

MINUTES
SOUTH DAKOTA HOUSING DEVELOPMENT AUTHORITY
BOARD OF COMMISSIONER'S MEETING
TELEPHONIC
July 8, 2025

Board Members Present: Scott Erickson, Chairman
Preston Steele, Vice-Chairman
Jonathan Guenthner, Commissioner
Rick Hohn, Commissioner
Mark Roby, Commissioner
Shauna Sheets, Commissioner

Board Members Absent: Alex Jensen, Treasurer

Staff Present: Chas Olson, Executive Director
Amy Eldridge, Director of Rental Housing Development
Amanda Weisgram, Director of Marketing and Research
Todd Hight, Director of Finance and Administration
Tammy Jund, Director of Homeownership
Tasha Jones, Director of Rental Housing Management
Michele Bodurtha, Executive/Development Assistant
Beverly Katz, Housing Infrastructure Officer
Bridgette Loesch, Housing Development Officer
Rebecca Whidby, Housing Development Officer
Vicki Arhart, Housing Management Officer
Robin Auch, Accountant
Dawn Boyle, HMIS Administrator
Denise Albertson, ESG Administrator
Joseph D. Tielke, Continuum of Care Administrator

Guests Present: Dixie Hieb, Davenport, Evans, Hurwitz & Smith, Counsel to SD Housing
Ryan Tobin, Big Red Development
Riley McLaughlin, Big Red Development
Logan Penfield, Housing Development Manager, City of Sioux Falls
Hope Brudvig, Homes Are Possible, Inc.

I. CALL TO ORDER/CONFLICTS OF INTEREST

The meeting was called to order at 10:00 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

It was moved by Commissioner Hohn and seconded by Commissioner Roby 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 Steele that the Minutes of the Board of Commissioner's Meeting held on June 16, 2025, be adopted as presented.

Motion passed by a voice vote.

V. EXECUTIVE DIRECTOR'S REPORT

Executive Director Olson announced that the Homeless Summit took place on June 17-18 with 94 attendees representing 56 agencies throughout the state and that the SD Housing conference was held June 24-25 with 225 attendees. Executive Director Olson also mentioned that a team from the Rental Housing Management and Rental Housing Development departments attended the NCSHA Housing Credit Connect Conference in Chicago June 24-27 where they participated in sessions that focused proposed affordable housing funding and to discuss strategies for rising housing needs.

VI. OLD BUSINESS

A. Resolution No. 25-07-38: Resolution to Approve Housing Infrastructure Financing Program Waiver Request for South Lake Housing Development

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

WHEREAS, per Resolution 23-10-87, a conditional commitment in the amount of \$925,000 of Housing Infrastructure Financing Program (HIFP) funds was previously awarded to Mitchell Area Housing, Inc. (the "Applicant") for South Lake Housing Development;

WHEREAS, per Resolution 23-10-87, the HIFP award was a grant from funds under the American Rescue Plan Act of 2021 (ARPA);

WHEREAS, the Applicant has submitted a request for additional HIFP funds in the form of a two percent loan;

WHEREAS, in connection with the loan request, the Applicant has requested a waiver of ARSD 20:09:26:10, which places a twenty-five thousand dollar limit on the amount of HIFP funds that may be awarded per single family lot;

WHEREAS, per ARSD 20:09:26:21, an applicant unable to meet one or more of the HIFP requirements set forth in Chapter 20:09:26 of the South Dakota Administrative Rules may

submit a waiver request; provided, however, that no restriction imposed by SDCL Chapter 11-15 may be waived; and

WHEREAS, the funding limitation of ARSD 20:09:26:10 is not a restriction imposed by SDCL Chapter 11-15 and may thus be waived;

NOW, THEREFORE, BE IT RESOLVED that the waiver is hereby approved for South Lake Housing Development.

Motion passed by a voice vote.

B. Resolution No. 25-07-39: Resolution to Conditionally Commit Additional Housing Infrastructure Financing Program Funds for South Lake Housing Development

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 23-10-87, a conditional commitment for a grant in the amount of \$925,000 of Housing Infrastructure Financing Program (HIFP) funds was previously awarded to the following Applicant;

WHEREAS, per Resolution 23-10-87, the HIFP award was a grant from funds under the American Rescue Plan Act of 2021 (ARPA);

WHEREAS, the Applicant has submitted a request for additional HIFP funds in the form of a two percent loan;

WHEREAS, per Resolution 25-07-E1, the Applicant has requested and been granted a waiver of the funding limitation set forth in ARSD 20:09:26:10;

WHEREAS, the following application has been reviewed and evaluated in accordance with SDCL Chapter 11-15 and HIFP Administrative Rules; and

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

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

Project Name: South Lake Housing Development
Project Location: Mitchell
Applicant: Mitchell Area Housing, Inc. (MAHI)

HIFP General Loan Fund-Rural: \$419,000

Motion passed by a voice vote.

VII. NEW BUSINESS

A. Resolution No. 25-07-40: 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 \$42,000,000 for The Rhys Apartments

After review and discussion, it was moved by Commissioner Hohn and seconded by Commissioner Guenthner 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, Big Red Development, LLC (the "Sponsor") has requested that the Authority indicate its willingness to issue its revenue bonds or notes in an amount not to exceed \$42,000,000 (the "Bonds") and use the proceeds thereof to finance a loan to the Sponsor or an affiliate thereof, (the "Borrower"), for the purpose of acquiring, constructing and equipping a multifamily housing development comprised of 178 housing units all to be known as The Rhys Apartments, located in Sioux Falls, South Dakota at 4425 West Crossroads Place (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 \$42,000,000 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.

Adopted by the South Dakota Housing Development Authority this 8th day of July, 2025.

Motion passed by a voice vote.

B. Resolution No. 25-07-41: Resolution to Approve Transfer of Ownership and Assumption of HOME Loan for South Cliff Falls Apartments

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

WHEREAS, the South Dakota Housing Development Authority (SDHDA) previously made a loan under the HOME Investment Partnership Program (the "HOME Loan") to Southcliff Falls Limited Partnership (the "Owner") for South Cliff Falls Apartments (the "Property") located in Harrisburg, South Dakota;

WHEREAS, the HOME Loan is secured by a Mortgage and Security Agreement;

WHEREAS, the Property is subject to a Regulatory Agreement covering certain requirements and restrictions under the HOME Program;

WHEREAS, the Owner proposes to sell the Property to HL South Cliff LLC, an unrelated South Dakota limited liability company;

WHEREAS, the Owner and HL South Cliff LLC have met SDHDA's criteria for transfer of the Property and assumption of the Mortgage Note and related Mortgage and Security Agreement; and

WHEREAS, HL South Cliff LLC has agreed to enter into a Regulatory Agreement with respect to the ongoing requirements applicable to the Property under the HOME Program;

NOW, THEREFORE, BE IT RESOLVED, that the transfer of ownership from Southcliff Falls Limited Partnership to HL South Cliff LLC and the assumption of the Mortgage Note and Security Agreement by HL South Cliff LLC are hereby approved.

Motion passed by a voice vote.

VIII. DATE OF NEXT MEETING AND ADJOURNMENT

The next Board of Commissioners' Meeting is scheduled for August 12, 2025, and will be telephonic. 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 11:23 a.m.

Respectfully submitted,

Chas Olson
Secretary