

MINUTES
SOUTH DAKOTA HOUSING DEVELOPMENT AUTHORITY
BOARD OF COMMISSIONER'S MEETING
Telephonic
January 19, 2021

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

Board Members Absent: Mark Puetz, Commissioner

Staff Present: Lorraine Pola, Executive Director
Todd Hight, Director of Finance and Administration
Brent Adney, Director of Homeownership Programs
Mike Harsma, Director of Single Family Development
Chas Olson, 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
Travis Dammann, Business Analyst
Andy Fuhrman, Construction Management Officer

Guests Present: Dixie Hieb, Davenport, Evans, Hurwitz & Smith, Counsel to SDHDA
Holly Engelhart, Eide Bailly

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 Hansen 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 and Steele.

Excused: Commissioner Puetz.

IV. APPROVAL OF MINUTES

It was moved by Commissioner Hohn and seconded by Commissioner Kolbeck that the Minutes of the Board of Commissioners' Meeting held on December 15, 2020, be adopted as presented.

Via roll call vote, the following votes were recorded:

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

Excused: Commissioner Puetz.

V. EXECUTIVE DIRECTOR'S REPORT

Executive Director Polak thanked the Board of Commissioner's for joining Mark Lauseng's retirement party held January 6, 2020. She stated the bond sale for 99 million was one of the best transactions SDHDA has had as the market was strong and the pricing was amazing. Executive Director Polak mentioned we did receive confirmation that we would be administering 200 million for Emergency Rental Assistance and SDHDA staff is currently working through that to figure out how we will best administer the program. She stated there is money left over from the CARES Act funding and is hoping the state will allow us to keep the remaining funds as the new money is only for rent, utilities and households at 80% AMI or below. Executive Director Polak mentioned we are advertising for two full-time temporary SD CARES Housing Assistance Program Specialists. She said congratulations to Chas Olson as he was promoted to the Director of Rental Housing Development. Executive Director Polak stated the Housing Development Officer position is posted and application are due on January 22, 2021. She mentioned the Appropriations Committee will be held on January 21, 2021 and SDHDA will be giving an informal presentation of our budget and talk more information about what our organizations does. Executive Director Polak stated we will be introducing one clean-up bill, Senate Bill 61, which is very minor and there are no concerns being anticipated. She mentioned the Governor's House Proposal will be going out this week.

VI. OLD BUSINESS

A. Resolution No. 21-01-01: Resolution to Approve Request to Amend FLEX-Rural Site Development Loan for The Reserve on Higgins Creek

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. 07-03-20, a commitment for a loan under the FLEX-Rural Site Development/Loan Guarantee Program (the "Program") was provided to Ward Development Co., LLC ("Owner") for The Reserve on Higgins Creek;

WHEREAS, per Resolution No. 07-06-68, the Executive Director was authorized to increase the maximum affordable sales price limit to \$160,000 and provide for the building of two spec homes;

WHEREAS, per Resolution No. 10-08-59, the term of the mortgage loan was extended one year and the loan was modified to shift a portion of the debt to Phase 2;

WHEREAS, per Resolution No. 11-08-70, the term of the mortgage loan was extended one year;

WHEREAS, per Resolution No. 12-02-01, the mortgage loan was modified to decrease the interest rate to 3.125%;

WHEREAS, per Resolution No. 12-07-57, the term of the mortgage loan was modified to be based on a 20-year amortization with semiannual payments beginning on February 1, 2013, with a balloon payment due on the earlier of (i) August 1, 2015, or (ii) the date the first mortgage is paid off or refinanced;

WHEREAS, Resolution No. 14-07-49, the mortgage loan was modified to subordinate the loan to a loan of \$1.3 million from First Interstate Bank to finance Phase 3;

WHEREAS, Resolution No. 17-02-06 the mortgage loan was modified and subordinated to construction debt in the amount of \$1.4 million to Black Hills Community Bank to finance site work for Phases 4 and 5;

WHEREAS, Owner has made arrangements with Black Hills Community Bank for a loan in the amount of \$2.1 million to finance Phases 6 and 7, contingent upon SDHDA subordinating its loan to Black Hills Community Bank's loan; and

WHEREAS, SDHDA remains committed to the long-term success of new housing developments providing affordable housing;

NOW, THEREFORE, BE IT RESOLVED that the request to amend SDHDA's FLEX-Rural Site Development loan to Owner to subordinate such loan to the loan from Black Hills Community Bank in the amount of \$2.1 million to finance Phases 6 and 7 is hereby approved; and

BE IT FURTHER RESOLVED that all other loan repayment terms remain the same with final payment due on or before September 1, 2024.

Via roll call vote, the following votes were recorded:

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

Excused: Commissioner Puetz.

VII. NEW BUSINESS

A. Resolution No. 21-01-02 Resolution to Commit HOME Program Funds under the Security Deposit Assistance Program for Housing and Redevelopment Commission of Pierre

After review and discussion, it was moved by Commissioner Steele 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 Commitment of HOME funds from the SDAP set-aside for the following:

APPLICANT
Housing and Redevelopment
Commission of Pierre
Pierre, SD

SECURITY DEPOSIT
ASSISTANCE
PROGRAM AMOUNT
\$13,200

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

B. Resolution No. 12-20-119 Resolution to Commit HOME Program Funds under the Security Deposit Assistance Program for Rural Office of Community Services, Inc. (ROCS)

After review and discussion, it was moved by Commissioner Hohn and seconded by Commissioner Hansen 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 Commitment of HOME funds from the SDAP set-aside for the following:

APPLICANT
ROCS Security Deposit
Assistance Program
Southeast, SD

SECURITY DEPOSIT
ASSISTANCE
PROGRAM AMOUNT
\$16,500

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

VIII. DATE OF NEXT MEETING AND ADJOURNMENT

The next Board of Commissioners' Meeting is tentatively scheduled for February 16, 2021. 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 and Steele.
Excused: Commissioner Puetz.

The meeting adjourned at 10:20 a.m.

Respectfully submitted,

Lorraine Polak
Secretary