

MINUTES
SOUTH DAKOTA HOUSING DEVELOPMENT AUTHORITY
BOARD OF COMMISSIONER'S MEETING
Telephonic
September 15, 2020

Board Members Present: David Pummel, Chairman
Bill Hansen, Vice-Chair
Scott Erickson, Treasurer
Rick Hohn, Commissioner
Steve Kolbeck, Commissioner
Mark Puetz, Commissioner
Preston Steele, Commissioner

Board Members Absent: None.

Staff Present: Mark Lauseng, Executive Director
Todd Hight, Director of Finance and Administration
Brent Adney, Director of Homeownership Programs
Mike Harsma, Director of Single Family Development
Lorraine Polak, Director of Rental Housing Development
Tasha Jones, Director of Rental Housing Management
Amanda Weisgram, Director of Marketing and Research
Sheila Olson, Marketing/Executive Assistant
Amy Eldridge, Housing Development Officer
Chas Olson, Housing Development Officer
Scott Rounds, Housing Development Officer
Andy Fuhrman, Construction Supervisor
Travis Dammann, Business Analyst
Nichole Hahn, HERO State Coordinator
Quinn Reimers, Coordinator of Technical Services
Stephanie Monroe, Coordinated Entry System Administrator

Guests Present: Dixie Hieb, Davenport, Evans, Hurwitz & Smith, Counsel to SDHDA
Tobin Morris, Colliers Securities

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 Erickson 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 Erickson, Hansen, Hohn, Kolbeck, Puetz and Steele.

IV. APPROVAL OF MINUTES

It was moved by Commissioner Hansen and seconded by Commissioner Steele that the Minutes of the Board of Commissioners' Meeting held on August 18, 2020, be adopted as presented.

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

V. EXECUTIVE DIRECTOR'S REPORT

Executive Director Lauseng stated SDHDA's Annual Housing Conference will be held virtually on October 13-14, 2020. He mentioned NCSHA's Annual Housing conference will be held virtually also October 27-29, 2020. Executive Director Lauseng stated a total of 44 housing development program applications were submitted asking for a total of \$18.8 million in funding. He mentioned a Task Force Committee will meet early November with applications being approved or denied at the November Board Meeting. Executive Director Lauseng stated Quinn Reimers and Stephanie Monroe were hired as the Technical Coordinator of Services and Coordinated Entry System Administrator, respectively.

VI. OLD BUSINESS

A. Resolution No. 20-09-61: Resolution to Approve Tax Exempt Bond Program Waiver Request for Sunnycrest Village

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. 20-05-39, An Inducement Resolution was approved granting preliminary approval for the issuance of multifamily housing bonds for Sunnycrest Village;

WHEREAS, per the Amended 2019-2020 Housing Tax Credit Program Qualified Allocation Plan (QAP) which governs the tax-exempt bond program, the project must maintain a minimum Debt Service Coverage Ratio (DSCR) of 1.15 to 1:00 for the mortgage period;

WHEREAS, the Owner has requested a waiver of the QAP's requirements and will provide an operating deficit guarantee to maintain the appropriate underwriting requirements; and

WHEREAS, the federal requirements allow such a waiver;

NOW, THEREFORE, BE IT RESOLVED that the Board hereby approves the waiver.

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

B. Resolution No. 20-09-62: Resolution to Modify the Community Housing Development Program Administrative Plan

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 12-05-46, the South Dakota Housing Development Authority (SDHDA) Board of Commissioners approved the administrative plan for the Community Housing Development Program (CHDP), providing financial assistance for the development of rental workforce housing in South Dakota;

WHEREAS, the demand for new housing continues and infrastructure and lot development costs are often the biggest barrier in housing development;

WHEREAS, local governments are vital partners in achieving affordable housing and are utilizing Tax Increment Financing (TIF) to help address infrastructure costs; and

WHEREAS, the CHDP has been underutilized and funds remain available to assist in financing housing development;

NOW, THEREFORE, BE IT RESOLVED that the CHDP Administrative Plan be modified to allow for financing of homeownership development, to allow for financing of TIF projects, and to allow revisions to CHDP program parameters to correlate with TIF requirements as it relates to single family home selling prices and maximum rent charged;

BE IT FURTHER RESOLVED, that the amount of CDHP financing available for the foregoing purposes shall be limited to five million dollars; and

BE IT FURTHER RESOLVED that SDHDA staff proceed with modifying the CHDP Administrative Plan, advertise the availability of the program, and begin accepting applications.

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

VII. NEW BUSINESS

A. Resolution No. 20-09-63: Resolution to Approve the Housing Tax Credit COVID-19 Policy

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

WHEREAS, on April 5, 2020, President Trump declared a major disaster related to the COVID-19 pandemic (FEMA 4527-DR) for all counties within the State of South Dakota; and

WHEREAS, the Internal Revenue Service has confirmed the use of Revenue Procedures 2014-49 and 2014-50 for developments located within disaster areas for relief from certain Low Income Housing Tax Credit and Tax Exempt Bond program deadlines relating to Internal Revenue Code (IRC) Sections 42(h)(1)(E) and (F), dealing with the Ten Percent Test and Placed in Service Dates.

NOW, THEREFORE, BE IT RESOLVED that the South Dakota Housing Development Authority implement the attached policy for granting relief to certain Low Income Housing Tax Credit Projects to meet the Ten Percent Test and Placed in Service requirements under IRC Sections 42(h)(1)(E) and (F).

Via roll call vote, the following votes were recorded:

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

B. Resolution No. 20-09-64: Resolution to Conditionally Commit HOME Program Funds under the Security Deposit Assistance Program for Aberdeen Housing Authority Security Deposit Assistance Program

After review and discussion, it was moved by Commissioner Hansen and seconded by Commissioner Hohn 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 is authorized to issue a conditional commitment of HOME funds from the SDAP set-aside for the following:

APPLICANT
Aberdeen Housing
Authority Security Deposit
Assistance Program
Aberdeen, SD

SECURITY DEPOSIT
ASSISTANCE
PROGRAM AMOUNT
\$27,500

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

C. Resolution No. 20-09-65: Resolution to Conditionally Commit HOME Program Funds under the Security Deposit Assistance Program for Huron Housing and Redevelopment Commission

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 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 is authorized to issue a conditional commitment of HOME funds from the SDAP set-aside for the following:

APPLICANT
Huron Housing and
Redevelopment Commission
Huron, SD

SECURITY DEPOSIT
ASSISTANCE
PROGRAM AMOUNT
\$27,500

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

D. Resolution No. 20-09-66: Resolution to Conditionally Commit HOME Program Funds under the Security Deposit Assistance Program for Inter-Lakes Community Action Partnership, Inc.

After review and discussion, it was moved by Commissioner Hohn and seconded by Commissioner Steele 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 is authorized to issue a conditional commitment of HOME funds from the SDAP set-aside for the following:

<u>APPLICANT</u>	<u>SECURITY DEPOSIT ASSISTANCE PROGRAM AMOUNT</u>
Inter-Lakes Community Action Partnership, Inc. (ICAP) Madison, SD	\$16,500

Via roll call vote, the following votes were recorded:

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

E. Resolution No. 20-09-67: Resolution to Conditionally Commit HOME Program Funds under the Security Deposit Assistance Program for Mitchell Area Safehouse

After review and discussion, it was moved by Commissioner Hansen and seconded by Commissioner Hohn 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 is authorized to issue a conditional commitment of HOME funds from the SDAP set-aside for the following:

<u>APPLICANT</u>	<u>SECURITY DEPOSIT ASSISTANCE PROGRAM AMOUNT</u>
Mitchell Area Safehouse Mitchell, SD	\$19,800

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

F. Resolution No. 20-09-68: Resolution to Conditionally Commit HOME Program Funds under the Security Deposit Assistance Program for Volunteers of America Northern Rockies SDAP Program

After review and discussion, it was moved by Commissioner Steele 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 is authorized to issue a conditional commitment of HOME funds from the SDAP set-aside for the following:

<u>APPLICANT</u>	<u>SECURITY DEPOSIT ASSISTANCE PROGRAM AMOUNT</u>
Volunteers of America Northern Rockies SDAP Program Western, SD	\$27,500

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

G. Resolution No. 20-09-69: Resolution to Conditionally Commit HOME Program Funds under the Homeowner Rehabilitation Program for HAPI Home Rehab

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

WHEREAS, the following HOME Program application was received for the Homeowner Rehabilitation Program 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 is authorized to issue a commitment of HOME funds from the Homeowner Rehabilitation Program set-aside for the following:

<u>APPLICANT</u>	<u>DEVELOPMENT/ LOCATION</u>	<u>HOMEOWNER REHABILITATION PROGRAM AMOUNT</u>
HAPI Home Rehab Aberdeen, SD	Scattered Sites	\$214,000

Via roll call vote, the following votes were recorded:

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

H. Resolution No. 20-09-70: Resolution to Conditionally Commit HOME Program Funds under the Homeowner Rehabilitation Program for Huron Housing Rehab Program - HOME

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

WHEREAS, the following HOME Program application was received for the Homeowner Rehabilitation Program 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 is authorized to issue a commitment of HOME funds from the Homeowner Rehabilitation Program set-aside for the following:

<u>APPLICANT</u>	<u>DEVELOPMENT/ LOCATION</u>	<u>HOMEOWNER REHABILITATION PROGRAM AMOUNT</u>
Huron Housing Rehab Program – HOME Huron, SD	Scattered Sites	\$85,600

Via roll call vote, the following votes were recorded:

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

I. Resolution No. 20-09-71: Resolution to Conditionally Commit HOME Program Funds under the Homeowner Rehabilitation Program for Inter-Lakes Community Action Partnership, Inc.

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

WHEREAS, the following HOME Program application was received for the Homeowner Rehabilitation Program 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 is authorized to issue a commitment of HOME funds from the Homeowner Rehabilitation Program set-aside for the following:

<u>APPLICANT</u>	<u>DEVELOPMENT/ LOCATION</u>	<u>HOMEOWNER REHABILITATION PROGRAM AMOUNT</u>
Inter-Lakes Community Action Partnership, Inc. (ICAP) Madison, SD	Scattered Sites	\$214,000

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

J. Resolution No. 20-09-72: Resolution to Conditionally Commit HOME Program Funds under the Homeowner Rehabilitation Program for NeighborWorks Dakota Home Resources Rehabilitation Program

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 Homeowner Rehabilitation Program 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 is authorized to issue a commitment of HOME funds from the Homeowner Rehabilitation Program set-aside for the following:

<u>APPLICANT</u>	<u>DEVELOPMENT/ LOCATION</u>	<u>HOMEOWNER REHABILITATION PROGRAM AMOUNT</u>
NeighborWorks Dakota Home Resources Rehabilitation Program Western, SD	Scattered Sites	\$214,000

Via roll call vote, the following votes were recorded:

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

VIII. DATE OF NEXT MEETING AND ADJOURNMENT

The next Board of Commissioners' Meeting is tentatively scheduled for October 20, 2020. It was moved by Commissioner Kolbeck and seconded by Commissioner Steele that the meeting adjourn.

Via roll call vote, the following votes were recorded:

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

The meeting adjourned at 10:57 a.m.

Respectfully submitted,

Mark Lauseng
Secretary