

## 2022 South Dakota Legislature

**Senate Bill 65****AMENDMENT 65C FOR THE INTRODUCED BILL**

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:~~

1 ~~(1) Single family and multi-family~~ affordable housing projects ~~that consist~~ consisting  
 2 of new construction ~~and associated infrastructure,~~ or the purchase of rental or  
 3 home ownership housing, ~~substantial;~~

4 ~~(2) Substantial~~ or moderate rehabilitation of rental or home ownership ~~housing,~~  
 5 housing;

6 ~~(3) Housing~~ preservation, including home repair grants ~~and grants;~~

7 ~~(4) Grants~~ to make ~~homes~~ houses more accessible to individuals with disabilities,  
 8 ~~homelessness;~~

9 ~~(5) Homelessness prevention activities,~~ ~~as well as;~~ and

10 ~~(6) Providing financial assistance for a community land trust;~~

11 ~~(7) Homebuyer assistance; and~~

12 ~~(8) Housing infrastructure costs.~~

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

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

17 **11-13-6.** Each year, money from the South Dakota housing opportunity fund ~~shall~~  
 18 must be set aside as follows:

19 (1) Thirty percent ~~shall~~ must be designated for use in municipalities that have a  
 20 population of fifty thousand or more; and

21 (2) Seventy percent ~~shall~~ must be designated for ~~the other use in~~ areas of the state,  
 22 other than those referenced in subdivision (1) of this section.

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

26 The geographic distribution guideline takes precedence over the income targeting  
 27 guideline during the evaluation of the applications.

28 The geographic distribution guideline is not applicable to moneys appropriated for  
 29 housing infrastructure costs.

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

31 **11-13-7.** The South Dakota housing opportunity fund ~~shall~~ must be targeted to  
 32 serve low to moderate income households with that:

1 ~~(1) Have a maximum income at or below one hundred fifteen percent of the area~~  
2 ~~median income based on, as determined by the United States Department of Housing and~~  
3 ~~Urban Development (HUD) criteria, in accordance with the U.S. Housing Act of 1937, as~~  
4 ~~amended through January 1, 2022, [42 U.S.C. 1437 et seq.]; or~~

5 ~~(2) Are determined, by the South Dakota Housing Development Authority, to meet~~  
6 ~~the guidelines for affordable housing established in § 13-13-10.10 must be utilized for the~~  
7 ~~development of affordable housing. For purposes of this section, the term, affordable~~  
8 ~~housing, means:~~

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

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

15 ~~Housing development guidelines are not applicable to moneys loaned for housing~~  
16 ~~infrastructure costs.~~