

# COMMUNITY HOUSING DEVELOPMENT PROGRAM – INFRASTRUCTURE FINANCING



The objective of the Community Housing Development Program (CHDP) is to provide a financial resource to help address the housing needs of South Dakota communities. A portion of CHDP can be utilized for infrastructure financing for development of homeownership and rental housing in partnership with local governments who have committed to the housing development by providing assistance, such as tax increment financing.

## Terms

Construction or permanent financing, loan term up to five years based on 20 year amortization. Interest rate for construction loan will increase per year and interest rate for permanent loan will be fixed for the term of the loan.

## Eligible Mortgagor

Local units of government, public or private nonprofit or profit-oriented individual(s), corporation, partnership, limited partnership or organization.

## Property Location

Property must have a fee simple title or a long-term lease and be located in South Dakota. Demand for the proposed housing units must be demonstrated by a local housing needs study.

## Rent Limit/Resale Price

Housing units will meet the Tax Increment Financing limits for rents charged or selling price of the home.

## Owner Equity

Minimum 10% equity requirement for profit-oriented owners.

## Loan Amount

Each community is eligible to receive up to \$2,000,000 in financing. The CHDP – Infrastructure Financing will initially be limited to \$5,000,000 of available funding.

## Funding Procedure

Applicants are encouraged to meet with SDHDA prior to submitting an application to determine if the proposed project fits within the program parameters. Upon review of complete applications, SDHDA Board of Commissioners will determine acceptance or denial. Applications will be reviewed and approved on a first come, first serve basis.

**Contact SDHDA at 605.773.3181 or visit our website at [www.sdhda.org](http://www.sdhda.org). Alternative formats of this document are available to persons with disabilities upon request.**

For information regarding Section 504 Accessibility, contact the South Dakota Housing Development Authority 504 Coordinator, Andy Fuhrman, at 1-800-540-4241.