

2023 South Dakota Legislature

Senate Bill 41**AMENDMENT 41D
FOR THE INTRODUCED BILL**

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

2 **An Act to establish a program for workforce housing infrastructure loans and grants,**
3 **make an appropriation therefor, and to declare an emergency.**

4 **Section 1. That section 1 of chapter 238 of the 2022 Session Laws be AMENDED:**

5 There is hereby transferred from the general fund to the ~~South Dakota Housing~~
6 ~~Opportunity fund, created in § 11-13-2 South Dakota~~ workforce housing infrastructure
7 fund created in section 9 of this Act, the sum of \$150,000,000. The South Dakota Housing
8 Development Authority shall administer the ~~moneys so transferred monies provided by~~
9 this section for the purpose of providing:

- 10 (1) Loans in the sum of \$100,000,000 for the construction of workforce housing
11 infrastructure; and
12 (2) Grants in the sum of \$50,000,000 for the construction of workforce housing
13 infrastructure.

14 **Section 2.** Upon the effective date of this Act, the state treasurer shall adjust the fund
15 balances of the South Dakota housing opportunity fund and the South Dakota workforce
16 housing infrastructure fund in accordance with section 1 of this Act. The state treasurer shall
17 transfer any interest earned on the monies appropriated in section 1 of this Act to the South
18 Dakota housing infrastructure fund created in section 9 of this Act.

19 **Section 3.** There is hereby appropriated the sum of \$50,000,000 in other fund expenditure
20 authority for the South Dakota workforce housing infrastructure fund created in section 9 of
21 this Act for the purpose of providing grants for the construction of workforce housing
22 infrastructure projects, in accordance with the provisions set forth in this Act.

23 **Section 4. That section 2 of chapter 238 of the 2022 Session Laws be AMENDED:**

1 Federal fund expenditure authority is hereby appropriated in the sum of
 2 \$50,000,000 from the American Rescue Plan Act to the South Dakota Housing
 3 Development Authority, for the purpose of providing grants for the construction of
 4 workforce housing infrastructure projects, in accordance with section 4 of this Act. A grant
 5 awarded with monies appropriated by this section may not be for an amount greater than
 6 one-third of a project's total cost. The authority may not provide both a grant with monies
 7 appropriated by this section and a loan from the South Dakota workforce housing
 8 infrastructure fund for the same workforce housing infrastructure project located in a
 9 municipality having a population of fifty thousand or more.

10 **Section 5. That section 3 of Chapter 238 of the 2022 Session Laws be AMENDED:**

11 ~~Loans or grants~~ Grants made available pursuant to this Act ~~with monies~~
 12 provided by section 4 of this Act must be designated as follows:

- 13 (1) Thirty percent for use workforce housing infrastructure in municipalities having a
 14 population of fifty thousand or more; and
 15 (2) Seventy percent for use workforce housing infrastructure in all other areas of the
 16 state.

17 ~~Any housing infrastructure project sited in a municipality having a population of~~
 18 ~~fifty thousand or more may receive either a loan or a grant from moneys appropriated or~~
 19 ~~authorized under this Act but may not receive both.~~

20 **Section 6. That section 4 of Chapter 238 of the 2022 Session Laws be REPEALED.**

21 **Section 7. That section 5 of Chapter 238 of the 2022 Session Laws be REPEALED.**

22 **Section 8. That a NEW SECTION be added to title 11:**

23 Terms used in this Act mean:

- 24 (1) "Authority," the South Dakota Housing Development Authority;
 25 (2) "~~Housing Workforce~~ housing infrastructure," the installation, replacement,
 26 upgrade, or improvement of public infrastructure for the support of ~~a~~ an affordable
 27 single-family or multi-family housing project for households with earned income
 28 that is insufficient to secure quality housing in reasonable proximity to the
 29 workplace; and
 30 (3) "Public infrastructure," a right of way, water distribution system, sanitary sewer
 31 system, storm sewer system, lift station, street, road, bridge, curb, gutter,

1 sidewalk, traffic signal, or streetlight, which is or will be owned, maintained, or
2 provided by a political subdivision of this state; or excavation, compaction, or
3 acquisition of land for such purposes.

4 **Section 9. That a NEW SECTION be added to title 11:**

5 There is hereby created the South Dakota workforce housing infrastructure fund,
6 to be administered by the authority, for the purpose of making loans and grants for
7 workforce housing infrastructure projects. Any repayment of the principal amount of a
8 loan, and any interest thereon must be deposited into the fund and used for making new
9 loans. Unexpended money and any interest that may be credited to the fund shall remain
10 in the fund. Money in the fund designated for loans is hereby continuously appropriated
11 for the purposes provided in sections 10 and 11 of this Act. The executive director of the
12 authority shall approve vouchers and the state auditor shall draw warrants to pay
13 expenditures authorized from this fund.

14 **Section 10. That a NEW SECTION be added to title 11:**

15 The authority shall distribute monies from the South Dakota workforce housing
16 infrastructure fund, created in section 9 of this Act, as follows:

- 17 (1) Thirty percent for workforce housing infrastructure in municipalities having a
18 population of fifty thousand or more; and
19 (2) Seventy percent for workforce housing infrastructure in all other areas of the state.

20 The authority may not provide both a grant and loan from the South Dakota
21 workforce housing infrastructure fund for the same workforce housing infrastructure
22 project located in a municipality having a population of fifty thousand or more.

23 **Section 11. That a NEW SECTION be added to title 11:**

24 The authority may make loans from the South Dakota workforce housing
25 infrastructure fund, created in Section 9 of this Act, for workforce housing infrastructure
26 projects. The principal amount of a loan may not exceed one-third of the total cost of the
27 workforce housing infrastructure project. The authority may use up to one percent of the
28 principal amount of a loan to offset the authority's expenses in administering the loan.

29 **Section 12. That a NEW SECTION be added to title 11:**

1 The authority may award grants from the South Dakota **workforce** housing
2 infrastructure fund, created in section 9 of this Act, for **workforce** housing infrastructure
3 projects. The amount of the grant may not exceed one-third of the total cost of the
4 **workforce** housing infrastructure project. The authority may use up to one percent of the
5 amount of a grant to offset the authority's expenses in administering the grant.

6 **Section 13. That a NEW SECTION be added to title 11:**

7 The authority shall promulgate rules, pursuant to chapter 1-26, specifying the
8 criteria and process for the application, approval, and disbursement of loans and grants
9 provided in this Act.

10 **Section 14. That a NEW SECTION be added to title 11:**

11 On or before August 1 of each year, the authority shall submit a report to the
12 special committee, created by § 4-8A-2, detailing the number, amounts, and recipients of
13 loans and grants provided by the South Dakota **workforce** housing infrastructure fund
14 created in Section 9 of this Act and other relevant information pertaining to the fund or
15 program as requested by the committee.

16 **Section 15.** Whereas, this Act is necessary for the support of the state government and its
17 existing public institutions, an emergency is hereby declared to exist, and this Act shall be in
18 full force and effect from and after its passage and approval.