

HUD HEARTLAND NEWS



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

\$7.7 Million in Housing Funds Awarded

The South Dakota Housing Development Authority (SDHDA) recently announced the approval of \$7.7 million in housing development and rehabilitation funding for the state which includes \$2.6 million in Housing Tax Credits (HTC), \$3.4 million in HUD's [HOME Investment Partnerships Program](#) funding and \$1.7 million in Housing Opportunity Funds.



Westwood Apartments in Sioux Falls

A total of 22 projects will be funded which will provide 255 new multifamily housing units, 16 new single family housing units, 50 rehabilitated multifamily housing units and 11 rehabilitated single family homes, as well as 45 individuals and families with down payment assistance and 150 individuals and families with homelessness prevention assistance.

The Westwood Apartments in Sioux Falls is one of six housing projects awarded tax credits and HOME funds. The project, which will cost nearly \$8 million, received \$535,000 in tax credits, \$685,000 in HOME funds (\$4,815,000 HTC Equity), and a \$350,000 loan from the City of Sioux Falls. Grandview LLC will construct the seven buildings which will provide 56 affordable units in southwestern Sioux Falls. The apartments will provide homes for tenants with incomes that range from at or below 30 to 60 percent of the area median income. Construction is planned to begin this fall. To read more about all of the projects that received funding, visit [SDHDA](#).

Regional Administrator Visits Sioux Falls



Left to Right: Alex Ramirez, Stephanie Bolman-Altamirano, Moses Tut, Juan Bonilla, Carlos Cobos, Rick Garcia, Roger Jacobs, Daniel Obaka.

Regional Administrator Rick Garcia met with the Sioux Falls Diversity Council on April 23, 2014 to discuss opportunities within the diverse communities of the city. He spoke about how the [HUD Section 3 Program](#) could bring opportunities to individuals and businesses in the diverse communities in Sioux Falls. The program requires that low income persons and businesses that employ those persons receive priority consideration for job training, employment, and contracting opportunities that are created from specific HUD funds.

The City of Sioux Falls held a press conference to announce their recent [Fair Housing Awareness Program](#). Mr. Garcia stated "ensuring that housing is available to

all without discrimination has benefits for the city as a whole. When people have housing choices and a stable housing environment, they are more prepared to meet challenges and children do better in school." (see Fair Housing Awareness on page 4)

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CALENDAR OF EVENTS:

June 3-4, 2014

[State Homeless Meeting](#)
 Chamberlain

June 9-10, 2014

[Dare to Dream Conference](#)
 Aberdeen

June 11-13, 2014

Environmental Training

June 16-18, 2014

[NAHRO Conference](#)
 Deadwood

June 26, 2014

[Smoke-Free Workshop](#)
 Sioux Falls





FEDERAL HOUSING ADMINISTRATION

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

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

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Blueprint for Access

In an effort to provide an opportunity for all qualified first-time homebuyers to purchase a home, FHA announced its "Blueprint for Access" which expands access to credit for underserved borrowers. HUD published a notice in the Federal Register on May 15, 2014 for the four-year Homeowners Armed with Knowledge (HAWK) pilot program to further incorporate housing counseling into the home buying process for borrowers.



The housing counseling provided intends to improve homebuyer's budgeting skills and housing decisions while providing an average savings of an estimated \$325 per year or almost \$9,800 over the life of the loan. The pilot program also includes enhancing FHA's quality assurance efforts, intending to provide greater clarity and transparency to FHA-approved lenders to encourage lending to qualified borrowers across the credit spectrum.

Energy Efficient Mortgages

FHA's **Energy Efficient Mortgage (EEM)** program helps homeowners save money on utility bills by allowing them to finance the cost of adding energy efficiency features to a new or existing home as part of their home purchase or refinance. EEMs recognize that reduced utility expenses can permit a homeowner to pay a higher mortgage to cover the cost of the energy improvements on top of the approved mortgage.

EEMs can be used to make energy efficient improvements in one to four units in existing and new homes. The improvements can be included in a borrower's mortgage only if their total cost is less than the total dollar value of the energy that will be saved during their useful life. Other eligibility requirements may be found in the [Homeowner's Guide](#).

FHA Updates



On February 28, 2014, FHA issued [Mortgagee Letter \(ML\) 2014-05](#), authorizing new templates for applications for FHA multi-family mortgage insurance. The intent is to streamline the application process, standardize the underwriter's narrative, and incorporate recent underwriting policy changes. The new templates for applications are required for applications filed 120 or more days after the issuance of the ML.

On April 25, 2014, FHA issued [Mortgagee Letter 2014-07](#), effective on or after August 4, 2014, which makes significant prospective revisions to the status of the non-borrowing spouse in the event of the death of a Home Equity Conversion Mortgage mortgagor.

Section 184 Loan Program Fee Increase

HUD published a [Final Rule](#) in the March 5, 2014 Federal Register that increased the fee to guarantee a Section 184 Indian Housing Loan Program to 1.5 percent of the principal obligation from the current rate of 1 percent, effective April 4, 2014.

South Dakota Single Family FHA Information

<u>FY2014 Statistics</u>	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>
Loans Insured	133	99	106
First-Time Homebuyers	76	53	62
Minority Homebuyers	10	4	4
Default Rate	2.56%	2.41%	2.28%
Foreclosure Rate	0.70%	0.68%	0.68%
REO Properties			
Acquired	15	10	12
Sold	15	18	23
Owned	64	56	45

HUD Space Gains New Tenants



The next time you visit the Sioux Falls HUD office you will see a new look as we have remodeled to make room for new tenants.

The Department of Agriculture National Agricultural Statistics Service

has downsized their operations in Sioux Falls and is moving into our former conference room and storage closet. The move will align the agencies needs for office space, reduce costs, and allow the continuation of the missions of the agencies. Stop in to see our new look and meet our new co-tenants.

\$1.6 Million for Housing Authorities

HUD recently awarded \$1.6 million in [Capital Fund Program](#) grants to [Public Housing Authorities](#) in South Dakota. The grants allow housing authorities to build, repair, renovate and modernize the public housing units in their communities. The funding is used for large-scale improvements such as new roofs, plumbing, and electrical systems.

Homeless Programs Receive Funding

HUD recently awarded over \$1.2 million to members of the [South Dakota Housing for the Homeless Consortium](#). The Continuum of Care grants provide permanent and transitional housing to homeless persons, as well job training, health care, mental health counseling, substance abuse treatment, and child care.

Funding for Homeless programs in South Dakota (2013)

Cornerstone Rescue Mission	\$ 73,704
Inter-Lakes Community Action	\$481,650
Lewis & Clark Behavioral Health	\$135,998
Sioux Falls Housing	\$532,869
SD Housing Development Authority	\$ 40,443

Environmental Review Training

Free Environmental Review Training for state, local, and tribal governments, non-profit organizations, and consultants will be held live via video-conferencing in the Sioux Falls HUD office on June 11-14, 2014. To register, please call our office at 605-330-4223.

HUD Provides Over \$10 Million for Housing in South Dakota

The State of South Dakota along with the cities of Rapid City and Sioux Falls will receive over \$10 million in Community Development Block Grant (CDBG), HOME Investment Partnerships Program (HOME), and Emergency Shelter Grant (ESG) funds from HUD this year.

CDBG funds can be used for many kinds of community development activities. HOME funds allow state and local governments to fund grants, provide direct loans, loan guarantees and other forms of credit enhancements to expand and preserve affordable housing.

ESG funds provide grants to states, cities, and counties for essential services related to emergency shelter, rehabilitation and conversion of buildings to be used as emergency shelters, operation of emergency shelters, and homelessness prevention services.

The grant funds will be distributed as follows:

Grantee	CDBG	HOME	ESG
State of South Dakota	\$5,256,625	\$3,017,887	\$544,481
Sioux Falls	\$831,335	\$389,001	
Rapid City	\$443,111		

A Breath of Fresh Air

The Sioux Empire Tobacco-Free Coalition is offering “A Breath of Fresh Air” smoke-free workshop for multifamily housing owners, managers and residents on June 26, 2014 from 11:30 a.m. to 2:30 p.m. at the Holiday Inn City Centre in Sioux Falls. Attendees will receive a toolkit that includes a “how-to” guide, sample lease addendum, sample enforcement plan, and many other resources. Register [here](#).

Secondhand smoke travels from unit to unit as the smoke can seep through outlets, heating, and duct work. The only effective way to stop the spread of secondhand smoke is by adopting a smoke-free policy. Cigarette use often leads to health problems, increased fire risk and property damage, leading to expensive renovations. Since issuing Housing Notice 2010-21, more than 420 public housing authorities have adopted some form of smoke-free policy.



Fair Housing Awareness

(continued from page 1)



The Fair Housing Awareness Program, created for tenants and property owners, will take training “on the road” to those who need the resources the most in an attempt to reach as many individuals as possible.

The mission of the Fair Housing Awareness Program is to increase knowledge of fair housing within the city of Sioux Falls through training, education, and advocacy. The goal of the fair housing program is to promote equal access by providing education, outreach, and technical assistance, specifically related to fair housing laws. For more information or to schedule a training session, contact City Consultant Paul Flogstad at 605-978-6564, [email](#) or [website](#).

Better Buildings Challenge



President Obama pledged to expand the Better Buildings Challenge as part of his June 2013

Climate Action Plan. New multifamily housing partners will display innovative strategies to improve energy efficiency, to include lighting improvements, heating and cooling upgrades, rooftop solar systems, and financing for energy retrofits and green construction. The partners commit to reducing the energy consumption across their entire portfolio by 20% within 10 years, sharing portfolio-wide energy consumption data, and showcasing their work as examples for others to follow. To participate or to learn more about the challenge, go to the [website](#).

Dare to Dream Conference

The Dare to Dream Conference will be held June 8-10, 2014 at the Best Western Motel in Aberdeen. The conference provides keynote speakers and sessions on estate planning, health care, personal safety, housing, self-advocacy recreation, and networking/sharing opportunities. The Sioux Falls HUD office will provide a booth with information about affordable housing, fair housing, and other HUD programs.

The mission of the conference is to provide people with disabilities of all ages and others an opportunity to gain knowledge, enhance skills, and develop friendships. For more information about the conference, visit [South Dakota Parent Connection](#).



Multifamily Housing What's New

For the most current information from HUD's Multifamily Housing HUB in Denver, go to their [website](#).

Sioux Falls Housing Market

HUD's Office of Policy Development and Research [Housing Market Profile](#) report for Sioux Falls shows during the 12 months ending January 2014, nearly 4,100 homes sold, an increase of 12 percent from the previous year, with the average home selling for \$175,800. There were less homes on the market - 1,600 in January 2014, a decrease of 4 percent from a year ago. Homes in foreclosure were 2.5 percent in January 2014, down from 2.9 percent a year ago.

The apartment vacancy rate averaged 4.3 percent in January 2014, an increase from 3.6 percent last year. The vacancy rate decreased from 13.3 percent in 2010 due to a decline in construction activity. The average apartment rent was \$650 in January 2014, an increase of less than 1 percent from last year and the first rent increase since 2009. Multifamily construction attained record levels with approximately 1,050 units in 2013, more than double the average of 410 new units from 2010 to 2012.

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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.

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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.