

MINUTES
SOUTH DAKOTA HOUSING DEVELOPMENT AUTHORITY
BOARD OF COMMISSIONER'S MEETING
SD HOUSING CONFERENCE ROOM
April 9, 2024

Board Members Present: Scott Erickson, Chairman
Preston Steele, Vice-Chairman
Bill Hansen, Treasurer (via telephone)
Jonathan Guenthner, Commission (via telephone)
Rick Hohn, Commissioner
Mark Roby, Commissioner

Board Members Absent: Alex Jensen, Commissioner

Staff Present: Chas Olson, Executive Director
Brent Adney, Director of Homeownership Programs
Amy Eldridge, Director of Rental Housing Development
Mike Harsma, Director of Single Family Development
Todd Hight, Director of Finance and Administration
Tasha Jones, Director of Rental Housing Management
Amanda Weisgram, Director of Marketing and Research
Beverly Katz, Housing Infrastructure Officer
Scott Rounds, Housing Development Officer
Michele Bodurtha, Executive/Development Assistant
Bridgette Loesch, Housing Development Officer (via telephone)
Doug Mahowald, Senior System Administrator (via telephone)
Dawn Boyle, CES Housing Assessment Specialist (via telephone)
DeNeil Hosman, Accountant (via telephone)
Travis Dammann, Business Analyst (via telephone)
Steve Maruska, Construction Supervisor (via telephone)

Guests Present: Dixie Hieb, Davenport, Evans, Hurwitz & Smith, Counsel to SD Housing
Ansel Caine, Caine Mitter
Bronson Martin, Caine Mitter
Chris Spelke, Elmington Capital (via telephone)
Ryan Tobin, Elmington Capital (via telephone)
Bob Mercer, Keloland (via telephone)
Julie Johnson, South Dakota SCORE (via telephone)
John Hult, South Dakota Searchlight (via telephone)
Charles Jones, HD Software (via telephone)
Greg Litton, Black Hills Area Community Foundation (via telephone)

I. CALL TO ORDER/CONFLICTS OF INTEREST

The meeting was called to order at 11:00 a.m. and roll was called. Chairman Erickson called for conflicts of interest, and none were noted.

II. PUBLIC COMMENT

None.

III. APPROVAL OF AGENDA

The distributed agenda was moved by Commissioner Steele and seconded by Commissioner Hohn 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 Guenther and seconded by Commissioner Roby that the Minutes of the Board of Commissioners' Meeting held on March 12, 2024, be adopted as presented.

Motion passed by a voice vote.

V. EXECUTIVE DIRECTOR'S REPORT

Executive Director Olson announced that the three job openings have been filled. Jill Ingalls accepted the Administrative Assistant position and started on March 19th, as Joni Lingle retired last Friday. Tammy Jund accepted the Director of Homeownership position as Brent will be retiring in June. Lindsay Rounds accepted the half time H.R. Specialist position that will be shared with Hughes County and will start in May. Executive Director Olson stated that on March 20, 2024 Moody's Ratings assigned AAA ratings to the Authority's proposed \$99 million Homeownership Mortgage Bonds 2024 Series A (Non-AMT) and \$49 million 2024 Series B (Taxable) (2024 Bonds). Moody's also maintains the AAA ratings on all Authority's Homeownership Mortgage Bonds (Program; approximately \$1.68 billion outstanding as of 12/31/2023). Executive Director Olson stated that the Annual Housing Conference is scheduled for June 24-26th in Pierre. Once there are more details, Sheila Olson will send out the information to the board members. For HIFP, the Authority is at \$113 million awarded to 73 projects and currently has two HIFP loan applications in process for consideration. Five grant/loan agreements have been executed and are out for signatures with an approximate total of \$8 million in funds to be disbursed this week.

VI. TREASURER'S REPORT

Todd Hight, Director of Finance, presented the Treasurer's Report; Comparison of Actual Expenses to Budget dated January 31, 2024; Statement of Net Position dated January 31, 2024; and the Statement of Revenues, Expenses and Changes in Net Position for the three months ending January 31, 2024. It was moved by Commissioner Roby and seconded by Commissioner Steele that the Treasurer's Report be accepted as presented.

Motion passed by a voice vote.

VII. PROGRAM REPORTS

The Program Reports were given by Directors and discussed with the Board.

VIII. OLD BUSINESS

A. Resolution No. 24-04-36: Resolution to Increase the Price for Governor’s House, Governor’s House Daycare Facility and DakotaPlex

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

WHEREAS, the current price of the Governor’s House, the Governor’s House Daycare Facility, and the DakotaPlex units was established in 2023 pursuant to Resolution No. 23-02-04; and

WHEREAS, since that time, construction material costs and other building costs have increased significantly;

NOW, THEREFORE, BE IT RESOLVED that effective for purchase agreements signed on or after April 10, 2024, the purchase price for Governor’s House, the Governor’s House Daycare Facility, and the DakotaPlex units will be as follows:

	Old	New
1,008 sq. ft. 2-Bedroom Governor’s House	\$71,400	\$75,900
1,200 sq. ft. 3-Bedroom Governor’s House	\$85,400	\$89,900
1,200 sq. ft. Governor’s Daycare Facility	\$85,400	\$89,900
2-Bedroom DakotaPlex single unit	\$85,900	\$89,900
3-Bedroom DakotaPlex single unit	\$95,900	\$99,900

Motion passed by a voice vote.

B. Resolution No. 24-04-37: Resolution to Approve the 2024 Annual Action Plan

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

WHEREAS, Title 24, Code of Federal Regulations, Part 91, requires that a Consolidated Plan be adopted for the Community Planning and Development Programs;

WHEREAS, on February 16, 2024, the Board of Commissioners approved the Draft 2024 Annual Action Plan and authorized the Executive Director to make it available for public comment; and

WHEREAS, as required by Federal regulations, a Public Meeting was held on March 5, 2024, and comments received at the Public Meeting and during the written comment period, which ended March 14, 2024, were considered;

NOW, THEREFORE, BE IT RESOLVED that the 2024 Annual Action Plan, dated April 9, 2024, is hereby adopted; and

BE IT FURTHER RESOLVED that the Executive Director is authorized to submit the 2024 Annual Action Plan to HUD and, upon notification of approval, distribute it to the public.

Motion passed by a voice vote.

C. Resolution No. 24-04-38: Resolution to Approve the 2024-2025 HOME Program Allocation Plan

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

WHEREAS, Title 24, Code of Federal Regulations, Part 92, requires that a HOME Program Allocation Plan be adopted;

WHEREAS, on February 16, 2024, the Board of Commissioners approved the Draft 2024-2025 HOME Program Allocation Plan and authorized the Executive Director to make it available for public comment; and

WHEREAS, as required by Federal regulations, a Public Meeting was held on March 5, 2024, and comments received at the Public Meeting and during the public comment period, which ended March 14, 2024, were summarized and considered;

NOW, THEREFORE, BE IT RESOLVED that the 2024-2025 HOME Program Allocation Plan, dated April 9, 2024, is hereby adopted; and

BE IT FURTHER RESOLVED that the Executive Director is authorized to distribute it to the public.

Motion passed by a voice vote.

D. Resolution No. 24-04-39: Resolution to Approve the 2024-2025 Housing Trust Fund Allocation Plan

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

WHEREAS, Title I of the Housing and Economic Recovery Act of 2008 requires that the Housing Trust Fund Allocation Plan be adopted;

WHEREAS, on February 16, 2024, the Board of Commissioners approved the Draft 2024-2025 Housing Trust Fund Allocation Plan and authorized the Executive Director to make it available for public comment; and

WHEREAS, as required by Federal regulations, a Public Meeting was held on March 5, 2024, and comments received at the Public Meeting and during the public comment period, which ended March 14, 2024, were summarized and considered;

NOW, THEREFORE, BE IT RESOLVED that the 2024-2025 Housing Trust Fund Allocation Plan, dated April 9, 2024, is hereby adopted; and

BE IT FURTHER RESOLVED that the Executive Director is authorized to distribute it to the public.

Motion passed by a voice vote.

E. Resolution No. 24-04-40: Resolution to Approve the 2024-2025 Housing Tax Credit Qualified Allocation Plan

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

WHEREAS, Section 42 of the Tax Reform Act of 1986, as amended, requires that a Housing Tax Credit Qualified Allocation Plan be adopted;

WHEREAS, on February 16, 2024, the Board of Commissioners approved the Draft 2024-2025 Housing Tax Credit Qualified Allocation Plan and authorized the Executive Director to make it available for public comment; and

WHEREAS, as required by Federal regulations, a Public Meeting was held March 5, 2024, and comments received at the Public Meeting and during the public comment period, which ended March 14, 2024, were summarized and considered;

NOW, THEREFORE, BE IT RESOLVED that the 2024-2025 Housing Tax Credit Qualified Allocation Plan, dated April 9, 2024, is hereby adopted; and

BE IT FURTHER RESOLVED that the Executive Director is authorized to submit the 2024-2025 Housing Tax Credit Qualified Allocation Plan to the Governor for approval and, upon notification of approval, distribute it to the public.

Motion passed by a voice vote.

F. Resolution No. 24-04-41: Resolution to Approve the 2024-2025 Housing Opportunity Fund Allocation Plan

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

WHEREAS, SDHDA is responsible for the administration of the Housing Opportunity Fund in accordance with SDCL 11-13;

WHEREAS, SDHDA is responsible for the development of the South Dakota Housing Opportunity Fund Allocation Plan;

WHEREAS, on February 16, 2024, the Board of Commissioners approved the Draft 2024-2025 South Dakota Housing Opportunity Fund Allocation Plan and authorized the Executive Director to make it available for public comment; and

WHEREAS, a Public Meeting was held on March 5, 2024, and comments received at the Public Meeting and during the public comment period, which ended March 14, 2024, were considered;

NOW, THEREFORE, BE IT RESOLVED that the 2024-2025 South Dakota Housing Opportunity Fund Allocation Plan, dated April 9, 2024, is hereby adopted; and

BE IT FURTHER RESOLVED that the Executive Director is authorized to distribute it to the public.

Motion passed by a voice vote.

G. Resolution No. 24-04-42: Resolution to Approve the 2024-2025 Emergency Solutions Grant Program Administrative Plan

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

WHEREAS, Title 24, Code of Federal Regulations, Parts 91 and 576, outline the requirements of the Homeless Emergency Assistance and Rapid Transition to Housing: Emergency Solutions Grants Program and Consolidated Plan Conforming Amendments;

WHEREAS, on February 16, 2024, the Board of Commissioners approved the Draft 2024-2025 Emergency Solutions Grants Program Administrative Plan and authorized the Executive Director to make it available for public comment; and

WHEREAS, a Public Meeting was held on March 5, 2024, and comments received at the Public Meeting and during the public comment period, which ended March 14, 2024, were considered;

NOW, THEREFORE, BE IT RESOLVED that the 2024-2025 Emergency Solutions Grants Program Administrative Plan, dated April 9, 2024, is hereby adopted; and

BE IT FURTHER RESOLVED that the Executive Director is authorized to distribute it to the public.

Motion passed by a voice vote.

H. Resolution No. 24-04-43: Resolution to Approve the Allocation of Additional Funding for the Sustainable Housing Incentive Program

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

WHEREAS, there is a need to provide financial security to landlords and financial assistance to service providers when providing decent, safe, sanitary and affordable housing for certain households;

WHEREAS, existing State and Federal programs do not sufficiently address all the needs; and

WHEREAS, the Sustainable Housing Incentive Program will work in conjunction with service providers to address an unmet need and provide financial assistance necessary for permanent housing success;

NOW, THEREFORE, BE IT RESOLVED that \$245,000 be set-aside from excess reserves in the Multiple Purpose Bond Indenture for continuation of the Sustainable Housing Incentive Program, and

BE FURTHER RESOLVED, that SDHDA staff is hereby directed to update the Sustainable Housing Incentive Program administrative plan and application and begin accepting new applications.

Motion passed by a voice vote.

I. Resolution No. 24-04-44: Resolution to Commit HOME-ARP Funds to Safe Place Building a Safe Future

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

WHEREAS, per Resolution 22-10-60, a Reservation in the amount of \$1,757,525.00 of HOME-ARP funds was previously awarded to the following Applicant;

WHEREAS, the Applicant has agreed to comply with all HOME-ARP requirements; and

WHEREAS, the environmental review has been completed and Applicant has submitted most of the required documentation;

NOW, THEREFORE, BE IT RESOLVED that, upon receipt of the remaining required documentation, the Executive Director is authorized to issue a Commitment of HOME-ARP funds for the following:

Project Name: Safe Place Building a Safe Future
Project Location: Mitchell, SD
Developer: Mitchell Area Safehouse dba Safe Place of Eastern South Dakota

HOME-ARP Funds: \$ 1,757,525.00

Motion passed by a voice vote.

IX. NEW BUSINESS

A. Resolution No. 24-04-45: Resolution to Approve Housing Tax Credit Waiver Request for Camden Heights

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

WHEREAS, ECG Rapid City, LP (Applicant) has submitted an application for Housing Tax Credits and Tax Exempt Bond Funds for Camden Heights; and

WHEREAS, Applicant has requested a waiver of the QAP's developer standard finance limits in the Development Fee calculation, so the Development Fee is based on Total Project Costs; and

WHEREAS, the requested waiver is permissible under Federal law;

NOW, THEREFORE, BE IT RESOLVED that the waiver is hereby approved for Camden Heights.

Motion passed by a voice vote.

B. Resolution No. 24-04-46: Resolution to Approve Housing Tax Credit Waiver Request for Camden Heights

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

WHEREAS, ECG Rapid City, LP (Applicant) has submitted an application for Housing Tax Credits and Tax Exempt Bond Funds for Camden Heights; and

WHEREAS, the Applicant has requested a waiver of the QAP's deferred Developer Fee to be repaid within the fifteen years allowable by Federal Law as opposed to the twelve year limitation under the QAP; and

WHEREAS, the requested waiver is permissible under Federal law;

NOW, THEREFORE, BE IT RESOLVED that the waiver is hereby approved for Camden Heights.

Motion passed by a voice vote.

C. Resolution No. 24-04-47: Resolution to Deny Housing Tax Credit Waiver Request for Camden Heights

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

WHEREAS, ECG Rapid City, LP (Applicant) has submitted an application for Housing Tax Credits and Tax Exempt Bond Funds for Camden Heights pursuant to the 2022-2023 Housing Tax Credit Qualified Allocation Plan (QAP); and

WHEREAS, Applicant has requested a waiver of the QAP's development standards as they pertain to establishment of operating and debt service reserve calculation allowing them to be based on three months cost versus the QAP requirement of six months costs; and

WHEREAS, the requested waiver is permissible under Federal Law;

NOW, THEREFORE, BE IT RESOLVED that the waiver is hereby denied for Camden Heights.

Motion passed by a voice vote.

D. Resolution No. 24-04-48: Resolution Granting Preliminary Approval to the Issuance of Multifamily Housing Revenue Bonds or Notes in One or More Series in an Aggregate Principal Amount Not to exceed 41,500,000 for Camden Heights

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

WHEREAS, the South Dakota Housing Development Authority (the "Authority") is authorized by the South Dakota Housing Development Authority Act, South Dakota Codified Laws, Chapter 11-11, as amended (the "Act") to issue its revenue bonds or notes to provide financing for the acquisition, construction or rehabilitation of "Housing Developments" as that term is defined in the Act;

WHEREAS, Elmington Capital Group (the "Sponsor") has requested that the Authority indicate its willingness to issue its revenue bonds or notes in an amount not to exceed \$41,500,000 (the "Bonds") and use the proceeds thereof to finance a loan to the Sponsor or an affiliate thereof, presently expected to be ECG Rapid City LP, a South Dakota limited partnership, or another affiliate of the Sponsor (the "Borrower"), for the purpose of acquiring, constructing and equipping a multifamily housing development comprised of 252 housing units all to be known as Camden Heights, located in Rapid City, South Dakota at 1725 Camden Drive (the "Project");

WHEREAS, in furtherance of the purposes of the Act, the Authority is preliminarily considering the issuance of the Bonds, the proceeds of which will be used to finance a loan to the Borrower to assist the Borrower in the acquisition, construction and equipping of the Project; and

WHEREAS, it is intended that the Authority take "official action" within the meaning of the applicable provisions of the Internal Revenue Code of 1986, as amended, and any regulations promulgated thereunder for the purpose of issuing the Bonds in an amount not to exceed \$41,500,000 for the purpose of acquiring, constructing and equipping the Project.

NOW, THEREFORE, BE IT RESOLVED, by the South Dakota Housing Development Authority that:

Section 1. **Preliminary Approval.** The issuance of the Bonds for the purpose of financing a loan to the Borrower to allow the Borrower to acquire, construct and equip the Project is hereby preliminarily approved, and, pursuant to Section 1.150-2 of the Internal Revenue Code Regulations, the Authority hereby states its intention to reimburse itself or the Borrower from Bond proceeds for any advances of funds prior to the issuance of any such Bonds.

Section 2. **Conditions.** The preliminary approval of Section 1 does not obligate the Authority to finally approve the issuance of said Bonds. Final approval of the issuance of the Bonds can only be authorized by subsequent Authority action, which may contain such conditions thereto as the Authority may deem appropriate. The Authority in its absolute discretion may refuse to finally authorize the issuance of the Bonds and shall not be liable to the Borrower or any other person for its refusal to do so. In addition, the issuance of the Bonds is also subject to an allocation of South Dakota private activity volume cap, which allocation shall be separately requested by the Borrower and separately considered by the Authority at such time as determined by the Authority.

Section 3. **Public Hearing.** The Executive Director or designee thereof is hereby authorized to conduct a public hearing, as required by applicable federal tax law, with respect to the proposed financing.

Section 4. **Prior Resolutions.** All provisions of prior resolutions, or parts thereof, in conflict with the provisions of this Resolution are, to the extent of such conflicts, hereby repealed.

Section 5. **Effectiveness.** This Resolution shall be effective immediately.

Motion passed by a voice vote.

X. DATE OF NEXT MEETING AND ADJOURNMENT

The next Board of Commissioners' Meeting is scheduled for May 14, 2024. It was moved by Commissioner Steele and seconded by Commissioner Guenthner that the meeting adjourn.

Motion passed by a voice vote.

The meeting adjourned at 11:50 a.m.

Respectfully submitted,



Chas Olson
Secretary