

MINUTES
SOUTH DAKOTA HOUSING DEVELOPMENT AUTHORITY
BOARD OF COMMISSIONERS' MEETING
SDHDA CONFERENCE ROOM
Telephonic
August 28, 2013

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

Board Members Absent: Steve Kolbeck

Staff Present: Mark Lauseng, Executive Director
Todd Hight, Director of Finance & Administration
Brent Adney, Director of Homeownership Programs
Lorraine Polak, Director of Rental Housing Development
Amanda Weisgram, Director of Marketing and Research
Sheila Ricketts, Marketing/Executive Assistant

Guests Present: Dixie Hieb, Davenport, Evans, Hurwitz & Smith, Counsel to
SDHDA (via telephone)
Hoby Abernathy, DDI
Joan Franken, Costello Properties

I. CALL TO ORDER

The meeting was called to order at 2:03 P.M. and roll was called.

II. APPROVAL OF AGENDA

It was moved by Commissioner Pummel and seconded by Commissioner Barker that the Agenda be adopted as presented, but reserving the right to make changes during the meeting. During the course of the meeting, two new business items regarding approval of HOME applications for the commitment of funds under the Homeownership Rehabilitation Program were removed from the Agenda after Executive Director Lauseng noted that the HOME Program Allocation Plan would be amended to comply with the U.S. Department of Housing and Urban Development's Final Rule amending the HOME Program.

III. EXECUTIVE DIRECTOR'S REPORT

Executive Director Lauseng welcomed our newest Board Member, Mark Puetz. He also mentioned that Steve Kolbeck had recently accepted a five-year term since Paul Symens' term had also expired. Executive Director Lauseng mentioned that he had attended the State fair along with Governor Daugaard to talk about the passive house.

IV. OLD BUSINESS

A. Resolution No. 13-08-57: Resolution to Modify Terms of FLEX-Rural Site Development Loan for Johnson Addition

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

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, loan terms specify that principal payments will be submitted from lot sales after the first mortgage is paid off in addition to payments of interest on a monthly basis;

WHEREAS, per Resolution No. 12-09-70, a 12-month extension to the original term was approved; and

WHEREAS, a second 12-month extension to the current term has been requested;

NOW, THEREFORE, BE IT RESOLVED that an additional 12-month extension to the loan term is hereby approved for:

OWNER/APPLICANT
Johnson Addition, L.L.C.

DEVELOPMENT NAME
Johnson Addition
Arlington, SD

Via roll call vote, the motion carried unanimously.

B. Resolution No. 13-08-58: Resolution to Modify Terms of FLEX-Rural Site Development Loan for The Meadow

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

WHEREAS, per Resolution No. 05-02-04, 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;

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

WHEREAS, per Resolution No. 11-05-40, terms were adjusted to monthly interest and principal payments based on a 15 year amortization at 3%, and an additional 12-month extension was approved;

WHEREAS, per Resolution No. 12-05-40, an additional 12-month extension was approved; and

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

NOW, THEREFORE, BE IT RESOLVED that a 12-month extension is hereby approved for:

OWNER/APPLICANT

Parker Development Corporation

DEVELOPMENT NAME

The Meadows
Parker, SD

Via roll call vote, the motion carried unanimously.

C. Resolution No. 13-08-59: Resolution to Modify Terms of FLEX Funds to the City of Sioux Falls on Behalf of Pettigrew Heights – Neighborhood Conservation Area Program

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

WHEREAS, per Resolution No. 08-10-72, FLEX Program funds in the amount of \$500,000 were authorized to the City of Sioux Falls for the Neighborhood Conservation Area Program for the Pettigrew Heights Neighborhood; and

WHEREAS, the City of Sioux Falls has requested modification of the original terms to expand the program to include the core neighborhoods of:

- All Saints
- Augustana/Sanford
- Axtell Park
- Beadle
- North End/Cathedral
- Whittier
- West 12th/Emerson

NOW, THEREFORE, BE IT RESOLVED that the expansion of the program be approved.

Via roll call vote, the motion carried unanimously.

D. Resolution No. 13-08-60: Resolution to Commit HOME Program Funds for Brandon Heights Apartments

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

WHEREAS, per Resolution 13-04-15, a Reservation in the amount of \$800,000 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>
Brandon Heights Limited Partnership	Brandon Heights Apartments Brandon, SD	\$800,000

Via roll call vote, the motion carried unanimously.

E. Resolution No. 13-08-61: Resolution to Commit HOME Program Funds for Chasing Willows Apartments

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

WHEREAS, per Resolution 13-04-16, a Reservation in the amount of \$930,000 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>
Chasing Willows Limited Partnership	Chasing Willows Apartments Sioux Falls, SD	\$930,000

Via roll call vote, the motion carried unanimously.

F. Resolution No. 13-08-62: Resolution to Commit HOME Program Funds for Jackson Heights Apartments

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

WHEREAS, per Resolution 13-04-24, a Reservation in the amount of \$905,494 was previously awarded to the following HOME Applicant;

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

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

WHEREAS, due to an increase in total development costs, the Applicant has requested per the attached letter, an increase in HOME funds, for a total commitment of \$1,005,494 in HOME funds;

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>CHDO SET-ASIDE HOME AMOUNT</u>
Jackson Heights Apartment Limited Partnership	Jackson Heights Apartments Aberdeen, SD	\$1,005,494

Via roll call vote, the motion carried unanimously.

G. Resolution No. 13-08-63: Resolution to Commit HOME Program Funds for Sioux Falls Ministry Housing

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 13-04-31, a Reservation in the amount of \$195,412 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>
Sioux Falls Ministry Housing Limited Partnership	Sioux Falls Ministry Housing Sioux Falls, SD	\$195,412

Via roll call vote, the motion carried unanimously.

V. NEW BUSINESS

A. Resolution No. 13-08-64: Resolution to Commit HOME Funds under the Security Deposit Assistance Program for Huron Housing and Redevelopment Authority

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 following application has been renewed and evaluated in accordance with the provision of the Security Deposit Assistance Program (SDAP) of the 2013-2014 HOME Program Allocation Plan; 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>
Huron Housing and Redevelopment Authority	Huron Housing Partnership Huron, SD	\$25,000

Via roll call vote, the motion carried unanimously.

B. Resolution No. 13-08-65: Resolution to Commit HOME Funds under the Security Deposit Assistance Program for Brookings Domestic Abuse Shelter

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

WHEREAS, the following application has been renewed and evaluated in accordance with the provision of the Security Deposit Assistance Program (SDAP) of the 2013-2014 HOME Program Allocation Plan; 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>
Brookings Domestic Abuse Shelter	Brookings Domestic Abuse Shelter, Brookings, SD	\$10,000

Via roll call vote, the motion carried unanimously.

C. Resolution No. 13-08-66: Resolution to Forgive Portion of HOME Loan for Old Main

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

WHEREAS, a loan in the amount of \$428,062 was made under the HOME Investment Partnership Program (the "HOME Loan") to MDI Limited Partnership #37 for the Old Main Apartments located in Canton, South Dakota;

WHEREAS, the current outstanding balance of the loan is \$428,062;

WHEREAS, the current appraised value of the property is \$425,000;

WHEREAS, the owner has additional loans outstanding against the property;

WHEREAS, the property has suffered ongoing substantial vacancies and cash flow problems for many years;

WHEREAS, the owner wishes to sell the property and has requested that \$150,000 of the HOME Loan amount be forgiven; and

WHEREAS, the purchaser of the property has agreed to repay the remaining HOME Loan balance of approximately \$280,000 balance on the HOME Loan;

NOW, THEREFORE, BE IT RESOLVED that up to \$150,000 of the HOME Loan amount be forgiven upon receipt of the remaining HOME Loan balance;

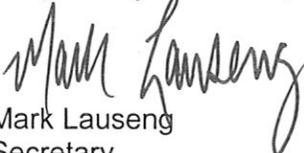
BE IT FURTHER RESOLVED, that the Executive Director be authorized to take such actions as are necessary to effect the forgoing resolution.

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, September 17, 2013. It was moved by Commissioner Puetz and seconded by Commissioner Pummel that the meeting be adjourned. The meeting was adjourned at 2:40 P.M.

Respectfully submitted,


Mark Lauseng
Secretary