



MONTANA
DEPARTMENT OF COMMERCE

HOUSING DIVISION – MONTANA BOARD OF HOUSING

MEMORANDUM

TO: Board members and Staff

FROM: Paula Loving, Office Manager
Montana Board of Housing

RE: MOTEL RESERVATIONS

DATE: June 2, 2014

Rooms are reserved at Fairmont Hot Springs Resort (1500 Fairmont Road – 406.797.3241) for the night of June 8, 2014 at the State rate plus tax. The rooms are reserved for the following people:

Mary Bair – 2 nights – arrival 06/07	Angela Heffern – 1 night – arrival 06/08
Vicki Bauer – 3 nights – arrival 06/06	Todd Jackson – 1 night – arrival 06/08
Bruce Brensdal – 1 night – arrival 06/08	Doug Kaercher – 1 night – arrival 06/08
Charlie Brown – 1 night – arrival 06/08	Paula Loving – 1 night – arrival 06/08
Mina Choo – 1 night – arrival 06/08	Jeannene Maas – 1 night – arrival 06/08
Stacy Collette – 1 night – arrival 06/08	Jeanette McKee – 1 night – arrival 06/08
Penny Cope – 1 night – arrival 06/08	Pat Melby – 1 night – arrival 06/08
JP Crowley – 2 nights – arrival 06/07	Chuck Nemec – 1 night – arrival 06/08
Bob Gauthier – 1 night – arrival 06/08	Cody Pearce – 1 night – arrival 06/08
Greg Gould – 1 night – arrival 06/08	Sheila Rice – 1 night – arrival 06/08
Kellie Guariligia – 1 night – arrival 06/08	Lisa Tedder – 1 night – arrival 06/08
	John Wagner 2 nights – arrival 06/07

I was unable to confirm this reservation with a few of you so please call the hotel if you need to cancel the reservation. The rooms are guaranteed with your individual credit card unless it has a 6:00 p.m. hold, so please call the motel if you need to cancel the reservation.

MEG O'LEARY, DIRECTOR



STEVE BULLOCK, GOVERNOR

MONTANA BOARD OF HOUSING

Fairmont Hot Springs
1500 Fairmont Rd Anaconda MT 59711
406-797-3241

Montana Board of Housing (406) 841-2840

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/607544473>

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#**

Sunday, June 8, 2014:

10:00 A.M. BOARD TRAINING

Monday, June 9, 2014:

I. 8:30 A.M. CALL MEETING TO ORDER – Chair JP Crowley

II. PUBLIC COMMENT ON ANY PUBLIC MATTER THAT IS NOT ON THE AGENDA OF THE MEETING AND THAT IS WITHIN THE JURISDICTION OF THE AGENCY

III. AGENDA ITEMS

Minutes

- Approval of Prior Board Meeting Minutes

Finance Program (Chuck Nemecek and Cody Pearce)

- Investment Report
- Finance Update

Homeownership Program (Vicki Bauer)

- MCC Homeownership Resolution
- Set-aside Approval
- New Lender Approval
- Income & Purchase Price Limits
- Homeownership Update

Multifamily Program (Mary Bair)

- Fort Harrison Waiver Request
- 2015 Housing Credit Letters of Intent
- Pearson Place lot change
- Qualified Contract Process Approval
- Multifamily Update
- RAM – Waiver Request (if needed)

Executive Director (Bruce Brensdal)

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

IV. ADJORNMENT

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

Future Meeting Dates & Locations: (subject to change)

<u>Day , Date</u>	<u>Location</u>	<u>Day , Date</u>	<u>Location</u>
Monday, July , 2014	no meeting	Monday, October 27, 2014	no meeting
Monday, August 11, 2014	??	Monday, November17, 2014	Helena
Monday, September 15, 2014	Helena	Monday, December 8, 2014	no meeting



MONTANA
DEPARTMENT OF COMMERCE

HOUSING DIVISION – MONTANA BOARD OF HOUSING

MONTANA BOARD OF HOUSING

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

ROLL CALL OF BOARD

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

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

COUNSEL: Greg Gould

UNDERWRITERS: None

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

MEG O'LEARY, DIRECTOR



STEVE BULLOCK, GOVERNOR

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CALL MEETING TO ORDER

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

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

APPROVAL OF MINUTES

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

A roll call vote was taken:

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

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

ACCOUNTING PROGRAM

There was no Finance update provided at this meeting.

HOMEOWNERSHIP PROGRAM

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

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

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

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

A roll call vote was taken:

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

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

MULTIFAMILY PROGRAM

Mary Bair provided the Multifamily Program update. Mary provided information on Tax Credit Compliance visits for Tax Credit properties in the last 1 ½ years. Most of these properties are in compliance and are in good standing. A small percentage of the properties have had some difficulties with non-compliance and 8823's have been issued to the IRS. The Makoshika project in Glendive became a topic of discussion. Mary stated the project's foundation has problems due to unstable sandy ground it is built on. This instability has caused major structural issues and the outcome of the entire project remains unclear. Alex Burkhalter, Housing Solutions, stated this project's issues with the type of soil in Glendive is providing insight for the recently awarded Tax Credit project, Pearson's Place and they are taking great care in providing the proper geo-tech prior to going forward.

EXECUTIVE DIRECTOR UPDATE

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

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

Meeting adjourned at 11:45 a.m.

Sheila Rice, Secretary

Date

**MONTANA BOARD OF HOUSING
INVESTMENT REPORT
DIVERSIFICATION & AVERAGE YIELD
AS OF APRIL 30, 2014**

INVESTMENT TYPE OR PROVIDER	PAR VALUE	PERCENT OF TOTAL INVESTMENTS	WEIGHTED AVERAGE YIELD
FHLB DISCOUNT NOTES #	18,455,000	10.9%	0.07
WELLS FARGO TREASURY MONEY MARKET ##	115,416,323	68.2%	0.01
FNMA DISCOUNT NOTES #	-	0.0%	-
FNMA MEDIUM TERM NOTES#	12,318,000	7.3%	5.77
US BANK MONEY MARKET##	488,944	0.3%	0.03
MONTANA STATE TREASURY ##	6,256,959	3.7%	-
SOCIETE GENERALE @	5,400,000	3.2%	5.00
US TREASURY NOTES & BONDS	4,796,000	2.8%	6.38
FNMA MORTGAGE BACKED SECURITY #	2,627,796	1.6%	5.17
FHLMC BONDS	2,225,000	1.3%	4.70
FFCB NOTES	1,230,000	0.7%	3.41
TOTAL	\$ 169,214,021	100.0%	0.94

DIVERSIFICATION BY INVESTMENT TYPE

@ Societe Genrale, hold prepayment, regular payment and reserves for several Single Family bond series.	\$ 5,400,000	3.2%	INVESTMENT CONTRACTS
#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.	\$ 14,945,796	8.8%	GOVERNMENT SPONSORED
	18,455,000	10.9%	FNMA
	3,455,000	2.0%	FHLB FHLMC & FFCB
## Wells Fargo and US Bank Money Market holds cash collections which are not yet invested or accounts where liquidity is needed. Montana State Treasurer holds cash and money market accounts for Board operations and programs such as RAM.	\$ 115,905,267	68.5%	TRUSTEE
	\$ 6,256,959	3.7%	STATE TREASURY
US Treasury Investments hold prepayemnts and reserve funds.	\$ 4,796,000	2.8%	US TREASURY
	\$ 169,214,021	100.0%	

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

INVESTMENT LISTING
 BY MATURITY DATE AND BY INDIVIDUAL SECURITY

MATURITY DATE	INVESTMENT NUMBER	INVESTMENT TYPE	INSTITUTION	PAR VALUE
	N/A	MONTANA STATE TREASURY	MT BOARD OF INVESTMENTS	6,256,958.82
	9151	MONEY MARKET	US BANK	755.06
	9152	MONEY MARKET	US BANK	197.49
	9153	MONEY MARKET	US BANK	432.8
	9154	MONEY MARKET	US BANK	20,380.22
	9155	MONEY MARKET	US BANK	90.34
	9156	MONEY MARKET	US BANK	981.77
	9157	MONEY MARKET	US BANK	87,772.79
	9158	MONEY MARKET	US BANK	23,638.06
	9159	MONEY MARKET	US BANK	80.21
	9160	MONEY MARKET	US BANK	748.43
	9171	MONEY MARKET	US BANK	317,101.20
	9172	MONEY MARKET	US BANK	30,611.83
	9173	MONEY MARKET	US BANK	4,311.16
	9174	MONEY MARKET	US BANK	638.52
	9218	MONEY MARKET	US BANK	444.32
	9219	MONEY MARKET	WELLS FARGO	13,602,078.94
	9220	MONEY MARKET	WELLS FARGO	5,489,751.65
	9221	MONEY MARKET	WELLS FARGO	1,204,624.60
	9222	MONEY MARKET	WELLS FARGO	30,000.00
	9229	MONEY MARKET	WELLS FARGO	732,659.47
	9269	MONEY MARKET	WELLS FARGO	1,654,077.99
	9270	MONEY MARKET	WELLS FARGO	163,778.02
	9271	MONEY MARKET	WELLS FARGO	5,926,386.16
	9272	MONEY MARKET	WELLS FARGO	2,173,955.90
	9273	MONEY MARKET	WELLS FARGO	4,649,492.91
	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	490,775.07
	9283	MONEY MARKET	WELLS FARGO	18,965,190.17
	9284	MONEY MARKET	WELLS FARGO	3,202,963.44
	9285	MONEY MARKET	WELLS FARGO	241,717.38
	9286	MONEY MARKET	WELLS FARGO	20,000.00
	9287	MONEY MARKET	WELLS FARGO	2,283,736.22
	9301	MONEY MARKET	WELLS FARGO	552,765.04
	9302	MONEY MARKET	WELLS FARGO	1,008,270.42
	9303	MONEY MARKET	WELLS FARGO	3,773.63
	9304	MONEY MARKET	WELLS FARGO	1,154,975.00
	9305	MONEY MARKET	WELLS FARGO	233,148.87
	9306	MONEY MARKET	WELLS FARGO	835,266.59
	9307	MONEY MARKET	WELLS FARGO	2,644.35
	9308	MONEY MARKET	WELLS FARGO	750,578.35
	9309	MONEY MARKET	WELLS FARGO	814,162.86
	9310	MONEY MARKET	WELLS FARGO	2,218.71
	9312	MONEY MARKET	WELLS FARGO	503,016.98
	9313	MONEY MARKET	WELLS FARGO	1,128,132.41
	9314	MONEY MARKET	WELLS FARGO	1,904.11
	9315	MONEY MARKET	WELLS FARGO	763,100.52
	9316	MONEY MARKET	WELLS FARGO	97,356.19
	9318	MONEY MARKET	WELLS FARGO	232,790.47
	9319	MONEY MARKET	WELLS FARGO	2,628,461.41
	9320	MONEY MARKET	WELLS FARGO	955,585.71
	9321	MONEY MARKET	WELLS FARGO	413,160.73
	9322	MONEY MARKET	WELLS FARGO	9,726,798.75
	9326	MONEY MARKET	WELLS FARGO	995,901.11
	9327	MONEY MARKET	WELLS FARGO	927,295.71
	9328	MONEY MARKET	WELLS FARGO	586.91

MATURITY DATE	INVESTMENT NUMBER	INVESTMENT TYPE	INSTITUTION	PAR VALUE
	9329	MONEY MARKET	WELLS FARGO	16,374.38
	9330	MONEY MARKET	WELLS FARGO	402,006.82
	9331	MONEY MARKET	WELLS FARGO	634,674.49
	9332	MONEY MARKET	WELLS FARGO	4,657.51
	9334	MONEY MARKET	WELLS FARGO	517,227.10
	9335	MONEY MARKET	WELLS FARGO	1,191,174.83
	9336	MONEY MARKET	WELLS FARGO	3,623.67
	9337	MONEY MARKET	WELLS FARGO	1,000,000.00
	9726	MONEY MARKET	WELLS FARGO	578,376.44
	9728	MONEY MARKET	WELLS FARGO	1,788,603.68
	10025	MONEY MARKET	WELLS FARGO	365.42
	10068	MONEY MARKET	US BANK	759.86
	10452	MONEY MARKET	WELLS FARGO	760,000.00
	10577	MONEY MARKET	WELLS FARGO	324,107.39
	10578	MONEY MARKET	WELLS FARGO	194,367.86
	10602	MONEY MARKET	WELLS FARGO	2,344,617.78
	10633	MONEY MARKET	WELLS FARGO	399,635.74
	10634	MONEY MARKET	WELLS FARGO	700,337.76
	10636	MONEY MARKET	WELLS FARGO	3,045,287.15
	10672	MONEY MARKET	WELLS FARGO	399,586.60
	10673	MONEY MARKET	WELLS FARGO	1,047,489.73
	10686	MONEY MARKET	WELLS FARGO	559,099.29
	10818	MONEY MARKET	WELLS FARGO	432,609.25
	10871	MONEY MARKET	WELLS FARGO	111,990.48
	10893	MONEY MARKET	WELLS FARGO	1,951,671.59
	10894	MONEY MARKET	WELLS FARGO	1,470,825.26
	10895	MONEY MARKET	WELLS FARGO	704,251.72
	10896	MONEY MARKET	WELLS FARGO	805,781.59
	10897	MONEY MARKET	WELLS FARGO	3,675,708.86
	10898	MONEY MARKET	WELLS FARGO	244,982.76
	10899	MONEY MARKET	WELLS FARGO	86,418.14
	10900	MONEY MARKET	WELLS FARGO	123,870.41
	10902	MONEY MARKET	WELLS FARGO	1,884,854.54
	10972	MONEY MARKET	WELLS FARGO	387,237.70
	10973	MONEY MARKET	WELLS FARGO	26,575.89
	10990	MONEY MARKET	WELLS FARGO	1,826,474.78
	10994	MONEY MARKET	WELLS FARGO	63,397.88
	10995	MONEY MARKET	WELLS FARGO	390,000.00
	10996	MONEY MARKET	WELLS FARGO	29,424.52
	10997	MONEY MARKET	WELLS FARGO	715,000.00
5/30/14	10956	FHLB DN	WELLS FARGO	871,000.00
	10957	FHLB DN	WELLS FARGO	569,000.00
	10958	FHLB DN	WELLS FARGO	680,000.00
	10959	FHLB DN	WELLS FARGO	990,000.00
	10960	FHLB DN	WELLS FARGO	973,000.00
	10961	FHLB DN	WELLS FARGO	888,000.00
	10962	FHLB DN	WELLS FARGO	991,000.00
	10963	FHLB DN	WELLS FARGO	1,084,000.00
	10964	FHLB DN	WELLS FARGO	575,000.00
	10965	FHLB DN	WELLS FARGO	352,000.00
	10966	FHLB DN	WELLS FARGO	536,000.00
	10967	FHLB DN	WELLS FARGO	344,000.00
	10968	FHLB DN	WELLS FARGO	543,000.00
	10969	FHLB DN	WELLS FARGO	1,112,000.00
6/2/14	10952	FHLB DN	WELLS FARGO	651,000.00
	10953	FHLB DN	WELLS FARGO	430,000.00
	10954	FHLB DN	WELLS FARGO	761,000.00
8/1/14	10974	FHLB DN	US BANK	16,000.00
	10975	FHLB DN	US BANK	2,382,000.00
	10976	FHLB DN	US BANK	2,527,000.00
	10977	FHLB DN	US BANK	53,000.00
	10978	FHLB DN	US BANK	101,000.00
	10979	FHLB DN	US BANK	38,000.00

MATURITY DATE	INVESTMENT NUMBER	INVESTMENT TYPE	INSTITUTION	PAR VALUE
	10980	FHLB DN	US BANK	32,000.00
	10981	FHLB DN	US BANK	109,000.00
	10982	FHLB DN	US BANK	42,000.00
	10983	FHLB DN	US BANK	9,000.00
	10984	FHLB DN	US BANK	39,000.00
	10985	FHLB DN	US BANK	23,266.29
	10986	FHLB DN	US BANK	236,000.00
	10987	FHLB DN	US BANK	25,000.00
	10988	FHLB DN	US BANK	104,000.00
	10989	FHLB DN	US BANK	84,375.97
	10991	FHLB DN	US BANK	41,733.71
	10992	FHLB DN	US BANK	237,624.03
	10998	FHLB DN	US BANK	5,000.00
5/24/21	10450	FFCB	WELLS FARGO	1,212,000.00
	10457	FFCB	WELLS FARGO	18,000.00
8/15/25	6916	T-NOTES & BONDS	WELLS FARGO	3,882,100.00
	6917	T-NOTES & BONDS	WELLS FARGO	913,900.00
4/30/26	7541	FNMA DEB	WELLS FARGO	3,513,606.89
	8124	FNMA DEB	WELLS FARGO	1,099,393.11
9/27/27	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
7/15/32	10631	FHLMC BOND	WELLS FARGO	975,000.00
	10665	FHLMC BOND	WELLS FARGO	625,000.00
	10666	FHLMC BOND	WELLS FARGO	625,000.00
2/1/36	10888	FNMA MBS	WELLS FARGO	83,231.53
3/1/36	8112	FNMA MBS	WELLS FARGO	75,371.34
5/1/36	10887	FNMA MBS	WELLS FARGO	163,199.90
7/1/36	10892	FNMA MBS	WELLS FARGO	93,973.25
8/1/36	10891	FNMA MBS	WELLS FARGO	131,650.15
3/1/37	7819	FNMA MBS	WELLS FARGO	164,859.98
6/1/37	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
8/1/37	8396	FNMA MBS	WELLS FARGO	45,213.68
8/1/38	10890	FNMA MBS	WELLS FARGO	78,697.30
9/1/38	9388	FNMA MBS	WELLS FARGO	66,419.65
11/1/38	9370	FNMA MBS	WELLS FARGO	199,163.17
12/1/38	9338	FNMA MBS	WELLS FARGO	541,532.09
	9369	FNMA MBS	WELLS FARGO	166,679.53
	9391	FNMA MBS	WELLS FARGO	101,424.85
	10889	FNMA MBS	WELLS FARGO	39,905.75
1/1/39	9387	FNMA MBS	WELLS FARGO	208,496.12
	9459	FNMA MBS	WELLS FARGO	106,159.21
	9460	FNMA MBS	WELLS FARGO	45,279.55
10/1/39	9688	FNMA MBS	WELLS FARGO	100,052.23
12/1/39	9690	FNMA MBS	WELLS FARGO	217,486.38

PORTFOLIO TOTAL 169,214,021.43

RESOLUTION NO. 14-0609-S2

A RESOLUTION AUTHORIZING THE ISSUANCE OF MORTGAGE CREDIT CERTIFICATES ("MCCs"); APPROVING THE FORMS OF THE MCC PROGRAM GUIDE AND RELATED ITEMS; AUTHORIZING THE EXECUTIVE DIRECTOR TO FILE ONE OR MORE MCC ELECTIONS WITH THE INTERNAL REVENUE SERVICE; AUTHORIZING THE EXECUTIVE DIRECTOR TO DETERMINE THE MCC RATES, TERMS AND CRITERIA; AND AUTHORIZING THE EXECUTIVE DIRECTOR TO GIVE NOTICE AS REQUIRED BY THE FEDERAL TAX LAWS OF THE IMPLEMENTATION OF THE MCC PROGRAM.

WHEREAS, the Montana Board of Housing (the "Board") is authorized by Montana Code Annotated Sections 90-6-100 through 90-6-127 and Section 2-15-1814 (the "Act") to issue its bonds and to purchase mortgage loans 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; and

WHEREAS, the Board is an authorized issuer of "qualified mortgage bonds" described in Section 143 of the Internal Revenue Code of 1986, as amended (the "Code"), and receives volume cap under Section 146 of the Code to issue such qualified mortgage bonds and other private activity bonds; and

WHEREAS, Section 25 of the Code and the regulations promulgated thereunder permit the Board to exchange its authority to issue qualified mortgage bonds and other private activity bonds for which it has volume cap in order to issue mortgage credit certificates under a qualified mortgage credit certificate program; and

WHEREAS, an MCC provides housing assistance in the form of a nonrefundable, federal tax credit, the value of which is equal to a portion of the mortgage interest paid by a homeowner on certain qualifying loans, and the holder of an MCC may apply this tax credit against on his or her federal income taxes in each year the MCC is effective; and

WHEREAS, the Board desires to provide the widest range of alternatives to lower-income borrowers to enable them to finance the acquisition of single-family residences at the lowest effective cost to such borrowers (collectively, such alternatives are referred to as the "Single Family Programs"); and

WHEREAS, as part of the Single Family Programs, the Board currently administers an MCC program (the "MCC Program") and wishes to increase the amount available for MCCs; and

WHEREAS, in connection with such MCC Program, the Board desires to elect not to issue private activity bonds which it could otherwise issue (including from any unused carryforward of private activity bond authority from prior calendar years);

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

Section 1. The Board approves and authorizes a continuation of the current MCC Program, pursuant to one or more elections, benefiting qualified homebuyers and homeowners who incur mortgage loans for eligible purposes. The parameters and purposes of this continued MCC Program shall be substantially similar to the Board's current MCC Program, and such parameters are hereby approved in substance, with such changes and modifications as the Executive Director, the staff and counsel to the Board deem necessary and advisable, and are incorporated by reference as part of this Resolution.

Section 2. The Board finds and determines that it is necessary to exchange its authority to issue up to \$40,000,000 of private activity bonds for the authority to issue MCCs. The Board directs the Executive Director to make one or more elections, pursuant to Section 25 of the Code, not to issue up to an aggregate of \$40,000,000 of private activity bonds (the "nonissued bond amount") that the Board is authorized and has volume cap available to issue (including any unused carryforward). The nonissued bond amount shall be allocated to a continuation of the current MCC Program. To effectuate the foregoing, the Executive Director is directed to file notice of such election or elections with the Internal Revenue Service, as required by the Code and the regulations.

Section 3. The Board authorizes the Executive Director to establish one or more credit rates (based on the criteria he deems appropriate pursuant to the following sentence) for the mortgage loans described therein, determine the program expiration date, select the types of mortgage loans for which MCCs may be issued, approve the terms and conditions on which participating lenders make loans that are eligible for MCC financing, and make other determinations as appropriate, all in accordance with the terms and provisions of Section 25 of the Code and the regulations thereunder and this Resolution. The Executive Director and the staff are hereby directed to further define the MCC Program parameters, as they deem appropriate and necessary to maximize the availability of lower cost financing to low- and moderate-income persons under the Single Family Programs.

Section 4. The forms of the MCC Program Guide and related items shall be substantially the same as those for the current MCC Program, which are hereby approved in substance, with such changes and modifications as the Executive Director and counsel to the Board deem necessary, appropriate and advisable.

Section 5. The Executive Director shall give notice to the public of the establishment of each MCC program as required by Section 25 of the Code and the regulations thereunder prior to the issuance of any MCCs under the MCC Program.

Section 6. The Board ratifies and approves the use of any unused private activity bond volume cap allocated to the Board (including any amount carried forward for the previous calendar years) in connection with the issuance of MCCs.

Section 7. This Resolution shall become effective immediately.

ADOPTED by the Montana Board of Housing this ____ day of June, 2014.

MONTANA BOARD OF HOUSING

By _____
Chairman

Attest:

By _____
Treasurer/Executive Director

Memo: June 2, 2014

To: MBOH Board Members

From: Vicki Bauer

Re: Setaside Requests and extensions

Habitat for Humanity

Background: June 2013 the Board approved a \$1,000,000 setaside that expires 6/30/2014. As of May 30, 2014 Habitat has used \$512,105 leaving a balance of \$487,895. They have three more loans in process that will use \$355,794 of the remaining funds, leaving approximately \$132,101.

Proposal: As per the attached letter, Habitat is requesting a setaside for FY2015 of \$1,215,000 with an expiration date of 6/30/15.

Recommendation: For the Board to approve the requested extension and allocation

Disabled Accessible Affordable Homeownership Program (DAAHP)

Background: The DAAHP Program provides affordable loans to physically disabled borrowers and allows modifications to the home to make it more architecturally accommodating for their mobility limitations. Since July 2013 there has been one reservation for this program for \$89,031. The reduced market rates have affected the use of the program.

Proposal: Currently there is \$1,001,568 available to fund DAAPH loans and the expiration date for the program is 6/30/2014. We would like extend the expiration date to 6/30/2015.

Recommendation: For the Board to approve the requested extension

Lot Refinance Program

Background: The lot refinance program provides the permanent financing for new constructed homes that are built on lots where the homebuyer has title to the lot but still owes on the lot and the title is encumbered. The lot must have been purchased within the last two years. No loans were purchased in this program in the last year.

Proposal: Currently there is \$726,440 available to fund the lot refinance program and it expires 06/30/2014. We would like to extend that expiration date to 6/30/2015

Recommendation: For the Board to approve the requested extension



Building Houses... Building Homes... Building Hope... Building Strong Communities

230 Arden Dr., Belgrade, MT. 59714 Office: 406-388-8225
ReStore 406-388-2851 Fax 406-388-8226

June 2, 2014

Charlie Brown
Montana Board of Housing

Dear Charlie,

On behalf of the Habitat for Humanity Affiliates in the State of Montana I would like to request from the Montana Board of Housing financial support for the Fiscal Year 14-15 in the amount of 1,215,000.00.

Each of the following affiliates project their need as follows:

Great Falls	\$ 125,000
Helena	\$ 100,000
Missoula	\$ 155,000
Belgrade	\$ 160,000
Hamilton	\$ 125,000
Flathead	\$ 250,000
Billings	\$ 300,000

This year we fell short in using the full allocation for two reasons. The Belgrade Affiliate had their partner family with draw one month before closing due to a significant change in their financial situation. And the Billings Affiliate did not finalize their request to us in time to meet the June 30th deadline.

The financial support provided to the Montana Habitat Affiliates has had a significant impact on our collective ability to address affordable housing for those low income to very low income families that need a helping hand up to home ownership. Plus, the ability to access these funds has helped several affiliates continue to address the affordable housing needs in their communities.

Thank you for considering our request and we look forward to your continued support of our efforts.

Sincerely,

J. David Magistrelli

J. David Magistrelli,
Executive Director Habitat for Humanity of Gallatin Valley Inc.

Board Report for June 2014

SETASIDE SUMMARY

ADVANCE PACKET REPORT

80% Deep Equity Pilot ProgramAuthorized by the Board 04/22/2013: Program expires 6/30/14 (114)

Original Setaside		\$	4,500,000	
Additional Setaside	Apr 14	\$	700,000	
Additional Setaside	Apr 14	\$	5,000,000	
Loans Reserved	3	\$	(476,800)	
Loans Purchased	36	\$	(4,490,107)	
Remaining Setaside		\$	5,233,093	\$ 5,233,093

West Edge HRDC IXAuthorized by the Board 08/09/2010: Program expires when funds depleted (280)

Original Setaside		\$	1,600,000	
Additional Setaside	Jan 14	\$	840,000	
Loans Reserved @3.875%	0	\$	(0)	
Loans Reserved @5.50%	0	\$	(0)	
Loans Purchased	27	\$	(1,578,351)	
Remaining Setaside		\$	861,649	\$ 861,649

EATON STREET CONDOS SETASIDEAuthorized 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 SETASIDEAuthorized by the Board 09/13/2004: (499)

Original Setaside		\$	50,000	
Loans Reserved	0	\$	(0)	
Loans Purchased	1	\$	(4,365)	
Remaining Setaside		\$	45,635	\$ 45,635

TOTAL FORECLOSURE PREVENTION SETASIDE:

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	\$ 1,001,568

TOTAL DAAHP SETASIDE:

Score Advantage Second Mortgage
 Authorized by the Board 11/2012 (521)

Original Setaside		\$	1,500,000
Loans Reserved	5	\$	29,150
Loans Purchaed	53	\$	263,138
Remaining Setaside		\$	1,207,712
			<u>\$ 1,207,712</u>

LOT REFINANCE SETASIDE

Authorized by the Board 07/02; Program expires 6/30/2014: (575)

Original Setaside		\$	1,000,000
Additional Setaside	(May 05)	\$	1,000,000
Loans Reserved	0	\$	(0)
Loans Purchased	12	\$	(1,273,560)
Remaining Setaside		\$	726,440
TOTAL LOT REFINANCE SETASIDE:			<u>\$ 726,440</u>

HABITAT FOR HUMANITY SETASIDE

MORTGAGE RATE OF 0.375%; Authorized by the Board 9/97; Program expires 06/30/2014: (580)

Original Setaside		\$	750,000
Additional Setaside		\$	700,000
Additional Setaside	(Feb 02)	\$	250,000
Additional Setaside	(Feb 02)	Conventional Funding	\$ 250,000
Additional Setaside	(Dec 02)	Conventional Funding	\$ 250,000
Additional Setaside	(Jun 03)	Conventional Funding	\$ 500,000
Additional Setaside	(Feb 06)	Conventional Funding	\$ 1,000,000
Additional Setaside	(Oct 07)	Conventional Funding	\$ 1,000,000
Additional Setaside	(Sep 08)		\$ 350,000
Loans Reserved	0	\$	(0)
Loans Purchased	74	\$	(5,018,278)
Remaining Setaside		\$	31,722
TOTAL HABITAT FOR HUMANITY SETASIDE:			<u>\$ 31,722</u>

Additional Setaside	(Sep 09)	\$	1,000,000
Loans Reserved	0	\$	(0)
Loans Purchased	9	\$	(735,563)
Remaining Setaside		\$	264,437
TOTAL HABITAT FOR HUMANITY SETASIDE:			<u>\$ 264,437</u>

Additional Setaside	(July 10)	\$	1,000,000
Loans Reserved	0	\$	(0)
Loans Purchased	4	\$	(334,623)
Remaining Setaside		\$	665,377
TOTAL HABITAT FOR HUMANITY SETASIDE:			<u>\$ 665,377</u>

Additional Setaside	(July 11)	\$	850,000
Loans Reserved	1	\$	(116,487)
Loans Purchased	8	\$	(713,743)
Remaining Setaside		\$	19,770
TOTAL HABITAT FOR HUMANITY SETASIDE:			<u>\$ 19,770</u>

Additional Setaside	(June 12)	\$	1,125,000
Loans Reserved	0	\$	(0)
Loans Purchased	7	\$	(682,912)
Remaining Setaside		\$	442,088
TOTAL HABITAT FOR HUMANITY SETASIDE:			<u>\$ 442,088</u>

Additional Setaside	(June 13)	\$	1,000,000
Loans Reserved	2	\$	(168,665)
Loans Purchased	3	\$	(343,440)
Remaining Setaside		\$	487,895
TOTAL HABITAT FOR HUMANITY SETASIDE:			<u>\$ 487,895</u>

TOTAL OF ALL INDIVIDUAL SETASIDES: \$ 10,563,992

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
	<u>Pre-Ullman Funds</u>	
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: \$16,675,126

\$45,000,000	
- (38,888,865)	Total Loans in Allocation
\$6,111,135	
<u>\$ 10,563,991.78</u>	Total of All Individual Setasides
<u>\$ 16,675,126.29</u>	

Memo: June 2, 2014

To: Trustees of Montana Board of Housing

From: Vicki Bauer

Re: Universal American Mortgage Company dba eagle Home Mortgage Application for Approval as Participating Lender

Background:

Universal American Mortgage Company (UAMC) is based out of Clearwater FL and is a part of Lennar Financial Services – an S&P 500 Company. It has been in the mortgage business for over 30 years and since eagle Home Mortgage is a “DBA” business channel of Universal American Mortgage Company (which is a wholly-owned subsidiary of the Lennar Corporation), they are regulated by their home state of Florida Office of Financial Regulation. Montana lending locations include Missoula and Kalispell.

Eagle Home Mortgage is approved to underwrite FHA, RD and VA Loans. They will sell its servicing to MBOH.

According to the April 30, 2014 Lennar Financial Services Consolidated Balance Sheet, UAMC has an equity to asset ratio of over 31%, meeting the criteria for MBOH participating lenders (6%). Net worth requirements of over \$1,000,000 have been met with a balance of \$213,549,000 as of November 30, 2013.

All required Errors and Omissions and Fidelity Bond Insurance requirements have been met by through UAMC Coverage. UAMC registered with the Montana Secretary of State on September 12, 2013.

Lennar Financial Services financial statements are available to Board members on request.

2014 Income and Purchase Price review

Page 1

Income Limit Review:

Board Reviews annually, per Administrative Rules

Historical Formula

Based on statewide, or local area median income (greater of the two)

Non-targeted areas

Family of 1 or 2	100%
Family of 3 or more	115%

Targeted areas

Family of 1 or 2	120%
Family of 3 or more	140%

Current Formula

Historical formula, adjusted by ARRA provisions concerning areas with high housing costs. Current formula allows HFAs to calculate income limits based on either 2012 or 2013 data, but must select one data year per county.

Purchase Price limits:

Follows highest allowable limits under program as new limits are released (no Board action required)

Formula

Non-targeted areas:	90% of the greater of, Average Area Purchase Price (AAPP), or Statewide average purchase price
Targeted areas:	110% of the greater of Average Area Purchase Price or statewide average purchase price

2014 Income Limit review

Page 2

County	formula based on 2012 incomes				formula based on 2013 incomes				Highest Allowable Income Limits Greater of either 2012 or 2013			
	Non Targeted		Targeted		Non Targeted		Targeted		Non Targeted		Targeted	
	1-2 Person	3+ Person	1-2 Person	3+ Person	1-2 Person	3+ Person	1-2 Person	3+ Person	1-2 Person	3+ Person	1-2 Person	3+ Person
Beaverhead	\$66,005	\$75,906	\$69,480	\$81,060	\$64,845	\$74,572	\$71,040	\$82,880	\$66,005	\$75,906		
Big Horn	\$66,205	\$76,136	\$69,480	\$81,060	\$65,065	\$74,825	\$70,200	\$81,900	\$66,205	\$76,136		
* Blaine	\$66,205	\$76,136	\$69,480	\$81,060	\$65,065	\$74,825	\$70,200	\$81,900			\$70,200	\$81,900
Broadwater	\$66,205	\$76,136	\$69,480	\$81,060	\$65,065	\$74,825	\$70,200	\$81,900	\$66,205	\$76,136		
Carbon	\$64,545	\$74,227	\$76,440	\$89,180	\$64,565	\$74,250	\$72,720	\$84,840	\$64,565	\$74,250		
Carter	\$66,205	\$76,136	\$69,480	\$81,060	\$65,065	\$74,825	\$70,200	\$81,900	\$66,205	\$76,136		
Cascade	\$65,405	\$75,216	\$71,280	\$83,160	\$65,065	\$74,825	\$70,200	\$81,900	\$65,405	\$75,216		
* City of Great Falls	\$65,405	\$75,216	\$71,280	\$83,160	\$65,065	\$74,825	\$70,200	\$81,900			\$71,280	\$83,160
Chouteau	\$66,205	\$76,136	\$69,480	\$81,060	\$65,065	\$74,825	\$70,200	\$81,900	\$66,205	\$76,136		
Custer	\$66,205	\$76,136	\$69,480	\$81,060	\$65,065	\$74,825	\$70,200	\$81,900	\$66,205	\$76,136		
Daniels	\$66,205	\$76,136	\$69,480	\$81,060	\$65,065	\$74,825	\$70,200	\$81,900	\$66,205	\$76,136		
Dawson	\$64,765	\$74,480	\$75,120	\$87,640	\$65,700	\$75,555	\$78,840	\$91,980	\$65,700	\$75,555		
* Deer Lodge	\$66,205	\$76,136	\$69,480	\$81,060	\$65,065	\$74,825	\$70,200	\$81,900			\$70,200	\$81,900
Fallon	\$64,765	\$74,480	\$75,120	\$87,640	\$65,700	\$75,555	\$78,840	\$91,980	\$65,700	\$75,555		
Fergus	\$66,205	\$76,136	\$69,480	\$81,060	\$65,065	\$74,825	\$70,200	\$81,900	\$66,205	\$76,136		
* Flathead	\$66,480	\$77,560	\$69,480	\$81,060	\$69,720	\$81,340	\$70,200	\$81,900			\$70,200	\$81,900
Gallatin	\$81,840	\$95,480	\$81,840	\$95,480	\$83,712	\$96,269	\$85,320	\$99,540	\$83,712	\$96,269		
Gallatin Census * Tracts 6 and 11.01											\$85,320	\$99,540
Garfield	\$65,725	\$75,584	\$69,480	\$81,060	\$65,065	\$74,825	\$70,200	\$81,900	\$65,725	\$75,584		
Glacier	\$66,205	\$76,136	\$69,480	\$81,060	\$65,065	\$74,825	\$70,200	\$81,900	\$66,205	\$76,136		
Golden Valley	\$66,205	\$76,136	\$69,480	\$81,060	\$65,065	\$74,825	\$70,200	\$81,900	\$66,205	\$76,136		
Granite	\$66,205	\$76,136	\$69,480	\$81,060	\$65,065	\$74,825	\$70,200	\$81,900	\$66,205	\$76,136		
* Hill	\$65,385	\$75,193	\$71,400	\$83,300	\$64,805	\$74,526	\$71,280	\$83,160			\$71,400	\$83,300
Jefferson	\$71,400	\$82,110	\$85,680	\$99,960	\$74,900	\$86,135	\$89,880	\$104,860	\$74,900	\$86,135		
Judith Basin	\$65,705	\$75,561	\$69,480	\$81,060	\$65,065	\$74,825	\$70,200	\$81,900	\$65,705	\$75,561		
Lake	\$66,205	\$76,136	\$69,480	\$81,060	\$65,065	\$74,825	\$70,200	\$81,900	\$66,205	\$76,136		
Lewis & Clark	\$69,700	\$80,155	\$83,640	\$97,580	\$70,800	\$81,420	\$84,960	\$99,120	\$70,800	\$81,420		
Liberty	\$66,205	\$76,136	\$69,480	\$81,060	\$65,065	\$74,825	\$70,200	\$81,900	\$66,205	\$76,136		
Lincoln	\$66,205	\$76,136	\$69,480	\$81,060	\$65,065	\$74,825	\$70,200	\$81,900	\$66,205	\$76,136		
* Lincoln Census Tr 2											\$69,480	\$81,060
Madison	\$67,080	\$78,260	\$69,480	\$81,060	\$70,320	\$82,040	\$70,320	\$82,040	\$70,320	\$82,040		
McCone	\$65,405	\$75,216	\$71,280	\$83,160	\$64,305	\$73,951	\$74,280	\$86,660	\$65,405	\$75,216		
Meagher	\$66,205	\$76,136	\$69,480	\$81,060	\$65,065	\$74,825	\$70,200	\$81,900	\$66,205	\$76,136		
* Mineral	\$66,205	\$76,136	\$69,480	\$81,060	\$65,065	\$74,825	\$70,200	\$81,900			\$70,200	\$81,900
* Missoula	\$68,104	\$78,320	\$75,360	\$87,920	\$67,798	\$77,967	\$73,440	\$85,680			\$75,360	\$87,920
Musselshell	\$66,205	\$76,136	\$69,480	\$81,060	\$65,065	\$74,825	\$70,200	\$81,900	\$66,205	\$76,136		
Park	\$66,205	\$76,136	\$69,480	\$81,060	\$65,065	\$74,825	\$70,200	\$81,900	\$66,205	\$76,136		
Petroleum	\$66,205	\$76,136	\$69,480	\$81,060	\$65,065	\$74,825	\$70,200	\$81,900	\$66,205	\$76,136		
Phillips	\$65,525	\$75,354	\$70,560	\$82,320	\$64,985	\$74,733	\$70,200	\$81,900	\$65,525	\$75,354		
Pondera	\$66,205	\$76,136	\$69,480	\$81,060	\$65,065	\$74,825	\$70,200	\$81,900	\$66,205	\$76,136		
Powder River	\$66,205	\$76,136	\$69,480	\$81,060	\$65,065	\$74,825	\$70,200	\$81,900	\$66,205	\$76,136		
Powell	\$66,205	\$76,136	\$69,480	\$81,060	\$65,065	\$74,825	\$70,200	\$81,900	\$66,205	\$76,136		
Prairie	\$66,205	\$76,136	\$69,480	\$81,060	\$65,065	\$74,825	\$70,200	\$81,900	\$66,205	\$76,136		
Ravalli	\$66,025	\$75,929	\$69,480	\$81,060	\$65,005	\$74,756	\$70,200	\$81,900	\$66,025	\$75,929		
Richland	\$65,365	\$75,170	\$71,520	\$83,440	\$64,185	\$73,813	\$75,000	\$87,500	\$65,365	\$75,170		
Roosevelt	\$66,205	\$76,136	\$69,480	\$81,060	\$65,065	\$74,825	\$70,200	\$81,900	\$66,205	\$76,136		
Rosebud	\$65,325	\$75,124	\$71,760	\$83,720	\$64,465	\$74,135	\$73,320	\$85,540	\$65,325	\$75,124		
* Sanders	\$66,205	\$76,136	\$69,480	\$81,060	\$65,065	\$74,825	\$70,200	\$81,900			\$70,200	\$81,900
Sheridan	\$65,525	\$75,354	\$70,560	\$82,320	\$64,405	\$74,066	\$73,680	\$85,960	\$65,525	\$75,354		
* Silver Bow	\$66,165	\$76,090	\$69,480	\$81,060	\$65,065	\$74,825	\$70,200	\$81,900			\$70,200	\$81,900
Stillwater	\$69,500	\$79,925	\$83,400	\$97,300	\$69,400	\$79,810	\$83,280	\$97,160	\$69,500	\$79,925		
Sweet Grass	\$70,611	\$81,203	\$72,120	\$84,140	\$69,910	\$80,396	\$72,480	\$84,560	\$70,611	\$81,203		
Teton	\$66,205	\$76,136	\$69,480	\$81,060	\$65,065	\$74,825	\$70,200	\$81,900	\$66,205	\$76,136		
Toole	\$65,645	\$75,492	\$69,840	\$81,480	\$64,465	\$74,135	\$73,320	\$85,540	\$65,645	\$75,492		
Treasure	\$66,205	\$76,136	\$69,480	\$81,060	\$65,065	\$74,825	\$70,200	\$81,900	\$66,205	\$76,136		
Valley	\$65,785	\$75,653	\$69,480	\$81,060	\$64,745	\$74,457	\$71,640	\$83,580	\$65,785	\$75,653		
Wheatland	\$66,205	\$76,136	\$69,480	\$81,060	\$65,065	\$74,825	\$70,200	\$81,900	\$66,205	\$76,136		
Wibaux	\$66,205	\$76,136	\$69,480	\$81,060	\$65,065	\$74,825	\$70,200	\$81,900	\$66,205	\$76,136		
Yellowstone	\$64,545	\$74,227	\$76,440	\$89,180	\$64,565	\$74,250	\$72,720	\$84,840	\$64,565	\$74,250		

* Targeted Areas

NOTE ---- Census Tract changes

Tracts removed

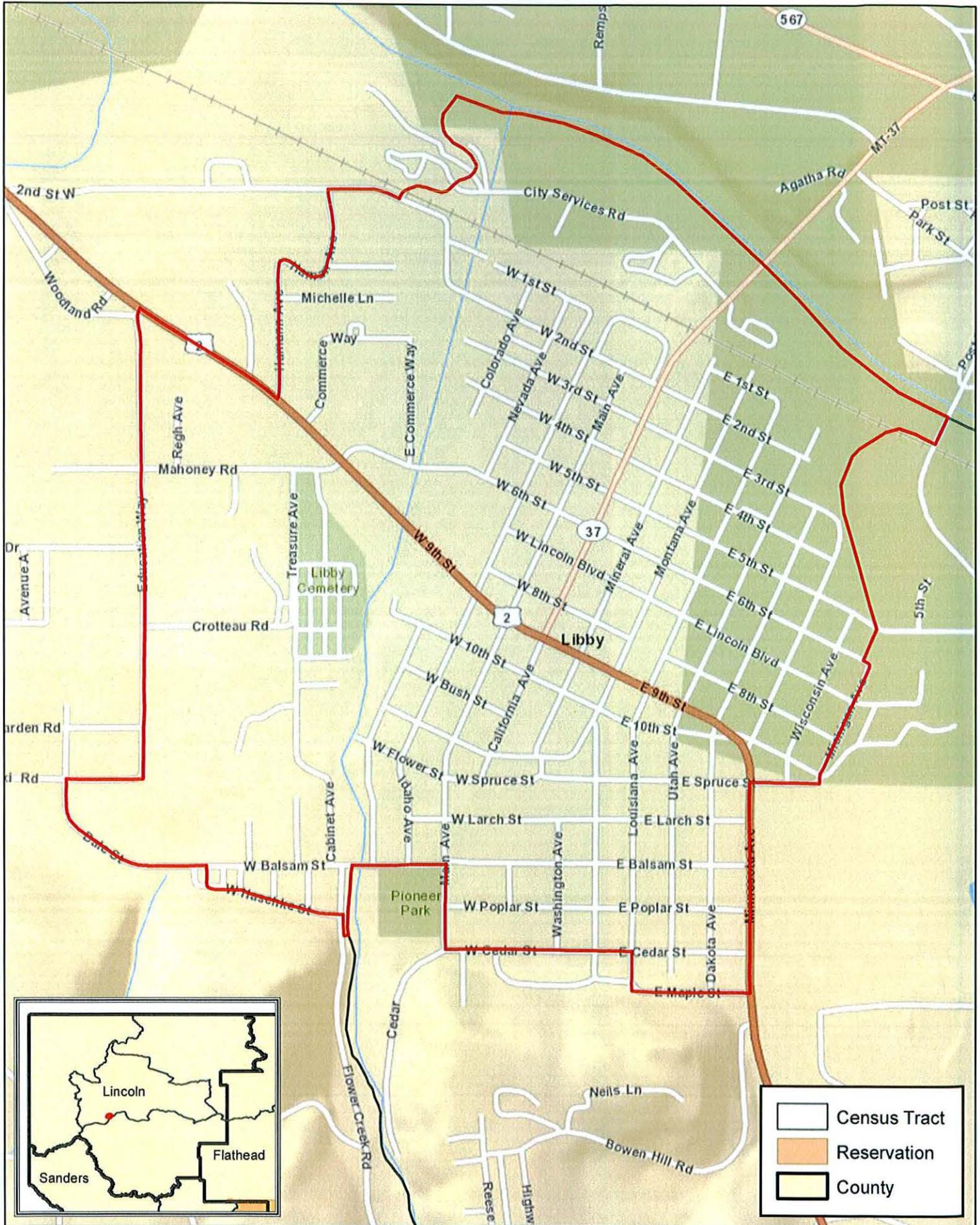
Billings Census Tract 3; Chouteau Tract 9401; and Census Tract 9402 in Daniels/Sheridan counties

Tracts added

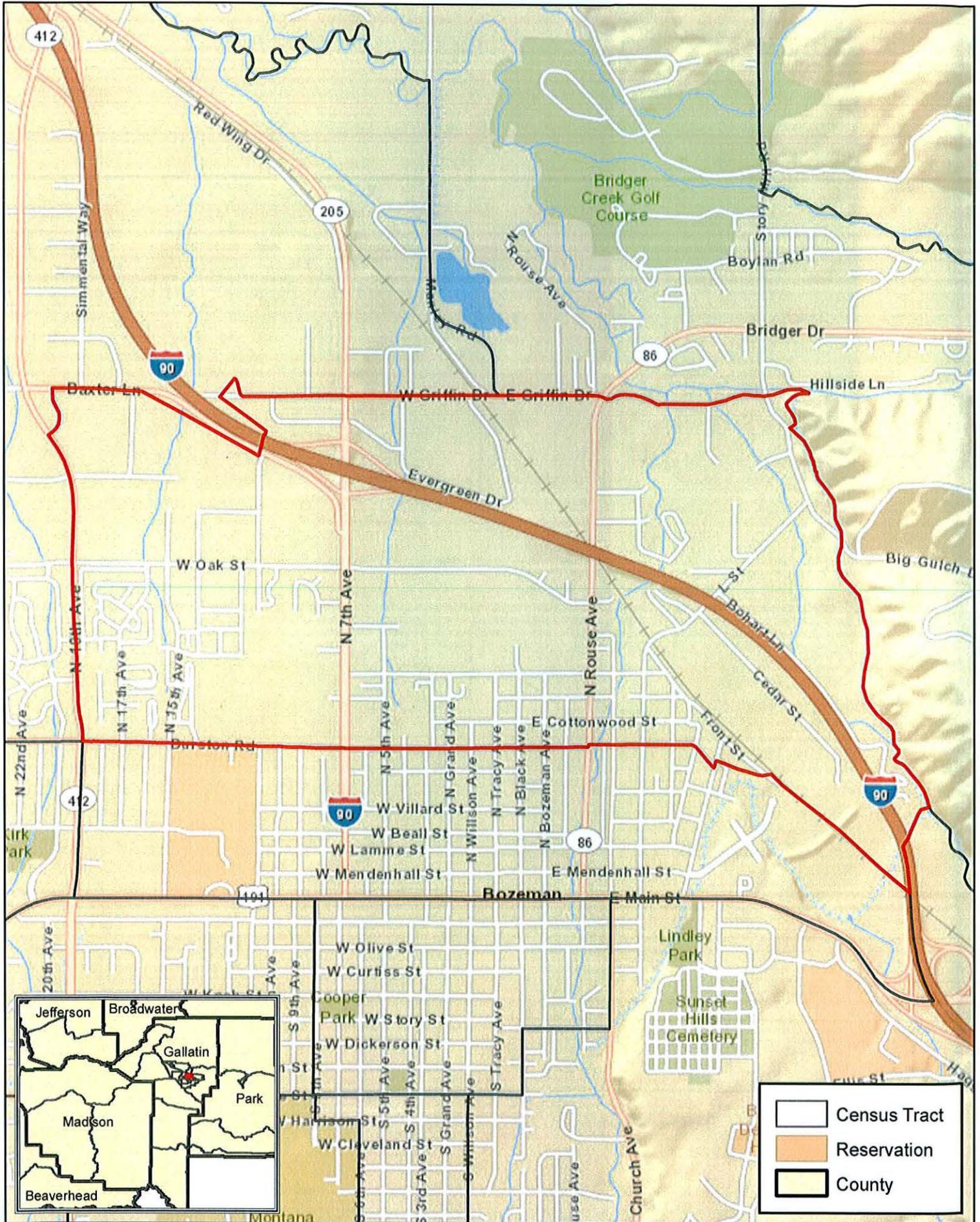
Gallatin County Tract 6 and Tract 11.01; Lincoln County Tract 2

County	Highest Allowable Income Limits 2014		2013 Income Limits		Difference from 2013 Limits	
	Small Household	Large Household	Small Household	Large Household	Small Household	Large Household
	Beaverhead	\$66,005	\$75,906	67,920	79,176	(1,914.75)
Big Horn	\$66,205	\$76,136	67,920	79,176	(1,714.75)	(3,039.84)
* Blaine	\$70,200	\$81,900	69,600	81,200	600.00	700.00
Broadwater	\$66,205	\$76,136	67,920	79,176	(1,714.75)	(3,039.84)
Carbon	\$64,565	\$74,250	73,223	84,206	(8,657.79)	(9,956.01)
Carter	\$66,205	\$76,136	67,920	79,176	(1,714.75)	(3,039.84)
Cascade	\$65,405	\$75,216	67,920	79,176	(2,514.75)	(3,959.84)
* City of Great Falls	\$71,280	\$83,160	69,600	81,200	1,680.00	1,960.00
Chouteau	\$66,205	\$76,136	67,920	79,176	(1,714.75)	(3,039.84)
Custer	\$66,205	\$76,136	67,920	79,176	(1,714.75)	(3,039.84)
Daniels	\$66,205	\$76,136	67,920	79,176	(1,714.75)	(3,039.84)
Dawson	\$65,700	\$75,555	68,228	78,462	(2,528.00)	(2,907.00)
* Deer Lodge	\$70,200	\$81,900	69,600	81,200	600.00	700.00
Fallon	\$65,700	\$75,555	68,228	78,462	(2,528.00)	(2,907.00)
Fergus	\$66,205	\$76,136	67,920	79,176	(1,714.75)	(3,039.84)
* Flathead	\$70,200	\$81,900	69,600	81,200	600.00	700.00
Gallatin	\$83,712	\$96,269	81,120	94,640	2,592.28	1,629.12
Gallatin Census						
* Tracts 6 and 11.01	\$85,320	\$99,540	81,120	94,640	4,200.00	4,900.00
Garfield	\$65,725	\$75,584	67,920	79,176	(2,194.75)	(3,591.84)
Glacier	\$66,205	\$76,136	67,920	79,176	(1,714.75)	(3,039.84)
Golden Valley	\$66,205	\$76,136	67,920	79,176	(1,714.75)	(3,039.84)
Granite	\$66,205	\$76,136	67,920	79,176	(1,714.75)	(3,039.84)
* Hill	\$71,400	\$83,300	71,640	83,580	(240.00)	(280.00)
Jefferson	\$74,900	\$86,135	82,800	96,600	(7,900.00)	(10,465.00)
Judith Basin	\$65,705	\$75,561	67,920	79,240	(2,214.75)	(3,678.97)
Lake	\$66,205	\$76,136	67,920	79,176	(1,714.75)	(3,039.84)
Lewis & Clark	\$70,800	\$81,420	84,360	98,420	(13,560.00)	(17,000.00)
Liberty	\$66,205	\$76,136	67,920	79,176	(1,714.75)	(3,039.84)
Lincoln	\$66,205	\$76,136	67,920	79,176	(1,714.75)	(3,039.84)
* Lincoln Census Tr 2	\$69,480	\$81,060	67,920	79,176	1,560.00	1,884.00
Madison	\$70,320	\$82,040	67,920	79,176	2,400.00	2,864.12
McCone	\$65,405	\$75,216	67,920	79,240	(2,514.75)	(4,023.97)
Meagher	\$66,205	\$76,136	67,920	79,176	(1,714.75)	(3,039.84)
* Mineral	\$70,200	\$81,900	69,600	81,200	600.00	700.00
* Missoula	\$75,360	\$87,920	71,880	83,860	3,480.00	4,060.00
Musselshell	\$66,205	\$76,136	67,920	79,176	(1,714.75)	(3,039.84)
Park	\$66,205	\$76,136	67,920	79,176	(1,714.75)	(3,039.84)
Petroleum	\$66,205	\$76,136	67,920	79,176	(1,714.75)	(3,039.84)
Phillips	\$65,525	\$75,354	67,920	79,176	(2,394.75)	(3,821.84)
Pondera	\$66,205	\$76,136	67,920	79,176	(1,714.75)	(3,039.84)
Powder River	\$66,205	\$76,136	67,920	79,176	(1,714.75)	(3,039.84)
Powell	\$66,205	\$76,136	67,920	79,176	(1,714.75)	(3,039.84)
Prairie	\$66,205	\$76,136	67,920	79,176	(1,714.75)	(3,039.84)
Ravalli	\$66,025	\$75,929	68,160	79,520	(2,134.75)	(3,590.97)
Richland	\$65,365	\$75,170	68,160	79,129	(2,794.75)	(3,958.97)
Roosevelt	\$66,205	\$76,136	67,920	79,176	(1,714.75)	(3,039.84)
Rosebud	\$65,325	\$75,124	68,640	79,037	(3,314.75)	(3,912.97)
* Sanders	\$70,200	\$81,900	69,600	81,200	600.00	700.00
Sheridan	\$65,525	\$75,354	67,920	79,176	(2,394.75)	(3,821.84)
* Silver Bow	\$70,200	\$81,900	69,600	81,200	600.00	700.00
Stillwater	\$69,500	\$79,925	69,100	79,465	400.00	460.00
Sweet Grass	\$70,611	\$81,203	71,640	83,580	(1,028.64)	(2,376.93)
Teton	\$66,205	\$76,136	67,920	79,176	(1,714.75)	(3,039.84)
Toole	\$65,645	\$75,492	67,920	79,176	(2,274.75)	(3,683.84)
Treasure	\$66,205	\$76,136	68,520	79,060	(2,314.75)	(2,923.97)
Valley	\$65,785	\$75,653	67,920	79,176	(2,134.75)	(3,522.84)
Wheatland	\$66,205	\$76,136	67,920	79,176	(1,714.75)	(3,039.84)
Wibaux	\$66,205	\$76,136	67,920	79,176	(1,714.75)	(3,039.84)
Yellowstone	\$64,565	\$74,250	73,223	84,206	(8,657.79)	(9,956.01)
Montana	\$66,205	\$76,136	67,920	79,176	(1,715.00)	(3,039.88)
* Targeted Areas						

LINCOLN COUNTY, CENSUS TRACT 2



Gallatin County, Census Tract 0



2014 Purchase price limits

Page4

County	Average Area Purchase Price (AAPP)	2014 Purchase Price limit	2013 Purchase Price limit	Difference from 2013 Limits
Beaverhead	\$294,620	\$265,158	\$250,200	\$14,958
Big Horn	\$294,620	\$265,158	\$250,200	\$14,958
* Blaine	\$294,620	\$324,082	\$305,800	\$18,282
Broadwater	\$294,620	\$265,158	\$250,200	\$14,958
Carbon	\$294,620	\$265,158	\$268,846	(\$3,688)
Carter	\$294,620	\$265,158	\$250,200	\$14,958
Cascade	\$294,620	\$265,158	\$250,200	\$14,958
* City of Great Falls	\$294,620	\$324,082	\$305,800	\$18,282
Chouteau	\$294,620	\$265,158	\$250,200	\$14,958
Custer	\$294,620	\$265,158	\$250,200	\$14,958
Daniels	\$294,620	\$265,158	\$250,200	\$14,958
Dawson	\$294,620	\$265,158	\$250,200	\$14,958
* Deer Lodge	\$294,620	\$324,082	\$305,800	\$18,282
Fallon	\$294,620	\$265,158	\$250,200	\$14,958
Fergus	\$294,620	\$265,158	\$250,200	\$14,958
* Flathead	\$327,500	\$360,250	\$339,929	\$20,321
Gallatin	\$376,250	\$338,625	\$356,539	(\$17,914)
Gallatin Census				
* Tracts 6 and 11.01	\$376,250	\$413,875	\$356,539	\$57,336
Garfield	\$294,620	\$265,158	\$250,200	\$14,958
Glacier	\$294,620	\$265,158	\$250,200	\$14,958
Golden Valley	\$294,620	\$265,158	\$250,200	\$14,958
Granite	\$294,620	\$265,158	\$250,200	\$14,958
* Hill	\$294,620	\$324,082	\$305,800	\$18,282
Jefferson	\$311,250	\$280,125	\$315,000	(\$34,875)
Judith Basin	\$294,620	\$265,158	\$250,200	\$14,958
Lake	\$294,620	\$265,158	\$278,077	(\$12,919)
Lewis & Clark	\$311,250	\$280,125	\$315,000	(\$34,875)
Liberty	\$294,620	\$265,158	\$250,200	\$14,958
Lincoln	\$294,620	\$265,158	\$250,200	\$14,958
* Lincoln Census Tr 2	\$294,620	\$324,082	\$250,200	\$73,882
Madison	\$353,750	\$318,375	\$260,077	\$58,298
McCone	\$294,620	\$265,158	\$250,200	\$14,958
Meagher	\$294,620	\$265,158	\$250,200	\$14,958
* Mineral	\$294,620	\$324,082	\$305,800	\$18,282
* Missoula	\$307,500	\$338,250	\$328,590	\$9,660
Musselshell	\$294,620	\$265,158	\$250,200	\$14,958
Park	\$294,620	\$265,158	\$250,200	\$14,958
Petroleum	\$294,620	\$265,158	\$250,200	\$14,958
Phillips	\$294,620	\$265,158	\$250,200	\$14,958
Pondera	\$294,620	\$265,158	\$250,200	\$14,958
Powder River	\$294,620	\$265,158	\$250,200	\$14,958
Powell	\$294,620	\$265,158	\$250,200	\$14,958
Prairie	\$294,620	\$265,158	\$250,200	\$14,958
Ravalli	\$294,620	\$265,158	\$280,384	(\$15,226)
Richland	\$294,620	\$265,158	\$250,200	\$14,958
Roosevelt	\$294,620	\$265,158	\$250,200	\$14,958
Rosebud	\$294,620	\$265,158	\$250,200	\$14,958
* Sanders	\$294,620	\$324,082	\$305,800	\$18,282
Sheridan	\$294,620	\$265,158	\$250,200	\$14,958
* Silver Bow	\$294,620	\$324,082	\$305,800	\$18,282
Stillwater	\$294,620	\$265,158	\$250,200	\$14,958
Sweet Grass	\$315,000	\$283,500	\$319,615	(\$36,115)
Teton	\$294,620	\$265,158	\$250,200	\$14,958
Toole	\$294,620	\$265,158	\$250,200	\$14,958
Treasure	\$294,620	\$265,158	\$250,200	\$14,958
Valley	\$294,620	\$265,158	\$250,200	\$14,958
Wheatland	\$294,620	\$265,158	\$250,200	\$14,958
Wibaux	\$294,620	\$265,158	\$250,200	\$14,958
Yellowstone	\$294,620	\$265,158	\$268,846	(\$3,688)

* Targeted areas



Mortgage loans made in Montana that *stay* in Montana

DRAFT

County or area:	Maximum Income Limits		Purchase Price Limits
	Small Household 1 or 2 people	Large Household 3 or more people	
Beaverhead	\$66,005	\$75,906	\$265,158
* Blaine	\$70,200	\$81,900	\$324,082
Carbon	\$64,565	\$74,250	\$265,158
Cascade	\$65,405	\$75,216	\$265,158
* City of Great Falls	\$71,280	\$83,160	\$324,082
Dawson	\$65,700	\$75,555	\$265,158
* Deer Lodge	\$70,200	\$81,900	\$324,082
Fallon	\$65,700	\$75,555	\$265,158
* Flathead	\$70,200	\$81,900	\$360,250
Gallatin	\$83,712	\$96,269	\$338,625
* Gallatin Census Tracts 6 and 11.01	\$85,320	\$99,540	\$413,875
Garfield	\$65,725	\$75,584	\$265,158
* Hill	\$71,400	\$83,300	\$324,082
Jefferson	\$74,900	\$86,135	\$280,125
Judith Basin	\$65,705	\$75,561	\$265,158
Lewis & Clark	\$70,800	\$81,420	\$280,125
Lincoln	\$66,205	\$76,136	\$265,158
* Lincoln Census Tract 2	\$69,480	\$81,060	\$324,082
Madison	\$70,320	\$82,040	\$318,375
McCone	\$65,405	\$75,216	\$265,158
* Mineral	\$70,200	\$81,900	\$324,082
* Missoula	\$75,360	\$87,920	\$338,250
Phillips	\$65,525	\$75,354	\$265,158
Pondera	\$66,205	\$76,136	\$265,158
Ravalli	\$66,025	\$75,929	\$265,158
Richland	\$65,365	\$75,170	\$265,158
Rosebud	\$65,325	\$75,124	\$265,158
* Sanders	\$70,200	\$81,900	\$324,082
Sheridan	\$65,525	\$75,354	\$265,158
* Silver Bow	\$70,200	\$81,900	\$324,082
Stillwater	\$69,500	\$79,925	\$265,158
Sweet Grass	\$70,611	\$81,203	\$283,500
Toole	\$65,645	\$75,492	\$265,158
Valley	\$65,785	\$75,653	\$265,158
Yellowstone	\$64,565	\$74,250	\$265,158
All other Counties and areas	\$66,205	\$76,136	\$265,158

* Targeted Areas

www.housing.mt.gov



406-841-2840

DRAFT ONLY ---- Scheduled for Board Review 6/9/2014

Reservation Report
July 1, 2013 - May 31, 2014
039-2014A
 Pre/Ullman/Set-Aside
Total

Purchases	Reservations	Total	Average
# of loans	\$ Amount	# of loans	\$ Amount
75	\$10,619,605	71	\$9,950,861
51	\$5,718,467	5	\$645,465
126	16,338,072	76	10,596,326
			\$20,570,466
			\$6,363,932
			\$140,893.60
			\$113,641.64
			\$133,339

Reservations/ Interest Rates

Date	# of Whole	# of Setaside	FHA Interest Rates of Amer Fed	in-state lenders Glacier	1st Inter.	Wells Fargo	Average Market Rate	MBOH	Differential Avg vs MBOH
5/1/2014	1	1 VHLP	3.75	4.25	4.375	4.25	4.15625	4	-0.15625
5/2/2014	2	0	3.75	4.25	4.5	4.25	4.1875	4	-0.1875
5/5/2014	1	0	3.75	4.125	4.5	4.125	4.125	4	-0.125
5/6/2014	0	1 VHLP	3.75	4.125	4.375	4.125	4.09375	4	-0.09375
5/7/2014	4	0	3.75	4.125	4.375	4.125	4.09375	4	-0.09375
5/8/2014	2	0	3.75	4.125	4.375	4.125	4.09375	4	-0.09375
5/9/2014	1	0	3.75	4.125	4.375	4.125	4.09375	4	-0.09375
5/12/2014	1	0	3.75	4.25	4.375	4.25	4.15625	4	-0.15625
5/13/2014	0	0	3.75	4.125	4.25	4.25	4.09375	4	-0.09375
5/14/2014	1 SA 1 Reg	0	3.75	4.125	4.25	4.125	4.0625	4	-0.0625
5/15/2014	0	0	3.75	4.125	4.125	4.125	4.03125	4	-0.03125
5/16/2014	1	0	3.75	4.125	4.25	4.125	4.0625	4	-0.0625
5/19/2014	1 SA 2 Reg	0	3.75	4.125	4.25	4.125	4.0625	4	-0.0625
5/20/2014	2	0	3.75	4.125	4.25	4.125	4.0625	4	-0.0625
5/21/2014	0	0	3.75	4.125	4.25	4.125	4.0625	4	-0.0625
5/22/2014	2	0	3.75	4.125	4.25	4.125	4.0625	4	-0.0625
5/23/2014	1	0	3.75	4.125	4.25	4.125	4.0625	4	-0.0625
5/27/2014	0	0	3.75	4.125	4.25	4.125	4.0625	4	-0.0625
5/28/2014	0	1 VHLP	3.75	4.125	4.125	3.875	3.96875	4	0.03125
5/29/2014	1 SA 1 Reg	0	3.625	4.125	4.125	4	3.96875	4	0.03125
5/30/2014	1	0	3.75	4.125	4.125	4.125	4.03125	4	-0.03125

Total since last report

Reg Prog 23
Score Ave 3

3 Veteran Program - current rate 2.696 % (as of 5/29/2014)

0

SERVICER DELINQUENCY RATE COMPARISON REPORT
AS OF 04/14

REPORT ALR195
DATE RUN 05/19/14

SERVICER NUMBER / NAME	% OF SERVICER RANGE	LOAN COUNT	2-MONTHS		3-MONTHS		4 OR MORE		POSSIBLE FORECLOSURES		TOTAL	
			COUNT	----	%	COUNT	----	%	COUNT	----	%	COUNT
061 FIRST SECURITY BOZEMAN	0.12	7	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
086 STATE BANK & TRUST DILLON	0.03	2	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
101 UNITED BANK OF ABSAROOKEE	0.05	3	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
110 STATE BANK OF TOWNSEND	0.32	19	0	0.00	0	0.00	2	10.53	0	0.00	2	10.53
114 FIRST BOULDER VALLEY BANK	0.08	5	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
127 FLATHEAD BANK OF BIGFORK	0.17	10	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
138 BANK OF THE ROCKIES 138	0.96	57	1	1.75	0	0.00	0	0.00	0	0.00	1	1.75
147 COMMUNITY BANK, INC 147	1.14	68	0	0.00	2	2.94	1	1.47	1	1.47	4	5.88
159 VALLEY BANK RONAN 159	0.86	51	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
164 VALLEY BANK BELGRADE 1	2.04	121	3	2.48	1	0.83	3	2.48	2	1.65	9	7.44
213 MANHATTAN BANK 213	0.08	5	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
229 VALLEY BANK KALISPELL	0.05	3	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
418 RUBY VALLEY NATIONAL BANK	0.02	1	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
524 STOCKMAN BANK OF MT, MILE	12.00	713	15	2.10	9	1.26	11	1.54	5	0.70	40	5.61
547 EAGLE BANK 547	0.03	2	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
601 FIRST INTERSTATE BANK-WY	0.02	1	0	0.00	0	0.00	1	100.00	0	0.00	1	100.00
700 AMERICAN FED SAV HELENA	3.20	190	2	1.05	2	1.05	5	2.63	0	0.00	9	4.74
710 PIONEER SAVING AND LOAN	0.76	45	1	2.22	0	0.00	0	0.00	0	0.00	1	2.22
842 GUILD MORTGAGE COMPANY 84	0.96	57	1	1.75	0	0.00	0	0.00	2	3.51	3	5.26
950 MBOH - FIRST INTERSTATE B	21.34	1,268	27	2.13	9	0.71	10	0.79	17	1.34	63	4.97
966 MONTANA BOARD OF HOUSING	55.75	3,312	73	2.20	43	1.30	53	1.60	43	1.30	212	6.40
994 XXX-NeighborWorks Great F	0.02	1	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
TOTAL	22	5,941	123	2.07	66	1.11	86	1.45	70	1.18	345	5.81

Delinquency and Foreclosure Rates Montana Board of Housing Loan Portfolio

For Period Ending:	14-Apr	Mar-14	Feb-14	Jan-14	Dec-14	Nov-14	Oct-14	Sep-14	Aug-13	Jul-13	Jun-13	May-13
30 Days	2.07	1.88	2.38	2.69	2.48	2.41	2.58	2.51	2.88	2.5	2.49	1.9
60 Days	1.11	0.94	1.12	1.24	1.29	1.21	1.21	1.43	1.11	1.21	1.18	1.08
90 Days	1.45	1.61	1.89	1.99	2.04	1.93	2.01	1.75	1.86	1.7	1.56	1.15
Total Delinquencies	4.63	4.43	5.39	5.92	5.81	5.55	5.8	5.69	5.85	5.41	5.23	4.13
In Foreclosure	1.18	1.18	1.26	1.49	1.41	1.34	1.09	0.98	0.94	1.02	0.99	1.32

For Comparison Mar 2014 (most recent available)*

	Montana	Region	Nation
30 Days	1.52	1.85	2.41
60 Days	0.54	0.67	0.89
90 Days	1.01	1.76	2.39
Total Delinquencies	3.07	4.28	5.69
In Foreclosure	0.93	1.48	2.65

* Comparison Data from National Delinquency Survey, Mortgage Bankers Association

Memorandum

To: Board Members
Montana Board of Housing

From: Board Staff

Date: June 2, 2014

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

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

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

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

Applicable Provisions of 2015 QAP

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

Considerations

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

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

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

May 22, 2014

Montana Board of Housing
301 South Park Avenue
Helena Montana 59601

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MAY 28 2014
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Dear Chairperson J.P. Crowley and Honorable Board Members:

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

Requirement for Timely Submission on a Letter of Intent

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

The MBOH Board may waive the requirement

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

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

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

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

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

MAY 28 2014

DOC HOUSING

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

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

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

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

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

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

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

MAY 28 2014

DOC HOUSING

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

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

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

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



Donald W. Paxton
Managing Member of GP

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Exhibit D-1

May 21, 2014

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

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

Dear Board of Housing:

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

The project being submitted is as follows:

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

Project Description:

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

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

Anticipated Amenities:

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

Each unit will include the following amenities:

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

MAY 28 2014

DOC HOUSIN

The subject property will include the following community features:

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

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

General Description of Project Location to Services:

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

If you have any questions please contact me at:

Email: dpaxton@beneficialcom.com

Telephone: 941-929-1270

Sincerely,



Donald Paxton
Managing member of GP

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

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

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

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

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

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

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

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

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

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

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

	Small Projects					Large Projects										
	Big Sky Villas-Bozeman	Cascade Ridge II - Great Falls	Gallatin Forks - Manhattan	Homeshead Lodge - Absarokee	Valley Villas I & II - Hamilton	Antelope Court - Havre	Guardian Apartments - Helena	Innmanuel Lutheran Affordable Living - Kalispell	Pebble St. Housing - Polson	Red Fox - Billings	River Ridge - Missoula	Southern Lights - Billings	Stoneridge - Bozeman	Story Mill - Bozeman	Stower Commons - Missoula	Urban Missoula - Missoula
1. Number of Units	24	16	16	32	34	24	118	40	32	30	70	20	48	26	30	34
2. New Construction		x				x		x	x	x		x	x	x		x
3. Acquisition/Rehab	x		x	x	x		x				x	x				
4. Profit/Non-Profit	non-profit	non-profit	profit	non-profit	profit	non-profit	non-profit	non-profit	non-profit	profit	profit	non-profit	non-profit	non-profit	profit	non-profit
5. Family/Senior	Family	Senior	Family	Senior	Family	Family	Senior	Senior	Senior	Family	Senior	Family	Family	Family	Family	Family
6. Credits Requested	\$170,000	\$245,183	\$181,063	\$259,000	\$299,000	\$483,488	\$810,890	\$559,913	\$546,818	\$395,398	\$478,119	\$350,000	\$647,590	\$350,000	\$676,900	\$590,000
7. Total Project Costs	\$2,198,780	\$2,617,863	\$2,061,894	\$3,550,000	\$3,580,784	\$5,115,120	\$7,990,000	\$6,162,070	\$6,175,338	\$5,432,602	\$6,791,132	\$3,475,000	\$7,800,807	\$3,962,894	\$5,888,903	\$7,500,000
8. Cost per Unit	\$91,615	\$163,616	\$128,850	\$110,938	\$104,434	\$213,130	\$67,688	\$154,062	\$193,168	\$181,087	\$96,888	\$173,750	\$161,714	\$162,407	\$195,630	\$220,583
9. Credits per Unit	7,083.33	15,323.94	9,441.44	8,093.75	7,529.41	20,145.33	5,199.00	13,997.83	17,078.80	13,179.93	6,244.84	17,500.00	13,778.80	13,461.54	19,133.33	17,352.94
10. Cost per sq ft	\$120.65	\$135.92	\$163.87	\$173.92	\$134.07	\$240.84	\$134.34	\$139.22	\$189.38	\$187.11	\$139.32	\$125.91	\$163.85	\$190.51	\$172.73	\$165.93
11. Credits per sq ft	9.33	12.73	11.26	12.69	9.87	22.75	10.52	12.65	19.04	13.62	10.18	12.68	13.08	16.83	17.96	13.05



**BUILDING A
BETTER
COMMUNITY**

May 8, 2014

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 August 2014.

The project being submitted is as follows:

Name: Big Sky Villas
City: Belgrade
County: Gallatin
Developer: HRDC District IX
HTC Consultant: GL Development
Project Type: Family
Set-aside: Small Rural Projects

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Project Description: HRDC District IX will sponsor the project and serve as the General Partner through a LLC. A Rural Development 515 project currently owned by Kermit Mueller with 24 units will be acquired and rehabilitated. 21 of the 24 units have rental assistance through Rural Development. HRDC will use the Housing Tax Credit program and the HOME program to finance the acquisition and rehabilitation of this project. The acquisition and rehabilitation by the HRDC will increase the quality of federally subsidized housing and assure its availability for the next 46 years.

Anticipated Amenities: air conditioner, washer and dryer on site, washer dryer hook-ups in unit, high quality cabinets, microwave, disposal, high quality flooring

General Description of Project Location to Services: The project is located very near grocery store, bank facilities and many retail shops near the I-90 interchange in Belgrade.

If you have any questions please contact me at: 406-587-4486

Sincerely,

Jeff Rupp, President/CEO
HRDC District IX

Attachment

p: 406.587.4486
e: hello@thehrdc.org

a: 32 South Tracy
Bozeman, Montana 59715

HRDC
BUILDING A BETTER COMMUNITY

thehrdc.org



e: hello@

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

County / City	Gallatin/Belgar do
Project Name	Big Sky Villas
Developer	Dist IX HRDC
Set-aside	small project
HTC Requested	\$ 170,000
Project Type	Family

<u>Unit Numbers</u>	<u>Target</u>	
1-bdrm	40%	1
1-bdrm	50%	6
1-bdrm	60%	1
1-bdrm	Mkt	
2-bdrm	40%	3
2-bdrm	50%	10
2-bdrm	60%	3
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		24

<u>Square Footage</u>	
Low Income/Common	18,224
Market/Commercial	-
Total	18,224

<u>Unit Rents</u>		
1-bdrm	40%	\$ 410
1-bdrm	50%	\$ 470
1-bdrm	60%	\$ 555
1-bdrm	Mkt	
2-bdrm	40%	\$ 460
2-bdrm	50%	\$ 525
2-bdrm	60%	\$ 590
2-bdrm	Mkt	
3-bdrm	40%	\$ 495
3-bdrm	50%	\$ 580
3-bdrm	60%	\$ 625
3-bdrm	Mkt	
other	40%	
other	50%	
other	60%	
other	Mkt	
other	Mgr	

<u>Financing Sources</u>	
Hard Loan	\$ 374,020
Soft Loan	
Soft Loan	
Soft Loan	
HOME Program	\$ 399,673
CDBG Program	
Other	
Deferred Dev Fee	\$ -
Tax Credits	\$ 1,336,584
Other	\$ 88,473
Total Sources:	\$ 2,198,750

<u>Return on Sale of HTC</u>	
HTC Requested	\$ 167,073
HTC Taken over 10 yrs	\$ 1,670,730
HTC Equity	\$ 1,336,584
HTC Return on Sale	\$ 0.800

<u>Project Costs</u>	
Total Project Costs	\$ 2,198,750

<u>Costs versus Sources</u>	
Total Project Costs	\$ 2,198,750
Total Financing Sources	\$ 2,198,750
Difference	\$ -

<u>Per Unit Comparison</u>	
Cost per unit	\$ 91,615
Credits per unit	7083.333333

<u>Per Square Foot Comparison</u>	
Cost per sq ft	\$ 120.65
Credits per sq ft	\$ 9.33



May 12, 2014

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

RECEIVED
MAY 12 2014
MDOC HOUSING

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 August.

The project being submitted is as follows:

Name: Cascade Ridge Senior Living – Phase II
City: Great Falls
County: Cascade
Developer: CR Builders, LLC
HTC Consultant: Mountain Plains Equity Group, Inc.
Project Type: Independent Senior Housing
Set-aside: Non-Profit

Project Description:

Cascade Ridge Phase II is a planned expansion of Cascade Ridge Senior Living (Phase I), a 40-unit, 3.5 acre LIHTC project completed in 2012. This two-story, 16-unit addition will be connected to the Phase I building by a newly created common area complimented by an additional elevator separate and away from the elevator already contained in the main complex. Of the 8 one-bedroom and 8 two-bedroom apartments for seniors (age 55 and above), two of the units will be fully handicap accessible with the balance being adaptable.

Anticipated Amenities:

Each unit will include window blinds, carpeting, refrigerator, stove/oven, disposal, dishwasher, microwave, washer/dryer, ceiling fans, central air, patio/balcony and exterior storage closet. All appliances will be *Energy Star* rated for energy efficiency. All of the unit types will feature an *open concept* kitchen and living room. A single-car garage will be included with each unit at no additional charge. As Phase II of an existing property, this new addition will have access to the project's existing amenities, including the community room (with kitchen and fireplace), upper level residents' lounge, crafts room, library/computer room, exercise room, community laundry, outdoor patio with fire pit and an on-site manager's office. The complex also contains extensive landscaping and greenery, as well as a walking path that encircles the property.

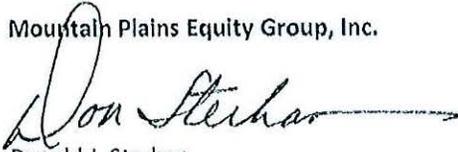
General Description of Project Location to Services:

The project will be located at 3001 15th Avenue South in Great Falls, MT. Services in the immediate area available to the project will include medical care facilities, pharmacies, shopping (including grocery stores), department stores, banks, churches and restaurants. Public transportation (city bus service) is available at the street corner, only 100 feet away, giving easy access to other area points of interest, including the University of Great Falls, the C.M. Russell Museum, and the Lewis and Clark Interpretive Center. Located on the campus of Benefis Health System, Cascade Ridge Phase II will be within close proximity to Benefis Hospital, as well as several parks, recreational areas and public schools within a one-mile radius.

If you have any questions please contact me at:

Sincerely,

Mountain Plains Equity Group, Inc.

A handwritten signature in black ink that reads "Don Sterhan" with a long horizontal flourish extending to the right.

Donald J. Sterhan
President

/DJS
Attachment

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

County / City	Cascade/Great Falls
Project Name	Cascade Ridge Phase II
Developer	CR Builders, LLC
Set-aside	Non-Profit
HTC Requested	\$ 245,183
Project Type	Senior

<u>Unit Numbers</u>	<u>Target</u>	
1-bdrm	40%	2
1-bdrm	50%	5
1-bdrm	60%	1
1-bdrm	Mkt	-
2-bdrm	40%	-
2-bdrm	50%	5
2-bdrm	60%	3
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		<u>16</u>

<u>Square Footage</u>		
Low Income/Common		19,260
Market/Commercial		-
Total		<u>19,260</u>

<u>Unit Rents</u>			
1-bdrm	40%	\$	340
1-bdrm	50%	\$	445
1-bdrm	60%	\$	545
1-bdrm	Mkt	\$	-
2-bdrm	40%	\$	-
2-bdrm	50%	\$	535
2-bdrm	60%	\$	660
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	\$	-

<u>Financing Sources</u>	
Hard Loan	\$ 325,000
Soft Loan	\$ -
Soft Loan	\$ -
Soft Loan	\$ -
HOME Program	\$ 175,000
CDBG Program	\$ -
Other	\$ -
Deferred Dev Fee	\$ 49,020
Tax Credits	\$ 2,083,843
Other	
Total Sources:	<u>\$ 2,632,863</u>

<u>Return on Sale of HTC</u>	
HTC Requested	\$ 245,183
HTC Taken over 10 yrs	\$ 2,451,830
HTC Equity	\$ 2,083,843
HTC Return on Sale	\$ 0.850

<u>Project Costs</u>	
Total Project Costs	\$ 2,617,863

<u>Costs versus Sources</u>	
Total Project Costs	\$ 2,617,863
Total Financing Sources	\$ 2,632,863
Difference	<u>\$ (15,000)</u>

<u>Per Unit Comparison</u>	
Cost per unit	\$ 163,616
Credits per unit	15,323.94

<u>Per Square Foot Comparison</u>	
Cost per sq ft	\$ 135.92
Credits per sq ft	\$ 12.73

Exhibit D-1 - Letter of Intent

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May 7, 2014

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: Gallatin Forks
City: Manhattan
County: Gallatin
Developer: Taylor Hunt, Syringa Housing Corp.
HTC Consultant: Dianne Hunt
Project Type: Multifamily Preservation Rehab
Set-aside: 40/60

Project Description: Gallatin Forks is a 16 unit Family USDA 515 project with full Rental Assistance. It was built in 1975 and requires rehabilitation and updating in order to preserve the housing for low income residents into the future. The project has been selected for USDA Rural Development Preservation MPR program.

Anticipated Amenities: Community Room, Office, Laundry Room, and new Playground.

General Description of Project Location to Services: Within one mile of all city services, including shopping, senior center, bank, post office, parks, gas station, library, dentist office, city hall, and restaurants.

If you have any questions please contact me at: 208-336-4610

Sincerely,



Taylor Hunt
Syringa Housing Corporation

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	Manhattan, Gallatin
Project Name	Gallatin Forks
Developer	Syringa Housing Corp.
Set-aside	40/60
HTC Requested	\$ 151,063
Project Type	Family

<u>Unit Numbers</u>	<u>Target</u>	
1-bdrm	40%	1
1-bdrm	50%	5
1-bdrm	60%	2
1-bdrm	Mkt	
2-bdrm	40%	1
2-bdrm	50%	5
2-bdrm	60%	2
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		16

<u>Square Footage</u>	
Low Income/Common	13,398
Market/Commercial	
Total	13,398

<u>Unit Rents</u>		
1-bdrm	40%	\$ 665
1-bdrm	50%	\$ 665
1-bdrm	60%	\$ 665
1-bdrm	Mkt	
2-bdrm	40%	\$ 740
2-bdrm	50%	\$ 740
2-bdrm	60%	\$ 740
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	

<u>Financing Sources</u>	
Hard Loan	\$ 497,791
Soft Loan	
Soft Loan	
Soft Loan	
HOME Program	
CDBG Program	
Other	\$ 124,369
Deferred Dev Fee	
Tax Credits	\$ 1,359,434
Other	\$ 80,000
Total Sources:	\$ 2,061,594

<u>Return on Sale of HTC</u>	
HTC Requested	\$ 151,063
HTC Taken over 10 yrs	\$ 1,510,630
HTC Equity	\$ 1,359,434
HTC Return on Sale	\$ 0.900

<u>Project Costs</u>	
Total Project Costs	\$ 2,061,594

<u>Costs versus Sources</u>	
Total Project Costs	\$ 2,061,594
Total Financing Sources	\$ 2,061,594
Difference	\$ -

<u>Per Unit Comparison</u>	
Cost per unit	\$ 128,850
Credits per unit	9441.4375

<u>Per Square Foot Comparison</u>	
Cost per sq ft	\$ 153.87
Credits per sq ft	\$ 11.28



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DOC HOUSING

May 12, 2014

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: Homestead Lodge Apartments
City: Absarokee
County: Stillwater
Developer: GMD Development / Homeword
HTC Consultant: n/a
Project Type: Acquisition/rehab
Set-aside: Non Profit & Small Rural Project

Project Description:

Preservation of 32 unit, Senior – USDA-Rural Development property originally built in 1978. Although the property was acquired and renovated utilizing tax credits in 1998, the renovation was inadequate to address the long term capital needs of the property. The intended scope of new renovation will be primarily focused on the energy efficiency and durability of the building envelope using green building measures to ensure its preservation well into the future.

Anticipated Amenities:

Besides improvements to the interiors units and improving the comfort for the senior residents, anticipated renovation will include improvements to the common recreation building, including lounge area, kitchen and laundry.

General Description of Project Location to Services:

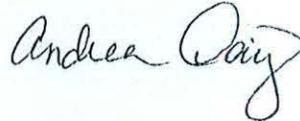
The Homestead Lodge Apartments are located within a 1 mile radius distance to all primary services required by the residents.

If you have any questions please contact Greg, 206-745-3699, greg@gmddev.net or Andrea, 406-532-4663, ext. 18, andrea@homeword.org.

Regards,



Steve Dymoke
GMD Development, LLC



Andrea Davis
Homeword, Inc.

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

County / City	Stillwater / Absarokee
Project Name	Homestead Lodge Apts
Developer	GMD Dev/ Homeword
Set-aside	Rural, Non-Profit
HTC Requested	\$ 259,000
Project Type	Senior

<u>Unit Numbers</u>	<u>Target</u>	
1-bdrm	40%	2
1-bdrm	50%	10
1-bdrm	60%	4
1-bdrm	Mkt	
2-bdrm	40%	2
2-bdrm	50%	10
2-bdrm	60%	4
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		32

<u>Square Footage</u>	
Low Income/Common	20,412
Market/Commercial	-
Total	20,412

<u>Unit Rents</u>		
1-bdrm	40%	\$ 312
1-bdrm	50%	\$ 380
1-bdrm	60%	\$ 780
1-bdrm	Mkt	
2-bdrm	40%	\$ 375
2-bdrm	50%	\$ 469
2-bdrm	60%	\$ 938
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	

<u>Financing Sources</u>	
Hard Loan	\$ 1,250,000
Soft Loan	
Soft Loan	
Soft Loan	
HOME Program	
CDBG Program	
Other - solar credits	\$ 30,000
Deferred Dev Fee	\$ 70,000
Tax Credits	\$ 2,150,000
Other - NOI	\$ 50,000
Total Sources:	\$ 3,550,000

<u>Return on Sale of HTC</u>	
HTC Requested	\$ 259,000
HTC Taken over 10 yrs	\$ 2,590,000
HTC Equity	\$ 2,150,000
HTC Return on Sale	\$ 0.830

<u>Project Costs</u>	
Total Project Costs	\$ 3,550,000

<u>Costs versus Sources</u>	
Total Project Costs	\$ 3,550,000
Total Financing Sources	\$ 3,550,000
Difference	\$ -

<u>Per Unit Comparison</u>	
Cost per unit	\$ 110,938
Credits per unit	8093.75

<u>Per Square Foot Comparison</u>	
Cost per sq ft	\$ 173.92
Credits per sq ft	\$ 12.69

May 8, 2014

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 August, 2014.

The project being submitted is as follows:

Name:	Valley Villas I & II
City:	Hamilton
County:	Ravalli
Developer:	Beki Brandborg
HTC Consultant:	GL Development
Project Type:	Family
Set-aside:	Small projects

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Project Description: Beki Brandborg will sponsor the project and serve as the General Partner through a LLC. Two Rural Development projects currently owned by Kermit Mueller which total 34 units, will be acquired and rehabilitated. Twenty nine of the thirty four units have rental assistance through Rural Development. These adjacent RD projects will be combined into one Housing Tax Credit acquisition/rehabilitation project.

Anticipated Amenities: air conditioner, washer and dryer on site, washer dryer hook-ups in unit, high quality cabinets, microwave, disposal, high quality flooring.

General Description of Project Location to Services: Next to hospital, close to downtown and school. Within a couple of blocks of other market rate rental property.

If you have any questions, please contact me at: 406-431-2151

Sincerely,

Beki Brandborg by [Signature]
Beki Brandborg

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	Ravalli
Project Name	Valley Villas
Developer	Beki Brandborg
Set-aside	small project
HTC Requested	\$ 256,000
Project Type	Family

<u>Unit Numbers</u>	<u>Target</u>	
1-bdrm	40%	4
1-bdrm	50%	2
1-bdrm	60%	2
1-bdrm	Mkt	
2-bdrm	40%	4
2-bdrm	50%	12
2-bdrm	60%	10
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		34

<u>Square Footage</u>		
Low Income/Common		26,484
Market/Commercial		-
Total		26,484

<u>Unit Rents</u>		
1-bdrm	40%	\$ 415
1-bdrm	50%	\$ 415
1-bdrm	60%	\$ 415
1-bdrm	Mkt	
2-bdrm	40%	\$ 525
2-bdrm	50%	\$ 525
2-bdrm	60%	\$ 545
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	

<u>Financing Sources</u>		
Hard Loan		\$ 1,091,764
Soft Loan		
Soft Loan		
Soft Loan		
HOME Program		
CDBG Program		
Other		
Deferred Dev Fee		\$ 187,556
Tax Credits		\$ 2,124,545
Other		\$ 146,899
Total Sources:		\$ 3,550,764

<u>Return on Sale of HTC</u>		
HTC Requested		\$ 256,000
HTC Taken over 10 yrs		\$ 2,560,000
HTC Equity		\$ 2,124,545
HTC Return on Sale		\$ 0.830

<u>Project Costs</u>		
Total Project Costs		\$ 3,550,764

<u>Costs versus Sources</u>		
Total Project Costs		\$ 3,550,764
Total Financing Sources		\$ 3,550,764
Difference		\$ -

<u>Per Unit Comparison</u>		
Cost per unit		\$ 104,434
Credits per unit		7529.411765

<u>Per Square Foot Comparison</u>		
Cost per sq ft		\$ 134.07
Credits per sq ft		\$ 9.67

May 8, 2014

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

RE: Montana Housing Tax Credit (MHTC) 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" to be eligible to submit an application in August, 2014.

The project being submitted is as follows:

Name: Antelope Court
City: Havre
County: Hill
Developer: GL Development
HTC Consultant:
Project Type: Family
Set-aside: Non Profit

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Project Description:

District 4 HRDC will sponsor the project and serve as the General Partner through a Limited Liability Corporation. The project will consist of 24 units with 8 one bedroom and 16 two bedroom units. HRDC 4 will use the Housing Tax Credit program, the HOME program and CDBG to finance the new construction of this project. HRDC 4 owns the land which is adjacent to the Buffalo Court project that was funded in 2010.

Anticipated Amenities:

Central air, washer and dryer on site, washer dryer in unit, high quality cabinets, microwave, disposal, high quality flooring, and garages, community garden, outdoor play area and community space.

General Description of Project Location to Services:

The project is located very near HRDC 4 and the services on 5th Ave in Havre. The hospital is nearby and the grocery store, banks, and downtown retail outlets are within a mile. Offices in HRDC 4 include: Cascade Audiology, Adult Basic Literacy Education, Quality Life Concepts, Opportunity Resources, Child Care Resources, Domestic Abuse, Free Tax Preparation, LIEAP, Employment and Training, and Section 8 Housing. If you have any questions, please contact me at 406-265-6743.

Sincerely,



Karen Thomas, Executive Director
Attachment

Exhibit D-2 - Letter of Intent Template Attachment

(cells highlighted in yellow need data input)

County / City	Hill/Havre
Project Name	Antelope Ct
Developer	GL Development
Set-aside	non-profit
HTC Requested	\$ 483,488
Project Type	Family

<u>Unit Numbers</u>	<u>Target</u>	
1-bdrm	40%	2
1-bdrm	50%	4
1-bdrm	60%	2
1-bdrm	Mkt	
2-bdrm	40%	4
2-bdrm	50%	10
2-bdrm	60%	2
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		24

<u>Square Footage</u>	
Low Income/Common	21,256
Market/Commercial	
Total	21,256

<u>Unit Rents</u>		
1-bdrm	40%	\$ 480
1-bdrm	50%	\$ 557
1-bdrm	60%	\$ 669
1-bdrm	Mkt	
2-bdrm	40%	\$ 535
2-bdrm	50%	\$ 668
2-bdrm	60%	\$ 802
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	

<u>Financing Sources</u>		
Hard Loan	\$	-
Soft Loan		
Soft Loan		
Soft Loan		
HOME Program	\$	750,000
CDBG Program	\$	304,157
Other		
Deferred Dev Fee		
Tax Credits	\$	4,060,963
Other		
Total Sources:	\$	5,115,120

<u>Return on Sale of HTC</u>		
HTC Requested	\$	483,488
HTC Taken over 10 yrs	\$	4,834,880
HTC Equity	\$	4,060,963
HTC Return on Sale	\$	0.840

<u>Project Costs</u>		
Total Project Costs	\$	5,115,120

<u>Costs versus Sources</u>		
Total Project Costs	\$	5,115,120
Total Financing Sources	\$	5,115,120
Difference	\$	-

<u>Per Unit Comparison</u>		
Cost per unit	\$	213,130
Credits per unit		20145.33333

<u>Per Square Foot Comparison</u>		
Cost per sq ft	\$	240.64
Credits per sq ft	\$	22.75

Exhibit D-1 - Letter of Intent Template Letter

May 8th, 2014

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

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DCC HOUSING

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 August 2014.

The project being submitted is as follows:

Name: Guardian Apartments
City: Helena
County: Lewis & Clark
Developer: Detroit Affordable Homes, Inc
HTC Consultant:
Project Type: Acquisition / Rehab
Set-aside: (non-profit)/ Preservation, Acq/Rehab

Project Description: This is an acquisition / Renovation project that has a Section 8 HAP rental subsidy with a restricted covenant for the elderly and disabled. There are 118 units. 69 efficiencies and 49 1 bedrooms.

Anticipated Amenities: Disposal, Microwave, Computer for tenant use, Outdoor Community Area, Laundry room

General Description of Project Location to Services:
Project is located in a metropolitan area with most services within a 1-2 mile radius

If you have any questions please contact me at: 248-629-9155 (kirk@a-developers.com)

Sincerely,



Kirk Bruce, Executive Director

Attachment

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

County / City	Lewis & Clark
Project Name	Guardian Apartments
Developer	Affordable Homes, Inc
Set-aside HTC Requested Project Type	non-profit/ Preservation annual Elderly

Unit Numbers	Target	
1-bdrm	40%	
1-bdrm	50%	
1-bdrm	60%	49
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	
Efficiencies	40%	12
other	50%	
Efficiencies	60%	57
other	Mkt	
other	Mgr	
Total Units		118

Square Footage	
Low Income/Common	58,000
Market/Commercial	-
Total	58,000

Unit Rents		
1-bdrm	40%	
1-bdrm	50%	
1-bdrm	60%	\$ 608
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	
Efficiencies	40%	\$ 487
other	50%	
Efficiencies	60%	\$ 487
other	Mkt	
other	Mgr	

Financing Sources	
Hard Loan	\$ 3,600,000
Soft Loan	
Soft Loan	
Soft Loan	
HOME Program	
CDBG Program	
Other	
Deferred Dev Fee	
Tax Credits	\$ 4,360,000
Other	
Total Sources:	\$ 7,960,000

Return on Sale of HTC	
HTC Requested	610,000 annual
HTC Taken over 10 yrs	#VALUE!
HTC Equity	\$ 4,360,000
HTC Return on Sale	#VALUE!

Project Costs	
Total Project Costs	\$ 7,960,000

Costs versus Sources	
Total Project Costs	\$ 7,960,000
Total Financing Sources	\$ 7,960,000
Difference	\$ -

Per Unit Comparison	
Cost per unit	\$ 67,458
Credits per unit	#VALUE!

Per Square Foot Comparison	
Cost per sq ft	\$ 137.24
Credits per sq ft	#VALUE!

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

County / City	
Project Name	
Developer	
Set-aside	
HTC Requested	\$ 610,000
Project Type	Family

<u>Unit Numbers</u>	<u>Target</u>	
1-bdrm	40%	
1-bdrm	50%	
1-bdrm	60%	49
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%	12
other	50%	
other	60%	57
other	Mkt	
other	Mgr	
Total Units		118

<u>Square Footage</u>	
Low Income/Common	58,000
Market/Commercial	
Total	58,000

<u>Unit Rents</u>		
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	

<u>Financing Sources</u>	
Hard Loan	\$ 3,600,000
Soft Loan	
Soft Loan	
Soft Loan	
HOME Program	
CDBG Program	
Other	
Deferred Dev Fee	
Tax Credits	\$ 4,360,000
Other	
Total Sources:	\$ 7,960,000

<u>Return on Sale of HTC</u>	
HTC Requested	\$ 610,000
HTC Taken over 10 yrs	\$ 6,100,000
HTC Equity	\$ 4,360,000
HTC Return on Sale	\$ 0.715

<u>Project Costs</u>	
Total Project Costs	\$ 7,960,000

<u>Costs versus Sources</u>	
Total Project Costs	\$ 7,960,000
Total Financing Sources	\$ 7,960,000
Difference	\$ -

<u>Per Unit Comparison</u>	
Cost per unit	\$ 67,458
Credits per unit	5,169

<u>Per Square Foot Comparison</u>	
Cost per sq ft	\$ 137.24
Credits per sq ft	\$ 10.52



May 12, 2014

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

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MDOC HOUSING

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 August.

The project being submitted is as follows:

Name: Immanuel Lutheran Affordable Living
City: Kallispell
County: Flathead
Developer: CR Builders, LLC
HTC Consultant: Mountain Plains Equity Group, Inc.
Project Type: Independent Senior Housing
Set-aside: Non-Profit

Project Description:

One 2-story building; 2 wings connected by a central common area. The facility will house 20 one-bedroom units and 20 two-bedroom units with elevator access to the second story units. Of the 40 units, 4 will be handicapped accessible units and one will be a manager's unit. The facility will be constructed on a site of approximately 3-4 acres in size, with extensive landscaping and greenery throughout. In addition to surface parking along the entrance to the facility, the complex will also include 40 single-car garages for tenant usage.

Anticipated Amenities:

Each unit will include window blinds, carpeting, refrigerator, stove/oven, disposal, dishwasher, microwave, washer/dryer, ceiling fans, central air, patio/balcony and exterior storage closet. All appliances will be *Energy Star* rated for energy efficiency. Additionally, a single-car garage will be included with each unit at no additional charge. The development will feature a community room with a fireplace and kitchen area, resident's lounge (upstairs), a library/computer room, an exercise room and a manager's office. An outdoor patio area with fire pit will be located just outside the community room, with easy access to a walking path that encompasses the property.

Montana Board of Housing

May 12, 2014

Page 2

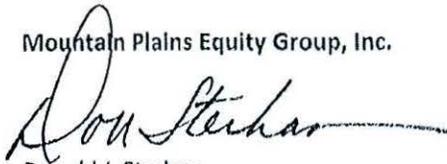
General Description of Project Location In proximity to Services:

The project will be located in the northwest area of Kallspell, MT. Services in the immediate area available to the project will include medical care facilities, pharmacies, shopping (including grocery stores), department stores, banks, churches, restaurants and public transportation. In addition, the project is located in close proximity to the Kallspell Regional Hospital, Flathead Valley Community College, and the Flathead County Fairgrounds, as well as several parks and public schools.

If you have any questions, please contact me directly at (406) 254-1677.

Sincerely,

Mountain Plains Equity Group, Inc.

A handwritten signature in black ink that reads "Don Sterhan". The signature is written in a cursive style with a long horizontal flourish extending to the right.

Donald J. Sterhan
President

/DJS
Attachment

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

County / City	<u>Flathead/Kalispell</u>
Project Name	<u>Immanuel Lutheran Affordable Living</u>
Developer	<u>CR Builders, LLC.</u>
Set-aside	Non-Profit
HTC Requested	\$ 559,913
Project Type	Senior

<u>Unit Numbers</u>	<u>Target</u>	
1-bdrm	40%	4
1-bdrm	50%	10
1-bdrm	60%	6
1-bdrm	Mkt	-
2-bdrm	40%	-
2-bdrm	50%	10
2-bdrm	60%	9
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	1
Total Units		<u>40</u>

<u>Square Footage</u>	
Low Income/Common	44,261
Market/Commercial	-
Total	<u>44,261</u>

<u>Unit Rents</u>			
1-bdrm	40%	\$	338
1-bdrm	50%	\$	442
1-bdrm	60%	\$	545
1-bdrm	Mkt	\$	-
2-bdrm	40%	\$	-
2-bdrm	50%	\$	531
2-bdrm	60%	\$	654
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	\$	-

<u>Financing Sources</u>		
Hard Loan	\$	500,000
Soft Loan	\$	-
Soft Loan	\$	-
Soft Loan	\$	-
HOME Program	\$	750,000
CDBG Program	\$	-
Other	\$	-
Deferred Dev Fee	\$	153,287
Tax Credits	\$	4,758,783
Other		
Total Sources:	\$	<u>6,162,070</u>

<u>Return on Sale of HTC</u>		
HTC Requested	\$	559,913
HTC Taken over 10 yrs	\$	5,599,130
HTC Equity	\$	4,758,783
HTC Return on Sale	\$	0.850

<u>Project Costs</u>		
Total Project Costs	\$	6,162,070

<u>Costs versus Sources</u>		
Total Project Costs	\$	6,162,070
Total Financing Sources	\$	<u>6,162,070</u>
Difference	\$	-

<u>Per Unit Comparison</u>		
Cost per unit	\$	154,052
Credits per unit		13,997.83

<u>Per Square Foot Comparison</u>		
Cost per sq ft	\$	139.22
Credits per sq ft	\$	12.65

Exhibit D-1 - Letter of Intent

May 9, 2014

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

RECEIVED
MAY 12 2014
DOC HOUSING

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 August.

The project being submitted is as follows:

Name: Polson Senior Housing
City: Polson
County: Lake
Developer: Northwest Real Estate Capital Corp.
HTC Consultant: BlueLine Development, Inc
Project Type: Senior
Set-aside: Non-Profit

Project Description: Proposed development is a 32 unit senior housing complex containing one bedroom and two bedroom units

Anticipated Amenities: The proposed development will have all energy star appliances, low flow water fixtures and will meet the Level 1 and Level 2 energy and green items required to score the maximum of 10 points. Additionally, the project will contain the following amenities:

Units:

- Dishwasher
- Disposal
- Microwave
- Extra Storage
- Patio/Balconies
- Washer/Dryer in Units
- Air Conditioning

Community:

- Computers for tenant use
- Community Room
- Library

General Description of Project Location to Services: The proposed site is located in the town of Polson. All utilities are to the site and it is in close proximity to all available services.

If you have any questions please contact me at:

406-214-8145
nate@bluelinedevelopment.net

Sincerely,

A handwritten signature in black ink, appearing to read 'Nathan Richmond', with a long horizontal flourish extending to the right.

Nathan Richmond

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

County / City	Lake/Polson
Project Name	Polson Senior Housing
Developer	NWRECC
Set-aside	Non-profit
HTC Requested	\$546,518
Project Type	Senior

<u>Unit Numbers</u>	<u>Target</u>	
1-bdrm	40%	
1-bdrm	50%	12
1-bdrm	60%	4
1-bdrm	Mkt	
2-bdrm	40%	
2-bdrm	50%	12
2-bdrm	60%	4
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		32

<u>Square Footage</u>	
Low Income/Common	28,700
Market/Commercial	-
Total	28,700

<u>Unit Rents</u>		
1-bdrm	40%	
1-bdrm	50%	\$ 379
1-bdrm	60%	\$ 488
1-bdrm	Mkt	
2-bdrm	40%	
2-bdrm	50%	\$ 456
2-bdrm	60%	\$ 587
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	

<u>Financing Sources</u>	
Hard Loan	\$ 400,000
Soft Loan	
Soft Loan	
Soft Loan	
HOME Program	
CDBG Program	
Other	
Deferred Dev Fee	\$ 22,098
Tax Credits	\$ 4,671,100
Other	
Total Sources:	\$ 5,093,198

<u>Return on Sale of HTC</u>	
HTC Requested	\$ 546,518
HTC Taken over 10 yrs	\$ 5,465,180
HTC Equity	\$ 4,671,100
HTC Return on Sale	\$ 0.855

<u>Project Costs</u>	
Total Project Costs	\$ 5,176,335

<u>Costs versus Sources</u>	
Total Project Costs	\$ 5,176,335
Total Financing Sources	\$ 5,093,198
Difference	\$ 83,137

<u>Per Unit Comparison</u>	
Cost per unit	\$ 161,760
Credits per unit	17078.6875

<u>Per Square Foot Comparison</u>	
Cost per sq ft	\$ 180.36
Credits per sq ft	\$ 19.04



**HOUSING
AUTHORITY OF
BILLINGS**

2415 1ST AVENUE NORTH
BILLINGS, MONTANA 59101
406-245-6391
www.billingsha.org

MONTANA RELAY: 711
FAX: 406-245-0387

May 6, 2014

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

RECEIVED
MAY 12 2014
DOC HOUSING

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: Red Fox Apartments, LLLP
City: Billings
County: Yellowstone
Developer: Housing Authority of Billings
HTC Consultant: Jim Brown
Project Type: Family
Set-aside:

Project Description: The Red Fox Apartments, is in the Billings Heights neighborhood, in the Whitetail Square Subdivision and is a proposed 30 unit multifamily complex, in a residential multifamily zoned subdivision. It will be constructed for energy efficiency. The buildings will consist of 7 four-plexes, and one duplex. There will be 4 - one bedroom units, 20 - two bedrooms units, 4 - three bedroom units, and 2 - four bedroom units. The project is fully accessible on the first floor and two one bedroom units are fully handicap accessible with two of the one bedrooms being designated for cognitive or residents with other disabilities.

Anticipated Amenities: The amenities will be dishwashers, kitchen garbage disposals, patios/ balconies, washer dryer hookups, supplied washer and dryers in all units, air conditioning. The community will have a play area, basketball hoop/pad, community garden, car plug - ins, and an outdoor community area.

General Description of Project Location to Services: A Wal-Mart Super store and another major grocery store, two health clinics, dentists and doctors' offices, a hardware store, one elementary and one junior high school, employment, restaurants, fitness centers, several banks, two pharmacies, churches,



EQUAL HOUSING
OPPORTUNITY

Laundromats', a Post Office, two gas station/convenience stores and a variety of shopping and services are within walking distance, a .02 to 1.5 miles from the proposed site.

The site is in a subdivision with it's own bus stop and shelter .02 miles, a high school at 1.7 miles, two major medical centers, major employers, two four year colleges and a trade school, the Billings Public Library, the downtown and West end shopping, and more amenities are available to the proposed projects in the Billings Community by the accessible city bus line that stops at the proposed project subdivision bus stop.

If you have any questions please contact me at: Lucy Brown, at 2415 1st Ave North Billings, Mt. 59101
406-237-1901 or lucyb@billingsha.org.

Sincerely,

A handwritten signature in cursive script that reads "Lucy Brown". The signature is written in black ink and is positioned above the typed name and title.

Lucy Brown
Executive Director
Housing Authority of Billings

Exhibit D-1

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

County / City	Yellowstone/Billings
Project Name	Red Fox Apartments
Developer	Authority of Billings
Set-aside	
HTC Requested	\$ 395,398
Project Type	Family

<u>Unit Numbers</u>	<u>Target</u>	
1-bdrm	40%	
1-bdrm	50%	4
1-bdrm	60%	
1-bdrm	Mkt	
2-bdrm	40%	1
2-bdrm	50%	12
2-bdrm	60%	7
2-bdrm	Mkt	
3-bdrm	40%	2
3-bdrm	50%	1
3-bdrm	60%	1
3-bdrm	Mkt	
other	40%	
other	50%	2
other	60%	
other	Mkt	
other	Mgr	
Total Units		30

<u>Square Footage</u>	
Low Income/Common	29,034
Market/Commercial	
Total	29,034

<u>Unit Rents</u>		
1-bdrm	40%	
1-bdrm	50%	\$ 568
1-bdrm	60%	
1-bdrm	Mkt	
2-bdrm	40%	\$ 546
2-bdrm	50%	\$ 682
2-bdrm	60%	\$ 819
2-bdrm	Mkt	
3-bdrm	40%	\$ 630
3-bdrm	50%	\$ 788
3-bdrm	60%	\$ 945
3-bdrm	Mkt	
other	40%	
other	50%	\$ 878
other	60%	
other	Mkt	
other	Mgr	

<u>Financing Sources</u>	
Hard Loan	\$ 787,490
Soft Loan	\$ 1,078,194
Soft Loan	
Soft Loan	
HOME Program	
CDBG Program	
Other	
Deferred Dev Fee	\$ 166,500
Tax Credits	\$ 3,400,418
Other	
Total Sources:	\$ 5,432,602

<u>Return on Sale of HTC</u>	
HTC Requested	\$ 395,398
HTC Taken over 10 yrs	\$ 3,953,980
HTC Equity	\$ 3,400,418
HTC Return on Sale	\$ 0.860

<u>Project Costs</u>	
Total Project Costs	\$ 5,432,602

<u>Costs versus Sources</u>	
Total Project Costs	\$ 5,432,602
Total Financing Sources	\$ 5,432,602
Difference	\$ -

<u>Per Unit Comparison</u>	
Cost per unit	\$ 181,087
Credits per unit	13179.93333

<u>Per Square Foot Comparison</u>	
Cost per sq ft	\$ 187.11
Credits per sq ft	\$ 13.62

Exhibit D-1 - Letter of Intent Template Letter

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MAY 08 2014

MDOC HOUSING

May 1, 2014

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: River Ridge Apartments (RRA)
City: Missoula
County: Missoula
Developer: Missoula Housing Authority
HTC Consultant: N/A
Project Type: Acquisition Rehabilitation
Set-aside: None

Project Description:

River Ridge is an acquisition rehabilitation, 70 unit senior Housing Tax Credit Development that has passed the initial 15 year compliance period. The Missoula Housing Authority has acquired the property by exercising a right of first refusal. Because many systems are reaching the end of their useful life, the Missoula Housing Authority intends to do a major rehabilitation. The rehabilitation will add significant green components, energy efficient features, lower the rents of some of the units, and replace major systems. This will lead to a healthier living environment, reduced operating costs, and add decades of life to the building.

Anticipated Amenities:

Amenities Units

- o Dishwasher
- o Disposal
- o Extra Storage
- o High Quality Cabinets
- o Carports and/or Garages
- o Air Conditioning
- o High Quality Flooring

Amenities Community

- Computers for tenant use
- Community room with Kitchen
- Two Elevators
- Pergola
- Community Garden
- On site manager
- Library
- 3 Laundry rooms

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MAY 08 2014
MDOC HOUSING

General Description of Project Location to Services:

RRA is located within 500 feet of a fixed route bus stop with 15 minute service intervals that connects the development to all tenant services, employment opportunities, and neighboring downtown Missoula. Additionally, at RRA is located within 0.1 miles of Gateway Credit Union, .2 miles from a strip mall that includes: Albertsons Grocery, Osco Drug, Gas Station, and 8 additional retail stores; .2 miles from Northgate Plaza Medical Center/Community Physicians Group; .2 miles from Target, .4 miles from a Super Wal-Mart; .6 miles from 12-Plex Movie Theater; .7 miles from a Post Office; .8 miles from Costco; and, .8 miles from a fire station.

If you have any questions please contact me at:

Missoula Housing Authority
1235 35th St
Missoula, MT 59808
(406) 549-4113 Ext 105

Sincerely,
Lori Davidson, Executive Director, Missoula Housing Authority



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	Missoula Missoula
Project Name	River Ridge Apartments
Developer	Housing Authority
Set-aside	None
HTC Requested	\$ 479,118
Project Type	Senlor

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MDOC HOUSING

Unit Numbers	Target	
1-bdrm	40%	5
1-bdrm	50%	32
1-bdrm	60%	15
1-bdrm	Mkt	
2-bdrm	40%	2
2-bdrm	50%	11
2-bdrm	60%	5
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		70

Square Footage	
Low Income/Common	47,030
Market/Commercial	1,500
Total	48,530

Unit Rents		
1-bdrm	40%	\$ 459
1-bdrm	50%	\$ 574
1-bdrm	60%	\$ 689
1-bdrm	Mkt	
2-bdrm	40%	\$ 551
2-bdrm	50%	\$ 688
2-bdrm	60%	\$ 826
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	\$ 2,100,000
Soft Loan	
Soft Loan	
Soft Loan	
HOME Program	\$ 300,000
CDBG Program	
Other	
Deferred Dev Fee	\$ 97,408
Tax Credits	
Other	
Total Sources:	\$ 2,497,408

Return on Sale of HTC	
HTC Requested	\$ 479,118
HTC Taken over 10 yrs	\$ 4,791,180
HTC Equity	\$ 4,263,724
HTC Return on Sale	\$ 0.890

Project Costs	
Total Project Costs	\$ 6,761,132

Costs versus Sources	
Total Project Costs	\$ 6,761,132
Total Financing Sources	\$ 2,497,408
Difference	\$ 4,263,724

Per Unit Comparison	
Cost per unit	\$ 96,588
Credits per unit	6844.542857

Per Square Foot Comparison	
Cost per sq ft	\$ 139.32
Credits per sq ft	\$ 10.19



Homeword

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MAY 12 2014

DOC HOUSING

May 9, 2014

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: Southern Lights
City: Billings
County: Yellowstone
Developer: Homeword, Inc.
HTC Consultant: n/a
Project Type: Family, Rehabilitation
Set-aside: Non-Profit

Project Description:

After extensive 3rd party testing, Homeword regrets to inform the Board that Southern Lights has been diagnosed with construction defects related to the improper installation of the weather resistant barrier, as well as improper installation of door and window assemblies. These defects have led to extensive water infiltration throughout the wall assemblies. In addition, unapproved and unknown finish material substitutions by the contractor or subcontractors have led to premature degradation of exterior metalwork, including the balconies and stair system. The scope of the repair is well beyond the means of replacement reserves or Homeword as the guarantor. With much thought and consideration, we are submitting this LOI as a placeholder in case we need to formally ask for additional credits.

Southern Lights is a 20 unit tax credit property with five one-bedroom units, nine two-bedroom units, four three-bedroom units and two four-bedroom units. All utilities are included in the rent. Homeword is in consultation with the staff of Montana Board of Housing and Asset Resolution staff of Enterprise (investment partner) to find a reasonable solution to maintain the health and safety of the facility.

Anticipated Amenities:

Designed sensitively, the Southern Lights provides a place to model quality, high-density, infill in an existing neighborhood by scaling the size of the buildings to match the existing character of the

neighborhood. Based on community input at a well-attended design charrette, the following unit amenities were prioritized:

- Ground source heating and/or cooling and passive solar building design;
- Building with low-toxic materials such as low-VOC paints, reduced formaldehyde carpet glues, and high quality carpets made from recycled materials;
- Building with high quality, durable and sustainable materials such as wheat board cabinets, an agricultural by-product made with wheat stubble and no urea-formaldehyde glue; and
- Providing plenty of common space for children to play and for families to interact.

Southern Lights captures the vision of a true sense of community. At Southern Lights, fully accessible common spaces and recreation areas include:

- A community room for residents' meetings and workshops and a comfortable place where social service agencies can bring their services directly to residents. Resident services have included homeownership training and neighborhood task force meetings;
- Kitchen space for resident use in the community room;
- A central courtyard provides a gathering space for all residents, an outdoor BBQ area and a kid-friendly play area for families;
- Convenient laundry room with highly efficient appliances.

This additional credit request would ensure the amenities and community can be enjoyed by all the households in a healthy built environment.

General Description of Project Location to Services:

Southern Lights is centrally located, just south of downtown. The project is adjacent to a large City park, which provides children's play areas, BBQ areas, baseball fields, basketball courts and a public pool. Three city bus routes leave from within 0.1 miles of the site where they can take a route to Rimrock Mall, west-end shopping areas and downtown. Schools are located conveniently nearby with school bus service offered. Just over a mile from the site is Orchard Elementary School and just a mile from the site is Riverside Middle School. Additionally, the public library is located a mile away, with city bus service to and from the area.

The uniqueness of the Southern Lights is that it is located in a well-established core neighborhood in Billings. Several neighborhood services are intact and located nearby. The fire station and post office are .2 miles from the property. The downtown area with city and county services and retail businesses is located .8 miles, Albertson's grocery is 1.1 miles, the hospital is 1.2 miles and Senior High School is 1.9 miles from the site.

If you have any questions please contact Andrea at 406-532-4663, ext. 18, andrea@homeword.org or Heather, 406-532-4663, ext. 36, heather@homeword.org.

Sincerely,



Andrea Davis
Homeword, Inc.



Heather McMillin
Homeword, Inc.

Exhibit D-2 - Letter of Intent Template Attachment

(cells highlighted in yellow need data input)

County / City	Billings / Yellowstone
Project Name	Southern Lights
Developer	Homewood, Inc.
Set-aside	Non Profit
HTC Requested	\$ 350,000
Project Type	Rental, Family

<u>Unit Numbers</u>	<u>Target</u>	
1-bdrm	40%	2
1-bdrm	50%	3
1-bdrm	60%	
1-bdrm	Mkt	
2-bdrm	40%	5
2-bdrm	50%	4
2-bdrm	60%	
2-bdrm	Mkt	
3-bdrm	40%	
3-bdrm	50%	4
3-bdrm	60%	
3-bdrm	Mkt	
4-bdrm	40%	1
4-bdrm	50%	1
other	60%	
other	Mkt	
other	Mgr	
Total Units		20

<u>Square Footage</u>	
Low Income/Common	27,600
Market/Commercial	-
Total	27,600

<u>Unit Rents</u>		
1-bdrm	40%	\$ 485
1-bdrm	50%	\$ 536
1-bdrm	60%	
1-bdrm	Mkt	
2-bdrm	40%	\$ 582
2-bdrm	50%	\$ 725
2-bdrm	60%	
2-bdrm	Mkt	
3-bdrm	40%	
3-bdrm	50%	\$ 840
3-bdrm	60%	
3-bdrm	Mkt	
4-bdrm	40%	\$ 750
4-bdrm	50%	\$ 937
other	60%	
other	Mkt	
other	Mgr	

<u>Financing Sources</u>	
Hard Loan	\$ 200,000
Soft Loan	
Soft Loan	
Soft Loan	
HOME Program	
CDBG Program	\$ 300,000
Other - solar credits	
Deferred Dev Fee	
Tax Credits	\$ 2,975,000
Other - NOI	
Total Sources:	\$ 3,475,000

<u>Return on Sale of HTC</u>	
HTC Requested	\$ 350,000
HTC Taken over 10 yrs	\$ 3,500,000
HTC Equity	\$ 2,975,000
HTC Return on Sale	\$ 0.850

<u>Project Costs</u>	
Total Project Costs	\$ 3,475,000

<u>Costs versus Sources</u>	
Total Project Costs	\$ 3,475,000
Total Financing Sources	\$ 3,475,000
Difference	\$ -

<u>Per Unit Comparison</u>	
Cost per unit	\$ 173,750
Credits per unit	17500

<u>Per Square Foot Comparison</u>	
Cost per sq ft	\$ 125.91
Credits per sq ft	\$ 12.68



283 W. Front Street, Suite 1
Missoula, MT 59802
Phone (406) 541-0999
Fax (406) 541-0997

RECEIVED

May 5th, 2014

MAY 12 2014

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

DOC HOUSING

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: Stoneridge Apartments
City: Bozeman
County: Gallatin
Developer: Summit Housing Group, Inc.
HTC Consultant: None
Project Type: Family
Set-aside: Non Profit/General

Project Description: 48 units of multifamily housing.

Anticipated Amenities: Energy Star Appliances, Air Conditioning, Ceiling Fans, Extra Insulation, Programmable Thermostats, Carports, Children's Play Area, Community Room, Computer Learning Center, Green Space/Outdoor Community Area, On Site Manager, Close to ALL Services

General Description of Project Location to Services: The site is located in Northwest Bozeman. It's within a mile of most major services including, Smith's Food and Drug, Lowes, Home Depot, Staples, Costco Chief Joseph Middle School, YMCA, and Emily Dickenson Elementary. There is also a bus stop site within half a mile.

If you have any questions please contact me at: (406) 541-0999 x233

Sincerely,

Rusty Snow

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

County / City	Gallatin Bozeman
Project Name	Stoneridge Apartments
Developer	Summit Housing
Set-aside HTC Requested Project Type	Non Profit/ General \$ 647,500 Family

<u>Unit Numbers</u>	<u>Target</u>	
1-bdrm	40%	
1-bdrm	50%	
1-bdrm	60%	
1-bdrm	Mkt	
2-bdrm	40%	3
2-bdrm	50%	19
2-bdrm	60%	8
2-bdrm	Mkt	
3-bdrm	40%	3
3-bdrm	50%	10
3-bdrm	60%	4
3-bdrm	Mkt	
other	40%	
other	50%	
other	60%	
other	Mkt	
other	Mgr	
Total Units		47

<u>Square Footage</u>	
Low Income/Common	49,500
Market/Commercial	-
Total	49,500

<u>Unit Rents</u>		
1-bdrm	40%	
1-bdrm	50%	
1-bdrm	60%	
1-bdrm	Mkt	
2-bdrm	40%	\$ 542
2-bdrm	50%	\$ 702
2-bdrm	60%	\$ 852
2-bdrm	Mkt	
3-bdrm	40%	\$ 609
3-bdrm	50%	\$ 794
3-bdrm	60%	\$ 852
3-bdrm	Mkt	
other	40%	
other	50%	
other	60%	
other	Mkt	
other	Mgr	

<u>Financing Sources</u>	
Hard Loan	\$ 2,135,101
Soft Loan	
Soft Loan	
Soft Loan	
HOME Program	
CDBG Program	
Other	\$ 27,000
Deferred Dev Fee	\$ -
Tax Credits	\$ 5,438,456
Other	
Total Sources:	\$ 7,600,557

<u>Return on Sale of HTC</u>	
HTC Requested	\$ 647,500
HTC Taken over 10 yrs	\$ 6,475,000
HTC Equity	\$ 5,438,456
HTC Return on Sale	\$ 0.840

<u>Project Costs</u>	
Total Project Costs	\$ 7,600,557

<u>Costs versus Sources</u>	
Total Project Costs	\$ 7,600,557
Total Financing Sources	\$ 7,600,557
Difference	\$ -

<u>Per Unit Comparison</u>	
Cost per unit	\$ 161,714
Credits per unit	13776.59574

<u>Per Square Foot Comparison</u>	
Cost per sq ft	\$ 153.55
Credits per sq ft	\$ 13.08



Homeword

RECEIVED
MAY 12 2014
DOC HOUSING

May 9, 2014

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: Story Mill
City: Bozeman
County: Gallatin
Developer: Homeword, Inc.
HTC Consultant: n/a
Project Type: Family, Rental
Set-aside: Non-Profit

Project Description:

A portion of the iconic Story Mill property in Northwest Bozeman (only two miles from the heart of downtown) has been secured by the Trust for Public Land (TPL) to protect and transform 54 acres into a unique city park. Approximately eight (8) acres of the property is being examined for a complimentary neighborhood of mixed-income housing including affordable homes. The Story Mill site, formally known as The Bridger Park Trailer Court, was home to 84 low to moderate income families. Homeword is working with community partners to evaluate Bozeman area housing demands, identifying design concepts that complement the park design and capture the historic essence of the Story Mill area in order to create a housing concept that will have meaningful impact on identified needs for the residents of Bozeman. Most significantly, the project replaces the majority of affordable units lost when 84 trailer owners were displaced by a previous developer. **A component of this new, mixed-income neighborhood will be a 26-unit new construction MHTC project in townhouse style apartments.**

Anticipated Amenities:

The tax credit funded apartments will be designed with energy and water conservation amenities, low or no VOC finishes, proper use of day lighting for reduced demand on HVAC systems, garage or car port parking including a grass berm that may be designed to insulate the parking areas and gives kids a natural play area. The apartment facility will have community space internal to the building(s) as well access to community spaces created for the larger mixed-income neighborhood. Washers and dryers will be available to residents either in the units or in close proximity. Dishwashers may be specified for each apartment.

A core value for the housing community will illustrate how the built environment can complement the natural environment, use locally sourced and healthy building products and, provide connectivity via existing and new multi-modal trails. The site design as well as the housing designs will incorporate water conservation and energy efficiency measures and promote a healthy living environment. All of this will be translated to successful operations and maintenance for homeowners and renters alike.

General Description of Project Location to Services:

The historic Story Mill property is located at the corner of Bridger Canyon Drive and Story Mill Road. Rouse Avenue is a primary street from downtown that turns into Bridger Canyon Drive. The affordable apartments will be adjacent to a unique 54 acre park developed by TPL but eventually owned by the City of Bozeman. Neighborhood commercial that could benefit the immediate and surrounding mixed-income neighborhood is being explored as part of the feasibility process for this site and the team is working in concert with the Bozeman planning office to ensure this element of a vibrant community is addressed. The Boys and Girls Club of SW Montana is located within approximately ½ mile of the project site and provides after school programs including sports in their gym, a computer lab, a family room with games, an art shop, and library and meeting rooms. The HRDC of Bozeman is the administrator of Streamline, the Bozeman transit service. The closest bus route is currently approximately 1.5 miles from the project site however, HRDC understands the need this mixed-income neighborhood will have for public transit and will consider demand in route planning. In fact, the Streamline bus barn is within a mile of the project site. The project site is approximately three (3) miles from the Heeb's Grocery and Co-op Downtown and less than one mile from Wayfare, Inc; a dairy alternative health food manufacturer and retail location.

The project site is surrounded by potential employment possibilities within approximately ½ mile of the project site including Tetra Tech (engineering), The Siding Center (home building center), Granite Enterprises (computer systems), CookStar Productions (builder), Minnick Management (property management co), Bridger Ski Foundation, The Ice House (beverage distributor), Panda Sports Rentals, and Foothills Veterinary Hospital. Bozeman job service is approximately three (3) miles from the project location.

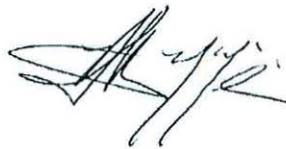
Local elementary schools are Hawthorne and Whittier; both approximately three miles from project site. Two middle schools in town are five and six miles from the site and Bozeman High School is 3.5 miles from the site. Various health clinics, the hospital and family clinics are two to three miles from the project site.

If you have any questions please contact Andrea at 406-532-4663, ext. 18, andrea@homeword.org or Heather, 406-532-4663, ext. 36, heather@homeword.org.

Sincerely,



Andrea Davis
Executive Director
Homeword, Inc.



Heather McMilin
Housing Development Director
Homeword, Inc.

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

County / City	Bozeman / Gallatin
Project Name	Story Mill
Developer	Homeword, Inc.
Set-aside	Non Profit
HTC Requested	\$ 350,000
Project Type	Rental, Family

<u>Unit Numbers</u>	<u>Target</u>	
1-bdrm	40%	1
1-bdrm	50%	2
1-bdrm	60%	2
1-bdrm	Mkt	
2-bdrm	40%	1
2-bdrm	50%	12
2-bdrm	60%	4
2-bdrm	Mkt	
3-bdrm	40%	1
3-bdrm	50%	2
3-bdrm	60%	1
3-bdrm	Mkt	
4-bdrm	40%	
4-bdrm	50%	
other	60%	
other	Mkt	
other	Mgr	
Total Units		26

<u>Square Footage</u>	
Low Income/Common	20,800
Market/Commercial	-
Total	20,800

<u>Unit Rents</u>		
1-bdrm	40%	\$ 533
1-bdrm	50%	\$ 666
1-bdrm	60%	\$ 800
1-bdrm	Mkt	
2-bdrm	40%	\$ 640
2-bdrm	50%	\$ 800
2-bdrm	60%	\$ 960
2-bdrm	Mkt	
3-bdrm	40%	\$ 739
3-bdrm	50%	\$ 924
3-bdrm	60%	\$ 1,109
3-bdrm	Mkt	
4-bdrm	40%	
4-bdrm	50%	
other	60%	
other	Mkt	
other	Mgr	

<u>Financing Sources</u>	
Hard Loan	\$ 107,594
Soft Loan	\$ 130,000
Soft Loan	\$ 750,000
Soft Loan	
HOME Program	
CDBG Program	
Other - solar credits	
Deferred Dev Fee	
Tax Credits	\$ 2,975,000
Other - NOI	
Total Sources:	\$ 3,962,594

<u>Return on Sale of HTC</u>	
HTC Requested	\$ 350,000
HTC Taken over 10 yrs	\$ 3,500,000
HTC Equity	\$ 2,975,000
HTC Return on Sale	\$ 0.850

<u>Project Costs</u>	
Total Project Costs	\$ 3,962,594

<u>Costs versus Sources</u>	
Total Project Costs	\$ 3,962,594
Total Financing Sources	\$ 3,962,594
Difference	\$ -

<u>Per Unit Comparison</u>	
Cost per unit	\$ 152,407
Credits per unit	13461.53846

<u>Per Square Foot Comparison</u>	
Cost per sq ft	\$ 190.51
Credits per sq ft	\$ 16.83



HOUSING
SOLUTIONS

"Helping the Least Needs the 'Home' the Builders Build it Best"

RECEIVED

MAY 12 2014

MDOC HOUSING

May 9, 2014

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

RE: MHTC (Montana Housing Tax Credit) Letter of Intent

Dear Board of Housing:

The project being submitted is as follows:

Name:	Stower Commons	Developer:	Housing Solutions
City:	Miles City	Project Type:	Family
County:	Custer County	Set Aside:	General Pool

Project Description:

Stower Commons will be a 30 unit family property located in Miles City. Like so many communities, Miles is struggling with the impacts of the Bakken Boom. Shopping, dining, entertainment, and it's proximity to the Bakken are all driving growth in the community. I distinctly say proximity, as it is still very family friendly and not overrun with oil field workers, but close enough to the work that families aren't being separated by days of driving. It continues to be a family friendly community and a great place to raise children.

Consisting of one, two and three bedroom units, the property will be a badly needed asset to the community of Miles. Located in the 10th largest city in Montana and the largest city east of Billings, Stower will begin to make a dent in the struggle for affordable housing in Miles City. Nearly every restaurant and hotel I've visited in Miles has a "now hiring" poster near the main entry. While the work is there to be done, there are no places for the jobs to sleep at night.

This property will be first ever new construction tax credit property in Miles and only the second 9% tax credit award; the first being a acquisition rehab in 2006. We have again partnered with Action for Eastern Montana, which has an office in Miles City, to makes sure our tenants have access to resources in their community.

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

HOUSING-SOLUTIONS.ORG

Anticipated Amenities:

As is our standard, the rents will be affordable and below market, but the quality and amenity package will be first rate. All units will include a washer/dryer, dishwasher, microwave, garbage disposal, double stainless sinks, refrigerators, stove/oven, ceiling fans in each bedroom, blinds, additional tenant storage, and covered parking. The project will include an onsite leasing office and community room. The buildings themselves will be constructed to last well beyond the initial 15 year compliance period by using cement board siding, 30 year roofing and other more durable construction materials. The full application will show the project exceeding all of the Board of Housing outlined energy and green building requirements.

General Description of Project Location to Services:

Stower Commons Vicinity Map ([link to map](#))

Stower Commons (red) is ideally located for easy access to tenant services (green). Just one block west of Haynes Ave, the property is directly behind a grocery store. It is three blocks from the site to Highland Park Elementary School. One of Miles Cities greatest city parks, Wibaux Park, with climbing toys, basketball court and the Frog Kiddy Pool, is just a short walk through a beautiful established neighborhood with side walks. Shopping, dining, banking, and medical services by Billings Clinic Milles City and the Holy Rosary Healthcare center are all easily accessed just off Haynes Ave.



Thank you for your preliminary consideration of this much needed project in a community in great need. If you have any questions please feel free to contact me:

Sincerely,

A handwritten signature in black ink that reads "Alex Burkhalter".

Alex Burkhalter
PO Box 2099
Missoula MT 59803
T: (406) 203 1558 E: alex@housing-solutions.org

Enclosed: *Exhibit D-2 LOI Attachment*

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

County / City	Custer County / Miles City
Project Name	Stower Commons
Developer	Housing Solutions LLC
Set-aside	General
HTC Requested	\$ 574,000
Project Type	Family

<u>Unit Numbers</u>	<u>Target</u>	
1-bdrm	40%	1
1-bdrm	50%	1
1-bdrm	60%	1
1-bdrm	Mkt	
2-bdrm	40%	2
2-bdrm	50%	12
2-bdrm	60%	3
2-bdrm	Mkt	
3-bdrm	40%	1
3-bdrm	50%	6
3-bdrm	60%	2
3-bdrm	Mkt	
other	40%	
other	50%	
other	60%	
other	Mkt	
other	Mgr	1
Total Units		30

<u>Square Footage</u>	
Low Income/Common Market/Commercial	32,240
Total	32,240

<u>Unit Rents</u>		
1-bdrm	40%	\$ 345
1-bdrm	50%	\$ 450
1-bdrm	60%	\$ 515
1-bdrm	Mkt	
2-bdrm	40%	\$ 415
2-bdrm	50%	\$ 535
2-bdrm	60%	\$ 660
2-bdrm	Mkt	
3-bdrm	40%	\$ 465
3-bdrm	50%	\$ 610
3-bdrm	60%	\$ 755
3-bdrm	Mkt	
other	40%	
other	50%	
other	60%	
other	Mkt	
other	Mgr	

<u>Financing Sources</u>		
Hard Loan	\$	690,000
Soft Loan		
Soft Loan		
Soft Loan		
HOME Program		
CDBG Program		
Other		
Deferred Dev Fee	\$	57,785
Tax Credits	\$	4,821,118
Other		
Total Sources:	\$	5,568,903

<u>Return on Sale of HTC</u>		
HTC Requested	\$	574,000
HTC Taken over 10 yrs	\$	5,740,000
HTC Equity	\$	4,821,118
HTC Return on Sale	\$	0.840

<u>Project Costs</u>		
Total Project Costs	\$	5,568,903

<u>Costs versus Sources</u>		
Total Project Costs	\$	5,568,903
Total Financing Sources	\$	5,568,903
Difference	\$	-

<u>Per Unit Comparison</u>		
Cost per unit	\$	185,630
Credits per unit		19133.33333

<u>Per Square Foot Comparison</u>		
Cost per sq ft	\$	172.73
Credits per sq ft	\$	17.80



Homeword

RECEIVED

MAY 12 2014

DOC HOUSING

May 9, 2014

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: Urban Missoula
City: Missoula
County: Missoula
Developer: Homeword, Inc.
HTC Consultant: n/a
Project Type: Rental, Family
Set-aside: Non-Profit

Project Description:

This Missoula project will be new construction of 34 rental apartments especially appropriate for family households due to the location and site development. We anticipate a mix of one-, two- and three-bedroom units, though four-bedroom units may be included if the market study indicates a need. Target incomes are 40 to 60 percent, and this will also be defined by the needs identified in the market study.

Anticipated Amenities:

Durable exterior materials will be chosen for the project: fiber cement siding is impervious to decay and holds paint extremely well, looking good for years after initial construction; clad wood windows provide significant operational and durability improvements over the standard vinyl windows seen in so many market-rate housing developments; metal siding provides textural relief on the exterior and has a factory finish that is nearly impenetrable. Quality interiors – all solid core doors, high-efficiency heating and cooling systems, real linoleum flooring, mid-range recycled-materials carpeting, accent walls enlivening the interior environment, custom made composite-wood cabinetry stained with warm earth tones – all add to the sense that Homeword is providing tenants with homes, not just a temporary place to stay.

Project Amenities may include:

- Dishwashers

- Washer-Dryers hook-ups within units
- Community Room with kitchen
- Outdoor Play Areas
- Decks
- Covered Parking

General Description of Project Location to Services:

The site is conveniently located within walking distance of several grocery stores, a grade school, a high school and alternative high school, the Missoula trail system, bus routes, city parks and recreation areas. Built in the urban core of Missoula, this project location will benefit from close proximity to numerous employers, the job service, the University of Montana and medical services. Located in an Urban Renewal District, it is in a "buffer" neighborhood between more intense commercial and multi-family development and single family detached housing neighborhoods to the south.

If you have any questions please contact Andrea at 406-532-4663, ext. 18, andrea@homeword.org or Heather, 406-532-4663, ext. 36, heather@homeword.org.

Sincerely,



Andrea Davis
Homeword, Inc.



Heather McMilin
Homeword, Inc.

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

County / City	Missoula / Missoula
Project Name	Urban Missoula
Developer	Homeword, Inc.
Set-aside	Non Profit
HTC Requested	\$ 590,000
Project Type	Rental, Family

<u>Unit Numbers</u>	<u>Target</u>	
1-bdrm	40%	1
1-bdrm	50%	10
1-bdrm	60%	2
1-bdrm	Mkt	
2-bdrm	40%	2
2-bdrm	50%	6
2-bdrm	60%	5
2-bdrm	Mkt	
3-bdrm	40%	1
3-bdrm	50%	5
3-bdrm	60%	2
3-bdrm	Mkt	
4-bdrm	40%	
4-bdrm	50%	
other	60%	
other	Mkt	
other	Mgr	
Total Units		34

<u>Square Footage</u>	
Low Income/Common	45,200
Market/Commercial	-
Total	45,200

<u>Unit Rents</u>		
1-bdrm	40%	\$ 533
1-bdrm	50%	\$ 666
1-bdrm	60%	\$ 800
1-bdrm	Mkt	
2-bdrm	40%	\$ 640
2-bdrm	50%	\$ 800
2-bdrm	60%	\$ 960
2-bdrm	Mkt	
3-bdrm	40%	\$ 636
3-bdrm	50%	\$ 795
3-bdrm	60%	\$ 954
3-bdrm	Mkt	
4-bdrm	40%	
4-bdrm	50%	
other	60%	
other	Mkt	
other	Mgr	

<u>Financing Sources</u>	
Hard Loan	\$ 350,000
Soft Loan	\$ 238,000
Soft Loan	\$ 200,000
Soft Loan	
HOME Program	\$ 1,250,000
CDBG Program	\$ 150,000
Other - solar credits	\$ 30,000
Deferred Dev Fee	\$ 90,000
Tax Credits	\$ 5,192,000
Other - NOI	
Total Sources:	\$ 7,500,000

<u>Return on Sale of HTC</u>	
HTC Requested	\$ 590,000
HTC Taken over 10 yrs	\$ 5,900,000
HTC Equity	\$ 5,192,000
HTC Return on Sale	\$ 0.880

<u>Project Costs</u>	
Total Project Costs	\$ 7,500,000

<u>Costs versus Sources</u>	
Total Project Costs	\$ 7,500,000
Total Financing Sources	\$ 7,500,000
Difference	\$ -

<u>Per Unit Comparison</u>	
Cost per unit	\$ 220,588
Credits per unit	17352.94118

<u>Per Square Foot Comparison</u>	
Cost per sq ft	\$ 165.93
Credits per sq ft	\$ 13.05



HOUSING
SOLUTIONS

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

May 28, 2014

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

RE: Pearson Place ~ Relocation Request
Glendive, Montana

via: Email to mbair@mt.gov

Dear Ms. Bair

We are writing to formalize our request to relocate the Pearson Place project in Glendive, Montana. As you know Pearson Place was awarded an allocation of 2014 Housing Tax Credits in December of 2013. Once we received the award of credits, our team went to work on the necessary predevelopment activities to get construction underway in 2014. Unfortunately, two factors discovered during our investigation of the project site left us in a difficult position; first, the property would require significantly more fill than budgeted to be elevated out of the flood plain and secondly, the underlying soil conditions would require an incredible amount of amendment and work before pouring any foundations.

The site at S. Pearson Ave was listed as in the flood plain at the time of application. We were aware of this and prior to applying consulted with, preliminarily, our flood plain engineer. The FEMA Flood Panel map indicated an elevation of 2069 as the boundary of the flood plain. The S. Pearson site was just inside that line, with the property line just touching the contour line. Based on the FEMA map our site elevation was just below 2069. We were right on the edge and therefor budgeted for 2 - 4 feet of fill to be brought in to elevate the site out of the flood plain. This was our working plan until further site surveying and HEC-RAS (Hydrologic Engineering Centers River Analysis System) flood plain modeling showed the actual elevation of the site was 2063, or six feet lower than indicated on the FEMA Map.

In reality, the FEMA Map is incorrect. If it were correct, all the buildings surrounding the site would be under 6 feet of water. However, the only thing more

difficult than getting a FEMA Letter of Map Amendment for Placing fill is convincing FEMA their map is wrong to begin with. In that spirit, the possibility of filling to their inaccurate requirement was discussed. The idea was very costly, but more concerning was there would be a nearly 6-8 foot rise from the back of curb on Pearson Street to our finished elevation of the site. We truly would have been built on a mound. Practically, it would have made ADA access nearly impossible without a intricate series of ramps and railings.

The second issue we faced came as a result of the geotechnical investigation. The soils were very, very bad and had little to no load bearing capacity. Possible solutions included a 8 foot over excavation or installing geo-piers to attempt to stabilize the ground and give us a "pre-foundation" to build on. The requirement of 8-10 feet of fill only amplified the geotechnical engineer's concern because of the additional weight of the fill being placed on the site.

The project probably could have handled one or the other, but having both of these problems on top of each other left us with a very difficult decision. The tipping point for us was the ongoing foundation problems experienced by a recently completed apartment building just a few blocks away.

With a heavy heart, but optimistic things could work out, I called Mayor Jimison to on April 30th to let him know what we had found. He was, of course, very disappointed but wanted to immediately know what could be done. We set a meeting for the following week and both set off to find a new site. No small task in a booming Eastern Montana town.

At our meeting on May 7th, the Mayor had arranged for himself, his Public Works Director, City Operations Director and a City Councilman to be present. We looked over land owned by city and any other lots that were vacant. The Mayor and city staff knew some of the owners and some were unfamiliar. There was nothing for sale, so it was just calling landowners and seeing if they were interested in selling.

We struck gold when we happened upon a hotel developer that had some remainder land. They were going to build apartments on the site, in fact were about 50% complete on the buildings plans, but after hearing from us decided it would be just simpler to sell the site and get back to hotels. After a few rounds of phone tag, and agreeing not to build a competing hotel, we got the new site under contract.

The new property, located just off North Merrill is adjacent to an existing apartment complex, hotel and some light industrial. The site is currently the staging area for the now complete construction of the adjacent hotel. North Merrill is the area of most new construction in Glendive. All utilities are available at the site. There are several new hotels, apartment buildings and townhouses being constructed in the area.

When I step back and look at it, this really is an incredible story. The new site we are proposing is actually better than the S Pearson site. It simply wasn't available at the time of application. All this has come together because of, in my opinion, the Mayor's and city's dedication to making sure this project goes through.

In spite of all that has transpired we stand ready, with the Board blessing to move forward with this new site. Construction will begin just next month and because of time saved on hauling in fill dirt, Glendive will have new affordable apartment homes for rent in the spring of 2015 as originally planned.

With the site being no longer on S. Pearson Ave, we are planning to rename the project Yellowstone Commons. There will be no change to the legal entity, just file a "doing business as" form for the name.

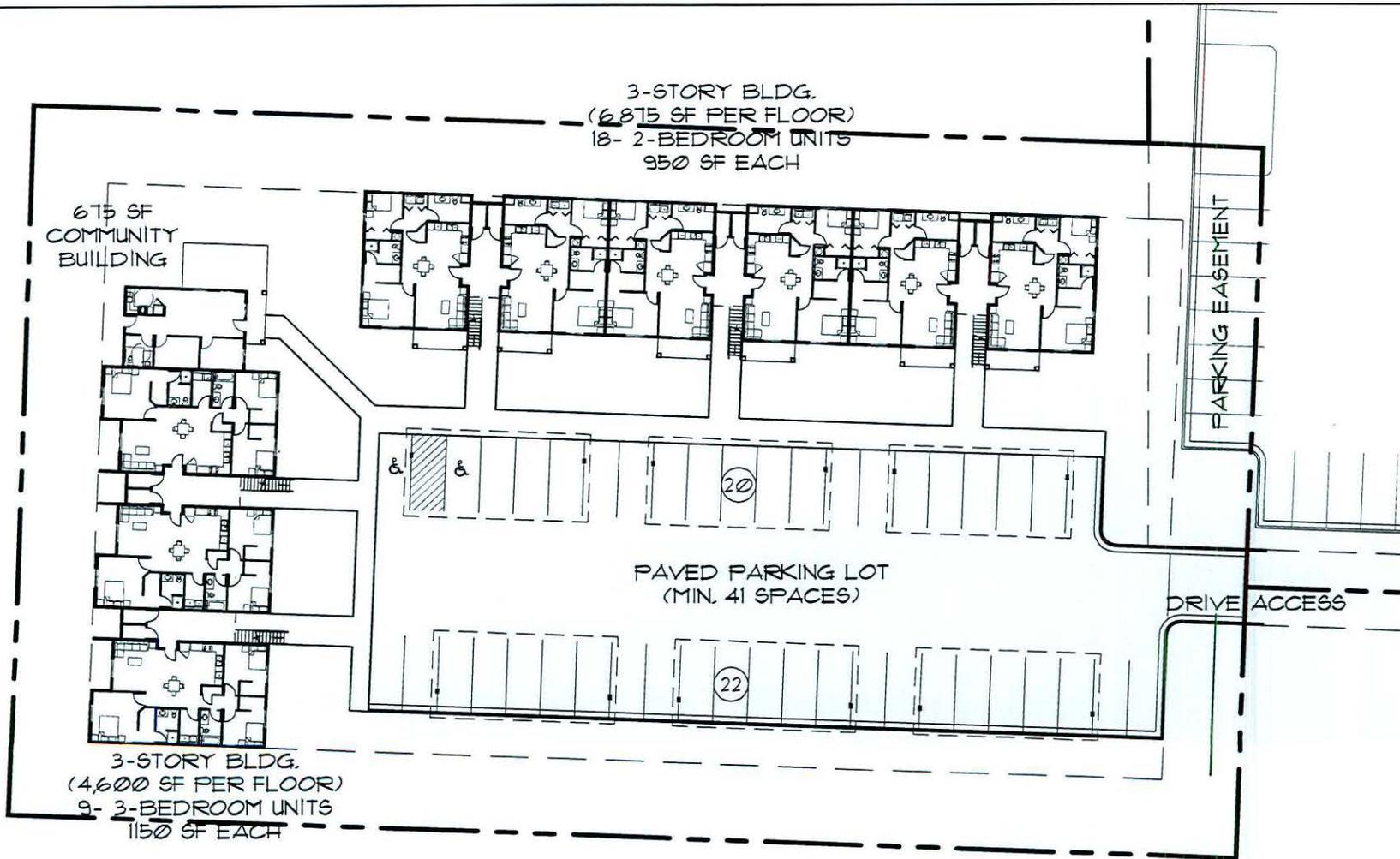
Thank you for your help with this and please let me know if you have any questions.

Kindest Regards,



Alex Burkhalter

Enc:




SITE PLAN
 1" = 40'-0"

TRACT B
 MITCHELL-MERRILL AVE.
 MINOR SUBDIVISION
 (1.38 ACRES)



GLENDIVE APARTMENTS
 GLENDIVE MONTANA

EXHIBIT
A

300 South Merrill
Glendive, Montana 59330



Phone (406) 365-3318
FAX 406-365-6873

May 28, 2014

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

Re: Glendive Housing Tax Credits

Dear Mary,

I wanted to take a moment and let you know I am in favor of this new site. It was tough news to hear that the flood plain and soils were a much larger problem than expected for the S. Pearson site. I am glad that our collective wills have been able to find a new location for the project.

The new location is part of a subdivision completed many years ago and now being quickly built out. It is an area where there have been new apartments, hotels, offices and some light industrial. It will be next door to an existing for rent duplex development.

We have worked hard to keep this project going and Housing Solutions LLC believes it can still break ground this summer. Glendive needs the housing and we, as a city, are doing everything we can to help this project move forward.

The City of Glendive and myself still believe our number one priority for our community is low income, affordable housing and our 100% support is still behind this project.

Thank you very much and please feel free to call me if you have any questions.

Cordially,

A handwritten signature in cursive script that reads "Jerry Jimison".

Mayor Jerry Jimison
City of Glendive

Montana Board of Housing Montana Housing Tax Credit Program

Qualified Contract Process And Instructions for Calculation of the Qualified Contract Price

Properties awarded Low-Income Housing Tax Credits under the Montana Housing Tax Credit Program are subject to certain restrictions set forth in Section 42 of the Code, which restrictions must be provided for and documented in Restrictive Covenants. The Section 42 requirements apply during an Extended Use Period, which includes an initial Compliance Period of fifteen (15) years plus an additional period of fifteen (15) or more years. Applicants for tax credits may make a commitment to maintain units in accordance with the Section 42 restrictions beyond the minimum period of time and may be or may have been awarded additional points in the QAP evaluation scoring process for the Project based upon such agreement.

The Extended Use Period generally continues for at least thirty (30) years. However, for certain Eligible Projects, the Extended Use Period may terminate earlier, (i) if the Owner submits a written request to MBOH in accordance with these requirements to find a person to acquire the Property, and (ii) if MBOH is unable to present within a one-year period a Qualified Contract for the acquisition of the Property by any person who will continue to operate the low-income portion of the building as a low-income building as defined in Section 42 of the Code.

Eligibility for Qualified Contract Process

The Qualified Contract process is available only for certain Projects with an Owner's minimum low-income commitment period that is less than fifteen (15) years beyond the initial 15-year Compliance Period, as specified in the Project's Restrictive Covenants. Under current program requirements, the owner must agree to a minimum low-income commitment period of fifteen (15) years beyond the initial 15-year Compliance Period, i.e., an Extended Use Period of at least thirty (30) years. Previously, however, some Projects provided for a minimum low-income commitment period of less than fifteen (15) years beyond the initial 15-year Compliance Period and an Extended Use Period of less than thirty (30) years. Only such Projects are eligible for the Qualified Contract process. Further, such Projects are eligible for the Qualified Contract process only if the process could result in a Qualified Contract or termination of the Extended Use Period at least one year earlier than the Extended Use Period would otherwise end under the terms of the Project's Restrictive Covenants. An "Eligible Project" is a Project meeting these criteria.

Eligible Projects may not initiate the Qualified Contract process until one year before the expiration of the Owner's minimum low-income commitment period specified in the Project's Restrictive Covenants. For example, the process could be initiated no earlier than the fifteenth year of the initial Compliance Period for an Eligible Project with an Owner's minimum low-income commitment of zero (0) years beyond the initial 15-year Compliance Period.

Projects will be held to the Owner's commitment as provided in the Restrictive Covenants and will not be permitted to terminate the Extended Use Period (including any portion of the Owner's commitment period) through the Qualified Contract process. The Qualified Contract process is subject to all applicable provisions of state and federal law and these requirements. Owners are encouraged to review their tax credit allocation applications submitted to MBOH and their Declaration of Restricted Covenants to determine if and when they are eligible to pursue the Qualified Contract process.

Qualified Contract Process:

The one-year period for finding a Qualified Contract buyer will not commence until after all required documents, information and payments have been submitted to and approved by MBOH and the physical inspection and file audit has been completed showing no substantial noncompliance as provided herein.

1. Qualified Contract Request Letter and Agreement; Payment of Administration Fee

To initiate the Qualified Contract process, Eligible Project owners must notify MBOH of their desire to sell the property through the Qualified Contract process by submitting a completed and executed Qualified Contract Request Letter and Agreement, in the form attached hereto as Attachment 1, together with payment of a \$4,000.00 non-refundable administration fee for processing the Qualified Contract Request. MBOH will not begin processing of the Request until and unless the \$4,000.00 administration fee has been paid in full.

2. Completion/Submission of Qualified Contract Price Calculation Form

Before the one-year period and marketing of the Property will commence, the Owner must complete and submit to MBOH the Calculation of the Qualified Contract Price form attached to these instructions as Attachment 2 (the "Calculation Form") and the additional information and documentation listed below.

The Owner must fully complete the Calculation Form, including all Exhibits. The Qualified Contract Price ("QCP") calculation will establish the minimum price at which MBOH will market the Property and present any offer(s) for its purchase.

All calculations must be prepared in accordance with 26 CFR Part 1, Section 1.42-18, as amended, or any additional or replacement federal laws or regulations governing the Qualified Contract Price calculation. The Calculation Form must be prepared or reviewed, and also must be certified, by an Independent Third-Party Certified Public Accountant.

Also please note that federal regulations require that, if a purchaser is found, the Qualified Contract Price must be adjusted by the purchaser and the property owner to reflect changes in the components of the Qualified Contract Price, such as mortgage payments, that have reduced outstanding indebtedness between the time the original calculations were made and the sale closing date.

3. Additional Submission Requirements

In addition to the Request Letter, Fee Payment and Calculation Form, the Owner must submit to MBOH the following information and documentation:

- a. A thorough narrative description of the Property, including all amenities, sufficient to familiarize prospective purchasers with the Property;
- b. A detailed description of all income, rental and other restrictions applicable to the operation of the Property;
- c. A detailed set of digital photographs of the Property, including the interior and exterior of representative apartment units and buildings, and the Property's grounds, to be displayed on the MBOH website and in any other marketing materials;
- d. Copies of the last three years' operating statements for the Property showing annual operating expenses, debt service, gross receipts, net cash flow, and debt service coverage ratios;
- e. A current and complete rent roll for the entire Property;
- f. A copy of the land lease, if applicable; and
- g. Any additional financial and other information and documentation reasonably required and requested by MBOH for purposes of the Qualified Contract Price determination, appraisal, marketing and/or due diligence, including without limitation, copies of additional rent rolls, tax returns, income certifications, repair and maintenance records, operating expenses and debt service information, and other due diligence documents.

4. Physical Inspection and File Audit

Upon receipt of the Qualified Contract Request Letter and Agreement and administration fee, MBOH will perform, at the expense of the Owner, a complete physical inspection and file audit of the Property to determine whether the Owner and Property are in compliance with the provisions of Section 42 of the Code, the Declaration of Restrictive Covenants and MBOH requirements. If, at any time

during the Qualified Contract process, MBOH determines that the Owner or Property is out of compliance with the provisions of Section 42 of the Code, the Declaration of Restrictive Covenants or MBOH requirements, MBOH will terminate the Qualified Contract process until such time as MBOH determines that the Owner or Property has achieved compliance.

5. Access to Property

The Owner must provide reasonable access to the Property and relevant files and records for inspection or audit by MBOH, its agents, appraisers, prospective purchasers and any other third parties reasonably required for purposes of the Qualified Contract process.

6. Payment of Fees and Expenses

The Owner must pay a \$4,000.00 non-refundable administration fee for processing a Qualified Contract Request, as required above in Section 1. In addition, the Owner must pay MBOH's costs for the physical inspection and file audit required under Section 4, above, and, in the event that additional third-party reports are required by a potential buyer or MBOH, the Owner must pay the cost of the additional reports. All payments for such items must be made within thirty (30) days of the date of any invoice provided to the Owner.

7. Program Compliance; Owner's Failure to Comply or Cooperate with Qualified Contract Process

If, prior to commencement of the one-year period, the Owner fails to provide any required information, documents or payments, fails to allow access to the Property for inspection or appraisal, or otherwise fails to cooperate in or perform any obligation specified herein, MBOH may cease further processing of the Request upon providing written notice to the Owner specifying the reason(s) for ceasing further processing, and the action(s) that must be taken by the Owner, the date by which such actions must be taken and the documentation, if any, of such actions that must be submitted to MBOH in order to obtain a resumption of Request processing. MBOH may permanently terminate the Qualified Contract process in the event of multiple instances of non-compliance/non-cooperation. In no event will the one-year period commence or be deemed to have commenced until the Owner meets all such requirements.

As provided in Section 4, above, if at any time during the Qualified Contract process, MBOH determines that the Owner or Property is out of compliance with the provisions of Section 42 of the Code, the Declaration of Restrictive Covenants or MBOH requirements, MBOH will terminate the Qualified Contract process until such time as MBOH determines that the Owner or Property has achieved

compliance.

8. Qualified Appraisers

Owners and MBOH shall use only Montana-certified general appraisers for purposes of the Qualified Contract process. Neither Owner nor MBOH shall use any individual or organization as an appraiser if that individual or organization is currently on any list for active suspension or revocation for performing appraisals in any state or is listed on the Excluded Parties Lists System (EPLS) maintained by the General Services Administration for the United States Government.

9. Commencement of One-Year Period; Marketing of the Property

Once all required information, documents and payments are received, reviewed and approved, MBOH will notify the Owner in writing that the one-year period has begun and will begin marketing the Property to the general public. MBOH will undertake reasonable marketing efforts, including posting the marketing information and Qualified Contract Price on the MBOH website and such other efforts as may be deemed reasonable in the sole discretion of MBOH to market the Property to the general public. The Owner must agree to list the Property for sale with a broker who works with affordable multifamily housing properties and must cooperate with the MBOH and such broker in their efforts to market the Property. Marketing of the property will continue until such time as title to the Property has been transferred or the one-year period has expired.

MBOH has the one-year period in which to market and find a buyer for the Property at or above the Qualified Contract Price. The qualified purchaser can be a nonprofit or for-profit entity that agrees to maintain the affordable housing units and fulfill all requirements of the extended use agreement. The proposed purchaser must demonstrate to MBOH's reasonable satisfaction that it is familiar with and prepared to comply with the requirements of the Low Income Housing Tax Credit ("LIHTC") program. MBOH, in its sole discretion, may reject purchasers who have failed to demonstrate proficiency with the LIHTC program or other government programs.

10. Suspension or Termination of One-Year Period

MBOH may suspend the one-year period or terminate the Qualified Contract process if the Owner fails to comply or cooperate, or unreasonably delays in complying or cooperating, as required herein, including without limitation failure to respond to reasonable third-party report requests by MBOH or a potential buyer. MBOH may suspend the running of the one-year period upon providing written notice to the Owner specifying the reason(s) for such suspension, and the action(s) that must be taken by the Owner, the date by which such actions must

be taken and the documentation, if any, of such actions that must be submitted to MBOH in order to restart the running of the one-year period.

MBOH may permanently terminate the Qualified Contract process in the event of multiple instances of or continuation of an ongoing non-compliance or non-cooperation with the Qualified Contract process, if the Owner again fails or continues to fail to comply or cooperate after MBOH has provided a written warning that further failure to comply or cooperate will result in such termination and loss of the opportunity to undertake the Qualified Contract process. In such event, the Restrictive Covenants shall remain effective for the full duration of the Extended Use Period term (including all of the Owner's commitment period) as specified in such Restrictive Covenants and the Owner and any successor in interest shall have no further opportunity to undertake the Qualified Contract process

11. Effect of Acceptance or Rejection of Qualified Contract Offers

A Qualified Contract is an offer determined by MBOH to constitute a bona fide offer to enter into a contract to acquire the non-low-income portion of the building (including the land underlying the entire building) for fair market value and the low-income portion of the building for an amount not less than the Qualified Contract Price, and which contract is determined by MBOH to: (i) provide for closing within a reasonable period of time after the contract is entered into; and (ii) contain no terms or conditions that are unreasonable or impractical under the circumstances.

The Owner is not required to accept the first or any purchase offer presented. However, if the Owner rejects or fails to act upon a Qualified Contract to purchase the Property at or above the QCP presented by a qualified purchaser, the Property will remain subject to the low-income housing commitment set forth in the Restrictive Covenants for the full duration of the Extended Use Period term (including all of the Owner's commitment period) specified therein. The Owner may accept less than the QCP but cannot require a price higher than the QCP. The Owner must notify MBOH of any purchase offers within one (1) business day of receipt.

During the one-year period in which the Property is marketed to the general public, MBOH may adjust the fair market value of the non-low-income portion of the Property only with the consent of the Owner. If the Owner and MBOH do not agree with respect to any proposed reduction of such fair market value, the fair market value of the non-low-income portion of the Property determined as of the commencement of the one-year period remains unchanged.

MBOH shall not be responsible for any closing costs, commissions, fees or other expenses of or related to the sale, purchase or closing. All such amounts shall be payable from closing proceeds and charged to the account of the buyer and/or seller as mutually agreed thereby.

12. Effect of No Qualified Contract

If the Owner has performed its obligations and cooperated in the Qualified Contract process and MBOH is unable to present to Owner a Qualified Contract before the expiration of the one-year period, the Section 42 restrictions set forth in the Restrictive Covenants shall be terminated, except with respect to the Section 42 tenant protections discussed below. For purposes of this paragraph, MBOH has presented a Qualified Contract within the one-year period if MBOH has notified the Owner of such Qualified Contract by email, facsimile transmission or deposit in the U.S. Mail on or before the last day of the one-year period.

In the event of a termination of the Section 42 restrictions set forth in the Restrictive Covenants as provided above, the Property shall remain subject to the tenant protection requirements of §42(h)(6)(E)(II), which provide that, prior to the close of the three-year period following such termination, no Owner shall be permitted to evict or terminate the tenancy (other than for good cause) of an existing tenant of any low-income unit or increase the gross rent for such unit in a manner or amount not otherwise permitted by Section 42 of the Code. In such event, the Owner will be required, at the end of each year of the three-year tenant protection period, to provide certification to MBOH that these requirements have been met. In addition, the Owner will provide written notice to the existing tenants within thirty (30) days after the beginning of the three-year period and annually thereafter for the next two (2) years that the low-income use restrictions have been terminated and of the Section 42 tenant protections provided during the three-year time frame.

In the event of and following such termination of the Section 42 restrictions set forth in the Restrictive Covenants, MBOH shall provide to Owner a partial release reflecting release of the restrictions other than the three-year tenant protections. Following the end of the three-year period, MBOH shall provide to Owner such further release as is necessary and appropriate to fully release all remaining restrictions.

Attachment 1

Qualified Contract Request Letter and Agreement

Date

Montana Board of Housing
301 South Park Ste 240
PO Box 200528
Helena, MT 59620

Re: Qualified Contract Request

Dear

Pursuant to Subsection 42(h)(6)(E)(i)(II) of the Internal Revenue Code (the "Code") and on behalf of _____ (the "Owner"), we hereby request that the Montana Board of Housing (MBOH) find a person to acquire, and present a Qualified Contract for the purchase of the Owner's interest in _____ (the "Property").

We understand that this letter is submitted to initiate the Qualified Contract request process and does not commence the one-year time period for MBOH to present a Qualified Contract for the acquisition of the Property. We understand that we must submit additional information to MBOH at a later date as required by MBOH's Qualified Contract Request Procedure. We understand that the one-year time period will not commence until the date upon which MBOH determines that our request submission is complete and that MBOH will notify us of this determination and the commencement date of the one-year period. We further understand that this letter is submitted for the purpose of confirming our commitment to perform our obligations under the Qualified Contract process.

In support of our Qualified Contract request, we state and represent to MBOH as follows:

1. The Owner did not waive its right to request a Qualified Contract in its Declaration of Restricted Covenants, between the Owner and MBOH. True and correct copies of the recorded Restrictive Covenants for the Property and any amendments thereto are enclosed with this letter.
2. The Property has completed at least the fourteenth (14th) year of its compliance period.

3. The Property is in compliance with all of the requirements of Section 42 of the Code.
4. The owners of all options to purchase and rights of first refusal for all or any part of the Property have unconditionally waived any and all such options and rights, as evidenced by enclosed copies of executed waivers of all such options and rights.
5. Neither we nor any other Owner has previously requested a Qualified Contract on the Property.

In further support of our Qualified Contract request, we represent and certify to MBOH that:

1. We have not been notified of any audit, investigation or disallowance relating to the Property and pertaining to Section 42 of the Code by the Internal Revenue Service.
2. We are solely responsible for the truthfulness, accuracy and completeness of all documents and information that we submit to MBOH with this letter and any other documents or information that we provide to MBOH, appraisers and/or prospective purchasers (collectively, the "Property Sales Information") in connection with this request or any related marketing or sale of the Property.
3. All documents and information submitted with this Letter or in connection with this request for a Qualified Contract are truthful, accurate and complete and contain no material misstatements or misleading information.

In further support of our Qualified Contract request, we acknowledge and agree that:

1. We will cooperate with MBOH and its agents to calculate a Qualified Contract Price and present a Qualified Contract for purchase of the Property. We understand that this includes providing all financial and other information and substantiating documentation reasonably required by MBOH to determine the Qualified Contract Price for the Property in accordance with federal law, including without limitation 29 CFR § 1.42-18, as amended, and MBOH requirements, or for purposes of appraisal, marketing and/or due diligence. Such information and documentation includes but is not limited to the information and documents specified in the MBOH Qualified Contract Price Calculation Form and Worksheets and additional substantiating documentation, and all information and documentation required for appraisal, marketing and due diligence purposes.

2. We agree to provide reasonable access to the Property and relevant records for inspection and audit by MBOH, its agents, appraisers and prospective purchasers in connection with the Qualified Contract process.
3. We agree that MBOH may perform a complete physical inspection and file audit of the Property to determine whether the Owner and Property are in compliance with the provisions of Section 42 of the Code, the Declaration of Restrictive Covenants and MBOH requirements and we agree to pay the cost of such inspection and audit.
4. We understand that our failure to reasonably and timely cooperate, provide or submit any required information, documents, forms, fees or cost reimbursement payments, or respond to report requests, with, to or from MBOH, third parties or potential buyers, may result in either temporary suspension of the one-year period or termination of the Qualified Contract process and the delay or loss of Owner's opportunity to terminate the Restrictive Covenants through the Qualified Contract process.
5. We understand that if, at any time during the Qualified Contract process, MBOH determines that we or the Property is out of compliance with the provisions of Section 42 of the Code, the Declaration of Restrictive Covenants or MBOH requirements, MBOH will terminate the Qualified Contract process until such time as MBOH determines that we have achieved compliance.
6. By submission of this letter, we agree to indemnify, defend, and hold MBOH harmless for all claims and liabilities arising out of MBOH's use of the Property Sales Information for purposes of the Qualified Contract process.
7. We agree that MBOH and its employees and agents shall have no liability to us with respect to the calculation of the Qualified Contract Price or any other act, omission, or determination by MBOH with respect to marketing the Property or carrying out its responsibilities under Subsection 42(h)(6)(F) of the Code, so long as MBOH is acting in good faith.
8. The one-year period will commence, if at all, on the date specified by MBOH in its written notice to the Owner. Having commenced, the running of the one-year period may be suspended or tolled at the discretion of MBOH based upon our failure to reasonably and timely perform any requirements of the Qualified Contract process.
9. We understand that if MBOH presents a Qualified Contract for the acquisition of the Property within the one-year period and the Owner rejects or fails to act upon such contract, the Property will remain subject to the Declaration of

Restricted Covenants for the full duration of the Extended Use Period, and there will be no further or additional opportunity for the Owner to terminate such covenants through the Qualified Contract process

10. If we choose to execute the Qualified Contract, we will: (i) allow the prospective purchaser a reasonable period of time to undertake additional, customary due diligence prior to closing of the purchase; and (ii) agree with the buyer as required by 29 CFR § 1.42-18(c)(ii) to such adjustments in the amount of the low-income portion of the Qualified Contract Price to reflect changes in the components of the Qualified Contract formula (e.g., mortgage payments that reduce outstanding indebtedness) between the time of MBOH's offer of sale to the general public and the building's actual sale closing date.
11. If we perform our obligations under the Qualified Contract process and MBOH is unable to present a Qualified Contract during the one-year period, resulting in termination of the Section 42 requirements as set forth in the Restrictive Covenants, we are not permitted to and shall not, prior to the close of the three-year tenant protection period following such termination, evict or terminate the tenancy (other than for good cause) of an existing tenant of any low-income unit or increase the gross rent for such unit in a manner or amount not otherwise permitted by Section 42 of the Code.

Sincerely,

Attachments

Attachment 2
Montana Board of Housing
Montana Housing Tax Credit
Qualified Contract Price Calculation Form
Pursuant to Subsection 42(h)(6)(F) of the Internal Revenue Code and in Accordance
with 26 CFR 1.42-18, as amended

A. Calculation of the Low-Income Portion of the Building(s):

- (i) Outstanding Indebtedness for the Building(s) (from *Worksheet A*) \$ _____
- (ii) Adjusted Investor Equity in the Building(s) (from *Worksheet B*) \$ _____
- (iii) Other Capital Contributions not reflected in (i) or (ii) (from *Worksheet C*) \$ _____
- (iv) Total of (i), (ii) and (iii) \$ _____
- (v) Cash Distributions from (or available for distribution from) the Building(s) (from *Worksheet D*) \$ _____
- (vi) Line (iv) reduced by Line (v) \$ _____
- (vii) Applicable fraction specified in the extended low-income housing commitment _____ %
- (viii) Low-Income Portion of the Qualified Contract Price (Line (vi) multiplied by Line (vii)) \$ _____

B. Fair Market Value of the Non-Low-Income Portion of the Building(s) (from *Worksheet E*) \$ _____

Qualified Contract Price*
(Sum of Line A(viii) and Line B) \$ _____

*If this sum is not a multiple of \$1,000, then when MBOH offers the building(s) for sale to the general public, MBOH may round up the offering price to the next highest multiple of \$1,000.

WORKSHEET A
Outstanding Indebtedness for the Building(s)
 Code Subsection 42(h)(6)(F)(i)(I) and 26 CFR 1.42-18(c)(3)

Instructions

You must use 26 CFR Section 1.42-18(c)(3), or the appropriate section of its successor, to determine the Outstanding Indebtedness for the Building(s).

In the section marked "Other Information" below please set forth any information with respect to the loans that may be relevant to MBOH's efforts to market the property. Examples of relevant information include whether the loan has a "due-on-sale" clause or if any portion of the loan is payable from net cash flow (i.e., is "soft" debt).

Worksheet

Debt Source	Lien Position and Loan Terms	Most Recent Payment Date	Remaining Stated Principal Balance*
Subtotal			
Less:**			
Adjustment 1:			
Adjustment 2:			
Adjustment 3:			
Total Indebtedness with respect to Low-Income Portion of the Building(s)			

Other Information:

*Please attach an amortization schedule, if available.

**Please provide a description of any adjustments in the cells provided. Adjustments may include, but are not limited to, the following:

- Any refinancing indebtedness or additional mortgages in excess of qualifying building costs (described in 26 CFR 1.42-18(b)(4)).
- Outstanding debt that was used to finance nondepreciable land costs, syndication costs, legal and accounting costs, syndication costs, legal and accounting costs, and operating deficit payments.

WORKSHEET B
Adjusted Investor Equity in the Building(s)
 Code Section 42(h)(6)(F)(i)(II) and 26 CFR 1.42-18(c)(4)

Instructions

You must use 26 CFR 1.42-18(c)(4), or the appropriate section of its successor, to determine the Adjusted Investor Equity in the Building(s).

Note: The calculation requires the use of the U.S. Department of Labor's Bureau of Labor Statistics ("BLS") Consumer Price Index ("CPI"). The CPI data to be used are the not seasonally adjusted values of the CPI for all urban consumers, sometimes referred to as CPI-U. The BLS publishes the CPI data on-line. See www.BLS.gov/data.

Worksheet

1. Unadjusted Investor Equity

Investor (Owner) Name	Date Invested	Amount of Cash Invested
Subtotal		
Less:*		
Adjustment 1:		
Adjustment 2:		
Adjustment 3:		
Total Unadjusted Investor Equity		

*Please provide a description of any adjustments in the cells provided. Adjustments may include, but are not limited to, the following:

- Any equity paid for land, credit adjuster payments, Fund low-income housing credit application and allocation fees, operating deficit contributions, and legal, syndication, and accounting costs.
- Amounts that, as of the beginning of the low-income building's credit period (as defined in Subsection 42(f)(1) of the Code), were not obligated to be invested.

- Amounts included in the calculation of outstanding indebtedness as defined in 26 CFR 1.42-18(c)(3).

2. Qualified-contract cost-of-living adjustment – General Rule

Calendar Year that Precedes the Calendar Year in which MBOH Offers the Building for Sale to the General Public (“Year A”): _____

Base Calendar Year (the Calendar Year With or Within which the First Taxable Year of the Credit Period Ends) (“Year B”) : _____

Did the CPI for any calendar year (within the meaning of Subsection 1(f)(4) of the Internal Revenue Code) during the extended use period after the base calendar year exceed by more than five percent the CPI for the preceding calendar year (within the meaning of Subsection 1(f)(4)) of the Internal Revenue Code)? (Yes or No)

If no, no adjustments need to be done to the CPI-U for the months below.

If yes, then the sum of the CPI-I for Year B (below) is to be increased (*) so that the excess is never taken into account.

Month	Year A	CPI-U	Month	Year B	CPI-U
September			September		
October			October		
November			November		
December			December		
January			January		
February			February		
March			March		
April			April		
May			May		
June			June		
July			July		
August			August		
Total Year A CPI-U			Total Year B CPI-U		
			Adjustment (Increase)*		
			Adjusted Total Year B CPI-U		

Important Note: See the example given in 26 CFR 1.42-18(c)(4)(vii) to assist you in completing the table above.

Year A CPI-U Total from above (_____) divided by Year B CPI-U Total from above (_____) equals Qualified-Contract Cost-of-Living Adjustment per the General Rule (carried out to ten decimal places): _____.

3. Qualified-contract cost-of-living adjustment – Provision by the Commissioner of the qualified-contract cost-of-living adjustment

If the Commissioner published in the Internal Revenue Bulletin a process pursuant to which the Internal Revenue Service will compute the qualified-contract cost-of-living adjustment for a calendar year and made available the results of that computation, describe below:

4. Adjusted Investor Equity

Description	Amount
Unadjusted Investor Equity (from 1 above)	
Times: Qualified-contract cost-of-living adjustment (from 2 or 3 above)	
Equals: Adjusted Investor Equity (rounded to the nearest dollar)	

WORKSHEET C
Other Capital Contributions
 Code Section 42(h)(6)(F)(i)(III) and 26 CFR 1.42-18(c)(5)

Instructions

You must use 26 CFR 1.42-18(c)(5), or the appropriate section of its successor, to determine the Other Capital Contributions.

Do not include in this Worksheet C any amounts included in Worksheets A or B.

Worksheet

Date	Reason/Description*	Amount Paid or Incurred
Subtotal		
Less:**		
Adjustment 1:		
Adjustment 2:		
Adjustment 3:		
Total Other Capital Contributions		

*Describe the Other Capital Contributions. Other capital contributions to a low-income building are qualifying building costs described in 26 CFR 1.42-18(b)(4)(ii) paid or incurred by the owner of the low-income building other than amounts included in the calculation of outstanding indebtedness (from Worksheet A) or adjusted investor equity (from Worksheet B).

**Please provide a description of any adjustments in the cells provided. Adjustments may include, but are not limited to, the following:

- Expenditures for land costs, operating deficit payments, credit adjuster payments, and payments for legal, syndication, and accounting costs.
- Expenditure that was financed by a loan that WAS secured by the qualifying building cost (asset) or the building.

WORKSHEET D

Cash Distributions from (or available for distribution from) the Building(s)
Code Section 42 (h)(6)(F)(ii) and 26 CFR 1.42-18(c)(6)

Instructions

You must use 26 CFR 1.42-18(c)(6), or the appropriate section of its successor, to determine the Cash Distributions from (or available or distribution from) the Building(s).

Note: Proceeds from the refinancing of indebtedness or additional mortgages that are in excess of qualifying building costs are not considered cash available for distribution.

Worksheet

A. Total Cash Distributions

Distribution Made To	Date of Distribution	Distribution Amount
Total Cash Distributions		

B. Cash and Cash Equivalents Available for Distribution:

Account Name	Balance "as of" Date	Account Balance
Total Cash and Cash Equivalents Available for Distribution		

C. Total Cash Distributed and Available for Distribution
(Sum of Sections A and B above)

\$ _____

WORKSHEET E
Fair Market Value of the Non-Low-Income Portion
Code Section 42 (h)(6)(F) and 26 CFR 1.42-18(b)(3)

Instructions

You must use 26 CFR 1.42-18(b)(3), or the appropriate section of its successor, to determine the Fair Market Value of the Non-Low-Income Portion. Of particular note, please see the discussion of how land is to be considered.

Worksheet

The fair market value of the non-low income portion is: \$ _____.

Attach to this worksheet the appraisal, study, methodology proof and/or other support for the fair market value of the non-low-income portion of the building(s).

**REVERSE ANNUITY MORTGAGE PROGRAM
EXCEPTION REQUEST
June 9, 2014**

**Increase Cash Advance to: \$43,000
House appraised at \$93,000 October, 2013.**

- Single woman in Choteau age-71
- Current annual income: \$13,345.20(income limit for 1 is \$22,980)

NEED FOR LOAN-

1. Pay off sister's portion of a house so she doesnot have to pay sister rent-\$33,000
2. Pay off outstanding funeral and other bills\$10,000

Total-\$43,000