



CITY OF
SIOUX FALLS

Accessible Housing Advisory Board

City Council Informational

January 4, 2022

Accessible Housing Advisory Board

EX-OFFICIO	REPRESENTING	COMPANY
Marshall Selberg	Sioux Falls City Council	Marshall Selberg Real Estate
Jean Bender	Minnehaha County	Davenport, Evans, Hurwitz & Smith, LLP
Jim Schmidt	Lincoln County	Sioux Empire Housing Partnership
Cynthia Mickelson	Sioux Falls School Board	Mickelson & Company LLC
Kari Benz	Minnehaha County Appointee	Director of Human Services
Matt Tobias	City of Sioux Falls Appointee	Neighborhood Revitalization Manager
AT-LARGE	COMPANY	
Joan Franken	Costello Companies	
Paul Kostboth	AI Development Solutions	
Jeff Nelson, Chair	605 Real Estate	
Nancy Renozya	Nancy Renozya Real Estate	
Aspen Thorstenson	Lloyd Companies	

Housing Meetings

- 🏠 **May 11 – RASE / Councilors Erickson & Jensen**
- 🏠 **May 19 – Councilors Erickson & Jensen Town Hall**
- 🏠 **May 27 - Councilors Erickson & Jensen Town Hall**
- 🏠 **June 3 – Sioux Falls Chamber Workforce Housing Committee**
- 🏠 **June 3 – HBASE Government Affairs Committee**
- 🏠 **June 9 – Legislative Summer Study Committee – Pierre**
- 🏠 **June 21 - Sioux Falls Chamber Workforce Housing Committee**
- 🏠 **July 14 - Legislative Summer Study Committee – Rapid City**
- 🏠 **July 21 – HBASE Design Standards Discussion**
- 🏠 **July 29 - Sioux Falls Chamber Workforce Housing Committee**
- 🏠 **August 5 - Legislative Summer Study Committee - Sioux Falls**
- 🏠 **September 9 – Chamber Issues Management Committee**
- 🏠 **September 13 - Legislative Summer Study Committee (Final) - Pierre**
- 🏠 **October 14 – AHAB Work Session**
- 🏠 **October 20 – AHAB Work Session**

AHAB WORK GROUP ATTENDEES

Jack Kolbeck	State Senator, District 13
Rich Merkouris	King of Glory Church
Lynne Keller Forbes	South East Development Foundation
Janet Kittams	Helpline Center
Michelle Erpenbach	THRIVE
Kelly Nielson	Nielson Construction
Brady Hyde	Empire Homes
Clint Ackerman	Signature Homes
Logan Penfield	RASE
Todd Anawaski	HBASE
Bob Mundt	Sioux Falls Development Foundation
Mike Gray	Sioux Falls Development Foundation
Debra Owen	Greater Sioux Falls Chamber of Commerce
Roger Weber	CorTrust Bank
Bill O'Conner	First Premier Bank
Mark Wahlstrom	First Dakota Title (Retired)
Karl Fulmer	Sioux Falls Housing & Redevelopment Commission
Mike Crane	Crane & Fowler Investments

Denise Hanzlik	South Dakota Multi-Housing Association
Jean Bender	Minnehaha County Commissioner
Kari Benz	Minnehaha County Health and Human Services
Joan Franken	Costello Companies
Paul Kostboth	AI Development Solutions
Cynthia Mickelson	Sioux Falls School Board
Jeff Nelson	605 Real Estate
Jim Schmidt	Lincoln County Commissioner
Marshall Selberg	Sioux Falls City Council
Aspen Thorstenson	Lloyd Companies
Matt Tobias	Sioux Falls Planning & Development Services
Kevin Smith	Asst. Director Planning & Development Services
Al Roettger	City of Sioux Falls Housing
Amos Abu	City of Sioux Falls Housing
Matt Cerny	City of Sioux Falls Housing
Jeff Eckhoff	Director Planning & Development Services

LAND	WORKFORCE	PUBLIC INCENTIVES & PARTNERSHIPS	DESIGN & BUILDING STANDARDS	INFRASTRUCTURE
<ul style="list-style-type: none"> • Collaborate with Regional MSA communities • Maximize land availability and infrastructure by increasing <u>density/upzoning</u> • Proactively assemble land for redevelopment and for moving existing homes • Identify opportunities for infill development • Leverage federal funds and public incentives to revitalize core neighborhoods 	<ul style="list-style-type: none"> • Communicate Quality of Life investments that benefit recruitment • Provide support for STI programming (carpentry certificate example) • Promote SFDF Workforce Development Programming • Explore partnership opportunities 	<ul style="list-style-type: none"> • Develop TIF guidelines to support housing development • Strategically leverage CDBG and Home Fund programs • Create Housing Fund to provide flexible options for workforce housing • Evaluate partnership program for costs associated with moving existing homes • Develop opportunities to address market gaps identified through Housing Needs Assessment • Develop and / or expand programs that proactively preserve existing affordable housing 	<ul style="list-style-type: none"> • Evaluate opportunities to lesson impact of 2021 Building Code Updates • Review current design standards such as rolled curbs and street width reduction • Evaluate and pilot low-impact development options • Evaluate sump pump collection requirements 	<ul style="list-style-type: none"> • Evaluate developer coordination options for utility extension • Provide land absorption model • Complete two sanitary sewer basin studies Fall of 2021 • Evaluate methodology to recover costs for future sewer basins

ECONOMY

HOUSING FUNDS – SOURCES & USES

HUD (Annual)	\$1,500,000	New home construction, moving homes, rehab & repair, case management, homeless
General Fund (Annual)	\$500,000	New home construction, moving homes, rehab & repair, case management, homeless
Core Neighborhood Acquisition & Housing (ARPA)	\$3,000,000	Must be used in QCT (Qualified Census Tract)
Public Safety Home Ownership Program (General Fund)	\$500,000	Down payment assistance for public safety employees
Housing Fund Investment (General Fund)	\$2,500,000	Support single and multi-family and strategic land acquisition
Annual Housing Fund (General Fund)	\$400,000	Support single and multi-family and strategic land acquisition
TOTAL	\$8,400,000	

AHAB RECOMMENDATIONS

Home Ownership Tax Increment Financing

- Utilize Local TIF option if Legislature does not approve TIF changes for affordable housing;
- Ownership of TIF will be with the Developer;
- A pre-approval checklist to determine city support within four weeks of application;
 - Recommended projects will still need to follow timelines outlined in state statute;
- TIF proceeds may be used for infrastructure development within entire district;
- Developer commits to delivering all homes in the TIF District within three years;
- Minimum number of units targeted at 70% of SDHDA First Time Home Buyers;
- Remaining homes must be at or below 110% of SDHDA First Time Home Buyers;

Buyer Covenants

- Preference to first time home buyer;
- Home must be primary residence;
- Cannot rent home to another party;
- If sold within 5 years, buyer should meet covenants



AHAB RECOMMENDATIONS

Multi-Family Tax Increment Financing

- Utilize Local TIF option if Legislature does not approve TIF changes for affordable housing;
- Funds can be used for infrastructure, public improvements, and may be for acquisition
- Ownership of TIF will be with the Developer;
- 35% or 20 units, whichever is greater, must be at or below 135% of HUD Fair Market Rents (Equates to approximately 60% AMI);
- Rent verification completed by City annually;
- Must retain affordability for ten years;



AHAB RECOMMENDATIONS

Multi-Family Housing Fund Loans

- Funds may be used for Infrastructure, site prep, acquisition
- Provide up to \$1 m. in a direct loan with actual amount based on number of units provided:
 - 30 year amortization with 10 year balloon;
 - Interest rate at 0%
- Guidelines
 - Up to \$1,000,000 for 40 units or more at 135% or less of FMR;
- Rent verification completed by City annually;
- Must retain affordability for ten years;



AHAB RECOMMENDATIONS

Discretionary Formula

- Adopt ten year Discretionary Formula **if** Legislature approves this year
 - Available anywhere within City Limits;
- Minimum of 20 units or 35% of total units, whichever is greater;
- Minimum number of units must meet 135% or less of HUD FMR;
- Rent verification completed by City annually;
- Must retain affordability for ten years;



AHAB RECOMMENDATIONS

Neighborhood Revitalization

- Property must be within Qualified Census Tracts and/or the expanded core of the city;

Strategic Acquisition of land, houses, and/or other buildings:

- Removal of blight;
- Assemblage of land for development;
- To create, renovate or repair affordable housing stock;
- Other uses that improve the value and investability of the neighborhood



AHAB RECOMMENDATIONS

Neighborhood Revitalization



Single Family Home Repair

- Repair or rehabilitation that improves the health, safety, or livability of the home;
- Targeted from 80% to 110% of AMI; (federal funds cover 80% and below)
- Up to \$30,000 deferred no interest loan;
- Borrower Covenants (Deed Restrictions)
 - Must be primary residence;
 - Cannot rent home to another party;
 - If home sold within 5 years, new buyer must meet buyer covenants
 - If not sold to qualified buyer, profit beyond approved CPI, returns to the city

AHAB RECOMMENDATIONS

Rental Reinvestment

- Repair or rehabilitation that improves the health, safety, or livability of the building;
- Targeted from 80% to 135% of FMR;
- \$10,000 per unit, \$100,000 per structure limit;
- 5 year 0% interest
- Funds must be used on eligible units only or for the overall health and safety of the building;
- Rent verification completed by City annually;
- Must retain affordability for ten years;
- If sold prior to five years, profit beyond approved CPI is returned to the city

Legislative Committee Meetings

- **June 9 – Pierre**

1st District; Home Builders; SD Housing; Assoc. of Realtors; Economic Development; Public Financing; Multi-Family Association

- **July 14 – Rapid City**

Building Officials (Spearfish, SF); SDML (Spearfish, Sturgis, Boxelder); Ellsworth Development Authority; Common Bond; Rapid City Strategic Housing Trust Fund

- **August 5 - Sioux Falls**

City of SF; Allied Midwest (materials); Manufactured Housing Association; **Bender Commercial & Lloyd Companies**; HAPI Homes (Aberdeen); The Village at Harmony Hill (Watertown); **Sioux Empire Housing Partnership**; Associated General Contractors; North Central States Regional Council of Carpenters

- **September 13 – Pierre**

Homes for SD; SD Native Homeownership Coalition; Tiny Homes; Committee Discussion

Proposed Legislative Amendments

Tax Increment Financing

- Currently 100% of units currently must be affordable; propose amending to local definition for accessible/workforce housing
 - {Single Family 13-13-10.10 (1)}
 - {Multi-family 13-13-10.10 (2)}



Discretionary Formula

- Bill Draft for municipality or county to set up to ten years;
- Taxes levied for discretionary formulas outside of state guidelines {13-13-20.4}

QUESTIONS?