

MINUTES
SOUTH DAKOTA HOUSING DEVELOPMENT AUTHORITY
BOARD OF COMMISSIONER'S MEETING
Telephonic
May 19, 2020

Board Members Present: David Pummel, Chairman
Brent Dykstra, Vice-Chair
Bill Hansen, Treasurer
Scott Erickson, Commissioner
Rick Hohn, 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
Tasha Jones, Director of Rental Housing Management
Lorraine Polak, Director of Rental Housing Development
Mike Harsma, Director of Single Family Development
Amanda Weisgram, Director of Marketing and Research
Sheila Ricketts, Marketing/Executive Assistant
Scott Rounds, Housing Development Officer
Chas Olson, Housing Development Officer
Mary Stewart, HERO State Coordinator

Guests Present: Dixie Hieb, Davenport, Evans, Hurwitz & Smith, Counsel to SDHDA
Bonnie Mogen, Costello Companies
Joan Franken, Costello Companies
John Wagner, Kutak Rock, LLP
Bronson Martin, Caine Mitter & Associates, Inc.
Jennifer Shing, Caine Mitter & Associates, Inc.
Nate Schoen, Cutler Law
Scott Graham, Wilmington Trust
Gary Peterson, Frederick Development Corporation
Richard Bakeberg, Frederick Development Corporation

I. CALL TO ORDER/CONFLICTS OF INTEREST

The meeting was called to order at 10:00 a.m. and roll was called. Chairman Pummel called for conflicts of interest and none were noted.

II. PUBLIC COMMENT

None.

III. APPROVAL OF AGENDA

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

Via roll call vote, the following votes were recorded:

Voting AYE: Chairman Pummel; Commissioners Dykstra, Erickson, Hansen, Hohn, Kolbeck and Puetz.

IV. APPROVAL OF MINUTES

It was moved by Commissioner Hohn and seconded by Commissioner Puetz that the Minutes of the Board of Commissioners' Meeting held on April 21, 2020, be adopted as presented.

Via roll call vote, the following votes were recorded:

Voting AYE: Chairman Pummel; Commissioners Dykstra, Erickson, Hansen, Hohn, Kolbeck and Puetz.

V. EXECUTIVE DIRECTOR'S REPORT

Executive Director Lauseng stated staff continues to work remotely with limited staff onsite and will slowly transition back into the office starting June 1, 2020. He mentioned SDHDA received \$2.1 million in Emergency Shelter Solutions Grant funds through the CARES Act.

VI. OLD BUSINESS

A. Resolution No. 20-05-32: Resolution to Commit HOME Funds for Habitat for Humanity of Greater Sioux Falls Building Hope

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

WHEREAS, per Resolution 19-12-97, a Reservation in the amount of \$130,000 of HOME funds was previously awarded to the following Applicant;

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

WHEREAS, the environmental review has been completed and Applicant has submitted all of the required documentation;

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/ LOCATION</u>	<u>HOME FUNDS GENERAL POOL</u>
Habitat for Humanity of Greater Sioux Falls, Inc.	Habitat for Humanity of Greater Sioux Falls Building Hope Sioux Falls, SD	\$130,000

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

B. Resolution No. 20-05-33: Resolution to Commit HOME Funds for Habitat for Humanity Black Hills Area – Hot Springs Development

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

WHEREAS, per Resolution 19-12-93, a Reservation in the amount of \$82,447 of HOME funds was previously awarded to the following Applicant;

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

WHEREAS, the environmental review has been completed and Applicant has submitted most of the required documentation;

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

<u>OWNER/APPLICANT</u>	<u>DEVELOPMENT/ LOCATION</u>	<u>HOME FUNDS GENERAL POOL</u>
Black Hills Area Habitat For Humanity, Inc.	Habitat for Humanity Black Hills Area – Hot Springs Development Hot Springs, SD	\$82,447

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

C. Resolution No. 20-05-34: Resolution to Commit HOME Funds for Habitat for Humanity Black Hills Area – Midway Development

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

WHEREAS, per Resolution 19-12-94, a Reservation in the amount of \$209,295 of HOME funds was previously awarded to the following Applicant;

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

WHEREAS, the environmental review has been completed and Applicant has submitted most of the required documentation;

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

<u>OWNER/APPLICANT</u>	<u>DEVELOPMENT/ LOCATION</u>	<u>HOME FUNDS GENERAL POOL</u>
Black Hills Area Habitat For Humanity, Inc.	Habitat for Humanity Black Hills Area – Midway Development Rapid City, SD	\$209,295

Via roll call vote, the following votes were recorded:

Voting AYE: Chairman Pummel; Commissioners Dykstra, Erickson, Hansen, Hohn, Kolbeck and Puetz.

D. Resolution No. 20-05-35: Resolution to Commit HOME and Housing Trust Fund Funds for Denali Ridge Apartments

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

WHEREAS, per Resolution 18-11-70, a Reservation in the amount of \$759,653 of HOME funds and \$530,000 of Housing Trust Fund (HTF) funds was previously awarded to the following Applicant;

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

WHEREAS, the environmental review has been completed and Applicant has submitted most of the required documentation;

NOW, THEREFORE, BE IT RESOLVED that, upon receipt of satisfactory documentation, the Executive Director be authorized to issue a Commitment of HOME and HTF Funds for the following:

<u>OWNER/APPLICANT</u>	<u>DEVELOPMENT/ LOCATION</u>	<u>HOME FUNDS GENERAL POOL</u>
Denali Ridge Limited Partnership	Denali Ridge Apartments Pierre, SD	\$759,653
		<u>HOUSING TRUST FUNDS</u>
		\$530,000

Via roll call vote, the following votes were recorded:

Voting AYE: Chairman Pummel; Commissioners Dykstra, Erickson, Hansen, Hohn, Kolbeck and Puetz.

E. Resolution No. 20-05-36: Resolution to Modify Commitment of FLEX Funds for Homeowner Assistance

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

WHEREAS, per Resolution 19-12-86, a commitment of FLEX Funds in the amount of \$165,000 was authorized to assist with disaster relief efforts;

WHEREAS, the demand for assistance has ceased;

WHEREAS, Resolution 20-04-27 authorized the use of the FLEX Funds to provide financial assistance to individuals and families affected by COVID-19;

WHEREAS, SDHDA anticipates federal funding will become available to assist individual and families affected by COVID-19; and

WHEREAS, an urgent need has developed in the community of Black Hawk, South Dakota, where homeowners have been forced to evacuate their homes;

NOW, THEREFORE, BE IT RESOLVED that the Executive Director is authorized to modify the commitment of FLEX funds to utilize a portion of the FLEX funds to assist individuals and families with up to \$2,500 per household to assist with temporary housing expenses and moving costs;

BE IT FURTHER RESOLVED, that any remaining funds will continue to be available for individuals and families affected by COVID-19; and

BE IT FURTHER RESOLVED, the authorized funds shall be available until the earlier of June 30, 2021 or until the entire amount has been awarded.

Via roll call vote, the following votes were recorded:

Voting AYE: Chairman Pummel; Commissioners Dykstra, Erickson, Hansen, Hohn, Kolbeck and Puetz.

VII. NEW BUSINESS

A. Resolution No. 20-05-37: Resolution to Conditionally Commit Housing Opportunity Fund Funds for Maple Valley Apartments

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

WHEREAS, the following application has been reviewed and evaluated in accordance with the Amended 2018-2019 Housing Opportunity Fund (HOF) Allocation Plan; and

WHEREAS, based on information provided, the Applicant is eligible to receive HOF funds and has agreed to comply with all HOF requirements;

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

<u>OWNER/APPLICANT</u>	<u>DEVELOPMENT/ LOCATION</u>	<u>HOF RURAL DEVELOPMENT</u>
Frederick Development Corporation	Maple Valley Apartments Frederick, SD	\$180,000

Via roll call vote, the following votes were recorded:

Voting AYE: Chairman Pummel; Commissioners Dykstra, Erickson, Hansen, Hohn, Kolbeck and Puetz.

B. Resolution No. 20-05-38: Resolution to Conditionally Commit Housing Opportunity Fund Funds for SEDF Workforce Housing Program

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

WHEREAS, the following application has been reviewed and evaluated in accordance with the Amended 2018-2019 Housing Opportunity Fund (HOF) Allocation Plan; and

WHEREAS, based on information provided, the Applicant is eligible to receive HOF funds and has agreed to comply with all HOF requirements;

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

<u>OWNER/APPLICANT</u>	<u>DEVELOPMENT/ LOCATION</u>	<u>HOF URBAN DEVELOPMENT</u>
South Eastern Development Foundation	SEDF Workforce Housing Program Sioux Falls, SD	\$75,000

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

C. Resolution No. 20-05-39: Resolution to Grant Preliminary Approval to the Issuance of Multifamily Housing Bonds in One or More Series in an Aggregate Principal Amount Not to Exceed \$8,500,000 for Sunnycrest Village

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

WHEREAS, the South Dakota Housing Development Authority (the "Authority") is authorized by the South Dakota Housing Development Authority Act, South Dakota Codified Laws, Chapter 11-11, as amended (the "Act") to issue its bonds to provide financing for the acquisition, construction or equipping of "Housing Developments" as that term is defined in the Act;

WHEREAS, in 2008 the Authority issued its housing bonds to finance loans to Sunnycrest Village (the "Borrower") to enable it to acquire, construct and equip its senior living campus in Sioux Falls (the "Campus"), and the Borrower has now requested that the Authority indicate its willingness to issue its bonds in an amount not to exceed \$8,500,000 (the "Bonds") and use the proceeds thereof to finance a loan to the Borrower or an affiliate thereof for the purpose of acquiring, constructing and equipping 60 additional one and two bedroom senior citizen units for its Campus (the "Project");

WHEREAS, in furtherance of the purposes of the Act, the Authority is preliminarily considering the issuance of the Bonds, the proceeds of which will be used to finance a loan to the Borrower to assist the Borrower in the acquisition, construction and equipping of the Project, as well as possibly refinancing the bonds issued in 2008; and

WHEREAS, it is intended that the Authority take "official action" within the meaning of the applicable provisions of the Internal Revenue Code of 1986, as amended, and any regulations promulgated thereunder for the purpose of issuing the Bonds in an amount not to exceed \$8,500,000 for the purpose of acquiring, constructing, installing and equipping the Project.

NOW, THEREFORE, BE IT RESOLVED, by the South Dakota Housing Development Authority that:

Section 1. **Preliminary Approval.** The issuance of the Bonds for the purpose of financing a loan to the Borrower to allow the Borrower to acquire, construct and equip the Project is hereby preliminarily approved, and, pursuant to Section 1.150-2 of the Internal Revenue Code Regulations, the Authority hereby states its intention to reimburse itself or the Borrower from Bond proceeds for any advances of funds prior to the issuance of any such Bonds.

Section 2. **Conditions.** The preliminary approval of Section 1 does not obligate the Authority to finally approve the issuance of said Bonds. Final approval of the

issuance of the Bonds can only be authorized by subsequent Authority action, which may contain such conditions thereto as the Authority may deem appropriate. The Authority in its absolute discretion may refuse to finally authorize the issuance of the Bonds and shall not be liable to the Borrower or any other person for its refusal to do so.

Section 3. **Prior Resolutions.** All provisions of prior resolutions, or parts thereof, in conflict with the provisions of this Resolution are, to the extent of such conflicts, hereby repealed.

Section 4. **Effectiveness.** This Resolution shall be effective immediately.

ADOPTED by the South Dakota Housing Development Authority this 19th day of May, 2020.

Via roll call vote, the following votes were recorded:

Voting AYE: Chairman Pummel; Commissioners Dykstra, Erickson, Hansen, Hohn, Kolbeck and Puetz.

VIII. DATE OF NEXT MEETING AND ADJOURNMENT

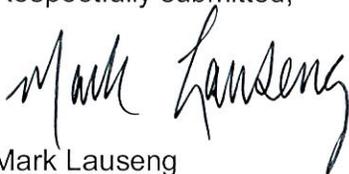
The next Board of Commissioners' Meeting is tentatively scheduled for June 18, 2020. It was moved by Commissioner Hohn and seconded by Commissioner Puetz that the meeting adjourn.

Via roll call vote, the following votes were recorded:

Voting AYE: Chairman Pummel; Commissioners Dykstra, Erickson, Hansen, Hohn, Kolbeck and Puetz.

The meeting adjourned at 10:33 a.m.

Respectfully submitted,



Mark Lauseng
Secretary