

MINUTES
SOUTH DAKOTA HOUSING DEVELOPMENT AUTHORITY
BOARD OF COMMISSIONERS' MEETING
SDHDA CONFERENCE ROOM
Telephonic
February 22, 2012

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

Board Members Absent: None

Staff Present: Mark Lauseng, Executive Director
Todd Hight, Director of Finance & 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 & Research
Kelsey Baker, Marketing/Executive Assistant
Lisa Larson, Single Family Assistant

Guests Present: Dixie Hieb, Davenport, Evans, Hurwitz & Smith, Counsel to
SDHDA (via telephone)

I. CALL TO ORDER

The meeting was called to order at 2:00 P.M. and roll was called.

II. APPROVAL OF AGENDA

It was moved by Commissioner Pummel 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 Symens that the Minutes of the Board of Commissioners' Meeting dated November 7, 2011, be adopted as presented. The motion carried unanimously.

It was moved by Commissioner Dykstra and seconded by Commissioner Pummel that the Minutes of the Board of Commissioners' Meeting dated November 7, 2011 and December 8, 2011, be adopted as presented. The motion carried unanimously.

IV. EXECUTIVE DIRECTOR'S REPORT

Executive Director Lauseng updated the Commissioners on negotiations with U.S. Bank to serve as the Master Servicer for the Authority's Mortgage Backed Security program. During the 2012 legislative session, two bills affecting the Authority, Senate Bill 56 and Senate Bill 57 were approved. Executive Director Lauseng also reported on Caine Mitter's Variable Rate Bond and SWAP Report, the housing needs study program that SDHDA will implement and the Mountain Plains Regional Housing Conference, to be held April 30th through May 2nd, in Mandan, North Dakota. Executive Director Lauseng also noted that the next Board meeting is scheduled for Tuesday, March 13th, and will be a telephonic meeting.

V. OLD BUSINESS

A. Resolution No. 12-02-01: Resolution to Modify Terms of FLEX-Rural Site Development Loan for The Reserve on Higgins Creek

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

WHEREAS, per Resolution No. 07-03-20, a commitment of a FLEX-Rural Site Development loan was previously provided to the following Owner/Applicant;

WHEREAS, the loan is currently in good-standing and all interest due has been paid on a monthly basis;

WHEREAS, the interest rate on such loan is 3.375%;

WHEREAS, it is the intent of SDHDA to be at one-half (1/2) the bank interest rate;

WHEREAS, the lender, First Interstate Bank, modified the terms of its loan for to the Owner/Applicant and decreased the interest rate from 6.75% to 6.25%; and

WHEREAS, to remain at one-half (1/2) the bank interest rate, the interest rate for the FLEX-Rural Site Development loan to the Owner/Applicant would be decreased to 3.125%;

NOW, THEREFORE, BE IT RESOLVED that the loan modification reducing the interest rate to 3.125% is hereby approved for:

<u>OWNER/APPLICANT</u>	<u>DEVELOPMENT NAME</u>
Ward Development Co., L.L.C.	The Reserve on Higgins Creek Spearfish, SD

Via roll call vote, the motion carried unanimously.

B. Resolution No. 12-02-02: Resolution to Modify Terms of FLEX-Rural Site Development Loan for Johnson Addition

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

WHEREAS, per Resolution No. 07-01-10, a commitment of a FLEX-Rural Site Development loan was previously provided to the following Owner/Applicant;

WHEREAS, the loan is currently in good-standing and all interest due has been paid on a monthly basis;

WHEREAS, the interest rate on such loan is 3.5%;

WHEREAS, it is the intent of SDHDA to be at one-half (1/2) the bank interest rate;

WHEREAS, the lender, Citizens State Bank, modified the terms of its loan to the Owner/Applicant and decreased the interest rate from 7.0% to 4.0%; and

WHEREAS, to remain at one-half (1/2) the bank interest rate, the interest rate for the FLEX-Rural Site Development loan to the Owner/Applicant would be decreased to 2.0%;

NOW, THEREFORE, BE IT RESOLVED that the loan modification reducing the interest rate to 2.0% is hereby approved for:

<u>OWNER/APPLICANT</u>	<u>DEVELOPMENT NAME</u>
Johnson Addition, L.L.C.	Johnson Addition Arlington, SD

Via roll call vote, the motion carried unanimously.

C. Resolution No. 12-02-03: Resolution to Approve HOME Application for Commitment of Funds for Pennington County Housing and Redevelopment Commission under the Security Deposit Assistance Program

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

WHEREAS, a HOME Program application for the set-aside for the Security Deposit Assistance Program (SDAP) has been received from the below Applicant and has been reviewed; and

WHEREAS, the required documentation has been reviewed, 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 commitment of HOME funds from the SDAP for the following:

<u>APPLICANT</u>	<u>SECURITY DEPOSIT ASSISTANCE PROGRAM AMOUNT</u>
Pennington County Housing and Redevelopment Commission	\$25,000

Via roll call vote, the motion carried unanimously.

VI. NEW BUSINESS

A. Resolution No. 12-02-04: Resolution to Approve Continuation of “Paint – South Dakota” Campaign 2012

After review and discussion, it was moved by Commissioner Symens 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 fourteen 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 2012, 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;

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 that will participate in the campaign.

Via roll call vote, the motion carried unanimously.

B. Resolution No. 12-02-05: Resolution to Authorize a Housing Needs Study Program

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

WHEREAS, there is a need for affordable housing in rural communities in South Dakota;

WHEREAS, a beneficial component in addressing a community’s need for affordable housing is a housing study to determine the types of housing that are most needed; and

WHEREAS, rural communities have limited budgets and experience in undertaking a housing needs study;

NOW, THEREFORE, BE IT RESOLVED that the Board hereby creates the Housing Needs Study Program, pursuant to which any South Dakota community with a population of ten thousand or less may receive a matching grant of up to \$5,000 to help fund the cost of a housing needs study for such community;

BE IT FURTHER RESOLVED that the Housing Needs Study Program will be funded in the amount of \$60,000 through the South Dakota Housing Development Authority's Special Program Fund and will be administered in accordance with the attached term sheet which is incorporated as a part of this resolution; and

BE IT FURTHER RESOLVED that the Executive Director is hereby authorized to solicit bids from parties desiring to conduct the housing needs studies for each selected community and to enter into a contract with that party which the Executive Director selects based on such bids and the qualifications of the parties.

Via roll call vote, the motion carried unanimously.

VII. DATE OF NEXT MEETING AND ADJOURNMENT

The next Board of Commissioners' Meeting has been scheduled for Tuesday, March 13, 2012, and will be a telephonic meeting. It was moved by Commissioner Hansen and seconded by Commissioner Dykstra that the meeting be adjourned. The meeting was adjourned at 3:10 P.M.

Respectfully submitted,



Mark Lauseng
Secretary