

HUD HEARTLAND NEWS



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

Assistant Secretary Visits Rapid City



Left to right: Rick Garcia, Regional Administrator; Barb Garcia, Rapid City Community Development; Sam Koolker, Mayor of Rapid City; and Assistant Secretary Mercedes Márquez

On October 24, 2011 Assistant Secretary for Community Planning and Development Mercedes Márquez visited Rapid City to discuss the impact of the [Neighborhood Stabilization Program](#) (NSP) and to tour several projects funded through the NSP. Ms. Márquez' visit began with LaCrosse Apartments which consists of ten units of public housing. With the assistance of \$1.3 million from HUD, these units now provide affordable accessible housing for ten families in Rapid City.

Ms. Márquez later toured the Black Hills Workshop Foundation Homes, also known as Helena's Home and Jake's Place. They were built with the assistance of over \$350,000 of NSP funds, and provide housing and services for ten individuals with disabilities. These homes not only provide affordable accessible

housing, they also provided construction jobs during the building phase of the projects. The addition of Helena's Home and Jake's place created fifteen full-time permanent jobs.

Regional Administrator to Visit Sioux Falls

Regional Administrator Rick Garcia will be in Sioux Falls on November 16, 2011 to give the keynote address "Affordable Housing: Challenges and Opportunities" at the [Sioux Empire Housing Partnership](#) annual meeting. "A Blueprint for Change," will be held from 7:30 a.m. to 9:00 a.m. at the Holiday Inn City Centre in Sioux Falls. Mr. Garcia will hold a press conference and tour at 11:00 a.m. at 517 S. Spring Avenue. The property is a newly constructed home for individuals with disabilities.

Rural Innovation Fund Grants

On August 26, 2011, Regional Administrator Rick Garcia, Senator Tim Johnson, and Rural Development State Director Elsie Meeks jointly presented funding to seven South Dakota tribal organizations to address housing, poverty, and jobs.

HUD awarded \$2.9 million in [Rural Innovation Fund](#) grants to four tribal communities to address distressed housing conditions and concentrated poverty. The funds support innovative housing and economic development activities in rural areas. The HUD recipients include: Oglala Lakota Housing \$2,000,000; The Lakota Fund, Inc. \$300,000; Mazaska Owescaso Otipi Financial, Inc. \$300,000; and Four Bands Community Funds, Inc. \$300,000. To read the full press release and complete list of recipients, click [here](#).



Left to right: Colleen Steele - The Mazaska Owescaso Otipi Financial, Tawney Brunsch - The Lakota Fund, Fr. George Wirszenburg SJ - Red Cloud Indian School, Taylor Little Whitman - Oglala Sioux Housing Authority, Senator Tim Johnson, Elsie Meeks - Rural Development State Director, Mark St. Pierre - Wounded Knee Community Development Corporation, Lakota Mowrer - Four Bands Community Fund, Rick Garcia - HUD Regional Administrator

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CALENDAR OF EVENTS:

November 14-18

[Hunger and Homeless Awareness Week Events, Sioux Falls](#)

November 24

[Office Closed for Holiday](#)

December 15

[Affordable Housing Summit, Sioux Falls](#)

December 26

[Office Closed for Holiday](#)

January 2

[Office Closed for Holiday](#)



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Email: answers@hud.gov

Search online: www.hud.gov/answers



Foreclosure Prevention in the Spotlight

In September 2011, HUD, the Department of the Treasury, and the Ad Council joined together to launch a new phase of their Foreclosure Prevention Assistance Public Service Advertising (PSA) Campaign.

The purpose of the PSAs is to have homeowners struggling with their mortgage payments call immediately to seek help. The Making Home Affordable Program provides free resources and can be contacted at 1-888-995-HOPE (4673). The program is available online at MakingHomeAffordable.gov.

One in 11 homebuyers nationwide has missed two or more mortgage payments. The PSAs have been distributed to more than 33,000 media outlets nationwide. The ads are a follow-up to the nationwide campaign first launched in the summer of 2010.

FEDERAL HOUSING ADMINISTRATION

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

\$100 Down Program

The \$100 Down Program has been reauthorized for use. The program allows qualified homebuyers to purchase HUD Real Estate Owned (REO) properties using FHA financing for \$100 down instead of 3.5%. The requirements are:

- Must be owner occupant
- Must use FHA financing
- May use any FHA program including 203(k), Streamlined (k) and EEM
- Must submit a full price (list) offer
- No additional or special fees; standard closing costs apply
- HUD will pay up to 3% toward closing costs
- FHA base loan amount plus Upfront Mortgage Insurance Premium (UFMIP) may not exceed 100% of the "as is" appraised value



Learn more about the program at HUD's [website](#) and in [Mortgagee Letter 2011-19](#). Note: this Mortgagee Letter does not impact the Good Neighbor Next Door Program. Any questions, please contact the FHA Resource Center at 1(800) 225-5342.

Home Equity Conversion Mortgage Adjustments



FHA has implemented several adjustments to the Home Equity Conversion Mortgage (HECM) program over the last several months to support the financial health of the Mutual Mortgage Insurance Fund and the sustainability of the program for FHA eligible borrowers.

These adjustments include the following: the introduction of HECM Saver; increased annual Mortgage Insurance Premiums; the reduction of principal limit factors; and the issuance of extensive guidance on handling property charge related delinquencies.

South Dakota Single Family FHA Information

FY2011 Statistics	Jul	Aug	Sep
Loans Insured	202	245	224
First-Time Homebuyers	108	126	114
Minority Homebuyers	9	12	15
Default Rate	1.38%	1.25%	1.44%
Foreclosure Rate	0.58%	0.60%	0.61%
REO Properties			
Acquired	9	5	19
Sold	31	5	12
Owned	38	38	45

Hunger and Homeless Awareness Events in Sioux Falls

November 14-18, 2011 is designated "Hunger and Homeless Awareness" Week. The Sioux Empire Homeless Coalition has scheduled several events in Sioux Falls:

Nov. 14 – Press Conference "Federal Budget Cuts Affect Services", 9:30 a.m., 400 S. Phillips Avenue

Nov. 15 – Press Conference "Reality Shoppers Do a Food Challenge": Bishops and Anchors, 9:30 a.m., Sunshine Foods, 530 S. 2nd Avenue

Nov. 16 – Community-wide Town Hall "Is Poverty Inevitable? Tackling our biggest barrier!" with Dr. Susan Randall, 6:15 p.m., First Congregational Church, 300 S. Minnesota Avenue

Nov. 17 – Poverty Simulation, 8:00 a.m. to 12:00 p.m., Salvation Army, 800 N. Cliff Avenue; Community-wide Conference, 8:00 a.m. to 4:30 p.m., First Congregational Church, 300 S. Minnesota Avenue

Nov. 18 – Memorial Walk and Service, 12:00 p.m., 6th Street & Big Sioux River

For more information, contact Melanie Bliss at 271-2562 or email her at: siouxempirehomelesscoalition@gmail.com.

Sioux Falls Staff Recognized



Region VIII recently held its annual award ceremony and Jacqueline Westover and Lisa Wright of the Sioux Falls HUD Office were each recognized for their outstanding customer service.

Jacqueline's work in the processing of NAID applications, which allows real estate brokers to participate in the selling of HUD Homes, has resulted in a drastic drop in the number of complaints received regarding this process.

Lisa is dedicated to providing the best quality service for customers with little or no on-site assistance. In a small office with limited staff, she often adjusts her schedule to accommodate the needs of the office to ensure continuous coverage.

Jacqueline and Lisa have over 45 years of combined federal service.

New Matrix and Dashboard



HUD's Office of Community Planning and Development (CPD) recently released a [funding matrix and dashboard](#) which are reports that provide funding information for each city and state that receives CPD Program funds.

The reports detail the size of each grant received over the past several years, as well as the total amount of funds currently available. CPD funds can be used for various programs ranging from economic development to affordable housing.

In South Dakota, the recipients of CPD funding are the State, the City of Rapid City, and the City of Sioux Falls. For more information on the CPD Program, click [here](#).



Poverty Simulation

Many families in our community do not have to simulate poverty; they live it day to day. A unique opportunity is coming to Sioux Falls on November 17 from 8:30 a.m. to 12:00 noon at the Salvation Army in Sioux Falls. The poverty simulation helps to educate everyone, from policy makers to local community leaders, about the day to day realities of living with little or no money and lots of stress.

During the simulation, participants role play the lives of low-income families, from single parents trying to care for their children to senior citizens trying to maintain their self sufficiency on Social Security. The task of each family is to provide food, shelter, and other basic necessities during the simulation while interacting with various community resources staffed by low-income volunteers.

Although it uses "play" money and other props, fictional scenarios, and time limits, it is not a game. The poverty simulation is a tool that enables participants to view poverty from different perspectives in an experiential setting, while empowering low-income volunteers by allowing them an opportunity to interact with leaders from their community.

Anyone interested in participating can contact Melanie Bliss at the Sioux Empire Homeless Coalition at (605) 271-2562 or send an email to: siouxempirehomelesscoalition@gmail.com.

Discrimination Lawsuit in Sioux Falls



The Justice Department recently announced a [lawsuit settlement](#) alleging that Equity Homes Inc, PBR LLC, BBR LLC and Shane Hartung violated the [Fair Housing Act](#) by failing to provide features that would make their multifamily housing developments in Sioux Falls accessible to people with disabilities.

The respondents have agreed to remodel the developments to make them accessible and pay \$41,500 in damages. The complexes involved are East and West Briar Estates, Kensington Apartments, Beverly Gardens Apartments, Sertoma Hills Apartments and Villas.

2012 Fair Market Rents

The 2012 [Fair Markets Rents](#) (FMRs) were published in the Federal Register on September 30, 2011 and are effective as of October 1, 2011. The FMRs are used primarily to determine payment standard amounts for the Housing Choice Voucher program to determine initial renewal rents for some expiring project-based Section 8 contracts, as well as serve as a ceiling in the HOME rental assistance program.

Continuing Resolution

HUD is part of the first bill of appropriations, H.R. 2112. Congress hopes to finalize and pass the agreement to final bill language by November 18, which is when the current Continuing Resolution (CR) expires. It is expected that a third CR will be made part of the first bill and that the third CR will run through mid-December.

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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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Property Managers Charged with Disability Discrimination

A disability discrimination [lawsuit](#) against a Florida property owner was settled on September 29, 2011 involving a tenant diagnosed with chronic respiratory illness. The managers refused to transfer the tenant to a vacant non-smoking unit as a reasonable accommodation, thus violating 42 U.S.C. § 3604(f)(3)(B) of the [Fair Housing Act](#).



The tenant requested to move to a vacant apartment located between an elevator and a unit occupied by a non-smoker. The apartment was unoccupied and was being used as a "model" unit for prospective tenants. The managers offered her a vacant apartment that had been occupied by a tenant who smoked. The tenant was hospitalized twice by her neighbors' second-hand smoke.

The Fair Housing Act prohibits discriminating against any person because of race and/or color, sex, familial status, disability, religion, and national origin in any aspect of the rental, sale, occupancy, use, enjoyment, or advertisement of a dwelling.

Public Housing News-To-Use

For the most current information from HUD's Office of Public Housing in Denver, go to their [web site](#).

Multifamily Housing What's New

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

Bed Bugs

Bed bug infestations have become a serious problem in housing across the country, and HUD multifamily properties are not immune. The Office of Housing recently released Notice H 2011-20 to provide information and references to best practices regarding the prevention and control of infestations. The notice provides guidance on the rights and responsibilities of all parties involved. Read the entire [Notice](#).

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.