

MINUTES
SOUTH DAKOTA HOUSING DEVELOPMENT AUTHORITY
BOARD OF COMMISSIONERS MEETING
SDHDA CONFERENCE ROOM
Telephonic
July 16, 2019

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
Brent Adney, Director of Homeownership Programs
Mike Harsma, Director of Single Family Development
Todd Hight, Director of Finance and Administration
Tasha Jones, Director of Rental Housing Management
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
Kent Haag, Haag Development, Inc.

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 Hohn and seconded by Commissioner Dykstra that the Agenda be adopted as amended 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 Hansen and seconded by Commissioner Kolbeck that the Minutes of the Board of Commissioners' Meeting held on June 25, 2019, 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 the annual board meeting is scheduled for August 28-29. He stated a telephonic meeting will be scheduled at the beginning of August for a bond issue. Executive Director Lauseng stated the development program applications are due Friday, August 30.

Commissioner Dykstra left the meeting at 10:28 a.m.

VI. OLD BUSINESS

A. Resolution No. 19-07-46: Resolution to Postpone Consideration of the Modification of Terms of the FLEX-Rural Site Development Loan for The Estates at Cheyenne Pass, Box Elder, SD

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

WHEREAS, per resolution No. 07-12-126, a commitment of a FLEX-Rural Site Development loan (the Loan) was provided to Cheyenne Pass Development Co., Inc. (Developer) for The Estates at Cheyenne Pass Development in Box Elder, South Dakota;

WHEREAS, at the request of Developer, the South Dakota Housing Development Authority (SDHDA) previously approved several modifications to the terms of the Loan; and

WHEREAS, Developer has requested that the terms of the Loan be modified to provide that SDHDA will subordinate its mortgage securing the Loan to a new mortgage to be given by Developer to BankWest securing a loan from BankWest to Developer in the amount of \$250,000;

NOW, THEREFORE, BE IT RESOLVED that consideration of Developer's request regarding the proposed modification of the terms of the Loan is hereby postponed until the next meeting of the Board of Commissioners.

Via roll call vote, the following votes were recorded:

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

Excused: Commissioner Dykstra.

B. Resolution No. 19-07-47: Resolution to Provide Positive Consideration of the Modification of Terms of the FLEX-Rural Site Development Loan for The Estates at Cheyenne Pass, Box Elder, SD

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

WHEREAS, per resolution No. 07-12-126, a commitment of a FLEX-Rural Site Development loan (the Loan) was provided to Cheyenne Pass Development Co., Inc. (Developer) for The Estates at Cheyenne Pass Development in Box Elder, South Dakota;

WHEREAS, per resolution No. 19-07-46, consideration of the modification requested by Developer of the terms of the Loan was postponed; and

WHEREAS, the Board of Commissioners wishes to set forth the conditions that must be met in order for the requested modification of the Loan to be approved;

NOW, THEREFORE, BE IT RESOLVED that, upon Developer's satisfaction of the following conditions, positive consideration will be given to the proposed modification to the terms of the Loan:

1. The date of final payment of the sums evidenced by the Promissory Note in connection with the Loan is extended on terms satisfactory to the South Dakota Housing Development Authority;
2. A written plan regarding development and sale of the property, including a timeline, is provided by Developer; and
3. Both the Promissory Note and the written development plan include Developer's agreement to pay at least \$350,000 on the Promissory Note on or before July 1, 2020.

Via roll call vote, the following votes were recorded:

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

Excused: Commissioner Dykstra.

C. Resolution No. 19-07-48: Resolution to Commit Housing Trust Fund Funds for Black Hills Works 6-plex Apartment New Construction

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 18-11-66, a Reservation in the amount \$775,000 of Housing Trust Fund (HTF) funds was previously awarded to the following Applicant;

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

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

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

<u>OWNER/APPLICANT</u>	<u>DEVELOPMENT/ LOCATION</u>	<u>HOUSING TRUST FUNDS</u>
Black Hills Works	Black Hills Works 6-plex Apartment New Construction Rapid City, SD	\$775,000

Via roll call vote, the following votes were recorded:

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

Excused: Commissioner Dykstra.

D. Resolution No. 19-07-49: Resolution to Modify Designated Counties for The 2019 Disaster Recovery Funding

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

WHEREAS, per resolution 19-06-45, a conditional commitment in the amount of \$165,000 of Housing Opportunity Fund (HOF) funds was previously awarded to South Dakota Housing Development Authority (SDHDA) to assist in disaster relief efforts;

WHEREAS, SDHDA is requesting to modify the counties designated to receive the 2019 Disaster Recovery Funding funds to include all counties that are designated for individual assistance per Public Notice FEMA-4440-DR, as such designated areas may be revised by FEMA from time to time; and

WHEREAS, the counties currently designated for individual assistance are Bon Homme, Charles Mix, Hutchinson, Minnehaha, Turner and Yankton; the Pine Ridge Reservation to include the counties of Oglala Lakota, Jackson, and Bennett; the Rosebud Reservation to include the counties of Mellette and Todd; and the Cheyenne River Sioux Reservation to include the counties of Dewey and Ziebach;

NOW, THEREFORE, BE IT RESOLVED that modification of the counties designated to receive funds be approved.

Via roll call vote, the following votes were recorded:

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

Excused: Commissioner Dykstra.

VII. DATE OF NEXT MEETING AND ADJOURNMENT

The next Board of Commissioners' Meeting is scheduled for August 28-29. It was moved by Commissioner Kolbeck and seconded by Commissioner Puetz that the meeting adjourn.

Via roll call vote, the following votes were recorded:

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

Excused: Commissioner Dykstra.

The meeting adjourned at 11:01 a.m.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read "Mark Lauseng". The signature is written in a cursive, flowing style.

Mark Lauseng
Secretary