

2023 Consolidated Annual Performance Evaluation Report

January 1, 2023 – December 31, 2023

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Prepared by:

South Dakota Housing
And
Governor's Office of Economic Development

P.O. Box 1237 – 3060 East Elizabeth Street
Pierre, SD 57501-1237
(605) 773-3181
FAX (605) 773-5154
www.sdhda.org

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Andy Fuhrman at 1-800-540-4241.



CR-05 - Goals and Outcomes

Progress the jurisdiction has made in carrying out its strategic plan and its action plan. 91.520(a)

This could be an overview that includes major initiatives and highlights that were proposed and executed throughout the program year.

The Consolidated Plan Annual Performance Report (Performance Report) is submitted in response to the U.S. Department of Housing and Urban Development's request for a performance summary for the past year, outlining the HOME, Emergency Solutions Grants (ESG), Housing Trust Fund (HTF) and Community Development Block Grant (CDBG) programs. Housing Opportunities for Persons with AIDS (HOPWA) funding for South Dakota has been awarded through the Tri-State HOPWA grant and program outcomes are reported in the Tri-State Annual Performance Report. The period covered in this report is January 1, 2023, to December 31, 2023.

Overall goals of developing viable communities by providing decent housing, suitable living environment, and expanding economic opportunities primarily for low- and moderate-income persons are completed through partnerships among all levels of government and the private sector, including for-profit and non-profit organizations. For the homeless population, South Dakota Housing for the Homeless Consortium (SDHHC) annually applies for Continuum of Care funds. To date, over \$25 million has been awarded to South Dakota applicants. Goals for Homeless and Special Needs are based on utilizing existing programs - Emergency Solutions Grants Program, HOME, Housing Tax Credits, Housing Trust Fund and CoC funding, while at the same time looking for new funding opportunities to provide additional flexibility to best serve the target population.

The table below indicates the goals and outcomes for 2023 based on project completions during the 2023 calendar year. Per HUD PR 23 HOME Summary of Accomplishments report, 0 HOME rental rental units were constructed and per the HTF production report 4 HTF units were constructed for a total of 4 new HOME and HTF rental units constructed. The PR23 report indicates 410 households were assisted with security deposit, 0 homebuyer was assisted with homebuyer assistance, no single family homes were developed and sold to qualified households, and 43 homeowners received rehabilitation for a total of 453 housing units assisted.

The 2023 goals and outcomes are as follows: Rental new construction of 70 units - 4 were completed (6.67%); rental rehab of 20 units - 0 completed (0%); 315 households assisted with Security Deposit Assistance - 410 households assisted (130%); construction of 10 units for special needs/service enriched housing - 0 units completed (0%); assisting 10 homebuyers with homebuyer assistance - 0 received assistance (0%); The homeownership rehab goal was 50 units; 43 units were rehabbed (86%).

Continuing issues with supply chain and COVID have impacted the speed at which projects have been able to be completed, due to South

Dakota's remote geographical nature. SDHDA also has seen timing issues, with multiple projects that may have been able to be closed out in late 2023 push to the first quarter of 2024. These projects were still working on obtaining necessary documentation to complete the close out, and experienced delays in doing so. To this point, the first quarter of 2024 has been strong for projects being completed and SDHDA is projecting to hit or surpass the multifamily new construction rental goal. SDHDA will continue to make strides to meet all goals set forth in the AAP.

As supply chain mobility increases and COVID restrictions continue to ease in South Dakota's tribal areas, SDHDA expects to see projects return to a more normalized schedule. This means more timely completion and better reporting.

Comparison of the proposed versus actual outcomes for each outcome measure submitted with the consolidated plan and explain, if applicable, why progress was not made toward meeting goals and objectives. 91.520(g)

Categories, priority levels, funding sources and amounts, outcomes/objectives, goal outcome indicators, units of measure, targets, actual outcomes/outputs, and percentage completed for each of the grantee's program year goals.

Goal	Category	Source / Amount	Indicator	Unit of Measure	Expected – Strategic Plan	Actual – Strategic Plan	Percent Complete	Expected – Program Year	Actual – Program Year	Percent Complete
Acquisition and Rehabilitation of rental units	Affordable Housing	HOME: \$ / HTF: \$ / LIHTC: \$	Rental units rehabilitated	Household Housing Unit	20	0	0.00%	20	0	0.00%
Community Development	Non-Housing Community Development	CDBG: \$	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit	Persons Assisted	6300	0	0.00%			

Community Development	Non-Housing Community Development	CDBG: \$	Public Facility or Infrastructure Activities for Low/Moderate Income Housing Benefit	Households Assisted	0	0		1500	0	0.00%
Develop new rental housing units	Affordable Housing	HOME: \$ / HTF: \$ / LIHTC: \$	Rental units constructed	Household Housing Unit	60	0	0.00%	60	4	6.67%
Development of special needs housing	Affordable Housing Homeless Non-Homeless Special Needs	HOME: \$ / HTF: \$	Other	Other	10	0	0.00%	10	0	0.00%
Economic Development	Non-Housing Community Development	CDBG: \$	Jobs created/retained	Jobs	20	0	0.00%	20	0	0.00%
Economic Development	Non-Housing Community Development	CDBG: \$	Businesses assisted	Businesses Assisted	1	0	0.00%	1	0	0.00%
Homebuyer Assistance	Affordable Housing	HOME: \$	Direct Financial Assistance to Homebuyers	Households Assisted	8	0	0.00%	8	0	0.00%
Homeowner Rehabilitation	Affordable Housing	HOME: \$	Homeowner Housing Rehabilitated	Household Housing Unit	50	42	84.00%	50	43	86.00%

Provide homeownership opportunities	Affordable Housing	HOME: \$	Homeowner Housing Added	Household Housing Unit	5	0	0.00%	5	0	0.00%
Security Deposit Assistance	Affordable Housing	HOME: \$	Tenant-based rental assistance / Rapid Rehousing	Households Assisted	315	410	130.16%			
Security Deposit Assistance	Affordable Housing	HOME: \$	Homelessness Prevention	Persons Assisted	0	0		315	410	130.16%
Utilize Emergency Solution Grants Program	Homeless	ESG: \$	Tenant-based rental assistance / Rapid Rehousing	Households Assisted	50	0	0.00%	50	0	0.00%
Utilize Emergency Solution Grants Program	Homeless	ESG: \$	Homeless Person Overnight Shelter	Persons Assisted	3000	0	0.00%	3000	0	0.00%
Utilize Emergency Solution Grants Program	Homeless	ESG: \$	Homelessness Prevention	Persons Assisted	150	0	0.00%	150	0	0.00%
Workforce Training	Non-Housing Community Development Economic Development/Workforce Training	CDBG: \$	Other	Other	200	0	0.00%	200	0	0.00%

Table 1 - Accomplishments – Program Year & Strategic Plan to Date

Assess how the jurisdiction’s use of funds, particularly CDBG, addresses the priorities and specific objectives identified in the plan, giving special attention to the highest priority activities identified.

For CDBG, the State continues to meet its objectives of promoting more rational land use, providing increased economic opportunities for LMI persons, and correcting deficiencies in public facilities that affect the public health, safety or welfare, especially of LMI persons. 2023 CDBG activities include awards to McLaughlin, Philip, Cresbard, Brookings County, Kimball, Mobridge, Moody County, Vermillion, Whitewood, and Lead. Projects entail public infrastructure, public facilities, childcare expansion, and one urgent need satisfied for a firehall reconstruction.

CR-10 - Racial and Ethnic composition of families assisted

Describe the families assisted (including the racial and ethnic status of families assisted).

91.520(a)

	CDBG	HOME	HTF
White	0	309	0
Black or African American	0	23	0
Asian	0	1	0
American Indian or American Native	0	95	4
Native Hawaiian or Other Pacific Islander	0	2	0
Total	0	430	4
Hispanic	0	27	0
Not Hispanic	0	445	6

Describe the clients assisted (including the racial and/or ethnicity of clients assisted with ESG)

	HESG
American Indian, Alaska Native, or Indigenous	0
Asian or Asian American	0
Black, African American, or African	0
Hispanic/Latina/e/o	0
Middle Eastern or North African	0
Native Hawaiian or Pacific Islander	0
White	0
Multiracial	0
Client doesn't know	0
Client prefers not to answer	0
Data not collected	0
Total	0

Table 2 – Table of assistance to racial and ethnic populations by source of funds

Narrative

The CDBG program did not close out on any projects during 2023. We expect to see multiple grant closeouts during the calendar year 2024 and look forward to reporting the data in our 2024 CAPER.

The HOME and HTF Programs completed 453 units but 23 of those units aren't represented in the table

above because there is no category for Other or multi-racial (23). There were also 27 households that identified as Hispanic or Latino. PR23 is showing 8 households identifying as Hispanic or Latino.

Please see the SAGE report for ESG numbers.

CR-15 - Resources and Investments 91.520(a)

Identify the resources made available

Source of Funds	Source	Resources Made Available	Amount Expended During Program Year
CDBG	public - federal	11,076,811	
HOME	public - federal	6,756,210	5,619,079
ESG	public - federal	639,874	
HTF	public - federal	3,400,104	3,090,228
LIHTC	public - federal	3,425,000	

Table 3 - Resources Made Available

Narrative

Investments were located statewide in both rural and urban locations for Homeowner Rehabilitation projects and Security Deposit Assistance. Housing Trust Funds were expended for one senior rental housing project located in Eagle Butte. **The ESG expenditures were provided to 19 recipients located in 15 communities across the state.**

2023 CDBG projects awarded more than \$9 MM in total funding. Communities leveraging CDBG funds include McLaughlin, Philip, Cresbard, Brookings County, Kimball, Mobridge, Moody County, Lake Norden, Vermillion, Whitewood, and Lead. Projects entail public infrastructure, public facilities, childcare expansion, and one urgent need satisfied for a firehall reconstruction.

Identify the geographic distribution and location of investments

Target Area	Planned Percentage of Allocation	Actual Percentage of Allocation	Narrative Description

Table 4 – Identify the geographic distribution and location of investments

Narrative

Leveraging

Explain how federal funds leveraged additional resources (private, state and local funds), including a description of how matching requirements were satisfied, as well as how any publicly owned land or property located within the jurisdiction that were used to address the needs identified in the plan.

The State doesn't require a local match when considering eligibility; instead, it leverages the "Local Effort" and how well the applicant maximizes their local resources when assessing the total grant award. Considering the impact of LMI persons, the "Local Effort" is calculated by the amount of funds raised or contributed to the total project cost. Projects proposing a local match of 31% or greater will receive a high Effort rating, 16% - 30% a medium Effort rating, and 0 – 15% a low Effort rating. A High rating will also be given to applicants that have maximized local resources. The State of South Dakota did not use any publicly owned land or property to address the needs identified in the plan.

Fiscal Year Summary – HOME Match	
1. Excess match from prior Federal fiscal year	3,824,519
2. Match contributed during current Federal fiscal year	0
3. Total match available for current Federal fiscal year (Line 1 plus Line 2)	3,824,519
4. Match liability for current Federal fiscal year	1,957,432
5. Excess match carried over to next Federal fiscal year (Line 3 minus Line 4)	1,867,087

Table 5 – Fiscal Year Summary - HOME Match Report

Match Contribution for the Federal Fiscal Year								
Project No. or Other ID	Date of Contribution	Cash (non-Federal sources)	Foregone Taxes, Fees, Charges	Appraised Land/Real Property	Required Infrastructure	Site Preparation, Construction Materials, Donated labor	Bond Financing	Total Match

Table 6 – Match Contribution for the Federal Fiscal Year

HOME MBE/WBE report

Program Income – Enter the program amounts for the reporting period				
Balance on hand at begin-ning of reporting period \$	Amount received during reporting period \$	Total amount expended during reporting period \$	Amount expended for TBRA \$	Balance on hand at end of reporting period \$
8,122,295	30,339,947	2,523,002	25,467	8,071,948

Table 7 – Program Income

Minority Business Enterprises and Women Business Enterprises – Indicate the number and dollar value of contracts for HOME projects completed during the reporting period						
	Total	Minority Business Enterprises				White Non-Hispanic
		Alaskan Native or American Indian	Asian or Pacific Islander	Black Non-Hispanic	Hispanic	
Contracts						
Dollar Amount	479,600	479,600	0	0	0	0
Number	0	0	0	0	0	0
Sub-Contracts						
Number	0	0	0	0	0	0
Dollar Amount	0	0	0	0	0	0
	Total	Women Business Enterprises	Male			
Contracts						
Dollar Amount	0	0	0			
Number	0	0	0			
Sub-Contracts						
Number	0	0	0			
Dollar Amount	0	0	0			

Table 8 - Minority Business and Women Business Enterprises

Minority Owners of Rental Property – Indicate the number of HOME assisted rental property owners and the total amount of HOME funds in these rental properties assisted						
	Total	Minority Property Owners				White Non-Hispanic
		Alaskan Native or American Indian	Asian or Pacific Islander	Black Non-Hispanic	Hispanic	
Number	0	0	0	0	0	0
Dollar Amount	0	0	0	0	0	0

Table 9 – Minority Owners of Rental Property

Relocation and Real Property Acquisition – Indicate the number of persons displaced, the cost of relocation payments, the number of parcels acquired, and the cost of acquisition						
Parcels Acquired		0		0		
Businesses Displaced		0		0		
Nonprofit Organizations Displaced		0		0		
Households Temporarily Relocated, not Displaced		0		0		
Households Displaced	Total	Minority Property Enterprises				White Non-Hispanic
		Alaskan Native or American Indian	Asian or Pacific Islander	Black Non-Hispanic	Hispanic	
Number	0	0	0	0	0	0
Cost	0	0	0	0	0	0

Table 10 – Relocation and Real Property Acquisition

CR-20 - Affordable Housing 91.520(b)

Evaluation of the jurisdiction's progress in providing affordable housing, including the number and types of families served, the number of extremely low-income, low-income, moderate-income, and middle-income persons served.

	One-Year Goal	Actual
Number of Homeless households to be provided affordable housing units	3,515	105
Number of Non-Homeless households to be provided affordable housing units	143	348
Number of Special-Needs households to be provided affordable housing units	10	0
Total	3,668	453

Table 11 – Number of Households

	One-Year Goal	Actual
Number of households supported through Rental Assistance	3,515	410
Number of households supported through The Production of New Units	83	0
Number of households supported through Rehab of Existing Units	50	43
Number of households supported through Acquisition of Existing Units	20	0
Total	3,668	453

Table 12 – Number of Households Supported

Discuss the difference between goals and outcomes and problems encountered in meeting these goals.

The lower table appears to include a portion of the ESG goal for rental assistance. Please refer to the SAGE for ESG reporting. The only homeless individuals reported were 109 households receiving TBRA security deposit assistance.

Discuss how these outcomes will impact future annual action plans.

Up until the creation of SDHDA's 2021 Annual Action Plan, the goals for the production and rehab of units was tied to SDHDA's overall production of units, not just HOME, HTF, etc. units. After receiving guidance from HUD that those goals should be tied to HUD program units only, the goals will be decreased accordingly. Unless ESG is included in these goals we will need to decrease our goal for homeless households served. The dollar amount of owner-occupied rehab projects, acquisition rehabilitation of existing rental units, and production of new rental units is steadily increasing which may also cause us to consider decreasing our goal for those activities.

Include the number of extremely low-income, low-income, and moderate-income persons served by each activity where information on income by family size is required to determine the eligibility of the activity.

Number of Households Served	CDBG Actual	HOME Actual	HTF Actual
Extremely Low-income	0	289	4
Low-income	0	131	
Moderate-income	0	33	
Total	0	453	

Table 13 – Number of Households Served

Narrative Information

The beneficiaries reported above can be identified by program within the PR 23 Report and Con Plan Goals and Accomplishments report. However, an internal review of SDHDA's records showed a large discrepancy between 0-30% AMI and 30-50% AMI reported households, and smaller discrepancies between 50-60% AMI and 60-80% AMI when compared to the PR 23 Report. The PR 23 reports shows 343 TBRA assisted and 10 Existing Homeowners households at 0-30%. The actual amount of TBRA assisted 0-30% households is 281, and the actual amount of 0-30% Existing Homeowners households should be 8. The PR 23 report shows 56 TBRA assisted and 9 Existing Homeowners households at 30-50%. The actual amount of TBRA assisted 30-50% households is 117, and the actual amount of 30-50% Existing Homeowners is 14 households. The PR 23 report shows 10 TBRA assisted and 9 Existing Homeowners households at 50-60%. The actual amount of TBRA assisted 50-60% households is 12 and the actual amount of 50-60% Existing Homeowners households is 10. There was a clerical error on behalf of SDHDA which resulted in one household being reported at 60-80% AMI for TBRA assisted households in the PR 23 Report. This number has been moved to the appropriate category of 30-50% AMI and is reflected there in this narrative. The PR 23 report shows 11 Existing Homeowners at 60-80% AMI, which matches SDHDA internal records. Records were reviewed and compared to IDIS, and the majority of the information matched in IDIS vs SDHDA's internal reporting. SDHDA believes that the PR 23 Report did not pull accurately and that is why there is a large discrepancy in the reporting.

CR-25 - Homeless and Other Special Needs 91.220(d, e); 91.320(d, e); 91.520(c)

Evaluate the jurisdiction's progress in meeting its specific objectives for reducing and ending homelessness through:

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

During 2023, outreach efforts throughout the homeless response continuum continue including expansion of access points for Coordinated Entry, continued funding of outreach and shelter programming through ESG and CoC.

The Coordinated Entry System (CES) continues to meet the needs of households experiencing homelessness across the CoC. The CES is managed through the Homeless Management Information System (HMIS) as the tracking database and utilizing the VI-SPDAT as the assessment tool to provide a consistent assessment of the individuals. CES has 20 physical access points located in 4 geographic regions of the state and a 1-800 number call in number. The expansion of physical access points and partnerships with outreach providers including community mental health centers; PATH providers and youth specific outreach teams are crucial connection points for households that are unsheltered.

CES engages more than 44 partner agencies across the state including local, state and federal partners who provide services to households experiencing homelessness including street outreach, emergency shelter, behavioral health, substance use, domestic violence, human trafficking, public housing authorities, case management and supportive housing options to ensure the comprehensive needs of households are met. Collaboration during regularly scheduled case conferencing calls has proved an important component in connecting households to services and housing options that best meet their needs.

As CoC Lead, SDHDA conducts the Point in Time Count which represents the largest effort to coordinate statewide outreach efforts; PIT surveys for unsheltered households include a referral to available, local resources.

Addressing the emergency shelter and transitional housing needs of homeless persons

Due to the rural nature of South Dakota, it is not expected for every community to have an emergency shelter. The emergency shelters are located in Sioux Falls, Rapid City, Aberdeen, Eagle Butte, Watertown and Yankton. Other shelters in the state area, domestic violence shelters, 10 of the 19 agencies receiving Emergency Solutions Grants (ESG) funding were domestic violence shelters. DV shelters are considered "emergency shelters" per HUD, but with their specific population they are serving, not all homeless or at risk of homelessness individuals or families are served by the DV shelter. For the smaller counties in South Dakota, DV shelters are sometimes the only available resource for homeless assistance. SDHDA has been working with the DV shelters and encouraging them to work with all homeless or to partner with other agencies within their community, to ensure all who are eligible for ESG assistance can receive it. SDHDA has been encouraging more non-profit agencies (including community action programs) and local governments to apply for the ESG funding, providing another service for homeless households. The non-profit agencies who do not operate shelters are utilizing ESG funds for homelessness prevention and rapid re-housing activities, ensuring individuals and families are in permanent housing and following a housing first approach.

HOME ARP funding expanded non-congregate shelter in Mitchell, Yankton and Watertown and shelter operations in Sioux Falls and Watertown.

Youth Homeless Demonstration Projects (YDHP) originating in 2021, continued in 2023 providing outreach, transitional housing, and housing navigation to young adults in Rapid City and Yankton.

Helping low-income individuals and families avoid becoming homeless, especially extremely low-income individuals and families and those who are: likely to become homeless after 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); and, receiving assistance from public or private agencies that address housing, health, social services, employment, education, or youth needs

SDHHC works with many different agencies with the goal of ending homelessness for individuals and families. The Veteran's Administration, the Department of Military and Veteran's Affairs, public housing authorities and service agencies help reduce the number of homeless veterans in South Dakota by administering HUD-VASH in Sioux Falls, Rapid City, Pine Ridge, Rosebud and Standing Rock Indian Reservations.

Volunteers of America in Sioux Falls receives funding through the VA for the Healthcare for Homeless Veterans grant (HCHV) as well as the Grants and Per Diem program. Cornerstone Rescue Mission also administers the Supportive Service for Veteran Families (SSVF) program across the state. Cornerstone receives ESG funding as well so they are able to help homeless or at risk of homelessness veterans and their families become sustainably housed. Volunteers of America, Dakotas, Lutheran Social Services, Family Connections and Pathways specialize in housing services for homeless youth in South Dakota are members of the SDHHC and works with ESG agencies to help find sustainable housing for their clients.

In 2021, SDHDA applied for and received a grant from HUD's Youth Homelessness Demonstration Project. This effort provides an opportunity for partners including the Youth Action Board (YAB), and those serving the youth to collaborate and discuss the needs of youth including the transition from foster care, geographical service gaps evident, and additional services that are needed. SDHDA staff, partners, and YAB's established in two regions of the state continue to implement strategies identified in the Coordinated Community Plan to address the needs of youth and young adults.

As CoC Lead, SDHHC contacts all PHAs in South Dakota Annual to request an update on their Section 8 Preferences. If a PHA does not have homelessness as a preference a request is made to their Board of Directors to consider implementing such a change.

SDHDA staff have participated in meetings with judges of the Drug, DUI and Veterans' court programs, housing owners and management companies, and service providers in identifying needed services for individuals participating in the court programs. From these meetings, SDHDA created the Sustainable Housing Incentive Program (SHIP) that provides flexible dollars to assist in various activities that are needed to help with permanent housing for those typically considered "hard to house". This funding can be utilized for credit repair, payment for identification documents, damage and rent guarantees for landlords and providing renter's education. As of December 2020, three agencies are utilizing the SHIP funds.

Knowledge of programs and enhancing partnerships continues to be one of the best methods in helping individuals and families from becoming homeless.

SDHHC and SDHDA continue to review avenues to assist individuals and families from becoming homeless by working with management companies, schools, service providers and publicly funded institutions. Reviewing current discharge policies and access to needed services helps to evaluate where in the process individuals and families need assistance.

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

By utilizing housing finance programs such as HOME, Housing Trust Fund and Housing Tax Credits, two housing developments have been developed for permanent housing for those formerly incarcerated and for youth existing out of foster care. The affordable housing developments will provide additional services and supports to help these individuals make the transition to independent living.

The first MOU for the Foster Youth to Independence (FYI) Initiative was signed February 2020 with Pennington County Housing. This resource will provide rental assistance via a tenant-based voucher for eligible youth who previously were part of the foster care program. This assistance can be provided for a period up to 36 months.

HMIS serves as a data source to evaluate returns to homelessness and ascertain common themes. Existing approaches to minimize number of returns to homelessness include DSS offering assistance and eligibility screening remotely to maximize client participation. VA Gaps Analyses explore adaptations like more effective coverage and distribution. ESG programs are required to follow-up with program participants at exit.

Cornerstone Rescue Mission (CRM) is developing a curriculum to help tenants understand leases and landlord negotiation, working with housing officials, and responsible tenancy, which will be mandatory for all SSVF, ESG, and CRM financial assistance clients. S+C provides housing with supportive services, including case management for those hardest to house. SDHHC will continue to review the existing services and discuss how to improve overall effectiveness, including steps such as facilitating additional discussion among services providers, PHAs, and SDHHC.

Other programs available to financially assist the transition to permanent housing is security deposit assistance and Sustainable Housing Incentive Program (SHIP). SHIP can be utilized for rent and utility deposits, guaranty for landlords to offset any damages or lost rent and assist with credit repair.

CR-30 - Public Housing 91.220(h); 91.320(j)

Actions taken to address the needs of public housing

South Dakota Housing Development Authority operates statewide and has a good working relationship with the public housing authorities. There are a total of 35 active Public Housing Authorities. SDHDA is a member of the National Association of Housing and Redevelopment Officials (NAHRO). Through this trade organization, SDHDA is kept apprised of issues and concerns experienced by the PHAs. The PHAs are in communication with SDHDA staff and offer suggestions to the housing programs that can better serve their tenants. The most immediate needs expressed by the PHAs are additional forms of rental assistance in the form of Housing Choice vouchers, HUD-VASH vouchers or other funding sources to address the long waiting lists; increase supply of affordable housing units in their community, providing additional choices for tenants to utilize their vouchers; increase supply of affordable housing units with rents low enough that tenants can afford the housing unit without the use of rental assistance or rents not exceeding Fair Market Rent, allowing less rental assistance per client allowing for additional tenants to be served. The residents of Public Housing have needs that closely mirror the needs of the population at large, needing access to affordable adequate housing and employment opportunities. Comments received from and the needs of the public housing authorities are considered when evaluating housing finance programs.

Public housing authorities have become more involved in developing housing for their communities. In many smaller communities the housing authority is the logical housing developer and owner. SDHDA is working with some of these agencies to provide financing for housing development. To date, SDHDA has financed one Rental Assistance Demonstration (RAD) project located in Mitchell. It is anticipated SDHDA will see additional applications from PHAs for consideration of RAD conversions utilizing HOME, HTF, and HTC financing. SDHDA also partners with housing authorities for administration of existing and new programs such as security deposit assistance and most recently the Foster Youth to Independence Initiative.

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

No public housing units are operated by the South Dakota Housing Development Authority or any other State agency. For this reason, SDHDA has not participated in developing plans to encourage residents of public housing to become more involved in the management of public housing or to become owners of their public housing units. Each individual PHA is encouraged to develop such a plan. South Dakota Housing Development Authority does, however, review the local PHA's plans to determine its consistency with the State's Consolidated Plan and meets regularly with the local Public Housing Authorities to resolve issues common to both South Dakota Housing Development Authority and local agencies.

Actions taken to provide assistance to troubled PHAs

SDHDA has no jurisdiction over the PHAs, however, SDHDA does work closely with the PHAs and would be willing to provide assistance when appropriate and possible. SDHDA is not aware of any PHAs being considered as troubled PHAs.

CR-35 - Other Actions 91.220(j)-(k); 91.320(i)-(j)

Actions taken 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. 91.220 (j); 91.320 (i)

There are several local and federal policies that have a negative impact on the affordability of housing. At the local level, additional building codes and zoning requirements, which vary by community, can create project delays and additional costs. Federal policies such as Davis Bacon and Section 3 reporting requirements result in additional project costs for contractors to cover the administrative expense. While these policies may be justified, 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. Actions to remove the negative effects of public policies cannot always be taken. As barriers are identified, they are reviewed to determine if their benefit outweighs the barrier and whether or not modifications could be made to the policy to lessen the burden. The questions are then asked and the documentation is gathered to determine the best method of action to move forward.

Actions taken to address obstacles to meeting underserved needs. 91.220(k); 91.320(j)

In the process of planning for program changes and reviewing applications for funding, it is SDHDA's goal to learn of the underserved needs and try to address them. Allocation plans, scoring criteria and preferences along with additional funding sources would be utilized to entice developers to address the underserved needs. Advocacy groups and service agencies are active partners with SDHDA. SDHDA solicits input from these organizations to help determine how to meet the needs of the underserved.

In 2017, SDHDA prepared the Statewide Analysis of Impediments, which is located on SDHDA's website - www.sdhda.org. The analysis outlines identified impediments and action steps to be taken to address the impediments. The main focus of the impediments are in relation to 1. reducing discrimination in the housing market; 2. removing difficulties in the home purchase process; 3. lack of affordable housing; 4. lack of education; and 5. tenant selection criteria. Many of these action steps will help to eliminate obstacles for underserved households.

Actions taken to reduce lead-based paint hazards. 91.220(k); 91.320(j)

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 provides information and ensures 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. 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. SDHDA has also incorporated lead-based paint standards for other SDHDA funding programs to create a consistent and concerted effort to reduce lead-based paint hazards.

To help provide a better understanding of lead-based paint hazards along with other hazards encountered during renovation activity, SDHDA has sponsored workshops for developers and contractors. SDHDA will continue to provide information, trainings, checklists and other tools as necessary, to ensure these hazards are identified and properly addressed. In 2022, SDHDA sponsored an LBP training held by one of our partner agencies and 12 contractors received their LBP certifications.

Actions taken to reduce the number of poverty-level families. 91.220(k); 91.320(j)

Actions taken to develop institutional structure. 91.220(k); 91.320(j)

SDHDA and GOED work with organizations to assist in developing capacity. Organizations that partner with SDHDA and GOED to carry-out the goals and objectives include communities, local planning districts, community action agencies, nonprofits, for-profits and service agencies. Notice of and information on workshops, conferences and internet webinars are provided on SDHDA's website and forwarded via email to interested parties. One on one meetings are also important training and capacity building opportunities. If additional assistance is necessary, SDHDA will request HUD Technical Assistance to provide the adequate training.

For 2024, SDHDA will provide additional training opportunities on housing development. SDHDA will continue to work with partner agencies to provide appropriate trainings and services to help develop the institutional structure.

Actions taken to enhance coordination between public and private housing and social service agencies. 91.220(k); 91.320(j)

Identify actions taken to overcome the effects of any impediments identified in the jurisdictions analysis of impediments to fair housing choice. 91.520(a)

During 2017, the Statewide Analysis of Impediments was created. The identified impediments and current short term action steps are outlined below:

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.

CR-40 - Monitoring 91.220 and 91.230

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

Citizen Participation Plan 91.105(d); 91.115(d)

Describe the efforts to provide citizens with reasonable notice and an opportunity to comment on performance reports.

Per the Citizen Participation Plan, the draft Consolidated Annual Performance and Evaluation Report (CAPER) was made available to the general public for review and comment. The Draft CAPER will be presented to the SDHDA Board of Commissioners (Board) public meeting on March 12, 2024. A paid ad was published in the daily newspapers providing notice to the general public that the CAPER was available for review. The CAPER was also posted on SDHDA's website and available for mailing to interested parties. A press release was sent to all newspapers across the state. The daily papers are The Aberdeen American News; The Rapid City Journal; The Sioux Falls Argus Leader; The Watertown Public Opinion; The Brookings Register; The Yankton Daily Press & Dakotan; The Madison Daily Leader; The Mitchell Daily Republic; The Huron Plainsman; The Pierre Capital Journal; and The Spearfish Black Hills Pioneer. The public comment period will run for 15 days, March 13 - March 27, 2024.

CR-45 - CDBG 91.520(c)

Specify the nature of, and reasons for, any changes in the jurisdiction's program objectives and indications of how the jurisdiction would change its programs as a result of its experiences.

Beginning in 2023, the State increased the maximum allowable CDBG to \$2 MM to help keep necessary projects with South Dakota communities feasible. This decision was also made to obligate prior year CDBG funds in order to stay in compliance with HUD's "Timely Distribution" regulations. The increase sparked much-anticipated interest in the CDBG program creating a competitive application cycle in the Fall of 2023. Because the funding requests far surpassed the available funding, the State was unable to fully fund any of the applications. In an effort to support all of the projects, the State awarded each applicant less than what was requested causing some communities hardship in determining how to fill the gap caused by the reduced award. Now the State is considering placing recommended grant request caps on the various State objectives to give applicants a fair representation of what their award could look like if awarded.

The State currently has two underutilized CDBG Projects: Economic Development (ED), and Workforce Development (WFD).

- The Economic Development set aside is created and maintained to supplement the State's Local Infrastructure Improvement Program (LIIP) in the event the State program is canceled. We do not anticipate using the ED account during the current Con Plan.
- The Workforce Training set aside remains unused. The State is making efforts to better explain the program to our communities to find ways to utilize the program according to the State's CDBG objectives. This project could work in conjunction with the State's Workforce Development Grant program that incentivizes businesses to promote the current workforce and hire new employees at wages 175% above the federal minimum wage.

In conclusion, during the 2023-2027 Con Plan, the State will be revisiting its objectives and stated Project accounts with the intent to better utilize CDBG funding to benefit the LMI residents of our great state.

Does this Jurisdiction have any open Brownfields Economic Development Initiative (BEDI) grants?

No

[BEDI grantees] Describe accomplishments and program outcomes during the last year.

CR-50 - HOME 24 CFR 91.520(d)

Include the results of on-site inspections of affordable rental housing assisted under the program to determine compliance with housing codes and other applicable regulations

Please list those projects that should have been inspected on-site this program year based upon the schedule in 24 CFR §92.504(d). Indicate which of these were inspected and a summary of issues that were detected during the inspection. For those that were not inspected, please indicate the reason and how you will remedy the situation.

Prairie Village Senior Apts II

Prescott Apts

Quincy Apts

Red Oak Senior Apts

Redwood Court

Riverview Townhouses

Rocky Bluff Apts

Sage Place

Senechal Apts

Sicangu Village Estates III

Sioux Falls Ministry Housing

Sioux Falls YMCA

Southcliff Falls

Split Rock Apts

Spring Centre Apts

Spring Hill Apts

Spring Home

Spring Pointe Apts

Sunnycrest Village

Sunshine Park Townhouses

Technology Heights Apts

Technology Heights II Apts

The Lofts on Main

The Manor Apts

Thunder Valley Apts

Timberland Apts

Tower Apts

Trail View Estates II

Trinity Pointe Apts

Unity House

Villa Apts

VOA Summit Heights

The most common deficiencies were damage to paint and drywall (particularly near plumbing fixtures), damage to door slabs, loose plumbing fixtures (toilet base or wall mounted sink), missing towel bars. Most common Life/Safety deficiencies were missing/non-functioning Smoke Alarms and non-functioning Auxiliary Lights.

Provide an assessment of the jurisdiction's affirmative marketing actions for HOME units. 24 CFR 91.520(e) and 24 CFR 92.351(a)

SDHDA requires owners of all HOME properties to provide a written affirmative marketing action plan prior to receiving HOME funding. HOME Compliance officer checks every five years to ensure the plan is updated. The owners are also required to submit a written narrative of the affirmative marketing efforts on an annual basis to SDHDA.

Refer to IDIS reports to describe the amount and use of program income for projects, including the number of projects and owner and tenant characteristics

During 2023, the amount of HOME Program Income disbursed was \$2,523,003. With the Grant-Based Accounting Rule, SDHDA has elected to accumulate program income during the year and then allocate the program income the following year. During 2023, \$3,033,947 of program income was received. In 2023, program income was utilized for one senior living rental project, homeowner rehabilitation (43 homeowners), and security deposit assistance (nine agencies).

Describe other actions taken to foster and maintain affordable housing. 24 CFR 91.220(k) (STATES ONLY: Including the coordination of LIHTC with the development of affordable housing). 24 CFR 91.320(j)

SDHDA is the statewide housing finance agency whose mission is to provide affordable housing for South Dakota citizens. In addition to administering the HOME and HTF program, SDHDA also administers the Housing Tax Credit Program and previously the Neighborhood Stabilization Program. SDHDA also provides first-time homebuyer financing, is the contract administrator for HUD Section 8 and administers other programs assisting qualified households to obtain affordable housing. In addition SDHDA has state-funded programs called the Housing Opportunity Fund and Community Housing Development Program as well as other additional funding programs that can be used to compliment and leverage HOME, HTF, and HTC funding. SDHDA coordinates HOME, HTF and Housing Tax Credit programs by combining the application process, the application form and competitive scoring criteria.

SDHDA has additional programs that assist local rural communities in conducting housing needs studies, provides financing for workforce housing and continues to partner with agencies to address housing needs in their communities and across the state. In 2019, SDHDA also introduced the DakotaPlex which provides an affordable housing choice for communities with population of 5,000 or less. Constructed at the Mike Durfee prison in Springfield, the delivered price of the housing units are \$85,900 for two bedroom and \$95,900 for three-bedroom units. The housing units can be configured as a duplex, triplex or quadplex.

The purpose of the DakotaPlex is to provide multifamily housing options in communities that often are unable to attract a housing developer. The development cost is feasible for the available market rents in the rural communities. The housing units are delivered to site and include flooring, cabinets, and appliances reducing the cost, time and effort, that normally exist with housing development.

CR-56 - HTF 91.520(h)

Describe the extent to which the grantee complied with its approved HTF allocation plan and the requirements of 24 CFR part 93.

SDHDA's Housing Trust Fund Allocation Plan was approved by HUD and utilized by SDHDA to administer the HTF program. Applications for funding were due to SDHDA by the last working day of August 2023. There was a total of eleven applications received requesting \$6.28 million in HTF funding. Majority of the applicants also requested funding from the HOME program and/or Housing Tax Credits. Four of the applications were approved for funding and none have yet to be committed in IDIS.

In 2023 SDHDA requested an expenditure deadline extension for 2018 HTF funds for two tribal projects and was granted the extension in early 2024. These two projects will result in 12 HTF units to be completed in 2024. During 2023, 4 HTF units were completed. Currently, SDHDA does not allow HTF to be utilized for homebuyer activities due to targeting to extremely low-income.

Tenure Type	0 – 30% AMI	0% of 30+ to poverty line (when poverty line is higher than 30% AMI)	% of the higher of 30+ AMI or poverty line to 50% AMI	Total Occupied Units	Units Completed, Not Occupied	Total Completed Units
Rental	4	0	0	4	0	4
Homebuyer	0	0	0	0	0	0

Table 15 - CR-56 HTF Units in HTF activities completed during the period

CR-58 – Section 3

Identify the number of individuals assisted and the types of assistance provided

Total Labor Hours	CDBG	HOME	ESG	HOPWA	HTF
Total Number of Activities	0	0	0	0	0
Total Labor Hours					
Total Section 3 Worker Hours					
Total Targeted Section 3 Worker Hours					

Table 14 – Total Labor Hours

Qualitative Efforts - Number of Activities by Program	CDBG	HOME	ESG	HOPWA	HTF
Outreach efforts to generate job applicants who are Public Housing Targeted Workers					
Outreach efforts to generate job applicants who are Other Funding Targeted Workers.					
Direct, on-the job training (including apprenticeships).					
Indirect training such as arranging for, contracting for, or paying tuition for, off-site training.					
Technical assistance to help Section 3 workers compete for jobs (e.g., resume assistance, coaching).					
Outreach efforts to identify and secure bids from Section 3 business concerns.					
Technical assistance to help Section 3 business concerns understand and bid on contracts.					
Division of contracts into smaller jobs to facilitate participation by Section 3 business concerns.					
Provided or connected residents with assistance in seeking employment including: drafting resumes, preparing for interviews, finding job opportunities, connecting residents to job placement services.					
Held one or more job fairs.					
Provided or connected residents with supportive services that can provide direct services or referrals.					
Provided or connected residents with supportive services that provide one or more of the following: work readiness health screenings, interview clothing, uniforms, test fees, transportation.					
Assisted residents with finding child care.					
Assisted residents to apply for, or attend community college or a four year educational institution.					
Assisted residents to apply for, or attend vocational/technical training.					
Assisted residents to obtain financial literacy training and/or coaching.					
Bonding assistance, guaranties, or other efforts to support viable bids from Section 3 business concerns.					
Provided or connected residents with training on computer use or online technologies.					
Promoting the use of a business registry designed to create opportunities for disadvantaged and small businesses.					
Outreach, engagement, or referrals with the state one-stop system, as designed in Section 121(e)(2) of the Workforce Innovation and Opportunity Act.					

Other.					
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Table 15 – Qualitative Efforts - Number of Activities by Program

Narrative

There were no projects completed during Program Year 2023, therefore there is no data to report. Many of our CDBG projects are "Legacy Projects" according to the old definition that described Section 3 qualifiers as based on "new hires" for each project. South Dakota is rural and most construction companies do not hire extra personnel for their contracts.

There were no projects completed for HOME in Program Year 2023. The one project completed for HTF in 2023 was a "Legacy Project", in which Section 3 reporting did not apply.