South Dakota Housing Development Authority

Affordable Housing In the Headlines

2005 Annual Report

The South Dakota Housing Development Authority is proud to present their 2005 Annual Report giving a snapshot of the accomplishments or "headlines" during the fiscal year.

SDHDA had another highly productive year, helping to poor millions of dollars into affordable housing.

SDHDA supported the development and rehabilitation of more than 1,200 housing units and single-family home lots. That equated to more than $61 million in total development costs helping to add jobs to the State's labor market

"We are very proud of the fact that we have such great partnerships with our Lenders, helping us to year after year, fulfill our resident's dream of owning their own home," commented Dar Baum, SDHDA Executive Director.

SDHDA also assisted homebuyers with affordable downpayment loans, home improvement loans and homebuyer education opportunities. The Governor's House had another strong year of sale providing an affordable option of homeownership to 180 South Dakota families. Since the Programs start in 1996, more than

allowed SDHDA to retain their low First-time Home buyer mortgage interest rates. They remained at 4.95% for the 30-year Fixed and 3.95% for the Starting Step interest rate for 11 of the 12 months of the fiscal year.

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South Dakota
Housing Development Authority

Our Challenge

Brand and Develop South Dakota's Quality of Life as the Best in America

Our Commitment

Stimulate affordable homeownership, rental housing and day care facilities in South Dakota communities which evidence a need

2010 initiative

To the Governor and Members of the Legislature:

On behalf of the Board of Commissioners, we are pleased to present the South Dakota Housing Development Authority's Fiscal Year 2005 Annual Report.

At the 2010 Initiative meetings held in the fall of 2003, we received comments that young people were not able to raise down payments to purchase homes and that communities needed land development loans. Although we had programs to address these needs, clearly, but certainly not intentionally, SDHDA's cadre of programs was a well-kept secret in South Dakota. In response, we adopted a new marketing strategy including both print and broadcast media, and we believe that SDHDA and affordable housing are indeed "In the Headlines" now.

Given that the Authority contributed more than $318 million for affordable housing development, rehabilitation, and finance in fiscal year 2005, we believe that the added exposure accompanied by a little ingenuity have paid off for South Dakota's First-time Homebuyers, communities on and off the State's Indian Reservations, and our citizens who need affordable rental housing opportunities.

This Report reflects the scope of our accomplishments:

- 2nd in the nation in per capita First-time Homebuyer Loan Production;
- Rebirth of the Rural Site Development Program as a major tool to assist rural communities in achieving residential land development;
- $64 million in rehabilitation and development of 949 affordable housing units;
- $17.3 million in construction, development and homebuyer financing on the State's Indian Reservations; and
- $2.3 million to domestic shelters and transitional and permanent housing sponsors to support the federal initiative to help end homelessness.

In addition, unlike recent years, we awarded the State's entire annual Housing Tax Credit allocation in 2005.

The Authority, which is self-supporting and is allocated no tax dollars, continues to maintain a strong financial position to sustain favorable financing rates and the continued availability of affordable housing financing programs and services.

The Board and staff greatly appreciate the support shown the Authority by the Governor and the Legislature. As has been the case for the past thirty-two years, the Authority's accomplishments start with recognition of the needs of our citizens and culminate with our partnership with the State and the affordable housing and service providers working together in "building a better quality of life" for our residents.

Bob Sutton
Chairman of the Board

Executive Director

"Homeownership provides the foundation upon which vital communities, stable neighborhoods, secure family bases, healthy childhoods, and personal dreams are built."

Governor Mike Rounds, while proclaiming June as Homeownership Month in South Dakota

Homeownership

First-time Homebuyer Program; Mortgage Assistance Program (MAP); Employer Mortgage Assistance Program (EMAP); Loan Assistance Program (LAP); The Governor's House; Community Home Improvement Program (CHIP); Rural Site Development

2005 Headlines

(Statewide) – 2,407 First-time Homebuyer Loans - $232.1 million.

(Statewide) – Rural Site Development - 205 Single Family Lots - $2.4 million.

(Statewide) – SDHDA, Participating Lenders, and Fannie Mae partner to combat predatory lending - 7 Mortgage-backed Securities total nearly $869,000.

(Statewide) – 735 households receive $4 million in downpayment assistance, including 44 Employer Mortgage Assistance Program loans and 34 Loan Assistance Program loans.

(Statewide) – 74 home improvement loans - $650,000 million.

(Statewide) – 180 Governor's Houses sold.

"There is nothing more important than providing affordable housing options for our teachers, police officers, firefighters and other essential public servants within the communities where they work."

Jerry Howard, Executive Vice President, National Association of Homebuilders

Development

Housing Tax Credits; HOME Investment Partnership Program; Multifamily Bonds; Emergency Shelter Grant Program

2005 Headlines

(Statewide) — Housing Tax Credits - $4 million - 15 affordable developments - 80 units

(Statewide) — HOME Investment Partnership Program - $9.6 million - 222 units

(Sioux Falls, SD) — $3.3 million - 26 units of student housing at Southeast Technical Institute.

(Chamberlain, SD) — 36 units preserved using HUD Mark-to-Market and HOME funding.

(Statewide) — 23 shelters receive more than $324,000 in Emergency Shelter Grant Program funding.

"Home is a name, a word, it is a strong one; stronger than magician ever spoke, or spirit ever answered to, in the strongest conjuration."

~Charles Dickens

Asset Management and Compliance

Performance Based Contract Administration; Section 8 Housing Assistance Payments; Compliance Monitoring for HOME, Housing Tax Credits, Risk Share, and Bond Programs; Services to Aging Residents Program(STAR)

2005 Headlines

(Statewide) – SDHDA provides rental assistance to 5,566 units totalling nearly $22 million in 196 developments in 67 communities.

(Statewide) – $1.8 million in capital improvements made for 64 SDHDA-financed properties.

(Statewide) – SDHDA monitors 6,259 units in 223 multifamily affordable housing properties.

(Denver, CO) – HUD Awards an "Outstanding" rating to SDHDA on its administration of the Section 8 Rental Assistance Program.

(Statewide) – Services to Aging Residents Program (STAR) provides services to senior residents in 32 elderly developments.

"Life's most urgent question is: What are you doing for others?"

~Martin Luther King, Jr.

Special Programs

Housing for the Homeless Consortium;

Homeownership Education Resource Organization (H.E.R.O.); Paint-South Dakota Campaign

2005 Headlines

(Statewide)—Housing for the Homeless Consortium releases new website and develops statewide HMIS system.

(Pierre, SD)—HUD Continuum of Care grant provides $2 million in essential housing and services to members of the Housing for the Homeless Consortium.

(Statewide)—Homeless count is conducted in conjunction with the national count.

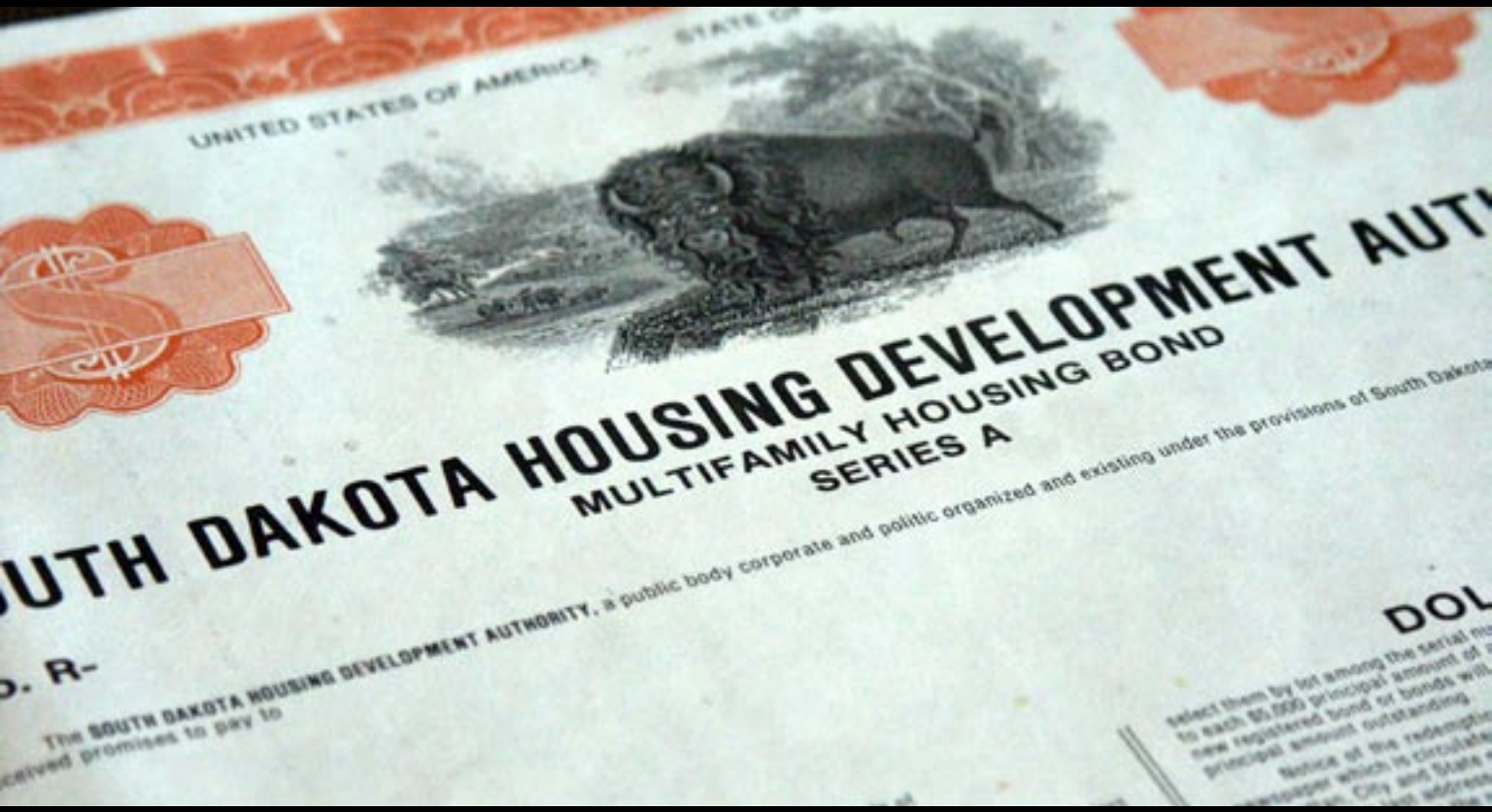
(Statewide)—32 Communities Participate in the Paint-South Dakota program - more than $12,000 in paint & primer provided.

(Statewide)—5,200 South Dakota individuals receive housing counseling and education services through the Homebuyer Education Resource Organization's (H.E.R.O.) partnering service providers.

"Let me tell you the secret that has led me to my goal:

my strength lies solely in my tenacity."

~Louis Pasteur



Finance

Bond Investments; Mortgage Interest Rates

2005 Headlines

(New York, NY)—SDHDA issues $208 million in long term bonds and $133 million in short term bonds.

(Pierre, SD)—SDHDA's First-time Homebuyer mortgage interest rates remain low.

– 30-year Fixed Mortgage Loan Rate fell to 4.95%

– Starting Step Rate was at 3.95%.

(Dallas, TX)—Standard & Poor's Investor Service continues to rate SDHDA as "AAA," their highest rating.

(New York, NY)—Moody's Investors Service establishes the Authority's General Obligation Bond rating at Aa3 with a stable outlook.

Our Work Plan

Collaborate with our partners to secure and invest $2 billion in private and public capital to provide for affordable owner occupied housing, rental housing and daycare facilities.

Expand existing partnerships, programs and services to provide homeownership and rental development opportunities and federal subsidies to the state's very low to moderate income individuals and families, including working residents, the elderly, and persons with disabilities.

Create service-enriched housing opportunities for the at-risk and homeless population and support the Housing for the Homeless Consortium in its efforts to develop a seamless continuum of care system to address the needs of the homeless and at-risk populations and continue efforts to end chronic homelessness in ten years.

Improve upon the coordination, promotion and marketing of SDHDA programs and capabilities to better serve our partners, individuals and families in South Dakota.

Support investment of private capital to provide leverage for tribal initiatives which increase homeownership on the reservations.

Uphold the 2010 Initiative and SDHDA Goals as a work in progress.

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Linda Barker, Commissioner
Curt Jones, Commissioner
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Building a Better Quality of Life

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SDHDA's financial information and independent auditor's report are available at www.sdhda.org. Hard copies are available upon request.

A total of 2000 copies of the 2005 Annual Report were printed at a cost of $1.92 per copy. No state tax dollars were used. Alternative formats of this report are available upon request.