



2009 Annual Report

SOUTH DAKOTA
Housing 
DEVELOPMENT AUTHORITY

SDHDA Fiscal Year 2009 Summary

To the Governor and Members of the Legislature:

On behalf of the Board of Commissioners and staff, we are proud to share with you the South Dakota Housing Development Authority's (SDHDA) Fiscal Year 2009 Annual Report. Showcased throughout this report are people or organizations who have been assisted with one or more of SDHDA's Programs.

The national housing and financial crisis in Fiscal Year 2009 made for a challenging time for the housing industry. Fortunately, South Dakota does not experience the peaks and valleys in its housing and economy the way other areas of the country do. While the housing and economy in South Dakota has remained fairly constant, the national scene has had its effects in our state. SDHDA has historically been able to finance affordable homes by issuing tax exempt bonds. As mortgage defaults increased and investor confidence in housing bonds diminished, we found it difficult to issue bonds at a rate that was competitive with the conventional market. This reduced our ability to originate First-time Homebuyer loans and made financing feasible housing developments difficult.

Even though challenges were placed in front of us, SDHDA's bonds remained highly rated: 1,709 families or individuals now have a home of their own through our First-time Homebuyer Program; 676 affordable rental units were financed with our HOME, Housing Tax Credit and Multifamily Bond Programs; 12,137 rental housing units were monitored to ensure that our housing stock remained decent and safe; and 5,649 individuals or families received housing assistance payments.

As fiscal year 2010 begins, we are hopeful for a recovery of the national financial and housing markets and plan to take what we learned from these challenges and capitalize on the strengths that we discovered. Our dedication to affordable housing and providing a better quality of life for the residents of South Dakota would not be possible without the support of our dedicated Board, Staff and business associates that we have developed successful partnerships with.



Bob Sutton
Chairman of the Board



Mark Lauseng
Executive Director

First-time Homebuyer Program

“South Dakota Housing made my dream a possibility. With their help, I made it a reality.”

– Sara Bauld

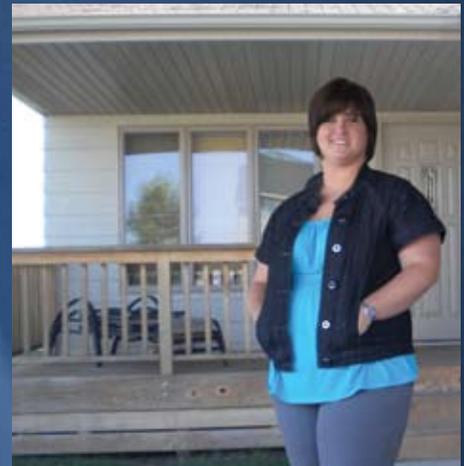
Little more than a year ago, 29-year-old Sara Bauld was saddled with debt, living in a cramped apartment, and trying to figure out how to meet the minimum monthly payments on her credit cards. Today, Sara’s not only on a firm financial footing, she’s the proud owner of her own home.

“It wasn’t that long ago that I faced a mountain of credit card debt, and I had been trying to deal with it on my own for two years,” the 29-year-old special education teacher recalls. “But, I felt like I wasn’t getting anywhere. It was so frustrating – like I was treading water and going nowhere.”

So, in November 2008, Sara visited Lutheran Social Services, a South Dakota Housing Development Authority community partner, and discussed consolidating her debt. In short order, her interest rates were reduced and her debts were consolidated into one monthly payment.

“They analyzed my situation and suggested a course of action,” Sara said. “They even taught me how to save money for things like groceries, car payments, insurance, hair appointments, gifts, travel, and all of things that make up a budget. It was eye-opening. Right away I was like, ‘Can I do it?’ Well, you just make yourself do it and stick to the plan.”

As her financial situation stabilized, Sara’s mother suggested she consider buying her own home. “I kind of laughed and said, ‘Absolutely not. There is no way I can qualify for a house loan.’”



Sara Bauld

But, Sara was wrong. After enrolling in Lutheran Social Services’ Homebuyer Express program, she was soon meeting with mortgage companies and her realtor to begin exploring the possibility of homeownership.

“Surprisingly, I found a place I liked in a price range I could afford and I started the mortgage process in April,” Sara remembered. In May, with the help of her parents as co-signers, she made an offer on the first residence she would ever own – a twin-home on a quiet street in Brandon. Four hours later, the sellers accepted and she moved into the place in late June.

“It’s so great,” Sara said. “You have to mow your yard and take care of it, but I painted the whole inside, decorated, and it’s just so nice to be able to make changes and know you’re improving what you own. And, it’s amazing to know that I am actually building equity in something. I’ve had friends come over and I even hosted a baby shower. It’s wonderful!”

“Looking back, South Dakota Housing made my dream a possibility,” Sara smiles. “With their help, I made it a reality.”

NEW HOMEOWNERS: More than \$181.4 million was loaned to 1,709 families or individuals so they could become homeowners.

Multifamily Housing: Management Program

For some people, apartment living may be filled with white-washed walls and neighbors who don't say "hello" in the hallways. But, at the River Ridge Apartments in Mobridge, one woman is making sure that doesn't happen in her apartment community.

For more than a decade, Nina Dillman has served as residential manager of the 36-unit River Ridge Apartments and its 24 townhomes scattered throughout Mobridge. In that time, she's become known as a woman who goes out of her way to make residents happy and get them involved.

As part of her duties, Nina also guides prospective renters through the process of gaining eligibility for rent assistance programs offered through the South Dakota Housing Development Authority.

Over the years, she says she's helped thousands get enrolled, determine their rents and select apartments. Without such programs,



Nina Dillman with resident Alma Skillingstad

Nina says she's not sure what some people would do for housing.

"SDHDA makes affordable housing a reality," Nina says. "For anyone, no matter their income, South Dakota Housing is filled with down-to-earth people who are

there to help us at all times. They very much make a difference in people's lives."

While Nina credits SDHDA with making safe and affordable accommodations a reality, residents say Nina makes a difference by doing more than anyone ever expected from a residential property manager.

"Nina goes well beyond what is normally expected of a manager," says long-time River Ridge resident Alma Skillingstad. "We're going to make her come down to the community room for her own birthday party next month – at least for a half-hour."

"They very much
make a difference in
people's lives."

– Nina Dillman

MANAGEMENT:
12,137 affordable rental housing units were monitored to ensure that they remained decent and safe and were operating within federal guidelines.

“It wouldn’t have happened
without South Dakota Housing.”

– Bob Bohm

Multifamily Housing: Development Program

For DakotaAbilities Executive Director Bob Bohm, assisting the developmentally disabled in Sioux Falls is all about showing them what they can do, not what their disabilities prevent them from doing. And, when Bob and his team at DakotaAbilities partnered with the South Dakota Housing Development Authority, the two organizations formulated their common goal of addressing special needs housing.



Bob Bohm

When Bob joined the Sioux Falls organization two years ago, DakotaAbilities’ clients were living in older housing that needed renovation. The project had been discussed for more than two years before his arrival, but little had been done.

“Of course, the South Dakota Housing Development Authority serves those with low incomes,” Bob says. “And, our emphasis at DakotaAbilities was serving low-income people affected by developmental disabilities.”

Together, the partnership resulted in completion of a \$2.1 million housing

project in 2009 that provides dozens of disabled residents with a homier environment in which to live. Bob says it wouldn’t have happened without South Dakota Housing.

“The assistance of SDHDA has been invaluable,” he says. “We are an agency that has not traditionally done fundraising for major projects, but adequacy of housing is so critical to what we do. Between what our desires were and the goals of SDHDA, we’ve been able to provide modern and safe housing for those we serve as well as modern and safe environments for nearly 200 employees who work for us.”

Through SDHDA, DakotaAbilities constructed two new seven-bedroom houses on the city’s east side, and completed comprehensive renovations of two large existing homes, creating a homier and more accommodating environment for their 34 tenants. DakotaAbilities serves 112 clients and has a large staff that includes case managers, skills specialists, nurses and residential managers.

Clients ages 20 to 73 have a range of disabilities, in some cases multiple

disabilities, that can include an inability to walk or feed themselves, seizure disorders, and breathing difficulties, Bob explains.

DakotAbilities works to give those less fortunate among us “a chance to live and enjoy an inclusive community, and a life as normal as anybody else’s might be,” Bob says. And working with SDHDA to realize their goal of providing modern, safe and affordable housing to those they serve has been an outstanding accomplishment, he adds.

“On the day that we relocated to the two new houses, we totally vacated the larger, older homes in the morning and had everything moved into the new places later that day,” Bob recalls. “That afternoon everyone came home to their new place, with big smiles and wondering eyes, just as anyone would have in a new house ... it was truly an exciting time for everyone.”

DEVELOPMENT: More than \$15.6 million was allocated resulting in 676 affordable rental housing units.



Tenants see their newly remodeled home for the first time

Governor's House Program

Many parents struggle with ways to help their grown children find a place of their own. For Martha and Monte Witcher, the challenge seemed nearly impossible. Their son Julian, a competitive rodeo cowboy, was paralyzed below the collarbone during Cheyenne Frontier Days in July 2008.



Julian Witcher

Though it was clear that Julian would require constant care, the Witchers decided to look for a place where their son could live independently. Their initial searches weren't encouraging. "The only housing that met his needs was a nursing home," she explains. "Nothing against them, but we felt a 24-year-old shouldn't be there."

Then one of Martha's cousins decided to e-mail state agencies to look for an alternative. One of her messages was passed to South Dakota Housing Development Authority. After a few phone conversations, it looked like the Governor's House program would be a perfect fit: the home would be accessible, affordable and it could be placed on Martha and Monte's

"People can't believe it. They don't think this is a true story."

– Martha Witcher

ranch about 30 miles south of Wall. But there was a problem. Julian would need a place as soon as he returned from the hospital in about two months. Governor's Houses typically take twice as long to build and deliver. At first, Martha thought she'd hit another dead-end. But then she got another phone call.

"I'm telling you, God's hand was in this, because in two days I was on a conference call working all this out," Martha says. "They were going to have one done in 60 days. They went above and beyond."

And two days into November, the Governor's House was delivered to the Witcher ranch. It was only a couple of weeks before the flooring was installed and the home was furnished and decorated.

"When you look at the timeline from when we started to when



Julian Witcher's Governor's House

Julian was watching TV in his house, that's only 90 days," Martha says. "We're so grateful to Paul, Steve and Vona, the folks at South Dakota Housing and everyone who built it at the prison."

It isn't just the Witchers who are impressed with Julian's Governor's House. "We've had people come and visit Julian, and people love this house. It's so well put together," Martha says. "People can't believe it. They don't think this is a true story. I talk to Paul and Vona at South Dakota Housing, and I say, 'People think you're imaginary!'"

NINETY-TWO Governor's Houses were delivered to income-qualified families, elderly and persons with disabilities.

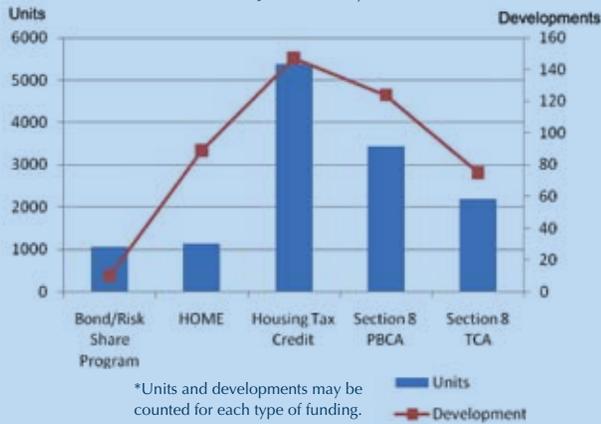
Julian Witcher's Governor's House, located on his parents' ranch land, offers a picturesque prairie view.

The Statistics

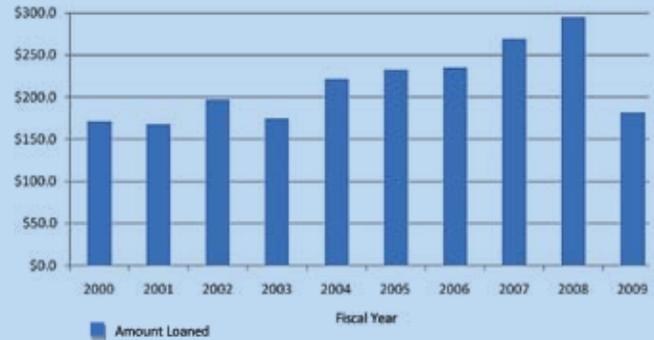
Fiscal Year 2009

In fiscal year 2009, SDHDA dedicated more than **\$230 million** to both single and multifamily housing in South Dakota.

MULTIFAMILY PORTFOLIO
AS OF JUNE 30, 2009



FIRST-TIME HOMEBUYER PROGRAM
LOAN AMOUNTS

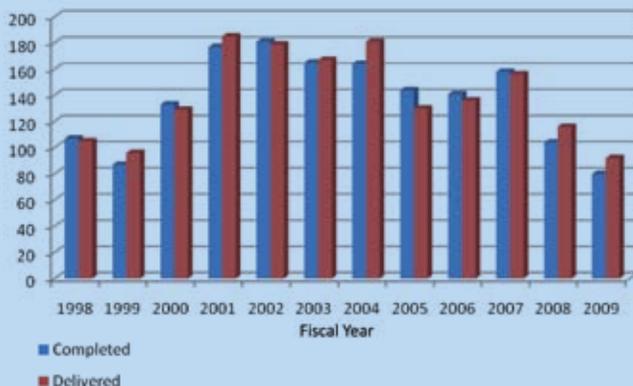


MULTIFAMILY DEVELOPMENT

Funding Allocated		
Program Name	# of Units	Amount Financed
American Dream Downpayment Initiative	8	\$ 28,919
Emergency Shelter Grant		\$ 331,405
FLEX	*	\$ 400,000
HOME	127	\$ 5,262,521
HOME/Governor's House Pilot Program	10	\$ 187,336
HOME/Homeownership Rehab Program	52	\$ 448,729
HOME/Security Deposit Program	1	\$ 22,500
Housing Tax Credits	239	\$ 2,555,874
Multifamily Bonds	99	\$ 4,920,000
Multifamily Preservation Program	140	\$ 1,450,000
Total	676	\$15,607,284

*FLEX units counted in Multifamily Bonds

GOVERNOR'S HOUSE PROGRAM



Finance and Administration

\$200 million in long-term bonds and \$62.4 million in short-term bonds were issued.

Neighborhood Stabilization Program

\$8.5 million was awarded to 21 projects in 15 communities. Through the Housing and Economic Recovery Act of 2008, the Neighborhood Stabilization Program (NSP) provided \$19.6 million to South Dakota to acquire and develop foreclosed properties to stabilize neighborhoods. Twenty-one applications received commitment of NSP funding in the amount of \$8,594,475. NSP funding was approved for 40 single family homes, 83 rental units, two public facilities, two demolition projects and financing mechanisms for 20 homebuyers.

SECTION 8 HOUSING ASSISTANCE

Total Number of Units	5,649
Number of Households	5,133
Number of Household Members	8,223
Average Income	\$9,955
Average Assistance Payment	\$370
Average Total Tenant Payment	\$238
Total Assistance Paid	\$22.9 million



SOUTH DAKOTA
Housing
DEVELOPMENT AUTHORITY

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