

# HUD HEARTLAND NEWS



**US Department of Housing and Urban Development**  
**Sioux Falls, South Dakota Field Office**

## April is Fair Housing Month

April is Fair Housing Month when HUD and the nation will commemorate the 40<sup>th</sup> anniversary of the signing of the Fair Housing Act by President Lyndon Johnson on April 11, 1968.



An important part of HUD's mission is to create equal housing opportunities for all persons living in America by administering laws that prohibit discrimination in housing on the basis of race, color, religion, sex, national origin, age, disability, and familial status. HUD's [Office of Fair Housing and Equal Opportunity](#) administers federal laws and establishes national policies that make sure all Americans have equal access to the housing of their choice.

### Does it work?

On January 14, 2008, [HUD announced a settlement agreement](#) with two Las Vegas landlords who agreed to pay \$75,000 to several tenants, to cease discriminatory practices against families with children and to stop refusing to make reasonable accommodations to persons with disabilities.

On December 19, 2007, [HUD announced a \\$170,000 settlement](#) with managers of a St. Louis apartment complex where 7 families claimed they were subjected to stricter community rules than other residents without children.



If you have questions about how to implement fair housing laws in your apartments, or if you feel you have been discriminated against in getting housing, either renting or buying, contact HUD's Denver Office of Fair Housing and Equal Opportunity at 1-800-877-7353.

You may also contact [Fair Housing of the Dakotas \(FHD\)](#) at 1-888-265-0907. FHD is a recipient of a HUD Fair Housing Initiative Program grant to serve North and South Dakota.

### CALENDAR OF EVENTS:

February 19  
 SDSU Horizons Forum  
 Howard, SD

February 19  
[202/811 Grantee Workshop](#)  
 Denver, CO

February 21  
[HUD Housing Counseling Grant Workshop](#)  
 Denver, CO

February 26  
 SDSU Horizons Forum  
 Kadoka, SD

February 26-28  
[Multifamily Accelerated Processing Training](#)  
 Denver, CO

March 4-5  
 SD Housing for the Homeless Conference  
 Chamberlain, SD

March 11-12  
 Great Plains Pro-Biz Summit  
 Rapid City, SD

March 19  
[Business Leadership Network Conference](#)  
 Sioux Falls, SD

March 19  
 Small Business Procurement Networking Session  
 Sioux Falls, SD

March 25-26  
[Northern Plains Regional Native American Housing Summit](#)  
 Denver, CO

### Volume 2, Issue 2

#### February 2008

Inside this issue:	
FHA Modernization	2
FHA Risk-Based Premium	2
South Dakota Single Family FHA Information	2
Do Not Count Taxes as Assets	2
HUD Awards \$1.6 Million for South Dakota Homeless Programs	3
\$4 Million Housing Grant Awards	3
HUD Funds Local Family Self-Sufficiency Programs	3
New Hot Springs Housing Director	4
Business Opportunities with the Government	4
HUD Grant Opportunities Coming Soon	4
CDBG Week - March 24-28, 2008	4



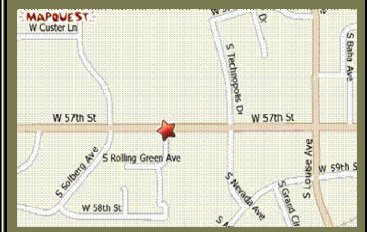
**Check us out!**

Come see the new HUD office on Thursday, February 7, 2008

1:00 p.m. — 4:00 p.m.

Donegal Centre  
 4301 West 57th Street,  
 Suite 101  
 Sioux Falls, SD 57108

West of Louise Ave, 2nd left





Phone toll-free (800) CALLFHA or  
(800)225-5342, M-F, 7am - 7pm CT

Email: [hud@custhelp.com](mailto:hud@custhelp.com)

Search online: <http://answers.hud.gov>



#### Do Not Count Taxes as Assets

Reminder for Lenders! Real estate tax credits **cannot** be considered as available assets for underwriting purposes on FHA insured loans. The National Housing Act requires FHA borrowers to have a minimum cash investment of at least three percent of the acquisition cost on a purchase transaction. Minimum investment assets must be verified and documented by the lender at underwriting.

Acceptable sources of funds for the borrower's investment are outlined in HUD Handbook 4155.1. Seller real estate tax credits cannot be used to offset minimum investment requirements; however, the tax credit may mean that actual cash brought to closing is less, or even result in cash back. This is acceptable. **The borrower(s) minimum investment verification is mandatory, regardless of the actual cash brought to or received at closing.**

[\(See Question 67 on HUD's Credit Frequently Asked Questions\)](#)

Although this was accepted at one time in South Dakota, it is no longer valid.

For questions or clarification, please contact 1-800-CALLFHA (1-800-225-5342) or e-mail [hud@custhelp.com](mailto:hud@custhelp.com).

# FEDERAL HOUSING ADMINISTRATION







U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

## FHA Modernization

The FHA Modernization bill (S.2338) was approved by the U.S. Senate on December 14, 2007. This bill is a partner to the Expanding American Homeownership Act, H.R. 1852, passed in the House in September 2007. Differences between the two bills must now be negotiated.

The proposed legislation would enable FHA to reach more prospective borrowers and allow millions more low- and moderate-income families to achieve the American dream of homeownership.

Some of the highlights of the proposed legislation include:

-  **FHA Mortgage Limits:** Increase the limit for higher and lowest cost areas with individual local limits set at the median price of a home in each area.
-  **Down payment:** Provide FHA borrowers a range of options to control the amount of payment and eliminate FHA's minimum cash investment requirement.
-  **Loan term:** Increase the maximum loan term from 30 years to 40 years.
-  **Mortgage insurance premium:** Eliminate the 2.23% upfront and .55% annual premium caps allowing FHA to raise or lower the premium to match the borrower's risk.
-  **Condominiums:** Insure condominiums as a single unit rather than a multifamily project.
-  **Reverse mortgages:** Eliminate the FHA cap on the number of loans that can be insured.

## FHA Risk-Based Premium

FHA had planned to implement a risk-based premium structure effective January 1, 2008. Implementation has been delayed until further notice from HUD.

### South Dakota Single Family FHA Information

2007 Statistics	Oct	Nov	Dec
Loans Insured	102	112	84
First-Time Homebuyers	54	57	35
Minority Homebuyers	5	3	5
Default Rate	2.52%	2.38%	2.28%
Foreclosure Rate	0.89%	0.98%	0.97%
REO Properties:			
Acquired	5	8	5
Sold	5	7	4
Owned	23	23	24

## HUD Awards \$1.6 Million for South Dakota Homeless Programs

Many homeless individuals and families will benefit from the recent award of over \$1.6 million to members of the [South Dakota Housing for Homeless Consortium](#).



Lewis and Clark Behavioral Health Services received funding to continue to provide services at Cedar Village, permanent housing with support services for the disabled.



*Cedar Village in Yankton provides permanent housing for 21 formerly homeless individuals with severe and persistent mental illness.*

Funding will allow Inter-Lakes Community Action Agency to continue serving homeless families through their Heartland House Program. Heartland House provides transitional living services for homeless families. The program helps families achieve self-sufficiency by providing opportunities to advance their education, receive budgeting and parenting classes as well as enhancing their job opportunities through job training programs.

*Heartland House in Sioux Falls is a transitional living program for families with children. They provide housing and intensive case management services to the 35 homeless families.*



South Dakota Housing will continue to implement the statewide Homeless Management Information System.

Sioux Falls Housing will continue to provide rental assistance and supportive services to local homeless families through their Shelter Plus Care programs. Funds will also be allotted to local emergency shelters through the Emergency Shelter Grant program coordinated by the [South Dakota Housing Development Authority](#).

### Funding for Homeless programs in South Dakota (2007)

South Dakota Housing Development Authority	\$121,330
Lewis & Clark Behavioral Health	\$253,956
Inter-Lakes Community Action (two programs)	\$638,746
Sioux Falls Housing (two programs)	\$273,216
Emergency Shelter Grant	\$347,692

## \$4 Million in Housing Grant Awards for Elderly and Disabled

HUD recently announced grant awards of over \$4 million to construct and subsidize affordable accessible housing for elderly and disabled in South Dakota.

[Lutheran Social Services of South Dakota](#) will build a 21-unit project in North Sioux City, designed and built specifically for individuals age 62 or over. The project will house 20 residents and a manager.



Watertown will be the home to [Accessible Space Inc.'s](#) new 19-unit independent living project. The project will consist of 18 units for individuals with physical disabilities and a manager unit.



These HUD Section 202 and Section 811 housing funds include construction costs and project rental assistance. HUD provides interest-free capital advances to nonprofit sponsors to help them finance the development of rental housing. Eligible residents will make less than 50 percent of the area median income, and pay 30 percent of their income for rent.

## HUD Funds Local Family Self-Sufficiency Programs

Public housing authorities in Sioux Falls, Mobridge and Brookings were awarded over \$141,000 to continue work with residents in their Family Self Sufficiency (FSS) Programs. The housing authorities (PHAs) will use this funding to work with families who live in public housing or who participate in HUD's Housing Choice Voucher program to obtain employment that will lead to economic independence and self-sufficiency.

The funding allows these PHAs to retain FSS coordinators on staff who assist adult residents to find employment. The coordinators link participants to resources in the community that can help with their job search, such as job training opportunities, employment placement programs or local employers. The coordinators also help individuals locate childcare, counseling services, and transportation, which are often time impediments to employment.





## New Hot Springs Housing Director

Billie Jo Tomlinson was named Executive Director of the Hot Springs Housing and Redevelopment Commission (HSHRC) on December 31, 2007. Previously she served as an Occupancy Specialist with the agency for a year and a half. HSHRC manages 100 units of public housing in addition to two multifamily apartment complexes for the elderly and disabled in southwest South Dakota.



Tomlinson, originally from the area, considers working with the residents to be the most rewarding part of her job. She said, "I love it here because we have the friendliest people and the most beautiful scenery." Tomlinson is looking forward to moving the agency forward. "I am excited for this new opportunity," she stated.

## HUD Grant Opportunities Coming Soon

Each year HUD publishes its grant opportunities in one Super Notice of Funding Availability (SuperNOFA) announced in the Federal Register usually in late February or March. Now is the time to start getting ready if you plan on submitting a grant application.

Most HUD grant applications are submitted on-line through the [grants.gov](http://www.grants.gov) website. To submit on-line, you must register and have certain identifiers for your organization. Before the SuperNOFA is published is a good time to verify and update your registration, or to get registered if you haven't already. For help with this process go to [www.grants.gov](http://www.grants.gov).

US Department of HUD  
South Dakota HUD Office  
4301 W. 57th Street, Suite 101  
Sioux Falls, SD 57108

Phone: 605-330-4223  
Fax: 605-330-4465  
E-mail: [SD\\_Webmanager@hud.gov](mailto:SD_Webmanager@hud.gov)  
Website: [www.hud.gov/southdakota](http://www.hud.gov/southdakota)

This is a quarterly publication of the South Dakota HUD office. For active internet links, view the newsletter online at [www.hud.gov/southdakota](http://www.hud.gov/southdakota)

Please contact us if you have any news or updates to include in our newsletter.

**Mission of the U.S. Department of Housing and Urban Development:**  
To increase homeownership, support community development, and increase access to affordable housing free from discrimination.

### Sioux Falls Office Staff

Sheryl Miller  
Field Office Director

Roger Jacobs  
Operations Specialist

Erik Amundson  
Operations Specialist

Jean Wehrkamp  
Housing Program Specialist

Jacqueline Westover  
Housing Program Specialist

Lisa Wright  
Secretary

## Business Opportunities with the Government

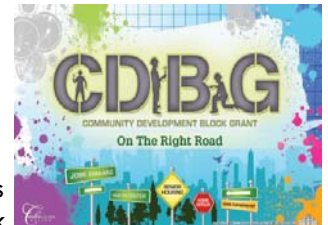
Western South Dakota's annual Great Plains Pro-Biz Summit will be held March 11 and 12 at the Ramkota Convention Center in Rapid City. The event is an avenue for government and tribal entities to come together with private businesses to identify economic development opportunities locally and globally. The keynote speaker will be John Caporal from the Air Force Office of Small Business in Washington DC. Breakout workshops will focus on selling to the government, large business subcontracting, small business development, and new business startups. To register, or to find out more, visit [www.greatplainsprobiz.org](http://www.greatplainsprobiz.org).



For businesses on the eastern side of the state, the Sioux Falls Procurement Committee will hold a networking session on March 19 at the Morningside Community Center. Government agencies will have staff available to discuss purchasing needs and provide training in contracting procedures. More information will be available soon.

## CDBG Week — March 24-28, 2008

HUD's Community Development Block Grant (CDBG) is an important flexible source of funding for addressing critical economic and community issues and problems in towns and cities around South Dakota. The week of March 24-28, 2008, has been declared CDBG week by the National Community Development Association. During this week, CDBG will be recognized for the many successes it has brought to local communities.



The [CDBG program](#) was signed into law on August 22, 1974 by President Gerald Ford. South Dakota communities received over \$8 million in 2007 to help with water and sewer systems, fire and community buildings, homebuyer assistance programs, homeownership repair programs and a host of other activities. Many low and moderate income households benefit from CDBG funds spent locally.

Rapid City and Sioux Falls receive a direct allocation of CDBG funds to assist in their communities. The State of South Dakota receives CDBG funds from HUD to assist other areas in the state. To apply for or to find more information about CDBG for your area, contact the [CDBG representative](#) for your community.

### 2008 CDBG Allocations

State of South Dakota	\$6,529,279
Rapid City	\$488,777
Sioux Falls	\$816,147