

MINUTES
SOUTH DAKOTA HOUSING DEVELOPMENT AUTHORITY
BOARD OF COMMISSIONERS' MEETING
SDHDA CONFERENCE ROOM
February 2, 2011

Board Members Present: Lloyd Schipper, Chairman
Linda Barker, Vice-Chair (via telephone)
Brent Dykstra, Treasurer (via telephone)
Bill Hansen, Commissioner
Paul Symens, Commissioner (via telephone)

Board Members Absent: Kurt Pfeifle

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
Paul Kostboth, Director of Single Family Development
Amanda Weisgram, Director of Marketing and Research
Kelsey Baker, Marketing/Executive Assistant
Lisa Larson, Single Family Development Assistant
Peggy Severson, Housing Development Officer

Guests Present: Wanda Wells, Crow Creek Housing Authority
Dave Bednar, CU Mortgage Direct
Dona Mae Johnson, BankWest

I. CALL TO ORDER

The meeting was called to order at 2:02 P.M. and roll was called.

II. APPROVAL OF AGENDA

It was moved by Commissioner Dykstra and seconded by Commissioner Hansen that the Agenda be adopted as presented, but reserving the right to make changes during the meeting. The motion carried unanimously.

III. APPROVAL OF MINUTES

It was moved by Commissioner Barker and seconded by Commissioner Dykstra that the Minutes of the Board of Commissioners' Meeting dated November 22, 2010, be adopted as presented. The motion carried unanimously.

It was moved by Commissioner Hansen and seconded by Commissioner Dykstra that the Minutes of the Board of Commissioners' Meeting dated December 14, 2010, be adopted as presented. The motion carried unanimously.

IV. EXECUTIVE DIRECTOR'S REPORT

Executive Director Lauseng invited the Commissioners to the annual Legislative Oyster Chili Feed. The 2011 Legislative Session was in its third week of activity. SDHDA has been reviewing the bills and so far have not seen any housing issues come up.

V. OLD BUSINESS

A. Resolution No. 11-02-01: Resolution to Revise Conditional Commitment of Neighborhood Stabilization Program (NSP) Funds for Sunshine Park Townhomes, Aberdeen

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

WHEREAS, per Resolution No. 09-05-63, an NSP application from Sunshine Park Limited Partnership has previously been considered and approved for \$293,121 in NSP funds; and

WHEREAS, based on adjustments in the project's costs for change orders resulting from winter construction and due diligence requirements of the syndicator, together with the lack of additional TCAP funds to commit to the project, the Applicant is requesting to revise the commitment of NSP funds; and

WHEREAS, increasing the amount of NSP funds in the project will allow the Applicant to fund completion of the project, and

NOW, THEREFORE, BE IT RESOLVED that the Executive Director be authorized to revise the Conditional Commitment of NSP funds to:

<u>OWNER/APPLICANT</u>	<u>DEVELOPMENT NAME</u>	<u>NSP AMOUNT</u>
Sunshine Park Limited Partnership	Sunshine Park Townhomes Aberdeen, SD	\$361,991

Via roll call vote, the motion carried unanimously.

B. Resolution No. 11-02-02: Resolution to Modify Terms of the FLEX-Rural Site Development Loan for One (1) Model/Speculative Home at Deadwood Stage Run in Deadwood, SD

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

WHEREAS, per Resolution No. 09-04-40, a FLEX-Rural Site Development loan was provided in the amount of \$141,000 for the development of one model/speculative home at Deadwood Stage Run in Deadwood, SD;

WHEREAS, per Resolution No. 10-09-73, the term of the mortgage loan was extended from 12 months to 18 months;

WHEREAS, the weak housing market continues to contribute to longer than anticipated time on the market;

WHEREAS, a 6 month extension to the term is requested; and

WHEREAS, NeighborWorks Dakota Home Resources has agreed to pay accrued interest on the loan as part of the extension;

NOW, THEREFORE, BE IT RESOLVED that the modification, is hereby approved for:

OWNER/APPLICANT
NeighborWorks Dakota
Home Resources

DEVELOPMENT NAME
One Model/Speculative Home at
Deadwood Stage Run
Deadwood, SD

Via roll call vote, the motion carried unanimously.

C. Resolution No. 11-02-03: Resolution to Approve the Purchase of the Loan Originated by BankWest

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

WHEREAS, pursuant to a Homeownership Program commitment from Series 824, BankWest delivered for purchase loan 82401282393;

WHEREAS, SDHDA cannot finance the value of outbuildings; and

WHEREAS, the Board has considered the circumstances presented by BankWest;

NOW, THEREFORE, BE IT RESOLVED that the Board hereby approves the request and the Executive Director be authorized to allow the funding of the loan from legally available funds pursuant to the bond resolution.

Via roll call vote, the motion carried unanimously.

VI. NEW BUSINESS

A. Resolution No. 11-02-04: Resolution to Approve Release of the Draft Neighborhood Stabilization Plan (NSP3) for Public Comment

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

WHEREAS, per Title III of Division B of the Housing and Economic Recovery Act of 2008, for the purpose of assisting in the redevelopment of abandoned and foreclosed homes, the Neighborhood Stabilization Program (NSP) was created;

WHEREAS, per Section 1497 of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, additional assistance under the Neighborhood Stabilization Program was authorized as NSP3;

WHEREAS, the NSP funding is to be considered as Community Development Block Grant (CDBG) Funds;

WHEREAS, the Consolidated Housing and Community Development Plan is submitted to U.S. Department of Housing and Urban Development to enable the State to access the HOME, Emergency Shelter Grant, Community Development Block Grant Program funds, and Housing Opportunities for Persons with AIDS (HOPWA); and

WHEREAS, the 2008-2012 Five-Year Consolidated Plan has previously been approved by the U.S. Department of Housing and Urban Development (HUD) and annually HUD requires an update to the Consolidated Housing and Community Development Plan; and

WHEREAS, HUD is treating the use of the NSP3 funds to be a substantial amendment to the current approved Consolidated Housing and Community Development Plan and annual action plan;

NOW, THEREFORE, BE IT RESOLVED that the above referenced Draft Neighborhood Stabilization Plan (NSP3) is hereby approved as an amendment to the current approved Consolidated Housing and Community Development Plan and the annual action plan; and

BE IT FURTHER RESOLVED that the above referenced Draft Neighborhood Stabilization Plan (NSP3) be approved for public distribution, and the Executive Director is authorized to give the required public notices for a 15-day comment period.

Via roll call vote, the motion carried unanimously.

B. Resolution No. 11-02-05: Resolution to Conditionally Commit Neighborhood Stabilization Program (NSP) Funds for Crow Creek Housing Authority

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

WHEREAS, the following application has been reviewed and evaluated in accordance with the March 2010 Neighborhood Stabilization Plan;

NOW, THEREFORE, BE IT RESOLVED, based on information provided in the application, that a letter offering a Conditional Commitment of NSP funding be forwarded to the following Applicant:

<u>OWNER/APPLICANT</u>	<u>DEVELOPMENT NAME</u>	<u>NSP AMOUNT</u>
Crow Creek Housing Authority	Crow Creek Housing Authority Project Fort Thompson, SD	\$190,000

WHEREAS, the additional required documentation will be requested and the environmental reviews will be initiated;

NOW, THEREFORE, BE IT RESOLVED that the Executive Director be authorized to issue a Conditional Commitment of NSP Funds, conditioned upon receipt of the additional required documentation and a favorable conclusion of the environmental review for each site.

Via roll call vote, the motion carried unanimously.

C. Resolution No. 11-02-06: Resolution to Approve CU Mortgage Direct, LLC (Sioux Falls) as a Master Servicer

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

WHEREAS, the Board of Commissioners has previously approved Home Federal Savings Bank (Sioux Falls), CorTrust Bank (Mitchell), First Bank & Trust (Sioux Falls), BankWest (Pierre), and Wells Fargo Home Mortgage, Inc. (Riverside, CA) as eligible Master Servicers to service loans under criteria previously established by the Board, per Resolution No. 06-11-92; and

WHEREAS, the Board has heard the recommendations from staff;

NOW, THEREFORE, BE IT RESOLVED that the Board hereby approves the request and the Executive Director be authorized to approve CU Mortgage Direct, LLC (Sioux Falls) as a Master Servicer, and the Servicing Agreement be offered to them accordingly.

Via roll call vote, the motion carried unanimously.

D. Resolution No. 11-02-07: Resolution to Approve Continuation of "Paint – South Dakota" Campaign

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

WHEREAS, on July 1, 1998, the South Dakota Housing Development Authority (SDHDA) officially began a celebration of its 25th Anniversary with a "Paint–South Dakota" campaign which was held in conjunction with National Homeownership Week;

WHEREAS, over the past thirteen years, the campaign has resulted in hundreds of homeowners in need receiving assistance in painting their homes; and

WHEREAS, the Authority has received positive exposure in rural areas through the publication of countless news articles and press coverage;

NOW, THEREFORE, BE IT RESOLVED that the Board hereby approves the continuance of the "Paint-South Dakota" campaign in 2011, and the Executive Director is authorized to approve expenditures related to the campaign, including the primer and paint necessary to paint one home in 25 different communities; and

BE IT FURTHER RESOLVED that each community would be responsible for organizing the "Paint-South Dakota" campaign, including soliciting volunteers, equipment, other sponsors for meals, etc; and

BE IT FURTHER RESOLVED that if more than 25 communities apply and meet the criteria, a drawing may be held to select the communities.

Via roll call vote, the motion carried unanimously.

E. Resolution No. 11-02-08: Resolution to Approve the Purchase of the 824175082449 Loan Originated by CU Mortgage Direct, LLC

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

WHEREAS, pursuant to a Homeownership Program commitment from Series 824, CU Mortgage Direct, LLC delivered for purchase a loan to 824175082449;

WHEREAS, the loan is a conventional loan with UGIC Mortgage Insurance and a loan-to-value ratio of 95 percent; and

WHEREAS, the Board has considered the circumstances presented by CU Mortgage Direct, LLC;

NOW, THEREFORE, BE IT RESOLVED that the Board hereby approves the request and the Executive Director be authorized to allow the funding of the 824175082449 loan pursuant to the bond resolution.

Via roll call vote, the motion carried unanimously.

VII. DATE OF NEXT MEETING AND ADJOURNMENT

The next Board of Commissioners' Meeting has not been scheduled yet. It was moved by Commissioner Barker and seconded by Commissioner Dykstra that the meeting adjourn. The meeting adjourned at 3:22 P.M.

Respectfully submitted,



Mark Lauseng
Secretary