



## 2022 South Dakota Legislature

**Senate Bill 65**

SENATE COMMERCE AND ENERGY ENGROSSED

Introduced by: **Senator Wheeler**

1 **An Act to delineate uses for the South Dakota housing opportunity fund.**

2 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF SOUTH DAKOTA:

3 **Section 1. That § 11-13-2 be AMENDED:**

4 **11-13-2.** There is hereby created the South Dakota housing opportunity fund to  
5 be administered by the South Dakota Housing Development Authority for the purpose of  
6 preserving and expanding sustainable, affordable, and safe housing ~~that is targeted to low~~  
7 ~~and moderate income families and individuals in South Dakota~~ in this state.

8 The authority may accept and expend, for the purposes of this chapter, any ~~funds~~  
9 moneys obtained from appropriations or any other source. Any moneys from the general  
10 ~~funds-fund~~ appropriated to the housing opportunity program ~~shall~~ must be transferred  
11 into the housing opportunity fund.

12 Disbursement of ~~funds-moneys~~ to the authority ~~shall~~ must be made after moneys  
13 in the South Dakota housing opportunity ~~funds-fund~~ have been obligated by the oversight  
14 commission ~~created pursuant to § 11-13-8~~ defined in § 11-13-1, except that moneys  
15 appropriated for housing infrastructure must be disbursed to the authority upon passage.

16 Interest earned on money in the fund ~~shall~~ must be deposited into the fund.

17 **Section 2. That § 11-13-5 be AMENDED:**

18 **11-13-5.** The South Dakota housing opportunity fund may be used to provide a  
19 grant, loan, loan guarantee, loan subsidy, and other financial assistance to an eligible  
20 applicant. ~~Money from the fund may be used to build, buy, and or rehabilitate affordable~~  
21 ~~housing for rent or home ownership, including single family and multifamily housing. The~~  
22 ~~eligible fund activities include for:~~

23 (1) Single family and multi-family affordable housing projects that consist consisting  
24 of new construction, or the purchase of rental or home ownership housing,  
25 substantial;

- 1        (2) Substantial or moderate rehabilitation of rental or home ownership ~~housing,~~  
 2                    housing;
- 3        (3) Housing preservation, including home repair grants ~~and grants;~~
- 4        (4) Grants to make ~~homes~~ houses more accessible to individuals with disabilities,  
 5                    homelessness;
- 6        (5) Homelessness prevention activities, ~~as well as;~~
- 7        (6) Providing financial assistance for a community land trust;
- 8        (7) Homebuyer assistance; and
- 9        (8) Housing infrastructure costs.

10                No more than ten percent of ~~the any~~ funds awarded may be used for ~~the~~  
 11        administrative ~~costs of~~ expenses incurred by the South Dakota Housing Development  
 12        Authority or any other entity ~~that receives funding~~ receiving monies from the fund.

13        **Section 3. That § 11-13-6 be AMENDED:**

14                **11-13-6.** Each year, money from the South Dakota housing opportunity fund ~~shall~~  
 15        must be set aside as follows:

- 16        (1) Thirty percent ~~shall~~ must be designated for use in municipalities that have a  
 17                    population of fifty thousand or more; and
- 18        (2) Seventy percent ~~shall~~ must be designated for ~~the other use in~~ areas of the state,  
 19                    other than those referenced in subdivision (1) of this section.

20                If the approved applications for any area ~~are total~~ less than the amount set aside,  
 21        ~~the any~~ remaining amount may be made available for use by qualified applications  
 22        applicants from the other areas.

23                The geographic distribution guideline takes precedence over the income targeting  
 24        guideline during the evaluation of the applications.

25                The geographic distribution guideline is not applicable to moneys appropriated for  
 26        housing infrastructure costs.

27        **Section 4. That § 11-13-7 be AMENDED:**

28                **11-13-7.** The South Dakota housing opportunity fund ~~shall be targeted to serve~~  
 29        ~~low to moderate income households with~~  
 30                    ~~a maximum income at or below one hundred fifteen percent of the area median~~  
 31        ~~income based on United States Department of Housing and Urban Development (HUD)~~  
 32        ~~criteria~~

1           must be utilized for the development of affordable housing. For purposes of this  
2 section, the term, affordable housing, means:

3 (1) Single family homes having an original selling price that is at or below the first-  
4 time homebuyer purchase price limit used by the South Dakota Housing  
5 Development Authority, as of the date the home is sold; or

6 (2) Multifamily housing units having a monthly rental rate that is at or below the  
7 calculated rent for this state's eighty percent of area median income, as used by  
8 the South Dakota Housing Development Authority.

9           Housing development guidelines are not applicable to moneys loaned for housing  
10 infrastructure costs.