

MINUTES
COMMUNITY DEVELOPMENT
AFFORDABLE HOUSING ADVISORY BOARD MEETING
DOWNTOWN MAIN LIBRARY • MEETING ROOM B
WEDNESDAY • OCTOBER 22, 2014 • 4 P.M.

Members present: Jon Carroll, Shawn Pritchett, Gayleen Riedemann, and Kate Parker (ex officio).

Members absent: Langu Okall and Aaron Rietsema.

Also present: Rich Merkouris, Sioux Falls Ministry Center; Les Kinstad, Paul Hess, Al Roettger, Bruce Smidt, and Brent Tucker, Community Development staff.

AGENDA

1. CALL TO ORDER

Les Kinstad called the meeting to order at 4:05 p.m.

2. ADDITIONS OR DELETIONS TO THE AGENDA

There were no additions or deletions to the agenda.

3. APPROVAL OF THE MINUTES FOR THE MEETING OF JULY 16, 2014

Due to no quorum, the minutes from the July 16 meeting were not approved.

4. OLD BUSINESS

There was no old business to discuss.

5. NEW BUSINESS

a) Reappointment of board members.

Due to the recently expired terms of all board members, Les indicated going forward; new board members interested in serving on this board will need to have staggered terms. The following members have indicated they will not be reapplying for new terms: Debra Metzger, Vicki Kerkvliet, Jeffrey Kogel, and possibly Loretta Paganini. The existing board members that have expressed interest in reapplying for a second term are as follows: Jon Carroll (three-year term), Shawn Pritchett (three-year term), Gayleen Riedemann (three-year term), Langu Okall, and Aaron Rietsema.

Les said he will also be reviewing the applications and contacting the four new people that have submitted applications interested in serving on this board.

- b) Public hearing to receive comments on proposed 2015–2019 Consolidated Plan and 2015 Annual Action Plan.

Al told the group the Community Development staff has been working on the five-year Consolidated Plan required by HUD to identify strategic needs and priorities that need to be addressed in Sioux Falls and how to address these needs in the next five years. There's also a one-year component to this plan, which is our budget for what we are proposing to accomplish in 2015.

The group then went on to discuss Community Development's proposed five-year goals and the 2015 budget as outlined in the attached Exhibit A.

Les stated one of the proposed goals currently being focused on is addressing the core neighborhoods' redevelopment, primarily in Pettigrew Heights.

Les asked the attendees for any questions or observations. Jon asked why some of the 2015 programs are being addressed at a lower volume than what was done previously. Al replied it's because of the reprioritization of funds.

Al also said the Homebuyers Assistance Program was recently modified in September 2014 to no longer accept applications from homebuyers if they've already acquired a signed purchase agreement.

Gayleen said she was interested in learning more about the proposed large-scale developments. She doesn't want to see a large development being built only to see it deteriorated 20 years later. Les responded the largest development plan he has seen has 68 units to support workforce housing in the 60 percent MFI category.

Gayleen also inquired if the developments being reviewed would be two-, three-, and four-bedroom units to accommodate larger families. She feels Sioux Falls is lacking three-bedroom and larger units. Les answered yes, but it will vary depending upon the site plan. Paul said some core neighborhood sites are simply not suitable to build two- and three-bedroom units because you wouldn't want children living in these units because of their exposure to high traffic volumes and the absence of neighborhood parks and green space. Paul indicated Parks and Recreation has been contacted about the necessity of providing additional parks/green space in the core neighborhoods.

Al explained the department's revenues, funding sources, and projected expenses with the group. There was a brief group discussion regarding the department's funded programs for 2015 (see attached Exhibit A).

Jon asked what would happen if there was \$50,000 requested for mobile home repairs but only \$20,000 budgeted. Brent replied occasionally dollars are reprioritized from a different program.

Rich Merkouris with the Sioux Falls Ministry Center commented on the Annual Action Plan. Rich asked the City to consider the addition of identifying on this plan that Sioux Falls faces an underemployment challenge, not unemployment. We currently have a low unemployment rate, but our poverty keeps growing due to the underemployment issue. As a nonprofit organization, Rich suggested that it would be helpful on the Bright Futures program to identify upfront objective successes or unsuccessful items. For example, if certain requirements are not met for the Bright Futures program in 2015, then the funding shouldn't be put in the program for 2016. Rich also mentioned Section AP75 and its importance in regard to public policy that's affecting affordable housing in Sioux Falls. He suggested considering including an item about the importance of the state policy issue of the state government extending owner-occupied status to income-based rental housing on the property tax side. Also, identifying in the Annual Action Plan that this is a public policy having a negative effect on affordable housing.

Les thanked Rich for his comments on the Annual Action Plan and stated Community Development will be reviewing these comments further.

c) A \$1 million Affordable Housing Loan Program.

Les distributed a draft news release (attached Exhibit B) to announce a press conference to be held on October 29 to discuss the City accepting applications for funds to support multi-unit affordable housing development projects. The City has allocated approximately \$1,000,000 in 2015 for this effort. The deadline for accepting formal applications will be no later than January 15, 2015. Once all applications have been received, applications will be compiled and presented to this board for further discussion. The awards will be announced on or before February 15, 2015.

Gayleen suggested the importance of having one of the requirements for these affordable housing development projects be to include access to public transportation, bus stops, etc.

d) Possible tour/City Council member briefing with new City Council members.

Les said Community Development staff will be scheduling an upcoming tour with the two newest City Council members to give an opportunity to further explain our programs and take them to a few Community Development projects, completed and currently in-progress. Community Development would also like to extend an invitation to the Affordable Housing Advisory Board as well. An email will be sent to all board members when a date and time for this tour has been confirmed.

6. OTHER BUSINESS

There was no other business to discuss.

7. ADJOURN

Upon motion by Jon Carroll, the meeting adjourned at 5:05 p.m.

Secretary

DRAFT

Exhibit A

2015	Total	Federal CDBG	Federal HOME	City General Fund	Division's Non- Federal	State
ESTIMATED REVENUE						
Federal Grant	\$ 1,142,000	\$ 773,000	\$ 369,000	\$ -	\$ -	\$ -
Transfers	\$ 1,722,177	\$ -	\$ -	\$ 1,722,177	\$ -	\$ -
Program Income	\$ 1,076,500	\$ 350,623	\$ 106,749	\$ -	\$ 502,440	\$ 116,688
	\$ 3,940,677	\$ 1,123,623	\$ 475,749	\$ 1,722,177	\$ 502,440	\$ 116,688

PROJECT COSTS						
Affordable Housing Solutions: NR Single-Family	\$ 697,200	\$ -	\$ 143,200	\$ 74,400	\$ 479,600	\$ -
Affordable Housing Solutions: NR Multi-Family	\$ 199,000	\$ -	\$ 42,549	\$ 156,451	\$ -	\$ -
Single-Family Housing Rehab Loan Program	\$ 533,500	\$ 348,762	\$ -	\$ 184,738	\$ -	\$ -
Furnace Replacement	\$ 81,000	\$ 81,000	\$ -	\$ -	\$ -	\$ -
Emergency Mobile Home Repair Program	\$ 21,600	\$ 21,600	\$ -	\$ -	\$ -	\$ -
Independent Living Choices: Home Modification Rental	\$ 20,000	\$ 20,000	\$ -	\$ -	\$ -	\$ -
Home Builders Care Foundation: Repair Affair	\$ 7,000	\$ 7,000	\$ -	\$ -	\$ -	\$ -
ICAP: Security Deposit Assistance	\$ 35,000	\$ -	\$ 35,000	\$ -	\$ -	\$ -
Sioux Falls Housing: TBRA	\$ 210,000	\$ -	\$ 210,000	\$ -	\$ -	\$ -
Sioux Falls Housing: TBRA Admin	\$ 20,000	\$ -	\$ 20,000	\$ -	\$ -	\$ -
Homebuyers Assistance Program	\$ 80,000	\$ 30,000	\$ -	\$ 50,000	\$ -	\$ -
Fair Housing (to be determined)	\$ 15,500	\$ 15,500	\$ -	\$ -	\$ -	\$ -
ICAP: Bright Futures	\$ 105,000	\$ 105,000	\$ -	\$ -	\$ -	\$ -
CDBG Admin	\$ 292,763	\$ 199,100	\$ -	\$ 93,663	\$ -	\$ -
HOME Admin	\$ 105,527	\$ -	\$ 25,000	\$ 80,527	\$ -	\$ -
NR: Delivery Costs	\$ 76,893	\$ 76,893	\$ -	\$ -	\$ -	\$ -
Single-Family Rehab: Delivery Costs	\$ 139,136	\$ 139,136	\$ -	\$ -	\$ -	\$ -
Furnace Replacement: Delivery Costs	\$ 34,491	\$ 34,491	\$ -	\$ -	\$ -	\$ -
Emergency Mobile Home Repair: Delivery Costs	\$ 4,477	\$ 4,477	\$ -	\$ -	\$ -	\$ -
Homebuyers Assistance: Delivery Costs	\$ 40,664	\$ 40,664	\$ -	\$ -	\$ -	\$ -
Rental Rehab	\$ 100,584	\$ -	\$ -	\$ -	\$ -	\$ 100,584
Rental Rehab Admin from General Fund	\$ 8,070	\$ -	\$ -	\$ 8,070	\$ -	\$ -
Multi-Unit Affordable Housing Development Program	\$ 1,000,000	\$ -	\$ -	\$ 1,000,000	\$ -	\$ -
ICAP: Heartland House	\$ 22,000	\$ -	\$ -	\$ 22,000	\$ -	\$ -
Contract Compliance from General Fund	\$ 52,328	\$ -	\$ -	\$ 52,328	\$ -	\$ -
	\$ 3,901,733	\$ 1,123,623	\$ 475,749	\$ 1,722,177	\$ 479,600	\$ 100,584

Press Release/News Conference Handout
October 29, 2014 – 1:00pm

Multi-Unit
Affordable Housing Development
Application Program

The City of Sioux Falls hereby announces it is now seeking applications for funds to support multi-unit affordable housing development projects. The City has allocated approximately \$1,000,000 in 2015 for this effort.

Interested parties with potential projects or questions related to this announcement should contact Les Kinstad, Affordable Housing Division Manager at lkinstad@siouxfalls.org or 605-367-8177.

It is the intent of the City of Sioux Falls Community Development Department to receive formal applications for consideration no later than January 15, 2015. The project(s) should focus on providing affordable housing for residents at 80% or less of Area Median Income as defined by the Department of Housing and Urban Development. Only applications for new projects or projects for substantial rehabilitation of existing structures will be considered. Projects that are currently under construction or that have already secured financing will not be considered eligible projects.

Review of the proposed applications for funding will be made by the staff of the Community Development Department and a Project Review Committee. Awards will be announced on or before February 15, 2015.

This solicitation of applications is available online at siouxfalls.org or from the Affordable Housing Division office located at the 235 West 10th Street, Sioux Falls, SD 57104 (lower level, Carnegie Town Hall).

The City of Sioux Falls reserves the right to reject any or all projects, waive technicalities, and make award(s) as deemed to be in the best interest of the City of Sioux Falls, SD and its Affordable Housing Division. The City may also elect to distribute the full \$1,000,000 in this initial round of application or to engage in a second round of applications if deemed beneficial to the City.

**City of Sioux Falls, Department of Community Development,
Affordable Housing Division
235 West 10th Street, PO Box 7402
Sioux Falls, SD 57117-7402**

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