

HUD HEARTLAND NEWS



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

Focus on Housing in South Dakota

By: Roger Jacobs, Sioux Falls Field Office Director

Summer, where did it go? We've been enjoying summer weather the past months and along with that comes the heavy construction season, creating busy lives for all the dedicated folks who work on our roads and build our homes. This summer has also produced a drought in many areas of the state. I've heard stories of ranchers culling their herds and farmers bailing their crops rather than wait for a dismal harvest. What does that have to do with housing? South Dakota is heavily dependent on agriculture and when farmers and ranchers cut back on their spending it has a domino effect on the rest of the economy and that includes housing. Local businesses may see a decline in revenue and they then have to reduce costs to stay in business and that often times involves trimming their workforce. There was a recent news article of a business in South Dakota closing one of their locations and they cited the drought as a primary reason. That closing will most definitely affect the employees who are being displaced. They may end up in a housing crisis by not being able to afford their rent or mortgage payment.



It is vital to a community to have housing that is affordable for those displaced workers and for those workers who are in low wage jobs. All jobs in a community are vital to keep the community functioning. Jobs in the service sector are historically lower wage jobs but they are vital to an economy. Imagine if there were no workers available to make and serve coffee in the morning, there may be some grumpy people. Workers who clean rooms in the local hospital or nursing home, or those that bathe and help take care of our seniors are vital, but historically have lower wages. So, the question becomes, where do these vital workers and employees live? Can they afford a place to call home in the community they work? Housing that is affordable for all wage ranges is vital to keep a community vibrant. Let's hope for some rain this fall, it will most likely be too late to salvage existing crops or hay fields, but it will help put a smile on some faces.

Copper Pass Apartments in Sioux Falls



A ground breaking was held on June 9, 2017 for the Copper Pass Apartments on Sparta Avenue east of Highway 11 and south of 41st Street in southeastern Sioux Falls. Costello Investments, LLC will use \$500,000 Housing Tax Credits, \$4,850,000 Housing Tax Credit Equity, and \$700,000 HUD HOME funds for the \$6.3 million project. The apartments will utilize a passive heating and cooling system, a highly rigorous standard for energy efficiency to include continuous ventilation, triple paned tilt out windows, energy saving light bulbs, and low flow plumbing. The project will be completed in August 2018.

Volume 11, Issue 4

August 2017

Inside this issue:

Updated HUD Owned Forms Available	2
Homebuyer Assistance Available	2
Loan Review System for Title II Mortgages	2
South Dakota Single Family FHA Information	2
Bulldoze, Build, and Beautify	3
CDBG Grants Announced	3
VA Stand Down	3
Funds for Homeless Programs	3
Grant Writing Training	3
Good Stories in "The Bridge"	3
Fair Housing Grants Available	3
Ten Tips for Tenants	4
Homes for SD Meeting	4
Multifamily Housing What's New	4
FEMA Mitigation Funds Available	4
Worst Case Housing Needs	4

CALENDAR OF EVENTS:

September 4, 2017

Office Closed for Holiday

September 12-13, 2017

Housing Conference
Pierre

September 12-14, 2017

Real Estate Convention
Aberdeen

September 22, 2017

VA Stand Down
Sioux Falls

October 9, 2017

Office Closed for Holiday

October 18-19, 2017

South Dakota Multi-Housing Convention
Sioux Falls



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

Email: answers@hud.gov

Search online: www.hud.gov/answers



Updated HUD Owned Forms Available

Following the Office of Management and Budget's approval on April 6, 2017, FHA issued updated Real Estate Owned forms in HUD's Client Information Policy Systems ([HUDCLIPS](#)) Forms Library.

The new forms support its Claims and Disposition policy located in the FHA Single Family Housing Policy Handbook 4000.1, Section IV.B.2. The forms are for immediate use and replace the previously issued forms which will expire April 30, 2020.

The forms were listed in HUD's 30-Day Notice of Proposed Information Collection (Federal Register - 5997-N-05) published in the Federal Register on February 1, 2017. The forms are posted on the Forms Resource pages on HUD.gov.

FEDERAL HOUSING ADMINISTRATION

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Homebuyer Assistance Available

Project Reinvest Down Payment Assistance

On July 6, 2017, GROW SD announced receiving a \$2.4 million Project Reinvest grant which will benefit 200 low and moderate income homebuyers across South Dakota. The grant will allow each homebuyer \$10,500 in down payment assistance in the form of zero interest deferred second mortgage loans. GROW SD was one of 19 awardees selected in this first competition. For more information, visit [GROW SD](#).



Closing Cost Assistance

The South Dakota Housing Development Authority (SDHDA) recently announced a new borrower benefit for first-time and repeat homebuyers. Eligible homebuyers are able to receive a \$1,500 [Closing Cost Grant](#) from SDHDA that does not have to be repaid. Borrowers must meet certain qualification requirements including income and purchase price restrictions. The income limits vary by county and are different from SDHDA's other homeownership programs. Grants are available for a limited time until funds are depleted, and loans must be closed on or before Dec. 31, 2017.



Loan Review System for Title II Mortgages

FHA's recently implemented Loan Review System ([LRS](#)) makes it easier for lenders to do business with FHA for Single Family Title II mortgages. LRS streamlines quality control processes for both lenders and FHA by automating many manual processes and consolidating functions previously performed in multiple systems.

Features include: 1) Consolidates most quality control functions into one system, 2) Automates manual quality control processes and communications between lenders and FHA, and 3) Organizes and prioritizes FHA requests for lender responses; Streamlines submission of required documents; and Offers enhanced loan quality reporting and analytics.

Users access LRS through the FHA Connection ([FHAC](#)) via the "Loan Review System" link on the Single Family FHA Business Areas screen. All users must have and maintain a valid FHAC user ID.

South Dakota Single Family FHA Information

<u>FY2017 Statistics</u>	<u>Apr</u>	<u>May</u>	<u>Jun</u>
Loans Insured	179	215	229
First-Time Homebuyers	107	133	146
Minority Homebuyers	8	11	11
Default Rate	2.66%	2.50%	2.64%
Foreclosure Rate	0.17%	0.14%	0.13%
REO Properties			
Acquired	5	3	10
Sold	9	10	7
Owned	26	19	22

Bulldoze, Build, and Beautify

SOUTH DAKOTA

GOVERNOR'S OFFICE OF ECONOMIC DEVELOPMENT

The Governor's Office of Economic Development's (GOED) new Bulldoze, Build, and Beautify is a Community Development Block Grant (CDBG) activity, offering \$1 million of its 2017 CDBG allocation for the program.

The program is for unoccupied residential dwellings owned by a county, city or local non-profit organization in blighted, dilapidated, or abandoned condition. The replacement housing must be affordable based on the general wage level of the local workforce or priced to meet a specific need as identified by a local business. Local match must be made at a minimum of 1:1 with CDBG funds. Applications are accepted starting August 18, 2017. For more information, visit [GOED](#).

CDBG Grants Announced

On June 22, 2017, [GOED](#) awarded more than \$3.4 million in Community Development Block Grant (CDBG) funds to 6 projects in South Dakota. The CDBG program, funded by HUD and administered by GOED, allows local governments to complete projects that improve living conditions. The projects awarded include:

- Blunt, \$515,000 to make improvements to the city's wastewater infrastructure and treatment lagoons.
- Faith, \$515,000 to upgrade its wastewater system.
- Lake Andes, \$750,000 to upgrade the city's wastewater system.
- Langford, \$565,000 for construction of a new drinking water storage system and increase the capacity of the city's water infrastructure.
- Newell, \$324,370 to assist with replacing the city's water main system.
- Veblen, \$765,000 to make improvements to its wastewater infrastructure and collection ponds.

VA Stand Down



The VA Stand Down will be held on September 22, 2017 at the VFW on 3601 S. Minnesota Ave. in Sioux Falls from 9:00 a.m. to 2:00 p.m. The event provides food, shelter, clothing, health screenings, counseling and referrals for necessary services such as housing and employment.

Funds for Homeless Programs

HUD recently announced \$2 billion in fiscal year 2017 funds are available for Continuum of Care grants. The grants provide permanent and transitional housing to homeless persons, job training, health care, mental health housing counseling substance abuse treatment, and child care. The deadline to apply is September 28, 2017. For more information, see the [2017 Continuum of Care Notice of Funding Availability](#).

Grant Writing Training

On August 1-2, 2017, Pauline Zvonkovic, Management Analyst from HUD's Salt Lake City, Utah office provided Grant Writing training to over 30 people in Aberdeen. The training covered tips and tactics on preparing a quality application for federal and philanthropical entities.



Good Stories in "The Bridge"

The August 2017 issue of "The Bridge" focuses on how housing counseling benefits rural communities. Articles on [Lutheran Social Services](#) of South Dakota and [NeighborWorks](#) Dakota Home Resources of the Black Hills discuss the importance of providing housing counseling in rural areas, featuring several success stories of individuals and families becoming homeowners.

Fair Housing Grants Available

Applications are due on September 18, 2017 for HUD's Fair Housing Initiative (FHIP) grants program. HUD is making \$38 million available to fight housing discrimination through three programs:

- * Education and Outreach Initiative grants - This program is available to organizations that educate the public and housing providers about their rights and responsibilities under federal law.
- * Fair Housing Organizations Initiative - Funding is available to help build the capacity and effectiveness of non-profit fair housing organizations, particularly organizations that focus on the rights and needs of underserved groups, such as rural and immigrant populations.
- * Private Enforcement Initiative grants - Multi-year funding is available to organizations that conduct intake, testing, investigation, and litigation of fair housing complaints under the Fair Housing Act.

Ten Tips for Tenants



Know your rights and responsibilities when you rent a house or apartment. More detailed information on these tips can be found on HUD's [website](#); and more landlord tenant rights and responsibilities can be found starting on page 46 of the South Dakota Attorney General's [Consumer Handbook](#).

1. Bring your paperwork – the best way to win over a prospective landlord is to be prepared.
2. Review the lease – carefully review all of the conditions of the tenancy before you sign on the dotted line.
3. Get everything in writing – to avoid disputes or misunderstandings with your landlord, get everything in writing and keep copies.
4. Protect your privacy rights – one of the common misunderstandings is the landlord's right to enter a rental unit.
5. Demand repairs – know your right to live in a habitable rental unit and don't give them up.
6. Talk to your landlord – keep communication open with your landlord.
7. Purchase renter's insurance – your landlord's insurance policy will not cover your losses due to theft or damage. Renters insurance is not expensive.
8. Protect your security deposit – to protect yourself and avoid any misunderstandings, make sure your lease or rental agreement is clear on the use and refund of security deposits.
9. Protect your safety – learn whether your building and neighborhood are safe.
10. Deal with an eviction properly – know when to fight an eviction notice and when to move.

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

Phone: (605) 330-4223
Fax: (605) 330-4465
Email: SD_Webmanager@hud.gov
Website: 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

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

Sioux Falls Office Staff



Roger Jacobs
Field Office Director

Jacqueline Westover
Single Family Housing
Specialist

Lisa Wright
Customer Service
Representative

Homes for SD Meeting



Homes for South Dakota is a coalition consisting of nonprofit, public, and private entities that provides a unified voice for addressing housing needs in South Dakota. Anyone interested in learning more about the coalition is invited to attend a box lunch meeting at SDHDA's Housing Conference in Pierre September 13, 2017. For more information, contact [Roger Jacobs](#).

Multifamily Housing What's New

Find the most current multifamily housing information for our region at HUD's [Multifamily Housing Region West](#).

FEMA Mitigation Funds Available

Federally recognized Tribal communities and states have until November 14, 2017 to apply for \$90 million in Pre-Disaster Mitigation (PDM) grant funding and \$160 million in Flood Mitigation Assistance (FMA) grant funding through FEMA. The PDM grant is to implement and sustain cost effective measures designed to reduce the risk to individuals and property from natural hazards, while also reducing reliance on federal funding from future disasters. FMA grants are to reduce or eliminate the risk of repetitive flood damage to building and structures insured under the National Flood Insurance Program.

Mitigation Grant Programs (FEMA)

Worst Case Housing Needs

The number of very poor unsubsidized families struggling to pay their monthly rent and who may also be living in substandard housing increased between 2013 and 2015, according to the recently released [Worst Case Housing Needs 2017](#) report to Congress. The report indicates that in 2015, 8.3 million very low-income unassisted families paid more than half their monthly income for rent, lived in severely substandard housing, or both.

Worst Case Housing Needs are defined as renters with very low incomes (below half the median in their area) who do not receive government housing assistance and who either paid more than half their monthly incomes for rent, lived in severely substandard conditions, or both.

Mission of the U.S. Department of Housing and Urban Development: To create strong, sustainable, inclusive communities and quality affordable homes for all. HUD is working to strengthen the housing market to bolster the economy and protect consumers; meet the need for quality affordable rental homes; utilize housing as a platform for improving quality of life; build inclusive and sustainable communities free from discrimination; and transform the way HUD does business.