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 mentioned 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).

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. Currently SDHDA has two set-asides of $600,000 each within the HTF program for service enriched housing and housing development on Indian Reservations.

ESG and CoC recipients are embracing the program changes and using the funds in a more systematic approach. Since 2018, the SDHHC has implemented a statewide Coordinated Entry System (CES). The CES process identifies 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 2022, SDHDA anticipated new construction of 70 rental units, acquisition/rehabilitation of 20 rental units, development of 10 service enriched housing units, assisting

50 households with homeowner rehab, assisting 400 families with security deposit assistance, assisting 15 homebuyers with homebuyer assistance and funding 20 agencies with ESG funding.

The outcomes for 2022 are based on project completions which can be skewed due to timing. The HOME, HTF and HTC funded developments resulted in 241 new multifamily rental units, of which eight were service enriched and forty-two were rehabs. In reviewing HOME funds only, two single family homes were constructed and one household received homebuyer assistance. For homeowner rehabilitation 76 homes were completed with HOME funds. Twenty-two agencies were awarded ESG funding and 316 households received security deposit assistance. These numbers do not take into account activities financed with Housing Opportunity Fund.

The CDBG program obligated $6,850,767 in grant funds to 10 communities to help them assist with $30,887,236 in estimated project costs. Seven (7) communities received funding to assist with water, wastewater, sewer, and utility improvements. One community was awarded funds for childcare expansion. One community was obligated imminent threat funding, and one community was award funds for the removal of blighted properties.

4. Summary of citizen participation process and consultation process

In drafting of this five year plan, SDHDA held an initial Conslidated Plan public meeting at its annual housing conference on November 8, 2022. There were 22 people in attendance. SDHDA and GOED held a virtual meeting on June 15, 2023. 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 virtual meeting was held on July 26, 2023. This meeting provided participants an opportunity to provide comments regarding the draft Consolidated Plan. 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 were four attendees at the July 26, 2023 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 June 22, 2023. During the initial public meeting on November 8, 2022, there were questions regarding different activities HOME and CDBG could be utilized for, questions about finance limits, and other general questions regarding the programs. During the second public meeting on Jun 15, 2023, there were no questions or discussion.

Written comments received from one organization in relation to increasing the amount of HOME funds that can be used for down payment assistance and making additional HOME funds available for non-

profit agencies that serve homebuyers. The same organization commented that the programs not restrict use of HUD funds (HOME and CDBG) in Indian reservation communities. They also included a comment appreciating the use of set-asides and preference points in previous allocation plans for project on Indian reservations, and encouraged SDHDA and GOED to enhance outreach and education efforts to tribal communities.

A comment was made that the HUD funds are allocated to states based on their populations, including Native American populations, yet the States use of HUD funds precludes applicants working with projects on Indian reservations from accessing state-administered funds such as CDBG. The comment goes on to read that other jurisdictions are excluded because they receive their own CDBG allocation which tribal governments do not.

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

No changes were made based on the comment received regarding making more HOME funds available for down payment assistance and nonprofits who serve homebuyers. 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. Both set-asides go largely unutilized so it's difficult to justify setting additional funds aside when clear demand exists for other activities.

SDHDA doesn't restrict the use of HOME funds in Indian reservation communities, so no changes were made regarding that comment. It's worth noting SDHDA offers competitive points for projects located within the boundaries of Indian Reservations.

SDHDA will make a concerted effort to collaborate with tribal entities to enhance the education and awareness around federal housing programs as was encouraged in the written comment.

GOED will not make changes based on the comment received regarding the expanding the use of State CDBG HUD funds on Indian reservation communities. State CDBG program grants are restricted to units of general local government (24 CFR 570.480(g)) as definded by HDCA, Section 102(a)(1). While we can't comment on HUD's allocation formula for States and Entitlements, HUD does provide special annual allocations specifically for Native American tribal use (named ICDBG) across the United States. For FY23, ICDBG was allocated $75 million, which includes $5 million for Imminent Threat. Our Region, the Northern Plains region (Colorado, Montana, North Dakota, Nebraska, South Dakota, Utah, and Wyoming), was allocated $10,714,906. ICDBG eligible activities include housing, community facilities, and economic development. HUD may be contacted at their Denver office via phone at 303-672-5465, fax at 303-672-5003, or email at NPONAP_CustomerService@hud.gov.

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.

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	SOUTH DAKOTA	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

Chas Olson - (605) 773-4132 - chas@sdhda.org - Rental Housing Development

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

Stephanie Deyo- (605) 773 – 4633 - Stephanie.Deyo@state.sd.us - Finance Division

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

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.

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(l))

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. 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 (COSCDA) 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 good working relationships with many public housing and redevelopment commissions across the state and work continues to enhance that relationship with every housing authority.

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 manages 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.

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.

The Coordinated Entry System (CES) provides 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**	Cheyenne River 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?	Cheyenne River Housing Authority provided the only written comments received prior to the drafting of the plan.
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.
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.
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; no specific comments were provided.
9	**Agency/Group/Organization**	SD Office of Emergency Management
	Agency/Group/Organization Type	Agency - Emergency Management
	What section of the Plan was addressed by Consultation?	Market Analysis
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	GOED consults with the SD Office of Emergency Management's most recent State Hazard Mitigation Plan. GOED serves on the committee for Hazard Mitigation Planning for improved coordination and plan maintenance.
10	**Agency/Group/Organization**	South Dakota Telecommunications Associations
	Agency/Group/Organization Type	Non-profit Member Organization
	What section of the Plan was addressed by Consultation?	Market Analysis
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	SD Telecommunications Association (SDTA) works with member companies to track and record telecommunications investments within South Dakota. SDTA is consulted as needed to assist with member data and statistics as well as to help promote broadband expansion and access in South Dakota.
11	**Agency/Group/Organization**	Bureau of Information & Technology
	Agency/Group/Organization Type	Other government - State
	What section of the Plan was addressed by Consultation?	Market Analysis

	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	GOED consults with the Bureau of Information Technology (BIT) to produce publicly available GIS maps.

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(l))

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 80 studies and 26 updates 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

An initial public meeting was held at the SDHDA Annual Housing Conference on November 8, 2022. There were 22 attendees. A subsequent virtual public meeting was held June 15, 2023 to gather input regarding the statewide consolidated plan. There were 69 people in attendance.

Notice of the first and second meetings 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 Plan, another virtual public meeting was held on July 26, 2023. 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.

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)

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 meeting was held at the SDHDA Annual Housing Conference on November 8, 2022, with 22 people in attendance. The second meeting was held via online platform on June 15, 2023, with 69 people in attendance.	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 June 22, 2023. During the initial public meeting on November 8, 2022, there were questions regarding different activities HOME and CDBG could be utilized for, questions about finance limits, and other general questions regarding the	No changes were made based on the comment received regarding making more HOME funds available for down payment assistance and nonprofits who serve homebuyers. 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. Both set-asides go largely unutilized so it's difficult to justify setting additional funds aside when clear demand exists for other activities. SDHDA doesn't restrict the use of HOME funds in Indian reservation communities, so no changes were made regarding that comment. It's worth noting SDHDA offers competitive points for projects located within the boundaries of Indian Reservations. SDHDA will make a concerted effort to collaborate with tribal entities to enhance the education and awareness	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.	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.	

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 2013-2017 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 2017, 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 2017 population for a 2023 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 796,513 for 2009. The U.S. Census website indicates 2017 population estimate of 855,444, an increase of 58,931.

The tables below indicate 12.1 percent of all households are below 30 percent AMI and a total of 79,685 households (23.4 percent) are below 50 percent AMI; 53.4 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 31,655 households below 50 percent AMI are households with at least one-person age 62, representing 9.3 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 1,460 renter households and 1,395 owner households have negative income.

A total of 4,371 renter households and 2,165 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: 2009	Most Recent Year: 2017	% Change
Population	796,513	855,444	7%
Households	314,674	339,458	8%
Median Income	$44,828.00	$54,126.00	21%

Table 5 - Housing Needs Assessment Demographics

Data Source: 2000 Census (Base Year), 2013-2017 ACS (Most Recent Year)

Number of Households Table

	0-30% HAMFI	>30-50% HAMFI	>50-80% HAMFI	>80-100% HAMFI	>100% HAMFI
Total Households	40,850	38,835	62,465	39,100	158,210
Small Family Households	9,965	10,105	18,465	14,155	81,045
Large Family Households	2,595	2,845	4,955	3,790	14,145
Household contains at least one person 62-74 years of age	7,410	7,745	13,235	7,795	35,040
Household contains at least one person age 75 or older	8,190	8,310	9,055	3,770	10,410
Households with one or more children 6 years old or younger	6,790	6,615	10,170	7,200	18,555

Table 6 - Total Households Table

Data Source: 2013-2017 CHAS

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	1,105	675	445	145	2,370	465	155	210	180	1,010
Severely Overcrowded - With >1.51 people per room (and complete kitchen and plumbing)	635	375	355	60	1,425	90	75	145	80	390
Overcrowded - With 1.01-1.5 people per room (and none of the above problems)	765	850	815	335	2,765	260	615	530	295	1,700
Housing cost burden greater than 50% of income (and none of the above problems)	13,470	2,940	450	45	16,905	6,440	2,915	2,265	415	12,035
Housing cost burden greater than 30% of income (and none of the above problems)	4,170	8,555	4,625	655	18,005	2,935	4,765	7,150	3,465	18,315

	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
Zero/negative Income (and none of the above problems)	1,460	0	0	0	1,460	1,395	0	0	0	1,395

Table 7 – Housing Problems Table

Data Source: 2013-2017 CHAS

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	15,975	4,840	2,065	590	23,470	7,260	3,765	3,150	970	15,145
Having none of four housing problems	9,400	16,300	24,215	11,625	61,540	5,365	13,925	33,040	25,915	78,245
Household has negative income, but none of the other housing problems	1,460	0	0	0	1,460	1,395	0	0	0	1,395

Table 8 – Housing Problems 2

Data Source: 2013-2017 CHAS

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	5,610	3,515	1,315	10,440	2,020	2,100	3,305	7,425
Large Related	1,410	565	260	2,235	425	505	845	1,775
Elderly	4,720	3,295	1,435	9,450	5,330	3,650	2,935	11,915
Other	7,675	4,955	2,305	14,935	1,980	1,620	2,460	6,060
Total need by income	19,415	12,330	5,315	37,060	9,755	7,875	9,545	27,175

Table 9 – Cost Burden > 30%

Data Source: 2013-2017 CHAS

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	4,210	465	35	4,710	1,535	1,000	740	3,275
Large Related	900	50	60	1,010	280	115	105	500
Elderly	3,275	1,385	360	5,020	3,290	1,100	905	5,295
Other	6,240	1,315	110	7,665	1,535	735	540	2,810
Total need by income	14,625	3,215	565	18,405	6,640	2,950	2,290	11,880

Table 10 – Cost Burden > 50%

Data Source: 2013-2017 CHAS

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	990	1,065	895	300	3,250	205	630	565	320	1,720
Multiple, unrelated family households	370	180	230	85	865	180	85	110	60	435

	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
Other, non-family households	110	84	54	8	256	0	0	10	0	10
Total need by income	1,470	1,329	1,179	393	4,371	385	715	685	380	2,165

Table 11 – Crowding Information – 1/2

Data Source: 2013-2017 CHAS

	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 2,347 renter households and 15,145 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 18,005 rental households and 18,315 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 2,765 housing units being identified as crowding, in comparison to 1,700 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	30,335	7,723	2,918
White	22,254	5,900	2,203
Black / African American	850	45	20
Asian	498	54	74
American Indian, Alaska Native	4,932	1,416	489
Pacific Islander	8	0	0
Hispanic	873	161	128

Table 13 - Disproportionally Greater Need 0 - 30% AMI

Data Source: 2013-2017 CHAS

*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	21,958	16,975	0
White	17,985	13,932	0

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
Black / African American	728	477	0
Asian	530	92	0
American Indian, Alaska Native	1,592	1,655	0
Pacific Islander	0	0	0
Hispanic	886	561	0

Table 14 - Disproportionally Greater Need 30 - 50% AMI

Data Source: 2013-2017 CHAS

*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	17,031	45,241	0
White	14,726	39,856	0
Black / African American	322	703	0
Asian	165	474	0
American Indian, Alaska Native	918	2,252	0
Pacific Islander	10	35	0
Hispanic	557	1,188	0

Table 15 - Disproportionally Greater Need 50 - 80% AMI

Data Source: 2013-2017 CHAS

*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	5,758	33,396	0
White	5,087	30,181	0
Black / African American	129	297	0
Asian	140	281	0
American Indian, Alaska Native	231	1,307	0
Pacific Islander	15	15	0
Hispanic	83	797	0

Table 16 - Disproportionally Greater Need 80 - 100% AMI

Data Source: 2013-2017 CHAS

*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	23,309	14,745	2,918
White	17,127	11,082	2,203
Black / African American	641	253	20
Asian	372	178	74
American Indian, Alaska Native	3,708	2,646	489
Pacific Islander	8	0	0
Hispanic	657	385	128

Table 17 – Severe Housing Problems 0 - 30% AMI

Data Source: 2013-2017 CHAS

*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	8,747	30,145	0
White	6,772	25,064	0
Black / African American	68	1,138	0
Asian	331	286	0
American Indian, Alaska Native	1,002	2,235	0
Pacific Islander	0	0	0
Hispanic	443	1,003	0

Table 18 – Severe Housing Problems 30 - 50% AMI

Data Source: 2013-2017 CHAS

*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	5,268	56,993	0
White	4,086	50,490	0
Black / African American	175	845	0
Asian	49	594	0
American Indian, Alaska Native	599	2,570	0
Pacific Islander	0	45	0
Hispanic	247	1,509	0

Table 19 – Severe Housing Problems 50 - 80% AMI

Data Source: 2013-2017 CHAS

*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	1,605	37,474	0
White	1,165	34,039	0
Black / African American	69	352	0
Asian	90	332	0
American Indian, Alaska Native	213	1,321	0
Pacific Islander	15	15	0
Hispanic	48	832	0

Table 20 – Severe Housing Problems 80 - 100% AMI

Data Source: 2013-2017 CHAS

*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 75 percent for white, 17.9 percent for American Indian, and 2.6 percent for Hispanic. Once income increases to 50% - 80% the percentages are 88.6 percent for white, 4.5 for American Income and 2.6for 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	260,300	42,744	31,504	3,289
White	234,751	36,116	25,772	2,394
Black / African American	2,642	1,145	632	50
Asian	2,339	623	391	74
American Indian, Alaska Native	11,500	2,781	2,975	634
Pacific Islander	103	10	8	0
Hispanic	5,364	1,105	831	132

Table 21 – Greater Need: Housing Cost Burdens AMI

Data Source: 2013-2017 CHAS

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 90.1 percent. Once cost burden increases greater than 50 percent that percentage drops to 81.8 percent. All other ethnic/racial groups had opposite results. Hispanic increases were 2.06 to 2.63 and American Indian increased from 0.44 percent up to 9.44 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 and more recently Lemmon Housing and DeSmet Housing have become involved in developing affordable housing units.

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					
				Total	Project - based	Tenant - based	Special Purpose Voucher		
							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				
				Total	Project - based	Tenant - based	Special Purpose Voucher	
							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

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 *
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 admininistrative 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 2023 Point-In Time (PIT) statewide homeless count conducted by the South Dakota Housing for the Homeless Consortium (SDHHC) unless otherwise stated. For many reasons the January count often does not truly reflect the number of South Dakotans experiencing homelessness. Many individuals will move into doubled-up situation during the cold winter months; there also are geographic gaps in our very rural and tribal communities. Additionally, not all shelters and housing programs with homelessness as entry criteria participate in our Homeless Management Information System (HMIS). This shared database is used for HUD submissions including our Longitudinal Systems Analysis (LSA) which looks at system wide trends for outcomes and demographics. The gap in our HMIS coverage is similarly present in our tribal communities.

The January 24, 2023 PIT 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 (including living in hotel paid by a charitable organization).

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)	270	29	0	0	0	0
Persons in Households with Only Children	11	9	0	0	0	0
Persons in Households with Only Adults	691	272	0	0	0	0
Chronically Homeless Individuals	150	76	0	0	0	0
Chronically Homeless Families	0	1	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				
Veterans	40	18	0	0	0	0
Unaccompanied Child	58	52	0	0	0	0
Persons with HIV	3	6	0	0	0	0

Table 26 - Homeless Needs Assessment

Data Source Comments: Statewide data provided by the January 24,2023 statewide point-in-time homeless count.

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)	88	13	0	0	0	0
Persons in Households with Only Children	4	69	0	0	0	0
Persons in Households with Only Adults	150	1	0	0	0	0
Chronically Homeless Individuals	42	9	0	0	0	0
Chronically Homeless Families	0	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				
Veterans	19	5	0	0	0	0
Unaccompanied Youth	21	7	0	0	0	0
Persons with HIV	2	0	0	0	0	0

Table 27 - Homeless Needs Assessment

Data Source Comments: Statewide data provided by the January 24,2023 statewide point-in-time homeless count.

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:

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):

Data submitted from our HMIS for the 2023 LSA indicated that the average person experiencing homelessness in South Dakota exited from homelessness after 58 days. For Adult only households that average was 59 days; child only households exited after 34 days. The 2023 LSA analyzed the most recent fiscal year data available: October 1, 2021 to September 30th, 2022. The 2023 LSA identified 5,141 people experiencing homelessness within 4,062 households during fiscal year 2022. The LSA only looks at non-DV HMIS data from providers; it is separate from the PIT. This same submission created a fiscal year system flow map.

Nature and Extent of Homelessness: (Optional)

Race:	Sheltered:	Unsheltered (optional)
White	341	31
Black or African American	61	2
Asian	5	2
American Indian or Alaska Native	515	264
Pacific Islander	9	0
Ethnicity:	**Sheltered:**	**Unsheltered (optional)**
Hispanic	64	24
Not Hispanic	908	286

Data Source Comments: This information is from the January 24, 2023 homeless count. Not included in the graph are individuals who reported multiple races which included 41 sheltered and 11 unsheltered.

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

One veteran family with 3 household members was identified. This is consistent with previous years.

Families with children, sheltered and unsheltered, non-veteran (ie; Adult-Child (AC))

- 87 AC households with 279 family members were identified. This is a reduction from the 2022 PIT and continues a several-year trend indicating a reduction in the number of families and children experiencing homelessness in South Dakota.
- The average such household had a female head of household between the age of 30 and 40 with two dependent children. Our domestic violence shelters comprise a significant part of this population.
- 74% of homeless AC households were Native American. 89% of unsheltered AC households were Native American.
- 8% of this population was identified as chronically homeless. AC households are 2.5 times **less likely** to be chronically homeless than adult-only households.

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

As indicated in the chart above, a stark majority of the homeless individuals in South Dakota are American Indian. The homeless count identified 1,048 households for an estimated 1,282 individuals. 29 percent (372 individuals) are white, 60 percent (779 individuals) are American Indian, four percent (52 individuals) identified as multiple races and five percent (63 individuals) are African American.

For perspective, despite only comprising 8% of the statewide population, American Indians make up 60% of the homeless population. Furthermore, 85% of all unsheltered individuals were Native American. This disparity is not new but has been worsening in recent counts. One contributing factor reported by the CoC's Youth Advisory Board is a communication barrier between service providers and Native community members. Additionally, there are cultural needs that are inadequately met, if met at all.

There were 88 Hispanics identified during the homeless count. When viewed as a percentage of the overall count there is a several-year trend showing a reduction.

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. There is very little accurate data on unsheltered homelessness outside of Rapid City and Sioux Falls.

Rapid City reported twice as many unsheltered individuals as the rest of the state combined. Inventory for emergency shelter and housing programs for homeless individuals is undersized in the Rapid City area when compared to the rest of the state.

Of the total 1,282 individuals counted, 530 are females of which 413 were sheltered and 117 (28%) were unsheltered. There was a total of 739 males of which 554 were sheltered and 185 (33%) were surveyed as unsheltered the night of the homeless count. The number of self-reported transgender and gender non-conforming individuals were negligible. However, they experienced unsheltered homelessness at twice the rate of their non-minority gender counterparts.

Discussion:

The 2023 PIT indicated that unsheltered homelessness and chronic homelessness among single-member households was increasing at a steady rate; especially among non-white South Dakotans. This is a trend happening in much of the country. During the PIT there were many agencies reporting that operations were being negatively affected by the labor market. Staff turnover and long waits between hires have reduced capacity across many programs. In September what ESG-CV money is left in the state will be returned to the Treasury and ESG funded agencies will be competing again for the annual formula fund which is not big enough to meet our states needs.

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.

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.

In 2018, SDHDA added a $600,000 set-aside for development of special needs housing. Since that time the development of special needs housing has picked up, but there still remains a strong shortage and demand for that type of 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 (2021):

The estimated population with diagnosed HIV infection was 728. Ryan White clients were 70 percent males and 30 percent females. For race, 54 percent were white, 24 percent African American, 20 percent were American Indian/Alaskan Native, and 1 percent were Asian. By age, 63 percent were ages 40 to 64, 25 percent were ages 25 to 39, 8 percent were 65 and older, and 3% were 13-24.

If the PJ will establish a preference for a HOME TBRA activity for persons with a specific category of disabilities (e.g., persons with HIV/AIDS or chronic mental illness), describe their unmet need for housing and services needed to narrow the gap in benefits and services received by such persons. (See 24 CFR 92.209(c)(2) (ii))

N/A.

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. To entice developers to develop special needs housing, competitive points will continue to be awarded for HOME, HTF and Housing Tax Credit applications willing to set-aside units for special needs in addition to the set-aside under HTF for development of special needs housing. 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 are in need of 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 varies 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	262,052	68%
1-unit, attached structure	12,886	3%
2-4 units	20,037	5%
5-19 units	30,553	8%
20 or more units	23,855	6%
Mobile Home, boat, RV, van, etc	33,529	9%
Total	***382,912***	***100%***

Table 28 – Residential Properties by Unit Number

Data Source: 2013-2017 ACS

Unit Size by Tenure

	Owners		Renters	
	Number	%	Number	%
No bedroom	384	0%	4,712	4%
1 bedroom	4,823	2%	24,940	23%
2 bedrooms	45,461	20%	45,785	42%
3 or more bedrooms	179,989	78%	33,364	31%
Total	***230,657***	***100%***	***108,801***	***100%***

Table 29 – Unit Size by Tenure

Data Source: 2013-2017 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: 2009	Most Recent Year: 2017	% Change
Median Home Value	115,400	152,700	32%
Median Contract Rent	444	583	31%

Table 30 – Cost of Housing

Data Source: 2000 Census (Base Year), 2013-2017 ACS (Most Recent Year)

Rent Paid	Number	%
Less than $500	45,336	41.7%
$500-999	53,376	49.1%
$1,000-1,499	7,728	7.1%
$1,500-1,999	1,205	1.1%
$2,000 or more	1,156	1.1%
Total	***108,801***	***100.0%***

Table 31 - Rent Paid

Data Source: 2013-2017 ACS

Housing Affordability

Number of Units affordable to Households earning	Renter	Owner
30% HAMFI	12,435	No Data
50% HAMFI	39,705	21,360
80% HAMFI	75,755	58,800
100% HAMFI	No Data	87,100
Total	***127,895***	***167,260***

Table 32 – Housing Affordability

Data Source: 2013-2017 CHAS

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:

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 73,500 households at or below 50 percent HAMFI and a total of 45,336 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 75,755 households but only 53,376 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

Substandard Suitable for Rehabilitation: a housing unit or, in the case of multifamily dwellings, the building(s) containing the housing units, where the structural deficiencies must be limited in number and magnitude such that the cost of rehabilitation would not exceed 50 percent of the replacement cost of the dwelling. Exceptions may be made to the 50 percent of replacement cost threshold on a case-by-case basis, and the rationale will be documented.

Substandard Condition: Housing that does not meet Housing Quality Standards (HQS) set forth in the Section 8 program, all zoning ordinances and uniform codes adopted by the state, which are national or international codes.

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	38,234	17%	39,352	36%
With two selected Conditions	1,308	1%	2,859	3%
With three selected Conditions	130	0%	296	0%
With four selected Conditions	8	0%	54	0%
No selected Conditions	190,977	83%	66,240	61%

Condition of Units	Owner-Occupied		Renter-Occupied	
	Number	%	Number	%
Total	***230,657***	***101%***	***108,801***	***100%***

Table 34 - Condition of Units

Data Source: 2013-2017 ACS

Year Unit Built

Year Unit Built	Owner-Occupied		Renter-Occupied	
	Number	%	Number	%
2000 or later	52,191	23%	18,909	17%
1980-1999	50,078	22%	29,557	27%
1950-1979	76,639	33%	39,441	36%
Before 1950	51,749	22%	20,894	19%
Total	***230,657***	***100%***	***108,801***	***99%***

Table 35 – Year Unit Built

Data Source: 2013-2017 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	128,388	56%	60,335	55%
Housing Units build before 1980 with children present	28,065	12%	18,985	17%

Table 36 – Risk of Lead-Based Paint

Data Source: 2013-2017 ACS (Total Units) 2013-2017 CHAS (Units with Children present)

Vacant Units

	Suitable for Rehabilitation	Not Suitable for Rehabilitation	Total
Vacant Units	0	0	0
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 are in need of 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 3,870 housing units built per year; during 1980 to 1999 there were an average of 3,982 housing units built per year and 2000 or later, there was an average of 4,182 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 anticipate 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 2023.

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)	569	0	62	459	0
Households with Only Adults	479	81	73	449	0
Chronically Homeless Households	0	0	0	520	0
Veterans	14	0	5	451	0
Unaccompanied Youth	0	0	5	0	0

Table 39 - Facilities Targeted to Homeless Persons

Data Source Comments: January 2023 Housing Inventory Chart

Describe mainstream services, such as health, mental health, and employment services to the extent those services are use 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, in addition to housing programs, is essential for moving households out of homelessness. The 211 statewide program is a widely utilized 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.

The South Dakota Housing for the Homeless Consortium is always looking for new partnerships that will enhance the quality of service delivery and close gaps in our 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, Pine Ridge 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 2023 PIT there were 235 HUD VASH vouchers in Rapid City and 128 in Sioux Falls. Efforts continue for more PHAs to administer HUD VASH but 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. A new development spearheaded by Veterans Community project which will create 25 “tiny homes” in Sioux Falls has opened with five units becoming available this Summer.

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. But the scope of shelter and transitional living inventory for youth is undersized for the problem. The lack of resources statewide means many unaccompanied youths are lucky if they can couch surf while others are pushed to unsheltered locations with unimaginable living conditions; oftentimes for extended periods of time. Police and Parks

departments oftentimes take down commonly used shelters and dispose of belonging. These households are often the victim of theft or violent crime. There is a lack of affordable transportation for many of our unsheltered households in South Dakota. Many homeless youths go undocumented from their school districts Mckinney-Vento Liaisons.

In 2022 the South Dakota Continuum of Care (CoC) received a $3 million two-year grant from HUD's Youth Homeless Demonstration Project. In 2025 this award will become a recurring $1.5 million competitive process. The projects funded for the initial two year period include three street outreach/drop-in centers, two transitional housing programs (4 units each) and one Rapid Rehousing Program. The funding is considerably tilted towards supportive services and operations and it will be up to the membership of the CoC to determine the priorities for that funding source.

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, submitted an application 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 Daugaard'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 will 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	7,168	6,901	3	4	1

Business by Sector	Number of Workers	Number of Jobs	Share of Workers %	Share of Jobs %	Jobs less workers %
Arts, Entertainment, Accommodations	28,301	23,949	13	14	1
Construction	14,299	13,687	7	8	1
Education and Health Care Services	40,164	27,491	19	16	-3
Finance, Insurance, and Real Estate	15,618	10,169	7	6	-1
Information	3,330	2,414	2	1	-1
Manufacturing	31,796	32,988	15	19	4
Other Services	7,153	5,767	3	3	0
Professional, Scientific, Management Services	11,616	8,376	5	5	0
Public Administration	0	0	0	0	0
Retail Trade	34,358	26,753	16	15	-1
Transportation and Warehousing	7,336	5,824	3	3	0
Wholesale Trade	14,875	12,715	7	7	0
Total	216,014	177,034	--	--	--

Table 40- Business Activity

Data Source: 2013-2017 ACS (Workers), 2017 Longitudinal Employer-Household Dynamics (Jobs)

Labor Force

Total Population in the Civilian Labor Force	320,336
Civilian Employed Population 16 years and over	306,247
Unemployment Rate	3.82
Unemployment Rate for Ages 16-24	12.64
Unemployment Rate for Ages 25-65	2.54

Table 41 - Labor Force

Data Source: 2013-2017 ACS

Occupations by Sector	Number of People
Management, business and financial	70,784
Farming, fisheries and forestry occupations	10,497
Service	33,763
Sales and office	68,694
Construction, extraction, maintenance and repair	36,702
Production, transportation and material moving	19,631

Table 42 – Occupations by Sector

Data Source: 2013-2017 ACS

Travel Time

Travel Time	Number	Percentage
< 30 Minutes	231,251	82%
30-59 Minutes	40,818	14%
60 or More Minutes	9,820	3%
Total	***281,889***	***100%***

Table 43 - Travel Time

Data Source: 2013-2017 ACS

Education:

Educational Attainment by Employment Status (Population 16 and Older)

Educational Attainment	In Labor Force		
	Civilian Employed	Unemployed	Not in Labor Force
Less than high school graduate	11,243	1,289	8,043
High school graduate (includes equivalency)	68,730	2,923	17,963
Some college or Associate's degree	85,228	2,332	17,583

Educational Attainment	In Labor Force		
	Civilian Employed	Unemployed	Not in Labor Force
Bachelor's degree or higher	71,201	849	9,442

Table 44 - Educational Attainment by Employment Status

Data Source: 2013-2017 ACS

Educational Attainment by Age

	Age				
	18–24 yrs	25–34 yrs	35–44 yrs	45–65 yrs	65+ yrs
Less than 9th grade	927	1,668	1,414	3,135	8,247
9th to 12th grade, no diploma	8,016	4,780	3,328	6,705	6,750
High school graduate, GED, or alternative	18,252	18,518	17,402	54,139	38,766
Some college, no degree	24,471	15,731	14,908	35,500	19,743
Associate's degree	4,630	11,383	10,296	19,363	5,374
Bachelor's degree	5,006	17,052	15,074	28,489	13,570
Graduate or professional degree	235	5,047	6,014	11,201	7,341

Table 45 - Educational Attainment by Age

Data Source: 2013-2017 ACS

Educational Attainment – Median Earnings in the Past 12 Months

Educational Attainment	Median Earnings in the Past 12 Months
Less than high school graduate	7,012,420
High school graduate (includes equivalency)	26,957,285
Some college or Associate's degree	29,171,600
Bachelor's degree	26,309,560
Graduate or professional degree	15,282,245

Table 46 – Median Earnings in the Past 12 Months

Data Source: 2013-2017 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 multiple sectors that have an over-supply of workforce such as retail, and finance. However, there are sectors that have labor shortages. 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 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 areas include: 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 the 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 are in need of 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 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:

Freedom Works Here: The Freedom Works Here campaign was created to showcase what South Dakota has to offer when it comes to the state's economy and available quality jobs. The objective is to encourage others to move to the state.

South Dakota WORKS: South Dakota Works is a flexible loan program that offers low interest business and commercial loans to companies in need of working capital, fixed assets, and interim construction financing. The program uses funding from the State Small Business Credit Initiative.

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.

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.sdgoed.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 are in need of affordable housing. However the greatest need is demonstrated on our Indian Reservations. Areas with concentrations of housing problems are defined as any area that experiences housing problems at a rate at least ten (10) percentage higher than the area average. According to the 2016-2020 CHAS data, 23.26% of households in South Dakota have more than 1 housing problem. Areas 10% of more above the state average include Buffalo County (Crow Creek Reservation) at 35% and Jackson and Oglala Lakota County (Pine Ridge Reservation) at 33.7% and 59.8% respectively.

South Dakota is home to three of the top 50 poorest counties in the Nation, which are allocated within Indian reservations. The counties are Ziebach, Buffalo, and Oglala Lakota.

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.

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, or have above average severe housing problems are the Indian Reservations. Areas with concentrations of housing problems are defined as any area that experiences housing problems at a rate at least ten (10) percentage higher than the area average.

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.

The 2019 South Dakota ConnectSD found that 89% of all locations have at least one provider serving speeds over 100 Mbps download and 20 Mbps upload, meeting the NTIA's classification of served. Currently, an estimated 6% of the locations remain unserved, and 5% are underserved. Based on the 2021 ACS data, 93.4% of all South Dakota citizens have access to at least one computing device like a laptop, smartphone, or tablet. Almost 10% of citizens exclusively own just a smartphone. Additionally, as many as 22% of South Dakotans do not own or use a desktop or laptop computer. Data has shown the following counties have a particularly large number of households without a computer, smartphone, or tablet with more than 25% not having access: Oglala Lakota County, Todd County, Mellette County, Corson County, and Dewey County.

The State's vision is that, through strategic investments, South Dakota will connect every rural and urban resident, agricultural and commercial business, and community anchor institution to high-speed broadband internet across all locations in the State, allowing every South Dakota citizen to fulfill their economic and social pursuits. The State’s current broadband initiative is being implemented through the ConnectSD Program, which was launched in 2019. To date, the ConnectSD program has leveraged $58 million of state general funds along with $89 million of federal funds, and over $122 million of private investment from the broadband providers. These investments total almost $270 million in broadband expansion in our state. With these funds, we have awarded 103 grants or projects and have connected or are in the process of connecting 31,000 locations that either did not have internet or were underserved. The State's Broadband Development Program Five-Year Action Plan may be accessed from GOED at: https://sdgoed.com/wp-content/uploads/2023/09/2023-08-South-Dakota-BEAD-5-Year-Action-Plan.pdf.

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

While there are a number of broadband service providers in South Dakota, there is a continued need for competition to promote affordability and access, as well as choice, in the community. According to the Information Technology and Innovation Foundation, competition is a crucial component of broadband policy in that it pressures providers to be efficient and innovative.

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

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

The State of South Dakota's 2019 Hazard Mitigation Plan did a complete review of the natural hazards in the State of South Dakota and found the following hazard risks:

1. Flooding
2. Winter Storms
3. Wildfires
4. Drought
5. Tornados
6. Summer Storms
7. Wind
8. Agricultural Pests and Diseases
9. Hazardous Materials
10. Geological Hazards

The hazard rankings are based on the probability of occurrence, the area affected, primary and secondary impacts, local plan rankings, and the survey score for each hazard. Overall significance is given for the state as a whole, although significance can vary greatly in different parts of the state. The vulnerability of each county & tribe was also evaluated based on population, growth and development patterns, social vulnerability, past disaster declarations, and building exposure. The vulnerability of state facilities was also assessed separately.

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

Low-income households may not have the resources necessary to mitigate risks or recover from disasters. The State's plan identified socially vulnerable areas that are negatively impacted by the hazards identified above in the state.

A Social Vulnerability Index (SoVI) compiled by the Hazards and Vulnerability Research Institute in the Department of Geography at the University of South Carolina measures the social vulnerability of U.S. counties to environmental hazards. The comparison of SoVI values between counties within the state allows for a more detailed depiction of variances in risk and vulnerability. The Index is based on national data sources, primarily the 2010 census, and synthesizes 30 socioeconomic variables that research literature suggests contribute to education in a community's ability to prepare for, respond to, and recover from hazards. Seven components differentiate counties according to their relative level of social

vulnerability. The components include race and class, wealth, elderly residents, Hispanic ethnicity, special needs individuals, Native American ethnicity, and service industry employment.

The index can be used by the state to help determine where social vulnerability and exposure to hazards overlap and how and where mitigation resources might best be used. According to the index, the following, listed in order, are South Dakota's most socially vulnerable counties with 2019 ACS Census Data:

1. Buffalo, 71.15% LMI
2. Todd, 74.44% LMI
3. Oglala Lakota*, 76.30% LMI
4. Jackson, 58.73% LMI
5. Mellette, 68.56% LMI
6. McPherson, 44.80% LMI
7. Bennett, 61.18% LMI
8. Ziebach*, 66.96% LMI
9. Corson, 67.58% LMI
10. Fall River, 43.21% LMI
11. Dewey, 57.46% LMI
12. Charles Mix, 50.74% LMI
13. Bon Homme, 42.16% LMI
14. Roberts, 48.87% LMI

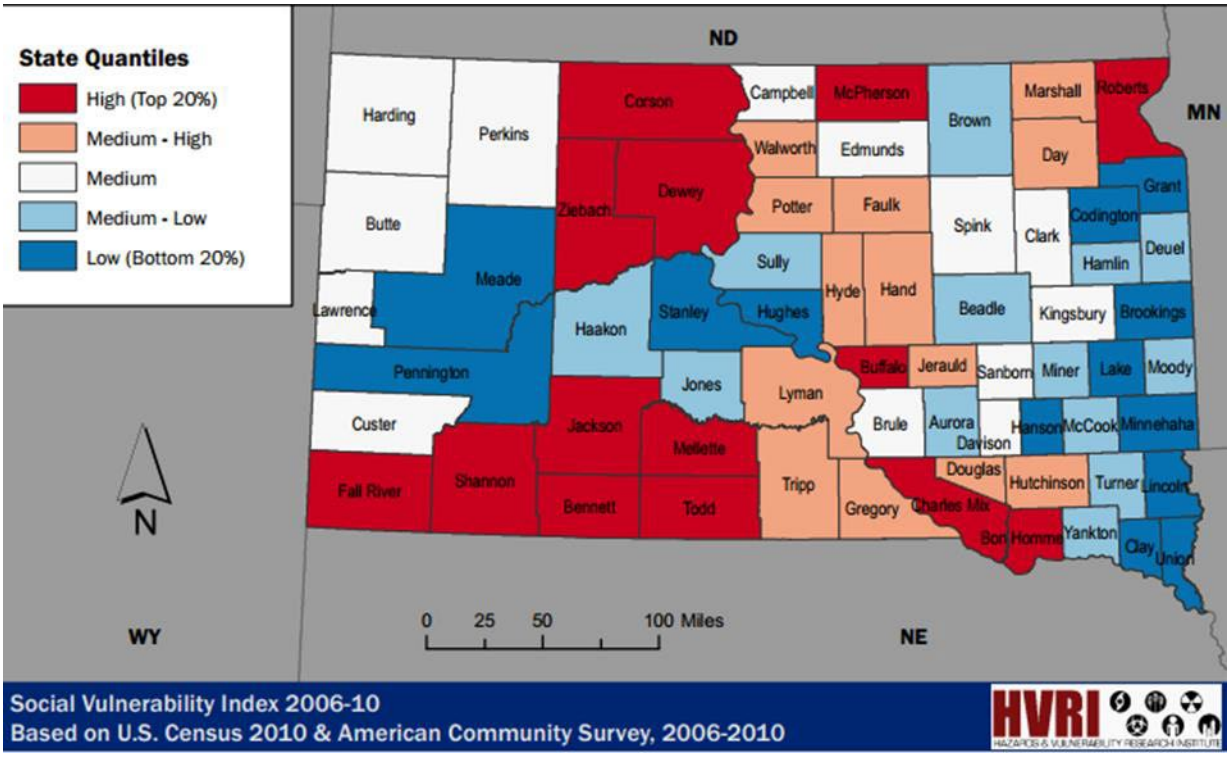
**Note: An asterisk (*) denotes counties that are among the 10 fastest-growing counties in the state.*

In addition to the fourteen counties listed above, Potter (46.19% LMI), Faulk (39.17% LMI), Lyman (48.87% LMI), Gregory (48.79% LMI), Jerauld (31.91% LMI), Walworth (38.70% LMI), Douglas (38.67% LMI), Day (48.99% LMI), Hyde (36.26% LMI), Hand (39.60% LMI), Hutchinson (38.38% LMI), Tripp (52.58% LMI), Marshall (36.86% LMI), Perkins (43.87% LMI), Spink (44.19% LMI), and Edmunds County (31.82% LMI) all rank in the top 20 percent in the nation in terms of social vulnerability.

The state encourages local and tribal governments, and other mitigation partners to consider the state's goals and objectives when developing their own mitigation strategies.

SD Housing administers the Emergency Solutions Grant (EST) program to help mitigate disaster recovery to UGLGs for residents stricken by sudden homelessness for rapid re-housing, essential services to shelter residents, etc. GOED occasionally receives CDBG Disaster Recovery (CDBG-DR) funding specifically for presidentially declared disasters. Most recently, GOED received funds from the 2008 Hurricane IKE and Midwest Floods Supplemental Appropriation.

Other State and Federal programs are available to assist with hazard mitigation. For the State's complete Hazard Mitigation Plan, you may download it at: https://dps.sd.gov/application/files/3215/6414/7583/south-dakota-hmp-april-2019.pdf.



SoVi-Index

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 homebuyer assistance in the form of gap financing. SDHDA also sets aside $1 million of HOME funds for development of housing in rural communities with populations of 5,000 or less. 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 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, and Community Projects Account.

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

Geographic Area

Area Name:	Area Type:	Other Target Area Description:	HUD Approval Date:	% of Low/ Mod:	Revital Type:	Other Revital Description:	Identify the neighborhood boundaries for this target area.	Include specific housing and commercial characteristics of this target area.	How did your consultation and citizen participation process help you to identify this neighborhood as a target area?	Identify the needs in this target area.	What are the opportunities for improvement in this target area?	Are there barriers to improvement in this target area?

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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 four 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. The HOME Program utilizes the same zone areas for purposes of establishing project finance limitations.

SDHDA is sets aside $1 million in HOME funds to serve rural communities with populations of 5,000 or less. 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
	Population	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
	Geographic Areas Affected	
	Associated Goals	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

	Description	Development and rehabilitation of affordable rental housing is a high priority for many areas in South Dakota. Utilizing the HOME and HTF, it is anticipated that 70 new HOME and HTF rental units will be developed with an additional 20 HOME and HTF units rehabilitated for affordable housing. The additional housing units will be developed in areas of documented need. Additional rental units will be provided including LIHTC and Housing Opportunity Fund. 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. 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. It is anticipated the HTF can provide an additional 20 units annually.
	Basis for Relative Priority	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. Under the HTF program, funding is set-aside for development of special needs housing and development of housing on Indian Reservations.
2	**Priority Need Name**	Homelessness
	Priority Level	High
	Population	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

	Geographic Areas Affected	
	Associated Goals	Develop new rental housing units Development of special needs housing Security Deposit Assistance Utilize Emergency Solution Grants Program

	Description	South Dakota continues to work on several initiatives as it pertains to Homelessness: •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. Expansion of HMIS - SDHDA as the HMIS administer for the statewide CoC will continue to work with additional agencies to utilize the database. Domestic violence agencies use 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. •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. As the homeless network is strengthened, priority of funding will also be pursued. 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 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 20 additional housing units annually.

	Basis for Relative Priority	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. The Housing Trust Fund will be instrumental in serving the homeless population by targeting resources to 30 percent AMI households. 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.
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	Community Development Economic Development Workforce Training
	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, 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

- Promote more rational land use
- Provide increased economic opportunities for low- and moderate-income persons
- Correct deficiencies in public facilities that affect the public health, safety or welfare, especially of low- and moderate-income persons

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)	HOME funds will be used for TBRA in the form of Security Deposit 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 security deposit 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. HOF funding is not included as a source of funds below due to the uncertainty of ongoing funding.

South Dakota Housing Development Authority (SDHDA) also administers the IRS program - Low-Income 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.

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	5,790,145	0	5,286,666	11,076,811	23,160,580	We anticipate CDBG funding to be $5,790,145 million. Our current balance available to award is $5,286,666 remaining from our previous HUD grants.
HOME	public - federal	Acquisition Homebuyer assistance Homeowner rehab Multifamily rental new construction Multifamily rental rehab New construction for ownership TBRA	2,700,000	1,356,175	2,700,035	6,756,210	12,000,000	Annually, there is approximately $2 million of program income that becomes available in addition to the $3 million received in annual allocation. The total amount of expected resources in year 1 is less than appears available in IDIS. The difference is projects which have received reservations of funds which have not yet been committed and administrative funds which are not included in the allocations.

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	639,874	0	0	639,874	2,560,000	SDHDA anticipates receiving approximately $640,000 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	2,700,483	204	699,417	3,400,104	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. The total amount of expected resources in year 1 is less than appears available in IDIS. The difference is projects which have received reservations of funds which have not yet been committed and administrative funds which are not included in the allocations.
LIHTC	public - federal	Multifamily rental new construction Multifamily rental rehab	3,425,000	0	0	3,425,000	17,000,000	South Dakota Housing Development Authority administers the Internal Revenue Service's Low-Income Housing Tax Credit Program. This program is utilized for multifamily rental development and often times is used in combination of HOME funds.

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

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	2023	2027	Affordable Housing		Affordable Housing Homelessness	HOME: $2,756,210 HTF: $1,700,104 LIHTC: $2,740,000	Rental units constructed: 60 Household Housing Unit
2	Acquisition and Rehabilitation of rental units	2023	2027	Affordable Housing		Affordable Housing	HOME: $1,000,000 HTF: $500,000 LIHTC: $685,000	Rental units rehabilitated: 20 Household Housing Unit
3	Development of special needs housing	2023	2027	Affordable Housing Homeless Non-Homeless Special Needs		Affordable Housing Homelessness	HOME: $500,000 HTF: $600,000	Other: 10 Other

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
5	Utilize Emergency Solution Grants Program	2023	2027	Homeless		Homelessness	ESG: $639,874	Tenant-based rental assistance / Rapid Rehousing: 50 Households Assisted Homeless Person Overnight Shelter: 3000 Persons Assisted Homelessness Prevention: 150 Persons Assisted
6	Provide homeownership opportunities	2023	2027	Affordable Housing		Affordable Housing	HOME: $500,000	Homeowner Housing Added: 5 Household Housing Unit
7	Homeowner Rehabilitation	2023	2027	Affordable Housing		Affordable Housing	HOME: $1,000,000	Homeowner Housing Rehabilitated: 50 Household Housing Unit
8	Security Deposit Assistance	2023	2027	Affordable Housing		Affordable Housing Homelessness	HOME: $300,000	Tenant-based rental assistance / Rapid Rehousing: 315 Households Assisted
9	Homebuyer Assistance	2023	2027	Affordable Housing		Affordable Housing	HOME: $200,000	Direct Financial Assistance to Homebuyers: 8 Households Assisted

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
10	Community Development	2023	2027	Non-Housing Community Development		Non-housing Community Development	CDBG: $10,176,811	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit: 6300 Persons Assisted
11	Economic Development	2023	2027	Non-Housing Community Development		Non-housing Community Development	CDBG: $500,000	Jobs created/retained: 20 Jobs Businesses assisted: 1 Businesses Assisted
12	Workforce Training	2023	2027	Non-Housing Community Development Economic Development/Workforce Training		Non-housing Community Development	CDBG: $400,000	Other: 200 Other

Table 53 – Goals Summary

Goal Descriptions

1	**Goal Name**	Develop new rental housing units
	Goal Description	Development of new rental housing units - utilize approximately $3 million annually of HOME Program funds and $2.5 million annually in Housing Trust Fund to create 60 new units. Over the five year period there would be a total of 300 new HOME and HTF rental housing units. HTF will provide additional units for extremely low-income (30% AMI) households. When combined with LIHTC it is anticipated HOME, HTF, and HTC will generate new construction of approximately 150 rental units.

2	**Goal Name**	Acquisition and Rehabilitation of rental units
	Goal Description	Utilize HOME and Housing Trust fund for the acquisition and rehabilitation or just the rehabilitation of rental housing units. Approximately $1.5 million annually will be utilized to rehabilitate 20 HOME and/or HTF rental units. When combined with Low-Income Housing Tax Credits, it's estimated approximately 40 units could be rehabilitated.
3	**Goal Name**	Development of special needs housing
	Goal Description	The goal is to utilize HOME and Housing Trust Funds annually to newly construct or rehabilitate 10 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. Annually, 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 $640,000 annually of ESG funds will be utilized to provide these services.
6	**Goal Name**	Provide homeownership opportunities
	Goal Description	Provide homeownership opportunities to 5 households annually through the use of HOME 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 50 homeowners annually with rehabilitation activities with HOME funds. Additional resources that do exist in the state are USDA Rural Development, and SDHDA's CHIP program.

8	**Goal Name**	Security Deposit Assistance
	Goal Description	Annually up to $300,000 of HOME funds will be utilized to assist approximately 315 individuals and families with security deposit assistance keeping them from homelessness.
9	**Goal Name**	Homebuyer Assistance
	Goal Description	Annually up to $200,000 of HOME funds is set-aside to assist homebuyers with gap financing assistance with the purchase of a single family home. It is anticipated that 8 households will be assisted.
10	**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, 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.
11	**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.
12	**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- and moderate-income 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.

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 488 households directly assisted (without taking into account households assisted with ESG funds). The breakdown is 60 new construction HOME/HTF rental units, 10 new construction HOME/HTF service enriched units, 20 HOME/HTF rental units rehabbed, 50 homeowners receiving homeowner rehabilitation, 315 households receiving security deposit assistance, 5 new construction single family homes for resale and 8 households assisted with homebuyer assistance.

An estimate would be 40 households at or below 30 percent AMI; 398 households at or below 50 percent AMI and 50 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.Â At the local level, additional building codes and zoning requirements, which vary by community,Â and federal policies such as Davis Bacon reporting results can result in additional project costs and delays.Â Contractor bids increase to cover the administrative cost of Davis Bacon.Â While these policies may be justified at times, the policies are not always relevant based on the community and the housing developers.Â

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

During 2017 SDHDA created its Analysis of Impediments to Fair Housing Choice.Â 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 onÂ fair housing, reasonable accommodation, compliance with fair housing and 504,Â in addition to creating written resources regarding these topics.

Impediment:Â 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.Â

Impediment:Â 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:Â 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.Â

Impediment:Â Tenant selection criteria

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

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 coninue 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 Rapid City and Pine Ridge.

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 is utilized to connect households to housing resources. There are eight publicly advertised physical access points and a toll-free phone line where trained assessors assess households for housing and service needs. In addition to publicly advertised access points, nine (9) stakeholder agencies have trained assessors including behavioral health, emergency shelter and county human service agencies. Households are triaged for immediate service needs and once assessed are referred to participating providers in their community when vacancies occur.

Addressing the emergency and transitional housing needs of homeless persons

The majority of 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 [DA1] [SM2] 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 increased the utilization of 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. Support Services for Veterans Families (SSVF) programs are operational with statewide coverage and transitional housing available through HCHV (Healthcare for Homeless Veterans) in Sioux Falls. Grant per Diem (GPD) programs are available to veterans in Sioux Falls, Rapid City and Pine Ridge. Several SDHHC member agencies operate outreach services specific to veterans in Rapid City and Sioux Falls and serve as referral sources to the CoC's Coordinated Entry System when household's need additional support. The Coordinated Entry System Administrator for the VA Black Hills Health Care System is a non-advertised access point for Coordinated Entry specifically for veteran households.

The SDHHC launched the Youth Homeless Demonstration Project (YDHP) in 2022; which includes a Coordinated Community Plan addressing the needs of youth and young adults statewide. YHDP projects include the expansion of HMIS and Coordinated Entry access for youth and young adults, expanded street outreach, drop in center services and transitional housing in Rapid City and funded a new transitional housing/rapid rehousing project in Yankton and established two youth advisory boards based in Rapid City and Sioux Falls[SM1] . YHDP projects compliment the existing shelter, street outreach and transitional housing projects funded through Runaway Homeless Youth (RHY) in Rapid City and Sioux Falls. When the YHDP projects become competitive in 2025 they will join our traditional CoC's funding process for rating and ranking where a heavy emphasis is placed on using dollars for rapid rehousing or permanent housing programs.

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.

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. The Department of Social Services utilizes Family Unification Program (FUP) housing vouchers for youth transitioning from state custody through partnership with Pennington County Housing in Rapid City. The Coordinated Community Plan that forms the foundations for YHDP usage identified youth existing foster care as special population that has gone underserved. As YHDP projects continue their implementation collaboration with DSS will be sought to provide support systems to these youth existing foster care.

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 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.

In 2022, SDHDA sponsored a training which resulted in 12 South Dakota contractors obtaining their certfications for LBP testing and abatement.

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, and CDBG, staff oversight ensures the activities are carried out within program regulations. SDHDA has allocation/administrative plans for each program outlining the requirments 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 conducts two basic types of monitoring: desk monitoring, and project monitoring. Desk monitoring is an ongoing process in which the project administrator responsible for overseeing the sub-grantee's project uses all available information to review the sub-grantee's performance in carrying out the approved project. Project monitoring is a structured review conducted by the project administrator regarding project activities that have been carried out and/or where project records are maintained. It involves the use of the monitoring guides/checklists. The number of times a project is monitored varies upon the issues that arise during the desk and project monitoring.

Expected Resources

AP-15 Expected Resources – 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. HOF funding is not included as a source of funds below due to the uncertainty of ongoing funding.

South Dakota Housing Development Authority (SDHDA) also administers the IRS program - Low-Income 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.

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: $		

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	5,790,145	0	5,286,666	11,076,811	23,160,580	We anticipate CDBG funding to be $5,790,145 million. Our current balance available to award is $5,286,666 remaining from our previous HUD grants.
HOME	public - federal	Acquisition Homebuyer assistance Homeowner rehab Multifamily rental new construction Multifamily rental rehab New construction for ownership TBRA	2,700,000	1,356,175	2,700,035	6,756,210	12,000,000	Annually, there is approximately $2 million of program income that becomes available in addition to the $3 million received in annual allocation. The total amount of expected resources in year 1 is less than appears available in IDIS. The difference is projects which have received reservations of funds which have not yet been committed and administrative funds which are not included in the allocations.

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	639,874	0	0	639,874	2,560,000	SDHDA anticipates receiving approximately $640,000 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	2,700,483	204	699,417	3,400,104	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. The total amount of expected resources in year 1 is less than appears available in IDIS. The difference is projects which have received reservations of funds which have not yet been committed and administrative funds which are not included in the allocations.
LIHTC	public - federal	Multifamily rental new construction Multifamily rental rehab	3,425,000	0	0	3,425,000	17,000,000	South Dakota Housing Development Authority administers the Internal Revenue Service's Low-Income Housing Tax Credit Program. This program is utilized for multifamily rental development and often times is used in combination of HOME funds.

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

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: $3,256,210 HTF: $2,300,104 LIHTC: $2,740,000	Rental units constructed: 60 Household Housing Unit
2	Acquisition and Rehabilitation of rental units	2013	2017	Affordable Housing		Affordable Housing	HOME: $1,000,000 HTF: $500,000 LIHTC: $685,000	Rental units rehabilitated: 20 Household Housing Unit
3	Development of special needs housing	2013	2017	Affordable Housing Homeless Non-Homeless Special Needs		Affordable Housing	HOME: $500,000 HTF: $600,000	Other: 10 Other

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
5	Utilize Emergency Solution Grants Program	2013	2017	Homeless			ESG: $639,874	Tenant-based rental assistance / Rapid Rehousing: 50 Households Assisted Homeless Person Overnight Shelter: 3000 Persons Assisted Homelessness Prevention: 150 Persons Assisted
6	Provide homeownership opportunities	2013	2017	Affordable Housing		Affordable Housing	HOME: $500,000	Homeowner Housing Added: 5 Household Housing Unit
7	Homeowner Rehabilitation	2013	2017	Affordable Housing		Affordable Housing	HOME: $1,000,000	Homeowner Housing Rehabilitated: 50 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: $300,000	Homelessness Prevention: 315 Persons Assisted
11	Homebuyer Assistance	2013	2017	Affordable Housing		Affordable Housing	HOME: $200,000	Direct Financial Assistance to Homebuyers: 8 Households Assisted

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
12	Community Development	2018	2022	Non-Housing Community Development		Non-housing Community Development	CDBG: $10,176,811	Public Facility or Infrastructure Activities for Low/Moderate Income Housing Benefit: 1500 Households 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

Table 55 – Goals Summary

Goal Descriptions

1	**Goal Name**	Develop new rental housing units
	Goal Description	Development of new rental housing units - utilize approximately $3.25 million annually of HOME Program funds and $2.5 million annually in Housing Trust Fund to create 60 new units. Over the five year period there would be a total of 300 new HOME and HTF rental housing units. HTF will provide additional units for extremely low-income (30% AMI) households. This goal includes both the Multifamily New Construction and Tribal New Construction projects. When combined with LIHTC it is anticipated HOME, HTF, and HTC will generate new construction of approximately 150 rental units.
2	**Goal Name**	Acquisition and Rehabilitation of rental units
	Goal Description	Utilize HOME and Housing Trust fund for the acquisition and rehabilitation or just the rehabilitation of rental housing units. Approximately $1.5 million annually will be utilized to rehabilitate 20 HOME and/or HTF rental units. When combined with Low-Income Housing Tax Credits, it's estimated approximately 40 units could be rehabilitated.

3	**Goal Name**	Development of special needs housing
	Goal Description	The goal is to utilize HOME and Housing Trust Funds annually to newly construct or rehabilitate 10 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. Annually, 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 $640,000 annually of ESG funds will be utilized to provide these services.
6	**Goal Name**	Provide homeownership opportunities
	Goal Description	Provide homeownership opportunities to 5 households annually through the use of HOME 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 50 homeowners annually with rehabilitation activities with HOME funds. 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 $300,000 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 gap financing assistance with the purchase of a single family home. It is anticipated that 8 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.
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.

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 (%)	Acquisition and Rehabilitation of rental units (%)	Development of special needs housing (%)	Utilize Emergency Solution Grants Program (%)	Provide homeownership opportunities (%)	Homeowner Rehabilitation (%)	Workforce Training (%)	Security Deposit Assistance (%)	Homebuyer Assistance (%)	Community Development (%)	Economic Development (%)
CDBG	0	0	0	0	0	0	8	0	0	64	10
HOME	49	15	7	0	7	15	0	4	3	0	0
ESG	0	0	0	100	0	0	0	0	0	0	0
HTF	67	15	18	0	0	0	0	0	0	0	0
LIHTC	0	0	0	0	0	0	0	0	0	0	0

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.

A set-aside of the Housing Trust Fund program is 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.

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

	Describe the state program addressed by the Method of Distribution.	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 $5,790,145 in 2023. A minimum of 70 percent of the State's allocation will be used to fund projects that primarily benefit low- and moderate- income persons. 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: 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. CDBG funds will be distributed into the Community Projects Account with two set-asides. Of the $5,790,145 of CDBG funds received from HUD, one set-aside of five hundred thousand dollars ($500,000) for the Special projects, and one set-aside of one million five-hundred thousand dollars ($1,500,000) for Imminent Threat projects, 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 ninety thousand dollars ($190,000) for program administration by the State and technical assistance provided to local governments through the State's six Planning Districts. 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. 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.

	Describe all of the criteria that will be used to select applications and the relative importance of these criteria.	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 2023 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 2018 must be closed out before submitting a new application. A grantee that has an open grant awarded prior to 2018 and is open because of circumstances beyond their control may request a waiver submitted to GOED with the 2023 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. E. 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.<span style="color: black; line-height: 115%; font-family: 'Calibri',sans-serif; font-size: 11pt; mso-fareast-font-family: Calibri; mso-bidi-font-family: 'Times New Roman'; mso-ansi-language: EN-US; mso-fareast-language: EN-US; mso-bidi-language: AR-SA;">

	If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)	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.
	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)	Not applicable
	Identify the method of selecting project sponsors (including providing full access to grassroots faith-based and other community-based organizations). (HOPWA only)	

	Describe how resources will be allocated among funding categories.	CDBG funds will be distributed into the Community Projects Account with two set-asides. Of the $5,790,145 of CDBG funds received from HUD, one set-aside of five hundred thousand dollars ($500,000) for the Special projects, and one set-aside of one million five-hundred thousand dollars ($1,500,000) for Imminent Threat projects, 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 ninety thousand dollars ($190,000) 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 may be moved around within each program account. During the final grant cycle of each year, all unused account funds will be reallocated to the Community Projects Account for grant awards. 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.
	Describe threshold factors and grant size limits.	**Size of Grants.** 1. Ceilings. There is a maximum of $2,000,000 per regular grant application for project costs plus an additional $20,000 of funding for project administration for a total maximum ceiling of $2,020,000. 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. There is no limit to the number of grants from the 2023 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. Previous CDBG Program grants awarded prior to Year 2018 must be closed out.

	What are the outcome measures expected as a result of the method of distribution?	Outcomes will be based on the number of projects completed, allocation of training dollars, and number of individuals assisted with training dollars.
2	**State Program Name:**	South Dakota - ESG Program
	Funding Sources:	ESG

	Describe the state program addressed by the Method of Distribution.	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. 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. 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: 1) Street Outreach; 2) Emergency Shelter; 3) Homelessness Prevention; 4) Rapid Re-housing Assistance; 5) Homeless Management Information System; and 6) Administrative.

	Describe all of the criteria that will be used to select applications and the relative importance of these criteria.	Applicants must be non-profits or units of local government. 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. Applicants must also have available cash flow to effectively operate their programs since ESG funding is a reimbursement program. 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 to receive an allocation of ESG funding. Applicants are encouraged to contact SDHDA to ensure no unresolved monitoring findings exist or to work to resolve any outstanding items. Eligible applicants must be able to 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. 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. Applicants must be members of the South Dakota Housing for the Homeless Consortium. Homelessness can only be addressed and resolved with all agencies working together. 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. 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

	If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)	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.
	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)	Applicants must be non-profits or units of local government. 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.
	Identify the method of selecting project sponsors (including providing full access to grassroots faith-based and other community-based organizations). (HOPWA only)	

	Describe how resources will be allocated among funding categories.	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. 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. 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: 1. 60% of the recipient's fiscal year grant; or 2. The amount of FY 2010 grant funds committed for homeless assistance activities. 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.
	Describe threshold factors and grant size limits.	Applicants are limited to a maximum grant amount of $80,000. 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.
	What are the outcome measures expected as a result of the method of distribution?	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 infomration will not be available in HMIS.
3	**State Program Name:**	South Dakota - HOME Program
	Funding Sources:	HOME

	Describe the state program addressed by the Method of Distribution.	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 approximately $3,000,000 in HOME Funds for 2023.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.

	Describe all of the criteria that will be used to select applications and the relative importance of these criteria.	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. Selection Criteria consists of the following - • Local Housing NeedDeep 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 • Efficient use of HOME funds • 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 utilitiesProper ZoningPlatted propertiesProject Characteristics Additional information regarding these point categories and other selection criteria can be found in the HOME Program Allocation Plan.

	If only summary criteria were described, how can potential applicants access application manuals or other **state publications describing the application criteria? (CDBG only)**	N/A
	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
	Identify the method of selecting project sponsors (including providing full access to grassroots faith-based and other **community-based organizations). (HOPWA only)**	

	Describe how resources will be allocated among funding categories.	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 $450,000 annually) per federally requirement. Once the set-aside has been committed, CHDO applications will be referred to the General Pool for potential funding.Homeowner Rehab - $1,000,000 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%)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 - $300,000 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. 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. 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.

	Describe threshold factors and grant size limits.	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. 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. SDHDA will not process any application that SDHDA determines is not: 1. Consistent with the purposes and goals of the HOME Allocation Plan; 1. Proposing an eligible activity; or 1. Financially feasible. 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. For those projects which combine HOME and other governmental subsides, 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.
	What are the outcome measures expected as a result of the method of distribution?	Outcome measures are the number of additional housing units geographically distributed for different income levels, types of housing units, and special needs housing.
4	**State Program Name:**	South Dakota - Housing Trust Fund
	Funding Sources:	HTF

	Describe the state program addressed by the Method of Distribution.	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 2023, $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.
	Describe all of the criteria that will be used to select applications and the relative importance of these criteria.	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: demostration 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, demostration of applicant/owner's capacity for development, ownership and management of the housing units, projects providing services for the tenants, projects located near services and projects that demostrate their readiness to proceed with the proposed development. The point categories are closely aligned with the HOME and Housing Tax Credit programs. More clarificaton of these items can be found in the HTF allocation plan.
	If only summary criteria were described, how can potential applicants access application manuals or other **state publications describing the application criteria? (CDBG only)**	N/A

	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
	Identify the method of selecting project sponsors (including providing full access to grassroots faith-based and other community-based organizations). (HOPWA only)	
	Describe how resources will be allocated among funding categories.	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.

	Describe threshold factors and grant size limits.	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. 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.
	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.

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.sdhousing.org and GOED's website sdgoed.com.

AP-35 Projects – (Optional)

Introduction:

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. CDBG applications are due in April and October. ESG applications are due the end of May and HOME and HTF applications are due the end of August.

Due to SDHDA's method of distribution for the HOME and Housing Trust Fund Programs, exact information on funding amounts for the variety of eligible activities isn't currenlty availalble. Projects listed in the AP-35 are generalized project categories for which funds will likely be reserved based on prior years. Several of the activities listed under the HOME Program are annual set-asides which are awarded on a first-come, first-served basis to eligible applicants.

Three 2023 projects were obligated during the first funding round of (April 1): McLaughlin water system improvements for $770,000, Philip water/wastewater/storm improvements for $770,000, and Cresbard water system improvements for $770,000.

#	Project Name
1	2023 Multifamily New Construction
2	2023 Security Deposit Assistance Program
3	2023 Homeowner Rehabilitation
4	2023 Homebuyer Assistance
5	2023 Special Needs New Construction
6	2023 Tribal New Construction
7	2023 Rental Rehabilitation
8	ESG 2023 South Dakota
9	2023 Homeownership Development
10	2023 CDBG Community Projects Account

Table 58 – Project Information

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. In addition to the additional technical assistance applicants may receive from SDHDA staff, SDHDA looks for opportunities to help organizations build capacity. Annually SDHDA tries to host developer workshops that highlight the different aspects of developing affordable housing. The workshops are sometimes provided by SDHDA staff and other times are conducted by third party agencies.

AP-38 Project Summary

Project Summary Information

1	**Project Name**	2023 Multifamily New Construction
	Target Area	
	Goals Supported	Develop new rental housing units
	Needs Addressed	Affordable Housing
	Funding	HOME: $2,756,210 HTF: $1,700,104 LIHTC: $2,740,000
	Description	SDHDA will reserve approximately $2.75 million in HOME funds and approximately $1.7 million in HTF funds for multifamily new construction rental projects
	Target Date	12/31/2025
	Estimate the number and type of families that will benefit from the proposed activities	SDHDA's goal is to develop 60 new HOME and HTF units for families and individuals.
	Location Description	SDHDA's new construction projects are awarded through a competitive application cycle. It's SDHDA's goal to have geographic distribution throughout the state with it's projects, however the distribution throughout the state is limited to the amount and locations of the applications received.
	Planned Activities	No activities have been awarded at this time. When the competitive application cycle is complete SDHDA will have specific activities to allocate to.
2	**Project Name**	2023 Security Deposit Assistance Program
	Target Area	
	Goals Supported	Security Deposit Assistance
	Needs Addressed	Affordable Housing Homelessness
	Funding	HOME: $300,000
	Description	SDHDA sets aside $300,000 in HOME funds for TBRA in the form of security deposit assistance. Nonprofit entities and community action partnerships are eligible to apply for up to $25,000 for security deposit assistance.
	Target Date	12/31/2024

	Estimate the number and type of families that will benefit from the proposed activities	SDHDA's goal for households assisted with security deposit assistance is 315 households
	Location Description	SDHDA's goal is to provide as much coverage as possible with the various agencies who administer security deposit assistance programs (SDAP). In 2022 nine different agencies received SDAP awards providing coverage over a large portion of the state.
	Planned Activities	SDAP funds are awarded on a first-come, first-served basis to eligible applicants. Applicants are notified of the availiblity of funds when SDHDA receives its HOME grant from HUD
3	**Project Name**	2023 Homeowner Rehabilitation
	Target Area	
	Goals Supported	Homeowner Rehabilitation
	Needs Addressed	Affordable Housing
	Funding	HOME: $1,000,000
	Description	Annually SDHDA sets aside $1,000,000 in HOME funds for nonprofits and CAP Agencies who administer owner-occupied home repair programs. Applicants are limited to $200,000 annually and households are limited to $25,000 in HOME funds per project.
	Target Date	12/31/2024
	Estimate the number and type of families that will benefit from the proposed activities	SDHDA's goal for homeowner housing units rehabbed is 50 units per year.
	Location Description	SDHDA strives to provide as much statewide coverage as possible with all of its programs. Ultimately it depends on who applies for funding and has the capacity to run a program. In 2021 five different agencies received funding for HOME homeowner rehab.
	Planned Activities	Applications will not be accepted until SDHDA received its 2023 HOME grant from HUD. Applications are accepted on a first-come, first-served basis.
4	**Project Name**	2023 Homebuyer Assistance
	Target Area	

	Goals Supported	Homebuyer Assistance
	Needs Addressed	
	Funding	HOME: $200,000
	Description	Annually SDHDA sets aside $200,000 of HOME funds for homebuyer assistance in the form of gap financing. The maximum loan available for gap financing is limited to 30 percent of the total acquisition costs minus all grants and donated items, or $25,000, whichever is less, taking into consideration the maximum first mortgage for which the borrower is qualified.
	Target Date	12/31/2024
	Estimate the number and type of families that will benefit from the proposed activities	SDHDA's annual goal for HOME homebuyer assistance is 8 families/individuals assisted.
	Location Description	SDHDA's Homebuyer Assistance set-aside is available statewide and awarded on a first-come, first-served basis to qualified applicants.
	Planned Activities	
5	**Project Name**	2023 Special Needs New Construction
	Target Area	
	Goals Supported	Development of special needs housing
	Needs Addressed	Affordable Housing Homelessness
	Funding	HOME: $500,000 HTF: $600,000
	Description	Annually SDHDA sets aside $600,000 in HTF funds for applicants developing projects for special needs populations which provide Service Enriched Housing. SDHDA anticipates $500,000 in HOME funds to be allocated to projects serving special needs populations.
	Target Date	12/31/2025
	Estimate the number and type of families that will benefit from the proposed activities	SDHDA's goal is 10 special needs units per year.

	Location Description	The Special Needs set-aside is available statewide. Specific project locations are not determined until the competitive application cycle is completed and awards are reserved
	Planned Activities	Applications for special needs housing are accepted during the competitive application cycle with applications due the last working day of August. Planned activities will be limited to the special needs applications SDHDA receives.
6	**Project Name**	2023 Tribal New Construction
	Target Area	
	Goals Supported	Develop new rental housing units
	Needs Addressed	Affordable Housing
	Funding	HOME: $500,000 HTF: $600,000
	Description	SDHDA will annually set-aside $600,000 of the Housing Trust Fund allocation for applicants developing housing on Indian Reservations and anticipates approximately $500,000 of HOME funds awarded to tribal projects.
	Target Date	12/31/2025
	Estimate the number and type of families that will benefit from the proposed activities	SDHDA would hope to develop at least 6 HTF units on Indian Reservations from the $600,000 set-aside.
	Location Description	Applicants for this set-aside must apply for development of housing on one of South Dakota's Indian Reservations.
	Planned Activities	Applications for the Tribal set-aside are accepted during the competitive application cycle with applications due the last working day of July.
7	**Project Name**	2023 Rental Rehabilitation
	Target Area	
	Goals Supported	Acquisition and Rehabilitation of rental units
	Needs Addressed	Affordable Housing
	Funding	HOME: $1,000,000 HTF: $500,000 LIHTC: $685,000

	Description	SDHDA expects around $1,000,000 in HOME funds and $500,000 in HTF funds to be awarded to projects for the rehabilitation of rental properties. It is anticipated that SDHDA will allocate at least one HTC project in the amount of $685,000 tax credits to an acquisition rehabilitation project.
	Target Date	12/31/2025
	Estimate the number and type of families that will benefit from the proposed activities	SDHDA's annual goal is 20 rental units rehabilitated.
	Location Description	Specific project locations aren't available until SDHDA has its competitive application cycle. Ultimately the locations are determined by the location and competitiveness of applications received.
	Planned Activities	No specific activities are planned at this time. If applications for rental rehabilitation receive funds during the competitive application cycle and receive funding, the specific activities will be available at that time.
8	**Project Name**	ESG 2023 South Dakota
	Target Area	
	Goals Supported	Utilize Emergency Solution Grants Program
	Needs Addressed	Affordable Housing Homelessness
	Funding	ESG: $639,874
	Description	Funding to serve homeless or those at risk of becoming homeless. Eligible activities include renovation or rehabilitation of a building used for emergency shelter, operating expenses of the emergency shelter, essential services and street outreach, rapid re-housing and homelessness prevention, rental and security deposits, rental and utility arrears, rental assistance up to 24 months, and other housing related expenses.
	Target Date	6/30/2025
	Estimate the number and type of families that will benefit from the proposed activities	SDHDA's goal for individuals and households served annually is approximately 3200 families/individuals.

	Location Description	ESG funds are available for all geographic areas of the state. It is anticipated majority of the funding will be utilized in Sioux Falls and Rapid City. While Tribes and Tribal Government Entities are not eligible to apply for ESG funding, nonprofit agencies providing services on Tribal lands are eligible to apply for funding.
	Planned Activities	SDHDA provided public notice of the availability of funds via press release, posting on SDHDA's website and email notification to interested parties. Applications are due the last working day of May.
9	**Project Name**	2023 Homeownership Development
	Target Area	
	Goals Supported	Provide homeownership opportunities
	Needs Addressed	Affordable Housing
	Funding	HOME: $500,000
	Description	Funds for Homeownership Development set-aside can be utilized to assist in development of single family homeownership opportunities. The HOME funds can be utilized as construction financing and development subsidy
	Target Date	12/29/2023
	Estimate the number and type of families that will benefit from the proposed activities	SDHDA expects to assist up to 5 homebuyers during the year from the Homeownership Development set-aside.
	Location Description	Funding for the Homeownership Development set-aside is available statewide.
	Planned Activities	Applications are accepted on a first-come, first-served basis. The homeowner, location, and home design must be identified at the time of application.
10	**Project Name**	2023 CDBG Community Projects Account
	Target Area	
	Goals Supported	Community Development Economic Development
	Needs Addressed	Non-housing Community Development
	Funding	CDBG: $11,076,811
	Description	Community Projects Account for CDBG funding.
	Target Date	12/31/2024

	Estimate the number and type of families that will benefit from the proposed activities	
	Location Description	Three 2023 projects were obligated during the first funding round of (April 1, 2023): City of McLaughlin, McLaughlin water system improvements for $770,000; City of Philip, Philip water/wastewater/storm improvements for $770,000; City of Cresbard, Cresbard water system improvements for $770,000.
	Planned Activities	April 1 Funding Round Awards: • City of McLaughlin, McLaughlin water system improvements for $770,000; • City of Philip, Philip water/wastewater/storm improvements for $770,000; • City of Cresbard, Cresbard water system improvements for $770,000. October 1 Funding Round to be determined.

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, 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 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.

Geographic Distribution

Target Area	Percentage of Funds

Table 59 - Geographic Distribution

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.

SDHDA sets aside 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	3,515
Non-Homeless	143
Special-Needs	10
Total	3,668

Table 60 - One Year Goals for Affordable Housing by Support Requirement

One Year Goals for the Number of Households Supported Through	
Rental Assistance	3,515
The Production of New Units	83
Rehab of Existing Units	50
Acquisition of Existing Units	20
Total	3,668

Table 61 - 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, and ESG.

The one year goals listed above consist of 10 units of permanent housing for the homeless/special needs, 60 units newly constructed rental units and 13 homeownership units. A total of 70 units to be rehabbed consisting of 20 multifamily units and 50 homeowner units. The 20 units of acquisition are likely to be the same 20 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 2023, the goal of 3,515 households supported with rental assistance consists of 315 receiving security deposit assistance and 3,200 receiving assistance through ESG.

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.

Discussion:

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. SDHDA sets aside $600,000 of HTF annually 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 assist where possible with service connections 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. On the west side of the state the Black Hills Regional Homeless Coalition organizes a biannual “Inadequately Housed Survey” and shares this data with SDHHC. Discussions are ongoing for including more tribal participation for the homeless count and what opportunities there are to use publicly available census data to extrapolate out for more a more accurate count.

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.

McKinney Vento 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 is 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.

SDHHC facilitates the coordination of the statewide Coordinated Entry System and the Vets By Name List; both initiatives focus on assessing the needs of homeless and at risk households; assessing housing and support service needs; provide triage and crisis resources to connect households to emergency shelter and referral to housing solutions appropriate to their service needs in their local community.

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 believes the expansion of permanent supportive housing is 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.

The greatest gains to be made in South Dakota in addressing shelter and transitional housing needs are in Rapid City. For a community of its size the scope of services are underpowered; but further exacerbating the issue in Rapid City is it geographical isolation from other medium or large communities. The Consortium will continue to engage with Rapid City stakeholders, highlighting the community need and available funding sources to tackle it.

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. Support Services for Veterans Families (SSVF) programs are operational with statewide coverage and transitional housing available through HCHV (Healthcare for Homeless Veterans) in Sioux Falls. Cornerstone Rescue Mission in Rapid City houses up to 38 veterans at its facility. Grant per Diem (GPD) programs are available to veterans in Sioux Falls, Rapid City and Pine Ridge. Several SDHHC member agencies operate outreach services specific to veterans in Rapid City and Sioux Falls and serve as referral sources to the CoC’s Coordinated Entry System when household’s need additional support. The Coordinated Entry System Administrator for the VA Black Hills Health Care System is a non-advertised access point for Coordinated Entry specifically for veteran households.

The SDHHC launched the Youth Homeless Demonstration Project (YDHP) in 2022; which includes a Coordinated Community Plan addressing the needs of youth and young adults statewide. YHDP projects include the expansion of HMIS and Coordinated Entry access for youth and young adults, expanded street outreach, drop in center services and transitional housing in Rapid City and funded a new transitional housing/rapid rehousing project in Yankton and established two youth advisory boards based in Rapid City and Sioux Falls[SM1] . YHDP projects complement the existing shelter, street outreach and transitional housing projects funded through Runaway Homeless Youth (RHY) in Rapid City and Sioux Falls.

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 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 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. The Department of Social Services utilizes Family Unification Program (FUP) housing vouchers for youth transitioning from state custody through partnership with Pennington County Housing in Rapid City[SM1] .

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 "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 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 2023 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 is a broad spectrum 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.

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 is that agencies are many time 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.

Discussion:

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	750,000
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 2023, SDHDA received $3,000,000 in HOME funds to be used with an estimated $3,000,000 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 - $1,000,000

   Homebuyer Assistance Program - $200,000

   Security Deposit Assistance Program - $300,000

   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.

   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:

   SDHDA's Resale & Recapture Policy & Procedure Manual is included as an attachment.

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:

   SDHDA's Resale & Recapture Policy & Procedure Manual is included as an attachment.

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.

5. If applicable to a planned HOME TBRA activity, a description of the preference for persons with special needs or disabilities. (See 24 CFR 92.209(c)(2)(i) and CFR 91.220(l)(2)(vii)).

   This section is n/a.

6. If applicable to a planned HOME TBRA activity, a description of how the preference for a specific category of individuals with disabilities (e.g. persons with HIV/AIDS or chronic mental illness) will narrow the gap in benefits and the preference is needed to narrow the gap in benefits and services received by such persons. (See 24 CFR 92.209(c)(2)(ii) and 91.220(l)(2)(vii)).

   This section is n/a.

7. If applicable, a description of any preference or limitation for rental housing projects. (See 24 CFR 92.253(d)(3) and CFR 91.220(l)(2)(vii)). Note: Preferences cannot be administered in a manner that limits the opportunities of persons on any basis prohibited by the laws listed under 24 CFR 5.105(a).

   This section is n/a.

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

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

For 2023, 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, Corson, Dewey, Roberts, Oglala Lakota, 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, Oglala Lakota, 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.

The SDHHC operates a statewide Coordinated Entry System comprised of eight (8) publicly advertised access points, a toll free phone assessment line and nine (9) additional stakeholder partners with trained housing assessors. This allows for full geographic coverage access for the entire CoC. Households experiencing homeless or at risk of homelessness are assessed utilizing a standardized process and assessment tool, gathering necessary information including but not limited to current living situation, household demographics, history of housing and homelessness, barriers and unmet service needs.

SDHHC does not utilize CES to manage emergency shelter capacity; thus households do not need to access CES for emergency shelter or crisis needs. CES is responsive to the specific needs of household's exposed to or experiencing domestic violence, sexual assault, stalking and human trafficking and has provisions in place for households to connect with victims service providers directly for housing supports.

Once assessed; households are prioritized and referred in accordance with CoC adopted prioritization standards; utilizing a bi weekly case conference process facilitated by region and managed by the CES Administrator.

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. The applicant must demonstrate 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 Department of Social Services, Div. of Behavioral Health, the Department of Public Safety – Victim Services Program, 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 with lived experience of homelessness and includes a voting member representing the Youth Advisory Board. Anonymously, several governing board members have also reported their lived experience of homelessness. 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. The draw requests submitted by all subgrantees contains documentation of client eligibility, habitability standards, FMR and expenses submitted. The ESG and HMIS Administrator reviews every draw request for verification of this information prior to reimbursements being made. SDHDA will conduct site visits on a bi-annual basis through each grant term. SDHDA will also provide support and technical assistance, as needed, throughout their grant term.

   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 <u>will only process</u> 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 plant; 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 70 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

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.

Leveraging up to 30 points

Development Characteristics up to 200 points.

Tribal Projects 50 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, 50 points awarded to projects 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 allow.

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):

Points	HTF Funds per HTF assisted unit
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.

2023 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; Capital Needs Assessments (if applicable); and broadband infrastructure (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.

<TYPE=[section 3 end]>

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.

Discussion:

Appendix - Alternate/Local Data Sources

1	**Data Source Name** Maplebrook Survey Data
	List the name of the organization or individual who originated the data set. County
	Provide a brief summary of the data set. County Needs Assessment for regional plan.
	What was the purpose for developing this data set? Support developmnt of regional plan for Maplebrook County
	Provide the year (and optionally month, or month and day) for when the data was collected.
	Briefly describe the methodology for the data collection.
	Describe the total population from which the sample was taken.
	Describe the demographics of the respondents or characteristics of the unit of measure, and the number of respondents or units surveyed.