



community

2010 ANNUAL REPORT



SDHDA FISCAL YEAR 2010 SUMMARY

TO THE GOVERNOR AND MEMBERS OF THE LEGISLATURE:

On behalf of the Board of Commissioners, we are pleased to present South Dakota Housing Development Authority's Fiscal Year 2010 Annual Report. This report reflects the scope of our accomplishments in the communities of South Dakota. It also highlights some of the partnerships we have forged to develop these projects. We have invested more than \$315 million dollars this fiscal year to fund projects such as those highlighted in our annual report.

FISCAL YEAR 2010 ACCOMPLISHMENTS:

- We provided 2,328 loans to first-time homebuyers in 176 South Dakota communities. Fast-growing cities such as Harrisburg continue to welcome young people who have chosen to live in South Dakota.
- The reasonably priced Governor's House was placed in 68 communities, providing new homes for 120 South Dakotans. Governor's Houses are distributed across the state, helping small rural communities such as Black Hawk continue to grow and prosper.
- We ensured that the affordable rental housing properties in 68 communities remained decent and safe by monitoring 472 multifamily properties. For example, the grand historic sandstone Evans Hotel remains a vital community asset for senior housing needs and community pride in Hot Springs.
- Thirty affordable housing development projects in 19 communities are now underway with the help of area developers. In Aberdeen, where affordable housing is in short supply, the Sunshine Park Townhomes have provided additional housing options for 28 families.

We are proud of the accomplishments we have made in the past year and we continue our commitment of investment in South Dakota communities. This has been a challenging year for housing industries, but with the help of our business partners, dedicated board and hardworking staff we are able to achieve great things.


LLOYD SCHIPPER
Chairman of the Board


MARK LAUSENG
Executive Director

community





Looking of pride

HONEYSUCKLE DRIVE - HARRISBURG

SDHDA provided funding for 22 of the 60 homes on a half-mile stretch in Harrisburg, helping to grow this community of 5,412.

FIRST-TIME HOMEBUYER PROGRAM

HARRISBURG

A HOTSPOT FOR FIRST-TIME HOMEBUYERS

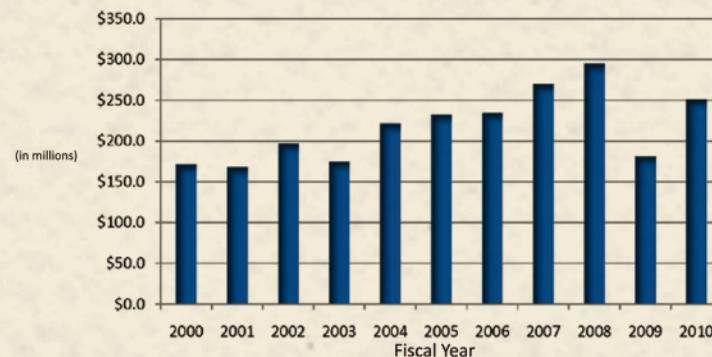
Harrisburg, one of South Dakota's fastest-growing towns, can credit much of its growth to South Dakota Housing Development Authority's (SDHDA) First-time Homebuyer Program. Just six miles south of Sioux Falls, Harrisburg's official population was 958 in the 2000 Census. By 2009, the population had increased to an estimated 5,412.

Since 2000, SDHDA has financed 510 First-time Homebuyer loans in Harrisburg, for a total funding of more than \$67.3 million. "Harrisburg is a vibrant, youthful community that is attractive to first time homeowners because of its modern lifestyle, thriving school system and convenient proximity to Sioux Falls," said Lisa Malone,

mortgage lender at Liberty National Bank. Malone has helped many young South Dakotans get approved through SDHDA's First-time Homebuyer Program. One Harrisburg neighborhood, in particular, has been a hotspot for first time homebuyers, Malone added.

Along a half-mile stretch of Honeysuckle Drive, 22 of the approximately 60 homes have been financed by First-time Homebuyer loans through SDHDA – nine of them during fiscal year 2010. SDHDA is not only providing funding for individual homes, it is literally helping communities grow.

FIRST-TIME HOMEBUYER PROGRAM LOAN AMOUNTS



GOVERNOR'S HOUSE PROGRAM

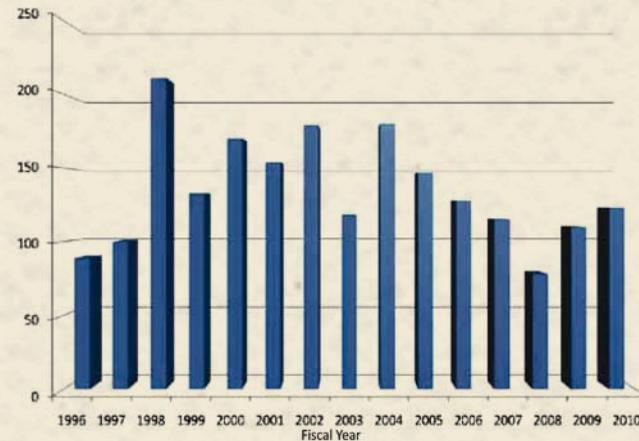
BLACK HAWK BEST OF BOTH WORLDS FOR HOME BUYERS

Although Black Hawk is not an incorporated town, its population of more than 2,400 would make it a fair-sized city by South Dakota standards.

For the people who live there, Black Hawk offers the best of both worlds. It has a small-town atmosphere, and many of its neighborhoods are nestled in the pine forests of the Black Hills. Yet access to Interstate 90 is easy, and Black Hawk is just a few minutes from Rapid City, South Dakota's second-largest population center. For the Teton Coalition, a local housing development group, Black Hawk is a great place to help families take advantage of South Dakota Housing Development Authority's Governor's House Program. In 2010, the group placed six Governor's House units in two Black Hawk neighborhoods.

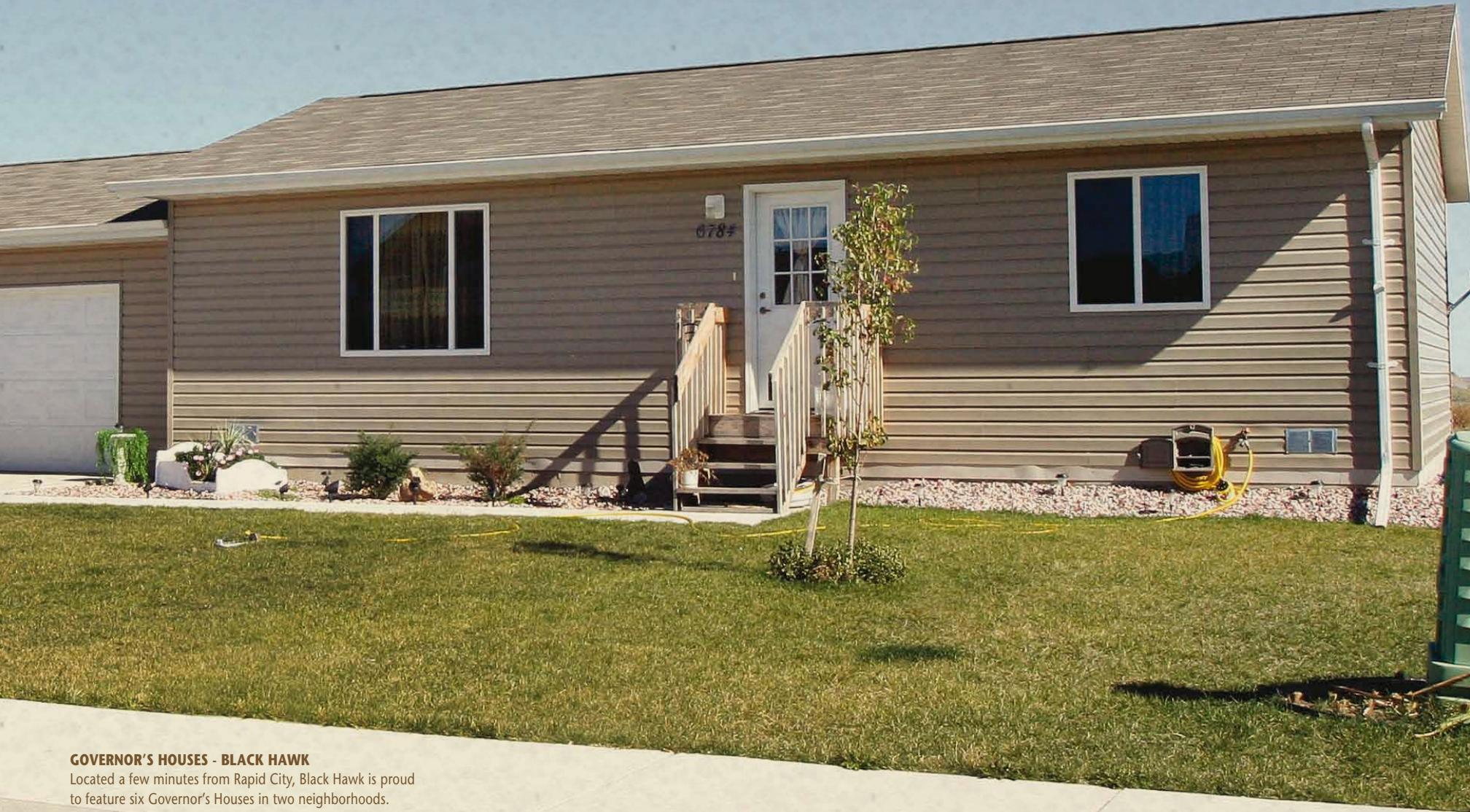
"The ability for any community to have new homes available for residents is very important, and in an unincorporated town like Black Hawk, it may be especially so, because there's no local government entity that's pursuing affordable housing," said Jim Shaw, chairman of the Teton Coalition. "Through our partnership with South Dakota Housing, we're able to build homes that are affordable for individuals and families. And frankly, these families have found that Black Hawk is a very desirable place."

GOVERNOR'S HOUSE SALES



Leona Clubbs, housing coordinator for the Teton Coalition, said she appreciates the work and commitment of the South Dakota Housing Development Authority in helping groups such as the Teton Coalition develop affordable housing in the Rapid City area. "This year, we have about 20 families (in the Rapid City area) that would not have gotten a home if not for South Dakota Housing," she said.

our own house



GOVERNOR'S HOUSES - BLACK HAWK

Located a few minutes from Rapid City, Black Hawk is proud to feature six Governor's Houses in two neighborhoods.

my new place



THE SUNSHINE PARK TOWNHOMES - ABERDEEN

The project has brightened the neighborhood and lifted the appearance of the whole area, says Mayor Mike Levsen.

RENTAL HOUSING DEVELOPMENT

ABERDEEN

AGENCIES WORK TO EASE ABERDEEN'S HOUSING CRUNCH

In Aberdeen, South Dakota's third-largest city, affordable housing is hard to find. Demand is rising as young families move to Aberdeen for economic opportunities, and as retirees downsize their living arrangements. Further, the supply of housing dropped sharply after the flooding in May 2007.

"A shortage of apartments and other affordable housing options for workforce residents has been identified as Aberdeen's No. 1 potential limit on our growth," said Aberdeen Mayor Mike Levsen.

Developing new housing has been a priority for Aberdeen. South Dakota Housing Development Authority (SDHDA) - in partnership with the Aberdeen Housing Authority and Homes Are Possible Inc. (HAPI), a local Community Housing Development Organization - are addressing this issue.

"This demand for housing has had a significant effect on the community," said Jeff Mitchell, executive director of HAPI. "That is why we partnered for the development of Sunshine Park Townhomes."

Sunshine Park Townhomes, a 28-unit complex developed by Aberdeen Housing Authority, includes 20 two-bedroom, 6 three-bedroom and 2 four-bedroom townhomes. To make the project possible, SDHDA financed over \$1.5 million consisting of funding from HOME, Neighborhood Stabilization Program (NSP), Tax Credit Assistance Program (TCAP), and Housing Tax Credits (HTC).

FUNDING ALLOCATED IN FY 2010

Program Name	# of Units	Amount Financed
Emergency Shelter Grant	N/A	\$ 332,591
FLEX	N/A	\$ 296,750
HOME	214*	\$ 4,557,336
HOME/Governor's House Pilot Program	12	\$ 179,816
HOME/Homeownership Rehab Program	39	\$ 326,902
HOME/Security Deposit Program	170	\$ 71,000
Housing Tax Credits	184*	\$ 1,524,876
Homelessness Prevention & Rapid Re-Housing Program	N/A	\$ 3,178,751
Multifamily Preservation Program	181*	\$ 418,000
Neighborhood Stabilization Program	204*	\$ 10,750,978
Tax Credit Assistance Program	136*	\$ 5,124,444
Tax Credit Exchange Program	106*	\$ 7,756,893
Total	1246	\$ 34,518,337

*units counted for each type of funding

The Pierre-based agency provides more than funding sources, said Jody A. Zueger, executive director of Aberdeen Housing Authority. "It takes a lot to put these things together," she said. "They are there to give you ideas, and help you get through the process."

"The Sunshine Park Townhome project has been a spectacular success, both in immediately filling with qualifying residents and also in brightening the neighborhood," Mayor Levsen added. "We are eager to do more of these projects through the South Dakota Housing Development Authority, which has the expertise to help get through the maze of requirements and paperwork to get this type of project done."

RENTAL HOUSING MANAGEMENT

THE EVANS HOT SPRINGS HISTORIC HOUSING

The stately sandstone building known as The Evans survived two major fires over the years, but it was the support and funding of South Dakota Housing Development Authority (SDHDA) that gave the former hotel an important new purpose. The Evans is a wonderful, historic residential living complex in the beautiful Black Hills town of Hot Springs. The Evans serves as the center of the community hosting band concerts on its terrace and as the prime location for viewing local parades. "The Evans is Hot Springs," said Greg Foust, executive director of the Hot Springs Housing and Redevelopment Commission. "When people imagine Hot Springs, they usually picture The Evans. Our building is the iconic image of this community and its remarkable history."

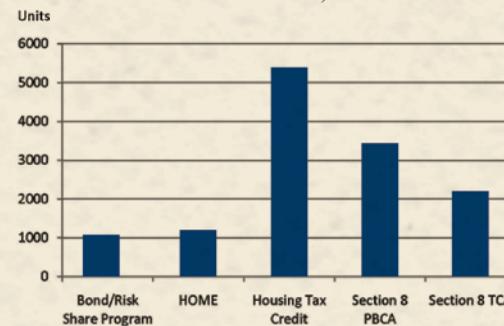
The historic building was constructed as a hotel in 1892 by local businessman Fred Evans. After serving in that capacity for nearly a century, The Evans was converted into an apartment complex in 1979. SDHDA financed \$3.1 million of that conversion - which, at that time, made it the largest single development ever funded by SDHDA.

In 2009-2010, SDHDA financed another \$1.8 million in renovations for The Evans. That effort, Foust says, was invaluable to the community of Hot Springs. "What SDHDA did for The Evans this year ensures that there will be an affordable housing solution for Hot Springs area residents for the next several decades," said Foust.

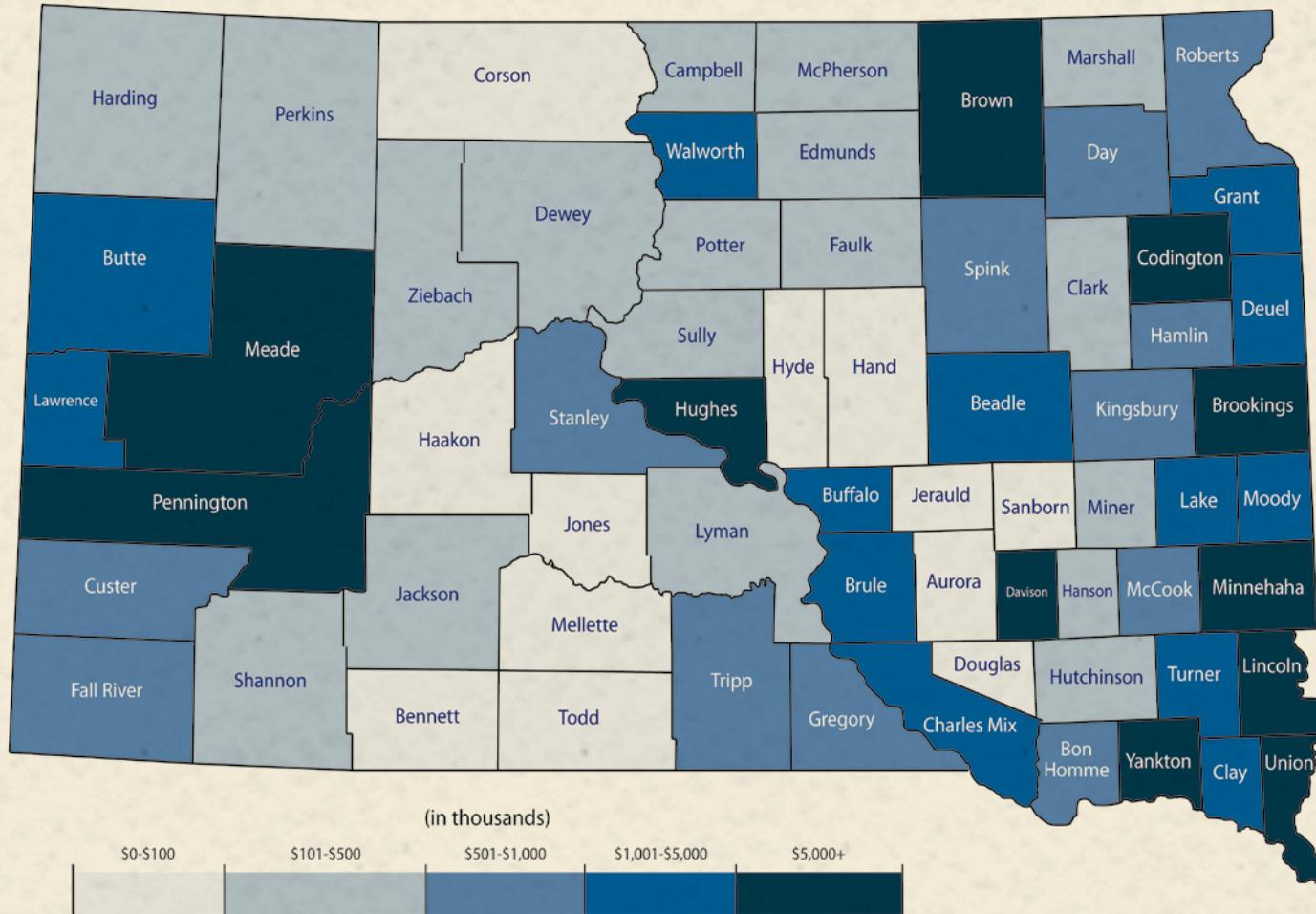
SDHDA's recent funding support allowed The Evans to complete many necessary renovations. The water system and boiler were upgraded. Residential units were modified, creating greater accessibility and kitchen space. Repairs were made to the roofing, the exterior sandstone façade, and the six-story elevator. In addition, parking and paved areas were expanded.

Today The Evans is home to elderly and persons with disabilities from the Hot Springs area. With 85 residential units, it is a true asset to the town – both in terms of affordable housing and historic significance. SDHDA's contributions to The Evans and the Hot Springs community will continue to be appreciated for years to come.

PORTFOLIO AS OF JUNE 30, 2010



SDHDA FY 2010 Housing Funding by County



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