

**MINUTES**  
**SOUTH DAKOTA HOUSING DEVELOPMENT AUTHORITY**  
**BOARD OF COMMISSIONERS' MEETING**  
**SDHDA CONFERENCE ROOM**  
**May 26, 2011**

**Board Members Present:** Lloyd Schipper, Chairman  
Linda Barker, Vice-Chair  
Bill Hansen, Commissioner  
Kurt Pfeifle, Commissioner

**Board Members Absent:** Brent Dykstra  
David Pummel  
Paul Symens

**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 & Research  
Kelsey Baker, Marketing/Executive Assistant  
Peggy Severson, Housing Development Officer

**Guests Present:** Dixie Hieb, Davenport, Evans, Hurwitz & Smith, Counsel to  
SDHDA (via telephone)  
Hoby Abernathy, DDI  
Bob Bohm, DakotAbilities  
Eric Kerkvliet, Dakota Enhancement  
Jackson Dorhout, Dakota Enhancement  
Joy McCracken, Dakota Land Trust  
John Barcanic, Sioux Falls Housing and Redevelopment  
Commission (via telephone)  
Shireen Ranschau, Sioux Falls Housing and Redevelopment  
Commission (via telephone)  
Sue Olson, Habitat for Humanity of Greater Sioux Falls (via  
telephone)  
Mark Bratt, SouthEast Behavioral (via telephone)  
Chris Thorkelson, Lloyd Companies (via telephone)

**I. CALL TO ORDER**

The meeting was called to order at 10:01 A.M. and roll was called.

## **II. APPROVAL OF AGENDA**

It was moved by Commissioner Barker and seconded by Commissioner Pfeifle 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 Hansen and seconded by Commissioner Barker that the Minutes of the Board of Commissioners' Meeting dated February 2, 2011, be adopted as presented. The motion carried unanimously.

It was moved by Commissioner Barker and seconded by Commissioner Pfeifle that the Minutes of the Board of Commissioners' Meeting dated February 25, 2011, be adopted as presented. The motion carried unanimously.

It was moved by Commissioner Pfeifle and seconded by Commissioner Barker that the Minutes of the Board of Commissioners' Meeting dated April 28, 2011, be adopted as presented. The motion carried unanimously.

## **IV. TREASURER'S REPORT**

Finance Director, Todd Hight, presented the Treasurer's Report, Statement of Net Assets dated March 31, 2011; the Statement of Revenues, Expenses and Changes in Net Assets for the nine months ending March 31, 2011; and the Comparison of Actual Expenses to Budget for the month of March 2011. It was moved by Commissioner Hansen and seconded by Commissioner Barker that the Treasurer's Report be accepted as presented. The motion carried unanimously.

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

Executive Director Lauseng reported on the details of the Board Training that will be held June 22<sup>nd</sup> and 23<sup>rd</sup> in Yankton. Executive Director Lauseng also reported on the Emergency Homeowner Loan Program (EHLP), which is funded through HUD, and stated that SDHDA will be applying for the grant.

## **VI. Program Reports**

The Program Reports were given by Directors and discussed with the Board.

## **VII. NEW BUSINESS**

### **A. Resolution No. 11-05-35: Resolution to Commit Funds for the Preservation of Towne Square Apartments**

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

WHEREAS, South Dakota Housing Development Authority (SDHDA) owns Towne Square Apartments located in Armour, SD, due to the owner deeding it back to SDHDA in lieu of foreclosure;

WHEREAS, the staff desires to complete necessary renovations to improve the livability for current residents and allow for better marketability to sell the property; and

WHEREAS, preservation of deeply subsidized properties is a goal of SDHDA;

NOW, THEREFORE, BE IT RESOLVED that the Executive Director is authorized to commit Preservation Loan Funds to fund necessary renovation expenses and a replacement reserve account; and

BE IT FURTHER RESOLVED that the Preservation Loan will be in the form of a subordinate mortgage, thereby allowing for the renovation of the property and the reinstatement of the replacement reserve account:

<u>APPLICANT/OWNER</u>	<u>DEVELOPMENT NAME</u>	<u>AMOUNT</u>
SDHDA	Towne Square Apartments Armour, SD	\$160,000

The motion carried unanimously.

**B. Resolution No. 11-05-36: Resolution to Approve the Purchase of Loan Number 82846 Originated by First Bank & Trust**

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

WHEREAS, pursuant to the Homeownership Program commitment for Series 129, First Bank & Trust delivered for purchase loan number 82846;

WHEREAS, the loan is non-conforming as a Selling Lender is prohibited from originating loans for sale to SDHDA, which are insured by private mortgage insurance companies when the loan-to-value (LTV) exceeds the 90% maximum per Section 215 E. of the Homeownership Guide; and

WHEREAS, the Board has considered the circumstances presented by First Bank & Trust;

NOW, THEREFORE, BE IT RESOLVED that the Board hereby approves the request and the Executive Director be authorized to allow the funding of loan number 82846 from legally available funds pursuant to the bond resolution.

The motion carried unanimously.

**C. Resolution No. 11-05-37: Amendment Resolution Authorizing the Funding Request of Neighborhood Lending Services on Behalf of Dakota Land Trust**

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

WHEREAS, land trusts are a means of preserving land and various types of housing in perpetuity to meet the needs of lower income homebuyers;

WHEREAS, South Dakota Housing Development Authority previously adopted Resolution 08-04-41, which provided that \$300,000 be set aside from FLEX Program funds until April 25, 2011, to be provided to Neighborhood Lending Services, in support of their efforts on behalf of Dakota Land Trust (DLT), under certain specified terms;

WHEREAS, Dakota Land Trust has spent time seeking certification and approvals from lenders; educating lenders, realtors, title companies, and various other entities of the need for the land trust; and identifying qualifying families;

WHEREAS, the Dakota Land Trust has requested that the FLEX funding be extended until April 25, 2012;

NOW, THEREFORE, BE IT RESOLVED that the Executive Director be authorized to extend the FLEX Program set aside for DLT from April 25, 2011 to April 25, 2012 under the conditions set forth in Resolution 08-04-41.

The motion carried unanimously.

**D. Resolution No. 11-05-38: Resolution to Commit HOME Funds for the Aberdeen Housing and Redevelopment Commission of the City of Aberdeen under the Security Deposit Assistance 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, a HOME Program application for the set-aside for the Security Deposit Assistance Program (SDAP) has been received and reviewed; and

WHEREAS, 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>DEVELOPMENT NAME</u>	<u>SECURITY DEPOSIT ASSISTANCE PROGRAM AMOUNT</u>
Aberdeen Housing and Redevelopment Commission	Aberdeen Housing Authority and Redevelopment Commission Aberdeen, SD	\$25,000

The motion carried unanimously.

**E. Resolution No. 11-05-39: Resolution to Modify Terms of FLEX-Rural Site Development Loan for Country Club Estates Development**

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

WHEREAS, per Resolution No. 05-04-23, a commitment of a FLEX-Rural Site Development loan was provided;

WHEREAS, due to the economic conditions and the downturn of the housing market in the recent past, lot and house sales have declined significantly;

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

WHEREAS, per Resolution No. 10-06-44, a 12-month extension to the term was approved; and

WHEREAS, an additional 12-month extension to the term has been requested;

NOW, THEREFORE, BE IT RESOLVED that the loan modification and 12-month extension, is hereby approved for:

<u>OWNER/APPLICANT</u>	<u>DEVELOPMENT NAME</u>
Elk Point Investments, L.L.P.	Country Club Estates Development Elk Point, SD

The motion carried unanimously.

**F. Resolution No. 11-05-40: Resolution to Modify Terms of FLEX-Rural Site Development Loan for The Meadows**

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

WHEREAS, per Resolution No. 05-02-05, a commitment of a FLEX-Rural Site Development loan was provided;

WHEREAS, due to the economic conditions and the downturn of the housing market in the recent past, lot and house sales have declined significantly;

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

WHEREAS, per Resolution No. 10-06-43, a 12-month extension to the term was approved; and

WHEREAS, an additional 12-month extension to the term has been requested;

NOW, THEREFORE, BE IT RESOLVED that the loan modification and 12-month extension, is hereby approved for:

OWNER/APPLICANT  
Parker Development Corporation

DEVELOPMENT NAME  
The Meadows  
Parker, SD

The motion carried unanimously.

**G. Resolution No. 11-05-41: Resolution to Conditionally Commit Neighborhood Stabilization Program (NSP3) Funds for Habitat for Humanity of Greater Sioux Falls Twin Homes**

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

WHEREAS, the following application has been reviewed and evaluated in accordance with the Neighborhood Stabilization Program Plan (NSP3); and

WHEREAS, based on information provided, the Applicant is eligible to receive NSP3 funds and has agreed to comply with all NSP3 requirements;

NOW, THEREFORE, BE IT RESOLVED that the Executive Director be authorized to issue a Conditional Commitment of NSP3 funds to the following Applicant, conditioned upon receipt of additional required documentation and a favorable conclusion of the environmental review for the site:

OWNER/APPLICANT  
Habitat for Humanity of  
Greater Sioux Falls, Inc.

DEVELOPMENT NAME  
Habitat for Humanity of  
Greater Sioux Falls  
Twin Homes  
Sioux Falls, SD

NSP3 AMOUNT  
\$83,360

The motion carried unanimously.

**H. Resolution No. 11-05-42: Resolution to Approve Neighborhood Stabilization Program (NSP3) Waiver Request for Duluth Heights Apartments**

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

WHEREAS, Sioux Falls Housing Corporation (Applicant) has submitted an application for Neighborhood Stabilization Program (NSP3) funds for Duluth Heights Apartments; and

WHEREAS, the applicant has requested a waiver of the underwriting standard to establish the vacancy rate at 5%;

NOW, THEREFORE, BE IT RESOLVED that the foregoing waiver is hereby approved for Duluth Heights Apartments.

The motion carried unanimously.

**I. Resolution No. 11-05-43: Resolution to Conditionally Commit Neighborhood Stabilization Program (NSP3) Funds for Duluth Heights Apartments**

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

WHEREAS, the following application has been reviewed and evaluated in accordance with the Neighborhood Stabilization Program Plan (NSP3); and

WHEREAS, based on information provided, the Applicant is eligible to receive NSP3 funds and has agreed to comply with all NSP3 requirements;

NOW, THEREFORE, BE IT RESOLVED that the Executive Director be authorized to issue a Conditional Commitment of NSP3 funds to the following Applicant, conditioned upon receipt of additional required documentation and a favorable conclusion of the environmental review for the site:

<u>OWNER/APPLICANT</u>	<u>DEVELOPMENT NAME</u>	<u>NSP3 AMOUNT</u>
Sioux Falls Housing Corporation	Duluth Heights Apartments Sioux Falls, SD	\$697,234

The motion carried unanimously.

**J. Resolution No. 11-05-44: Resolution to Conditionally Commit Neighborhood Stabilization Program (NSP3) Funds for East 5<sup>th</sup> Home**

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

WHEREAS, the following application has been reviewed and evaluated in accordance with the Neighborhood Stabilization Program Plan (NSP3); and

WHEREAS, based on information provided, the Applicant is eligible to receive NSP3 funds and has agreed to comply with all NSP3 requirements;

NOW, THEREFORE, BE IT RESOLVED that the Executive Director be authorized to issue a Conditional Commitment of NSP3 funds to the following Applicant, conditioned upon receipt of additional required documentation and a favorable conclusion of the environmental review for the site:

<u>OWNER/APPLICANT</u>	<u>DEVELOPMENT NAME</u>	<u>NSP3 AMOUNT</u>
DakotAbilities, Inc.	East 5 <sup>th</sup> Home Sioux Falls, SD	\$545,720

The motion carried unanimously.

**K. Resolution No. 11-05-45: Resolution to Conditionally Commit Neighborhood Stabilization Program (NSP3) Funds for South Grange Home**

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

WHEREAS, the following application has been reviewed and evaluated in accordance with the Neighborhood Stabilization Program Plan (NSP3); and

WHEREAS, based on information provided, the Applicant is eligible to receive NSP3 funds and has agreed to comply with all NSP3 requirements;

NOW, THEREFORE, BE IT RESOLVED that the Executive Director be authorized to issue a Conditional Commitment of NSP3 funds to the following Applicant, conditioned upon receipt of additional required documentation and a favorable conclusion of the environmental review for the site:

<u>OWNER/APPLICANT</u>	<u>DEVELOPMENT NAME</u>	<u>NSP3 AMOUNT</u>
Southeastern Behavioral HealthCare	South Grange Home Sioux Falls, SD	\$545,720

The motion carried unanimously.

**L. Resolution No. 11-05-46: Resolution to Conditionally Commit Neighborhood Stabilization Program (NSP3) Funds for Wilbur Apartments**

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

WHEREAS, the following application has been reviewed and evaluated in accordance with the Neighborhood Stabilization Program Plan (NSP3); and

WHEREAS, based on information provided, the Applicant is eligible to receive NSP3 funds and has agreed to comply with all NSP3 requirements;

NOW, THEREFORE, BE IT RESOLVED that the Executive Director be authorized to issue a Conditional Commitment of NSP3 funds to the following Applicant, conditioned upon receipt of additional required documentation and a favorable conclusion of the environmental review for the site:

<u>OWNER/APPLICANT</u>	<u>DEVELOPMENT NAME</u>	<u>NSP3 AMOUNT</u>
Wilbur Apartments Limited Partnership	Wilbur Apartments Sioux Falls, SD	\$1,500,000

The motion carried unanimously.

**M. Resolution No. 11-05-47: Resolution to Conditionally Commit Neighborhood Stabilization (NSP3) Funds for Pennington County Homebuyer/Resale NSP3**

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

WHEREAS, the following application has been reviewed and evaluated in accordance with the Neighborhood Stabilization Program Plan (NSP3); and

WHEREAS, based on information provided, the Applicant is eligible to receive NSP3 funds and has agreed to comply with all NSP3 requirements;

NOW, THEREFORE, BE IT RESOLVED that the Executive Director be authorized to issue a Conditional Commitment of NSP3 funds to the following Applicant, conditioned upon receipt of additional required documentation and a favorable conclusion of the environmental review for the site:

<u>OWNER/APPLICANT</u>	<u>DEVELOPMENT NAME</u>	<u>NSP3 AMOUNT</u>
NeighborWorks Dakota Home Resources	Pennington County Homebuyer/Resale NSP3 Rapid City, SD	\$257,840

The motion carried unanimously.

**N. Resolution No. 11-05-48: Resolution to Amend the Neighborhood Stabilization Program (NSP3) Plan and Approve Release of the Plan for Public Comment**

After review and discussion, it was moved by Commissioner Barker and seconded by Commissioner Pfeifle 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, SDHDA is responsible for the development of the NSP3 Plan;

WHEREAS, the Board adopted the NSP3 Plan on February 25, 2011; and

WHEREAS, SDHDA wishes to amend the NSP3 Plan to designate the proposed use of funds based on the NSP3 applications which have been received and considered by SDHDA;

NOW, THEREFORE, BE IT RESOLVED that the appropriate sections of the NSP Plan be amended; and

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

The motion carried unanimously.

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

The next Board of Commissioners' Meeting has been scheduled for Thursday, June 23 in Yankton, SD. It was moved by Commissioner Barker and seconded by Commissioner Hansen that the meeting adjourn. The meeting adjourned at 11:59 A.M.

Respectfully submitted,



Mark Lauseng  
Secretary