

MINUTES
SOUTH DAKOTA HOUSING DEVELOPMENT AUTHORITY
BOARD OF COMMISSIONER'S MEETING
HOLIDAY INN CITY CENTRE SIOUX FALLS
August 2, 2021

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

Board Members Absent: None.

Staff Present: Lorraine Polak, Executive Director
Todd Hight, Director of Finance and Administration
Brent Adney, Director of Homeownership Programs
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
Nichole Hahn, HERO State Coordinator
Doug Mahowald, Network Administrator
Amy Eldridge, Housing Development Officer (via telephone)
Andy Fuhrman, Construction Management Officer (via telephone)
DeNeil Hosman, Housing Development Officer (via telephone)
Scott Rounds, Housing Development Officer (via telephone)
Travis Dammann, Business Analyst (via telephone)
Shanna Brech, Mortgage Purchase Officer (via telephone)
Julie Kueter, Assistant Mortgage Purchase Officer (via telephone)
Sheila Olson, Marketing/Executive Assistant (via telephone)
Mary Stewart, SD CARES Housing Assistance Program Specialist
(via telephone)
Karen Callahan, SD CARES Housing Assistance Program
Manager (via telephone)

Guests Present: Dixie Hieb, Davenport, Evans, Hurwitz & Smith, Counsel to SDHDA
John Wagner, Kutak Rock
Bronson Martin, Caine Mitter
Ansel Caine, Caine Mitter
Tom Caine, Caine Mitter
Nick Fluehr, Wells Fargo Securities
Holly Englehart, Eide Bailly (via telephone)
Bonnie Mogen, Costello Companies (via telephone)

I. CALL TO ORDER/CONFLICTS OF INTEREST

The meeting was called to order at 1:07 p.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. 21-08-43 under New Business. It was moved by Commissioner Hohn and seconded by Commissioner Puetz that the Agenda be adopted as amended, but reserving the right to make further changes during the meeting.

Via voice vote, the following votes were recorded:

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

IV. APPROVAL OF MINUTES

It was moved by Commissioner Hansen and seconded by Commissioner Kolbeck that the Minutes of the Board of Commissioners' Meeting held on July 20, 2021, be adopted as presented.

Via voice vote, the following votes were recorded:

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

V. EXECUTIVE DIRECTOR'S REPORT

Executive Director Polak reported that this is the first in-person meeting SDHDA has held in quite a while. She stated that following the meeting, the Board of Commissioners and SDHDA staff will tour three properties funded with Housing Tax Credits, HOME, Housing Opportunity Fund and Housing Trust Fund funds. Executive Director Polak reported there will be a board training first thing in the morning.

VI. 2021 ANNUAL REPORT

An overview of the annual report was given by Directors and discussed with the Board.

VII. OLD BUSINESS

- A. Resolution No. 21-08-36: Resolution to Amend Resolution No. 21-06-25, a Resolution Authorizing the Issuance and Sale of South Dakota Housing Development Authority Homeownership Mortgage Bonds, in One or More Series, in an Aggregate Principal Amount not to Exceed \$200,000,000, Determining the Final Terms Thereof and Setting Forth Covenants and Authorizing Execution of Document With Respect Thereto**

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

BE IT RESOLVED by the South Dakota Housing Development Authority that:

Section 1. In connection with the issuance of the Series Bonds authorized by Resolution 21-06-05, Section 1.01(c)(i) thereof is hereby amended to add David Pummel as an Authorized Officer and Section 2.03(d) thereof is amended to also authorize David Pummel to execute the Series Bonds.

Section 2. This Series Resolution shall take effect immediately.

ADOPTED by the South Dakota Housing Development Authority this 2nd day of August, 2021.

Via voice vote, the following votes were recorded:

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

B. Resolution No. 21-08-37: Resolution to Amend the Eligibility Requirements for New SDHDA Participating Lenders

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

WHEREAS, pursuant to Resolution No. 17-11-60, SDHDA Participating Lender Requirements were amended;

WHEREAS, SDHDA staff continues to receive numerous requests to become a Participating Lender; and

WHEREAS, SDHDA wishes to ensure that new Participating Lenders have the financial stability and required knowledge to successfully originate loans for sale to SDHDA;

NOW, THEREFORE, BE IT RESOLVED that the Participating Lender eligibility criteria with respect to net worth and fidelity bond coverage be amended to read as follows:

1. Lender shall have a net worth of no less than \$1,500,000;
2. Lender shall maintain a fidelity bond coverage of no less than \$500,000;

BE IT FURTHER RESOLVED that Participating Lenders that have been approved prior to August 2, 2021, are "grandfathered" in and will not be required to meet the new requirements.

Via voice vote, the following votes were recorded:

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

C. Resolution No. 21-08-38: Resolution to Approve Updated Employee Handbook

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

WHEREAS, the Board has reviewed the proposed changes to the Employee Handbook as presented;

NOW, THEREFORE, BE IT RESOLVED that the SDHDA Employee Handbook be amended to reflect the changes presented.

Via voice vote, the following votes were recorded:

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

D. Resolution No. 21-08-39: Resolution to Reserve Additional Housing Trust Fund Funds for Auburn Apartments

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

WHEREAS, per Resolution 20-11-79, Housing Tax Credits, HOME and Housing Trust Fund Funds (HTF) were reserved for Auburn Apartments;

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

WHEREAS, the following application has been reviewed and evaluated in accordance with the Amended 2020-2021 Housing Trust Fund Allocation Plan; and

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

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

<u>OWNER/APPLICANT</u>	<u>DEVELOPMENT/ LOCATION</u>	<u>HOUSING TRUST FUNDS</u>
Grandview, LLC	Auburn Apartments Tea, SD	\$133,400

Via voice vote, the following votes were recorded:

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

E. Resolution No. 21-08-40: Resolution to Reserve Additional Housing Trust Fund Funds for Pennbrook Apartments

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

WHEREAS, per Resolution 20-11-93, Housing Tax Credits, HOME and Housing Trust Fund (HTF) Funds were reserved for Pennbrook Apartments;

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

WHEREAS, the following application has been reviewed and evaluated in accordance with the Amended 2020-2021 Housing Trust Fund Allocation Plan; and

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

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

<u>OWNER/APPLICANT</u>	<u>DEVELOPMENT/ LOCATION</u>	<u>HOUSING TRUST FUNDS</u>
Costello Investments, LLC	Pennbrook Apartments Spearfish, SD	\$171,500

Via voice vote, the following votes were recorded:

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

F. Resolution No. 21-08-41: Resolution to Reserve Additional Housing Trust Fund Funds for Vineyard Heights Apartments

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

WHEREAS, per Resolution 20-11-99, Housing Tax Credits, HOME and Housing Trust Fund (HTF) Funds were reserved for Vineyard Heights Apartments;

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

WHEREAS, the following application has been reviewed and evaluated in accordance with the Amended 2020-2021 Housing Trust Fund Allocation Plan; and

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

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

<u>OWNER/APPLICANT</u>	<u>DEVELOPMENT/ LOCATION</u>	<u>HOUSING TRUST FUNDS</u>
St. Joseph Catholic Housing, Inc	Vineyard Heights Apartments Sioux Falls, SD	\$192,800

Via voice vote, the following votes were recorded:

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

VIII. NEW BUSINESS

A. Resolution No. 21-08-42: Resolution to Reserve Housing Trust Fund Funds for Black Hills Works Rehabilitation – Fir Group Home

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 following application has been reviewed and evaluated in accordance with the Amended 2020-2021 Housing Trust Fund (HTF) Allocation Plan; and

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

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

<u>OWNER/APPLICANT</u>	<u>DEVELOPMENT/ LOCATION</u>	<u>HOUSING TRUST FUNDS</u>
Black Hills Works, Inc	Black Hills Works Rehabilitation - Fir Group Home	\$591,400

Rapid City, SD

Via voice vote, the following votes were recorded:

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

B. Resolution No. 21-08-43: Resolution to Approve Housing Trust Fund Program Waiver Request for South Dakota Portfolio

After review and discussion, it was moved by Commissioner Hansen 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 Amended 2020-2021 Housing Trust Fund (HTF) Program Allocation Plan; and

WHEREAS, the Owner requested a waiver of the HTF Allocation Plan requirements as it pertains to underwriting standards and the Developer's Fee that can be earned;

NOW, THEREFORE, BE IT RESOLVED that the Board hereby approves the requested waiver.

Via voice vote, the following votes were recorded:

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

C. Resolution No. 21-08-44: Resolution to Reserve Housing Trust Fund Funds for South Dakota Portfolio: Bella Vista Village, Meadowlark Plaza Apartments, Iron Creek Plaza Apartments, Lookout Mountain View Apartments

After review and discussion, it was moved by Commissioner Steele 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 2020-2021 Housing Trust Fund (HTF) Allocation Plan; and

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

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

<u>OWNER/APPLICANT</u>	<u>DEVELOPMENT/ LOCATION</u>	<u>HOUSING TRUST FUNDS</u>
Schuett, Spearfish	South Dakota	\$2,500,000

Developer, LLC

Portfolio: Bella Vista
Village, Meadowlark
Plaza Apartments, Iron
Creek Plaza
Apartments, Lookout
Mountain View
Apartments
Spearfish, SD

Via voice vote, the following votes were recorded:

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

D. Resolution No. 21-08-45: Resolution to Approve Housing Opportunity Fund Waiver Request for MainView West Apartment Rehab

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

WHEREAS, Lake Preston Housing, Inc. (Applicant) has submitted an application for Housing Opportunity Fund funds for MainView West Apartment Rehab; and

WHEREAS, the Applicant has requested a waiver of the 2020-2021 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 MainView West Apartment Rehab.

Via voice vote, the following votes were recorded:

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

E. Resolution No. 21-08-46: Resolution to Conditionally Commit Housing Opportunity Fund Funds for MainView West Apartment Rehab

After review and discussion, it was moved by Commissioner Kolbeck 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 RURAL DEVELOPMENT</u>
Lake Preston Housing, Inc.	MainView West Apartment Rehab Lake Preston, SD	\$192,000

Via voice vote, the following votes were recorded:

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

F. Resolution No. 21-08-47: Resolution to Conditionally Commit Housing Opportunity Fund Funds for Midtown Apartments

After review and discussion, it was moved by Commissioner Hohn and seconded by Commissioner Steele 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>
Housing and Redevelopment Commission of Pierre	Midtown Apartments Pierre, SD	\$196,200

Via voice vote, the following votes were recorded:

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

G. Resolution No. 21-08-48: Resolution to Declare an Emergency Due to Significant Project Cost Increases Resulting from the COVID-19 Pandemic

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 Amended 2020-2021 Housing Tax Credit Qualified Allocation Plan (QAP), Amended 2020-2021 HOME Allocation Plan, and the Amended 2020-2021 Housing Trust Fund (HTF) Allocation Plan each

provide that the South Dakota Housing Development Authority (SDHDA) Board of Commissioners may declare an emergency in times of unforeseen conditions that impact the feasibility of projects that previously received reservations of funds; and

WHEREAS, the COVID-19 pandemic has impacted the feasibility of previously approved projects due to significant material and other project cost increases directly related to such pandemic;

NOW, THEREFORE, BE IT RESOLVED that the SDHDA Board of Commissioners hereby declares an emergency due to the COVID-19 pandemic;

BE IT FURTHER RESOLVED that projects that received reservations under the QAP, the HOME Plan, or the HTF Plan between June 1, 2020 and December 31, 2021 and that include a building or buildings not yet placed in service may apply for additional funding to maintain project feasibility;

BE IT FURTHER RESOLVED that projects eligible for additional funding may apply through an expedited award process and no competitive application cycle will be held with respect to such awards; and

BE IT FURTHER RESOLVED the Executive Director is hereby authorized to notify all eligible applicants in writing of the emergency declaration, the expedited application process, and the deadline for applications.

Via voice vote, the following votes were recorded:

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

H. Resolution No. 21-08-49: Resolution to Approve the Fiscal Year 2022 Budget

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

WHEREAS, the Board has reviewed the proposed fiscal year 2022 budget as presented;

NOW, THEREFORE, BE IT RESOLVED that the proposed budget for fiscal year 2022 is hereby adopted.

Via voice vote, the following votes were recorded:

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

I. Resolution No. 21-08-50: Resolution to Elect Officers for Fiscal Year 2022

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

WHEREAS, pursuant to Resolution No. 19-08-58, the Authority established the following officer positions: Chairman, Vice-Chairman, Secretary, Treasurer, and Assistant Treasurer;

WHEREAS, pursuant to the same resolution, the position of Secretary shall be filled by the Authority's Executive Director in accordance with SDCL 11-11-21 and the position of Assistant Treasurer shall be filled by the Authority's Director of Finance; and

WHEREAS, pursuant to the same resolution all other officer positions shall be filled by nomination made by the commissioners from the floor;

NOW, THEREFORE, BE IT RESOLVED, that the following are elected as officers of the Authority's Board of Commissioners for fiscal year 2022:

Chairman – Bill Hansen
Vice-Chairman – Scott Erickson
Secretary – Lorraine Polak
Treasurer – Preston Steele
Assistant Treasurer – Todd Hight

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

J. Resolution No. 21-08-51: Resolution to Approve the Homeownership Education Resource Organization (HERO) Funding

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

WHEREAS, HERO is an affiliate created and supported by South Dakota Housing Development Authority (SDHDA) as an independent 501(c)(3);

WHEREAS, SDHDA is the sole member of HERO;

WHEREAS, HERO's Bylaws provide that the number of directors shall be seven and the directors shall be elected or appointed at the annual meeting of the member;

WHEREAS, HERO's continuance is dependent upon the financial support of SDHDA; and

WHEREAS, that the cost of providing education and counseling services in South Dakota is projected to be \$625,970 for the fiscal year 2022;

NOW, THEREFORE, BE IT RESOLVED, that SDHDA, as the sole member of HERO, hereby appoints the members of the SDHDA Board of Commissioners as directors of HERO, to serve until the next annual meeting of the member; and

BE IT FURTHER RESOLVED that for fiscal year 2022, SDHDA shall provide financial support to HERO in an amount of up to \$450,970 for the purpose of providing homebuyer education in South Dakota.

Via voice vote, the following votes were recorded:

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

IX. DATE OF NEXT MEETING AND ADJOURNMENT

The next Board of Commissioners' Meeting is tentatively scheduled for August 21, 2021. It was moved by Commissioner Hansen and seconded by Commissioner Kolbeck that the meeting adjourn.

Via voice vote, the following votes were recorded:

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

The meeting adjourned at 2:45 p.m.

Respectfully submitted,

Lorraine Polak
Secretary

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