

MINUTES
SOUTH DAKOTA HOUSING DEVELOPMENT AUTHORITY
BOARD OF COMMISSIONER'S MEETING
SDHDA CONFERENCE ROOM
Telephonic
September 19, 2019

Board Members Present: David Pummel Chairman
Brent Dykstra, Vice-Chair
Bill Hansen, Treasurer
Rick Hohn, Commissioner
Steve Kolbeck, Commissioner
Mark Puetz, Commissioner

Board Members Absent: Scott Erickson, Commissioner

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
Amanda Weisgram, Director of Marketing and Research
Mike Harsma, Director of Single Family Development
Sheila Ricketts, Marketing/Executive Assistant
Andy Fuhrman, Construction Management Officer (via telephone)
Chas Olson, Housing Development Officer (via telephone)
Scott Rounds, Housing Development Officer (via telephone)

Guests Present: Dixie Hieb, Davenport, Evans, Hurwitz & Smith, Counsel to SDHDA (via telephone)
Kent Hagg, Haag Development, Inc. (via telephone)
Bonnie Mogen, Costello Companies (via telephone)

I. CALL TO ORDER/CONFLICTS OF INTEREST

The meeting was called to order at 2:10 p.m. and roll was called. Chairman Pummel called for conflicts of interest. Commissioner Hansen stated that he had a conflict of interest with respect to New Business item 19-09-73 and 19-09-74, which dealt with consideration to conditionally commit HOME funds for Inter-Lakes Community Action Partnership, Inc. (ICAP). Commissioner Hansen stated that he is a previous member of the ICAP Board and that he would abstain from discussion and voting on that item.

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 Hansen, Hohn, Dykstra, Kolbeck and Puetz

Excused: Commissioner Erickson.

IV. APPROVAL OF MINUTES

It was moved by Commissioner Hansen and seconded by Commissioner Hohn that the Minutes of the Board of Commissioners' Meeting held on August 29, 2019, be adopted as presented.

Via roll call vote, the following votes were recorded:

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

Excused: Commissioner Erickson.

V. EXECUTIVE DIRECTOR'S REPORT

Executive Director Lauseng mentioned the Annual Housing Conference is October 29-30, 2019. A conference agenda mailer was emailed and 60 people have registered to date. Executive Director Lauseng discussed the upcoming bond closing, which had the lowest bond yield to date. Executive Director Lauseng stated that the per diem for board members had changed.

VI. OLD BUSINESS

A. Resolution No. 19-09-67: Resolution to Postpone Consideration of the Modification of Terms of FLEX-Rural Site Development Loan for The Estates at Cheyenne Pass

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 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 Hansen, Hohn, Dykstra, Kolbeck and Puetz.

Excused: Commissioner Erickson.

B. Resolution No. 19-09-68: Resolution to Commit Housing Trust Fund Funds for North Star II

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

WHEREAS, per Resolution 19-04-31, a Reservation in the amount of \$600,000 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 is underway and the Applicant has submitted all of the required reservation documentation;

NOW, THEREFORE, BE IT RESOLVED that, upon receipt of satisfactory documentation and the satisfactory environmental review, 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>
Cheyenne River Housing Authority	North Star II Eagle Butte, SD	\$600,000

Via roll call vote, the following votes were recorded:

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

Excused: Commissioner Erickson.

C. Resolution No. 19-09-69: Resolution to Change Program Funding and Commit HOME Program Funds for Abbott House – “Bridges” Project

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

WHEREAS, per Resolution 19-01-02, a Reservation of Housing Trust Funds in the amount of \$450,000 and a Reservation of Housing Opportunity Funds in the amount of \$125,000 were previously awarded to the following Applicant;

WHEREAS, during the due diligence process, it was determined that the structure of the units and purpose of the Bridges Project would better align with the HOME Program than the Housing Trust Fund, allowing for higher tenant incomes; and

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

WHEREAS, the environmental review has been completed for one parcel of land and is in process for the second parcel and the Applicant has submitted most of the required reservation 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>
Abbot House, Inc. Limited Partnership	Abbott House – “Bridges” Project Rapid City, SD	\$450,000

Via roll call vote, the following votes were recorded:

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

Excused: Commissioner Erickson.

D. Resolution No. 19-09-70: Resolution to Approve Housing Tax Credit Waiver Request for Davison Court Townhomes

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

WHEREAS, per Resolution No. 18-11-69, Davison Court, Limited Partnership (Owner) received a Reservation of Housing Tax Credits (HTC) for Davison Court Townhomes;

WHEREAS, the 2018-2019 Housing Tax Credit Program Qualified Allocation Plan (QAP) requires that ten percent of total project costs must be expended and documented by November 15, 2019;

WHEREAS, the Owner has requested a waiver of the QAP’s requirements and has requested an extension to June 30, 2020, to submit documentation

regarding the ten percent test and other carryover documents approved by SDHDA; and

WHEREAS, the federal requirements allow such a waiver and extension;

NOW, THEREFORE, BE IT RESOLVED that the Board hereby approves the request, and the Executive Director is authorized to notify the Owner that if the remaining Carryover documentation is submitted to the satisfaction of SDHDA by the extended date, a Carryover Allocation Agreement may be issued for the housing tax credits originally reserved or in an amount determined to be financially necessary by SDHDA.

Via roll call vote, the following votes were recorded:

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

Excused: Commissioner Erickson.

E. Resolution No. 19-09-71: Resolution to Approve Housing Tax Credit Waiver Request for Denali Ridge Apartments

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

WHEREAS, per Resolution No. 18-11-70, Denali Ridge, Limited Partnership (Owner) received a Reservation of Housing Tax Credits (HTC) for Denali Ridge Apartments;

WHEREAS, the 2018-2019 Housing Tax Credit Program Qualified Allocation Plan (QAP) requires that ten percent of total project costs must be expended and documented by November 15, 2019;

WHEREAS, the Owner has requested a waiver of the QAP's requirements and has requested an extension to June 30, 2020, to submit documentation regarding the ten percent test and other carryover documents approved by SDHDA; and

WHEREAS, the federal requirements allow such a waiver and extension;

NOW, THEREFORE, BE IT RESOLVED that the Board hereby approves the request, and the Executive Director is authorized to notify the Owner that if the remaining Carryover documentation is submitted to the satisfaction of SDHDA by the extended date, a Carryover Allocation Agreement may be issued for the housing tax credits originally reserved or in an amount determined to be financially necessary by SDHDA.

Via roll call vote, the following votes were recorded:

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

Excused: Commissioner Erickson.

F. Resolution No. 19-09-72: Resolution to Approve Housing Tax Credit Waiver Request for Roseland Heights Apartments

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. 18-11-81, Roseland Heights, Limited Partnership (Owner) received a Reservation of Housing Tax Credits (HTC) for Roseland Heights Apartments;

WHEREAS, the 2018-2019 Housing Tax Credit Program Qualified Allocation Plan (QAP) requires that ten percent of total project costs must be expended and documented by November 15, 2019;

WHEREAS, the Owner has requested a waiver of the QAP's requirements and has requested an extension to December 31, 2019, to submit documentation regarding the ten percent test and other carryover documents approved by SDHDA; and

WHEREAS, the federal requirements allow such a waiver and extension;

NOW, THEREFORE, BE IT RESOLVED that the Board hereby approves the request, and the Executive Director is authorized to notify the Owner that if the remaining Carryover documentation is submitted to the satisfaction of SDHDA by the extended date, a Carryover Allocation Agreement may be issued for the housing tax credits originally reserved or in an amount determined to be financially necessary by SDHDA.

Via roll call vote, the following votes were recorded:

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

Excused: Commissioner Erickson.

VII. NEW BUSINESS

A. Resolution No. 19-09-73: Resolution to 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 Dykstra 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 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. Madison, SD	\$16,500

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

B. Resolution No. 19-09-74: Resolution to 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 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 be authorized to issue a commitment of HOME funds from the Homeowner Rehabilitation Program set-aside for the following:

<u>OWNER/APPLICANT</u>	<u>DEVELOPMENT/ LOCATION</u>	<u>HOMEOWNER REHABILITATION PROGRAM AMOUNT</u>
Inter-Lakes Community Action Partnership, Inc. Madison, SD	Scattered Sites	\$200,625

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

C. Resolution No. 19-09-75: Resolution to Commit HOME Program Funds Under the Homeowner Rehabilitation Program for Neighborhood Housing Services of the Black Hills, Inc.

After review and discussion, it was moved by Commissioner Puetz and seconded by Commissioner Hansen 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 be authorized to issue a commitment of HOME funds from the Homeowner Rehabilitation Program set-aside for the following:

<u>OWNER/APPLICANT</u>	<u>DEVELOPMENT/ LOCATION</u>	<u>HOMEOWNER REHABILITATION PROGRAM AMOUNT</u>
Neighborhood Housing Services of the Black Hills Deadwood, SD	Western South Dakota Scattered Sites	\$200,625

Via roll call vote, the following votes were recorded:

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

Excused: Commissioner Erickson.

D. Resolution No. 19-09-76: Resolution to Commit HOME Program Funds Under the Homeowner Rehabilitation Program for Rural Office of Community Services, Inc.

After review and discussion, it was moved by Commissioner Kolbeck and seconded by Commissioner Dykstra 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 be authorized to issue a commitment of HOME funds from the Homeowner Rehabilitation Program set-aside for the following:

<u>OWNER/APPLICANT</u>	<u>DEVELOPMENT/ LOCATION</u>	<u>HOMEOWNER REHABILITATION PROGRAM AMOUNT</u>
Rural Office of Community Services, Inc Lake Andes, SD	Southcentral & Southeastern Scattered Sites	\$200,625

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

VIII. DATE OF NEXT MEETING AND ADJOURNMENT

The next Board of Commissioners' Meeting has not been scheduled. It was moved by Commissioner Dykstra and seconded by Commissioner Puetz that the meeting adjourn. The meeting adjourned at 2:57 p.m.

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

Respectfully submitted,



Mark Lauseng
Secretary