

**MINUTES**  
**SOUTH DAKOTA HOUSING DEVELOPMENT AUTHORITY**  
**BOARD OF COMMISSIONER'S MEETING**  
**SDHDA CONFERENCE ROOM**  
**Telephonic**  
**October 15, 2019**

**Board Members Present:** David Pummel Chairman  
Brent Dykstra, Vice-Chair  
Scott Erickson, Commissioner  
Rick Hohn, Commissioner  
Steve Kolbeck, Commissioner  
Mark Puetz, Commissioner

**Board Members Absent:** Bill Hansen, Treasurer

**Staff Present:** Mark Lauseng, Executive Director  
Todd Hight, Director of Finance and Administration  
Brent Adney, Director of Homeownership Programs  
Tasha Jones, Director of Rental Housing Management  
Lorraine Polak, Director of Rental Housing Development  
Amanda Weisgram, Director of Marketing and Research  
Sheila Ricketts, Marketing/Executive Assistant  
Chas Olson, Housing Development Officer  
Scott Rounds, Housing Development Officer

**Guests Present:** Dixie Hieb, Davenport, Evans, Hurwitz & Smith, Counsel to SDHDA  
Andi Weber, Travois  
Adam Rose, Travois  
Joe Sazue, Crow Creek Tribal Council  
Evan Hawk, Crow Creek Tribal Council  
Kyle Kirkie, Crow Creek Tribal Council

**I. CALL TO ORDER/CONFLICTS OF INTEREST**

The meeting was called to order at 10:00 a.m. and roll was called. In accordance with SDCL 3-23-3.1, Commissioners Puetz and Hansen disclosed permissible conflicts of interest for which authorization by the SDHDA Board of Commissioners is not required. The Annual Disclosure Forms with respect to the disclosed conflicts are attached to these minutes.

**II. PUBLIC COMMENT**

None.

**III. APPROVAL OF AGENDA**

It was moved by Commissioner Dykstra and seconded by Commissioner Kolbeck 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 Dykstra, Erickson, Hohn, Kolbeck and Puetz  
Excused: Commissioner Hansen.

#### **IV. APPROVAL OF MINUTES**

It was moved by Commissioner Kolbeck and seconded by Commissioner Puetz that the Minutes of the Board of Commissioners' Meeting held on September 19, 2019, be adopted as presented.

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

#### **V. EXECUTIVE DIRECTOR'S REPORT**

Executive Director Lauseng mentioned the Annual Housing Conference is October 29-30, 2019 and there are 220 attendees registered. He stated there will be a Housing Tax Credit Training held October 28, 2019 for Board Members who would like to attend. Executive Director Lauseng mentioned the Sponsor Dinner will be held at Drifters on Monday evening, October 28, 2019. He stated the National Council of State Housing Agencies (NCSHA) Annual Conference is October 19-22, 2019. Executive Director Lauseng mentioned he would be attending a NCSHA Board Meeting while attending the conference.

#### **VI. OLD BUSINESS**

##### **A. Resolution No. 19-10-77: Resolution to Deny the Modification of Terms of FLEX-Rural Site Development Loan for The Estates at Cheyenne Pass**

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

WHEREAS, per Resolution No. 07-12-126, a commitment of a FLEX-Rural Site Development loan (the Loan) was provided to Cheyenne Pass Development Co., Inc. (Developer) for The Estates at Cheyenne Pass Development in Box Elder, South Dakota;

WHEREAS, per Resolution No. 12-05-42, terms of the loan were modified such that the loan was to become due June 1, 2014 or at such time as the first mortgage was paid in full or refunded, whichever came first;

WHEREAS, per Resolution No. 14-09-58, terms of the loan were modified to extend the due date to June 1, 2017;

WHEREAS, per Resolution No. 15-08-45, terms of the loan were modified to secure financing for infrastructure improvements to the next phase;

WHEREAS, the loan is in default and the current principal balance is \$921,718.00;

WHEREAS, the Developer has requested that the loan be modified to extend the payment date to July 1, 2020;

WHEREAS, the Developer has requested that the terms of the loan be modified to provide that SDHDA will subordinate its mortgage securing the loan to a new mortgage to be given by Developer to BankWest securing a loan from BankWest to Developer in the amount of \$250,000;

WHEREAS, per Resolution No. 19-07-47, SDHDA established positive consideration if certain conditions were met;

WHEREAS, per Resolution No. 19-08-55 and 19-09-67, SDHDA postponed consideration of the modification of terms; and

WHEREAS, Developer has failed to fulfil the established conditions;

NOW, THEREFORE, BE IT RESOLVED that the requested modification is denied for:

<u>OWNER/APPLICANT</u>	<u>DEVELOPMENT NAME</u>
Cheyenne Pass Development Company, Inc.	The Estates at Cheyenne Pass Box Elder, SD

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

**B. Resolution No. 19-10-78: Resolution to Automatically Extend the Master Mortgage Pooling and Servicing Agreement, the Mortgage Warehouse Loan and Security Agreement, and the Master Promissory Note Between the South Dakota Housing Development Authority (SDHDA) and the Idaho Housing and Finance Association (IHFA) Annually**

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

WHEREAS, per Resolution No. 14-08-56, the South Dakota Housing Development Authority (SDHDA) entered into the Master Mortgage Pooling and Servicing Agreement (Agreement), the Master Promissory Note (Master Note), and the Mortgage Warehouse Loan and Security Agreement (Security Agreement), (collectively, the Agreements) with the

Idaho Housing and Finance Association (IHFA) to serve as SDHDA's Master Servicer for a Mortgage Backed Securities (MBS) program;

WHEREAS, pursuant to Section 8.01 (Term) of the Agreement, the Agreement had an effective date of November 1, 2014, and a term of two (2) years with three (3) additional 1-year extensions upon the mutual agreement of SDHDA and IFHA;

WHEREAS, Resolutions No. 16-10-53, No. 17-10-51 and No. 18-10-56 each authorized a 1-year extension in accordance with the Agreement;

WHEREAS, the Master Note was payable on December 31, 2016, but has been extended pursuant to amendments to December 31, 2019;

WHEREAS, the Termination Date of the Security Agreement corresponds to the maturity date of the Master Note;

WHEREAS, SDHDA desires to amend the Agreement to extend the term thereof to October 31, 2020, and to provide for automatic 1-year extensions of the term thereafter unless notice of non-extension is delivered in advance by SDHDA or IHFA; and

WHEREAS, SDHDA also wishes to amend the Master Note and the Security Agreement accordingly to extend the term of each to December 31, 2020 and provide for automatic 1-year extensions unless notice of non-extension is delivered by SDHDA or IHFA;

NOW, THEREFORE, BE IT RESOLVED that the Master Mortgage Pooling and Servicing Agreement, the Master Promissory Note, and the Mortgage Warehouse Loan and Security Agreement each be amended as described above and the Executive Director be authorized to execute any additional documents he deems necessary to connection with such amendments.

Via roll call vote, the following votes were recorded:

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

Excused: Commissioner Hansen.

**C. Resolution No. 19-10-79: Resolution to Modify Terms of Housing Opportunity Fund Funds for the 2019 Disaster Recovery Funding**

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

WHEREAS, per resolution 19-06-45, a conditional commitment in the amount of \$165,000 of Housing Opportunity Fund (HOF) funds was previously awarded to South Dakota Housing Development Authority (SDHDA) to assist in disaster relief efforts;

WHEREAS, per resolution 19-07-49, the counties eligible to receive the 2019 Disaster Recovery Funding were modified to include all counties that were designated for individual assistance per Public Notice FEMA-4440-DR, as such designated areas may be revised by FEMA from time to time;

WHEREAS, HOF Disaster Recovery Funding has not been fully utilized and additional natural disasters have occurred in other areas of South Dakota;

WHEREAS, SDHDA is requesting to further modify the counties designated to receive HOF Disaster Recovery Funding to include all counties that are included in Public Notice FEMA-4448-DR and Public Notice FEMA-4463-DR and any additional South Dakota counties added per a FEMA declaration prior to December 31, 2019; and

WHEREAS, SDHDA is also requesting that the Disaster Recovery Funding be available in the designated counties for assistance in the event of other natural disasters, including severe storms, flooding, snowstorms and tornadoes;

NOW, THEREFORE, BE IT RESOLVED that modification of the counties designated to receive funds be approved.

Via roll call vote, the following votes were recorded:

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

Excused: Commissioner Hansen.

## **VII. NEW BUSINESS**

### **A. Resolution No. 19-10-80: Resolution to Conditionally Commit HOME Program Funds under the Security Deposit Assistance Program for Aberdeen Housing Authority**

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 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 be authorized to issue a conditional commitment of HOME funds from the SDAP set-aside for the following:

APPLICANT

SECURITY DEPOSIT  
ASSISTANCE  
PROGRAM AMOUNT

Aberdeen Housing Authority  
Aberdeen, SD

\$27,500

Via roll call vote, the following votes were recorded:

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

Excused: Commissioner Hansen.

**B. Resolution No. 19-10-81: Resolution to Postpone Consideration of the Housing Tax Credit Program Appeal Request for Crow Creek Homes I**

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

WHEREAS, Crow Creek Homes Limited Partnership #1 (Owner) submitted an application for consideration in the August Application Cycle of a Reservation of Housing Tax Credits (HTC) for Crow Creek Homes I;

WHEREAS, per the Amended 2018-2019 Housing Tax Credit Program Qualified Allocation Plan (QAP), SDHDA reserves the right to reject any application that it determines to have excessive total project costs;

WHEREAS, Owner's application includes total project costs of \$5,476,680, which amount exceeds the SDHDA Project Cost Limit of \$3,339,600 by 63.99%;

WHEREAS, SDHDA staff has determined the submitted project costs to be excessive and has sent a letter to Owner stating that SDHDA will not consider Owner's application due to project costs; and

WHEREAS, Owner has appealed this decision and has requested that SDHDA accept, review, and score Owner's application in its entirety for consideration of a Reservation of Housing Tax Credits (HTC);

NOW, THEREFORE, BE IT RESOLVED that consideration of Developer's request regarding the proposed modification of the terms of the Loan is hereby postponed until the next meeting of the Board of Commissioners.

Via roll call vote, the following votes were recorded:

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

Excused: Commissioner Hansen.

**VIII. DATE OF NEXT MEETING AND ADJOURNMENT**

The next Board of Commissioners' Meeting has not been scheduled. It was moved by Commissioner Dykstra and seconded by Commissioner Puetz that the meeting adjourn.

Via roll call vote, the following votes were recorded:

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

Excused: Commissioner Hansen.

The meeting adjourned at 10:50 a.m.

Respectfully submitted,

A handwritten signature in black ink that reads "Mark Lauseng". The signature is written in a cursive, flowing style.

Mark Lauseng  
Secretary

# 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: Mark Puetz

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



2. Contracts in which you have a direct benefit pursuant to SDCL Chapter 3-23 - Provide the following for each 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

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.

Description of the contract or grant	Party in which you possess the interest	State agency or subdivision
Construction and Architecture Contracts		South Dakota Department of Transportation and Bureau of Administration Office of the State Engineer

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: 9-26-2019

# 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: William Hansen

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.

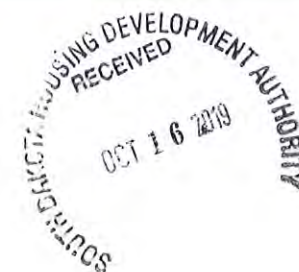
The Member shall also identify every entity in which the Member possesses an ownership interest of five percent or greater if:

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
SDHDA Awards and Grants	SDHDA and Southeast Council of Governments	SECOG Employee - resigned March 2019	N/A
SDHDA Awards and Grants	SDHDA and Inter-Lakes Community Action Partnership	Unpaid Cap Board Member - resigned July 2019	N/A
SDHDA Awards and Grants	SDHDA and Sioux Empire Housing Partnership	Unpaid SEHP Board Member - resigned May 2019	N/A

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2. Contracts in which you have a direct benefit pursuant to SDCL Chapter 3-23 - Provide the following for each 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

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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.

Description of the contract or grant	Party in which you possess the interest	State agency or subdivision

[add row](#)

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: \_\_\_\_\_

*Bill Hansen*

Date: \_\_\_\_\_

*10/11/19*