

U. S. Department of Housing and Urban Development



Community Planning and Development

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Mr. Randy Bartunek
Director, Department of
Community Development
235 W. 10th Street
Sioux Falls, SD 57103-6302

MAY 29 2009



Dear Mr. Bartunek:

Community Planning and Development (CPD) is striving to strengthen its working relationship with our State and local government partners to help achieve greater results in meeting the housing and community development needs of our low- and moderate-income customers. One of our important responsibilities in this ongoing process is the periodic assessment of your accomplishments and performance in the administration of funds provided by CPD and in meeting key program and Departmental objectives, as mandated by the statutes governing these programs.

This review examines information provided by Sioux Falls, SD for its 2008 program year. In conducting this assessment, we examine your activities for consistency with the priorities and objectives outlined in the Consolidated Plan and Annual Action Plan. We use the information contained in the Consolidated Annual Performance and Evaluation Report (CAPER), and the Integrated Disbursement Information System (IDIS) as well as any monitoring reviews conducted during the course of the program year.

Our assessment report that is enclosed covers the following areas:

- Meeting the statutory purposes of the programs.
- Consistency with strategies and goals in the Consolidated Plan and Annual Action Plan
- Performance Measures
- Fair Housing and Equal Opportunity
- Timeliness
- Caps on Obligations – CDBG-Administration, Public Service; HOME-CHDO, Administration
- IDIS

Based upon our analysis and examination of the data available to us, we have determined that the City of Sioux Falls, SD overall progress has been satisfactory during the most recent program year. Sioux Falls, SD appears to be administering its programs in a manner consistent with the applicable regulatory requirements. During the period January 1, 2008 through December 31, 2008, Sioux Falls, SD has carried out its program substantially as described in its Consolidated Plan and has the continuing capacity to carry out its approved program in a timely manner. These conclusions on your overall program performance are based solely upon the information

available to this office and do not constitute a comprehensive evaluation or approval of specific activities.

You have the opportunity to provide us with your review and comment on the draft Annual Community Assessment. Please provide any review and comment within 30 days of the date of this letter. We may revise the Assessment after considering your views. If we do not receive any response by the end of the 30-day period, the draft Annual Community Assessment will become final without further notice.

The final Annual Community Assessment must be made readily available to the public. You can assist us in this regard by sharing the final Annual Community Assessment with the media, with a mailing list of interested persons, with members of your advisory committee, or with those who attended hearings or meetings. You must also provide a copy of the final Annual Community Assessment to your independent public auditor. HUD will make the final Annual Community Assessment available to the public upon request and may provide copies to interested citizens and groups.

If you have any questions, please do not hesitate to contact me or Marlene M. Collazo, Community Planning and Development Financial Analyst. We can be reached at (303) 672-5414.

Sincerely,



Karen R. Clark
Acting Director
Community Planning
and Development

Enclosure

ANNUAL COMMUNITY ASSESSMENT

JURISDICTION - Sioux Falls, South Dakota
PROGRAM YEAR START - January 1
PERIOD COVERED BY ASSESSMENT – 1/1/2008- 12/31/2008

HUD is required to conduct an annual review of performance by grant recipients according to the provisions of the Housing and Community Development Act and the National Affordable Housing Act. We must determine that each recipient is in compliance with the statutes and has the continuing capacity to implement and administer the programs for which assistance is received. This is to report the results of our review of the 2007 program year performance by Sioux Falls, SD.

Part I. Summary of Consolidated Plan/Action Plan Review and Assessment

The City of Sioux Falls, SD is meeting the primary objective of the Community Development Block Grant (CDBG) Program which is the development of viable urban communities by providing decent housing and a suitable living environment and expanding economic opportunities, principally for persons of low and moderate income.

Projects funded in the current program year are consistent with strategies and goals in the Consolidated Plan and Annual Action Plan. The Action Plan provided for

Objective	5 year goal	1 year goal	Actual accomplishments PY 08
1. Single-Family Rehab Program	200	40	42, exceeded
2. Home Buyers Assistance Program	250	50	56, exceeded
3. Emergency Mobile Home Repair	20	4	2, 50%
4. Neighborhood Revitalization Program Acquisition(single-family homes)	40	8	4 homes completed 50%
5. Habitat for Humanity	40	4	4
6. Repair Affair Program	40	8	5
7. Home Modification Program	30	6	12, exceeded

The CAPER indicates that you are performing satisfactorily in terms of meeting most of your goals. The narratives submitted explained any slow performance and the steps taken to ensure that the accomplishment of the goals remains on track.

The city's Financial Summary for Program Year (PY) 2008 (IDIS CO04PR26) indicates that 100% of the City's program beneficiaries were low and moderate-income persons during the PY 2008 certification-reporting period. Therefore, the city exceeded the 70% low- and moderate-income benefit requirement, and is commended for its efforts in meeting the needs of its lower income citizens.

The city's provision of performance measures clearly identify the impact the priority activities are having on the city. It is important to show not only the amount of money being spent but also the benefit to the city of Sioux Falls. This information in the IDIS system not only informs the citizens of the impact of HUD funding on them personally, it also is used to demonstrate the impact HUD funds are having nationwide through use of the data in reports to congress. You are to be commended for clearly identifying the goals and impacts of your programs on the community.

Part II. Summary of Grantee Performance

The review of the CAPER indicates that the city's Analysis of Impediments was updated in 2007. In its extensive narratives the city has identified actions and activities to overcome the effects of the impediments..

The regulations require that sixty days prior to the end of the grantee's current program year, the amount of entitlement grant funds available but undisbursed by the U.S. Treasury be no more than 1.5 times the entitlement grant amount for the current program year. The city had 0.67 years of funds remaining in the Line of Credit, therefore meeting the timeliness requirement. Once again we congratulate you on being timely and well below the threshold of 1.5. We urge you to continue to meet this important measure of performance.

The city is limited to 20 percent of grant funds and current year's program income for administrative expenses. The city actually obligated 18.74 percent of grant funds for administration, which is within the allowable amount. Public service obligations are likewise limited to 15 percent of grant funds and prior year program income. The city obligated 0.13 percent of the funding to public service activities which is well within the allowed amount. This small amount is due to the city's priority of maintaining and increasing affordable housing.

The HOME program requires, at 24 CFR § 92.300, that 15% of the grant must be committed to CHDO activities. IDIS reports and the Headquarters issued HOME Deadline Compliance Status Report reveal that Sioux Falls is meeting the 15% commitment to CHDOs. The city has reserved more than the required 15% (\$70,983) to CHDOs during the program year. Overall 336.8 % of the required CHDO Reserve or \$239,107.52 has been committed to CHDO projects.

The city's Financial Summary for PY 2008 (IDIS CO04PR26) indicates that 100% of the program beneficiaries were low and moderate-income persons during Program Year 2008. 90% of the total households assisted through the rental program must have incomes that do not exceed 60 % of area median income. The HOME Program SNAPSHOT Worksheet shows Sioux Falls at 94.5% slightly exceeding the 90%. The SNAPSHOTS worksheet, on the web, shows no red flag indicators needing grantee attention.

We would like to bring to your attention to two HOME reports: the HOME Participating Jurisdictions Vacant Units Report and the HOME PJs Open Activities Report as of April 30, 2009.

The vacant unit report is a new monthly report in the form of Microsoft Excel spreadsheets, broken up by state, similar to the HOME Participating Jurisdiction's Open Activities Reports. The purpose of the HOME Participating Jurisdictions Vacant Units Reports is to help HOME participating jurisdictions (PJs) identify units in HOME projects that are marked "vacant" in the Integrated Disbursement and Information System (IDIS). If the vacant units are part of a completed HOME IDIS activity, occupancy and beneficiary data should be entered for these units. The city is advised to correct the five activities in the vacant units report and the one activity in the open activity report before the city goes live with the IDIS re-engineering rollout schedule date of June 19, 2009.

The IDIS reports indicate that the city continues its consistency in keeping IDIS data entries up to date. This is important and we appreciate your continued attention to IDIS. The IDIS report CO4PR03 CDBG Activity Summary Report for Program Year 2008 shows no items needing data cleanup. The city's attention to these matters reflects your commitment to our programs.

The city of Sioux Falls will be migrating to the re-engineered IDIS in the first round scheduled for June 19, 2009.

Part III. HUD Evaluation and Conclusions

A. OVERALL EVALUATION

Overall, the city of Sioux Falls, South Dakota appears to be making strides in providing affordable housing and addressing its community development needs.

B. CONCLUSIONS AND FINDINGS

Community Planning and Development, Rocky Mountains, Denver, has reviewed available facts and data pertaining to the performance of Sioux Falls, SD for its Consolidated Plan and the formula Community Planning and Development Programs specified in that Plan [Community Development Block Grant, HOME Investment Partnership Act] during the period specified above. Based on the overall review record and the information summarized above, CPD makes the following findings:

1. During the period specified above, Sioux Falls, SD, has carried out its program substantially as described in its Consolidated Plan as approved and amended.
2. The Consolidated Plan, as implemented, complies substantially with the requirements of applicable laws and regulations.
3. Sioux Falls, SD, has the continuing capacity to carry out its approved program in a timely manner.

Part IV. APPROVAL

SUMMARY PREPARED BY

Marlene M. Collazo Marlene M. Collazo 5/27/2009
Name CPD, Financial Analyst Date

REVIEW AND CONCURRENCE

Karen R. Clark 5/29/2009
Karen R. Clark Program Manager Date

APPROVAL

Karen R. Clark 5/29/2009
Karen R. Clark Acting Director CPD Date