

MINUTES
SOUTH DAKOTA HOUSING DEVELOPMENT AUTHORITY
BOARD OF COMMISSIONER'S MEETING
SDHDA CONFERENCE ROOM
Telephonic
June 16, 2016

Board Members Present: David Pummel, Vice Chair
Brent Dykstra, Treasurer (joined at 2:39 p.m.)
Rick Hohn, Commissioner
Steve Kolbeck, Commissioner
Mark Puetz, Commissioner

Board Members Absent: Lloyd Schipper, Chairman
Bill Hansen, Commissioner

Staff Present: Mark Lauseng, Executive Director
Todd Hight, Director of Finance and Administration
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
Sheila Ricketts, Marketing/Executive Assistant
Jenni Bauer, Continuum of Care Administrator

Guests Present: Dixie Hieb, Davenport, Evans, Hurwitz & Smith, Counsel to
SDHDA
Joan Franken, Costello Co.
Bonnie Mogen, Costello Co.
Wayne Wagner, Affordable Housing Solutions
Erica Beck, Lloyd Companies
Jake Quasney, Lloyd Companies
Adam Rose, Travois
Debra Flute, Sisseton Wahpeton Oyate

I. CALL TO ORDER, ROLL CALL, CONFLICTS OF INTEREST

The meeting was called to order at 2:31 p.m. and roll was called. No conflicts of interest with respect to the current Agenda were noted.

II. APPROVAL OF AGENDA

It was moved by Commissioner Puetz 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: Commissioners Hohn, Kolbeck, Puetz and Pummel.

Excused: Chairman Schipper, Commissioners Dykstra and Hansen.

III. 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 22, 2016, be adopted as presented.

Via roll call vote, the following votes were recorded:

Voting AYE: Commissioners Hohn, Kolbeck, Puetz and Pummel.

Excused: Chairman Schipper, Commissioner Dykstra and Hansen.

IV. EXECUTIVE DIRECTOR'S REPORT

Executive Director Lauseng mentioned the Homeless Summit would take place June 21-22 in Oacoma. If any of the Commissioners would like to attend, please let us know. He also stated that the Auditors were in the office this week and will return the week of September 12. Executive Director Lauseng had Dixie Hieb give a brief summary of HB 1214, the recently adopted law dealing with conflicts of interest.

Commissioner Dykstra joined the meeting.

V. OLD BUSINESS

A. Resolution No. 16-06-36: Resolution to Approve FLEX Funds to Acquire and Improve Johnson Addition in Arlington

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

WHEREAS, per Resolution No. 07-01-10, a commitment of a FLEX-Rural Site Development loan was made to Johnson Addition, LLC (Owner) for Johnson Addition located in Arlington, South Dakota;

WHEREAS, per Resolution No. 12-02-02, a loan modification was approved;

WHEREAS, per Resolution No. 12-09-70, a 12-month extension to the original terms was approved;

WHEREAS, per Resolution No. 13-08-57, an additional 12-month extension was approved;

WHEREAS, Johnson Addition, LLC has agreed to transfer the property to the South Dakota Housing Development Authority (SDHDA) in a Deed in Lieu of Foreclosure for the Johnson Addition located in Arlington;

WHEREAS, SDHDA would like to maintain the development as an affordable housing opportunity; and

WHEREAS, the development requires approximately \$250,000.00 for street resurfacing and for tax liens to be cleared for the lots to be marketable;

NOW, THEREFORE, BE IT RESOLVED that the use of up to \$250,000.00 in FLEX Funds be approved to complete improvements and clear tax liens at Johnson Addition, Arlington, SD.

Via roll call vote, the following votes were recorded:

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

Excused: Chairman Schipper and Commissioner Hansen.

VI. NEW BUSINESS

A. Resolution No. 16-06-37: Resolution to Amend Allowable Fees and Charges for the Homeownership Program

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

WHEREAS, South Dakota Housing Development Authority's (SDHDA) current policy is to allow only ordinary and customary fees and charges when originating qualified mortgage loans for SDHDA;

WHEREAS, some Participating Lenders have been experiencing increasingly lower returns in connection with such loans as a result of the new Dodd-Frank requirements and the need to hire additional staff; and

WHEREAS, SDHDA desires to ensure that Participating Lenders are fairly compensated in connection with the origination of the qualified mortgage loans;

NOW, THEREFORE, BE IT RESOLVED that Participating Lenders be allowed to charge additional lender fees such as underwriting fees, processing fees, and document preparation fees, of up to \$500 in the aggregate in connection with the origination of qualified mortgage loans.

Via roll call vote, the following votes were recorded:

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

Excused: Chairman Schipper and Commissioner Hansen.

B. Resolution No. 16-06-38: Resolution to Approve Developer for the Multifamily Passive Set Aside

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

WHEREAS, SDHDA set aside \$500,000 of Housing Tax Credits (HTC) and \$500,000 in HOME program funds from the 2016 application round

for the development of a multifamily, rental housing project that will meet Multifamily Passive Design Standards;

WHEREAS, SDHDA posted a Request for Proposal (RFP) seeking applications from developers demonstrating the capability and experience to meet the Multifamily Passive Design Standards; and

WHEREAS, SDHDA staff evaluated the RFP applications that were submitted in accordance with the RFP guidelines;

NOW, THEREFORE, BE IT RESOLVED that the RFP application from Costello Investments, LLC, is hereby accepted; and

BE IT FURTHER RESOLVED, that SDHDA staff is directed to work with Costello Investments, LLC to submit an application for August 2016 HTCs and HOME program funds for a project that meets the Multifamily Passive Design standards.

Via roll call vote, the following votes were recorded:

Voting AYE: Commissioners Dykstra, Hohn, Kolbeck and Pummel.

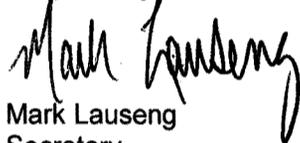
Voting NAY: Commissioner Puetz.

Excused: Chairman Schipper and Commissioner Hansen.

VII. 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 3:15 p.m.

Respectfully submitted,



Mark Lauseng
Secretary