

HUD HEARTLAND NEWS



South Dakota HUD Office Quarterly Newsletter - November 2022



INSIDE THIS ISSUE:

Land & Lending Conference -----	2
Office of Housing Counseling -----	2
FHA Expands Homeownership -----	2
SD Single Family FHA Information ----	2
Four Bands Community Fund -----	3
SDHDA Awards \$5.7M for Housing ----	3
USD Receives Research Grant -----	3
Funding Awarded to Tribes -----	3
COVID-19 Funding Available -----	4
Section 202 Funding Available -----	4
Section 202 Contract Renewals -----	4
Law Student Internship Program -----	5
Updated Disaster Guidebook -----	5
Early Learning Resources -----	5
Health Connect Fair -----	5
Assistance Available for Internet -----	5
Fair Market Rents for FY 23 -----	5

CALENDAR:

- Dec 13 - Homeless Consortium Meeting in Chamberlain

Reflections

By: Roger Jacobs, Field Office Director



The weather is turning colder and winter is right around the corner. The holiday season is approaching quickly and before we know it, we will be turning the calendar to 2023. As I reflect over the past several months and look forward to 2023, I would like to share some thoughts and say thank you.

We recently celebrated Veterans Day, a day where we honor and commemorate the Veterans who made the ultimate

sacrifice and those that served valiantly in combat and in peace time. At a recent event that I attended, they honored a Korean War Veteran whose remains were identified and returned to the family for proper recognition and burial. It was a moving experience that will remain with me for a long time. Thank you to my fellow Veterans and a huge thank you to the families of Veterans who also sacrificed, but seldom receive the accolades the Veterans receive. Thank you, family members of Veterans!

The holidays are right around the corner where many of us will gather with family and friends to celebrate. Many families will experience the traditional Thanksgiving or Christmas dinner, turkey, ham, mashed potatoes and all the fixings. Then come the desserts, traditional apple and pumpkin pie and we can't forget the cool whip and ice cream to garnish the pie. Unfortunately, there are families that will not have that experience - families living in cars, tents or other areas not meant for habitation. However, because of the hard work by dedicated folks who work with homeless families, some previously homeless families will have the opportunity to experience family time around the table and build good memories. A huge THANK YOU to everyone who works tirelessly to help those in need. You make this world a better place!

SINGLE FAMILY UPDATES

HUD Participates in Land & Lending Conference

On September 8, 2022, Roger Jacobs and Matt Cerny presented at the 2nd annual South Dakota Land and Lending Conference in Sioux Falls. The event was attended in-person by over 350 people.

Hosted by South Dakota State University's Ness School of Management and Economics, the conference covered a number of sessions related to encouraging and strengthening the relationship between education and real estate professionals to serve the needs of South Dakota and the regional community.

Jacobs and Cerny led a break-out session titled "The Financial Impacts of HUD Programs in South Dakota." They provided an overview of HUD programs, highlighted the dollars that are allocated annually to the state, and gave examples of how the dollars are used. The session was well-attended with lively discussion from the participants on HUD's role in South Dakota in creating partnerships and supporting affordable housing.



Roger Jacobs presents at the SDSU Land & Lending Conference

HUD's Office of Housing Counseling Celebrates 10 Years

On October 3, 2022, HUD's Office of Housing Counseling ([OHC](#)) celebrated 10 years of supporting housing counseling services to housing counseling agencies. The OHC was launched in 2010, reporting directly to HUD's Assistant Secretary for Housing as part of the Dodd-Frank Wall Street Reform and Consumer Protection Act. The OHC continues to support housing counseling agencies, has served over 12 million individuals and households, and has provided over \$450 million in grant funding to HUD-approved and participating agencies.

FHA Expands Homeownership for Homebuyers with a Positive Rental History

FHA recently [announced](#) that first-time homebuyer's positive rental payment history will be included in the credit assessment performed in the Technology Open to Approved Lenders (TOTAL) Mortgage Scorecard. The intention is that more first-time homebuyers will be able to qualify for an FHA-insured mortgage. Lenders will obtain verification of the borrower's on time rental payments and indicate the positive rental payment history for the borrower within the Scorecard. The addition of positive rental payment history in the TOTAL Mortgage Scorecard is effective for scoring events on or after October 20, 2022 and for case numbers assigned on or after September 20, 2021.



SD Single Family FHA Information

<u>FY2022 Statistics</u>	<u>Jul</u>	<u>Aug</u>	<u>Sep</u>
Loans Insured	184	197	160
First-Time Homebuyers	116	127	101
Minority Homebuyers	84	88	84
Default Rate	3.54%	3.30%	3.38%
Foreclosures	66	68	62
<u>REO Properties</u>			
Acquired	1	0	0
Sold	0	0	2
Owned	12	12	10

FUNDING UPDATES

Four Bands Community Fund Awarded \$45 Million Economic Development Administration Grant



On September 2, 2022, President Biden announced the Mountain Plains Regional Native CDFI Coalition (Coalition) as one of 21 winners of the \$1 billion Build Back Better Regional Challenge, the most impactful regional economic development competition in decades. Funded by the American Rescue Plan and administered by the Dept. of Commerce's Economic Development Administration (EDA), the Regional Challenge awarded approx. \$45 million in grants to the Coalition, led by the [Four Bands Community Fund](#), to grow the Indigenous finance sector and expand economic opportunity in Native American communities in Montana, North Dakota, South Dakota, and Wyoming.

With \$45 million in funding from EDA, the Coalition - through an alliance of nine Native Community Development Financial Institutions (CDFIs) - will provide financial investment to Indigenous businesses and entrepreneurs that will drive business development and job creation. The creation of a locally led financing infrastructure aims to reverse decades of historical disinvestment and institutionalized inequities for Native communities. EDA funding will also support a training program, improve data infrastructure, and make other investments that will expand the capacity of the Indigenous financial sector. The Coalition presents a first-of-its-kind, cohesive model for Native communities to develop a sustainable private sector while also establishing economic sustainability and resilience.

SDHDA Awards \$5.7 Million for Affordable Housing

South Dakota Housing Development Authority (SDHDA) recently [awarded](#) more than \$5.7 million in HUD's [HOME-ARP](#) (American Rescue Plan) Act funding to help communities in South Dakota create affordable housing and services for people experiencing or at a risk of experiencing homelessness, including those who are human trafficked or fleeing domestic violence. The HOME-ARP program funds were awarded to the following entities:

- *House of Hope Emergency Shelter*, Pierre, \$1,160,000 for new construction of a shelter with 13 residential units
- *Inter-Lakes Community Action Partnership* (ICAP), Sioux Falls, \$1,161,330 for the purchase and rehab of a 24-unit shelter into 10 non-congregate multi-bedroom units for families with children
- *River City Domestic Violence Center*, Yankton, \$1,161,330 for the construction of a 1-story, non-congregate shelter with 4 residential units, added to the existing shelter
- *Safe Place*, Mitchell, \$1,161,330 for the construction of a 2-story non-congregate shelter with 8 residential units
- *Watertown Cares*, Watertown, \$1,031,000 for the purchase and rehab of an existing facility converting 10 rental units into 8 non-congregate units; and \$104,500 for case management and direct financial needs

University of South Dakota Receives Funding for Research

On October 7, 2022, HUD's [Office of Lead Hazard Control and Healthy Homes](#) announced \$5.7 million in research [grants](#) to reduce housing-related health hazards. The University of South Dakota (USD) was one of 7 entities across the country selected to receive the funding. USD will utilize the \$552,381 to investigate the ecological and biological risk of emerging infectious disease transmission by bed bugs. Bed bugs will be collected from diverse dwellings and studied to determine the potential for them to cause human disease in urban settings. This study will be the first broad, systematic investigation of the associations between bed bugs and infectious disease agents.

HUD's Office of Lead Hazard Control and Healthy Homes promotes efforts to eliminate housing-related health and safety hazards in lower-income families' homes, stimulates private sector investment in controlling these hazards, supports research on assessing and controlling these hazards, and educates the public about the dangers of these hazards.

Funding Awarded to Tribal Communities

Two tribes in South Dakota recently received [Tribal HUD-VASH](#) renewal awards. Oglala Sioux Housing Authority will use \$262,860 for administrative services and to provide rental assistance to approximately 20 Native American Veterans. Sicangu Wicoti Awayankapi Corporation will use \$279,810 for administrative services and to provide rental assistance to approximately 20 Native American Veterans.

FUNDING UPDATES

HUD Announces \$148 Million in COVID-19 Supplemental Payment Funding Available for Multifamily Assisted Housing Property Owners

On November 1, 2022, HUD [announced](#) a new application period for more than \$148 million in COVID-19 Supplemental Payment funding for Multifamily property owners to support COVID-19 related expenses. Multifamily property owners who participate in HUD's Section 202 Housing for low and very low-income elderly, Section 811 Housing for low and very low-income persons with disabilities, and Section 8 project-based rental assistance programs are all eligible to receive reimbursements for expenses incurred from March 27, 2020 through January 31, 2023. Applications are due on February 21, 2023.

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HUD Announces \$174.6 Million Available for Construction and Project-Based Rental Assistance for Low-Income Seniors

On September 21, 2022, HUD [announced](#) in a Notice of Funding Opportunity the availability of \$174.6 million in grant funding for affordable housing for seniors. The funding is for the development of new affordable low-income senior housing and ongoing project rental assistance and supportive services under HUD's Section 202 Supportive Housing for the Elderly program. Julie Gordon, HUD's Assistant Secretary for Housing said, "This funding opportunity to support the development of new, deeply affordable senior rental homes is the largest since 2013 and reinforces the Biden-Harris Administration's unwavering commitment to expanding housing for this vulnerable population."

The Section 202 funding will be awarded to non-profit organizations in capital advances and project rental assistance contracts. Changes in this year's NOFO include: support for intergenerational households for elderly tenants who are caregivers for children, new minimum requirements for energy and water efficiency and climate resiliency; and higher rating points for properties located in census tracts where the U.S. Census Bureau's Census Poverty Map indicates a poverty rate of 10% or less. Applications are due on January 25, 2023. More information can be found in the [NOFO](#).

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HUD Announces Renewal Contract Term Increases On Section 202 Project Rental Assistance

On September 30, 2022, HUD's Office of Multifamily Housing Programs [announced](#) its intent for Section 202 Project Rental Assistance Contracts (PRACs) to begin being issued with renewal terms of up to five years instead of the one-year terms that have been previously issued. The announcement is in an effort to streamline the program by reducing administrative time spent on contract renewals.

Ethan Handelman, HUD's Office of Multifamily Housing Deputy Assistant Secretary, said "Our aim is to help housing providers focus more on providing affordable homes and supportive services to residents and less on administrative efforts to maintain funding streams."

The Section 202 Project Rental Assistance Program provides very low-income elderly persons ages 62 and older the ability to live independently in an environment with supportive services. Persons eligible for the Section 202 program must be very low-income or earn less than 50% of the area median income.

OTHER NEWS

Law Student Internship Program Supports Housing Counseling Agencies

The Dept. of Justice and HUD's Office of Housing Counseling announced a new program, [The Law Student Internship Program](#), which connects law schools with HUD-participating Housing Counseling Agencies to support housing counseling work. The law student interns assist with various activities including client intake, information on tenant protections, and case management eviction prevention services.

HUD Releases Updated Disaster Guidebook

HUD recently released an updated version of its Disaster Readiness, Response, and Recovery [Guidebook](#) for Public Housing Authorities. The update supports HUD's Climate Action Plan. The guidebook now includes funding strategies, financial management, communications, and housing options for displaced families.

Early Learning Resources for Children

South Dakota Public Broadcasting's ([SDPB](#)) Early Learning Initiative ([ELI](#)) helps ensure that every child in South Dakota enters kindergarten ready for school and for life, supported by informed and engaged parents, professional educators, and caregivers. ELI has categories for Early Learning Resources, Professional Development, Interactive Games and PBS Kids-Videos.

If you grew up with Mr. Rogers and Sesame Street, you know that public television provides excellent programming for children. SDPB continues to be a leader in delivering quality resources for parents and caregivers. One outstanding resource is the weekly SDPB Early Learning Links. Links is a free, well-thought-out and researched newsletter that provides tips, games, and activities in social/emotional learning, language development, math and science, the arts, and health and physical development. Sign up for the newsletter [here](#) to start receiving your copy every Monday morning!



HUD Office Provides Disaster Preparedness Information at Health Connect Fair

The Sioux Falls HUD office staffed a booth and participated in the Health Connect Fair held in Sioux Falls on September 24, 2022. The Health Fair is an annual event in which families learn about health and safety. HUD staff distributed information about disaster preparedness as part of [National Preparedness Month](#).

Roger Jacobs, HUD Field Office Director asked children if they had an escape plan in the event of an emergency. It was encouraging that most did. Participants were provided information on ways to prepare for an emergency or disaster, how to plan for ways to get out safely, how to create a family communication plan, and general safety information.



Financial Assistance Available for Internet Connectivity

The Affordable Connectivity Program allows households to reduce their internet service costs by up to \$30/month or \$75/month on Tribal lands. It also provides up to a \$100 per household discount toward a one-time purchase of a computer, laptop, or tablet if the household contributes more than \$10 and less than \$50 toward the purchase through a participating broadband provider. Enrollment is open and it is easy to apply. Find out eligibility [here](#).

HUD Releases FY 23 Fair Market Rents

Fair Market Rents (FMRs) for Fiscal Year 2023 were [released](#) and became effective on October 1, 2022. 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. The FMRs were calculated using private sector data and increased by an average of about 10 percent.