MINUTES
SOUTH DAKOTA HOUSING DEVELOPMENT AUTHORITY
BOARD OF COMMISSIONERS' MEETING
SDHDA CONFERENCE ROOM
August 25, 2011

Board Members Present: Lloyd Schipper, Chairman
Linda Barker, Vice-Chair
Brent Dykstra, Treasurer
Bill Hansen, Commissioner
Kurt Pfeifle, Commissioner
David Pummel, Commissioner

Board Members Absent: 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
Lisa Larson, Single Family Assistant
Ron Wagner, Housing Management Officer
Scott Rounds, Housing Management Officer
Mary Stewart, State HERO Coordinator

Guests Present: Dixie Hieb, Davenport, Evans, Hurwitz & Smith, Counsel to SDHDA
Cindy Frederick, Home Federal Bank

I. CALL TO ORDER

The meeting was called to order at 10:03 A.M. and roll was called. A quorum was present. It is noted that Commissioner Hansen left the meeting at approximately 12:05 P.M. and was not present for items presented after that time, but a quorum was still present.

II. APPROVAL OF AGENDA

The distributed Agenda was changed to revise the order in which items would be heard. It was moved by Commissioner Pummel and seconded by Commissioner Dykstra that the Agenda be adopted as revised, 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 Pummel that the Minutes of the Board of Commissioners' Meeting dated June 23, 2011, be adopted as presented. The motion carried unanimously.

It was moved by Commissioner Dykstra and seconded by Commissioner Pfeifle that the Minutes of the Board of Commissioners' Meeting dated July 21, 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 May 31, 2011; the Statement of Revenues, Expenses and Changes in Net Assets for the eleven months ending May 31, 2011; and the Comparison of Actual Expenses to Budget as of May 31, 2011. It was moved by Commissioner Dykstra and seconded by Commissioner Pummel that the Treasurer's Report be accepted as presented. The motion carried unanimously.

V. EXECUTIVE DIRECTOR'S REPORT

Executive Director Lauseng reported on the recent conference he and Commissioners Barker and Hansen attended in Santa Fe, New Mexico. Executive Director Lauseng also reported on the upcoming NCSHA Conference that will be held in San Diego, California. Executive Director Lauseng updated the Board on the NIBP rates, PBCA Contract and the upcoming audit.

VI. Highlight Reports

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

VII. NEW BUSINESS

A. Resolution No. 11-08-61: Resolution to Approve the Purchase of Loan Number 825048082722 Originated by Home Federal Bank

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

WHEREAS, pursuant to a Homeownership Program commitment from Series 825 NIBP 3 and 0's, (#2), Home Federal Bank delivered for purchase a loan;

WHEREAS, the loan is non-conforming as the borrowers' total monthly obligations-to-income ratio of 41.70% exceed the maximum of 36.00%, pursuant to Section 215 E of the Homeownership Program Guide; and

WHEREAS, the Board has considered the circumstances presented by Home Federal Bank;

NOW, THEREFORE, BE IT RESOLVED that the request is hereby approved and the Executive Director be authorized to allow the funding of the 825048082722 loan from legally available funds pursuant to the bond resolution.

The motion carried unanimously.

VIII. OLD BUSINESS

B. Resolution No. 11-08-62: Resolution to Approve Amended Terms of the Governor's House Pilot 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 Board previously approved Resolution No. 03-12-119, regarding the Governor's House Pilot Program under HOME; and

WHEREAS, the Board desires to amend the terms of the Program;

NOW, THEREFORE, BE IT RESOLVED that the Term Sheet for the Governor's House Pilot Program, which by this reference is incorporated herein is hereby adopted.

The motion carried unanimously.

C. Resolution No. 11-08-63: Resolution to Approve a Housing Tax Credit Program Waiver Request for Barker Hill Homes

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

WHEREAS, Barker Hill Homes Limited Partnership (Owner) received a 2008 reservation of Housing Tax Credits (HTC) per Resolution No. 08-04-22;

WHEREAS, per the HTC application, the Owner indicated its intent to construct a community building for the use of the tenants in this project;

WHEREAS, the owner is requesting a waiver of the requirement to construct the community building for this project;

WHEREAS, the Owner did not receive application points for the construction of the community building; and

NOW, THEREFORE, BE IT RESOLVED that the waiver is hereby approved for Barker Hill Homes.

The motion carried unanimously.

D. Resolution No. 11-08-64: Resolution to Commit HOME Program Funds for Jordan Park Townhomes

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 No. 11-04-22, a Reservation in the amount of $700,000 was previously awarded to the following HOME Applicant; and

WHEREAS, required documentation has been received, 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, for the following:

OWNER/APPLICANT	DEVELOPMENT NAME	GENERAL POOL HOME AMOUNT
Jordan Park Limited Partnership	Jordan Park Townhomes Aberdeen, SD	$700,000

The motion carried unanimously.

E. Resolution No. 11-08-65: Resolution to Commit HOME Program Funds for Grant Square Apartments II

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

WHEREAS, per Resolution 11-04-20, a Reservation in the amount of $400,000 was previously awarded to the following HOME Applicant;

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

WHEREAS, the environmental review has been initiated;

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:

OWNER/APPLICANT	DEVELOPMENT NAME	GENERAL POOL HOME AMOUNT
Grant Square Limited Partnership	Grant Square Apartments II Sioux Falls, SD	$400,000

The motion carried unanimously.

F. Resolution No. 11-08-66: Resolution to Commit HOME Program Funds for Red Oak Senior 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, per Resolution No. 11-04-17, a Reservation in the amount of $500,000 was previously awarded to the following HOME Applicant;

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

WHEREAS, the environmental review has been initiated;

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

OWNER/APPLICANT	DEVELOPMENT NAME	GENERAL POOL HOME AMOUNT
Sioux Falls Senior Apartments III Limited Partnership/TRK Development, Inc.	Red Oak Senior Apartments Sioux Falls, SD	$500,000

The motion carried unanimously.

G. Resolution No. 11-08-67: Resolution to Commit HOME Program Funds for Prescott 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 No. 11-04-29, a Reservation in the amount of $800,000 was previously awarded to the following HOME Applicant; and

WHEREAS, required documentation has been received, 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, for the following:

OWNER/APPLICANT	DEVELOPMENT NAME	GENERAL POOL HOME AMOUNT
Prescott Limited Partnership	Prescott Apartments Tea, SD	$800,000

The motion carried unanimously.

H. Resolution No. 11-08-68: Resolution to Commit HOME Program Funds for Pheasant Run Apartments

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. 11-04-28, a Reservation in the amount of $623,700 was previously awarded to the following HOME Applicant; and

WHEREAS, required documentation has been received, 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, for the following:

OWNER/APPLICANT	DEVELOPMENT NAME	GENERAL POOL HOME AMOUNT
Huron Pheasant Run Apartments, LLC/ G.A. Haan Development, LLC	Pheasant Run Apartments Huron, SD	$373,000

The motion carried unanimously.

I. Resolution No. 11-08-69: Resolution to Commit HOME Program Funds for Meadow Wood Townhomes

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

WHEREAS, per Resolution 11-04-23, a Reservation in the amount of $700,000 was previously awarded to the following HOME Applicant; and

WHEREAS, required documentation has been received, 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, for the following:

OWNER/APPLICANT	DEVELOPMENT NAME	CHDO SET-ASIDE AMOUNT
Meadow Wood Townhomes Limited Partnership	Meadow Wood Townhomes Aberdeen, SD	$700,000

J. Resolution No. 11-08-70: 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 Pummel and seconded by Commissioner Pfeifle 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 provided;

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

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

WHEREAS, per Resolution No. 10-08-59, a 12-month extension to the term was previously approved; and

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

NOW, THEREFORE, BE IT RESOLVED that the 12-month extension, as per the attached summary, is hereby approved/denied for:

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

The motion carried unanimously.

K. Resolution No. 11-08-71: Resolution to Modify the Construction Loan Guarantee Program

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

WHEREAS, per Resolution No. 06-11-95, the Board reestablished the Construction Loan Guarantee Program and approved the Program Guide and Term Sheet;

WHEREAS, per Resolution No. 07-03-17, the Board approved the increase of the maximum sales price under the Program from $150,000 to $160,000;

WHEREAS, the proposed modification to the Program will allow SDHDA loan guarantees to be made available to new housing developments with lots dedicated to affordable housing; and

WHEREAS, under the proposed modification to the Program, SDHDA (1) will guarantee up to 80% of the original principal balance of the development loan provided by the lender, which loan may not exceed 85% of the total value of the unit or the total cost, whichever is less, and (2) will pay up to 80% of the total principal loss sustained by the lender;

NOW, THEREFORE, BE IT RESOLVED that the Loan Guarantee Program Guide, dated August 25, 2011, is hereby approved and by this reference is hereby made a part of this resolution.

The motion carried unanimously.

IX. NEW BUSINESS

A. Resolution No. 11-08-72: Resolution to Approve Release of the 2012 Draft Consolidated Plan Updated 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, the 2008-2012 Five-Year Consolidated Plan has previously been approved by the U.S. Department of Housing and Urban Development (HUD);

WHEREAS, annually HUD requires an update to the Consolidated Housing and Community Development Plan 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 required public hearing has been held and public comments have been considered in formulating the Plan;

NOW, THEREFORE, BE IT RESOLVED that the above referenced 2012 Draft Consolidated Plan Update dated August 25, 2011, is hereby approved for public distribution, and the Executive Director is authorized to give the required public notices for a final 30-day comment period.

The motion carried unanimously.

B. Resolution No. 11-08-73: Resolution to Approve Release of the Amended 2011-2012 Draft HOME Program 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 development of the HOME Program Allocation Plan; and

WHEREAS, the required public hearings have been held and public comments have been considered in formulating the Plan;

NOW, THEREFORE, BE IT RESOLVED that the above referenced Amended 2011-2012 Draft HOME Program Allocation Plan dated August 25, 2011, is hereby approved for public distribution, and the Executive Director is authorized to give the required public notices for a final 30-day comment period.

The motion carried unanimously.

C. Resolution No. 11-08-74: Resolution to Commit Loan Guarantee for Highlands Ridge Phase IV in Pierre, SD

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

WHEREAS, the following Loan Guarantee Program application has been reviewed and evaluated in accordance with the established Guidelines; and

WHEREAS, the Applicant has agreed to comply with all Loan Guarantee Program requirements;

NOW, THEREFORE, BE IT RESOLVED that the Executive Director be authorized to provide a commitment of a Loan Guarantee, as per the attached summary, for the following:

APPLICANT	DEVELOPMENT NAME	MAXIMUM LOAN GUARANTEE AMOUNT
BankWest	Highlands Ridge Phase IV Pierre, SD	$786,000

The motion carried unanimously.

D. Resolution No. 11-08-75: Resolution Approving Homeownership Education Resource Organization (HERO) Funding

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

WHEREAS, HERO is an affiliate created and supported by South Dakota Housing Development Authority (SDHDA) as an independent 501(c)(3);

WHEREAS, HERO's purposes include providing funding for homebuyer education in South Dakota;

WHEREAS, be it known that the cost of providing education and counseling services in South Dakota is projected at $700,000 for the Fiscal Year 2012; and

WHEREAS, HERO continuance is dependent upon financial support of SDHDA;

NOW, THEREFORE, BE IT RESOLVED that during Fiscal Year 2012, SDHDA shall provide up to $490,600 in financial support to HERO to be used to fulfill its mission of delivering homebuyer education in South Dakota.

The motion carried unanimously.

E. Resolution No. 11-08-76: Resolution Adopting Fiscal Year 2012 Budget

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

WHEREAS, the Board has reviewed the proposed Fiscal Year 2012 budget as presented;

NOW, THEREFORE, BE IT RESOLVED that the Budget for Fiscal Year 2012 is hereby adopted.

The motion carried unanimously.

F. Resolution No. 11-08-77: Resolution for Election of Officers for Fiscal Year 2012

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

BE IT HEREBY RESOLVED that the officers of South Dakota Housing Development Authority Board of Commissioners for Fiscal Year 2012 are as follows:

Chairman – Lloyd Schipper
Vice-Chair – Linda Barker
Secretary – Mark Lauseng (SDCL 11-11-12)
Treasurer – Brent Dykstra
Assistant Treasurer – Todd Hight

The motion carried unanimously.

G. Resolution No. 11-08-78: Resolution to Amend the SDHDA Employee Handbook

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 Board has reviewed the proposed changes to the Employee Handbook as presented;

NOW, THEREFORE, BE IT RESOLVED that the SDHDA Employee Handbook be amended to reflect the changes presented.

The motion carried unanimously.

X. DATE OF NEXT MEETING AND ADJOURNMENT

The next Board of Commissioners' Meeting has not been scheduled. It was moved by Commissioner Barker and seconded by Commissioner Pummel that the meeting adjourn. The meeting adjourned at 2:10 P.M.

Respectfully submitted,

Mark Lauseng

Mark Lauseng
Secretary