

DRAFT

South Dakota's
2018 – 2022 Five Year
Housing and Community Development
Consolidated Plan
As Amended March 3, 2020

Prepared by:

South Dakota Housing Development Authority
And
Governor's Office of Economic Development

As Presented to the
SDHDA Board of Commissioners
March 3, 2020

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Executive Summary

ES-05 Executive Summary - 91.300(c), 91.320(b)

1. Introduction

The Consolidated Plan, hereafter referred to as "the Plan", is the five-year housing and community development planning document for the State of South Dakota. The Community Development Block Grant (CDBG), Emergency Solutions Grants Program (ESG), HOME Investment Partnerships Program (HOME) and the Housing Trust Fund (HTF) are U.S. Department of Housing and Urban Development's Community Planning and Development programs covered under the Plan. The overall goals of community planning and development programs are to develop viable communities by providing decent affordable housing and a suitable living environment and expanding economic opportunities primarily for low- and moderate-income persons. The primary means toward this end is to extend and strengthen partnerships among all levels of government and the private sector, including for-profit and non-profit organizations in the production and operation of affordable housing and economic development. For the State of South Dakota, South Dakota Housing Development Authority (SDHDA) administers the HOME, HTF and ESG programs and the Governor's Office of Economic Development (GOED) administers the CDBG Program.

In addition to the programs listed above, other finance programs that are administered by SDHDA and are vital to the availability of affordable housing will also be addressed in this Plan. These programs are the Housing Tax Credit (HTC), Housing Opportunity Fund (HOF) and the Continuum of Care (CoC) program.

SDHDA is the lead agency for the South Dakota Housing for the Homeless Consortium (SDHHC) which is the statewide continuum of care (CoC). SDHDA is the collaborative applicant for the CoC and is also the administering agency for the Homeless Management Information System (HMIS).

The 2020 amendment to the 2018-2022 Consolidated Plan is made to expand the activities that are eligible under Tenant Based Rental Assistance (TBRA). Previously TBRA was only utilized for security deposit assistance. SDHDA would like to also utilize TBRA for rental assistance following requirements of 24 CFR 92.209. Tenant selection criteria is further defined within the 2020-2021 HOME Program Allocation Plan.

2. Summary of the objectives and outcomes identified in the Plan Needs Assessment Overview

Demand for housing remains strong. Communities are experiencing tight rental markets and the sale of single-family homes is steady. An awareness of housing needs and its interplay with economic development has continued to grow. Communities are incorporating housing code enforcement and looking for tools to entice the rehabilitation of existing homes and new construction. This continued

interest in housing has exposed existing gaps such as appraisal issues, lack of construction financing for single family homes, capacity, lack of construction employees, and development partners.

In some communities a stigma exists with the term of "affordable housing". Marketing efforts and sharing of information is necessary to increase the knowledge base of what is affordable housing, who it serves, and the benefit it brings to a community.

South Dakota's emphasis will continue to be placed on providing housing opportunities geographically across the State for both rental and homeownership; for the homeless to the homebuyer. The HOME Program will be utilized for financing acquisition and/or rehabilitation, or new construction for both multi-family and single-family housing. New set-asides of HOME funds will focus on homeownership development and housing development in rural areas. To address affordability, HOME funds will continue to be available for homebuyer assistance, homeowner rehabilitation and payment of security deposits.

Waiting lists for the HUD Section 8 Vouchers continue to grow in most communities and vacancies at Project Based developments remain low in the larger communities. To address the need for additional housing for extremely low-income households, the Housing Trust Fund will be a vital funding component for designation of housing units at 30 percent AMI. In 2018, SDHDA is proposing to establish a set-aside within the HTF program for service enriched housing. Currently a set-aside of 20 percent of the funds is available for housing development on Indian Reservations, the additional set-aside will ensure appropriate housing is available for households who may be on a fixed income due to a disabling condition.

SDHDA is administering the HUD Section 811 program. The HOME and HTC allocation plans are inviting for developers to access the 811 Program. Utilizing the 811 program with HOME, HTF, and HTC provides an opportunity to serve special needs populations in an integrated setting and maintaining project feasibility.

ESG and CoC recipients are embracing the program changes and using the funds in a more systematic approach. SDHHC is implementing a statewide Coordinated Entry System (CES). The CES process will identify existing gaps in housing and services, which can then be addressed with prioritizing of ESG and CoC funding, in addition to the ability to utilize the housing finance resources previously stated above.

The State will continue to develop viable communities by providing a suitable living environment and expanding economic opportunities for low- and moderate- income (LMI) persons through the Community Development Block Grant (CDBG) program. Through public hearings and Planning District comments, the state has determined that the public need at the local level is community development, infrastructure, public facilities, economic development, redevelopment of blighted housing and workforce training. In order to meet these local needs, the CDBG program has application cycles in the spring and fall to ensure local governments may apply for CDBG funds throughout the year.

3. Evaluation of past performance

For the process of setting goals, SDHDA reviews what it has historically completed and incorporates additional needs presented from housing partners. Anticipating federal funding for the community planning and housing development programs will remain relatively stable, with increasing costs, the number of housing units to be developed or rehab will continue to decline.

For program year 2017, SDHDA anticipated new construction of 150 rental units, acquisition/rehabilitation of 50 rental units, development of 20 service enriched housing units, assisting 150 households with homeowner rehab, assisting 315 families with security deposit assistance, assisting 15 homebuyers with homebuyer assistance and funding 22 agencies with ESG funding.

The outcomes for 2017 are based on project completions which can be skewed due to timing. The HOME multifamily projects completed in 2017 were originally approved for funding in program years 2014, 2015 and 2016. The HOME and HTC funded developments resulted in 239 new multifamily rental units, of which zero were service enriched and zero were rehabs. In reviewing HOME funds only, no single-family homes were constructed and two households received homebuyer assistance. For homeowner rehabilitation 53 homes were completed with HOME funds. Twenty-two agencies were awarded ESG funding and 292 households received security deposit assistance. These numbers do not take into account activities financed with Housing Opportunity Fund.

The CDBG program obligated \$4,934,604.50 in grant funds to 13 communities to help them assist with \$11,300,078 in estimated project costs. Eight communities received funding to assist with water and wastewater improvements. Two communities were awarded funds for community facilities and three communities were obligated funding for the removal of blighted properties.

4. Summary of citizen participation process and consultation process

In drafting of this five-year plan, SDHDA and GOED held public meetings during the month of February, 2018. The meetings were held in the communities of Aberdeen, Sioux Falls, Pierre and Rapid City. The meeting in Pierre was also available on-line via Skype. There were 62 people in attendance at the public meetings. Important discussion was held and questions were asked discussing how the programs can be utilized, how SDHDA can provide additional technical assistance, and potential modifications to the programs.

A second public meeting was held on March 27, 2018, via the Digital Dakota Network. This meeting was accessible in 11 different communities and provided participants an opportunity to provide comments regarding the draft Consolidated Plan as well as draft allocation plans for HOME, ESG, HTF as well as HTC and HOF. Notice of this meeting was provided during the initial meeting, posted on SDHDA website as well as a paid ad and press release closer to the meeting date. There was a total of 14 attendees for the March 27th meeting.

5. Summary of public comments

The initial public meetings provided an opportunity for the attendees to learn about HOME, ESG, HTF and CDBG programs, ask questions and provide feedback. In addition to the meetings, SDHDA and GOED accepted written comments until February 20, 2018. During the initial public meetings discussions revolved around the cost of new housing; SDHDA financing limits; areas eligible for CDBG funding; eligible uses of ESG funds; definition of homeless, availability of funds for homebuyer assistance, affordability of rental units, and financing for lot development and infrastructure.

Attendees also inquired about the use of CDBG funds for the Bulldoze, Build, and Beautify program. Currently the initial applicants are working through the process. GOED will continue to keep \$1 million in funding available for this activity.

Written comments received were in relation to developer fee limits, cost limits, need for affordable elderly housing with amenities, request for set-aside of funds or priority points for projects located on Indian reservations and consideration of a pre-application process. Additional comments were provided addressing some of the proposed program changes relating to third party bids, operating reserves and developer fee limitations.

During the 30-day comment period many written comments were received. The comments received are as follows:

1. One comment requested SDHDA to increase the project cost limits for tribal and rural community projects. SDHDA increased Zone 3 project limits by an additional three percent (3%).
2. Requested clarification for projects located in areas that do not have zoning requirements. SDHDA added clarification language in the allocation plans to indicate developments located in areas that do not have zoning requirements and can document such are eligible to receive the available points.
3. A comment was received regarding Housing Opportunity Fund (HOF) and asking for additional clarification that case management and costs associated with obtaining copies of essential documents would be eligible. Additional language was added to the HOF allocation plan for further definition.
4. Comments were received in regards to HOF for downpayment assistance. SDHDA will continue to allow HOF funding for downpayment and closing cost assistance and will continue to allow third party nonprofit agencies to administer HOF funds for this activity. Up to 25% of the available HOF funds will be available for downpayment and closing costs, homeowner rehabilitation and homelessness prevention.

6. Summary of comments or views not accepted and the reasons for not accepting them

One change proposed by SDHDA is to limit the developer fee to 10 percent of total project costs (less the developer fee) for projects of 61 units and larger and also limit the maximum developer fee amount to \$1 million. Comments were received from two agencies requesting SDHDA to reconsider this change. Larger housing developments do have additional risk and SDHDA should allow the appropriate developer fee to help offset this risk. One of the comments indicated that SDHDA currently has some of the lower developer limits compared to other state housing finance agencies. SDHDA will continue to incorporate the proposed change.

A written comment was received requesting SDHDA to reconsider requiring the operating reserves stay with the housing development should there be a transfer of ownership. SDHDA requires operating reserves to be maintained for the affordability and extended use periods.

One written comment requested additional affordable elderly housing with amenities to be developed in Aberdeen. No changes were made since this is currently an eligible activity.

During the 30-day comment period written comments were received as follows:

1. Request to waive the requirement of deducting points for Tribal or rural projects costs exceeding limits. Recommendation was not accepted since SDHDA increased the Zone 3 project cost limits by an additional three percent (3%).
2. Requested additional consideration for developments serving very low and low-income families. No change was made since points are already given for serving lower income households under the Deep Income Targeting category.
3. Requested additional consideration for rural and Tribal projects that are not able to meet points under Areas of Opportunity. No change was made since Tribal projects automatically receive 50 points.
4. Comment requested SDHDA to award points for installation of steel siding. Steel siding can be utilized but SDHDA will only provide points for materials that are more durable and are less likely to be scratched, dented or fades.
5. Comment indicated the selection criteria favors rental housing projects. SDHDA did not make any changes to the HOME allocation plan because there are two set-asides created within the HOME Program that are specifically for homeownership activities. The set-asides do not require competitive scoring and give preference for homeownership activities.
6. A comment requested Tribal Employment Rights Office (TERO) to be included as acceptable for labor standards. This was not incorporated since HOME funding is through Community Planning and

Development (CPD) and not Office of Native American Programs. CPD requires labor standards to be in compliance with Davis Bacon.

7. Comments requested SDHDA to increase development subsidy up to \$40,000 per lot for land trust activity. SDHDA did not accept this comment and will retain the development subsidy at \$20,000 per lot and encourages housing developers to leverage HOME funds and find creative ways to partner for project feasibility.

7. Summary

The public participation in housing continues to increase. Local communities have become more involved with addressing their housing needs, public housing authorities are looking to expand their housing opportunities to better serve their tenants, and nonprofit service agencies are becoming housing developers. One component that needs more advancement is getting management companies and service agencies to partner for the sake of helping at risk tenants get permanent housing and stay housed. Housing is vital component for communities to survive and grow. Involvement with more partners will continue to enhance the quality of housing provided and better serve South Dakota citizens.

Many changes proposed in the consolidated plan and corresponding allocation plans result from day to day meetings and conversations. SDHDA's goal is to utilize existing programs most effectively to address housing needs across the state. These needs vary by community and unfortunately sometimes the programs do not allow enough variances to effectively address their need. SDHDA stresses the importance of continued communication with housing partners to further advance everyone's housing goals. Changes reflected in the proposed 2018 allocation plans are focused on special needs housing and development of housing in rural communities.

The Process

PR-05 Lead & Responsible Agencies 24 CFR 91.300(b)

1. Describe agency/entity responsible for preparing the Consolidated Plan and those responsible for administration of each grant program and funding source

The following are the agencies/entities responsible for preparing the Consolidated Plan and those responsible for administration of each grant program and funding source.

Agency Role	Name	Department/Agency
Lead Agency	SOUTH DAKOTA	
CDBG Administrator		Governor's Office of Economic Development
HOPWA Administrator		
HOME Administrator	SOUTH DAKOTA	South Dakota Housing Development Authority
ESG Administrator	SOUTH DAKOTA	South Dakota Housing Development Authority
HOPWA-C Administrator	SOUTH DAKOTA	South Dakota Housing Development Authority
	SOUTH DAKOTA	South Dakota Housing Development Authority

Table 1 – Responsible Agencies

Narrative

South Dakota Housing Development Authority (SDHDA) in conjunction with the Governor’s Office of Economic Development (GOED) prepares the Consolidated Plan. SDHDA administers the HOME, Housing Trust Fund and ESG Programs through the Rental Housing Development division. The CDBG Program is administered through the Finance Division of GOED.

Sioux Falls Housing & Redevelopment Commission administers Housing Opportunities for Persons with Aids (HOPWA) for South Dakota. Since the HOPWA funding received by Sioux Falls Housing & Redevelopment Commission is on a competitive basis the program information is not required to be a part of the Statewide Consolidated Plan. Those interested in learning more about the program are encouraged to contact Sioux Falls Housing and Redevelopment Commission. Information regarding the Tri-State HELP program can be found at the following web address -<http://siouxfallshousing.org/tri-state-help>.

Consolidated Plan Public Contact Information

South Dakota Housing Development Authority - HOME, Housing Trust Fund and Emergency Solutions Grants Program

Lorraine Polak - (605) 773-3108 - Lorraine@sdhda.org - Rental Housing Development

Governor's Office of Economic Development - Community Development Block Grant Program

Paul Mehlhaff- (605) 773 – 4633 - Paul.Mehlhaff@readytowork.com - Finance Division

PR-10 Consultation – 91.100, 91.110, 91.200(b), 91.300(b), 91.200(I) and 91.315(I)

1. Introduction

SDHDA provided information to the general public and sent emails to interested parties regarding the consolidated planning process. The public awareness process consisted of sending out a press release, posting information on the SDHDA website and targeted emails to developers, public housing authorities, advocacy groups, local communities, economic development organizations, homeless service providers and many others, encouraging everyone to become involved.

In addition, SDHDA staff continually participate in meetings with SD Department of Human Services and Social Services, meetings with city officials, public housing authorities, South Dakota Native American Homeownership Coalition, service agencies and nonprofit and for-profit developers. The information sharing from these meetings provides SDHDA with suggestions, concerns, and recommendations regarding the housing programs and how they are or are not effective in serving those who need housing, across the state. In addition, knowledge gained by SDHDA staff regarding services, programs and assistance offered by the agencies listed above provides an opportunity to better coordinate services and ensure programs are effectively working together. Information gathering is a year-long process and is not limited to the four months during which time the housing plans are created.

SDHDA reached out specifically to the Public Housing Authorities and broadband related entities such as the South Dakota Telecommunications Companies and the State of SD Bureau of Information for relative information on public housing needs and broadband internet services.

Provide a concise summary of the state's activities to enhance coordination between public and assisted housing providers and private and governmental health, mental health and service agencies (91.215(I))

SDHDA is a member of several trade organizations and committees that increase the opportunity to coordinate efforts. At the state government level, SDHDA's Director of Rental Housing Development participates on the SD Behavioral Health Advisory Council. SDHDA's Director of Rental Housing Management participates on the State Independent Living Council and SDHDA's Executive Director

attends the Governor's cabinet meetings. SDHDA is also a member of National Association of Housing and Redevelopment Organizations (NAHRO), National Council of State Housing Agencies (NCSHA), and Council of State Community Development Agencies (COSCOA) providing information from the national perspective as well. Involvement with these different organizations provides SDHDA an opportunity to interact and enhance coordination among public and assisted housing providers, private and government health, mental health and service agencies throughout the year.

SDHDA has also executed a Memorandum of Understanding with the SD Department of Human Services and the Department of Social Services to consult regarding acceptable and accessible housing options. SDHDA has good working relationships with many public housing and redevelopment commissions across the state and work continues to enhance that relationship with every housing authority. In March 2018, SDHDA will be attending and presenting at the quarterly state NAHRO meeting providing an opportunity to learn how SDHDA may be able to assist the housing authorities in addition to provide information on partnering to further enhance housing opportunities in their communities.

Describe coordination with the Continuum of Care and efforts to address the needs of homeless persons (particularly chronically homeless individuals and families, families with children, veterans, and unaccompanied youth) and persons at risk of homelessness

The South Dakota Housing for the Homeless Consortium (SDHHC) is the statewide Continuum of Care (CoC) for South Dakota. SDHDA is the lead agency for the CoC providing a great opportunity for coordination of efforts. SD Department of Education, SD Department of Veterans Affairs, SD Department of Social Services, domestic violence providers and service agencies are all active members of the CoC providing direct contact to information, resources, and best practices.

SDHHC is implementing the statewide coordinated entry process, conducting homeless counts, and SDHDA as the lead agency is the HMIS administrator. All of these functions are occurring with SDHDA staff learning firsthand what efforts are needed to address the gaps and needs. SDHDA then utilizes this information when determining funding priorities for both the ESG and housing finance programs. The biggest obstacles in developing appropriate housing is affordability and identifying the housing developer/owner. Often housing developers are not involved in providing housing for targeted populations and often service providers do not have the capacity to develop the appropriate housing. SDHDA will continue to work with both entities to provide technical assistance, answer questions and hopefully help them create the partnership.

Changes to the 2018 allocation plans incorporate additional points and set-aside of funding to incentivize development of special needs housing.

Describe consultation with the Continuum(s) of Care that serves the state in determining how to allocate ESG funds, develop performance standards and evaluate outcomes, and develop funding, policies and procedures for the administration of HMIS

SDHDA as the lead agency for the CoC also administers the ESG Program and is the administrator of the HMIS system. SDHDA staff will download HMIS reports for data quality, services being provided and other vital information necessary when determining allocation of funds. Many of the ESG recipients are domestic violence shelters and their data is in a separate database only providing aggregate information. By not being able to compare some of the same data elements between ESG recipients the process is more difficult.

The Policy Advisory Council (PAC) is the governing board for the SDHHC. Several PAC members participate in the ESG selection committee to determine funding awards.

Establishment of the Coordinated Entry System (CES) will provide additional information for consideration when developing funding policies and procedures and evaluating outcomes of current services.

2. Describe Agencies, groups, organizations and others who participated in the process and describe the jurisdictions consultations with housing, social service agencies and other entities

Table 2 – Agencies, groups, organizations who participated

1	Agency/Group/Organization	Aberdeen Housing Authority
	Agency/Group/Organization Type	PHA
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Public Housing Needs
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Aberdeen Housing, Sioux Falls Housing and Pennington County Housing were contacted via email regarding public housing authority needs. Aberdeen and Sioux Falls also participated in the public meetings. There are no specific outcomes resulting from this consultation.
4	Agency/Group/Organization	Oglala Sioux Lakota Housing Authority
	Agency/Group/Organization Type	Housing PHA Services - Housing
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Public Housing Needs Market Analysis

	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	
5	Agency/Group/Organization	INTERLAKES COMMUNITY ACTION, INC
	Agency/Group/Organization Type	Housing Services-Children Services-Elderly Persons Services-Persons with Disabilities Services-homeless Services-Education Services-Employment Regional organization
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Homelessness Strategy Homeless Needs - Chronically homeless Homeless Needs - Families with children Non-Homeless Special Needs Market Analysis
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Contacted via email, press release, and newsletter regarding the public meetings and comment period. Comments were received from this organization.
6	Agency/Group/Organization	NEIGHBORHOOD HOUSING SERVICES OF THE BLACK HILLS, INC.
	Agency/Group/Organization Type	Housing Regional organization Neighborhood Organization
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Market Analysis
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Contacted via email, press release, and newsletter regarding the public meetings and comment period. Comments were received from this organization.

7	Agency/Group/Organization	PENNINGTON COUNTY HEALTH & HUMAN SERVICES
	Agency/Group/Organization Type	Housing Services - Housing Services-homeless Services-Health Publicly Funded Institution/System of Care Other government - County
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Homelessness Strategy Homeless Needs - Chronically homeless Homelessness Needs - Veterans
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Pennington County Health and Human Services attended the public meeting. No specific comments were received.
8	Agency/Group/Organization	Sioux Empire Housing Partnership
	Agency/Group/Organization Type	Housing Services-Education
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Public Housing Needs Homeless Needs - Chronically homeless Homeless Needs - Families with children Non-Homeless Special Needs Market Analysis
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Sioux Empire Housing Partnership participated in the public meeting; not specific comments were provided.

Identify any Agency Types not consulted and provide rationale for not consulting

The agencies listed above attended the public meetings and participated in conversation. Completion of a statewide consolidated plan does make it more difficult to personally consult with all the agencies that have a vested interest. Thus, SDHDA provides the opportunities and invites their participation in the public meetings and during the public comment period. Notice of the meetings is posted on SDHDA website, sent via a statewide press release and a follow up email is provided to those on SDHDA email contact list which include public and Indian housing authorities, advocacy organizations, local, county,

state and federal government, economic development organizations, housing developers and nonprofit agencies.

Direct emails were sent to public housing authorities and the administrator of the HOPWA program to gather additional information for completion of the consolidated plan.

Other local/regional/state/federal planning efforts considered when preparing the Plan

Name of Plan	Lead Organization	How do the goals of your Strategic Plan overlap with the goals of each plan?
Continuum of Care	South Dakota Housing Development Authority	South Dakota Housing for the Homeless Consortium has drafted a Ten-Year Plan to End Homelessness. SDHDA as the lead agency for both the statewide consortium and the statewide consolidated plan, provides the opportunity to plan and coordinate efforts, funding and priorities among the different programs.
Community Mental Health Services Block Grant	State of SD Dept. of Social Services	Providing housing opportunities for low income individuals and families with special needs.
2017-2019 Statewide Program for Independent Living	Statewide Independent Living Council (SILC)	Providing service enriched housing opportunities for individuals and families with disabilities.

Table 3 – Other local / regional / federal planning efforts

Describe cooperation and coordination among the State and any units of general local government, in the implementation of the Consolidated Plan (91.315(I))

This is a statewide consolidated plan. The service area for CDBG does not cover the two largest communities of Sioux Falls and Rapid City, nor the Indian Reservations, but the communities and Indian Reservations are eligible to receive HOME, HTF and ESG funding. Local governments were invited to participate in the public meetings and the 30-day comment period.

SDHDA introduced a Housing Needs Study Program in 2012 which provides grant funding up to \$5,000 per community to complete local housing studies. The city or county must support the effort and provide match funding. As results of the study are released, the market analyst will hold community meetings to discuss the study results. To date 49 studies have been completed resulting in either local governments, the public housing and redevelopment commission, or their economic development organization becoming more involved in housing for their community. Information from the rural communities across the state is beneficial when administering the housing finance programs. By

participating in the Housing Needs Study Program, the communities have become more interested and involved in housing development. Housing and economic development in smaller rural communities looks different than larger communities so their involvement is important to ensure the programs can be effective for their community.

SDHDA contracts with the local planning districts across the state. The planning districts attend many local community and county meetings. The planning districts provide information on SDHDA programs and reports back to SDHDA on any follow up that may be necessary. The planning districts provides SDHDA the opportunity to learn of local issues and questions. Communities applying for CDBG funds apply through the planning districts. The planning districts are aware of local needs and are a vital resource for both SDHDA and GOED in administering HUD programs.

These different opportunities provide SDHDA with valuable insight on the local housing needs and provides an opportunity for the local communities to learn about SDHDA.

Narrative (optional):

The most involvement and public comments received for the housing programs is received from housing developers. Their comments are from the perspective of how to keep the programs flexible and financially viable as a development tool, which is important. However, it would be beneficial to have more involvement from non-profit service agencies who assist tenants residing in the affordable housing units. In addition, SDHDA will need to continue to express importance of partnering agencies to be pro-active in program changes.

PR-15 Citizen Participation – 91.105, 91.115, 91.200(c) and 91.300(c)

1. Summary of citizen participation process/Efforts made to broaden citizen participation

Summarize citizen participation process and how it impacted goal-setting

Public meetings were held in the communities of Aberdeen, Sioux Falls, Pierre and Rapid City to gather input regarding the statewide consolidated plan. There were 69 people in attendance. During the public meeting held in Pierre, attendees were also given the opportunity to participate via online. Nine individuals participated on line.

Notice of the first meeting was provided in a press release, posted on SDHDA website and sent via email to SDHDA contacts consisting of housing developers, lenders, congressional offices, community leaders, contractors, public and tribal housing authorities, local Rural Development Officials, advocacy groups, nonprofit organizations, service agencies, city, state and federal government agencies, economic development offices, newspapers, community action agencies, and the general public.

After the release of the DRAFT Consolidated, HOME, ESG, HTF, Housing Opportunity Fund and Housing Tax Credit plans, another public hearing was held on March 27, 2018, via the Dakota Digital Network (DDN) with sites in Aberdeen, Brookings, Eagle Butte, Mitchell, Pierre, Watertown, Sioux Falls, Pine Ridge, Spearfish, Watertown and Yankton. A press release and public notice (paid ad in the daily newspapers) of the public meeting and 30-day comment period was provided. In addition, this information was posted on SDHDA's website and forwarded to interested parties via email.

At the March 27th meeting, there were 14 people in attendance. No comments were received during the public meeting, however, there were several written comments received during the 30-day comment period. Comments received are addressed within this consolidated plan. Some revisions were made to the consolidated plan and corresponding allocation plan based on the comments received. Comments received but not accepted and the reasons why are also outlined within the consolidated plan.

A 30-day public comment period will be held to take comments on the amendment to the Consolidated Plan for expansion of activities under tenant based rental assistance (TBRA) to also include tenant based rental assistance. The 30-day comment period will be held March 6, 2020 until April 8, 2020. A public meeting will be held on March 17, 2020, via Skype and conference call.

Citizen Participation Outreach

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (if applicable)
1	Public Meeting	Minorities Persons with disabilities Non-targeted/broad community Residents of Public and Assisted Housing	The first public meetings were held in February in four different communities with 69 people in attendance. The second meeting will be held via the Dakota Digital Network on March 27, 2018.	The public meetings and written comments received revolved around the cost of new housing, limitation on developer fees, and establishment of set-asides to assist with housing development in rural areas of the state and development of service enriched housing.	Several comments were received regarding the proposed changes to the developer fee limitation and operating reserve requirements. At this time, no additional changes were made to the plans but will be further considered during the 30-day public comment period.	www.sdhda.org

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (if applicable)
2	Press release - newspaper	Minorities Persons with disabilities Non-targeted/broad community Residents of Public and Assisted Housing	Notice of the meetings was sent as a press release which was also posted on the SDHDA website and sent via email to interested parties.	One written comment was received from this mode of outreach. A citizen in Aberdeen expressed concern for the need of additional affordable rental housing in Aberdeen specifically for senior living.	No changes were made to the consolidated plan or any of the allocation plans due to this comment.	

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (if applicable)
3	Internet Outreach	Minorities Persons with disabilities Non-targeted/broad community Residents of Public and Assisted Housing	Notice of the public meetings was posted on SDHDA website and also forwarded via email to targeted groups such as nonprofit service agencies, housing authorities, economic development, housing developers, local, state and federal government as well as planning districts and community action agencies.	It is not known if any comments were received through this mode of outreach.	It is not known if any comments were received through this mode of outreach.	

Table 4 – Citizen Participation Outreach

Needs Assessment

NA-05 Overview

Needs Assessment Overview

Data provided in the following charts is from the 2000 Census or the 2009-2013 CHAS (Comprehensive Housing Affordability Strategy) data. U.S. Department of Housing and Urban Development receives custom tabulation of the American Community Survey (ACS) data from the U.S. Census Bureau for the CHAS tables. The CHAS data demonstrates the extent of housing problems and housing needs, particularly for low income households.

The ACS is an ongoing survey providing information regarding jobs, occupations, educational attainment, veterans, and housing. The ACS is conducted yearly and the census is every ten years. For 2016, 14,187 housing units were selected for the ACS research with 9,307 final interviews correlating to a 66 percent response rate. In 2016, the U.S. Census indicated a total of 333,536 households in South Dakota; a response rate of 9,307 correlates to less than three percent of the South Dakota households providing survey information.

The methodology utilized for the consolidated plan process provides pre-populated tables from different sources of information. Most of the information is gathered from the American Community Survey (ACS). The ACS is based on (and has replaced) the long form questionnaire formerly used in the decennial census. It takes the ACS five years to collect enough data to produce the geographic detail formerly available in a decennial census. The ACS refers to 1, 3 and 5-year estimates. One-year estimates are only available for communities of population greater than 65,000, which would be Sioux Falls and Rapid City. The 3-year estimates are available for communities with population greater than 20,000, which would include the communities of Aberdeen, Brookings and Watertown. All other communities fall under the 5-year estimates. The 5-year estimates are the most reliable due to sample size, but are the least current information.

The Consolidated Plan template is using 2013 population for a 2018 five-year plan which creates potential for inaccurate assumptions. The 2013 population is listed as 825,198; per the U.S. Census Bureau website, South Dakota's 2017 population is 869,666, a difference of 44,468.

Regardless of whether this information is a small sampling of the entire state, it is evident that there are many households paying more than 30 percent of their income for housing. The reality of housing is that cost burden will continue to become a larger problem as housing costs continue to increase faster than median incomes. In South Dakota, this problem is not as evident as it is on the east and west coast areas however, it is a growing concern.

NA-10 Housing Needs Assessment - 24 CFR 91.305 (a,b,c)

Summary of Housing Needs

The following chart lists total population of 825,198 for 2013. The U.S. Census website indicates 2017 population estimate of 869,666, an increase of 44,468. Using 2000 census and 2009-2013 ACS information does cause some concern as to the accuracy.

The tables below indicate 11.7 percent of all households are below 30 percent AMI and a total of 75,465 households (23 percent) are below 50 percent AMI; 47 percent of all households are above 100 percent AMI. The greatest number of households regardless of income level are considered small family households. An area of concern is that 29,445 households below 50 percent AMI are households with at least one-person age 62, representing 39 percent of the households.

In addition, there is a continuation of too many households paying more than 30 percent of their income for housing. The owner households for both the cost burden > 30% and > 50% are largely elderly households. This fact stresses the importance of homeowner rehabilitation programs being available to assist homeowners in maintaining their homes and preventing the homes from going into disrepair.

The Housing Problem table indicates that rental units are more likely to have issues such as substandard conditions, overcrowding and cost burdened. Communities are becoming more involved in rental certifications and inspections. As code enforcement takes place it will be interesting to monitor the housing problem statistics and how it is impacted. It is also interesting to note that 1,400 renter households and 1,240 owner households have negative income.

A total of 3,964 renter households and 1,634 owner households are experiencing crowding. The total of overcrowded households is just under two percent of the total households.

The housing needs information is critical for administration of housing programs. However, there are so many components impacting affordable housing such as employment opportunities, location, buildable land, access to services, etc. making it difficult to completely address housing issues for any geographic location. SDHDA will continue to administer the housing and homeless programs in a variety of ways to be beneficial for different communities to address their different housing needs.

Demographics	Base Year: 2000	Most Recent Year: 2013	% Change
Population	754,844	825,198	9%
Households	290,336	323,136	11%
Median Income	\$35,282.00	\$49,495.00	40%

Table 5 - Housing Needs Assessment Demographics

Data Source: 2000 Census (Base Year), 2009-2013 ACS (Most Recent Year)

Number of Households Table

	0-30% HAMFI	>30-50% HAMFI	>50-80% HAMFI	>80-100% HAMFI	>100% HAMFI
Total Households	37,855	37,610	57,940	37,050	152,685
Small Family Households	9,000	10,265	18,520	14,420	82,765
Large Family Households	2,450	2,905	4,630	3,375	13,860
Household contains at least one person 62-74 years of age	5,820	6,865	10,380	6,825	28,565
Household contains at least one person age 75 or older	7,765	8,995	8,320	3,990	9,985
Households with one or more children 6 years old or younger	6,690	6,985	9,510	7,290	19,090

Table 6 - Total Households Table

Data 2009-2013 CHAS
Source:

Housing Needs Summary Tables

1. Housing Problems (Households with one of the listed needs)

	Renter					Owner				
	0-30% AMI	>30-50% AMI	>50-80% AMI	>80-100% AMI	Total	0-30% AMI	>30-50% AMI	>50-80% AMI	>80-100% AMI	Total
NUMBER OF HOUSEHOLDS										
Substandard Housing - Lacking complete plumbing or kitchen facilities	720	410	445	140	1,715	600	235	210	115	1,160
Severely Overcrowded - With >1.51 people per room (and complete kitchen and plumbing)	595	350	345	75	1,365	65	35	100	50	250
Overcrowded - With 1.01-1.5 people per room (and none of the above problems)	720	725	710	315	2,470	195	410	450	265	1,320
Housing cost burden greater than 50% of income (and none of the above problems)	11,875	3,075	640	50	15,640	5,675	3,155	2,450	715	11,995

	Renter					Owner				
	0-30% AMI	>30-50% AMI	>50-80% AMI	>80-100% AMI	Total	0-30% AMI	>30-50% AMI	>50-80% AMI	>80-100% AMI	Total
Housing cost burden greater than 30% of income (and none of the above problems)	4,285	7,885	4,610	720	17,500	2,805	4,455	7,425	3,970	18,655
Zero/negative Income (and none of the above problems)	1,400	0	0	0	1,400	1,240	0	0	0	1,240

Table 7 – Housing Problems Table

Data 2009-2013 CHAS
Source:

2. Housing Problems 2 (Households with one or more Severe Housing Problems: Lacks kitchen or complete plumbing, severe overcrowding, severe cost burden)

	Renter					Owner				
	0-30% AMI	>30-50% AMI	>50-80% AMI	>80-100% AMI	Total	0-30% AMI	>30-50% AMI	>50-80% AMI	>80-100% AMI	Total
NUMBER OF HOUSEHOLDS										
Having 1 or more of four housing problems	13,910	4,560	2,140	580	21,190	6,535	3,830	3,205	1,140	14,710
Having none of four housing problems	9,955	15,335	22,940	10,715	58,945	4,820	13,885	29,655	24,615	72,975

	Renter					Owner				
	0-30% AMI	>30-50% AMI	>50-80% AMI	>80-100% AMI	Total	0-30% AMI	>30-50% AMI	>50-80% AMI	>80-100% AMI	Total
Household has negative income, but none of the other housing problems	1,400	0	0	0	1,400	1,240	0	0	0	1,240

Table 8 – Housing Problems 2

Data 2009-2013 CHAS
Source:

3. Cost Burden > 30%

	Renter				Owner			
	0-30% AMI	>30-50% AMI	>50-80% AMI	Total	0-30% AMI	>30-50% AMI	>50-80% AMI	Total
NUMBER OF HOUSEHOLDS								
Small Related	4,580	3,945	1,625	10,150	1,860	2,095	4,095	8,050
Large Related	1,335	705	150	2,190	410	630	755	1,795
Elderly	3,845	2,715	1,500	8,060	4,695	3,545	2,495	10,735
Other	7,820	4,140	2,220	14,180	2,005	1,465	2,615	6,085
Total need by income	17,580	11,505	5,495	34,580	8,970	7,735	9,960	26,665

Table 9 – Cost Burden > 30%

Data 2009-2013 CHAS
Source:

4. Cost Burden > 50%

	Renter				Owner			
	0-30% AMI	>30-50% AMI	>50-80% AMI	Total	0-30% AMI	>30-50% AMI	>50-80% AMI	Total
NUMBER OF HOUSEHOLDS								
Small Related	3,425	980	105	4,510	1,560	990	985	3,535
Large Related	870	120	0	990	255	245	110	610
Elderly	2,480	1,195	420	4,095	2,710	1,215	745	4,670
Other	5,915	950	230	7,095	1,465	720	635	2,820

	Renter				Owner			
	0-30% AMI	>30-50% AMI	>50-80% AMI	Total	0-30% AMI	>30-50% AMI	>50-80% AMI	Total
Total need by income	12,690	3,245	755	16,690	5,990	3,170	2,475	11,635

Table 10 – Cost Burden > 50%

Data 2009-2013 CHAS
Source:

5. Crowding (More than one person per room)

	Renter					Owner				
	0-30% AMI	>30-50% AMI	>50-80% AMI	>80-100% AMI	Total	0-30% AMI	>30-50% AMI	>50-80% AMI	>80-100% AMI	Total
NUMBER OF HOUSEHOLDS										
Single family households	920	920	790	285	2,915	180	350	420	275	1,225
Multiple, unrelated family households	405	195	235	105	940	125	95	125	50	395
Other, non-family households	54	10	45	0	109	0	0	10	4	14
Total need by income	1,379	1,125	1,070	390	3,964	305	445	555	329	1,634

Table 11 – Crowding Information – 1/2

Data 2009-2013 CHAS
Source:

	Renter				Owner			
	0-30% AMI	>30-50% AMI	>50-80% AMI	Total	0-30% AMI	>30-50% AMI	>50-80% AMI	Total
Households with Children Present	0	0	0	0	0	0	0	0

Table 12 – Crowding Information – 2/2

Data Source
Comments:

Describe the number and type of single person households in need of housing assistance.

The above tables indicate that elderly households on fixed incomes could be a target population needing assistance. While not captured in the tables, it is also anticipated that individuals with disabilities and

homeless also have a need for housing assistance. As housing costs continue to increase at a faster rate than income, especially for households on fixed incomes, these households could eventually have a need for rental assistance or homeowner rehabilitation to maintain their home.

There is a total of 1,715 renter households and 1,160 owner occupied housing units that are considered substandard housing. As communities begin code enforcement for both rental and owner-occupied units, it is anticipated that there will be more demand for renovation funding. As housing units are considered substandard and considered for demolition, there will be additional demand for affordable housing units for those being displaced. It is anticipated the households occupying these housing units are either extremely low income or have issues with credit, rental history, or another barrier that could potentially prevent them from being able to rent more marketable housing units.

The above table indicates 17,500 rental households and 18,655 homeowners are cost burdened and paying more than 30 percent of their income for housing. These households are more at risk of losing their housing due to their financial situation. Demand for homelessness prevention funding through ESG program can be of assistance for the renter households.

Estimate the number and type of families in need of housing assistance who are disabled or victims of domestic violence, dating violence, sexual assault and stalking.

Estimating the number and type of families in need of housing assistance who are disabled or victims of domestic violence, etc. is difficult to estimate.

What are the most common housing problems?

The most common housing problem is being cost burdened. Unfortunately, it is anticipated that this trend will continue as housing costs continue to rise more rapidly than median incomes. One solution would be to create more housing targeted to 30 percent AMI or less; however, it often requires more federal subsidies to develop this housing, producing less units annually. Another important component is homeowner rehabilitation, assisting homeowners maintain their property so they do not go into disrepair but instead remain viable affordable housing unit for future homeowners.

Substandard housing and over-crowding are also common housing problems. Crowding is more common in rental units with 3,964 housing units being identified as crowding, in comparison to 1,634 homeownership units.

Are any populations/household types more affected than others by these problems?

As indicated on the Number of Households Table, there is a large portion of households containing at least one-person age 75 or older that have incomes at or below 50 percent AMI. These households are most likely to be cost burdened. Based on their limited and fixed incomes it would be difficult to change this situation.

The greatest number of renter and owner-occupied housing units that have a cost burden greater than 50 percent are the households at or below 30 percent AMI which is logical.

Describe the characteristics and needs of Low-income individuals and families with children (especially extremely low-income) who are currently housed but are at imminent risk of either residing in shelters or becoming unsheltered 91.205(c)/91.305(c)). Also discuss the needs of formerly homeless families and individuals who are receiving rapid re-housing assistance and are nearing the termination of that assistance

The characteristics and needs of low-income individuals and families with children who are at imminent risk of residing in shelters or becoming unsheltered are those who are employed but have only part time employment and do not have benefits such as health insurance. Part time employment does not provide sufficient income on a continual basis to allow households to save money. At any time when there is an unexpected financial emergency the household must then begin choosing which bills to pay and how to stretch their already limited income.

Homelessness Prevention and Rapid Re-Housing Program (HPRP) was one of the first funding sources available in South Dakota to rapidly re-house families and individuals. Even though the HPRP program ended September 1, 2012, many lessons were learned and partnerships created while administering the HPRP funds. The Emergency Solutions Grants Program (ESG) continues this funding opportunity and agencies are becoming more familiar and willing to assist individuals with these services.

Formerly homeless who are receiving rapid re-housing assistance and are nearing termination of that assistance should receive sufficient case management to ensure they are ready for this transition. Often times these households' transition to Section 8 voucher assistance. While receiving financial assistance, the household should receive case management specific to their needs and would likely include financial literacy, budgeting, registering for mainstream resources and ensuring their housing choice is truly affordable for them. It is also recommended for the service provider to continue to follow the family during the transition period to quickly re-access and provide additional services if needed.

If a jurisdiction provides estimates of the at-risk population(s), it should also include a description of the operational definition of the at-risk group and the methodology used to generate the estimates:

For the state of South Dakota, there is not an estimate of the at-risk population. However, an estimate of the at-risk populations may be created by reviewing the annual statewide homeless count, public housing authority waiting lists, recipients of the ESG funding provided for homelessness prevention and rapid re-Housing, number of children in foster care, those existing the correctional system and reviewing unemployment data. At risk will generally be low-income individuals and families with children and those transitioning from foster care and the correctional system.

Specify particular housing characteristics that have been linked with instability and an increased risk of homelessness

Particular housing characteristics that have been linked with instability and increased risk of homelessness include households that are cost burdened and severely cost burdened along with the households which are over-crowded. This is particularly true for households at or below 50 percent AMI.

Discussion

The most common housing problem, as described in the table is being cost burdened which can be addressed by either developing more housing options for lower income or by providing economic opportunities for financial advancement. By being able to utilize ESG funding, families who experience an unexpected financial burden can be helped financially to keep them housed or rapidly re-house them.

Priorities include providing sufficient training and education to the ESG sub-recipients and working on partnerships with both landlords and service providers; expanding economic opportunities; and maintaining affordable housing stock by administering a homeowner rehabilitation program that can assist with maintaining an affordable housing unit.

NA-15 Disproportionately Greater Need: Housing Problems - 91.305 (b)(2)

Assess the need of any racial or ethnic group that has disproportionately greater need in comparison to the needs of that category of need as a whole.

Introduction

The following charts indicate the number of households by AMI level that are experiencing housing problems. South Dakota does not have great diversity and the percentages for Black, Asian, Pacific Islander and Hispanic showed relatively no movement when comparing AMI levels.

0%-30% of Area Median Income

Housing Problems	Has one or more of four housing problems	Has none of the four housing problems	Household has no/negative income, but none of the other housing problems
Jurisdiction as a whole	27,310	8,613	2,034

Housing Problems	Has one or more of four housing problems	Has none of the four housing problems	Household has no/negative income, but none of the other housing problems
White	21,588	6,900	1,696
Black / African American	383	93	20
Asian	216	33	0
American Indian, Alaska Native	4,201	1,323	235
Pacific Islander	0	0	0
Hispanic	542	129	35

Table 13 - Disproportionally Greater Need 0 - 30% AMI

Data 2009-2013 CHAS
Source:

*The four housing problems are:

1. Lacks complete kitchen facilities,
2. Lacks complete plumbing facilities,
3. More than one person per room,
4. Cost Burden greater than 30%

30%-50% of Area Median Income

Housing Problems	Has one or more of four housing problems	Has none of the four housing problems	Household has no/negative income, but none of the other housing problems
Jurisdiction as a whole	20,399	17,735	0
White	17,461	15,768	0
Black / African American	275	90	0
Asian	150	28	0
American Indian, Alaska Native	1,682	1,365	0
Pacific Islander	0	0	0
Hispanic	517	364	0

Table 14 - Disproportionally Greater Need 30 - 50% AMI

Data 2009-2013 CHAS
Source:

*The four housing problems are:

1. Lacks complete kitchen facilities,
2. Lacks complete plumbing facilities,
3. More than one person per room,
4. Cost Burden greater than 30%

50%-80% of Area Median Income

Housing Problems	Has one or more of four housing problems	Has none of the four housing problems	Household has no/negative income, but none of the other housing problems
Jurisdiction as a whole	16,200	43,281	0
White	14,674	38,978	0
Black / African American	124	358	0
Asian	72	225	0
American Indian, Alaska Native	847	2,168	0
Pacific Islander	0	15	0
Hispanic	405	861	0

Table 15 - Disproportionally Greater Need 50 - 80% AMI

Data 2009-2013 CHAS
Source:

*The four housing problems are:

1. Lacks complete kitchen facilities,
2. Lacks complete plumbing facilities,
3. More than one person per room,
4. Cost Burden greater than 30%

80%-100% of Area Median Income

Housing Problems	Has one or more of four housing problems	Has none of the four housing problems	Household has no/negative income, but none of the other housing problems
Jurisdiction as a whole	6,882	31,432	0
White	6,339	28,719	0
Black / African American	40	288	0
Asian	45	297	0
American Indian, Alaska Native	189	1,258	0
Pacific Islander	0	19	0
Hispanic	133	626	0

Table 16 - Disproportionally Greater Need 80 - 100% AMI

Data 2009-2013 CHAS
Source:

*The four housing problems are:

1. Lacks complete kitchen facilities,
2. Lacks complete plumbing facilities,
3. More than one person per room,
4. Cost Burden greater than 30%

Discussion

Comparing the above tables evidenced that at the lowest income, American Indian/Alaska Native had a higher percentage of households experiencing housing problems and no income. White households make up the greatest percentage of households in all categories, however, there was a gradual shift in percentages between White and American Indian as the incomes changed.

NA-20 Disproportionately Greater Need: Severe Housing Problems – 91.305(b)(2)

Assess the need of any racial or ethnic group that has disproportionately greater need in comparison to the needs of that category of need as a whole.

Introduction

The following charts are very similar results to the prior discussion except the following tables are in relation to severe housing problems. The charts would be much more helpful if percentages were calculated since the results are somewhat gradual. Once again as the income increases, the White household is less likely to experience severe housing problems.

0%-30% of Area Median Income

Severe Housing Problems*	Has one or more of four housing problems	Has none of the four housing problems	Household has no/negative income, but none of the other housing problems
Jurisdiction as a whole	20,318	15,587	2,034
White	15,522	13,003	1,696
Black / African American	379	97	20
Asian	216	33	0
American Indian, Alaska Native	3,486	2,020	235
Pacific Islander	0	0	0
Hispanic	431	240	35

Table 17 – Severe Housing Problems 0 - 30% AMI

Data 2009-2013 CHAS
Source:

*The four severe housing problems are:

1. Lacks complete kitchen facilities,
2. Lacks complete plumbing facilities,
3. More than 1.5 persons per room,
4. Cost Burden over 50%

30%-50% of Area Median Income

Severe Housing Problems*	Has one or more of four housing problems	Has none of the four housing problems	Household has no/negative income, but none of the other housing problems
Jurisdiction as a whole	8,332	29,673	0
White	6,707	26,411	0
Black / African American	150	215	0
Asian	36	143	0
American Indian, Alaska Native	1,031	2,021	0
Pacific Islander	0	0	0
Hispanic	301	575	0

Table 18 – Severe Housing Problems 30 - 50% AMI

Data 2009-2013 CHAS
Source:

*The four severe housing problems are:

1. Lacks complete kitchen facilities, 2. Lacks complete plumbing facilities, 3. More than 1.5 persons per room, 4. Cost Burden over 50%

50%-80% of Area Median Income

Severe Housing Problems*	Has one or more of four housing problems	Has none of the four housing problems	Household has no/negative income, but none of the other housing problems
Jurisdiction as a whole	4,994	54,501	0
White	4,133	49,516	0
Black / African American	50	432	0
Asian	48	253	0
American Indian, Alaska Native	528	2,476	0
Pacific Islander	0	15	0
Hispanic	224	1,044	0

Table 19 – Severe Housing Problems 50 - 80% AMI

Data 2009-2013 CHAS
Source:

*The four severe housing problems are:

1. Lacks complete kitchen facilities, 2. Lacks complete plumbing facilities, 3. More than 1.5 persons per room, 4. Cost Burden over 50%

80%-100% of Area Median Income

Severe Housing Problems*	Has one or more of four housing problems	Has none of the four housing problems	Household has no/negative income, but none of the other housing problems
Jurisdiction as a whole	1,728	36,574	0
White	1,376	33,686	0
Black / African American	10	318	0
Asian	40	301	0
American Indian, Alaska Native	105	1,349	0
Pacific Islander	0	19	0
Hispanic	99	660	0

Table 20 – Severe Housing Problems 80 - 100% AMI

Data 2009-2013 CHAS
Source:

*The four severe housing problems are:

1. Lacks complete kitchen facilities,
2. Lacks complete plumbing facilities,
3. More than 1.5 persons per room,
4. Cost Burden over 50%

Discussion

For the 0% - 30% chart, the percentage of households not experiencing housing problems were 83 percent for white, 12.96 percent for American Indian, and 1.5 percent for Hispanic. Once income increases to 50% - 80% the percentages are 90.8 percent for white, 4.54 for American Income and 1.92 for Hispanic. It is interesting to note that as income increased, the percentage for households not experiencing housing problems for American Indian decreased, meaning more of them did experience housing problems. This can make one think that the lower income households are residing in subsidized housing, where habitability standards are being met. Once American Indians are renting in the open market they are residing in less desirable housing that has housing problems. There could be several factors influencing this result but one could draw the conclusion that not all landlords are willing to rent housing units to American Indians, forcing them to reside in less desirable housing units.

NA-25 Disproportionately Greater Need: Housing Cost Burdens – 91.305 (b)(2)

Assess the need of any racial or ethnic group that has disproportionately greater need in comparison to the needs of that category of need as a whole.

Introduction

The tables below are analyzing the racial or ethnic group based on the varying AMI levels and cost burdens. Comparison of information is easier when looking at percentages rather than actual numbers of households.

Housing Cost Burden

Housing Cost Burden	<=30%	30-50%	>50%	No / negative income (not computed)
Jurisdiction as a whole	239,731	43,654	30,245	2,193
White	219,484	39,532	25,193	1,799
Black / African American	1,266	313	504	20
Asian	1,369	186	282	0
American Indian, Alaska Native	11,369	2,234	3,080	291
Pacific Islander	34	0	0	0
Hispanic	3,642	672	621	35

Table 21 – Greater Need: Housing Cost Burdens AMI

Data 2009-2013 CHAS
Source:

Discussion

Information presented above has very similar results to the other housing problems and components reviewed on the prior pages. As the percentage of cost burden increases, the percentage of white households experiencing cost burden slowly decreases. Under 30 percent cost burden, white households were at 91.6 percent. Once cost burden increases greater than 50 percent that percentage drops to 83.3 percent. All other ethnic/racial groups had opposite results. Black/African American households' percentage increased from .5 percent to 1.67 percent. Asian and Hispanic increases were very slight increases and American Indian increased from 4.7 percent up to 10.18 percent.

NA-30 Disproportionately Greater Need: Discussion – 91.305 (b)(2)

Are there any Income categories in which a racial or ethnic group has disproportionately greater need than the needs of that income category as a whole?

From the information being reviewed it's hard to come to the conclusion that any one racial or ethnic group has disproportionately greater needs. However, it was interesting to note that as income increased, it didn't always indicate the households would not be experiencing housing problems.

If they have needs not identified above, what are those needs?

Are any of those racial or ethnic groups located in specific areas or neighborhoods in your community?

This section is not applicable. South Dakota administers CDBG, HOME, ESG, and HTF statewide and not in any one community.

NA-35 Public Housing – (Optional)

Introduction

The local public housing and redevelopment commissions administer public housing and the Section 8 voucher program. In recent years additional voucher assistance has become available through the HUD VASH (Veterans Affairs Supportive Housing). In addition, Sioux Falls Housing also administers Shelter Plus Care vouchers funded through the Continuum of Care (CoC) Program.

SDHDA partners with the public housing authorities to address local housing need. Sioux Falls Housing, Pennington County Housing, Aberdeen Housing, Mitchell Housing and more recently Lemmon Housing and DeSmet Housing have become involved in developing affordable housing units. Mitchell Housing Authority has utilized the RAD program and SDHDA anticipates more housing authorities will look to that program for renovation of their public housing stock.

Information below provides statewide data on activity by the housing authorities. As indicated in the chart below, to date there are no Section 8 vouchers being project based. There are limited Section 8 vouchers, but there may come a time, when the ability to project base some vouchers will be necessary for new housing opportunities. SDHDA will continue to work with the housing authorities to help address their housing need while at the same time explore voucher preference for targeted population such as the homeless.

Totals in Use

	Program Type								
	Certificate	Mod-Rehab	Public Housing	Vouchers			Special Purpose Voucher		
				Total	Project - based	Tenant - based	Veterans Affairs Supportive Housing	Family Unification Program	Disabled *
# of units vouchers in use	0	127	1,563	5,649	0	5,246	148	2	232

Table 22 - Public Housing by Program Type

***includes Non-Elderly Disabled, Mainstream One-Year, Mainstream Five-year, and Nursing Home Transition**

Data Source: PIC (PIH Information Center)

Characteristics of Residents

	Program Type							
	Certificate	Mod-Rehab	Public Housing	Vouchers			Special Purpose Voucher	
				Total	Project - based	Tenant - based	Veterans Affairs Supportive Housing	Family Unification Program
# Homeless at admission	0	45	44	171	0	89	82	0
# of Elderly Program Participants (>62)	0	7	768	1,100	0	1,050	8	0
# of Disabled Families	0	26	388	1,725	0	1,482	43	0
# of Families requesting accessibility features	0	127	1,563	5,649	0	5,246	148	2
# of HIV/AIDS program participants	0	0	0	0	0	0	0	0
# of DV victims	0	0	0	0	0	0	0	0

Table 23 – Characteristics of Public Housing Residents by Program Type

Data Source: PIC (PIH Information Center)

Race of Residents

Race	Program Type								
	Certificate	Mod-Rehab	Public Housing	Vouchers			Special Purpose Voucher		
				Total	Project - based	Tenant - based	Veterans Affairs Supportive Housing	Family Unification Program	Disabled *
White	0	74	1,297	4,223	0	3,904	106	2	192
Black/African American	0	5	27	284	0	259	18	0	7
Asian	0	0	4	25	0	23	0	0	2

Program Type									
Race	Certificate	Mod-Rehab	Public Housing	Vouchers					
				Total	Project - based	Tenant - based	Special Purpose Voucher		
							Veterans Affairs Supportive Housing	Family Unification Program	Disabled *
American Indian/Alaska Native	0	48	234	1,092	0	1,036	23	0	31
Pacific Islander	0	0	1	25	0	24	1	0	0
Other	0	0	0	0	0	0	0	0	0

*includes Non-Elderly Disabled, Mainstream One-Year, Mainstream Five-year, and Nursing Home Transition

Table 24 – Race of Public Housing Residents by Program Type

Data Source: PIC (PIH Information Center)

Ethnicity of Residents

Program Type									
Ethnicity	Certificate	Mod-Rehab	Public Housing	Vouchers					
				Total	Project - based	Tenant - based	Special Purpose Voucher		
							Veterans Affairs Supportive Housing	Family Unification Program	Disabled *
Hispanic	0	6	34	144	0	135	4	0	5
Not Hispanic	0	121	1,529	5,505	0	5,111	144	2	227

*includes Non-Elderly Disabled, Mainstream One-Year, Mainstream Five-year, and Nursing Home Transition

Table 25 – Ethnicity of Public Housing Residents by Program Type

Data Source: PIC (PIH Information Center)

Section 504 Needs Assessment: Describe the needs of public housing tenants and applicants on the waiting list for accessible units:

As indicated in the charts above, there are 232 residents classified as disabled. There is no additional information above that provides information to answer the question - what are the needs of the applicants on the waiting list.

SDHDA has incorporated Section 504 requirements in all newly constructed housing, regardless of funding source. In addition, SDHDA encourages Section 504 modification in rehabilitation whenever feasible to do so.

When asking the local public housing authorities to describe the needs of tenants and applicants on the waiting list, the agencies indicated that the waiting lists are long and housing needs exist for all demographics including those with disabilities.

What are the number and type of families on the waiting lists for public housing and section 8 tenant-based rental assistance? Based on the information above, and any other information available to the jurisdiction, what are the most immediate needs of residents of public housing and Housing Choice voucher holders?

There are 36 public housing authorities in South Dakota. Twelve of these agencies administer both Section 8 voucher and low-rent housing programs, ten only administer the Section 8 vouchers and 14 only administer low-rent housing. An email was sent to the public housing authorities asking for information regarding their waiting lists but no specific information was received. The authorities all indicated that they had long waiting lists and some indicated their community also needs more workforce housing for families not qualifying for Section 8 assistance.

How do these needs compare to the housing needs of the population at large

Housing needs for those on the waiting list are very similar to the population at large. Everyone is looking for an affordable place to live that meets habitability standards. In addition, for those who rely on public transportation, close proximity to services and transit are important.

Discussion:

SDHDA and the public housing authorities are expanding their partnership with a goal of providing more housing opportunities in their communities. Many of the housing authorities are in small communities and are the logical partner in addressing housing needs by developing additional housing units, affordable and workforce. One concern that will continue to be monitored is the ability of the smaller public housing authorities being able to attract employees. More housing authorities are contracting with a company for the administrative functions and retaining fewer employees at the housing authority office. Filling of the executive director positions are seemingly taking longer to occur.

NA-40 Homeless Needs Assessment – 91.305(c)

Introduction:

Homeless information provided below came from the January 2018, point-in-time statewide homeless count conducted by the South Dakota Housing for the Homeless Consortium (SDHHC). Historically SDHHC conducted two homeless counts each year - the one required by HUD on the last week of January, as well as a count during the last week of September. The January count may not truly reflect the number of homeless in South Dakota since many individuals will move into doubled-up situation during the cold winter months. The September count provided an opportunity to re-evaluate the number of homeless during a warmer month and identify individuals living on the street.

The January 23, 2018, homeless count was conducted over a 24-hour period. Many volunteers and agencies from across the state come together to search out and survey those who were homeless, either on the street, or in emergency/transitional housing programs. Also, those living in motels that were being paid for by a charitable organization were also included in the count.

Homeless Needs Assessment

Population	Estimate the # of persons experiencing homelessness on a given night		Estimate the # experiencing homelessness each year	Estimate the # becoming homeless each year	Estimate the # exiting homelessness each year	Estimate the # of days persons experience homelessness
	Sheltered	Unsheltered				
Persons in Households with Adult(s) and Child(ren)	276	47	0	0	0	0
Persons in Households with Only Children	8	0	0	0	0	0
Persons in Households with Only Adults	590	238	0	0	0	0
Chronically Homeless Individuals	134	56	0	0	0	0
Chronically Homeless Families	67	8	0	0	0	0
Veterans	89	21	0	0	0	0
Unaccompanied Child	3	0	0	0	0	0

Population	Estimate the # of persons experiencing homelessness on a given night		Estimate the # experiencing homelessness each year	Estimate the # becoming homeless each year	Estimate the # exiting homelessness each year	Estimate the # of days persons experience homelessness
	Sheltered	Unsheltered				
Persons with HIV	6	2	0	0	0	0

Table 26 - Homeless Needs Assessment

Data Source Comments: Information provided by the January 23, 2018, state-wide point-in-time homeless count. These numbers are still being analyzed and may fluctuate slightly from the number which will be finalized in the near future.

Indicate if the homeless population is: Partially Rural Homeless

Rural Homeless Needs Assessment

Population	Estimate the # of persons experiencing homelessness on a given night		Estimate the # experiencing homelessness each year	Estimate the # becoming homeless each year	Estimate the # exiting homelessness each year	Estimate the # of days persons experience homelessness
	Sheltered	Unsheltered				
Persons in Households with Adult(s) and Child(ren)	159	32	0	0	0	0
Persons in Households with Only Children	1	0	0	0	0	0
Persons in Households with Only Adults	143	65	0	0	0	0
Chronically Homeless Individuals	62	12	0	0	0	0
Chronically Homeless Families	47	4	0	0	0	0
Veterans	27	10	0	0	0	0

Population	Estimate the # of persons experiencing homelessness on a given night		Estimate the # experiencing homelessness each year	Estimate the # becoming homeless each year	Estimate the # exiting homelessness each year	Estimate the # of days persons experience homelessness
	Sheltered	Unsheltered				
Unaccompanied Youth	0	0	0	0	0	0
Persons with HIV	0	0	0	0	0	0

Table 27 - Homeless Needs Assessment

Data Source Comments: Information provided by the January 23, 2018, state-wide point-in-time homeless count. These numbers are still being analyzed and may fluctuate slightly from the number which will be finalized in the near future.

For persons in rural areas who are homeless or at risk of homelessness, describe the nature and extent of unsheltered and sheltered homelessness with the jurisdiction:

Results from the January 23, 2018, for rural areas is listed above. In rural communities, it is often the domestic violence shelter providing services, however, there are several cold weather shelters that open during the winter months. In addition, local Community Action Programs (CAP) agencies are becoming more involved in providing homelessness services and with CAP agencies having satellite offices in many communities, services are being provided to more people in more rural areas. The Veteran's Administration has also been vital in reaching out to rural areas of the state for purposes of the homeless count. Having county and tribal veteran's offices in every county and Indian Reservation helps to identify and provide services to those in need. However, with limited services and the willingness of families to help each other, majority of the homeless move into doubled-up situations in rural counties making it more difficult to document the exact number of homeless on any given night or the total number experiencing homeless in a year.

If data is not available for the categories "number of persons becoming and exiting homelessness each year," and "number of days that persons experience homelessness," describe these categories for each homeless population type (including chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth):

Per the Sheltered Homeless Persons report for South Dakota 10/1/2016 - 9/30/2017, there is over 2,800 people who become homeless annually in South Dakota. Of this total 1,500 are individuals staying in emergency shelter. Another 20 percent or approximately 570 are households with children staying in emergency shelters - this category is likely covering those experiencing domestic violence. Information in this report is associated with the questions being asked but are not broken down in the requested categories. Additional information is provided below:

- Families in emergency shelter - 76 percent are female and 24 percent are male; 73 percent are American Indian and 17 percent are white; 29 percent are ages 1 to 5 and 21 percent are ages 6 to 12.
- Families in transitional housing - 84 percent are female and 16 percent are male; 38 percent are American Indian and 29 percent are white; 27 percent are ages 6 to 12 and 24 percent are ages 1 to 5.
- Families in permanent supportive housing - 76 percent are female and 24 percent are male; 45 percent are American Indian and 32 percent are white; 28 percent are ages 6 to 12 and 20 percent are ages 31 to 50.
- Individuals in emergency shelters - 71 percent are male and 29 percent are female; 47 percent are American Indian and 39 percent are white; 46 percent are ages 31 to 50 and 21 percent are ages 51 to 61.
- Individuals in transitional housing - 86 percent are male and 14 percent are female; 49 percent are white and 26 percent are American Indian; 28 percent are ages 31 to 50 and 26 percent are ages 51 to 61.
- Individuals in permanent supportive housing - 65 percent are male and 35 percent are female; 66 percent are white and 25 percent are American Indian; 48 percent are ages 31 to 50 and 34 percent are ages 51 to 61.
- Veterans are likely residing in transitional housing for individuals and in emergency shelters.

Nature and Extent of Homelessness: (Optional)

Race:	Sheltered:	Unsheltered (optional)
White	273	54
Black or African American	63	16
Asian	2	0
American Indian or Alaska Native	479	179
Pacific Islander	0	0
Ethnicity:	Sheltered:	Unsheltered (optional)
Hispanic	67	18
Not Hispanic	807	267

Data Source
Comments:

This information is from the January 2018 homeless count. The information is still being finalized, final results may vary slightly from the information presented above.

Estimate the number and type of families in need of housing assistance for families with children and the families of veterans.

From the January 2018 homeless count there was one veteran family identified with four household members.

There was a total of 105 family households resulting in 323 people. 210 of the individuals were under the age of 18. There were 25 households considered chronically homeless, consist of 75 people. 242 of the 323 people (75%) of the individuals are American Indian and 38 of them were unsheltered the night of the homeless count.

Describe the Nature and Extent of Homelessness by Racial and Ethnic Group.

As indicated in the chart above, majority of the homeless individuals in South Dakota are American Indian. The homeless count identified 905 households for an estimated 1,159 individuals. 28 percent (327 individuals) are white, 57 percent (658 individuals) are American Indian, eight percent (93 individuals) identified as multiple races and seven percent (79 individuals) are African American.

There were 85 Hispanics identified during the homeless count.

Describe the Nature and Extent of Unsheltered and Sheltered Homelessness.

Rural communities in South Dakota typically do not have emergency shelters, however, during cold winter months, organizations such as churches and tribal agencies do provide cold weather

shelter. Typically, homeless count information for rural areas of the state are provided by domestic violence shelters.

Of the total 1,159 individuals counted, 424 are females of which 339 were sheltered and 85 were unsheltered. There was a total of 735 males of which 535 were sheltered and 200 were surveyed as unsheltered the night of the homeless count. There were 14 households with children who were unsheltered the night of the count. These 14 households were comprised of 47 people of which 28 were under the age of 18.

Discussion:

Based on the results of the 2018 homeless count there is still a lot of work to be done to adequately serve our homeless. On the night of the homeless count there were 233 households and 285 people who were unsheltered. Implementation of coordinated entry system will help bring awareness of the current housing and services available in addition to what services and housing are needed to adequately serve the homeless population. Changes were made to the Housing Trust Fund, HOME and Housing Tax Credit programs to encourage development of permanent housing to help address homelessness in South Dakota.

NA-45 Non-Homeless Special Needs Assessment – 91.305 (b,d)

Introduction

The development of special needs housing in South Dakota was active during 2009 - 2012 when Neighborhood Stabilization Program (NSP) funds were available. Since that time, development of special needs housing has been slow. SDHDA is administering the HUD 811 Project Rental Assistance Demonstration Program and the first units have been identified but to date, no units have been leased.

During 2017, SDHDA introduced a new program called the Sustainable Housing Incentive Program aimed at providing financial assistance to incentivize landlords to lease housing units to tenants, typically classified as "hard to house". This program was created to offer another tool when assisting households with special needs.

Some of the proposed changes to the housing finance programs are focused on development of special needs and rural housing. Special needs/service enriched housing could be designated for households with disabilities, veterans, homeless, youth, etc. SDHDA has a strong relationship with the state Department of Human Services and the Department of Social Services which can provide assistance to ensure appropriate housing development and services are made available.

Rental housing markets remain tight and often individuals and households with special needs are not locating appropriate housing options. SDHDA will continue to work with service providers and state

agencies to identify concerns and work to address issues in order to provide adequate and fair housing choice for everyone.

Describe the characteristics of special needs populations in your community:

Being a statewide consolidated plan requires SDHDA to review the needs of the entire state. Based on this, the special needs populations across that state include homeless, physical disabilities, developmental disabilities, mental disabilities, veterans, youth, those with substance abuse issues, those exiting the correctional system and those in need of life skills training.

What are the housing and supportive service needs of these populations and how are these needs determined?

The housing and supportive service needs of the populations listed above include an array of different needs. Determined by the target population being serviced, the agency providing the service and developing the housing will coordinate the services. Focus will be on developing permanent housing choices and working with service providers to ensure adequate services are available.

Discuss the size and characteristics of the population with HIV/AIDS and their families within the Eligible Metropolitan Statistical Area:

Sioux Falls Housing and Redevelopment Commission administers the Tri-State HELP Program which is Housing Opportunities for Persons with Aids (HOPWA) competitive funding. Sioux Falls Housing annually applies for renewal funding for this program.

The following information comes from the state profile provided by Ryan White HIV/AIDS Program for the most recent year (2014):

The estimated population with diagnosed HIV infection was 494, with 28 newly diagnosed in 2014.

Household income levels were 12.8 percent of the households at or below 100 percent of the federal poverty level (FPL); 17.0 percent between 100 and 199 percent FPL; 18.9 percent between 200 and 299 FPL and 52.3 percent of the households 300 percent of the FPL and more.

Ryan White clients were 70 percent males and 30 percent females.

For race and ethnicity, 42.5 percent were Hispanic, 32.2 percent were white, and 19.2 percent African American.

By age, 50.9 percent were ages 45 to 64, 40.8 percent were ages 25 to 44, and 5.6 percent were 65 and older.

Discussion:

As indicated above, SDHDA reviews the needs of the entire state, but needs are determined by the agency providing the service and developing the housing. SDHDA's goal is to continue to utilize the knowledge learned and success of the HPRP and NSP Programs to continue partnering with agencies to develop additional special needs housing and administer the HUD 811 Project Rental Assistance Demonstration Program. To entice developers to develop special needs housing, competitive points will continue to be awarded for HOME and Housing Tax Credit applications willing to set-aside units for special needs. Meetings and trainings will continue to be conducted allowing housing and service agencies opportunities to discuss coordination of efforts, learning of each other's programs, and best practices for serving the clientele.

NA-50 Non-Housing Community Development Needs - 91.315 (f)**Describe the jurisdiction's need for Public Facilities:**

Many rural communities within the State simply do not have facilities such as community buildings, fire halls, and medical clinics. Because they are lacking in one or more of these facilities, the community is often in jeopardy of losing their economic base to another nearby community that can provide these services. Other communities may have these facilities, but have outgrown the facility or the facility is becoming economically obsolete.

How were these needs determined?

Local needs assessments are completed to determine what is needed in a particular community.

Describe the jurisdiction's need for Public Improvements:

Many communities have either outgrown the water and wastewater systems available within the community or the current systems have deteriorated to such a point where they must be replaced. Some water systems no longer meet the requirements set forth by Environmental Protection Agency.

The State has been very successful in its economic development efforts. Other industries have moved to South Dakota from other areas because of the favorable economic climate in the State, including no state income tax. Many of these industries want to expand within the State and need additional resources for the purchase of equipment and land, the purchase and renovation of commercial buildings and infrastructure construction.

How were these needs determined?

Needs are determined through surveys, engineering and the Department of Environment and Natural Resources.

Describe the jurisdiction’s need for Public Services:

Many communities have had the need for workforce training outside of traditional school courses. Communities have had trouble finding qualified people in areas such as welding and machinists.

The State has been proactive in recognizing this short fall in qualified workforce and has implemented ways for individuals to gain the training to advance in the workforce.

How were these needs determined?

Department of Labor studies and statistics on a state-wide basis showed areas where there are multiple openings with very few individuals that are qualified to fill the positions.

Housing Market Analysis

MA-05 Overview

Housing Market Analysis Overview:

The unmet housing need continues to be broad and vary by each community in South Dakota. SDHDA housing programs are available for every community across the state, making it difficult to establish funding priorities. While not all of the following needs can currently be met with SDHDA programs, the overall housing needs are as follows: Preservation of existing rental housing stock to keep deeply subsidized units affordable; New construction of affordable rental housing in areas of market demand some of which will be focused on service enriched housing, extremely low income and other characteristics that may be specific to any community; Rental assistance for extremely low-income, cost burdened households (households whose incomes are below 30 percent of median income and who pay more than 30 percent of their income toward housing); Coordinated homeless housing and supportive services such as support for the chronic homeless and housing with intensive services; Development of affordable housing units for low to moderate income homebuyers; and Development of workforce housing.

MA-10 Number of Housing Units – 91.310(a)

Introduction

The need for housing continues across the state. The number and targeting of units vary by community. Each community should complete a housing needs study/market analysis for their area prior to construction of new housing units. SDHDA will continue to require developers to complete a market analysis with submission of financing application, further documenting the number and targeting of units proposed. SDHDA will also conduct their own analysis of housing demand during the application review.

Many communities across the state are becoming more proactive in monitoring rental housing developments. Unfortunately, in tight rental markets, it is more difficult to remove substandard housing when there isn't adequate supply of housing to begin with. Based on the tight rental markets seen across the state the availability of housing units currently does not meet the needs of the population.

All residential properties by number of units

Property Type	Number	%
1-unit detached structure	251,680	69%
1-unit, attached structure	12,377	3%
2-4 units	19,160	5%
5-19 units	28,027	8%
20 or more units	21,543	6%
Mobile Home, boat, RV, van, etc.	32,907	9%
Total	365,694	100%

Table 28 – Residential Properties by Unit Number

Data Source: 2009-2013 ACS

Unit Size by Tenure

	Owners		Renters	
	Number	%	Number	%
No bedroom	343	0%	3,120	3%
1 bedroom	4,896	2%	24,685	24%
2 bedrooms	44,479	20%	43,047	42%
3 or more bedrooms	170,154	77%	32,412	31%
Total	219,872	99%	103,264	100%

Table 29 – Unit Size by Tenure

Data Source: 2009-2013 ACS

Describe the number and targeting (income level/type of family served) of units assisted with federal, state, and local programs.

SDHDA monitors SDHDA financed developments (HOME, HTC, HTF, NSP, HOF and tax-exempt bonds) and HUD financed developments with Section 8 Housing Assistance. SDHDA monitors over 15,700 rental units. In calendar year 2017, SDHDA also approved financing for new construction of 234 affordable rental units with HOME, Housing Tax Credit, Housing Trust Fund and Housing Opportunity funds. Of these units, 28 will be service enriched, 19 are homeownership, and 215 are rental housing. All rental units are serving households at 30, 40, 50 and 60 percent AMI.

SDHDA also administers financing programs for development of workforce housing. The Community Housing Development Program (CHDP) is targeted to 120 percent AMI. SDHDA currently has one development financed with this program.

Provide an assessment of units expected to be lost from the affordable housing inventory for any reason, such as expiration of Section 8 contracts.

It is very difficult to access the number of housing units to be lost from inventory statewide. SDHDA monitors SDHDA financed and HUD financed developments with Section 8 Housing Assistance and is proactive in keeping these units affordable, marketable and serving low-income households long term. SDHDA is also informed when USDA Rural Development projects are requesting prepayment options. In some rural communities where population has declined over the years, the most feasible choice for the owner is to opt out of the HUD or USDA RD programs.

Does the availability of housing units meet the needs of the population?

In many communities across the state, the rental vacancy rate is 3% or less. The PHAs within the state typically have waiting lists for Section 8 assistance, with Rapid City and Sioux Falls having waiting lists of over two years. The demand for HOME and HTC funding exceeds what is available typically on a 2 to 1 or 3 to 1 ratio. Market rate multifamily rental housing is being developed in larger communities softening the rental market a little.

One could conclude that the continued low mortgage rates would drive up homeownership opportunities, leaving large vacancies for rental housing. However, this is not happening. Stagnant income growth, stringent lending practices and increasing home values are keeping households in rental housing. In addition, the condition of the homes currently for sale are not acceptable to the buyers for the associated listing price.

Communities continue to grow and as housing costs continue to increase faster than median incomes; the need for affordable housing continues. There are specifically two areas of housing needs that are currently not being met due to various reasons - 1. Housing on Indian Reservations and 2. Housing for those considered hard to house and/or special needs. Development of housing on Indian Reservations

is difficult due to high costs, land leases, and insufficient capacity. Housing for those who are considered hard to house is also difficult to find. Rental markets remain tight allowing management agents to be very selective of their tenant populations.

Describe the need for specific types of housing:

While SDHDA cannot accurately say which housing types are needed through statistics, SDHDA implemented the Housing Needs Study program to help communities identify their need and to date 49 communities have partnered with SDHDA to complete housing studies in their community. These studies, along with the market analysis/housing needs studies done with all HOME and HTC projects funded by SDHDA, help identify local needs and generalize information for the state.

Development of rental housing in rural communities, on Indian Reservations, and for special needs is an area of focus. SDHDA is incorporating changes into the HOME, HTF, HOF and HTC programs to assist in meeting this need. Changes include scoring criteria and funding set-asides.

Development of affordable single-family homes for homeownership is also needed. SDHDA has made changes to the HOME Program to assist with meeting this need. Currently there are two funding set-asides within the HOME Program, one is for construction financing and the second set-aside is downpayment assistance.

SDHDA is also partnering with the SD Native American Homeownership Coalition. This partnership is addressing many areas involved in the development and availability of single-family homes such as capacity building, lending opportunities, understanding the tribal lease process, working to increase the construction workforce and utilizing the HUD 184, USDA Rural Development and Veteran's Administration funding programs.

The SDHHC is implementing coordinated entry for South Dakota. While proceeding through this process it becomes evident that there is a lack of available permanent housing solutions. Continued effort will be made to entice developers to provide permanent housing solutions to assist in meeting the housing demands for the homeless and other special needs populations.

Discussion

SDHDA knows that more housing units are needed due to tight rental markets and communities asking us for help, however SDHDA cannot accurately say which housing types and at what income levels are priority, needed or will be funded. With the implementation of the Housing Needs Study program and the market analysis that are required on all HOME and HTC projects, projects and their demand are identified before funding is awarded.

MA-15 Cost of Housing – 91.310(a)

Introduction

The cost of housing continues to increase faster than average incomes. A continual conversation regarding housing costs is what amenities and green features should be incorporated into affordable housing, along with leveraging of federal resources. Developers are encouraged to be creative in developing housing that is sustainable and incorporates long-term viability but is still affordable.

The Rent Paid chart indicates that South Dakota has relatively low rents compared to many other areas in the country. However, one must also analyze the household incomes for accurate reflection of true affordability.

Cost of Housing

	Base Year: 2000	Most Recent Year: 2013	% Change
Median Home Value	74,300	132,400	78%
Median Contract Rent	359	517	44%

Table 30 – Cost of Housing

Data Source: 2000 Census (Base Year), 2009-2013 ACS (Most Recent Year)

Rent Paid	Number	%
Less than \$500	53,623	51.9%
\$500-999	43,163	41.8%
\$1,000-1,499	4,971	4.8%
\$1,500-1,999	826	0.8%
\$2,000 or more	681	0.7%
Total	103,264	100.0%

Table 31 - Rent Paid

Data Source: 2009-2013 ACS

Housing Affordability

% Units affordable to Households earning	Renter	Owner
30% HAMFI	12,415	No Data
50% HAMFI	38,250	21,635
80% HAMFI	72,380	56,235
100% HAMFI	No Data	83,450
Total	123,045	161,320

Table 32 – Housing Affordability

Monthly Rent

Monthly Rent (\$)	Efficiency (no bedroom)	1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom
Fair Market Rent	0	0	0	0	0
High HOME Rent	0	0	0	0	0
Low HOME Rent	0	0	0	0	0

Table 33 – Monthly Rent

Data Source Comments: The chart indicates the low and high range of corresponding rents.

Is there sufficient housing for households at all income levels?

In using the charts above it does indicate that there are sufficient housing units for the 30 and 50 percent HAMFI (HUD Area Median Family Income) households. There are 50,665 households at or below 50 percent HAMFI and a total of 53,623 housing units charging less than \$500 rent. Rents of \$500 per month would correlate to approximately \$20,000 in annual income. One-person household very low income, for majority counties in South Dakota is \$22,050.

The charts indicate a shortage of available affordable rent for the next income level of 80 percent HAMFI. In this income level there are 72,380 households but only 43,163 housing units with rents under \$999, which means some of the renter households will be paying up to \$1,500 or more for their housing unit. Paying no more than 30 percent of your income for rent with rent corresponding to \$1,000 per month, the household income would be \$40,000. One-person household at 80 percent income is \$35,200 for many counties in South Dakota indicating rents around \$1,000 or greater often times will exceed 30 percent of their income.

How is affordability of housing likely to change considering changes to home values and/or rents?

Home values have been increasing, lending requirements are still more stringent, and interest rates are beginning to rise. In addition, many typical homebuyers are dealing with payment of secondary school loans. Based on these reasons, it is anticipated that home sales will be somewhat stagnant and rental rates will continue to increase steadily due to demand. Development of multifamily rental has increased in many communities in South Dakota. Some of the developments are providing modest rental rates but majority of them are not feasible to lower income households.

The Rent Paid chart indicates that South Dakota has relatively low rents compared to many other areas in the country. However, one must also analyze the household incomes for accurate reflection of true affordability. The Housing Affordability chart below does not contain information.

How do HOME rents / Fair Market Rent compare to Area Median Rent? How might this impact your strategy to produce or preserve affordable housing?

Completion of a statewide consolidated plan would make it difficult to answer how the Fair Market Rent (FMR) would compare to the Area Median Rent. However, in communities that have increasing population and tightening rental markets, the Fair Market Rent has fallen behind the Area Median Rents. In larger communities, the Fair Market Rent is much more comparable to the Area Median Rents. Historically FMR have compared to rents correlating to 50 percent AMI. In most communities, FMR is correlating to 60 percent AMI rent limits.

Information has been entered in the chart above providing the range of low to high when comparing counties in South Dakota.

Discussion

It is difficult to determine if there are sufficient housing units at corresponding income levels without knowing the actual income of the household. In addition, when there are so many additional living expenses increasing such as utility cost and medical insurance, it is difficult for households to pay 30 percent of their income for housing.

MA-20 Condition of Housing – 91.310(a)

Introduction:

Communities across South Dakota are becoming involved in housing activities. Cities have either enacted code enforcement or are working towards doing so. Code enforcement is addressing both rental and homeownership units. In many rural communities there are vacant homes that are slowly deteriorating. The city is being active in contacting the owner and asking them to take care of the housing unit or transfer ownership to either the city or nonprofit entity who can then either rehab or demolish the structure, making room for new homes.

Cost of housing development continues to rise. It is getting more difficult to develop new housing that is affordable to working families. Maintaining homes is more cost effective, utilizes current infrastructure, and helps with neighborhood revitalization.

Definitions

The consolidated plan is for the entire state of South Dakota. Each community can have its own definition of "substandard condition" and "substandard condition but suitable for rehabilitation" so there is no one definition being provided in this Plan. Communities and/or developers evaluating existing homes for potential renovation have to take into consideration the current value of the homes, the rehab costs to bring the home up to code requirements and the potential ability of selling the home

at the appropriate price to cover project costs. At times the cost of renovating the home will be too expensive and the developer will not be able to recoup the costs. If there is no subsidy or financial assistance to offset the cost, the home should be considered for demolition.

Condition of Units

Condition of Units	Owner-Occupied		Renter-Occupied	
	Number	%	Number	%
With one selected Condition	40,199	18%	37,246	36%
With two selected Conditions	1,123	1%	2,182	2%
With three selected Conditions	199	0%	430	0%
With four selected Conditions	0	0%	76	0%
No selected Conditions	178,351	81%	63,330	61%
Total	219,872	100%	103,264	99%

Table 34 - Condition of Units

Data Source: 2009-2013 ACS

Year Unit Built

Year Unit Built	Owner-Occupied		Renter-Occupied	
	Number	%	Number	%
2000 or later	40,043	18%	14,488	14%
1980-1999	51,393	23%	25,887	25%
1950-1979	74,663	34%	40,739	39%
Before 1950	53,773	24%	22,150	21%
Total	219,872	99%	103,264	99%

Table 35 – Year Unit Built

Data Source: 2009-2013 CHAS

Risk of Lead-Based Paint Hazard

Risk of Lead-Based Paint Hazard	Owner-Occupied		Renter-Occupied	
	Number	%	Number	%
Total Number of Units Built Before 1980	128,436	58%	62,889	61%
Housing Units build before 1980 with children present	26,510	12%	18,160	18%

Table 36 – Risk of Lead-Based Paint

Data Source: 2009-2013 ACS (Total Units) 2009-2013 CHAS (Units with Children present)

Vacant Units

	Suitable for Rehabilitation	Not Suitable for Rehabilitation	Total
Vacant Units	0	0	0

	Suitable for Rehabilitation	Not Suitable for Rehabilitation	Total
Abandoned Vacant Units	0	0	0
REO Properties	0	0	0
Abandoned REO Properties	0	0	0

Table 37 - Vacant Units

Data Source: 2005-2009 CHAS

Need for Owner and Rental Rehabilitation

There are several nonprofit organizations that currently provide homeowner rehabilitation under the HOME Program and the Housing Opportunity Fund. SDHDA increased the funding amount for the HOME homeowner rehabilitation set-aside a couple of years ago increasing both the number of agencies and the geographic areas being serviced. SDHDA recently increased the dollar amount of renovation work that can be completed per home. Based on the age of the housing units and income level of homeowners many homes need weatherization and renovation. Utilizing the HOME and HOF program for homeowner rehabilitation will preserve affordable housing units in many rural communities. Homeowners are also eligible to apply directly to USDA Rural Development for their grant and loan financing for homeowner rehabilitation, in addition, the community action programs administer weatherization funding to enhance energy efficiency for homeowners.

Rental rehabilitation is also an eligible activity for SDHDA funding.

Estimated Number of Housing Units Occupied by Low or Moderate Income Families with LBP Hazards

Majority of the housing units in South Dakota were constructed prior to 1980. However, it would be difficult to determine how many of these units are occupied by low- or moderate-income families with LBP Hazards.

Discussion:

The charts above indicate the year housing units were constructed. It is interesting to note that during 1950 to 1979 there were an average of 2,489 housing units built per year; during 1980 to 1999 there were an average of 2,570 housing units built per year and 2000 or later, there was an average of 2,502 housing units built. While the housing builds may not have kept pace with population growth, it has been relatively consistent through the years.

Communities around the state are addressing dilapidated homes in their community. The city or nonprofit organizations are either renovating the homes or removing the structure and providing new housing options with either a Governor's House or other housing unit.

MA-25 Public and Assisted Housing – (Optional)

Introduction:

The consolidated plan is for the entire state of South Dakota. The following questions relate to public and assisted housing located across the state. SDHDA has no jurisdiction over the public housing authorities, however SDHDA does partner with the housing authorities for renovation of existing housing stock and new construction. One RAD (Rental Assistance Demonstration) project has been completed and it is anticipated additional RAD conversions will be forthcoming. As indicated in the chart below, there are 127 mod-rehab and 1,654 public housing units. Of the 36 public housing authorities in South Dakota, 26 have low-rent housing units.

The following questions are very specific to the 26 public housing authorities and due to lack of information, SDHDA will not provide responses to these questions.

Totals Number of Units

	Program Type								
	Certificate	Mod-Rehab	Public Housing	Vouchers					
				Total	Project-based	Tenant-based	Special Purpose Voucher		
							Veterans Affairs Supportive Housing	Family Unification Program	Disabled *
# of units vouchers available	0	127	1,654	6,305	0	2,286	1,086	0	3,083
# of accessible units									
*includes Non-Elderly Disabled, Mainstream One-Year, Mainstream Five-year, and Nursing Home Transition									

Table 38 – Total Number of Units by Program Type

Data Source: PIC (PIH Information Center)

Describe the supply of public housing developments:

Describe the number and physical condition of public housing units in the jurisdiction, including those that are participating in an approved Public Housing Agency Plan:

Per the information on the above chart, there are 1,654 public housing units in South Dakota. SDHDA does not have information regarding the physical condition of these housing units.

Describe the Restoration and Revitalization Needs of public housing units in the jurisdiction:

SDHDA is not familiar with the restoration and revitalization needs of public housing units in South Dakota, however, if many of the public housing units were constructed during the 1970s it is anticipated

that there is need for renovation and revitalization. Several housing authorities have inquired about utilizing the RAD program to renovation their public housing units. To date, Mitchell Housing Authority has completed the only RAD project in South Dakota.

If tribal housing authorities are included in this conversation, there would be additional need for funding for renovation activity. Tribal housing authorities have previously applied to SDHDA for HTC, HTF and HOME funds for this type of activity.

Describe the public housing agency's strategy for improving the living environment of low- and moderate-income families residing in public housing:

SDHDA does not have sufficient information to address this on behalf of the housing authorities.

Discussion:

SDHDA's relationship with the public and Indian housing authorities is strengthening. SDHDA anticipates future conversations with the housing authorities regarding renovation of their public housing units as well as taking on additional projects to help address housing concerns in their communities.

MA-30 Homeless Facilities – 91.310(b)

Introduction

The information below is taken from the Housing Inventory Chart (HIC) for January 2017. Per the HIC there were a total of 2,139 housing units available of which 182 were rapid re-housing indicating actual facilities and housing beds of 1,957. The numbers are broken out as they were presented in the HIC. If facilities receive specialized funding then they are likely to designate beds for chronically homeless or veterans but typically the beds are available first come first serve and are not targeted to special populations.

Facilities Targeted to Homeless Persons

	Emergency Shelter Beds		Transitional Housing Beds	Permanent Supportive Housing Beds	
	Year-Round Beds (Current & New)	Voucher / Seasonal / Overflow Beds	Current & New	Current & New	Under Development
Households with Adult(s) and Child(ren)	941	11	230	84	0
Households with Only Adults	0	131	0	21	0
Chronically Homeless Households	36	0	0	68	0
Veterans	11	0	120	286	0
Unaccompanied Youth	14	0	4	0	0

Table 39 - Facilities Targeted to Homeless Persons

Data Source Comments: January 2017 Housing Inventory Chart

Describe mainstream services, such as health, mental health, and employment services to the extent those services are used to complement services targeted to homeless persons

South Dakota offers a wide range of mainstream support and resources to meet basic needs, such as Medicaid, TANF, SNAP, WIC, Health and mental health programs (Community Health Center and Medicare); SSI, SSDI, housing subsidy program, veteran and employment assistance. Homeless individuals and families must qualify based on income, disability and family composition for the particular programs. Access to targeted and mainstream programs, as well as housing, is essential for moving homeless individuals and families out of homelessness. The 211 statewide program is a good resource for individuals and agencies serving those in need by providing a directory of services and contacts for communities across the state.

Nonprofit agencies across the state have become more involved in providing services for unaccompanied youth. The Veterans programs have become more widely available and utilized as well.

Mainstream programs are working together with South Dakota Housing for the Homeless Consortium in creating a coordinated entry system.

List and describe services and facilities that meet the needs of homeless persons, particularly chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth. If the services and facilities are listed on screen SP-40 Institutional Delivery Structure or screen MA-35 Special Needs Facilities and Services, describe how these facilities and services specifically address the needs of these populations.

Emergency shelters are located in Sioux Falls, Rapid City, Aberdeen, Yankton, and Eagle Butte and these shelters often serve chronically homeless individuals. In rural areas of the state, most homeless services are provided by domestic violence shelters. Typically shelters in South Dakota serve all homeless populations based on the number of people accessing housing and services.

The Veteran's Administration has been very active in providing resources for homeless veterans. During the 2017 point in time count, there were 145 HUD VASH vouchers in Rapid City and 141 in Sioux Falls. Other HUD VASH vouchers are located on Indian Reservations in South Dakota. Discussions have been held with other public housing authorities but to date no additional housing authorities are participating in this program. In addition, VA transitional homes are located in several communities and Cornerstone Rescue Mission and Volunteers of America administer programs to directly assist veterans.

Volunteers of America and Lutheran Social Services have been providing services and housing to assist homeless youth. Housing for youth are provided by Volunteers of America through an independent living preparation program providing transitional housing. Lutheran Social Services provides crisis, transitional and permanent housing opportunities. Spotted Tail located in Rosebud provides crisis housing and Abbott House in Mitchell and Call to Freedom located in Sioux Falls both provide transitional housing for youth.

MA-35 Special Needs Facilities and Services – 91.310(c)

Introduction

South Dakota is fortunate to have several agencies serving special needs populations who have great relationships with developers of affordable housing. Developing new housing is in line with the mission of South Dakota's Department of Human Services (DHS) and South Dakota Department of Social Services, to promote the highest level of independence for all individuals regardless of their situation by ensuring appropriate supportive housing will be available. In 2012, SDHDA on behalf of the State of South Dakota, applied for the HUD 811 Demonstration Program which was approved. This application process and program implementation provided an opportunity to openly discuss housing and services for special needs with owners, management companies, Dept. of Human Services and Dept. of Social Services. During this process agencies were engaged to develop and assist with providing services for special needs. Implementation of the HUD 811 program has facilitated meetings and continued discussions, learning how the program will be implemented and successful.

To the extent information is available, describe the facilities and services that assist persons who are not homeless but who require supportive housing, and programs for ensuring that persons returning from mental and physical health institutions receive appropriate supportive housing

DHS provides rehabilitation services, services for the blind and visually impaired, services to individuals with developmental disabilities and operates the SD Development Center which provides individualized treatment services and supports to people with development disabilities and challenging behaviors only when needed services are not available in a community setting. The Development Center population is expected to stabilize at 160 individuals.

The CHOICES Home and Community-Based Services Waiver provide services to adults and children in their hometown. These community-based service providers have enabled people to live closer to their families and obtain services in less-restrictive community settings.

To ensure adequate services are available to individuals, state offices are located across the state. Four offices provide services for individuals with development disabilities, 12 offices provide rehabilitation services and four offices provide services for the blind and visually impaired. In addition, there are 19 community support providers, 34 alcohol and drug service providers, and 11 community health centers.

The mission of the Department of Social Services (DSS) is to strengthen and support individuals and families by promoting cost effective and comprehensive services in connection with our partners that foster independent and healthy families. DSS's goals are to ensure access to services, protect individuals, foster partnership to leverage resources, improve outcomes through continuous quality improvement and strengthen and align human resources.

DSS has 64 local offices providing a variety of services statewide. However, mental health services are provided via contracts with community mental health providers.

Describe programs for ensuring that persons returning from mental and physical health institutions receive appropriate supportive housing

Providing services to individuals returning from mental and physical institutions is and will remain a high priority for the State of South Dakota and all agencies involved. As evidenced by Governor Dugaard's Medicaid Solutions Work Group – South Dakota will continue to provide the necessary services but as a state we need to review the programs and processes to ensure citizens continue to receive services, such as home-based services. This pro-active approach to finding solutions evidences commitment and future planning to ensure safe and affordable housing options to individuals with disabilities.

Specify the activities that the jurisdiction plans to undertake during the next year to address the housing and supportive services needs identified in accordance with 91.215(e) with respect to persons who are not homeless but have other special needs. Link to one-year goals. 91.315(e)

The HOME, Housing Trust Fund and HTC programs will be the main funding source to rehab or develop new service enriched housing. Revision of the administrative plans and point categories provide more emphasis on serving individuals with special needs with little effort or impact on the multifamily owners.

SDHDA will continue to meet with housing developers and service providers to determine housing needs and develop ways to address these housing needs.

Specific activities that will be undertaken this next year is evaluation of the initial leasing of the HUD 811 units along with additional training, meetings, and networking among housing and service agencies to ensure appropriate housing and services can be provided. Education and partnerships are key to seeing results in providing special needs housing.

The HOME, HTF and HTC programs will be the main funding source to rehab or develop new service enriched housing. Revision of the 2018 administrative plans and point categories provide more emphasis on serving individuals with special needs with little effort or impact on the multifamily owners.

There are no specific activities proposed for the next year, however, SDHDA anticipate additional housing units being developed based on the changes discussed above.

For entitlement/consortia grantees: Specify the activities that the jurisdiction plans to undertake during the next year to address the housing and supportive services needs identified in accordance with 91.215(e) with respect to persons who are not homeless but have other special needs. Link to one-year goals. (91.220(2))

Not Applicable

MA-40 Barriers to Affordable Housing – 91.310(d)

Negative Effects of Public Policies on Affordable Housing and Residential Investment

Local and federal policies can have a negative effect on the affordability of housing. At the local level, additional building codes and zoning requirements, which vary by community, and federal policies such as Davis Bacon reporting results can result in additional project costs and delays. Contractor bids increase to cover the administrative cost of Davis Bacon. While these policies may be justified at times, the policies are not always relevant based on the community and the housing developers.

The push to develop green and energy efficient housing can also have negative implications. Access to products and expertise of contractors to install specialized products can be cost prohibitive in rural areas. There are many policies that sound good in theory but are not as effective when implemented. These barriers make affordable housing, less affordable.

During 2017 SDHDA created its Analysis of Impediments to Fair Housing Choice. Below are the Impediments and general actions stated in the Analysis:

Impediment: Discrimination in the housing market

Action - Reduce discrimination in housing markets by providing education on fair housing, reasonable accommodation, compliance with fair housing and 504, in addition to creating written resources regarding these topics.

Impediment: Difficulties in home purchases

Action - Reduce denial rates and other identified problems in the home mortgage market by educational efforts and providing additional resources (technical assistance, education and/or financial); incorporating renter's education; provide fair housing education at banker's meetings; and create opportunities through the SD Native American Homeownership Coalition.

Impediment: Lack of available housing units

Action - Production of new and preservation of existing housing units by providing educational opportunities to understand the need and the definition of affordable housing by sharing of success stories; evaluate SDHDA programs for efficiency; provide additional technical support and training opportunity regarding how to access financing programs; evaluate potential new funding sources; development of special needs housing; development of housing in rural communities; and rehabilitation of existing single family homes to retain habitability standards.

Impediment: Lack of education

Action - Providing additional educational opportunities for homeowners, renters, service providers, advocacy groups, developers and other interested parties, regarding budgeting, renter/landlord responsibilities, fair housing, accessibility requirements, housing maintenance, limited English proficiency and other topics as deemed necessary.

Impediment: Tenant selection criteria

Action - Working with landlords, management companies and service agencies to increase housing opportunities for individuals and families who are unable to meet specific tenant selection criteria by increasing availability of housing options; creation of a landlord risk mitigation program; continue conversation/ training opportunities to address housing opportunities for "at risk" population; and development of coordinated entry system to ensure those identified as homeless have access to appropriate housing choices.

MA-45 Non-Housing Community Development Assets -91.315(f)

Introduction

As indicated in the following charts, there is relatively a low unemployment rate and an oversupply of workers in several business sectors. GOED will utilize up to 15% of the CDBG funds to provide workforce training to help balance the number of workers with the number of jobs available.

In addition, the CDBG funds will also be utilized for public facilities - community buildings, senior centers, fire halls, medical facilities and facilities that serve disadvantaged individuals or other special needs clientele; water and wastewater facilities - water line replacement, distribution, supply, treatment, storage, wastewater treatment, lagoons and other associated appurtenances. Rural water systems, which serve rural residents as well as communities, are also funded under this category; and economic development - purchase of equipment and land, the purchase and renovation of commercial buildings and infrastructure construction.

In preparation of the consolidated plan, information was requested from South Dakota Bureau of Information and Telecommunications and SD Telecommunications Association (SDTA) regarding broadband services in South Dakota. Currently 75% of South Dakota's land mass is served by 18-member companies that consist of member-owned cooperatives, municipalities, family owned commercial and tribal entities. Collectively these companies have 45,000 miles of fiber and 76% of the customers served by the SD Telecommunications have access to current FCC definition of broadband which is 25 Mbps downstream and 3 Mbps upstream. SDTA member organizations have spent more than \$350 million in capital expenditures in the past five years to deploy and upgrade the infrastructure, mostly to assist in bringing service to the customers.

SDHDA has incorporated into the consolidated plan and the corresponding HOME Program and Housing Trust Fund Program allocation plans that any new construction of multifamily rental units consisting of four or more units must incorporate broadband wiring for connection to broadband service. While CDBG funds can be utilized to assist in expanding broadband services in the state, it may be difficult to demonstrate compliance with the national objective. For this reason, utilizing CDBG funds for broadband services may be limited.

Economic Development Market Analysis

Business Activity

Business by Sector	Number of Workers	Number of Jobs	Share of Workers %	Share of Jobs %	Jobs less workers %
Agriculture, Mining, Oil & Gas Extraction	6,178	5,808	3	3	0

Business by Sector	Number of Workers	Number of Jobs	Share of Workers %	Share of Jobs %	Jobs less workers %
Arts, Entertainment, Accommodations	27,731	23,405	13	14	1
Construction	13,659	12,755	6	7	1
Education and Health Care Services	39,432	27,891	19	16	-3
Finance, Insurance, and Real Estate	15,896	10,064	8	6	-2
Information	3,679	2,704	2	2	0
Manufacturing	30,564	30,816	14	18	4
Other Services	7,007	5,573	3	3	0
Professional, Scientific, Management Services	10,492	7,950	5	5	0
Public Administration	0	0	0	0	0
Retail Trade	34,506	26,628	16	15	-1
Transportation and Warehousing	7,342	5,591	3	3	0
Wholesale Trade	15,257	12,714	7	7	0
Total	211,743	171,899	--	--	--

Table 40- Business Activity

Data Source: 2009-2013 ACS (Workers), 2013 Longitudinal Employer-Household Dynamics (Jobs)

Labor Force

Total Population in the Civilian Labor Force	314,625
Civilian Employed Population 16 years and over	298,942
Unemployment Rate	4.98
Unemployment Rate for Ages 16-24	16.19
Unemployment Rate for Ages 25-65	3.17

Table 41 - Labor Force

Data Source: 2009-2013 ACS

Occupations by Sector	Number of People
Management, business and financial	67,722
Farming, fisheries and forestry occupations	10,008
Service	34,222
Sales and office	69,302
Construction, extraction, maintenance and repair	35,900
Production, transportation and material moving	19,158

Table 42 – Occupations by Sector

Data Source: 2009-2013 ACS

Travel Time

Travel Time	Number	Percentage
< 30 Minutes	226,465	82%
30-59 Minutes	38,910	14%
60 or More Minutes	10,348	4%
Total	275,723	100%

Table 43 - Travel Time

Data Source: 2009-2013 ACS

Education:

Educational Attainment by Employment Status (Population 16 and Older)

Educational Attainment	In Labor Force		Not in Labor Force
	Civilian Employed	Unemployed	
Less than high school graduate	11,272	1,516	7,528

Educational Attainment	In Labor Force		Not in Labor Force
	Civilian Employed	Unemployed	
High school graduate (includes equivalency)	73,065	3,852	17,294
Some college or Associate's degree	84,761	3,122	16,911
Bachelor's degree or higher	67,187	966	9,094

Table 44 - Educational Attainment by Employment Status

Data Source: 2009-2013 ACS

Educational Attainment by Age

	Age				
	18–24 yrs	25–34 yrs	35–44 yrs	45–65 yrs	65+ yrs
Less than 9th grade	1,334	1,301	1,221	3,960	11,359
9th to 12th grade, no diploma	9,079	3,939	2,838	7,057	6,530
High school graduate, GED, or alternative	17,042	19,730	18,396	56,165	36,913
Some college, no degree	24,739	16,064	15,733	37,005	16,876
Associate's degree	3,684	10,108	9,140	17,723	3,379
Bachelor's degree	4,115	14,885	14,054	27,903	10,364
Graduate or professional degree	186	4,149	5,196	11,263	6,190

Table 45 - Educational Attainment by Age

Data Source: 2009-2013 ACS

Educational Attainment – Median Earnings in the Past 12 Months

Educational Attainment	Median Earnings in the Past 12 Months
Less than high school graduate	0
High school graduate (includes equivalency)	0
Some college or Associate's degree	0
Bachelor's degree	0
Graduate or professional degree	0

Table 46 – Median Earnings in the Past 12 Months

Data Source: 2009-2013 ACS

Based on the Business Activity table above, what are the major employment sectors within the state?

The three largest employment sectors within the state are the following: Education and Health Care Services; Retail Trade; and Manufacturing.

Describe the workforce and infrastructure needs of business in the state.

Per the Business by Sector chart, there are several sectors that have an over-supply of workforce such as agriculture, construction, and manufacturing. However, there are a couple of sectors that have a shortage of labor. The Workforce Training funds will be used to help create the balance. Criteria for utilization of the Workforce Training funds are as follows:

- Any reasonable job training expenditures, predominantly benefitting low and moderate-income persons, will likely result in a full-time employment position in South Dakota immediately upon completion of training.
- Applications must demonstrate a compelling case for funding by addressing the specific elements in their training plans. A breakdown of the use of training funds must be included in the application.
- The maximum grant amount for each trainee is \$5,000. The maximum amount for the following expenditures is \$100,000:
- The length of the training program must be a term of one year or less.
- The GOED will evaluate each proposal on a case-by-case basis. The funding decision will be based on the level of benefit and impact to low and moderate-income individuals. The key area includes: the kind of training offered; opportunities for employment; and job benefits from potential employers in the area.

Infrastructure needs in the state vary by community. Many rural communities within the State simply do not have facilities such as community buildings, fire halls, and medical clinics. Because they are lacking in one or more of these facilities, the community is often in jeopardy of losing their economic base to another nearby community that can provide these services. Other communities may have these facilities, but have outgrown the facility or the facility is becoming economically obsolete.

At the same time, many communities have either outgrown the water and wastewater systems available within the community or the current systems have deteriorated to such a point where they must be replaced. Some water systems no longer meet the requirements set forth by Environmental Protection Agency.

The State has been very successful in its economic development efforts. Other industries have moved to South Dakota from other areas because of the favorable economic climate in the State. Many of these industries want to expand within the State and need additional resources for the purchase of equipment and land, the purchase and renovation of commercial buildings and infrastructure construction.

Describe any major changes that may have an economic impact, such as planned public or private sector investments or initiatives that have affected or may affect job and business growth opportunities during the planning period. Describe any needs for workforce development, business support or infrastructure these changes may create.

At this time there are no major changes proposed that would have an economic impact.

How do the skills and education of the current workforce correspond to employment opportunities in the state?

Several business sectors indicate a shortage of skilled laborers. The CDBG Workforce Training funds and other programs described below are providing opportunities to ensure education and skills are available for the economic opportunities that exist.

Describe current workforce training initiatives supported by the state. Describe how these efforts will support the state's Consolidated Plan.

The state has two workforce training initiatives through the Governor's Office of Economic Development. One program is funded by the CDBG program and has been discussed previously. The second program is the South Dakota Workforce Development Program. This program is funded by the State of South Dakota to extend education and training resources so South Dakota employers will be provided with a well-trained and skilled workforce. Through matching grants, the Workforce Development Program funds industry-education partnerships through which customized training programs and short-term, job-specific training is delivered. The Workforce Development Program supports up to one-half the total cost of training.

The positions for training must be new positions created by a new company or the expansion of an existing company. For expansion, the training project needs to be out-of-the-ordinary training and beyond what is needed in the normal course of business. Examples include: training for a new piece of equipment, new certification, and opportunity for trainees to move into a new position that require different or additional skills than used in the current position.

Funding can be provided for three skill sets – hard (technical and functional aspects of the job), soft (interpersonal skills such as communication, teamwork, problem solving, etc.) or basic academic skills (reading, writing, and mathematics).

The basic goal of the Workforce Development Program is to assist businesses with the cost of training for hard skills. The program will only consider funding for soft skill and academic training if it is conducted in conjunction with hard skill training.

Describe any other state efforts to support economic growth.

Other state efforts to support economic growth consist of the following:

Dakota Roots – The purpose of Dakota Roots is to bring individuals, employers, and state government resources together, to assist friends and family members living elsewhere to move back to South Dakota and make it their permanent home. The Department of Labor and Regulation has pooled its statewide

employment representatives' expertise to ensure Dakota Roots' success. They are working with some of South Dakota's most dynamic and growing businesses to guide job seekers directly to the employer's door. Dakota Roots features the kind of job opportunities that encourage families to move back, while supplying employers with a talented and productive workforce.

SD WINS - South Dakota created the SD WINS to create our economy by growing and training our people. South Dakota WINS is a workforce development program that brings together government, education and business leaders to capitalize on South Dakota's tremendous potential. The components of this program will help South Dakota develop and attract a stronger, better educated workforce, positioning us well to compete in a dynamic global economy.

This program will better prepare our young people for the future, all while providing immediate training to our citizens so they can fill the positions already in our state. It will also work to improve access to rural health care and aggressively market South Dakota to attract new citizens and encourage the return of those who've moved away from our state.

SD WINS has several components – Preparing the Youth, Workforce Training, Promoting Rural Healthcare Occupations, and Recruiting New People.

Preparing the youth - SD MyLife is an online career development tool for South Dakota students by the South Dakota Department of Education. This web portal allows students access to Career Cluster Camps in engineering, IT, skill trades, and other high-demand areas, giving students an opportunity to gain the hands-on experience needed to confidently make informed career decisions.

The Workforce Training piece is the CDBG funding being utilized for workforce training.

Promoting Rural Healthcare Occupations is targeted to keep doctors, nurses, and other health care professionals in rural communities across our state. Through education, recruitment and retention incentives, South Dakota hopes to include more providers in more rural communities.

South Dakota has looked for innovative ways to recruit new South Dakotans to fill chronically vacant positions in our workplaces and communities such as the Dakota Roots Program.

For more information on any of these programs please visit the state website at www.sdreadytowork.com.

Discussion

Due to the high demand for and diversity of the activities discussed in this priority, the Governor's Office of Economic Development (GOED) has designed three programs under which the Community Development Block Grant (CDBG) funds will be allocated for non-housing needs. The three programs include the Special Projects Account (to be used for economic development and job creation), the Community Projects Account (to be used for public facilities and infrastructure projects), and the

Imminent Threat Account (to be used to alleviate an immediate threat to public health or safety). GOED will allocate all of the State's CDBG non-housing allocation under these programs in each fiscal year for which funds are awarded to the State.

To ensure the efficient administration of these programs, GOED will continue to coordinate with other State agencies such as the Department of Transportation, the Department of Health, and the Department of Environment and Natural Resources and will continue to evaluate community and economic development needs across the state.

Communities will be encouraged to pursue as many of the programs listed as applicable to the project or projects they need to ensure that all resources are utilized to the highest extent possible.

MA-50 Needs and Market Analysis Discussion

Are there areas where households with multiple housing problems are concentrated? (include a definition of "concentration")

There are many areas of the state that need affordable housing. However, the greatest need is demonstrated on the eight Indian Reservations.

While there are differences between each of the Indian Reservations, there are many common housing problems with the first being a severe lack of available housing units. In addition, the Indian Reservations are lacking employment opportunities, infrastructure, commercial lending, and community assets. Indian Housing Authorities and nonprofit organizations are actively trying to resolve the housing situation; however, it is difficult to overcome the many obstacles.

South Dakota is home to seven of the top 25 poorest counties in the Nation, which are allocated within Indian reservations. The counties are Ziebach, Buffalo, Jackson, Mellette, Oglala, Todd and Corson. The overall poverty rate in South Dakota is 14.6 percent, which is lower than the national average of 15.3 percent. Ziebach County has held the country's highest poverty rate since 2004.

Are there any areas in the jurisdiction where racial or ethnic minorities or low-income families are concentrated? (include a definition of "concentration")

The only areas of the state where racial or low-income families are concentrated are the Indian Reservations.

While there are differences between each of the Indian Reservations, there are many common housing problems with the first being a severe lack of available housing units. In addition, the Indian Reservations are lacking employment opportunities, infrastructure, commercial lending, and community

assets. Indian Housing Authorities and nonprofit organizations are actively trying to resolve the housing situation; however, it is difficult to overcome the many obstacles.

A recent proposed change within the HOME Program is the requirement that developers have the capacity to complete housing developments. While capacity can be measured in different ways, this requirement will have a negative impact on small nonprofit organizations wanting to develop housing on Indian Reservations. Limited staff and financial resources could deem an organization as not being capable of developing housing.

It will take a concerted effort by many different partners to make positive movement in providing affordable housing for Indian Reservations.

What are the characteristics of the market in these areas/neighborhoods?

While there are differences between the Indian Reservations, there is a severe lack of housing units available; due to this, housing units typically have more than one person per room. Housing units on the reservation typically lack complete kitchen and plumbing facilities. Within the communities there is also a lack of employment opportunity, lack of banking institutions and services, geographic isolation, increase behavioral problems such as violent crimes, higher drug and alcohol use.

Are there any community assets in these areas/neighborhoods?

While there are differences between the Indian Reservations, typically the Indian Reservations are lacking employment opportunities, infrastructure, commercial lending, and community assets.

Progress is being made with Lakota Federal Credit Union, which opened its doors in November 2012 in Kyle, South Dakota, on the north end of the Pine Ridge Indian Reservation. This is the first credit on the Pine Ridge Reservation and it provides consumer financial services—secured and unsecured loans, money orders, cashier's checks, online banking, check cashing and more to a potential customer pool of about 40,000, according to the credit union administration.

There are many nonprofits organizations working to develop services and assist entrepreneurs and businesses to build the community assets on the Indian Reservations. The SD Native American Homeownership Coalition was formed to assist in addressing housing and homeownership on Indian Reservations. SDHDA, state and federal government, nonprofit organizations and tribal entities are partnering together to make this dream a reality. The most recent success of the coalition is a construction internship program conducted last year that has assisted young individuals in learning carpentry skills, receiving employment opportunities and building the labor pool for local contractors. Additional work of the coalition is streamlining the mortgage filing on lease land, training individuals to become construction inspectors, prepare a clearing house of mortgage financing and down payment assistance programs and educational opportunities for coalition members.

Are there other strategic opportunities in any of these areas?

Strategic opportunities exist on the Pine Ridge Reservation which is a recipient of the Promise Zone designation. In addition, Thunder Valley CDC is a local nonprofit that is creating a regenerative community. Thunder Valley is strengthening local skills, creating opportunity and striving for sustainability.

MA-60 Broadband Needs of Housing occupied by Low- and Moderate-Income Households - 91.210(a)(4), 91.310(a)(2)

Describe the need for broadband wiring and connections for households, including low- and moderate-income households and neighborhoods.

Describe the need for increased competition by having more than one broadband Internet service provider serve the jurisdiction.

MA-65 Hazard Mitigation - 91.210(a)(5), 91.310(a)(3)

Describe the jurisdiction's increased natural hazard risks associated with climate change.

Describe the vulnerability to these risks of housing occupied by low- and moderate-income households based on an analysis of data, findings, and methods.

Strategic Plan

SP-05 Overview

Strategic Plan Overview

SDHDA directly administers the HOME, Housing Trust Fund and Emergency Solutions Grants (ESG) Programs statewide. The CDBG program is administered within the CDBG service area by the Governor's Office of Economic Development.

The Housing Tax Credit (HTC) Program and a state program titled Housing Opportunity Funds are also administered by SDHDA and are integral part of meeting housing objectives in South Dakota. The HOME, HTF, ESG, HOF and HTC allocation plans outline the methods of distribution and funding criteria,

which can be found on SDHDA's website – www.sdhda.org. Information regarding the CDBG program can be found on the State's website - www.sdreadytowork.com.

HOME funds can be utilized for new construction of single-family homes and rental units, preservation of multifamily rental housing, homeowner rehabilitation, security deposit assistance, homeownership development and downpayment assistance. In 2018, \$1 million of HOME funds will be set-aside for development of housing in rural communities. All housing proposals will be evaluated based on the housing need, financial feasibility, and other requirements as outlined within the allocation plans. All housing units must comply with the rent limitations and other program requirements specific to the financing source. The Consolidated Plan is being amended in 2020 to expand the use of HOME funds under the activity of tenant based rental assistance (TBRA). Previously under TBRA, HOME funds were only utilized for security deposits and SDHDA would like to expand and also provide limited funding for tenant-based rental assistance.

The Housing Trust Fund program will be utilized for new construction, acquisition/rehabilitation, or rehabilitation of rental housing targeted to households at or below 30 percent AMI. A portion of HTF funds will be set-aside for Indian Reservations and for development of special needs housing.

The Risk Share Program, SDHDA Multifamily Bond Financing, and various FHA Insurance Programs are also available to develop or preserve multifamily units.

SDHDA will also target resources to the homeless and special needs populations where appropriate to provide the necessary housing with supportive services allowing them the opportunity to live as independently as possible. SDHDA as the lead agency of the SD Housing for the Homeless Consortium will ensure coordination of efforts.

The ESG Program will continue to serve homeless individuals. Emergency shelters and domestic violence shelters typically apply for and are funded under the ESG Program. Other agencies such as nonprofit agencies and community action programs are also eligible to administer the ESG program.

The CDBG Program will continue to be utilized for community development needs such as workforce training, Special Projects Account, Imminent Threat Account, Blighted Housing Abatement Program, and Community Projects Account.

SP-10 Geographic Priorities – 91.315(a)(1)

Geographic Area

Table 47 - Geographic Priority Areas

General Allocation Priorities

Describe the basis for allocating investments geographically within the jurisdiction (or within the EMSA for HOPWA)

South Dakota administers the HOME, Housing Trust Fund, ESG, Housing Opportunity Fund and Housing Tax Credit programs statewide. The CDBG program is administered in the CDBG service area which excludes Sioux Falls, Rapid City and Indian Reservations. There are no Geographic Priorities being established at this time for the above stated programs. Funding under the programs is competitive in nature and many factors are taken into consideration when awarding funds, such as demonstrated need, capacity of developer and financial feasibility of the development.

The Housing Opportunity Fund, which is a state funding housing finance program, has a priority of serving rural areas of the state. Per South Dakota codified law, 70 percent of the funds are targeted for rural areas and 30 percent of the funds are targeted for communities of 50,000 or more in population.

Though there may not be geographic priorities, the Housing Trust Fund program designates the state into three different zones. These zones are reflective of the amount of HTF subsidy applicants are eligible to apply for based on location of their proposed housing development. In 2018, the HOME Program will also utilize the same zone areas for purposes of establishing project cost limitations.

For 2018, SDHDA is setting aside \$1 million in HOME funds to serve rural communities. The advantage of the set aside is SDHDA is able to accept applications on-going allowing more flexibility in working with new developers in rural communities.

SP-25 Priority Needs – 91.315(a)(2)

Priority Needs

Table 48 – Priority Needs Summary

1	Priority Need Name	Affordable Housing
	Priority Level	High

<p>Population</p>	<p>Extremely Low Low Families with Children Elderly Rural Chronic Homelessness Individuals Families with Children Mentally Ill Chronic Substance Abuse veterans Persons with HIV/AIDS Victims of Domestic Violence Unaccompanied Youth Elderly Persons with Mental Disabilities Persons with Physical Disabilities Persons with Developmental Disabilities Persons with Alcohol or Other Addictions Persons with HIV/AIDS and their Families Victims of Domestic Violence</p>
<p>Geographic Areas Affected</p>	
<p>Associated Goals</p>	<p>Acquisition and Rehabilitation of rental units Develop new rental housing units Development of special needs housing Homebuyer Assistance Homeowner Rehabilitation Provide homeownership opportunities Security Deposit Assistance Building Demolition Tenant Based Rental Assistance</p>

	Description	<p>Development and rehabilitation of affordable rental housing is a high priority for many areas in South Dakota. Utilizing the HOME, HTF, Housing Opportunity Fund and Housing Tax Credits, it is anticipated that 150 new rental units will be developed with an additional 50 units rehabilitated for affordable housing. The additional housing units will be developed in areas of documented need.</p> <p>Additional preference will be given via competitive application points to serve lower income households and also to develop service enriched housing. Based on the point categories within the HOME, HTF and HTC programs, the following would be determined as priorities under development of affordable housing.</p> <p>In 2016, SDHDA began administering the Housing Trust Fund Program which provides additional financing to assist in the development of housing units targeted to serve households at or below 30% AMI. Waiting lists for Section 8 vouchers is extremely long. The availability of HTF is a great opportunity to help relieve some of this demand. Currently the competitive point structure of HOME and Housing Tax Credits helps to develop approximately 11 units (4%) annually. It is anticipated the HTF can provide an additional 30 units annually.</p>
	Basis for Relative Priority	<p>Under the HOME program, funding is set-aside for homeowner rehabilitation, homebuyer assistance, development of special needs housing, and development of housing in rural communities.</p> <p>Under the HTF program, funding is set-aside for development of special needs housing and development of housing on Indian Reservations.</p>
2	Priority Need Name	Homelessness
	Priority Level	High
	Population	<p>Extremely Low Low Families with Children Elderly Rural Chronic Homelessness Individuals Families with Children Mentally Ill Chronic Substance Abuse veterans Persons with HIV/AIDS Victims of Domestic Violence Unaccompanied Youth</p>

Geographic Areas Affected	
Associated Goals	Acquisition and Rehabilitation of rental units Develop new rental housing units Development of special needs housing Utilize Emergency Solution Grants Program Security Deposit Assistance Tenant Based Rental Assistance

<p>Description</p>	<p>South Dakota continues to work on several initiatives as it pertains to Homelessness:</p> <ul style="list-style-type: none"> •Expansion of the ESG Program - with additional ESG funding and expansion of services, more organizations are becoming involved in administering the ESG program. South Dakota continues to work with existing and new agencies to understand and provide a continuation of services for individuals they are serving and provide greater opportunity for long-term success. •Implementation of coordinated entry system - SDHHC is in process of implementing the statewide coordinated entry system which brings a systematic approach to housing and services for homeless individuals in the state, ensuring appropriate housing is provided based on the needs of the individual. The implementation process will identify additional housing gaps which will try to be addressed by utilizing the resources outlined in this Plan. <p>Expansion of HMIS - SDHDA as the HMIS administer for the statewide CoC will continue to work with additional agencies to utilize the database. In 2017, the domestic violence agencies began using a separate module within HMIS to ensure same data elements are being recorded and for easier reporting. In addition, the HMIS module provides for these agencies a database that they can use to document services being provided, run reports, use for program evaluation, plan resources accordingly and better document their homeless programs.</p> <ul style="list-style-type: none"> •10 Year Plan to End Homelessness - A 10 Year Plan has been created for South Dakota, however, it has not been formerly adopted. Within the plan there is a goal of creating additional housing units. •Re-activation of the state's Inter-Agency Council on Homelessness - Changes in the state administration will be forthcoming. At that time, there will be another effort to have the Inter-Agency Council on Homelessness activated. With statewide coordinated entry system implementation and creation of the 10 Year Plan, work will also be done to try and invigorate the statewide ICH. •South Dakota Housing for the Homeless Consortium (SDHHC) - is the statewide Continuum of Care (CoC). SDHDA as the lead agency will review and propose changes necessary to the SDHHC to ensure full compliance with HEARTH Act and corresponding changes to the CoC program. Changes will be made to assist in long-term sustainability of the organization. <p>As the homeless network is strengthened, priority of funding will also be pursued.</p> <p>The addition of Housing Trust Fund in 2016 and the availability it brings in developing additional units for households at or below 30 percent AMI will have</p>
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		a positive impact in addressing homelessness. Cost of housing development continues to increase making it difficult to finance housing to serve the lowest of income. The allocation of \$3 million is expected to assist in developing approximately 30 additional housing units annually.
	Basis for Relative Priority	<p>There have been many changes in homeless programs in the last several years and more changes are necessary at the state level to ensure the programs and processes are functional and efficient.</p> <p>The Housing Trust Fund will be instrumental in serving the homeless population by targeting resources to 30 percent AMI households.</p> <p>SDHHC is in process of implementing coordinated entry system for South Dakota. Through the implementation process, it evidences the gaps in housing that exist for homeless families. In addition, if adequate and affordable housing and services are not provided to those at risk, homelessness can become a reality for them.</p>
3	Priority Need Name	Non-housing Community Development
	Priority Level	High
	Population	Extremely Low Low Moderate Non-housing Community Development
	Geographic Areas Affected	
	Associated Goals	Workforce Training Community Development Economic Development
	Description	Priority of funding under the CDBG program is for Special Projects consisting of economic development/job creation and retention, Imminent Threat projects that alleviate an imminent threat to public health or safety, Community Projects such as wastewater projects and community facilities, Blighted structure removal of abandoned homes that are beyond repair and public service in the form of workforce training.
	Basis for Relative Priority	

Narrative (Optional)

South Dakota administers the HOME, Housing Trust Fund and ESG program statewide and the CDBG program in the CDBG service area. Funding under the programs is competitive in nature and many factors are taken into consideration when awarding funds such as demonstrated need, capacity of the developer and financial feasibility of the development. For housing developments, different housing markets across the state will help determine what the priority needs may be for their area.

South Dakota will consider the following as priority needs –

Affordable Housing –

- Security Deposit Assistance Program

- Development of new units (rental and homeownership)

- Development of special needs housing

- Rehabilitation of existing units

- Acquisition of existing units

Homelessness –

- Outreach

- Emergency shelter operations

- Rapid Re-housing

- Prevention

Non-Housing Community Development

SP-30 Influence of Market Conditions – 91.315(b)

Influence of Market Conditions

Affordable Housing Type	Market Characteristics that will influence the use of funds available for housing type
Tenant Based Rental Assistance (TBRA)	Beginning in 2020, HOME funds will be used for TBRA for both Security Deposit Assistance and rental assistance. Housing Trust Fund will not be used as TBRA. HTF proceeds will be used to offset development costs thus reducing the debt of the development and ensuring it can feasibility operate while serving 30% AMI households.
TBRA for Non-Homeless Special Needs	Housing Trust Fund dollars will not be used for TBRA at this time. HOME funds will be used for both security deposit assistance and tenant based rental assistance.
New Unit Production	HOME and Housing Trust Fund dollars will only be approved for competitive applications in markets that demonstrate a housing demand. The demand must be evidenced by the housing study submitted as part of the application. Please review the HOME and the Housing Trust Fund allocation plans for further guidance.
Rehabilitation	HOME and Housing Trust Fund dollars will only be approved for rehabilitation for competitive applications in markets that demonstrate a housing demand. The demand must be evidenced by the housing study submitted as part of the application. For rehabilitation, it must be evidenced that rehabilitation is more cost effective than new construction. Please review the HOME and Housing Trust Fund allocation plans for further guidance.
Acquisition, including preservation	HOME and Housing Trust Fund dollars will only be approved for acquisition with competitive applications in markets that demonstrate a housing demand. The demand must be evidenced by the housing study submitted as part of the application. For acquisition and rehabilitation, it must be evidenced that the project is more cost effective than new construction. Please review the HOME and Housing Trust Fund allocation plans for further guidance.

Table 49 – Influence of Market Conditions

SP-35 Anticipated Resources - 91.315(a)(4), 91.320(c)(1,2)

Introduction

The HOME, Housing Trust Fund (HTF), Emergency Solutions Grants Program (ESG) and Community Development Block Grant (CDBG) funding sources are only partial funding for the many different activities and services provided. As federal funds continue to diminish, developers, communities and service providers must be creative and have partnerships and other resources to successfully complete the proposed projects. Other financing and services are being provided by local, state, and federal programs, private individuals, foundations, and commercial lenders. The State of South Dakota has provided financing for the Housing Opportunity Fund (HOF) which provides an additional resource for both development of housing and providing services. HOF has flexibility to target up to 115 percent area median income and can be utilized as match funding.

South Dakota Housing Development Authority (SDHDA) also administers the IRS program - Housing Tax Credits and can issue tax exempt bond financing. Majority of the HTC developments also utilize HOME funds for gap financing. SDHDA is the Collaborative Applicant and lead agency for South Dakota Balance of State Continuum of Care. As the Collaborative Applicant, SDHDA can offer assistance and potential funding for CoC recipients. CoC funding is not included as a source of funds below due to the inability of estimating expected funding.

SDHDA also funds and administers the Community Housing Development Program (CHDP) which is utilized for development of workforce housing - up to 120 percent AMI. With this program, SDHDA has financing resources that can be of assistance for variety of income levels.

Anticipated Resources

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
CDBG	public - federal	Acquisition Admin and Planning Economic Development Housing Public Improvements Public Services	5,700,865	0	3,535,631	9,236,496	28,500,000	We anticipate CDBG funding to be \$5,700,865 million. Our current balance available to award is \$3,535,631 remaining from our FY2017 allocation.
HOME	public - federal	Acquisition Homebuyer assistance Homeowner rehab Multifamily rental new construction Multifamily rental rehab New construction for ownership TBRA	3,008,138	4,000,000	0	7,008,138	15,000,000	Annually, there is approximately \$2 million of program income that becomes available in addition to the \$3 million received in annual allocation.

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
ESG	public - federal	Conversion and rehab for transitional housing Financial Assistance Overnight shelter Rapid re-housing (rental assistance) Rental Assistance Services Transitional housing	582,097	0	0	582,097	2,900,000	SDHDA anticipates receiving approximately \$500,000 annually for the ESG program. With expanded eligible activities and sub-recipients, the full allocation will be utilized.

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
HTF	public - federal	Acquisition Admin and Planning Homebuyer assistance Multifamily rental new construction Multifamily rental rehab New construction for ownership	3,000,000	0	1,500,000	4,500,000	15,000,000	Annually SDHDA anticipates receiving \$3 million in Housing Trust Funds to assist with development of rental activities for extremely low-income households.
Other	public - federal	Acquisition Housing Multifamily rental new construction Multifamily rental rehab	3,820,000	0	0	3,820,000	16,000,000	South Dakota Housing Development Authority administers the Internal Revenue Program called the Housing Tax Credit Program. This program is utilized for multifamily rental development and often times is used in combination of HOME funds.

Other	public - state	Acquisition Admin and Planning Conversion and rehab for transitional housing Homebuyer assistance Homeowner rehab Housing Multifamily rental new construction Multifamily rental rehab New construction for ownership Overnight shelter Rapid re-housing (rental assistance) Transitional housing	2,900,000	0	0	2,900,000	15,000,000	The Housing Opportunity Fund is state funded and created through Building South Dakota. Annual funding amount is subject to legislative action.
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Table 50 - Anticipated Resources

Explain how federal funds will leverage those additional resources (private, state and local funds), including a description of how matching requirements will be satisfied

CDBG funding will assist in projects such as infrastructure, community buildings, fire halls, abatement of blighted structures, and workforce training. The match requirement will be on a scoring basis. Each project will submit a budget sheet with their application and will receive a score of low, medium, or high. Any funds that are not CDBG will be considered match.

Recipients of HOME funds are required to provide 12.5 percent of the match requirement. The match is typically in the form of donated services, land, or materials, reduction of interest rates or lender fees, tax abatements and waiving of city fees. SDHDA provides the remaining 12.5 percent of the match requirement. ESG recipients are required to provide 100 percent of the match requirement. Forms of match are typically volunteer hours and donation of money, goods, or services. There is no match requirement with the Housing Trust Fund, however, competitive points are available for applications that demonstrate the ability to leverage financial resources.

The Housing Opportunity Fund (HOF) provides up to 50 percent financing and requires 50 percent match which can come from a variety of sources. HOF is often times used a match for ESG and HOME funding.

Typically, multifamily housing rental developments utilize HOME and Housing Tax Credits. Additionally, developers are utilizing the Housing Trust Fund to further target lower income households.

If appropriate, describe publically owned land or property located within the state that may be used to address the needs identified in the plan

At this time, we are unaware of any publically owned land or property that may be used to address the identified needs.

Discussion

The Omnibus Spending Bill of 2018 increased the housing tax credit allocation for every state by 12.5%. For 2018, South Dakota will have \$3,105,000 allocation of housing tax credits, increasing by 12.5% each year for 2018-2022.

SP-40 Institutional Delivery Structure – 91.315(k)

Explain the institutional structure through which the jurisdiction will carry out its consolidated plan including private industry, non-profit organizations, and public institutions.

Responsible Entity	Responsible Entity Type	Role	Geographic Area Served
SOUTH DAKOTA	Non-profit organizations	Homelessness Non-homeless special needs Ownership Planning Rental	State
SOUTH DAKOTA (CDBG GRANT PAYMENTS ONLY)	Government	Economic Development Non-homeless special needs Planning neighborhood improvements public facilities public services	State

Table 51 - Institutional Delivery Structure

Assess of Strengths and Gaps in the Institutional Delivery System

Strengths in this delivery system are the consistent manner in which funds are provided, oversight of projects, reporting and compliance monitoring. The gaps would be in fact that with delivery of services and funding statewide, it is more difficult to determine and sometimes address specific local community needs and be able to address the identified need.

Availability of services targeted to homeless persons and persons with HIV and mainstream services

Homelessness Prevention Services	Available in the Community	Targeted to Homeless	Targeted to People with HIV
Homelessness Prevention Services			
Counseling/Advocacy			
Legal Assistance			
Mortgage Assistance			
Rental Assistance			
Utilities Assistance			
Street Outreach Services			
Law Enforcement			

Street Outreach Services			
Mobile Clinics			
Other Street Outreach Services			
Supportive Services			
Alcohol & Drug Abuse			
Child Care			
Education			
Employment and Employment Training			
Healthcare			
HIV/AIDS			
Life Skills			
Mental Health Counseling			
Transportation			
Other			

Table 52 - Homeless Prevention Services Summary

Describe the extent to which services targeted to homeless person and persons with HIV and mainstream services, such as health, mental health and employment services are made available to and used by homeless persons (particularly chronically homeless individuals and families, families with children, veterans and their families and unaccompanied youth) and persons with HIV within the jurisdiction

The above chart was not completed because this Plan is for the entire state of South Dakota and not all of these services are available in each community, however, they are available within the jurisdiction of the State of South Dakota. Communities of Sioux Falls and Rapid City are well equipped to provide the above stated services but other communities have access to some but not all of them.

Describe the strengths and gaps of the service delivery system for special needs population and persons experiencing homelessness, including, but not limited to, the services listed above

Strengths of the service delivery system would be the partnerships that exist between the agencies creating an atmosphere where agencies work together for the betterment of the person being served. The gaps of the system would be due to the rural nature of the state. There are many areas of the state that do not have access to direct services and the distance to services can be a hindrance.

Provide a summary of the strategy for overcoming gaps in the institutional structure and service delivery system for carrying out a strategy to address priority needs

Partnerships is the best strategy for overcoming gaps in the system.

SP-45 Goals Summary – 91.315(a)(4)

Goals Summary Information

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
1	Develop new rental housing units	2018	2022	Affordable Housing		Affordable Housing Homelessness	HOME: \$2,000,000 HTF: \$2,000,000 Housing Opportunity Fund: \$750,000 Housing Tax Credits: \$2,000,000	Rental units constructed: 150 Household Housing Unit
2	Acquisition and Rehabilitation of rental units	2018	2022	Affordable Housing		Affordable Housing Homelessness	HOME: \$1,000,000 HTF: \$500,000 Housing Opportunity Fund: \$300,000 Housing Tax Credits: \$700,000	Rental units rehabilitated: 50 Household Housing Unit

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
3	Development of special needs housing	2018	2022	Affordable Housing Homeless Non-Homeless Special Needs		Affordable Housing Homelessness	HOME: \$500,000 HTF: \$600,000 Housing Tax Credits: \$400,000	Other: 20 Other
5	Utilize Emergency Solution Grants Program	2018	2022	Homeless		Homelessness	ESG: \$500,000 Housing Opportunity Fund: \$100,000	Tenant-based rental assistance / Rapid Rehousing: 20 Households Assisted Homeless Person Overnight Shelter: 4500 Persons Assisted Homelessness Prevention: 115 Persons Assisted Other: 22 Other
6	Provide homeownership opportunities	2018	2022	Affordable Housing		Affordable Housing	HOME: \$500,000	Homeowner Housing Added: 10 Household Housing Unit

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
7	Homeowner Rehabilitation	2018	2022	Affordable Housing		Affordable Housing	HOME: \$750,000 Housing Opportunity Fund: \$50,000	Homeowner Housing Rehabilitated: 150 Household Housing Unit
9	Workforce Training	2018	2022	Non-Housing Community Development Economic Development/Workforce Training		Non-housing Community Development	CDBG: \$400,000	Other: 200 Other
10	Security Deposit Assistance	2018	2022	Affordable Housing		Affordable Housing Homelessness	HOME: \$200,000	Tenant-based rental assistance / Rapid Rehousing: 315 Households Assisted
11	Homebuyer Assistance	2018	2022	Affordable Housing		Affordable Housing	HOME: \$200,000 Housing Opportunity Fund: \$100,000	Direct Financial Assistance to Homebuyers: 30 Households Assisted
12	Community Development	2018	2022	Non-Housing Community Development		Non-housing Community Development	CDBG: \$3,050,000	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit: 6300 Persons Assisted

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
13	Economic Development	2018	2022	Non-Housing Community Development		Non-housing Community Development	CDBG: \$500,000	Jobs created/retained: 20 Jobs Businesses assisted: 1 Businesses Assisted
14	Building Demolition	2018	2022	Affordable Housing		Affordable Housing	CDBG: \$1,000,000	Buildings Demolished: 50 Buildings
15	Tenant Based Rental Assistance	2020	2021	Affordable Housing Homeless Non-Homeless Special Needs		Affordable Housing Homelessness	HOME: \$300,000	Tenant-based rental assistance / Rapid Rehousing: 25 Households Assisted

Table 53 – Goals Summary

Goal Descriptions

1	Goal Name	Develop new rental housing units
	Goal Description	Development of new rental housing units - utilize approximately \$2 million annually of HOME Program funds, in addition to Housing Tax Credits, Housing Opportunity Fund and Housing Trust Fund to create 150 new units. Over the five-year period there would be a total of 750 new rental housing units. 2016 was the first year of funding for the Housing Trust Fund Program with \$3 million in funding. The additional funds may not produce additional housing units but it will provide additional units for extremely low-income (30% AMI) households. Currently four percent (4%) or an average of 11 units annually are developed for 30% AMI. It is anticipated the additional funding will provide an additional 30 units annually at 30 percent AMI.

2	Goal Name	Acquisition and Rehabilitation of rental units
	Goal Description	Utilize HOME, Housing Trust fund, Housing Opportunity Funds and Housing Tax Credits for the acquisition and rehabilitation or just the rehabilitation of rental housing units. Approximately \$2.5 million annually could rehabilitate 50 rental units.
3	Goal Name	Development of special needs housing
	Goal Description	The goal is to utilize HOME funds, Housing Trust Fund, Housing Opportunity Fund and Housing Tax Credits annually to newly construct or rehabilitate 20 rental units for homeless/special needs housing. The addition of Housing Trust Fund will make this goal more feasible by targeting extremely low-income households. Many tenants of special needs housing are extremely low-income often making it difficult to develop financially feasible housing developments. Availability of Housing Trust Fund as a forgivable loan will assist in financial feasibility. In 2018, 20 percent (\$600,000) of HTF will be set-aside for development of service enriched housing.
5	Goal Name	Utilize Emergency Solution Grants Program
	Goal Description	Utilizing ESG funds to assist homeless or those at risk of becoming homeless by providing overnight shelter, homelessness prevention or rapid rehousing. Approximately \$500,000 of ESG funds and \$100,000 of Housing Opportunity Funds would be utilized to provide these services.
6	Goal Name	Provide homeownership opportunities
	Goal Description	Provide homeownership opportunities to 10 households annually through the use of HOME funds and Housing Opportunity Funds with new construction or renovation and resale of existing single-family homes. By regulation, the Housing Trust Fund program can assist with homeownership opportunities. Due to limitation of serving extremely low-income households, South Dakota has made the determination to not allocate HTF for homeownership activities.
7	Goal Name	Homeowner Rehabilitation
	Goal Description	Provide funding opportunities to assist 150 homeowners annually with rehabilitation activities. Programs utilized will be the HOME Program and the Housing Opportunity Fund. Additional resources that do exist in the state are USDA Rural Development, and SDHDA's CHIP program.

9	Goal Name	Workforce Training
	Goal Description	The CDBG Program could allow up to a maximum of 15% of yearly allocation to be utilized to train low-to-moderate individuals annually. Demand for this activity has decreased with other programs offering workforce training in SD. We are setting aside \$400,000 to train up to 200 individuals each year.
10	Goal Name	Security Deposit Assistance
	Goal Description	Annually up to \$200,000 of HOME funds will be utilized to assist approximately 315 individuals and families with security deposit assistance keeping them from homelessness.
11	Goal Name	Homebuyer Assistance
	Goal Description	Annually up to \$200,000 of HOME funds is set-aside to assist homebuyers with downpayment assistance with the purchase of a single-family home. Housing Opportunity Funds will also be utilized for this activity, with an estimated \$100,000. It is anticipated that 30 households will be assisted.
12	Goal Name	Community Development
	Goal Description	GOED will award grants to eligible activities that will improve community development and enhance the lives of those residents living there. Community development improvements will primarily be awarded for infrastructure such as water, wastewater, and storm sewer systems. Included with these types of project would be restoration of streets, sidewalks, and gutters that would have been removed or damaged during replacement of any below grade infrastructure. Other community development activities will consist of neighborhood facilities, youth centers, senior centers, broadband expansion, places that provide community safety measures such as fire halls and abuse shelters. Any eligible activity meeting community development needs will be considered. Determining goals for community development projects is difficult not knowing when a community will decide to upgrade old existing infrastructure or needing to upgrade or construct new community facilities. The State of South Dakota anticipates 8-12 applicants being awarded funding each year for community development projects. Number of persons to benefit will depend greatly on the size of the communities applying. Any funds remaining in other accounts will be rolled into community development in order to maintain timely distribution.

13	Goal Name	Economic Development
	Goal Description	GOED will fund a special project account with \$500,000 from the annual HUD allocation each year. The goal will be job creation when granting funds from this account. The number of jobs created will determine the amount of the award. For every \$25,000 of grant funding, one permanent job must be created.
14	Goal Name	Building Demolition
	Goal Description	The State of South Dakota will place up to \$1,000,000 of its annual allocation from HUD into a special project account to assist communities with the removal of blighted property that is a threat to the health and welfare of their residents. Blighted properties must be vacant and in such a dilapidated condition that rehabilitation costs will far exceed fair market value. Clearing abandoned dilapidated properties will provide a buildable lot with infrastructure already in place, making a site for either affordable housing to be constructed or a Governor's home to be moved into its place.
15	Goal Name	Tenant Based Rental Assistance
	Goal Description	HOME funds will be available for tenant based rental assistance to meet an unmet need. Specific information regarding tenant eligibility will be further defined within the HOME Allocation Plan which can be found on SDHDA's website - www.sdhda.org .

Estimate the number of extremely low-income, low-income, and moderate-income families to whom the jurisdiction will provide affordable housing as defined by HOME 91.315(b)(2)

It is difficult to determine the number of extremely low-income and moderate-income families who will be served, however, based on the goals listed above there will be 725 households directly assisted (without considering households assisted with ESG funds). The breakdown is 150 new construction rental units, 20 new construction service enriched units, 50 rental units rehabbed, 150 homeowners receiving homeowner rehabilitation, 315 households receiving security deposit assistance, 10 new construction single family homes for resale and 30 households assisted with homebuyer assistance.

An estimate would be 70 households at or below 30 percent AMI; 550 households at or below 50 percent AMI and 105 households at or below 80 percent AMI.

SP-50 Public Housing Accessibility and Involvement – 91.315(c)

Need to Increase the Number of Accessible Units (if Required by a Section 504 Voluntary Compliance Agreement)

Not applicable

Activities to Increase Resident Involvements

Statewide consolidated plan does not provide an opportunity to know how each public housing authority will address this item.

Is the public housing agency designated as troubled under 24 CFR part 902?

No

Plan to remove the ‘troubled’ designation

Reviewing the HUD listing, there were no public housing authorities in South Dakota designated as "troubled".

SP-55 Barriers to affordable housing – 91.315(h)

Barriers to Affordable Housing

Local and federal policies can have a negative effect on the affordability of housing. At the local level, additional building codes and zoning requirements, which vary by community and federal policies such as Davis Bacon reporting results can result in additional project costs and delays. Contractor bids increase to cover the administrative cost of Davis Bacon. While these policies may be justified at times, the policies are not always relevant based on the community and the housing developers.

The push to develop green and energy efficient housing can also have negative implications. Access to products and expertise of contractors to install specialized products can be cost prohibitive in rural areas. There are many policies that sound good in theory but are not as effective when implemented. These barriers make affordable housing, less affordable.

During 2017 SDHDA created its Analysis of Impediments to Fair Housing Choice. Below are the Impediments and general actions stated in the Analysis:

Impediment: Discrimination in the housing market

Action - Reduce discrimination in housing markets by providing education on fair housing, reasonable accommodation, compliance with fair housing and 504, in addition to creating written resources regarding these topics.

Impediment: Difficulties in home purchases

Action - Reduce denial rates and other identified problems in the home mortgage market by educational efforts and providing additional resources (technical assistance, education and/or financial); incorporating renter's education; provide fair housing education at banker's meetings; and create opportunities through the SD Native American Homeownership Coalition.

Impediment: Lack of available housing units

Action - Production of new and preservation of existing housing units by providing educational opportunities to understand the need and the definition of affordable housing by sharing of success stories; evaluate SDHDA programs for efficiency; provide additional technical support and training opportunity regarding how to access financing programs; evaluate potential new funding sources; development of special needs housing; development of housing in rural communities; and rehabilitation of existing single family homes to retain habitability standards.

Impediment: Lack of education

Action - Providing additional educational opportunities for homeowners, renters, service providers, advocacy groups, developers and other interested parties, regarding budgeting, renter/landlord responsibilities, fair housing, accessibility requirements, housing maintenance, limited English proficiency and other topics as deemed necessary.

Impediment: Tenant selection criteria

Action - Working with landlords, management companies and service agencies to increase housing opportunities for individuals and families who are unable to meet specific tenant selection criteria by increasing availability of housing options; creation of a landlord risk mitigation program; continue conversation/ training opportunities to address housing opportunities for "at risk" population; and development of coordinated entry system to ensure those identified as homeless have access to appropriate housing choices.

Strategy to Remove or Ameliorate the Barriers to Affordable Housing

Open communication is the best approach to address barriers. As SDHDA becomes aware of barriers we will work with the appropriate parties to address and hopefully resolve the barriers. As part of this process the barrier will be identified, partner agencies will be identified to gain a better understanding of the barrier and potential limitations may exist or need to be addressed to resolve the barrier. If

action can be taken to address the barrier, action steps will be outlined, meetings established and the process will begin. The end result may not be eliminating the barrier identified, but instead finding opportunities to work within the parameters to continue to allow access to services that were not previously available.

SP-60 Homelessness Strategy – 91.315(d)

Reaching out to homeless persons (especially unsheltered persons) and assessing their individual needs

Emergency Solutions Grants funds are being used by a couple of subrecipients for street outreach - to help locate, identify, and build relationships with homeless individuals and families and to engage them for the purpose of providing immediate support, intervention, and connections with homeless assistance programs and/or mainstream social services and housing programs. Street outreach is conducted in Sioux Falls, Aberdeen, and on Indian Reservations.

While conducting the statewide homeless count if individuals or families are identified as sleeping outside, the survey volunteers try and help them locate shelter during the survey process. Not all households will utilize the services offered.

Many communities are also conducting “Project Homeless Connect” in conjunction with the statewide homeless count in order to identify those needing immediate assistance. The Veteran’s Administration conducts “stand-downs” in many communities across the state to locate and assist homeless veterans in their area with services.

A close relationship has been formed with the Homeless Liaisons in the school districts to help families that need not only educational services for their children but to get families available assistance. The interaction with the students can also assist in providing evaluation of resources to ensure resources are effective. Several homeless liaisons actively participate in SDHHC bringing their experience and expertise to the conversation.

The coordinated entry system will be another method of reaching out to homeless persons. There will be four physical access points, but also a 1-800 number through the Helpline Center in Sioux Falls. These access points will be publically known and accessible for individuals and families seeking services.

Through access points, homeless individuals will be assessed for their immediate needs and properly referred to the appropriate housing and services available in their community. Marketing efforts will be important so the general public becomes aware of this available resource. In the near future community meetings will begin taking place with full program implementation planned for June 2018.

Addressing the emergency and transitional housing needs of homeless persons

The majority of our emergency shelters in the state are domestic violence shelters. Emergency Shelters for homeless populations, not DV, are located in Sioux Falls, Rapid City, Aberdeen, Eagle Butte and Yankton. The Housing for the Homeless Consortium is making it a goal to work towards housing first model and developing permanent housing as the first step in helping homeless individuals and families obtain and sustain housing.

The emergency shelters have been utilizing more of the ESG funds for rapid rehousing programs assisting the individuals and families get into permanent housing sooner, while still providing necessary case management and services.

Assisting homeless persons coming from emergency shelters or the streets to permanent housing is a different approach for many agencies. Agencies are accessing training to better understand the approach so they can provide the appropriate services in order to help those wanting permanent housing the ability to keep permanent housing.

Helping homeless persons (especially chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth) make the transition to permanent housing and independent living, including shortening the period of time that individuals and families experience homelessness, facilitating access for homeless individuals and families to affordable housing units, and preventing individuals and families who were recently homeless from becoming homeless again.

The SDHHC works with the VA and the Department of Military and Veteran's affairs to help reduce the number of homeless veterans in South Dakota. HUD-VASH is administered in Sioux Falls, Rapid City, and on several Indian Reservations. Volunteers of America in Sioux Falls received funding through the VA for the Healthcare for Homeless Veterans grant (HCHV) as well as the Grants and Per Diem program. Sicangu Oyate Tipi in Rosebud also recently received an SSVF grant to service those in their county.

SDHHC works closely with Volunteers of America, Dakotas and Lutheran Social Services who specialize in housing and services for homeless youth in South Dakota. Both agencies are active members of the SDHHC. VOA currently receives funding for transitional housing for homeless youth in Aberdeen and outreach services in Sioux Falls.

Emergency Solutions Grants are used to provide housing relocation and stabilization services and short- and/or medium-term rental assistance as necessary to help homeless individuals or families move as quickly as possible into permanent housing and achieve stability in that housing.

In 2016, SDHHC members worked together for submission of a Youth Homeless Demonstration application. This process brought together additional partners and information regarding services

currently available for youth in South Dakota. While SDHHC was not successful in the first application, it will continue to work with partner agencies and pursue future funding opportunities.

Help low-income individuals and families avoid becoming homeless, especially extremely low-income individuals and families who are likely to become homeless after being discharged from a publicly funded institution or system of care, or who are receiving assistance from public and private agencies that address housing, health, social services, employment, education or youth needs

The Department of Social Services, Division of Child Protection Services has defined procedures in place for the discharge of children from custody/placement. The planning that occurs prior to children being discharged from custody/placement depends on the age of the child, the discharge resource and the services that will be needed to support the child in his/her discharge placement. Children discharging from custody/placement prior to age 18 may be discharged to their birth parent, relative caregiver, a legal guardian or may be adopted. Youth who were in placement upon turning 18 years of age are ready for discharge are eligible for Independent Living Services through the Division of Child Protections Services. Youth are involved in planning their exit from the program and are provided financial resources and on-going case management to help ensure success upon discharge. Several service agencies such as Volunteers of America also provide services to this client base as they make the transition. The additional services provided help to ensure success during this critical time.

South Dakota Department of Health (DOH) provides some standards of care for the homeless when discharged. SDHHC works with DOH towards implementation of appropriate discharge planning protocols to track homeless individuals and families receiving services through the DOH.

The Division of Mental Health has a discharge criterion and required documentation for the CARE (Continuous Assistance, Rehabilitation and Education Program). Discharge may occur when: (1) The consumer moves outside of the geographical area; (2) the consumer demonstrates ability to function in all major life areas; or (3) the consumer refuses to participate in the CARE program services. The Community Mental Health Centers then need to submit the following documentation to the Division for approval: (1) reason for discharge; (2) consumer status and condition at time of discharge; (3) written evaluation summary of progress made towards case service plan goals; (4) a plan for care and follow-up developed in conjunction with the consumer; and (5) signature of clinical supervisor, qualified mental health professional, or CARE team member.

The Department of Corrections has established procedures in place governing release planning for adults and juvenile offenders. Each adult offender within 5 years of possible release must develop a release plan with the assistance of Corrections case management staff. These release plans have established components of residence, employment and programming needs (chemical dependency, mental health, physical health, sex offender treatment and academic education). The State of South Dakota was a recipient of a Second Chance Act Prisoner Re-Entry Initiative grant. The grant funds were utilized to implement programs and strategies to reduce recidivism. SDHDA along with either other

state agencies and many local government organization and associations were members of the reentry workgroup created to identify existing services as well as gaps and barriers that exist.

Emergency Solutions Grants require coordination with other targeted homeless services to create a “buffet” of service for those who are homeless or at-risk of homelessness. Coordinating ESG funded activities with other programs targeted to homeless people in the area helps to provide a strategic, community-wide system to prevent and end homelessness.

SP-65 Lead based paint Hazards – 91.315(i)

Actions to address LBP hazards and increase access to housing without LBP hazards

All housing units funded through HOME, HTF and ESG must be inspected to ensure no lead-based paint hazards exist. The mitigation requirements for lead based paint can have a substantial impact on the affordability of housing. SDHDA has been working towards ensuring that the public is educated about these requirements and any housing financed by HOME, HTF or ESG funds are in compliance. To encourage compliance with this requirement, up to \$2,000 per unit of HOME funds can be awarded as grant funds and will not be required to be repaid for the encapsulation, abatement, or stabilization of Lead Based Paint and the corresponding inspection costs. These costs must be pre-approved by SDHDA.

SDHDA is also discussing the possibility of partnering with other agencies to create a "rehab" guidebook or provide training and/or workshops to discuss lead-based paint hazards, inspection, remediation, and encapsulation. Many communities and organizations are conducting single family renovation activities and additional information regarding lead-based paint would be beneficial for them.

How are the actions listed above integrated into housing policies and procedures?

The lead-based paint information and requirements are outlined within the HOME, HTF and ESG Plans. SDHDA project files incorporate checklists and reporting requirements to ensure lead-based paint is addressed for each housing unit and development assisted with either ESG, HTF or HOME funds. If abatement is required, additional documentation is received prior to completion of the project to ensure requirements have been met.

SP-70 Anti-Poverty Strategy – 91.315(j)

Jurisdiction Goals, Programs and Policies for reducing the number of Poverty-Level Families

SDHDA and GOED will work in conjunction with other agencies in implementing poverty reducing goals, programs and policies as appropriate. At this time there are no jurisdictional goals for reducing the

number of poverty-level families, however, work is being done in this area through the Continuum of Care and ESG programs and other state initiatives and programs.

How are the Jurisdiction poverty reducing goals, programs, and policies coordinated with this affordable housing plan

Recipients of CoC and ESG funding provide services to assist individuals and families with poverty reducing goals. Under the CDBG program, up to 15 percent of the CDBG funds are being provided for a job training program, providing the skills being demanded in geographical employment centers, which benefits both the employee and the employer.

SP-80 Monitoring – 91.330

Describe the standards and procedures that the state will use to monitor activities carried out in furtherance of the plan and will use to ensure long-term compliance with requirements of the programs involved, including minority business outreach and the comprehensive planning requirements

For activities financed under the HOME, HTF, ESG, NSP, HOF and CDBG, staff oversight ensures the activities are carried out within program regulations. SDHDA has allocation/administrative plans for each program outlining the requirements during the development and operations of the activities. In addition, programs utilized for development of housing also have compliance and management policies for the duration of the compliance or restricted use period.

Prior to award of funds, applications are thoroughly reviewed to ensure program requirements are met including review of architectural drawings for incorporation of 504 and Fair Housing requirements. During construction/rehabilitation, SDHDA's Construction Management Officer reviews all construction sites prior to draw down of HOME, HTF and HOF funds and attends construction inspections. Once the developments have been placed in service, the physical inspections are completed by SDHDA's management officers to ensure housing quality standards are maintained.

For program requirements, the projects are monitored by SDHDA staff, both file and on-site reviews. Program requirements are reiterated within a Restrictive Covenant that is filed on the property. Annual inspections allow SDHDA staff to review operating practices, complete tenant file reviews for income test, review of Affirmative Fair Housing marketing, and allow for physical inspection of the property.

SDHDA currently monitors the HOME, HTF, HOF, HTC and ESG projects to ensure long-term compliance with program requirements and comprehensive planning. Staff who work with the programs regularly monitors federal regulations and proposed changes. As being members with housing associations, SDHDA is recipient of notices and emails from both our CPD representative and our affiliate organizations. Good communication with our regional HUD office also provides SDHDA opportunities to

evaluate our procedures to ensure we are in compliance with federal regulations. Annually, staff also attends trainings and meetings presented by HUD and affiliate organizations.

Internal review completed by SDHDA's accounting department provides checks and balance for expenditure deadlines and reporting requirements. In addition, SDHDA hires a third-party accounting firm to complete an audit on SDHDA programs.

The Governor's Office of Economic Development (GOED) is responsible for insuring that grantees under the CDBG Program are carrying out their projects in accordance with Federal and State statutory and regulatory requirements set forth in the grant contract executed between the State and the grantee. GOED will provide maximum feasible delegation of responsibility and authority to grantees under the CDBG Program. GOED monitoring of CDBG grantees will be conducted in a positive, assistance-oriented manner. Whenever possible, deficiencies will be rectified through constructive discussion, negotiation and assistance, and in a manner, which preserves local discretion.

GOED will conduct two basic types of monitoring: off-site, or "desk" monitoring, and on-site monitoring. Desk monitoring is an ongoing process in which the project administrator responsible for overseeing the grantee's project uses all available information to review the grantee's performance in carrying out the approved project. On-site monitoring is a structured review conducted by the project administrator at the locations where project activities are being carried out and/or where project records are being maintained. Checklists are utilized to ensure that all issues are addressed. The number of times a project is monitored varies upon the issues that arise during the desk and on-site monitoring.

Expected Resources

AP-15 Expected Resources – 91.320(c)(1,2)

The HOME, Housing Trust Fund (HTF), Emergency Solutions Grants Program (ESG) and Community Development Block Grant (CDBG) funding sources are only partial funding for the many different activities and services provided. As federal funds continue to diminish, developers, communities and service providers must be creative and have partnerships and other resources to successfully complete the proposed projects. Other financing and services are being provided by local, state, and federal programs, private individuals, foundations, and commercial lenders. The State of South Dakota has provided financing for the Housing Opportunity Fund (HOF) which provides an additional resource for both development of housing and providing services. HOF has flexibility to target up to 115 percent area median income and can be utilized as match funding.

South Dakota Housing Development Authority (SDHDA) also administers the IRS program - Housing Tax Credits and can issue tax exempt bond financing. Majority of the HTC developments also utilize HOME funds for gap financing. SDHDA is the Collaborative Applicant and lead agency for South Dakota Balance of State Continuum of Care. As the Collaborative Applicant, SDHDA can offer assistance and potential funding for CoC recipients. CoC funding is not included as a source of funds below due to the inability of estimating expected funding.

SDHDA also funds and administers the Community Housing Development Program (CHDP) which is utilized for development of workforce

housing - up to 120 percent AMI. With this program, SDHDA has financing resources that can be of assistance for variety of income levels.

Anticipated Resources

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
CDBG	public - federal	Acquisition Admin and Planning Economic Development Housing Public Improvements Public Services	5,700,865	0	3,535,631	9,236,496	28,500,000	We anticipate CDBG funding to be \$5,700,865 million. Our current balance available to award is \$3,535,631 remaining from our FY2017 allocation.

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
HOME	public - federal	Acquisition Homebuyer assistance Homeowner rehab Multifamily rental new construction Multifamily rental rehab New construction for ownership TBRA	3,008,138	4,000,000	0	7,008,138	15,000,000	Annually, there is approximately \$2 million of program income that becomes available in addition to the \$3 million received in annual allocation.

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
ESG	public - federal	Conversion and rehab for transitional housing Financial Assistance Overnight shelter Rapid re-housing (rental assistance) Rental Assistance Services Transitional housing	582,097	0	0	582,097	2,900,000	SDHDA anticipates receiving approximately \$500,000 annually for the ESG program. With expanded eligible activities and sub-recipients, the full allocation will be utilized.

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
HTF	public - federal	Acquisition Admin and Planning Homebuyer assistance Multifamily rental new construction Multifamily rental rehab New construction for ownership	3,000,000	0	1,500,000	4,500,000	15,000,000	Annually SDHDA anticipates receiving \$3 million in Housing Trust Funds to assist with development of rental activities for extremely low-income households.
Other	public - federal	Acquisition Housing Multifamily rental new construction Multifamily rental rehab	3,820,000	0	0	3,820,000	16,000,000	South Dakota Housing Development Authority administers the Internal Revenue Program called the Housing Tax Credit Program. This program is utilized for multifamily rental development and often times is used in combination of HOME funds.

Other	public - state	Acquisition Admin and Planning Conversion and rehab for transitional housing Homebuyer assistance Homeowner rehab Housing Multifamily rental new construction Multifamily rental rehab New construction for ownership Overnight shelter Rapid re-housing (rental assistance) Transitional housing	2,900,000	0	0	2,900,000	15,000,000	The Housing Opportunity Fund is state funded and created through Building South Dakota. Annual funding amount is subject to legislative action.
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Table 54 - Expected Resources – Priority Table

Explain how federal funds will leverage those additional resources (private, state and local funds), including a description of how matching requirements will be satisfied

CDBG funding will assist in projects such as infrastructure, community buildings, fire halls, abatement of blighted structures, and workforce training. The match requirement will be on a scoring basis. Each project will submit a budget sheet with their application and will receive a score of low, medium, or high. Any funds that are not CDBG will be considered match.

Recipients of HOME funds are required to provide 12.5 percent of the match requirement. The match is typically in the form of donated services, land, or materials, reduction of interest rates or lender fees, tax abatements and waiving of city fees. SDHDA provides the remaining 12.5 percent of the match requirement.

ESG recipients are required to provide 100 percent of the match requirement. Forms of match are typically volunteer hours and donation of money, goods, or services.

There is no match requirement with the Housing Trust Fund, however, competitive points are available for applications that demonstrate the ability to leverage financial resources.

The Housing Opportunity Fund (HOF) provides up to 50 percent financing and requires 50 percent match which can come from a variety of sources. HOF is often times used a match for ESG and HOME funding.

Typically, multifamily housing rental developments utilize HOME and Housing Tax Credits. Additionally, developers are utilizing the Housing Trust Fund to further target lower income households.

If appropriate, describe publically owned land or property located within the jurisdiction that may be used to address the needs identified in the plan

At this time, we are unaware of any publically owned land or property that may be used to address the identified needs.

Discussion

The Omnibus Spending Bill of 2018 increased the housing tax credit allocation for every state by 12.5%. For 2018, South Dakota will have \$3,105,000 allocation of housing tax credits, increasing by 12.5% each year for 2018-2022.

Annual Goals and Objectives

AP-20 Annual Goals and Objectives – 91.320(c)(3)&(e)

Goals Summary Information

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
1	Develop new rental housing units	2013	2017	Affordable Housing		Affordable Housing	HOME: \$2,000,000 Housing Opportunity Fund: \$1,500,000	Rental units constructed: 150 Household Housing Unit
2	Acquisition and Rehabilitation of rental units	2013	2017	Affordable Housing		Affordable Housing	HOME: \$1,000,000 Housing Opportunity Fund: \$700,000	Rental units rehabilitated: 50 Household Housing Unit
3	Development of special needs housing	2013	2017	Affordable Housing Homeless Non-Homeless Special Needs		Affordable Housing	HOME: \$500,000 Housing Opportunity Fund: \$500,000	Other: 20 Other
5	Utilize Emergency Solution Grants Program	2013	2017	Homeless			ESG: \$500,000	Overnight/Emergency Shelter/Transitional Housing Beds added: 22 Beds

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
6	Provide homeownership opportunities	2013	2017	Affordable Housing		Affordable Housing	HOME: \$500,000	Homeowner Housing Added: 1000 Household Housing Unit
7	Homeowner Rehabilitation	2013	2017	Affordable Housing		Affordable Housing	HOME: \$500,000	Homeowner Housing Rehabilitated: 150 Household Housing Unit
9	Workforce Training	2013	2017	Non-Housing Community Development Economic Development/Workforce Training		Non-housing Community Development	CDBG: \$400,000	Other: 200 Other
10	Security Deposit Assistance	2013	2017	Affordable Housing		Affordable Housing Homelessness	HOME: \$200,000	Homelessness Prevention: 315 Persons Assisted
11	Homebuyer Assistance	2013	2017	Affordable Housing		Affordable Housing	HOME: \$200,000	Direct Financial Assistance to Homebuyers: 15 Households Assisted
12	Community Development	2018	2022	Non-Housing Community Development		Non-housing Community Development	CDBG: \$3,050,000	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit: 6300 Persons Assisted
13	Economic Development	2018	2022	Non-Housing Community Development		Non-housing Community Development	CDBG: \$500,000	Jobs created/retained: 20 Jobs Businesses assisted: 1 Businesses Assisted
14	Building Demolition	2018	2022	Affordable Housing			CDBG: \$1,000,000	Buildings Demolished: 50 Buildings

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
15	Tenant Based Rental Assistance	2020	2021	Affordable Housing Homeless Non-Homeless Special Needs		Affordable Housing Homelessness	HOME: \$300,000	Tenant-based rental assistance / Rapid Rehousing: 25 Households Assisted

Table 55 – Goals Summary

Goal Descriptions

1	Goal Name	Develop new rental housing units
	Goal Description	Development of new rental housing units - utilize approximately \$2 million annually to create 150 new rental housing units. Over a five-year period, this would provide a total of 750 new rental housing units. The combination of HOME funds and Housing Tax Credits is vital for meeting this goal. The additional funding provided through the Housing Trust Fund will provide an opportunity to develop additional housing units designated for 30% AMI. It is estimated that \$1.5 million of HTF funding will assist in development of additional housing units but at this time it is hard to quantify the net impact of this funding source.
2	Goal Name	Acquisition and Rehabilitation of rental units
	Goal Description	Utilize HOME funds in combination with Housing Tax Credits and Housing Trust Fund for the acquisition and rehabilitation or just the rehabilitation of rental housing units. Approximately \$1 million annually could be utilized to rehabilitate 50 rental units - equating to 150 units over a 5-year period. It is estimated \$700,000 of HTF will be utilized for rehabilitation, which will produce some additional units and definitely impact the number of housing units designated to serve the extremely low-income families.
3	Goal Name	Development of special needs housing
	Goal Description	The goal is to utilize approximately \$500,000 in HOME funds and \$500,000 of Housing Trust Funds in combination with Housing Tax Credits, for the development of 20 rental units for special needs annually.

5	Goal Name	Utilize Emergency Solution Grants Program
	Goal Description	Provide ESG funds to emergency and domestic violence shelters across the state. Unit of measurement is to assist 22 shelters annually. Given the fact that majority of the shelters funded with ESG funds are domestic violence shelters, it would be difficult to track other measurements based on individuals.
6	Goal Name	Provide homeownership opportunities
	Goal Description	The goal is to provide homeownership opportunities to 1,000 households annually through the assistance of the First-Time Homebuyer Program, HOME Program, Governor's House Program and the USDA Rural Development programs. HOME program funds will be utilized to develop single family homeownership activities. While the Housing Trust Fund has homeownership as an eligible activity, South Dakota will not be utilizing this funding source for this activity, at this time.
7	Goal Name	Homeowner Rehabilitation
	Goal Description	Provide funding opportunities to assist 150 homeowners annually with rehabilitation activities. Programs utilized would be the HOME Program, SDHDA's CHIP Program, and USDA Rural Development programs.
9	Goal Name	Workforce Training
	Goal Description	The CDBG Program could allow up to a maximum of 15% of yearly allocation to be utilized to train low-to-moderate individuals annually. Demand for this activity has decreased with other programs offering workforce training in SD. We are setting aside \$400,000 to train up to 200 individuals each year.
10	Goal Name	Security Deposit Assistance
	Goal Description	To provide security deposit assistance to low income families at risk of becoming homeless. \$200,000 of HOME funds are set aside to assist approximately 315 households on an annual basis.
11	Goal Name	Homebuyer Assistance
	Goal Description	Annually \$200,000 of HOME funds are set-aside to assist homebuyers with the purchase of a single-family home through a downpayment assistance program. It is anticipated that approximately 15 households will be assisted annually. The Housing Trust Fund program will not be utilized to assist with homeownership activities.

12	Goal Name	Community Development
	Goal Description	GOED will award grants to eligible activities that will improve community development and enhance the lives of those residents living there. Community development improvements will primarily be awarded for infrastructure such as water, wastewater, and storm sewer systems. Included with these types of project would be restoration of streets, sidewalks, and gutters that would have been removed or damaged during replacement of any below grade infrastructure. Other community development activities will consist of neighborhood facilities, youth centers, senior centers, broadband expansion, places that provide community safety measures such as fire halls and abuse shelters. Any eligible activity meeting community development needs will be considered. Determining goals for community development projects is difficult not knowing when a community will decide to upgrade old existing infrastructure or needing to upgrade or construct new community facilities. The State of South Dakota anticipates 8-12 applicants being awarded funding each year for community development projects. Number of persons to benefit will depend greatly on the size of the communities applying.
13	Goal Name	Economic Development
	Goal Description	GOED will fund a special project account with \$500,000 from the annual HUD allocation each year. The goal will be job creation when granting funds from this account. The number of jobs created will determine the amount of the award. For every \$25,000 of grant funding, 1 permanent job must be created.
14	Goal Name	Building Demolition
	Goal Description	The State of South Dakota will place up to \$1,000,000 of its annual allocation from HUD into a special project account to assist communities with the removal of blighted property that is a threat to the health and welfare of their residents. Blighted properties must be vacant and in such a dilapidated condition that rehabilitation costs will far exceed fair market value. Clearing abandoned dilapidated properties will provide a buildable lot with infrastructure already in place, making a site for either affordable housing to be constructed or a Governor's home to be moved into its place.
15	Goal Name	Tenant Based Rental Assistance
	Goal Description	HOME funds will be made available for tenant based rental assistance to meet identified unmet needs. The dollar amount and tenant selection criteria will be further defined in the HOME Program Allocation Plan which can be found on SDHDA's website - www.sdhda.org .

AP-25 Allocation Priorities – 91.320(d)

Introduction:

The chart below reflects percentages of funding that are likely to occur based on the different eligible activities and goals. It is important to remember that not all of the priorities actually have the funds set-aside for this activity. While it is listed as a priority there may not necessarily be funds or sufficient competitive points to ensure this percentages will be met.

Funding Allocation Priorities

	Develop new rental housing units (%)	Acq. and Rehab of rental units (%)	Develop special needs housing (%)	Utilize Emergency Solution Grants Program (%)	Provide home-ownership opportunities (%)	Home-owner Rehab (%)	Work-force Training (%)	Security Deposit Ass. (%)	Home-buyer Ass. (%)	Community Develop (%)	Economic Develop (%)	Building Demolition (%)	Tenant Based Rental Assis. (%)	Total (%)
CDBG	0	0	0	0	0	0	8	0	0	64	10	18	0	100
HOME	47	10	10	0	8	15	0	4	2	0	0	0	4	100
ESG	0	0	0	100	0	0	0	0	0	0	0	0	0	100
HTF	50	25	25	0	0	0	0	0	0	0	0	0	0	100
Other Housing Opportunity Fund	45	15	10	0	10	10	0	0	10	0	0	0	0	100
Other Housing Tax Credits	70	15	15	0	0	0	0	0	0	0	0	0	0	100

Table 56 – Funding Allocation Priorities

Reason for Allocation Priorities

The allocation priorities are a combination of past experience and goals to be accomplished. The housing needs in South Dakota vary by

community and SDHDA's resources are utilized in a variety of ways thus the reason for having multiple allocation priorities. There is a need for additional rental units, homeownership activities, homeowner rehabilitation and security deposit assistance. A few activities have funds set-aside to assist in the administration of the program.

In 2018 a set-aside of \$1 million of HOME funds will be available for housing developments in rural communities. Since these developments are smaller in size and often are developed by community agencies or nonprofit agencies, they sometimes lack the experience necessary to compete in the annual application cycle. The set-aside will allow SDHDA staff to work with the applicant to ensure the project is viable, feasible and the applicant is prepared to carry the project through completion and then the many years of program compliance.

In 2018, a set-aside of the Housing Trust Fund program is being created for special needs housing. Since the HTF program requires designation of housing units for extremely low-income households, this correlates well with individuals living on fixed incomes such as disability. This funding source will assist in development of housing units for special needs and homeless populations. Providing housing opportunities for extremely low-income households is a high priority due to the long Section 8 voucher waiting lists and the number of families experiencing homelessness and over-crowded housing conditions.

Beginning in 2020 HOME funds will become available for tenant based rental assistance to assist with documented unmet needs. Tenant selection and funding amounts is further defined in the HOME Allocation Plan that can be found on SDHDA's website at www.sdhda.org.

How will the proposed distribution of funds will address the priority needs and specific objectives described in the Consolidated Plan?

Funds are necessary to achieve any priority or goal; however, the developers and applicants are the ones submitting the applications for funding and dictating which projects they would like to do and where they are located. Based on past experience of competition for funding, feasibility of projects, geographic locations, etc. SDHDA anticipates the funding is appropriate to achieve the goals established. Application scoring criteria as well as set-aside of funds are utilized to entice developers to assist in meeting priority needs and specific objectives.

AP-30 Methods of Distribution – 91.320(d)&(k)

Introduction:

HOME, Housing Trust Fund, ESG and CDBG funding is open to all eligible applicants through application processes. The HOME Program Allocation Plan, the Housing Trust Fund Allocation Plan, the ESG Plan and the Consolidated Plan outline the application process for the respective programs. For ease of applicants, a combined application form and application cycle has been created for utilization of HOME, HTF and HTC.

Distribution Methods

Table 57 - Distribution Methods by State Program

1	State Program Name:	South Dakota - CDBG
	Funding Sources:	CDBG

<p>Describe the state program addressed by the Method of Distribution.</p>	<p>CDBG Program funds are provided through the Title I of the Housing and Community Development Act of 1974 as amended. The State of South Dakota will receive \$5,700,865 in 2018. A minimum of 70 percent of the State's allocation will be used to fund projects that primarily benefit low and moderate-income persons.</p> <p>The CDBG program will provide grants to units of general local governments in non-entitlement areas with applicants being selected for funding based on the greatest need and most adequately addressing locally determined need of low and moderate-income persons, consistent with one or more of the following purposes:</p> <ol style="list-style-type: none"> 1. Promote more rational land use; 2. Provide increased economic opportunities for low and moderate-income persons; 3. Correct deficiencies in public facilities that affect the public health, safety or welfare, especially of low and moderate income-persons; 4. Increase efficiencies in public facilities, affecting public health, safety, or welfare. <p>CDBG funds will be distributed from four separate programs. Of the \$5,700,865 of CDBG funds received by the State, five hundred thousand dollars (\$500,000) for the Special Projects Account, five hundred thousand dollars (\$500,000) for the Imminent Threat Account, one million dollars (\$1,000,000) for the Blighted Housing Abatement Program and the remainder of the annual allocation available for distribution through the Community Projects Account. A maximum of 15% of our annual allocation can be utilized for eligible Job Training or other program activities classified as Public Services. The State will withhold one hundred thousand dollars (\$100,000) plus 3 percent (3%) for program administration by the State and technical assistance provided to local governments through the State's six Planning Districts.</p> <p>CDBG program funds must be obligated to projects within 15 months of the State receiving the funds from HUD. It is our intention to stimulate applicants through a series of funding cycle deadlines which will be April 1, and October 1.</p> <p>Grant Amendments requesting additional funding will be considered at any time. Decisions will be based upon the information provided by the grantee justifying the need and impact of the additional funding. Additional requests for funding will need Governor approval with a new grant agreement being signed to supersede the original grant award.</p>
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<p>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</p>	<p>Eligible applicants are counties and incorporated municipalities, excluding Sioux Falls, Rapid City and Tribal Governments. Projects must meet one of three national objectives and be an eligible activity as described in section 105(a) of the Act. National objectives are to eliminate slums and blight, benefit people of predominately low and moderate income, or an urgent need or an imminent threat to public health or safety. In addition, the following criteria must be met: 1. Planning Districts must prepare the application and administer the grant through close out. 2. There is no limit to the number of 2018 grants eligible applicants may receive for themselves or on behalf of an ineligible applicant i.e. development corporation, rural water system, sanitary district, etc. 3. CDBG grants awarded prior to Year 2013 must be closed out before submitting a new application. A grantee that has an open grant awarded prior to 2013 and is open because of circumstances beyond their control may request a waiver submitted to GOED with the 2018 application. 4. A public hearing must have been conducted before an application may be submitted. 5. Application shall include data on the racial, ethnic, and gender characteristics of project beneficiaries.</p> <p>Eligible projects and activities are defined in Section 105(a) of the Act. Questions should be addressed to CDBG staff within the Governor's Office of Economic Development or by contacting their Planning District Office.</p>
<p>If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)</p>	<p>Potential applicants can gather additional information by contacting the Governor's Office of Economic Development via phone - 605-773-4633 or contacting their Planning District Office.</p>

<p>Describe the process for awarding funds to state recipients and how the state will make its allocation available to units of general local government, and non-profit organizations, including community and faith-based organizations. (ESG only)</p>	<p>Not applicable</p>
<p>Describe how resources will be allocated among funding categories.</p>	<p>CDBG funds will be distributed from four separate programs that address distinct areas of need. Of the \$5,700,865 of CDBG funds received by the State, five hundred thousand dollars (\$500,000) will be available through the Special Projects Account, five hundred thousand dollars (\$500,000) will be available through the Imminent Threat Account, one million dollars (\$1,000,000) will be available through the Blighted Housing Abatement Program and the remainder of the annual allocation will be available for distribution through the Community Projects Account. A maximum of 15% of our annual allocation can be utilized for eligible Job Training or other program activities classified as Public Services. The State will withhold one hundred thousand dollars (\$100,000) plus 3 percent (3%) for program administration by the State and technical assistance provided to local governments through the State’s six Planning Districts. At the discretion of the Commissioner of GOED, funds can be moved around within each program account. During the final grant cycle of each year, all accounts can be moved to Community Projects Account if the Commissioner so chooses and awarded at that time. Any amounts remaining in program accounts will be rolled forward into the next year and added to the community project account and obligated in the first round of funding in order to maintain timely distribution.</p>

	<p>Describe threshold factors and grant size limits.</p>	<p>Size of Grants.</p> <ol style="list-style-type: none"> 1. Ceilings. There is a maximum of \$750,000 per grant application for project costs plus an additional \$20,000 of funding for project administration for a total maximum ceiling of \$770,000. 2. Individual grant amounts. Individual grants will be awarded only in amounts commensurate with the requirements of the proposed project. 3. Available funding. Each funding cycle will award approximately half of the annual funds available through the account. The Commissioner of Governor’s Office of Economic Development (GOED) has the discretion to increase or decrease the amount on any given funding cycle. <p>There is no limit to the number of grants from the 2018 program funds that an eligible applicant may receive for themselves or on behalf of an ineligible applicant such as an area development corporation, rural water system, sanitary district or other legally organized entity. All eligible applications not funded may be resubmitted.</p> <p>Previous CDBG Program grants awarded prior to Year 2013 must be closed out.</p>
	<p>What are the outcome measures expected as a result of the method of distribution?</p>	<p>Outcomes will be based on the number of projects completed, allocation of training dollars, and number of individuals assisted with training dollars.</p>
<p>2</p>	<p>State Program Name:</p>	<p>South Dakota - ESG Program</p>
	<p>Funding Sources:</p>	<p>ESG</p>

<p>Describe the state program addressed by the Method of Distribution.</p>	<p>The Emergency Solutions Grants Program (ESG), formerly known as the Emergency Shelter Grants Program is a federal block grant authorized by subtitle B of the McKinney Vento Homeless Assistance Act and administered by the U.S. Department of Housing and Urban Development (HUD). The Homeless Emergency Assistance and Rapid Transition to Housing Act of 2009 (HEARTH) revised the Emergency Shelter Grants Program and renamed it the Emergency Solutions Grants Program.</p> <p>As a result of the HEARTH Act, the new ESG expands the eligible activities for emergency shelter and homelessness prevention activities to include short- and medium-term rental assistance and services to stabilize and rapidly re-house individuals and households who are homeless or at risk of becoming homeless. One of the main changes to the ESG program is an increased focus on homelessness prevention services and rapid re-housing activities as evidenced with the emphasis on homelessness prevention and the addition of a new rapid re-housing activity.</p> <p>Emergency Solutions Grants will be utilized to provide services to homeless and those at risk of becoming homeless in the following eligible activities. It is important for applicants to remember that ESG funds are to be used for direct assistance, only when there is no other assistance available for the individual or household. Applicants should refer to 24 CFR Part 576.100 – 576.109 for further clarification on the following eligible activities:</p> <ol style="list-style-type: none"> 1) Street Outreach; 2) Emergency Shelter; 3) Homelessness Prevention; 4) Rapid Re-housing Assistance; 5) Homeless Management Information System; and 6) Administrative.
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<p>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</p>	<p>Applicants must be non-profits or units of local government. Governmental organizations such as public housing agencies and local housing finance agencies are not eligible applicants under the ESG Program. Applicants must be in compliance with ESG guidelines 24 CFR Part 576 and applicable state and federal policies and procedures, including compliance with federal and state non-discrimination laws. Applicants must have written standards for providing ESG assistance that will be consistently applied throughout the program. Applicants must have established standard accounting practices including internal controls and fiscal accounting procedures which may include cost allocation plans; and be able to track agency and program budgets by revenue sources and expenses; have available cash flow to effectively operate their programs since ESG funding is a reimbursement program.</p> <p>Applicants with outstanding monitoring or audit findings issued by the Internal Revenue Service, HUD, or SDHDA are not eligible ESG applicants and will not be eligible. Applicants must demonstrate prior experience serving individuals and households at-risk of or experiencing homelessness. Also, applicants must have staff with demonstrated expertise in case management skills.</p> <p>Applicants will be required to utilize the Homeless Management Information System (HMIS). Domestic violence service providers must establish and operate a comparable database that collects client level data over time and generates unduplicated aggregate reports based on the data.</p> <p>Applicants must be members of the South Dakota Housing for the Homeless Consortium. Applications which show a concerted effort to coordinate services with other agencies and other funding sources to best serve the Individuals and households will be given priority. Applicants meeting the above eligibility requirements and documenting a concerted effort to coordinate services with other agencies and other funding sources to best serve the individuals and households will be given priority for funding.</p> <p>Due to the demand for the funds, ESG grants will be awarded based upon the following: 1. Need for the funding to provide the corresponding services and assistance; 2. Plan for distribution of the funds in an effective and efficient manner; 3. Collaboration efforts with other agencies, and 4. Applicants performance measurements resulting from the new ESG funding.</p> <p>A committee of state employees, who work with or have knowledge of homeless programs, will review the applications along with SDHDA staff. The review committee consists of representatives from the</p>
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	<p>Governor's Office, the Department of Health, the Department of Education, the Department of Labor, the Department of Human Services, the Department of Social Services, and the South Dakota Housing Development Authority. All of these agencies are members of the statewide continuum of care.</p>
<p>If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)</p>	<p>The ESG Plan further defines the application process and eligibility. The ESG Plan can be found on SDHDA's website - www.sdhda.org or applicants can contact SDHDA at 605-773-3181 for additional information.</p>
<p>Describe the process for awarding funds to state recipients and how the state will make its allocation available to units of general local government, and non-profit organizations, including community and faith-based organizations. (ESG only)</p>	<p>Applicants must be non-profits or units of local government. Governmental organizations such as public housing agencies and local housing finance agencies are not eligible applicants under the ESG Program. Applicants must be in compliance with ESG guidelines 24 CFR Part 576 and applicable state and federal policies and procedures, including compliance with federal and state non-discrimination laws. The availability of ESG Funds is presented to the general public through a press release, notice on SDHDA's website and email to all interested parties. SDHDA directly administers the ESG funds with sub-recipients directly providing the services.</p>

<p>Describe how resources will be allocated among funding categories.</p>	<p>The Interim ESG Rule shifts the focus from emergency shelter to assisting people to quickly regain stability in permanent housing along with increasing communities' capacity to engage in strategic planning and program oversight. Increase in planning and oversight can be accomplished by additional funding allowed for administrative activities.</p> <p>Administrative Activities – The Interim Rule increases the expenditure limit for administrative activities from 5 percent to 7.5 percent. SDHDA will make available to sub-recipients up to 2 percent of the ESG funds utilized for homelessness prevention, rapid re-housing and HMIS activities.</p> <p>Street Outreach and Emergency Shelter Activities - The total amount of ESG funds that may be used for street outreach and emergency shelter activities (also referred to as homeless assistance) cannot exceed the greater of:</p> <ol style="list-style-type: none"> 1. 60% of the recipient's fiscal year grant; or 2. The amount of FY 2010 grant funds committed for homeless assistance activities. <p>In FY 2010, \$309,441 of the ESG funds were committed for homeless assistance. For FY 2012, the ESG allocation was \$629,445, of which no more than \$377,667 (60%) was allocated for street outreach and emergency shelter activities.</p>
<p>Describe threshold factors and grant size limits.</p>	<p>Applicants are not limited (minimum or maximum) in the dollar amount of ESG funds that may be requested per the ESG application. Applicants may receive less ESG funds than requested based on the Selection Criteria outlined in the ESG Plan. In addition, SDHDA must ensure federal program requirements are being met.</p>
<p>What are the outcome measures expected as a result of the method of distribution?</p>	<p>Outcome measurements will consist of the number of shelters receiving assistance, geographic distribution of services, and the number of individuals being served. Majority of the ESG funds in South Dakota are allocated to domestic violence shelters. Based on this funding, individual outcome information will not be available in HMIS.</p>
<p>3</p>	<p>State Program Name: South Dakota - HOME Program</p>
	<p>Funding Sources: HOME</p>

<p>Describe the state program addressed by the Method of Distribution.</p>	<p>SDHDA is the agency responsible for the administration of the HOME funds throughout the State of South Dakota, with the exception of Sioux Falls, which receives its own allocation of HOME funds, and the Indian reservations, which receive funds under the Native American Housing Assistance and Self-Determination Act of 1996 (NAHASDA). Even though Sioux Falls receives their own allocation of HOME funds and Indian reservations receive NAHASDA funds, these areas are eligible to receive HOME funds from SDHDA. Funding limitations may be imposed in these areas if available HOME funds warrant such a change. SDHDA will receive \$3,008,138 in HOME Funds for 2018. HOME Funds and HOME program income will be utilized for the following activities: 1. To further the single-family affordable housing goal, funds will be used for new construction, rehabilitation, and site development of owner-occupied properties and lease/purchase properties. HOME funds will also be available for homebuyer assistance and development subsidy. HOME funds are also set aside for particular homebuyer activities. 2. To further the goal of preservation of affordable rental housing, funds will be used for rehabilitation, conversion and acquisition with rehabilitation of rental properties. Funds will be also used for new construction of rental housing where there is an identified need. 3. HOME funds will also continue to be provided as financial resource to provide security deposit assistance for qualified households.</p>
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<p>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</p>	<p>Funds will be awarded annually (applications due last working day of August, awards within 75 days) to eligible applicants who rank the highest on the selection criteria set out within the HOME Program Allocation Plan. If funds remain upon completion of the application cycle, SDHDA may hold another application cycle. Applications requesting HOME funds from the established set asides may apply for funding anytime during the year, with the exception of the Difficult to Develop set aside.</p> <p>Selection Criteria consists of the following -</p> <ul style="list-style-type: none"> Local Housing Need; Deep Income Targeting - serving lower income households; Extended Use Commitment - serving longer than standard affordability period; Construction Type - rehabilitation vs. new construction; Housing developed as part of a Concerted Community Revitalization Plan; Mixed Income use developments; Evidence of Financial support; Applicant Characteristics; Home Ownership; Service Enriched Housing; Units for Persons with Disabilities – HUD Section 811; Accessibility of additional units; Leveraging of financial resources; Percentage of Soft Costs Used for Project Costs; Project Location; Developments serving individuals with children; Public Housing Notification of available units; Completeness of Plans and Specifications; Evidence of site control; Evidence of financing commitments (construction and permanent); Evidence of equity commitment for HTC developments; Availability of utilities; Proper Zoning; Platted properties; Project Characteristics. <p>Additional information regarding these point categories and other selection criteria can be found in the HOME Program Allocation Plan.</p>
<p>If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)</p>	<p>N/A</p>

Describe the process for awarding funds to state recipients and how the state will make its allocation available to units of general local government, and non-profit organizations, including community and faith-based organizations. (ESG only)	N/A
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<p>Describe how resources will be allocated among funding categories.</p>	<p>HOME funds will be distributed geographically throughout South Dakota taking into consideration the priorities outlined in the Consolidated Plan and the following percentage set asides: Community Housing Development Organization (CHDO) - 15% of annual allocation (approximately \$405,000 annually) per federal requirement. Once the set-aside has been committed, CHDO applications will be referred to the General Pool for potential funding. Homeowner Rehab - \$500,000 is set aside for Community Action Program (CAP) agencies and nonprofit agencies for rehabilitation of single-family owner-occupied properties. The agencies are eligible for an administrative fee (up to 7.5%) based on program expenses. Maximum grant amount of \$200,000 per sub recipient per year. Homebuyer Assistance - \$200,000 is set aside for financing to qualified households who are unable to obtain the total financing necessary for purchase of a single-family home. The maximum gap loan is \$25,000 or 30 percent of the total acquisition costs less all granted and donated items, whichever is less. Security Deposit Assistance - \$200,000 is set aside for qualified Public Housing Authorities (PHAs) and nonprofit entities to provide security deposits to qualified households. Administrating agencies are eligible to receive up to 10% administrative fee for incurred expenses. Difficult to Develop - \$500,000 is set aside as grant financing for developments which are financially difficult to develop and cash flow due to characteristics such as serving special needs population, providing services, location or number of housing units.</p> <p>Homeownership Development - \$500,000 is set aside for interim construction financing of single-family homes. Up to \$20,000 may be used as development subsidy per home when costs exceed appraised value. Homeowner and permanent financing must be identified at time of application.</p> <p>Rural Housing Development - \$1,000,000 is set aside for development of housing in rural communities (population of 5,000 or less) allowing applicants to apply anytime from January 1st through August 31st. Beginning in 2020 HOME Program funds will also be available for tenant based rental assistance. The dollar amount and tenant selection criteria will be further defined in the 2020 HOME Program Allocation Plan found on the SDHDA website - www.sdhda.org.</p>
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<p>Describe threshold factors and grant size limits.</p>	<p>No more than 20 percent of the General Pool will be allocated to any one project; no more than a cumulative of 25 percent to any one developer/sponsor/owner and no more than 50 percent of the available General Pool will be allocated to any one community. If, after the initial application cycle, funds remain in the General Pool, an application from a developer/sponsor/owner or for any community which was awarded maximum funds under the initial application cycle may be eligible for additional HOME funds.</p> <p>The minimum amount of HOME funds invested in a project involving rental housing or homeownership is \$1,000 per each HOME assisted unit in the project.</p> <p>SDHDA will not process any application that SDHDA determines is not:</p> <ol style="list-style-type: none"> 1. Consistent with the purposes and goals of the HOME Allocation Plan; 1. Proposing an eligible activity; or 1. Financially feasible. <p>The amount of HOME funds that may be invested in an affordable housing project are regulated under 24 CFR Part 92.250. HOME funds may not exceed the per unit dollar limits established by HUD under the 221(d)(3) Subsidy Limits, in addition, SDHDA has established total project cost limits that developers must adhere to.</p> <p>For those projects which combine HOME and other governmental subsidies, SDHDA will perform a subsidy layering review in accordance with SDHDA HOME Subsidy Layering Policy, which incorporates the cost allocation requirements stated in HUD CPD Notice 915-11, dated December 22, 2015. A copy of this policy and notice is available from SDHDA upon request.</p>
<p>What are the outcome measures expected as a result of the method of distribution?</p>	<p>Outcome measures are the number of additional housing units geographically distributed for different income levels, types of housing units, and special needs housing.</p>
<p>4 State Program Name:</p>	<p>South Dakota - Housing Trust Fund</p>
<p>Funding Sources:</p>	<p>Housing Opportunity Fund</p>

<p>Describe the state program addressed by the Method of Distribution.</p>	<p>The Housing Trust Fund was enacted per the Housing and Economic Recovery Act of 2008. South Dakota Housing Development Authority administers the HTF program and in 2018, \$3 million will be available for allocation. Up to 10% of the funds will be retained by SDHDA for payment of program administration. The remaining 90% or \$2.7 million will be designated for permanent housing serving households at or below 30% AMI. The HTF program does have two set asides established for particular distribution. \$600,000 is set aside for developments located on Indian Reservations and \$600,000 is set aside for development of special needs housing.</p>
<p>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</p>	<p>The Housing Trust Fund Allocation Plan outlines the priorities and competitive scoring that will be utilized to select HTF applicants for funding. Point categories include the following: demonstration of housing need, extending the affordability period beyond 30 years, the type of construction project proposed, projects that contribute to a concerted community revitalization plan, projects that incorporate mixed income use, projects that demonstrate leveraging of funds, demonstration of applicant/owner's capacity for development, ownership and management of the housing units, projects providing services for the tenants, projects designating units for the HUD 811 program, incorporating additional accessible housing units, projects located near services and projects that demonstrate their readiness to proceed with the proposed development. The point categories are closely aligned with the HOME and Housing Tax Credit programs. More clarification of these items can be found in the HTF allocation plan.</p>
<p>If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)</p>	<p>N/A</p>

<p>Describe the process for awarding funds to state recipients and how the state will make its allocation available to units of general local government, and non-profit organizations, including community and faith-based organizations. (ESG only)</p>	<p>N/A</p>
<p>Describe how resources will be allocated among funding categories.</p>	<p>The Housing Trust Fund program has two set asides. \$600,000 is set aside for applicants developing housing on Indian Reservations and \$600,000 is set aside for applicants developing housing for special needs populations and providing on-site services. All applicants will apply for HTF funding during the August 31st application cycle. If no applications are received for the set asides during the application round, the HTF will be allocated to applications received under the general funding.</p>
<p>Describe threshold factors and grant size limits.</p>	<p>Threshold requirements are outlined within the HTF allocation plan. During the August application cycle, no more than 25 percent may be awarded to any one developer/sponsor/owner, and no more than 20 percent to any one project. If funds remain in the General Pool after the August application cycle, funds exceeding the foregoing limitations may be allocated to any project (i) that was allocated funds in the August application cycle and (ii) whose allocation was limited due to the foregoing limitations.</p> <p>All applications must be complete, meet eligibility requirements and score a minimum of 400 points to be considered for funding. In addition, the amount of HTF funding per unit is outlined per Exhibit 6 - HTF Subsidy Limits. The limits were created based on varying construction costs per county across the state and classified in three zones. Annually the zones and subsidy amounts are reviewed and modified as necessary.</p>

What are the outcome measures expected as a result of the method of distribution?	Outcome measurements will be recorded based on the number of housing units designated to extremely low-income households, the differential of unit size, geographic distribution, and the number of units designated as special needs or serving targeted populations.
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Discussion:

GOED and SDHDA provide allocation plans and applications for applicants to utilize when applying for CDBG, HOME, HTF and ESG funding. The allocation plans outline the threshold factors, funding size limits, time frames, application processes, etc. The funding is competitive and not all applications will be awarded funding. In addition, past experience and success with these programs will be used to help evaluate future applications for funding. All program information can be found on SDHDA's website - www.sdhda.org and GOED's website www.sdreadytowork.com.

AP-35 Projects – (Optional)

Introduction:

There are no 2018 projects to report at this time. Funding for CDBG, HOME, HTF and ESG projects will not be determined until after applications are received and evaluated, which typically does not occur until after the funding contracts are awarded by HUD.

Describe the reasons for allocation priorities and any obstacles to addressing underserved needs

The HOME program is a versatile program that is used to address many housing priorities across the state. Each community has varying housing needs so SDHDA tries to retain flexibility in the HOME program so it is able to address the corresponding needs. Currently the HOME program allocation plan has set-asides or priority points for the following types of housing development: development of housing in rural areas of the state, development of special needs/service enriched housing, homeowner rehabilitation, single family homeownership development and homebuyer assistance as well as security deposit assistance.

The Housing Trust Fund currently has two set-asides to address housing development on Indian Reservations and development of special needs/service enriched housing.

The HOME and HTF programs are competitive funding programs and typically developments serving vulnerable populations or located in rural communities of the state do not seem to compete as well. By creating set-aside of funding, these types of developments can receive more technical assistance and be less competitive, allowing SDHDA staff to work with the applicants in creating successful developments.

AP-38 Project Summary

Project Summary Information

AP-40 Section 108 Loan Guarantee – 91.320(k)(1)(ii)

Will the state help non-entitlement units of general local government to apply for Section 108 loan funds?

No

Available Grant Amounts

Not applicable

Acceptance process of applications

Not applicable

AP-45 Community Revitalization Strategies – 91.320(k)(1)(ii)

Will the state allow units of general local government to carry out community revitalization strategies?

No

State’s Process and Criteria for approving local government revitalization strategies

Not applicable.

AP-50 Geographic Distribution – 91.320(f)

Description of the geographic areas of the state (including areas of low-income and minority concentration) where assistance will be directed

South Dakota administers the HOME, Housing Trust Fund, Housing Tax Credit and ESG programs statewide. The CDBG program is administered in the CDBG service area. There are no Geographic Priorities being established at this time, except for funding set-asides for Indian Reservations under HTF and the 2018 proposed rural communities set-aside under the HOME program. Funding under the programs is competitive in nature and many factors are taken into consideration when awarding funds, such as demonstrated need, capacity of developer, financial feasibility of the development and geographic distribution. Scoring criteria dictates successful applications but currently the scoring is more influential on the type of project being developed and not geographic location (with the exception

of being located near services).

Agencies must also be cognizant on the balance of financing and providing additional housing units in areas of concentration of low-income households.

Rationale for the priorities for allocating investments geographically

There is currently a set-aside of HTF funding for Indian Reservations; which could be viewed as a geographic priority. The HTF program is targeted to households at or below 30% AMI. With high poverty rates on Indian Reservations, developing housing with HTF allows housing units to be more affordable to existing tenant population.

In 2018, SDHDA proposes a set-aside of HOME funds for development of housing in rural communities (5,000 or less in population). Establishment of the set-aside allows SDHDA to accept applications throughout the year as well as provide opportunity for additional technical assistance and allows applicants to be reactive to situations as they arise in their community.

Discussion

South Dakota administers the HOME, Housing Trust Fund, Housing Tax Credit and ESG programs statewide. The CDBG program is administered in the CDBG service area.

Many areas of the state have high demands for additional affordable housing units; there are no Geographic Priorities being established at this time, except for the establishments of funding set asides for Indian Reservations and rural communities (5,000 or less in population). Funding under the programs is competitive in nature and many factors are taken into consideration when awarding funds, such as demonstrated need, capacity of developer, financial feasibility of the development and ensuring geographic distribution of the housing units. Scoring criteria helps dictate successful applications but currently the scoring is more influential on the type of project being developed and not geographic location (with the exception of being located near services).

Affordable Housing

AP-55 Affordable Housing – 24 CFR 91.320(g)

Introduction:

The one-year goals indicated below are based on past years' activity. All funding administered by SDHDA is provided through a competitive open application process and besides scoring criteria, it can be

difficult to dictate the applications that are submitted by developers.

One Year Goals for the Number of Households to be Supported	
Homeless	0
Non-Homeless	0
Special-Needs	20
Total	20

Table 58 - One Year Goals for Affordable Housing by Support Requirement

One Year Goals for the Number of Households Supported Through	
Rental Assistance	340
The Production of New Units	160
Rehab of Existing Units	200
Acquisition of Existing Units	30
Total	730

Table 59 - One Year Goals for Affordable Housing by Support Type
Discussion:

Production and financing of the units listed above will be provided by HOME, Housing Trust Fund, Housing Tax Credit, Governor's House Program, Continuum of Care, and Housing Opportunity Fund.

The one-year goals listed above consist of 20 units of permanent housing for the homeless/special needs, 150 units newly constructed rental units and 10 homeownership units. A total of 200 units to be rehabbed consisting of 50 multifamily units and 150 homeowner units. The 30 units of acquisition are likely to be the same 30 units included in the rehab of existing units. Reaching the goals for permanent housing for the homeless/special needs are more realistic with the funding the of Housing Trust Fund and the incorporation of the HTF set-aside of funding for special needs/service enriched housing. HTF designation to serve households at or below 30% AMI and ability to provide grant funding will make this a positive program for the targeted populations.

For 2020, the goal of 315 households being served with rental assistance was increased to 340 to account for the addition of HOME funds being available for tenant based rental assistance, in addition to security deposit assistance.

SDHDA has also been awarded the HUD 811 funding incentivizing the targeting of housing units for special needs.

AP-60 Public Housing - 24 CFR 91.320(j)

Introduction:

This is a statewide consolidated plan and actions by the local housing authority are not specifically addressed in this plan. SDHDA does have a good working relationship with PHAs and anticipates PHAs accessing SDHDA funding sources for renovation activities for housing developments in their portfolio.

Actions planned during the next year to address the needs to public housing

Public housing authorities are encouraged and eligible to apply for funding to assist with their public housing needs and several public housing authorities have actively utilized SDHDA programs, including HOME funds and Housing Tax Credits. There has been no specific request for assistance from the public housing authorities so no actions are outlined in this Plan to address the needs of public housing.

Actions to encourage public housing residents to become more involved in management and participate in homeownership

This action will be left up to the local public housing authorities.

If the PHA is designated as troubled, describe the manner in which financial assistance will be provided or other assistance

Based on available information, SDHDA is not aware of any PHA in South Dakota that is designated as troubled.

AP-65 Homeless and Other Special Needs Activities – 91.320(h)

Introduction

Coordinated effort with the SD Housing for the Homeless Consortium will continue to provide opportunities to develop additional housing for homeless or those at risk of becoming homeless. Funding of the Housing Trust Fund provides another opportunity to specifically target extremely low-income and homeless populations. The \$3 million in HTF funding is estimated to develop 30 units designated for this income level. Due to uncertainty of future funding of HTF, SDHDA will not allocate HTF as rental assistance. Instead funding will be provided upfront at time of development to lower costs thus reducing debt service and allowing the development to collect less rent but still be financially feasible. In 2018, SDHDA set-aside \$600,000 of HTF specifically for the development of special needs/service enriched housing.

Describe the jurisdictions one-year goals and actions for reducing and ending homelessness

including

Reaching out to homeless persons (especially unsheltered persons) and assessing their individual needs

With the Emergency Solutions Grants program, applicants receive outreach funding to help locate, identify, and build relationships with homeless individuals and families to engage them for the purpose of providing immediate support, intervention, and connections with homeless assistance programs and/or mainstream social services and housing programs. This can be helpful in the smaller communities as those living unsheltered do not always know where to go for resources.

When conducting the statewide homeless count, if individuals or families are identified as sleeping outside, the survey volunteers try and help them find shelter during the survey process. Some families welcome the help and others do not want any assistance, but assistance is provided to help them with their needs.

Many communities are conducting a "Project Homeless Connect" in conjunction with the statewide homeless count in order to identify those needing immediate assistance. The Veteran's Administration conducts "stand-downs" in many communities across the state to locate and assist homeless veterans in their area with services.

A close relationship has been formed with the Homeless Liaisons in the school districts to help families that need not only educational services for their children but to get families on needed assistance. In addition, the Veteran's Administration has been very proactive in outreach efforts with focus on Indian Reservations. This process has identified and provided resources to individuals and families who may not otherwise be identified and receiving assistance.

South Dakota continues to work on coordinated entry system to assist individuals in assessing their needs. The SDHHC has decided to utilize the VISPDAT as the assessment tool for coordinated entry. Currently other organizations, such as Veteran's Administration are utilizing this tool.

SDHHC has received technical assistance through the Vets@Home initiative which has involved discussions with Veteran Administration and agencies providing services to veterans, regarding common assessments and creating a statewide "master" list of individuals. These efforts will move us forward as a state to develop appropriate assessments and be better prepared to assist homeless individuals as they are encountered through coordinated entry. Full implementation of coordinated entry is expected for June 2018.

Addressing the emergency shelter and transitional housing needs of homeless persons

The majority of South Dakota's emergency shelters are domestic violence shelters. Emergency Shelters for homeless populations, not DV, are located in Sioux Falls, Rapid City, Aberdeen, Eagle Butte and

Yankton. The Housing for the Homeless Consortium is making it a goal to provide more permanent supportive housing as the first step in helping homeless individuals and families obtain and sustain housing. With a Housing First approach, there is a need for more intensive case management for those coming from emergency shelters or the streets directly into permanent housing. The South Dakota Housing for the Homeless Consortium (SDHHC) works closely with agencies across the state to make sure they are coordinating their services to ensure permanent housing is sustainable.

Helping homeless persons (especially chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth) make the transition to permanent housing and independent living, including shortening the period of time that individuals and families experience homelessness, facilitating access for homeless individuals and families to affordable housing units, and preventing individuals and families who were recently homeless from becoming homeless again

The SDHHC works with the Veteran's Administration and the Department of Military and Veteran's affairs to help reduce the number of homeless veterans in South Dakota. HUD-VASH is administered in Sioux Falls and Rapid City. Also, Volunteers of America in Sioux Falls received funding through the VA for the Healthcare for Homeless Veterans grant (HCHV) as well as the Grants and Per Diem program. Cornerstone Rescue Mission in Rapid City houses up to 38 veterans at its facility. Cornerstone also administers the Supportive Services for Veterans Families (SSVF) Program provide services statewide.

SDHHC works closely with Volunteers of America, Dakotas and Lutheran Social Services who provide many services, including specialized services for homeless youth in South Dakota. Both organizations are active SDHHC members and both organizations are represented on the Policy and Advisory Council of SDHHC. VOA coordinates the SD Runaway Network (SDRN), implements National Safe Place activities, has a 24/7 Crisis line and operates an Independent Living Preparation Program for young adults 6-21, allowing the youth the opportunity to transition out of unsafe environments into independent living on a long-term basis. VOA also administers the VA Grants Per Diem Program partnering with the Sioux Falls VA office.

The Emergency Solutions Grants program is used to provide housing relocation and stabilization services and short- and/or medium-term rental assistance as necessary to help homeless individuals or families move as quickly as possible into permanent housing and achieve stability in that housing. More domestic violence shelters are making the transition to serve any homeless in their community which is providing more opportunity to quickly house those who are homeless. In addition, more nonprofit agencies such as community action programs are administering ESG funds, allowing for a broader geographic outreach due to their many satellite offices in rural communities across South Dakota.

Helping low-income individuals and families avoid becoming homeless, especially extremely low-income individuals and families and those who are: being discharged from publicly

funded institutions and systems of care (such as health care facilities, mental health facilities, foster care and other youth facilities, and corrections programs and institutions); or, receiving assistance from public or private agencies that address housing, health, social services, employment, education, or youth needs

The Department of Social Services, Division of Child Protection Services has defined procedures in place for the discharge of children from custody/placement. The planning that occurs prior to children being discharge from custody/placement depends on the age of the child, the discharge resource and the services that will be needed to support the child in his/her discharge placement. Children discharging from custody/placement prior to age 18 may be discharged to their birth parent, relative caregiver, a legal guardian or may be adopted. Youth who were in placement upon turning 18 years of age are ready for discharge are eligible for Independent Living Services through the Division of Child Protections Services. Youth are involved in planning their exit from the program and are provided financial resources and on-going case management to help ensure success upon discharge. Several service agencies such as Volunteers of America also provide services to this client base as they make the transition. The additional services provided help to ensure success during this critical time.

South Dakota Department of Health (DOH) provides some standards of care for the homeless when discharged. SDHHC works with DOH towards implementation of appropriate discharge planning protocols to track homeless individuals and families receiving services through the DOH.

The Division of Mental Health has a discharge criterion and required documentation for the CARE (Continuous Assistance, Rehabilitation and Education Program). Discharge may occur when: (1) The consumer moves outside of the geographical area; (2) the consumer demonstrates ability to function in all major life areas; or (3) the consumer refuses to participate in the CARE program services. The Community Mental Health Centers then need to submit the following documentation to the Division for approval: (1) reason for discharge; (2) consumer status and condition at time of discharge; (3) written evaluation summary of progress made towards case service plan goals; (4) a plan for care and follow-up developed in conjunction with the consumer; and (5) signature of clinical supervisor, qualified mental health professional, or CARE team member.

The Department of Corrections has established procedures in place governing release planning for adults and juvenile offenders. Each adult offender within 5 years of possible release must develop a release plan with the assistance of Corrections case management staff. These release plans have established components of residence, employment and programming needs (chemical dependency, mental health, physical health, sex offender treatment and academic education). The State of South Dakota was a recipient of a Second Chance Act Prisoner Re-Entry Initiative grant. The grant funds were utilized to implement programs and strategies to reduce recidivism. SDHDA along with either other state agencies and many local government organization and associations were members of the reentry workgroup. The information gathered from this process will hopefully be utilized to enhance DOC's

discharge planning and assist in long-term success of the individuals.

Emergency Solutions Grants program requires coordination with other targeted homeless services to create a “buffer” of service for those who are homeless or at-risk of homelessness. Coordinating ESG funded activities with other programs targeted to homeless people in the area will help to provide a strategic, community-wide system to prevent and end homelessness.

Discussion

Understanding the barriers and working towards change takes time. In South Dakota the momentum continues to build in understanding homelessness and looking for ways to prevent it from happening. Every small change or program can have a huge impact and we need to continue to work on these changes.

AP-75 Barriers to affordable housing – 91.320(i)

Introduction:

As barriers to affordable housing arise, SDHDA will review them and determine which course of action is best suited. Being an agency at the state level, many times SDHDA is not aware of obstacles encountered locally. During public meetings the question is asked, what barriers exist, but many times no barriers are presented. The common barriers such as high housing cost versus low income and habitability standards can be met through program requirements, additional funding and advocacy.

Actions it planned to remove or ameliorate the negative effects of public policies that serve as barriers to affordable housing such as land use controls, tax policies affecting land, zoning ordinances, building codes, fees and charges, growth limitations, and policies affecting the return on residential investment

The barriers outlined in the 2017 Analysis of Impediments are not focused on public policies. The analysis is a statewide review with a broad focus. Below are action steps SDHDA anticipates taking action on during the 2018 calendar year:

Impediment: Discrimination in the housing market -

Action Step:

1. SDHDA review new multifamily construction and rehabilitation projects to ensure compliance with design and construction standards and highlight common concerns identified and provide follow-up

information and/or training to the architects and contractors.

2. Evaluate whether a training on reasonable accommodation is necessary.

Impediment: Difficulties in home purchase market

Action Step:

1. Provide fair housing training at banker's training/meeting.
2. Expand homebuyer education among Native CDFIs (Community Development Financial Institution).

Impediment: Lack of available housing units

Action Step:

1. Document the need for continued support of federal financing programs.
2. Create and document success stories for program support and "best practices" for fellow developers.
3. Evaluate current SDHDA financing programs for effectiveness for both rental and homeownership and make changes in allocation plans as necessary.
4. Create opportunity for additional development of housing in rural areas and for special needs/service enriched housing.

Impediment: Lack of education

Action Step:

1. Provide more training opportunities and/or resources for developer capacity building, understanding financing resources, habitability standards and code enforcement, renter's education, fair housing, and understanding of benefits of affordable housing in communities.

Impediment: Tenant selection criteria

Action Step:

1. Work with landlords and management companies to expand housing opportunities for those deemed

as "hard to house".

2. Create and implement a landlord risk mitigation program.
3. Create policy and procedures regarding limited English proficiency.

Discussion:

SDHDA will continue to work with developers, service agencies, communities, contractors, and other partners to address barriers as they arise taking into consideration that the additional action steps should not themselves become barriers.

AP-85 Other Actions – 91.320(j)

Introduction:

Housing and community development are broad when addressing the need of housing units to expanding economic opportunities for low-income households and addressing homelessness. SDHDA will continue to address identified needs and partner with agencies to make progress towards adequate housing and economic sufficiency.

Actions planned to address obstacles to meeting underserved needs

To address obstacles of those underserved, a coordinated effort must take place at the state and local level among many agencies such as housing, labor, education, human services, social services, economic development and tribal relations. SDHDA's involvement with statewide councils and coalitions provides us the opportunity to learn of and understand obstacles that arise. Many times, action steps planned can only be to involve other parties who may be more relevant to address the issue at hand. Utilizing competitive scoring and providing additional funding opportunities such as the Housing Trust Fund are actions steps that can help address needs.

Beginning in 2020, SDHDA will expand Tenant Based Rental Assistance (TBRA) to also include rental assistance in addition to security deposit assistance. The rental assistance will be utilized to address identified unmet need and the dollar amount of funding and tenant selection criteria will be further defined in the HOME Program Allocation Plan.

Actions planned to foster and maintain affordable housing

HOME, Housing Trust Fund, Housing Tax Credits, bond financing and other funding sources such as Housing Opportunity Funds and Community Housing Development Program will continue to be utilized to foster and maintain affordable housing by offering opportunities to finance new construction, acquisition and rehabilitation, and sometimes the refinancing. SDHDA continues to fund the Housing Needs Study Program which financing assists communities under population of 10,000 to pay for a housing needs study. This program has provided much greater awareness of what is affordable housing and its importance in economic sustainability of communities. This awareness has also brought additional needs to be addressed such as appraisal issues in rural communities, financing the feasibility of new construction with service industry wages, increasing or updating local infrastructure, among other needs. The public participation process provides great insight into the local and current needs and helps address the focus of the housing programs.

Actions planned to reduce lead-based paint hazards

All properties financed with HOME, Housing Trust Fund and ESG funds must meet the lead-based paint standards. The mitigation requirements for lead based paint can have a substantial impact on the affordability of housing. SDHDA has been working towards ensuring that the public is educated about

these requirements and that awards using HOME funds are in compliance. To encourage compliance with this requirement, up to \$2,000 per unit of HOME funds awarded toward the encapsulation, abatement, or stabilization of Lead Based Paint and the corresponding inspection costs will be considered as grant funds and will not be required to be repaid. These costs must be pre-approved by SDHDA.

Actions planned to reduce the number of poverty-level families

Use of CDBG funds for workforce training will provide additional opportunities for families to enhance their financial situation. SDHHC will continue to work with Department of Labor to ensure service providers are aware of employment programs and opportunities to assist the homeless and those at risk of homelessness in accessing education and resources to help them obtain self-sufficiency.

Actions planned to develop institutional structure

As communities become aware of housing needs there is a desire for them to learn how to address their need. SDHDA has provided trainings to assist nonprofit organizations, communities, and individuals in different aspects of developing housing such as site selection, marketing, construction and operating budgets. More specific trainings and meetings will continue to address this need as well as providing opportunities during the annual housing conference.

Actions planned to enhance coordination between public and private housing and social service agencies

Enhancing partnerships through meetings, workshops, etc. will enhance coordination between these agencies. The benefits of a small rural state are that agencies are many times aware of and work in conjunction with other agencies. There is little or no hesitation to meet with others to address and hopefully resolve issues. SDHDA has many roles that allows involvement with other organizations and the ability to coordinate.

Program Specific Requirements

AP-90 Program Specific Requirements – 91.320(k)(1,2,3)

Introduction:

The housing programs of HOME, HTF, ESG, HTC, HOF and CHDP have their own respective allocation or administrative plan that thoroughly details the program requirements, application process, scoring criteria and other pertinent information. Individuals and agencies interested in applying for funding should review the allocation or administrative plan for more program details.

Community Development Block Grant Program (CDBG) Reference 24 CFR 91.320(k)(1)

Projects planned with all CDBG funds expected to be available during the year are identified in the Projects Table. The following identifies program income that is available for use that is included in projects to be carried out.

1. The total amount of program income that will have been received before the start of the next program year and that has not yet been reprogrammed	0
2. The amount of proceeds from section 108 loan guarantees that will be used during the year to address the priority needs and specific objectives identified in the grantee's strategic plan.	0
3. The amount of surplus funds from urban renewal settlements	0
4. The amount of any grant funds returned to the line of credit for which the planned use has not been included in a prior statement or plan	0
5. The amount of income from float-funded activities	0
Total Program Income:	0

Other CDBG Requirements

1. The amount of urgent need activities	500,000
2. The estimated percentage of CDBG funds that will be used for activities that benefit persons of low and moderate income. Overall Benefit - A consecutive period of one, two or three years may be used to determine that a minimum overall benefit of 70% of CDBG funds is used to benefit persons of low and moderate income. Specify the years covered that include this Annual Action Plan.	70.00%

HOME Investment Partnership Program (HOME) Reference 24 CFR 91.320(k)(2)

1. A description of other forms of investment being used beyond those identified in Section 92.205 is

as follows:

In 2018, SDHDA received \$3,008,138 in HOME funds to be used with an estimated \$4,000,000 in HOME program income for the following activities:

1. New construction, rehabilitation, and site development of owner-occupied properties and lease/purchase properties and homebuyer assistance.
2. Rehabilitation, conversion and acquisition with rehabilitation and new construction of rental properties.

HOME funds will be distributed geographically taking into consideration the priorities outlined in the Consolidated Plan and the following percentage set asides:

CHDOs - 15%

Homeowner Rehab - \$750,000

Homebuyer Assistance Program - \$200,000

Security Deposit Assistance Program - \$200,000

Difficult to Develop - \$500,000

Rural Housing Development - \$1,000,000

Homeownership Development - \$500,000

Homeowner Rehabilitation funds have been set aside for the rehabilitation of single-family owner-occupied properties, with a maximum grant amount of \$200,000 per sub recipient per year.

The Homebuyer Assistance Program offers gap financing, up to \$25,000 as a deferred loan, to qualified households who are unable to obtain 100% financing for single family home purchase.

Security Deposit Assistance Program funds are set aside for the purpose of providing security deposits to qualified families and individuals. In addition to the HOME funds set-aside for security deposit assistance, SDHDA will allocate additional funding for tenant based rental assistance. The dollar amount and tenant selection criteria are further defined in the HOME Program Allocation Plan.

Difficult to Develop is grant financing for housing developments that by their nature due to size of

project, location, or target population need grant financing to be feasible.

Rural housing development set-aside allows housing developments in communities of 5,000 or less in population to apply for HOME set-aside throughout the year, allowing less competition and more technical assistance from SDHDA staff.

Homeownership development set-aside can be utilized by non-profit organizations assisting individual in financing the construction of a single-family residence. HOME funds will be used as construction financing to be repaid once the home is occupied and permanent financing is provided.

HOME funds will be leveraged with other funding sources such as housing tax credit equity, conventional financing, Federal Home Loan Bank, donations and owner equity. The amount of HOME funds that may be invested in an affordable housing project are regulated under 24 CFR Part 92.250.

For those projects which combine HOME and other governmental subsidies, SDHDA certifies that prior to the commitment of funds to a project; SDHDA will evaluate the project in accordance with SDHDA's HOME Subsidy Layering Policy, which incorporates the cost allocation requirements outlined in HUD CPD Notice15-11, dated December 22, 2015. SDHDA certifies that it will not invest any more HOME funds in combination with other governmental assistance than is necessary to provide affordable housing.

The HOME projects will be awarded based on a competitive application process. The applications are due the last working day of August, with the exception of several of the funding set-asides.

2. A description of the guidelines that will be used for resale or recapture of HOME funds when used for homebuyer activities as required in 92.254, is as follows:

Resale/Recapture Provisions. Homebuyers assisted under HOME will be required to adhere to the following recapture and resale guidelines as specified by 24 CFR 92.254. All recapture and resale restrictions will be imposed by the recorded mortgage and deed restrictions running with the land.

1. Recapture: If the house is sold (voluntary or involuntary), or is no longer used as a principal residence prior to the end of the affordability period defined in Section III.C., SDHDA will recapture the entire amount of the HOME investment if the homebuyer acquired the home through the direct assistance of HOME funds. However, in the event of a sale such repayment shall be limited to the net proceeds, if any, of the sale. Net proceeds are the sales price minus the First Mortgage repayment and closing costs.
2. Resale: For HOME projects that are provided assistance of HOME funds as a development subsidy, the following resale requirements apply:

i. The housing must remain affordable to low-income homebuyers for the period of affordability per Section III.C. starting at the date of initial purchase. The purchaser's family income must be at or below 80 percent of area median income as defined by the IRS Form 1040 Adjusted Gross Income definition for annual (gross) income and the purchaser must occupy the property as the purchaser's principal residence.

ii. The percentage of the purchaser's family income that can be used to pay the principal, interest, taxes, and insurance (PITI) is equivalent to the underwriting standards established by the purchaser's lender. However, if a non-traditional lender is underwriting the financing, the PITI must be 30 percent or less of the purchaser's family income.

iii. The seller receives a "fair return on investment" which is defined as seventy-five percent (75%) of net sale proceeds. SDHDA will receive the remaining twenty-five percent (25%) up to the amount of development subsidy provided.

3. A description of the guidelines for resale or recapture that ensures the affordability of units acquired with HOME funds? See 24 CFR 92.254(a)(4) are as follows:

Resale/Recapture Provisions. Homebuyers assisted under HOME will be required to adhere to the following recapture and resale guidelines as specified by 24 CFR 92.254. All recapture and resale restrictions will be imposed by the recorded mortgage and deed restrictions running with the land.

1. Recapture: If the house is sold (voluntary or involuntary), or is no longer used as a principal residence prior to the end of the affordability period defined in Section III.C., SDHDA will recapture the entire amount of the HOME investment if the homebuyer acquired the home through the direct assistance of HOME funds. However, in the event of a sale such repayment shall be limited to the net proceeds, if any, of the sale. Net proceeds are the sales price minus the First Mortgage repayment and closing costs.
2. Resale: For HOME projects that are provided assistance of HOME funds as a development subsidy, the following resale requirements apply:

i. The housing must remain affordable to low-income homebuyers for the period of affordability per Section III.C. starting at the date of initial purchase. The purchaser's family income must be at or below 80 percent of area median income as defined by the IRS Form 1040 Adjusted Gross Income definition for annual (gross) income and the purchaser must occupy the property as the purchaser's principal residence.

ii. The percentage of the purchaser's family income that can be used to pay the principal, interest, taxes, and insurance (PITI) is equivalent to the underwriting standards established by the purchaser's lender. However, if a non-traditional lender is underwriting the financing, the PITI must

be 30 percent or less of the purchaser's family income.

iii. The seller receives a "fair return on investment" which is defined as seventy-five percent (75%) of net sale proceeds. SDHDA will receive the remaining twenty-five percent (25%) up to the amount of development subsidy provided.

4. Plans for using HOME funds to refinance existing debt secured by multifamily housing that is rehabilitated with HOME funds along with a description of the refinancing guidelines required that will be used under 24 CFR 92.206(b), are as follows:

Acquisition and Refinancing of Rental Properties. SDHDA will allow the acquisition or refinancing of existing debt secured by multifamily housing that is being rehabilitated by HOME funds under the following conditions: 1. Management practices must be reviewed and it must be demonstrated that disinvestment has not occurred; that the long term needs of the project can be met; and that the feasibility of serving the targeted population over an extended affordability period (no less than 15 years) can be maintained. If it is determined that disinvestment has occurred, SDHDA will finance the property only if the property is purchased through an arm's length transaction and the current owners and management agent are completely removed from the proposal. 2. New investment must be made to maintain current affordable units or create additional affordable units. The cost in terms of assistance to refinance or acquire and rehabilitate an existing property shall not exceed the amount of assistance to construct a new property of like quality. 3. HOME funds will be used as gap financing and total financing will be limited to 90 percent of the market value of the property (excluding all subsidies) or the total cost of the project as determined by an appraisal of the property. 4. In all cases, an analysis will be made to determine the risk of prepayment or opt out of the existing federal rental subsidy (i.e., a HUD Section 8 contract) and, therefore, the risk of losing the affordable housing supply. Those properties that are financially feasible, are located in a market with substantiated need, and indicate the greatest risk for converting to market rate housing will be given priority for funding. 5. At financing, and after completion of rehabilitation, if applicable, all major systems (roof, windows, heating, etc.) of property must be in like new or new condition. If these systems are not in need of repair at the time of application, sufficient reserves must be established to allow for replacement of such components if the normal life span would require such replacement prior to the end of the affordability period. Consideration will be given to functional obsolescence of the property. If it is not cost effective to overcome structural problems, the property may not be eligible for financing. 6. The term of the HOME loan will not exceed the expected remaining useful life of the property. Affirmative Marketing SDHDA informs the public, homebuyers, homeowners, landlords and potential tenants about the Federal Fair Housing laws and the affirmative marketing goals by: 1. Making SDHDA programs available for public review; 2. Notifying proposed HOME project owners of Equal Opportunity requirements; 3. Including the Equal Housing Opportunity logo or slogan on all advertising and literature used for the HOME Program; 4. Maintaining for public review, copies of media releases, advertisements, and paid ads where the HOME Program was presented; 5. Placing Public Notices and Ads in local newspapers; and 6.

Attending and providing information at meetings on a statewide basis with developers, realtors, lenders, and other housing and community officials. Each participating entity must affirmatively further fair housing according to 24 CFR Part 92.351. SDHDA assesses the affirmative marketing efforts of the owners by comparing pre-determined occupancy goals to actual occupancy. Outreach efforts are also examined. SDHDA will assess the affirmative marketing efforts of the owners during the rent-up and marketing of the units, by use of a compliance certificate or personal monitoring visit to the site. Owners must also provide to SDHDA an annual assessment of their affirmative marketing plan.

**Emergency Solutions Grant (ESG)
Reference 91.320(k)(3)**

1. Include written standards for providing ESG assistance (may include as attachment)

For 2018, the Emergency Solutions Grants (ESG) Program will be carried out in a similar manner to previous years, considering the goal for geographic distribution. SDHDA will continue to advertise and make available the ESG funds to units of local government and to private, nonprofit organizations where local government certification of approval of the proposed project will be obtained.

Each recipient will be required to match its ESG award with an equal amount of funds received from sources other than this program. SDHDA will waive up to \$100,000 of the State's overall matching requirement for grantees that are least capable of providing a match. These grantees must be:

- A. Located in areas of racial/ethnic concentration; i.e. counties with 500 or more minority persons and with 20 percent or more of its population comprised of minority individuals. Counties meeting this definition are Charles Mix, Coarsen, Dewey, Roberts, Shannon, and Todd; or
- B. Located in areas of low-income concentration; i.e. counties having more than 40 percent of its population in poverty. Counties meeting this definition are Buffalo, Corson, Dewey, Mellette, Shannon, Todd, and Ziebach; or
- C. Newly-formed, nonprofit organizations that have received their 501(c) (3) tax exempt ruling from the IRS within the last 3 years.

Grants will be awarded based on need, the State recipient's demonstrated ability to comply with Federal requirements, the completeness of the application and the amount of funds available for distribution. A committee of State employees will review the applications and make awards based on the expansion of homeless assistance provided, whether it is the number of additional homeless persons served or the amount of additional services provided. Consideration will also be given to the applicant's efforts at helping the homeless make the transition to permanent

accommodations. Awards will be made within 65 days of the ESG award letter from HUD.

ESG amounts are to be used for services to homeless and near homeless individuals and families in these major categories:

- 1) Renovation, major rehabilitation or conversion of building for use as emergency shelter facilities;
 - 2) Payment of certain expenses related to operating emergency shelter facilities;
 - 3) Provision of essential services related to emergency shelters and street outreach for the homeless;
 - 4) Provision of Rapid Re-Housing assistance;
 - 5) Development and implementation of homelessness prevention activities; and
 - 6) Participating in the Homeless Management Information System
2. If the Continuum of Care has established centralized or coordinated assessment system that meets HUD requirements, describe that centralized or coordinated assessment system.

SDHHC is currently implementing a coordinated entry system for the state of South Dakota. Modifications are currently being made to the database (HMIS) with full implementation scheduled for June 2018. CES will have two identified physical access points and a 1-800 number call in center. SDHDA has contracted with Helpline Center in Sioux Falls to be the 1-800 call in center.

All individuals accessing CES will be assessed utilizing the VISPDAT. Housing options have been identified for the different homeless subpopulations. More information on CES including the policy and procedure manual can be found on www.housingforthehomeless.org website.

3. Identify the process for making sub-awards and describe how the ESG allocation available to private nonprofit organizations (including community and faith-based organizations).

ESG applicants must be non-profits or units of local government and in compliance with ESG guidelines and applicable state and federal policies and procedures, including compliance with federal and state non-discrimination laws. Applicants must have established standard accounting practices including internal controls, fiscal accounting procedures and cost allocation plans, and be able to track agency and program budgets by revenue sources and expenses.

Grants will be awarded based on need, demonstrated ability to comply with Federal requirements, completeness of the application and the amount of funds available for distribution. A committee reviews the applications and makes awards based on the expansion of homeless

assistance provided, whether it is the number of additional homeless persons served or the amount of additional services provided. Consideration will also be given to the applicant's efforts at helping the homeless make the transition to permanent accommodations. Awards will be made within 65 days of the ESG award letter from HUD.

Applicants with outstanding audit findings, IRS findings, SDHDA monitoring findings or other compliance issues are not eligible ESG sub-grantees and any sub-grantees will not be eligible to receive allocations if any of these conditions occur within the grant period. Please note SDHDA will work with all interested parties, where appropriate, toward the resolution of the unresolved matters.

Eligible applicants must be able to demonstrate prior experience serving individuals and families at-risk of or currently experiencing homelessness. Also, the applicant must show their expertise in their staff having case management skills and to what extent are those skills.

Sub-grantees are required to utilize the Homeless Management Information System (HMIS). Domestic violence providers are required to use a separate system in which to report aggregate data for the clients they serve with ESG funding.

There are Key Applicant Eligibility factors in which to be eligible to apply for ESG funds:

1. Either non-profit or unit of local government;
2. No outstanding findings or other issues;
3. Experienced homeless services/prevention providers;
4. Must be able to meet recordkeeping and reporting requirements including HMIS utilization;
5. Must be able to meet HMIS requirements (exception of domestic violence programs); and
6. Must be a member of the Housing for the Homeless Consortium.

Applications which show a concerted effort to coordinate services with other agencies and other funding sources to best serve the Program Participants will be given priority.

Due to the demand for the funds, grants will be awarded based upon the need for the funding; plan for distribution of the funds in an effective and efficient manner; and collaboration efforts with other agencies

A committee of state employees, who work with or have some knowledge of homeless programs, will review the applications along with SDHDA staff and SDHHC PAC members. The review committee consists of representatives from the Governor's Office, the Department of Health, the Department of Education, the Department of Labor, the Department of Human Services, the Department of Social Services, SDHDA and SDHHC.

When making final selections, the review committee may make a grant award for less than the

amount applied for or for fewer than all of the activities identified in the application, based on the demand for grant amounts, the extent to which the respective activities address the needs of the Program Participants, and the reasonableness of the costs proposed.

4. If the jurisdiction is unable to meet the homeless participation requirement in 24 CFR 576.405(a), the jurisdiction must specify its plan for reaching out to and consulting with homeless or formerly homeless individuals in considering policies and funding decisions regarding facilities and services funded under ESG.

All agencies applying for ESG funds must respond to this question as part of the application form. Several agencies currently have formerly homeless individuals as members of their governing boards. Other agencies indicate their willingness to consult with homeless or formerly homeless individuals.

South Dakota Housing for the Homeless Consortium (SDHHC) currently has a governing board member who is formerly homeless. Discussions with the SDHHC governing board are to increase the number of homeless or formerly homeless individuals in addition to the creation of a youth action team consisting of homeless or formerly homeless youth. The SDHHC governing board assists in selection of ESG recipients.

5. Describe performance standards for evaluating ESG.

SDHDA is responsible for monitoring all ESG activities, including activities that are carried out by sub-recipients, to ensure that the program requirements established by the HUD Notice and any subsequent guidance are met.

SDHDA staff will have responsibility for continuous monitoring of all ESG sub-recipient activities. This will be accomplished with site visits to sub-recipients and monthly review of all reimbursement requests that will be required of sub-recipients. SDHDA will conduct site visits on a bi-annual basis through each grant term. SDHDA will also provide support and technical assistance, as needed.

Additional monitoring of sub-recipients may be conducted by the local HUD office of Community Planning and Development; HUD's Office of Special Needs Assistance Program, or any other applicable federal agency. These agencies will be monitoring the ESG program nationwide to determine compliance with federal program requirements.

**Housing Trust Fund (HTF)
Reference 24 CFR 91.320(k)(5)**

1. How will the grantee distribute its HTF funds? Select all that apply:

Applications submitted by eligible recipients

2. If distributing HTF funds through grants to subgrantees, describe the method for distributing HTF funds through grants to subgrantees and how those funds will be made available to state agencies and/or units of general local government. If not distributing funds through grants to subgrantees, enter "N/A".

N/A

3. If distributing HTF funds by selecting applications submitted by eligible recipients,

a. Describe the eligibility requirements for recipients of HTF funds (as defined in 24 CFR § 93.2). If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".

Eligible applicants must meet the requirements of 24 CFR 93.2 under the definition of Recipient. Recipient means an organization, agency, or other entity (including a public housing agency, a for-profit entity, or a non-profit entity). A recipient must meet the following qualifications:

- a. Make acceptable assurances to SDHDA that it will comply with the requirements of the HTF Program during the entire period that begins upon selection of the recipient to receive HTF funds, and ending upon the conclusion of all HTF-funded activities;
- b. Demonstrate the ability and financial capacity to undertake, comply, and manage the eligible activity;
- c. Demonstrate its familiarity with the requirements of other Federal, State, or local housing programs that may be used in conjunction with HTF funds to ensure compliance with all applicable requirements and regulations of such programs; and
- d. Have demonstrated experience and capacity to conduct an eligible HTF activity as evidenced by its ability to own, construct, or rehabilitate, and manage and operate an affordable housing development.

At this time, SDHDA will administer the HTF program and will not utilize subgrantees (unit of local government or state agency).

Application Eligibility

SDHDA will only process applications that it determines are:

Consistent with the purposes and goals of this Plan;

1. Proposing an eligible activity;
2. Financially feasible.

Applications must contain a description of the eligible activities to be assisted with the HTF funds (as provided in 24 CFR 93.200) and a certification by the applicant indicating that each housing unit assisted with the HTF will comply with HTF requirements and be occupied by eligible households.

SDHDA may reject applications that are incomplete or that contain incomplete or inaccurate information. This determination may be made at initial review or at any time during processing of the application.

All applicants agree to abide by HTF program requirements.

b. Describe the grantee's application requirements for eligible recipients to apply for HTF funds. If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".

Applications must be submitted on the SDHDA HOME/Housing Tax Credit/HTF Application Form, signed by at least one general partner and include the following.

Local housing needs assessment completed within six (6) months of submission; Project narrative; Copy of letter sent to the chief executive officer of the local governing body; Utility allowance calculation and supporting documentation; Pro Forma evidencing 1.15 debt coverage ratio for the affordability period and term of HTF loan; Three years of annual financial statements from the owner, developer, and general partner; Calculation and documentation of annual operating expenses.; Attorney's opinion stating the applicant and development team members are in good standing; Evidence of site control; Proposed project site plan and typical floor plan; Documentation project site is properly zoned and current project's plat; Letters of notification to local housing authority outlining the type and number of units and the exact location of the proposed project; If the applicant is a nonprofit, a description of the organization and its activities; To obtain available points, applicants must submit local area map indicating other assisted housing, proximity to services; a completed Exhibit 4 signed by the Applicant and Architect; documentation of financial support; documentation of applicant characteristics; a letter of intent from the service provider detailing services being provided; and letter indicating housing is serving households with children; Letter of intent for construction, interim, and permanent financing; Acq./rehab projects built before 1978, signed Lead-Based Paint Disclosure of Information; Acq./rehab project must submit a relocation plan and budget; three years historical financials; a detailed description of the rehabilitation for exterior and by apartment unit; If applicable, copy of the Concerted Community Revitalization Plan and evidence the housing is or will be located within the associated qualified census tract; Documentation of utility availability and capacity at

site (i.e. water, sewer, electric, natural gas); Copy of Consultant Agreement if applicable.

c. Describe the selection criteria that the grantee will use to select applications submitted by eligible recipients. If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".

Local Housing Needs up to 150 points; Extended Affordability Period - 30 points; Construction Type up to 60 points - size, characteristics, type of project; Concerted Community Revitalization up to 20 points for projects in QCT and part of CCR plan; Mixed Income up to 30 points for incorporating market rate housing units; Financial support up to 20 points; Leveraging of funds up to 30 points; Percentage of soft costs up to 30 points; Project location near services and areas of opportunity up to 40 points; Serving households with children - 10 points; Public Housing Notification - 10 points; Promise Zone Designation - 20 points; Readiness to Proceed up to 150 points; Applicant Characteristics up to 40 points for demonstrated housing experience, woman or minority-owned business, and/or equity contribution in excess of 10 percent; Service Enriched Housing up to 40 points for on-site services to tenants; Additional accessible housing units up to 15 points; HUD 811 Designated Units up to 30 points for designation of units for the HUD 811 program; Development Characteristics up to 200 points.

d. Describe the grantee's required priority for funding based on geographic diversity (as defined by the grantee in the consolidated plan). If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".

There is a set-aside of \$600,000 for projects located on Indian Reservations and 20 points awarded to Promise Zone Designations. Besides these two items there are no geographical preference or priority.

As stated in the HTF Allocation Plan, SDHDA will focus on specific purposes and goals, one of which is the following: Assist in the construction or preservation of decent, safe, sanitary, and affordable housing in the areas of greatest demonstrated need in the community and in the State, ensuring distribution, both urban and rural, where and when possible, taking into consideration the historical significance of the property and area, the current housing market, and the prospects for future demand.

e. Describe the grantee's required priority for funding based on the applicant's ability to obligate HTF funds and undertake eligible activities in a timely manner. If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".

Within the point categories there are several items that are focused on the applicant's ability to obligate HTF funds and undertake eligible activities in a timely manner. Under Applicant Characteristics, the applicant can receive points by documenting prior housing development experience. Under Readiness to Proceed, SDHDA will award up to 150 points for projects that are able to demonstrate readiness to proceed. The items included within readiness to proceed are: architectural plan and specs more than 50 percent complete, having site control, commitment of construction financing, availability of utilities

to the site, and the property is properly zoned and platted.

In addition, the following disclaimers are outlined in the HTF allocation plan -

SDHDA reserves the right to reserve and allocate HTF funds to any project. Further SDHDA reserves the right to deny HTF funds for any project, regardless of ranking under the project selection criteria, if it determines, in its sole discretion, the project is unacceptable based on, but not limited to, the following:

- a. comments from officials of local governmental jurisdictions,**
- b. information indicating that a particular market is saturated with affordable housing projects,**
- c. likelihood that the project may not comply with HTF program requirements in a timely manner,
- d. applicant's (including any related party's) lack of prior experience or unacceptable performance related to project reservations, construction, and compliance with housing assistance or other government-sponsored programs, regardless of type and location, or
- e. desirability of site based on SDHDA inspection.
- f. Describe the grantee's required priority for funding based on the extent to which the rental project has Federal, State, or local project-based rental assistance so that rents are affordable to extremely low-income families. If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".

As stated in the HTF allocation plan, in all cases, an analysis will be made to determine the risk of prepayment or opt out of any existing federal rental subsidy contract (e.g. HUD Section 8 contract) and the resulting risk of losing the affordable housing supply. Those properties that are financially feasible, that are located in a market with substantiated need, and that indicate the greatest risk for converting to market-rate housing will be given priority for funding.

- g. Describe the grantee's required priority for funding based on the financial feasibility of the project beyond the required 30-year period. If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".

Per the HTF allocation plan, the applicant must submit a pro forma as described below.

Pro Forma / Debt Service Coverage Ratio: Pro formas submitted must reflect a debt service coverage ratio of not less than 1.15 for the entire affordability period. Compensating factors such as developer's experience, types of financing utilized and financial strength of the applicant/owner may vary this requirement. The debt coverage ratio is the net operating income to the total annual debt

service. Furthermore, the application must reflect that rental income, any subsidies and reserve funds are sufficient to cover the property's debt and operating expenses over the period of affordability. Annually, income will be trended at two percent, expenses and replacement reserves will be trended at three percent, and vacancy will be projected at seven percent. A higher vacancy rate may be used for an acquisition/rehabilitation project if the project is currently sustaining higher vacancies and it is not reasonable to expect the project to achieve a seven percent vacancy rate within the first year. Balloon loan repayments will not be allowed.

SDHDA will not process any application that is not financially feasible.

h. Describe the grantee's required priority for funding based on the merits of the application in meeting the priority housing needs of the grantee (such as housing that is accessible to transit or employment centers, housing that includes green building and sustainable development features, or housing that serves special needs populations). If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".

Please see response to "c" above which outlines selection points for SDHDA's priorities.

i. Describe the grantee's required priority for funding based on the extent to which the application makes use of non-federal funding sources. If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".

Per the selection criteria, applicants are awarded points for utilizing other financial resources and for leverage of federal funds. The excerpts are below.

Financial Support (Maximum 20 points) - Proposals containing financial support in cash or in-kind services that assist with greater affordability are eligible to receive up to 20 points.

Leveraging (Maximum 30 points)

The owner will be required to provide a minimum of 10 percent of the total project cost as equity in the project. SDHDA will award up to 50 points if HTF funds are leveraged against other financial resources used to cover costs allocated to the HTF assisted units as follows (note that points will not be awarded

for funds utilized to finance market rate units):

<u>Points</u>	<u>HTF Funds per HTF assisted unit</u>
30	\$0 to \$39,999
20	\$40,000 to \$49,999
10	\$50,000 to \$59,999

4. Does the grantee’s application require the applicant to include a description of the eligible activities to be conducted with HTF funds? If not distributing funds by selecting applications submitted by eligible recipients, select “N/A”.

Yes

5. Does the grantee’s application require that each eligible recipient certify that housing units assisted with HTF funds will comply with HTF requirements? If not distributing funds by selecting applications submitted by eligible recipients, select “N/A”.

Yes

6. Performance Goals and Benchmarks. The grantee has met the requirement to provide for performance goals and benchmarks against which the grantee will measure its progress, consistent with the grantee’s goals established under 24 CFR 91.315(b)(2), by including HTF in its housing goals in the housing table on the SP-45 Goals and AP-20 Annual Goals and Objectives screens.

Yes

7. Maximum Per-unit Development Subsidy Amount for Housing Assisted with HTF Funds.

Enter or attach the grantee’s maximum per-unit development subsidy limits for housing assisted with HTF funds.

The limits must be adjusted for the number of bedrooms and the geographic location of the project. The limits must also be reasonable and based on actual costs of developing non-luxury housing in the area.

If the grantee will use existing limits developed for other federal programs such as the Low-Income Housing Tax Credit (LIHTC) per unit cost limits, HOME’s maximum per-unit subsidy

amounts, and/or Public Housing Development Cost Limits (TDCs), it must include a description of how the HTF maximum per-unit development subsidy limits were established or a description of how existing limits developed for another program and being adopted for HTF meet the HTF requirements specified above.

2018 subsidy amounts are outlined in Exhibit 6 of the HTC Allocation plan. Exhibit 6 is attached.

8. Rehabilitation Standards. The grantee must establish rehabilitation standards for all HTF-assisted housing rehabilitation activities that set forth the requirements that the housing must meet upon project completion. The grantee’s description of its standards must be in sufficient detail to determine the required rehabilitation work including methods and materials. The standards may refer to applicable codes or they may establish requirements that exceed the minimum requirements of the codes. The grantee must attach its rehabilitation standards below.

In addition, the rehabilitation standards must address each of the following: health and safety; major systems; lead-based paint; accessibility; disaster mitigation (where relevant); state and local codes, ordinances, and zoning requirements; Uniform Physical Condition Standards; and Capital Needs Assessments (if applicable).

SDHDA has separate rehabilitation standards that are attached to this document.

9. Resale or Recapture Guidelines. Below, the grantee must enter (or attach) a description of the guidelines that will be used for resale or recapture of HTF funds when used to assist first-time homebuyers. If the grantee will not use HTF funds to assist first-time homebuyers, enter “N/A”.

N/A

10. HTF Affordable Homeownership Limits. If the grantee intends to use HTF funds for homebuyer assistance and does not use the HTF affordable homeownership limits for the area provided by HUD, it must determine 95 percent of the median area purchase price and set forth the information in accordance with §93.305. If the grantee will not use HTF funds to assist first-time homebuyers, enter “N/A”.

The grantee has determined its own affordable homeownership limits using the methodology described in § 93.305(a)(2) and the limits are attached.

N/A

11. Grantee Limited Beneficiaries or Preferences. Describe how the grantee will limit the beneficiaries or give preferences to a particular segment of the extremely low- or very low-income population to serve unmet needs identified in its consolidated plan or annual action plan. If the grantee will not limit the beneficiaries or give preferences to a particular segment of the extremely low- or very low-income population, enter "N/A."

Any limitation or preference must not violate nondiscrimination requirements in § 93.350, and the grantee must not limit or give preferences to students. The grantee may permit rental housing owners to limit tenants or give a preference in accordance with § 93.303(d)(3) only if such limitation or preference is described in the action plan.

N/A

12. Refinancing of Existing Debt. Enter or attach the grantee's refinancing guidelines below. The guidelines describe the conditions under which the grantee will refinance existing debt. The grantee's refinancing guidelines must, at minimum, demonstrate that rehabilitation is the primary eligible activity and ensure that this requirement is met by establishing a minimum level of rehabilitation per unit or a required ratio between rehabilitation and refinancing. If the grantee will not refinance existing debt, enter "N/A."

Per the HTF allocation plan - for refinancing with rehabilitation projects, under no circumstances can HTF funds be used to refinance multifamily loans made or insured by any federal program, including Community Development Block Grant (CDBG) and HOME. Refinancing is only allowed if necessary to reduce the overall housing costs and to make the housing more affordable and proportional to the number of HTF-assisted units in the rental project. Refinance of existing debt must comply with requirements of 24 CFR 91.320 (k)(5)(viii) and 93.201(b). The proportional rehabilitation cost must be greater than the proportional amount of debt that is refinanced. Additionally, the affordability must be expanded by adding to the affordability period and/or adding additional affordable units.