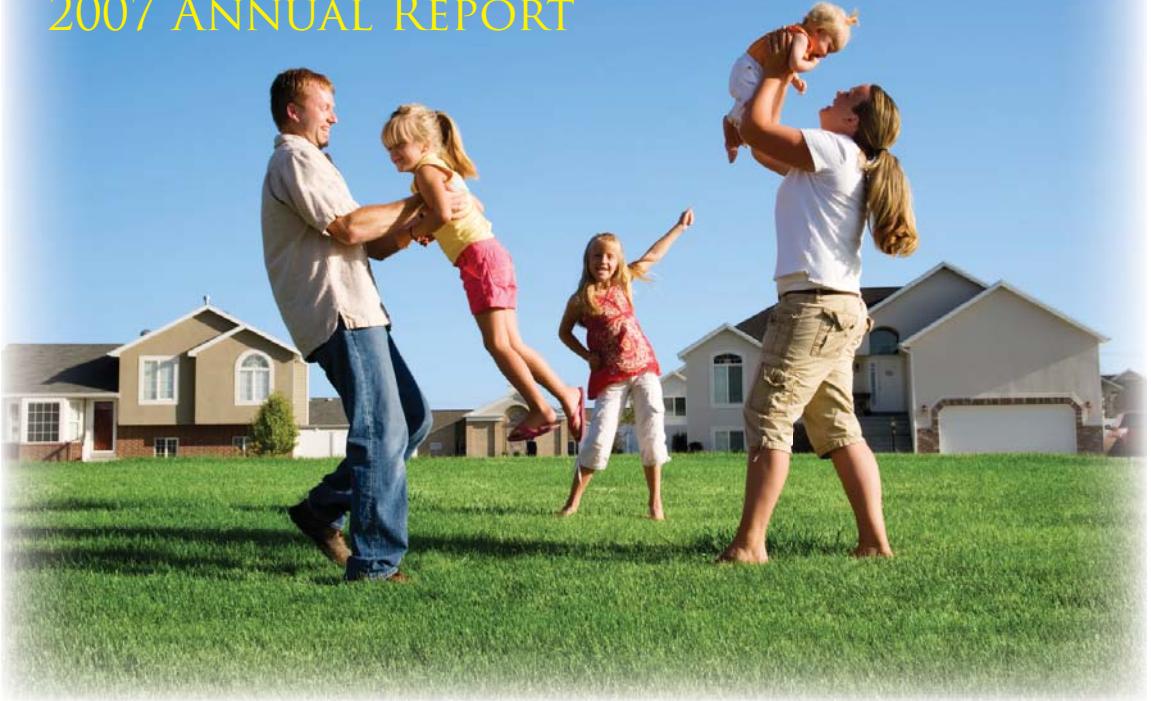


# BUILDING SOMETHING GREAT

## 2007 ANNUAL REPORT



221 S. Central Ave., Pierre, SD 57501  
[www.sdhda.org](http://www.sdhda.org) 605.773.3181

BUILDING SOMETHING GREAT

## To the Governor and Members of the Legislature:

On behalf of the Board of Commissioners, we are pleased to present this annual report of the South Dakota Housing Development Authority for Fiscal Year 2007. Over the past 34 years, the Authority, along with its many partners, has provided financing and development of affordable housing throughout South Dakota.

Fiscal Year 2007 was a outstanding year for the South Dakota Housing Development Authority and we are proud of our accomplishments. In the last twelve months, over \$300 million was dedicated to housing efforts in South Dakota which was a ten percent increase over the previous year. This demonstrates the Authority's commitment of providing long-term affordable housing to South Dakotans.

Through our Homeownership Program, \$270 million was loaned to over 2,500 families or individuals which represents a 15% increase from the previous fiscal year.

We impact the rental markets by developing and preserving South Dakota's affordable rental housing stock. Over \$2.4 million in Housing Tax Credits were awarded to rental housing developments in our state, generating more than \$23 million in tax credit equity, which contributed to nearly \$32 million in total development costs for the properties.

An additional \$3.3 million in HOME funds were committed for single and multi-family properties, providing over 390 affordable housing units.

To help South Dakotans be more aware of the Authority and the services we provide, we launched a media campaign to promote brand and partner awareness as well as our new logo. We believe that South Dakota's quality of life is the best and continue to participate actively in South Dakota's 2010 Initiative.

We are "Building Something Great" with our statewide partnerships and appreciate the support of the Governor and the Legislature. We will work to strengthen existing partnerships and we will cultivate new partnerships as we continue our affordable housing mission in the coming year.



Bob Sutton  
Chairman of the Board



Mark Lauseng  
Executive Director

## FIRST-TIME HOMEBUYERS

Over 2,500 families or individuals received First-time Homebuyer Loans this year.

The Homeownership Division added a third interest rate option called the Fixed Rate Plus. This interest rate option provides First-time Homebuyers cash assistance for their downpayment and closing costs.

Over the years, SDHDA has been able to establish important partnerships with Participating Lenders and their loan officers. To honor those loan officers who are strong supporters of affordable housing in their community by consistently offering SDHDA programs, the Homeownership division introduced the Loan Officer Recognition program.

The Recapture Tax requirement that all First-time Homebuyers faced when they sold their home, was revised. The SDHDA Board of Commissioners established the Recapture Tax Reimbursement Policy which provides reimbursement to borrowers for any Recapture Tax liability.



## FIRST-TIME HOMEBUYERS (CONTINUED)

Based on a Federal Law change, SDHDA was allowed to waive the First-time Homebuyer requirement for second time homebuyers who were qualifying Veterans. This allowed all qualifying Veterans access to SDHDA's low interest rate mortgages.

In order to accommodate those First-time Homebuyers that were building their first home, which could be affected by weather delays, SDHDA extended the lock-in term for new construction from 120 days to 180 days.

SDHDA partnered with two private mortgage insurance companies to reduce mortgage insurance premiums by up to 30%.

In addition, an involuntary unemployment feature was added for SDHDA borrowers who faced temporary unemployment.



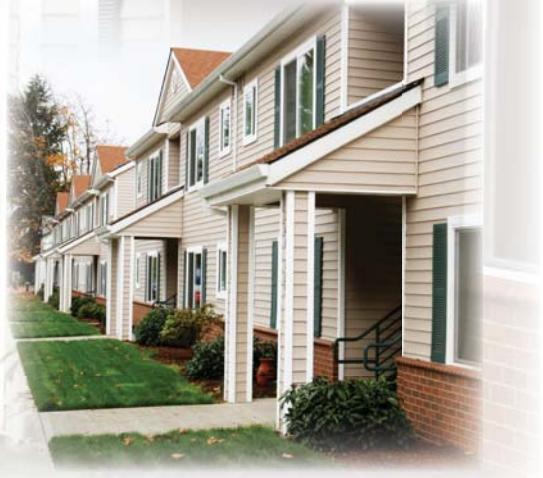
## MULTIFAMILY HOUSING

More than \$2.4 million in Housing Tax Credits (HTC) were awarded to ten rental housing developments across South Dakota. Sunrise II, a property consisting of 100 townhouse units, was completed in Mission, South Dakota. This \$10 million property, located on the Rosebud Indian Reservation, provides a safe place to live for over 700 children.

This is an example of extraordinary efforts on the behalf of the owner, US Department of Agriculture, USDA Rural Development, Wells Fargo Bank, Citibank, USA, N.A., the Rosebud Sioux Tribe and SDHDA. Rental assistance is available for all housing units.

A total of \$3.3 million in HOME funds were committed for four new construction developments (totaling 102 units); two acquisition/rehab rental developments (totaling 153 units).

Through the administration of Section 8 Housing Assistance Payments (HAP) contracts, SDHDA provided over \$21.8 million in rental assistance to 5,471 individuals and families in 193 developments within 67 communities and 48 counties.



## MULTIFAMILY HOUSING

SDHDA monitored program compliance for 11,856 units in 416 multifamily affordable housing properties in FY'07.

Nearly \$1.5 million in capital improvements were authorized and completed for SDHDA/Section 8 properties. SDHDA has \$108.5 million in combined outstanding multifamily loan balances.

## MARKETING

As a new logo was introduced, SDHDA generated a new statewide advertising campaign to promote brand and partner awareness.

SDHDA launched a new web site service which makes it possible to list and locate rental housing in South Dakota. Participation in SDHousingSearch.com, has increased substantially. Over 35,000 hits have been recorded to the site this fiscal year, listing nearly 2,500 units from 220 properties.

SDHDA also introduced a Co-op advertising plan for those Participating Lenders that would like to leverage their marketing dollars with us.



## HOUSING SERVICES

The Services to Aging Residents (STAR) Program continues to provide services to senior residents in 32 elderly developments across South Dakota enriching resident's lives and making it easier for them to live independently.

Twenty-two shelters serving 17 communities received Emergency Shelter Grant (ESG) Program funds totaling \$328,664 for renovation, operating costs and essential services.

For the first time, HOME funds were committed for a Security Deposit Assistance Program targeted to homeless or at risk populations. A total of \$47,000 in HOME funds were committed to three non-profit agencies for this activity.

An additional \$364,436 in HUD Continuum of Care funds were received for annual funding of one transitional housing and one Shelter Plus Care Program serving homeless individuals and families.

Nearly 3,300 South Dakota individuals and families received housing counseling and education services in FY'07.



## SINGLE FAMILY HOUSING

In an effort to further the goals of economic development and affordable homeownership more than \$2.7 million was committed for the development of 217 lots. Over one third of the homes will have purchase prices under \$160,000.

128 houses were sold to South Dakotan's who otherwise may not have been able to afford a home through The Governor's House Program. Built with quality construction, the 1,008 sq. ft. Governor's House sells for \$33,000.

The Governor's House Program is also utilized for daycare facilities in our state. Four daycare facilities were constructed and will be located in Arlington, Centerville, Hudson and Plankinton.

H.E.R.O. (Homeownership Education Resource Organization) provided Homebuyer Education opportunities to 2,844 clients. This Program disbursed over \$386,700 in funding from the Citigroup Foundation and SDHDA to six partnering service providers.

HOME funds were committed for the gap financing of 11 Governor's Houses and homeowner rehabilitation of 37 owner-occupied single-family homes. 93 households were helped with downpayment/closing cost assistance through the American Dream Downpayment Initiatives (ADDI) Program.



## **SDHDA BOARD OF COMMISSIONERS**

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Cindy Mydland, Vice Chair  
Jim Roby, Treasurer  
Linda Barker, Commissioner  
Curt Jones, Commissioner  
Zack Word, Commissioner  
Lloyd Schipper, Commissioner

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Lisa Larson  
Joni Lingle

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Shad Berscheid  
Daleen Gore  
Joanne Heckenlaible  
Tracy Laqua  
Donna Manning  
Laura Rolf  
Cristi Swenson

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Amie Miller  
Mona Pries  
Peggy Severson  
Julie Skaggs  
Mary Stewart  
Barbara Wood

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Lisa Bondy  
Steve Hughes  
Scott Rounds  
Ron Wagner

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Mary Beth Jacobson  
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Jane LaRoque  
Kevin Merrill  
Kenda Nutter  
Wayne Schaeffbauer  
Patty Smith  
Linda Taylor  
Beth Todd

## **RESEARCH AND MARKETING**

Cindy Bahe, Director

## **THE GOVERNOR'S HOUSE**

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Richard Bakke  
Dave Baum  
Butch Davis  
Duane Eckert  
Pete Eckert  
Leo Harts  
Jan Hildring  
Vernon Ishmael  
Doug Magee  
Steve Maruska  
Mona Neles  
Leo Pederson  
Jason Rye  
Jared Schelske  
Clinton Sieben  
Doug Stemper  
Teresa Sterrett  
Matt Trenhaile  
Larry VanderPoel

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.  
A total of 1,300 copies of the 2007 Annual Report were printed at a cost of \$1.69 per copy.  
No state tax dollars were used. Alternative formats of this report are available upon request.



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