

MINUTES
SOUTH DAKOTA HOUSING DEVELOPMENT AUTHORITY
BOARD OF COMMISSIONER'S MEETING
SDHDA CONFERENCE ROOM
Telephonic
May 21, 2019

Board Members Present: David Pummel, Chairman
Brent Dykstra, Vice-Chair
Bill Hansen, Treasurer
Scott Erickson, Commissioner
Rick Hohn, Commissioner
Steve Kolbeck, Commissioner
Mark Puetz, Commissioner

Board Members Absent: None

Staff Present: Mark Lauseng, Executive Director
Brent Adney, Director of Homeownership Programs
Mike Harsma, Director of Single Family Development
Todd Hight, Director of Finance and Administration
Tasha Jones, Director of Rental Housing Management
Lorraine Polak, Director of Rental Housing Development
Amanda Weisgram, Director of Marketing and Research
Sheila Ricketts, Marketing/Executive Assistant
Scott Rounds, Housing Development Officer

Guests Present: Dixe Hieb, Davenport, Evans, Hurwitz & Smith, Counsel to SDHDA
Mike Walker, NeighborWorks Dakota Home Resources
Ben Ide, G.A. Haan Development

I. CALL TO ORDER/CONFLICTS OF INTEREST

The meeting was called to order at 10:00 a.m. and roll was called. Chairman Pummel called for conflicts of interest and none were noted.

II. PUBLIC COMMENT

None.

III. APPROVAL OF AGENDA

It was moved by Commissioner Hohn and seconded by Commissioner Kolbeck that the Agenda be adopted as presented but reserving the right to make further changes during the meeting.

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

IV. APPROVAL OF MINUTES

It was moved by Commissioner Puetz and seconded by Commissioner Dykstra that the Minutes of the Board of Commissioners' Meeting held on April 17, 2019, be adopted as presented.

Via roll call vote, the following votes were recorded:

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

V. EXECUTIVE DIRECTOR'S REPORT

Executive Director Lauseng stated he will be attending the Home Address gathering in Wall May 22-23, 2019. He stated he will be attending the SDBA/NDBA Annual Convention June 2-4, 2019 along with Brent Adney, Director of Homeownership Programs. Executive Director Lauseng stated he will be attending the Homeless Summit June 18-19, 2019. He stated the Governor's House Staff is working on the first DakotaPlex.

VI. OLD BUSINESS

A. Resolution No. 19-05-32: Resolution to Approve Housing Tax Credit Program Waiver Request for Madison Park Townhomes

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

WHEREAS, per Resolution No. 18-11-76, Vermillion Madison Park Apartments II LLC (Owner) received a Reservation of Housing Tax Credits (HTC) for Madison Park Townhomes;

WHEREAS, per the Carryover Allocation Agreement with the Owner, in order to receive a carryover allocation, the Owner must expend more than ten percent of the expected basis in the project (10% test) by June 1, 2019;

WHEREAS, the Owner has requested a waiver of this requirement and an extension to November 15, 2019 with respect to the 10% Test and related certification; and

WHEREAS, the federal requirements allow such a waiver and extension;

NOW, THEREFORE, BE IT RESOLVED that the Board hereby approves the request, and the Executive Director is authorized to notify Owner that if the remaining Carryover documentation is submitted to the satisfaction of SDHDA by the extended date, a Carryover Allocation Agreement may be issued for the housing tax credits originally reserved or in an amount determined to be financially necessary by SDHDA.

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

B. Resolution No. 19-05-33: Resolution to Commit HOME Program Funds for Madison Park Townhomes

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

WHEREAS, per Resolution 18-11-76, a Reservation in the amount of \$500,000 of HOME funds was previously awarded to the following Applicant;

WHEREAS, the Applicant has agreed to comply with all HOME requirements; and

WHEREAS, the environmental review is underway and Applicant has submitted all of the required reservation documentation;

NOW, THEREFORE, BE IT RESOLVED that, upon receipt of the satisfactory environmental review, the Executive Director be authorized to issue a Commitment of HOME Funds for the following:

<u>OWNER/APPLICANT</u>	<u>DEVELOPMENT/ LOCATION</u>	<u>HOME FUNDS GENERAL POOL</u>
Vermillion Madison Park Apartments II LLC	Madison Park Townhomes Vermillion, SD	\$500,000

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

Commissioner Kolbeck left the meeting.

C. Resolution No. 19-05-34: Resolution to Commit HOME Program Funds for 2019 Neighborhood Revitalization Program Houses

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

WHEREAS, per Resolution 18-11-63, a Reservation in the amount of \$225,000 of HOME funds was previously awarded to the following Applicant;

WHEREAS, the Applicant has agreed to comply with all HOME requirements; and

WHEREAS the environmental review is underway and Applicant has submitted all of the required reservation documentation;

NOW, THEREFORE, BE IT RESOLVED that, upon receipt of the satisfactory environmental review, the Executive Director be authorized to issue a Commitment of HOME Funds for the following:

<u>OWNER/APPLICANT</u>	<u>DEVELOPMENT/ LOCATION</u>	<u>HOME FUNDS GENERAL POOL</u>
Affordable Housing Solutions	2019 Neighborhood Revitalization Program Houses Sioux Falls, SD	\$225,000

Via roll call vote, the following votes were recorded:

Voting AYE: Chairman Pummel; Commissioners Dykstra, Erickson, Hansen, Hohn and Puetz.

Excused: Commissioner Kolbeck.

Commissioner Kolbeck returned to the meeting.

D. Resolution No. 19-05-35: Resolution to Commit Housing Trust Fund Funds for The Residences at Greenway

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

WHEREAS, per Resolution 18-11-86, a Reservation in the amount of \$79,998 of Housing Trust Fund (HTF) funds was previously awarded to the following Applicant;

WHEREAS, the Applicant has agreed to comply with all HTF requirements; and

WHEREAS the environmental review is underway and Applicant has submitted most of the required reservation documentation;

NOW, THEREFORE, BE IT RESOLVED that, upon receipt of satisfactory documentation and the satisfactory environmental review, the Executive Director be authorized to issue a Commitment of HTF Funds for the following:

<u>OWNER/APPLICANT</u>	<u>DEVELOPMENT/ LOCATION</u>	<u>HOUSING TRUST FUNDS</u>
The Residences at Greenway Limited Partnership	The Residences at Greenway Sioux Falls, SD	\$79,998

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

E. Resolution No. 19-05-36: Resolution to Amend the Terms of the FLEX-Rural Site Development Loan for Deadwood Stage Run

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

WHEREAS, per Resolution No. 09-02-07, a commitment for a loan under the FLEX-Rural Site Development/Loan Guarantee Program (the "Program") was provided to NeighborWorks® Dakota Home Resources for the Deadwood Stage Run development;

WHEREAS, per Resolution No. 12-09-71, the Executive Director was authorized to increase the maximum affordable sales price limit to \$170,000;

WHEREAS, per Resolution No. 14-02-01, the term of the mortgage loan was extended one year;

WHEREAS, the Rural Site Development Loan was scheduled to mature on February 12, 2015;

WHEREAS, per Resolution No. 15-03-04, the term of the Rural Site Development Loan was extended two years and the maximum affordable sales price was increased to \$200,000;

WHEREAS, per Resolution No. 15-11-55, the Rural Site Development Loan was modified to remove the maximum affordable sales price limit;

WHEREAS, per Resolution No. 17-04-13, the term of the Rural Site Development Loan was extended two years and will be due on February 12, 2019;

WHEREAS, per Resolution No. 19-01-04, the term of the Rural Site Loan was extended by one year and will be due on February 12, 2020;

WHEREAS, the outstanding balance remaining on the note as of May 15, 2019 is \$209,749.50; and

WHEREAS, the remaining unsold lots will incur additional costs before homes can be built on them;

NOW, THEREFORE, BE IT RESOLVED, that Executive Director of South Dakota Housing Development Authority be granted the authority to accept reasonable offers on the remaining lots so that the loan can be paid or partially forgiven before the extended due date of February 12, 2020.

OWNER/APPLICANT
NeighborWorks Dakota
Home Resources

DEVELOPMENT/LOCATION
Deadwood Stage Run
Deadwood, SD

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

VII. NEW BUSINESS

A. Resolution No. 19-05-37: Resolution to Conditionally Commit HOME Program Funds under the Security Deposit Assistance Program for Western Resources for Independent Living

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

WHEREAS, the following HOME Program application was received for the Security Deposit Assistance Program (SDAP) set-aside; and

WHEREAS, the required documentation has been reviewed and evaluated, and the Applicant has agreed to comply with all HOME requirements;

NOW, THEREFORE, BE IT RESOLVED that the Executive Director be authorized to issue a conditional commitment of HOME funds from the SDAP set-aside for the following:

APPLICANT
Western Resources for
Independent Living

SECURITY DEPOSIT
ASSISTANCE
PROGRAM AMOUNT
\$25,000

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

B. Resolution No. 19-05-38: Resolution to Approve Housing Opportunity Fund Waiver Request for Dakota Land Trust Purchase 2019

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

WHEREAS, Dakota Land Trust (Applicant) has submitted an application for Housing Opportunity Fund funds for Dakota Land Trust Purchase 2019; and

WHEREAS, the Applicant has requested a waiver of the 2018-2019 Housing Opportunity Fund Allocation Plan requirements with regard to exceeding Project Cost limits;

NOW, THEREFORE, BE IT RESOLVED that the waiver is hereby approved for Dakota Land Trust Purchase 2019.

Via roll call vote, the following votes were recorded:

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

C. Resolution No. 19-05-39: Resolution to Conditionally Commit Housing Opportunity Fund Funds for Dakota Land Trust Purchase 2019

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

WHEREAS, the following application has been reviewed and evaluated in accordance with the 2018-2019 Housing Opportunity Fund (HOF) Allocation Plan; and

WHEREAS, based on information provided, the Applicant is eligible to receive HOF funds and has agreed to comply with all HOF requirements;

NOW, THEREFORE, BE IT RESOLVED that the Executive Director be authorized to issue a Conditional Commitment of HOF funds to the following Applicant:

<u>OWNER/APPLICANT</u>	<u>DEVELOPMENT/ LOCATION</u>	<u>HOF RURAL PROGRAM</u>
Dakota Land Trust	Dakota Land Trust Purchase 2019 Western, SD	\$36,500

Via roll call vote, the following votes were recorded:

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

VIII. DATE OF NEXT MEETING AND ADJOURNMENT

The next Board of Commissioners' Meeting has not been scheduled. It was moved by Commissioner Hohn and seconded by Commissioner Puetz that the meeting adjourn.

Via roll call vote, the following votes were recorded:

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

The meeting adjourned at 10:30 a.m.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Mark Lauseng". The signature is written in a cursive, flowing style.

Mark Lauseng
Secretary