

To the Governor and Members of the Legislature:

It took not only determination and perseverance for the settlers to establish our great State; it took many helping hands for each to build their "Home on the Range." SDHDA continues to extend a hand to our countless partners who have given us the opportunity to provide affordable housing for residents of South Dakota over the past 30 years.

During our existence, SDHDA has provided more than 56,000 First-time Homebuyers nearly \$2.9 billion in low-interest mortgage loans, and this past fiscal year, our First-time Homebuyer interest rates dropped to historic lows. In addition, using low-interest financing and tax credits, SDHDA has supported the creation of nearly \$450 million in homeownership and rental housing opportunities. We have dispersed more than \$300 million in rental subsidy over the past 30 years, funding that has given the State's lowest income residents a place to call home. We have also sold more than 1,000 affordable, energy efficient homes through the nationally recognized Governor's House Program.

With an eye to the future, SDHDA has committed to raise and coordinate \$2 billion to assist in achieving the goals set forth by Governor Rounds' 2010 Initiative to brand and develop quality of life in South Dakota as the best in America. The completion of the 2003 Statewide Housing Needs Analysis has given us insight into the strengths and weaknesses of affordable housing in South Dakota. The Analysis will assist housing developers and providers as well as national, state, and local officials in addressing housing issues.

Celebrating an anniversary of 30 years is gratifying. Many partners have contributed to the ongoing success of our business. We expect to continue to rely primarily on private investors as SDHDA continues to operate without any state tax dollar funding or appropriations. With your continued support, the Board and staff of the South Dakota Housing Development Authority continue to address affordable housing issues "on the Range," and in our communities. We are pleased to present this Annual Report, a glimpse at the accomplishments of the Authority over the last fiscal year and the past three decades.

John Rothstein  
Chairman of the Board

Darlys J. Baum  
Executive Director



Mission Statement

"The South Dakota Housing Development Authority is committed to leading the affordable housing industry by encouraging the prudent investment of public financing and private capital to stimulate the construction, preservation, rehabilitation, purchase, and development of affordable single and multifamily housing and day care facilities."

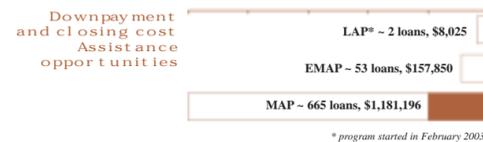
Providing Affordable Homeownership Opportunities...

FY 2003

Loaned more than \$174 million to 2,054 families and individuals at 4.75% 30-year fixed or 3.75% starting Step interest rate.



SDHDA's Mortgage Assistance Program (MAP), Employer Mortgage Assistance Program (EMAP), and newly established Loan Assistance Program (LAP) are designed to help potential homebuyers overcome downpayment and closing cost obstacles.



During this fiscal year, 179 income-qualified families and individuals purchased Governor's Houses.

SDHDA leveraged \$391,149 with private lenders, resulting in more than \$1.3 million in Community Home Improvement Program (CHIP) loans.



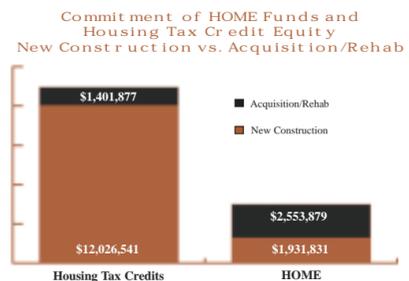
Supplying Affordable Rental Opportunities...

FY 2003

More than \$1.7 million in Housing Tax Credits were awarded to construct or rehabilitate eight affordable housing projects with a total of 301 units.

More than \$4.5 million in HOME Investment Partnership Program funds were committed for 129 affordable housing units in South Dakota, including 46 units designated for persons with severe mental illnesses.

Multifamily Bonds were issued for the construction of a 27-unit apartment complex at Southeast Technical Institute (SETI) in Sioux Falls. The \$2.5 million project will house 104 individuals.



SDHDA provided Section 8 rental assistance to 5,785 units in 203 developments across the state. Eligible families benefited from more than \$20 million in rental assistance.

SDHDA completed its third year as a Performance-Based Contact Administrator under HUD's Contract Administration Initiative.

FY 2003

Maintaining critical industry partnerships...

As lead entity for South Dakota's Statewide Homeless Consortium, SDHDA provides staff support, educational opportunities, and coordination to the many providers working together throughout the State to serve the homeless. In addition to participating in the HUD, VA, and Health and Human Services Policy Academy to End Chronic Homelessness, SDHDA staff also coordinated the Continuum of Care grant submission to HUD which resulted in a \$2.1 million award for essential housing and services for homeless individuals and families.

The Homeownership Education Resource Organization (H.E.R.O.) entered into agreements to partner with eight individual Homebuyer Education service agencies, providing complete statewide coverage. H.E.R.O. secured \$225,000 in funding to expand programs and area coverage of each partnering agency.



FY 2003

Creating sound investment opportunities...

Standard & Poor's assigned a 'AAA' rating to the Homeownership Mortgage Bonds. South Dakota's stable economy was cited for the strength of the program, along with high borrower equity and strong oversight by the housing authority.

—Standard & Poor's Public Finance New Issue Review, July 2003



SDHDA's Contributions  
to South Dakota  
1973 ~ June 30, 2003

	Units ~ Loans	Cumulative Investment*
First-time Homebuyer Program	56,303	\$2,879,026,254
Downpayment Assistance Programs		
Mortgage Assistance Program (MAP)	8,170 <sup>(1)</sup>	11,929,585
Employer Mortgage Assistance Program (EMAP)	142	404,061
Loan Assistance Program (LAP)	2	8,025
Community Home Improvement Program (CHIP)	4,887	10,510,315 <sup>(2)</sup>
Home Investment Partnership Program (HOME)	1,923	35,176,913 <sup>(3)</sup>
Housing Tax Credit Program (HTC)	5,084	16,179,773 <sup>(4)</sup>
Emergency Shelter Grant Program (ESG)		3,803,876
The Governor's House	1,045 <sup>(5)</sup>	N/A
Housing Counseling Grant Program		485,000
FLEX (Rural Site Development/Community Development/Governor's Daycare Grant Program)		6,461,477
COOP (SDHDA/Rural Development Rental Subsidy)	73	1,620,362
Risk Sharing Program	377	13,836,800
New Construction Loans	2,397 <sup>(6)</sup>	71,302,070
Section 8 Subsidy	5,785	307,508,270
<b>Total</b>		<b>\$3,358,252,781</b>

\*SDHDA Investment/Leverage Only

(1) MAP Units are included in the 56,303 First-time Homebuyer Program total

(2) Resulted in more than \$35 million in home improvement loans

(3) Resulted in more than \$97 million in total construction

(4) Resulted in nearly \$260 million in total construction

(5) Costs recovered through sales of homes

(6) Number of Units are included in 5,785 Section 8 Subsidy total

"We believe SDHDA's staff adds an additional degree of credit security to bondholders by ensuring continuing financial and Loan portfolio maintenance."

- Moody's Investor Service, October 2003

### Board of Commissioners



John Rothstein  
Chairman



Bob Sutton  
Vice Chairman



Cindy Mydland  
Treasurer



Kevin Culhane



Chris Houlette



Zack Word



Curt Jones



Darlys J. Baum  
Secretary &  
Executive Director

### Financial Information

SDHDA's financial information and independent auditor's report are available at [www.sdhda.org](http://www.sdhda.org). Hard copies are available upon request.

### STAFF

#### Finance & Administration

Mark Lauseng  
Joni Lingle  
Lisa Larson  
Donna Manning  
Peggy Barber  
Joanne Heckenlaible  
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Cristi Swenson  
Daleen Gore  
Larry Beck  
Ryan Beck

#### Asset Management & Compliance

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Elmer Whitepipe  
Terry Berendes  
Jane LaRoque  
Kevin Merrill  
Julie Anderson  
Lisa Donner  
Kelly Kruse  
Amie Schmidt  
Kenda Nutter  
Mary Beth Jacobson  
Linda Taylor  
Leila Alter

#### Homeownership Programs

Brent Adney  
Michelle Metzinger  
Mona Pries  
Libby Meyer  
Peggy Severson  
Gloria Albertus  
Eileen Duff  
Mary Stewart

#### The Governor's House

Paul Kostboth  
Teresa Sterrett  
Steve Maruska  
Butch Davis  
Janis Hildring  
Larry VanderPoel  
Dave Baum  
Duane Eckert  
Matt Trenhaile  
Vernon Ishmael  
Mona Nelles  
Leo Pedersen  
Clinton Sieben  
Doug Stemper  
Jared Schelske

#### Planning & Housing Development

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Lorraine Polak  
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Lisa Bondy  
Steve Hughes

#### Research & Marketing

Greg Jasmer

# "HOME ON THE RANGE"

## 2003 ANNUAL REPORT



serv ing  
south dakota  
residents  
for the past  
Thirty years



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A total of 1,500 copies of the 2003 Annual Report were printed at a cost of \$0.70 per copy. No state tax dollars were used. Alternative formats of this report are available upon request.

