

**MINUTES**  
**SOUTH DAKOTA HOUSING DEVELOPMENT AUTHORITY**  
**BOARD OF COMMISSIONER'S MEETING**  
*Telephonic*  
*July 20, 2021*

**Board Members Present:** David Pummel, Chairman  
Bill Hansen, Vice-Chair  
Scott Erickson, Treasurer  
Steve Kolbeck, Commissioner  
Mark Puetz, Commissioner  
Preston Steele, Commissioner

**Board Members Absent:** Rick Hohn, Commissioner

**Staff Present:** Lorraine Polak, Executive Director  
Todd Hight, Director of Finance and Administration  
Mike Harsma, Director of Single Family Development  
Chas Olson, Director of Rental Housing Development  
Tasha Jones, Director of Rental Housing Management  
Amanda Weisgram, Director of Marketing and Research  
Amy Eldridge, Housing Development Officer  
DeNeil Hosman, Housing Development Officer  
Scott Rounds, Housing Development Officer  
Travis Dammann, Business Analyst  
Andy Fuhrman, Construction Management Officer  
Mary Stewart, SD CARES Housing Assistance Program Specialist  
Karen Callahan, SD CARES Housing Assistance Program  
Manager  
Nichole Hahn, HERO State Coordinator

**Guests Present:** Dixie Hieb, Davenport, Evans, Hurwitz & Smith, Counsel to SDHDA  
Holly Englehart, Eide Bailly  
Bonnie Mogen, Costello Companies  
Joan Franken, Costello Companies  
Corey Monroe, G.A. Haan Development  
Ben Ide, G. A. Haan Development  
John Sullivan, Integra  
Hans Juhle, Integra  
Mark Quasney, Lloyd Companies

**I. CALL TO ORDER/CONFLICTS OF INTEREST**

The meeting was called to order at 10:01 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. 21-07-31 under Old Business. It was moved by Commissioner Kolbeck and seconded by Commissioner Hansen 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 Erickson, Hansen, Kolbeck, Puetz and Steele.

Excused: Commissioner Hohn.

### **IV. APPROVAL OF MINUTES**

It was moved by Commissioner Kolbeck and seconded by Commissioner Erickson that the Minutes of the Board of Commissioners' Meeting held on June 15, 2021, be adopted as presented.

Via roll call vote, the following votes were recorded:

Voting AYE: Chairman Pummel; Commissioners Erickson, Hansen, Kolbeck, Puetz and Steele.

Excused: Commissioner Hohn.

### **V. EXECUTIVE DIRECTOR'S REPORT**

Executive Director Polak reported that SDHDA and partner agencies continue to administer and provide funding made available by the COVID-19 economic relief programs. The Annual Board Meeting is scheduled for August 3-4, 2021 in Sioux Falls. Executive Director Polak stated that the Legislature's Workforce Housing Needs in SD Interim Study Committee met in Rapid City on July 14 and will have their next meeting in Sioux Falls on August 5. Executive Director Polak mentioned that the SDHDA annual conference will be September 9-10 in Pierre and NCSHA's 50th Annual Conference will be September 26-28 in Detroit for those members interested in attending.

### **VI. OLD BUSINESS**

#### **A. Resolution No. 21-07-30: Resolution to Approve Request to Modify Terms of FLEX-Rural Site Development Loan for Colman Development**

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

WHEREAS, per Resolution No. 07-05-37, a commitment of a FLEX-Rural Site Development loan was provided the developer;

WHEREAS, per Resolution No. 07-11-118, the modification of the original loan terms relative to maximum affordable sales prices was approved;

WHEREAS, the Developer has accrued \$229,914.61 in interest to July 1, 2021 with \$256,329.44 as estimated total payoff; and

WHEREAS, the Developer has requested that the terms of the loan be modified to reduce the interest rate on the remaining balance from the current 4.67 % to zero (0%) interest effective July 1, 2021 for the remaining repayment period;

NOW, THEREFORE, BE IT RESOLVED that the modification, as per the attached summary, is hereby approved for:

<u>OWNER/APPLICANT</u>	<u>DEVELOPMENT NAME</u>
City of Colman	Colman Development Water, Sewer and Lift Station Project Colman, SD

Via roll call vote, the following votes were recorded:

Voting AYE: Chairman Pummel; Commissioners Erickson, Hansen, Kolbeck, Puetz and Steele.

Excused: Commissioner Hohn.

**B. Resolution No. 21-07-31: Resolution to Approve and Authorize Release of the Amended 2020-2021 Housing Tax Credit Qualified Allocation Plan (QAP)**

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

WHEREAS, SDHDA is responsible for the development of the Housing Tax Credit Qualified Allocation Plan (QAP);

WHEREAS, the Board of Commissioners adopted the 2020-2021 Housing Tax Credit Qualified Allocation Plan per Resolution No. 20-04-23;

WHEREAS, per Resolution No. 21-06-23, the Board of Commissioners approved and authorized release of the Draft Amended 2020-2021 Housing Tax Credit Qualified Allocation Plan (QAP) for public comment;

WHEREAS, as required by Federal Regulations, a Public Meeting was held on June 23, 2021, and comments received at the Public Meeting and during the written comment period, which ended July 15, 2021, were summarized and considered; and

WHEREAS, staff wishes to amend the Plan to incorporate a public comment received during the public comment period;

WHEREAS, the consideration of the 130% Basis Boost can also be applied to applications applying for additional credits under Economic Emergencies;

NOW, THEREFORE, BE IT RESOLVED that the Amended 2020-2021 Housing Tax Credit Qualified Allocation Plan, dated July 20, 2021, is hereby adopted; and

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

Via roll call vote, the following votes were recorded:

Voting AYE: Chairman Pummel; Commissioners Erickson, Hansen, Kolbeck, Puetz and Steele.

Excused: Commissioner Hohn.

**VII. NEW BUSINESS**

**A. Resolution No. 21-07-32: Resolution to Conditionally Commit Housing Opportunity Fund Funds for Habitat for Humanity of Clay & Yankton Counties - Yankton Build H-45**

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 following application has been reviewed and evaluated in accordance with the 2020-2021 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>
Habitat for Humanity of Clay & Yankton Counties	Habitat for Humanity of Clay & Yankton Counties - Yankton Build H-45 Yankton, SD	\$55,366

Via roll call vote, the following votes were recorded:

Voting AYE: Chairman Pummel; Commissioners Erickson, Hansen, Kolbeck, Puetz and Steele.

Excused: Commissioner Hohn.

**B. Resolution No. 21-07-33: Resolution to Conditionally Commit Housing Opportunity Fund Funds for LifeScape Dignity Home**

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

WHEREAS, the following application has been reviewed and evaluated in accordance with the 2020-2021 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>
South Dakota Achieve, Inc. dba LifeScape	LifeScape Dignity Home Sioux Falls, SD	\$110,000

Via roll call vote, the following votes were recorded:

Voting AYE: Chairman Pummel; Commissioners Erickson, Hansen, Kolbeck, Puetz and Steele.

Excused: Commissioner Hohn.

**C. Resolution No. 21-07-34: Resolution to Conditionally Commit Housing Opportunity Fund Funds for PEDCO Single Family Housing Developer Acquisition/Rehab Project**

After review and discussion, it was moved by Commissioner Steele 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 2020-2021 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 RURAL DEVELOPMENT</u>
Pierre Economic Development Corp.	PEDCO Single Family Housing Developer Acquisition/Rehab Project Pierre, SD	\$263,000

Via roll call vote, the following votes were recorded:

Voting AYE: Chairman Pummel; Commissioners Erickson, Hansen, Kolbeck, Puetz and Steele.

Excused: Commissioner Hohn.

**D. Resolution No. 21-07-35: Resolution to Grant Preliminary Approval to the Issuance of Multifamily Housing Revenue Bonds in One or More Series in an Aggregate Principal Amount not to Exceed \$9,500,000 for Knollwood Townhouses**

After review and discussion, it was moved by Commissioner Erickson and seconded by Commissioner Puetz 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 to provide financing for the acquisition, construction or rehabilitation of "Housing Developments" as that term is defined in the Act;

WHEREAS, Integra Property Group (the "Sponsors") have requested that the Authority indicate its willingness to issue its revenue bonds in an amount not to exceed \$9,500,000 (the "Bonds") and use the proceeds thereof to finance a loan to the Sponsors or an affiliate thereof, presently expected to be Knollwood LIHTC, LP, a South Dakota limited partnership (the "Borrower"), for the purpose of acquiring, constructing and renovating a multifamily housing development comprised of 119 housing units (107 of which have federal Section 8 rent subsidy contracts), all to be known as the Knollwood Townhouses, located at 1721 N. Maple Avenue and 25 Knollwood Drive in Rapid City, South Dakota (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 renovation 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 \$9,500,000 for the purpose of acquiring, constructing and renovating 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 renovate 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 20<sup>th</sup> day of July, 2021.

Via roll call vote, the following votes were recorded:

Voting AYE: Chairman Pummel; Commissioners Erickson, Hansen, Kolbeck, Puetz and Steele.

Excused: Commissioner Hohn.

#### **VIII. DATE OF NEXT MEETING AND ADJOURNMENT**

The next Board of Commissioners' Meeting is tentatively scheduled for August 2, 2021. It was moved by Commissioner Hansen and seconded by Commissioner Kolbeck that the meeting adjourn.

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

The meeting adjourned at 10:38 a.m.

Respectfully submitted,

A handwritten signature in blue ink that reads "Lorraine Polak". The signature is written in a cursive, flowing style.

Lorraine Polak  
Secretary