

MINUTES
SOUTH DAKOTA HOUSING DEVELOPMENT AUTHORITY
BOARD OF COMMISSIONER'S MEETING
TELEPHONIC
JULY 9, 2024

Board Members Present: Scott Erickson, Chairman
Preston Steele, Vice-Chairman
Bill Hansen, Treasurer
Jonathan Guenther, Commissioner
Rick Hohn, Commissioner
Mark Roby, Commissioner

Board Members Absent: Alex Jensen, Commissioner

Staff Present: Chas Olson, Executive Director
Amy Eldridge, Director of Rental Housing Development
Todd Hight, Director of Finance and Administration
Tasha Jones, Director of Rental Housing Management
Tammy Jund, Director of Homeownership Programs
Mike Harsma, Director of Single Family Development
Amanda Weisgram, Director of Marketing and Research
Michele Bodurtha, Executive/Development Assistant
Beverly Katz, Housing Infrastructure Officer
Bridgette Loesch, Housing Development Officer
Scott Rounds, Housing Development Officer
Joseph Tielke, Continuum of Care Administrator

Guests Present: Dixie Hieb, Davenport, Evans, Hurwitz & Smith, Counsel to SD Housing
Makenzie Huber, South Dakota Searchlight
Ryan Tobin, Elmington Capital
Chris Spelke, Elmington Capital
Jason Ward, Ward Development
Chase Huber, Devco Residential Group
Julie Johnson, South Dakota SCORE

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. None were noted.

II. PUBLIC COMMENT

None.

III. APPROVAL OF AGENDA

It was moved by Commissioner Guenther 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 Hansen and seconded by Commissioner Roby that the Minutes of the Board of Commissioners' Meeting held on May 2, 2024, be adopted as presented.

Motion passed by a voice vote.

V. EXECUTIVE DIRECTOR'S REPORT

Executive Director Olson stated 100 plus attendees attended the Homeless Summit June 11-12, in Pierre. He mentioned a public notice was published on June 13, for the July 9, public hearing for the public to provide comments to consider the adoption and amendment of Administrative Rules of South Dakota. Executive Director Olson stated 291 attendees attended the Annual Housing Conference June 25-26, in Pierre. He gave an update on the Grants for Grads program which has 175 commitments totaling \$41.5 million in funds. Executive Director Olson mentioned management and development staff attended the NCSHA Housing Credit Connect Conference in Atlanta June 10-13. He gave an update on the Housing Opportunity Fund program as the open cycle ended on June 28 with four applications received, and the competitive cycle began July 1 and ends the last working day of August. Executive Director Olson stated the 2024 NCSHA Annual Conference is September 28-October 1 in Phoenix, please let Michele know if you would like to attend.

VI. OLD BUSINESS

A. Resolution No. 24-07-53: Resolution to Approve Housing Infrastructure Financing Program Waiver Request for Camden Heights

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

WHEREAS, ECG Rapid City, LP (the "Sponsor") has submitted a Waiver request for Housing Infrastructure Financing Program Funds for Camden Heights; and

WHEREAS, the Applicant has requested a waiver of Administrative Rule Chapter 20:09:26:16 requirements regarding the term for repayment of a Housing Infrastructure Financing Program loan;

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

Motion passed by a voice vote.

B. Resolution No. 24-07-54: Resolution to Conditionally Commit Additional HOME Program Funds Under the Security Deposit Assistance Program for Aberdeen Housing Authority Security Deposit Assistance Program

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

WHEREAS, per Resolution 24-01-11, a commitment in the amount of \$27,500 of HOME Funds under the Security Deposit Assistance Program was previously awarded to the following Applicant;

WHEREAS, the applicant has disbursed most of the previously awarded funds and seeks additional funds to continue assisting South Dakotans;

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 Conditional Commitment of additional HOME funds from the SDAP set-aside for the following:

Applicant: Aberdeen Housing Authority
Project Name: Aberdeen Housing Authority SDAP
Project Location: Aberdeen, SD

SDAP Amount: \$27,390

Motion passed by a voice vote.

C. Resolution No. 24-07-55: Resolution to Conditionally Commit Additional HOME Program Funds Under the Security Deposit Assistance Program for Western Resources for Independent Living Security Deposit Assistance Program

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 24-01-16, a commitment in the amount of \$27,500 of HOME Funds under the Security Deposit Assistance Program was previously awarded to the following Applicant;

WHEREAS, the applicant has disbursed most of the previously awarded funds and seeks additional funds to continue assisting South Dakotans;

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 Conditional Commitment of additional HOME funds from the SDAP set-aside for the following:

Applicant: Western Resources for Independent Living
Project Name: Western Resources for Independent Living SDAP
Project Location: Rapid City, SD

SDAP Amount: \$27,500

Motion passed by a voice vote.

D. Resolution No. 24-07-56: Resolution to Deny Request to Amend Flex-Rural Site Development Loan for The Reserve on Higgins Creek

After review and discussion, it was moved by Commissioner Steele and seconded by Commissioner Roby 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 modified to shift a portion of the debt to Phase 2 and extended one year;

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 term of 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, per Resolution No. 14-07-49, the term of the mortgage loan was modified to subordinate the debt to Phase 3;

WHEREAS, per Resolution No. 17-2-06, the terms of the mortgage loan were modified and subordinated to construction debt in the amount of \$1.4 million to Black Hills Community Bank to complete site work for Phases 4 and 5;

WHEREAS, per Resolution No. 21-01-01, the terms of the note were modified to subordinate to new construction debt to Black Hills Community Bank; and

WHEREAS, Owner has requested that SDHDA accept final payment of \$75,000 to release Note, Mortgage, and Declaration of Land Use Restrictive Covenants for The Reserve on Higgins Creek; and

NOW, THEREFORE, BE IT RESOLVED that Owner's request that SDHDA accept final payment of \$75,000.00 to release Note, Mortgage, and Declaration of Land Use Restrictive Covenants for The Reserve on Higgins Creek is hereby denied.

BE IT RESOLVED that loan repayment terms remain the same with final payment due on or before September 1, 2024.

Motion passed by a voice vote.

VII. NEW BUSINESS

A. Resolution No. 24-07-57: Resolution to Conditionally Commit Housing Opportunity Fund Funds for 3206 and 3208 N Americus Circle Twinhome

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

WHEREAS, the following application has been reviewed and evaluated in accordance with the 2024-2025 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:

Project Name: 3206 and 3208 N Americus Circle Twinhome
Project Location: Sioux Falls, SD
Developer: Habitat for Humanity of Greater Sioux Falls

HOF Program Funds-Urban: \$150,000

Motion passed by a voice vote.

B. Resolution No. 24-07-58: Resolution of the South Dakota Housing Development Authority Authorizing the Issuance and Sale of Its Homeownership Mortgage Bonds in An Aggregate Principal Amount not to Exceed \$250,000,000, and Authorizing the Determination of the Terms and Conditions and Execution and Delivery of Certain Agreements, Documents, and Other Materials in Connection Therewith and the Taking of All Other Actions Necessary to the Consummation of the Transactions Contemplated Hereby

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

BE IT RESOLVED BY THE SOUTH DAKOTA HOUSING DEVELOPMENT AUTHORITY:

ARTICLE I

AUTHORIZATION OF ISSUANCE AND SALE OF SERIES BONDS AND EXECUTION AND DELIVERY OF RELATED DOCUMENTS

Section 1.01. Authorization.

(a) **Resolutions.** This resolution, referred to herein as the “**Series Resolution**,” is adopted pursuant to Article II of the Authority’s Resolution No. 77-27, adopted June 16, 1977, as amended and supplemented, and entitled: “Resolution Providing for the Issuance of Homeownership Mortgage Bonds of the South Dakota Housing Development Authority,” referred to herein as the “**Bond Resolution**,” to authorize the issuance and sale and determination of the terms and provisions of bonds of the Authority (the “**Series Determinations**”) which are designated as “Homeownership Mortgage Bonds, 2024 Series C/D” or such other series designations as the Chair, the Vice Chair or the Executive Director (each, an “**Authorized Officer**”) may deem appropriate, in an aggregate principal amount not to exceed \$250,000,000 (such Series of Bonds are collectively referred to herein as the “**Series Bonds**”). All terms defined in Section 103 of the Bond Resolution are used with like meaning in this Series Resolution, and the terms, provisions and conditions of the Bond Resolution apply to the Series Bonds and the issuance thereof except as is otherwise provided herein.

(b) **Purposes.** It is determined to be in the best interests of the Authority to issue the Series Bonds for the purpose of providing funding for the Authority’s Program of making or purchasing Qualified Mortgage Loans to facilitate the development of a sufficient supply of residential housing in South Dakota (the “**State**”) at prices that persons and families of low and moderate income can afford, which funding may include the refunding of outstanding Homeownership Mortgage Bonds heretofore issued under the Bond Resolution or other outstanding bonds or indebtedness incurred by the Authority to finance the Program (the “**Refunded Bonds**”), the funding of any necessary reserves, the funding of down payment assistance and the funding of the costs of issuing the Series Bonds.

(c) **Ratification of Prior Acts.** All action heretofore taken (not inconsistent with the provisions of this Series Resolution) by the Authority and its officers directed toward the issuance of the Series Bonds are hereby ratified, approved and confirmed.

Offer and Sale of Series Bonds. Contracts of Purchase Relating to Series Bonds. The Authority authorizes negotiation for the sale of Series Bonds to one or more of Wells Fargo Bank, National Association, BofA Securities, Inc., Colliers Securities LLC or J.P. Morgan Securities LLC (collectively, including any affiliates thereof, the “**Underwriters**” or the “**Original Purchasers**”). Any single institutional investor may also be the Original Purchaser of all or any portion of any Series Bonds if an Authorized Officer determines the same will result in more beneficial financing terms for the Authority. The Authority hereby approves the use of the forms of Contract of Purchase previously used with respect to its 2024 Series A/B Bonds, pursuant to which Series Bonds are proposed to be sold, executed and delivered. Each Authorized Officer is authorized to select the Original Purchaser for any Series Bonds, to approve the purchase prices, the principal amounts, the interest rates, the maturities, underwriting fees (not to exceed 1.50% of the principal amount of each Series), and such other final terms and provisions of the Contract(s) of Purchase relating to such Series Bonds, provided such terms are within the parameters set by this Series Resolution, and to execute the Contract(s) of Purchase relating to such Series Bonds on behalf of the Authority.

Official Statement. The Authority hereby approves the use of a Preliminary Official Statement, in the form previously used with respect to its 2024 Series A/B Bonds, containing information relating to the Authority and the related Series Bonds and such other information as is deemed appropriate by an Authorized Officer, and hereby approves and ratifies the distribution thereof by the Underwriters. A final Official Statement, substantially in the form of the Preliminary Official Statement except for the insertion of the final terms of the related Series Bonds and any revisions

required or approved by counsel for the Authority, is authorized to be prepared and signed by an Authorized Officer and furnished to the Underwriters.

Section 1.02. Approval and Authorization of Series Bonds and Documents.

(a) **Form of Series Bonds.** The Series Bonds shall be issuable in the form(s) of fully registered Bonds and shall be executed and sealed as provided in the Bond Resolution and the related Series Determinations.

(b) **Continuing Disclosure Agreement.** The Authority hereby approves the use of a Continuing Disclosure Agreement relating to the Series Bonds in the form previously used with respect to its 2024 Series A/B Bonds, wherein the Authority will covenant for the benefit of the beneficial owners of the related Series Bonds to provide annually certain financial information and operating data relating to the Authority and to provide notices of the occurrence of certain enumerated events. Each Authorized Officer is authorized to execute, deliver and/or seal, as necessary, a Continuing Disclosure Agreement in connection with the issuance of any Series Bonds, with such changes, modifications, additions and deletions therein as such Authorized Officer determines to be in the best interests of the Authority or as may seem necessary, desirable, appropriate or advisable in anticipation of the issuance and/or sale of the applicable Series Bonds.

(c) **Interest Rate Hedging Agreements.** The Authority hereby approves the use of interest rate hedging agreements with such financial organizations as an Authorized Officer may specify (each, a “**Counterparty**”), in particular financial organizations with whom the Authority already has such hedging agreements, and the form of the interest rate hedging agreements with such Counterparties, consisting of an ISDA Master Agreement, a Schedule and a Credit Support Annex, and one or more Confirmations thereto, relating to any one or more series of the Series Bonds which may be variable rate bonds, which Counterparties and form of agreements satisfy the provisions of the Authority’s Interest Rate Swap Policy (collectively, the “**Hedging Agreements**”). Each Authorized Officer is authorized to execute, deliver and/or seal, as necessary, a Hedge Agreement in connection with the issuance of any Series Bonds, with such changes, modifications, additions and deletions therein as such Authorized Officer determines to be in the best interests of the Authority or as may seem necessary, desirable, appropriate or advisable in anticipation of the issuance and/or sale of the applicable Series Bonds.

(d) **Continuing Covenant Agreements, Standby Bond Purchase Agreements and Remarketing Agreements.** The Authority hereby approves the use of a Continuing Covenant Agreement (“**CCA**”), relating to any Series Bonds bearing interest at variable rates, in substantially the form used in conjunction with the sale of the Authority’s 2016 Series E Bonds. The Authority also hereby approves the use of a Standby Bond Purchase Agreement or comparable liquidity agreement (“**SBPA**”), either from itself as liquidity provider, in substantially the form used in conjunction with the sale of the 2023 Series I Bonds, or from a financial organization as liquidity provider, in substantially the form used in conjunction with the sale of the 2022 Series D Bonds, relating to any Series Bonds which have a tender right. The Authorized Officers are further authorized to take any and all actions necessary to provide and deliver a self-liquidity SBPA. The Authority also hereby approves the use of a remarketing agreement (“**Remarketing Agreement**”), relating to any Series Bonds which have a tender right, in substantially the form used in conjunction with the sale of the 2023 Series I Bonds. Each Authorized Officer is authorized to execute, deliver and/or seal, as necessary, a CCA, SBPA and/or Remarketing Agreement in connection with the issuance of any Series Bonds, with such changes, modifications, additions

and deletions therein as such Authorized Officer determines to be in the best interests of the Authority or as may seem necessary, desirable, appropriate or advisable in anticipation of the issuance and/or sale of the applicable Series Bonds.

(e) **Authority To Execute and Deliver Additional Documents and General Authorization; Authority To Designate Parties.** The Authorized Officers are hereby authorized to execute and deliver for and on behalf of the Authority any and all additional certificates and documents, including, but not limited to, any credit enhancement or investment agreement regarding the funds and accounts with respect to any Series Bonds, in each case as may be necessary and which will not adversely affect the ratings on the Bonds outstanding, such terms to be as approved by an Authorized Officer. Without in any way limiting the power, authority or discretion elsewhere herein granted or delegated, the Authority hereby authorizes and directs all of the officers and employees of the Authority to perform or cause to be performed such obligations of the Authority and such other actions as they, in consultation with counsel to the Authority, shall consider necessary or desirable in connection with or in furtherance of the Bond Resolution and this Series Resolution and the transactions contemplated by the documents and agreements identified or contemplated in the Bond Resolution and this Series Resolution. The execution and delivery by any such officer of the Authority of any of such documents, instruments or certifications, or the performance of any act in connection with any of the matters which are the subject of the Bond Resolution and this Series 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 documents, instruments and certifications so executed and the action so taken.

Section 1.03. Refunding of Refunded Bonds. The Authority hereby authorizes the use of such portion, if any, of the proceeds made available upon issuance of the Series Bonds as directed by an Authorized Officer to be used to refund, retire, redeem (including pursuant to an optional redemption), defease or pay all or a portion of any Refunded Bonds in such amounts as directed by such Authorized Officer. Any Refunded Bonds shall be identified in the related Series Determinations. Each Authorized Officer is hereby authorized and directed to take such actions and execute such documents and agreements as required to cause the refunding, retirement, redemption, defeasance or payment of the Refunded Bonds, including, but not limited to, executing any necessary amendments or supplemental indentures with respect to the Refunded Bonds in order to cause the refunding, retirement, redemption, defeasance or payment thereof.

ARTICLE II

TERMS OF THE SERIES BONDS

The issuance, sale and delivery of the Series Bonds from time to time as authorized herein is subject to the hereinafter-described subsequent negotiation of the final terms of the Series Bonds, if issued, including the Series numbering and lettering, denominations, the principal amounts and maturity dates, the interest rates, the interest payment dates, the redemption provisions, the Capital Reserve Requirement, the Mortgage Reserve Requirement, whether the Series Bonds or any portion thereof can be converted to other interest rates or maturities, any bondholder rights or obligations to tender any such Bonds, the purchase price thereof, and such other terms as prescribed by the Bond Resolution; provided, however, that the aggregate principal amount of Series Bonds issued shall not exceed \$250,000,000, and that the Series Bonds shall mature no later than 40 years from the date of issuance and shall bear an interest rate not to exceed 8%

per annum with respect to fixed rate bonds and 15% per annum with respect to variable rate bonds. The terms of the Series Bonds and the determination of the Refunded Bonds to be refunded, if any, are subject to further authorization and approval as follows: The Executive Director (or Director of Finance if the Executive Director is not available) shall consult and coordinate with the Chair (or the Vice Chair if the Chair is not available) with respect to the final terms of the Series Bonds and the Executive Director (or Director of Finance if the Executive Director is not available), after so discussing the final pricing terms, is authorized (subject in all cases to the limitations otherwise set forth herein) to determine the final size of the proposed issuance of the Series Bonds and to negotiate with the Original Purchaser the final terms of the proposed issuance of the Series Bonds, including the determination of final interest rates, initial fixed or variable interest rates and method of determination of fixed or variable rates and modes, tender provisions, provisions of any SBPA (which may initially be self-liquidity), including a mode change concerning such Series Bonds, redemption provisions (if any) and maturities, the sale price to the Underwriter and the net underwriting fee (subject to Section 1.01(d)(i) above). Such determinations shall be set forth in the Series Determinations signed by an Authorized Officer. Each series of Series Bonds shall be payable at such place and in such form, carry such registration privileges, be subject to redemption, be executed, be in such form and contain such terms, covenants and conditions, all as set forth in the Bond Resolution and the related Series Determinations.

ARTICLE III

THE CODE AND RESTRICTIONS

Section 3.01. Applicability of Income Taxation. In connection with the sale and issuance of the Series Bonds, any Authorized Officer may designate (as evidenced by her or his execution of the related Series Determinations or other instrument), taking into account the best interests of the Authority (a) that principal amount of any Series Bonds (up to 100% of the amount thereof) with respect to which the Authority elects that the corresponding interest payments shall not be includable in the gross income of the owners thereof for purposes of federal income taxation and (b) that principal amount of any Series Bonds (up to 100% of the principal amount thereof) with respect to which the Authority elects that the corresponding interest payments shall be includable in the gross income of the owners thereof for purposes of federal income taxation, in each case in accordance with federal tax laws.

Section 3.02. Intent to Reimburse. The Authority hereby declares its intention, within the meaning of Section 1.150-2 of the Internal Revenue Code regulations, to facilitate continuous funding of its homeownership program (as described above) by, from time to time, financing mortgage loans and then issuing bonds in one or more series within 18 months thereof to reimburse itself for such financing, all in an amount presently expected to not exceed the amount of the Series Bonds authorized by Article I hereof, and hereby confirms that the Executive Director has been and continues to be authorized to also so declare the intention of the Authority within the meaning of said Section 1.150-2 to issue bonds to reimburse itself for the financing of mortgage loans, provided that the final amount of any such bond issuances shall be determined only by subsequent action of the Authority and any such declaration does not authorize or obligate the Authority to issue any such bonds.

ARTICLE IV

EFFECTIVE DATE

This Series Resolution shall take effect immediately.

Adopted by the South Dakota Housing Development Authority this 9th day of July 2024.

Motion passed by a voice vote.

Resolution No. 24-07-59: Resolution to Make Findings with Respect to Housing Needs Within South Dakota, Approving the Issuance and Delivery of Its Conduit Multifamily Housing Revenue Note (Hidden Valley Stables Project), Series 2024 in a Principal Amount Not to Exceed \$40,000,000; Authorizing the Preparation, Execution and Delivery of a Funding Loan Agreement, A Project Loan Agreement, and Certain Other Transaction Documents as Defined Herein as May Be Necessary for the Issuance of the Governmental Note; and Providing for Other Matters Properly Relating Thereto

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

WHEREAS, South Dakota Codified Laws 11-11 et seq., as amended (the “**Act**”) declares that there exists in the State of South Dakota (the “**State**”) a serious shortage of sanitary, decent and safe residential housing at rentals which people of the State can afford and that private enterprise and investment have been unable, without assistance, to produce the needed new construction and rehabilitation of residential housing, and sufficient mortgage financing, to remediate said shortage; and

WHEREAS, the Act further declares that, inter alia, it is a valid public purpose to provide for the construction, rehabilitation and financing of residential housing for persons and families who would otherwise be unable to obtain adequate rental accommodations which they could afford and that the authority and powers conferred by the Act on the South Dakota Housing Development Authority (the “**Authority**”) constitute a necessary public program and serve a valid public purpose; and

WHEREAS, the Act empowers the Authority to make loans to qualified sponsors to provide for the acquisition, construction, rehabilitation and long-term financing of multifamily residential housing units in the State for occupancy by eligible persons and families and to service such loans and to perform any other duties that the Authority considers necessary in carrying out the purposes of the Act; 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 conduit Multifamily Housing Revenue Note (Hidden Valley Stables Project), Series 2024 (the “**Governmental Note**”) pursuant to a Funding Loan Agreement (the “**Funding Loan Agreement**”) between the Authority, Stearns Bank, National Association, as Initial Funding Lender (the “**Funding Lender**”) and Computershare Trust Company, National Association (the “**Fiscal Agent**”), the proceeds of which will be used to finance a loan for the acquisition and construction (including reimbursement of any expenses permitted under the Internal Revenue Code of 1986, as amended (the “**Code**”)) of a 144-unit multifamily housing project located at 2600 West 57th Street, Sioux Falls, South Dakota (the “**Project**”), and to make deposits in various funds and accounts, and which Funding Loan Agreement will be in substantially the form placed on file with the Authority prior to this meeting, subject to the terms, conditions and limitations established herein; and

WHEREAS, the loan (the “**Loan**”) will be made to Hidden Valley Stables Apartments, LLC (the “**Borrower**”) pursuant to a Project Loan Agreement between the Authority, the Fiscal Agent and the Borrower, (the “**Project Loan Agreement**”), which Project Loan Agreement will be in substantially the form placed on file with the Authority prior to this meeting, subject to the terms, conditions and limitations established herein; and

WHEREAS, the interest on the Governmental Note is intended to qualify for a federal tax exemption under Section 142 of the Code, and to ensure that the Governmental Note maintain its tax exempt status, the Borrower will enter into a Regulatory Agreement and Declaration of Restrictive Covenants for the project site (the “**Regulatory Agreement**”), which will be in substantially the form placed on file with the Authority prior to this meeting; and

WHEREAS, the Project is intended to qualify for federal low-income housing tax credits under Section 42 of the Code, and to ensure that the Project maintains such qualification the Borrower will enter into a Declaration of Land Use Restrictive Covenants (the “**LIHTC LURA**,” and together with the Funding Loan Agreement, the Project Loan Agreement, and the Regulatory Agreement, the “**Project Documents**”), in the form used by the Authority in its Low Income Housing Tax Credit Program.

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

Section 1. Findings. The Authority does hereby find and determine that the (i) financing of the Project will fulfill the public purposes set forth in the Act and (ii) financing of the Project is necessary to help alleviate a shortage of decent, safe and sanitary multifamily housing for persons and families of low and moderate income and will preserve the supply of affordable multifamily housing for persons and families of low and moderate income in the State. The additional and further findings of the Authority relating to the Project set forth in the Project Documents are incorporated herein by reference and adopted as if fully set forth at this place.

Section 2. Approval of Funding Loan and Project Loan Agreement. The Funding Loan Agreement, and Project Loan Agreement, are hereby approved in the form hereinabove described, and each of the Chair, the Vice Chair, the Executive Director and the Director of Finance of the Authority (each an “**Authorized Officer**” and collectively, the “**Authorized Officers**”) is hereby authorized to execute and deliver the such documents, with such changes, insertions or omissions therein as may be approved by such signatory, such approval to be evidenced conclusively by execution of said documents.

Section 3. Authorization and Execution of the Governmental Note. The execution and delivery of the Governmental Note is hereby authorized and approved. The final amount and terms of the Governmental Note shall be determined by an Authorized Officer, consistent with the terms of the Funding Loan Agreement and subject to the following conditions: (i) the Governmental Note shall not be a general obligation of the Authority but shall be limited non-recourse obligations payable solely and only from the Pledged Security, as defined in the Funding Loan Agreement; (ii) the Governmental Note shall mature no later than December 31, 2066, bear interest at a fixed rate or variable rate no greater than 12% per annum (or maximum amount permissible under law), issued in a principal amount not to exceed \$40,000,000, be subject to prepayment, and have the other terms and provisions as definitively set forth in the Funding Loan Agreement upon execution and delivery as aforesaid in Section 2 hereof; (iii) the Governmental Note shall be executed and delivered substantially in the form set forth in the Funding Loan

Agreement, with such additions, omissions and changes as are required or permitted by the Funding Loan Agreement and approved by the signatories thereto; and (iv) the Governmental Note shall be executed in the name of the Authority by an Authorized Officer for purposes of executing and attesting the Governmental Note, and their execution shall evidence their approval of the final terms thereof. Such signatures may be by facsimile.

Section 4. Approval of Regulatory Agreement. The Regulatory Agreement and the LIHTC LURA are each hereby approved in the forms hereinabove described, and each of the Authorized Officers and the Director of Rental Housing Development of the Authority is authorized to execute and deliver the same, with such changes, insertions or omissions therein as may be approved by such person, such approval to be evidenced conclusively by such execution of the Regulatory Agreement and the LIHTC LURA.

Section 5. Ratification of Prior Actions. All action previously taken by the officers, members or staff of the Authority within the authority granted herein, with respect to the Project Documents and the Governmental Note and taken with respect to the public notice and hearing with respect to the issuance of the Governmental Note as required by the federal tax laws, is hereby approved, confirmed and ratified.

Section 6. Execution of Documents. In the event of the absence or disability of an Authorized Officer, or if for any other reason any of them are unable to execute the documents referred to in this Resolution, such documents may be executed by another member of the Authority or by the Director of Rental Housing Development, with the same effect as if done by an Authorized Officer and without the further authorization of the Authority. The execution of such documents by any such person shall be conclusive evidence of his or her authority to so act.

Section 7. Execution of Tax Compliance Certificate. The Authorized Officers are hereby authorized to issue certifications as to the Authority's reasonable expectations regarding the amount and use of the proceeds of the Governmental Note as described in Section 148 of Code.

Section 8. Additional Actions Authorized. The Chair, the Vice Chair, the Secretary or any other member of the Authority, the Executive Director, the Director of Finance and the Director of Rental Housing Development, acting alone or acting with others, are hereby authorized and directed to execute and deliver any or all other documents which may be required by, or they deem appropriate to effectuate, the terms of the Project Documents, including any real estate documents, and to take such other action as may be required or appropriate for the performance of the duties imposed thereby or to carry out the purposes thereof, and the members and officers named above are hereby designated as an Authorized Official for such purposes. The execution and delivery by any such member or 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 member or officer and the Authority and shall conclusively establish such member or 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 9. Effective Date. This Resolution shall become effective immediately.

ADOPTED by the South Dakota Housing Development Authority this 9th day of July 2024.

Motion passed by a voice vote.

VIII. DATE OF NEXT MEETING AND ADJOURNMENT

The next Board of Commissioners' Meeting is scheduled for August 13, 2024, and will be face to face. It was moved by Commissioner Steele and seconded by Commissioner Roby that the meeting adjourn.

Motion passed by a voice vote.

The meeting adjourned at 11:49 a.m.

Respectfully submitted,

Chas Olson
Secretary

DRAFT