

South Dakota Housing Development Authority

Federal Funding Summary

Overview

South Dakota will receive \$7,754,851 in grant funding to supplement the Emergency Solutions Grants (ESG) Program to prevent, prepare for and respond to the coronavirus pandemic (COVID-19) among individuals and families who are homeless or receiving homeless assistance; and to support additional homeless assistance and homelessness prevention activities to mitigate the impacts of COVID-19. The CARES Act also provided various flexibilities and waivers to allow for easier administration of the program and the ability to expand eligibility allowing more households to receive assistance. The ESG program is funded through the US Department of Housing and Urban Development (HUD).

The ESG program provides grant funding to nonprofit agencies and units of local government to assist households who are homeless or at risk of becoming homeless. ESG grant funds can pay for operating costs of emergency shelters, and direct assistance to households for payment of rental or utility arrears, security deposits, rental or utility assistance and additional services such as case management. The ESG Program can only assist households who are at or below 50 percent of the county area median income and no assistance can be provided for mortgage payments. Up to 10 percent of the funding can be utilized for program administration and distributed between the state agency and the subrecipients.

South Dakota Housing Development Authority (SDHDA) administers the ESG Program. The supplemental ESG funding is referred to as ESG-CV and will be awarded in two separate allocations. SDHDA has executed the grant agreement for the first allocation in the amount of \$2,199,893. SDHDA will hold its public meeting and submit required documentation to HUD late September for application of the second allocation in the amount of \$5,554,958.

Recipients

For the first allocation of funds, SDHDA accepted applications until April 17th. Funding was awarded as follows:

Aberdeen – The Journey Home - \$10,000
Madison – Inter-Lakes Community Action Partnership - \$176,925
Mitchell – Mitchell Area Safehouse - \$45,990
Pierre – Missouri Shores Domestic Violence Shelter - \$20,200
Rapid City – Volunteers of America of the Northern Rockies - \$504,000
Sioux Falls – City of Sioux Falls - \$391,965
Sioux Falls – Union Gospel Mission - \$399,000
Spearfish – Artemis House - \$20,000
Yankton – Pathways Shelter for the Homeless - \$221,050

SDHDA withheld \$250,000 of the first allocation for future funding or flexibility as needed since SDHDA was unsure of additional funding becoming available.

In June, HUD announced the second allocation of funding. To date, SDHDA is working on expanding the geographic distribution of ESG funds and requesting the participation of more agencies. Tribal entities are not eligible to apply for ESG funding.

HUD continues to provide additional guidance, waivers and flexibilities for the administration of the ESG-CV funding. One recent change does allow for SDHDA to administer the funds directly if needed, but this waiver is only allowed for the second allocation of ESG-CV funds.

All ESG-CV funding must be expended by September 30, 2022.

More information on the ESG-CV funding and listing of the subrecipients is available on SDHDA's website - <https://www.sdhda.org/social-programs/emergency-solutions-grants-program>.

SDHDA is grateful for the additional ESG funding that has been made available. With program limitations, there still remains a need for financial assistance for households who make more than 50 percent of the area median income and for homeowners who are delinquent on mortgage payments. For reference, South Dakota's state median income for 2020 is \$77,800. For a family of four at 50 percent, their maximum annual income is \$38,900.