

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 Polak, 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 Commissioners for joining previous Executive Director Mark Lauseng's retirement party held January 6, 2021. She reported the following: the pricing for the recent bond sale was very favorable, SDHDA has received confirmation that it will be administering \$200 million in Federal funds for emergency rental assistance, and there is CARES Act funding that SDHDA is hopeful the state will allow to be used. Executive Director Polak mentioned SDHDA is advertising for two full-time temporary SD CARES Housing Assistance Program Specialists, Chas Olson has been promoted to Director of Rental Housing Development, and his prior position is posted. She stated she would be giving a presentation to the Appropriations Committee on January 21, 2021, and SDHDA will also be introducing one clean-up bill, Senate Bill 61. Executive Director Polak 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:

<u>APPLICANT</u>	<u>SECURITY DEPOSIT ASSISTANCE PROGRAM AMOUNT</u>
Housing and Redevelopment Commission of Pierre Pierre, SD	\$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. 21-01-03 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:

<u>APPLICANT</u>	<u>SECURITY DEPOSIT ASSISTANCE PROGRAM AMOUNT</u>
ROCS Security Deposit Assistance Program Southeast, SD	\$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