

MINUTES
SOUTH DAKOTA HOUSING DEVELOPMENT AUTHORITY
BOARD OF COMMISSIONER'S MEETING
SDHDA CONFERENCE ROOM
June 28, 2022

Board Members Present: Bill Hansen, Chairman (via telephone)
Scott Erickson, Vice-Chairman
Preston Steele, Treasurer
Rick Hohn, Commissioner
David Pummel, Commissioner

Board Members Absent: Steve Kolbeck, Commissioner
Mark Puetz, Commissioner

Staff Present: Lorraine Polak, Executive Director
Brent Adney, Director of Homeownership Programs
Mike Harsma, Director of Single Family Development
Todd Hight, Director of Finance and Administration (via telephone)
Chas Olson, Director of Rental Housing Development
Amanda Weisgram, Director of Marketing and Research
Sheila Olson, Marketing/Executive Assistant
Jason Bucholz, Mortgage Purchase Officer
Amy Eldridge, Housing Development Officer
DeNeil Hosman, Housing Development Officer
Beverly Katz, Housing Infrastructure Officer
Julie Anderson, Housing Management Officer (via telephone)
Travis Dammann, Business Analyst (via telephone)
Andy Fuhrman, Construction Management Officer (via telephone)
Doug Mahowald, Network Administrator (via telephone)
Beth Todd, Program Coordinator (via telephone)
Scott Rounds, Housing Development Officer (via telephone)

Guests Present: Dixie Hieb, Davenport, Evans, Hurwitz & Smith, Counsel to SDHDA
Toby Morris, Colliers Securities
Holly Engelhart, Eide Bailly (via telephone)
Bob Mercer, Keloland News (via telephone)
Julie Johnson, Absolutely!Aberdeen, Prairie Vision, Homes for SD
(via telephone)
Dick Werner, Herreid Area Housing Development (via telephone)
Mary Williams, Wall Economic Development (via telephone)
David Owen, SD Chamber of Commerce (via telephone)
Austin Claeys, Lloyd Companies (via telephone)
Heidi Rathbun, Commonbond Communities (via telephone)
Debra Owen, Greater Sioux Falls Chamber of Commerce (via
telephone)
Kellen Erpenbach, Lloyd Companies (via telephone)
James Drew, CD Properties (via telephone)
Jon Sprang, Flex Properties (via telephone)
Bobbie Bohlen, HME Management (via telephone)
Sally Rabban, Commonbond Communities (via telephone)

Randy Hanson, Flex Properties (via telephone)

I. CALL TO ORDER/CONFLICTS OF INTEREST

The meeting was called to order at 11:03 a.m. and roll was called. Chairman Hansen called for conflicts of interest and none were noted. Chairman Hansen asked Vice Chair Erickson to run the meeting.

II. PUBLIC COMMENT

None.

III. APPROVAL OF AGENDA

The distributed agenda was amended to move Executive Session above Resolution No. 22-06-39. It was moved by Commissioner Pummel and seconded by Commissioner Steele that the Agenda be adopted as amended, but reserving the right to make further changes during the meeting.

Via roll call, the following votes were recorded:

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

Excused: Commissioners Kolbeck and Puetz

IV. APPROVAL OF MINUTES

It was moved by Commissioner Hohn and seconded by Commissioner Steele that the Minutes of the Board of Commissioners' Meeting held on May 17, 2022, be adopted as presented.

Via roll call, the following votes were recorded:

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

Excused: Commissioners Kolbeck and Puetz

V. EXECUTIVE DIRECTOR'S REPORT

Executive Director Polak introduced new hires, Jason Bucholz, Mortgage Purchase Officer and Beverly Katz, Housing Infrastructure Officer. She reported SDHDA returned \$2.2 million Emergency Rental Assistance (ERA) I funds and to date SDHDA has returned a total of \$163 million ERA I funds. Executive Director Polak stated SDHDA hosted the 16th Annual Homeless Summit on June 14-15, 2022 in Oacoma. She reported that some staff and board members traveled to New York for a bond closing that went well.

VI. OLD BUSINESS

A. Resolution No. 22-06-32: Resolution to Approve Housing Tax Credit Program Waiver Request for Wiyaka Sakpe

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

WHEREAS, per Resolution No. 18-11-88, Wiyaka Sakpe, Limited Partnership (Owner) received a Reservation of Housing Tax Credits (HTC) for Wiyaka Sakpe (Six Feathers);

WHEREAS, per Resolution No. 20-12-117, Owner requested an extension of the required placed in service date for the buildings within the project from December 31, 2021, to June 30, 2022;

WHEREAS, due to road construction and labor shortages, Owner is requesting further extension of the required placed in service date for the buildings within the project from June 30, 2022, to December 31, 2022; and

WHEREAS, pursuant to Revenue Procedure 2014-49 and in light of the President's declaration that COVID-19 constitutes a major disaster, such a waiver and extension to December 31, 2022 are permitted;

NOW, THEREFORE, BE IT RESOLVED that the Board hereby approves the request, and the Executive Director is authorized to notify the Owner that if the remaining Carryover documentation is submitted to the satisfaction of SDHDA by the extended date, the 2019 Carryover Allocation Agreement will remain valid for the housing tax credits originally reserved or in an amount determined to be financially necessary by SDHDA.

Via roll call, the following votes were recorded:

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

Excused: Commissioners Kolbeck and Puetz

B. Resolution No. 22-06-33: Resolution to Reserve Additional HOME and Housing Trust Fund Funds for Heartland Heights Apartments II

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

WHEREAS, per Resolution No. 21-10-75, Housing Tax Credits (HTC), HOME and Housing Trust Fund funds were reserved for Heartland Heights Apartments II;

WHEREAS, due to increases in material and construction costs, applicant is requesting additional HOME and HTF funds;

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

NOW, THEREFORE, BE IT RESOLVED that based on information provided in the application, a letter offering a Reservation of HOME and HTF funds be forwarded to the following Applicant, and that upon satisfaction of all conditions, HOME and HTF funds be allocated to:

<u>OWNER/APPLICANT</u>	<u>DEVELOPMENT/ LOCATION</u>	<u>HOME FUNDS GENERAL POOL</u>
Heartland Heights, LLC	Heartland Heights Apartments II Rapid City, SD	\$140,000
		<u>HOUSING TRUST FUNDS</u>
		\$100,000

Via roll call, the following votes were recorded:

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

Excused: Commissioners Kolbeck and Puetz

C. Resolution No. 22-06-34: Resolution to Commit HOME and Housing Trust Fund Funds for Heartland Heights Apartments II

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

WHEREAS, per Resolution 21-10-75, a Reservation in the amount of \$1,000,000 of HOME funds and \$300,000 of Housing Trust Fund (HTF) funds was previously awarded to the following Applicant;

WHEREAS, per Resolution 22-06-33, an additional Reservation in the amount of \$140,000 of HOME funds and \$100,000 of Housing Trust Fund (HTF) funds was previously awarded to the following Applicant;

WHEREAS, the Applicant has agreed to comply with all HOME and HTF 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 satisfactory environmental review and required documentation, the Executive Director is authorized to issue a Commitment of HOME and HTF funds for the following:

<u>OWNER/APPLICANT</u>	<u>DEVELOPMENT/ LOCATION</u>	<u>HOME FUNDS GENERAL POOL</u>
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Heartland Heights, LLC	Heartland Heights Apartments II Rapid City, SD	\$1,140,000
		<u>HOUSING TRUST FUNDS</u>
		\$400,000

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

D. Resolution No. 22-06-35: Resolution to Commit HOME and Housing Trust Fund Funds for The Radiant (fka Lacrosse Street Apartments)

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

WHEREAS, per Resolution 21-10-80, a Reservation in the amount of \$1,000,000 of HOME funds and \$780,598 of Housing Trust Fund (HTF) funds was previously awarded to the following Applicant;

WHEREAS, the Applicant has agreed to comply with all HOME and HTF 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 satisfactory environmental review and required documentation, the Executive Director is authorized to issue a Commitment of HOME and HTF funds for the following:

<u>OWNER/APPLICANT</u>	<u>DEVELOPMENT/ LOCATION</u>	<u>HOME FUNDS GENERAL POOL</u>
CommonBond Communities Limited Partnership	The Radiant Rapid City, SD	\$1,000,000
		<u>HOUSING TRUST FUNDS</u>
		\$780,598

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

E. Resolution No. 22-06-36: Resolution to Approve HOME Program Waiver Request for The Grove at Ellis Crossing

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

WHEREAS, The Grove at Ellis Crossing Limited Partnership (Applicant) has submitted an application for HOME funds for The Grove at Ellis Crossing; and

WHEREAS, the Applicant has requested a waiver of the 2022-2023 HOME Allocation Plan requirements with regard to the parking spaces;

NOW, THEREFORE, BE IT RESOLVED that the waiver is hereby approved for The Grove at Ellis Crossing.

Via roll call, the following votes were recorded:

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

Excused: Commissioners Kolbeck and Puetz

F. Resolution No. 22-06-37: Resolution to Commit HOME Funds for The Grove at Ellis Crossing

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

WHEREAS, per Resolution 21-11-91, a Reservation in the amount of \$900,000 of HOME funds was previously awarded to the following Applicant;

WHEREAS, the Applicant has agreed to comply with all HOME 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 satisfactory environmental review and required documentation, the Executive Director is authorized to issue a Commitment of HOME funds for the following:

<u>OWNER/APPLICANT</u>	<u>DEVELOPMENT/ LOCATION</u>	<u>HOME FUNDS GENERAL POOL</u>
The Grove at Ellis Crossing Limited Partnership	The Grove at Ellis Crossing Sioux Falls, SD	\$900,000

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

G. Resolution No. 22-06-38: Resolution to Commit HOME Funds for Jefferson Village Apartments II

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

WHEREAS, per Resolution 21-10-77, a Reservation in the amount of \$900,000 of HOME funds was previously awarded to the following Applicant;

WHEREAS, the Applicant has agreed to comply with all HOME 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 satisfactory environmental review and required documentation, the Executive Director is authorized to issue a Commitment of HOME funds for the following:

<u>OWNER/APPLICANT</u>	<u>DEVELOPMENT/ LOCATION</u>	<u>HOME FUNDS GENERAL POOL</u>
Jefferson Village Apartments, LP	Jefferson Village Apartments II Sioux Falls, SD	\$900,000

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

VII. EXECUTIVE SESSION

It was moved by Commissioner Steele and seconded by Commissioner Pummel to go into executive session pursuant to SDCL 1-25-2(3) for the purpose of consulting with legal counsel. Executive session started at 11:32 a.m. and ended at 12:04 p.m.

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

VI. OLD BUSINESS (CONTINUED)

H. Resolution No. 22-06-39: Resolution to Approve and Authorize Release of the Draft Housing Infrastructure Financing Program Allocation Plan for Public Comment

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

WHEREAS, per Resolution No. 22-05-31, SDHDA is responsible for the development of the Housing Infrastructure Financing Program Allocation Plan; and

WHEREAS, a Public Meeting is scheduled for July 7, 2022, and comments received at the Public Meeting and during the public comment period, will be summarized and considered;

NOW, THEREFORE, BE IT RESOLVED that the above referenced Draft Housing Infrastructure Financing Program Plan dated June 28, 2022, is hereby approved for public distribution, and the Executive Director is authorized to give the public notice for a 14-day comment period.

Via roll call, the following votes were recorded:

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

Excused: Commissioners Kolbeck and Puetz

I. Resolution No. 22-06-40: Resolution to Approve Delay in Administering Funds Transferred Pursuant to Section 1 of HB 1033

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

WHEREAS, during the 2022 Session of the South Dakota Legislature, the House of Representatives and the Senate passed HB 1033, and Governor Noem signed the Bill into law;

WHEREAS, Section 1 of HB 1033 provides for the transfer from the general fund to the South Dakota housing opportunity fund, created by § 11-13-2, the sum of \$150,000,000;

WHEREAS, Section 1 of HB 1033 further provides that the South Dakota Housing Development Authority (SDHDA) shall administer the transferred funds for the purpose of providing loans and grants for the construction of housing infrastructure;

WHEREAS, HB 1033 imposes certain conditions and restrictions on the distribution and use of the transferred funds;

WHEREAS, § 11-13-2 states that the South Dakota housing opportunity fund is to be administered by the South Dakota Housing Development Authority for the purpose of preserving and expanding sustainable, affordable, and safe housing that is targeted to low and moderate-income families and individuals in South Dakota;

WHEREAS, HB 1033 does not state whether the funds transferred pursuant to Section 1 of HB 1033 are to be administered in accordance with the current purpose of Chapter 11-13 or if Chapter 11-13's restrictions were not intended to apply to the funds transferred pursuant to Section 1 of HB 1033; and

WHEREAS, SDHDA cannot appropriately administer the funds transferred pursuant to Section 1 of HB 1033 without further clarification by the South Dakota Legislature as to the application of Chapter 11-13 to such transferred funds;

NOW, THEREFORE, BE IT RESOLVED, that SDHDA staff are hereby instructed to develop an administrative plan to outline the process and procedures for the implementation and administration of the funds transferred to SDHDA pursuant to Section 1 of HB 1033;

BE IT FURTHER RESOLVED, that the administrative plan shall include provisions for the award of funds without the restrictions set forth in Chapter 11-13; and

BE IT FURTHER RESOLVED, that the draft administrative plan shall not be released to the public and SDHDA shall take no further action with respect to the development of a program or the award of the funds transferred pursuant to Section 1 of HB 1033 until further clarification is provided by the South Dakota Legislature with respect to the application of Chapter 11-13 to such transferred funds.

Via roll call, the following votes were recorded:

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

Excused: Commissioners Kolbeck and Puetz

VIII. NEW BUSINESS

A. Resolution No. 22-06-41: Resolution to Conditionally Commit Housing Opportunity Fund Funds for Brookings Workforce Housing

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

WHEREAS, the following application has been reviewed and evaluated in accordance with the 2022-2023 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 is authorized to issue a Conditional Commitment of HOF funds to the following Applicant:

<u>OWNER/APPLICANT</u>	<u>DEVELOPMENT/ LOCATION</u>	<u>HOF URBAN DEVELOPMENT</u>
CD Properties, LLC	Brookings Workforce Housing Brookings, SD	\$160,000

Via roll call, the following votes were recorded:

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

Excused: Commissioners Kolbeck and Puetz

B. Resolution No. 22-06-42: Resolution to Approve Housing Opportunity Fund Program Waiver Request for Herreid Area Housing Development DakotaPlex

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

WHEREAS, Herreid Area Housing Development, Inc. (Applicant) has submitted an application for Housing Opportunity Fund funds for Herreid Area Housing Development DakotaPlex; and

WHEREAS, the Applicant has requested a waiver of the 2022-2023 Housing Opportunity Fund Allocation Plan requirements with regard to certain underwriting standards related to matching funds;

NOW, THEREFORE, BE IT RESOLVED that the waiver is hereby approved for Herreid Area Housing Development DakotaPlex.

Via roll call, the following votes were recorded:

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

Excused: Commissioners Kolbeck and Puetz

C. Resolution No. 22-06-43: Resolution to Conditionally Commit Housing Opportunity Fund Funds for Herreid Area Housing Development DakotaPlex

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

WHEREAS, the following application has been reviewed and evaluated in accordance with the 2022-2023 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 is authorized to issue a Conditional Commitment of HOF funds to the following Applicant:

<u>OWNER/APPLICANT</u>	<u>DEVELOPMENT/ LOCATION</u>	<u>HOF URBAN DEVELOPMENT</u>
Herreid Area Housing Development, Inc.	Herreid Area Housing Development DakotaPlex Herreid, SD	\$250,000

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

D. Resolution No. 22-06-44: Resolution to Conditionally Commit Community Housing Development Program and Housing Opportunity Fund Funds for Oak Village

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

WHEREAS, the following application has been reviewed and evaluated in accordance with the Community Housing Development Program (CHDP) Plan and the 2022-2023 Housing Opportunity Fund (HOF) Allocation Plan; and

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

NOW, THEREFORE, BE IT RESOLVED that the Executive Director is authorized to issue a Conditional Commitment of CHDP and HOF funds to the following Applicant:

COMMUNITY

OWNER/APPLICANT
Plex Properties, LLC

DEVELOPMENT/
LOCATION
Oak Village
Aurora, SD

HOUSING
DEVELOPMENT
PROGRAM
\$1,063,000

HOF
RURAL
DEVELOPMENT
\$250,000

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

E. Resolution No. 22-06-45: Resolution to Conditionally Commit Housing Opportunity Fund Funds for 425 Princeton Home

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

WHEREAS, the following application has been reviewed and evaluated in accordance with the 2022-2023 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 is authorized to issue a Conditional Commitment of HOF funds to the following Applicant:

OWNER/APPLICANT
Habitat for Humanity of
Clay & Yankton Counties

DEVELOPMENT/
LOCATION
425 Princeton Home
Vermillion, SD

HOF
URBAN
DEVELOPMENT
\$94,000

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

XI. DATE OF NEXT MEETING AND ADJOURNMENT

The next Board of Commissioners' Meeting is tentatively scheduled for July 26. It was moved by Commissioner Steele and seconded by Commissioner Pummel that the meeting adjourn.

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

The meeting adjourned at 12:26 p.m.

Respectfully submitted,

Lorraine Polak
Secretary

DRAFT