



January 29, 2025

**FY26 INFORMATIONAL
BUDGET PRESENTATION
JOINT COMMITTEE APPROPRIATIONS**

**SOUTH DAKOTA
HOUSING**



SOUTH DAKOTA HOUSING (SDH) OVERVIEW

- Created in 1973 as independent public instrumentality
- Issue bonds and notes to finance and develop affordable housing opportunities
- Administer programs providing funding and services to assist homeowners, renters, and the homeless
- Board of Commissioners consisting of seven members
- Main staffing in Pierre and Springfield (GH Program)



SDH OVERVIEW CONTINUED...

- **Homeownership:** Annually lend approximately \$400-\$500 million through First-Time Homebuyer and Repeat Homebuyer Programs; also provide downpayment assistance and homebuyer education
- **Single Family Development:** Governor's House & DakotaPlex Programs, BuildSpec Program
- **Rental Housing Development:** Administer federal and state housing funds including HOME, Housing Trust Fund, Continuum of Care, and Emergency Solutions Grant through HUD, Low-Income Housing Tax Credits and Tax-Exempt Bond Financing through the IRS, Housing Opportunity Fund with State and SDH funding, and Housing Infrastructure Financing Program with State funding



SDH OVERVIEW CONTINUED...

- **Rental Housing Management:** Manage a portfolio of 392 housing developments totaling over 12,000 units of affordable housing
 - Also manage the performance-based contract administration of the Section 8 program administering \$27.6 million in rental subsidy
- **Research and Marketing:** Primarily responsible for planning and coordinating SDH's annual conference, board meetings, and other trainings and events; steer the marketing efforts of the organization
- **Finance and Administration:** Perform accounting functions for federal and state housing programs as well as day to day operations. Includes IT Department

COVID RELIEF PROGRAMS

- Coronavirus Relief Funds - \$2.9M disbursed – Closed out
- Emergency Rental Assistance I - \$13M disbursed – Closed out
- Emergency Rental Assistance II - \$51.6M disbursed – expires 9/30/25
- Homeowner Assistance Fund - \$1.5M disbursed – expires 9/30/26
- ESG-CV - \$7.7M disbursed – closed out 4/30/24
- SDH partners with agencies statewide for administration of the funding



SDH BUDGET CHANGES



Pages 3-5 Budget Brief Summary; Pages 8-9 Detailed Brief

- \$715,000 total increase
- Contractual Services – insurance, office rent, audit services, accounting software, marketing – all inflationary
- Salary Adjustments – Adjusted salaries to be similar to pay increases received by other state employees
- Benefit adjustments – inflationary
- Governor’s House materials – inflationary

SDH STAFFING

- Staffing budgeted to 76 employees in Pierre and Springfield (Governor's House Program)
- Currently 5 FTEs un-utilized; 2 within the Governor's House Program
- 0 employees with imminent retirement
- Vacant positions are generally short-term and turnover is low – Mostly due to retirements
- Limited overtime usage, mostly utilized by Governor's House staff due to travel

SDH IT PROJECTS

- Updated primary storage hardware; Cost was \$156,000 and project is complete
- All work performed by SDH IT department and 3rd party vendors such as IT Outlet and High Point Networks out of Sioux Falls
- Funding for all IT projects comes out of SDH Other Funds

SDH EFFICIENCY AND EFFECTIVENESS

- Conducted strategic planning sessions in 2023 with staff and Board members
 - Identified areas for streamlined processes, improvements to programs, and overall efficiency e.g. Fair Housing Ombudsman Program, HERO Coordinator
- Outside of GH Programs, SDH has roughly 50 staff administering over 30 different programs
 - Includes IT, Accounting, and Maintenance

SDH OUTLOOK

- Challenges
 - Material costs, limited housing inventory, and increased interest rates slow down housing development and homeownership opportunities
 - Supply chain issues have improved substantially
 - Federal funding remains constant





THANK YOU!

QUESTIONS?

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