

MINUTES
SOUTH DAKOTA HOUSING DEVELOPMENT AUTHORITY
BOARD OF COMMISSIONER'S MEETING
Telephonic
June 18, 2020

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

Board Members Absent: Mark Puetz, Commissioner

Staff Present: Mark Lauseng, Executive Director
Todd Hight, Director of Finance and Administration
Brent Adney, Director of Homeownership Programs
Lorraine Polak, Director of Rental Housing Development
Mike Harsma, Director of Single Family Development
Amanda Weisgram, Director of Marketing and Research
Sheila Olson, Marketing/Executive Assistant
Scott Rounds, Housing Development Officer
Amy Eldridge, Housing Development Officer
Andy Fuhrman, Construction Supervisor
Travis Dammann, Business Analyst

Guests Present: Dixie Hieb, Davenport, Evans, Hurwitz & Smith, Counsel to SDHDA
John Wagner, Kutak Rock, LLP
Tom Caine, Caine Mitter & Associates, Inc.
Bronson Martin, Caine Mitter & Associates, Inc.
Jennifer Shing, Caine Mitter & Associates, Inc.
Kelsey Kummer, All About U Adoptions
Coleen Globke, All About U Adoptions
Connie Jons, Lloyds Companies
Dick Werner, Dakota Resources
Rachel Carrels, Hub Area Habitat for Humanity

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

The distributed Agenda was amended to add Resolution No. 20-06-J under New Business.

It was moved by Commissioner Hohn and seconded by Commissioner Kolbeck that the Agenda be adopted as amended, 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 Dykstra, Erickson, Hansen, Hohn and Kolbeck.

Excused: Commissioner Puetz.

IV. APPROVAL OF MINUTES

It was moved by Commissioner Hansen and seconded by Commissioner Erickson that the Minutes of the Board of Commissioners' Meeting held on May 19, 2020, be adopted as presented.

Via roll call vote, the following votes were recorded:

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

Excused: Commissioner Puetz.

V. EXECUTIVE DIRECTOR'S REPORT

Executive Director Lauseng stated three employees with 20 to 30 plus years of service retired: Mona Pries, Tracy Laqua and Mary Stewart. He provided an update regarding SDHDA's ongoing COVID-19 response and stated that the office opened full time June 1, 2020 with limited staff onsite, staff may only travel for essential reasons in state and may not currently travel out of state, no face-to-face meetings are being held, sneeze guards have been installed and a monitoring station is in place at the front desk for guests, and anyone entering the office must complete a screening questionnaire. Executive Director Lauseng stated the National Council of State Housing Agency's Housing Tax Credit and Executive Director's Conferences will be online. He mentioned SDHDA would decide in July if its Annual Housing Conference would be online, face-to-face, or canceled for this year. Executive Director Lauseng stated that SDHDA had been named as a defendant, but had not yet been served, in a lawsuit filed by residents of a development in Black Hawk, South Dakota, and noted that the lawsuit does not make any claim against SDHDA. Executive Director Lauseng also thanked Vice-Chair Brent Dykstra for his eleven years of dedication to the affordable housing industry.

VI. OLD BUSINESS

A. Resolution No. 20-06-40: Resolution to Approve Housing Tax Credit Program Waiver Request for Glory House Apartments

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

WHEREAS, per Resolution No. 17-11-76, Glory House Apartments, Limited Partnership (Owner) was granted a waiver of the Amended 2016-2017 Housing Tax Credit Program Qualified Allocation Plan (QAP) requirements regarding certain development standards;

WHEREAS, per Resolution No. 17-11-77, Owner was granted a Reservation of Housing Tax Credits for Glory House Apartments;

WHEREAS, per Resolution No. 18-10-57, Owner received a waiver of the QAP requirements regarding the ten percent test and carryover allocation;

WHEREAS, the Owner has requested a waiver of the QAP's requirements with regards to certain underwriting standards and eligible basis; and

WHEREAS, the Federal requirements related to the QAP allow such a waiver;

NOW, THEREFORE, BE IT RESOLVED that the waiver is hereby approved for Glory House Apartments.

Via roll call vote, the following votes were recorded:

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

Excused: Commissioner Puetz.

B. Resolution No. 20-06-41: Resolution Authorizing, Approving and Directing the Issuance and Delivery of its Multiple Purpose Bonds 2020 Series, in an Amount not to Exceed \$20,000,000, Pursuant to the General Indenture of Trust and a Supplemental Indenture of Trust, a Standby Bond Purchase Agreement and Certain Other Transaction Documents as Defined Herein in Connection with the Issuance of the Bonds for Sunnycrest Village

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

WHEREAS, pursuant to the Constitution and the laws of the State of South Dakota, particularly the South Dakota Housing Development Authority Act, South Dakota Codified Laws, Chapter 11-11, as amended (the "Act"), the Authority is authorized to carry out the public purposes described in the Act by issuing its general obligation bonds and by entering into any agreements made in connection therewith; and

WHEREAS, pursuant to the Act, the Authority is authorized to issue its bonds and use the proceeds to, among other things, make mortgage loans to finance the construction of residential housing developments at rents or prices which people of the State can afford and to refund any of its outstanding bonds issued for such purpose; and

WHEREAS, to provide a source of funds for its programs authorized by the Act, the Authority has determined to authorize the issuance of its Multiple Purpose Bonds 2020 Series in one or more series or subseries (the "Bonds") pursuant to the General Indenture of Trust, dated as of March 1, 2002 (the "General Indenture") between the Authority and Wells Fargo Bank, National Association, as trustee (the "Trustee"), and a Supplemental

Indenture of Trust (the "Supplemental Indenture") substantially in the form of the 2008 Series A Supplemental Indenture of Trust, dated as of July 1, 2008 pursuant to which the Authority's Multiple Purpose Bonds, 2008 Series A (the "2008 Bonds") were issued, to make a mortgage loan (the "Mortgage Loan") to finance the acquisition, construction and equipping of a 60-unit multifamily housing project addition to the Sunnycrest Village development located in Sioux Falls, South Dakota (the "Project"), to refund some or all of the 2008 Bonds, and to make deposits in various funds and accounts; and

WHEREAS, in connection with the issuance of the Bonds the Authority intends to enter into a Bond Purchase Agreement with Citigroup Global Markets Inc. ("Citi") as the underwriter of the Bonds, a Standby Bond Purchase Agreement with the Federal Home Loan Bank of Des Moines, a Remarketing Agreement with Citi as the remarketing agent for the Bonds, and an Official Statement, all in substantially the same forms used in conjunction with the issuance of the 2008 Bonds, or the Homeownership Mortgage Bonds 2009 Series A in the case of the Standby Bond Purchase Agreement, with appropriate changes to reflect the final terms of the Bonds and updated information with respect to the Authority (collectively, the "Bond Documents").

NOW, THEREFORE, BE IT RESOLVED as follows:

Section 1. The Authority does hereby find and determine that (i) the issuance of the Bonds, the funding of the Mortgage Loan, the refunding of the 2008 Bonds and making the deposits to the Funds and Accounts created under the General Indenture and the Supplemental Indenture will fulfill the public purposes set forth in the Act and (ii) such issuance is necessary to provide funds to help alleviate a shortage of decent, safe and sanitary residential housing which persons and families in the State can afford and will preserve the supply of such affordable residential housing in the State. The additional and further findings of the Authority relating to the Bonds set forth in the Bond Documents are incorporated herein by reference and adopted as if fully set forth at this place.

Section 2. The form of the Bond Documents are hereby approved. The Chair, Vice Chair, Executive Director-Secretary or Director of Finance are hereby authorized and directed to execute the Bond Documents requiring execution by the Authority on behalf of the Authority, with such modifications to the Bond Documents as are deemed appropriate by the officer executing the same, which approval shall be conclusively evidenced by execution of the Bond Documents by said officer.

Section 3. The issuance, sale and delivery of the Bonds in the aggregate principal amount not to exceed \$20,000,000 to make amounts available to fund the Mortgage Loan with respect to the Project and to refund the 2008 Bonds is hereby approved. The maturities (not to exceed 45 years), interest rates (which may be fixed, not to exceed 5%, or variable, not to exceed 15%) and redemption provisions of the Bonds, as well as the purchase price and other terms of the Bonds including any remarketing

agent fees, and any fees paid to Citi as underwriter (which shall not exceed 2% of the principal amount of the Bonds) shall be determined by the Executive Director or Director of Finance after consultation with the Chair (or Vice Chair if the Chair is not available).

Section 4. Without in any way limiting the power, authority or discretion elsewhere herein granted or delegated, the Authority hereby authorizes and directs the Chair, Vice Chair, Executive Director-Secretary and Director of Finance, or any of them, to perform or cause to be performed such obligations of the Authority and such other actions as any such officer, in consultation with bond counsel and/or general counsel, shall consider necessary or desirable in connection with or in furtherance of this Resolution and the transactions contemplated by the documents and agreements identified in this Resolution, including, without limitation, the execution and delivery of agreements (including investment agreements, and interest rate swaps in accordance with the Authority's Interest Rate Swap Management Policy), documents, instruments and certifications, as well as loan documents with respect to the Mortgage Loan to finance the Project or modifications to the mortgage loan made with proceeds of the 2008 Bonds to the extent those 2008 Bonds are refunded, whether or not identified herein. The execution and delivery by any such officer of the Authority of any of such agreements, documents, instruments or certifications, or the performance of any act in connection with any of the matters which are the subject of this Resolution, 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 agreements, documents, instruments and certifications so executed and the action so taken.

Section 5. Notwithstanding anything contained in the foregoing sections, if the Executive Director, upon consultation with the Chair and upon the advice of bond counsel and/or general counsel, determines that it is not in the best interests of the Authority to issue and sell the Bonds or any portion thereof, then such Bonds shall not be issued or sold in accordance with this Resolution.

This Resolution shall take effect immediately.

Via roll call vote, the following votes were recorded:

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

Excused: Commissioner Puetz.

VII. NEW BUSINESS

A. Resolution No. 20-06-42: Resolution to Conditionally Commit Housing Opportunity Fund Funds for Herreid Area Housing Development Twin-Home

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

WHEREAS, the following application has been reviewed and evaluated in accordance with the Amended 2018-2019 Housing Opportunity Fund (HOF) Allocation Plan; and

WHEREAS, based on information provided, the Applicant is eligible to receive HOF funds and has agreed to comply with all HOF requirements;

NOW, THEREFORE, BE IT RESOLVED that the Executive Director be authorized to issue a Conditional Commitment of HOF funds for the following:

<u>OWNER/APPLICANT</u>	<u>DEVELOPMENT/ LOCATION</u>	<u>HOF RURAL DEVELOPMENT</u>
Herreid Area Housing Development, Inc.	Herreid Area Housing Development Twin-Home Herreid, SD	\$249,840

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

B. Resolution No. 20-06-43: Resolution to Conditionally Commit Housing Opportunity Fund Funds for Hub Area Habitat for Humanity Home Build

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

WHEREAS, the following application has been reviewed and evaluated in accordance with the Amended 2018-2019 Housing Opportunity Fund (HOF) Allocation Plan; and

WHEREAS, based on information provided, the Applicant is eligible to receive HOF funds and has agreed to comply with all HOF requirements;

NOW, THEREFORE, BE IT RESOLVED that the Executive Director be authorized to issue a Conditional Commitment of HOF funds for the following:

<u>OWNER/APPLICANT</u>	<u>DEVELOPMENT/ LOCATION</u>	<u>HOF RURAL DEVELOPMENT</u>
Hub Area Habitat for Humanity	Hub Area Habitat for Humanity Home Build Aberdeen, SD	\$82,777

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

C. Resolution No. 20-06-44: Resolution to Conditionally Commit Housing Opportunity Fund Funds for Nevaeh House

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

WHEREAS, the following application has been reviewed and evaluated in accordance with the Amended 2018-2019 Housing Opportunity Fund (HOF) Allocation Plan; and

WHEREAS, based on information provided, the Applicant is eligible to receive HOF funds and has agreed to comply with all HOF requirements;

NOW, THEREFORE, BE IT RESOLVED that the Executive Director be authorized to issue a Conditional Commitment of HOF funds for the following:

<u>OWNER/APPLICANT</u>	<u>DEVELOPMENT/ LOCATION</u>	<u>HOF URBAN DEVELOPMENT</u>
All About You Adoptions	Nevaeh House Sioux Falls, SD	\$100,000

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

D. Resolution No. 20-06-45: Resolution to Approve Updated Employee Handbook

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

WHEREAS, the Board has reviewed the proposed changes to the Employee Handbook as presented;

NOW, THEREFORE, BE IT RESOLVED that the SDHDA Employee Handbook be amended to reflect the changes presented.

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

E. Resolution No. 20-06-46: Resolution to Approve and Obtain a Commemoration to Recognize and Thank Brent Dykstra

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

WHEREAS, Brent Dykstra has completed his service to the South Dakota Housing Development Authority Board of Commissioners; and

WHEREAS, the Board wishes to acknowledge Brent's contributions to the South Dakota Housing Development Authority as a Vice-Chair, Treasurer and Commissioner;

NOW, THEREFORE, BE IT RESOLVED that the Executive Director is to obtain a commemoration and thank:

BRENT DYKSTRA

VICE-CHAIR, TREASURER AND COMMISSIONER

2009 - 2020

SOUTH DAKOTA HOUSING DEVELOPMENT AUTHORITY

IN RECOGNITION OF YOUR DEDICATED SERVICE

TO THE CITIZENS OF SOUTH DAKOTA

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

VIII. DATE OF NEXT MEETING AND ADJOURNMENT

The next Board of Commissioners' Meeting is tentatively scheduled for July 21, 2020. It was moved by Commissioner Hohn and seconded by Commissioner Erickson that the meeting adjourn.

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

The meeting adjourned at 10:38 a.m.

Respectfully submitted,

Mark Lauseng
Secretary

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