

MINUTES
SOUTH DAKOTA HOUSING DEVELOPMENT AUTHORITY
BOARD OF COMMISSIONER'S MEETING
TELEPHONIC
September 21, 2021

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

Board Members Absent: David Pummel, Commissioner

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
Sheila Olson, Marketing/Executive Assistant
Amy Eldridge, Housing Development Officer
Andy Fuhrman, Construction Management Officer
DeNeil Hosman, Housing Development Officer
Scott Rounds, Housing Development Officer
Travis Dammann, Business Analyst
Beth Todd, Project Coordinator

Guests Present: Dixie Hieb, Davenport, Evans, Hurwitz & Smith, Counsel to SDHDA
Corey Monroe, G. A. Haan Development
Joop Bohlen, JOPY, Inc.
Toby Morris, Colliers Securities
Kellen Erpenbach, Lloyd Companies
Holly Englehart, Eide Bailly
Joan Franken, Costello Companies
Bonnie Mogen, Costello Companies

I. CALL TO ORDER/CONFLICTS OF INTEREST

The meeting was called to order at 10:00 a.m. and roll was called. Chairman Hansen 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 Nos. 21-09-59, 21-09-60, 21-09-61, 21-09-62, 21-09-63, and 21-09-64 under Old Business and to change the titles of Resolution Nos. 21-09-52, 21-09-53, 21-09-54, 21-09-55, 21-09-56, and 21-09-57 under Old Business. It was moved by Commissioner Hohn and seconded by Commissioner Kolbeck 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 Hansen; Commissioners Hohn, Kolbeck, Puetz and Steele.
Excused: Commissioners Erickson and Pummel.

IV. APPROVAL OF MINUTES

It was moved by Commissioner Puetz and seconded by Commissioner Hohn that the Minutes of the Board of Commissioners' Meeting held on August 2, 2021, be adopted as presented.

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

V. EXECUTIVE DIRECTOR'S REPORT

Executive Director Polak reported that SDHDA had the Governor's House on display at the Central States Fair and the State Fair. She stated we held the Annual Housing Conference September 9-10, 2021 and Mark Lauseng's retirement party on Friday following the conference. Executive Director Polak reported the Annual Conference for NCSHA on September 26-29 will now be held virtually along with a complimentary session for board members. She stated the Task Force meeting is scheduled for October 6 in Sioux Falls. Executive Director Polak reported we will be hiring staff for our Coordinated Entry System within our Homeless Program. She stated that September 13 was the last of the public meetings for the summer study on workforce housing. Executive Director Polak reported SD Cares report is located on our website and as of September 3 we have expended \$15.8 million. She stated September 30, 2021 is the first initial date for a potential drawback for the ERA I funding, we are still waited on further guidance from Treasury.

Commissioner Erickson joined the meeting at 10:16 a.m.

VI. OLD BUSINESS

A. Resolution No. 21-09-52: Resolution to Commit Coronavirus Relief 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 were reserved for Auburn Apartments;

WHEREAS, due to increases in material and construction costs due to the Coronavirus pandemic, applicant has requested financial assistance to maintain project feasibility;

WHEREAS, the State of South Dakota has remaining Coronavirus Relief Funds (CRF) available and based on information provided, the Applicant is eligible to receive CRF funds to offset additional project costs;

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

| <u>OWNER/APPLICANT</u> | <u>DEVELOPMENT/ LOCATION</u> | <u>CORONAVIRUS RELIEF FUNDS</u> |
|-------------------------------|----------------------------------|-------------------------------------|
| Auburn Limited Partnership | Auburn Apartments Tea, SD | \$1,119,562 |

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

B. Resolution No. 21-09-53: Resolution to Commit Coronavirus Relief Fund Funds for Edgebrook Townhomes

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

WHEREAS, per Resolution 20-11-83, Housing Tax Credits and HOME funds were reserved for Edgebrook Townhomes;

WHEREAS, due to increases in material and construction costs due to the Coronavirus pandemic, applicant has requested financial assistance to maintain project feasibility;

WHEREAS, the State of South Dakota has remaining Coronavirus Relief Funds (CRF) available and based on information provided, the Applicant is eligible to receive CRF funds to offset additional project costs;

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

| <u>OWNER/APPLICANT</u> | <u>DEVELOPMENT/ LOCATION</u> | <u>CORONAVIRUS RELIEF FUNDS</u> |
|--|--------------------------------------|-------------------------------------|
| Brookings Edgebrook Apartments, LLC | Edgebrook Townhomes Brookings, SD | \$1,421,146 |

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

C. Resolution No. 21-09-54: Resolution to Commit Coronavirus Relief Fund Funds for Heartland Heights Apartments

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

WHEREAS, per Resolution 20-11-89, Housing Tax Credits and HOME funds were reserved for Heartland Heights Apartments;

WHEREAS, due to increases in material and construction costs due to the Coronavirus pandemic, applicant has requested financial assistance to maintain project feasibility;

WHEREAS, the State of South Dakota has remaining Coronavirus Relief Funds (CRF) available and based on information provided, the Applicant is eligible to receive CRF funds to offset additional project costs;

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

| <u>OWNER/APPLICANT</u> | <u>DEVELOPMENT/ LOCATION</u> | <u>CORONAVIRUS RELIEF FUNDS</u> |
|------------------------|---|-------------------------------------|
| Heartland Heights, LLC | Heartland Heights Apartments Rapid City, SD | \$794,880 |

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

D. Resolution No. 21-09-55: Resolution to Commit Coronavirus Relief Fund Funds for Jefferson Village Apartments

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

WHEREAS, per Resolution 20-11-90, Housing Tax Credits were reserved for Jefferson Village Apartments;

WHEREAS, due to increases in material and construction costs due to the Coronavirus pandemic, applicant has requested financial assistance to maintain project feasibility;

WHEREAS, the State of South Dakota has remaining Coronavirus Relief Funds (CRF) available and based on information provided, the Applicant is eligible to receive CRF funds to offset additional project costs;

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

| <u>OWNER/APPLICANT</u> | <u>DEVELOPMENT/ LOCATION</u> | <u>CORONAVIRUS RELIEF FUNDS</u> |
|-------------------------------------|--|-------------------------------------|
| Jefferson Village Apartments, LP | Jefferson Village Apartments Sioux Falls, SD | \$249,223 |

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

E. Resolution No. 21-09-56: Resolution to Commit Coronavirus Relief Fund Funds for Pennbrook Apartments

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

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

WHEREAS, due to increases in material and construction costs due to the Coronavirus pandemic, applicant has requested financial assistance to maintain project feasibility;

WHEREAS, the State of South Dakota has remaining Coronavirus Relief Funds (CRF) available and based on information provided, the Applicant is eligible to receive CRF funds to offset additional project costs;

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

| <u>OWNER/APPLICANT</u> | <u>DEVELOPMENT/ LOCATION</u> | <u>CORONAVIRUS RELIEF FUNDS</u> |
|----------------------------------|---------------------------------------|-------------------------------------|
| Pennbrook Limited Partnership | Pennbrook Apartments Spearfish, SD | \$2,528,994 |

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

F. Resolution No. 21-09-57: Resolution to Commit Coronavirus Relief Fund Funds for Vineyard Heights Apartments

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

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

WHEREAS, due to increases in material and construction costs due to the Coronavirus pandemic, applicant has requested financial assistance to maintain project feasibility;

WHEREAS, the State of South Dakota has remaining Coronavirus Relief Funds (CRF) available and based on information provided, the Applicant is eligible to receive CRF funds to offset additional project costs;

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

| <u>OWNER/APPLICANT</u> | <u>DEVELOPMENT/ LOCATION</u> | <u>CORONAVIRUS RELIEF FUNDS</u> |
|---|---|-------------------------------------|
| Vineyard Heights Limited Partnership | Vineyard Heights Apartments Sioux Falls, SD | \$1,878,546 |

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

G. Resolution No. 21-09-58: Resolution to Approve Partial Release of Collateral for Deadwood Stage Run Phase II

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

WHEREAS, per resolution 20-10-75, a commitment for a loan under the Community Housing Development Program Infrastructure Financing (the "Program") was approved for WJP Holdings, LLC ("Owner") for the Deadwood Stage Run Phase II ("Project");

WHEREAS, the Owner has requested SDHDA's consideration for a partial release of mortgaged property for purposes of further housing development in the general area and also within the Project and;

WHEREAS, the Owner has provided current development status for the Project;

NOW, THEREFORE, BE IT RESOLVED that release of collateral is hereby approved/denied for Deadwood Stage Run Phase II.

Via roll call vote, the following votes were recorded:

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

Excused: Commissioner Pummel.

H. Resolution No. 21-09-59: Resolution to Conditionally Commit FLEX Funds for Individuals and Families Affected by COVID-19

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

WHEREAS, per Resolution 20-04-27, a commitment of FLEX Funds in the amount of \$165,000 was authorized to provide financial assistance to individuals and families affected by COVID-19;

WHEREAS, per Resolution 21-06-24, a commitment of FLEX Funds in the amount of \$50,000 was authorized to provide financial assistance to individuals and families affected by COVID-19;

WHEREAS, the awarded FLEX Funds have been fully committed and the demand for assistance has continued; and

WHEREAS, SDHDA would like to continue to provide financial assistance through the use of FLEX funds in the amount of \$100,000;

NOW, THEREFORE, BE IT RESOLVED that the Executive Director is authorized to issue a Conditional Commitment of FLEX Funds in the amount of \$100,000 for financial assistance to individuals and families affected by COVID-19;

BE IT FURTHER RESOLVED, that the authorized funds shall be available until the earlier of December 31, 2021 or until the entire amount has been awarded.

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

I. Resolution No. 21-09-60: Resolution to Commit HOME and Housing Trust Fund Funds for Auburn Apartments

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

WHEREAS, per Resolution 20-11-79, a Reservation in the amount of \$600,000 of HOME funds and \$296,600 of Housing Trust Fund (HTF) funds was previously awarded to the following Applicant;

WHEREAS, per Resolution 21-08-39, a Reservation in the amount of \$133,400 of additional 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 the satisfactory environmental review and required documentation, the Executive Director is authorized to issue a Commitment of HOME and HTF funds for the following:

| <u>OWNER/APPLICANT</u> | <u>DEVELOPMENT/ LOCATION</u> | <u>HOME FUNDS GENERAL POOL</u> |
|-------------------------------|----------------------------------|------------------------------------|
| Auburn Limited Partnership | Auburn Apartments Tea, SD | \$600,000 |
| | | <u>HOUSING TRUST FUNDS</u> |
| | | 430,000 |

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

J. Resolution No. 21-09-61: Resolution to Commit HOME Funds for Edgebrook Townhomes

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

WHEREAS, per Resolution 20-11-83, a Reservation in the amount of \$1,000,000 of HOME funds was previously awarded to the following Applicant;

WHEREAS, the Applicant has agreed to comply with all HOME requirements; and

WHEREAS, the environmental review is currently underway and Applicant has submitted most of the required documentation;

NOW, THEREFORE, BE IT RESOLVED that, upon receipt of the satisfactory environmental review and required documentation, the Executive Director is authorized to issue a Commitment of HOME funds for the following:

| <u>OWNER/APPLICANT</u> | <u>DEVELOPMENT/ LOCATION</u> | <u>HOME FUNDS GENERAL POOL</u> |
|-------------------------------------|--------------------------------------|------------------------------------|
| Brookings Edgebrook Apartments, LLC | Edgebrook Townhomes Brookings, SD | \$1,000,000 |

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

K. Resolution No. 21-09-62: Resolution to Commit HOME Funds for Heartland Heights Apartments

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

WHEREAS, per Resolution 20-11-89, a Reservation in the amount of \$1,000,000 of HOME funds was previously awarded to the following Applicant;

WHEREAS, the Applicant has agreed to comply with all HOME requirements; and

WHEREAS, the environmental review is currently underway and Applicant has submitted most of the required documentation;

NOW, THEREFORE, BE IT RESOLVED that, upon receipt of the satisfactory environmental review and required documentation, the Executive Director is authorized to issue a Commitment of HOME funds for the following:

| <u>OWNER/APPLICANT</u> | <u>DEVELOPMENT/ LOCATION</u> | <u>HOME FUNDS GENERAL POOL</u> |
|------------------------|--|------------------------------------|
| Heartland Heights, LLC | Heartland Height Apartments Rapid City, SD | \$1,000,000 |

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

L. Resolution No. 21-09-63: Resolution to Commit HOME and Housing Trust Fund Funds for Pennbrook 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 20-11-93, a Reservation in the amount of \$1,000,000 of HOME and \$514,000 of Housing Trust Fund (HTF) funds was previously awarded to the following Applicant;

WHEREAS, per Resolution 21-08-40, a Reservation in the amount of \$171,500 of additional 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 the satisfactory environmental review and required documentation, the Executive Director is authorized to issue a Commitment of HOME and HTF funds for the following:

| <u>OWNER/APPLICANT</u> | <u>DEVELOPMENT/ LOCATION</u> | <u>HOME FUNDS GENERAL POOL</u> |
|----------------------------------|---------------------------------------|------------------------------------|
| Pennbrook Limited Partnership | Pennbrook Apartments Spearfish, SD | \$1,000,000 |
| | | <u>HOUSING TRUST FUNDS</u> |
| | | 685,500 |

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

M. Resolution No. 21-09-64: Resolution to Commit HOME and Housing Trust Fund Funds for Vineyard Heights Apartments

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

WHEREAS, per Resolution 20-11-99, a Reservation in the amount of \$1,000,000 of HOME and \$816,000 of Housing Trust Fund (HTF) funds was previously awarded to the following Applicant;

WHEREAS, per Resolution 21-08-41, a Reservation in the amount of \$192,800 of additional 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 the satisfactory environmental review and required documentation, the Executive Director is authorized to issue a Commitment of HOME and HTF funds for the following:

| <u>OWNER/APPLICANT</u> | <u>DEVELOPMENT/ LOCATION</u> | <u>HOME FUNDS GENERAL POOL</u> | <u>HOUSING TRUST FUNDS</u> |
|---|---|------------------------------------|--------------------------------|
| Vineyard Heights Limited Partnership | Vineyard Heights Apartments Sioux Falls, SD | \$1,000,000 | \$1,008,800 |

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

VII. NEW BUSINESS

A. Resolution No. 21-09-65: Resolution to Approve Transfer of Ownership and Assumption of HOME Loan for Dakota Square 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, the South Dakota Housing Development Authority (SDHDA) previously made a loan under the HOME Investment Partnership Program to Dakota Square Partners, a South Dakota limited partnership formed under the laws of the State of South Dakota, for Dakota Square Apartments located in Aberdeen, South Dakota;

WHEREAS, the HOME loan is secured by a Mortgage and Security Agreement;

WHEREAS, the property is subject to a Regulatory Agreement covering certain requirements and restrictions under the HOME Program;

WHEREAS, the owner proposes to sell its interest in Dakota Square Apartments to JOPY Inc., an unrelated South Dakota business corporation;

WHEREAS, the owner and proposed purchaser have met SDHDA's criteria for transfer of ownership and assumption of the Mortgage Note and related Mortgage and Security Agreement; and

WHEREAS, JOPY Inc. has agreed to enter into a Regulatory Agreement with respect to the ongoing requirements under the HOME Program;

NOW, THEREFORE, BE IT RESOLVED, that the transfer of ownership of Dakota Square Apartments from Dakota Square Partners to JOPY Inc. and the assumption of the Mortgage Note and Security Agreement by JOPY Inc. is approved, contingent upon HUD's final approval of the transfer.

Via roll call vote, the following votes were recorded:

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

Excused: Commissioner Pummel.

VIII. DATE OF NEXT MEETING AND ADJOURNMENT

The next Board of Commissioners' Meeting is tentatively scheduled for October 19, 2021. It was moved by Commissioner Hohn and seconded by Commissioner Puetz that the meeting adjourn.

Via roll call vote, the following votes were recorded:

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

Excused: Commissioner Pummel.

The meeting adjourned at 11:02 a.m.

Respectfully submitted,

Lorraine Polak
Secretary