

**Accessible Housing Advisory
Board
Minutes**

**Wednesday, December 1st,
2021 7:30pm-9:30 a.m.**

Pursuant to the due call and notice thereof, a regular meeting of the Accessible Housing Advisory Board was duly held at the Sioux Falls Development Foundation Briefing Center – 200 North Phillips Avenue, Suite 101, on Wednesday, December 1, 2021.

1. Call to Order and Quorum Determination.

Board Chairman Jeff Nelson called to order the regular meeting of the Accessible Housing Advisory Board at 7:36 a.m. He welcomed everyone and thanked participants for their commitment to the AHAB and the community. Jeff indicated that this Morning's session would focus on discussions around policy recommendations for the following areas: Defining Accessible (Workforce) Housing, Home Ownership/Multi-Family, Strategic Land Acquisitions, and Neighborhood Revitalization.

Board Members in Attendance: Jean Bender, Kari Benz, Paul Kostboth, Jeff Nelson, Jim Schmidt, Cynthia Mickelson, Matt Tobias, Marshall Selberg, Aspen Thorstenson.

Absent Board Members: Joan Franken, Nancy Renozya

Attendees: Jeff Eckhoff, Kevin Smith, Amos Abu, Al Roettger, Travis Heiter (City of Sioux Falls)
Mike Gray, (Sioux Falls Development Foundation)
Brent Tucker (Affordable Housing Solutions)
Michelle Erpenbach (Sioux Falls THRIVE)
Anny Libengood and Graham (Members of the public)

Minutes: Kari Benz, AHAB Secretary

MINUTES

Agenda Topic: Approval of Minutes of October 20th, 2021

Action Taken: Unanimous

Agenda Topic: Public Input on Non-Agenda Items (5-minute comment per individual)

Discussion:

Anny Libengood commented on HUD program implementation and the need to engage the public and partners to utilize such programs. Graham highlighted the challenges of access to affordable housing in the City. He laminated to slow pace of policy makers to address issues related to the dwindling number of starter homes for younger residents.

Agenda Topic: Approval of Regular Agenda

Discussion:

Action Taken: Unanimous

Agenda Topic: Consideration of 2021 HOME funding for Affordable Housing Solutions
– South Sycamore Development

Discussion: Al Roettger presented a request for consideration of 2021 HOME Funding of Affordable Housing Solutions project for the Sycamore Development. He explained that up to \$25,000 down payment request from the ADHA, there is a Deed restrictions which allows homeowners to sell after 10 years within the price Index guidelines.

Action Taken: Jean Bender moved a motion for approval, Jim Schmidt Seconded.
Unanimous

Agenda Topic: Public Safety Down Payment Assistance Program

Discussion: Matt Tobias presented the Public Safety Down Payment Assistance program for consideration and approval by the Board. He explained that this program is explained the City is setting aside \$500,000 to assist public safety professionals to acquire and owning homes. Jean Bender asked if there are any examples of a similar program elsewhere

and what was a success? And what are the sources of this funding?

Cynthia Mickelson – enquire if there are any guidelines developed for qualification?

Both Matt and Jeff answered that the City is planning to utilize federal grants funds – HAPWA for initial seed money. Program guidelines are yet to be developed, Matt

Tobias

Action Taken: Jean Bender moved a motion for approval, Paul Kostboth Seconded the motion.
Unanimous

Agenda Topic: Discussion of AHAB Workgroup Sessions of October 14 and October 20

Discussion: Jeff Eckhoff presented a summary of the following policy recommendation of with some guidelines for Tax Increment Financing of housing infrastructure.

Home Ownership

1. New Construction

- a. Utilize Local TIF option if Legislature does not approve TIF changes for affordable housing;
- b. Ownership of the TIF will be with the Developer
- c. A pre-approval checklist to expedite approval within four weeks of complete application:
 - i. TIF proceeds may be used for infrastructure development within entire district;

- ii. Two tiers will be available:
 - 1. Under 10 acres 20 units or 35% of total units, whichever is less, of single family, twin home, townhomes or any combination;
 - 2. Over 10 acres 30 units or 35% of total units, whichever is greater, of single family, twin home, townhomes or any combination;
- iii. Developer commits to delivering all homes in the TIF District within three years;
- iv. Housing mix of all homes within the TIF District must meet minimum guidelines below:
 - 1. 1/3 at 70% of SDHDA First Time Home Buyers Limit
 - 2. 1/3 at 90% of SDHDA First Time Home Buyers Limit
 - 3. 1/3 at 110% of SDHDA First Time Home Buyers Limit

He explained that eligibility shall be indexed to the South Dakota Housing Development Authority First Time Home Buyers Limit, U.S. Housing Urban Development Department's Area Median Income, or HUD Fair Market Rents.

2. Buyer Covenants (Deed Restrictions)

The following proposed covenants was put before the Board to guide this process:

- a. Preference to first time home buyer;
- b. Home must be primary residence;
- c. Cannot rent home to another party;
- d. If home sold within 5 years, new buyer must meet buyer covenants
- e. If not sold to qualified buyer, any profit returns to the City

Multi-Family

Jeff mentioned that the infrastructure and construction is being review by the City Attorney's Office.

Recommendations:

- 1. Utilize Local TIF option if Legislature does not approve TIF changes for affordable housing;
- 2. Ownership of the TIF will be with the Developer;
- 3. 35% or 20 units, whichever is greater, must be at 120% of HUD Fair Market Rents

Jeff presented the following chart to also illustrates 2020 & 2021 comparisons of FMRs in the City.

Final FY 2021 & Final FY 2020 FMRs By Unit Bedrooms					
Year	Efficiency	One-Bedroom	Two-Bedroom	Three-Bedroom	Four-Bedroom
FY 2021 FMR	\$642	\$714	\$874	\$1,150	\$1,435
FY 2020 FMR	\$599	\$685	\$839	\$1,096	\$1,302

Housing Fund Loans option is the one of his recommendations to the Board. Its intended to fund Infrastructure, site prep, construction

Recommendations:

- Provide direct loans, with amount based on number of units provided:

- Up to \$500,000 for 20 units or more at 120% or less of FMR;
- Up to \$750,000 for 30 units or more at 120% or less of FMR;
- 30-year amortization with 10-year balloon;
- Offer at 0% interest

Program: *Ten-year discretionary formula*

Locally implement ten-year Discretionary Formula if Legislature does not approve this year (Under review by CAO). The funds will be used to increase discretionary formula from five to ten years across the City.

He recommendations:

- Offer ten-year discretionary formula of 0/10/20/30/40/50/60/70/80/90;
- Minimum of 20 units or 35% of total units, whichever is greater;
- Minimum units must meet 120% or less of HUD Fair Market Rents;

Developer Covenants

- Rent verification completed by City annually;
- Must retain affordability for ten years;

Neighborhoods Revitalization

Under this program, Jeff said priority will be given to sites within Qualified Census Tracts and within the core of the City as defined by the following borders;

- a. Marion Road to the West;
- b. Sycamore Avenue to the East;
- c. 49th Street to the South;
- d. 60th Street N. to the North

Or homes built before 1980

2. *The funds are expected for Strategic Acquisition of land, houses, and/or other buildings:*

- a. Removal of blight;
- b. Assemblage of land for development;
- c. To create, renovate or repair affordable housing stock;
- d. Other uses that improve the value and inevitability of the neighborhood

3. *Single Family Home Repair:*

- a. Repair or rehabilitation that improves the health, safety, or livability of the home;
- b. Targeted from 80% to 110% of AMI;
- c. Up to \$30,000 deferred no interest loan;
- d. Borrower Covenants (Deed Restrictions)
 - i. Must be primary residence;
 - ii. Cannot rent home to another party;
 - iii. If home sold within 5 years, new buyer must meet buyer covenants
 - iv. If not sold to qualified buyer, any profit returns to the City

4. *Rental Reinvestment:*

- a. Repair or rehabilitation that improves the health, safety, or livability of the building;
- b. Targeted from 80% to 120% of FMR;
- c. \$10,000 per unit, \$100,000 per structure limit;
- d. 5 years 0% interest

Developer Covenants

- e. Funds must be used on eligible units only;
- f. Rent verification completed by City annually;
- g. Must retain affordability for ten years;
- h. If sold prior to ten years, profit shall be pro-rated and returned to the City

Adjournment

Jeff Nelson moved a motion to adjourn the meeting, which Aspen Thorstenson seconded.

The meeting adjourned at 09:25 a.m.

Kari Benz, Secretary