

MINUTES
SOUTH DAKOTA HOUSING DEVELOPMENT AUTHORITY
BOARD OF COMMISSIONER'S MEETING
TELEPHONIC
January 17, 2025

Board Members Present: Scott Erickson, Chairman
Preston Steele, Vice-Chairman
Alex Jensen, Treasurer
Mark Roby, Commissioner

Board Members Absent: Bill Hansen, Commissioner
Jonathan Guenther, Commissioner
Rick Hohn, Commissioner

Staff Present: Chas Olson, Executive Director
Amanda Weisgram, Director of Marketing and Research
Todd Hight, Director of Finance and Administration
Tasha Jones, Director of Rental Housing Management
Mike Harsma, Director of Single Family Development
Michele Bodurtha, Executive/Development Assistant
Beverly Katz, Housing Infrastructure Officer
Rebecca Whidby, Housing Development Officer

Guests Present: Dixie Hieb, Davenport, Evans, Hurwitz & Smith, Counsel to SD Housing

I. CALL TO ORDER/CONFLICTS OF INTEREST

The meeting was called to order at 2:00 p.m. and roll was called. Chairman Erickson called for conflicts of interest, and none were noted.

II. PUBLIC COMMENT

None.

III. APPROVAL OF AGENDA

It was moved by Commissioner Jensen and seconded by Commissioner Roby that the agenda be adopted as presented, reserving the right to make further changes during the meeting.

Motion passed by a voice vote.

IV. APPROVAL OF MINUTES

It was moved by Commissioner Roby and seconded by Commissioner Jensen that the Minutes of the Board of Commissioners' Meeting held on January 14, 2025, be adopted as presented.

Motion passed by a voice vote.

V. EXECUTIVE DIRECTOR'S REPORT

Executive Director Olson reported that the pricing of the bond issuance being voted on today will take place on January 12, 2025. He also announced that the Governor's office has selected a replacement for Commissioner Hansen and thanked Commissioner Hansen for his years of service. Executive Director Olson also stated the Authority plans to schedule a Board Training this April.

VI. OLD BUSINESS

None.

VII. NEW BUSINESS

A. Resolution No. 25-01-013: Resolution to Authorize the Issuance and Sale of South Dakota Housing Development Authority Homeownership Mortgage Bonds in An Aggregate Principal Amount not to Exceed \$250,000,000, Determining the Final Terms Thereof and Setting Forth the Covenants and Authorizing Execution of Documents with Respect Thereto

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

BE IT RESOLVED BY THE SOUTH DAKOTA HOUSING DEVELOPMENT AUTHORITY:

ARTICLE I

AUTHORIZATION OF ISSUANCE AND SALE OF SERIES BONDS AND EXECUTION AND DELIVERY OF RELATED DOCUMENTS

Section 1.01. Authorization.

(a) **Resolutions.** This resolution, referred to herein as the "**Series Resolution**," is adopted pursuant to Article II of the Authority's Resolution No. 77-27, adopted June 16, 1977, as amended and supplemented, and entitled: "Resolution Providing for the Issuance of Homeownership Mortgage Bonds of the South Dakota Housing Development Authority," referred to herein as the "**Bond Resolution**," to authorize the issuance and sale and determination of the terms and provisions of bonds of the Authority (the "**Series Determinations**") which are designated as "Homeownership Mortgage Bonds, 2025 Series A/B" or such other series designations as the Chair, the Vice Chair or the Executive Director (each, an "**Authorized Officer**") may deem appropriate, in an aggregate principal amount not to exceed \$250,000,000 (such Series of Bonds are collectively referred to herein as the "**Series Bonds**"). All terms defined in Section 103 of the Bond Resolution are used with like meaning in this Series Resolution, and the terms, provisions and conditions of the Bond Resolution apply to the Series Bonds and the issuance thereof except as is otherwise provided herein or in the Series Determinations.

(b) **Purposes.** It is determined to be in the best interests of the Authority to issue the Series Bonds in one or more series for the purpose of providing funding for the Authority's program (the "**Program**") of financing Qualified Mortgage Loans to facilitate the development of a sufficient supply of residential housing in South Dakota (the "**State**") at prices that persons and families of low and moderate income can afford, which funding may include the refunding of outstanding Homeownership Mortgage Bonds heretofore issued under the Bond Resolution or other outstanding bonds or indebtedness incurred by the Authority to finance the Program (the "**Refunded Bonds**"), the funding of any necessary reserves, the funding of down payment assistance and the funding of the costs of issuing the Series Bonds.

(c) **Ratification of Prior Acts.** All action heretofore taken (not inconsistent with the provisions of this Series Resolution) by the Authority and its officers directed toward the issuance of the Series Bonds are hereby ratified, approved and confirmed.

(d) **Offer and Sale of Series Bonds. Contracts of Purchase Relating to Series Bonds.** The Authority authorizes negotiation for the sale of Series Bonds to one or more of BofA Securities, Inc., Wells Fargo Bank, National Association, Colliers Securities LLC or J.P. Morgan Securities LLC (collectively, including any affiliates thereof, the "**Underwriters**" or the "**Original Purchasers**"). Any single institutional investor may also be the Original Purchaser of all or any portion of any Series Bonds if an Authorized Officer determines the same will result in more beneficial financing terms for the Authority. The Authority hereby approves the use of the form of Contract of Purchase previously used with respect to its 2024 Series C/D Bonds, with such changes, modifications, additions and deletions therein as such Authorized Officer determines to be in the best interests of the Authority or as may seem necessary, desirable, appropriate or advisable in anticipation of the issuance and/or sale of such Series Bonds, pursuant to which Series Bonds are proposed to be sold, executed and delivered. Each Authorized Officer is authorized to select the Original Purchaser for any Series Bonds, to approve (subject to Article II hereof) such final terms and provisions of the Contract(s) of Purchase relating to such Series Bonds, provided such terms are within the parameters set by this Series Resolution, and to execute the Contract(s) of Purchase relating to such Series Bonds on behalf of the Authority.

Official Statement. The Authority hereby approves and ratifies the use of a Preliminary Official Statement, in the form previously used with respect to its 2024 Series C/D Bonds, containing information relating to the Authority and the Series Bonds and such other information as is deemed appropriate by an Authorized Officer, and hereby approves and ratifies the distribution thereof by the Underwriters. A final Official Statement, substantially in the form of the Preliminary Official Statement except for the insertion of the final terms of the Series Bonds and any revisions required or approved by counsel for the Authority, is authorized to be prepared and signed by an Authorized Officer and furnished to the Underwriters.

Section 1.02. Approval and Authorization of Series Bonds and Documents.

(a) **Form and Execution of Series Bonds.** The Series Bonds shall be issuable in one or more series in the form of fully registered Bonds, and shall be executed and sealed, as provided in the Bond Resolution and the Series Determinations.

(b) **Continuing Disclosure Agreement.** The Authority hereby approves the use of a Continuing Disclosure Agreement relating to the Series Bonds in the form previously used with respect to its 2024 Series C/D Bonds, wherein the Authority will covenant for the benefit of the beneficial owners of such Series Bonds to provide annually certain financial information and operating data relating to the Authority and to provide notices of the occurrence of certain enumerated events. Each Authorized Officer is authorized to execute, deliver and/or seal, as necessary, the Continuing Disclosure Agreement in connection with the issuance of any Series Bonds, with such changes, modifications, additions and deletions therein as such Authorized Officer determines to be in the best interests of the Authority or as may seem necessary, desirable, appropriate or advisable in anticipation of the issuance and/or sale of such Series Bonds.

(c) **Interest Rate Hedging Agreements.** The Authority hereby approves the use of interest rate hedging agreements with such financial organizations as an Authorized Officer may specify (each, a “**Counterparty**”), in particular financial organizations with whom the Authority already has such hedging agreements, and the form of the interest rate hedging agreements with such Counterparties, consisting of an ISDA Master Agreement, a Schedule and a Credit Support Annex, and one or more Confirmations thereto, relating to any Series Bonds which may be variable rate bonds, which Counterparties and form of agreements satisfy the provisions of the Authority’s Interest Rate Swap Policy (collectively, the “**Hedging Agreements**”). Each Authorized Officer is authorized to execute, deliver and/or seal, as necessary, a Hedge Agreement in connection with the issuance of any Series Bonds, with such changes, modifications, additions and deletions therein as such Authorized Officer determines to be in the best interests of the Authority or as may seem necessary, desirable, appropriate or advisable in anticipation of the issuance and/or sale of such Series Bonds.

(d) **Continuing Covenant Agreements, Standby Bond Purchase Agreements and Remarketing Agreements; Self-Liquidity.** The Authority hereby approves the use of a Continuing Covenant Agreement (“**CCA**”), relating to any Series Bonds bearing interest at variable rates, in substantially the form used in conjunction with the sale of the Authority’s 2016 Series E Bonds. The Authority also hereby approves the use of a Standby Bond Purchase Agreement or comparable liquidity agreement (“**SBPA**”), either from itself as liquidity provider, in substantially the form used in conjunction with the sale of the 2023 Series C Bonds, or from a financial organization as liquidity provider, in substantially the form used in conjunction with the sale of the 2023 Series I Bonds, relating to any Series Bonds which have a tender right. The Authority also hereby approves the use of a remarketing agreement (“**Remarketing Agreement**”), relating to any Series Bonds which have a tender right, in substantially the form used in conjunction with the sale of the 2023 Series I Bonds. Each Authorized Officer is authorized to execute, deliver and/or seal, as necessary, a CCA, SBPA and/or Remarketing Agreement in connection with the issuance of any Series Bonds, with such changes, modifications, additions and deletions therein as such Authorized Officer determines to be in the best interests of the Authority or as may seem necessary, desirable, appropriate or advisable in anticipation of the issuance and/or sale of the applicable Series Bonds.

The Authority further authorizes the Authorized Officers to take any and all actions necessary to provide and deliver a self-liquidity SBPA in connection with any Series Bonds bearing interest at variable rates.

(e) **Authority To Execute and Deliver Additional Documents and General Authorization; Authority To Designate Parties.** The Authorized Officers are hereby authorized to execute and deliver for and on behalf of the Authority any and all additional certificates and documents, including, but not limited to, any credit enhancement or investment agreement regarding the funds and accounts with respect to any Series Bonds, in each case as may be necessary and which will not adversely affect the ratings on the Bonds outstanding, such terms to be as approved by an Authorized Officer. Without in any way limiting the power, authority or discretion elsewhere herein granted or delegated, the Authority hereby authorizes and directs all of the officers and employees of the Authority to perform or cause to be performed such obligations of the Authority and such other actions as they, in consultation with counsel to the Authority, shall consider necessary or desirable in connection with or in furtherance of the Bond Resolution, this Series Resolution and the Series Determinations and the transactions contemplated by the documents and agreements identified or contemplated in the Bond Resolution, this Series Resolution and the Series Determinations. The execution and delivery by any such officer of the Authority of any of such documents, instruments or certifications, or the performance of any act in connection with any of the matters which are the subject of the Bond Resolution, this Series Resolution and the Series Determinations, shall constitute conclusive evidence of the approval thereof of such officer and the Authority and shall conclusively establish such officer's absolute, unconditional and irrevocable authority with respect thereto from the Authority and the approval and ratification by the Authority of the documents, instruments and certifications so executed and the action so taken.

Section 1.03. Refunding of Refunded Bonds. The Authority hereby authorizes the use of such portion, if any, of the proceeds made available upon issuance of the Series Bonds to be used to refund, retire, redeem (including pursuant to an optional redemption), defease or pay all or a portion of any Refunded Bonds in such amounts as determined in accordance with Article II hereof. Any Refunded Bonds shall be identified in the related Series Determinations. Each Authorized Officer is hereby authorized and directed to take such actions and execute such documents and agreements as required to cause the refunding, retirement, redemption, defeasance or payment of the Refunded Bonds, including, but not limited to, executing any necessary amendments or supplemental resolutions with respect to the Refunded Bonds in order to cause the refunding, retirement, redemption, defeasance or payment thereof.

ARTICLE II

TERMS OF THE SERIES BONDS

Series Bonds shall contain such terms, covenants and conditions as set forth in the Bond Resolution, this Series Resolution and the Series Determinations; provided, however, that the aggregate principal amount of Series Bonds issued shall not exceed \$250,000,000, and that the Series Bonds shall mature no later than 40 years from the date of issuance and shall bear an interest rate not to exceed 8% per annum with respect to any fixed rate bonds and 15% per annum with respect to any variable rate bonds.

The terms of the Series Bonds and the determination of the Refunded Bonds to be refunded, if any, are subject to authorization and approval as follows: The Executive Director (or the Director of Finance and Administration if the Executive Director is not available) shall consult and coordinate with the Chair (or the Vice Chair if the Chair is not

available) with respect to the final terms of the Series Bonds; and after such consultation, the Executive Director (or the Director of Finance and Administration if the Executive Director is not available) is authorized (subject in all cases to the limitations otherwise set forth herein) to determine the final size of the Series Bonds and to negotiate with the Original Purchaser the final terms of the Series Bonds, including the maturities and maturity dates, interest rates (including final fixed interest rates or initial variable interest rates and method of determination of subsequent fixed or variable rates and modes) and interest payment dates, tender provisions, provisions of any SBPA (which may initially be self-liquidity), redemption provisions (if any), denominations, the Capital Reserve Requirement, the Mortgage Reserve Requirement, the sale price to the Underwriter and the net underwriting fee (not to exceed 1.50% of the principal amount of each Series), the determination and identification of any Refunded Bonds, any bondholder rights, and such other terms as prescribed by the Bond Resolution.

ARTICLE III

TAX STATUS OF SERIES BONDS; REIMBURSEMENT

Section 3.01. Applicability of Income Taxation. In connection with the sale and issuance of the Series Bonds, any Authorized Officer may designate (as evidenced by her or his execution of the related Series Determinations or other instrument), taking into account the best interests of the Authority (a) that principal amount of any Series Bonds (up to 100% of the amount thereof) with respect to which the Authority elects that the corresponding interest payments shall not be includable in the gross income of the owners thereof for purposes of federal income taxation and (b) that principal amount of any Series Bonds (up to 100% of the principal amount thereof) with respect to which the Authority elects that the corresponding interest payments shall be includable in the gross income of the owners thereof for purposes of federal income taxation, in each case in accordance with federal tax laws.

Section 3.02. Intent to Reimburse. The Authority hereby declares its intention, within the meaning of Section 1.150-2 of the Internal Revenue Code regulations, to facilitate continuous funding of the Program by, from time to time, financing mortgage loans and then issuing bonds in one or more series within 18 months thereof to reimburse itself for such financing, all in an amount presently expected to not exceed the amount of the Series Bonds authorized by Article I hereof, and hereby confirms that the Executive Director has been and continues to be authorized to also so declare the intention of the Authority within the meaning of said Section 1.150-2 to issue bonds to reimburse itself for the financing of mortgage loans, provided that the final amount of any such bond issuances shall be determined only by subsequent action of the Authority and any such declaration does not authorize or obligate the Authority to issue any such bonds.

ARTICLE IV

EFFECTIVE DATE

This Series Resolution shall take effect immediately.

Motion passed by a voice vote.

VIII. DATE OF NEXT MEETING AND ADJOURNMENT

The next Board of Commissioners' Meeting is scheduled for February 11, 2025, and will be telephonic. It was moved by Commissioner Jensen and seconded by Commissioner Roby that the meeting adjourn.

Motion passed by a voice vote.

The meeting adjourned at 2:06 p.m.

Respectfully submitted,



Chas Olson
Secretary