

HUD HEARTLAND NEWS



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

\$3.1 Million Awarded to South Dakota Communities



On June 28, 2018, the Governor's Office of Economic Development (GOED) awarded more than \$3.1 million in Community Development Block Grant (CDBG) funds to seven projects in South Dakota. Aberdeen, Burke and Scotland were awarded \$101,890 in CDBG funds obligated through the Bulldoze, Build and Beautify program.

The projects awarded include:

- Aberdeen, awarded \$7,370 for the removal of a dilapidated structure.
- Burke, awarded \$4,500 for the removal of a dilapidated structure.
- Leola, awarded \$770,000 for wastewater system improvements.
- Pierre, awarded \$770,000 for renovation and reconstruction of the Boys & Girls Club.
- Presho, awarded \$770,000 for wastewater infrastructure and storm sewer system improvements.
- Pukwana, awarded \$770,000 for wastewater system improvements.
- Scotland, awarded \$90,020 for removal of seven dilapidated structures.

Deputy Regional Administrator Visits Sioux Falls

In July, Rocky Mountain Deputy Regional Administrator Eric Cobb visited [Sioux Falls Housing and Redevelopment Commission's](#) Family Self-Sufficiency Program. The Family Self-Sufficiency (FSS) Program helps public housing residents, Housing Choice Voucher participants, and residents of multifamily assisted housing to increase their earnings, build assets and financial capability. The program is currently operating at capacity with 105 participants, most under the five-year FSS Contract of Participation, which specifies the rights and responsibilities of both parties.



Another key factor in the success of the program is the individual training and services plan (ITSP), the document that lays out the intermediate and long-term goals and the steps the family needs to take to achieve their goals. The visit also included a visit to the [Inter-lakes Community Action](#) Housing First Program, which also uses a similar approach to helping families out of poverty. The resources available in the program help families learn to budget, save, and build other life skills to enable families to move on to rent or buy homes after leaving the program.

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CALENDAR OF EVENTS:

September 3, 2018
Office Closed for Holiday

September 5-7, 2018
SD NAHRO Housing Choice Voucher Training
Sioux Falls

September 21, 2018
VA Stand Down
Sioux Falls

October 8, 2018
Office Closed for Holiday

October 17-18, 2018
[South Dakota Multi-Housing Convention](#)
Sioux Falls

October 30-31, 2018
[Housing Conference](#)
Pierre





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Email: answers@hud.gov

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Elimination of FHA Inspection Roster

On July 3, 2018, the Federal Housing Administration published a [final rule](#) that streamlines the inspection requirements for FHA single family mortgage insurance by eliminating the regulations for the FHA Inspector Roster.

The final rule recognizes the sufficiency and quality of inspections by the International Code Council Certified Combination Inspectors and Residential Combination Inspectors and other qualified individuals.

As a result, FHA states there is no longer a need to maintain and administer its own standard process for inspectors. The final rule is in effect as of August 2, 2018.



Federal Housing Administration Leader Appointed



Brian D. Montgomery was recently appointed the new Assistant Secretary for Housing and Federal Housing Administration Commissioner. This is his second appointment as head of the FHA, having served from 2005 to 2009. With over 30 years of experience, Mr. Montgomery is known for his work in reforming the Real Estate Settlement Procedures Act, developing solutions to assist struggling homeowners, and his leadership of modernizing the FHA in 2008. Montgomery is responsible for overseeing the \$1.3 trillion FHA insurance portfolio which includes single family, multifamily and health care programs. Read the [press release](#).

Housing Counseling Training Grants Available

The FY18 Notice of Funding Availability (NOFA) for \$3.5 million in housing counseling training grants was announced recently with applications due August 31, 2018. This [NOFA](#) provides notice of a grant program that supports the provision of both basic housing counseling training and specialized topics of training to help meet the perceived needs.

Native Homeownership is Possible



The South Dakota Native Homeownership [Coalition](#) recently launched the “[Native Homeownership is Possible](#)” campaign. This campaign includes a series of short videos designed to raise awareness of homeownership in reservation communities, implore that homeownership is possible for Native Americans, and inspire and encourage Native American individuals and families to start the path to homeownership.

The U.S. Census Bureau, American Community Survey reports that from 2012-2016 the homeownership rate for all South Dakotans was 67.8 percent and during the same timeframe, the homeownership rate for Native Americans was 37.7 percent. With the help of this campaign, the hope is more Native Americans will realize that owning a home is not just a dream but a real possibility and that the percentage of Native homeowners will increase.

South Dakota Single Family FHA Information

<u>FY2018 Statistics</u>	<u>Apr</u>	<u>May</u>	<u>Jun</u>
Loans Insured	149	159	193
First-Time Homebuyers	120	146	128
Minority Homebuyers	14	7	12
Default Rate	2.44%	2.45%	2.74%
Foreclosure Rate	0.11%	0.11%	0.11%
REO Properties			
Acquired	6	4	3
Sold	10	4	10
Owned	25	25	18

\$17 Million Available for Housing

The South Dakota Housing Development Authority (SDHDA) recently announced approximately \$17.5 million is available for affordable housing. Applications are due on August 31, 2018.

The **HOME** Program expands the supply of decent, safe, sanitary, and affordable housing for very low income and low income households. The program provides funds to developers and owners for the acquisition, new construction, and rehabilitation of affordable housing. Over \$5 million in HOME funds is available.

The **Housing Opportunity Fund** was created for new construction, purchase, and rehabilitation of rental or homeownership housing. \$2.9 million in Housing Opportunity Funds is available.

The **Housing Tax Credit Program** was designed as an incentive for new construction and rehabilitation of housing for low-income households. \$3.86 million in Housing Tax Credit funds is available.

The **Housing Trust Fund** was established to help expand the supply of safe, decent, and affordable housing for extremely low income households. \$5 million in Housing Trust Funds is available.

The **Neighborhood Stabilization Program** was designed to provide emergency assistance to entities to acquire and redevelop foreclosed properties. \$700,000 in NSP funds is available.



Funding for Housing Authorities

Public housing authorities in 25 communities throughout South Dakota will receive over \$2.4 million through HUD's **Capital Fund Program**. Funds are allocated annually to all public housing authorities to build, repair, renovate and/or modernize the public housing in their communities. Uses for the funds include large-scale improvements such as new roofs, energy-efficient upgrades, new plumbing and electrical systems.

Capital Fund grants are awarded each year through a formula that considers the number, type, and age of units in a community. Eligible uses include development, financing, and modernization of the public housing units, and management improvements at the public housing authority.

Veterans Stand Down



The Veterans Stand Down will be held on September 21, 2018 at the VFW on 3601 South Minnesota Avenue in Sioux Falls from 9:00 a.m. to 2:00 p.m. The event brings services to one location, making them more accessible to homeless veterans. The event provides food, shelter, clothing, health screenings, counseling, and referrals for necessary services such as housing and employment opportunities.

HUD Impact in South Dakota

Three different **HUD programs** in South Dakota provide rental assistance to over 13,500 households and provide over \$65 million in rental assistance. The rental assistance paid on behalf of the tenants goes to housing providers to maintain and upgrade their units, make mortgage payments, hire staff to maintain and operate those units and everything else it takes to operate housing. These programs offer stable affordable housing for households working low wage jobs, the elderly, and disabled.

The financial impact to communities with affordable housing units is huge. Local retailers and vendors benefit from the \$65 million coming into the state. That money most likely turns over several times, so the total financial impact of these programs to the state is most likely well over \$100 million annually.

Regional Market Conditions

HUD's Region 8 Rocky Mountain market conditions **report** stated economic growth in the region accelerated during the past year compared with last year, with the region's economy growing at a faster rate than the rest of the nation in first quarter 2018. Mining, construction, logging, leisure, and hospitality sectors led the growth rate.

Nonfarm payrolls in South Dakota increased by 5,200 jobs or 2.1 percent from last year, led by education and health services sectors. North Dakota lost 4,800 jobs, the greatest decline nationally.

Population growth in the region slowed a little in 2017, but was well above the national growth rate. South Dakota's population growth exceeded the national average at 0.9 percent, similar to last year's rate of growth.

Home sales in South Dakota increased less than 1 percent to 5,575 homes sold. Multifamily permitting increased 4 percent to 430 units in SD.

Landlord Tenant Relationships

A key component in landlord tenant relationships is communication. Tenants should keep landlords updated on any changes or challenges they have and landlords should do the same with their tenants. By communicating in a timely manner, many potential disputes can be avoided. Other tips for landlords and tenants are:

Inspect the unit: Complete a thorough walk-through prior to moving in, document any issues, and bring those issues to the landlord prior to moving in. A statement should be made and signed by the tenant and landlord as to the condition of the unit, noting any damaged/worn areas, cleanliness of the unit, condition of the carpet, paint, and any broken or missing items, etc.

Rental Agreements: A rental agreement is a legally binding contract (lease) between the landlord and tenant. Read it completely to avoid any misunderstanding of the terms of the lease. The lease should outline the terms of the rental agreement, rent amount, when rent is due, late fees, who is responsible for utilities, length of the contract, etc.

Security Deposit: A security deposit is commonly required by a landlord. The deposit may not require a security deposit in excess of one month's rent unless special conditions exist which pose danger to the maintenance of the premises. When a tenant moves out, the landlord is required to return the deposit or to provide a written statement showing the specific reason for not returning it. This statement must be furnished within two weeks after the termination of the tenancy and the landlord's receipt of the tenant's mailing address or delivery instructions.

Sexual Harassment in Housing

HUD and the Department of Justice recently launched a new public service campaign to combat sexual harassment in housing. When a landlord sexually victimizes its tenants, it's not only wrong, it's against the law. The [60-second video](#) features three courageous persons who share their traumatic experiences.

Anyone who has experienced a potential Fair Housing Act violation regarding sexual harassment or any other type of housing discrimination may contact [HUD's Office of Fair Housing and Equal Opportunity](#) at 1-800-877-7353 or the Civil Right's Division of the Department of Justice at 1-844-380-6178.

Bright Futures



[Augustana Research Institute](#) conducted a [program evaluation](#) which revealed the [Bright Futures](#) program works and is cost effective. The program assists eligible families and persons over 62 or those with a disability who are able to work toward self-sufficiency. The program is an effort between Inter-Lakes, Sioux Falls Community Development, and Sioux Falls Housing.

The evaluation revealed the following:

- Every \$1 invested in Bright Futures yields a return of \$8.36.
- After graduating Bright Futures, families earn on average \$9,699 more per year.
- Graduates reduce their reliance on cash benefits by \$179 per month, a total benefit of \$143,916 per year.
- Graduates reduce their need for rental assistance by \$151.59 per month, a total benefit of \$121,878 per year.
- Bright Futures graduates who received housing assistance plus case management are 50.4 times as likely to secure employment than those who received housing assistance only.
- Graduates leave the program materially better off, with an average increase in income of \$8,423 annually net of reduced benefits.

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

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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.