

MINUTES
SOUTH DAKOTA HOUSING DEVELOPMENT AUTHORITY
BOARD OF COMMISSIONER'S MEETING
SD HOUSING CONFERENCE ROOM
August 13, 2024

Board Members Present: Scott Erickson, Chairman
Preston Steele, Vice-Chairman
Jonathan Guenthner, Commissioner
Rick Hohn, Commissioner
Alex Jensen, Commissioner (via telephone)
Mark Roby, Commissioner

Board Members Absent: Bill Hansen, Treasurer

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
Rebecca Whidby, Housing Development Officer
Ryan Beck, System Administrator
Andrew Gilkerson, System Administrator
Doug Mahowald, Senior Systems Administrator (via telephone)
Bridgette Loesch, Housing Development Officer (via telephone)
Denise Albertson, ESG and HMIS Administrator (via telephone)
Sheila Olson, Marketing Assistant (via telephone)
Scott Rounds, Housing Development Officer (via telephone)
Joseph Tielke, Continuum of Care Administrator (via telephone)
Julie Samuelson, HERO Coordinator (via telephone)

Guests Present: Dixie Hieb, Davenport, Evans, Hurwitz & Smith, Counsel to SD Housing
Tobin Morris, Colliers Securities
Quinn Reimers, Colliers Securities
Bob Mercer, Keloland News (via telephone)
Julie Johnson, South Dakota SCORE (via telephone)

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. Commissioner Jensen provided the Annual Disclosure Form, which showed permissible conflicts of interest for which authorization by the SDHDA Board of Commissioners is not required. The signed copy is attached to these minutes.

II. PUBLIC COMMENT

Tobin Morris with Collier Securities addressed the Commission.

III. APPROVAL OF AGENDA

It was moved by Commissioner Steele 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 Hohn and seconded by Commissioner Guenther that the Minutes of the Board of Commissioners' Meeting held on July 9, 2024, be adopted as presented.

Motion passed by a voice vote.

V. EXECUTIVE DIRECTOR'S REPORT

Executive Director Olson stated auditors from Eide Bailly conducted the single audit in July and will return in September to complete the financial portion of the audit. He introduced two new System Administrators, Ryan Beck and Andrew Gilkerson. Executive Director Olson stated that he and Mike Harsma, Director of Single Family Development, presented on the Governor's House Program to the Joint Committee on Appropriations (JCA) on July 30. Executive Director Olson stated on July 31, the Housing Infrastructure Financing Program's annual report was sent to the Interim JCA. He mentioned that the competitive cycle application deadline is August 30 for the HOME, Housing Tax Credits, Housing Opportunity Fund, and Housing Trust Fund programs.

VI. PROGRAM REPORTS

The Program Reports were given by Directors and discussed with the Board.

VII. OLD BUSINESS

A. Resolution No. 24-08-60: Resolution to Conditionally Commit Additional HOME Program Funds under the Security Deposit Assistance Program for Huron Housing and Redevelopment Commission

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

WHEREAS, per Resolution No. 24-01-12, 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: Huron Housing and Redevelopment Commission
Project Name: Huron Housing and Redevelopment Commission
Project Location: Huron, SD

SDAP Amount: \$11,000

Motion passed by a voice vote.

B. Resolution No. 24-08-61: Resolution to Approve the South Dakota Housing Development Authority and Homeownership Education Resource Organization (HERO) to Provide Housing Counseling Services

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

WHEREAS, the South Dakota Housing Development Authority (Authority) was created and established by the South Dakota Legislature as a body politic and corporate, with all duties and powers as set forth in SDCL Chapter 11-11, and was constituted as an independent public instrumentality exercising essential public functions;

WHEREAS, as stated in SDCL 11-11-2, the Authority was established, in part, for the purpose of stimulating the construction, rehabilitation, and purchase of residential housing to meet the needs of all persons and families through the use of public financing;

WHEREAS, pursuant to SDCL 11-11-40, the Authority has the power to do any and all things necessary or convenient to carry out its purposes and exercise the powers given and granted to the Authority;

WHEREAS, the Authority recognized home counseling services as necessary to stimulate the purchase of residential housing, and the Authority's Board of Commissioners therefore previously established the Homeowner Education Resource Organization (HERO), a non-profit corporation organized to provide educational programs to homebuyers;

WHEREAS, the duly adopted and filed Articles of Incorporation of HERO provide in part as follows:

The specific and primary purposes for which this corporation is formed are to develop, provide, organize and coordinate on a statewide basis in the State of South Dakota educational programs for first time homebuyers with special

emphasis on those first-time homebuyers whose income levels permit them to qualify for homeownership financing through the programs of the South Dakota Housing Development Authority and the State of South Dakota.

WHEREAS, the Board of Commissioners, on behalf of the Authority and as the sole member of HERO, supports efforts towards affordable and sustainable housing for the residents of South Dakota; and

WHEREAS, the Board of Commissioners wishes to recognize and approve the authority of the Authority and HERO to provide housing counseling services to the residents of South Dakota in accordance with 24 CFR 214.103(a);

NOW, THEREFORE, BE IT RESOLVED THAT, the Board of Commissioners of the South Dakota Housing Development Authority hereby recognizes and approves the authority of the South Dakota Housing Development Authority to provide such housing counseling services to the residents of South Dakota through HUD certified counseling staff following all applicable HUD counseling guidelines, policies, and procedures; and

FURTHER RESOLVED, the Board of Commissioners of the South Dakota Housing Development Authority, as the sole member of HERO, hereby recognizes and approves the authority of HERO to provide such housing counseling services to the residents of South Dakota through HUD certified counseling staff following all applicable HUD counseling guidelines, policies, and procedures.

Motion passed by a voice vote.

VIII. NEW BUSINESS

A. Resolution No. 24-08-62: Resolution to Conditionally Commit Housing Infrastructure Financing Program Funds for The Links

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 following application has been reviewed and evaluated in accordance SDCL Chapter 11-15 and the Housing Infrastructure Financing Program (HIFP) Administrative Rules; and

WHEREAS, based on information provided, the Applicant is eligible to receive 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:

Applicant: JC Ventures, LLC
Project Name: The Links
Project Location: Yankton, SD

HIFP General Fund Loan – Rural: \$554,736

Motion passed by a voice vote.

B. Resolution No. 24-08-63: Resolution to Approve the Transfer of Ownership and Assumption of HOME and Tax Credit Assistance Payment Loans for Eagle Ridge II Apartments

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 South Dakota Housing Development Authority (SDHDA) previously made loans under the HOME Investment Partnership Program and the Tax Credit Assistance Payment (TCAP) program to Eagle Ridge II Limited Partnership (owner) for the Eagle Ridge Apartments Phase II located in Rapid City, South Dakota;

WHEREAS, the HOME and TCAP loans are secured by Mortgage and Security Agreements;

WHEREAS, the property is subject to Regulatory Agreements covering certain requirements and restrictions under the HOME and TCAP Programs;

WHEREAS, Owner proposes to sell its interest in Eagle Ridge Apartments II to GCP Eagle Ridge LLC, an unrelated limited liability company;

WHEREAS, Owner and proposed purchaser have met SDHDA's criteria for transfer of ownership and assumption of the Mortgage Notes and related Mortgage and Security Agreements; and

WHEREAS, GCP Eagle Ridge LLC has agreed to enter into Regulatory Agreements with respect to the ongoing requirements under the HOME and TCAP programs;

NOW, THEREFORE, BE IT RESOLVED, that the transfer of ownership of Eagle Ridge Apartments II from Eagle Ridge LLC to GCP Eagle Ridge LLC and the assumption of the Mortgage Notes and Security Agreements by GCP Eagle Ridge LLC is hereby approved.

Motion passed by a voice vote.

C. Resolution No. 24-08-64: Resolution to Approve the Fiscal Year 2025 Budget

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

WHEREAS, the Board has reviewed the proposed fiscal year 2025 budget as presented;

NOW, THEREFORE, BE IT RESOLVED that the proposed budget for fiscal year 2025 is hereby adopted.

Motion passed by a voice vote.

D. Resolution No. 24-08-65: Resolution to Elect Officers for Fiscal Year 2025

After review and discussion, it was moved by Commissioner Guenther and seconded by Commissioner Hohn 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;

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

WHEREAS, the following slate of officers has been nominated;

NOW, THEREFORE, BE IT RESOLVED, that the following slate is hereby elected as the officers of the Authority's Board of Commissioners for fiscal year 2025:

Chairman – Scott Erickson
Vice-Chairman – Preston Steele
Secretary – Chas Olson
Treasurer – Alex Jensen
Assistant Treasurer – Todd Hight

Motion passed by a voice vote.

E. Resolution No. 24-08-66: Resolution to Approve the Homeownership Education Resource Organization (HERO) Board Election and Funding

After review and discussion, it was moved by Commissioner Hohn 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 \$727,829 for the fiscal year 2025;

State Authorities/Boards/Commissions - Annual Disclosure Form

ANNUAL DISCLOSURE FOR AUTHORITY/BOARD/COMMISSION MEMBER
PURSUANT TO SDCL CHAPTER 3-23

THIS IS A PUBLIC DOCUMENT

Name of Member: Alex Jensen

Name of Board, Authority or Commission: South Dakota Housing Development Authority

The Member shall disclose below any contract in which the Member has an interest or from which the Member derives a direct benefit if the contract is:

1. With the state agency to which the Member's board, authority or commission is attached for reporting or oversight purposes and which contract requires the expenditure of government funds;
2. With the state and which contract requires the approval of the Member's board, authority or commission and the expenditure of government funds; or
3. With a political subdivision of the state if the political subdivision approves the contract and:
 - a. Is under the regulatory oversight of the authority, board, or commission, or
 - b. Is under the regulatory oversight of the agency to which the Member's board, authority or commission is attached.

The Member shall disclose the contract even though no additional authorization is needed from the Member's board, authority or commission to have an interest or derive a benefit from the contract.

The Member shall also identify every entity in which the Member possesses an ownership interest of five percent or greater if:

1. The entity receives grant money from the State, either directly or by a pass-through grant or
2. The entity contracts with the State or any political subdivision for services.

1. Contracts in which you have an interest pursuant to SDCL Chapter 3-23 and which do not violate any other provision of law - Provide the following for each contract in which you have, or will have, an interest. For further information see SDCL 3-23-2.1 and 3-23-3.1.

Description of the contract	Parties	Description of your interest/role in the contract	Date contract was previously disclosed; if applicable
N/A	N/A	N/A	N/A

add row

contract from which you derive, or will derive, a direct benefit. For more information see SDCL 3-23-2, 3-23-2.2 and 3-23-3.1.

Description of the contract	Parties	Description of the direct benefit	Date contract was authorized
N/A	N/A	N/A	N/A

3. Entities in which you possess an ownership interest of five percent or more that receive grant money from the State, either directly or by a pass-through grant, or that contract with the State or any political subdivision for services – Provide the following for each such entity. See SDCL 3-23-3.1.

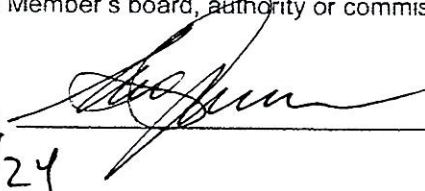
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Description of the contract or grant	Party in which you possess the interest	State agency or subdivision
All Competitive Applications with City of Sioux Falls	Former City Councillor	Sioux Falls

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The member shall complete a separate authorization request for any contract identified above that requires authorization from the Member's board, authority or commission in order for the Member to legally derive a direct benefit.

Signature of Member:



Date:

8/13/24

NOW, THEREFORE, BE IT RESOLVED, that SDHDA, as the sole member of HERO, hereby elects 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 2025, SDHDA shall provide financial support to HERO in an amount of up to \$548,350 for the purpose of providing homebuyer education in South Dakota.

Motion passed by a voice vote.

IX. DATE OF NEXT MEETING AND ADJOURNMENT

The next Board of Commissioners' Meeting is scheduled for September 10, 2024, and will be telephonic. It was moved by Commissioner Jensen and seconded by Commissioner Guenther that the meeting adjourn.

Motion passed by a voice vote.

The meeting adjourned at 11:48 a.m.

Respectfully submitted,



Chas Olson
Secretary