

2007 TAX CREDIT AWARDS

Housing tax credit awards are made each year by the state housing finance agencies of Montana, North Dakota, and Wyoming.

Montana:

The 2007 Housing Tax Credits have been fully awarded.

It turned out to be a highly competitive funding round in Montana. Sixteen applications were received requesting \$5,963,638 in credits. Six applications were awarded tax credits totaling \$2,355,324 in funding. The projects to receive credits promise affordable housing developments throughout the state—rural communities, small towns, and larger cities are all to benefit. MPEG congratulates the successful applicants.

Ouellette Place (Lewistown); acq/rehab/new construction / 24 units by Lewistown Community Development Corp.

Polson Meadows (Polson); new construction / 40 units by Cherry Lakeland Properties LLP

Liberty Lanes (Missoula); acq/rehab / 35 units by homeWORD, Inc.

Eagle Manor II Residences (Helena); acq/rehab / 43 units by Rocky Mountain Development Council

Makoshika Estates (Glendive); new construction / 18 units by Dawson County Economic Development Council

Fort Peck Housing LP1 (Poplar); acq/rehab / 46 units by Fort Peck Housing Authority

For more information about the 2007 LIHTC allocations in Montana, visit the following website:

http://housing.mt.gov/Hous_BOH_MF.asp



Moon over Makoshika - photo by Jim Schaefer

North Dakota:

First round of LIHTC applications closed April 27, 2007

The North Dakota LIHTC application deadline was April 27, 2007. Nine applications were received requesting \$2,407,924 of the available \$2,504,582 in funds. Awards will be announced following the application review process. If available funds are not fully allocated in the first round, a second round of awards is planned with a June 22, 2007, closing date. If, after the second funding round, credits remain unallocated or more credits become available, an open funding round will be offered until September 28, 2007. To obtain more information about the 2007 LIHTC applications with the North Dakota Housing Finance Agency, visit the following website:

www.ndhfa.org/Default.asp?nMenu=05019



Wyoming:

The 2007 Housing Tax Credits have been fully awarded.

Out of six LIHTC applications received from around the state, three were awarded tax credits totaling close to \$2 million. These projects will add affordable housing to the communities of Gillette, Riverton, and Casper. The developments are sure to be great assets in Wyoming, so MPEG offers a sincere “congratulations” to the successful applicants.

Legacy Senior Residences (Casper); new construction / 54 units by Cornerstone Associates

Antelope Ridge Apartments (Gillette); new construction / 71 units by Summit Management Group

Woodridge Apartment Homes (Riverton); new construction / 40 units by G.A. Haan Development

To obtain more information about the 2007 LIHTC applications with the Wyoming Community Development Authority, visit the following website:

www.wyomingcda.com/Housing_Dev/Housing_Low_Income.html

INSIDE THIS ISSUE

Tax Credit Awards	1
President's Message	2
Compliance Corner	3
Coming Soon	3
Partner News	4
New to MPEG	4
A Look Around the Region ..	5
Upcoming Events	5

OUR VISION

Mountain Plains Equity Group, Inc., is dedicated to the development of affordable housing units. By providing equity investment capital and other key resources to project developers, MPEG is working to promote sustainable growth in our communities and enhance the quality of life in Montana, Wyoming and North Dakota.



PRESIDENT'S MESSAGE

A tribute and many thanks to our investors.



Don Sterhan
MPEG President & CEO

As a relatively new company, we take great pride in the milestones we achieve at Mountain Plains Equity Group (MPEG). In this spirit, we are pleased to announce perhaps the most important milestone yet...the formation of our second equity fund.

That's right, the investment capital raised in MPEG's first equity fund has been fully allocated and we are now turning our attention to Fund # 2. Already we have identified several good tax credit projects in the pipeline for the 2007-08 business cycle, so the need and opportunity for Fund #2 is without question. Within this process, it is especially gratifying to know that MPEG is proving to be a key resource in the development of quality, affordable housing.

But with that said, I believe the real credit goes to our investors! None of this would even be possible without the support and confidence of our investors: Bank of the West, Fannie Mae, First Interstate Bank, and Wells Fargo Community Development Corporation.

By pledging capital, these institutions provide the funding that is absolutely critical to the process. In doing so, they are clearly demonstrating their long-term commitment to the success and well being of our local communities.

So allow me to once again recognize and thank our distinguished group of investors. Their support has been essential in bringing MPEG to this point – and it will be equally important as we move forward to new heights and still greater milestones.



Heritage Village in Milnor, North Dakota

WE CAN HELP

MPEG can help carry the load by offering industry knowledge and technical expertise.

Developing a tax credit housing project in your community can be an exciting and rewarding proposition. But for those of you who are new to such an undertaking, the multi-step process is sure to be a little intimidating. MPEG, as part of your team, can help carry the load by offering industry knowledge and technical expertise on many levels:

- Offering Project Feasibility Analysis
- Providing Equity Capital and other Sources
- Organizing the Development Team
 - Owner, Developer, Property Manager
 - Architect, Engineer, Appraiser
 - Contractor Negotiations
 - Lenders and Financing Sources
 - Interface with local, state and federal agencies
- Assisting with the Tax Credit Application
- Performing Due Diligence
- Offering Knowledge of LIHTC Compliance Requirements

MPEG is a valuable resource to help ensure the success of your project. Ask MPEG for assistance – and embrace the opportunity ahead!



COMPLIANCE CORNER

An IRS guide has been developed with the intention of helping the state housing finance agencies complete IRS Form 8823.

“Designed for state agencies, owners benefit from the information as well.”

Although this new guide is not IRS official guidance, it is intended to assist with interpreting various housing credit provisions. The guide consists of 26 chapters detailing the different categories of noncompliance:

- Failure of households to meet the initial qualified income limit
- Inaccurate tenant income certification/recertification
- Failure to provide complete/accurate annual certifications
- Failure to timely execute/record an extended use agreement
- Failures to respond to agency requests for monitoring reviews
- Violation of physical inspection standards
- Changes in the eligible basis/applicable percentage
- Failure of a project to meet the minimum set-aside requirement
- Gross rents above tax credit limits
- Project not available to general public
- Violation of the next available unit/vacant unit rules
- Occupancy of units by nonqualified full-time students
- Failure to properly calculate utility allowances
- Use of low-income units on a transient basis
- Project out of compliance or no longer participating

To obtain more information about the IRS guide visit the following website: http://www.ncsha.org/uploads/8823_guide_final.pdf

COMING SOON

TO A COMMUNITY NEAR YOU . . .

Garden Hills Senior Living is now under construction in Jamestown, North Dakota.

This 36-unit project offers tenants an array of amenities including a comfortable floor plan with modern appliances, community room, fitness center, elevator, and 24-hour secured access. MPEG is working with the developer to close financing by July 1, 2007.



Garden Hills Senior Living, Jamestown, North Dakota

Current Tax Credit Rates

LIHTC RATES	2006		2007	
	30%	70%	30%	70%
January	3.46%	8.07%	3.46%	8.08%
February	3.45%	8.05%	3.48%	8.11%
March	3.46%	8.07%	3.49%	8.15%
April	3.47%	8.11%	3.47%	8.11%
May	3.49%	8.15%	3.47%	8.11%
June	3.52%	8.21%		
July	3.52%	8.21%		
August	3.53%	8.23%		
September	3.51%	8.19%		
October	3.49%	8.15%		
November	3.48%	8.12%		
December	3.48%	8.12%		

“Old Rosary Hospital in Miles City, Montana, is being converted into affordable housing apartment units.”

There is a terrific project underway in Miles City to convert the Old Holy Rosary Hospital into affordable housing apartment units. Sponsored by the Miles City Housing Authority, and under the leadership of Melissa Hartman, the project is using a number of funding sources (including tax credits) to finance the rehabilitation of this historic building.



Melissa Hartman

This project is also attracting serious attention from some pretty impressive sources. HGTV Restore America along with the National Trust for Historic Preservation recently announced the award of a \$50,000 grant to assist the Miles City Housing Authority with the project. This grant was one of 12 restoration projects awarded funding (out of over 100 applications) under the HGTV Restore America 2006-2007 Campaign. The grant will be used to assist in the transformation of the old hospital into a 21-unit apartment complex for low-income families.



The hospital was built in 1910 to serve the area railroaders, cattle barons, city founders, and settlers. In the late 1940's a new addition to the hospital was constructed, but the original building continued to serve the community as a portion of the medical center. In 1995, the hospital complex was completely vacated, ending nearly 86 years of service. Vacant for almost 12 years, the building is now undergoing major renovation, a labor of love that will allow the building to once again serve the community ... this time as affordable housing.

Mountain Plains Equity Group, Inc., is proud to be a partner with the Miles City Housing Authority in supporting this effort. Congratulations on the grant award and keep up the good work! To obtain more information about the HGTV Restore America initiative visit the following website: http://www.hgtv.com/hgtv/rm_restoration_homes_areas

“Rock Butte Apartments in Green River, Wyoming is the result of a successful team effort.”

MPEG was in attendance on April 2nd for the kick-off of the construction/rehabilitation effort now underway at the former Sundance Apartments in Green River, Wyoming. This aging 70-unit multi-family apartment complex is now being upgraded and, to go along with the renovation, the property will be renamed as Rock Butte Apartments. This project serves as a great example of how to tax credits can be used to preserve and upgrade our existing inventory of low-income housing.



This project is the result of a very successful team effort, so MPEG offers congratulations to the WCDA, the USDA Rural Development Office and the developer, Machacek Real Estate Holding Company.



Left to right - Gary Machacek, Gayle Brownlee & George Axlund (WCDA), and Rod Hansen (USDA Rural Development)

NEW TO MPEG

Kelly Metcalf
Office Administrative Assistant



Kelly Metcalf joined MPEG on a part-time basis in September of 2006 taking on the roll of Office Administrative Assistant. She has a varied background of experience with computers, project management, office administration, and professional organizing. Kelly spent the last two years developing her own business, Organized Mode, offering her organizational skills to residential and small business clients. Prior to that, she was employee of Computers Unlimited, a national industrial and medical software vendor, for over ten years. Ms. Metcalf holds a Bachelor of Science Degree in Biomedicine from Montana State University.

A LOOK AROUND *THE REGION*

Montana

MPEG congratulates Tamarack Property Management (Billings, MT) on the success of their LIHTC training seminar. This event was held March 13-14 in Bozeman and it was attended by over 30 individuals.

North Dakota

MPEG congratulates the North Dakota Housing Finance Agency on the success of their 16th Annual Statewide Housing Conference held recently at the Ramkota Hotel in Bismarck, North Dakota.

Wyoming

MPEG extends congratulations to George Axlund on his retirement from the Wyoming Community Development Authority after 30 years of service. Family, friends, and colleagues offered their well-wishes during a retirement party held at the Casper Petroleum Club on April 25, 2007. As George was one of the original founders of MPEG, we offer our appreciation for his visionary role in the company. MPEG wishes George all the best in his future activities and endeavors.



George Axlund

UPCOMING *EVENTS*

Montana:

- Spectrum Seminars
 - S.T.A.R. Certification Seminar - A comprehensive two-day course on the RD 515 Program.
Holiday Inn Grand, Billings, MT
June 25 – 26, 2007
To register: www.spectrumseminars.com
 - Tax Credit - C3P (Certified Credit Compliance Professional) - A two-day certification course on marketing and management of LIHTC properties.
Holiday Inn Grand, Billings, MT
June 27 – 28, 2007
To register: www.spectrumseminars.com
- 2009 QAP Training and Review - Sponsored by the Montana Board of Housing
Bozeman Holiday Inn, Bozeman, MT
May 31 – June 1, 2007

North Dakota:

- NDHFA Advisory Board Meetings
June 15, 2007
July 13, 2007
- Fundamentals of Fair Housing by Fair Housing of the Dakotas
 - **Airport International Inn, Williston, ND**
May 22, 2007 (1:00 pm - 4:45 pm)
To register: [FHD Workshop Flyer-2007.pdf](#)
 - **Ramada Plaza & Suites, Fargo, ND**
July 12, 2007 (1:00 PM – 4:45 PM)
Registration information available soon
- Mountain Plains Housing Summit - Medora, North Dakota
June 3-5, 2007

Wyoming:

- Wyoming Housing Conference - The Sheridan Holiday Inn, Sheridan, Wyoming - **May 30 – June 1, 2007**
- HOME and CDBG application deadline - **August 1, 2007**
- USDA Regional Conference - Jackson Hole, Wyoming
August 21-23, 2007
- WCDA Annual Meeting - Sheridan, Wyoming
September 30 – October 4, 2007

Other notices and events:

- LIHTC Compliance Workshop and Certification - Presented by Novogradac & Company
June 7-8, 2007 / Washington, DC
October 4-5, 2007 / San Francisco, CA
Info. on website: www.novoco.com/events
- National Council of State Housing Agencies (NCSHA) Housing Credit Conference & Marketplace - San Francisco Marriott, San Francisco, CA
June 19 - 22, 2007
Info. on website: www.ncsha.org/section.cfm/6
- NASLEF 14th Annual Conference - The Wyndham Burlington, Burlington, VT - **September 26 – 28, 2007**
- USDA RD Section 515 Rural Rental Housing Loan Fund Application Deadline - **June 29, 2007**
- HUD Energy Training Webcast Series - Focus on energy efficient building management and housing rehabilitation
Helena Field Office
June 14, 2007
September 13, 2007