

MINUTES
SOUTH DAKOTA HOUSING DEVELOPMENT AUTHORITY
BOARD OF COMMISSIONERS' MEETING
SDHDA CONFERENCE ROOM
June 26, 2013

Board Members Present: Lloyd Schipper, Chairman (joined meeting prior to Program Reports)
David Pummel, Vice-Chair
Brent Dykstra, Treasurer
Linda Barker, Commissioner
Bill Hansen, Commissioner
Kurt Pfeifle, Commissioner
Paul Symens, Commissioner

Board Members Absent: None

Staff Present: Mark Lauseng, Executive Director
Brent Adney, Director of Homeownership Programs
Todd Hight, Director of Finance and Administration
Vona Johnson, Director of Rental Housing Management
Lorraine Polak, Director of Rental Housing Development
Sheila Ricketts, Marketing/Executive Assistant
Carla Berry, Housing Management Officer
Tasha Jones, Housing Research and Management Officer
Peggy Severson, Housing Development Officer
Mary Stewart, HERO State Coordinator

Guests Present: Dixie Hieb, Davenport, Evans, Hurwitz & Smith, Counsel to SDHDA
Scott Engmann, Midtown Property
Bob Engmann, Guest

I. CALL TO ORDER

The meeting was called to order at 10:06 A.M. and roll was called. In the absence of Chairman Schipper, Vice Chair Pummel acted as Chairman. It is noted that Chairman Schipper joined the meeting at approximately 10:16 AM and was not present for items presented before that time, but a quorum was still present.

II. APPROVAL OF AGENDA

It was moved by Commissioner Barker and seconded by Commissioner Dykstra 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 Symens that the Minutes of the Board of Commissioners' Meeting dated April 25, 2013, be adopted as presented. The motion carried unanimously.

It was moved by Commissioner Barker and seconded by Commissioner Dykstra that the Minutes of the Board of Commissioners' Meeting dated June 3, 2013, be adopted as presented. The motion carried unanimously.

IV. TREASURER'S REPORT

Todd Hight, Director of Finance, presented the Treasurer's Report, the Statement of Net Assets dated April 30, 2013; the Statement of Revenues, Expenses and Changes in Net Assets for the ten months ended April 30, 2013; and the Comparison of Actual Expenses to Budget as of April 30, 2013. It was moved by Commissioner Dykstra and seconded by Commissioner Pfeifle that the Treasurer's Report be accepted as presented. The motion carried unanimously.

V. EXECUTIVE DIRECTOR'S REPORT

Executive Director Lauseng reported that the Annual Board Meeting will be July 25, 2013, at 9:00 AM, and will be held in Sioux Falls. Executive Director Lauseng also introduced a new employee, Housing Research and Management Officer Tasha Jones. Executive Director Lauseng reported that NCSHA's annual conference will be in New Orleans from October 19-23. Executive Director Lauseng also noted that the terms of Kurt Pfeifle and Paul Symens were up in June, but they will serve until replacements are found.

Chairman Schipper joined the meeting at this point.

VI. Program Reports

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

VII. OLD BUSINESS

Resolution Nos. 13-06-45, 13-06-46, and 13-06-47, each an item of new business and each described under "NEW BUSINESS" below, were considered at this point to accommodate attendees at the meeting.

A. Resolution No. 13-06-40: Resolution to Commit HOME Program Funds for Habitat for Humanity – Canton Affordable Housing

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

WHEREAS, per Resolution 13-04-19, a Reservation in the amount of \$72,330 was previously awarded to the following HOME Applicant;

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

WHEREAS, the environmental review has been initiated and the required documentation has been received;

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

<u>OWNER/APPLICANT</u>	<u>DEVELOPMENT NAME</u>	<u>GENERAL POOL HOME AMOUNT</u>
Habitat for Humanity of Greater Sioux Falls, Inc.	Habitat for Humanity Canton Affordable Housing Canton, SD	\$72,330

Via voice vote, the motion carried unanimously.

B. Resolution No. 13-06-41: Resolution to Commit HOME Program Funds for Turning Leaf 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, per Resolution 13-04-36, a Reservation in the amount of \$787,494 was previously awarded to the following HOME Applicant;

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

WHEREAS, the environmental review has been initiated and the required documentation has been received;

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

<u>OWNER/APPLICANT</u>	<u>DEVELOPMENT NAME</u>	<u>GENERAL POOL HOME AMOUNT</u>
C.R. Lloyd Associates, Inc.	Turning Leaf Apartments Sioux Falls, SD	\$787,494

Via voice vote, the motion carried unanimously.

C. Resolution No. 13-06-42: Resolution Changing the Loan Terms of the 2003 Cooperative Home Improvement program (CHIP) Funding

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

WHEREAS, the South Dakota Housing Development Authority (SDHDA) Board of Commissioners previously approved Resolution No. 03-04-22 authorizing and funding the Cooperative Home Improvement Program at a funding level of \$3,500,000; and

WHEREAS, there continues to be demand for Participating Lenders to offer reduced rate financing for the repair and renovation of owner-occupied homes;

NOW, THEREFORE, BE IT RESOLVED that the SDHDA Board of Commissioners hereby authorizes the Executive Director to execute the attached Line of Credit Agreement (“the Agreement”), which by this reference is made a part of this Resolution, for the purpose of implementing the Community Home Improvement Program, as outlined in the Agreement; and

BE IT FURTHER RESOLVED that the Executive Director is authorized to amend the existing CHIP agreements to reflect the changes set forth in Exhibit A of the Line of Credit Agreement.

Via voice vote, the motion carried unanimously.

D. Resolution No. 13-06-43: Resolution Commit Neighborhood Stabilization Program (NSP) Funds for Wilbur (Spring Centre) Apartments, Sioux Falls

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

WHEREAS, per Resolution No. 11-05-46, an NSP3 application from Wilbur Apartments Limited Partnership (Applicant), was previously considered and approved for \$1,500,000 in NSP3 funds;

WHEREAS, per Resolution No. 12-04-34, the approved funding was reduced to \$722,878; and

WHEREAS, in order to comply with the EnergyStar requirements of NSP3, total project costs have increased by \$222,000;

NOW, THEREFORE, BE IT RESOLVED that the Executive Director be authorized to revise the Conditional Commitment of NSP3 funds and to commit additional NSP funds as follows:

<u>OWNER/APPLICANT</u>	<u>DEVELOPMENT NAME</u>	<u>NSP AMOUNT</u>
Spring Centre Apartments Limited Partnership/ Sioux Falls Housing Corp	Spring Centre Apartments Sioux Falls, SD	\$222,000 (NSP)

Via voice vote, the motion carried unanimously.

E. Resolution No. 13-06-44: Resolution Approve Housing Tax Credit Program Waiver Request for Sioux Falls YMCA Housing Initiative

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

WHEREAS, per Resolution No. 13-04-33, Sioux Falls YMCA Housing Initiative, Limited Partnership (Applicant) received a Reservation of Housing Tax Credits (HTC) for Sioux Falls YMCA Housing Initiative, Sioux Falls;

WHEREAS, the HTC Qualified Allocation Plan requires that 10% of total project costs be expended by December 31, 2013;

WHEREAS, Owner has requested a waiver of the 10% expenditure deadline to December 31, 2014; and

WHEREAS, the federal requirements would allow such a waiver;

NOW, THEREFORE, BE IT RESOLVED that the Board hereby approves the request, and the Executive Director is authorized to notify the Owner that if the remaining Carryover documentation is submitted to the satisfaction of SDHDA, that 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 voice vote, the motion carried unanimously.

VIII. NEW BUSINESS

Resolution Nos. 13-06-45, 13-06-46, and 13-06-47 were each considered prior to "OLD BUSINESS" to accommodate attendees at the meeting.

A. Resolution No. 13-06-45: Resolution to Approve Transfer of Ownership and Assumption of HOME and FLEX Loans for Ridgestone Apartments

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

WHEREAS, the South Dakota Housing Development Authority (SDHDA) previously made a loan under the HOME Investment Partnership Program to Poko Enterprises, a Limited Liability Corporation (the Corporation), for the Ridgestone Apartments located in Rapid City, South Dakota;

WHEREAS, the HOME loan is secured by a Mortgage and Security Agreement;

WHEREAS, the property is subject to a Regulatory Agreement covering certain requirements and restrictions under the HOME Program;

WHEREAS, the Corporation proposes to sell its interest in Ridgestone Apartments to Ridgestone, LLC, unrelated third parties;

WHEREAS, the Corporation and proposed purchaser have met SDHDA's criteria for transfer of ownership and assumption of the Mortgage Note and related Mortgage and Security Agreement;

WHEREAS, Ridgestone, LLC has agreed to enter into a Regulatory Agreement with respect to the ongoing requirements under the HOME Program; and

WHEREAS, Ridgestone, LLC has requested a waiver of the requirement to obtain an appraisal on the property based on the low loan to assessed value of the property;

NOW, THEREFORE, BE IT RESOLVED, that the transfer of ownership of Ridgestone Apartments from Poko Enterprises, LLC to Ridgestone, LLC and the

assumption of the Mortgage Note and Security Agreement by Ridgestone, LLC is hereby approved.

Via voice vote, the motion carried unanimously.

B. Resolution No. 13-06-46: Resolution to Approve Transfer of Ownership and Assumption of HOME and FLEX Loans for Stonecrest Apartments

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

WHEREAS, the South Dakota Housing Development Authority (SDHDA) previously made a loan under the HOME Investment Partnership Program to Poko Enterprises, a Limited Liability Corporation (the Corporation), for the Stonecrest Apartments located in Rapid City, South Dakota;

WHEREAS, the HOME and FLEX loans are secured by a Mortgage and Security Agreement;

WHEREAS, the property is subject to a Regulatory Agreement covering certain requirements and restrictions under the HOME Program;

WHEREAS, the Corporation proposes to sell its interest in Stonecrest Apartments to Stonecrest, LLC, unrelated third parties;

WHEREAS, the Corporation and proposed purchaser have met SDHDA's criteria for transfer of ownership and assumption of the Mortgage Note and related Mortgage and Security Agreement;

WHEREAS, Stonecrest, LLC has agreed to enter into a Regulatory Agreement with respect to the ongoing requirements under the HOME Program; and

WHEREAS, Stonecrest, LLC has requested a waiver of the requirement to obtain an appraisal on the property based on the low loan to assessed value of the property;

NOW, THEREFORE, BE IT RESOLVED, that the transfer of ownership of Stonecrest Apartments from Poko Enterprises, LLC to Stonecrest, LLC and the assumption of the Mortgage Note and Security Agreement by Stonecrest, LLC is hereby approved.

Via voice vote, the motion carried unanimously.

C. Resolution No. 13-06-47: Resolution to Approve Transfer of Ownership and Assumption of Home Loan for Windsor Apartments

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

WHEREAS, the South Dakota Housing Development Authority (SDHDA) previously made a loan under the HOME Investment Partnership Program to Poko Enterprises,

a Limited Liability Corporation (the Corporation), for the Windsor Apartments located in Rapid City, South Dakota;

WHEREAS, the HOME and FLEX loans are secured by a Mortgage and Security Agreement;

WHEREAS, the property is subject to a Regulatory Agreement covering certain requirements and restrictions under the HOME Program;

WHEREAS, the Corporation proposes to sell its interest in Windsor Apartments to Windsor, LLC, unrelated third parties;

WHEREAS, the Corporation and proposed purchaser have met SDHDA's criteria for transfer of ownership and assumption of the Mortgage Note and related Mortgage and Security Agreement;

WHEREAS, Windsor, LLC has agreed to enter into a Regulatory Agreement with respect to the ongoing requirements under the HOME Program; and

WHEREAS, Windsor, LLC has requested a waiver of the requirement to obtain an appraisal on the property based on the low loan to assessed value of the property;

NOW, THEREFORE, BE IT RESOLVED, that the transfer of ownership of Windsor Apartments from Poko Enterprises, LLC to Windsor, LLC and the assumption of the Mortgage Note and Security Agreement by Windsor, LLC is hereby approved.

Via voice vote, the motion carried unanimously.

D. Resolution No. 13-06-48: Resolution to Approve and Authorize Release of Draft South Dakota Housing Opportunity Fund Allocation Plan for Public Comment

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

WHEREAS, SDHDA is responsible for the administration of the Housing Opportunity Fund in accordance with Senate Bill 235 of the 2013 South Dakota Legislature;

WHEREAS, SDHDA is responsible for the development of the Draft South Dakota Housing Opportunity Fund Allocation Plan; and

WHEREAS, such Plan, 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 South Dakota Housing Opportunity Fund Allocation Plan, is hereby approved and the Executive Director is authorized to release the Plan for the purpose of taking public comment.

Via voice vote, the motion carried unanimously.

Commissioner Dykstra left the meeting at this point.

E. Resolution No. 13-06-49: Resolution to Approve HOME Application for Commitment of Funds for Citizen's Involvement Council DBA Pierre Area Referral Services Under the Security Deposit Assistance Program

Commissioner Hansen abstained from discussion and voting on this matter. 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 following HOME Program application was received in accordance with the set-aside for the Security Deposit Assistance Program (SDAP) and has been reviewed and evaluated; 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>
Citizen's Involvement Council DBA Pierre Area Referral Services	\$25,000

Via voice vote, the motion carried unanimously.

F. Resolution No. 13-06-50: Resolution to Approve HOME Application for Commitment of Funds for Inter-Lakes Community Action Partnership Under the Security Deposit Assistance Program

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

WHEREAS, the following HOME Program application was received in accordance with the set-aside for the Security Deposit Assistance Program (SDAP) and has been reviewed and evaluated; 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:

APPLICANT
Inter-Lakes Community Action
Partnership

SECURITY DEPOSIT
ASSISTANCE
PROGRAM AMOUNT
\$5,000

Via voice vote, the motion carried unanimously with Commissioner Hansen abstaining.

G. Resolution No. 13-06-51: Resolution to Approve HOME Application for Commitment of Funds for South Dakota Network Against Family Violence & Sexual Assault 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, the following HOME Program application was received in accordance with the set-aside for the Security Deposit Assistance Program (SDAP) and has been reviewed and evaluated; 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:

APPLICANT
South Dakota Network
Against Family Violence &
Sexual Assault

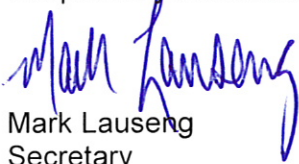
SECURITY DEPOSIT
ASSISTANCE
PROGRAM AMOUNT
\$22,500

Via voice vote, the motion carried unanimously.

IX. DATE OF NEXT MEETING AND ADJOURNMENT

The date of next the Board of Commissioners' Meeting has been set for July 25, 2013, at 9:00 AM in Sioux Falls. It was moved by Commissioner Pummel and seconded by Commissioner Symens that the meeting be adjourned. The meeting was adjourned at 12:40 P.M.

Respectfully submitted,


Mark Lauseng
Secretary