

MINUTES
SOUTH DAKOTA HOUSING DEVELOPMENT AUTHORITY
BOARD OF COMMISSIONER'S MEETING
TELEPHONIC
SEPTEMBER 24, 2024

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

Board Members Absent: Bill Hansen, Commissioner

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
Bridgette Loesch, Housing Development Officer
Scott Rounds, Housing Development Officer
Joseph Tielke, Continuum of Care Administrator
Andrew Gilkerson, Systems Administrator
Jennifer Rattling Leaf, Loan Servicer
Viki Roybal, Housing Management Officer
Denise Albertson, ESG and HMIS Administrator
Andy Fuhrman, Construction Management Officer
Rebecca Whidby, Housing Development Officer

Guests Present: Dixie Hieb, Davenport, Evans, Hurwitz & Smith, Counsel to SD Housing
Josh Meyer, Kutak Rock LLP
John Hult, South Dakota Searchlight
Bob Mercer, Keloland News
Chris Spelke, Elmington Capital
Sophie Johnson, South Eastern Council of Governments
Darin Beckius, Homes Are Possible Inc.
Julie Johnson, SCORE

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 reiterated that he is no longer a Councilman for the City of Sioux Falls and no longer has a conflict.

II. PUBLIC COMMENT

None.

III. APPROVAL OF AGENDA

It was moved by Commissioner Steele and seconded by Commissioner Jensen 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 Guenther and seconded by Commissioner Hohn that the Minutes of the Board of Commissioners' Meeting held on August 13, 2024, be adopted as presented.

Motion passed by a voice vote.

V. EXECUTIVE DIRECTOR'S REPORT

Executive Director Olson provided an update on the 2024 Series C and D bonds and that the final structure was 2024 Series C for \$200 million (tax exempt bonds) and 2024 Series D for \$50 million (taxable bonds). He also mentioned that the auditors from Eide Bailly were here September 3-6 to complete the financial audit and that a meeting will be forthcoming to review the findings. Executive Director Olson stated that the Rental Housing Development staff were reviewing 46 applications for the 2024 HTC, HOME, HTF, and HOF competitive application round and that the Housing Opportunity Fund Program applications will be reviewed by the task force following today's meeting and will be presented to the Board for consideration at the October 17 board meeting. In addition, Executive Director Olson also stated that he presented the Annual Report on the operations and results of the Housing Opportunity Fund to the Government Operations and Audit Committee on September 5 and that the Grants for Grads program has been extremely successful with 387 applications totaling \$4.6 million, with \$92 million in loan volume.

VI. OLD BUSINESS

None

VII. NEW BUSINESS

A. Resolution No. 24-09-67: Resolution to Conditionally Commit Housing Infrastructure Financing Program Funds for the Jack Powell Addition Development-Phase II

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

WHEREAS, the following application has been reviewed and evaluated in accordance with 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: City of Vermillion
Project Name: Jack Powell Addition Development - Phase II
Project Location: Vermillion, SD

HIFP General Fund Loan – Rural: \$260,602

Motion passed by a voice vote.

B. Resolution No. 24-09-68: Resolution to Make Findings with Respect to Housing Needs Within South Dakota; Approving the Issuance and Delivery of its Conduit Multifamily Housing Revenue Note (Camden Heights Apartments), Series 2024, in One or More Series, in the Aggregate Principal Amount not to Exceed \$41,500,000; Authorizing the Preparation, Execution and Delivery of a Funding Loan Agreement, a Borrower Loan Agreement, and Certain Other Transaction Documents as Defined Herein as May Be Necessary for the Issuance of the Governmental Note; and Providing for Other Matters Properly Relating Thereto

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

WHEREAS, South Dakota Codified Laws 11-11 et seq., as amended (the “**Act**”) declares that there exists in the State of South Dakota (the “**State**”) a serious shortage of sanitary, decent and safe residential housing at rentals which people of the State can afford and that private enterprise and investment have been unable, without assistance, to produce the needed new construction and rehabilitation of residential housing, and sufficient mortgage financing, to remediate said shortage; and

WHEREAS, the Act further declares that, inter alia, it is a valid public purpose to provide for the construction, rehabilitation and financing of residential housing for persons and families who would otherwise be unable to obtain adequate rental accommodations which

they could afford and that the authority and powers conferred by the Act on the South Dakota Housing Development Authority (the “**Authority**”) constitute a necessary public program and serve a valid public purpose; and

WHEREAS, the Act empowers the Authority to make loans to qualified sponsors to provide for the acquisition, construction, rehabilitation and long-term financing of multifamily residential housing units in the State for occupancy by eligible persons and families and to service such loans and to perform any other duties that the Authority considers necessary in carrying out the purposes of the Act; and

WHEREAS, to provide a source of funds for its programs authorized by the Act, the Authority has determined to authorize the issuance of its conduit Multifamily Housing Revenue Note (Camden Heights Apartments), Series 2024 (the “**Governmental Note**”), in one or more series, pursuant to a Funding Loan Agreement (the “**Funding Loan Agreement**”) between the Authority, Community Housing Investment Partners II, LP, as Initial Funding Lender (or such other initial funding lender as shall be selected by R4 Service LLC, the “**Funding Lender**”) and U.S. Bank Trust Company, National Association (the “**Fiscal Agent**”), the proceeds of which will be used to finance a funding loan (the “**Funding Loan**”) for the acquisition and construction (including reimbursement of any expenses permitted under the Internal Revenue Code of 1986, as amended (the “**Code**”)) of a 252-unit multifamily housing project located at 1725 Camden Drive, Rapid City, South Dakota (the “**Project**”), and to make deposits in various funds and accounts, and which Funding Loan Agreement will be in substantially the form placed on file with the Authority prior to this meeting, subject to the terms, conditions and limitations established herein; and

WHEREAS, the proceeds of the Funding Loan will then be loaned (the “**Borrower Loan**”) to EGC Rapid City, LP (the “**Borrower**”) pursuant to a Borrower Loan Agreement between the Authority, the Fiscal Agent and the Borrower, (the “**Borrower Loan Agreement**”), which Borrower Loan Agreement will be in substantially the form placed on file with the Authority prior to this meeting, subject to the terms, conditions and limitations established herein; and

WHEREAS, the interest on the Governmental Note is intended to qualify for a federal tax exemption under Section 142 of the Code, and to ensure that the Governmental Note maintain its tax exempt status, the Borrower will enter into a Regulatory Agreement and Declaration of Restrictive Covenants for the project site (the “**Regulatory Agreement**”), which will be in substantially the form placed on file with the Authority prior to this meeting; and

WHEREAS, the Project is intended to qualify for federal low-income housing tax credits under Section 42 of the Code, and to ensure that the Project maintains such qualification the Borrower will enter into a Declaration of Land Use Restrictive Covenants (the “**LIHTC LURA**,” and together with the Funding Loan Agreement, the Borrower Loan Agreement, and the Regulatory Agreement, the “**Project Documents**”), in the form used by the Authority in its Low Income Housing Tax Credit Program.

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

Section 1. Findings. The Authority does hereby find and determine that the (i) financing of the Project will fulfill the public purposes set forth in the Act and (ii) financing of the Project is necessary to help alleviate a shortage of decent, safe and sanitary multifamily housing for persons and families of low and moderate income and will preserve the supply of affordable multifamily housing for persons and families of low and moderate income in the State. The additional and further findings of the Authority relating to the Project set forth in the Project Documents are incorporated herein by reference and adopted as if fully set forth at this place.

Section 2. Approval of Funding Loan and Borrower Loan Agreement. The Funding Loan Agreement, and Borrower Loan Agreement, are hereby approved in the form hereinabove described, and each of the Chair, the Vice Chair, the Executive Director and the Director of Finance of the Authority (each an “**Authorized Officer**” and collectively, the “**Authorized Officers**”) is hereby authorized to execute and deliver the such documents, with such changes, insertions or omissions therein as may be approved by such signatory, such approval to be evidenced conclusively by execution of said documents.

Section 3. Authorization and Execution of the Governmental Note. The execution and delivery of the Governmental Note, in one or more series, is hereby authorized and approved. The final amount and terms of the Governmental Note shall be determined by an Authorized Officer, consistent with the terms of the Funding Loan Agreement and subject to the following conditions: (i) the Governmental Note shall not be a general obligation of the Authority but shall be limited non-recourse obligations payable solely and only from the Pledged Security, as defined in the Funding Loan Agreement; (ii) the Governmental Note shall mature no later than December 31, 2066, bear interest at a fixed rate or variable rate no greater than 12% per annum (or maximum amount permissible under law), issued in an aggregate principal amount not to exceed \$41,500,000, in one or more series, be subject to prepayment, and have the other terms and provisions as definitively set forth in the Funding Loan Agreement upon execution and delivery as aforesaid in Section 2 hereof; (iii) the Governmental Note shall be executed and delivered substantially in the form set forth in the Funding Loan Agreement, with such additions, omissions and changes as are required or permitted by the Funding Loan Agreement and approved by the signatories thereto; and (iv) the Governmental Note shall be executed in the name of the Authority by an Authorized Officer for purposes of executing and attesting the Governmental Note, and their execution shall evidence their approval of the final terms thereof. Such signatures may be by facsimile.

Section 4. Approval of Regulatory Agreement. The Regulatory Agreement and the LIHTC LURA are each hereby approved in the forms hereinabove described, and each of the Authorized Officers and the Director of Rental Housing Development of the Authority is authorized to execute and deliver the same, with such changes, insertions or omissions therein as may be approved by such person, such approval to be evidenced conclusively by such execution of the Regulatory Agreement and the LIHTC LURA.

Section 5. Ratification of Prior Actions. All action previously taken by the officers, members or staff of the Authority within the authority granted herein, with respect to the

Project Documents and the Governmental Note and taken with respect to the public notice and hearing with respect to the issuance of the Governmental Note as required by the federal tax laws, is hereby approved, confirmed and ratified.

Section 6. Execution of Documents. In the event of the absence or disability of an Authorized Officer, or if for any other reason any of them are unable to execute the documents referred to in this Resolution, such documents may be executed by another member of the Authority or by the Director of Rental Housing Development, with the same effect as if done by an Authorized Officer and without the further authorization of the Authority. The execution of such documents by any such person shall be conclusive evidence of his or her authority to so act.

Section 7. Execution of Tax Compliance Certificate. The Authorized Officers are hereby authorized to issue certifications as to the Authority's reasonable expectations regarding the amount and use of the proceeds of the Governmental Note as described in Section 148 of Code.

Section 8. Additional Actions Authorized. The Chair, the Vice Chair, the Secretary or any other member of the Authority, the Executive Director, the Director of Finance and the Director of Rental Housing Development, acting alone or acting with others, are hereby authorized and directed to execute and deliver any or all other documents which may be required by, or they deem appropriate to effectuate, the terms of the Project Documents, including any real estate documents, and to take such other action as may be required or appropriate for the performance of the duties imposed thereby or to carry out the purposes thereof, and the members and officers named above are hereby designated as an Authorized Official for such purposes. The execution and delivery by any such member or 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 member or officer and the Authority and shall conclusively establish such member or 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 9. Effective Date. This Resolution shall become effective immediately.

ADOPTED by the South Dakota Housing Development Authority this 24th day of September 2024.

Motion passed by a voice vote.

C. Resolution No. 24-09-69: Resolution to Commit HOME Program Funds under the Homeowner Rehabilitation Program for Homes Are Possible, Inc.

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

WHEREAS, the following HOME Program application was received for the Homeowner Rehabilitation Program 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 commitment of HOME funds from the Homeowner Rehabilitation Program set-aside for the following:

Project Name: HAPI HOME Homeowner Rehabilitation Program
Project Location: Aberdeen, SD
Applicant: Homes Are Possible, Inc.

Homeowner Rehabilitation Program Amount: \$214,000

Motion passed by a voice vote.

D. Resolution No. 24-09-70: Resolution to Commit HOME Program Funds under the Homeowner Rehabilitation Program for Huron Housing Authority

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

WHEREAS, the following HOME Program application was received for the Homeowner Rehabilitation Program 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 commitment of HOME funds from the Homeowner Rehabilitation Program set-aside for the following:

Project Name: Huron Housing HOME Homeowner Rehabilitation Program
Project Location: Huron, SD
Applicant: Huron Housing Authority

Homeowner Rehabilitation Program Amount: \$214,000

Motion passed by a voice vote.

E. Resolution No. 24-09-71: Resolution to Commit HOME Program Funds under the Homeowner Rehabilitation Program for Mitchell Area Housing, Inc.

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

WHEREAS, the following HOME Program application was received for the Homeowner Rehabilitation Program 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 commitment of HOME funds from the Homeowner Rehabilitation Program set-aside for the following:

Project Name: MAHI HOME Homeowner Rehabilitation Program
Project Location: Mitchell, SD
Applicant: Mitchell Area Housing, Inc.

Homeowner Rehabilitation Program Amount: \$214,000

Motion passed by a voice vote.

F. Resolution No. 24-09-72: Resolution to Commit HOME Program Funds under the Homeowner Rehabilitation Program for NeighborWorks Dakota Home Resources

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 HOME Program application was received for the Homeowner Rehabilitation Program 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 commitment of HOME funds from the Homeowner Rehabilitation Program set-aside for the following:

Project Name: NeighborWorks Dakota Home Resources HOME Homeowner Rehabilitation Program
Project Location: Rapid City, SD
Applicant: Neighborhood Housing Services of the Black Hills, Inc. (NHS) dba NeighborWorks Dakota Home Resources

Homeowner Rehabilitation Program Amount: \$214,000

Motion passed by a voice vote.

VIII. DATE OF NEXT MEETING AND ADJOURNMENT

The next Board of Commissioners' Meeting is scheduled for October 17, 2024, and will be telephonic. It was moved by Commissioner Jensen and seconded by Commissioner Guentner that the meeting adjourn.

Motion passed by a voice vote.

The meeting adjourned at 11:16 a.m.

Respectfully submitted,

Chas Olson
Secretary

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