

HUD HEARTLAND NEWS



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

New Leadership in HUD Headquarters



Hunter Kurtz is the new Assistant Secretary of Public and Indian Housing. In this role, he will oversee more than 3,000 public housing authorities across the country to ensure the residents live in safe, sanitary and decent housing. Prior to his appointment, Kurtz served as the Principal Deputy Assistant Secretary of Public and Indian Housing. He also served in the White House as the Deputy Chief of Staff at the Council of Economic Advisers. He served prior to that as the Deputy Director of Detroit's Department of Housing and Revitalization.

Seth Appleton is the new Assistant Secretary of Policy Development and Research (PD&R). His role includes principal advisor on policy matters, research and demonstrations, economic information, innovation, international programs, and philanthropic initiatives. Prior to his appointment, Appleton served as Acting Assistant Secretary and General Deputy Assistant Secretary for Congressional and Intergovernmental Relations. Prior to that, he worked in the U.S. House of Representatives, including as Chief of Staff for Congressman Blaine Luetkemeyer of Missouri.



Ben DeMarzo is the new Assistant Deputy Secretary for Field Policy and Management (FPM), where he oversees the operations of HUD's regional and field offices. FPM communicates the priorities and policies of the Secretary and develops community relationships. FPM is HUD's first contact for services and information, and addresses program delivery issues and determines program impacts. Prior to his appointment he served as HUD's Director of Operations.

Sioux Falls Office Hosts National Meeting

HUD has 10 regional offices and 56 field offices across the country, many of which are in large metropolitan areas and many of which are in more rural areas such as South Dakota. The Sioux Falls HUD office was chosen from all of the small offices to host the first ever small office convening on August 5-6, 2019. Several of the participants had never been to South Dakota before and were impressed with the natural beauty of the Sioux Falls area.



Directors from coast to coast gathered to discuss the unique needs and experiences of a small office, shared their best practices, and problem-solved common challenges. The directors also explored how small offices can maximize available resources while delivering the best customer service to our clients. The one and a half day event included a ride on a nostalgic trolley bus touring new housing developments funded in part by HUD and developed in conjunction with the [City of Sioux Falls](#) and [Affordable Housing Solutions](#).

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CALENDAR OF EVENTS:

September 10, 2019

[Homeless Meeting](#)
Pierre

September 20, 2019

[VA Stand Down](#)
Sioux Falls

October 14, 2019

Office Closed for Holiday

October 16-17, 2019

[South Dakota Multi-Housing Convention](#)
Sioux Falls

October 29-30, 2019

[Housing Conference](#)
Pierre



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Email: answers@hud.gov

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Reducing Risk

The Federal Housing Administration (FHA) is lowering its maximum loan-to-value (LTV) requirements for cash-out refinance transactions from 85% to 80% in an effort to reduce risk. The changes will be effective for loans with case numbers assigned on or after September 1, 2019.

The new [policy](#) will help reduce risk associated with cash-out refinance lending and help to preserve homeowners' ability to convert home equity to cash.

FHA has been closely monitoring the risk associated with cash-out refinances and in 2009 adjusted the maximum LTV from 95 percent to 85 percent.

Cash-out refinances account for a large and growing segment (65%) of all FHA refinances and 15% of all mortgages endorsed.

FEDERAL HOUSING ADMINISTRATION

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Expanding Access to Condominium Mortgages

As part of FHA's objective to reduce regulatory barriers that restrict affordable homeownership opportunities, new condominium rules have been established that will become effective on October 15, 2019. The new approval rule includes:

- Individual condominium units will be eligible for FHA mortgage insurance even if the condominium project is not FHA-approved.
- The recertification requirement for approved condominium projects will be every 3 years instead of the current 2 years.
- More mixed-use projects will be eligible for FHA insurance.

Secretary Carson stated, "Today, we take an important step to open more doors to homeownership for younger, first-time American buyers as well as seniors hoping to age-in-place." It is estimated that 20,000 to 60,000 condominium units could become eligible for FHA insurance annually as a result of FHA's new policy. Read the [rule](#).

Promoting Development in Opportunity Zones



In an effort to increase lending in areas where affordable housing is most needed, FHA recently [announced](#) it will insure mortgages on mixed-use development under the Section 220 program in lower income communities designated as Opportunity Zones. Section 220 insures loans for multifamily housing projects in urban renewal areas, code enforcement areas, and other areas where local governments have begun revitalization activities. The announcement expands eligibility of mortgages insured to all 8,764 Opportunity Zones across the country, with the possible generation of \$100 billion in private capital investments in these areas.

Opportunity Zones were created as part of the 2017 Tax Cuts and Jobs Act, to spur economic development and job creation in low-income communities. Opportunity Zones provide tax benefits to investors who invest capital in these communities and generate growth in development in the communities that need it most. In South Dakota, there are 17 counties with areas designated as Opportunity Zones. To find out if there's opportunity in your neighborhood, go to the Treasury Department's [website](#).

South Dakota Single Family FHA Information

<u>FY2019 Statistics</u>	<u>Apr</u>	<u>May</u>	<u>Jun</u>
Loans Insured	136	198	218
First-Time Homebuyers	81	119	134
Minority Homebuyers	7	15	17
Default Rate	2.50%	2.45%	2.92%
Foreclosure Rate	0.15%	0.14%	0.14%
REO Properties			
Acquired	3	4	3
Sold	7	6	4
Owned	20	18	17

New CPD Director in Denver

Katy Burke was recently selected as the new Director of Community Planning and Development (CPD) in the Denver Regional Office. In this role, she will provide management oversight of CPD's operations and programs in South Dakota, North Dakota, Wyoming, Montana, Utah and Colorado.

Katy began at HUD as a Presidential Management Fellow in 2010 and has served as CPD Representative and Senior CPD Representative. Since 2014, she has had oversight of the office's operations, 54 formula grantees, and 102 competitive grantees.

Katy has a Master's Degree in Global Finance, Trade and Economic Integration from the University of Denver; a Master's of International Business Administration; and undergraduate in International Studies at Boston College.

Veterans Stand Down



The Veterans Stand Down will be held on September 20, 2019 from 9:00 a.m. to 1:00 p.m. at the VFW on 3601 South Minnesota Avenue in Sioux Falls. The event brings services to one location, making

them more accessible to homeless veterans. The event provides food, clothing, health screenings, counseling, and referrals for necessary services such as housing and employment opportunities.

Funding for Persons with Disabilities

HUD recently announced \$150 million in Mainstream Housing Choice Voucher Program [grants](#). The grants will provide an additional 18,000 non-elderly persons with disabilities access to permanent, affordable housing. Agencies are encouraged to partner with health and human service organizations to provide participants with support services. The deadline to apply for the grants is September 6, 2019.

FHA Refunds

For mortgagors owed a mortgage insurance [refund](#), the process to locate it is as simple as entering your name and state. After 2 years of attempting to contact mortgagors owed refunds, information on those unpaid cases is made available to the public and can be searched online by state. Mortgagors do not need to pay a third party to collect their refund. There are currently several pages of mortgagors listed that are owed refunds in South Dakota.

Tribal Communities Receive Funding

Two Native American housing authorities were recent recipients of HUD's Indian Community Development Block Grant Program (ICDBG). The Lower Brule Housing Authority and the Oglala Sioux (Lakota) Housing Authority each received \$800,000.

The [ICDBG](#) funds will help provide decent housing, suitable living environments, and economic opportunities for low and moderate income members of the tribes. The funding may be used to build or rehabilitate housing, buy land for housing, infrastructure projects, and to increase economic development including jobs. The ICDBG program was established in 1977 to help Indian tribes meet their community development needs and to help develop viable communities.

Funding for Storm Damage



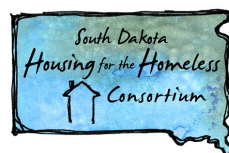
SOUTH DAKOTA HOUSING OPPORTUNITY FUND

The South Dakota Housing Development Authority (SDHDA) recently announced \$165,000 is available in Housing Opportunity

Funds to help families affected by the spring storms. Areas eligible include the Cheyenne River, Pine Ridge, and Rosebud Reservations as well as Bennett, Bon Homme, Charles Mix, Dewey, Hutchinson, Jackson, Mellette, Minnehaha, Oglala Lakota, Todd, Turner, Yankton, and Ziebach counties.

Families may be eligible for as much as \$5,000, but they must have incomes at or less than 80 percent of the area median income. Those interested need to apply to [SDHDA](#) by September 30, 2019.

Funding for Homeless Programs



HUD has announced a record \$2,254 billion in fiscal year 2019 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.

In fiscal year 2018, HUD awarded more than \$1.3 million to support Continuum efforts in South Dakota. For more information, visit the 2019 Continuum of Care Notice of Funding Availability ([NOFA](#)). Agencies interested in applying can contact the [South Dakota Housing for the Homeless Consortium](#). The Consortium will submit a unified application on behalf of all applicants. The deadline to apply is September 30, 2019.

Fair Housing Academy



HUD, the John Marshall Law School in Chicago, and Cloudburst Consulting Group, Inc. will partner together to establish a **National Fair Housing Training Academy**.

The Academy will develop effective strategies for addressing discriminatory housing policies and procedures across the country.

John Marshall Law School will receive \$1.5 million to provide training pertaining to civil rights history, trends in housing discrimination, and investigating housing discrimination complaints.

Cloudburst Consulting Group, Inc. will receive almost \$1.5 million to launch an online platform to deliver trainings more effectively resulting in cost savings to taxpayers. The Academy will serve as a think tank in which civil rights professionals share and explore best practices. The Academy will create a consistently evolving clearinghouse of fair housing education and outreach materials.

Learn About Opportunity Zones



The HUD Region 8 Office of Field Policy & Management just released a **webinar** explaining the Opportunity Zone program. Opportunity Zones were established by the Tax Cuts and Jobs Act of 2017 as a way to generate economic

development and job creation in low-income communities. The webinar explains HUD's role in Opportunity Zones and includes several program changes to leverage public funds to maximize the impact of the program in Qualified Opportunity Zones in our region.

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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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Out of Reach Report

The National Low-Income Housing Coalition recently released their **Out of Reach Report**. According to the report, a person in South Dakota must work 53 hours per week at minimum wage to afford a one-bedroom apartment at the Fair Market Rent rate of \$626. It would take 1.3 full-time jobs earning minimum wage to be able to afford a one-bedroom apartment. To afford a two-bedroom apartment at \$796, the person would need to earn \$15.30 per hour to be able to afford it. South Dakota ranks 46th in the nation according to the report.

Affordable Housing Council



On June 26, 2019, President Trump signed an **Executive Order** to establish a White House Council on Eliminating Barriers to Affordable Housing, naming Secretary Carson as Chair. The Council's purpose is to identify, reduce, and remove regulatory barriers to expand the country's affordable housing supply by engaging with state, local, and tribal leaders. The Council's goals include:

- 1) Mitigate federal laws and regulations that have a negative impact on creating and preserving affordable housing;
- 2) Identify and implement incentives to encourage adoption of state and local policies; and
- 3) Develop research projects to study the impact of regulations on the cost of affordable housing.

Fostering Youth to Independence

HUD announced an **initiative** to enable housing authorities and child welfare agencies to address the housing needs of foster care children who "age out" of the system. Through this initiative, HUD will award additional Housing Choice Vouchers to housing authorities that do not currently administer a Family Unification Program.

The new initiative will assist those under the age of 25 who are or have recently exited foster care in securing permanent affordable housing. The housing authorities who currently administer the housing choice vouchers enter into a partnership agreement with a welfare agency, accept referrals from that agency and determine that the referred children are eligible to receive a voucher.

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.