

MINUTES
SOUTH DAKOTA HOUSING DEVELOPMENT AUTHORITY
BOARD OF COMMISSIONER'S MEETING
Telephonic
July 21, 2020

Board Members Present: David Pummel, Chairman
Bill Hansen, Treasurer
Scott Erickson, Commissioner
Rick Hohn, Commissioner
Steve Kolbeck, Commissioner
Mark Puetz, Commissioner

Board Members Absent: Vacant, Vice-Chair

Staff Present: Mark Lauseng, Executive Director
Todd Hight, Director of Finance and Administration
Brent Adney, Director of Homeownership Programs
Mike Harsma, Director of Single Family Development
Tasha Jones, Director of Rental Housing Management
Amanda Weisgram, Director of Marketing and Research
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.
Jennifer Shing, Caine Mitter & Associates, Inc.
Preston Steele, American Bank & Trust
Joan Franken, Costello Companies
Jesse Bailey, Pathways Shelter for the Homeless

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. Chairman Pummel stated that he had a conflict of interest with respect to New Business item 20-07-52, which dealt with consideration to conditionally commit Housing Opportunity Fund funds for Deadwood Stage Run Phase II. Chairman Pummel stated that the developer of Deadwood Stage Run is a business client of his and that he would abstain from discussion and voting on that item.

II. PUBLIC COMMENT

None.

III. APPROVAL OF AGENDA

It was moved by Commissioner Kolbeck and seconded by Commissioner Hansen that the Agenda be adopted as presented, 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 and Puetz.

Excused: Commissioner Hohn

IV. APPROVAL OF MINUTES

It was moved by Commissioner Kolbeck and seconded by Commissioner Hansen that the Minutes of the Board of Commissioners' Meeting held on June 18, 2020, be adopted as presented.

Via roll call vote, the following votes were recorded:

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

Excused: Commissioner Hohn.

V. EXECUTIVE DIRECTOR'S REPORT

Executive Director Lauseng stated that Preston Steele will be joining our Board of Commissioners after paperwork has been completed. Executive Director Lauseng provided an update regarding SDHDA's ongoing COVID-19 response and stated that the office opened full time June 1, 2020. Staff currently work three days in the office and two days at home. Executive Director Lauseng stated the National Council of State Housing Agency's Annual Conference will be virtual and he has not received direction on the National Conference of State Housing Boards, but will provide that information once it is known.

Commissioner Hohn joined the meeting at 10:05 a.m.

VI. OLD BUSINESS

A. Resolution No. 20-07-47: Resolution to Commit HOME and Housing Trust Fund Funds for Davison Court Townhomes

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

WHEREAS, per Resolution 18-11-69, a Reservation in the amount of \$544,312 of HOME funds and \$350,000 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 satisfactory documentation, the Executive Director is authorized to issue a Commitment of HOME and HTF Funds for the following:

<u>OWNER/APPLICANT</u> Davison Court Limited Partnership	<u>DEVELOPMENT/ LOCATION</u> Davison Court Townhomes Mitchell, SD	<u>HOME FUNDS GENERAL POOL</u> \$544,312 <u>HOUSING TRUST FUNDS</u> \$350,000
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Via roll call vote, the following votes were recorded:
Voting AYE: Chairman Pummel; Commissioners Erickson, Hansen, Hohn, Kolbeck and Puetz.

VII. NEW BUSINESS

A. Resolution No. 20-07-48: Resolution to Approve Housing Opportunity Fund Program Waiver Request for Centerville Development Corporation – 550 Lincoln St. Home Rehab

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

WHEREAS, Centerville Development Corporation (Applicant) has submitted an application for Housing Opportunity Fund (HOF) Program funds for Centerville Development Corporation – 550 Lincoln St. Home Rehab; and

WHEREAS, the Applicant has requested a waiver of the Amended 2018-2019 Housing Opportunity Fund Allocation Plan requirements with regard to the underwriting standards;

NOW, THEREFORE, BE IT RESOLVED that the waiver is hereby approved for Centerville Development Corporation – 550 Lincoln St. Home Rehab.

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

B. Resolution No. 20-07-49: Resolution to Conditionally Commit Housing Opportunity Fund Funds for Centerville Development Corporation – 550 Lincoln St. Home Rehab

After review and discussion, it was moved by Commissioner Hohn 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 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 is 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>
Centerville Development Corporation	Centerville Development Corporation – 550 Lincoln St. Home Rehab Centerville, SD	\$75,000

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

C. Resolution No. 20-07-50: Resolution to Approve Housing Opportunity Fund Program Waiver Request for Pathways Shelter for The Homeless – Renovation Project

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

WHEREAS, Pathways Shelter for the Homeless (Applicant) has submitted an application for Housing Opportunity Fund (HOF) Program funds for Pathways Shelter for the Homeless – Renovation Project; and

WHEREAS, the Applicant has requested a waiver of the Amended 2018-2019 Housing Opportunity Fund Allocation Plan requirements with regard to the affordability requirements;

NOW, THEREFORE, BE IT RESOLVED that the waiver is hereby approved for Pathways Shelter for the Homeless – Renovation Project.

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

D. Resolution No. 20-07-51: Resolution to Conditionally Commit Housing Opportunity Fund Funds for Pathways Shelter for The Homeless – Renovation Project

After review and discussion, it was moved by Commissioner Hohn and seconded by Commissioner Puetz 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 is 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>
Pathways Shelter for the Homeless	Pathways Shelter for the Homeless – Renovation Project Yankton, SD	\$112,565

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

E. Resolution No. 20-07-52: Resolution to Conditionally Commit Housing Opportunity Fund Funds for Deadwood Stage Run Phase II

After review and discussion, it was moved by Commissioner Kolbeck and seconded by Commissioner Puetz 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 is 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>
WJP Holdings, LLC	Deadwood Stage Run Phase II Deadwood, SD	\$380,000

Via roll call vote, the following votes were recorded:

Voting AYE: Commissioners Erickson, Hansen, Hohn, Kolbeck and Puetz.

Abstaining: Chairman Pummel

F. Resolution No. 20-07-53: Resolution Adopting Fiscal Year 2021 Budget

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

WHEREAS, the Board has reviewed the proposed fiscal year 2021 budget as presented;

NOW, THEREFORE, BE IT RESOLVED that the proposed budget for fiscal year 2021 is hereby adopted.

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

G. Resolution No. 20-07-54: Resolution Authorizing and Approving Amendments to the Multiple Purpose Bonds General Indenture of Trust

After review and discussion, it was moved by Commissioner Puetz and seconded by Commissioner Kolbeck 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, to provide a source of funds for its programs authorized by the Act, the Authority has entered into 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"), which provides for the issuance of the Authority's Multiple Purpose Bonds from time to time; and

WHEREAS, since the execution and delivery of the General Indenture, many changes have occurred in applicable laws and capital market practices reflected in the General Indenture when it was adopted, and it is in the best interests of the Authority to amend and update the provisions of the General Indenture, consistent with the permitted amendment provisions thereof, including without limitation, updating permitted investments, permitting electronic notices and reducing bond redemption notice requirements, lengthening the time to file audited financial statements, clarifying the ability to withdraw assets, permitting the purchase of the Authority's own bonds, clarifying swap payment obligations, permitting the issuance of subordinate bonds, and modifying reserve fund requirements (collectively, the "Amendments").

NOW, THEREFORE, BE IT RESOLVED as follows:

Section 1. The Authority does hereby find and determine that the adoption of the Amendments would facilitate and further its ability to fulfill the public purposes set forth in the Act and particularly to provide funds to help alleviate the 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.

Section 2. To implement the adoption of the Amendments, the Chair, Vice Chair, Executive Director-Secretary or Director of Finance are hereby authorized and directed to execute and deliver one or more amendments to the General Indenture, or an amended and restated General Indenture, which amend and update the General Indenture as described above, as well as any additional amendments thereto as they deem to be in the best interests of the Authority, which shall be conclusively evidenced by execution of the amending documents by said officer.

Section 3. 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 adoption of the Amendments, including, without limitation, the execution and delivery of agreements, documents, instruments and certifications with respect to the adoption of the Amendments. 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 4. This Resolution shall take effect immediately.

Via roll call vote, the following votes were recorded:

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

VIII. DATE OF NEXT MEETING AND ADJOURNMENT

The next Board of Commissioners' Meeting is tentatively scheduled for August 18, 2020. It was moved by Commissioner Hansen and seconded by Commissioner Hohn that the meeting adjourn.

Via roll call vote, the following votes were recorded:

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

The meeting adjourned at 10:51 a.m.

Respectfully submitted,

Mark Lauseng
Secretary