

HUD HEARTLAND NEWS



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Regional Administrator Visits Pine Ridge



Field Office Director Roger Jacobs, Andy Iron Shell, Thunder Valley, RA Lim, Hilary Atkin, & Gary Nemeec, ONAP

Newly appointed Regional Administrator (RA) Evelyn Lim recently toured the Pine Ridge Indian Reservation, learning of the good things that are happening and the challenges that they struggle with. RA Lim toured [Thunder Valley's](#) development where they are building new homes and apartments. Over 50 applications were received for a new 12-unit apartment complex. Lim also visited with local artists who were selling their artwork to visitors at Wounded Knee.

RA Lim visited with [Re-Member](#), a non-profit group that hosts over 1,300 volunteers for 6 days each year, with 3 days of cultural awareness and 3 days of volunteer labor. The labor involves assisting residents on the reservation with various home repair projects, including installing out-houses. Lim met with John Haas, the new Executive Director of the [Oglala Sioux Lakota Housing Authority](#), who provided an overview and history of the housing authority. With staff from Oglala Sioux Tribal Partnership for Housing, Lim toured a newly constructed tiny house that will be occupied by a veteran.



RA Lim and John Haas, Executive Director of Oglala Sioux Lakota Housing

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Finding Opportunity in Opportunity Zones

On December 12, 2018, President Trump established the White House Opportunity and Revitalization Council, which consists of 13 agencies whose mission is to “jump-start” development in urban and rural communities through the creation of [Opportunity Zones](#). Opportunity Zones were created as part of the 2017 Tax Cuts and Jobs Act as low-income areas in which new investments are eligible for preferential tax treatment. The localities are chosen by the state and certified by the Secretary of the Treasury.

The following 17 counties in South Dakota have areas within them designated Opportunity Zones: Beadle, Brookings, Brown, Brule, Charles Mix, Clay, Codington, Dewey, Lake, Lyman, Minnehaha, Pennington, Roberts, Oglala Lakota County, Todd, Tripp, and Yankton. To see a map of these areas, visit the Treasury Department’s [website](#).

In addition to the tax incentives, FHA just [announced](#) reduced mortgage fees for multifamily property owners who invest in Opportunity Zones. For transactions that are “broadly affordable”, FHA is reducing the application fee from the current \$3 per thousand dollars of the requested mortgage amount to \$1 per thousand dollars of the requested mortgage amount. For transactions that are “market rate” and “affordable”, FHA is reducing the application fee from \$3 to \$2 per thousand dollars of the requested mortgage amount.

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CALENDAR OF EVENTS:

- [June 6, 2019](#)
[SD Native Homeownership Tour](#)
Rosebud Reservation
- [June 14, 2019](#)
[Fair Housing Accessibility FIRST](#)
Denver
- [June 18-19, 2019](#)
[Homeless Summit](#)
Oacoma
- [June 19-20, 2019](#)
[RuralX19](#)
Mitchell
- [July 24, 2019](#)
[Lead Safe Housing Rule](#)
Underwriting & Appraisal
Denver



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FEDERAL HOUSING ADMINISTRATION

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Native Homeownership Tour and Convening

The [South Dakota Native Homeownership Coalition's](#) annual coalition tour and convening will be held on the Rosebud Reservation June 6, 2019. The event will include learning about the exciting work underway and plans for the future, in addition to hearing from tribal leadership and state representatives. The tour will feature the Sicangu Village Development, the Ojinjinka Housing Development Corporation (manufactured housing plant), Rosebud Economic Development Corporation's (REDCO) community development site, an innovative solar energy project, and Indian Health Services apartments built by REDCO's construction company.

In addition to the tour, in-depth discussions will be held on the Sicangu Nation's model land management system, workforce development efforts, resources for renovation and rehab projects, and veterans' issues. For more information or to register to attend [email](#) the South Dakota Native Homeownership Coalition.



Innovative Housing Showcase



The National Association of Home Builders and HUD will co-host the

Department's inaugural "Innovative Housing Showcase" on the National Mall June 1-5, 2019.

The showcase will educate policy makers and the public on the new housing innovations and building technologies that are helping address the affordable housing challenges across our country.

The showcase will feature 18 exhibitors consisting of prototype homes, demonstrations on building technology, homebuyer information, and housing counseling services. Highlighted will be solutions for making housing more affordable for families and more resilient during natural disasters. Visit HUD's [website](#).

Proposed Lender Certification Requirements

In an effort to encourage more lender participation in FHA loans, FHA has proposed several revisions to its lender certification requirements. FHA is proposing revisions to the Addendum to Uniform Residential Loan Application (Form 92900-A) and the annual lender certification form. Also, FHA is revising its Defect Taxonomy to clarify the loan defect categories and how FHA weighs the severity of each defect. Stakeholders may submit feedback during the 30-day period that ends June 8th. For more information, visit [FHA's drafting table](#).

Clarification for Revitalization Areas



HUD published a [Federal Register Notice](#) to solicit comments on the proposed criteria for designating revitalization areas. Revitalization areas were created with the intention of revitalizing low income areas by offering the homes for sale at a discount. The designated Opportunity Zones may overlap these areas; therefore, clarification is needed on what the criteria are in effort to provide expanded homeownership opportunities.

South Dakota Single Family FHA Information

<u>FY2019 Statistics</u>	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>
Loans Insured	159	140	136
First-Time Homebuyers	93	92	75
Minority Homebuyers	9	10	4
Default Rate	2.81%	2.65%	2.49%
Foreclosure Rate	0.12%	0.14%	0.13%
REO Properties			
Acquired	7	9	5
Sold	3	12	6
Owned	28	25	24

New Regional Administrator

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Ms. Evelyn Lim was [sworn in](#) as the new Rocky Mountain Regional Administrator in March. Prior to her appointment at HUD, Ms. Lim served as the Deputy Chief of Staff for Operations at the Department of Homeland Security (DHS), the third largest federal cabinet department.

Ms. Lim received her undergraduate degree from the University of Illinois at Urbana-Champaign and her Juris Doctor from DePaul University in Chicago. Ms. Lim knows first-hand what it's like to grow up in assisted housing, having been raised in public housing in Chicago after her parents came from the Philippines in the 1970's. Ms. Lim is excited to be back in Denver, where she lives with her son. We welcome Ms. Lim to the Region.

Emergency Solutions Grants



Recently, the [South Dakota Housing Development Authority](#) announced the availability of Emergency Solutions Grants (ESG) program funds for

nonprofits and local governments. ESG provides funding for rental assistance and services to stabilize and rapidly re-house persons who are homeless or at risk of becoming homeless. Applications are due May 31, 2019.

Selling to the Government

The Sioux Falls Procurement Committee is hosting two "Selling to the Government: Getting Down to Business" fairs. The Sioux Falls event is June 6, 2019 at the Morningside Community Center at 2400 S. Bahnsen Avenue from 9 a.m. to 1 p.m. The Aberdeen fair is June 17, 2019 at the Smart Center at 416 Production Street N. from 1 to 3 p.m. Contact [Kareen](#) or [Lisa](#).

Sioux Falls Housing Summit



On May 9, 2019, Mayor Paul TenHaken hosted a housing summit, bringing together local industry experts to draw awareness to the various efforts underway to provide clean, safe, and affordable housing to all

Sioux Falls citizens. Experts from non-profit agencies, faith-based groups, veteran organizations, developers, property managers, investment groups, and state and local government representatives provided panel discussions on recent initiatives within Sioux Falls, owner-occupied housing trends, and rental housing trends.

Section 3 Program

June 3, 2019 is the deadline to submit comments on the proposed rule to make the [Section 3 program](#) more efficient & effective. Section 3 requires recipients of specific HUD assistance to provide training, employment, etc. to low-income persons, especially those who receive assistance for housing, and to businesses that provide economic opportunities to low-income persons.

A Section 3 resident is one who lives in public housing or in the area of a HUD-assisted project. A Section 3 business is 51 percent or more owned by Section 3 residents; or employs Section 3 residents for at least 30 percent of its full-time staff; or provides evidence of a commitment to subcontract in excess of 25 percent of the dollar award of all subcontracts to businesses that meet the above criteria.

The Section 3 [Opportunity Portal](#) helps grantees and businesses meet their obligations for employment and contracting; and helps Section 3 residents find jobs. The Section 3 [Business Registry](#) helps businesses check to see if they qualify, self-register, and search for existing businesses. Recipients of HUD funding are also able to search for registered businesses. The Section 3 Frequently Asked Questions ([FAQ's](#)) offers more information about the program.

Upcoming Training

- On June 14, 2019, Fair Housing Accessibility FIRST will be hosting a free training session on the design and construction requirements of the Fair Housing Act for multifamily dwellings. The training will be held in in Denver at the Mile High United Way from 8:30 a.m. to 4:45 p.m. mountain time. [Registration](#) is required.
- On July 24, 2019, the Denver Homeownership Center will present a 4-hour single family training session, with 3 hours on underwriting and 1 hour on appraisal. The training will be held from 8:30 a.m. to 12:30 p.m. CT time via video teleconference system and can be viewed in the Sioux Falls HUD office building at 4301 W. 57th St. Registration is forthcoming.
- Lead Safe Housing Rule (LSHR) Amendment Training will be held on July 24, 2019 in Denver. The free 3-hour training for public housing authorities, grantees, and owners will review federal lead regulations and cover the LSHR Amendment for pre-1978 housing. [Registration](#) is required. For those who cannot attend in person, a webinar will be available later this year.



Facebook Charged

On March 29th, HUD charged Facebook with violating the Fair Housing Act by encouraging, enabling, and causing housing discriminations through the company's advertising platform. Under the Fair Housing Act, it is unlawful to discriminate in housing based on race, color, national origin, religion, sex, familial status, and disability.

Following the investigation of a complaint filed August 13, 2018, HUD found that Facebook unlawfully discriminates by restricting who are able to view housing-related ads on their platforms and across the internet. HUD also claims the company mines extensive data from its users and uses that data to determine which of its users view housing-related ads based in part on the protected characteristics, which results in limiting their housing choices.

In particular, the charge states that Facebook enabled advertisers to exclude parents, non-American-born, non-Christian, accessibility, Hispanic culture, etc. HUD claims Facebook enabled advertisers to exclude people based on where they live by drawing a line around their neighborhoods. Facebook also allegedly allowed the option of showing ads only to men or only to women. Read [HUD's charge](#).

2019 Income Limits Released

Fiscal Year 2019 [income limits](#) were released and became effective on April 24, 2019. The income limits are used to determine eligibility for HUD-assisted housing programs. The income limits are based on Median Family Income estimates and Fair Market Rent area definitions.

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

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Opportunity Zones

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Read the definition of the affordable and market rate terms in the [Federal Register](#).

We emailed a Request for Information in April seeking input on how to maximize the impact of Opportunity Zones and the best way for HUD to interact with state, local, & tribal officials as well as businesses & individuals from the private sector. Suggestions can be made [here](#).

Smoke Free Workshop

Over 50 housing professionals attended a smoke free multi-housing workshop on May 7, 2019 in Rapid City. Participants learned the health impacts and the true cost of smoking in multifamily housing. They were assured that smoking is not a protected class and that prohibiting smoking in and around their property is legal.

The audience received tips on how to implement no smoking policies and learned enforcement tactics for violators. Participants heard from professional cleaning companies on how to best clean units that have been smoked in and learned of the damages that can't be seen. They also learned of costs as a result of the smoke damage each time a unit is rented again.

Protecting Against Carbon Monoxide



Carbon monoxide is an odorless gas produced by fuel-fired appliances such as stoves, fireplaces, gas ranges, and furnaces. When the gas builds up in enclosed spaces it can be deadly. HUD recently sent a notice to public housing authorities and private owners of its subsidized housing, encouraging them to protect their residents by having working carbon monoxide detectors in all of their properties. As a result of the unevenness of state and local laws, HUD is proposing a new rule that would require them in all HUD-subsidized housing. Read [more](#).

Dental Care for Underserved Children

The [Delta Dental Mobile Program](#) provides oral health services to underserved children. The program includes two trucks that serve as mobile clinics to provide dental care to children across South Dakota. See the [schedule](#).

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.