

MINUTES
SOUTH DAKOTA HOUSING DEVELOPMENT AUTHORITY
BOARD OF COMMISSIONER'S MEETING
SIOUX FALLS CHAMBER OF COMMERCE
CONFERENCE ROOM
August 1, 2014

Board Members Present: Lloyd Schipper, Chairman
David Pummel, Vice Chair
Linda Barker, Commissioner
Brent Dykstra, Commissioner
Bill Hansen, Commissioner
Steve Kolbeck, Commissioner
Mark Puetz, Commissioner

Board Members Absent: None

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
Mike Harsma, Director of Single Family Development
Amanda Weisgram, Director of Research and Marketing
Stephanie Pierson, Housing Development Officer
Sheila Ricketts, Marketing/Executive Assistant

Guests Present: Dixie Hieb, Davenport, Evans, Hurwitz & Smith, Counsel to SDHDA
John Wagner, Kutak Rock
Hailey Murray, Caine Mitter & Associates

I. CALL TO ORDER

The meeting was called to order at 8:41 A.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. The motion carried unanimously.

III. APPROVAL OF MINUTES

It was moved by Commissioner Hansen and seconded by Commissioner Dykstra that the Minutes of the Board of Commissioners' Meeting dated May 5, 2014, 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 July 1, 2014, 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 Position dated May 31, 2014; the Statement of Revenues, Expenses and Changes in Net Position for the eight months ending May 31, 2014; and the Comparison of Actual Expenses to Budget as of May 31, 2014. It was moved by Commissioner Dykstra 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 by thanking everyone for traveling and attending the Board Meeting and training.

VI. PROGRAM REPORTS

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

VII. OLD BUSINESS

A. Resolution No. 14-08-50: Resolution to Amend the Governor's House Program Guidelines

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

WHEREAS, there continues to be an ongoing need for quality affordable housing in South Dakota;

WHEREAS, there is also a need for affordable rental units for low-income South Dakotans;

WHEREAS, the South Dakota Housing Development Authority (SDHDA) established the Governor's House Program to meet these needs;

WHEREAS, revisions to the Governor's House Program Guidelines are being recommended by SDHDA staff and the Executive Director to partner with private industry to provide additional affordable housing opportunities throughout South Dakota; and

WHEREAS, the Board has reviewed the proposed changes to the Governor's House Program Guidelines;

NOW, THEREFORE, BE IT RESOLVED that the proposed revised Governor's House Program Guidelines are hereby approved effective as of June 30, 2014, and by this reference are hereby made a part of this Resolution.

Via voice vote, the motion carried unanimously.

B. Resolution No. 14-08-51: Resolution to Modify Terms of FLEX-Rural Site Development Loan for The Meadows

After review and discussion, it was moved by Commissioner Hansen and seconded by Commissioner Puetz 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 made to Parker Development Corporation, Inc. (Owner) for The Meadows in Parker, South Dakota;

WHEREAS, due to the economic conditions and the downturn in the housing market in the recent past, lot and house sales have been slower than anticipated;

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;

WHEREAS, per Resolution No. 13-08-58, an additional 12-month extension was approved; and

WHEREAS, the owner has requested a modification of the current terms to allow an extension of the loan until June 30, 2024;

NOW, THEREFORE, BE IT RESOLVED that the 120-month extension is hereby approved for:

OWNER/APPLICANT

Parker Development Corporation

DEVELOPMENT NAME

The Meadows
Parker, SD

Via voice vote, the motion carried unanimously.

C. Resolution No. 14-08-52: Resolution to Commit HOME Program Funds for Beacon Apartments

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

WHEREAS, per Resolution 14-05-17, a Reservation in the amount of \$339,901 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:

<u>OWNER/APPLICANT</u>	<u>DEVELOPMENT NAME</u>	<u>GENERAL POOL HOME AMOUNT</u>
Beacon Apartments Limited Partnership	Beacon Apartments Sioux Falls, SD	\$339,901

Via voice vote, the motion carried unanimously.

VIII. NEW BUSINESS

A. Resolution No. 14-08-53: Resolution Adopting Fiscal Year 2015 Budget

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

WHEREAS, the Board has reviewed the proposed Fiscal Year 2015 budget as presented;

NOW, THEREFORE, BE IT RESOLVED that the Budget for Fiscal Year 2015 is hereby adopted.

Via voice vote, the motion carried unanimously.

B. Resolution No. 14-08-54: Election Officers for Fiscal Year 2015

After review and discussion, it was moved by Commissioner Barker and seconded by Commissioner Hansen 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 2015 are as follows:

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

Via voice vote, the motion carried unanimously.

C. Resolution No. 14-08-55: Resolution Approving Homeownership Education Resource Organization (HERO) Funding

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

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

WHEREAS, BE IT KNOWN that the cost of providing education and counseling services in South Dakota is projected at \$700,000 for the FY 2015; and

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

NOW, THEREFORE, BE IT RESOLVED that during FY2015, South Dakota Housing Development Authority under the SDHDA Board of Directors agrees to financially support HERO up to \$373,224 to deliver homebuyer education in South Dakota.

Via voice vote, the motion carried unanimously.

D. Resolution No. 14-08-56: Resolution to Approve the Master Servicing Proposal Submitted by U.S. Bank and Idaho Housing and Finance Association to Service SDHDA Single Family MBS Mortgage Program and Enter into a Two-year Contractual Agreement

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

WHEREAS, the South Dakota Housing Development Authority (SDHDA) has issued a Request for Proposal (RFP) to multiple prospective Master Servicers with respect to servicing a Mortgage Backed Securities (MBS) Program;

WHEREAS, only U.S. Bank and Idaho Housing and Finance Association (IHFA) responded to the RFP and each submitted a proposal;

WHEREAS, SDHDA staff has reviewed the proposals submitted by U.S. Bank and IHFA and has determined that the IHFA proposal better meets the servicing requirements of SDHDA with respect to the MBS Program; and

WHEREAS, based on such SDHDA staff review and determination, the SDHDA Executive Director has recommended that the SDHDA Board of Commissioners accept the proposal submitted by IHFA;

NOW, THEREFORE, BE IT RESOLVED that the Board of Commissioners hereby accepts the proposal of IHFA with respect to servicing the MBS Program and authorizes the SDHDA Executive Director to enter into a two-year contractual agreement with IHFA to be the sole Master Servicer to the SDHDA Single Family Homeownership MBS Program.

Via voice vote, the motion carried unanimously.

IX. DATE OF NEXT MEETING AND ADJOURNMENT

The next Board of Commissioners' Meeting has not been yet scheduled. It was moved by Commissioner Pummel and seconded by Commissioner Dykstra that the meeting adjourn. The meeting adjourned at 10:29 A.M.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Mark Lauseng". The signature is written in a cursive, somewhat stylized font.

Mark Lauseng
Secretary