

**MINUTES**  
**SOUTH DAKOTA HOUSING DEVELOPMENT AUTHORITY**  
**BOARD OF COMMISSIONER'S MEETING**  
**SDHDA CONFERENCE ROOM**  
**Telephonic**  
**March 9, 2016**

**Board Members Present:** Lloyd Schipper, Chairman  
David Pummel, Vice Chair  
Brent Dykstra, Treasurer  
Bill Hansen, Commissioner  
Rick Hohn, Commissioner  
Steve Kolbeck, Commissioner  
Mark Puetz, Commissioner

**Board Members Absent:** None.

**Staff Present:** Mark Lauseng, Executive Director  
Todd Hight, Director of Finance and Administration  
Brent Adney, Director of Homeownership Programs  
Vona Johnson, Director of Rental Housing Management  
Lorraine Polak, Director of Rental Housing Development  
Amanda Weisgram, Director of Research and Marketing  
Sheila Ricketts, Marketing/Executive Assistant

**Guests Present:** Dixie Hieb, Davenport, Evans, Hurwitz & Smith, Counsel to SDHDA

**I. CALL TO ORDER, ROLL CALL, CONFLICTS OF INTEREST**

The meeting was called to order at 10:01 a.m. and roll was called. No conflicts of interest with respect to the current Agenda were noted. Executive Director Lauseng brought to the Board's attention a matter that Commissioner Puetz had raised with respect to his company doing work for a project that had previously been awarded funds by SDHDA. Attorney Dixie Hieb stated that accepting such work should not constitute a conflict under South Dakota law or the Authority's conflict of interest policy. Attorney Hieb also stated that she would provide Executive Director Lauseng with a memorandum detailing the analysis with respect to this matter.

**II. APPROVAL OF AGENDA**

It was moved by Commissioner Hansen and seconded by Commissioner Pummel that the Agenda be adopted as amended, but reserving the right to make further changes during the meeting.

Via roll call vote, the following votes were recorded:  
Voting AYE: Chairman Schipper, Commissioners Dykstra, Hansen, Hohn, Kolbeck, Pummel and Puetz.

### **III. APPROVAL OF MINUTES**

It was moved by Commissioner Dykstra and seconded by Commissioner Kolbeck that the Minutes of the Board of Commissioners' Meeting held on February 17, 2016, be adopted as presented.

Via roll call vote, the following votes were recorded:

Voting AYE: Chairman Schipper, Commissioners Dykstra, Hansen, Hohn, Kolbeck, Pummel and Puetz.

### **IV. EXECUTIVE DIRECTOR'S REPORT**

Executive Director Lauseng reported that the Legislature was wrapping up. Senate Bill 45, which made administrative changes to the Housing Opportunity Fund, was passed and provides that the allocated Housing Opportunity Funds will be disbursed to SDHDA after they have been obligated by the SDHDA Board of Commissioners, which serves as the statutory oversight board for the funds. Mountain Plains Housing Summit registrations will need to be in by the end of March. Executive Director Lauseng stated that staff would have an exhibitor's booth this weekend at the Black Hills Home Show in Rapid City. He also said the Governor's Office is providing funding to SDHDA to host a Passive House Training for builders in Sioux Falls on April 27 and for architects at the end of March.

### **V. OLD BUSINESS**

#### **A. Resolution No. 16-03-10: Resolution to Approve Sale of Majestic View Townhouses, Assumption of HOME Mortgage Loan, and Issue a Preservation Mortgage Loan**

After review and discussion, it was moved by Commissioner Hansen and seconded by Commissioner Pummel that the above Resolution be adopted as follows:

WHEREAS, the previous owners of Majestic View Townhouses, Hot Springs, South Dakota, transferred the property to the South Dakota Housing Development Authority (SDHDA) in a Deed in Lieu of Foreclosure in December 2015;

WHEREAS, SDHDA would like to sell its interests in Majestic View Townhouses to a qualifying buyer that will continue to offer the units as affordable housing and assume the Housing Assistance Payment (HAP) Contract; and

WHEREAS, Majestic View Townhomes, LLC, the proposed buyer, has met SDHDA's criteria for ownership, financing, and administration of the HAP Contract (see the attached Commitment Summary);

NOW, THEREFORE, BE IT RESOLVED that the transfer of ownership of Majestic View Townhouses to Majestic View Townhomes, LLC, is hereby approved;

BE IT FURTHER RESOLVED that, as a condition to the foregoing transfer, the existing HOME loan and mortgage, in the amount of approximately \$825,000, be assumed by Majestic View Townhomes, LLC; and

BE IT FURTHER RESOLVED that a preservation loan and mortgage, in the approximate amount of \$402,000, be issued to Majestic View Townhomes, LLC.

Via roll call vote, the following votes were recorded:

Voting AYE: Chairman Schipper, Commissioners Dykstra, Hansen, Hohn, Kolbeck, Pummel and Puetz.

**B. Resolution No. 16-03-11: Resolution to Approve Sale of Riverview Townhouses and Issue a Preservation Mortgage Loan**

After review and discussion, it was moved by Commissioner Puetz and seconded by Commissioner Pummel that the above Resolution be adopted as follows:

WHEREAS, the previous owners of Riverview Townhouses, Philip, South Dakota, transferred the property to the South Dakota Housing Development Authority (SDHDA) in a Deed in Lieu of Foreclosure in December 2015;

WHEREAS, SDHDA would like to sell its interests in Riverview Townhouses to a qualifying buyer that will continue to offer the units as affordable housing and assume the Housing Assistance Payment (HAP) Contract; and

WHEREAS, Riverview Townhomes, LLC, the proposed buyer, has met SDHDA's criteria for ownership, financing, and administration of the HAP Contract (see the attached Commitment Summary);

NOW, THEREFORE, BE IT RESOLVED that the transfer of ownership of Riverview Townhouses to Riverview Townhomes, LLC, is hereby approved; and

BE IT FURTHER RESOLVED that a preservation loan and mortgage, in the approximate amount of \$251,000, be issued to Riverview Townhomes, LLC.

Via roll call vote, the following votes were recorded:

Voting AYE: Chairman Schipper, Commissioners Dykstra, Hansen, Hohn, Kolbeck, Pummel and Puetz.

**C. Resolution No. 16-03-12: Resolution to Approve Sale of Senechal Apartments and Issue a Preservation Mortgage Loan**

After review and discussion, it was moved by Commissioner Hansen and seconded by Commissioner Kolbeck that the above Resolution be adopted as follows:

WHEREAS, the previous owners of Senechal Apartments, Philip, South Dakota, transferred the property to the South Dakota Housing Development Authority (SDHDA) in a Deed in Lieu of Foreclosure in December 2015;

WHEREAS, SDHDA would like to sell its interests in Senechal Apartments to a qualifying buyer that will continue to offer the units as affordable housing and assume the Housing Assistance Payment (HAP) Contract; and

WHEREAS, Senechal Apartments, LLC, the proposed buyer, has met SDHDA's criteria for ownership, financing, and administration of the HAP Contract (see the attached Commitment Summary);

NOW, THEREFORE, BE IT RESOLVED that the transfer of ownership of Senechal Apartments to Senechal Apartments, LLC, is hereby approved; and

BE IT FURTHER RESOLVED that a preservation loan and mortgage, in the approximate amount of \$185,000, be issued to Senechal Apartments, LLC.

Via roll call vote, the following votes were recorded:

Voting AYE: Chairman Schipper, Commissioners Dykstra, Hansen, Hohn, Kolbeck, Pummel and Puetz.

**D. Resolution No. 16-03-13: Resolution to Modify Commitment of Housing Opportunity Funds for HAPI Homebuyer Assistance Program**

After review and discussion, it was moved by Commissioner Pummel and seconded by Commissioner Hansen that the above Resolution be adopted as follows:

WHEREAS, per Resolution 15-05-26, a Conditional Commitment of Housing Opportunity Funds (HOF) in the amount of \$231,000 was previously awarded to Homes Are Possible, Inc. (Applicant); and

WHEREAS, Applicant has requested changes to the terms of the HOF Financing due to changes in the program;

NOW, THEREFORE, BE IT RESOLVED that the Executive Director be authorized to modify terms as specified on the Amended Conditional Commitment Summary.

Via roll call vote, the following votes were recorded:

Voting AYE: Chairman Schipper, Commissioners Dykstra, Hansen, Hohn, Kolbeck, Pummel and Puetz.

**VI. NEW BUSINESS**

**A. Resolution No. 16-03-14: Resolution to Approve and Authorize Release of Draft 2015 Consolidated Plan Annual Performance Report for Public Comment**

After review and discussion, it was moved by Commissioner Dykstra and seconded by Commissioner Kolbeck that the above Resolution be adopted as follows:

WHEREAS, SDHDA is responsible for the development of the 2015 Consolidated Plan Annual Performance Report (Report); and

WHEREAS, such Report, which has been reviewed by the Board, must be made available for public comment for a 15-day period;

NOW, THEREFORE, BE IT RESOLVED that the Draft 2015 Consolidated Plan Annual Performance Report, dated March 9, 2016, is hereby approved and the Executive Director is authorized to release the Report for the purpose of taking public comment; and

BE IT FURTHER RESOLVED that public comments received be incorporated into the Report and the final Report be submitted to the U.S. Department of Housing and Urban Development (HUD) by March 31, 2016.

Via roll call vote, the following votes were recorded:

Voting AYE: Chairman Schipper, Commissioners Dykstra, Hansen, Hohn, Kolbeck, Pummel and Puetz.

**B. Resolution No. 16-03-15: Resolution to Approve Waiver Request for HOME Program Governor's House Homebuyer Assistance**

After review and discussion, it was moved by Commissioner Pummel and seconded by Commissioner Dykstra that the above Resolution be adopted as follows:

WHEREAS, Rural Development is financing the purchase of a Governor's House;

WHEREAS, cost overruns have been incurred and funding is being requested from the HOME Program Governor's House Homebuyer Assistance set-aside;

WHEREAS, Rural Development has requested a waiver of the HOME Allocation Plan and the HOME Homebuyer Assistance Policy & Procedure Manual requirements with regard to certain underwriting standards relating to the total development cost of the home exceeding appraised value; and

WHEREAS, this waiver request is for the address 2019 S. Merton St, Aberdeen, SD 57401;

NOW, THEREFORE, BE IT RESOLVED that the waiver is hereby approved for 2019 S. Merton St.

Via roll call vote, the following votes were recorded:

Voting AYE: Chairman Schipper, Commissioners Dykstra, Hansen, Hohn, Kolbeck, Pummel and Puetz.

**VII. DATE OF NEXT MEETING AND ADJOURNMENT**

The next Board of Commissioners' Meeting is scheduled for March 29 at 10:00 a.m. It was moved by Commissioner Dykstra and seconded by Commissioner Kolbeck that the meeting adjourn. The meeting adjourned at 10:47 a.m.

Respectfully submitted,

  
Mark Lauseng  
Secretary