.00
	7920	SOCIETE - REPO	WELLS FARGO	2,200,000.00
08/01/37	8396	FNMA MBS	WELLS FARGO	45,649.47
08/01/38	10890	FNMA MBS	WELLS FARGO	79,659.89
09/01/38	9388	FNMA MBS	WELLS FARGO	65,887.92
11/01/38	9370	FNMA MBS	WELLS FARGO	200,625.24
12/01/38	9338	FNMA MBS	WELLS FARGO	546,077.53
	9369	FNMA MBS	WELLS FARGO	168,115.83
	9391	FNMA MBS	WELLS FARGO	102,166.62
	10889	FNMA MBS	WELLS FARGO	40,226.02
01/01/39	9387	FNMA MBS	WELLS FARGO	210,056.39
	9459	FNMA MBS	WELLS FARGO	106,933.47
	9460	FNMA MBS	WELLS FARGO	45,765.60
09/01/39	9687	FNMA MBS	WELLS FARGO	103,443.15
10/01/39	9688	FNMA MBS	WELLS FARGO	100,752.61
12/01/39	9690	FNMA MBS	WELLS FARGO	219,481.56
		PORTFOLIO	TOTAL	242,632,796.58

RESOLUTION NO. 14-0122-S1

A RESOLUTION OF THE MONTANA BOARD OF HOUSING MAKING FINDINGS WITH RESPECT TO HOUSING NEEDS WITHIN MONTANA; APPROVING THE ISSUANCE AND DELIVERY OF, AND AUTHORIZING THE DETERMINATION OF CERTAIN TERMS OF, A NEW ISSUE OF SINGLE FAMILY BONDS IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED $90,000,000 TO FINANCE LOANS OR REFUND BONDS ISSUED TO FINANCE LOANS; APPROVING THE SALE OF SAID BONDS PURSUANT TO A PURCHASE CONTRACT; APPROVING THE SUPPLEMENTAL TRUST INDENTURE, PRELIMINARY OFFICIAL STATEMENT AND FINAL OFFICIAL STATEMENT, CONTINUING DISCLOSURE AGREEMENT AND OTHER DOCUMENTS RELATED THERETO; AND AUTHORIZING THE EXECUTION OF AND PROVIDING FOR OTHER MATTERS PROPERLY RELATING THERETO.

WHEREAS, the Montana Board of Housing (the "Board") is authorized pursuant to the Montana Housing Act of 1975, Montana Code Annotated, Sections 90-6-101 through 90-6-127, as amended (the "Act"), to issue and refund its bonds and to purchase mortgage loans or mortgage-backed securities in order to finance single family housing which will provide decent, safe and sanitary housing for persons and families of lower income in the State of Montana (the "State"); and

WHEREAS, the Board has previously implemented mortgage purchase programs in order to finance single family dwellings in the State for families and persons of lower income; and

WHEREAS, the Board intends to issue its Single Family Program Bonds, 2014 Series A in an aggregate principal amount not to exceed $90,000,000 (the "2014 Series A Bonds"), under the provisions of the Trust Indenture dated August 16, 1979, as amended (the "SFII Indenture"), between the Board and Wells Fargo Bank, National Association (as successor trustee), as trustee, which Bonds will be used to finance mortgage loans or refinance mortgage loans by refunding previously issued bonds, to provide moneys to finance single-family dwellings in the State pursuant to the Mortgage Purchase and Servicing Guide and the forms of the Invitation to Participate and Notice of Acceptance previously approved by the Board, and to fund certain reserve funds, if necessary; and

WHEREAS, a 2014 Series A Supplemental Trust Indenture (the "Supplemental Indenture") (together with the SFII Indenture under which the 2014 Series A Bonds are to be issued, which it supplements, the "Trust Indenture"), between the Board and Wells Fargo Bank, National Association (as successor trustee), as Trustee, will be prepared in substantially the form of such document which is on file with the Board (and is in the form previously approved by the Board and used in connection with the issuance of the Single Family Program Bonds, 2013 Series B (the "2013 Series B Bonds")), whereby the Board would issue the 2014 Series A Bonds subject to the terms, conditions and limitations established in the Trust Indenture; and

WHEREAS, a Preliminary Official Statement (the "Preliminary Official Statement") will be prepared in substantially the form of such document which is on file with the Board (and is in the form previously approved by the Board and used in connection with the marketing of the 2013 Series B Bonds), containing certain information relating to the Board, the Trust Indenture and the 2014 Series A Bonds, and which will be distributed to the prospective purchasers of the 2014 Series A Bonds and others by a group of investment dealers and brokers represented by RBC Capital Markets, LLC (the "Underwriters"); and

WHEREAS, a Continuing Disclosure Agreement (the "Continuing Disclosure Agreement") to be dated as of the date of the delivery of the 2014 Series A Bonds will be prepared in substantially the form of such document which was previously approved by the Board and used in connection with the sale of the 2013 Series B Bonds, containing the agreement of the Board to annually update certain financial and operating information in the final Official Statement (as hereinafter described) and to timely provide notice of the occurrence of certain specified events; and

WHEREAS, a Purchase Contract (the "Purchase Contract"), to be dated the date of sale of the 2014 Series A Bonds, between the Board and the Underwriters, will be prepared in substantially the form of such document which was previously approved by the Board and used in connection with the sale of the 2013 Series B Bonds, pursuant to which the Board would agree to sell and the Underwriters would agree to purchase the 2014 Series A Bonds, at the prices and upon the terms and conditions therein set forth;

NOW, THEREFORE, BE IT RESOLVED BY THE MONTANA BOARD OF HOUSING as follows:

Section 1. Findings.

(a) The Board hereby finds and determines:

(i) that the homes to be financed through the issuance of 2014 Series A Bonds, and the purchase by the Board from proceeds thereof of mortgage loans or mortgage-backed securities as contemplated by the Trust Indenture, constitute "housing developments" within the meaning of Section 90-6-103(8) of the Act; and

(ii) that the housing market area to be served by homes to be financed as aforesaid consists of the entire State of Montana.

(b) In accordance with Section 90-6-109 of the Act, the Board previously found and hereby confirms:

(i) that there exists a shortage of decent, safe and sanitary housing at rentals or prices which persons and families of lower income can afford within the general housing market area to be served;

(ii) that private enterprise has not provided an adequate supply of decent, safe and sanitary housing in the housing market area at rentals or prices

which persons or families of lower income can afford, or provided sufficient mortgage financing for homes for occupancy by persons or families of lower income;

(iii) that the conditions, restrictions and limitations contained in the Trust Indenture and contained in the program documents relating to the mortgage loans financed thereby and to be financed are sufficient to ensure that the homes will be well planned and well designed so as to constitute decent, safe and sanitary housing and that the "housing sponsors" (as defined in Section 90-6-103(10) of the Act) are financially responsible;

(iv) that the homes financed and to be financed which are referred to in paragraph (a) above will be of public use and will provide a public benefit, taking into account the existence of local government comprehensive plans, housing and land use plans and regulations, area-wide plans and other public desires;

(v) that the homes financed and to be financed with the proceeds of the 2014 Series A Bonds do not involve the construction of "second homes," which are defined in the Act to mean homes which would not qualify as the primary residence of the taxpayer for federal income tax purposes relating to capital gains on the sale or exchange of residential property; and

(vi) that the findings required by Section 90-6-109(1)(f) of the Act are inapplicable because the homes financed by the 2014 Series A Bonds do not involve direct loans.

Section 2. Approval of Supplemental Indenture. The Supplemental Indenture is hereby approved in the form described above and the Chairman or the Vice Chairman of the Board is hereby authorized and directed to execute and deliver the Supplemental Indenture with such changes, insertions or omissions therein as may be approved by such Chairman or Vice Chairman, such approval to be evidenced conclusively by such execution of the Supplemental Indenture, and the Treasurer, the Secretary or any other member of the Board is hereby authorized and directed to attest thereto.

Section 3. Authorization of Bonds. The issuance, sale and delivery of the Board's 2014 Series A Bonds, in one or more subseries, is hereby authorized and approved, subject to the following provisions. The 2014 Series A Bonds shall be issued in an aggregate principal amount (not to exceed $90,000,000), mature on the date or dates (but no more than 40 years from the date of issuance), bear interest at the rate or rates (not exceeding 6.0% per annum), be sold to the Underwriters for an amount (but not less than 98.5% of the principal amount of the Bonds), be subject to optional, special optional, mandatory and sinking fund redemption, be issued under the SFII Indenture, and have such other terms and provisions, all as are determined by the Chairman and Executive Director (with the advice of such members of the Board as are available upon the pricing of the 2014 Series A Bonds) and definitively set forth in the Supplemental Indenture or Purchase Contract upon execution and delivery as authorized in Sections 2 and 5 hereof. The 2014 Series A Bonds shall be executed and delivered substantially in the form set forth in the Trust Indenture, with such additions, omissions and changes as are required or permitted by the

Trust Indenture. The 2014 Series A Bonds shall be executed in the name of the Board by the Chairman or the Vice Chairman of the Board, and attested to by the Secretary or the Treasurer, each of whom is hereby appointed as an Authorized Officer (as such term is defined in the Trust Indenture) for purposes of executing and attesting the 2014 Series A Bonds. Such signatures may be in facsimile, provided, however, that such 2014 Series A Bonds shall not be valid or obligatory for any purpose until authenticated by the manual signature of an authorized officer of the Trustee.

Section 4. Approval of Preliminary Official Statement and Official Statement. The Preliminary Official Statement is hereby approved in the form described above, with such changes, insertions or omissions therein as may be approved by the Executive Director, and the Chairman or the Vice Chairman of the Board is hereby authorized to execute and deliver a final official statement (the "final Official Statement") substantially in the form of the Preliminary Official Statement with such changes, insertions or omissions therein as may be approved by the Chairman or Vice Chairman, such approval to be evidenced conclusively by such execution of the final Official Statement.

Section 5. Approval of Purchase Contract and Sale of the Bonds. The Purchase Contract is hereby approved in the form described above and the execution of the Purchase Contract by the Chairman, the Vice Chairman or Executive Director of the Board is hereby authorized and directed in order to effectuate the sale of the 2014 Series A Bonds with such changes, insertions or omissions therein as may be approved by such person, such approval to be evidenced conclusively by such execution of the Purchase Contract.

Section 6. Approval of Continuing Disclosure Agreement. The Continuing Disclosure Agreement is hereby approved in the form described above, and the Chairman or Vice Chairman of the Board or the Executive Director is authorized and directed to execute and deliver the same with such changes, insertions or omissions therein as may be approved by such person, such approval to be evidenced conclusively by such execution of the Continuing Disclosure Agreement.

Section 7. Approval of Program Documents. The Executive Director and Single Family Program Manager are hereby authorized to continue to use the form of the Mortgage Purchase and Servicing Guide, Invitation to Participate and Notice of Acceptance presently in use, and to the extent they deem necessary and appropriate, the Executive Director and Single Family Program Manager are authorized to execute and deliver the same, with such changes, insertions or omissions therein as may be approved by such person, to continue the Single Family Program.

Section 8. Ratification of Prior Actions. All action previously taken by the officers, members or staff of the Board with respect to the Trust Indenture, the Preliminary Official Statement, the Purchase Contract and the 2014 Series A Bonds is hereby approved, confirmed and ratified.

Section 9. Execution of Documents. In the event of the absence or disability of the Chairman, the Vice Chairman or the Treasurer of the Board, or if for any other reason any of them are unable to execute the documents referred to in this Resolution, such documents may be

executed by another member of the Board or by the Single Family Program Manager or the Accounting and Finance Manager, with the same effect as if done by the Chairman, the Vice Chairman or the Treasurer of the Board and without the further authorization of the Board. The execution of such documents by such member shall be conclusive evidence of his or her authority to so act.

Section 10. Execution of Tax Certificate and Declaration of Intent. The Chairman, the Vice Chairman or the Executive Director of the Board is hereby authorized to issue certifications as to the Board's reasonable expectations regarding the amount and use of the proceeds of the 2014 Series A Bonds as described in Section 148 of the Internal Revenue Code of 1986, as amended. The Board also hereby declares its intention, within the meaning of Section 1.150-2 of the Internal Revenue Code regulations, to facilitate continuous funding of its Single Family Program (as described above) by, from time to time, financing mortgage loans and then issuing bonds (in an amount to be then determined by the Board) in one or more series within 18 months thereof to reimburse itself for such financing, which reimbursement amount is presently expected to not exceed $40,000,000 (or such greater reimbursement amount as may from time to time be determined by written declaration of the Executive Director), provided that this declaration does not obligate the Board to issue any such bonds.

Section 11. Additional Actions Authorized. The Chairman, the Vice Chairman, the Secretary or any other member of the Board, and the Executive Director and Treasurer, the Single Family Program Manager and the Accounting and Finance Manager, acting alone or acting with others, are hereby authorized and directed to execute and deliver any or all other documents which may be required under the terms of the Trust Indenture and the Purchase Contract, and to take such other action as may be required or appropriate for the performance of the duties imposed thereby or to carry out the purposes thereof, and the members and officers named above are hereby designated as Authorized Officers for such purposes.

Section 12. Effective Date. This Resolution shall become effective immediately.

ADOPTED by the Montana Board of Housing this 22th day of January, 2014.

MONTANA BOARD OF HOUSING

By _____
Chairman

Attest:

By _____
Treasurer/Executive Director

Memo: Jan 16, 2014
To: MBOH Board Members
From: Vicki Bauer
Re: Set-Aside Request

West Edge Condominiums

Background: Previously the Board approved a set-aside for the Bozeman HRDC for their West Edge Condominium Project. Here is a brief description of the project:

West Edge is an affordable homeownership condo project being developed by Gallatin County and District IX Human Resource Development Council (HRDC) in Bozeman. The project has grant funding provided by the Department of Commerce's Neighborhood Stabilization Program (NSP) funds. The project consists of three phases: Phase 1 consists of 24 units; Phase 2 consists of 36 units; and Phase 3, consisting of 24 units is being constructed. The units will be available to households earning less than 120% of the Area Median Income (AMI), but targeted primarily to households under 80% with at least 25% of the units being sold to households earning less than 50% AMI. The project's proposed pricing structure ensures that it will provide homeownership opportunities to households previously shut out of Bozeman's market.

The original set-aside that was approved was for $1.6 million and 15 units, the 15 unit limit is 25% of Phase 1 and 2 (60 units). This follows the existing Board policy which restricts financing to 25% of a project as a way of managing risk.

Once the 15 units were funded, there was money still available in the set-aside and the Board approved HRCD's request to extend the expiration date of the set-aside and increase the number of units that could be funded.

The Board currently has finance 25 of the first 60 units, which is 41.6% of the project.

Documents Attached:

- Letter from HRDC for this request
- Terms for Original Set-aside
- Memo and Request letter for extension
- Exhibit R – Current 25% Policy
- Stat sheet for loans funded

Proposal: Phase III will consist of 24 units, HRDC is requesting the Board approve a setaside to fund 12 of these units.

November 5, 2013

RECEIVED
NOV 21 2013
DOC Housing

e: hello@thehrdc.org

Ms. Vicki Bauer
Montana Board of Housing
PO Box 200528
Helena, MT 59620-0528

Dear Ms. Bauer:

The Human Resource Development Council of District IX would like to report to the Montana Board of Housing (MBOH) with regard to our set-aside for purchasers in the West Edge Condominiums. Thanks to the commitments of our local lenders and MBOH, we are pleased to report that all available units in Phases 1 and 2 have been sold, and the project enjoys an owner occupancy rate of 92%. The median income of a purchaser in the first two phases was approximately $27,000, with average housing payments (principal, interest, taxes, insurance and HOA dues) of $620/month. Construction on Phase 3 of this project, consisting of 24 units, began on November 4th, with an estimated completion date of July 2014.

As you may recall, MBOH's participation was paramount to the success of the project. We are grateful to the Board and its staff for utilizing their resources, conducting research, and creating solutions for the financing of this project. In light of the project's accomplishments, we hope that the board will continue this successful partnership by financing 12 of the proposed 24 units through the set-aside created for the project's earlier phases. We are also working with our local bank partners to secure in-house financing and have received preliminary funding commitments from several. Our hope is that through our partnerships with MBOH and local lenders we can continue to provide a truly affordable homeownership opportunity to the households most in need. We believe that the performance of the portfolio, affordable payments and low loan-to-value ratios make these loans a safe investment for the board.

Thank you for considering this request and for your continued partnership to create affordable homeownership opportunities within our community.

Sincerely,

Jeffrey K. Rupp
CEO/President

p: 406.587.4486
e: hello@thehrdc.org

a: 32 South Tracy
Bozeman, Montana 59715

HRDC
BUILDING A BETTER COMMUNITY
www.thehrdc.org

Terms of Original Setaside February 2012

MONTANA BOARD OF HOUSING

BOZEMAN HRDC IX NSP WEST EDGE CONDO PROJECT

Purpose of Program:
The Human Resource Development Council, District IX (HRDC), is partnering with local lenders and utilizing Neighborhood Stabilization Program (NSP) down payment funding to provide increased homeownership opportunity to low to moderate income households in Bozeman. This initiative combines NSP funds to provide down payment assistance with permanent mortgage financing from Montana Board of Housing (MBOH/the Board) to provide financial assistance to households ranging from 50% to 80% (120% on an exception basis) of the Area Median Income (AMI).

Prerequisite for HRDC IX:
HRDC IX must have 50% of the total units (30 units) in Phase One and Two of the West Edge project sold to owner-occupants before MBOH will commit funds for a loan under this program. MBOH requires verification of owner-occupancy prior to reserving Board Funds.

Eligible Lenders:
Lenders working with the HRDC IX West Edge Condo Project hoping to use Board financing must be approved participating lenders with the Montana Board of Housing. Loans are made within the framework of the Purchase and Servicing Guide, some features of which are summarized below. **Please Note:** The West End Condo Project is limited to 15 loans, on a first-come, first-served basis. Please work closely with the staff of the District IX Human Resource Council to monitor borrower use of these loans.

TERMS AND CONDITIONS
HRDC IX WEST EDGE AFFORDABLE CONDO PROJECT SETASIDE

$1,600,000 with up to $250,000 available at 3.875%
and the remaining setaside at 5.50% for 15 total units
February 13, 2012

1. Each mortgage loan must have a loan-to-value (LTV) of 75% or less. Value is based on purchase price. The 3.875% loans must have a loan-to-value less than 55%. There is no requirement for mortgage insurance coverage.

2. The fixed rate of interest on the Mortgage Loans shall be at 5.5% per annum (with up to $250,000 available at 3.875% for qualified borrowers) for families earning below 80% (with some exceptions to 120% based on MBOH staff authorization) of the AMI. Up to $250,000 is available at a 3.875% rate for families earning below 50% of the AMI and LTVs less than 55%. Families are required to have completed a homebuyer education class approved by the MBOH prior to reserving a loan. These classes are taught by NeighborWorks Montana providers of which HRDC IX is one.

3. All loans under this program must comply with the MBOH Purchase and Servicing Guide, and all loans must meet MBOH and Internal Revenue requirements. The Purchase and Servicing Guide can be found at the following web address:

   http://www.housing.mt.gov/content/SF/docs/purchaseguide.pdf

4. All loans must comply with applicable household income and purchase limits. Total family income for this program must not exceed 80% of the county AMI by household size. Qualifying purchase price limits can be obtained from HRDC IX. The Montana Board of Housing Staff has authorization to waive the 80% requirement up to a 120% AMI family income limit upon request from HRDC IX staff.

5. Assumptions of these loans are not permitted.

6. Reservations for mortgage funds are on a first-come, first-serve basis. An eligible Mortgage lender desiring to reserve funds must submit:
   a. A signed Invitation to Participate in the Bozeman West Edge Affordable Condo Project Set-aside, and subsequent Approval to Participate (one-time only)
   b. The Mortgage Loan Reservation/Confirmation Report (BOH Form 99)
   c. A copy of an executed FHA/VA Loan Application or other complete loan application used by the Mortgage Lender
   d. A copy of the executed Buy/Sell Agreement
   e. Verification of Annual Family Income
   f. Signed Recapture Tax Notice to Mortgagor
   g. Letter from HRDC IX West Edge Affordable Condo Project confirming the eligibility of the mortgagors for the program and indicating amount of subsidy to be included in the loan including loan rate and AMI %
   h. Signed copy of Release of Financial Information Form
   i. Borrower Stat Sheet
   j. Certificate of approved homebuyer education completion

7. Upon receipt of such documents, the Board may reserve bond proceeds for 60 days to acquire mortgage loans on existing housing, and 180 days to acquire mortgage loans for new construction. Such period may be extended upon the payment of an additional one-fourth of one-percent (.25%) for each 30-day extension, which shall only be paid by the mortgage lender. If the mortgage loan is not acquired by the Board within this time period, the one-fourth of one-percent (.25%) fee will not be refunded except as provided in Section 8 hereof. All reservations are not final until each has been reviewed and committed by MBOH staff, as indicated in "Lender-On-Line."

8. The Board will purchase mortgage loans at one hundred one and a half percent (101.5%) of the face amount of the Mortgage Loans financed at 5.5%. Lenders can charge no further origination and point fees to the borrower. Loans purchased at the 3.875% rate can have fees of 1.5% total paid to the lender by a source other than the Board.

9. The Board reserves the right to charge a fee of one-half of one-percent (0.50%) if the loan reserved fails to close, unless the appraisal does not support the loan amount of the property applied for.

10. The Board shall finance up to 15 units at LTVs of 75% or less once the required initial 30 units have been sold to owner-occupant buyers as evidenced by HRDC IX. Up to $250,000 of the total setaside has been made available at 3.875% and must have LTVs less than 55%.

11. Loan purchase packages must be submitted to the Board for purchase as outlined in the Whole Loan Submission Checklist.

12. Mortgage loans shall be tendered for sale to the Board within 30 days following execution of the note by the mortgager. If the Mortgage Lender fails to deliver such loans with all exceptions cleared within 45 days after origination, the purchase price will be reduced by one-half of one percent (0.50%) of the loan amount for each 30 days the loan is not delivered To determine the accrued interest for purchase or payoff, multiply the number of accrual days by the outstanding principal balance, and divide by the 365 day factor. Interest on monthly mortgage payments is calculated using the 360 day factor. Series code will be assigned. Please contact our finance department for ACH wiring instructions.

13. Timely delivery of final documents. Lenders may be charged $50 per document per month, to be subtracted from the proceeds of new loan purchases, for final documents not delivered within the 90 day timeframe required in the Guides.

14. Repurchase of loans. Lenders receiving a request to repurchase a loan for any of the reasons outlined in the Purchase and Servicing Agreement have 5 days from notification to repurchase the loan. For the first 30 days thereafter, the loan will accumulate interest at the note rate plus 2.5% until payment is received. After 30 days, the loan will accumulate interest at the note rate plus 5% until payment is received.

15. Repurchase of delinquent loans: The Board retains the right to require repurchase of a whole Mortgage Loan that is 30 days delinquent within the first 90 days or 60 days delinquent within the first 180 days of scheduled payments.

16. All first mortgage loan Notes and Trust Indentures must be on either Fannie Mae or Freddie Mac accepted loan documents.

17. The program will expire March 31, 2013.

Extension + Exception
February 2013

Memo: Feb 19, 2013

To: MBOH Board Members
From: Vicki Bauer
Re: Set-Aside Request and extension

West Edge Condominiums

Background: Previously the Board approved a set-aside for the Bozeman HRDC for their West Edge Condominium Project. Here is a brief description of the project:

West Edge is an affordable homeownership condo project being developed by Gallatin County and District IX Human Resource Development Council (HRDC) in Bozeman. The project has grant funding provided by the Department of Commerce's Neighborhood Stabilization Program (NSP) funds. The project consists of three phases: Phase 1 was constructed in 2007 and consists of 24 units; Phase 2 is currently under construction and will consist of 36 units; and Phase 3, consisting of 24 units to be constructed at a later date. The units will be available to households earning less than 120% of the Area Median Income (AMI), but targeted primarily to households under 80% with at least 25% of the units being sold to households earning less than 50% AMI. The project's proposed pricing structure ensures that it will provide homeownership opportunities to households previously shut out of Bozeman's market.

The set-aside that was approved was for $1.6 million and 15 units, the 15 unit limit is 25% of Phase 1 and 2 (60 units). This follows the existing Board policy (attached) which restricts financing to 25% of a project as a way of managing risk.

Proposal: As per the attached letter, to extend the expiration date of the set-aside to December 31, 2013 and to increase the number of units to be financed with Board funds.

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

RECEIVED
JAN 31 2013
DOC HOUSING

Building a Better Community
32 South Tracy, Bozeman, MT 59715
thehrdc.org

Dear Mr. Brensdal:

The Human Resource Development Council of District IX would like to report to the Montana Board of Housing (MBOH) with regard to our set-aside for purchasers in the West Edge Condominiums. Thanks to the commitments of our local lenders and MBOH, we are pleased to report that our project has reached a 77% owner occupancy rate (46 of 60 units sold). At this time, we are working with our lending partners to complete our FHA and conventional certification to secure financing for the purchase of the remaining 15 condominiums.

When the HRDC purchased the Phase 1 building, a requirement under the NSP grant was that all renters would be allowed to stay until the provided notice. At that time, 23 of the 24 units were occupied by renters; we now have 5 renters remaining, and 2 units that have recently been vacated. As we work toward our FHA approval, these rental units have proven problematic, as they put the HRDC's ownership interest above the 10% allowed per investor. It is our understanding that our Phase 2 units do not pose a problem, as they we are considered to be the developer and the investor limits do not apply.

As we work to divest ourselves of the remaining Phase 1 units, our FHA and conventional approval for remaining units in all phases is in jeopardy, resulting in two recently terminated buy-sells. Even without the challenges presented by our rental units, FHA certification is a lengthy process. We would like to request that MBOH consider extending our set-aside in two ways:

1) Allow for more than 15 units to be financed through the set-aside. The set-aside allowed for $1.6 million. While the 15 unit limit has been met, $602,404 remains in the set-aside. Loans to date total $997,595, with an average loan to value across the portfolio of 64%. We would request that the remaining funds be made available at the 5.5% rate, with a LTV limit of 75%, as stated in the original set-aside guidelines.
2) Extend the time period for accessing funds to December 31, 2013. We feel that is enough time to resolve the challenges surrounding the rental units and secure FHA and conventional financing options.

As always, we are grateful to the Board and its staff for their partnership on this project. Thank you for considering this request and for your assistance in the past, as we continue working to create affordable homeownership opportunities within our community.

Sincerely,

Jeffrey K. Rupp
CEO/President

EXHIBIT R

CONDOMINIMIUM MORTGAGE PURCHASE APPROVAL GUIDELINES

MBOH will consider purchase of a mortgage only for a condo unit that fits all of the following criteria:

1. Unit approval by FHA or Fannie Mae:

2. Percentage of units in project owned by MBOH:

   a. Effective October 8, 2007, no more than 25% of the total number of condo units in any project may be financed by MBOH,

   b. Exceptions may be made by MBOH staff primarily for disabled access units.

NOTE: A mortgage purchase for a unit in a condo project of 4 units or fewer that does not meet the above criteria may be purchased on a case-by-case basis at the discretion of MBOH staff.

Reservation of Condo Units:

Reservations for mortgage purchases for condo units will no longer be automatic. Reservations in projects that exceed 25% units financed by MBOH will not be approved. Lenders must submit the following at the time of reservation request for review by staff:

1. Proof of current approval from FHA or Fannie Mae.

West Edge Condominium Loans — data extracted from 11/30/2013 Vintage Report

Purch month	Purch date	Purch year	property purch price	original loan amount	current loan balance	interest rate	original LTV	current LTV	Credit score	Payment ratio	Debt ratio
Colun	Colun	Colu	Column8	Column9	Column10	Colum	Colum	Column	Colum	Colum	Colum
6	/25	/12	96,000	52,800	51,048.74	3.88	55	53.18	775	26.66	30.71
6	/25	/12	97,000	53,350	51,710.33	3.88	55	53.31	759	29.96	33.08
7	/23	/12	97,000	72,750	71,245.43	5.50	75	73.45	677	24.27	57.88
9	/04	/12	96,000	50,761	49,613.53	3.88	52.88	51.68	0	25.98	25.98
9	/17	/12	97,000	58,974	57,974.03	5.50	60.8	59.77	550	23.53	26.46
9	/17	/12	96,000	52,955	51,074.97	5.50	55.74	53.76	0	51.47	51.47
10	/01	/12	96,000	72,000	70,779.16	5.50	75	73.73	642	27.94	42.49
1	/07	/13	97,000	57,059	56,290.43	5.50	58.82	58.03	653	22.13	50.02
2	/04	/13	97,000	53,350	52,389.94	3.88	55	54.01	718	27.78	34.96
2	/04	/13	97,000	72,750	71,937.06	5.50	75	74.16	781	17.5	44.71
2	/19	/13	102,000	62,523	61,680.73	5.50	61.3	60.47	803	29.01	31.27
3	/04	/13	97,000	68,705	66,940.95	5.50	70.83	69.01	802	22.92	24.1
3	/18	/13	97,000	72,750	71,158.24	5.50	75	73.36	728	27.86	29.57
3	/18	/13	97,000	58,598	57,943.24	5.50	60.41	59.74	634	32.03	33.28
4	/29	/13	97,000	67,877	66,884.12	5.50	69.98	68.95	791	25.89	36.82
6	/24	/13	97,000	69,392	68,537.11	5.50	71.54	70.66	649	30.22	30.22
7	/08	/13	95,000	49,204	48,774.77	5.50	51.79	51.34	710	24.97	43.57
9	/03	/13	97,000	66,221	65,781.06	5.50	68.27	67.82	614	31.76	40.44
9	/03	/13	97,000	72,750	72,266.71	5.50	75	74.5	737	19.87	36.39
9	/03	/13	96,000	65,341	64,906.93	5.50	68.06	67.61	805	21.8	21.8
9	/16	/13	97,000	72,750	71,220.94	5.50	75	73.42	728	19.92	25.49
10	/15	/13	97,000	72,750	72,266.71	5.50	75	74.5	781	20.27	25.06
10	/15	/13	95,000	49,507	49,312.79	5.50	52.11	51.91	738	29.3	37.17
11	/12	/13	97,000	65,270	64,817.16	5.50	67.29	66.82	665	25.87	40.94
11	/12	/13	95,000	71,250	71,093.38	5.50	75	74.84	636	27.92	42.04
	25		2,419,000	1,581,637	1,557,648.46	5.24	65.4	64.4	655	26.7	35.8
	Count		SUM	SUM	SUM	Average	Average	Average	Average	Average	Average

Reservation Report	Purchases		Reservations		Total		Average
July 1, 2013 - Nov 29, 2013	# of loans	$ Amount	# of loans	$ Amount	# of loans	$ Amount	Loan Size
037-2013A	147	24,003,396.44	15	$ 2,442,991	162	$26,446,387	$163,249.31
038-2013B Bridge	228	$33,979,221	8	$1,115,053	236	$35,094,274	$148,704.55
039-2014A Brigde			55	$8,478,678	55	$8,478,678	$154,157.78
Pre/Ullman/Set-Aside	31	$1,045,187	23	$1,172,560	54	$2,217,747	$41,069.40
Total	406	59,027,805	101	13,209,282	507	72,237,087	$142,479

Reservations/ Interest Rates

Date	# of Whole	# of Setaside	FHA Interest Rates of in-state lenders				Average	MBOH	Differential
			Amer Fed	Glacier	1st Inter.	Wells Fargo	Market Rate		Avg vs MBOH
11/29/2013	2 Comb	0	3.875	4.25	4.5	4.25	4.21875	4	-0.21875
12/2/2013	2 Comb	0	3.875	4.375	4.5	4.25	4.25	4	-0.25
12/3/2013	0	(Vet Prog) 1	4	4.375	4.5	4.25	4.28125	4	-0.28125
12/4/2013	0	(Vet Prog) 1	4.25	4.5	4.625	4.375	4.4375	4	-0.4375
12/5/2013	1 SA 1 Reg	0	4.125	4.5	4.625	4.375	4.40625	4	-0.40625
12/6/2013	1	1 (Habitat) 1 (Vet Prog)	4.125	4.5	4.625	4.375	4.40625	4	-0.40625
12/9/2013	1	0	4.125	4.5	4.625	4.625	4.46875	4	-0.46875
12/10/2013	2	0	4	4.375	4.5	4.375	4.3125	4	-0.3125
12/11/2013	1 SA 3 Reg	0	4.125	4.375	4.5	4.5	4.375	4	-0.375
12/12/2013	1	0	4.125	4.5	4.625	4.625	4.46875	4	-0.46875
12/13/2013	1	(Vet Prog) 1	4.125	4.5	4.625	4.625	4.46875	4	-0.46875
12/16/2013	2	0	4.125	4.5	4.625	4.625	4.46875	4	-0.46875
12/17/2013	0	(Vet Prog) 1	4.125	4.5	4.625	4.625	4.46875	4	-0.46875
12/18/2013	2	0	4.125	4.5	4.625	4.625	4.46875	4	-0.46875
12/19/2013	1 SA 6 Reg	0	4.25	4.625	4.75	4.5	4.53125	4	-0.53125
12/20/2013	3	0	4.25	4.625	4.75	4.375	4.5	4	-0.5
12/23/2013	1 SA 1 Reg	0	4.25	4.625	4.75	4.375	4.5	4	-0.5
12/24/2013	0	0	4.125	4.625	4.75	4.375	4.46875	4	-0.46875
12/26/2013	1 Comb	0	4.25	4.625	4.75	4.5	4.53125	4	-0.53125
12/27/2013	0	0	4.25	4.625	4.75	4.5	4.53125	4	-0.53125
12/30/2013	2 Comb	0	4.25	4.625	4.75	4.5	4.53125	4	-0.53125
12/31/2013	1 Comb 2 Reg	0	4.25	4.625	4.75	4.5	4.53125	4	-0.53125
1/2/2014	1	0	4.25	4.625	4.75	4.5	4.53125	4	-0.53125
1/3/2014	1	0	4.25	4.625	4.75	4.375	4.5	4	-0.5
1/6/2014	1	0	4.25	4.625	4.75	4.375	4.5	4	-0.5
1/7/2014	1	0	4.125	4.5	4.75	4.375	4.4375	4	-0.4375
1/8/2014	1	0	4.25	4.5	4.75	4.375	4.46875	4	-0.46875
1/9/2014	2	0	4.25	4.5	4.75	4.375	4.46875	4	-0.46875
1/10/2014	1 Comb 1 Reg	0	4	4.5	4.75	4.25	4.375	4	-0.375
1/13/2014	0	0	4	4.375	4.75	4.25	4.34375	4	-0.34375
1/14/2014	1	0	4	4.375	4.75	4.25	4.34375	4	-0.34375
1/15/2014	1	0	4	4.375	4.75	4.25	4.34375	4	-0.34375
1/16/2014	0	1 VHLP	4.125	4.5	4.75	4.25	4.40625	4	-0.40625

Total since last report

Reg Prog 36
Score Ave 4
80% Combined 9

6 Veteran Program - current rate 3% (as of 1/09/2014)
1 Setaside loans

0

MONTANA BOARD OF HOUSING
SERVICER DELINQUENCY RATE COMPARISON REPORT
AS OF 11/13

RVICER NUMBER / NAME	% OF SERVICER RANGE	LOAN COUNT	2-MONTHS COUNT	2-MONTHS ---- %	3-MONTHS COUNT	3-MONTHS ---- %	4 OR MORE COUNT	4 OR MORE ---- %	POSSIBLE FORECLOSURES COUNT	POSSIBLE FORECLOSURES ---- %	TOTAL COUNT	TOTAL ---- %
1 FIRST SECURITY BOZEMAN	0.12	7	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
6 STATE BANK & TRUST DILLON	0.03	2	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
1 UNITED BANK OF ABSAROKEE	0.05	3	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
0 STATE BANK OF TOWNSEND	0.34	20	1	5.00	0	0.00	1	5.00	0	0.00	2	10.00
4 FIRST BOULDER VALLEY BANK	0.08	5	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
7 FLATHEAD BANK OF BIGFORK	0.17	10	0	0.00	1	10.00	0	0.00	0	0.00	1	10.00
8 BANK OF THE ROCKIES 138	0.85	51	0	0.00	1	1.96	0	0.00	0	0.00	1	1.96
1 THREE RIVERS BK KALISPELL	0.27	16	0	0.00	0	0.00	1	6.25	0	0.00	1	6.25
7 COMMUNITY BANK, INC 147	1.14	68	1	1.47	1	1.47	3	4.41	1	1.47	6	8.82
9 VALLEY BANK RONAN 159	0.87	52	0	0.00	0	0.00	0	0.00	1	1.92	1	1.92
4 VALLEY BANK BELGRADE 1	2.18	130	2	1.54	2	1.54	5	3.85	3	2.31	12	9.23
3 MANHATTAN BANK 213	0.08	5	1	20.00	0	0.00	0	0.00	0	0.00	1	20.00
9 VALLEY BANK KALISPELL	0.05	3	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
8 RUBY VALLEY NATIONAL BANK	0.02	1	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
0 THE BANK OF BAKER 510	0.02	1	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
4 STOCKMAN BANK OF MT, MILE	11.71	699	25	3.58	12	1.72	16	2.29	6	0.86	59	8.44
7 EAGLE BANK 547	0.03	2	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
1 FIRST INTERSTATE BANK-WY	0.02	1	0	0.00	0	0.00	0	0.00	1	100.00	1	100.00
7 U.S. BANK N.A. 617	6.37	380	9	2.37	2	0.53	0	0.00	1	0.26	12	3.16
0 AMERICAN FED SAV HELENA	3.25	194	8	4.12	1	0.52	2	1.03	1	0.52	12	6.19
0 PIONEER SAVING AND LOAN	0.77	46	1	2.17	0	0.00	0	0.00	0	0.00	1	2.17
2 GUILD MORTGAGE COMPANY 84	1.01	60	3	5.00	0	0.00	0	0.00	2	3.33	5	8.33
0 MBOH - FIRST INTERSTATE B	22.25	1,328	34	2.56	20	1.51	9	0.68	21	1.58	84	6.33
6 MONTANA BOARD OF HOUSING	48.31	2,883	59	2.05	32	1.11	77	2.67	43	1.49	211	7.32
4 XXX-NeighborWorks Great F	0.02	1	0	0.00	0	0.00	1	100.00	0	0.00	1	100.00
TAL 25		5,968	144	2.41	72	1.21	115	1.93	80	1.34	411	6.89

Board Report for January 2014

SETASIDE SUMMARY		ADVANCE PACKET REPORT	
80% Deep Equity Pilot Program			
Authorized by the Board 04/22/2013: Program expires 6/30/14 (114)			
Original Setaside		$ 4,500,000	
Loans Reserved	8	$ (847,315)	
Loans Purchased	13	$ (1,569,455)	
Remaining Setaside		$ 2,083,230	
			$ 2,083,230
West Edge HRDC IX			
Authorized by the Board 08/09/2010: Program expires 12/31/2013 (280)			
Original Setaside		$ 1,600,000	
Loans Reserved @3.875%	0	$ (0)	
Loans Reserved @5.50%	0	$ (0)	
Loans Purchased	27	$ (1,578,351)	
Remaining Setaside		$ 21,649	
			$ 21,649
BURNS STREET COMMONS SETASIDE			
Authorized by the Board 08/18/2006: Program expires 12/31/2013 (316)			
Original Setaside		$ 1,740,000	
Loans Reserved	0	$ (0)	
Loans Purchased	0	$ (0)	
Remaining Setaside		$ 1,740,000	
			$ 1,740,000
EATON STREET CONDOS SETASIDE			
Authorized by the Board 06/13/2011: Program expires 12/31/14 (317)			
Original Setaside		$ 1,000,000	
Loans Reserved	0	$ (0)	
Loans Purchased	0	$ (0)	
Remaining Setaside		$ 1,000,000	
			$ 1,000,000
FORECLOSURE PREVENTION SETASIDE			
Authorized by the Board 09/13/2004: (499)			
Original Setaside		$ 50,000	
Loans Reserved	0	$ (0)	
Loans Purchased	1	$ (4,365)	
Remaining Setaside		$ 45,635	
	TOTAL FORECLOSURE PREVENTION SETASIDE:		$ 45,635
DISABLED ACCESSIBLE AFFORDABLE HOMEOWNERSHIP PROGRAM (DAAHP)			
MORTGAGE RATE OF 2.750% TO 5%; Authorized by the Board 6/1995: expires 6/30/14 (501),(502)			
Original Setaside		$ 3,500,000	
Additional Setaside	(Sep 94)	$ 4,000,000	
Additional Setaside	(Aug 95)	$ 800,000	
Additional Setaside	(Feb 98)	$ 1,000,000	
Transfer to CAP IV	(Mar 97)	$ (2,000,000)	
Additional Setaside	(Jul 00)	$ 1,000,000	
Additional Setaside	(Aug 01)	$ 500,000	
Additional Setaside	(Oct 02)	$ 500,000	
Additional Setaside	(Mar 04)	$ 1,000,000	
Additional Setaside	(Apr 05)	$ 500,000	
Additional Setaside	(Jan 06)	$ 1,000,000	
Additional Setaside	(Mar 07)	$ 1,000,000	
Additional Setaside	(Feb 08)	$ 1,000,000	
Additional Setaside	(Jul 08)	$ 500,000	
Additional Setaside	(Mar 09)	$ 1,000,000	
Additional Setaside	(Nov 09)	$ 1,000,000	
Additional Setaside	(Nov 10)	$ 500,000	
Additional Setaside	(Jun 13)	$ 560,000	
Loans Reserved	0	$ (0)	
Loans Purchased	226	$ (16,358,432)	
Remaining Setaside		$ 1,001,568	
	TOTAL DAAHP SETASIDE:		$ 1,001,568

DOWN PAYMENT 1ST MORTGAGE SET-ASIDE POOL (OCT 5, 2007)

	Jul-07	$10,000,000
	Approved 9-07/ Began using 2-08	$10,000,000
	March, 2008	$5,000,000
	June, 2008	$10,000,000
	January-09	$5,000,000
	September-09	$5,000,000
		Pre-Ullman Funds
NHS 111		
Total Loans		$ 12,082,524
HRDC BOZEMAN 275		
Total Loans		$ 2,750,094
HRDCXI COMBINED 309		
Total Loans		$ 2,674,592
TOWN OF BRIDGER 325		
Total Loans		$ 108,900
CITY OF BILLINGS 355		
Total Loans		$ 8,157,169
LAKE COUNTY 383		
Total Loans		$ 497,345
HRDC VI 385		
Total Loans		$ 220,106
CITY OF LEWISTOWN HRDC VI 388		
Total Loans		$ -
City of Redlodge 390		
Total Loans		$ 521,238
GR8 HOPE SETASIDE 405		
Total Loans		$ 1,574,651
FTHB SAVINGS ACCOUNT PROGRAM 571		
Total Loans		$ 9,662,328
GLACIER AFFORDABLE HOUSING SETASIDE 600		
Total Loans		$ 189,000
CITY OF MALTA 625		
Total Loans		$ -
WHITEFISH HOUSING AUTHORITY 750		
Total Loans		$ 450,918
Total Loans		$ 38,888,865
Amount Remaining in Current Allocation		$6,111,135

Check: [$15,386,216]

$45,000,000
(38,888,865) Total Loans in Allocation
$6,111,135
$ 9,275,081.76 Total of All Individual Setasides
$ 15,386,216.27

MEMO

DATE: January 15, 2014

TO: Board Members

FROM: Mary Bair Multifamily Program Manager

RE: 2015 Qualified Allocation Plan

Please find attached:

- Public Hearing Minutes and Public Comment Letters
- Matrix Summary of Comments and MBOH Staff's Proposed Changes and Responses
- Proposed Final 2015 Qualified Allocation Plan with Exhibits (The changes in the plan put out for comments have been accepted and only new changes are identified.)

Proposed Procedural Steps:

- Consider motion to approve the 2015 Qualified Allocation Plan as put out for public comment
- Staff will present the summary of comments received and proposed additional changes.
- Allow for additional public comment by the audience.
- Consider motion to approve changes offered by staff or new changes by members. This can be done in several ways:
    - Motion to accept all changes as proposed
    - Separate motion for each change
    - Motion to approve changes in groups

If you have any questions you may contact me at 406-841-2845.

MONTANA BOARD OF HOUSING

Via Webinar

January 8, 2014

2015 Qualified Allocation Plan Public Hearing

MEMBERS:	J.P. Crowley, Chairman Ingrid Firemoon
STAFF:	Bruce Brensdal, Executive Director Mary Bair, Multifamily Program Kellie Guariglia, Multifamily Program Penny Cope, Marketing
COUNSEL:	Greg Gould, Luxan and Murfitt
OTHERS:	Logan Anderson, Mountain Plains Equity Group Claire Casazza, Thomas Development Co Heather McMilin, Homeword, Inc. Andrea Davis, Homeword Inc. Chris Craig Nancy Harte, City/County Missoula Lori Davidson, Missoula Housing Authority Harlan Wells, Missoula Housing Authority Joe Burst, Living Independently for Today and Tomorrow Dianne Hunt, Syringa Housing Corp Travis Hoffman, Summit Independent Living Center Justice Ender, Summit Independent Living Center Tom Thompson, Summit Independent Living Center Julie Marple, Northwest Alison Reidmohr, MT Tobacco Use Prevention Prog DPHHS Whitney Jensen Josh LaFromboise, Helena Housing Authority Dianna Kintzler Tim Morgan, Mountain Plains Equity Group Gene Leuwer, GL Development Shyla Patera, NCILS Alex Burkhalter, Housing Solutions Katie Wagner, Lewis & Clark County Health Dept Karen Lane, Lewis & Clark County Health Dept John Firehammer, M+R Strategic Services Liz Mogstad Rocky Mountain Development Council Raquel Davis, Salish & Kootenai Housing Authority

Public Hearing Transcript for those who did not submit written follow-up:

January 8, 2014 9:00 AM

John Firehammer project consultant for state smoke free housing program:

The reason for a threshold is that smoke free is not viewed as an amenity but as a public health protection. And this program is serving people who have limited resources for housing in the first place. They should be not be forced to risk their health because they have limited housing options.

Katie Wagner L&C Health Department

We have been working with the Helena Housing Authority on their smoke free policy and enforcement. A few of the things I would like to point out in working with some of these properties is that one of the things they consistently say the landlords say is that they feel they are protecting individuals in low income housing that otherwise don't have a choice and that just because people are coming in to a low income housing doesn't mean that they don't want good housing for their families.

Second hand smoke from an apartment that doesn't have smoke can infiltrate from an adjoining apartment can lead to issues like asthma and increased disease risk especially for children. Property managers say it protects their investment by having to not replace the things you have to literally take the building down to the studs in order to ameliorate the problems associated with smoking in a building. Something else even for those who don't smoke even walking on the property and having to walk past somebody, lets say if a property were able to have an area where people can smoke, if you are forced to walk by that to get to your car or to get your mail or whatever the situation might be, or because you just want to go for a walk, you are being exposed to that second hand smoke, when you don't choose to be. Helena Housing Authority does have a tobacco free policy.

Karen Lane L&C Health Department

I would like to reiterate the impact on babies and young toddlers being exposed to third hand smoke. Basically the residue, the toxins that are still present in the wallboards, in the carpeting, and other surfaces continue to off gas. Even when children are in utero, there is the passage of toxins through the placenta to the baby in the womb. This exposure really sets the child up for lung development problems and function as well as further disruption in asthma and respiratory ailments that can last a lifetime.

There have been some studies because babies interact intensively with their environment. They know it with their mouth. Babies put everything in their mouth or their senses and they are crawling around exposed to 50% more dust particles than adults. This continues to affect them. One of the studies out of the Lawrence Berkley national laboratory found there is also a disruption in DNA. And of course we know that that determines health in many ways. And we also see from that study that it's a accumulative effect so the longer exposure such as living in an apartment that has heavier third hand smoke residue will accumulate and cause even greater damage for the baby.

Homeword

Mary Bair, MBOH Multifamily Program Manager
Kellie Guariglia, MBOH Multifamily Program Assistant
Montana Board of Housing
P.O. Box 200528
301 South Park Avenue, Room 240
Helena, MT 59601

January 3, 2014

Re: Draft 2015 QAP Public Comment

Dear Mary,

We are pleased to submit our comments on the 2015 QAP. We understand the updated version of the QAP will be provided for the January 8, 2013 meeting. We provide these comments for your consideration prior to the meeting, but also for inclusion at the meeting.

Overall QAP comments are as follows:

- Removing the IECC code references in the green building section makes good sense. MT uses high standards for their adopted energy codes and we feel it is appropriate to leave these standards to the governing building code and code officials. Other energy saving items as well as sustainable building practices are successfully incorporated as potential points in Section 9, Criterion 5 of the Development Criteria. This makes sense as an approach for high quality standards for any housing project produced using the Montana Housing Tax Credit program.
- Low Income Housing Tax Credits are being referenced in this QAP as Housing Tax Credits. We understand the reasoning behind the concept of language and reference to the program. The only issue we see is that "HTC" is also the same acronym for Historic Tax Credits, so there may be some confusion on this when projects use both Housing Tax Credits and Historic Tax Credits.
- The increased points available on criteria in Section 9, Development Evaluation Scoring Criteria should be helpful to provide more distinction between the scoring on applications. However, it would also be helpful if the opening paragraph of the section could briefly describe how points will be awarded within the range available for each criterion where it is not a simple numerical equation. Is the intent to compare projects and have discretion to award a range of points depending how projects compare, how successful the applications are in demonstrating how the project meets the intent of the criteria? There should be a method to score the applications within the range of points available. The reason for the request to increase the total number of points available was to "spread out" the scores. It will not provide an advantage to increase total

number of points available if it is the intent that application will receive either no points or all the points as the wording in some of the criteria implies (see Criteria 4, 5, and 7). The method of determining where within the range of points available the application falls should be described in the overview paragraph.

Specific QAP comments are as follows:

1. Section 1 – Definitions *(good new section addition)*
    a. "Cost per Square Foot" – consider referencing the UNI APP section similarly to how you did the other definitions, it helps for consistency.
    b. "Large Project" & "Small Project" – these are both defined only by number of units and for use in determining the limits for soft cost ratios. "Small Rural Project" is defined by the amount of the credit request for the set aside (10% of state's allocation). Many minor acquisition/rehabilitation projects will fall within the definition of the "Small Rural Project" though they do not fall within the definition of the "Small Project". This is not only confusing, it is does not meet the intent of allowing small projects to have a higher soft cost ratio. Regardless of the number of units, projects with smaller development budgets have nearly the same syndication costs as projects with much larger budgets, and in many cases, lower cost rehabilitation projects have higher due diligence costs – requirements for more testing, Capital Needs Assessments, more complex surveys, more detailed scoping documents to be prepared. However, the use of Housing Tax Credits for these projects before they deteriorate to the point where they no longer fit below the threshold of the "Small Rural Project" costs is an efficient and proactive use of tax credits. We'd like to request that any "Small Rural Projects" also have the higher soft cost cap, or that the definition of "Small Projects" be expanded to include any projects that meet the definition of "Small Rural Projects".
    c. "New Construction" has "gut Rehab" as part of its definition. This is confusing and may be a cause for misunderstanding and scoring debates in the future. There are significant differences between Major Rehabilitation and New Construction. We propose that the definition of Rehabilitation be re-written to include Minor Rehabilitation, Moderate Rehabilitation and Major Rehabilitation, and those terms defined per industry standard. Then, if the purpose is to place similar requirements on Major Rehabilitation as those on New Construction, that term can be included in the sections where those requirements are described.
    d. "Preservation" is defined as "...Rehabilitation tax credits...." Should it read "...Housing Tax Credits for Rehabilitation...." Instead? It sounds like RTCs are a type of credit.
2. Section 3
    a. Sources and Uses Certification – is there a formal procedure on how you'd like to be updated monthly on any 10% budget changes during construction? If there is

to be a formal process, would it be better to briefly describe it in the QAP to assist in compliance?

b. Per-Unit Costs/Cost per Square Foot – In the new paragraph 5, there is an unequivocal per unit cap. There is no process for exception or explanation. Other areas of the QAP have processes outlined for explanation. Is there any issue with consistency on this? We support the caps, but would always expect some outlying exception could be presented and considered. In addition, the cap will need to be adjusted annually.
c. Limitation on Soft Costs – same comment as 1.b above.
d. Project Accessibility Requirements – in the opening paragraph, last sentence "... that at least replaces interior walls and doors..." is not a very clear way to capture the intent of the requirement. This is a section where the use of the previously defined term "Major Rehabilitation" would be a clear way to explain the limitations of the requirement. Requirements in this area should be carefully crafted to ensure building code requirements enforce accessibility appropriately and any additional items beyond code are clear and are what this QAP is incentivizing.

3. Section 7
   a. Great language added in the last paragraph in the Corrective Award set aside. Considering it is a full review work load on staff, there should be a new reservation fee required. If it is already, it should be clear.
4. Section 9
   a. Criteria 4 – the second bullet, last sentence states that no points will be awarded if meetings are combined public meetings. What is the intent of this statement? If it is to avoid applicants using meetings that are really about something else (the town's new Zoning Code, for instance) but they spend a couple of minutes talking about this project, then could that concern be included in the requirement? In many cases, much better public participation could be the result of combined meetings – people who come to discuss one issue may be more likely to stay and provide input on the affordable housing project. Showing that the project is one of a few, limited topics to be discussed through the use of the agenda, and providing the meeting notes that document the discussion would be a way to show how successful the meeting was in gathering public input (this goes back to the need for the scoring to allow "ranking" within the criteria – see comment on scoring under "Overall QAP Comments" above). In small towns, it is very hard to get people who wear many different hats to attend multiple meetings. This may be unfair to some communities, and more importantly, may actually reduce public input.
   b. Criteria 5 – last paragraph includes blower door testing for projects. This is a very good way to test the construction results and potentially catch opportunities to fine tune some envelope pieces before final construction is

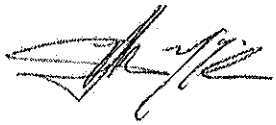
complete. Doing every unit is a cost burden if not required by code, especially in rural communities. We suggest testing 10% of units as a requirement and if any fail of those 10%, it is required that additional units be tested. This could potentially be incorporated into the General Contractor's contract as their expense. However, if the adopted Montana building code already requires blower door testing, the requirement should be removed from this QAP and allow the building code officials to enforce code requirements. Perhaps as an overall comment, any requirements in the QAP that are already included in the construction codes in effect should be removed; these requirements will be enforced by state and local building officials who are trained and experienced in enforcing construction code compliance.

Housing and Population Demographics comments are as follows:

- Key demographic information is very helpful. The listing of awarded projects historically is important as well. This was a helpful snapshot of the state and history of the HTC Program in the conversations this year. What might be more accurate and helpful in evaluating and analyzing applications is the inclusion of more specific need and per capita information. This would be a truer glimpse of each community and could be updated annually. Please consider the following additional information.
    - **Credits** allocated and **Number of Units *per capita*** for each chosen population grouping. This will illustrate more clearly how Montanans have been served historically in each area and provide a more detailed evaluation of what communities are under- or over-served.
    - Need should be evaluated project by project. The absorption rate and other key market information needs to be explained and clarified so Board members can consider "need" in an accurate way.
    - Consider adding statistics related to need, such as percent of persons/household below poverty level and related poverty rates, similar to the data provided in the Federal Housing Programs resource guide produced by the Housing Division in 2012.

Thank you again for the opportunity to comment on the 2015 QAP. If you have any questions, please contact Heather at 406-532-4663 ext. 36, or heather@homeword.org.

Sincerely,



Heather McMilin
Homeword Housing Development Director

From:	Tim Morgan
To:	Bair, Mary
Cc:	Guariglia, Kellie; Brensdal, Bruce; Don Sterhan
Subject:	2015 QAP
Date:	Wednesday, January 08, 2014 8:40:03 AM

Mary,

This morning I received some additional information that changes the detail in one of our comments regarding the 2015 QAP. Item number 7c in our letter addresses our concerns about the cost and number of Blower Door tests proposed as a requirement for buildings. The $600 per unit cost we presented for the test reflected a proposal we had in hand for a single blower door test including travel from Billings to Great Falls for the consultant. Although this kind of expense could be encountered if follow-up tests were required on a one off basis, it is more likely that if multiple tests were conducted at a single visit, the cost for each test would likely be around $100 per unit. This remains a significant cost and we continue to question whether the requirement results in a project benefit commensurate with the cost. Typically green building standards require blower door tests on a representative sample of units, or make the tests an option to achieving points for a particular level of certification.

We hope this clarification is helpful. Please do not hesitate to contact us if you have any questions. Thanks you for your time and consideration.

Tim Morgan, Architect
Development Risk Manager
Mountain Plains Equity Group, Inc.
2825 3rd Avenue North, Suite 600
Billings, MT 59101
406-254-1677 Phone
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MOUNTAIN PLAINS
EQUITY GROUP

January 7, 2014

Ms. Mary Bair
Montana Board of Housing
P.O. Box 200528
Helena, MT 59620-0528

RE: MBOH Housing Tax Credit 2015 QAP
Comments for Public Hearing

Dear Mary:

After participation in the 2015 QAP workshop and review of the resulting Draft QAP to be presented at the Public Hearing scheduled for January 8, 2014, we would like to provide the following comments and observations for the Board's consideration:

1. We believe the QAP format could be improved through a more standard numerical structure of organization; perhaps major paragraphs within sections be numbered for more precise reference (Section 1; 1.1, 1.2 etc.). This would make the document much easier to use and reference, especially when questions arise regarding specific requirements.

2. **Section 1 – DEFINITIONS**

   a. **"Contractor's Overhead"** is improperly defined. Overhead is generally defined as those costs incurred by a contractor not directly attributable to a specific project, and allocated on a percentage basis. These costs include, but are not limited to office rent, general staff not specifically assigned to a project, non-project specific insurance costs, general office expenses and equipment.

3. **Section 2 – OVERVIEW OF HOUSING TAX CREDITS**

   a. **New Construction or Substantial Rehabilitation:** Given that the 9% tax credit is actually a variable value in the current regulatory environment, we would suggest that the actual value of the 9% credit be more clearly defined: "MBOH will use the current 9% tax credit rate as of *(which month?)* to underwrite and evaluate applications."

4. **Section 4 – APPLICATION CYCLE**

   a. **First Allocation Round**: The application cycle is excessively long, noting the Letter of Intent (in May) through November (Award date). Requiring a Letter of Intent (which is actually a mini-application based on the stated requirements) to be submitted in May will require the applicant to identify a project, make preliminary design assumptions,

estimate market conditions and complete underwriting, starting as early as February/March, a time when developers are the busiest (closing loans and other elements of previous awards in preparation for spring construction starts). The total allocation cycle now is essentially a 10-month process.

The original intent of an earlier Application Cycle was to allow projects to begin construction earlier in the year. By creating such a protracted Application Cycle, the application process now conflicts with (and competes with) the timeline devoted to completing the requirements of a previous allocation cycle. We would propose either eliminating the LOI requirement, or simplifying the LOI to essentially the elements contained in the LOI Cover letter template (Exhibit D with no spreadsheet).

5. **Section 5 – FEE SCHUDULE**

   a. The 1% increase in the Full Application Fee, although seemingly nominal does have the effect of increasing the project's Soft Costs and therefore negatively impacts the project's Soft-to-Hard Cost Ratio. Certainly the fees add to the overall development costs of a low-income housing project, the timing of which is rather odd given the industry scrutiny over costs and the reduction in the 9% Tax Credit Rate.

   We believe the <u>non-refundable</u> nature of the 1.5% fee due at Application is onerous and excessive. In addition to the $750 fee due at LOI submission, this additional (and non-refundable) fee will rank MBOH as the most expensive and highest risk proposition within the region (as compared to surrounding states). For a larger project application, this structure equates to total cumulative fees of over $10,000 just to apply – cash at risk with no assurance of success. This type of additional monetary risk may become an unintended barrier (disincentive) to potential applicants. We simply urge caution where cost increases are concerned.

6. **Section 8 – LETTER OF INTENT AND APPLICATION PROCESS**

   a. The reference to the Letter of Intent Exhibit is incorrect. The QAP references Exhibit H, but it should be Exhibit D.

   b. We believe the LOI does not require substantially less work or detail at the developer level than the previous preliminary application.

   c. The short form spreadsheet included with the Exhibit D will require substanial underwriting and due diligence to provide even minimally accurate data for the MBOH to be able to complete any meaningful underwriting.

   d. We note in the Exhibits Table of Contents, that the Mini-Market Study is still included. Is this an oversight, or is it contempletd the LOI will include some sort of mini-market study? It was our understanding that this requirement had been eliminated.

e. We would suggest that if an LOI is required, the LOI be limited to the information included on page 1 of the LOI Template. This will give the Board a clear idea of projects proposed, geographic distribution, project types, populations served and developers who will be participating in the formal application process.

7. **Section 9 – EVALUATION AND AWARD**

a. **Threshold Evaluations and Considerations:** We believe that underwriting the LOI proposals is unwarrented. The data provided in the LOI is not based on an accurate budget, verifiable market analysis and includes significant assumptions which may change when the full application (with due diligence including market study) is actually completed. Underwriting at the LOI stage may be grossly misleading in evaluating the appropriateness of a particular project when compared to others.

b. **Development Evaluation and Scoring:** Threshold qualification points = 900. Total points available = 1,110. This means that projects will only be differentiated on the basis of 210 possible non-threshold points. We believe the point of creating additional points is to provide an opportunity for a greater point spread in differentiating one project from another when evaluated. Does this scoring structure allow this desired outcome? On a percentage basis, the percent of non-threshold point available to a project is actually lower in the proposed 2015 QAP (19% of available points) than in the 2014 QAP (23% of available points).

c. **Green Building and Energy Conservation Standards:** Blower Door tests for each unit? This simply adds to the cost of construction. Not even LEED requires that <u>every unit</u> be tested. A Blower Door test will cost approximately $600/unit (20 unit building = $12,000). We believe that this is an excessive cost versus the benefit to the project.

8. **Market Study**

a. Although a Market Study is not required for the LOI, many of the project threshold requirements are tied to the Market Study. This means that assumptions made at the time of the LOI may not be supported by an independent Market Study prepared for the Full Application. The result may be significant changes being required to the project, not contemplated when the project was first reviewed by the MBOH.

b. Because the project point score is heavily dependent on meeting criteria defined by the Market Study, there is incentive for a developer to "influence" the outcome of the Market Study to support the initial assumption made in the LOI. This type of steering is conterproductive to both the purpose of the LOI and the Market Study. We believe a less specific LOI will avoid these kinds of potential conflicts.

c. If a developer chose to complete a Market Study prior to the LOI, he/she would risk that the study would not be current for the full application given the length of the application cycle. Having to bring the study current would be yet another added expense.

We are supportive of the efforts of the Montana Board of Housing in working to develop a meaningful and efficient application process for the Housing Tax Credit program. We agree that giving developers useful feedback on the appropriateness of proposed projects can be valuable to targeting projects to communities in need and helping developers make strategic decisions. We also believe that a longer more complex application process does not, in the end, necessarily produce better project outcomes.

Thank you for this opportunity to provide additional comment regarding the proposed 2015 QAP. As always, I am available for questions and further discussion on any of these points, or with regard to any topics not included herein.

We look forward to continued participation in the Housing Tax Credit Program.

Sincerely,

Mountain Plains Equity Group, Inc.

Don Sterhan

Donald J. Sterhan
President

HOUSING
SOLUTIONS

"Unless the Lord builds the house, its builders labor in vain"

January 8, 2014

Mary Bair
Multifamily Program Manager
Montana Board of Housing
PO Box 200528
Helena MT 59820-0528

VIA: email to mbair@mt.gov

Dear Mary,

Thank you again for all that you and the staff has put into the Qualified Allocation Plan. The group's efforts are not wasted and I think we are continuing to hone in on the best possible QAP for Montana.

Attached please find my written comments on the 2015 QAP.

Please feel free to contact me should you have any questions.

Kindest Regards,

Alex Burkhalter

5014 Elk Hills Court, Missoula MT 59803
P. 406.203.1558 **F.** 406.203.1559

HOUSING-SOLUTIONS.ORG

Comments to 2015 QAP

Section 3 - Underwriting Assumptions and Limitations – Maximum Rents

I understand the intent of this section and agree with what I perceive as the intent; preventing a "bait and switch" on the rental rates. However, I do have some concerns about the implementation and possible unintended consequences. I think this provision could harm the operations of a project by keeping rents lower than allowed under the federal program rules.

Section 9 – Evaluation and Award – Development Evaluation Criteria and Scoring

Criteria 4 – Housing Needs Characteristics

In each of the first three sub categories (Community Input, Appropriate Size, Appropriate Development Type), the QAP reads "xx points will be awarded if..." This seems to be an "all or nothing" explanation. I think, with the total points available for award increased, these sections score the projects against the other submissions in the round. For example, the "community input" for each project would be ranked best to worst, then points awarded 20 to best, 19 to second best, 18 to third best and on down the list.

The fourth category, Market, does a good job of explaining how you can earn the 60 points.

Specifically related to the Community Input category, the language seems to exclude the "doubling up" or "piggy backing" of meetings. In small towns, I have found that often this is the most effective way to get public input. When the mayor, county commissioner's and council member's all have other full time employment, attending one of their scheduled meetings is often the only way to get good input from them and other community members. Again, this category should rank the projects against each other as far as how much input and how many meetings/attendee's, but it seems counter productive to exclude any input received at regularly scheduled county commissioners, city council, non profit board meetings, etc. Regrettably, people aren't as involved in their communities as they once were; so we have to take it to where they are!

Criteria 5 – Project Characteristics – *Green and Energy Conservation Standards*

As we have discussed, the energy code has come along way and I agree with the removal of the "energy" section of Exhibit F. Prior to the removal of this section, the architect had to certify at the end of the project, prior to 8609s, that all promised energy initiatives were incorporated. I suggest that rather than having MBOH interface with all the various building departments around the state, the architect again be required to affirm that the project is

in compliance with all building codes applicable to the project. This could be a certification made direction to the MBOH. If the code requires blower door tests, the architects would have to require it prior to issuing their certificate. I suggest, removing the new language and replacing it, maybe as a requirement of 8609s, with a requirement that the architect certify that the building is in compliance with all applicable building codes at the end of construction. This required certificate could be included as an exhibit to the QAP.

With regards to blower door testing, I believe requiring projects to go beyond the code is unnecessary. I feel it should be removed and allowed to follow the energy code. If the board feels strongly it should remain, testing every unit would be costly; a percentage, say 10%, would be more reasonable.

MONTANA DPHHS
Healthy People. Healthy Communities.

Department of Public Health and Human Services

Montana Tobacco Use Prevention Program ♦ 1400 Broadway Room C314 ♦ Helena, MT 59620-2951 ♦

Phone #: 1-866-787-5247 fax #: 406-444-5900 Website: www.tobaccofree.mt.gov

Steve Bullock, Governor

Richard H. Opper, Director

Dear Montana Board of Housing Members and Staff,

Thank you, again, for the opportunity for the Montana Tobacco Use Prevention Program to be involved in the 2015 Low Income Housing Tax Credit (LIHTC) Qualified Action Plan (QAP) process. We write today, to formally comment on the draft 2015 LIHTC QAP smokefree incentive point language.

We urge the Board of Housing commissioners to consider a threshold requirement in the 2014 Qualified Allocation Plan. This change would require all units built and financed by the state's Low Income Housing Tax Credit be 100-percent smokefree. Such a requirement in the QAP protects public health and public investment in housing.

A smoke free threshold is the most responsible way of administering low income housing tax credit dollars. Studies have shown that apartments which are smoked in cost five to ten times more to turn over than smoke free apartments. Moreover, third hand smoke, the sticky, toxic residue created from smoking can cause permanent damage to apartments, which can continue to impact children months after the smoker occupying the apartment has moved out. Studies have shown cotinine, a byproduct of nicotine, in the urine of toddlers in homes smoked in months before the nonsmoking family moved in. By allowing smoking in any low income housing property, the property could continue to release toxins for months or years to come. Cigarettes are also the leading cause of home fire fatalities, and housing operators who go smokefree frequently see insurance reductions.

All Montanans deserve an opportunity to live in a healthy and safe home. The public health threat caused by secondhand smoke is well known. The 2006 Surgeon General's Report details the many health hazards of repeated exposure to secondhand smoke, concluding that there is no safe level of exposure to secondhand smoke. In Montana, the Clean Indoor Air Act went into effect in 2009, protecting all Montanans against the danger of secondhand smoke. In Helena, Doctors Shepard and Sargent studied the effect of Clean Indoor Air legislation, and found that Clean Indoor Air causes an immediate reduction of heart attacks by 20%, results which have been replicated with similar results nationally and internationally.

The EPA classifies secondhand smoke as a group A carcinogen, which puts it in the same category as coal dust and asbestos, which is why it's so important to keep it out of our indoor spaces. But some Montanans are left behind. I hear from them almost every week. Whether it's a young mother who slept in her car last night, so that she could avoid taking her asthmatic daughter to the emergency room again, or a grandmother who quit smoking 30 years ago, but now has pneumonia because her neighbor refuses to step outside to smoke, there are too many Montanans who want their homes to be healthy, and free of the toxic secondhand smoke coming from the walls, but are powerless to stop it. These people deserve our protection, because nobody should have to choose between getting sick, or sleeping in their car. That's why smokefree policies in multi-unit housing is outlined as a key strategy in the governor's State Health Improvement Plan: all Montanans should be protected from deadly secondhand smoke.

The vast majority of Montanans want smoke free housing. According to the 2008, 2009 and 2012 Adult Tobacco Surveys, more than 80% of Montana apartment renters want to live in a smoke free building. Most of the developers and housing administrators in this process are already smokefree, in order to meet this demand. But most is not good enough. All low income housing tax credit funded projects should be smoke free.

It is possible to pass a smokefree threshold item in Montana, and make all properties financed from now on by the Low Income Housing Tax Credit smoke free. Maine passed a smoke free threshold requirement last year, so Montana wouldn't be the first state to do so. In order to help housing operators with going smoke free, the Montana Tobacco Use Prevention Program has given, and will continue to give, free materials and assistance to any landlord who requests it, including several financed by the low income housing tax credit. We make available free metal signs and window clings, have sample lease and lease addendum language, and help guide operators through the process of going smoke free using lessons learned nationally.

We heard some concern during this year's QAP that some developers might lose their funding if the policy wasn't followed by tenants. This concern could be mitigated by writing the requirement such that the landlord need only include the policy in the lease and provide adequate signage to be found in compliance. In addition, MTUPP has tobacco prevention specialists in nearly every county in the state who are currently helping landlords troubleshoot any problems they have with policies. The resources are available; landlords need only make use of them.

Because making smokefree a threshold item would best protect the public investment in low income housing and create a healthier and safer home for many Montanans, we urge the board to consider this proposal.

Best,

Alison Reidmohr

Alison Reidmohr
Health Educator
Montana Tobacco Use Prevention Program
406-444-7896

RiverStone Health

Connecting you to a better life

November 25, 2013

To the Montana Housing Board of Directors:

RiverStone Health supports the efforts to **make smokefree housing a threshold requirement** under the Montana Qualified Allocation Plan for Low-income Housing Tax Credit. As a public health entity, we spend our working lives promoting healthy behaviors and endorsing policy decisions that protect the health of communities, the health of Montana's population. Second and third hand smoke are well documented health hazards, with great economic impacts.

Consider that:

- There is no risk-free level of secondhand smoke. Secondhand smoke is a Group A carcinogen, in the same category as asbestos and coal dust.
- A minimum of **38,000 and up to 65,000 deaths** occur each year in the U.S. due to diseases caused by exposure to secondhand smoke.
- Air flow between units in an apartment building is significant and is virtually impossible to eliminate. Research shows a **cost-savings of 5-10 times per unit turnover** when comparing a smokefree unit with a unit where smoking is allowed. This translates to thousands of dollars per unit in savings.
- There is no Montana or federal law that prohibits making entire apartment buildings smokefree.
- Cigarettes are the leading cause of home fire fatalities in the United States. These fires caused **610 deaths, 1,570 injuries and $633 million** in direct property damage.

The Clean Indoor Air Act has had positive impacts in the workplace and public spaces making for healthier air for all people to breathe on a daily basis, and now we have the opportunity to extend clear air guarantees into the home. While clients living in low-income housing often have little choice in where to live, they should not have to choose between affordable housing and renting an apartment which has paint, carpeting, and kitchen surfaces infused with third hand smoke and breathe air tainted with secondhand smoke that moves through air ducts common to multiunit housing.

Therefore, RiverStone Health encourages the Board of Directors to enact a threshold requirement that makes all housing eligible for low income tax credits, smokefree. Not only will this policy decrease health burdens, but it will extend the life of property entrusted to the Montana Housing Board. Thank you for considering this request to invest in the healthy lives of all Montanans.

Sincerely,

John Felton, MPH, MBA, FACHE
President & CEO / Health Officer

123 South 27th Street • Billings, MT 59101-4200 • www.riverstonehealth.org

Dec. 12, 2013

Dear Montana Board of Housing Directors,

As Montana health professionals, we are understandably concerned about the well-documented health risks associated with secondhand smoke.

While Montana's Clean Indoor Air Act helps protect people's health in workplaces and public places, many of those living in multi-unit housing are still at risk for secondhand smoke. We believe those with sometimes limited housing choices should not be forced to put their health at risk by being exposed to a neighbor's smoking.

We are pleased that multi-unit property managers and developers are encouraged to adopt smokefree policies, and that such policies are incentivized. But Montana renters deserve a more secure guarantee than this.

For this reason, we urge you to make a commitment to make smokefree housing a threshold requirement under the Montana Qualified Allocation Plan for Low-income Housing Tax Credit.

Making such a requirement demonstrates a commitment to responsible development and housing. It would help protect the public's investment in low-income housing, while also providing low-income families and seniors with a healthier place to live.

Maintaining smokefree housing eliminates wasteful spending needed to mitigate preventable damage to housing units – such as damage to carpet, walls, window coverings and ventilation ducts –caused by tobacco smoke. The risk for fires also is greatly reduced.

Moreover, most Montanans want to live in smokefree housing and should have the opportunity to do so. The 2008 and 2009 Montana Adult Tobacco Survey showed that 85 percent of multi-unit renters not in a smokefree building are in favor of smokefree policies.

Responsible owners and managers who have elected to implement smokefree policies are pleased with the results. Patti Webster, Deputy Director of the Billings Housing Authority, says: "We found that going smokefree reduced all of our costs for turning our units around, it reduced our cost for insurance on our properties...It also helped our residents become healthier people."

Yet many renters are not protected. As one Montanan says: "I am exposed to secondhand smoke...I now have been to the doctor, prescribed numerous inhalers, antibiotics for bronchitis. It's been going ongoing for a year. My lungs are painful...Why is it too much to ask that I do not want to die from secondhand smoke?"

Here are some additional facts about secondhand smoke and smokefree housing:

- The 2006 U.S. Surgeon General's Report states there is no risk-free level of secondhand smoke, and the only way to protect people is to eliminate smoke exposure.

- Secondhand smoke is a Group A carcinogen, in the same category as asbestos and coal dust. It's more than a nuisance. It's a health hazard.
- A minimum of 38,000 and up to 65,000 deaths occur each year in the U.S. due to diseases caused by exposure to secondhand smoke.
- Air flow between units in an apartment building is significant and is virtually impossible to eliminate. The only means to effectively eliminate health risk associated with indoor exposure is to ban smoking in buildings.
- There is no Montana or federal law that prohibits making entire apartment buildings smokefree.
- Cigarettes are the leading cause of home fire fatalities in the United States. In 2010, there were an estimated 90,800 smoking-material fires in the United States. These fires caused 610 deaths, 1,570 injuries and $633 million in direct property damage.
- Research shows a cost-savings of 5-10 times per unit turnover when comparing a smokefree unit with a unit where smoking is allowed. This translates to thousands of dollars per unit in savings.

We hope you will take all these health and financial benefits to heart and strongly consider making a commitment to smokefree policy as a threshold requirement in the Montana QAP.

Sincerely,

Dennis Johnson
Youth Tobacco Prevention Coordinator,
Lake County Health Department,
Polson

Diane Schwab
Tobacco Prevention Program
Lake County Health Department, Polson

Frank J. Rozan
Tobacco Use Prevention Specialist
Butte Silver Bow Health Department,
Butte

Karen Lane
Prevention Programs Manager
Lewis and Clark City-County Health
Department, Helena

Katie Wagner
Health Educator – Tobacco Use
Prevention
Lewis and Clark City-County Health
Department, Helena

Lynda Vande Sandt
Prevention Specialist
Liberty County Tobacco Use Prevention
Program, Chester

Mary Owens
Youth Tobacco Use Prevention
Specialist, Havre

MaryAnn Clingingsmith
Tobacco Prevention Specialist
Dawson County Health Department,
Glendive

Patricia Nichols, MA
Training and Technical Consultant
An Ounce of Prevention LLC, Superior

Rick Gale
Tobacco Use Prevention Specialist
Gallatin County Tobacco Use
Prevention Program, Bozeman

Teddy Nault
Tobacco Use Prevention Specialist
Cascade City-County Health Department,
Great Falls

Jan Parmelee
Tobacco Control and Prevention
Specialist
Sanders County Public Health Dept.,
Thompson Falls

- Kristi Aklestad, RN, county nurse, Toole County Health Department, Shelby
- Jean Atherly, Tobacco Prevention Specialist Carbon/Stillwater Counties, Red Lodge
- Alyssa Auvinen, prevention health specialist, RiverStone Health, Billings
- Audrey Baker, BS, CTR, Bozeman Deaconess Hospital
- Robert Byron, MD, Hardin
- Carol Cady, MD, PhD, Missoula
- Brian Cayko, MBA, RRT, Great Falls, director of Clinical Education, Great Falls College
- Emily Colomeda, MPH, RN., health services director, Lake County Public Health
- Jerrold M. Eichner MD, Pediatric Pulmonologist, Great Falls Clinic
- John S. Erickson, MD, Whitefish
- Deborah French, RN, Treasure County Health Department, Hysham
- Diana Friedt, MD, Billings
- Martha L. Garcia, BSN, RN, Lame Deer
- Danielle Golie, RN, CLC, public health director Hill County Health Department, Havre
- Janice Gomersall, MD, FAAFP
- Donna Greenwood, MSN, RN, Helena
- Sue T. Hanson, BSN, RN, director Beaverhead County Public Health, Dillon
- Deborah Hedrick, MHA, vice president Public Health Services, RiverStone Health, Billings
- Gia Holiway, RRT, Livingston
- Colleen Holmquist, RRT, pulmonary rehab, Community Hospital, Missoula
- Josy Jahnke, RN, BSN, Missoula
- Dana Kingfisher, ASAP/Tobacco Coordinator, Missoula Indian Center
- Jenny Krapf, LPN, Tobacco Use Prevention Specialist, Glacier County Health Dept., Cut Bank
- Ellen Leahy, RN, health officer, Missoula County
- Paul Loehnen, MD, Missoula
- David Mark, MD, Hardin
- Robert Merchant, MD, Billings
- Nicole Palmer, Jefferson County Tobacco Use Prevention specialist, Boulder
- Jean Raw, RN, BSN, Montana Cancer Control Programs
- Barbara Schneeman, vice president of communications and public affairs, RiverStone Health, Billings
- Robert Shepard, MD, Helena
- Paul Smith, DO, director Pediatric Critical Care and Pulmonary Services, Community Medical Center, Missoula
- Jennifer K. Sofie, DNP, APRN, FNP-C, ANP-BC, Bozeman
- Karen Solberg, RS/REHS, HHS, Anaconda
- Alicia M. Thompson, MSW, health officer, Cascade City-County Health Department, Great Falls
- Karla Thompson, RN, BSN, Valley County Public Health Nurse, Glasgow, MT
- Lora Wier, RN, director, Teton County Health Department, Choteau
- Michael Zacharisen, MD, Bozeman

Alliance for a Healthy Montana

January 7, 2014

Montana Board of Housing Directors

J.P. Crowley, Chairman

301 S Park Ave Room 240
Helena MT 59601

VIA: email

RE: Request Support of Smoke-free Threshold Requirement in the Montana Qualified Allocation Plan for Low-income Housing Tax Credits

Dear Chairman Crowley and Montana Board of Housing Directors,

The Alliance for a Healthy Montana is a coalition of health care providers, consumers, voluntary health organizations, tobacco use prevention groups and other interested parties dedicated to helping shape a healthy Montana through specific public policy initiatives.

We believe the Montana Board of Housing has a powerful opportunity to help improve and protect the health of Montana renters by adopting a smoke-free threshold requirement in the Montana Qualified Allocation Plan for Low-income Housing Tax Credits.

Such a policy would serve as a guarantee to help protect individuals and families from the health risks of secondhand smoke, and help those who want to quit using tobacco to achieve success.

Secondhand tobacco smoke contains more than 4,000 chemicals, including 11 cancer-causing poisons and 250 known toxins. Along with lung cancer, health risks from exposure include heart disease, SIDS, development of childhood asthma and chronic ear infections. Allowing smoking also increases the risk for house and apartment fires.

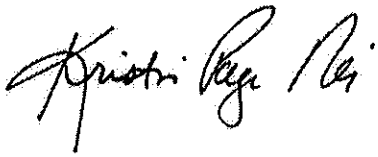
In 2006, the U.S. Surgeon General issued a report concluding there is no risk-free level of secondhand smoke and that the only protection from it is to eliminate exposure.

Those living in low-income housing should not be placed in a situation where they are forced to cope with these health risks. A threshold requirement would help guarantee protection from second-hand smoke, and help ensure that housing funded via the Montana QAP is safe and healthy.

Instituting this requirement also helps address a priority item listed in the state's 2013 Montana Health Improvement Plan, "*Big Sky. New Horizons. A Healthier Montana: A Plan to Improve the Health of Montanans*," which specifically recommends that the state "**promote the implementation of smoke-free multi-dwelling housing**" as a way to protect Montanans' health.

Thank you for taking this recommendation into consideration.

Sincerely,



Kristin Page-Nei, Chair, Alliance for a Healthy Montana

Kristin Page-Nei, Montana Government Relations Director, American Cancer Society Cancer Action Network

Kim Davitt, Montana Initiatives Manager, American Lung Association

Erin McGowan, Executive Director, Association of Montana Public Health Officials

Kristianne Wilson, Executive Director, Health Policy, Billings Clinic

Melanie Reynolds, Health Officer, Lewis and Clark County

Mary Beth Frideres, Program Director, Montana Primary Care Association

Lora Weir, Executive Secretary, Montana Public Health Association

Barbara Schneeman, Director, Communications and Advocacy, RiverStone Health

Nancy W. Lee, Executive Director, Susan G. Komen Montana Affiliate

cc: Bruce Brensdal, Executive Director

Mary Bair, MBOH Multifamily Program Manager

Kellie Guariglia, MBOH Multifamily Program Assistant

You know us, pretty easy to get along with ☺ right? ☺

Hey, I have a question for you. I have been looking at the draft QAP and I know the discussion is set for this Wednesday but I don't have time to weigh in that day. I noticed that a definition of "Elderly Property" has been added in red which I assume means that it is a new addition to the QAP, is that right? Anyway, I am concerned about the wording of the definition as it appears to change the definition as has always been used for HTC properties. Do you know about the second sentence where it says, "such households may also include disabled individuals below the specified age thresholds to the extent provided by federal law."? What does that mean?? Is the BoH now suggesting that the HTC properties adopt the USDA rural Development definition of elderly which is 62 or older <u>or</u> disabled????? I certainly hope not from a management standpoint!! Up till now, elderly is defined one of two ways for the purposes of HTC housing: A) 80% of the household have at least one individual who is 55 years of age or older or B) all members of the household are 62 years of age or older. Disability has never been an exception (unless someone is either 55 and disabled or 62 and disabled but then the disability doesn't matter)

Pat Tully
Compliance Manager
HDA Management LLC
P.O. Box 1496
2320 Third Avenue North
Billings, MT 59103
phone (406) 245-9998
fax (406) 248-9399

Brensdal, Bruce

Modified: Thu 1/9/2014 12:39 PM

From: Patrick Melby [mailto:melbypatrick@gmail.com]
Sent: Saturday, January 04, 2014 9:28 AM
To: Brensdal, Bruce; Bair, Mary
Subject: 2015 QAP

Bruce & Mary. My comments on the QAP are few and simple.

If the definitions are meant to be listed alphabetically, the definition of "Cold Weather Development and Construction" is located in the wrong place. I only noticed this as I noticed the scoring criterion and and couldn't find the definition initially.

On page 22 regarding "Second Allocation Round" I feel that the time allotted to an applicant for a presentation to describe a project is too short. Developers have invested substantial time, energy and money in research, design, development and application preparation. I don't think it is fair to limit an applicant to 10 minutes in presenting a project to the MBOH. Under last year's QAP an applicant had 20 minutes to present an application (granted the 20 minutes were divided into two 10 minute presentations at different board meetings and the second time was ostensibly for presentation of only new information). I think that the Board needs to be more respectful of the applicants and also should want thorough explanations of the competing proposals. Sometimes the presentation is the only thing that allows an opportunity for an applicant to make its proposal stand out from the others. I suggest that each applicant be allotted 20 minutes to make a presentation before the Board. If there were ten applicants and each took the full 20 minutes to present its application, that would still only take 3 1/2 hours. I am not so jealous of my time that I am not willing to give folks who have so much invested in a proposal ample opportunity to make their case. As an aside, I would suggest that the September Board meeting be limited to HTC presentations unless there is another issue of an emergent nature.

I had a comment on soft costs as well, but that seems to have been removed by including soft cost limits rather than including it as a scoring matter.

As I wrote above, my comments are few. If you have any questions, please let me know.

Pat.

Public comments for: pg. 35 and 36 of the 2015 Qualified Allocation Plan (QAP)

In the section where high quality Amenities receive points –

Summit Independent Living Center would suggest that part of the criteria for receiving points for the Amenity necessitate usability by the maximum number of people possible, including those using mobility devices--such as wheelchairs. In short, the devices/areas would be accessible.

This would include things such as:

A. Dishwashers – front loading
B. Washer and Dryer – front loading, and not stacked, with room in front of the dryer/washer for someone in a wheelchair to open the door and still maneuver
C. Carport/garage – for larger apartment units, include a covered carport with enough space for a wheelchair ramp/lift to deploy and wheelchair user to safely exit
D. Microwave – counter height, not up above oven/in wall 5'+ off ground
E. Storage Unit – accessible path of travel to unit and at least 32" wide opening width
F. Patios or balconies – access path of travel, structurally able to accommodate power chair or scooter and occupant
G. Disposal – switch low enough to be used by person in wheelchair, but preferably slightly recessed (back of counter, etc.) so small children can't reach
H. Oven – swing door as opposed to a fold down door preferable, controls on front of oven instead of on back (no reaching past hot pots/pans to control stove/oven) – swing door ovens are usually wall mounted
I. Flooring – semi-solid surfacing for mobility device wheels (no shag carpets, excessively spongy carpeting)
J. Computer room – some computers on standard desks with adequate knee space (can't be standing-type desks only)
K. Play area – accessible path of travel
L. Community garden – accessible path of travel
M. Basketball pad – accessible path of travel
N. Outdoor community area – accessible path of travel
O. Car plug ins – plug ins low-enough to be used by maximum number of people (not lower than 15" or higher than 48"), but where the cord will not cross over the only path of travel once cars are plugged in

Justice Ender and Travis Hoffman
Summit Independent Living Center
700 SW Higgins, Suite 101
Missoula, MT 59803
justice@summitilc.org & thoffman@summitilc.org
(406) 728-1630

TRAVOIS

MEMORANDUM

DATE: January 9, 2014

TO: Montana Board of Housing

FROM: Travois, Inc

RE: Comments on the Montana Board of Housing Draft QAP for 2015

We appreciate the opportunity to provide comments on the 2015 MBOH Qualified Allocation Plan (QAP).

Travois is a consulting firm that assists American Indian Tribes and Tribally Designated Housing Entities in financing affordable housing and economic development. To date, we have brought more than $650 million in housing to Indian Country through the Low Income Housing Tax Credit program. Our comments reflect both our experience in developing affordable housing with over 70 native organizations across the United States and the great need for affordable housing in tribal communities in Montana.

MBOH Ability To Disregard Scores

We believe that in the very least a QAP should be objective, measurable, and transparently devised and scored. A QAP is more than merely a mechanism to differentiate competing applicants for a limited supply of tax credits. A properly crafted QAP legitimizes government's role as mediator and arbiter, as unbiased, competent, and fair-minded. It advances the notion that government is blind to color and wealth, and will, above all things, provide benefits to those in greatest need in balance with those most capable of delivering the services in a timely and efficient manner. When a government agency like the Montana Board of Housing (MBOH) administers a complex program like the tax credit program it implicitly and explicitly commits to having staff that are of the highest order of competence and expertise in the field, that the criteria which it uses to evaluate competitors reveal real differences and abilities between competitors and projects, and that fairness will guide the selection of "winners" in the competition.

When the arbiters in the process state, as the MBOH does, that it may disregard the scores competitors achieve in the public process and award credits to others, it essentially says that it retains the right to be unfair; it retains the right to disregard the objective criteria and award credits to favored applicants irrespective of need or competence. In doing so it delegitimizes the role of government, it diminishes the faith people have in the basic fairness of government, and it leaves in doubt the authenticity of programs such as the Low Income Housing Tax Credit program.

We strongly recommend that the MBOH abandon the clause in the QAP that provides that the Board can disregard the scores achieved by the applicants in the process of awarding of credits and strictly adhere to the criteria established in the QAP.

We understand that applicant scores have historically been incredibly close, and in many cases a large percentage of applicants have achieved the same score. For example, in 2012 four applicants tied for the second highest score of 105. In 2013 six applicants achieved the second highest score of 106 and in 2014 four applicants tied for the second highest score of 91. This necessitates an additional process by which MBOH must differentiate one application from another in order to determine awards. Instead of relying on discretion and subjective measures to do so, we recommend MBOH institute a formal tiebreaker process. We recommend the following tiebreaker structure, which proposes prioritizing projects that serve households with the lowest incomes and demonstrate the most need.

- **1st Tiebreaker** – Projects with the greatest percentage of total project units targeted at the lowest income tenants
- **2nd Tiebreaker** – Projects with the longest waiting list
- **3rd Tiebreaker** – Projects in a QCT/DDA
- **4th Tiebreaker** – Projects located in an area that has not received an allocation of credits in the last 5 years

Cost Containment

Travois recognizes the importance of containing construction costs. We also acknowledge that state housing agencies across the country are being scrutinized to ensure the most effective and efficient use of their tax credit allocation. We agree that the intent of the LIHTC program is to provide safe, decent and affordable housing to individuals and families in need and that the tax credit resource should not be abused. However, we strongly urge MBOH to reconsider instituting an absolute limit of $230,000 on total project costs per unit. Unfortunately, the cost to construct projects on Indian reservations is inherently higher than the cost to construct off the reservation, due to the remote locations of the projects (e.g. added fuel and transportation costs, increased labor expense), difficulty in finding contractors willing to work in such remote locations, and governmental procurement policies. Additionally most, if not all, tribal construction consists of building or rehabilitating single-family detached housing, which is more costly than the construction or rehabilitation of multi-family attached units.

Consider the following total development costs per unit for recent tribal LIHTC projects in the region:

Project Name	State	Type of Project	Construction Completion	Total Units	TDC/per unit
Ft Berthold III	ND	New Construction	2011	24	$252,674
Turtle Mountain VI	ND	New Construction	2012	30	$226,424
Ft Peck II	MT	New Construction	2013	24	$248,656
Ft Peck Sustainable Village	MT	New Construction	TBD	20	$282,888
Standing Rock XVIII	ND	New Construction	TBD	20	$285,783

*** Note that Turtle Mountain VI was able to achieve significant economies of scale by virtue of being a multifamily project composed of two 15-unit buildings. Even with these economies of scale, the project is just slightly under MBOH's TDC/unit limit.*

We have recently seen significant construction costs increases for rural projects across the country particularly among our tribal clients in western North Dakota and eastern Montana. The high costs outlined in the table above are largely a result of the recent oil boom. Many contractors have been lost to higher paying jobs in the oil field resulting in a smaller pool of contractors for housing-related projects and spikes in the cost of construction.

In addition to the location-based factors (added fuel, transportation costs, labor expense, oil boom), tribal projects also must adhere to their own governmental policies such as TERO taxes. TERO taxes are generally mandatory assessments against a development to ensure that local residents and enrolled members of the tribe are afforded an opportunity to compete for the jobs created through such developments. These taxes are assessed against developments on the reservation under the Tribal Employment Rights Organization (TERO) ordinance. Proceeds of these taxes are used by the Tribe to fund job referral, counseling, liaison, and other services relating to the employment of tribal members.

There are seven federally recognized independent tribal nations located throughout the state of Montana and each has the ability to establish their own TERO fees. Nationally, these fees add 1 – 5% to a project's total development costs with an average of approximately 2.5%. While these tribal taxes provide an important revenue stream for the tribal government, they also increase the total development cost of tribal projects. When contractors bid on construction jobs on tribal land, they commonly inflate their costs to account for the TERO fees and additional administrative expenses related to time and effort spent conducting TERO meetings and coordinating with TERO officials.

Finally, another common factor that limits the contractor pool for tribes, and generally leads to higher costs from contractors, is the mere hesitancy of contractors to engage in work on tribal land due to concerns over the tribe's sovereign immunity. Many contractors are unwilling to understand tribal law and sovereignty principles and therefore either abstain from bidding or inflate costs to account for any additional legal work or representation that may follow assuming they receive the bid.

We encourage MBOH to implement cost containment thresholds specifically created for tribal projects based on limits already imposed by HUD's Office of Public and Indian Housing (PIH), which factor in a majority of these outside influences. Under the Native American Housing and Self-Determination Act (NAHASDA), HUD annually adopts TDC limits for moderately designed houses for each tribe by averaging construction cost information from both the Marshall & Swift/Boeckh, LLC and RSMeans Residential 2009 Cost Data indices and applying location and TDC cost inflation factors

Please see attached the HUD PIH Notice 2010-47 that provides TDC guidance for tribes to follow under NAHASDA (extended by PIH Notices 2011-63 and 2013-05) along with the current applicable TDC maximums for all tribes within the HUD Eastern/Woodlands Office of Native American Programs (which includes TDC limits for all tribes in Montana on page 9 of 16). We strongly encourage the agency to use HUD's tribal development cost limits as a baseline for determining the low cost/moderate cost thresholds for tribal projects.

Absent cost containment thresholds specifically for tribal projects, we urge MBOH to retain the language from the 2014 QAP allowing applicants to provide justification and seek MBOH approval when costs exceed the $230,000 limit.

Cold Weather Development and Construction Experience

This new scoring category as written is vague and should be further refined in order to meaningfully differentiate one applicant from another. We propose the following revisions:

- Include the project architect as a principal with point-eligible experience.
- Define "involvement in the actual construction process"

- Specify that point-eligible projects must be residential LIHTC projects. This ensures that experience reflects an individual's or entity's ability to meet state and investor deadlines and deliver credits according to the agreed upon schedule.
- Award points according to number of projects developed or in progress and establish a point-eligible minimum of five projects.
- Provide a standard document on which to verify experience. We have provided a recommended format attached as Exhibit H.

Thank you for considering our comments. Please feel free to contact us with any questions. We look forward to continuing our work with MBOH.

U.S. Department of Housing and Urban Development
Office of Public and Indian Housing

Special Attention of: Administrators; Offices of Native American Programs; Tribes, Tribally Designated Housing Entities	**Notice PIH 2010- 47 (TDHEs)** Issued: November 19, 2010 Expires: November 30, 2011 Cross Reference: 24 CFR Part 1000 PIH 2009-27 (TDHE)

SUBJECT: Total Development Costs (TDC) for Affordable Housing under the Native American Housing Assistance and Self-Determination Act of 1996 (NAHASDA)

PURPOSE: This Notice supersedes Notice PIH 2009-27 (TDHEs), same subject, dated August 10, 2009. This Notice transmits the updated schedule for the maximum amount of funds that may be used for affordable housing under NAHASDA. The requirement for the development and implementation of these limits is found at 24 CFR 1000.156 through 1000.162 of the Indian Housing Block Grant (IHBG) regulations published in the Federal Register on September 28, 2001, and effective October 29, 2001.

BACKGROUND: Under the United States Housing Act of 1937 ("1937 Act") (42 U.S.C. 1437 et seq.), the construction cost limits were called Total Development Cost (TDC) limits. These limits covered the total cost of development, including both soft and hard costs of construction. Under NAHASDA (25 U.S.C. 4101 et seq.), the regulations provided for a new system of construction cost limits called Dwelling Construction and Equipment (DC& E) costs. In response to concerns expressed by tribes and tribally designated housing entities (TDHE), the Department revised the program regulations on September 28, 2001, returning to TDC limits to define moderately designed housing.

APPLICABILITY: TDCs apply to:

a. All affordable housing assisted with IHBG funds after October 29, 2001, the effective date of the regulation cited above.

b. Funds initially provided under the 1937 Act that were not obligated as of October 29, 2001.

RESPONSIBILITY: The tribe/TDHE is responsible for ensuring that the amount of funds from **all** sources used to construct each unit does not exceed the TDC limits. The tribe/TDHE must maintain records showing that housing was developed in accordance with these limits and other applicable NAHASDA requirements. Units that improperly exceed TDC limits without appropriate HUD approval will not be deemed to be "affordable housing" and all IHBG funds expended on such units will be disallowed.

TDC: A TDC is published for each tribe and covers the tribally recognized land base. It specifies five dwelling sizes, ranging from one to five bedrooms, and can be applied to a multi-family building up to a four-plex.

TDC amounts are based on a moderately designed house, and are determined by averaging the current construction costs as listed in two nationally recognized residential construction cost indices (Marshall & Swift/Boeckh. LLC and RSMeans Residential 2009 Cost Data) for publicly bid construction of a good and sound quality, as follows:

Base Cost -- A base cost is developed for each of the 1-5 bedroom dwelling sizes, and adjusted for construction features for Standard, Severe and Hostile climate zones. The Base Cost includes the dwelling unit construction costs and associated site grading and utilities within 5' from the structure.

Local Cost Multiplier -- A local multiplier, based on an average of local multipliers in the two cost estimating indices, is then applied against the Base Cost to provide dwelling construction costs that are specific to each tribe's geographic location.

Total Development Cost (TDC) Multiplier -- A second multiplier (1.75) is then added to account for activities related to developing affordable housing of moderate design. This TDC multiplier is intended to include all costs necessary for administration, planning, site acquisition, financing (including payment of carrying charges), and on-site demolition, construction or equipment, and for otherwise carrying out the development of the project. The TDC multiplier includes site and infrastructure costs that are 5' from the structure to the boundaries of a housing site.

Note: 24 CFR 1000 does not limit the cost of infrastructure outside the boundaries of a housing site, and off-site costs such as water, sewer, roads, etc., are excluded from TDC limits.

Since the published TDCs only cover the tribally recognized land base, tribes who are constructing or renovating affordable housing outside of their tribally recognized land base but within their Indian Area, as defined in their Indian Housing Plan, must request TDCs from the Area Office of Native American Programs (AONAP) on a project-by-project basis for those locations. Indian Area is defined in 24 CFR 1000.10 as the area within which an Indian tribe or TDHE operates affordable housing programs or the area in which a TDHE is authorized by one or more tribes to operate affordable housing programs.

AFFORDABLE HOUSING/MODERATE DESIGN: As specified in §1000.156, affordable housing must be of moderate design. For these purposes, moderate design is defined as "housing that is of a size and with amenities consistent with unassisted housing offered for sale in the Indian tribe's general geographic area to buyers who are at or below the area median income." The local determination of moderate design applies to all housing assisted under an affordable housing activity, including development activities (e.g., acquisition, new construction, reconstruction, moderate or substantial rehabilitation of affordable housing and homebuyer assistance) and model activities. Acquisition includes assistance to a family to purchase housing, such as down payment, closing costs or loan assistance. Units with the same number of bedrooms within a project must be comparable with respect to size, cost, and amenities.

RECIPIENT DEVELOPMENT OF STANDARDS FOR HOUSING OF MODERATE DESIGN: A recipient must either use the TDC limits published by HUD or the recipient may adopt written standards for its affordable housing programs that reflect the requirement specified in §1000.156. The standards must describe the type of housing, explain the basis for the standards, and use similar housing in the Indian Tribe's general geographic area. For each affordable housing project, the recipient must maintain documentation substantiating compliance with the adopted housing standards. For purposes of this requirement, a project is one or more housing units, of comparable size and design, developed with assistance provided by IHBG funds.

Note: §1000.158 specifies that a recipient who develops standards for its affordable housing programs may not exceed 10% of the published TDC limits without prior HUD approval.

VARIANCE: If a tribe/TDHE determines that the published TDC amounts are not representative of construction costs in its area, it may provide the AONAP with relevant information and request a variance. Variances may be requested for an individual project or for adjustments to current cost limits. The AONAP Administrator has authority to approve variances above the published TDC.

Relevant information to support a variance can include, but is not limited to, documentation demonstrating:

- Material costs have significantly increased since last publication of TDCs;
- Unusual site acquisition costs;
- Transportation costs of materials have increased since the last publication of TDCs;
- Natural disasters occurring after the last TDC publication date have caused an increase in material, labor and other construction costs;
- Special local conditions exist that result in higher construction costs as verified by historical cost data for building affordable housing in their community and;
- Significant additional costs for incorporating green building, energy efficiency or other innovative practices, such as Indian Energy Resource regulation compliance; and
- Evidence the tribe/TDHE has worked with the AONAP to lower the costs of the project, etc.

Note: Construction bids for projects that exceed the published TDC limits cannot be the sole justification for a variance.

Special Request 1: If a tribe/TDHE chooses to fund the development of housing outside of its tribally recognized land base, thereby rendering the published TDCs for that tribe inapplicable for that specific housing, it shall request TDCs that are appropriate for that location and housing.

Special Request 2: If a tribe/TDHE decides to fund the development of housing of a construction type that is not covered by these TDCs, including multi-family buildings of more than four units, it shall request HUD to provide TDC costs specific to the type of housing it is developing. These special requests shall be sent to the AONAP for evaluation.

TDCs FOR ALASKA: TDCs for remote areas of Alaska reflect revised limits to adjust the general construction cost data of the nationally recognized residential construction cost indices. This means that TDC amounts accommodate increased construction and transportation costs of building materials previously recognized in published TDC cost limits. Additionally, this Notice constitutes HUD approval for a 2% increase above the attached TDCs for construction projects in Alaska to meet Building Energy Efficiency Standards (BEES) requirements. BEES are only required when funds provided by the State of Alaska are used in conjunction with HUD funds. A Tribe/TDHE can contact the Alaska AONAP for applicability of BEES requirements.

TIME ADJUSTMENTS: Data used for the calculation of the TDCs have been adjusted for time to coincide with the publication. No additional adjustments to the published TDCs are authorized. A Tribe/TDHE can use these new limits for current construction contracts if needed to accommodate change orders to cover increased housing costs since the last TDCs were published.

REPORTING REQUIREMENTS: The information collection requirements contained in this notice have been approved by the Office of Management and Budget (OMB) under the Paperwork Reduction Act of 1995 (44 U.S.C. 3501-3520) and assigned OMB control number 2577-0238. In accordance with the Paperwork Reduction Act, HUD may not conduct or sponsor, and a person is not required to respond to, a collection of information unless the collection displays a currently valid OMB control number.

ADDITIONAL INFORMATION: Please contact your AONAP for additional information regarding TDC requirements.

/s/

Sandra B. Henriquez, Assistant Secretary
for Public and Indian Housing

Attachment

U.S. Department of Housing and Urban Development
Office of Public and Indian Housing

Special Attention of:	**Notice:**	**PIH-2013-05**
Tribes, Tribally Designated Housing Entities, Indian Housing Authorities, ONAP Administrators	Issued:	January 30, 2013
	Expires:	Effective until amended superseded, or rescinded

Cross Reference: 24 CFR 1000
PIH 2011-63 (TDHE)

Subject: Extension— Total Development Costs (TDC) for Affordable Housing under the Native American Housing Assistance and Self-Determination Act of 1996 (NAHASDA).

1. **Purpose.** The purpose of this Notice is to extend the program requirements of PIH Notice 2011-63, dated November 2, 2011, and transmit the updated schedule for the maximum amount of funds that may be used for affordable housing under NAHASDA. The requirement for the development and implementation of these limits is found at 24 CFR §§ 1000.156 through 1000.162 of the Indian Housing Block Grant regulations published in the *Federal Register* on September 28, 2001, and effective October 29, 2001.

/s/
Sandra B. Henriquez, Assistant Secretary for
Public and Indian Housing

Total Development Costs - Revised November 2012

ONAP OFFICE	STATE	TRIBAL AREA	1BDRM	2BDRM	3BDRM	4BDRM	5BDRM
Alaska	AK	Afognak	$428,194	$479,022	$546,380	$597,939	$651,452
Alaska	AK	Ahtna Native Regional Corporation	$428,194	$479,022	$546,380	$597,939	$651,452
Alaska	AK	Akhiok	$428,194	$479,022	$546,380	$597,939	$651,452
Alaska	AK	Akiachak	$428,194	$479,022	$546,380	$597,939	$651,452
Alaska	AK	Akiak	$428,194	$479,022	$546,380	$597,939	$651,452
Alaska	AK	Akutan	$428,194	$479,022	$546,380	$597,939	$651,452
Alaska	AK	Alakanuk	$428,194	$479,022	$546,380	$597,939	$651,452
Alaska	AK	Alatna	$456,951	$511,841	$584,636	$640,341	$697,990
Alaska	AK	Aleknagik	$428,194	$479,022	$546,380	$597,939	$651,452
Alaska	AK	Aleutian Regional Corp.	$428,194	$479,022	$546,380	$597,939	$651,452
Alaska	AK	Algaaciq (St. Mary's)	$428,194	$479,022	$546,380	$597,939	$651,452
Alaska	AK	Allakaket	$456,951	$511,841	$584,636	$640,341	$697,990
Alaska	AK	Ambler	$456,951	$511,841	$584,636	$640,341	$697,990
Alaska	AK	Anaktuvuk Pass	$456,951	$511,841	$584,636	$640,341	$697,990
Alaska	AK	Andreafski	$428,194	$479,022	$546,380	$597,939	$651,452
Alaska	AK	Angoon	$365,274	$408,598	$466,010	$509,957	$555,577
Alaska	AK	Aniak	$428,194	$479,022	$546,380	$597,939	$651,452
Alaska	AK	Annette Island (Metlakakla)	$365,274	$408,598	$466,010	$509,957	$555,577
Alaska	AK	Anvik	$428,194	$479,022	$546,380	$597,939	$651,452
Alaska	AK	Arctic Village	$456,951	$511,841	$584,636	$640,341	$697,990
Alaska	AK	Arctic Slope Native Regional Corp.	$456,951	$511,841	$584,636	$640,341	$697,990
Alaska	AK	Atka	$428,194	$479,022	$546,380	$597,939	$651,452
Alaska	AK	Atmautluak	$428,194	$479,022	$546,380	$597,939	$651,452
Alaska	AK	Atqasuk (Atkasook)	$456,951	$511,841	$584,636	$640,341	$697,990
Alaska	AK	Barrow	$456,951	$511,841	$584,636	$640,341	$697,990
Alaska	AK	Beaver	$428,194	$479,022	$546,380	$597,939	$651,452
Alaska	AK	Belkofski	$428,194	$479,022	$546,380	$597,939	$651,452
Alaska	AK	Bering Straits Regional Corp. (BSRHA)	$428,194	$479,022	$546,380	$597,939	$651,452
Alaska	AK	Bill Moore's Slough	$428,194	$479,022	$546,380	$597,939	$651,452
Alaska	AK	Birch Creek	$428,194	$479,022	$546,380	$597,939	$651,452
Alaska	AK	Brevig Mission	$428,194	$479,022	$546,380	$597,939	$651,452
Alaska	AK	Bristol Bay Native Regional Corp.	$428,194	$479,022	$546,380	$597,939	$651,452
Alaska	AK	Buckland	$428,194	$479,022	$546,380	$597,939	$651,452
Alaska	AK	Calista Native Regional Corporation	$428,194	$479,022	$546,380	$597,939	$651,452
Alaska	AK	Cantwell	$365,274	$408,598	$466,010	$509,957	$555,577
Alaska	AK	Chalkyitsik	$428,194	$479,022	$546,380	$597,939	$651,452
Alaska	AK	Chanega	$365,274	$408,598	$466,010	$509,957	$555,577
Alaska	AK	Chefornak	$428,194	$479,022	$546,380	$597,939	$651,452

Total Development Costs - Revised November 2012

Alaska	AK	Chevak	$428,194	$479,022	$546,380	$597,939	$651,452
Alaska	AK	Chickaloon	$365,274	$408,598	$466,010	$509,957	$555,577
Alaska	AK	Chignik	$428,194	$479,022	$546,380	$597,939	$651,452
Alaska	AK	Chignik Lagoon	$428,194	$479,022	$546,380	$597,939	$651,452
Alaska	AK	Chignik Lake	$428,194	$479,022	$546,380	$597,939	$651,452
Alaska	AK	Chilkat	$365,274	$408,598	$466,010	$509,957	$555,577
Alaska	AK	Chilkoot	$365,274	$408,598	$466,010	$509,957	$555,577
Alaska	AK	Chistochina	$428,194	$479,022	$546,380	$597,939	$651,452
Alaska	AK	Chitina	$428,194	$479,022	$546,380	$597,939	$651,452
Alaska	AK	Chuathbaluk	$428,194	$479,022	$546,380	$597,939	$651,452
Alaska	AK	Chugach Native Regional Corporation	$365,274	$408,598	$466,010	$509,957	$555,577
Alaska	AK	Chuloonawick	$428,194	$479,022	$546,380	$597,939	$651,452
Alaska	AK	Circle	$428,194	$479,022	$546,380	$597,939	$651,452
Alaska	AK	Clark's Point	$428,194	$479,022	$546,380	$597,939	$651,452
Alaska	AK	Cook Inlet Native Regional Corporation	$365,274	$408,598	$466,010	$509,957	$555,577
Alaska	AK	Council	$428,194	$479,022	$546,380	$597,939	$651,452
Alaska	AK	Craig	$365,274	$408,598	$466,010	$509,957	$555,577
Alaska	AK	Crooked Creek	$428,194	$479,022	$546,380	$597,939	$651,452
Alaska	AK	Curyung (aka Dillingham)	$428,194	$479,022	$546,380	$597,939	$651,452
Alaska	AK	Deering	$428,194	$479,022	$546,380	$597,939	$651,452
Alaska	AK	Dot Lake	$428,194	$479,022	$546,380	$597,939	$651,452
Alaska	AK	Douglas	$365,274	$408,598	$466,010	$509,957	$555,577
Alaska	AK	Doyon Native Regional Corporation	$428,194	$479,022	$546,380	$597,939	$651,452
Alaska	AK	Eagle	$428,194	$479,022	$546,380	$597,939	$651,452
Alaska	AK	Eek	$428,194	$479,022	$546,380	$597,939	$651,452
Alaska	AK	Egegik	$428,194	$479,022	$546,380	$597,939	$651,452
Alaska	AK	Eklutna	$365,274	$408,598	$466,010	$509,957	$555,577
Alaska	AK	Ekuk	$428,194	$479,022	$546,380	$597,939	$651,452
Alaska	AK	Ekwok	$428,194	$479,022	$546,380	$597,939	$651,452
Alaska	AK	Elim	$428,194	$479,022	$546,380	$597,939	$651,452
Alaska	AK	Emmonak	$428,194	$479,022	$546,380	$597,939	$651,452
Alaska	AK	Evansville (Bettles Field)	$428,194	$479,022	$546,380	$597,939	$651,452
Alaska	AK	Eyak	$365,274	$408,598	$466,010	$509,957	$555,577
Alaska	AK	False Pass	$428,194	$479,022	$546,380	$597,939	$651,452
Alaska	AK	Fort Yukon	$428,194	$479,022	$546,380	$597,939	$651,452
Alaska	AK	Gakona	$365,274	$408,598	$466,010	$509,957	$555,577
Alaska	AK	Galena	$428,194	$479,022	$546,380	$597,939	$651,452
Alaska	AK	Gambell	$456,951	$511,841	$584,636	$640,341	$697,990
Alaska	AK	Georgetown	$428,194	$479,022	$546,380	$597,939	$651,452

Total Development Costs - Revised November 2012

Alaska	AK	Golovin (Chinik)	$428,194	$479,022	$546,380	$597,939	$651,452
Alaska	AK	Goodnews Bay	$428,194	$479,022	$546,380	$597,939	$651,452
Alaska	AK	Grayling	$428,194	$479,022	$546,380	$597,939	$651,452
Alaska	AK	Gulkana	$365,274	$408,598	$466,010	$509,957	$555,577
Alaska	AK	Hamilton	$428,194	$479,022	$546,380	$597,939	$651,452
Alaska	AK	Healy Lake	$428,194	$479,022	$546,380	$597,939	$651,452
Alaska	AK	Holy Cross	$428,194	$479,022	$546,380	$597,939	$651,452
Alaska	AK	Hoonah	$365,274	$408,598	$466,010	$509,957	$555,577
Alaska	AK	Hooper Bay	$428,194	$479,022	$546,380	$597,939	$651,452
Alaska	AK	Hughes	$456,951	$511,841	$584,636	$640,341	$697,990
Alaska	AK	Huslia	$456,951	$511,841	$584,636	$640,341	$697,990
Alaska	AK	Hydaburg	$365,274	$408,598	$466,010	$509,957	$555,577
Alaska	AK	Igiugig	$428,194	$479,022	$546,380	$597,939	$651,452
Alaska	AK	Iliamna	$428,194	$479,022	$546,380	$597,939	$651,452
Alaska	AK	Inalik (Diomede)	$456,951	$511,841	$584,636	$640,341	$697,990
Alaska	AK	Inupiat Community	$456,951	$511,841	$584,636	$640,341	$697,990
Alaska	AK	Ivanoff Bay	$428,194	$479,022	$546,380	$597,939	$651,452
Alaska	AK	Kaguyak	$428,194	$479,022	$546,380	$597,939	$651,452
Alaska	AK	Kake	$365,274	$408,598	$466,010	$509,957	$555,577
Alaska	AK	Kaktovik (Barter Island)	$456,951	$511,841	$584,636	$640,341	$697,990
Alaska	AK	Kalskag	$428,194	$479,022	$546,380	$597,939	$651,452
Alaska	AK	Kaltag	$428,194	$479,022	$546,380	$597,939	$651,452
Alaska	AK	Kanatak	$428,194	$479,022	$546,380	$597,939	$651,452
Alaska	AK	Karluk	$428,194	$479,022	$546,380	$597,939	$651,452
Alaska	AK	Kasaan	$365,274	$408,598	$466,010	$509,957	$555,577
Alaska	AK	Kasigluk	$428,194	$479,022	$546,380	$597,939	$651,452
Alaska	AK	Kenaitze	$365,274	$408,598	$466,010	$509,957	$555,577
Alaska	AK	Ketchikan	$365,274	$408,598	$466,010	$509,957	$555,577
Alaska	AK	Kiana	$428,194	$479,022	$546,380	$597,939	$651,452
Alaska	AK	King Cove	$428,194	$479,022	$546,380	$597,939	$651,452
Alaska	AK	King Island	$428,194	$479,022	$546,380	$597,939	$651,452
Alaska	AK	King Salmon	$428,194	$479,022	$546,380	$597,939	$651,452
Alaska	AK	Kipnuk	$428,194	$479,022	$546,380	$597,939	$651,452
Alaska	AK	Kivalina	$428,194	$479,022	$546,380	$597,939	$651,452
Alaska	AK	Klawock	$365,274	$408,598	$466,010	$509,957	$555,577
Alaska	AK	Kluti Kaah (Copper Center)	$365,274	$408,598	$466,010	$509,957	$555,577
Alaska	AK	Knik	$365,274	$408,598	$466,010	$509,957	$555,577
Alaska	AK	Kobuk	$456,951	$511,841	$584,636	$640,341	$697,990
Alaska	AK	Kokhanok	$428,194	$479,022	$546,380	$597,939	$651,452

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Alaska	AK	Koliganek	$456,951	$511,841	$584,636	$640,341	$697,990
Alaska	AK	Kongiganak	$428,194	$479,022	$546,380	$597,939	$651,452
Alaska	AK	Koniag Native Regional Corporation	$428,194	$479,022	$546,380	$597,939	$651,452
Alaska	AK	Kotlik	$428,194	$479,022	$546,380	$597,939	$651,452
Alaska	AK	Kotzebue	$428,194	$479,022	$546,380	$597,939	$651,452
Alaska	AK	Koyuk	$428,194	$479,022	$546,380	$597,939	$651,452
Alaska	AK	Koyukuk	$428,194	$479,022	$546,380	$597,939	$651,452
Alaska	AK	Kwethluk	$428,194	$479,022	$546,380	$597,939	$651,452
Alaska	AK	Kwigillingok	$428,194	$479,022	$546,380	$597,939	$651,452
Alaska	AK	Kwinhagak (Quinhagak)	$428,194	$479,022	$546,380	$597,939	$651,452
Alaska	AK	Larsen Bay	$428,194	$479,022	$546,380	$597,939	$651,452
Alaska	AK	Levelock	$428,194	$479,022	$546,380	$597,939	$651,452
Alaska	AK	Lime	$456,951	$511,841	$584,636	$640,341	$697,990
Alaska	AK	Lower.Kalskag	$428,194	$479,022	$546,380	$597,939	$651,452
Alaska	AK	Manley Hot Springs	$428,194	$479,022	$546,380	$597,939	$651,452
Alaska	AK	Manokotak	$428,194	$479,022	$546,380	$597,939	$651,452
Alaska	AK	Marshall	$428,194	$479,022	$546,380	$597,939	$651,452
Alaska	AK	Mary's Igloo	$428,194	$479,022	$546,380	$597,939	$651,452
Alaska	AK	McGrath	$456,951	$511,841	$584,636	$640,341	$697,990
Alaska	AK	Mekoryuk	$428,194	$479,022	$546,380	$597,939	$651,452
Alaska	AK	Mentasta	$428,194	$479,022	$546,380	$597,939	$651,452
Alaska	AK	Minto	$428,194	$479,022	$546,380	$597,939	$651,452
Alaska	AK	Mountain Village	$428,194	$479,022	$546,380	$597,939	$651,452
Alaska	AK	Naknek	$428,194	$479,022	$546,380	$597,939	$651,452
Alaska	AK	NANA Native Regional Corporation	$456,951	$511,841	$584,636	$640,341	$697,990
Alaska	AK	Nanwalek (English Bay)	$365,274	$408,598	$466,010	$509,957	$555,577
Alaska	AK	Napaimute	$428,194	$479,022	$546,380	$597,939	$651,452
Alaska	AK	Napakiak	$428,194	$479,022	$546,380	$597,939	$651,452
Alaska	AK	Napaskiak	$428,194	$479,022	$546,380	$597,939	$651,452
Alaska	AK	Nelson Lagoon	$428,194	$479,022	$546,380	$597,939	$651,452
Alaska	AK	Nenana	$428,194	$479,022	$546,380	$597,939	$651,452
Alaska	AK	New Stuyahok	$456,951	$511,841	$584,636	$640,341	$697,990
Alaska	AK	Newhalen	$428,194	$479,022	$546,380	$597,939	$651,452
Alaska	AK	Newtok	$428,194	$479,022	$546,380	$597,939	$651,452
Alaska	AK	Nightmute	$428,194	$479,022	$546,380	$597,939	$651,452
Alaska	AK	Nikolai	$456,951	$511,841	$584,636	$640,341	$697,990
Alaska	AK	Nikolski	$428,194	$479,022	$546,380	$597,939	$651,452
Alaska	AK	Ninilchik	$365,274	$408,598	$466,010	$509,957	$555,577
Alaska	AK	Noatak	$456,951	$511,841	$584,636	$640,341	$697,990

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Alaska	AK	Nome	$428,194	$479,022	$546,380	$597,939	$651,452
Alaska	AK	Nondalton	$428,194	$479,022	$546,380	$597,939	$651,452
Alaska	AK	Noorvik	$428,194	$479,022	$546,380	$597,939	$651,452
Alaska	AK	Northway	$428,194	$479,022	$546,380	$597,939	$651,452
Alaska	AK	Nuiqsut	$456,951	$511,841	$584,636	$640,341	$697,990
Alaska	AK	Nulato	$428,194	$479,022	$546,380	$597,939	$651,452
Alaska	AK	Nunapitchuk	$428,194	$479,022	$546,380	$597,939	$651,452
Alaska	AK	Ohogamiut	$428,194	$479,022	$546,380	$597,939	$651,452
Alaska	AK	Old Harbor	$428,194	$479,022	$546,380	$597,939	$651,452
Alaska	AK	Orutsararmuit (Bethel)	$428,194	$479,022	$546,380	$597,939	$651,452
Alaska	AK	Oscarville	$428,194	$479,022	$546,380	$597,939	$651,452
Alaska	AK	Ouzinkie	$428,194	$479,022	$546,380	$597,939	$651,452
Alaska	AK	Paimiut	$428,194	$479,022	$546,380	$597,939	$651,452
Alaska	AK	Pauloff Village	$428,194	$479,022	$546,380	$597,939	$651,452
Alaska	AK	Pedro Bay	$428,194	$479,022	$546,380	$597,939	$651,452
Alaska	AK	Perryville	$428,194	$479,022	$546,380	$597,939	$651,452
Alaska	AK	Petersburg	$365,274	$408,598	$466,010	$509,957	$555,577
Alaska	AK	Pilot Point	$428,194	$479,022	$546,380	$597,939	$651,452
Alaska	AK	Pilot Station	$428,194	$479,022	$546,380	$597,939	$651,452
Alaska	AK	Pitka's Point	$428,194	$479,022	$546,380	$597,939	$651,452
Alaska	AK	Platinum	$428,194	$479,022	$546,380	$597,939	$651,452
Alaska	AK	Point Hope	$456,951	$511,841	$584,636	$640,341	$697,990
Alaska	AK	Point Lay	$456,951	$511,841	$584,636	$640,341	$697,990
Alaska	AK	Port Graham	$365,274	$408,598	$466,010	$509,957	$555,577
Alaska	AK	Port Heiden	$428,194	$479,022	$546,380	$597,939	$651,452
Alaska	AK	Port Lions	$428,194	$479,022	$546,380	$597,939	$651,452
Alaska	AK	Portage Creek	$428,194	$479,022	$546,380	$597,939	$651,452
Alaska	AK	Qagan Tayagungin (Sand Point)	$428,194	$479,022	$546,380	$597,939	$651,452
Alaska	AK	Qawalangin (Unalaska)	$428,194	$479,022	$546,380	$597,939	$651,452
Alaska	AK	Rampart	$428,194	$479,022	$546,380	$597,939	$651,452
Alaska	AK	Red Devil	$428,194	$479,022	$546,380	$597,939	$651,452
Alaska	AK	Ruby	$456,951	$511,841	$584,636	$640,341	$697,990
Alaska	AK	Russian Mission (Yukon)	$428,194	$479,022	$546,380	$597,939	$651,452
Alaska	AK	Saint George	$428,194	$479,022	$546,380	$597,939	$651,452
Alaska	AK	Saint Michael	$428,194	$479,022	$546,380	$597,939	$651,452
Alaska	AK	Saint Paul	$428,194	$479,022	$546,380	$597,939	$651,452
Alaska	AK	Salamatoff	$365,274	$408,598	$466,010	$509,957	$555,577
Alaska	AK	Savoonga	$456,951	$511,841	$584,636	$640,341	$697,990
Alaska	AK	Saxman	$365,274	$408,598	$466,010	$509,957	$555,577

Alaska	AK	Scammon Bay	$428,194	$479,022	$546,380	$597,939	$651,452
Alaska	AK	Selawik	$428,194	$479,022	$546,380	$597,939	$651,452
Alaska	AK	Seldovia	$365,274	$408,598	$466,010	$509,957	$555,577
Alaska	AK	Shageluk	$428,194	$479,022	$546,380	$597,939	$651,452
Alaska	AK	Shaktoolik	$428,194	$479,022	$546,380	$597,939	$651,452
Alaska	AK	Sheldon's Point	$428,194	$479,022	$546,380	$597,939	$651,452
Alaska	AK	Shishmaref	$428,194	$479,022	$546,380	$597,939	$651,452
Alaska	AK	Sun'aq Tribe of Kodiak	$365,274	$408,598	$466,010	$509,957	$555,577
Alaska	AK	Shungnak	$456,951	$511,841	$584,636	$640,341	$697,990
Alaska	AK	Sitka (Baranof Island HA)	$365,274	$408,598	$466,010	$509,957	$555,577
Alaska	AK	Skagway	$365,274	$408,598	$466,010	$509,957	$555,577
Alaska	AK	Sleetmute	$428,194	$479,022	$546,380	$597,939	$651,452
Alaska	AK	Solomon	$428,194	$479,022	$546,380	$597,939	$651,452
Alaska	AK	South Naknek	$428,194	$479,022	$546,380	$597,939	$651,452
Alaska	AK	Stebbins	$428,194	$479,022	$546,380	$597,939	$651,452
Alaska	AK	Stevens	$428,194	$479,022	$546,380	$597,939	$651,452
Alaska	AK	Stoney River	$456,951	$511,841	$584,636	$640,341	$697,990
Alaska	AK	Takotna	$456,951	$511,841	$584,636	$640,341	$697,990
Alaska	AK	Tanacross	$428,194	$479,022	$546,380	$597,939	$651,452
Alaska	AK	Tanana	$456,951	$511,841	$584,636	$640,341	$697,990
Alaska	AK	Tangirnaq Native Village	$428,194	$479,022	$546,380	$597,939	$651,452
Alaska	AK	Tatitlek	$365,274	$408,598	$466,010	$509,957	$555,577
Alaska	AK	Tazlina	$365,274	$408,598	$466,010	$509,957	$555,577
Alaska	AK	Telida	$456,951	$511,841	$584,636	$640,341	$697,990
Alaska	AK	Teller	$428,194	$479,022	$546,380	$597,939	$651,452
Alaska	AK	Tetlin	$428,194	$479,022	$546,380	$597,939	$651,452
Alaska	AK	Tlingit and Haida	$365,274	$408,598	$466,010	$509,957	$555,577
Alaska	AK	Togiak	$428,194	$479,022	$546,380	$597,939	$651,452
Alaska	AK	Toksook Bay	$428,194	$479,022	$546,380	$597,939	$651,452
Alaska	AK	Tuluksak	$428,194	$479,022	$546,380	$597,939	$651,452
Alaska	AK	Tuntutuliak	$428,194	$479,022	$546,380	$597,939	$651,452
Alaska	AK	Tununak	$428,194	$479,022	$546,380	$597,939	$651,452
Alaska	AK	Twin Hills	$428,194	$479,022	$546,380	$597,939	$651,452
Alaska	AK	Tyonek	$428,194	$479,022	$546,380	$597,939	$651,452
Alaska	AK	Ugashik	$428,194	$479,022	$546,380	$597,939	$651,452
Alaska	AK	Umkumiute	$428,194	$479,022	$546,380	$597,939	$651,452
Alaska	AK	Unalakleet	$428,194	$479,022	$546,380	$597,939	$651,452
Alaska	AK	Unga	$428,194	$479,022	$546,380	$597,939	$651,452
Alaska	AK	Venetie	$428,194	$479,022	$546,380	$597,939	$651,452

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Alaska	AK	Wainwright	$456,951	$511,841	$584,636	$640,341	$697,990
Alaska	AK	Wales	$428,194	$479,022	$546,380	$597,939	$651,452
Alaska	AK	White Mountain	$428,194	$479,022	$546,380	$597,939	$651,452
Alaska	AK	Wrangell	$365,274	$408,598	$466,010	$509,957	$555,577
Alaska	AK	Yakutat	$365,274	$408,598	$466,010	$509,957	$555,577
Eastern/Woodlands	AL	MOWA Band of Choctaw Indians	$196,029	$220,394	$255,849	$278,111	$303,235
Eastern/Woodlands	AL	Poarch Band of Creek Indians	$196,029	$220,394	$255,849	$278,111	$303,235
Eastern/Woodlands	CT	Mashantucket Pequot Tribe	$280,529	$313,610	$363,564	$397,421	$432,751
Eastern/Woodlands	CT	Mohegan Tribe of Connecticut	$280,529	$313,610	$363,564	$397,421	$432,751
Eastern/Woodlands	FL	Miccosukee Tribe (Miami Dade)	$211,101	$237,449	$275,876	$299,961	$327,114
Eastern/Woodlands	FL	Seminole Tribe - Hollywood (Broward Co.)	$211,989	$238,479	$277,136	$301,355	$328,649
Eastern/Woodlands	FL	Seminole Tribe - Tampa (Hillsborough Co.)	$218,540	$245,739	$285,344	$310,198	$338,238
Eastern/Woodlands	FL	Brighton Reservation (Glades Co.)	$210,213	$236,420	$274,615	$298,568	$325,579
Eastern/Woodlands	FL	Immokalee Reservation (Collier Co.)	$210,213	$236,420	$274,615	$298,568	$325,579
Eastern/Woodlands	FL	Big Cypress Reservation (Broward/Hendry	$211,989	$238,479	$277,136	$301,355	$328,649
Eastern/Woodlands	FL	Fort Pierce (St. Lucie Co.)	$212,877	$239,509	$278,396	$302,748	$330,183
Eastern/Woodlands	IA	Sac & Fox Tribe	$241,951	$270,562	$309,819	$338,664	$368,767
Eastern/Woodlands	IN	Pokagon Band of Potawatomi	$281,438	$314,967	$361,029	$394,848	$430,070
Eastern/Woodlands	MA	Wampanoag Tribe - Aquinnah	$365,200	$408,414	$473,800	$518,048	$564,178
Eastern/Woodlands	MA	Wampanoag Tribe - Mashpee	$292,686	$327,258	$379,512	$414,901	$451,815
Eastern/Woodlands	ME	Aroostook Band of Micmac	$238,887	$267,201	$310,080	$339,076	$369,292
Eastern/Woodlands	ME	Houlton Band of Maliseets	$238,887	$267,201	$310,080	$339,076	$369,292
Eastern/Woodlands	ME	Indian Township Passamaquody	$239,319	$267,930	$311,478	$340,813	$371,310
Eastern/Woodlands	ME	Penobscot Tribe	$239,319	$267,930	$311,478	$340,813	$371,310
Eastern/Woodlands	ME	Pleasant Point Passamaquody	$239,319	$267,930	$311,478	$340,813	$371,310
Eastern/Woodlands	MI	Bay Mills Indian Community	$220,556	$246,932	$283,191	$309,801	$337,487
Eastern/Woodlands	MI	Grand Traverse Band	$230,177	$257,745	$295,652	$323,467	$352,395
Eastern/Woodlands	MI	Hannahville Community	$236,877	$264,892	$303,332	$331,577	$361,051
Eastern/Woodlands	MI	Huron Band of Potawatomi	$247,982	$277,487	$318,013	$347,771	$378,774
Eastern/Woodlands	MI	Keweenaw Bay Indian Community	$241,903	$270,663	$310,161	$339,166	$369,391
Eastern/Woodlands	MI	Lac Vieux Desert Band	$240,898	$269,509	$308,795	$337,648	$367,723
Eastern/Woodlands	MI	Little River Band of Ottawa	$230,177	$257,745	$295,652	$323,467	$352,395
Eastern/Woodlands	MI	Little Traverse Bay Band	$225,582	$252,703	$290,019	$317,390	$345,826
Eastern/Woodlands	MI	Match-E-Be-NASH-She-Wish Band	$235,824	$263,839	$302,309	$330,561	$360,008
Eastern/Woodlands	MI	Pokagon Band of Potawatomi	$250,997	$280,950	$322,110	$352,324	$383,778
Eastern/Woodlands	MI	Saginaw Chippewa	$243,961	$272,870	$312,550	$341,700	$372,102
Eastern/Woodlands	MI	Sault Ste. Marie Tribe	$220,556	$246,932	$283,191	$309,801	$337,487
Eastern/Woodlands	MI	Sault Ste. Marie Tribe - Marquette	$241,903	$270,663	$310,161	$339,166	$369,391
Eastern/Woodlands	MI	Sault Ste. Marie Tribe -Escanaba	$236,877	$264,892	$303,332	$331,577	$361,051

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Eastern/Woodlands	MN	Bois Forte Band of Minnesota Chippewa	$271,961	$303,850	$347,543	$379,676	$413,287
Eastern/Woodlands	MN	Fond Du Lac Band of Minn. Chippewa	$274,976	$307,313	$351,640	$384,229	$418,291
Eastern/Woodlands	MN	Grand Portage Band of Minn. Chippewa	$274,976	$307,313	$351,640	$384,229	$418,291
Eastern/Woodlands	MN	Leech Lake Band of Minnesota Chippewa	$253,582	$283,683	$325,012	$355,366	$387,011
Eastern/Woodlands	MN	Lower Sioux	$256,166	$286,416	$327,913	$358,408	$390,244
Eastern/Woodlands	MN	Mille Lacs Band of Minnesota Chippewa	$273,971	$306,158	$350,274	$382,711	$416,623
Eastern/Woodlands	MN	Prairie Island Sioux	$288,665	$322,641	$369,222	$403,465	$439,247
Eastern/Woodlands	MN	Red Lake Band of Chippewa	$253,582	$283,683	$325,012	$355,366	$387,011
Eastern/Woodlands	MN	Shakopee Sioux	$291,729	$326,002	$372,977	$407,517	$443,626
Eastern/Woodlands	MN	Upper Sioux Indian Community	$282,682	$315,614	$360,686	$393,856	$428,615
Eastern/Woodlands	MN	White Earth Band of Minnesota Chippewa	$251,093	$280,747	$321,426	$351,321	$382,529
Eastern/Woodlands	MS	Mississippi Choctaw Tribe	$194,613	$218,836	$250,841	$272,631	$297,237
Eastern/Woodlands	NC	Coharie State Tribe	$202,967	$228,607	$266,236	$289,710	$316,087
Eastern/Woodlands	NC	Eastern Cherokee	$195,334	$219,841	$255,678	$278,095	$303,331
Eastern/Woodlands	NC	Haliwa-Saponi State Tribe	$194,973	$219,339	$254,895	$277,172	$302,276
Eastern/Woodlands	NC	Lumbee State Tribe	$202,967	$228,607	$266,236	$289,710	$316,087
Eastern/Woodlands	NC	Meherrin State Tribe	$202,967	$228,607	$266,236	$289,710	$316,087
Eastern/Woodlands	NC	Waccamaw Siouan State Tribe	$202,967	$228,607	$266,236	$289,710	$316,087
Eastern/Woodlands	NY	Cayuga Nation	$280,433	$313,813	$364,491	$398,695	$434,297
Eastern/Woodlands	NY	Oneida Nation of New York	$262,149	$293,443	$341,033	$373,111	$406,475
Eastern/Woodlands	NY	Onondaga Nation	$262,149	$293,443	$341,033	$373,111	$406,475
Eastern/Woodlands	NY	Seneca Nation of New York	$280,433	$313,813	$364,491	$398,695	$434,297
Eastern/Woodlands	NY	St. Regis Mohawk Tribe	$248,987	$278,641	$323,679	$354,068	$385,694
Eastern/Woodlands	NY	Tonawanda Band of Senecas	$280,433	$313,813	$364,491	$398,695	$434,297
Eastern/Woodlands	NY	Tuscarora Nation	$276,891	$309,824	$359,801	$393,543	$428,673
Eastern/Woodlands	RI	Narragansett Tribe	$277,465	$310,249	$359,809	$393,369	$428,372
Eastern/Woodlands	SC	Catawba Indian Tribe	$193,558	$217,781	$249,814	$271,612	$296,190
Eastern/Woodlands	WI	Bad River Band	$255,113	$285,364	$326,889	$357,392	$389,201
Eastern/Woodlands	WI	Forest County Potawatomi	$253,055	$283,157	$324,500	$354,858	$386,490
Eastern/Woodlands	WI	Ho-Chunk Nation	$255,066	$285,465	$327,231	$357,894	$389,825
Eastern/Woodlands	WI	Lac Courte Oreilles	$255,113	$285,364	$326,889	$357,392	$389,201
Eastern/Woodlands	WI	Lac Du Flambeau Band	$253,055	$283,157	$324,500	$354,858	$386,490
Eastern/Woodlands	WI	Menominee Indian Tribe	$260,713	$291,560	$333,888	$364,987	$397,438
Eastern/Woodlands	WI	Oneida Tribe	$256,693	$286,943	$328,425	$358,916	$390,766
Eastern/Woodlands	WI	Red Cliff Band of Lake Superior Chippewa	$255,113	$285,364	$326,889	$357,392	$389,201
Eastern/Woodlands	WI	Saint Croix Chippewa	$255,113	$285,364	$326,889	$357,392	$389,201
Eastern/Woodlands	WI	Sokagoan Chippewa Tribe	$253,055	$283,157	$324,500	$354,858	$386,490
Eastern/Woodlands	WI	Stockbridge-Munsee Tribe	$253,055	$283,157	$324,500	$354,858	$386,490
Northern Plains	CO	Southern Ute Tribe	$222,662	$249,038	$285,238	$311,833	$339,574

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Northern Plains	CO	Ute Mountain Tribe	$228,788	$255,760	$292,749	$319,936	$348,332
Northern Plains	MT	Blackfeet Tribe	$230,798	$258,068	$295,480	$322,972	$351,668
Northern Plains	MT	Crow Tribe	$229,746	$257,016	$294,456	$321,956	$350,625
Northern Plains	MT	Fort Belknap Indian Community	$220,077	$246,304	$282,337	$308,791	$336,340
Northern Plains	MT	Fort Peck Assiniboine and Sioux	$222,088	$248,613	$285,068	$311,827	$339,676
Northern Plains	MT	Northern Cheyenne	$229,746	$257,016	$294,456	$321,956	$350,625
Northern Plains	MT	Rocky Boy Chippewa-Cree	$220,077	$246,304	$282,337	$308,791	$336,340
Northern Plains	MT	Salish and Kootenai Tribes	$224,672	$251,346	$287,970	$314,868	$342,909
Northern Plains	ND	Devils Lake Sioux	$210,888	$236,221	$271,071	$296,636	$323,202
Northern Plains	ND	Ft. Berthold Affiliated Tribes	$229,603	$257,320	$295,482	$323,461	$352,498
Northern Plains	ND	Standing Rock Sioux	$217,924	$244,300	$280,631	$307,261	$334,878
Northern Plains	ND	Trenton Band of Chippewa	$208,830	$234,014	$268,682	$294,102	$320,491
Northern Plains	ND	Turtle Mountain Band of Chippewa	$221,945	$248,917	$286,094	$313,332	$341,550
Northern Plains	NE	Northern Ponca Tribe of Nebraska	$230,846	$257,967	$295,138	$322,470	$351,044
Northern Plains	NE	Omaha Tribe	$230,846	$257,967	$295,138	$322,470	$351,044
Northern Plains	NE	Santee Sioux Tribe	$229,793	$256,914	$294,114	$321,454	$350,000
Northern Plains	NE	Winnebago Tribe	$230,846	$257,967	$295,138	$322,470	$351,044
Northern Plains	SD	Cheyenne River Sioux	$205,288	$230,025	$264,073	$289,041	$314,965
Northern Plains	SD	Crow Creek Sioux	$206,819	$231,705	$265,950	$291,067	$317,155
Northern Plains	SD	Flandreau Santee Sioux	$210,888	$236,221	$271,071	$296,636	$323,202
Northern Plains	SD	Lower Brule Sioux	$206,819	$231,705	$265,950	$291,067	$317,155
Northern Plains	SD	Oglala Sioux of Pine Ridge Reservation	$210,888	$236,221	$271,071	$296,636	$323,202
Northern Plains	SD	Rosebud Sioux	$206,819	$231,705	$265,950	$291,067	$317,155
Northern Plains	SD	Sisseton-Wahpeton Sioux	$204,283	$228,871	$262,707	$287,523	$313,298
Northern Plains	SD	Yankton Sioux	$207,824	$232,860	$267,316	$292,585	$318,823
Northern Plains	UT	Goshute Reservation	$219,024	$245,252	$281,313	$307,775	$335,297
Northern Plains	UT	NW Band of Shoshoni Nation	$223,045	$249,868	$286,776	$313,846	$341,969
Northern Plains	UT	Skull Valley Band of Goshute	$220,030	$246,406	$282,679	$309,293	$336,965
Northern Plains	UT	Uintah & Ouray Ute Indian Tribe	$220,030	$246,406	$282,679	$309,293	$336,965
Northern Plains	UT	Utah Paiute Tribe	$218,019	$244,097	$279,947	$306,257	$333,629
Northern Plains	WY	Northern Arapahoe	$208,303	$233,488	$268,170	$293,594	$319,969
Northern Plains	WY	Shoshone Tribe of the Wind River Res.	$208,303	$233,488	$268,170	$293,594	$319,969
Northwest	ID	Coeur D'Alene Tribe	$236,351	$264,366	$302,820	$331,069	$360,530
Northwest	ID	Fort Hall Shoshone-Bannock	$226,156	$253,128	$290,189	$317,396	$345,724
Northwest	ID	Kootenai Tribe	$236,351	$264,366	$302,820	$331,069	$360,530
Northwest	ID	Nez Perce Tribe	$239,414	$267,727	$306,576	$335,120	$364,909
Northwest	OR	Burns-Paiute Tribe	$253,629	$283,581	$324,670	$354,864	$386,387
Northwest	OR	Coos Bay Confederated Tribes	$258,129	$288,826	$330,986	$361,945	$394,205
Northwest	OR	Coquille Indian Tribe	$258,129	$288,826	$330,986	$361,945	$394,205

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Northwest	OR	Cow Creek Tribes	$258,129	$288,826	$330,986	$361,945	$394,205
Northwest	OR	Grand Ronde Confederated Tribes	$259,660	$290,507	$332,864	$363,971	$396,394
Northwest	OR	Klamath Indian Tribe	$252,098	$281,901	$322,792	$352,838	$384,197
Northwest	OR	Siletz Confederated Tribes	$259,660	$290,507	$332,864	$363,971	$396,394
Northwest	OR	Umatilla Confederated Tribes	$252,577	$282,529	$323,646	$353,848	$385,343
Northwest	OR	Warm Springs Confederated Tribes	$255,640	$285,890	$327,401	$357,900	$389,723
Northwest	WA	Chehalis Confederated Tribes	$265,691	$297,432	$341,058	$373,078	$406,402
Northwest	WA	Colville Confederated Tribes	$253,486	$283,886	$325,695	$356,370	$388,260
Northwest	WA	Cowlitz	$253,055	$283,157	$324,500	$354,858	$386,490
Northwest	WA	Hoh Indian Tribe	$273,780	$306,564	$351,641	$384,719	$419,121
Northwest	WA	Jamestown S'Klallam Tribe	$265,739	$297,331	$340,716	$372,576	$405,778
Northwest	WA	Kalispel Indian Community	$261,144	$292,289	$335,083	$366,499	$399,209
Northwest	WA	Lower Elwha Tribal Community	$265,739	$297,331	$340,716	$372,576	$405,778
Northwest	WA	Lummi Tribe	$269,807	$301,846	$345,837	$378,146	$411,825
Northwest	WA	Makah Indian Tribe	$273,780	$306,564	$351,641	$384,719	$419,121
Northwest	WA	Muckleshoot Indian Tribe	$275,839	$308,771	$354,031	$387,253	$421,833
Northwest	WA	Nisqually Indian Community	$273,780	$306,564	$351,641	$384,719	$419,121
Northwest	WA	Nooksack Tribe	$269,807	$301,846	$345,837	$378,146	$411,825
Northwest	WA	Port Gamble S'Klallam Tribe	$265,739	$297,331	$340,716	$372,576	$405,778
Northwest	WA	Puyallup Tribe	$275,839	$308,771	$354,031	$387,253	$421,833
Northwest	WA	Quileute Tribe	$273,780	$306,564	$351,641	$384,719	$419,121
Northwest	WA	Quinault Tribe	$270,717	$303,203	$347,886	$380,667	$414,742
Northwest	WA	Samish Nation	$269,807	$301,846	$345,837	$378,146	$411,825
Northwest	WA	Sauk-Suiattle Indian Tribe	$269,807	$301,846	$345,837	$378,146	$411,825
Northwest	WA	Shoalwater Bay Tribe	$270,717	$303,203	$347,886	$380,667	$414,742
Northwest	WA	Skokomish Indian Tribe	$270,717	$303,203	$347,886	$380,667	$414,742
Northwest	WA	Snoqualmie	$269,807	$301,846	$345,837	$378,146	$411,825
Northwest	WA	Spokane Tribe	$261,144	$292,289	$335,083	$366,499	$399,209
Northwest	WA	Squaxin Island Tribe	$270,717	$303,203	$347,886	$380,667	$414,742
Northwest	WA	Stillaguamish Tribe	$269,807	$301,846	$345,837	$378,146	$411,825
Northwest	WA	Suquamish Tribal Council	$273,780	$306,564	$351,641	$384,719	$419,121
Northwest	WA	Swinomish Indians	$269,807	$301,846	$345,837	$378,146	$411,825
Northwest	WA	Tulalip Tribes	$275,839	$308,771	$354,031	$387,253	$421,833
Northwest	WA	Upper Skagit Tribe	$269,807	$301,846	$345,837	$378,146	$411,825
Northwest	WA	Yakama Indian Nation	$258,129	$288,826	$335,408	$366,859	$399,605
Southern Plains	KS	Iowa Tribe of Kansas and Nebraska	$226,674	$254,581	$291,385	$316,471	$344,883
Southern Plains	KS	Kickapoo Tribe	$196,943	$221,875	$254,906	$277,358	$302,594
Southern Plains	KS	Prairie Band of Potawatomi	$196,943	$221,875	$254,906	$277,358	$302,594
Southern Plains	KS	Sac and Fox of Missouri	$196,943	$221,875	$254,906	$277,358	$302,594

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Southern Plains	LA	Chitimacha Tribe	$196,029	$220,394	$252,578	$274,494	$299,251
Southern Plains	LA	Coushatta Tribe	$196,029	$220,394	$252,578	$274,494	$299,251
Southern Plains	LA	Jena Band of Choctaw	$181,871	$204,820	$235,207	$255,868	$279,113
Southern Plains	LA	Tunica-Biloxi Tribe	$181,871	$204,820	$235,207	$255,868	$279,113
Southern Plains	OK	Absentee-Shawnee	$187,367	$211,024	$242,352	$263,652	$287,612
Southern Plains	OK	Alabama-Quassarte Tribal Town	$180,288	$203,237	$233,667	$254,340	$277,543
Southern Plains	OK	Apache Tribe	$184,509	$207,458	$237,774	$258,416	$281,731
Southern Plains	OK	Caddo Tribe	$184,509	$207,458	$237,774	$258,416	$281,731
Southern Plains	OK	Cherokee Nation	$180,288	$203,237	$233,667	$254,340	$277,543
Southern Plains	OK	Cheyenne-Arapaho Tribes	$190,559	$214,641	$246,537	$268,221	$292,606
Southern Plains	OK	Chickasaw	$180,262	$202,785	$232,562	$252,829	$275,689
Southern Plains	OK	Choctaw Nation	$188,783	$212,581	$244,090	$265,515	$289,625
Southern Plains	OK	Citizen Band Potawatomi Tribe	$187,367	$211,024	$242,352	$263,652	$287,612
Southern Plains	OK	Comanche Tribe	$185,925	$209,015	$239,511	$260,279	$283,744
Southern Plains	OK	Delaware Tribe	$184,509	$207,458	$237,774	$258,416	$281,731
Southern Plains	OK	Delaware Tribe of Indians (Eastern)	$180,288	$203,237	$233,667	$254,340	$277,543
Southern Plains	OK	Eastern Shawnee Tribe	$200,276	$225,066	$257,789	$280,081	$305,292
Southern Plains	OK	Fort Sill Apache Tribe	$184,509	$207,458	$237,774	$258,416	$281,731
Southern Plains	OK	Iowa Tribe of Oklahoma	$188,783	$212,581	$244,090	$265,515	$289,625
Southern Plains	OK	Kaw Tribe	$190,559	$214,641	$246,537	$268,221	$292,606
Southern Plains	OK	Kialegee Tribal Town	$187,367	$211,024	$242,352	$263,652	$287,612
Southern Plains	OK	Kickapoo Tribe of Oklahoma	$184,702	$207,934	$238,681	$259,593	$283,141
Southern Plains	OK	Kiowa Tribe	$184,509	$207,458	$237,774	$258,416	$281,731
Southern Plains	OK	Loyal Shawnee of OK	$202,940	$228,156	$261,460	$284,140	$309,763
Southern Plains	OK	Miami Tribe	$200,276	$225,066	$257,789	$280,081	$305,292
Southern Plains	OK	Modoc Tribe	$200,276	$225,066	$257,789	$280,081	$305,292
Southern Plains	OK	Muskogee (Creek) Nation	$180,288	$203,237	$233,667	$254,340	$277,543
Southern Plains	OK	Osage Tribe	$185,230	$208,462	$239,195	$260,103	$283,664
Southern Plains	OK	Otoe-Missouria Tribe	$190,559	$214,641	$246,537	$268,221	$292,606
Southern Plains	OK	Ottawa Tribe	$200,276	$225,066	$257,789	$280,081	$305,292
Southern Plains	OK	Pawnee Tribe	$190,559	$214,641	$246,537	$268,221	$292,606
Southern Plains	OK	Peoria Tribe	$200,276	$225,066	$257,789	$280,081	$305,292
Southern Plains	OK	Ponca Tribe	$190,559	$214,641	$246,537	$268,221	$292,606
Southern Plains	OK	Quapaw Tribe	$200,276	$225,066	$257,789	$280,081	$305,292
Southern Plains	OK	Sac and Fox Tribe	$187,367	$211,024	$242,352	$263,652	$287,612
Southern Plains	OK	Seminole Nation	$184,702	$207,934	$238,681	$259,593	$283,141
Southern Plains	OK	Seneca-Cayuga	$200,276	$225,066	$257,789	$280,081	$305,292
Southern Plains	OK	Thlopthlocco Tribal Town	$187,367	$211,024	$242,352	$263,652	$287,612
Southern Plains	OK	Tonkawa Tribe	$190,559	$214,641	$246,537	$268,221	$292,606

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Southern Plains	OK	United Keetoowah	$180,288	$203,237	$233,667	$254,340	$277,543
Southern Plains	OK	Wichita Tribe	$184,509	$207,458	$237,774	$258,416	$281,731
Southern Plains	OK	Wyandotte	$200,276	$225,066	$257,789	$280,081	$305,292
Southern Plains	TX	Alabama-Coushatta	$186,646	$210,019	$240,932	$261,966	$285,678
Southern Plains	TX	Texas Band of Kickapoo Indians	$176,014	$198,113	$227,351	$247,241	$269,648
Southwest	AZ	Ak-Chin Papago	$225,151	$251,974	$288,824	$315,878	$344,056
Southwest	AZ	Cocopah Tribe	$228,214	$255,335	$292,579	$319,930	$348,435
Southwest	AZ	Fort McDowell Mohave Apache	$225,151	$251,974	$288,824	$315,878	$344,056
Southwest	AZ	Fort Mojave Tribe	$242,717	$272,224	$312,894	$342,691	$373,557
Southwest	AZ	Gila River	$228,214	$255,335	$292,579	$319,930	$348,435
Southwest	AZ	Havasupai	$392,195	$439,061	$503,479	$550,758	$599,959
Southwest	AZ	Hopi	$230,703	$258,271	$296,164	$323,975	$352,917
Southwest	AZ	Hualapai	$218,929	$245,455	$281,997	$308,779	$336,546
Southwest	AZ	Kaibab Band of Paiute	$230,703	$258,271	$296,164	$323,975	$352,917
Southwest	AZ	Navajo Nation	$230,703	$258,271	$296,164	$323,975	$352,917
Southwest	AZ	Pascua Yaqui Tribe	$224,624	$251,448	$288,312	$315,370	$343,534
Southwest	AZ	Payson Tonto Apache	$216,919	$243,146	$279,265	$305,743	$333,210
Southwest	AZ	Salt River PIma-Maricopa	$228,214	$255,335	$292,579	$319,930	$348,435
Southwest	AZ	San Carlos Apache	$212,898	$238,529	$273,803	$299,672	$326,538
Southwest	AZ	San Juan Southern Paiute Tribe	$230,703	$258,271	$296,164	$323,975	$352,917
Southwest	AZ	Tohono O'Odham Nation	$228,214	$255,335	$292,579	$319,930	$348,435
Southwest	AZ	White Mountain Apache (Fort Apache)	$212,898	$238,529	$273,803	$299,672	$326,538
Southwest	AZ	Yavapai-Apache (Camp Verde)	$218,929	$245,455	$281,997	$308,779	$336,546
Southwest	AZ	Yavapai-Prescott	$218,929	$245,455	$281,997	$308,779	$336,546
Southwest	CA	Agua Caliente Band of Cahuilla	$255,764	$287,637	$329,756	$358,430	$390,798
Southwest	CA	Alturas Rancheria	$289,623	$323,897	$370,929	$405,485	$441,540
Southwest	CA	Auburn Rancheria	$291,154	$325,577	$372,807	$407,511	$443,729
Southwest	CA	Augustine Band of Cahuilla	$255,764	$287,637	$329,756	$358,430	$390,798
Southwest	CA	Barona	$249,740	$280,905	$322,098	$350,137	$381,776
Southwest	CA	Berry Creek Rancheria	$291,154	$325,577	$372,807	$407,511	$443,729
Southwest	CA	Big Lagoon Rancheria	$300,201	$335,965	$385,098	$421,171	$458,741
Southwest	CA	Big Pine Band	$278,902	$312,133	$357,786	$391,304	$426,212
Southwest	CA	Big Sandy Rancheria	$293,644	$328,513	$376,392	$411,556	$448,211
Southwest	CA	Big Valley Rancheria	$303,407	$339,022	$387,828	$423,717	$461,247
Southwest	CA	Blue Lake Rancheria	$300,201	$335,965	$385,098	$421,171	$458,741
Southwest	CA	Bridgeport Paiute Indian Colony	$278,902	$312,133	$357,786	$391,304	$426,212
Southwest	CA	Buena Vista Rancheria	$291,154	$325,577	$372,807	$407,511	$443,729
Southwest	CA	Cabazon Band	$255,764	$287,637	$329,756	$358,430	$390,798
Southwest	CA	Cahuilla Band	$255,764	$287,637	$329,756	$358,430	$390,798

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Southwest	CA	Camp Antelope Tribe	$278,902	$312,133	$357,786	$391,304	$426,212
Southwest	CA	Campo Band	$249,740	$280,905	$322,098	$350,137	$381,776
Southwest	CA	Cedarville Rancheria	$289,623	$323,897	$370,929	$405,485	$441,540
Southwest	CA	Chemehuevi	$254,348	$286,080	$328,019	$356,568	$388,784
Southwest	CA	Chicken Ranch Rancheria	$289,623	$323,897	$370,929	$405,485	$441,540
Southwest	CA	Chico Rancheria	$291,154	$325,577	$372,807	$407,511	$443,729
Southwest	CA	Cloverdale Rancheria	$305,418	$341,330	$390,559	$426,753	$464,583
Southwest	CA	Cold Springs Rancheria	$293,644	$328,513	$376,392	$411,556	$448,211
Southwest	CA	Colorado River Indian Tribes	$254,348	$286,080	$328,019	$356,568	$388,784
Southwest	CA	Colusa Rancheria	$291,154	$325,577	$372,807	$407,511	$443,729
Southwest	CA	Cortina Rancheria	$291,154	$325,577	$372,807	$407,511	$443,729
Southwest	CA	Coyote Valley Band	$303,407	$339,022	$387,828	$423,717	$461,247
Southwest	CA	Cuyapaipe Community	$249,740	$280,905	$322,098	$350,137	$381,776
Southwest	CA	Death Valley Timba-Sha	$278,902	$312,133	$357,786	$391,304	$426,212
Southwest	CA	Dry Creek Rancheria	$305,418	$341,330	$390,559	$426,753	$464,583
Southwest	CA	Elk Valley Rancheria	$291,154	$325,577	$372,807	$407,511	$443,729
Southwest	CA	Enterprise Rancheria	$291,154	$325,577	$372,807	$407,511	$443,729
Southwest	CA	Fort Bidwell	$286,607	$320,434	$366,832	$400,931	$436,536
Southwest	CA	Fort Independence	$278,902	$312,133	$357,786	$391,304	$426,212
Southwest	CA	Graton Rancheria	$322,074	$360,223	$412,580	$451,044	$491,167
Southwest	CA	Greenville Rancheria	$291,154	$325,577	$372,807	$407,511	$443,729
Southwest	CA	Grindstone Rancheria	$288,139	$322,114	$368,710	$402,957	$438,725
Southwest	CA	Guidiville Rancheria	$303,407	$339,022	$387,828	$423,717	$461,247
Southwest	CA	Hoopa Valley	$300,201	$335,965	$385,098	$421,171	$458,741
Southwest	CA	Hopland Rancheria	$303,407	$339,022	$387,828	$423,717	$461,247
Southwest	CA	Inaja Band	$249,740	$280,905	$322,098	$350,137	$381,776
Southwest	CA	Ione Band of Miwok Indians	$291,154	$325,577	$372,807	$407,511	$443,729
Southwest	CA	Jackson Rancheria	$291,154	$325,577	$372,807	$407,511	$443,729
Southwest	CA	Jamul Indian Village	$249,740	$280,905	$322,098	$350,137	$381,776
Southwest	CA	Karuk	$300,201	$335,965	$385,098	$421,171	$458,741
Southwest	CA	La Jolla Band	$249,740	$280,905	$322,098	$350,137	$381,776
Southwest	CA	La Posta Band	$251,156	$282,463	$323,835	$351,999	$383,790
Southwest	CA	Laytonville Rancheria	$303,407	$339,022	$387,828	$423,717	$461,247
Southwest	CA	Lone Pine Paiute-Shoshone	$275,886	$308,670	$353,689	$386,751	$421,208
Southwest	CA	Los Coyotes Band of Cahuilla	$249,740	$280,905	$322,098	$350,137	$381,776
Southwest	CA	Lower Lake Rancheria	$305,418	$341,330	$390,559	$426,753	$464,583
Southwest	CA	Lytton Rancheria of California	$305,418	$341,330	$390,559	$426,753	$464,583
Southwest	CA	Manchester Point Arena Rancheria	$303,407	$339,022	$387,828	$423,717	$461,247
Southwest	CA	Manzanita Band	$249,740	$280,905	$322,098	$350,137	$381,776

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Southwest	CA	Mesa Grande Band	$249,740	$280,905	$322,098	$350,137	$381,776
Southwest	CA	Middletown Rancheria	$303,407	$339,022	$387,828	$423,717	$461,247
Southwest	CA	Mooretown Rancheria	$291,154	$325,577	$372,807	$407,511	$443,729
Southwest	CA	Morongo Band of Cahuilla	$254,709	$286,582	$328,730	$357,411	$389,751
Southwest	CA	North Fork Rancheria	$289,623	$323,897	$370,929	$405,485	$441,540
Southwest	CA	Paiute-Shoshone of Bishop Colony	$278,902	$312,133	$357,786	$391,304	$426,212
Southwest	CA	Pala Bank	$249,740	$280,905	$322,098	$350,137	$381,776
Southwest	CA	Paskenta Band of Nomlaki Indian	$291,154	$325,577	$372,807	$407,511	$443,729
Southwest	CA	Pauma Band	$249,740	$280,905	$322,098	$350,137	$381,776
Southwest	CA	Pechanga Band	$255,764	$287,637	$329,756	$358,430	$390,798
Southwest	CA	Picayune Rancheria	$289,623	$323,897	$370,929	$405,485	$441,540
Southwest	CA	Pinoleville Rancheria	$303,407	$339,022	$387,828	$423,717	$461,247
Southwest	CA	Pit River Tribe	$298,191	$333,657	$382,367	$418,135	$455,405
Southwest	CA	Potter Valley Rancheria	$303,407	$339,022	$387,828	$423,717	$461,247
Southwest	CA	Quartz Valley Rancheria	$300,201	$335,965	$385,098	$421,171	$458,741
Southwest	CA	Quechan Tribe	$249,380	$280,403	$321,387	$349,293	$380,810
Southwest	CA	Ramona Band	$255,764	$287,637	$329,756	$358,430	$390,798
Southwest	CA	Redding Rancheria	$298,191	$333,657	$382,367	$418,135	$455,405
Southwest	CA	Redwood Valley Rancheria	$303,407	$339,022	$387,828	$423,717	$461,247
Southwest	CA	Resighini Rancheria	$291,154	$325,577	$372,807	$407,511	$443,729
Southwest	CA	Rincon Reservation	$249,740	$280,905	$322,098	$350,137	$381,776
Southwest	CA	Robinson Rancheria	$303,407	$339,022	$387,828	$423,717	$461,247
Southwest	CA	Rohnerville Rancheria	$300,201	$335,965	$385,098	$421,171	$458,741
Southwest	CA	Round Valley Rancheria	$303,407	$339,022	$387,828	$423,717	$461,247
Southwest	CA	Rumsey Rancheria	$291,154	$325,577	$372,807	$407,511	$443,729
Southwest	CA	San Manuel Band	$254,348	$286,080	$328,019	$356,568	$388,784
Southwest	CA	San Pasqual Band	$249,740	$280,905	$322,098	$350,137	$381,776
Southwest	CA	San Rosa Band of Cahuilla	$255,764	$287,637	$329,756	$358,430	$390,798
Southwest	CA	San Ysabel Reservation	$249,740	$280,905	$322,098	$350,137	$381,776
Southwest	CA	Santa Rosa Rancheria	$274,402	$306,888	$351,470	$384,223	$418,394
Southwest	CA	Santa Ynez Band of Chumash	$287,517	$321,791	$368,882	$403,453	$439,453
Southwest	CA	Scotts Valley (Pomo)	$303,407	$339,022	$387,828	$423,717	$461,247
Southwest	CA	Sheep Rancheria	$291,154	$325,577	$372,807	$407,511	$443,729
Southwest	CA	Sherwood Valley Rancheria	$303,407	$339,022	$387,828	$423,717	$461,247
Southwest	CA	Shingle Springs Rancheria	$291,154	$325,577	$372,807	$407,511	$443,729
Southwest	CA	Smith River Rancheria	$291,154	$325,577	$372,807	$407,511	$443,729
Southwest	CA	Soboba Band	$255,764	$287,637	$329,756	$358,430	$390,798
Southwest	CA	Stewarts Point Rancheria	$305,418	$341,330	$390,559	$426,753	$464,583
Southwest	CA	Sulphur Bank Rancheria	$303,407	$339,022	$387,828	$423,717	$461,247

Total Development Costs - Revised November 2012

Southwest	CA	Susanville Rancheria	$286,607	$320,434	$366,832	$400,931	$436,536
Southwest	CA	Sycuan Band	$249,740	$280,905	$322,098	$350,137	$381,776
Southwest	CA	Table Bluff Rancheria	$300,201	$335,965	$385,098	$421,171	$458,741
Southwest	CA	Table Mountain Rancheria	$293,644	$328,513	$376,392	$411,556	$448,211
Southwest	CA	Tejon Tribe	$254,348	$286,080	$328,019	$356,568	$388,784
Southwest	CA	Torres-Martinez Band of Cahuilla	$254,709	$286,582	$328,730	$357,411	$389,751
Southwest	CA	Trinidad Rancheria	$300,201	$335,965	$385,098	$421,171	$458,741
Southwest	CA	Tule River Indian Tribe	$284,454	$318,430	$365,126	$399,401	$435,073
Southwest	CA	Tuolumne Rancheria	$289,623	$323,897	$370,929	$405,485	$441,540
Southwest	CA	Twenty Nine Palms Band	$254,348	$286,080	$328,019	$356,568	$388,784
Southwest	CA	Upper Lake Rancheria	$303,407	$339,022	$387,828	$423,717	$461,247
Southwest	CA	Utu Utu Gwaiti Paiute	$278,902	$312,133	$357,786	$391,304	$426,212
Southwest	CA	Viejas Group of Capitan Grande	$249,740	$280,905	$322,098	$350,137	$381,776
Southwest	CA	Wilton Rancheria	$268,866	$302,156	$346,101	$376,037	$409,889
Southwest	CA	Yurok Tribe	$300,201	$335,965	$385,098	$421,171	$458,741
Southwest	NM	Acoma Pueblo	$220,077	$246,304	$282,337	$308,791	$336,340
Southwest	NM	Cochiti Pueblo	$220,077	$246,304	$282,337	$308,791	$336,340
Southwest	NM	Isleta Pueblo	$219,072	$245,150	$280,971	$307,273	$334,672
Southwest	NM	Jemez Pueblo	$220,077	$246,304	$282,337	$308,791	$336,340
Southwest	NM	Jicarilla Reservation	$220,077	$246,304	$282,337	$308,791	$336,340
Southwest	NM	Laguna Pueblo	$219,072	$245,150	$280,971	$307,273	$334,672
Southwest	NM	Mescalero Reservation	$215,051	$240,533	$275,509	$301,202	$328,001
Southwest	NM	Nambe Pueblo	$227,640	$254,910	$292,409	$319,924	$348,538
Southwest	NM	Pojoaque Pueblo	$227,640	$254,910	$292,409	$319,924	$348,538
Southwest	NM	Picuris Pueblo	$221,609	$247,985	$284,215	$310,817	$338,530
Southwest	NM	San Felipe Pueblo	$220,077	$246,304	$282,337	$308,791	$336,340
Southwest	NM	San Ildefonso Pueblo	$220,077	$246,304	$282,337	$308,791	$336,340
Southwest	NM	San Juan Pueblo	$221,609	$247,985	$284,215	$310,817	$338,530
Southwest	NM	Sandia Pueblo	$219,072	$245,150	$280,971	$307,273	$334,672
Southwest	NM	Santa Ana Pueblo	$220,077	$246,304	$282,337	$308,791	$336,340
Southwest	NM	Santa Clara Pueblo	$220,077	$246,304	$282,337	$308,791	$336,340
Southwest	NM	Santo Domingo Pueblo	$220,077	$246,304	$282,337	$308,791	$336,340
Southwest	NM	Taos Pueblo	$221,609	$247,985	$284,215	$310,817	$338,530
Southwest	NM	Tesuque Pueblo	$227,640	$254,910	$292,409	$319,924	$348,538
Southwest	NM	Zia Pueblo	$220,077	$246,304	$282,337	$308,791	$336,340
Southwest	NM	Zuni Tribe	$219,072	$245,150	$280,971	$307,273	$334,672
Southwest	NV	Duck Valley Shoshone-Paiute	$248,460	$278,115	$318,867	$348,781	$379,921
Southwest	NV	Duckwater Shoshone	$261,287	$291,984	$334,058	$364,993	$397,335
Southwest	NV	Ely Shoshone	$255,161	$285,262	$326,547	$356,890	$388,576

Total Development Costs - Revised November 2012

Southwest	NV	Fallon Paiute-Shoshone	$245,493	$274,551	$314,428	$343,725	$374,292
Southwest	NV	Las Vegas Colony	$261,287	$291,984	$334,058	$364,993	$397,335
Southwest	NV	Lovelock Colony	$247,503	$276,859	$317,159	$346,761	$377,628
Southwest	NV	Moapa Band of Paiute	$261,287	$291,984	$334,058	$364,993	$397,335
Southwest	NV	Pyramid Lake Paiute	$250,518	$280,322	$321,256	$351,314	$382,632
Southwest	NV	Reno-Sparks Colony	$250,518	$280,322	$321,256	$351,314	$382,632
Southwest	NV	Summit Lake Paiute Tribe	$247,503	$276,859	$317,159	$346,761	$377,628
Southwest	NV	Te-Moak	$248,460	$278,115	$318,867	$348,781	$379,921
Southwest	NV	Walker River Paiute Tribe	$247,503	$276,859	$317,159	$346,761	$377,628
Southwest	NV	Washoe Tribe	$247,503	$276,859	$317,159	$346,761	$377,628
Southwest	NV	Winnemucca Colony	$247,503	$276,859	$317,159	$346,761	$377,628
Southwest	NV	Yerington Paiute Tribe	$247,503	$276,859	$317,159	$346,761	$377,628
Southwest	NV	Yomba Shoshone Tribe	$261,287	$291,984	$334,058	$364,993	$397,335
Southwest	NV	Fort McDermitt Paiute and Shoshone	$251,045	$280,848	$321,768	$351,822	$383,154
Southwest	TX	Ysleta Del Sur	$204,809	$229,397	$263,219	$288,031	$313,819

Exhibit H

Certification of Cold Weather Development and Construction Experience

Project: _____

Principal Claiming Points:_____

List all current and past developments, regardless of continued involvement, for all residential LIHTC projects developed above the 40 degrees north parallel.

Property Name	City, State	Total # of Units	Principal's Role	Status (In Progress, Complete)	8609 Issued (Y/N)

_____
Signature of Principal

_____
Title

_____
Date

Thomas
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January 9, 2014

Via Email: ***mbair@mt.gov***

Ms. Mary Bair
Multifamily Program Manager
Montana Board of Housing
301 South Park Avenue, Suite 240
Helena, Montana 59601

RE: 2015 Qualified Allocation Plan

Dear Mary:

I am sorry a scheduling conflict prevented me from attending the Wednesday webinar. Claire advised me MBOH wishes to receive written comments. We have very few.

Section 1 – Definitions: Cost per square foot – I would suggest you tighten the project square footage definition. I suggest it be limited to space which is conditioned, and by that I mean space that is heated and/or cooled. Some states have run into confusion with developers claiming that covered porches, patios, garages, etc. are included in project square footage, which we do not believe is correct.

The Experienced Developer Partner definitions both seem fine.

Limitation on Soft Costs – This generally seems alright. Without actually running it through an application, I cannot comment specifically.

Maximum Rents – This definition troubles me a bit. If the market study, for example or market conditions subsequent to development, are such that maximum target rents cannot be obtained, achieving those goals could result in excessive vacancy and negative net operating income.

Development Evaluation Criteria and Scoring – I note you are expanding to a 900 point scale. It is interesting that Idaho Housing, which has for years had a 265 point± scale, has now reduced their scoring to 100 points. We advised IHFA that we believe this is unwise.

The project location points generally seem alright. Other states have sometimes been tripped up by not being very specific on what is meant by for example "shopping". I think you have done a fine job.

Community Input – In response to MBOH inquiries indicates "community input", is this a neighborhood meeting or city council? If neighborhood meeting, should the mailing notices coincide with those required for local entitlements, such as conditional use, rezone, etc.? Those are typically 300 foot radius. You might clarify what "evidence of qualifying community input" means.

Appropriate Size – I presume the determination of appropriate size is made at the time the application is submitted and supported by the market study?

Appropriate Development Type – The language suggesting the market study should explain and justify the selection of the type of construction, etc. goes substantially beyond what we typically see market analysts provide. Have you run this by one or more market study providers to see if they are willing to opine on these questions?

Absorption Rate is Less Than Four Months – This, by definition advantages smaller developments at the expense of larger developments. We suggest a more appropriate criteria would be absorption rate per month.

Preservation of Affordable Housing Projects – We suggest you insert the words "and/or" between state or federal.

Amenities – I cannot follow the arithmetic here. If a maximum of three amenities get ten points each, how do we get to forty points?

Green Building and Energy Conservation Standards – We are fine with the requirement for blower door tests on new construction developments, as they are a standard part of Energy Star/USGBC LEED for Homes/Enterprise Green Criteria. However, we view the blower door test requirement for acquisition/rehabilitations as problematic and cost-prohibitive.

Demonstration of Montana Presence – As Idaho developers who have surrounded ourselves with Montana team members, we are nonetheless fine with excluding this section.

Please post all comments made to the draft QAP to your website. Thank you Mary.

Sincerely,

THOMAS DEVELOPMENT CO.

By Barbara Mauk FOR
Thomas C. Mannschreck, President

TCM:smh
cc: Kellie Guariglia
Bruce Brensdal
Claire Casazza

Montana Board of Housing
Matrix Summary of Comments and MBOH Staff's Proposed Changes and Responses

#	Section	Commenter(s)	Comment	Staff Proposed Response
1	General	Homeword	HTC used for Housing Tax Credit is also used for Historic Tax Credits so could be confusing	Staff proposes renaming the tax credit as "Montana Housing Tax Credit" or "MHTC."
2	General	MPEG	Use a more standard numbering format to make the QAP easier to use	Staff proposes reformatting and numbering as shown in the proposed draft.
3	1 – Definitions	Pat Melby	Definitions are not listed alphabetically	Definitions have been put in alphabetic order.
4	1 – Definitions	MPEG	Definition of Contractors Overhead is improperly defined	Staff proposes revised definition language.
5	1 – Definitions	Homeword	Cost per Square Foot should reference UNI APP	Staff has proposed additional language.
6	1 – Definitions	Thomas Dev	Tighten the definition of cost per square foot to space that is conditioned	Staff proposes revised definition language.
7	1 – Definitions	HDA Mgmt	Clarify the definition of Elderly Property	Staff proposes revised definition language.
8	1 – Definitions	Homeword	Do not include gut Rehab in New Construction but rather have a definition for Minor, Moderate and Major Rehabilitation.	Staff proposes additional definition language.
9	1 – Definitions	Homeword	Preservation definition should be clarified as HTC for Rehabilitation	Staff proposes revised definition language.
10	1 – Definitions	Homeword	Expand Small Projects definition to include Small Rural Projects.	Staff believes the definition is appropriate as proposed.
11	2 – Overview	MPEG	Since 9% is not a set rate but floating make this clear	Staff proposes additional language.
12	3 – Sources and Uses	Homeword	Describe formal process for updating on any 10% change.	Staff proposes additional language.
13	3 – Per Unit Cost Limit	Homeword	Should there be an exception process for per unit cost limit.	Staff believes this is a policy decision for the Board.
14	3 – Per Unit Cost Limit	Travois	Provide per unit cost limitation for tribal projects according to HUD's Total Development Cost (TDC) limits	Staff believes this is a policy decision for the Board.

#	Section	Commenter(s)	Comment	Staff Proposed Response
15	3 – Soft Cost Limit	Homeword	Should there be an exception process for soft cost limit.	Staff believes this is a policy decision for the Board
16	3 – Project Accessibility	Homeword	Clarify last sentence in opening paragraph "..that at least replaces interior walls and doors.."	Staff proposes revised language.
17	3 – Maximum Rents	Housing Solutions	Concern over implementation and unintended consequences	Staff proposes revised language.
18	3 – Maximum Rents	Thomas Dev	This is troubling since it may be limiting	Staff proposes revised language.
19	3 – Healthy Living Enviro	Riverstone Health	Require smoke free policy and lease language for all HTC Projects awarded	Staff believes this is a policy decision for the Board.
20	3 – Healthy Living Enviro	Montana Health Professionals	Require smoke free policy and lease language for all HTC Projects awarded	Staff believes this is a policy decision for the Board.
21	3 – Healthy Living Enviro	Alliance for a Healthy MT	Require smoke free policy and lease language for all HTC Projects awarded	Staff believes this is a policy decision for the Board.
22	3 – Healthy Living Enviro	MT DPHHS Tobacco Use Prevention Prog	Require smoke free policy and lease language for all HTC Projects awarded	Staff believes this is a policy decision for the Board.
23	3 – Healthy Living Enviro	M+R Strategic Services	Require smoke free policy and lease language for all HTC Projects awarded	Staff believes this is a policy decision for the Board.
24	3 – Healthy Living Enviro	Lewis & Clark County Health Dept	Require smoke free policy and lease language for all HTC Projects awarded	Staff believes this is a policy decision for the Board.
25	4 - Presentations	Pat Melby	Extend maximum presentation time from 10 minutes to 20 minutes	Staff believes this is a procedural decision for the Board.
26	4 – Fist Round	MPEG	Eliminate Letter of Intent or simplify it	Staff believes the Letter of Intent requirement is reasonable and has proposed additional language to clarify what is required.
27	5 – Fees	MPEG	1% increase affects soft cost calculation and 1.5% application fee is too high and can be a disincentive to apply	Staff believes that the fee increase and the letter of intent and application fee levels are reasonable and justified by program costs.

#	Section	Commenter(s)	Comment	Staff Proposed Response
28	7 – Corrective Award	Homeword	Consider charging another reservation fee since full underwriting is conducted by staff	Staff has proposed additional language to clarify that the corrective awardee must pay the reservation fee after the corrective award is made.
29	8 – Letter of Intent	MPEG	Eliminate Letter of Intent or simplify it. Possibly delete exhibit and only have letter.	Staff believes the Letter of Intent requirement is reasonable and has proposed additional language to clarify what is required.
30	9 – Evaluation and Award	MPEG	Should not underwrite Letter of Intent	Staff agrees and has proposed language revisions to eliminate underwriting of the Letter of Intent.
31	9 – Evaluation and Award	Homeword	The criteria should be expanded to indicate how points are earned within a point range	Staff will consider further such expansions for the 2016 QAP.
32	9 – Minimum Score	MPEG	The 900 minimum score is a higher standard than last year (19% vs 23% of available points) 855 minimum score would meet last year's standard	This increase in the minimum score is intentional. It is intended to raise the bar for award consideration.
33	9 – Criteria 4	MBOH Staff	Clarify that community revitalization plan needs to be a local plan and not a state or national plan	Staff has proposed language to revise this provision.
34	9 – Criteria 4	Housing Solutions	Should give points throughout the range by ranking projects best to worst and assigning points	Staff will consider further such expansions for the 2016 QAP.
35	9 – Criteria 4	Homeword	Should allow meeting to be combined with other meetings as way to boost attendance.	Staff has proposed language to revise this provision.
36	9 – Criteria 4	Housing Solutions	Should allow meeting to be combined with other meetings as way to boost attendance.	Staff has proposed language to revise this provision.
37	9 – Criteria 4	Thomas Dev	Clarify what "evidence of qualifying community input" means	Staff has proposed language to clarify this requirement.
38	9 – Criteria 4	Thomas Dev	Is appropriate size determined at application and supported by the market study	The QAP states that points will be awarded for the appropriateness of size of the development for market needs and concerns as reflected in the Market Study, which is included as part of the Application.

#	Section	Commenter(s)	Comment	Staff Proposed Response
39	9 – Criteria 4	Thomas Dev	Will a market analyst be willing to give an opinion on if the development is the appropriate type	Market studies provided to MBOH have included this type of information and staff has verified with a market analyst that analysts will provide such opinions.
40	9 – Criteria 4	Thomas Dev	May be more appropriate to use absorption per month rather than 4 months	Staff believes that the proposed absorption rate provision is the best approach.
41	9 – Criteria 5	Thomas Dev	Under preservation suggest inserting "and/or" between state or federal	Staff agrees and has proposed to add this language.
42	9 – Criteria 5	Thomas Dev	Seems the math does not work for amenities section	Staff has reviewed this provision and believes that it is appropriate as is.
43	9 – Criteria 5	Homeword	Supports removal of energy section and limiting requirement to building code standards.	Staff acknowledges this support.
44	9 – Criteria 5	Housing Solutions	Supports removal of energy section and limiting requirement to building code standards. May want certification that all have been met by architect at 8609	Staff acknowledges this support. Staff has proposed additional language to assure testing requirements are met by means other than Architect certification.
45	9 – Criteria 5	Housing Solutions	Blower door tests should be done on 10% sample	Staff believes MBOH should defer generally to building code requires, but at least 20% of units should be tested.
46	9 – Criteria 5	Housing Solutions	Blower door tests should not be required other than if required by code	The proposed QAP requires blower tests only where required by building codes, except that the QAP will require testing on a minimum of 20% of units.
47	9 – Criteria 5	Thomas Dev	Blower door test is fine for new construction but could be problematic for rehabs	Staff has proposed language requiring blower door testing only for new construction and proposing a requirement for infrared testing for rehabilitation projects.
48	9 – Criteria 5	MPEG	The blower door requirement is an excessive standard. Either eliminate, do a sample or incentivize rather than require.	Staff believes that State building code blower door testing standards and requirements are a reasonable and appropriate approach to energy conservation.

#	Section	Commenter(s)	Comment	Staff Proposed Response
49	9 – Criteria 5	Summit Independent Living	Requests that in order to receive points the amenity needs to be accessible	Staff believes that points should be awarded for providing these amenities and that accessibility requirements should be mandatory only where otherwise required by law or code.
50	9 – Criteria 6	Travois	Further define cold weather development requirements	Staff has revised the proposed language and has added a proposed form to be adopted as a QAP exhibit for purposes of reporting cold weather development and construction experience.
51	9 – Award Determination	Travois	Strongly recommend deleting clause that the Board can disregard scores	Staff believes that this is a policy decision for the Board.
52	Exhibit B	MPEG	May need to conduct market study before letter of intent which would cause many logistical problems	The proposed QAP language specifically provides that neither a market study nor a mini-market study is required for purposes of the Letter of Intent.
53	Exhibit G	Homeword	Need should be evaluated by units per capita. Absorption rate and market need should be explained to Board so it can be considered appropriately. Include percent of persons/household below poverty.	Staff will consider further refinements to this exhibit for future years.

MONTANA BOARD OF HOUSING

~~HOUSING TAX CREDIT~~MONTANA HOUSING TAX CREDIT PROGRAM

2015 QUALIFIED ALLOCATION PLAN (QAP)

MONTANA BOARD OF HOUSING
PO BOX 200528
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INTRODUCTION

The low income housing tax credit is established under Section 42 of the Internal Revenue Code of 1986. The credit is a federal income tax credit for Owners of qualifying rental housing which meets certain low income occupancy and rent limitation requirements.

Congress established the Low Income Housing Tax Credit program by enactment of the Tax Reform Act of 1986. Montana Board of Housing (MBOH) implemented and began administering the Low Income Housing Tax Credit program in 1987 in the State of Montana. Since then, the program has assisted in providing for the retention, rehabilitation, and construction of rental housing for low income individuals and families for over 6,000 units throughout Montana.

The Omnibus Budget Reconciliation Act of 1989 required the appropriate administering agencies (in this case, MBOH) to allocate credits pursuant to a Qualified Allocation Plan (QAP) which sets forth the priorities, considerations, criteria and process for making Allocations to Projects in Montana. The Omnibus Budget Reconciliation Act of 1993 provided a permanent extension for the Low Income Housing Tax Credit.

Montana Board of Housing (MBOH) is the state agency that allocates the tax credits for housing located in Montana. The per state resident amount of tax credit allocated annually for housing is limited to $2.25 with a minimum cap as allocated by IRS, whichever is larger. The current allocation of Tax Credits plus any inflation factor the IRS may calculate is posted to the MBOH website, normally in August or September each year. Montana receives the minimum cap because of its population.

An Owner must obtain a credit Allocation from MBOH before claiming the tax credit.

This QAP is intended to ensure the selection of those developments which best meet the most pressing housing needs of low income people within the State of Montana in accordance with the guidelines and requirements established by the federal government and the requirements, considerations, factors, limitations, criteria and priorities established by the MBOH Board.

At its December 9, 2013 meeting, the MBOH Board considered and approved public notice and distribution of the proposed 2015 Qualified Allocation Plan (QAP). Public notice of the proposed 2015 QAP and the opportunity for public comment was published and distributed on December 10, 2014 with oral comments received at a public hearing January 8, 2014. At its January 22, 2014 meeting, after considering written and oral public comment on the proposed 2015 QAP, the MBOH Board approved the proposed 2015 QAP for submission to and approval by the Montana Governor. The Governor of Montana, Steve Bullock, approved the plan as the final 2015 QAP on _____, 20___.

MBOH annually makes available for reservation and Allocation its authorized volume cap of credit authority subject to the provisions of this QAP. http://housing.mt.gov/About/MF/lihtcallocation.mcpx MBOH evaluates tax credit Applications, selects the Projects for which tax credits will be reserved, and allocates credits to the selected developments meeting applicable requirements. Federal legislation requires that the administering agency allocate only the amount of credit it determines necessary to the financial feasibility of the development.

Tax credits not Awarded during a given round or any unused credits from earlier rounds may, at the discretion of MBOH, be carried forward for the next round of allocation or, as MBOH determines necessary for financial feasibility, be used to increase the amount of tax credits Awarded for a Project selected for an Award of tax credits in a prior round.

Consistent with the foregoing and notwithstanding any other provision of this QAP, all tax credit Awards are subject to and conditional upon IRS authorization and allocation of tax credits for the State of Montana.

SECTION 1 – DEFINITIONS

As used in this QAP, the following definitions apply unless the context clearly requires a different meaning:

"4% Credits" means ~~HTC~~MHTCs that may be Awarded in accordance with the applicable QAP to Projects with tax-exempt financing under the volume limitation on private activity bonds and outside the competitive allocation process applicable to 9% Credits.

"9% Credits" means ~~HTC~~MHTCs that may be Awarded through the competitive process in accordance with the applicable QAP.

"10% Carryover Cost Certification" means the certification that must be provided to MBOH using the forms provided and including the items specified in Exhibit C to this QAP with respect to a Carryover of a tax credit Allocation.

"Absorption Rate" means the number of months projected in the Application's market study for a Project to become fully leased.

"Acquisition" means obtaining title, lease or other legal control over a property for purposes of an ~~HTC~~MHTC Project.

"Acquisition/Rehab" means Acquisition of a property with one or more existing buildings and renovation meeting Montana's minimum Rehabilitation standard of one or more existing buildings on the property as part of an ~~HTC~~MHTC Project.

"Allocation" means, with respect to ~~HTC~~MHTCs, MBOH issuance of an IRS Form 8609 (Low Income Housing Credit Allocation Certificate) for a Project after building construction or Rehabilitation has been completed and the building has been placed in service.

"Applicant" means the entity identified as such in the Application, and who is and will remain responsible to MBOH for the Application.

"Application" means a request for an Award of ~~HTC~~MHTCs submitted in the form and according to the requirements of this QAP.

"Architect" means a professional licensed by the applicable state authority as a building architect.

"Available Annual Credit Allocation" is defined as and includes the state's actual or estimated credit ceiling for the current year plus any other available credits from prior year credit authority determined as of 20 business days prior to the applicable application deadline, and includes any credits held back pursuant to court order or subject to Award under the Corrective Award set aside.

"Award" means selection of a Project by the MBOH Board to receive a Reservation of ~~HTC~~MHTCs.

"Award Determination Meeting" means the meeting of the MBOH Board at which the Board selects one or more Applicants to receive an Award.

"Carryover" means the process and determination of MBOH by which Awarded and reserved ~~HTC~~MHTCs are continued and carried into the second year after Award of the ~~HTC~~MHTCs, according to the specific requirements of this QAP.

"Cold Weather Development and Construction" means experience of the ~~HTC~~MHTC Developer or Consultant ~~experience~~ on one or more Projects located above the 40 degrees north parallel.

"Compliance Period" means, with respect to any building, the initial period of 15 taxable years beginning with the 1st taxable year of the applicable credit period as provided in 26 U.S.C. § 42.

~~"Contractor's Overhead" means the Project costs for site work, demolition, construction, Rehabilitation, accessory structures, construction contingencies, General Requirements and other construction related costs categorized in accordance with NCSHA standards and contractor's overhead shown in the Applicant's properly completed UniApp Supplement, Section C___, Cost Limitations and Requirements_____.~~

~~"Contractor Profit" means the contractor's profit shown in the Applicant's properly completed UniApp Supplement, Section C___, Cost Limitations and Requirements_____.~~"Consultant" or "~~HTC~~MHTC Consultant" means an individual or entity advising a Developer or Owner with respect to the ~~HTC~~MHTC Application and/or development process.

"Costs Per Square Foot" means Total Project Costs divided by Project Square Footage shown in the Applicant's properly completed UniApp Supplement, Section C, Cost Limitations and Requirements.

"Contractor's Overhead" means the contractor's overhead shown in the Applicant's properly completed UniApp Supplement, Section C, Cost Limitations and Requirements.

"Contractor Profit" means the contractor's profit shown in the Applicant's properly completed UniApp Supplement, Section C, Cost Limitations and Requirements.

"Debt Coverage Ratio" or "DCR" means the ratio of a Project's net operating income (rental income less Operating Expenses and reserve payments) to foreclosable, currently amortizing debt service obligations.

"Design Professional" means a housing/building design professional.

"Developer" means the individual or entity responsible for ~~Application~~development, construction and completion of an ~~HTC~~MHTC Project.

"Developer Fee" means those costs included by the Applicant in the UNIAPP, adjusted as necessary to comply with the maximum Developer's fee specified in Section 3, which are included as Developer's fees by the Cost Analysis.

"Development Evaluation Criteria" means the evaluation and scoring criteria set forth in QAP Section 9, Evaluation and Award.

"Development Team" means and includes the Applicant, Owner, Developer, ~~,~~ General Partner, Management Company, and ~~HTC~~MHTC Consultant.

"Difficult Development Areas" or "DDA" means an area designated by HUD as a Difficult Development Area.

"Disqualify" or "Disqualification" means, with respect to an Application, that the Application is returned to the Applicant by MBOH without scoring and without consideration for an Award of ~~HTC~~MHTCs, as authorized or required by this QAP.

"Elderly Property" means a Project that will limit its tenants to households that include at least one individual age 55 or older or in which all household members are age 62 or older. If permitted by the rules applicable to other federal funding sources involved in

the Project, ~~Such~~ households may also include disabled individuals below the specified age thresholds~~ to the extent provided by federal law~~.

"Experienced Developer" means a Developer who was entitled by written agreement to receive at least 50% of the development fees on a prior low-income housing tax credit Project that has achieved 100% qualified occupancy and for which the applicable state housing finance agency has conducted a compliance audit which revealed no significant problems.

"Experienced Partner" means a member of the Development Team who was a member of the Development Team on a prior low-income housing tax credit Project that has achieved 100% qualified occupancy and for which the applicable state housing finance agency has conducted a compliance audit which revealed no significant problems.

"Extended Use Period" means the Compliance Period plus an additional period of 15 or more years as specified in the Application and provided for in the Restrictive Covenants.

"Final Cost Certification" means an independent third party CPA cost certification, including a statement of eligible and qualified basis for the Project, submitted to MBOH on the form and in accordance with the requirements of this QAP, for purposes of obtaining IRS Form 8609.

"General Partner" means the general partner of a partnership entity that is formed for purposes of a Project.

"General Requirements" means the contractor's miscellaneous administrative and procedural activities and expenses that do not fall into a major-function construction category and are Project-specific and therefore not part of the contractor's general overhead, categorized in accordance with NCSHA standards and shown in the Applicant's properly completed UniApp Supplement, Section C~~___~~, Limitations and Requirements~~_____~~.

"Gut Rehab" means a Project that includes the replacement and/or improvement of all major systems of the building, including (i) removing walls/ceilings back to the studs/rafters and replacing them; (ii) removing/replacing trim, windows, doors, exterior siding and roof; (iii) replacing HVAC, plumbing and electrical systems; and (iv) replacing and/or improving the building envelope (i.e., the air barrier and thermal barrier separating exterior from interior space) by either removing materials down to the studs or structural masonry on one side of the exterior walls and subsequently improving the building envelope to meet the whole-building energy performance levels for the project type, or creating a new thermal and air barrier around the building.

"Hard Costs" means and includes all costs included by the Applicant in the UNIAPP which are not included as professional work and fees, interim costs, financing fees and expenses, syndication costs and Developer's fees.

"Investor" means an entity that will directly or indirectly purchase ~~HTC~~MHTCs from the awardee.

"Land or Property Control" means an executed buy/sell agreement, option to purchase or written agreement to lease that will allow the Owner to acquire Proof of Ownership for purposes of Carryover.

"Large Project" means, for purposes of the Soft Cost Ratio, a Project with more than 20 low-income units.

"Letter of Intent" means a letter and attachment submitted to MBOH in the form shown in Exhibit ~~H~~D.

"Low-Income Housing Tax Credits" means federal low-income housing tax credits, referred to in this QAP as ~~HTC~~MHTCs.

"Management Company" means an entity under contract to manage the property once it is placed in service.

"Montana Housing Tax Credits" or "MHTCs" means federal low-income housing tax credits allocated or available for allocation under this Montana QAP.

"Nationally-Recognized HTC Compliance Training Company" means a company recognized in the Housing Tax Credit industry as a qualified Housing Tax Credit compliance trainer.

"NCSHA" means the National Council of State Housing Agencies.

"New Construction" means construction of one or more new buildings, and includes ~~gut~~ Gut Rehabs.

"Operating Expenses" means projected ongoing costs to run or operate a property.

"Owner" means the legal entity that owns the Project.

"Per-unit Cost" means an amount calculated by dividing Total Project Costs by the number of units in the Project, as calculated in the UniApp Supplement, Section C, Cost Limitations and Requirements, Part XI, line "Cost P~~p~~er Unit."

"Preservation" means P~~p~~rojects that are for the Acquisition and/or Rehabilitation of existing affordable housing stock~~, including Projects applying for Rehabilitation tax credits HTCs for Rehabilitation that have completed their Compliance Period~~.

"Project" means the low income residential rental building, or buildings,~~property Awarded HTCs or proposed in~~that are the subject of an Application for or an Award of ~~HTC~~MHTCs.

"Project Square Footage" means such portion of the total square feet ~~listed in the UniApp under "Project Info" Part X that is~~ applicable to low-income units and common areas and used for the applicable square footage calculation in the UniApp under Part X, "Project Uses."

"Proof of Ownership" means title or right to possession and use of the property for the duration of the Compliance Period and any Extended Use Period plus one year, e.g., a recorded deed or an executed lease agreement.

"Qualified Allocation Plan" or "QAP" means this Montana~~'s~~ qualified allocation plan required by Section 42 of the Code.

"Qualified Census Tract" or "QCT" means an area designated as such by HUD.

"Qualified Nonprofit Organization" means, with respect to a Project, an organization exempt from federal income tax under Section 501(c) (3) or (4) of the Internal Revenue Code whose exempt purposes include the fostering of low income housing, which owns an interest in the Project, which will materially participate in the development and operation of the Project throughout the Compliance Period, and which is not affiliated with or controlled by a for-profit organization.

"Rehabilitation," "Rehab" or "Substantial Rehabilitation" means renovation of a building or buildings to house ~~HTC~~MHTC units meeting the required minimum cost-per-unit thresholds specified in Section 3 of this QAP.

"Related Party" means an individual or entity whose financial, family or business relationship to the individual or entity in question permit significant influence over the other

to an extent that one or more parties might be prevented from fully pursuing its own separate interests. Related parties include but are not limited to: (1) family members (sibling, spouse, domestic partner, ancestor or lineal descendant); (2) a subsidiary, parent or other entity that owns or is owned by the individual or entity; (3) an entity with common control or ownership (e.g., common officers, directors, or shareholders or officers or directors who are family members of each other); (4) an entity owned or controlled through ownership or control of at least a 50% interest by an individual (the interest of the individual and individual's family members are aggregated for such purposes) or the entity (the interest of the entity, its principals and management are aggregated for such purposes); and (5) an individual or entity who has been a Related Party in the last year or who is likely to become a Related Party in the next year.

"Restrictive Covenants" means the recorded covenants required by Section 42 of the Code.

"Selection Criteria" means and includes all of the requirements, considerations, factors, limitations, Development Evaluation Criteria, set asides and priorities set forth in this QAP and all federal requirements.

"Selection Standard" means the standard for selection of Projects to receive an Award of ~~HTC~~MHTCs set forth in the Award Determination subsection of Section 9, Evaluation and Award, i.e., the MBOH Board's determination that one or more Projects best meet the most pressing housing needs of low income people within the state of Montana as more specifically set forth in such subsection.

"Small Project" means, for purposes of the Soft Cost Ratio, a Project with 20 or fewer low-income units.

"Small Rural Project" means, for purposes of the Small Rural Project set aside, a Project: (1) for which the submitted tax credit Application requests tax credits in an amount up to but no more than 10% of the state's Available Annual Credit Allocation, and (2) proposed to be developed and constructed in a location that is not within the city limits of Billings, Bozeman, Butte, Great Falls, Helena, Kalispell, or Missoula.

"Soft Costs" means the costs of professional work and fees, interim costs, financing fees and expenses, syndication costs and Developer's fees included by the Applicant in the UNIAPP.

"Soft-Cost-to-Hard-Cost Ratio" or "Soft Cost Ratio" means total Soft Costs divided by total Hard Costs as calculated in the UniApp.

"Sources and Uses" means the sources and uses of funds as specified in the Application.

"Total Project Cost" or "Total Development Cost" mean all costs including building, Acquisition, site work, construction and Rehab, professional work & fees, construction/interim fees, permanent financing fees, Soft Costs, syndication costs, Developer Fees and Project reserves, as shown in UniApp Section C, Part II, Uses of Funds line "Total Projects Costs without Grant Admin". Total Project Cost does not include grant administration costs.

"UniApp" means the Uniform Application and Supplement available on the MBOH website at: http://housing.mt.gov/FAR/housingapps.mcpx.

"UniApp Supplement" means the Supplement portion of the UniApp.

"Vacancy Rate" means percentage of vacant units in the Application's market area or in the property.

SECTION 2 - OVERVIEW OF ~~HOUSING TAX CREDIT~~MONTANA HOUSING TAX CREDITS

THE FOLLOWING IS A BRIEF SUMMARY OF SOME ELEMENTS OF THE LOW INCOME HOUSING TAX CREDIT AND IS PROVIDED FOR INFORMATIONAL PURPOSES ONLY. THERE ARE NUMEROUS TECHNICAL RULES GOVERNING A BUILDING'S QUALIFICATION FOR THE TAX CREDIT, THE AMOUNT OF THE TAX CREDIT, AND AN OWNER'S ABILITY TO USE THE CREDIT TO OFFSET FEDERAL INCOME TAXES. ANYONE CONSIDERING APPLYING FOR TAX CREDITS SHOULD REFER TO SECTION 42 OF THE UNITED STATES INTERNAL REVENUE CODE (26 U.S.C. § 42). DEVELOPERS OR OWNERS INTERESTED IN APPLYING FOR A CREDIT ALLOCATION SHOULD CONSULT THEIR OWN TAX ACCOUNTANT OR ATTORNEY IN PLANNING A SPECIFIC TRANSACTION.

Low Income Housing Tax Credits, referred to in this QAP as ~~Housing Tax Credit~~Montana Housing Tax Credits or ~~HTC~~MHTCs, are Awarded by the State of Montana through MBOH to applicants based on the information submitted in or in connection with applications, other information obtained by MBOH staff as provided in this QAP and justification with support documentation supplied by the applicants. At or before the time an Application is made, the Applicant must solicit an Investor who will purchase the tax credits, if Awarded.

The tax credits are Awarded each year for a ten-year period. Hypothetically, a Project Awarded $100,000 in tax credits is essentially Awarded $1,000,000 ($100,000 X 10 years) for the ten-year period. When an Investor purchases the credits, the money from the purchase is infused into the financing for the building of the Project. The Investor purchases the tax credits, for example, $ .75 on the dollar ($100,000 X $.75 X 10 years) equating to $750,000. Typically, the Investor pays at a range of $ .70 to $.90 on the dollar. This money directly reduces the amount of dollars financed in a Project, thereby the amount each tenant must pay (Low Income) as well as assuring that the Project cash flows.

The Investor, through a limited liability partnership (LLP) or a limited partnership (LP), must be a 99.99% Owner of the Project for fifteen years during which the Investor declares $100,000 each year for ten years as credit on the Investor's income tax. Generally, once fifteen years have passed, the Project is sold back to the General Partner (the .01% partner) for a negotiated amount and the ownership is transferred.

Throughout the tax credit Extended Use Period (a minimum of 15 years, which may be extended to 31 years or more) the Project must comply with the requirements of tax credit administration as set forth in the current QAP and 26 U.S.C. § 42. Periodic file audits and inspection of units will be performed by MBOH staff.

The tax credit is available for residential rental buildings which are part of a qualifying low income Project. The rental units must be available to the general public. Residential properties which are ineligible for the credit generally include transient housing, housing initially leased for less than six (6) months, buildings of four (4) units or less which are occupied by the Owner or a relative of the Owner, nursing homes, life care facilities, retirement homes providing significant services other than housing, dormitories, and trailer parks.

Projects with tax-exempt financing under the Montana's volume limitation for private activity bonds may be eligible to receive tax credits outside the state's tax credit allocation volume cap. See specific requirements in Tax Exempt Bond Financed Projects discussion in Section 3, Montana Specific Requirements, below.

The tax credit can be used to assist in financing Acquisition with substantial Rehabilitation, substantial Rehabilitation, construction of qualifying residential rental, or eventual

homeownership housing. The applicable percentage rate (APR) for each Project will depend upon the type of building and its financing, the floating APR or other APR set by the federal government, and the Project's election of the APR. As long as the building continues to qualify for the credit, the Owner may claim the credit each year during the 10-year credit period.

New Construction or Substantial Rehabilitation

For a new building placed in service which is not federally subsidized as described below, the annual tax credit is a percentage~~nine (9) percent~~ of the building's qualified basis determined according to rates published periodically by the federal government. If an Owner substantially rehabilitates a building (basically by incurring rehabilitation expenditures the greater of either $6,200 (**see specific higher requirements for Montana below in "Substantial Rehabilitation" in Section 3, Montana Specific Requirements**) Hard Costs per rental unit or an amount which is not less than 20% of the adjusted basis of the building during a 24-month or shorter period), the Rehabilitation expenditure is treated as a separate new building for purposes of the tax credit. The "per unit" calculation is the total amount of the Project divided by the number of units within the Project.

Acquisition and Substantial Rehabilitation

For an existing building which is acquired and substantially rehabilitated, the tax credit will be approximately four (4) percent for qualified Acquisition costs and nine (9) percent for the qualified substantial Rehabilitation costs, provided that the Rehabilitation is not federally subsidized.

Eventual Home Ownership

The opportunity for Eventual Home Ownership allows for Projects~~ to~~, with sufficient justification, to make units available to be purchased by the current tenants after 15 years of successful performance as an affordable rental. See specific requirements for Montana below.

Federally Subsidized Buildings

Projects funded by tax exempt bonds are considered federally subsidized and qualify only for 4% of the qualified basis for New Construction, Acquisition, and Rehabilitation. Buildings directly or indirectly financed with below market federal loans are not considered federally subsidized. Below market loans made to the Project from the proceeds of grants made under the HOME Investments Partnership Act or loans made to Projects through the Native American Housing Assistance and Self Determination Act of 1996 are no longer considered to be federal subsidy. Section 8 rental "certificate" or "voucher" subsidy is not considered to be federal subsidy.

Qualifying Buildings

In order to qualify for the tax credit, an eligible building must be part of a qualifying low income Project. A Project is a qualifying Project only if it meets one of the following requirements:

At least 20% of its units are rent-restricted and rented to households with incomes at 50% or less of area median gross income, adjusted for family size (the "20-50 test"), or

At least 40% of its units are rent-restricted and rented to households with income at 60% or less of area median income, adjusted for family size (the "40-60 test").

Election

The Owner must make an irrevocable election between the 20-50 test and the 40-60 test. Regardless of the election made, the credit is only allowed for the portion of the building dedicated to low income use (for example, if the Owner elects the 40/60 test and a minimum of 40% of the units are low income, the Owner would qualify for tax credits on a minimum of 40% of the eligible basis as defined in this summary).

Rent Limitation

The gross rent for each low income unit may not exceed 30% of the applicable income ceiling (30% of 50% of median or 30% of 60% of median, as applicable, calculated based on the number of bedrooms in the unit, which is the "Maximum Rent"). For purposes of the rent limitation, the gross rent is the sum of the rent amount payable by the tenant, a utility allowance amount determined in accordance with this QAP (see "Utility Allowances" in Underwriting Assumptions and Limitations in Section 3 below) and any mandatory fees payable by the tenant. Rental assistance payments made by government agencies such as Section 8, Rural Development, or any comparable rental assistance program are not included in gross rent. Gross rent does not include any fee for supportive services as described in 26 U.S.C. §42(g)(2)(B)(iii). Gross Rent is expressed as follows:

Tenant paid rent + Utility Allowance + Mandatory Fees equals the Gross Rent

The Gross Rent must be less than or equal to the Maximum Rent (i.e., 30% of the applicable income ceiling).

Basis

Eligible Basis

Eligible basis of a qualifying building is generally the same as its adjusted basis for tax purposes, determined at the time the building is placed in service. Generally, eligible basis consists of:

- The cost of New Construction or substantial Rehabilitation; or
- The cost of purchasing an existing building and the cost of substantial Rehabilitation.

Eligible basis includes costs of common areas and comparable amenities provided to all residential rental units in the building. However, eligible basis must be reduced to reflect any Rehabilitation or historic preservation tax credit claimed with respect to the building. Eligible basis excludes land cost, costs attributable to any portion of the building which is not residential rental property (except common areas), and costs attributable to non-low income units which are above the average quality of the low income units in the Project. Cost certifications must list all items in basis (parking lot, paving, community areas, covers for parking, etc.)

Qualified Basis

To determine the qualified basis of a qualifying building, the taxpayer multiplies the eligible basis of the building by the lesser of the "unit percentage" or the "floor space percentage". The "unit percentage" is the number of low income units in the building expressed as a percentage of the number of all residential rental units in the building. The "floor space percentage" is the total floor space of the low income units in the building expressed as a percentage of the total floor space of all residential rental units in the building. Low income units are eligible units which are occupied by qualified low income tenants (with income at or below 50% or 60% of area median gross income, depending on the Owner's election of the 20-50 or 40-60 test) and which comply with the gross rent limitation (30% of the applicable 50% or 60% income limit). The credit is only allowed for the portion of the building dedicated to low income use.

Credit Calculations

To calculate the credit each year, the taxpayer applies the applicable credit percentage to the qualified basis of a qualifying building. The "qualified basis" is that portion of the "eligible basis" attributable to low income units in the building.

Allocation of Credit

Need for Allocation

All Projects including Projects financed with tax-exempt bonds must first obtain a credit Allocation from MBOH before claiming the tax credit. MBOH makes an Allocation on IRS Form 8609.

Allocation Applies Throughout Credit Period

An Owner needs to obtain a credit Allocation only once with respect to a building for which the credit will be claimed. The credit Allocation then applies each year during the 10-year credit period. Regardless of the maximum credit otherwise available (based on applying the applicable credit percentage to the qualified basis), the credit claimed each year for a building may not exceed the credit Allocation for that building.

Time for Obtaining Allocation – Carryover Provision

An Owner who receives an Award of credits must either:

- Place the building in service and receive an Allocation by MBOH issuance of IRS Form 8609 by the close of the calendar year corresponding to the annual tax credit ceiling from which the credits are allocated (e.g., by the close of calendar year 2015 for 2015 credits Awarded in December 2014), or
- Obtain a Carryover of tax credit Allocation as provided below, and place the building in service and receive an Allocation by MBOH issuance of IRS Form 8609 by the close of the carryover period.

Carryover Provision

A Carryover of a tax credit Allocation will be permitted for a period of two (2) years beyond the end of the calendar year corresponding to the annual tax credit ceiling from which the credits are allocated (e.g., by the close of calendar year ~~2015~~ 2017 for 2015 credits Awarded in December 2014); contingent upon meeting 10% requirements (see 10% Test in Section 10 below for specific requirements).

Compliance Period

The Compliance Period is the initial period of 15 taxable years beginning with the 1st taxable year of the applicable credit period as provided in 26 U.S.C. § 42. The Application must specify an additional period of 15 or more years in which the Applicant agrees to maintain units for low income occupancy. The Compliance Period plus the additional 15 or more year period together are referred to as the Extended Use Period. These restrictions must be included in the Declaration of Restrictive Covenants and must be effective for the entire Extended Use Period.

An Owner must continue to meet the credit requirements for a Compliance Period of 15 years. Failure to comply, reducing the number of the ~~HTC~~MHTC units, or reducing floor space for which the credit is based during the Compliance Period, will result in a recapture, including non-deductible interest, of at least a portion of the credits taken previously by the Owner.

To be eligible for ~~HTC~~MHTCs, a building must be subject to an extended low income housing commitment between the Owner and the state agency, which commitment must be

established by recorded Restrictive Covenants effective for the full Extended Use Period. The Owner must meet compliance criteria for the full Extended Use Period specified in the Restrictive Covenants. Any Application indicating an Extended Use Period beyond the Compliance Period forfeits the right to request that MBOH locate a non-profit buyer and the Owner must maintain ~~HTC~~MHTC units through the Extended Use Period as provided in the Restrictive Covenants.

Three year protection period

~~HTC~~MHTC rent requirements and restrictions will continue for a period of three years following the termination or expiration of the Extended Use Period. The Owner cannot evict or terminate the tenancy of an existing tenant of any ~~HTC~~MHTC unit other than for good cause during the Extended Use Period, and for the additional three-year period.

SECTION 3 - MONTANA SPECIFIC REQUIREMENTS

Eligible Applicants

An Applicant who previously received an Award of credits for its first tax credit Project in Montana may not receive an Award of credits for another Tax Credit Project until the first Project has achieved 100% qualified occupancy and an MBOH compliance audit has been conducted which revealed no significant problems. For purposes of this rule, Applicants are considered to be the same Applicant if the Applicants are Related Parties or if the same Developer or a Related Party of the Developer will receive more than 50% of the Development Fees for both Projects. The foregoing rule does not apply to a subsequent tax credit Application if the Developer partners with an Experienced Developer who will be entitled under a written agreement to receive at least 50% of the Developer Fee on the subsequent Project. ~~For purposes of this rule, an Experienced Developer is a Developer who was entitled by written agreement to receive at least 50% of the development fees on a prior low-income housing tax credit Project in Montana that has achieved 100% qualified occupancy and for which MBOH has conducted a compliance audit which revealed no significant problems.~~

Tax Credit Proceeds

In order to allow MBOH to adequately evaluate Sources and Uses for ~~Housing Tax Credit~~Montana Housing Tax Credit Projects, the Applicant is required to provide information to MBOH regarding the proceeds or receipts generated from the tax credit.

At Application, expected proceeds must be estimated by the Applicant. **Within 30 days after equity sources are committed, the Applicant must provide MBOH with a copy of the commitment or agreement.** Prior to issuance of IRS Form 8609, MBOH will require the accountant's certification to include gross syndication proceeds and costs of syndication, even though the costs are not allowed for eligible basis.

Sources and Uses Certification

Applicants must certify that they have disclosed all of a Project's funding Sources and Uses, as well as its total financing, and must disclose to MBOH in writing any future changes in Sources and Uses over 10% in any line item or any increase in Soft Costs ~~to MBOH~~ throughout the development period (until 8609's are received). Applicant's certification of such disclosure must be provided to MBOH at Application, at 10% Carryover Cost Certification and at Final Cost Certification on the form attached below as Exhibit C~~D~~.

Development Cost Limitations

To balance housing needs in Montana with appropriate and efficient use of the state's allocation of tax credit authority, MBOH has adopted the following cost limitations and requirements for purposes of calculating the tax credit amount for a particular Project. These cost limitations are based upon and in accordance with NCSHA standards.

Per-Unit Costs/Cost per Square Foot

Per-unit Costs and Costs Per Square Foot are subject to the specific limitations provided in other sections of this QAP. In addition, MBOH will evaluate per unit costs and cost per square foot for all Projects for reasonableness, taking into account the type of housing, other development costs as detailed below, unit sizes, the intended target group of the housing and other relevant factors. MBOH will also consider the area of the state and the community where the Project will be located in this review.

All Applications must provide justification for development costs. These costs will be analyzed and scrutinized considering the individual characteristics of the Project listed above and will be compared to other like Projects.

Even though the costs of some ~~developments~~ Projects may be justifiable and even in some contexts considered reasonable given their unique characteristics, MBOH may decline to Award credits to a ~~development~~ Project where it determines that costs are unreasonable.

Development cost analysis will be done on Total Development Costs, including land costs, whether or not any such costs are eligible for the credit financing.

Per-Unit Cost ~~Maximum Per Unit Cost~~ may not exceed $230,000 per unit. ~~Per-unit cost is calculated by dividing Total Project Cost by the number of units in the Project, as calculated in the UniApp Supplement, Section C, Cost Limitations and Requirements, Part XI, line "Cost per Unit."~~ Applications exceeding this limit will be returned un-scored and will receive no further consideration, and the application fee will not be refunded.

Additional Cost Limitations

Applications must comply with the following limitations on Contractor Overhead, General Requirements, Contractor Profit and Developer Fee. To the extent an Application exceeds these cost limitations, the excessive costs will be reduced to the limit amount for all purposes under the ~~HTC~~MHTC program, including without limitation, calculation of basis and eligible Project costs, determination of credit eligibility, and any Award, reservation or A~~a~~llocation of credits.

Contractor's Overhead

Contractor's Overhead is limited to a maximum of 2% of Construction Costs.

General Requirements

General Requirements are limited to a maximum of 6% of Total Construction Costs, excluding General Requirements.

Contractor Profit

Contractor Profit will be limited to a maximum of 6% of Construction Costs.

Developer Fees

Developer Fees for New Construction, Acquisition/Rehab or Rehab will be limited to a maximum of 15% of Total Project Costs minus the Developer Fees, Contractor Profit, land costs, and costs of Acquisition if a Rehabilitation Project. Consultant fees (amount must be disclosed) will be included as part of and subject to the limit on Developer Fees. Architectural, engineering, and legal fees are considered to be professional services, and are

not included in this limitation; however, fees for professional services will be examined for reasonableness.

Disclosure of Transactions Involving Related Parties

If the development includes transactions with Related Parties, any profit from those transactions must be subtracted from the Total Development Cost before calculating the 15% maximum Developer Fee and 6% maximum Contractor Profit. Failure to fully disclose Related Party transactions may result in the project's not receiving an Award of tax credits. MBOH reserves the right to negotiate lower Developer Fees and Contractor Profit on Projects involving Related Party transactions.

Limitation on Soft Costs

The Soft-Cost-to-Hard-Cost Ratio ("Soft Cost Ratio") for the Project, based upon the Application's UniApp, may not exceed 30% for Large Projects (more than 20 units) and 35% for Small Projects (20 or fewer units). If the Soft Cost Ratio for a Project exceeds the applicable maximum, MBOH will contact the Applicant regarding the excessive costs and allow the Applicant to specify how and by what amount its Soft Costs will be reduced to comply with the maximum. The Applicant must communicate its chosen Soft Costs adjustments to MBOH staff in writing within ten (10) business days after such communication and the Application will be deemed amended to reflect such adjustments for all purposes under the ~~HTC~~MHTC program. All such soft cost adjustments and the Application, as amended to reflect such adjustments, must comply with this QAP in all other respects. If the Applicant fails to communicate its soft cost adjustments to MBOH staff within the required time, MBOH staff will decide how and by what amount Soft Costs will be reduced to comply with the maximum and the Application will be deemed amended to reflect such adjustments for all purposes under the ~~HTC~~MHTC program.

Underwriting Assumptions and Limitations

Operating Expenses

MBOH will evaluate Operating Expenses and Vacancy Rate underwriting assumptions for all Projects for reasonableness, taking into account the type of housing, unit sizes, intended target group of the housing and the location of the Project within the area of the state and the community.

Debt Coverage Ratio

The Debt Coverage Ratio ("DCR") should be between 1.15 and 1.25. DCR's outside this range must be justified in the Application narrative.

MBOH will evaluate the DCR at Application, at 10% Carryover Cost Certification and at Final Cost Certification. MBOH considers several variables, including projected Vacancy Rates (which may require upward adjustment for small properties) and operating cost data, in conjunction with debt service coverage, in judging the long-term financial viability of Projects. MBOH may require adjustments to rents or credit amount to assure the credits Awarded are no greater than necessary to make the Project feasible.

Maximum Rents

~~If an application projects rents substantially lower than the maximum target rent, the~~The MBOH Board may require that rents be maintained at ~~that~~ a specified percentage of maximum target rent throughout the Extended Use Period. If ~~applicable to~~required for a particular Project, this limitation ~~will~~ must be specifically included as a condition of the ~~HTC~~MHTC Award and included in the Project's Restrictive Covenants.

Operating Reserves

Minimum operating reserves must be established and maintained in an amount equal to at least four months of projected Operating Expenses, debt service payments, and annual replacement reserve payments. The specific requirements for reserves, including the term for which reserves must be held, must be included in the limited partnership operating agreement and meet the requirements of the Investor. Using an acceptable third party source, this requirement can be met by either cash, letter of credit from a financial institution, or a Developer guarantee that a syndicator has accepted the responsibility for a reserve.

Replacement Reserves

Minimum replacement reserves must be built up in amount equal to at least $250 per unit annually for New Construction developments for elderly and $300 for other New Construction and Rehabilitation developments, until the replacement reserve equals at least $1,000 per unit. Upon Allocation of tax credits, the Project has five years to attain and must then maintain replacement reserves in at least that amount per unit. Exceptions may be made for certain special needs or supportive housing developments. Exceptions will need to be documented and will be reviewed on a case by case basis. In projecting replacement reserves (15 year pro-forma), developments should take into account a realistic rate of inflation foreseeable at the time of application. The specific requirements for reserves, including the term for which reserves must be held, will be included in the limited partnership operating agreement and meet the requirements of the Investor.

Utility Allowances

The Montana Department of Commerce Section 8 Utility Allowances are the only acceptable utility allowances allowed for applications unless provided by USDA (Rural Development) or an approved local public housing authority. Utility allowances provided by utility providers will not be considered or accepted. Any time after one year of being placed in service Owners may submit 12 months of actual utility bills for MBOH to average and approve an AGENCY APPROVED ALLOWANCE. This includes all existing tax credit properties. For properties rehabilitated with ~~HTC~~MHTCs, data collected prior to being placed in service may be submitted at Acquisition Place in Service (PIS) or later to obtain an AGENCY APPROVED ALLOWANCE.

Project Accessibility Requirements

The Fair Housing Act including design and accessibility applies to ~~HTC~~MHTC properties. All New Construction and ~~substantial Rehabilitation, i.e., Rehabilitation~~ rehabilitation that at least replaces interior walls and doors~~,~~ must incorporate the following:

- 36 inch doors for all living areas (except pantry, storage, and closets).
- Levered handles for exterior and interior doors (except exterior swing doors).
- Outlets mounted not less than 15 inches above floor covering.
- Light switches, control boxes and/or thermostats mounted no more than 48 inches above floor covering.
- Walls adjacent to toilets, bath tubs and shower stalls must be reinforced for later installation of grab bars.
- Lever style faucets for laundry hook-up, lavatory and kitchen sink.
- A minimum of a ground level half-bath with a 30X48 inch turn space (also required in Rehab unless waived by staff for structural limitations or excessive cost, etc.).
- No-step entry to all ground floor units.
- Compliance with accessibility requirements must be certified in the architect's letter of certification submitted with the 8609 submission.

It is suggested but not required that Projects also include parking for caregivers to the disabled and that lease addendum provide for moving a non-disabled household from a

handicapped unit to a regular unit if the handicapped unit is needed for rental to a disabled tenant.

Energy and Green Building Initiatives ~~and~~, Goals and Requirements

Integrated Design Process and Community Connectivity

Project development and design includes a holistic approach. Processes include neighborhood and community involvement to ensure Project acceptance and enhancement. Integrated design processes ensure higher quality finish Project. Existing neighborhood edges, characteristics, fabric are considered in the Project design. Some considerations may include but are not limited to a community design charrette, incorporating Project into neighborhood fabric, energy modeling, commissioning, blower door testing, etc.

Sustainable Site, Location and Design

The building(s) and Project site, including the surrounding area, provide opportunities for education, alternative transportation, services, and community facilities. This is evidenced, for example, by Projects using existing infrastructure, reusing a building or existing housing, redeveloping a greyfield/brownfield, ~~and~~ or developing in an existing neighborhood. Design elements use the site's characteristics and reduce impact on the site allowing for open space and other amenities, ~~including~~ such as infill projects~~Project~~, rehabilitating existing building(s), rehabilitating existing housing, providing carpooling opportunities, using well water for landscaping, ~~parking reductions,~~ etc.

Energy and Water Conservation

Design features, product selection and renewable energy options directly reduce use of resources and result in cost savings. Design and product selection exceeds applicable energy codes in performance. Examples include but are not limited to Energy Star appliances, drip irrigation, low flow fixtures, dual flush or composting toilets, ground source heat, duct sealing, rain water collection, and low water consumption plants.

Material and Resource Efficiency

Material selections are better quality, designed for durability and long term performance with reduced maintenance. Products used are available locally and/or contain recycled content. Construction waste is reduced in the Project through efficient installation or recycling waste during construction. Considerations include but are not limited to construction waste management specification, recycled content products, local materials, reuse existing building materials, certified lumber, and sustainable harvest lumber.

Healthy Living Environments (Indoor Environmental Quality)

Materials and design contribute to a healthy and comfortable living environment. Mechanical system design, construction methods and materials preserve indoor air quality during construction as well as the long term performance such as fresh air circulation and exhaust fans, bathroom and kitchen fans exhausting air and moisture, material selection with low toxicity and low VOC (volatile organic compounds) paints, sealants, and adhesives.

Promoting healthy behaviors can also have a large impact on residents at no additional cost to the Developer. Smokefree policies protect residents against the harmful health impacts of tobacco smoke, greatly reduce the risk of fires, and prevent damage to units caused by tobacco smoke. Such policies also make properties more attractive to those who do not allow smoking in their own homes.

Required Blower Door and Infrared Testing for Projects Awarded Credits

For New Construction Projects Awarded MHTCs: Blower door tests must be completed on every Single Family Project unit. On Multi-Family Projects, blower door tests must be completed on the greater of twenty percent (20%) of units (such units to be selected by MBOH) or the number of units required by State building codes (whether or not the State building code has been adopted in the Project's jurisdiction). Proof of such testing must be submitted to MBOH to qualify for issuance of Form 8609. The Developer or Builder must notify MBOH at least one week in advance of the date and time that blower door testing will be performed and MBOH staff must be permitted to attend and observe the testing.

For New Rehabilitation Projects Awarded MHTCs: Infrared tests will be required on each full unit and all common areas both before and after the Rehabilitation. The Developer or Builder must notify MBOH at least one week in advance of the date and time that post-Rehabilitation infrared tests will be performed and MBOH staff must be permitted to attend and observe such testing. Proof of such testing must be submitted to MBOH to qualify for issuance of Form 8609.

Substantial Rehabilitation

Montana's minimum Rehabilitation standard is expenditures the greater of (i) $15,000 (for 4% projects)/$25,000 (for 9% Projects) of Hard Costs per rental unit, or (ii) an amount which is not less than 20% of the adjusted basis of the building during a 24-month or shorter period.

Tax Exempt Bond Financed Projects

Projects with tax-exempt financing under the volume limitation on private activity bonds ("4% Projects") may be eligible to receive tax credits outside the state's tax credit allocation volume cap. Applications may be submitted at any time and are not limited to the application schedule in Section 4, below. Applications must meet all requirements of the applicable QAP and must meet at least the minimum Development Evaluation Criteria score specified in Section 9, below, to receive an Allocation of tax credits. Projects with tax exempt financing must submit a certification from the bond financing agency indicating that the Project meets the public purpose requirements of the bonds and that the Project is consistent with the needs of the community. For purposes of Application, evaluation and Awarding tax credits with respect to 4% Projects, the "applicable QAP" is the version of the QAP most recently and finally adopted as of the date of Application submission.

Eventual Homeownership

Several supplemental Application documents are required for Projects that include eventual homeownership. The Application must address how the Owner will administer the transfer of ownership to a qualified homebuyer at the end of the Compliance Period. Second, the Application must either identify the price at the time of the title transfer or a reasonable process to determine the price. Third, the Application must document that the potential owners will be required to complete a homebuyers counseling program. The Applicant must identify how Reserve for Replacement funds will be used at the time of sale of the properties. At the time of sale, the ~~HTC~~MHTC Owner must provide a copy of the title transfer together with a certificate verifying that the new homeowner completed a homebuyers program within five years prior to the transfer of title. Enforceable covenants must maintain the home as affordable and prevent sale or re-sale to a realtor, financial institution, or a family with an income over 80% AMI, or more than 80% of FHA appraised value. Families who exceed income levels of 80% of AMI at the time of the sale must have qualified at the appropriate AMI contained in the recorded Restrictive Covenants for the

Project evidenced by the Tenant Income Certification at the initial rent-up for the family. Tenant qualification documentation must be sent to MBOH for approval before the sale is completed. Please contact MBOH for current forms. Units not sold under the Eventual Home Ownership Program must remain in compliance with Section 42 until such time as they are sold to a qualified buyer or the end of the Extended Use Period.

130% Basis Boost

Basis Boost for QCT and DDA Projects

Federal law permits MBOH to reserve tax credits based on a "basis boost" of 30% for Projects in a Qualified Census Tract ("QCT") or in HUD designated Difficult Development Areas ("DDA"). In addition, a 30% "basis boost" may be available for non-QCT or DDA Projects based upon the specific requirements specified below.

Basis Boost for Non-QCT/DDA Projects

For buildings not already eligible for the 30% "basis boost" by virtue of being located in a QCT or DDA, up to 130% of the eligible basis of a New Construction building or the Rehabilitation portion of an existing building may be considered in Awarding tax credits if MBOH determines that an increase in tax credits is necessary to achieve the Project's feasibility. MBOH staff may recommend an Award of tax credits, and the MBOH Board, at the time it considers authorizing reservations of tax credits, may Award credits for such buildings based upon a basis boost of up to 30%. Applications for Projects not located in a DDA or QCT may be submitted with requested tax credits calculated at up to 130% of eligible basis. Applicants must justify the need for the requested basis boost in the narrative and support documentation. Considerations justifying a need for a basis boost are:

- Qualification of the Application for the Small Rural Project set aside pool;
- Qualification of the building location for Rural Development funding;
- Targeting of more than 10% of the Project units to 40% or below area median income level or more than 62% of Project units to 50% or below area median income level;
- The Project includes historical preservation or Preservation of existing affordable housing; or
- The Project is located within a community where unusual market conditions produce higher than normal labor and material costs, unusually high land cost and/or rent and income limits which are too low to support the cash flows required by the Project's financial structure.

Non-Housing Amenities

Swimming pools, tennis courts, golf courses, and other similar amenities will not be funded by ~~Housing Tax Credit~~Montana Housing Tax Credits. Proposed Projects may include such amenities only if the amenities are funded by sources other than ~~Housing Tax Credit~~Montana Housing Tax Credits. Subject to the requirements of this QAP, garages or car ports may be funded by ~~Housing Tax Credit~~Montana Housing Tax Credits considering Montana's extreme winter weather.

Accountant and Owner Certification

Prior to the 10% Carryover Cost Certification deadline and at ~~submission for IRS Form 8609 (~~"Final Cost Certification~~")~~, MBOH requires an independent third party CPA cost certification, including a statement of eligible and qualified basis for the Project. The Accountant Certification must include a breakdown of costs similar to the Project costs and uses of the

Application, including development cost limitation categories as discussed in this QAP. The Owner must provide the CPA certification, under penalty of perjury, providing the Owner's name and address, the placed in service date, taxpayer identification number, the Project name and address, building(s) address(s), building identification numbers, the total eligible and qualified basis, and, if applicable, the percentage of the Project financed by tax-exempt bonds.

Rural Development Projects

For Rural Development Projects, MBOH requires a copy of the final USDA Rural Development cost certification, as well as the Accountant Certification of tax credit eligible and qualified basis, and the Owner's certification. While a USDA Rural Development Project may be technically eligible for an amount of credit, such Projects frequently will receive an Award less than the maximum amount of credit, because less credit is required to fill the financing gap. MBOH will Award no more than the amount of credit determined necessary to make the Project feasible.

Information Request and Release Policy

General Program Information

All general program information will be provided as requested either by mail, facsimile, email, or on the MBOH website. General information may include, but is not limited to, program terms and guidelines, income and mortgage limits, funds availability, Project lists, etc.

Request Procedure

If requesting information from an Application and/or compliance file, a written request must be submitted and must include a description of the specific information or documents being requested. The requestor will be charged and must pay the costs of providing such documents according to the Department of Commerce Public Records Request Response Guidelines effective July 1, 2012.

Policy on Confidentiality and Disclosure of Information

Information submitted to the Board is subject to the public's right to know guaranteed by the Montana Constitution except where the demands of individual privacy clearly exceeds the merits of public disclosure.

Information contained in an Application or compliance file is subject to disclosure as described in the Board's administrative rule, ARM 8.111.203, which follows:

> 8.111.203 CONFIDENTIALITY AND DISCLOSURE OF INFORMATION
>
> (1) Information submitted to the board by private parties is generally open to public review and disclosure. Therefore, applications, financial information and other information submitted to the board under any of its programs are subject to inspection and copying by interested members of the public except as provided in this rule. Some information may be protected from public disclosure. Information that is constitutionally protected from disclosure is information in which there is an individual privacy interest that clearly exceeds the merits of public disclosure.
>
> (2) If a person or entity submitting information to the board considers any of that information confidential and wishes the information documents to be withheld from public disclosure, the submitting party must identify which part of the information is considered confidential upon their submission and the basis upon which the party believes the information should be withheld from public disclosure.

(3) The type of information which may be withheld from the public disclosure is very limited. If individual documents are not specified and a basis not identified, the board will deem all the information submitted to the board as subject to public disclosure. A submitting party should consult with legal counsel to determine what information may be protected and for what reason. A statement that all information submitted by a submitting party is confidential will be considered ineffective.

(4) The board will take reasonable steps to protect information designated as confidential from public disclosure and for which a reasonable basis is stated for the confidentiality. If information has been designated as confidential and a basis for confidentiality stated, upon receiving a request to review any such information board staff will notify the submitting party of the request in writing by United States mail at an address provided by the submitting party. The notice will identify the party making the request, and the stated purpose for the request.

(5) It is the responsibility of the submitting party upon receipt of the notice to take such action as is necessary to protect the information from disclosure, including obtaining a court order protecting the documents from disclosure if necessary. If the board does not receive an order from a court of competent jurisdiction ordering the board to maintain confidentiality of the requested information or the board is not notified of other arrangements made between the requesting and submitting parties within 10 days from the date of the notice of the request, the information will be disclosed to the requesting party. The board will not assert the right of confidentiality for a submitting party in a court of law.

(6) Any information not designated as confidential with a specified basis for confidentiality will be subject to public disclosure without notification to the submitting party.

(7) Tenant certifications, income information and information in individual loan files are confidential and will not be disclosed to the public. (8) If a requesting party wants copies of information maintained by the board, and depending on the number of copies to be made, the board may require the requesting party to provide for their own copying, either by making the copies with a copier and paper provided by the requesting party or by paying the expense of a copy service to make the copies.

Information in compliance files and Application information submitted to the Board prior to the effective date of the rule (June 8, 2001) will not be disclosed until the person who submitted the information is given notice of the request and the opportunity obtain an order protecting the information from disclosure as provided in ARM 8.111.203.

Compliance File Policy

If the information or documents being requested are from an Application, the Project Owner will be notified of the request by telephone or facsimile, the Project Owner will be told the identity of the party making the request. If the Project Owner believes that its Application contains trade secrets, confidential or proprietary information, it is the Project Owner's responsibility to obtain a court order protecting their documents from release. If the Board does not receive a court order within 10 calendar days from the day the request is received by the Board, the documents will be released to the person requesting them.

Tenant Certifications and Income Information will be considered confidential and will not be released.

Individual Loan Files

Personal financial information will be considered confidential and will not be released.

Ex Parte Communication Policy

In instances where the Board of Housing acts as a quasi-judicial body, its members should refrain from ex parte contact with parties who will be appearing before it or their representatives.

Additionally, any ex parte communication made where a quorum of the Board is present, outside of a meeting or hearing scheduled for the purpose of entertaining the issue before it, would violate Montana's open meeting requirements and the right of public participation under Article II, section 8 of the Montana Constitution and § 2-3-203, MCA. A quorum of the Board is defined as a majority of the membership. See § 2-15-124(8), MCA.

The policy when the Board is sitting as a quasi-judicial body is:

- Not to receive any evidence, individually, or collectively, except as a part of the public record at a publicly noticed meeting or hearing scheduled for that purpose.
- If a member is not able to avoid receipt of information or contact with parties outside of a public meeting or hearing the remedial action in that instance is for the Board member to disclose at the public meeting or hearing the full content of the information received.
- Avoidance of ex parte communications is preferred over relying on the public disclosure remedy because an incomplete or inaccurate conveyance of the ex parte contact, even if inadvertent, may bias the outcome and subject the Board action to challenge.

All information an Applicant wants distributed to board members should be provided to staff who will disburse consistently to all members.

SECTION 4 - APPLICATION CYCLE

Applicants may apply for an Award of tax credits for a particular Project~~development~~ no later than the applicable submission deadline specified below or otherwise set by MBOH.

Applicants must submit the Application and the applicable fee (based on the fee schedule below) to MBOH as required in this QAP. A separate Application is required for each Project. A single Application should include all buildings within a single Project.

An Applicant for tax-exempt financing under the volume limitation on private activity bonds also seeking an Award of 4% Credits outside the state's tax credit allocation volume for a scattered-site Project under a single partnership may apply for such credits by submission of a single Application that includes sub-applications for each property included in the Project. Full Applications for tax-exempt financing and related 4% Credits may be submitted at any time and are not limited to the competitive allocation rounds listed below.

Electronic submission of Applications using MBOH's system (currently ShareFile) is preferred but hard copy Applications will also be accepted. Please contact staff (preferably at least a week ahead of the submission deadline) for set up and for specific instructions on how to access this system. Complete Applications must be received at MBOH's office by 5:00 pm Mountain Time on the Application submission date specified below.

First Allocation Round:

o Letter of Intent	Second Monday in **May 2014**
o Board Review and Discussion	**June 2014** MBOH Board Meeting
o Application Submission	Last Monday in **August 2014**
o Applicant Presentations	**September 2014** MBOH Board Meeting

- Award Determination — **November 2014** MBOH Board Meeting

Second Allocation Round (if any):

- Letter of Intent — Third Monday in **January 2015**
- Board Review and Discussion — **February 2015** MBOH Board Meeting
- Application Submission — First Monday in **April 2015**
- Applicant Presentations — **April 2015** MBOH Board Meeting
- Award Determination — **May 2015** MBOH Board Meeting

Any of the above deadlines and dates may be extended or changed by MBOH if circumstances warrant, and in such event MBOH will provide notice of such extension or change by posting on MBOH's website. 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 ~~HTC~~MHTC program or the application cycle. In any application round or rounds, the MBOH Board may elect to Award less than all available credits or to not Award any credits if the MBOH Board determines that such is in the best interests of MBOH.

At the MBOH Board's meeting in the month after submission of Letters of Intent, MBOH staff will present Letters of Intent to the MBOH Board. The MBOH Board may ask questions of applicants and discuss proposed Projects but there will be no Applicant presentations and the MBOH Board will not make any Award determination at this meeting. MBOH Board questions and discussion are for purposes of assisting A~~a~~pplicants in presenting better ~~full~~ Applications, and shall not be binding upon MBOH in any later Award determination or other MBOH process.

At the MBOH Board's meeting in the month of Application submission, MBOH will provide an opportunity for A~~a~~pplicants to make a presentation to the MBOH Board regarding their Projects and Applications and will provide an opportunity for public comment on proposed Projects and Applications. Applicant presentations will be limited to 10 minutes or less.

At the Award Determination Meeting, Applicants should be available to the MBOH Board to answer questions regarding their respective Applications. Applicants shall have an opportunity to respond to any negative comments.

Carryover Commitment

MBOH will issue a Carryover Commitment in December of the year for which the credits are being Awarded and such Carryover will be for a period of two (2) years. To preserve this commitment the Owner/Developer must submit the 10% Carryover Cost Certification by the deadline.

SECTION 5 - FEE SCHEDULE

Letter of Intent

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. MBOH will not consider Letters of Intent submitted without the Letter of Intent fee. The Letter of Intent fee is not refundable.

Application

The application fee is 1.5% of the amount of credits requested in the Application and must be submitted to and received in the MBOH office by the applicable application deadline. MBOH will not consider Applications submitted without the application fee. The application

fee is not refundable and will not be adjusted even if the MBOH Board Awards no credits or only a portion of the tax credits requested.

In addition to the application fee, a reservation fee in the amount of 4.5% of the credits reserved is due on or before 6 months after the date of the Award. After a Reservation Agreement is executed the reservation fee is not refundable. If~~Projects, Owners, or partnerships that fail to meet~~ the conditions described in the Reservation Agreement are not met, ~~forfeit~~ the entire reservation fee will be forfeited to MBOH.

Requesting Additional Credits After Initial Allocation

As MBOH, in its discretion, determines necessary for financial feasibility, returned or unreserved tax credits may be used to increase the amount of tax credits reserved for a Project after the first round Awards have been made. In considering a request for an increase under this paragraph, MBOH may consider any anticipated potential need for returned or unreserved credits to fund Projects that would otherwise be funded or require greater funding under the Corrective Award set aside under Section 7. An Applicant seeking an increase in the amount of reserved credits must apply in writing for such increase and must submit new financials (UNIAPP Section C) and documentation of cost increases. Applications for additional credits must be submitted to staff. Staff will review and evaluate supporting financials and new cost documentation and a staff recommendation will be presented at a later MBOH Board meeting for consideration. Staff will not recommend and the MBOH Board will not approve any increase beyond that necessary to make the Project feasible.

An Application and reservation fee of 6% of the additional tax credits requested is due with the request. In the event an increase for the additional requested credits is not approved, the reservation fee in the amount of 4.5% will be returned.

Compliance Fees

See Section 12 - Compliance Monitoring

SECTION 6 - MAXIMUM AWARDS

Maximum Credit Award

Twenty-five percent (25%) of the ~~of the~~ state's Available Annual Credit Allocation will be the maximum credit Awarded to any one Project or Developer. The state's Available Annual Credit Allocation is defined as and includes the state's actual or estimated credit ceiling for the current year plus any other available credits from prior year credit authority determined as of 20 business days prior to the applicable application deadline, and includes any credits held back pursuant to court order or subject to Award under the Corrective Award set aside. The Developer's percentage of the development fee, as specified in a written development agreement, will be that Developer's percentage of the 25% limit. The maximum credit Award for a Project will be determined based upon the state's Available Annual Credit Allocation" for the tax credit year from which the Project is first Awarded ~~HTC~~MHTCs. If the state's Available Annual Credit Allocation is not known as of 20 business days prior to the applicable application deadline, MBOH will estimate the amount, subject to later adjustment once the state's actual Available Annual Credit Allocation is known. If an estimated amount is used for Award purposes, all Awards based upon such estimate shall be conditional upon a final determination of the state's actual Available Annual Credit Allocation.

MBOH does not commit tax credits from future years, except as specifically provided in this QAP.

SECTION 7 – SET ASIDES

Non-profit

Ten percent of each state's credit ceiling must be set aside for buildings which are part of one or more Projects involving Qualified Nonprofit Organizations".

The 10% non-profit set-aside requirement may be met by an Award to a Project involving a Qualified Nonprofit Organization out of any other set-aside or the general pool. If no Project Awarded ~~HTC~~MHTCs involves a Qualified Nonprofit Organization, the non-profit set aside (i.e., 10% of the state's credit ceiling) will be held back for later Award to a Project involving a Qualified Nonprofit Organization.

Corrective Award

Such portion of the state's Available Annual Credit Allocation is reserved and set-aside as is necessary for Award of credits to:

- Any Project for which an Application was submitted in a prior round or year, if:
  - a final order of a court of competent jurisdiction determines or declares that such Applicant was entitled to an Award in such prior round or year or requires MBOH to make an Award or Allocation of tax credits to such Project;
  - a final order of a court of competent jurisdiction invalidates or sets aside an Award of credits to an approved Project from such prior round or year and a reservation agreement was executed by MBOH and such Applicant prior to issuance of such court order, unless such court order determines that such Project was not eligible or qualified under the applicable QAP to receive an Award of tax credits; or
  - MBOH, upon further consideration of any Award determination as required by and in accordance with the order of a court of competent jurisdiction, determines that such Project was entitled to an Award in such prior round or year.

All requirements and conditions of this Corrective Award set aside provision must be met to receive an Award under this set aside provision. The amount of any Award under the Corrective Award set aside shall be the amount specified by the court, or if no Award amount is specified by the court, an amount determined by MBOH in accordance with this QAP. The Corrective Award set aside shall be funded first from returned or unreserved tax credits from a prior year. Awards may be "future allocated" under this Corrective Action set aside, i.e., such Awards may be made from returned or unreserved tax credits from a prior year and/or the current year's credits at any MBOH Board meeting after the final court order has been issued and presented to MBOH. Such Award need not await the annual application and Award cycle.

Where a court orders that an amount of the current year's credits be set aside for a Project pending the decision of the court, if the court's decision is not received before the end of the current year, the credits set aside will become classified as the next year's credits, as required by federal code.

If the court orders MBOH to Award credits to any Project under this set-aside, the Project must submit an updated Application so the MBOH can review and underwrite current numbers and assumptions to verify that the amount of credits requested or some other credit amount is justified for Project feasibility, unless otherwise ordered by the court. The corrective awardee must pay the reservation fee as required in Section 5.

Small Rural Projects

Twenty percent (20%) of the state's Available Annual Credit Allocation is set-aside for Small Rural Projects. For purposes of this set-aside, a Small Rural Project is a Project: (1) for which the submitted tax credit Application requests tax credits in an amount up to but no more than 10% of the state's Available Annual Credit Allocation, and (2) proposed to be developed and constructed in a location that is not within the city limits of Billings, Bozeman, Butte, Great Falls, Helena, Kalispell, or Missoula.

MBOH reserves the right to determine in which set-aside a Project will be reviewed (subject to its eligibility), regardless of its eligibility for any other set-aside. For~~An~~ example, ~~would be I~~if a Project is submitted as a Small Rural Project in order to utilize the Small Rural Project set-aside when it is clearly part of a larger or non-rural Project, the Project will be placed in the proper category as determined by MBOH staff.

To qualify and receive consideration to receive an Award of credits under a set-aside, the Project must meet all applicable requirements of this QAP and must receive minimum Development Evaluation Criteria score specified in this QAP.

The MBOH Board reserves the right to not Award credits to a qualifying Small Rural Project even if the Project meets the minimum required score, if the MBOH Board, at its discretion, determines another Project or Projects better meet the most pressing housing needs of low income people within the state of Montana, taking into consideration the Selection Criteria of this QAP as determined in accordance with Section 9.

In the event there are insufficient tax credits available to fully fund all set aside categories, the respective set asides categories shall be funded in the following order of priority: (1) Non-profit; (2) Corrective Award; and (3) Small Rural Project.

SECTION 8 – LETTER OF INTENT AND APPLICATION PROCESS

Applicants should read this Qualified Allocation Plan (QAP) and accompanying materials.

Applicants are responsible to determine the degree that their building(s) and development correspond to the MBOH's Selection Criteria contained in this QAP.

Applicants are responsible to consult their own tax attorney or accountant concerning: (a) each building's eligibility for the tax credit; (b) the amount of the credit, if any, for which their building(s) may be eligible; and (c) their ability and/or their Investor's ability to use the tax credit.

Letter of Intent

All Projects wishing to apply for ~~HTC~~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. All Letters of Intent must be submitted in the format included as Exhibit ~~H~~D-1 and D-2. The Project Location, type (e.g., family or elderly), and developer specified in the Letter of Intent may not be changed in the later Application. Other information in the Letter of Intent (e.g., cost information, number of units, unit sizes, income targeting, rents, hard and soft loan sources, etc.) will be considered the Applicant's best estimates and may be changed in the Application. No market study or mini-market study is required for purposes of a Letter of Intent.

Application

Applicants must commission a full market study as outlined in Exhibit B~~-2~~.

Applicants must complete and submit the Uniform Application and Supplement, full market study and full application fee by the applicable application deadline (see Section 4 – Application Cycle). Applicants must use the most current form of the Uniform Application and Supplement available on the MBOH website at: http://housing.mt.gov/FAR/housingapps.mcpx

Threshold Requirements Are Mandatory

Threshold Requirements are mandatory for all Letters of Intent and Applications. Letters of Intent and Applications received not meeting all Threshold Requirements or other requirements of this QAP will be returned un-scored and will receive no further consideration. ~~Application f~~Fees will not be returned.

Submit complete Applications to MBOH. Electronic submission of Applications using MBOH's system (currently ShareFile) is preferred but hard copy Applications will also be accepted. Please contact staff (preferably at least a week ahead of the submission deadline) for specific instructions on how to access this system. MBOH staff may communicate with Applicants for purposes of providing interpretive guidance or other information or for purposes of clarifying Applications. MBOH staff may allow minor corrections to Applications, but will return and will not further consider Applications requiring substantial revision or those that are substantially incomplete.

Threshold Requirements

To meet the threshold for further consideration, all Letters of Intent and Applications must be submitted in accordance with the requirements of this QAP and the following Threshold Requirements.

Letters of Intent must:

- Include the applicable fee;
- Be received by the applicable deadline; and
- Be substantially complete and in the format prescribed in Exhibit ~~H~~D-1 and D-2.

Applications must:

- Include the application fee;
- Be received by the applicable deadline;
- Include a cover letter summarizing the Project, limited to 2 pages, which will be provided to MBOH Board members within one week following the application deadline;
- Be substantially complete, and include all of the following documents, information and items. All the below listed items must be correctly completed and submitted for the Application to be considered substantially complete:

  - ✓ Cash flow analysis.
  - ✓ Market Study prepared and signed by a disinterested third party analyst, with certificate (included in Exhibit B~~-2~~) signed by analyst and notarized. Market Studies must be completed within six (6) months prior to the submission date of the Application, must have the market analyst complete a physical inspection of the market area within one (1) year of the Application and must adhere to minimum market study requirements in Exhibit B~~-2~~.

- ✓ Land or Property control through lease, ownership or a legal form of option to purchase.
- ✓ Evidence from applicable local zoning authority of proper zoning addressed (zoning place, planned unit development, zoning change requested) unless no zoning requirements exists. If no zoning requirements exist provide documentation from the proper authority.
- ✓ Utilities Documentation of Availability
- ✓ A preliminary financing letter from a lender indicating the proposed terms and conditions of the loan must be included. The financing letter must formally express interest in financing the Project sufficient to support the terms and conditions represented in the Project financing section of the Application.
- ✓ A letter of interest from an equity provider including an anticipated price based on the market at time of application.
- ✓ Full scale Capital Needs Assessment for Rehabilitation Applications, on the USDA Rural Development Capital Needs Assessment (CNA) template or similar form and a scope of work for the Project.
- ✓ Comparative market analysis ("CMA") or appraisal done by an independent (non-related) party for all land and/or Acquisition transactions. A CMA is not required on leased land.
- ✓ For Applications proposing Rehabilitation or if existing units are being replaced, a preliminary relocation plan addressing the logistics of moving tenants out of their residences and providing temporary housing during the Rehabilitation and returning tenants to their residences upon completion of the Rehabilitation.
- ✓ A site plan, and a design professional's preliminary floor plan and elevations for the Project.
- ✓ Project/unit amenities.
- ✓ Profit or non-profit status.
- ✓ If a not-for-profit Owner proposes a property tax exemption, documentation of intent to conduct a public hearing must be submitted with the Application and conducted by the Owner. Without documentation of intent, the Project will be underwritten as if no exemption was received. Documentation of public hearing(s) must be submitted prior to issuance of the Carryover Commitment.
- ✓ Specify the Extended Use Period.
- ✓ If Project is targeted for Eventual Homeownership, provide supplemental Application documents and information specified in the "Eventual Homeownership" portion of Section 3.
- ✓ Specify selected target income level (20-50) or (40-60).
- ✓ Copy of the public notice and proof of publication meeting requirements under "Public Notice" below in this section.
- ✓ Letters of community support. These support letters must be Project specific and address how the Project meets the needs of the community. New letters of support (as well as new letters of non-support) must be submitted for each Application for each round of competition. Generic support for affordable housing will not be considered support for the specific Project being considered. These letters will be provided to the MBOH Board for its consideration.
- ✓ If the Project is for elderly, stipulation of minimum age (i.e., 55 or 62 and over).
- ✓ A narrative addressing each of the Development Evaluation Criteria, demonstrating how the Application meets each of these criteria, and providing a specific explanation and justification of the points sought for each scoring item. Narrative references to the Market Study must cite the page and paragraph.
- ✓ Signed indemnification and release forms includ~~ing~~ed as Exhibits ~~E~~A & B to the Uniform Application.

Applications must also demonstrate that the proposed Projects are financially sound. This includes reasonable financing terms, costs, expenses, and sufficient cash flow to support the operations of the Project, all of which must meet the underwriting standards of MBOH.

Public Notice

A Tax Credit Applicant must place an advertisement in the local newspaper of the intent to apply, and by doing so, encourage public comment to be submitted to MBOH. Such notice must include Name of Project, Number of Units, Location of Project, For-profit or Non-profit status, and, if applicable, Intent to Request Tax-exempt Status for the Project. The notice will be placed as a box advertisement in the newspaper within 90 days prior to or not more than 5 working days after the due date of the Application and will allow for not less than 30 days for response. The advertisement must be published twice within a seven-day period. A copy of the notice, annotated with dates published, must be included in the Application.

Example of Public Notice

(Name of Developer, address, telephone number), a (for-profit/non-profit) organization, hereby notifies all interested persons of (city, town, community name) that we are planning to develop, (Name of Project) an affordable multi-family rental housing complex on the site at (street location). This complex will consist of (number) (one bedroom, two bedroom, or three bedroom) units for (elderly persons/families). This Project (will/will not) be exempt from property taxes.

An Application (will be/has been) submitted to the Montana Board of Housing for federal tax credits financing.

You are encouraged to submit comments regarding the need for affordable multi-family rental housing in your area to the Montana Board of Housing, PO Box 200528, Helena, MT 59620-0528 or FAX (406) 841-2841. Comments will be accepted until 5 PM the Friday before the MBOH Board Award Determination Meeting (See application cycles above).

SECTION 9 – EVALUATION AND AWARD

Threshold Evaluation and Considerations

MBOH staff will review all Applications received by the applicable submission deadline for compliance with all Threshold Requirements, including but not limited to completeness, soundness of the development, and eligibility based on federal requirements and this QAP. Applications determined by MBOH staff to not substantially meet all Threshold Requirements or other requirements of this QAP or federal law will be returned un-scored and will receive no further consideration.

MBOH staff may communicate with Applicants for purposes of providing interpretive guidance or other information or for purposes of clarifying, verifying or confirming any information in Applications. MBOH staff may allow minor corrections to Applications, but will return and will not further consider Applications requiring substantial revision or those that are substantially incomplete.

MBOH staff may query an Applicant or other persons regarding any concerns related to a tax credit Application or the management, construction or operation of a proposed or existing low income housing Project. Questionable or illegal housing practices or management, insufficient or inadequate response by the Applicant, General Partners, or Management Company as a whole or in part, may be grounds for Disqualification of an Application and non-consideration for an Award of tax credits.

As part of its review of Applications, MBOH staff will contact community officials of the Project location to discuss relevant evaluation criteria information pertaining to the Application and the proposed Project. MBOH may also contact any other third parties to confirm or seek clarification regarding any information in the Application, including but not limited to checking Development Team references, verifying credit reports and verifying information through direct contact with the Project Developer.

Between the submission deadline and the MBOH Board Award Determination Meeting, as required by federal law, MBOH will notify the chief executive officer of the local jurisdiction of each proposed development requesting comments on the development.

Tax credit Allocations will be subject to ~~four~~ three underwriting evaluations: (i) ~~evaluation of Letter of Intent (ii)~~ evaluation for purposes of Award/reservation and, for Projects that have received an Award of credits and entered into a reservation agreement, (~~iii~~ii) evaluation for purposes of the 10% Carryover Cost Certification, and (~~iv~~iii) evaluation for purposes of Final Cost Certification.

MBOH will return and will not consider for an Award of credits:

- Incomplete Applications;
- Unsound Applications, i.e., Projects for which the Market Study and other available market information fails to demonstrate adequate market need within the proposed location community or Projects that are not financially feasible, including but not limited to viable cash flow, based upon MBOH underwriting standards as set forth in this QAP;
- An Application submitted by an entity with a demonstrated poor track record in completion of development or management of low income housing, whether located in Montana or another state;
- Applications submitted by Applicants with current Project(s) that have/had numerous or unresolved substantial non-compliance issues or IRS 8823's (consideration will be given the type of 8823);
- Any other Application failing to meet any mandatory requirement of this QAP or federal law; and
- Any Application as otherwise specified in this QAP.

Applications meeting all minimum threshold requirements and not excluded from further consideration under this QAP will be evaluated for the amount of tax credits needed for feasibility and long term viability and will be evaluated and scored according to the Development Evaluation Criteria section below.

Amount of Tax Credit Allocation

Although a proposed development may be technically eligible for a certain credit amount, federal law prohibits MBOH from allocating more credits than necessary for the financial feasibility of the development and its viability as a qualified low income housing Project throughout the Compliance Period. Accordingly, an Award of tax credits under this QAP will be limited to the amount of credits that MBOH, in its sole discretion, deems necessary to make the development feasible and viable throughout the Compliance Period.

In determining the amount of credits necessary, MBOH will consider:

- The Sources and Uses of funds and the total financing planned for the Project. Funds, including funds from federal sources, such as HOME grant money, Rural Development, and similar funds, may be loaned by or through a parent organization to a Project at an interest rate below the Applicable Federal Rate (AFR). Such loans will not reduce the basis for the Project providing they are true loans.
- Grants made with federal funds directly to a Project, which will reduce basis.

- Any proceeds or receipts expected to be generated by the tax credits.
- The reasonableness of the development and operational costs of the Project.

Based on its evaluation, MBOH will make a preliminary determination of the amount of credit deemed necessary for the financial feasibility of the development and its viability as a qualified low income housing Project throughout the Compliance Period. This determination is made solely at MBOH's discretion, and is not intended to be a representation or warranty to anyone as to the feasibility of the development. Rather, it will serve as the basis for making an Award of credits. A similar analysis will be done at the time of 10% Carryover Cost Certification and prior to issuing IRS Form(s) 8609. Neither the selection of a Project to receive an Award of tax credits nor the amount of credits to be allocated constitutes a representation or warranty that the Owner or Developer should undertake the development, or that no risk is involved for the Investor.

Development Evaluation Criteria and Scoring

In addition to evaluation under all other QAP Selection Criteria, Applications will be evaluated and scored according to the following Development Evaluation Criteria.

- Awarding of points to Projects pursuant to these Development Evaluation Criteria is for purposes of determining that the Projects meet at least a minimum threshold of 900 points to qualify for further consideration. Developments not scoring the minimum Development Evaluation Criteria score of 900 points will not receive further consideration.
- The Development Evaluation Criteria, other QAP Selection Criteria and information submitted or obtained with respect to Projects will be used to assist the MBOH Board in evaluating and comparing Projects.
- Development Evaluation Criteria scoring is only one of several considerations taken into account by the MBOH Board. It does not control the selection of Projects that will receive an Award of tax credits. For purposes of this QAP and ~~HTC~~MHTC Awards and Allocations, the QAP Selection Criteria include all of the requirements, considerations, factors, limitations, Development Evaluation Criteria, set asides, priorities and data set forth in this QAP and all federal requirements~~ (together referred to in this QAP as the "Selection Criteria")~~.

1. Extended Low Income Use* (0-100 points)

Federal law requires a 30-year or longer extended use agreement. An Application in which the Applicant agrees to maintain units for low income occupancy beyond the Compliance Period will receive points as indicated below and must incorporate these restrictions into the Restrictive Covenants.

Years beyond initial 15

15 years	0 points	(30 total years)
16 – 20 years	40 points	(31 – 35 years)
21 – 25 years	60 points	(36 – 40 years)
26 – 30 years	80 points	(41 – 45 years)
Over 30 years	100 points	(46 years +)

Eventual Home Ownership* Applications must also specify an Extended Use Period and will receive points for the Extended Use Period chosen as provided above (refer to the "Eventual

Homeownership" portion of Section 3 for supplemental Application documentation and information requirements).

2. Lower Income Tenants* (0-220 points)

An Application will receive points for the percentage of eligible units at the percentages of area median income ("AMI") levels listed below. An Application will receive points for 40%, 50%, and 60% categories when the development targets those income and rent levels. Points awarded for 40% units are independent of and not calculated as part of 50% or 60% units. Developments will be bound by the terms committed to in the application process through the use of the Declaration of Restrictive Covenants. Section C, Part IV, Rent and Forecasted Income of the UNIAPP will be used to calculate the score for this item.

Target Median Income Level	Percentage of Eligible Units	Points
40%	10% (or greater)	20 NOTE 1
50%	15-20%	60 NOTE 1
50%	21-40%	80 NOTE 1
50%	41-60%	150 NOTE 1
50%	61-100%	200 NOTE 1
60%	40%	0
60%	41-60%	20
60%	61-100%	40

NOTE 1: Rents @ 40% allowed to income qualify to 49% AMI.

Rents @ 50% allowed to income qualify to 55% AMI (40/60 election must apply)

(Applicable to all existing ~~HTC~~MHTC properties)

3. Project Location* (0-100 points)

An Application will be awarded points to the extent the Project is located in an area where amenities and/or essential services will be available to tenants, determined according to the following specifications. An Application will be awarded points with respect to an amenity or service as specified below, if: (i) a Project is located within 1½ miles of the specified amenity or essential service; (ii) public or contracted transportation (not including taxi or school bus service) is reasonably available to the specified amenity or service (i.e., the Project is located within ¼ mile of fixed bus stop or on a same day call basis); or (iii) where applicable, the specified amenity or service is available via a no-charge delivery service to the Project Location:

- 20 points for grocery store (convenience store does not count); and
- 10 points for each of the following, up to a maximum of 80 points:
  - One or more public schools;
  - Senior Center;
  - Bank;
  - Laundromat (only if washer/dryer not included in unit or onsite);
  - Medical services appropriate and available to all prospective tenants (e.g., hospital, doctor offices, etc.);
  - Pharmacy services appropriate and available to all prospective tenants;
  - Gas station and/or convenience store;
  - Post Office;
  - Public Park;

- Shopping (department, clothing or essentials – does not include convenience store); or
- Public Library.

4. Housing Needs Characteristics* (0-190 points)

Development meets area housing needs and priorities and addresses area market concerns, such as public housing waiting lists (for all units and tenants), Vacancy Rate and type of housing required.

- **Community Input (0-40 points)**: 40 points will be awarded for this Community Input if evidence provided in the Application and in response to MBOH inquiries indicates community input regarding the proposed Project was gathered through: (i) neighborhood meetings held expressly for this Application with attendance rosters and minutes; (ii) local charrettes held expressly for this Application with supporting documents, concept drawings, and input from community; and/or (iii) other appropriate form of community input specifically designed to gather community input for this Application. In order to obtain the available points under this bullet item, there must be community input in some form. If a community meeting is held but there is no attendance, another form of community input must be used. No points will be awarded if the meeting or charette is part of another public or design meeting, unless the minutes demonstrate that a portion of the meeting was specifically dedicated to community input for this Application. No points will be awarded if the Application does not provide evidence of qualifying community input, including minutes of any meeting, charette or other form of community input and copies of any written comments received.

- **Appropriate Size (0-50 points)**: Points will be awarded for the appropriateness of size of the development for market needs and concerns as reflected in the Market Study. 50 points will be awarded if the number of units being proposed is 50% or less than the number of units needed as projected by the Project's Market Study. No points will be awarded if the number of units being proposed is more than 50% of the number of units needed as projected by the Project's Market Study. If the Project is existing in the community, the number of units in the Project will be added to the new units needed and the above test will be applied.

- **Appropriate Development Type (0-40 points)**: Points will be awarded for the appropriateness of the development type for market needs and concerns as reflected in the Project's Market Study. 40 points will be awarded if the Project's Market Study explains and justifies the selection of the type of construction and housing selected (including justification of Rehab/New Construction, Family/Elderly, Single-Family/Multi-Family, bedroom size and Eventual Home Ownership). If this explanation and justification is not included in the Project's Market Study, no points will be awarded in this category.

- **Market Need (0-60 points)**: The Application will be awarded points based upon the required Market Study's documentation that the Project meets the market needs of the community, as follows:
  - Vacancy Rate is at or below 5% (20 points);
  - Absorption rate is less than 4 months (20 points) or; Absorption rate is 4 or more months and less than 6 months (10 points) and
  - Rents are at least 10% below market rents (20 points).

Narrative references to the Market Study must cite the referenced page and paragraph of the Market Study.

5. Project Characteristics* (0-240 points)

Preservation of or Increase in Housing Stock (0-20 points)

20 points will be awarded if the Application proposes the Preservation of existing affordable housing stock or increases the affordable housing stock through the use of federal funds or funds from other sources (e.g., donation of land, other substantial donations, reduction in taxes or impact fees) to leverage the tax credit dollars.

Qualified Census Track or Community Revitalization Plan* (0-10 points)

10 points will be awarded if the Project is located in a Qualified Census Tract or involves existing housing as part of a local (not national, state or regional) community revitalization plan* or similar plan. The Application must include any such local community revitalization plan and identify where in the plan such existing housing may be found.

Preservation of Affordable Housing Projects* (0-20 points)

20 points will be awarded if the Application proposes the Acquisition and/or Rehabilitation of buildings with local, state, and/or federal historic preservation designations, existing affordable housing stock, or Projects applying for Rehabilitation tax credits that have completed their Compliance Period.

Project-based rental subsidy (0-50 points):

0 points for less than 25% of the units;

10 points for at least 25% of the units;

20 points for at least 35% of the units;

30 points for at least 50% of the units;

40 points for at least 75% of the units; or

50 points for 100% of the units.

Amenities (0-40 points):

Applications will be awarded 10 points for each 3 of the following higher quality amenities that will be provided at no charge to tenants in the Project up to a maximum of 40 points:

These amenity items are:

Units:

Dishwasher	Washer/dryer hookups
Disposal	Washer/dryer provided in unit
Microwave	Carport/garage
Extra Storage outside unit	Air conditioning
High quality cabinets	High quality flooring
Patios or Balconies	N/A

Community:

Computer(s) for tenant use	Play area
Community room	Community garden
Basketball hoop/pad	Car plug ins
Outdoor community area	Library
On site manager	Laundry room
Use of existing terrain and landscaping that matches the surrounding area to enhance the grounds for innovative accessibility	

Luxury amenities will not be considered or funded with tax credits. Items deemed luxury amenities include but are not limited to swimming pools, golf courses, tennis courts and similar amenities.

The added costs of the Project attributable to higher quality amenities will be considered on a Project by P~~p~~roject basis for a cost to benefit assessment.

Green Building and Energy Conservation Standards* (0-100 points):

Applicant's justification for green building and energy conservation includes but is not limited to Energy Star building and appliance initiatives, water saving devices and green construction and materials. The green building and energy conservation items are listed and further described, and the available points and evaluation scoring criteria are specified, for New Construction and Rehabilitation in the worksheet~~s~~ Exhibit F~~-1 and F-2~~. The Application must include the completed ~~applicable~~ worksheet (Exhibit~~s~~ F~~-1 or F-2~~). The Applicant's architect, who is qualified with respect to energy and green building standards, must provide a letter confirming the listed green building and energy conservation items incorporated into the Project and this letter must be included in the Application. NOTE: The Applicant's architect also must provide certification ~~upon completion of the Project~~at Final Cost Certification for 8609 purposes confirming that the initiatives were incorporated. ~~MBOH will obtain information and reports from building code and inspection authorities to confirm incorporation of initiatives meeting applicable building codes for all Projects. Developers and Builders must cooperate with MBOH in obtaining such information, including but not limited to signing any required release or consent forms. Proof of blower door tests on every Project unit demonstrating compliance with applicable residential building code specifications must be submitted to MBOH to qualify for issuance of 8609.~~

Please refer to Section 3 for mandatory blower door and infrared testing for Projects that have been Awarded MHTCs.

6. Development Team Characteristics* (0-110 points)

Participation by an entity with a demonstrated track record of quality experience in completed development or management of low income housing tax credit Projects. MBOH will consider all members of the Development Team (Applicant, Owner, Developer, General Partner, Management Company, and ~~HTC~~MHTC Consultant) and whether housing Projects have been developed and operated with the highest quality either in Montana or another state. Special attention will be paid to existing Projects, amount of active local community participation used to develop Projects, and a management entity with a good compliance

track record and specialized training. If a new Developer these points can be obtained through Experienced Partners. (0-60 points)

Ten points each will be awarded for one member of the Management Company and one member of the Development Team (other than the Management Company) who is directly and actively involved with the Project that has been trained and maintains certification by a Nationally Recognized ~~HTC~~MHTC Compliance Training Company. For MBOH purposes, to maintain certification, the person must attend a class with a Nationally Recognized ~~HTC~~MHTC Compliance Training Company at least once every four years (certificates must be attached with each Application). (0-20 points).

Thirty points will be awarded if the Project's Developer or Consultant who is actively involved in the actual construction process has experience with Cold Weather Development and Construction, as reported on Exhibit H~~. Documentation must be attached to verify such experience~~. Cold Weather Development and Construction is defined as experience of the ~~HTC~~MHTC Developer or Consultant ~~experience~~ on one or more Projects located above the 40 degrees north parallel (0-30 points).

The application must list all affordable housing including low-income housing tax credit~~HTC~~ Projects in Montana or any other state developed, owned, managed or consulted on by applicant and any member of the Development Team or for which an Award of tax credits was received, whether or not such Projects were successfully completed. All Development Team members, including Applicant, Developer, General Partner/Owner, Management Company, and ~~HTC~~MHTC Consultant must consent in writing, on a form provided in the UNIAPP Supplement, to the release of information by any other applicable state tax credit agencies to MBOH regarding the Applicant's history of performance on other tax credit Projects.

7. Participation of Local Entity (0-50 points)

A proposal involving significant participation by a Local Entity separate from the Developer must be evidenced by a signed agreement to participate. The MBOH Board has determined having a Local Entity participate at a significant level increases the success and acceptance of the Project into the community. Examples of significant participation include Local Entities providing: on-site tenant services, such as screening and referring tenants or providing supportive services, through a formal written agreement for the duration of the Compliance Period (with such agreement preserving the Owner's right to cancel the agreement and obtain a replacement agreement with a new servicer if existing servicer is unable to provide the services); donation of land or sale at a reduced price to enhance affordability; use of grant money to develop infrastructure; or significant fee waivers on city fees. Monetary or other material support will also be considered. Note: Information submitted during each round of Applications will be compared to other Applications within the same round. Only new or updated agreements, land donations, and/or grants requested or negotiated for the current round will be considered for awarding points.

8. Tenant Populations with Special Housing Needs* (0-100 points)

An Application will be awarded 10 points for each 5% of the units targeting the following identified needs up to a maximum of 100 points. The Application must specify the number of units targeted for each category. Section B Part XII, Units Accessibility, of the UNIAPP will be used to calculate the score for this item. Units may not be counted more than once or in more than one category for purposes of awarding points.

- Units targeted specifically for individuals with children or large families (units with 2 or more bedrooms).
- Units targeted specifically as Section 504 fully accessible units exceeding minimum fair housing requirements.

- Units targeted specifically for persons with disabilities (Application must describe the strategy that will be used to market available units to disabled persons throughout the Extended Use Period).

If the Project is an Elderly Property as defined in federal law, the Application will receive 100 points under this provision.

Example:

2 – 2 bdrm units meet family requirement 20% – 40 points

2 – 1 bdrm units exceed section 504 20% – 40 points

1 – 1 bdrm unit targeted to mental illness 10% – 20 points

5 – 1 bdrm units with no targeting 50% – 0 points

10 – Total units in Project – 100 total points received

9. Developer Knowledge and Responsiveness (Up to minus (-) 400 points)

If an entity or individual participating in a Project has a demonstrated poor track record with respect to developments in Montana or in another state, MBOH may assign negative points. For purposes of determining a participant's track record, MBOH may contact community officials, Developer team references, credit bureaus, other state tax credit administering agencies and any other sources as MBOH deems appropriate. As much as minus (-) 100 points may be assigned for each of the following (i) demonstrated poor track record with respect to developments in Montana or in another state, and/or (ii) for failure to respond within 10 working days of MBOH letter of inquiry. (up to -200)

Applicants, (Consultants, Developers, Owners) or other Development Team members with past demonstrated management weaknesses, including but not limited to those listed below may be assigned negative points for this section (Up to Minus (-) **200** points), for example:

- Has not followed-through on the development of a Project from Application to rent-up and operation;
- Has not complied with MBOH submission, compliance or other requirements applicable during Project development, construction and Extended Use Period;
- Has not maintained a Project to Section 42 or other program standards;
- Has or had numerous or outstanding substantial non-compliance issues or IRS 8823's (consideration will be given the type of 8823);
- Has not been trained in a certified compliance training program;
- Has not retrained management on compliance at least every four years;
- Has requested income targeting changes that are not supported by unanticipated hardship;
- Has requested additional credits more than once;
- Has made significant changes to previous tax credit applications; or
- Has significantly diminished the quality and long term viability of a previous Project by lowering costs below a reasonable level.

* Indicates federally mandated criteria

Developments not scoring the minimum Development Evaluation Criteria score of 900 points will not receive further consideration. Applications scoring at least the minimum Development Evaluation Criteria score of 900 points and meeting all other requirements of this QAP will be considered for an Award of tax credits as provided in this QAP.

Award Determination Selection Standard

The MBOH Board will select those Projects to receive an Award of tax credits that it determines best meet the most pressing housing needs of low income people within the state of Montana, taking into consideration: (i) all of the requirements, considerations, factors, limitations, Development Evaluation Criteria, set asides, priorities and data (including without limitation the statistical data in Exhibit G) set forth in this QAP and all federal requirements (together referred to in this QAP as the "Selection Criteria"); (ii) the Development Evaluation Criteria scoring; and (iii) all other information provided to the MBOH Board regarding the applicant Projects.

The awarding of points to Projects pursuant to the Development Evaluation Criteria is for purposes of determining that the Projects meet at least the minimum Development Evaluation Criteria required for further consideration and to assist the MBOH Board in evaluating and comparing Projects. Development Evaluation Criteria scoring is only one of several considerations taken into account by the MBOH Board and does not control the selection of Projects that will receive an Award of tax credits. In addition to any other Selection Criteria specified in this QAP, the MBOH Board may consider the following factors in selecting Projects for an Award of tax credits to qualifying Projects:

- The geographical distribution of tax credit Projects;
- The rural or urban location of the Projects;
- The overall income levels targeted by the Projects;
- The need for affordable housing in the community, including but not limited to current Vacancy Rates;
- Rehabilitation of existing low income housing stock;
- Sustainable energy savings initiatives;
- Financial and operational ability of the Applicant to fund, complete and maintain the Project through the Extended Use Period;
- Past performance of an Applicant in initiating and completing tax credit Projects;
- Cost of construction, land and utilities, including but not limited to costs/credits per square foot/unit; and/or
- The frequency of Awards in the respective areas where Projects are located.

If the MBOH Board Awards credits to an Applicant where the Award is not in keeping with the Selection Criteria of this QAP, it will publish a written explanation that will be made available to the general public pursuant to Section 42(m)(1)(A)(iv) of the Internal Revenue Code.

If all of the authorized credits are Awarded after a particular cycle, MBOH may place qualifying Applications which did not receive an Award of tax credits on a waiting list for potential Award of tax credits in the event credits become available at a later date. Any available credits that are not Awarded or reserved in a particular cycle may in the discretion of the MBOH Board be made available for Award in a future cycle or may be used to increase the amount of tax credits reserved for a previously Awarded Project as provided in this QAP.

SECTION 10 – RESERVATION, CARRYOVER AND FINAL ALLOCATION

Once MBOH has selected Projects and determined the Award of tax credits and amount of credits to be reserved**,** MBOH will provide a Reservation Agreement, Gross Rent Floor Election, and Declaration of Restrictive Covenants to the partnership for execution and return to MBOH.

Reservation Agreement

MBOH will provide a Reservation Agreement, Gross Rent Floor Election, and Declaration of Restrictive Covenants to the partnership for execution and return to MBOH. The partnership should review, complete, sign, and return the Reservation Agreement and Gross Rent Floor Election, along with the additional information and materials required below. A Reservation Agreement is MBOH's conditional commitment to allocate tax credits, subject to evidence of timely progress toward completion of the development acceptable to MBOH, and compliance with federal tax credit requirements.

If an unsuccessful Applicant, or a party associated with such Applicant, commences any legal action or proceeding challenging MBOH's Award determination or process, MBOH will allocate tax credits as required by an executed Reservation Agreement to the same extent it would have been bound to do in absence of the legal challenge, unless the court determines that such Applicant was not eligible or qualified under the applicable QAP to receive an Award of tax credits or MBOH otherwise determines that it is precluded by Court order from doing so. If a court determines in any such action or proceeding that MBOH must Award credits to one or more unsuccessful Applicants from such round or year, such Award or Awards will be made using any available returned or unreserved tax credits or current year's credits provided in Section 7.

The following will be required from the partnership, prior to entering into a Reservation Agreement:

- Demonstrated financial ability to proceed (conditional financing commitment); and
- Certain other updated Application material

Where applicable, if the Owner elects the federal percentage(s) in the month that the reservation is issued by MBOH, the reservation document must be signed and returned on or before the 25th of that month to assure the lock-in of the rate. Owners electing the placed-in-service date should return the signed reservation document immediately. Upon receipt, MBOH will sign the Agreement, and return a copy to the partnership.

The balance of the reservation fee (based on the fee schedule) will be due and must be received by MBOH no later than 6 months after Award of credits.

MBOH will send the successful Applicant a Reservation Agreement shortly after Award. The Applicant will have a maximum of 90 days after receipt of the Reservation Agreement to accept, sign and return the Reservation Agreement.

Once the partnership enters into a Reservation Agreement with MBOH, the partnership must then meet the conditions described in the Reservation Agreement and provide the required documentation before it receives a final Allocation of tax credits.

MBOH will revoke an approved tax credit reservation and terminate the Reservation Agreement when a Project fails to make successful progress toward completion or otherwise fails to perform its obligations under the Reservation Agreement. Submitting quarterly status reports demonstrating satisfactory evidence of the Project's completion is the responsibility of the Applicant.

NOTE: Reservation Agreements for tax credit Projects funded through tax-exempt bonds must be completed, signed, and returned to MBOH not later than five business days following the close of the bond financing agreement.

Gross Rent Floor Election

The election on this form verifies when the Owner elects the gross rent floor for the Project. There are two options: at the initial Allocation, or at the date Placed in Service. This form reflects the election made by the Owner in the Reservation Agreement. This form must be returned with the executed Reservation Agreement.

Declaration of Restrictive Covenants

The Declaration of Restrictive Covenants assures that the land and its use will be restricted for the purposes of providing low-income housing for the period proposed in the Application. Provisions included in the Restrictive Covenants will include Exhibit A-1 (Legal Description of Project Land); Exhibit A-2 (Conditions of Tax Credit Allocation) indicating the number of units at the appropriate elected rent levels, e.g., 30%, 40%, 50%, 60% AMI as determined by the Application. Owners will be required to maintain those rent levels through the Extended Use Period of the Project; Exhibit A-3 (Energy and Green Building) indicating the architect's letter provided in the Application outlining those energy and green building initiatives.

It is the Developers responsibility to record the Declaration of Restrictive Covenants in the county in which the Project real property is located. In unusual circumstances, and for good cause shown, MBOH may permit amendments to the Declaration of Restrictive Covenants at a subsequent date.

Carryover Commitment

In order to receive a Carryover commitment, Owners must provide Proof of Ownership (evidence of title or right to possession and use of the property for the duration of the Compliance Period and any Extended Use Period plus one year, e.g., a recorded deed or an executed lease agreement), executed and recorded Restrictive Covenants, and the reservation fee. Land lease periods must be at least one year longer than the Restrictive Covenant period. These items must be received by December 1, of the year for which the Award of credits was made. MBOH will issue Carryover commitments before year end.

10% Test

MBOH requires that more than 10% of the expected basis in a Project, including land, must be expended by the 10% Carryover Ceost Ceertification deadline. MBOH requires that Developers provide an independent third party CPA Cost Certification, in a format established by MBOH, verifying compliance with the 10% test.

Developers must submit the 10% requirements, including the required CPA Cost Certification and other documents, by the deadline. Failure to do so will result in the loss of the credit Award.

At 10% Test, MBOH staff will re-evaluate:

- The Sources and Uses of funds;
- Total financing planned for the Project;
- Proceeds or receipts expected to be generated by the tax credits;
- Reasonableness of the development and operation costs;
- Projected Rental Income and Operational Expenses;
- Debt Coverage Ratio; and
- Tax Credits required for financial feasibility of the Project.

Deadline for submission of the required 10% information is the end of the twelfth month following the credit Award. Failure to submit certification for 10% documentation will cause forfeiture of Awarded, reserved or allocated tax credits for the Project.

Placed in Service

Placed in Service (PIS) is the date on which the building is ready and available for its specifically assigned function (the date on which the first unit in the building is certified as being suitable for occupancy in accordance with State or local law). This certification is the Certificate of Occupancy (C of O).

New Construction and substantial Rehabilitation buildings must be placed in service (receive C of O), not later than the close of the second calendar year following the calendar year in which the Carryover commitment is made.

Other Rehabs that are not substantial (accomplished with residents in place during Rehab) can place in service at the end of the 24 month or shorter period over which the required amount of expenditures are aggregated. The Owner selects the placed in service date in this case unless local approval is required.

Final Allocations/8609

Documentation supporting a request for issuance of IRS Form 8609 must be submitted to MBOH within 6 months of the last building Placed In Service date. MBOH will not allocate tax credits on IRS Form 8609 until a qualified building is placed in service. A site visit and file audit by MBOH may be conducted prior to the issuance of the IRS Form 8609.

The request for issuance of IRS Form 8609(s) must include:

- Certification of required blower door or infrared test results ~~showing building code compliance~~ (if not previously submitted)
- The independent third party CPA's Cost Certification and Owner's Statements (available in Exhibit C);
- Exhibit C Sponsor Certification of the UniApp;
- The architect's verification that the items for green and energy listed in the Application as well as provisions of accessibility listed in Section 3 have been incorporated;
- Certificates of Occupancy (C of O's);
- Copies of all permanent loan and/or grant documents;
- Copy of partnership/equity agreement; and
- Statement of items or costs excluded from eligible basis.

MBOH will complete the final credit Allocation evaluation. Reasonable turn-around time for 8609's is 4-8 weeks. Once the 8609(s) are issued and delivered to the Owner, the bottom half must be completed and signed. **A copy of each completed 8609 must be sent back to MBOH within six months of issuance.**

SECTION 11 - DEVELOPER/APPLICANT RESPONSIBILITIES

Applicant must respond to a written MBOH request within 10 working days. Failure to do so may result in the Application being deemed ineligible for that funding round.

Applicant must proceed according to the timeframe identified in the Implementation Schedule. Adjustments up to 60 days are acceptable. Any changes in the Implementation Schedule greater than 60 days must be submitted in writing with justification to MBOH. Any changes not reported or not approved may jeopardize the credits.

State Law Requirements

The Applicant and Development Team must agree to comply with Montana State law requirements (e.g., certificate of contractor registration, workers compensation, unemployment compensation, and payroll taxes). MBOH will include this certification in the execution of all Reservation and Carryover Allocation documents.

Public Notification

Any public relations actions by a recipient of tax credits involving MBOH funds or tax credits must specifically state that a portion of the funding is from MBOH. This will be included in

radio, television, and printed advertisements (excluding rental ads), public notices, and on signs at construction sites**,** e.g., "~~Housing Tax Credit~~Montana Housing Tax Credits allocated by the Montana Board of Housing, Montana Department of Commerce."

Quarterly Status Reporting

All Applicants receiving reservations of credits must provide written status reports for each calendar quarter, beginning with the quarter in which the tax credit Award is made. Status reports will be due on or before January 10th, April 10th, July 10th & October 10th until the Applicant receives its 8609(s). The documentation regarding the progress must be add description from letter development specific, and include such items as planning approval and building permits, firm debt and/or equity financing commitments, construction progress, and lease up progress. Owners must provide a copy of the Certificate of Occupancy for each building. The Certificate of Occupancy must be included in the status report covering the period in which it was issued.

Changes to Project or Application

The Applicant must immediately notify MBOH in writing of any proposed significant changes in the Project. . MBOH must review and approve any proposed substantial changes to the Project including but not limited to changes to:

- Applicant, Developer, ~~HTC~~MHTC Consultant or any other principal participant in the Project;
- Quality of construction;
- Unit composition;
- Target group;
- Location;
- Required information presented in the Application.
- Sources and Uses (refer to Section 3).

Specific approval by the MBOH Board is required for substantial changes. Requests must be submitted to MBOH with proper justification at least 30 days before the change is expected to take place. MBOH review and approval of changes must be completed prior to the change taking effect. Changes completed without MBOH approval, may result in the loss of some or all credits.

Any requested changes submitted requiring MBOH action may incur additional fees. Changes to tax credit site, construction of building(s), architectural, engineering, or any on-site review by any member of MBOH will incur additional charges. Fees will be determined based upon the cost of MBOH Staff travel for that purpose.

SECTION 12 - COMPLIANCE MONITORING

Federal law requires state allocating agencies (MBOH) to monitor compliance with provisions of Section 42 of the Internal Revenue Code (26 U.S.C. § 42). In addition, Federal law requires allocating agencies to provide a procedure the agency will follow in monitoring for non-compliance and to inform tax credit recipients (Owners) of procedures and requirements.

Included in the requirements are procedures for notifying the Internal Revenue Service (IRS) of any non-compliance of which the allocating agency becomes aware. Federal income tax regulations related to Procedures for Monitoring Compliance with Housing Credit Requirements are published in 26 CFR Part 1 and 602.

For complete ~~HTC~~MHTC compliance guidance, refer to the MBOH ~~HTC~~MHTC Compliance Manual, available at http://housing.mt.gov/About/MF/manuals.mcpx

Compliance Fees

Developments will incur and must pay to MBOH a compliance monitoring fee to offset the costs for MBOH compliance monitoring. The compliance monitoring fee of $40.00 per each non-market unit (subject to change) is payable annually at the time of the Owner's Submission of the Owner's Certificate of Continuing Program Compliance.

The following procedure describes MBOH plans for monitoring compliance on tax credit Projects. At minimum, each Project that has been placed in service will be subject to the following monitoring requirements:

Recordkeeping, Record Retention and Data Collection

Recordkeeping

The Owner of a low-income housing Project must keep records for each building in the Project that shows unit qualifications for each year throughout the term of the Declaration of Restricted Covenants, including the Compliance Period and the Extended Use Period in effect for such Project.

The information must show for each year in the Compliance Period:

- The total number of residential rental units in a building (including the number of bedrooms and the size in square feet of each residential rental unit);
- The percentage of residential rental units in the building that are qualified units;
- The rent charged on each residential rental unit in the building (including any utility allowances and mandatory fees);
- ~~HTC~~MHTC unit vacancies in the building and information that shows when, and to whom, the next available units were rented. If a unit is left vacant, or in a mixed use Project is rented to a non-qualifying tenant, the Owner must maintain documentation showing a diligent attempt was made to rent the unit to a qualifying tenant;
- The tenant income certification of each ~~HTC~~MHTC tenant (by unit), including annual certifications for each continuous tenant;
- Documentation to support each ~~HTC~~MHTC tenant's income certification. This must include a copy of (a) verification of income from third parties, or (b) 6 consecutive paystubs;
- The eligible basis and qualified basis of the building at the end of the first year of the credit period; and
- The character and use of any non-residential portion of the building included in the eligible basis of the building, if applicable.

Records Retention

Federal regulations require the Owner of a ~~HTC~~MHTC Project receiving tax credits to retain the records listed above. The Owner is required to retain such records for at least 6 years after the due date for filing the federal income tax return for that year. Records for the first year of the credit period must be retained for at least 6 years beyond the due date for filing the federal income tax return for the last year of the Compliance Period. Owner should also retain records relating to the amount of credit claimed for the ~~Housing Tax Credit~~Montana Housing Tax Credit, including the Form 8609 and Schedule A of Form 8609.

Data Collection

To the extent required by federal law, the Owner will assist the MBOH with meeting federal reporting requirements by collecting and submitting information annually concerning the race, ethnicity, family composition, age, income, use of rental assistance under section 8(o) of the United States Housing Act of 1937 or other similar assistance, disability status, and monthly rental payments of all qualified households.

Owners Certificate of Continuing Program Compliance

The Owners Certificate of Continuing Program Compliance is required on an annual basis for each property. The certificate must to be signed by the Owner and notarized. This statement must be filed with MBOH every year throughout the Extended Use Period. Owners must file annual certifications on the form provided by MBOH. Substitute forms are not acceptable. Failure to provide an annual certification before the date established by MBOH may trigger an IRS Form 8823.

Annual Operating Expense Information

All property Owners must submit operating income and cost information for the property's latest fiscal period, including a current balance of replacement and operating reserve accounts.

Submission Deadlines

The Owners Certificate of Continuing Program Compliance and Tenant Income Certifications (TIC) must be submitted on or before the 25th of the month following the assigned annual period. Federal regulations stipulate there must be no more than 12 months between certifications.

All submissions must be filed through Certification On Line (COL).

Review by MBOH staff

MBOH will review the items listed above for compliance with the requirements of Section 42 of the Code and with the requirements of the MBOH ~~HTC~~MHTC program.

Ownership / Management Changes

Notification of changes to ownership, property management companies, managers, site managers, or changes to points of contact must be submitted to MBOH prior to or immediately upon implementation of the change. Failure to timely submit such notification to MBOH may trigger issuance of a Form 8823.

Education Requirements

Persons responsible for qualifying tenants and verifying compliance (involved in tenant qualification and compliance) must be certified in ~~HTC~~MHTC compliance by one of the Nationally-Recognized HTC Compliance Training Companies. Property managers and property Management Company personnel must complete a Nationally-Recognized HTC Compliance Training Company certification course, passing the test. For MBOH purposes, to maintain certification, the person must attend a class with a Nationally-Recognized HTC Compliance Training Company at least once every four years. For each of the other three years, all property managers and property Management Company personnel should attend annual MBOH compliance training. The manager for an ~~HTC~~MHTC property must be trained and certified before the property is placed in service. New managers hired for existing ~~HTC~~MHTC properties must be certified within their first year of employment. On a case-by-case basis, MBOH may approve our compliance training as adequate training until such time as the next Nationally-Recognized HTC Compliance Training Companyprogram is offered within Montana.

Persons responsible for qualifying tenants and verifying compliance (involved in tenant qualification and compliance) must also attend Fair Housing training at least once every four years. The manager for a ~~HTC~~MHTC property must complete such training before the property is placed in service. New managers hired for existing ~~HTC~~MHTC properties must complete the training within their first year of employment.

Tenant Income Certifications (TIC)

Frequency and Form

Owners must complete the MBOH TIC *for all new move-ins* and file it with MBOH through Certification On Line (COL). Documentation supporting the TIC will not be submitted. MBOH staff will review supporting documentation during file audits. Timely annual Re-certifications (TICs) *for mixed Projects* (with market units) are required must be submitted to MBOH through COL.

The MBOH TIC is the only acceptable form.

Student Status Certification

Student status certifications must be completed *annually* ~~HTC~~ *prior to their move-in* anniversary *date*.

On-Site Inspections

MBOH staff (staff) will perform an on-site inspection of each property at least once every three years during the Extended Use Period. Staff will notify the Owner/manager in advance of the inspection.

Staff must inspect and review at least 20% of the tenant files and corresponding units. MBOH will not notify the Project's manager, Owner or other representative of the unit selection before the site inspection. The selected sample may be expanded.

Complete copies of all tenant files for each unit from original lease-up forward must remain within the State of Montana at the location of the rental property or the regional in-state office.

If MBOH determines it is necessary, properties may be inspected on a cycle of more than once every three years. The cost of any additional inspections will be billed to the respective property.

In event of non-compliance under Section 42 of the Code or the implementing regulations MBOH may be required or elect to undertake additional monitoring. The Owner will take any and all actions reasonably necessary to achieve and maintain compliance. Staff may require the Owner to document correction of non-compliance and/or MBOH may elect to conduct one or more site visit(s) to verify correction of non-compliance. The Owner will pay a reasonable fee to MBOH for any such additional monitoring activities.

Notice To Owner (26 CFR 1.42 (e)(2))

MBOH must provide prompt written notice to the Owner if MBOH becomes aware of non-compliance. These items include:

- Non-receipt of the certification(s) described in this QAP.
- Inaccessibility of tenant income supporting documentation, rent records, or the property.

In addition, MBOH must provide prompt written notice to the Owner if MBOH discovers by inspection, review, or in some other manner, that the Project is not in compliance with the provisions of Section 42.

Correction Period (26 CFR 1.42 (e)(4))

The Owner will be given a reasonable correction period from the date of non-compliance. If Staff determines that good cause exists, an extension may be granted.

Notice To IRS (26 CFR 1.42 (e)(3))

MBOH must file IRS Form 8823 "Low-Income Housing Credit Agencies Report of Noncompliance" with the IRS (even if non-compliance has been corrected) no later than 45 days after the end of the correction period, and no earlier than the end of the correction period.

Liability (26 CFR 1.42 (g))

Compliance with the requirements of Section 42 is the responsibility of the Owner of the building for which the credit is allowable. MBOH's obligation to monitor for compliance with the requirements of Section 42 does not make the Agency liable for an Owner's noncompliance.

No member, officer, agent, or employee of MBOH shall be personally liable concerning any matters arising out of, or in relation to, the compliance monitoring of a low-income housing Project.

Marketing the Project

MBOH will put all ~~HTC~~MHTC properties into the free State-approved Housing Locator website, MTHousingSearch.com. Properties will be contacted by MTHousingSearch for required information. Using this website meets the criteria for advertising vacant units and provides for broad coverage to those searching for affordable housing in Montana.

SECTION 13 – DISCLAIMER

MBOH is charged with allocating no more tax credits to any given development than is required to make that development economically feasible. This decision shall be made solely at the discretion of MBOH, but in no way represents or warrants to anyApplicant, Investor, lender, or others that the development is feasible or viable.

MBOH reviews documents submitted in connection with this Allocation for its own purposes. In Allocation of the tax credits, MBOH makes no representations to the Owner or anyone else regarding adherence to the Internal Revenue Code, Treasury regulations, or any other laws or regulations governing ~~Housing Tax Credit~~Montana Housing Tax Credits.

No member, officer, agent, or employee of MBOH shall be personally liable concerning any matters arising out of, or in relations to, the Allocation of the ~~Housing Tax Credit~~Montana Housing Tax Credit.

If it is determined that an Applicant has intentionally submitted false information, a credit Award may be withdrawn or credits may be recaptured and the Applicant or any Applicant involving any related parties or any individual or entity supplying the false information will be ineligible to apply for credits for the next five years.

MBOH Policy on Non-Discrimination

Montana Board of Housing is an Equal Opportunity organization. All employees, who work for or with this Agency, agree not to discriminate against any client or co-worker based on race, color, religion, sex, handicap, familial status, national origin and any other classes protected in Montana. The failure of any employee to take the Agency policy seriously and

to comply therewith may lead to disciplinary action, including but not limited to immediate termination of employment.

Qualified Allocation Plan Revisions

This QAP may be amended at any time after compliance with applicable notice, comment and approval requirements.

MBOH Policy on Civil Rights Compliance

The Owner, Developer, borrowers and any of their employees, agents, or sub-contractors in doing business with the Montana Board of Housing understand and agree that it is the total responsibility of the Owner(s) to adhere to and comply with all Federal Civil Rights legislation inclusive of the Fair Housing Laws, Americans With Disabilities Act as well an any State and local Civil Rights legislation along with any required related codes and Laws. Should requirements, such as design, not be specified by MBOH, it is none the less the Owner(s) responsibility to be aware of and comply with all non-discrimination provisions related to race, color, religion, sex, handicap, familial status, national origin an any other classes protected in Montana, including design requirements for construction or Rehabilitation, Equal Opportunity in regard to marketing and tenant selection and reasonable accommodation and modification for those tenants covered under the Laws.

Exhibits

All Exhibits available at: http://housing.mt.gov/About/MF/qapexhibits.mcpx

Exhibit A	High Cost Areas
~~Exhibit B-1~~	~~Mini Market Study Requirements~~
Exhibit B~~-2~~	Full Market Study Requirements
Exhibit C	10% and 8609 Letters and Forms 10% Cost Certification – Independent Auditors' Report 10% Owner's Statement – 10% Carryover Cost Certification Final Cost Certification – Independent Auditors'' Report Owner's Statement – Final Allocation Owner's Statement – Acq/Rehab Final Allocation Exhibit A Itemized Action Cost and eligible Basis (New Construction) Exhibit A Itemized Action Cost and Eligible Basis (Acq/Rehab)
Exhibit D-1	~~Letter of Intent Template~~
Exhibit D-2	Letter of Intent Template Attachment to Letter of Intent
Exhibit E~~-1~~	Release of Information Form and List of States and Properties
~~Exhibit E-2~~	~~List of States and Properties~~
Exhibit F~~-1~~	~~Energy and~~ Green Checklist ~~(New Construction)~~
~~Exhibit F-2~~	~~Energy and Green Checklist (Acq/Rehab)~~
Exhibit G	Statistical Data
Exhibit H	Cold Weather Development and Construction Experience

EXHIBIT "A"

__XX__ 8609 certification

Itemized Actual Cost and Eligible Basis

Itemized Cost	Actual Cost	List and Indicate Eligible Basis by Credit Type: Fed. Subsidies 4% Credit	w/o Fed. Subsidies 9% Credit
Land and Buildings:			
Land			
Existing Structure			
Demolition			
Other			
Site Work:			
Site Work			
Off Site Improvement			
Enviromental			
Other			
Rehabilitation and New Const:			
New Building			
Rehabilitation			
Accessory Structures			
General Requirements			
Contractor Overhead			
Contractor Profit			
Construction Contingency			
Other			
Other			
Professional Work and Fees:			
Architect Design			
Architect Supervision			
Attorney, Real Estate			
Consultant \ Agent			
Engineer \ Surveyor			
Other			
Other			
Construction Interim Costs:			
Hazard & Liability Insurance			
Credit Report			
Construction Interest			
Origination Points			
Discount Points			
Inspection Fees			
Title & Recording			
Legal Fees			
Taxes			
Other			
Other			
SUBTOTAL THIS PAGE			

EXHIBIT "A"

__XX__ 8609 certification

Itemized Actual Cost and Eligible Basis

Itemized Cost	Actual Cost	List and Indicate Eligible Basis by Credit Type: Fed. Subsidies 4% Credit	w/o Fed. Subsidies 9% Credit
Financing Fees and Expense:			
Credit Report			
Discount Points			
Origination Fees			
Title and Recording			
Legal Fees			
Prepaid MIP			
Other			
Other			
Soft Costs:			
Feasibility Appraisal			
Market Study			
Enviromental Study			
Tax Credit Fees			
Cost Certification			
Other			
Other			
Syndication Costs:			
Organizational (Partnership)			
Bridge Loan Fees and Expenses			
Tax Opinion			
Other			
Developer's Fees:			
Developer's Fee - New Construction			
Developer's Fee - Acquisition			
Developer's Fee - Rehabilitation			
Consultant Fees			
Other			
Project Reserves:			
Rent-up Reserve			
Operating Reserve			
Replacement Reserve			
Escrow's			
Other			
Other			
SUBTOTAL THIS PAGE			
plus			
SUBTOTAL FROM PAGE 1			
Totals			

__XX__ 10% certification

EXHIBIT "A"

Itemized Cost and Eligible Basis

disclose all of a development's funding sources and uses

Itemized Cost	Costs Incurred	Reasonably Expected Cost	List and Indicate Eligible Basis by Credit Type: Fed. Subsidies 4% Credit	w/o Fed. Subsidies 9% Credit
Land and Buildings:				
Land				
Existing Structure				
Demolition				
Other				
Site Work:				
Site Work				
Off Site Improvement				
Enviromental				
Other				
Rehabilitation and New Const:				
New Building				
Rehabilitation				
Accessory Structures				
General Requirements				
Contractor Overhead				
Contractor Profit				
Construction Contingency				
Other				
Other				
Professional Work and Fees:				
Architect Design				
Architect Supervision				
Attorney, Real Estate				
Consultant \ Agent				
Engineer \ Surveyor				
Other				
Other				
Construction Interim Costs:				
Hazard & Liability Insurance				
Credit Report				
Construction Interest				
Origination Points				
Discount Points				
Inspection Fees				
Title & Recording				
Legal Fees				
Taxes				
Other				
Other				
SUBTOTAL THIS PAGE	0	0	0	0

__XX__ 10% certification

EXHIBIT "A"

Itemized Cost and Eligible Basis

Itemized Cost	Costs Incurred	Reasonably Expected Cost	List and Indicate Eligible Basis by Credit Type: Fed. Subsidies 4% Credit	w/o Fed. Subsidies 9% Credit
Financing Fees and Expense:				
Credit Report				
Discount Points				
Origination Fees				
Title and Recording				
Legal Fees				
Prepaid MIP				
Other				
Other				
Soft Costs:				
Feasibility Appraisal				
Market Study				
Enviromental Study				
Tax Credit Fees				
Cost Certification				
Other				
Other				
Syndication Costs:				
Organizational (Partnership)				
Bridge Loan Fees and Expenses				
Tax Opinion				
Other				
Developer's Fees:				
Developer's Fee - New Construction				
Developer's Fee - Acquisition				
Developer's Fee - Rehabilitation				
Consultant Fees				
Other				
Project Reserves:				
Rent-up Reserve				
Operating Reserve				
Replacement Reserve				
Escrow's				
Other				
Other				
SUBTOTAL THIS PAGE	$0	$0	$0	$0
plus				
SUBTOTAL FROM PAGE 1	$0 #	$0 # #	$0 # #	$0
Totals	$0 #	$0 # #	$0 # #	$0
less				
Permanent Financing Fees				
Tax Credit Fees				
Rent-up Reserves				
Organization Costs				
Totals				
Percentage		%		

_____ 10% cerification (mark one)

_____ 8609 certification

EXHIBIT "A"

Maximum Credits Based on Qualified Basis

	List and Indicate Eligible Basis by Credit Type	
	Fed. Subsidies 4% Credit	w/o Fed. Subsidies 9% Credit
Total Eligible Basis (from previous page)		
Less portion of grants used to finance qualified development costs. List Grants:	< >	< >
Less amount of nonqualified nonrecourse financing	< >	< >
Less Historic Tax Credits (Residental Portion Only)	< >	< >
Less other nonqualified cost	< >	< >
Total Adjusted Eligible Basis		
Is project in QCT* or DDA*? If Yes enter 130%. If No enter 100%.	x %	x %
Total Adjusted Eligible Basis (includes high cost adjustment)		
Applicable Fraction (smaller of Unit or Floor Space Fraction)	x %	x %
Total Qualified Basis		
IRS Applicable Fraction (per reservation agreement)	x %	x %
Total Maximum Annual Credit (by type)	$	$
Total Maximum Annual Credit (combined)	$	

Maximum Credits per Reservation Agreement

Total Maximum Annual Credit	$

Tax Credit Sales Price

Tax Credit Sales Price per agreement with equity investors (ie $0.70, $0.75)	$

* QCT = Qualified Census Tract
DDA = Difficult to Develop Area

EXHIBIT "A"
Sources & Uses of Funds

_____ 10% cerification (mark one)
_____ 8609 certification

Loans:

Name of Lender	Amount	Rate	Loan Term	Amort. Period	Annual Debt Service
	$	%			$
	$	%			$
	$	%			$
	$	%			$
	$	%			$
	$	%			$

Total Loans $

Grants:

Name of Grantor	Amount
	$
	$

Total Grants $

Other Sources:
(i.e. owners equity, deferred developer fees) **

Name	Amount
	$
	$
	$

Total Other Sources $

TAX CREDIT EQUITY $

TOTAL SOURCES: $

TOTAL USES: (from page 2) $

Sources must equal Uses

** Rural Development projects must use required owners equity as a source

EXHIBIT "A"
Final Credit Calculation

_____ 10% cerification (mark one)

_____ 8609 certification

Tax Credit Equity (from page 4)	$ _____	
Tax Credit Sales Price (from page 3)	_____ %	
Maximum Annual Credit Calculation:		
Methods		
1. Maximum Credits Based on Tax Credit Equity ((Equity / Sales Price) / 10 years)	$ _____	
2. Maximum Credits Based on Qualified Basis (from page 3)	$ _____	
3. Maximum Credits per Reservation Agreement (from page 3)	$ _____	
Maximum Annual Credit Amount (lessor of the above three methods)		$ _____

Tax Credit Net Proceeds

Gross Proceeds from Sale of Tax Credits		_____
Intermediary Costs:		
Organizational/Partnership Expenses	_____	
Tax Opinion	_____	
Commissions	_____	
Bridge Loan Fees	_____	
Bridge Loan Interest	_____	
Fees to Owner or related party	_____	
Other	_____	
Other	_____	
Total intermediary Costs		_____
Net Proceeds from Sale of Tax Credits		_____

(reduce the gross proceeds from the sale of the tax credits by the costs the project would not have incurred if it had not used tax credits as funding source.)

(this will be analyzed for reasonableness to determine if tax credits proceeds are being used effectively.)

Notes:

EXHIBIT "A"
Qualified Basis on a Building-by-Building Basis

_____ 10% cerification (mark one)
_____ 8609 certification

Building Address	Eligible Basis by Building	Applicible Fraction	Qualified Basis by Building	% Qualified Basis by Building	Tax Credits by Building	Placed-in-Service Date
1						
2						
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						
13						
14						
15						
16						
17						
18						
19						
20						
21						
22						
23						
24						
25						
Totals	$		$		$	

separate sheet will need to be completed for both acquistion and rehabilitation.

Owners Statement Attachment

_____ 10% cerification (mark one)

_____ 8609 certification

Tenant Paid Utility Information

Utility of Service	Type of Utitity (ie Gas, Elec)	O=Owner Pd T=Tenant Pd	Bedroom Size: 0-bdrm	1-bdrm	2-bdrm	3-bdrm	___-Bdrm
Heating							
Hot Water							
Air Conditioning							
Water							
Cooking							
Sewer							
Electricity							
Trash							
Totals			$	$	$	$	$

Income and Rent Schedule

Number of Bedrooms	Number of Units	Gross or Contract Rent	Utility Allowance	Tenant Paid or Contract Rent (c-d)	Total Monthly Rent (b*e)	Median Income Targeted (ie 50% 60%)	Average Sq. Ft. Per Unit

- If a unit has project based rental subsidies enter contract rent in column "c" with zero utility allowance

(i)	Subtotal - Gross Monthly Income	0	
(j)	Vacancy Percentage	7.00%	
(k)	less Vacancy Factor	0	
(l)	Other Project Income(monthly)	$	
(m)	Total Forecasted Monthly Income	0	/monthly
(n)	Total Forecasted Annual Income	0	/yearly
(o)	**Projected Annual Percentage Increase in Income:**	2.00%	

Annual Operating Expenses

1. Administrative:

Advertising	_____
Management	_____
Legal/Ptnrship	_____
Accounting/Audit	_____
Other	_____
Total Administrative	_____

2. Operating:

Fuel	_____
Lighting & Misc Power	_____
Water/Sewer	_____
Gas	_____
Trash Removal	_____
Payroll/Payroll Taxes	_____
Insurance	_____
Other	_____
Total Operating	_____

3. Maintenance:

Decorating	_____
Repairs	_____
Exterminating	_____
Ground Expense	_____
Snow Removal	_____
Other	_____
Total Maintenance	

4. Taxes

Real Estate Taxes	_____
Other	_____
Total Taxes	

5. Total Operating Expenses

6. Annual Replacement Reserves

7. Total Expenses

Please Print Landscape

Owners Statement Attachment
Unit-by-Unit Breakdown

_____ 10% cerification (mark one)

_____ 8609 certification

Building Address & BIN Number	Unit Number	Unit Type (1,2,3 bdrm)	Tenant Paid Rent	Utility Allowance	Gross Rent	Square Footage	*** Unit Designation	Is the unit currently rented?

A separate line should be used for each unit.

** Attach additional sheets if necessary

*** Unit Designation = Indicate if elderly, handicapped, manager ect.

EXHIBIT "A"

__XX__ 8609 certification

Itemized Actual Cost and Eligible Basis

Itemized Cost	Actual Cost	List and Indicate Eligible Basis by Credit Type: Acquisition 4% Credit	Rehabilitation 9% Credit
Land and Buildings:			
Land			
Existing Structure			
Demolition			
Other			
Site Work:			
Site Work			
Off Site Improvement			
Enviromental			
Other			
Rehabilitation and New Const:			
New Building			
Rehabilitation			
Accessory Structures			
General Requirements			
Contractor Overhead			
Contractor Profit			
Construction Contingency			
Other			
Other			
Professional Work and Fees:			
Architect Design			
Architect Supervision			
Attorney, Real Estate			
Consultant \ Agent			
Engineer \ Surveyor			
Other			
Other			
Construction Interim Costs:			
Hazard & Liability Insurance			
Credit Report			
Construction Interest			
Origination Points			
Discount Points			
Inspection Fees			
Title & Recording			
Legal Fees			
Taxes			
Other			
Other			
SUBTOTAL THIS PAGE			

EXHIBIT "A"

__XX__ 8609 certification

Itemized Actual Cost and Eligible Basis

Itemized Cost	Actual Cost	List and Indicate Eligible Basis by Credit Type: Acquisition 4% Credit	Rehabilitation 9% Credit
Financing Fees and Expense:			
Credit Report			
Discount Points			
Origination Fees			
Title and Recording			
Legal Fees			
Prepaid MIP			
Other			
Other			
Soft Costs:			
Feasibility Appraisal			
Market Study			
Enviromental Study			
Tax Credit Fees			
Cost Certification			
Other			
Other			
Syndication Costs:			
Organizational (Partnership)			
Bridge Loan Fees and Expenses			
Tax Opinion			
Other			
Developer's Fees:			
Developer's Fee - New Construction			
Developer's Fee - Acquisition			
Developer's Fee - Rehabilitation			
Consultant Fees			
Other			
Project Reserves:			
Rent-up Reserve			
Operating Reserve			
Replacement Reserve			
Escrow's			
Other			
Other			
SUBTOTAL THIS PAGE			
plus			
SUBTOTAL FROM PAGE 1			
Totals			

__XX__ 10% certification

EXHIBIT "A"

Itemized Cost and Eligible Basis

Itemized Cost	Costs Incurred	Reasonably Expected Cost	List and Indicate Eligible Basis by Credit Type: Acquisition 4% Credit	Rehabilitation 9% Credit
Land and Buildings:				
Land				
Existing Structure				
Demolition				
Other				
Site Work:				
Site Work				
Off Site Improvement				
Enviromental				
Other				
Rehabilitation and New Const:				
New Building				
Rehabilitation				
Accessory Structures				
General Requirements				
Contractor Overhead				
Contractor Profit				
Construction Contingency				
Other				
Other				
Professional Work and Fees:				
Architect Design				
Architect Supervision				
Attorney, Real Estate				
Consultant \ Agent				
Engineer \ Surveyor				
Other				
Other				
Construction Interim Costs:				
Hazard & Liability Insurance				
Credit Report				
Construction Interest				
Origination Points				
Discount Points				
Inspection Fees				
Title & Recording				
Legal Fees				
Taxes				
Other				
Other				
SUBTOTAL THIS PAGE				

__XX__ 10% certification

EXHIBIT "A"

Itemized Cost and Eligible Basis

Itemized Cost	Costs Incurred	Reasonably Expected Cost	List and Indicate Eligible Basis by Credit Type: Fed. Subsidies 4% Credit	w/o Fed. Subsidies 9% Credit
Financing Fees and Expense:				
Credit Report				
Discount Points				
Origination Fees				
Title and Recording				
Legal Fees				
Prepaid MIP				
Other				
Other				
Soft Costs:				
Feasibility Appraisal				
Market Study				
Enviromental Study				
Tax Credit Fees				
Cost Certification				
Other				
Other				
Syndication Costs:				
Organizational (Partnership)				
Bridge Loan Fees and Expenses				
Tax Opinion				
Other				
Developer's Fees:				
Developer's Fee - New Construction				
Developer's Fee - Acquisition				
Developer's Fee - Rehabilitation				
Consultant Fees				
Other				
Project Reserves:				
Rent-up Reserve				
Operating Reserve				
Replacement Reserve				
Escrow's				
Other				
Other				
SUBTOTAL THIS PAGE				
plus				
SUBTOTAL FROM PAGE 1				
Totals				
less				
Permanent Financing Fees				
Tax Credit Fees				
Rent-up Reserves				
Organization Costs				
Totals				
Percentage		%		

_____ 10% cerification (mark one)

_____ 8609 certification

EXHIBIT "A"

Maximum Credits Based on Qualified Basis

	List and Indicate Eligible Basis by Credit Type	
	Acquisition 4% Credit	**Rehabilitation 9% Credit**
Total Eligible Basis (from previous page)		
Less portion of grants used to finance qualified development costs. List Grants:	< >	< >
Less amount of nonqualified nonrecourse financing	< >	< >
Less Historic Tax Credits (Residental Portion Only)	< >	< >
Less other nonqualified cost	< >	< >
Total Adjusted Eligible Basis		
Is project in QCT* or DDA*? If Yes enter 130%. If No enter 100%.	100%	x %
Total Adjusted Eligible Basis (includes high cost adjustment)		
Applicable Fraction (smaller of Unit or Floor Space Fraction)	x %	x %
Total Qualified Basis		
IRS Applicable Fraction (per reservation agreement)	x %	x %
Total Maximum Annual Credit (by type)	$	$
Total Maximum Annual Credit (combined)	$	

Maximum Credits per Reservation Agreement

Total Maximum Annual Credit	$

Tax Credit Sales Price

Tax Credit Sales Price per agreement with equity investors (ie $0.70, $0.75)	$

* QCT = Qualified Census Tract
DDA = Difficult to Develop Area

EXHIBIT "A"
Sources & Uses of Funds

_____ 10% cerification (mark one)
_____ 8609 certification

Loans:

Name of Lender	Amount	Rate	Loan Term	Amort. Period	Annual Debt Service
	$	%			$
	$	%			$
	$	%			$
	$	%			$
	$	%			$
	$	%			$

Total Loans $

Grants:

Name of Grantor	Amount
	$
	$

Total Grants $

Other Sources:
(i.e. owners equity, deferred developer fees) **

Name	Amount
	$
	$
	$

Total Other Sources $

TAX CREDIT EQUITY $

TOTAL SOURCES: $

TOTAL USES: (from page 2) $

Sources must equal Uses

** Rural Development projects must use required owners equity as a source

EXHIBIT "A"
Final Credit Calculation

_____ 10% cerification (mark one)

_____ 8609 certification

Tax Credit Equity (from page 4)	$ _____	
Tax Credit Sales Price (from page 3)	_____ %	
Maximum Annual Credit Calculation:		
Methods		
1. Maximum Credits Based on Tax Credit Equity ((Equity / Sales Price) / 10 years)	$ _____	
2. Maximum Credits Based on Qualified Basis (from page 3)	$ _____	
3. Maximum Credits per Reservation Agreement (from page 3)	$ _____	
Maximum Annual Credit Amount (lessor of the above three methods)		$ _____

Tax Credit Net Proceeds

Gross Proceeds from Sale of Tax Credits		_____
Intermediary Costs:		
Organizational/Partnership Expenses	_____	
Tax Opinion	_____	
Commissions	_____	
Bridge Loan Fees	_____	
Bridge Loan Interest	_____	
Fees to Owner or related party	_____	
Other	_____	
Other	_____	
Total intermediary Costs		_____
Net Proceeds from Sale of Tax Credits		_____

(reduce the gross proceeds from the sale of the tax credits by the costs the project would not have incurred if it had not used tax credits as funding source.)

(this will be analyzed for reasonableness to determine if tax credits proceeds are being used effectively.)

Notes:

EXHIBIT "A"
Qualified Basis on a Building-by-Building Basis

_____ 10% cerification (mark one)
_____ 8609 certification

Building Address	Eligible Basis by Building	Applicible Fraction	Qualified Basis by Building	% Qualified Basis by Building	Tax Credits by Building	Placed-in-Service Date
1						
2						
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						
13						
14						
15						
16						
17						
18						
19						
20						
21						
22						
23						
24						
25						
Totals	$		$		$	

separate sheet will need to be completed for both acquistion and rehabilitation.

Owners Statement Attachment

_____ 10% cerification (mark one)

_____ 8609 certification

Tenant Paid Utility Information

Utility of Service	Type of Utitity (ie Gas, Elec)	O=Owner Pd T=Tenant Pd	Bedroom Size: 0-bdrm	1-bdrm	2-bdrm	3-bdrm	___-Bdrm
Heating							
Hot Water							
Air Conditioning							
Water							
Cooking							
Sewer							
Electricity							
Trash							
Totals			$	$	$	$	$

Income and Rent Schedule

Number of Bedrooms	Number of Units	Gross or Contract Rent	Utility Allowance	Tenant Paid or Contract Rent (c-d)	Total Monthly Rent (b*e)	Median Income Targeted (ie 50% 60%)	Average Sq. Ft. Per Unit

- If a unit has project based rental subsidies enter contract rent in column "c" with zero utility allowance

(i)	Subtotal - Gross Monthly Income	0	
(j)	Vacancy Percentage	7.00%	
(k)	less Vacancy Factor	0	
(l)	Other Project Income(monthly)	$	
(m)	Total Forecasted Monthly Income	0	/monthly
(n)	Total Forecasted Annual Income	0	/yearly
(o)	**Projected Annual Percentage Increase in Income:**	2.00%	

Owners Statement Attachment
Unit-by-Unit Breakdown

_____ 10% cerification (mark one)

_____ 8609 certification

Building Address & BIN Number	Unit Number	Unit Type (1,2,3 bdrm)	Tenant Paid Rent	Utility Allowance	Gross Rent	Square Footage	*** Unit Designation	Is the unit currently rented?

A separate line should be used for each unit.

** Attach additional sheets if necessary

*** Unit Designation = Indicate if elderly, handicapped, manager ect.

EXHIBIT A - HIGH COST AREAS

LOW INCOME HOUSING TAX CREDITS

Section 42(d)(5)(C) of the Internal Revenue Code defines a Qualified Census Tract as any census tract or equivalent geographic area in which at least 50% of households have an income less than 60% of the Area Median Gross Income (AMGI). Section 42 defines a Difficult Development Area as any area designated by the Secretary of HUD as an area that has high construction, land and utility costs relative to the AMGI.

When an area, which can be a county or a specific census tract, is designated as either a Qualified Census Tract or a Difficult to Develop Area, a project proposed for a high cost area is eligible for an increase in eligible basis of up to 130%. This means that a greater amount of tax credits than otherwise available may be approved, if it is determined that the greater amount is needed for financial feasibility of given projects.

MONTANA BUREAU OF CENSUS DESIGNATED QUALIFIED CENSUS TRACTS

Specific information referencing current application year is posted to the Housing website as soon as it becomes available. Please note specific year for appropriate application.

MONTANA HUD DESIGNATED DIFFICULT TO DEVELOP AREAS

Specific information referencing current application year is posted to the Housing website as soon as it becomes available. Please note specific year for appropriate application.

EXHIBIT B-2

FULL MARKET STUDY REQUIREMENTS

REQUIRED FORMULAS

Capture Rate # 2: (Units needed - using a turnover/mobility rate, example 35%)

Income and tenure eligible households who move in the next year	125 (356 x 35% rate = 125)
Proposed units	36
Capture rate	28.8 %

Absorption Rate:

Proposed/existing units	72
Units required	125
Absorption Rate	57.6 %

Penetration Rate:

Income & tenure (renter) eligible households	356
Existing LIHTC units	- 36
LIHTC family units in planning/under construction	0
Total	320
Units proposed	36
Penetration Rate	11.3 %

Guidelines for Market Analysts

I. Executive Summary
II. Project Description
    a. Description of market area (general and specific)
    b. Site amenities (including any unique characteristics)
    c. Description of improvements (as available in the case of new construction)
        i. Unit mix, unit amenities, common amenities
        ii. Comparison to market rate projects (does project have typical finish, amenities found in local market)
        iii. Comparison to other rent restricted projects
III. Market Area Economy
    a. Delineation of market area
    b. Population and household trends
    c. Housing trends, including proposed projects and other new developments
    d. Supply and demand analysis
        i. Market rate supply
            1. Existing
            2. Potential
        ii. Market rate demand
            1. Vacancy rates, incentives

2. Rent trends
3. Absorption

iii. Rent-restricted supply (discuss HUD-Assisted housing, TC projects, subsidized projects, and public housing, as applicable)
1. Existing
2. Potential/developing

iv. Rent-restricted Demand
1. New Unit Demand
~~1.~~2. _____Vacancy Rates
~~2.~~3. _____Market penetrating analysis (Use income comparisons, minimum and maximum income for project)
~~3.~~4. _____Project absorption for project

v. Analysis of project's special-needs (if applicable)
1. Statistical analytical information from appropriate social services agencies
2. Analysis of specific demand for special-needs units

vi. Conclusion – Proposed project's competitive position

IV. Competitive Rental Market
a. Description of comparable properties, both market rate and rent restricted
i. Analysis of rents, including amenities and utilities
ii. Conclusion of rents by unit type

V. Analysis of rent gap (gap between maximum restricted rents, projected rents, and market rents)

VI. Analysis of the project's effect on the market area including the impact on Tax Credit and other affordable rental housing

VII. Conclusion
a. Specifically address:
i. Is the project, as proposed, viable?
ii. Does the project meet a current or projected market need?
iii. Does the project supply units below market rate?
iv. If not, does the project provide some other public benefit? (i.e. currently deferred maintenance or supplying better housing than currently available, holding rents stable in a market of increasing housing prices, or supplying reasonably-priced housing where there is a shortage)
b. Summary
i. Recap of project
ii. Conclusions and recommendations
c. Certification

Market Study Summary

The market study must clearly identify the following on a summary sheet: must be in the first 10 pages of the market study.

Average (comparable) market unit rents in immediate area and the percent the proposed project rents are below these rents

0 Bedroom	$_____	_____%
1 Bedroom	$_____	_____%
2 Bedroom	$_____	_____%

3 Bedroom $_____ _____%

4 Bedroom $_____ _____% Reference page: _____

# of New Units Needed: ___Reference page: _____

Vacancy Rate _____% Reference page: _____

Capture Rate _____% Reference page: _____
(projected income eligible tenants who will move in next year/proposed units)

Units needed in market area _____ Reference page: _____

Absorption Rate _____% _____months Reference page: _____
(proposed units/existing LIH, market area units required)

Penetration Rate _____% Reference page: _____
(existing LIH units/total eligible households)

Number of LI households that can afford rent of proposed project _____

Reference page: _____

Distances to essential services as listed in Development Evaluation Criteria #3.

List of essential services must contain at least a minimum of:

Grocery store, ~~Elementary school, Middle school, High school~~public schools, Senior Center, Bank,Laundromat (only if washer/dryer not included in unit or onsite);~~, Laundromat~~, ~~medical~~Medical services appropriate and available to ~~targeted~~all prospective tenants (e.g., hospital, doctor offices, etc.); ~~Medical services appropriate to targeted tenants (e.g., hospital, doctor offices etc.)~~, Pharmacy services appropriate and available to all prospective tenants ~~Pharmacy~~, Gas station~~/~~and orconvenience store, Post Office, Public Park, Shopping(department, clothing or essentials – does not include convenience store), ~~Bus or transportation stop,~~ and ~~-~~Public Library~~ and Recreation~~.

MARKET ANALYST SIGNED STATEMENT (CERTIFICATION)

(this form must be signed, notarized and attached to the market study)

"I affirm that I, or an individual employed by my company, have made a physical inspection of the market area on _____ (date) and that information has been used in the full study of the need and demand for new rental units. To the best of my knowledge, the market can support the demand shown in the study. I understand that any misrepresentation of this statement may result in the denial of further participation in the Montana Board of Housing's programs. I also affirm that I have no interest the project and have an arms-length relationship with the ownership entity and my compensation is not contingent on this project being funded."

_____ day of _____, _____20_____.

Legal Name of Market Analyst

By:

Signature

Title

State of)
)ss
County of)

On this day of , in the year , before me, , a notary public in the for said state, personally appeared , known to me to be the person whose name is subscribed to the within instrument, and acknowledged to me that s/he executed the same.

NOTARY PUBLIC in and for the State of

, residing at

My commission expires .

EXHIBIT C

10% AND 8609 LETTERS AND FORMS

MBOH will require sponsors to certify that they have disclosed all of a development's funding sources and uses, as well as its total financing.

Attached you will find information regarding the submission of 10% documents, 8609 documents.

10% documents must be submitted not later than the deadline. The documents include:

- Independent auditor's report,
- Owner's statement, 10% Certification

Exhibit A –

- Itemized Cost and Eligible Basis worksheet,
- Maximum Credits Based on Qualified Basis worksheet,
- Sources and Uses of Funds worksheet,
- Final Credit Calculation worksheet,
- Qualified basis on a Building-by-Building Basis worksheet,
- Tenant Paid Utility Worksheet, Income and Rent Schedule, and Annual Operating Expenses Worksheet, and
- Unit-by-Unit Breakdown
- Copies of all loan and grant agreements/notes

8609 information must be submitted to not later than six (6) months after the project has been placed in service. The final documents include:

- Final cost certification, independent auditor's report,
- Owner's statement, final allocation, and
- Occupancy Certificates for each building

Exhibit A –

- Itemized Cost and Eligible Basis worksheet,
- Maximum Credits Based on Qualified Basis worksheet,
- Sources and Uses of Funds worksheet,
- Final Credit Calculation worksheet,
- Qualified basis on a Building-by-Building Basis worksheet,
- Tenant Paid Utility Worksheet, Income and Rent Schedule, and Annual Operating Expenses Worksheet, and
- Unit-by-Unit Breakdown
- Architects letter certifying energy and green elements proposed have been met
- Partnership Agreement
- Copies of loan and grant agreements/notes
- Statement of items or costs excluded from eligible basis

10% Cost Certification

Independent Auditors' Report

Date: _____, 20__

To: Montana Board of Housing
Multifamily Program
PO Box 200528
Helena MT 59620-0528

and

_____ (the "Owner")
Street
City, State Zip Code

Re: 10% Examination for _____("the Project")

We have examined the accompanying "Costs Incurred" to satisfy the 10% test ("Exhibit A, Itemized Actual Cost and Eligible Basis") for the Owner of _____ (the "Project") as of April 30, 20__. Exhibit A is the responsible of the Owner. Our responsibility is to express an opinion on Exhibit A based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining on a test basis, evidence supporting the information presented in the column entitled Costs Incurred, shown on Exhibit A, Itemized Actual Cost and Eligible Basis and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

The accompanying Exhibit A was prepared in conformity with the accounting practices prescribed by the Internal Revenue Service under the accrual method of accounting and by the Montana Board of Housing, which is a comprehensive basis of accounting other than generally accepted account principles.

The 10% Test includes an estimate prepared by the Owner of total development costs and reasonably expected basis, as defined in Treasury Regulation Section 1.42-6. We have not examined or performed any procedures in connection with such estimated total development costs and reasonably expected basis and, accordingly, we do not express any opinion or any other form of assurance on such estimates. Furthermore, even if the project is developed and completed there will usually be differences between the project and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

In our opinion, the column entitled “Costs Incurred”, “Exhibit A, Itemized Actual Cost and Eligible Basis” referred to above presents fairly, in all material respects, costs incurred by the Project as of April 30, 20__, on the basis of accounting described above.

In addition to examining Exhibit A, we have, at your request, performed certain agreed-upon procedures, as enumerated below, with respect to the Project. These procedures, which were agreed to by the owner and the MBOH, were performed to assist you in determining whether the Project has met the 10% test in accordance with the Internal Revenue Code Section 42(h)(1)(E) and the Treasury Regulation Section 1.42-6. These agreed-upon procedures were performed in accordance with standards established by the American Institute of Certified Public Accounts. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representations regarding the sufficiency of the procedures below either for the purpose for which this report has been requested or for any other purpose.

We performed the follow procedures:

> We calculated, based upon estimates of total development costs provided by the Owner, the Project’s total reasonably expected basis, as defined in Treasury Regulation Section 1.42-6, to be $_____ as of December 31, 20__.
>
> We calculated the reasonably expected basis incurred by the Owner as of April 30, 20__ to be $_____.
>
> We calculated the percentage of the development fee incurred by the Owner as of April 30, 20__ to be __% of the total development fee.
>
> We compared the reasonably expected basis incurred as of April 30, 20__ to the total reasonably expected basis of the Project, and calculated that __% had incurred as of April 30, 20__.
>
> We determined that the Owner uses the accrual method of accounting, and has not included and construction costs in carryover allocation basis that have not been properly accrued.
>
> Based on the amount of total reasonably expected basis listed above, for the Owner to meet the 10% test in accordance with Internal Revenue Code Section 42(h)(1)(E) and Treasury Regulation Section 1.42-6, we calculate that the Project needed to incur at least $_____ of costs prior to April 30, 20__. As of April 30, 20__, costs of at least $_____ had been incurred, which is approximately __% of the total reasonably expected basis of the Project.

We were not engaged to, and did not perform an audit of the Owners financial statements or of the Project’s total reasonably expected basis. Furthermore, even if the Project is developed and completed there will usually be differences between the projected and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material. Accordingly, we do not express such an opinion. Had we preformed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intend solely for the information and use of the Owner for filing with the MBOH and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes.

Independent Auditor’s Signature

OWNER'S STATEMENT

10% CERTIFICATION

This information is provided by _____ (the "Owner") to the Montana Board of Housing in connection with the reservation of _____ low-income housing tax credits for the _____ Project (the "Project").

I certify that I have disclosed all of the development's funding sources and uses, as well as its total financing.

1) The Owner's basis in the Project as of _____ , _____ is:

Basis $_____

The Owner's reasonable expected basis in the Project as of December 31, 20___ is:

Reasonably Expected Basis $_____

2) The Owner's basis in the Project as of_____, 20____ will exceed 10% of the reasonable expected basis in the project as of December 31, 20____ (All within the meaning of Section 42(h)(1)(E)(ii) of the Internal Revenue Code.)

3) The Owner will place the building in service no later than December 31, 20__

4) The Owner anticipates that the building will be completed in_____ of _____. (Such date is, however, subject to unanticipated delays in commencement of, or progress during, development.)

Owner:

Address:

Tax I.D. # :

Street Address of Project:

There will be NO tax exempt bond financing or grant financing utilized in the development of the Project.

Under penalties of perjury, I declare that to the best of my knowledge and belief, the information presented herein is true, correct and complete.

BY :

ITS :

DATE :

Final Cost Certification

Independent Auditors' Report

_____, 20__

Owner's Name: _____

Project Name: _____

Project Number: MT_____

We have examined the costs included in the accompanying Montana Board of Housing ("MBOH") Final Cost Certification (the "8609 certification") ("Exhibit A, Itemized Actual Cost and Eligible Basis") for _____ (the "Owner") for _____ ("the Project") as of _____, 20__. The Final Cost Certification is the responsibility of the Owner. Our responsibility is to express an opinion on the Final Cost Certification based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence supporting the Final Cost Certification and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

The accompanying Final Cost Certification was prepared in conformity with the accounting practices prescribed by the Internal Revenue Service, under the accrual method of accounting, and in conformity with the format and qualified allocation plan rules set by MBOH, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion the Final Cost Certification presents fairly, in all material respects, the actual costs of $_____and eligible basis of $_____of the Owner for the Project as of _____, 20__, on the basis of accounting described above.

This report is intended solely for the information and use of the Owner and for filing with MBOH and should not be used for any other purpose.

We have no financial interest in the Project other than in the practice of our profession.

Independent Auditor's Signature

City, State

OWNER'S STATEMENT

FINAL ALLOCATION

This information is provided by _____ (the "Owner") to the Montana Board of Housing in connection with the Final Allocation of $_____ of ____ _____ low-income housing tax credits for the _____ Project (the "Project").

I certify that I have disclosed all of the development's funding sources and uses, as well as its total financing.

1) The Owner's Eligible and Qualified basis in the project as of _____, _____ within the meaning of Section 42(h)(1)(E)(ii) of the Internal Revenue Code, is:

   Eligible Basis $_____

   Qualified Basis $_____

2) The Owner placed the building(s) in service on _____, _____.

Owner:

Address:

Tax I.D. #:

Street Address of Project:

There will be NO tax exempt bond financing or grant financing utilized in the development of the Project.

Under penalties of perjury, I declare that to the best of my knowledge and belief, the information presented herein is true, correct and complete.

BY :

ITS :

DATE :

OWNER'S STATEMENT (Acquisition and Rehabilitation)

FINAL ALLOCATION

I certify that I have disclosed all of the development's funding sources and uses, as well as its total financing.

This information is provided by _____ (the "Owner") to the Montana Board of Housing in connection with the Final Allocation of $_____ of ____ _____ low-income housing tax credits for the _____ Project (the "Project").

1) The Owner's Eligible and Qualified basis in the project as of _____, _____ within the meaning of Section 42(h)(1)(E)(ii) of the Internal Revenue Code, is:

   Acquisition:
   Eligible Basis $_____
   Qualified Basis $_____

   Rehabilitation:
   Eligible Basis $_____
   Qualified Basis $_____

2) The Owner placed the building(s) in service on _____, _____.

Owner:

Address:

Tax I.D. #:

Street Address of Project:

There will be NO tax exempt bond financing or grant financing utilized in the development of the Project.

Under penalties of perjury, I declare that to the best of my knowledge and belief, the information presented herein is true, correct and complete.

BY :

ITS :

DATE :

Exhibit D-1 - Letter of Intent Template Letter

July , 201

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

RE: MHTC (Montana Housing Tax Credit) Letter of Intent

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:
City:
County:
Developer:
HTC Consultant:
Project Type:
Set-aside:

Project Description:

Anticipated Amenities:

General Description of Project Location to Services:

If you have any questions please contact me at:

Sincerely,

Attachment
(note: Font and size is set and must not be changed for letter or attachment, please limit to a maximum two pages)

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

County / City	
Project Name	
Developer	
Set-aside	
HTC Requested	$ -
Project Type	Family

Unit Numbers

		Target	
	1-bdrm	40%	
	1-bdrm	50%	
	1-bdrm	60%	
	1-bdrm	Mkt	
	2-bdrm	40%	
	2-bdrm	50%	
	2-bdrm	60%	
	2-bdrm	Mkt	
	3-bdrm	40%	
	3-bdrm	50%	
	3-bdrm	60%	
	3-bdrm	Mkt	
	other	40%	
	other	50%	
	other	60%	
	other	Mkt	
	other	Mgr	
	Total Units		-

Square Footage

Low Income/Common		
Market/Commercial		
Total		-

Unit Rents

1-bdrm	40%	
1-bdrm	50%	
1-bdrm	60%	
1-bdrm	Mkt	
2-bdrm	40%	
2-bdrm	50%	
2-bdrm	60%	
2-bdrm	Mkt	
3-bdrm	40%	
3-bdrm	50%	
3-bdrm	60%	
3-bdrm	Mkt	
other	40%	
other	50%	
other	60%	
other	Mkt	
other	Mgr	

Financing Sources

Hard Loan	
Soft Loan	
Soft Loan	
Soft Loan	
HOME Program	
CDBG Program	
Other	
Deferred Dev Fee	
Tax Credits	
Other	
Total Sources:	$ -

Return on Sale of HTC

HTC Requested	$ -
HTC Taken over 10 yrs	$ -
HTC Equity	$ -
HTC Return on Sale	#DIV/0!

Project Costs

Total Project Costs	

Costs versus Sources

Total Project Costs	$ -
Total Financing Sources	$ -
Difference	$ -

Per Unit Comparison

Cost per unit	#DIV/0!
Credits per unit	#DIV/0!

Per Square Foot Comparison

Cost per sq ft	#DIV/0!
Credits per sq ft	#DIV/0!

EXHIBIT E

Authorization for Release of Information Regarding MHTC Properties

Failure to list all states and properties may result in return of application without further consideration for an award of tax credits.

The undersigned principal authorizes the below named State agency to release to Montana Board of Housing information regarding Low Income Tax Credit (LIHTC) property(s) that the agency monitors and in which this Principal is currently participating or has participated. The undersigned acknowledges and agrees that this release authorization will be submitted to and retained electronically by MBOH and that a copy hereof may be relied upon and shall be effective as if it were the original.

_____ _____ _____

Principal's Signature Principal's Printed Name Date

_____

Company Name

Below, list the State in which you are currently developing/have developed LIHTC properties. Include the contact information for the State agency or contact along with the property(s) name and city(ies).

Fill out one form per State per Principal, i.e., Applicant, Developer/Sponsor, General Partner, Contractor, Management Company, and Consultant.

State Agency and Contact name: _____

Address: _____City:_____

State: _____ ZIP: _____ Phone: _____

Email: _____

Property information

Property Name: _____ Property Name: _____

City: _____ City: _____

Property Name: _____ Property Name: _____

City: _____ City: _____

Property Name: _____ Property Name: _____

City: _____ City: _____

Property Name: _____ Property Name: _____

City: _____ City: _____

Property Name: _____ Property Name: _____

City: _____ City: _____

State Response to Request (to be completed by State)

1. Is principal currently developing any property(s)? Yes_____ No____
2. Does principal reply to correspondence in a timely manner? Yes_____ No____
3. Were there any non-compliance issues in the last 3 years? Yes_____ No____
    a. If yes have they been resolved? Yes_____ No____
4. Were there any 8823's issued in the last 3 years? Yes_____ No____
    a. If yes have they been resolved? Yes_____ No____
5. Are the property(s) listed above currently in compliance? Yes_____ No ____
6. Are there any comments you wish to share?

    _____
    _____
    _____
    _____
    _____

7. Any comments on development or completion of above property(s).

    _____
    _____
    _____
    _____
    _____

_____ _____ _____

Prepared by Title Date

Please return to MBOH by _____. This documentation can be mailed to MBOH, Tax Credit Program, PO BOX 200528, Helena, MT 59620 or email to Kellie Guariglia kguariglia@mt.gov. For questions please call Kellie Guariglia at (406) 841-2838. Your prompt response and any information that you are able to share is greatly appreciated.

Exhibit F

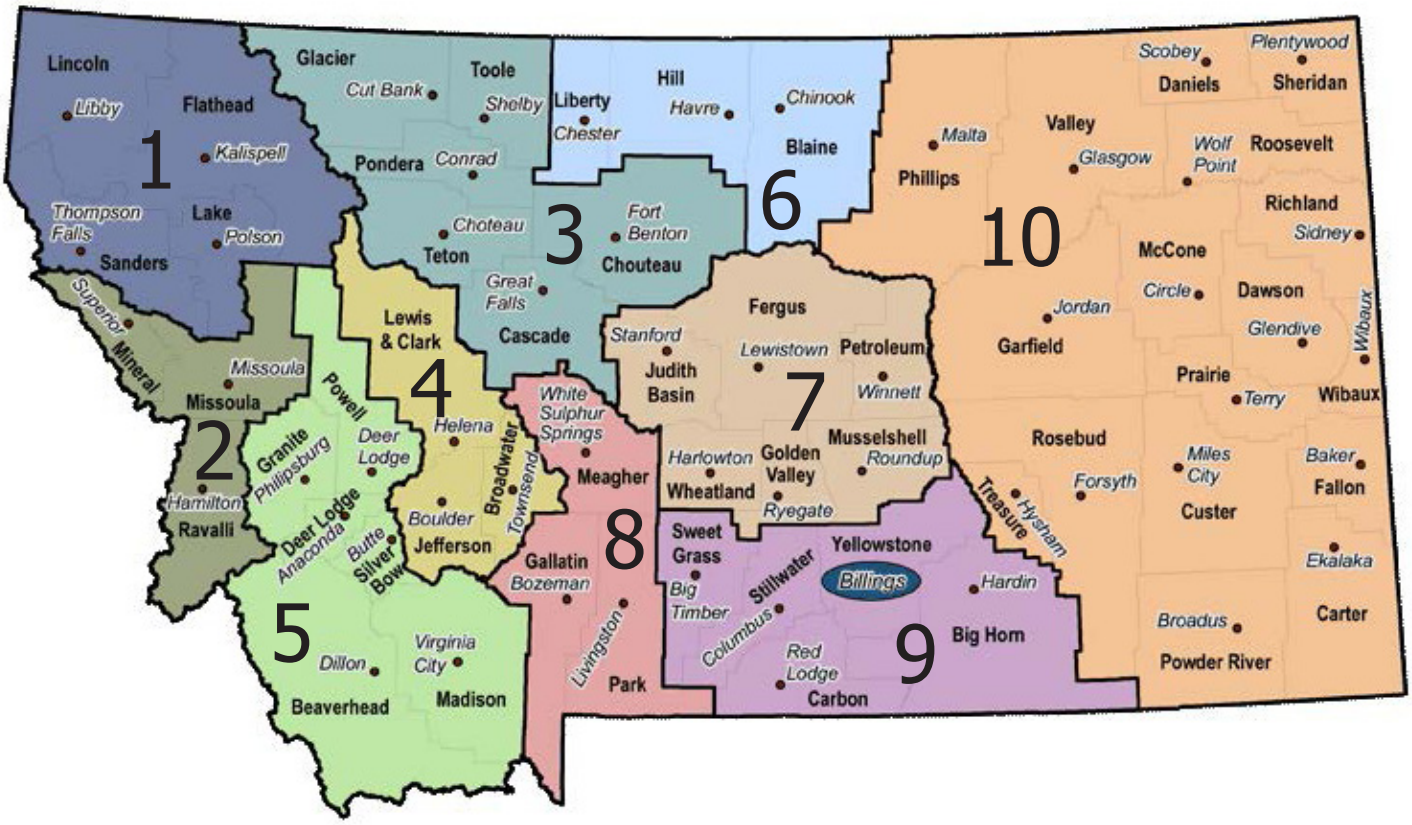
Green Initiatives:

Energy Star appliances	
LED Exterior	
Photovaltaic Panels	
Low/No VOC paint/adhesive	
Use of Montana products	
Engineered Lumber	
Flyash concrete greater than 30%	
Recycled insulation	
Recycled sheetrock	
Water efficient landscapting	
Formaldehyde free/full sealed countertop and cabinets	
On-site recycle of construction materials	
Range/bathroom fans that vent to the outside	
Recycled material carpet/flooring	
Smokefree policy that includes all units, buildings, and their respective indoor common areas as well as any outside area of the multi unit complex but within the property lines	
A partnership with local or statewide health agencies offering cessation services	
Water flow saving device	
Permeable paving	

Green initiatives 25 pt 1-4 of above; 50 pts 5-9 of above; 75 pts 10-14; 100 pts 15 or more

Housing and Population Demographics

The following information has been prepared by Montana Board of Housing and Census and Economic Information Center staff for use by the MBOH Commissioners and the developers of affordable housing in Montana.



The data on the next few pages is represented as COUNTY totals or averages, as well as for the REGION that they are a part of. The Housing Tax Credits are also shown as a total for each CITY they were used in.

The regions used for QAP Housing and Demographic data are the regions that are known in Montana as Human Resource Development Councils (HRDCs). These regions were first created in 1964 to organize the statewide efforts to help individuals and families out of poverty and should be easily recognized by most affordable housing advocates. Montana's HRDCs operate a wide variety of different programs such as home energy assistance and weatherization, emergency food and shelter, workforce training, affordable housing, child care and child feeding, Head Start and a variety of other family self-sufficiency programs.

Data Sources

"PopulationByAge2012" Spreadsheet

Source: US Census Bureau, Population Division
Data: Annual County Resident Population Estimates by Age, Sex, Race, and Hispanic Origin: April 1, 2010 - 2012
File: 7/1/2012 County Characteristics Resident Population Estimates
Release Date: June 2013
Downloaded & Compiled 11/14/2013

Total Population by Age Group - 2012

"VariousStats" Spreadsheet

Source: US Bureau of Labor Statistics; MT Department of Labor & Industry
Data: Local Area Unemployment Statistics (LAUS)
Downloaded 11/13/2013
Data is not seasonally adjusted; Data represents annual averages for the calendar year 2012

Labor Force - 2012
Total number of people in the labor force, on average, in calendar year 2012

Total Employed - 2012
Total number of people employed, on average, in calendar year 2012.

Unemployment Rate - 2012
The ratio of the *Total Unemployed* to the *Labor Force* expressed as a percent (%)

Source: US Bureau of Labor Statistics; MT Department of Labor & Industry
Data: Quarterly Census of Employment & Wages (QCEW)
Downloaded 11/13/2013

Avg. Annual Wage/Salary 2012 - All Industries
The ratio of the total wage and salaries paid to all employees to the average number of employees in all industries in calendar year 2012

Source: US Census Bureau
Data: Census 2010 - Summary File 1 (SF1) 100% Data
Table: H3. Occupancy Status
Universe: Housing Units
Downloaded 11/13/2013

Total Housing Units - 2010
Total number of housing units as of April 1, 2010

Source: US Census Bureau
Data: Census 2010 - Summary File 1 (SF1) 100% Data
Table: H12. Average Household Size of Occupied Housing Units by Tenure
Universe: Occupied housing units
Downloaded 11/13/2013

Avg. Household Size 2010 - Total
Average number of people per household for all occupied housing units as of April 1, 2010

Source: US Census Bureau
Data: Census 2010 - Summary File 1 (SF1) 100% Data
Table: PCT14. Presence of Multigenerational Households
Universe: Households
Downloaded 11/13/2013

Total Number of Households
Total number of occupied housing units - "households" - as of April 1, 2010

Households with three or more generations
Number of households with three or more generations living within the household as of April 1, 2010

Source: eREMI - a Product of Regional Economic Models, Inc. (REMI)
Released April 2013
Compiled 11/14/2013

Projected Total Population - 2017
Projected total resident population (people) in the year 2017

EXHIBIT G

	Total Housing Units 2010	Total Number of Households	Avg. Household Size 2010 Total	Percentage of households with three or more generations	Population Total July 2012	Projected Total Population 2017	Projected Population Growth	Population July 2012 Age 0 to 54 years	Population July 2012 Age 55 to 64 years	Population July 2012 Age 65 or older	Labor Force 2012	Percent Unemployed 2012	Avg. Annual Wage/Salary All Industries 2012
Montana	**482,825**	**409,607**	**2.35**	**2.26%**	**1,005,141**	**1,064,867**	**5.94%**	**700,019**	**146,833**	**158,289**	**507,565**	**6.0%**	**$ 36,850**
Region 1 Totals	**81,642**	**62,900**	**2.31**	**2.27%**	**151,518**	**160,211**	**5.74%**	**99,526**	**25,116**	**26,876**	**67,094**	**9.7%**	**$ 33,880**
Flathead County	46,963	37,504	2.4	2.10%	91,633	99,005	8.05%	62,536	14,677	14,420	43,840	9.0%	$ 34,940
Lake County	16,588	11,432	2.46	3.49%	28,986	29,100	0.39%	19,232	4,421	5,333	11,300	8.9%	$ 31,618
Lincoln County	11,413	8,843	2.2	1.88%	19,491	20,479	5.07%	11,330	3,759	4,402	7,722	13.5%	$ 32,433
Sanders County	6,678	5,121	2.19	1.46%	11,408	11,627	1.92%	6,428	2,259	2,721	4,232	13.2%	$ 28,429
Region 2 Totals	**72,135**	**64,770**	**2.28**	**1.88%**	**155,761**	**165,066**	**5.97%**	**110,072**	**22,291**	**23,398**	**78,761**	**6.5%**	**$ 34,575**
Mineral County	2,446	1,911	2.2	2.20%	4,167	4,280	2.71%	2,317	804	1,046	1,934	10.1%	$ 27,104
Missoula County	50,106	45,926	2.3	1.81%	110,977	119,108	7.33%	82,702	14,468	13,807	58,869	5.9%	$ 35,395
Ravalli County	19,583	16,933	2.35	2.04%	40,617	41,678	2.61%	25,053	7,019	8,545	17,958	8.0%	$ 31,086
Region 3 Totals	**53,390**	**47,214**	**2.45**	**2.98%**	**118,776**	**125,852**	**5.96%**	**84,086**	**15,760**	**18,930**	**57,169**	**5.8%**	**$ 34,887**
Cascade County	37,276	33,809	2.33	2.28%	81,723	87,480	7.04%	57,719	10,814	13,190	40,281	5.4%	$ 35,097
Chouteau County	2,879	2,294	2.48	3.18%	5,904	5,774	-2.20%	3,967	903	1,034	2,584	4.0%	$ 28,486
Glacier County	5,348	4,361	2.91	9.68%	13,711	14,028	2.31%	10,749	1,521	1,441	6,116	10.2%	$ 34,577
Pondera County	2,659	2,285	2.41	3.54%	6,165	6,626	7.48%	4,133	845	1,187	2,591	5.6%	$ 31,311
Teton County	2,892	2,450	2.29	1.43%	6,053	6,286	3.85%	3,864	893	1,296	2,953	4.8%	$ 32,177
Toole County	2,336	2,015	2.26	1.24%	5,220	5,658	8.39%	3,654	784	782	2,644	4.3%	$ 40,921
Region 4 Totals	**37,930**	**33,553**	**2.38**	**1.99%**	**82,033**	**85,983**	**4.82%**	**55,978**	**13,441**	**12,614**	**43,132**	**5.1%**	**$ 39,775**
Broadwater County	2,695	2,347	2.37	1.45%	5,756	5,615	-2.45%	3,741	950	1,065	2,327	8.2%	$ 31,494
Jefferson County	5,055	4,512	2.48	1.93%	11,401	11,983	5.10%	7,213	2,265	1,923	5,874	5.2%	$ 33,853
Lewis and Clark County	30,180	26,694	2.3	2.05%	64,876	68,385	5.41%	45,024	10,226	9,626	34,931	4.9%	$ 40,473
Region 5 Totals	**39,979**	**30,407**	**2.17**	**1.76%**	**70,914**	**72,249**	**1.88%**	**46,435**	**11,327**	**13,152**	**35,327**	**6.3%**	**$ 34,973**
Beaverhead County	5,273	4,014	2.19	1.10%	9,346	9,584	2.55%	6,109	1,515	1,722	5,093	5.2%	$ 31,439
Deer Lodge County	5,122	4,018	2.11	1.52%	9,227	9,405	1.93%	5,870	1,548	1,809	4,099	7.4%	$ 33,063
Granite County	2,822	1,417	2.14	1.34%	3,109	3,079	-0.96%	1,627	619	863	1,274	10.0%	$ 28,308
Madison County	6,940	3,560	2.11	1.04%	7,733	8,390	8.50%	4,319	1,609	1,805	4,034	6.0%	$ 30,016
Powell County	3,105	2,466	2.23	2.03%	7,096	7,184	1.24%	4,779	1,090	1,227	2,820	7.8%	$ 33,656
Silver Bow County	16,717	14,932	2.22	2.18%	34,403	34,607	0.59%	23,731	4,946	5,726	18,007	5.8%	$ 37,759
Region 6 Totals	**11,136**	**9,454**	**2.50**	**4.14%**	**25,441**	**26,987**	**6.08%**	**18,653**	**3,258**	**3,530**	**11,972**	**5.5%**	**$ 32,860**
Blaine County	2,843	2,357	2.66	6.75%	6,683	6,812	1.93%	4,979	805	899	2,691	5.6%	$ 30,845
Hill County	7,250	6,275	2.47	3.60%	16,366	17,774	8.60%	12,083	2,114	2,169	8,494	5.5%	$ 33,608
Liberty County	1,043	822	2.36	0.73%	2,392	2,401	0.38%	1,591	339	462	787	5.3%	$ 28,255
Region 7 Totals	**11,823**	**9,544**	**2.21**	**1.63%**	**21,578**	**22,787**	**5.60%**	**13,084**	**3,757**	**4,737**	**11,419**	**5.1%**	**$ 33,488**
Fergus County	5,836	5,099	2.18	1.47%	11,435	11,317	-1.03%	6,946	1,899	2,590	5,978	5.3%	$ 32,086
Golden Valley County	476	363	2.19	1.93%	839	773	-7.87%	499	140	200	528	3.6%	$ 25,846
Judith Basin County	1,336	924	2.24	1.73%	2,024	2,205	8.94%	1,217	350	457	1,135	4.4%	$ 30,060
Musselshell County	2,654	2,046	2.19	2.05%	4,665	5,357	14.83%	2,817	929	919	2,458	5.3%	$ 44,632
Petroleum County	324	225	2.2	0.00%	511	629	23.09%	323	84	104	254	5.1%	$ 25,650
Wheatland County	1,197	887	2.28	1.80%	2,104	2,506	19.11%	1,282	355	467	1,066	4.8%	$ 26,544
Region 8 Totals	**53,096**	**44,666**	**2.20**	**1.14%**	**110,105**	**118,240**	**7.39%**	**83,320**	**13,953**	**12,832**	**59,823**	**5.5%**	**$ 36,626**
Gallatin County	42,289	36,550	2.36	1.14%	92,614	100,654	8.68%	72,198	10,880	9,536	50,329	5.3%	$ 37,604
Meagher County	1,432	806	2.13	1.24%	1,924	1,887	-1.92%	1,116	347	461	857	6.1%	$ 25,721
Park County	9,375	7,310	2.12	1.12%	15,567	15,699	0.85%	10,006	2,726	2,835	8,637	6.4%	$ 29,678
Region 9 Totals	**82,030**	**74,633**	**2.478**	**2.86%**	**187,870**	**201,212**	**7.10%**	**133,692**	**25,849**	**28,329**	**100,919**	**4.8%**	**$ 40,815**
Big Horn County	4,695	4,004	3.18	12.94%	13,061	12,912	-1.14%	10,217	1,450	1,394	5,252	12.8%	$ 37,776
Carbon County	6,441	4,571	2.19	1.36%	10,127	9,560	-5.60%	6,106	1,897	2,124	5,284	4.7%	$ 28,396
Stillwater County	4,803	3,796	2.37	1.61%	9,195	9,691	5.39%	5,817	1,699	1,679	4,497	4.9%	$ 54,006
Sweet Grass County	2,148	1,590	2.27	1.76%	3,605	4,134	14.67%	2,193	599	813	2,406	2.8%	$ 42,969
Yellowstone County	63,943	60,672	2.38	2.41%	151,882	164,915	8.58%	109,359	20,204	22,319	83,480	4.4%	$ 40,800
Region 10 Totals	**39,664**	**32,466**	**2.28**	**2.53%**	**81,145**	**86,280**	**6.33%**	**55,173**	**12,081**	**13,891**	**41,951**	**4.3%**	**$ 38,615**
Carter County	810	532	2.16	0.56%	1,177	1,336	13.51%	671	222	284	696	3.2%	$ 25,324
Custer County	5,560	5,031	2.24	1.65%	11,888	13,565	14.11%	8,070	1,679	2,139	6,349	3.7%	$ 34,375
Daniels County	1,111	798	2.14	0.63%	1,786	1,929	8.01%	1,043	296	447	770	4.0%	$ 35,537
Dawson County	4,233	3,749	2.26	1.41%	9,249	9,425	1.90%	6,240	1,400	1,609	4,452	3.5%	$ 35,434
Fallon County	1,470	1,233	2.32	1.38%	3,024	3,751	24.04%	2,083	452	489	2,143	1.9%	$ 55,779
Garfield County	844	532	2.27	0.56%	1,261	1,411	11.90%	767	219	275	645	3.4%	$ 21,750
McCone County	1,008	774	2.22	0.65%	1,701	1,906	12.05%	996	324	381	1,049	3.1%	$ 31,229
Phillips County	2,335	1,819	2.27	1.32%	4,128	4,290	3.92%	2,587	680	861	2,125	5.7%	$ 30,555
Powder River County	1,022	755	2.26	1.19%	1,763	1,829	3.74%	1,030	313	420	966	4.0%	$ 24,404
Prairie County	673	551	2.1	0.73%	1,157	1,335	15.38%	581	240	336	554	4.2%	$ 32,931
Richland County	4,550	4,167	2.33	1.42%	10,810	11,705	8.28%	7,799	1,523	1,488	6,897	2.7%	$ 49,397
Roosevelt County	4,063	3,553	2.88	7.88%	10,927	11,103	1.61%	8,447	1,296	1,184	4,335	7.4%	$ 34,065
Rosebud County	4,057	3,395	2.7	5.27%	9,396	9,325	-0.76%	6,915	1,319	1,162	4,174	7.2%	$ 43,677
Sheridan County	2,089	1,587	2.08	0.88%	3,580	3,535	-1.26%	2,150	638	792	2,023	3.0%	$ 33,851
Treasure County	422	335	2.14	1.19%	736	795	8.02%	419	132	185	379	4.7%	$ 27,511
Valley County	4,879	3,198	2.26	2.22%	7,505	7,949	5.92%	4,745	1,176	1,584	3,783	4.4%	$ 31,890
Wibaux County	538	457	2.17	1.53%	1,057	1,091	3.22%	630	172	255	611	2.8%	$ 26,319

EXHIBIT G

	HOUSING TAX CREDITS						TAX-EXEMPT BOND FINANCING		
GEOGRAPHIC LOCATION	# OF PROJECTS	TOTAL UNITS	% of TOTAL UNITS	POPULATION July 2012	% of POPULATION	YEARS FUNDED	TOTAL UNITS	# OF PROJECTS	YEARS FUNDED
Montana	**193**	**6,085**	**100%**	**1,005,141**	**100%**		**1,086**	**13**	
Region 1 Totals	**40**	**1,020**	**16.8%**	**151,518**	15.1%		**135**	**3**	
Flathead County	23	702	11.5%	91,633	9.1%		135	3	
Bigfork	2	56				1994, 2006			
Columbia Falls	3	56				1990,1999,2002	36	1	1999
Kalispell	13	480				1990,1992,1993,1994,1994,1998,1999,1999,1999,2001, 2008,2009,2012	99	2	2008,2008
Whitefish	5	110				1991,2000,2001,2002,2002			
Lake County	15	275	4.5%	28,986	2.9%				
Elmo	1	10				1996,1999,2000,2001,2002,2002			
Pablo	6	111				2004			
Polson	3	102				1988,1990,2002			
Ronan	4	43				1999,2000,2000,2001			
St Ignatius	1	9				1999			
Lincoln County	1	34	0.6%	19,491	1.9%				
Libby	1	34				1999,2000			
Sanders County	1	9	0.1%	11,408	1.1%				
Plains	1	9				1988			
Region 2 Totals	**39**	**2,040**	**33.5%**	**155,761**	**15.5%**		**265**	**2**	
Mineral County	2	32	0.5%	4,167	0.4%				
St Regis	1	8				2011			
Superior	1	24				2009			
Missoula County	26	810	13.3%	110,977	11.0%		265	2	
Lolo	1	40				2010			
Missoula	25	770				1989,1992,1993,1993,1994,1994,1994,1994,1995,1996,1996,1997, 1999,2000,2001,2004,2004,2004,2006,2007,2008,2010	265	2	1996,1999
Ravalli County	11	274	4.5%	40,617	4.0%				
Corvallis	2	36				2001,2002			
Darby	2	16				2002,2003			
Hamilton	6	192				1997,1997,1998,2002,2004,2008			
Stevensville	1	30				1990			
Region 3 Totals	**17**	**484**	**8.0%**	**118,776**	**11.8%**		**161**	**2**	
Cascade County	7	263	4.3%	81,723	8.1%		161	2	
Great Falls	7	263				1987,1989,1989,1995,1995,2011,2012	161	2	1997,2012
Chouteau County	1	10	0.2%	5,904	0.6%				
Fort Benton	1	10				1988			
Glacier County	7	187	3.1%	13,711	1.4%				
Browning	5	154				2001,2003,2004,2006,2012			
Cut Bank	2	33				1991,2013			
Pondera County	0	0	0.0%	6,165	0.6%				
Teton County	0	0	0.0%	6,053	0.6%				
Toole County	2	24	0.4%	5,220	0.5%				
Shelby	2	24				1993,2012			
Region 4 Totals	**11**	**382**	**6.3%**	**82,033**	**8.2%**		**0**	**0**	
Broadwater County	0	0	0.0%	5,756	0.6%				
Jefferson County	1	36	0.6%	11,401	1.1%				
Boulder	1	36				2009			
Lewis and Clark County	10	346	5.7%	64,876	6.5%				
Helena	10	346				1993,1996,1998,2000,2002,2003,2004,2006,2007,2011			
Region 5 Totals	**9**	**246**	**4.0%**	**70,914**	**7.1%**		**60**	**1**	
Beaverhead County	1	24	0.4%	9,346	0.9%				
Dillon	1	24				2003			
Deer Lodge County	1	10	0.2%	9,227	0.9%				
Anaconda	1	10				2004			
Granite County	0	0	0.0%	3,109	0.3%				
Madison County	2	48	0.8%	7,733	0.8%				
Big Sky	2	48				1997,1998			
Powell County	2	48	0.8%	7,096	0.7%				
Deer Lodge	2	48				1992,1999			
Silver Bow County	3	116	1.9%	34,403	3.4%		60	1	
Butte	3	116				1998,2001,2010	60	1	2012
Region 6 Totals	**15**	**218**	**3.6%**	**25,441**	**2.5%**		**0**	**0**	
Blaine County	5	110	1.8%	6,683	0.7%				
Chinook	1	12				1996			
Fort Belknap	3	87				2000,2004,2006			
Hays	1	11				2000			
Hill County	9	102	1.7%	16,366	1.6%				
Havre	9	102				1987,1987,1987,1987,1988,1989,1993,2010,2013			
Liberty County	1	6	0.1%	2,392	0.2%				
Chester	1	6				1996			

EXHIBIT G

	HOUSING TAX CREDITS						TAX-EXEMPT BOND FINANCING		
GEOGRAPHIC LOCATION	# OF PROJECTS	TOTAL UNITS	% of TOTAL UNITS	POPULATION July 2012	% of POPULATION	YEARS FUNDED	TOTAL UNITS	# OF PROJECTS	YEARS FUNDED
Montana	**193**	**6,085**	**100%**	**1,005,141**	**100%**		**1,086**	**13**	
Region 7 Totals	**1**	**6**	**0.1%**	**21,578**	**2.1%**		**0**	**0**	
Fergus County	0	0	0.0%	11,435	1.1%				
Golden Valley County	0	0	0.0%	839	0.1%				
Judith Basin County	0	0	0.0%	2,024	0.2%				
Musselshell County	0	0	0.0%	4,665	0.5%				
Petroleum County	1	6	0.1%	511	0.1%				
Winnett	1	6				1991			
Wheatland County	0	0	0.0%	2,104	0.2%				
Region 8 Totals	**21**	**673**	**11.1%**	**110,105**	**11.0%**		**100**	**1**	
Gallatin County	17	581	9.5%	92,614	9.2%		100	1	
Belgrade	4	84				1994,1996,1997,2000			
Bozeman	12	444				1988,1994,1998,1998,1998,2000,2001,2002,2003,2004,2004,2012	100	1	1999
West Yellowstone	1	53				1996			
Meagher County	1	10	0.2%	1,924	0.2%				
White Sulphur Springs	1	10				2008			
Park County	3	82	1.3%	15,567	1.5%				
Livingston	3	82				1994,1999			
Region 9 Totals	**25**	**756**	**12.4%**	**187,870**	**18.7%**		**365**	**4**	
Big Horn County	2	40	0.7%	13,061	1.3%				
Hardin	2	40				1992,1996			
Carbon County	2	33	0.5%	10,127	1.0%				
Joliet	1	1				1993			
Red Lodge	1	32				1998			
Stillwater County	1	32	0.5%	9,195	0.9%				
Absarokee	1	32				1997			
Sweet Grass County	1	24	0.4%	3,605	0.4%				
Big Timber	1	24				1994			
Yellowstone County	19	627	10.3%	151,882	15.1%				
Billings	17	587				1987,1989,1990,1991,1992,1992,1994,1996,1996,1998,1998,1999, 2000,2002,2003,2006,2009	365	4	2004,2006,2006,2007
Laurel	2	40				1989,2002			
Region 10 Totals	**15**	**260**	**4.3%**	**81,145**	**8.1%**		**0**	**0**	
Carter County	0	0	0.0%	1177	0.1%				
Custer County	2	53	0.9%	11,888	1.2%				
Miles City	2	53				1999,2006			
Daniels County	1	11	0.2%	1,786	0.2%				
Scoby	1	11				1989			
Dawson County	1	18	0.3%	9,249	0.9%				
Glendive	1	18				2007,2008			
Fallon County	0	0	0.0%	3,024	0.3%				
Garfield County	0	0	0.0%	1,261	0.1%				
McCone County	0	0	0.0%	1,701	0.2%				
Phillips County	0	0	0.0%	4,128	0.4%				
Powder River County	0	0	0.0%	1,763	0.2%				
Prairie County	0	0	0.0%	1,157	0.1%				
Richland County	1	20	0.3%	10,810	1.1%				
Sidney	1	20				2012			
Roosevelt County	4	91	1.5%	10,927	1.1%				
Poplar	3	67				2007,2011,2013			
Wolf Point	1	24				2013			
Rosebud County	3	45	0.7%	9,396	0.9%				
Forsyth	2	36				1994,1994			
Lame Deer	1	9				2008			
Sheridan County	1	4	0.1%	3,580	0.4%				
Medicine Lake	1	4				1991			
Treasure County	1	12	0.2%	736	0.1%				
Hysham	1	12				1994			
Valley County	1	6	0.1%	7,505	0.7%				
Glasgow	1	6				1992			
Wibaux County	0	0	0.0%	1,057	0.1%				

Exhibit H

Certification of Cold Weather Development and Construction Experience

Property Name	City & State	Type of Project (new, rehab, etc)	total units	Completion date	Funding source used (LIHTC, RD, etc)

Principal's Name:

Principal's Company Name:

Date:

BEFORE THE DEPARTMENT OF COMMERCE
OF THE STATE OF MONTANA

In the matter of the amendment of ARM 8.111.602 and 8.111.603 pertaining to the low income housing tax credit program	))))	NOTICE OF PUBLIC HEARING ON PROPOSED AMENDMENT

TO: All Concerned Persons

1. On _____, 2014 at _____ __.m., the Department of Commerce will hold a public hearing in Room ___ of the Park Avenue Building at 301 South Park Avenue, Helena, Montana, to consider the proposed amendment of the above-stated rules.

2. The Department of Commerce will make reasonable accommodations for persons with disabilities who wish to participate in this rulemaking process or need an alternative accessible format of this notice. If you require an accommodation, contact Department of Commerce no later than 5:00 p.m. on _____, 2014, to advise us of the nature of the accommodation that you need. Please contact Paula Loving, Board of Housing, Department of Commerce, 301 South Park Avenue, P.O. Box 200528, Helena, Montana, 59620-0528; telephone (406) 841-2840; fax (406) 841-2841; TDD (406) 841-2702; or e-mail ploving@mt.gov.

3. The rules as proposed to be amended provide as follows, new matter underlined, deleted matter interlined:

8.111.602 DEFINITIONS

(1) and (2) remain the same.

(3) "QAP" means the board's "Low Income Housing Tax Credit Program ~~2014~~2015 Qualified Allocation Plan," which sets forth the application process and selection criteria used by the board for evaluation and selection of projects to receive awards for allocation of tax credits for calendar year ~~2014~~2015, copies of which may be obtained by contacting the Board of Housing by mail at P.O. Box 200528, Helena, MT 59620-0528, by telephone at (406) 841-2845 or (406) 841-2838, or at the board's web site www.housing.mt.gov.

(4) remains the same.

AUTH: 90-6-106, MCA
IMP: 90-6-104, MCA

REASON: The proposed amendments to 8.111.602 are necessary to update the Qualified Allocation Plan ("QAP") definition to reference the 2015 Qualified Allocation Plan for the Low Income Housing Tax Credit Program.

Low income housing tax credits are allocated by the federal government to the states, according to their population, for allocation to particular buildings. The Low Income Housing Tax Credit Program ("Program") is administered and tax credits are allocated by a state's housing credit agency. The Montana Board of Housing is Montana's housing credit agency for purposes of the tax credit program. Federal law requires that the tax credits allocated to the state by the federal government must be allocated by the state pursuant to a "qualified allocation plan" or "QAP".

Prior to publication of this notice, the Board conducted several public meetings to consider suggestions and comments regarding the provisions of the 2015 QAP. Thereafter, at its December 9, 2013 meeting, the Board considered and approved public notice and distribution of the proposed 2015 QAP. After public notice of the proposed 2015 QAP and of the opportunity for public comment was published and distributed, the Board heard public comment regarding the proposed 2015 QAP at its January 22, 2014 meeting and subsequently received written comments. At its January 22, 2014 meeting, after considering written and oral public comment on the proposed 2015 QAP and approving various changes in response to comments, the Board approved the 2015 QAP for submission to and approval by the Montana Governor, as required by the federal tax credit statute, 26 U.S.C. § 42. The 2015 QAP has been submitted to the Governor for approval. Adoption of the proposed rule is contingent upon the Governor's approval of the 2015 QAP.

A copy of the 2015 QAP is available on the internet at _____ or by requesting a copy from: Mary Bair, Board of Housing, Department of Commerce, 301 South Park Avenue, P.O. Box 200528, Helena, Montana, 59620-0528; telephone (406) 841-2845; fax (406) 841-2841; or e-mail mbair@mt.gov.

8.111.603 TAX CREDIT ALLOCATION PROCEDURE

(1) Letters of intent~~Pre-applications~~ and applications for tax credits shall be prepared and submitted in conformance with the criteria and requirements contained in the QAP.

(2) Letters of intent~~Pre-applications~~ and applications shall be submitted to the board on the dates specified in or otherwise designated according to the QAP. The board may extend or change any of the ~~pre-application or application~~ submission or presentation dates or deadlines specified in the QAP if circumstances warrant, and in such event, the board will provide notice of such extension or change by posting on its web site.

(3) At a board meeting after the ~~pre-application~~letter of intent submission deadline and before the application submission deadline, ~~the~~ board staff will ~~provide an opportunity for applicants to~~ present letters of intent~~their respective projects and pre-applications~~ to the board~~ and will provide an opportunity for public comment on proposed projects and pre-applications~~, all according to the provisions of the QAP. The board may ask questions of applicants and discuss proposed projects, but there will be no applicant presentations and the board will not make any award determination at this meeting. Board~~Presentations,~~ questions, and discussion are for purposes of assisting applicants in presenting better ~~full~~ applications and shall not be binding upon the board in any later award determination or other board process.

(4) Following submission of ~~full~~ applications, board staff will evaluate each application for conformance with the threshold and other requirements of the QAP. Applications meeting all minimum threshold requirements and not excluded from further consideration under the QAP will be evaluated for the amount of tax credits needed for feasibility and long-term viability and will be further evaluated and scored according to the development evaluation criteria of the QAP. The points awarded to each project pursuant to the evaluation criteria of the QAP are for the purposes specified in (9), below, and not for purposes of ranking projects for allocation of tax credits. Following application evaluation and scoring, board staff may provide recommendations to the board for allocation of tax credits to qualifying projects.

(5) At the board's meeting in the month of ~~full~~ application submission, the board will provide an opportunity for applicants to ~~again~~ make a presentation to the board regarding their projects and applications ~~to the board~~ and will provide an opportunity for public comment on proposed projects and applications, all according to the provisions of the QAP.

(6) Copies of all applications submitted to the board are available to other applicants for tax credit projects and members of the public under the provisions contained in the QAP.

(7) At one or more regularly scheduled board meetings each year, as specified in or otherwise designated according to the QAP, the board will hear public comment and consider award of tax credit allocations in accordance with the QAP. The award of tax credit allocations is not a contested case and the award meeting is not a contested case hearing under Title 2, chapter 4, part 6, MCA.

(8) At the award determination meeting provided under ~~(6)~~(7), applicants should be available to the board to answer questions regarding their respective applications and shall be provided an opportunity at the board meeting described in ~~(6)~~(5) to respond to any negative comments regarding their respective projects or applications.

(9) The board will select those projects to receive an ~~allocation~~award of tax credits that it determines best meet the most pressing housing needs of low income people within the state of Montana, taking into consideration the selection criteria as defined in the QAP. The awarding of points to projects pursuant to the development evaluation criteria of the QAP is for ~~the~~ purposes of determining that the projects meet at least ~~a~~the minimum ~~threshold~~criteria required for further consideration under the QAP and to assist the board in evaluating and comparing projects. Development evaluation~~Evaluation~~ criteria scoring is only one of several considerations taken into account by the board and does not control the selection of projects that will receive an award ~~or allocation~~ of tax credits. In addition to any other selection criteria specified in the QAP, the board may consider the following factors in selecting projects for an award ~~or allocation~~ of tax credits to qualifying projects:

(a) the geographical distribution of tax credit projects;

(b) the rural or urban location of the projects;

(c) the overall income levels targeted by the projects;

(d) the need for affordable housing in the community, including but not limited to current vacancy rates;

(e) rehabilitation of existing low income housing stock;

(f) sustainable energy savings initiatives;

(g) financial and operational ability of the applicant to fund, complete, and maintain the project through the extended use period;

(h) past performance of an applicant in initiating and completing tax credit projects; ~~and~~

(i) cost of construction, land, and utilities, including but not limited to costs/credits per square foot/unit; and/or

(j) the frequency of awards in the respective areas where projects are located.

AUTH: 90-6-106, MCA
IMP: 90-6-104, MCA

REASON: The proposed amendments to 8.111.603 are necessary to revise the tax credit allocation application, evaluation and award process to conform to process changes adopted by the Board in the 2015 QAP.

The Board has added replaced the pre-application step with a simpler letter of intent requirement, in response to concerns from developers and other interested parties that the pre-application process was overly burdensome. The board believes that the letter of intent requirement will assist project developers in presenting better applications and in better refining project proposals. The letter of intent will also allow applicants to obtain feedback regarding proposed projects and project characteristics from Board staff and the Board before submitting applications. In addition, applicants will benefit from knowledge about other projects likely to apply. The Board expects that this process will assist developers in presenting projects that better meet the most pressing housing needs of low income individuals in the state of Montana, and proposing to use available tax credits in the most appropriate and efficient manner.

In addition, the Board has adjusted the annual application schedule to allow for tax credit awards in November rather than December. This change is necessary to provide successful applicants and board staff with sufficient time for the required carryover submission and issuance of carryover letters prior to the year end, while continuing to award tax credits on a schedule that allows developers to take full advantage of Montana's limited construction season and bring projects into service more quickly.

The proposed rule revisions are also necessary to reflect the 2015 QAP standard for the Board's selection of projects to receive tax credits and the criteria that may be considered in making such awards. These criteria are set forth in detail in the 2015 QAP.

4. Concerned persons may submit their data, views, or arguments concerning the proposed action in writing to: Mary Bair, Board of Housing, Department of Commerce, 301 South Park Avenue, P.O. Box 200528, Helena, Montana, 59620-0528; telephone (406) 841-2845; fax (406) 841-2841; or e-mail mbair@mt.gov, and must be received no later than 5:00 p.m., _____, 2014.

5. Mary Bair, Department of Commerce, has been designated to preside over and conduct this hearing.

6. The department maintains a list of interested persons who wish to receive notices of rulemaking actions proposed by this agency. Persons who wish to have their name added to the list shall make a written request that includes the name, e-mail, and mailing address of the person to receive notices and specifies for which program the person wishes to receive notices. Notices will be sent by e-mail unless a mailing preference is noted in the request. Such written request may be mailed or delivered to the contact person in section 4 above or may be made by completing a request form at any rules hearing held by the department.

7. An electronic copy of this proposal notice is available through the Secretary of State's web site at http://sos.mt.gov/ARM/Register. The Secretary of State strives to make the electronic copy of the notice conform to the official version of the notice, as printed in the Montana Administrative Register, but advises all concerned persons that in the event of a discrepancy between the official printed text of the notice and the electronic version of the notice, only the official printed text will be considered. In addition, although the Secretary of State works to keep its web site accessible at all times, concerned persons should be aware that the web site may be unavailable during some periods, due to system maintenance or technical problems.

8. The bill sponsor contact requirements of 2-4-302, MCA, do not apply.

_____	_____
G. MARTIN TUTTLE	MEG O'LEARY
Rule Reviewer	Director
	Department of Commerce

Certified to the Secretary of State _____, 2014.

REVERSE ANNUITY MORTGAGE PROGRAM
EXCEPTION REQUEST
January, 2014

Increase Cash Advance to: $20,000

- Single man in Phillipsburg age-75
- Current annual income: $12,240.00 (income limit for 1 is $22,980)

- New Solar Power System $12,000
- Credit Card Bills $5,000
- General Home Repairs $3,000

Total=$20,000

Approval pending, the applicant wishes to use the RAM loan to pay off the bills, a solar heating system, and home repairs.