

HUD HEARTLAND NEWS



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

New Region VIII Deputy Regional Administrator



On October 28, 2019, Erik Amundson was announced as the new Region VIII Deputy Regional Administrator. Erik has been acting in the position for the past five months. As the Department's highest-ranking career official in Region VIII, Erik directs the management of the Denver Regional HUD office, as well as its field offices in Montana, North Dakota, South Dakota, Utah, and Wyoming. He also oversees the delivery of HUD's homeownership, affordable housing, community development, fair housing, and Native American housing programs throughout the region.

Many of you may recognize Erik as he served in the South Dakota HUD office as a Management Analyst from 1999 to 2008. Prior to his current position, he served as the Field Office Director of the Montana HUD office from 2008 to 2019. Erik is a graduate of HUD's Emerging Leaders Program and mentors new leaders through the Department's formal mentoring program. Erik holds a PhD in International Development and has published several articles in peer-reviewed journals on the topics of homelessness, poverty, and migration. Erik lives in Denver with his wife and two sons. Congratulations to Erik and best wishes on your new position at HUD!

\$4.4 Million Awarded to Communities in South Dakota



On November 7, 2019, Governor Kristi Noem announced more than \$4.4 million in Community Development Block Grant (CDBG) funds to seven projects in South Dakota. The CDBG program is funded by HUD and administered by the [Governor's Office of Economic Development](#). The program allows local governments to complete projects that improve living conditions in their communities.

The projects awarded include:

- Avon, \$166,665 for improvements to the city's water and sanitary sewer system.
- Delmont, \$770,000 to make upgrades to its wastewater and storm sewer system.
- Hot Springs, \$565,975 to assist with sewer and water infrastructure on Hwy 385-18.
- Irene, \$770,000 for improvements to the city's wastewater and water infrastructure.
- Marion, \$767,000 to assist with water and sewer improvements.
- Viborg, \$770,000 to assist with storm and sanitary sewer improvements.
- Whitewood, \$596,516 for improvements to the city's water and sanitary infrastructure.

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CALENDAR OF EVENTS:

November 28, 2019

Closed for Holiday

December 10, 2019

[Homeless Consortium Meeting](#)
Pierre

December 25, 2019

Closed for Holiday

January 1, 2020

Closed for Holiday

February 4-6, 2020

[Crime Prevention Summit](#)
Denver



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

Email: answers@hud.gov

Search online: www.hud.gov/answers



Mortgage Relief for Homeowners Affected By Disasters

[Mortgagee Letter 2019-14](#) outlines updated procedures for the evaluation and use of FHA's loss mitigation home retention options for borrowers in a Presidentially declared major disaster area. This will allow homeowners in the affected areas to bring their mortgages current without increasing their interest rates or principal and interest payments.

Homeowners are required to meet the following: they work or live within the disaster area; their ability to make mortgage payments is directly or significantly affected by the disaster; their mortgage was current or less than 30 days past due prior to the disaster; and they have not previously been approved for a forbearance or other loss mitigation program.

FEDERAL HOUSING ADMINISTRATION

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Housing Counseling Grants Awarded



On October 2, 2019, the South Dakota Housing Development Authority (SDHDA) was awarded \$213,520 in housing counseling grants. Since 1998, SDHDA has administered HUD's [Housing Counseling Grant program](#) for housing counseling service providers across the state. SDHDA has disbursed more than \$3 million through the program, benefiting over 49,863 residents in South Dakota.

Mortgage Insurance Fund Strong

FHA's Annual Report to Congress states at the end of Fiscal Year (FY) 2019, the FHA Mutual Mortgage Insurance Fund (MMI Fund) capital ratio was 4.84 percent, its highest level since FY 2007. The minimum capital ratio for the MMI Fund is 2 percent, as set by Congress. The MMI Fund includes mortgage purchases, refinances, and Home Equity Conversion Mortgages (HECMs). At the end of FY 2019, FHA insurance on mortgages was valued at almost \$1.3 trillion. The MMI capital (economic net worth) of the forward book of business improved by over 42 percent, valued at over \$66.6 billion. The HECMs improved substantially from -18.83 percent capital ratio in FY 2018 to -9.22 percent in FY 2019. To read the full report, go to [HUD's website](#).

Veteran's Housing Needs Studies Released



The South Dakota Native Homeownership Coalition (SDNHC) recently reported the completion of a housing needs and homeownership studies for veterans of three tribal housing entities. The first of this kind studies includes the Cheyenne River Housing Authority, Oglala Sioux Housing, and Sisseton Wahpeton Housing Authority.

The studies are being used to identify housing and service issues and to create programs to address the issues. As a result, the Lakota Funds matched savings program was launched to provide down payment assistance for the veterans. The program also provides assistance by guiding them one-on-one through the homeownership process. To read more about the studies, go to [SDNHC's website](#).

South Dakota Single Family FHA Information

<u>FY2019 Statistics</u>	<u>Jul</u>	<u>Aug</u>	<u>Sep</u>
Loans Insured	254	257	229
First-Time Homebuyers	168	156	133
Minority Homebuyers	15	16	20
Default Rate	2.80%	2.87%	2.96%
Foreclosure Rate	0.11%	0.11%	0.11%
REO Properties			
Acquired	3	5	5
Sold	1	5	2
Owned	19	19	22

Affordable Housing in Sioux Falls



The recent opening of Midtown Heights on 2601 E. 8th Street increased the affordable housing supply in Sioux Falls by 39 units. The \$5.7 million project was funded in part with the assistance of Low-Income Housing Tax Credits, [HUD's HOME funds](#), Housing Trust Funds, and City of Sioux Falls funds.

The project consists of 17 one-bedroom units, 13 two-bedroom units, and 9 three-bedroom units. All 39 units provide housing for households at or below 60% of the area medium income. The project includes nine units under [HUD's Section 811 Supportive Housing for Persons with Disabilities program](#) which provides housing for individuals with disabilities with the availability of supportive services.

HUD's Reform Plan Submitted

Earlier this year in March, President Trump issued a memorandum instructing HUD and the Treasury to create a Housing Finance Reform Plan. HUD recently submitted its [Reform Plan](#) for reforming the housing finance system. The Plan's objectives:

1. Refocuses FHA to its core mission;
2. Protects American taxpayers;
3. Provides FHA and Ginnie Mae with tools to manage risk; and
4. Provides liquidity to the housing finance system.

Healthy Homes Funds Awarded



On September 30, 2019, HUD [awarded](#) \$545,710 to the Sisseton-Wahpeton Oyate Tribe to assist with home health and safety hazards. The HUD Healthy Homes Production program for Tribal housing funds are part of \$5 million awarded to six tribal communities across the country. The funds

will help to identify and clean up lead and mold in low-income housing.

The Sisseton-Wahpeton Oyate Tribe is in a designated Opportunity Zone - a distressed, low-income area in which investors in these areas who foster economic revitalization, create jobs, and promote economic growth, receive tax incentives. Opportunity Zones were created under the 2017 Tax Cuts and Jobs Act to spur economic development in distressed areas.

Native Veterans Awarded

On September 25, 2019, HUD and the Department of Veterans Affairs [awarded](#) \$76,890 to the Oglala Sioux (Lakota) Housing Authority on the Pine Ridge Reservation and \$47,676 to the Sicangu Wicoti Awayankapi Corporation on the Rosebud Reservation. The funds will help to find permanent homes and supportive services for veterans of each tribe who are homeless or at risk of experiencing homelessness. The funds are part of \$2.9 million in grants awarded to 25 tribes across the country.

Section 811 Funding Opportunity

For the first time in nearly a decade, HUD is [offering](#) a total \$112 million to support existing developments and to expand affordable housing opportunities for extremely low income persons ages 18 and older with disabilities. The funding is available for the Section 811 Program Supportive Housing for Persons with Disabilities and Section 811 Project Rental Assistance. The application deadline for eligible non-profit entities is February 10, 2020.

Crime Prevention Summit in Denver

The National American Indian Housing Council (NAIHC) has announced a national Crime Prevention Summit will be held on February 4-6, 2020 in Denver, Colorado. The Summit is for tribal leaders and federal agencies to discuss methamphetamines prevalence, opioid addiction, violence against women, and gang violence. Participants will discuss how these crimes affect their communities, ideas for implementing policies to prevent and address these crimes, and funding sources available. Registration is available now on [NAIHC's website](#).

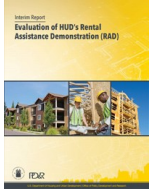


Opportunity Zone Website

A new [website](#) has been created providing a comprehensive tool for the White House Opportunity and Revitalization Council's Opportunity Zones initiative. The website is intended for residents in the Opportunity Zones, state and local leaders, investors, and entrepreneurs.

The website features an interactive map of the 8,764 Opportunity Zones; links to each state's and territory's Opportunity Zones; tools and resources that support the residents and complement qualified Opportunity Fund investments; and completed actions of each White House Opportunity and Revitalization Council member agency.

RAD Is Working



A recent [analysis](#) found the Rental Assistance Demonstration (RAD) is working. A total of 956 public housing projects with 103,268 units of public housing have been converted to project-based Section 8 or project-based vouchers. The projects raised \$12.6 billion of capital. In South Dakota, the City of Mitchell

Housing and Redevelopment Commission converted 113 units at Meadowlawn Plaza Apartments in Mitchell.

The Rental Assistance Demonstration was created in 2012 in an effort to address the critical capital needs of distressed public housing. Through the program, public housing authorities and HUD-assisted property owners are allowed to convert units from their original financing sources to project-based Section 8 contracts.

HUD announced the expansion of RAD to include the Section 202 Supportive Housing for the Elderly Project Rental Assistance Contracts. Nationwide, there are approximately 120,000 units across 2,800 properties for the very low-income elderly that are eligible for the program.

New Fair Market Rents



Effective October 1, 2019, Fair Markets Rents (FMRs) for Fiscal Year 2020 were released on the [huduser website](#). FMRs are used 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.

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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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Assistance Animal Documentation Websites Investigation



In an effort to stop certain websites from taking advantage of persons with disabilities by selling assistance animal documentation to consumers illegally and having them pay several hundreds of dollars, HUD Secretary Ben Carson has asked for an investigation by the Federal Trade Commission and the Bureau of Consumer Protection. Some of the websites also mislead the consumers by stating that they are affiliated with the federal government.

Documentation from a healthcare professional is helpful for housing providers when granting reasonable accommodations for individuals with disabilities who need assistance animals to do work, perform tasks or assist them in their day to day living. The Fair Housing Act requires housing providers to grant this reasonable accommodation so that they may have equal opportunity to enjoy their dwellings.

To report any suspicious or potentially fraudulent activity, contact the Federal Trade Commission at (877) 382-4357 or visit their [website](#). To report housing discrimination, contact HUD's Office of Fair Housing and Equal Opportunity at (800) 669-9777 or visit their [website](#).

Funding for Housing Authorities



Public Housing Authorities (PHAs) with existing housing choice vouchers are eligible to apply for Family Unification Program funds. The funds allow PHAs to partner with child welfare agencies to provide rental vouchers to families to prevent separation due to homelessness and to prevent homelessness among aging-out youth.

Families in imminent danger of losing their children to foster care and those unable to regain custody of their children due to housing issues are eligible. Youth ages 18-24 years old who have left or are leaving foster care within 90 days and are homeless or are at risk of being homeless at age 16 or older are eligible. A total \$20 million is available. Public Housing Authorities need to apply by December 17, 2019 via [Grants.gov](#).

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.