

**MINUTES**  
**SOUTH DAKOTA HOUSING DEVELOPMENT AUTHORITY**  
**BOARD OF COMMISSIONER'S MEETING**  
**SDHDA CONFERENCE ROOM**  
**March 5, 2015**

**Board Members Present:** Lloyd Schipper, Chairman  
Brent Dykstra, Commissioner (via telephone)  
Bill Hansen, Commissioner  
Steve Kolbeck, Commissioner  
Mark Puetz, Commissioner

**Board Members Absent:** David Pummel, Vice Chair  
Linda Barker, Commissioner

**Staff Present:** Mark Lauseng, Executive Director  
Todd Hight, Director of Finance and Administration  
Brent Adney, Director of Homeownership Programs (via telephone)  
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  
Jake Cummings, Continuum of Care Planner  
Chas Olson, Housing Development Officer  
Slade Weller, Construction Management Officer  
Sheila Ricketts, Marketing/Executive Assistant

**Guests Present:** Dixie Hieb, Davenport, Evans, Hurwitz & Smith, Counsel to SDHDA  
Bronson Martin, Caine Mitter & Associates (via telephone)  
Hailey Murray, Caine Mitter & Associates (via telephone)  
Mike Walker, NeighborWorks Dakota Home Resources

**I. CALL TO ORDER**

The meeting was called to order at 1:01 P.M. and roll was called. No conflicts of interest were noted.

**II. APPROVAL OF AGENDA**

It was moved by Commissioner Kolbeck and seconded by Commissioner Puetz that the Agenda be adopted as presented, but reserving the right to make changes during the meeting.

Via roll call vote, the following votes were recorded:  
Voting AYE: Chairman Schipper; Commissioners Dykstra, Hansen, Kolbeck and Puetz.  
Excused: Commissioners Barker and Pummel.

### **III. APPROVAL OF MINUTES**

It was moved by Commissioner Hansen and seconded by Commissioner Kolbeck that the Minutes of the Board of Commissioners' Meeting dated August 1, 2014, be adopted as presented.

Via roll call vote, the following votes were recorded:  
Voting AYE: Chairman Schipper; Commissioners Dykstra, Hansen, Kolbeck and Puetz.  
Excused: Commissioners Barker and Pummel.

It was moved by Commissioner Dykstra and seconded by Commissioner Kolbeck that the Minutes of the Board of Commissioners' Meeting dated September 8, 2014, be adopted as presented.

Via roll call vote, the following votes were recorded:  
Voting AYE: Chairman Schipper; Commissioners Dykstra, Hansen, Kolbeck and Puetz.  
Excused: Commissioners Barker and Pummel.

It was moved by Commissioner Hansen and seconded by Commissioner Puetz that the Minutes of the Board of Commissioners' Meeting dated October 7, 2014, be adopted as presented.

Via roll call vote, the following votes were recorded:  
Voting AYE: Chairman Schipper; Commissioners Dykstra, Hansen, Kolbeck and Puetz.  
Excused: Commissioners Barker and Pummel.

Via roll call vote, the motion carried unanimously.

It was moved by Commissioner Kolbeck and seconded by Commissioner Dykstra that the Minutes of the Board of Commissioners' Meeting dated November 12, 2014, be adopted as presented.

Via roll call vote, the following votes were recorded:  
Voting AYE: Chairman Schipper; Commissioners Dykstra, Hansen, Kolbeck and Puetz.  
Excused: Commissioners Barker and Pummel.

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

Todd Hight, Director of Finance, presented the Treasurer's Report; the Statement of Net Position dated December 31, 2014 and the Statement of Revenues, Expenses and Changes in Net Position for the eight months ending December 31, 2014. It was moved by Commissioner Puetz and seconded by Commissioner Hansen that the Treasurer's Report be accepted as presented.

Via roll call vote, the following votes were recorded:

Voting AYE: Chairman Schipper; Commissioners Dykstra, Hansen, Kolbeck and Puetz.

Excused: Commissioners Barker and Pummel.

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

Executive Director Lauseng reported staff is currently looking at three different paperless software's for board meetings. He would like feedback from board members on features they like and dislike. Executive Director Lauseng stated there were 17 Housing Opportunity Fund applications received requesting \$3.2 million with only \$2.7 million available. He also mentioned that the 2015 Housing Summit will be held in Colorado, May 6 through May 8, 2015, and if any board member would like to attend he or she should please let Sheila know. Executive Director Lauseng reported HUD granted SDHDA \$2.8 million in Section 811 funding.

#### **VI. PROGRAM REPORTS**

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

#### **VII. OLD BUSINESS**

##### **A. Resolution No. 15-03-01: Resolution to Commit HOME Program Funds under the Security Deposit Assistance Program for Housing and Redevelopment Commission of the City of Aberdeen**

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

WHEREAS, the following HOME Program application was received for the Security Deposit Assistance Program (SDAP) set-aside; and

WHEREAS, the required documentation has been reviewed and evaluated, 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 set-aside for the following:

<u>APPLICANT</u>	<u>SECURITY DEPOSIT ASSISTANCE PROGRAM AMOUNT</u>
The Housing and Redevelopment Commission of the City of Aberdeen	\$21,900

Via roll call vote, the following votes were recorded:  
Voting AYE: Chairman Schipper; Commissioners Dykstra, Hansen, Kolbeck and Puetz.  
Excused: Commissioners Barker and Pummel.

**B. Resolution No. 15-03-02: Resolution to Commit HOME Program Funds under the Security Deposit Assistance Program for the Citizen's Involvement Council DBA Pierre Area Referral Service**

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

WHEREAS, the following HOME Program application was received for the Security Deposit Assistance Program (SDAP) set-aside; and

WHEREAS, the required documentation has been reviewed and evaluated, 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 set-aside for the following:

<u>APPLICANT</u>	<u>SECURITY DEPOSIT ASSISTANCE PROGRAM AMOUNT</u>
Citizen's Involvement Council DBA Pierre Area Referral Service	\$25,000

Via roll call vote, the motion carried unanimously.  
Voting AYE – Chairman Schipper; Commissioners Dykstra, Hansen, Kolbeck and Puetz.  
Excused – Commissioners Barker and Pummel.

**C. Resolution No. 15-03-03: Resolution to Amend the Terms of the Rural Site Development Program Relative to Maximum Affordable Sales Price**

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

WHEREAS, per Resolution No. 95-04-20, SDHDA's Board of Commissioners authorized the Rural Infrastructure Loan/Guarantee Program (now known as the Rural Site Development Program);

WHEREAS, per Resolution No. 07-06-67, the maximum sales price under the Rural Site Development Program was increased from \$150,000 to \$160,000;

WHEREAS, per Resolution No. 08-10-84, Construction Loan Guarantee and Rural Site Development Program were combined and named the Rural Site Development Program;

WHEREAS, per Resolution No. 12-04-15, the maximum sales price under the Rural Site Development Program was increased from \$160,000 to \$170,000;

WHEREAS, the Rural Site Development Program affordable sales price is currently established at \$170,000;

WHEREAS, it is necessary to adjust the maximum affordable sales price limit from time to time in recognition of changing market costs; and

WHEREAS, market research conducted by SDHDA staff showed that a current reasonable maximum affordable sales price would be \$200,000;

NOW, THEREFORE, BE IT RESOLVED that an increase in the Rural Site Development Program's maximum affordable sales price to \$200,000 is hereby approved and the Executive Director is authorized to amend all Program documents accordingly.

Via roll call vote, the motion carried unanimously.

Voting AYE – Chairman Schipper; Commissioners Dykstra, Hansen, Kolbeck and Puetz.

Excused – Commissioners Barker and Pummel.

**D. Resolution No. 15-03-04: Resolution to Approve Request to Extend FLEX-Rural Site Development Loan for Deadwood Stage Run**

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. 09-02-07, a commitment for a loan under the FLEX-Rural Site Development/Loan Guarantee Program (the "Program") was provided to NeighborWorks Dakota Home Resources for the Deadwood Stage Run development;

WHEREAS, Resolution No. 12-09-71 authorized the Executive Director to increase the maximum affordable sales price limit to \$170,000;

WHEREAS, Resolution No. 13-01-03 authorized the Executive Director to waive the maximum home sales price limit of \$170,000 on one lot;

WHEREAS, per Resolution No. 14-02-01, the term of the mortgage loan was extended one year;

WHEREAS, the Rural Site Development Loan is scheduled to mature on February 12, 2015;

WHEREAS, the developer has requested a two year extension of the loan term; and

WHEREAS, the developer has requested modification of the term to increase the maximum affordable sales price limit from \$170,000 to \$200,000;

NOW, THEREFORE, BE IT RESOLVED that the modifications, as per the attached summary, are hereby approved for:

<u>OWNER/APPLICANT</u>	<u>DEVELOPMENT NAME</u>
NeighborWorks Dakota Home Resources	Deadwood Stage Run Deadwood, SD

Via roll call vote, the motion carried unanimously.  
Voting AYE – Chairman Schipper; Commissioners Dykstra, Hansen, Kolbeck and Puetz.

Excused – Commissioners Barker and Pummel.

**E. Resolution No. 15-03-05 Resolution to Modify Terms of the FLEX-Rural Site Development Funds for Valley View Development**

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

WHEREAS, per Resolution No. 08-06-54, Valley View Development received \$535,000 in FLEX-Rural Site Development funds per a Tax Increment Finance (TIF) agreement with the City of Brookings;

WHEREAS, Resolution No. 09-05-68 authorized the Executive Director to provide an additional \$500,000 commitment of FLEX-Rural Site Development funds for a total loan amount of up to \$1,035,000 contingent upon available funds;

WHEREAS, per resolution No. 09-05-68, the loan would be repaid at 5% interest amortized over 15 years with a balloon payment for the balance due on October 1st 2014;

WHEREAS, the balloon payment is past due, although they are well ahead on the amortization schedule; and

WHEREAS, the City of Brookings, the signatory on the Note, has requested a modification of the Note to allow for repayment at biannual payments due May 31 and November 31 each year with final payment being due no later than December 15, 2023;

NOW, THEREFORE, BE IT RESOLVED that the modification, as per the attached summary, is hereby approved for:

OWNER/APPLICANT  
Blairhill Properties Inc.

DEVELOPMENT NAME  
Valley View Development

Via roll call vote, the motion carried unanimously.  
Voting AYE – Chairman Schipper; Commissioners Dykstra, Hansen, Kolbeck and Puetz.  
Excused – Commissioners Barker and Pummel.

**F. Resolution No. 15-03-06 Resolution to Approve Community Housing Development Program Administrative Plan**

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

WHEREAS, the SDHDA staff has created the Community Housing Development Program (CHDP) to assist in developing various housing developments in South Dakota, including workforce housing;

WHEREAS, the Community Housing Development Program Administrative Plan outlines the policies and procedures for administration of the CHDP;

WHEREAS, per resolution 12-05-46 the Board of Commissioners approved the CHDP Administrative Plan; and

WHEREAS, the SDHDA staff has updated the CHDP Administrative Plan to help improve and promote the program;

NOW, THEREFORE, BE IT RESOLVED that the Community Housing Development Program Administrative Plan dated March 1,2015, is hereby adopted; and

BE IT FURTHER RESOLVED that the Executive Director is authorized to distribute it to the public.

Via roll call vote, the motion carried unanimously.

Voting AYE – Chairman Schipper; Commissioners Dykstra, Hansen, Kolbeck and Puetz.

Excused – Commissioners Barker and Pummel.

**G. Resolution No. 15-03-07 Resolution to Amend the Terms of the Construction Loan Partnership with South Dakota Home Builders Association**

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

WHEREAS, pursuant to Resolution No. 12-07-67, SDHDA approved the creation of a partnership with the South Dakota Home Builders Association to establish the Housing Enhancement Loan Program (HELP), a revolving low-interest loan fund to assist qualified home builders in the development of speculative type homes;

WHEREAS, HELP included maximum sales prices of homes using SD Home Builders funds received from the Mortgage Settlement and maximum sales prices of homes using SDHDA funds; and

WHEREAS, Resolution No. 14-09-59, approved the increase in the maximum home sales from \$200,000 to \$250,000 with respect to loans from the SD Home Builders loan pool and from \$170,000 to \$185,000



with respect to loans from the SDHDA loan pool;

WHEREAS, it is necessary to adjust the HELP maximum affordable sales price limits for homes using SDHDA funds to adjust to changing market conditions and to have consistency across programs;

NOW, THEREFORE, BE IT RESOLVED that the increase of the HELP maximum home sales price from \$185,000 to \$200,000 with respect to loans from the SDHDA loan pool is hereby approved and the Executive Director is authorized to amend all HELP program documents accordingly.

Via roll call vote, the motion carried unanimously.

Voting AYE – Chairman Schipper; Commissioners Dykstra, Hansen, Kolbeck and Puetz.

Excused – Commissioners Barker and Pummel.

## ***I. NEW BUSINESS***

### **A. Resolution No. 15-03-08: Resolution to Approve and Authorize Release of the Draft 2014 Consolidated Plan Annual Performance Report for Public Comment**

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

WHEREAS, SDHDA is responsible for the development of the 2014 Consolidated Plan Annual Performance Report (Report); and

WHEREAS, such Report, 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 2014 Consolidated Plan Annual Performance Report, dated March 5, 2015, is hereby approved and the Executive Director is authorized to release the Report for the purpose of taking public comment; and

BE IT FURTHER RESOLVED that public comments received be incorporated into the Report and the final Report be submitted to the U.S. Department of Housing and Urban Development (HUD) by March 31, 2015.

Via roll call vote, the motion carried unanimously.

Voting AYE – Chairman Schipper; Commissioners Dykstra, Hansen, Kolbeck and Puetz.

Excused – Commissioners Barker and Pummel.

**B. Resolution No. 15-03-09: Resolution to Approve Continuation of “Paint-South Dakota” Campaign 2015**

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

WHEREAS, on July 1, 1998, the South Dakota Housing Development Authority (SDHDA) officially began a celebration of its 25<sup>th</sup> Anniversary with a “Paint–South Dakota” campaign which was held in conjunction with National Homeownership Week;

WHEREAS, over the past seventeen years, the campaign has resulted in hundreds of homeowners in need receiving assistance in painting their homes; and

WHEREAS, the Authority has received positive exposure in rural areas through the publication of countless news articles and press coverage;

NOW, THEREFORE, BE IT RESOLVED that the Board hereby approves the continuance of the “Paint–South Dakota” campaign in 2015, and the Executive Director is authorized to approve expenditures related to the campaign, including the primer and paint necessary to paint one home in 25 different communities; and

BE IT FURTHER RESOLVED that each community will be responsible for organizing the “Paint–South Dakota” campaign, including soliciting volunteers, equipment, sponsors for meals, etc; and

BE IT FURTHER RESOLVED that if more than 25 communities apply and meet the criteria, a drawing may be held to select the communities that will participate in the campaign.

Via roll call vote, the motion carried unanimously.

Voting AYE – Chairman Schipper; Commissioners Dykstra, Hansen, Kolbeck and Puetz.

Excused – Commissioners Barker and Pummel.

**C. Resolution No. 15-03-10: Resolution to Approve the Position of the Continuum of Care Planner**

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

WHEREAS, SDHDA was successful in applying for funding under the US Housing and Urban Development Continuum of Care Program for grant funds to assist in carrying out duties related to being the lead agency for the South Dakota Housing for the Homeless Consortium, the statewide Continuum of Care (CoC);

WHEREAS, the specific duties consist of creation of the Ten Year Plan to End Homelessness; expansion of the Homeless Management Information System (HMIS) database; research and creation of a coordinated assessment; and creation of procedures for evaluating program performance and homeless data;

WHEREAS, these duties will involve an increase in workload and oversight that are not available with current staffing; and

WHEREAS, this position will be temporary and SDHDA will provide additional funding to match the CoC grant funding;

NOW, THEREFORE, BE IT RESOLVED that the position of Continuum of Care Planner is hereby approved with the responsibilities as presented.

Via roll call vote, the motion carried unanimously.

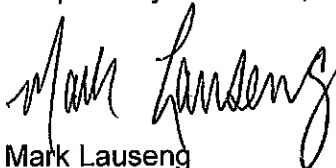
Voting AYE – Chairman Schipper; Commissioners Dykstra, Hansen, Kolbeck and Puetz.

Excused – Commissioners Barker and Pummel.

## **II. DATE OF NEXT MEETING AND ADJOURNMENT**

The next Board of Commissioners' Meeting has not been yet scheduled. It was moved by Commissioner Kolbeck and seconded by Commissioner Puetz that the meeting adjourn. The meeting adjourned at 2:56 P.M.

Respectfully submitted,



Mark Lauseng  
Secretary