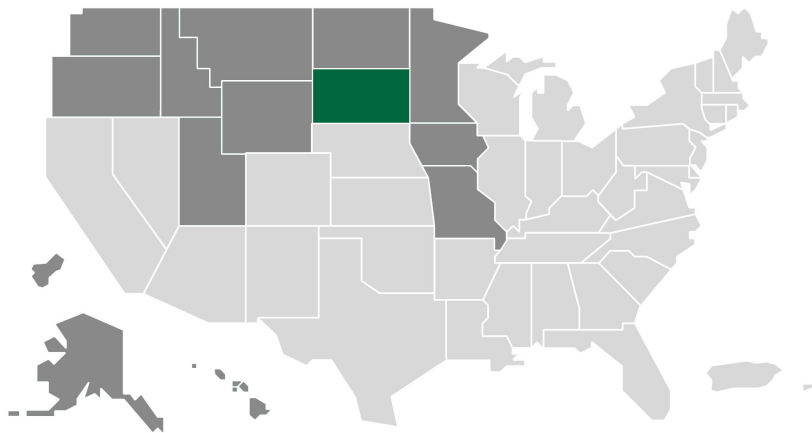


ENHANCING LIVES, IMPACTING COMMUNITIES: THE FEDERAL HOME LOAN BANK SYSTEM



SOUTH DAKOTA
STATE REPORT

SOUTH DAKOTA STATE REPORT

Table of Contents



Rental, Home Construction and Rehabilitation Activities Economic Basis	2
Home Purchase Activities Economic Basis.....	3
Rental, Home Construction and Rehabilitation Activities Economic Impact	4
Home Purchase Activities Economic Impact.....	5
Project Profile: Rental Activity	6

Since its creation in 1989, the Federal Home Loan Bank System’s Affordable Housing Program (AHP) has been a substantial and valuable source of real estate equity for the financing of affordable housing in the United States. From 1990 through 2016, the 11 Federal Home Loan Banks (FHLBanks) collectively contributed more than \$4.1 billion (\$5.4 billion in inflation-adjusted dollars) in AHP real estate finance equity for rental, home construction and rehabilitation activities. This equity was combined with \$65.7 billion (\$83.9 billion in inflation-adjusted dollars) in leveraged dollars from other private and public sources, enabling \$69.9 billion (\$89.3 billion in inflation-adjusted dollars) in total development funding for more than 601,000 housing units. From 1995 through 2016, the FHLBanks also collectively contributed approximately \$1.0 billion (\$1.2 billion in inflation-adjusted dollars) in AHP equity for down payment assistance and mortgage principal reduction, assisting more than 183,000 home purchase activities. Each FHLBank allocates at least 10 percent of its annual net earnings to fund its AHP. As such, the continued operating and mission success of the FHLBanks has directly enhanced the development and purchase of affordable housing throughout the country and has had a positive impact on local and state economies and on the national economy. The state of South Dakota is in the Des Moines district. This report details the economic impact of housing within South Dakota that has been enhanced by AHP funding from 1990 through 2016.*

* Note: some projects within South Dakota may have received AHP funding from a Federal Home Loan Bank other than FHLBank Des Moines. For further detail on the economic impact study methodology, please see: Study Methodology and Appendices Report.

SOUTH DAKOTA Rental, Home Construction and Rehabilitation Activities

Economic Basis



\$33.94 MILLION

TOTAL AHP SUBSIDY

AHP provides real estate finance equity for both rental and for-sale housing. AHP is more often referred to as a subsidy or grant and is delivered to FHLBank-member financial institutions to assist in the funding for construction, rehabilitation and purchase of affordable housing.

\$42.74 MILLION

TOTAL AHP SUBSIDY INFLATION-ADJUSTED



\$212.12 MILLION

DEVELOPMENT COST

Development Cost refers to the cost of acquiring land or pre-existing housing units, demolition and/or relocation costs and any costs incurred while constructing, rehabilitating or redeveloping housing.

\$280.99 MILLION

DEVELOPMENT COST INFLATION-ADJUSTED

 **196**

PROJECTS

Projects refers to the distinct use of AHP funding for a specific acquisition, construction or rehabilitation of building(s) or housing unit(s).

 **5,010**

TOTAL UNITS

Total Units refers to the total number of single-family and multifamily units constructed using AHP funding, where each individual dwelling unit in a multifamily building is counted separately.

Inflation-Adjusted refers to the measure of return that takes into account the time period's inflation rate. For example, \$100 in 1990 is worth \$192 in 2018. This study reports all economic impacts in inflation-adjusted dollars.

SOUTH DAKOTA Home Purchase Activities

Economic Basis



\$3.53 MILLION

TOTAL AHP SUBSIDY

AHP provides real estate finance equity for both rental and for-sale housing. AHP is more often referred to as a subsidy or grant and is delivered to FHLBank-member financial institutions to assist in the funding for construction, rehabilitation and purchase of affordable housing.

\$4.38 MILLION

TOTAL AHP SUBSIDY INFLATION-ADJUSTED



\$119.62 MILLION

FIRST MORTGAGES

First Mortgages refers to the volume and value of first-lien position mortgages financed by lenders in a home purchase activity.

\$141.83 MILLION

FIRST MORTGAGES INFLATION-ADJUSTED



1,511

TOTAL UNITS

Total Units refers to the total number of single-family and multifamily units constructed using AHP funding, where each individual dwelling unit in a multifamily building is counted separately.

Inflation-Adjusted refers to the measure of return that takes into account the time period's inflation rate. For example, \$100 in 1990 is worth \$192 in 2018. This study reports all economic impacts in inflation-adjusted dollars.

SOUTH DAKOTA Rental, Home Construction and Rehabilitation Activities

Economic Impact



\$485.75 MILLION

TOTAL ECONOMIC BENEFITS

Total Economic Benefits measure the economic activities associated with rental, home construction and rehabilitation enhanced by AHP funding.



3,914 JOBS

JOB CREATION

Job Creation includes new full-time, part-time, temporary, permanent, salary-based and fee-based jobs generated by the addition of AHP-enhanced rental, home construction and rehabilitation activities.



\$175.67 MILLION

LABOR INCOME

Labor Income refers to all forms of income that stem from employment, such as salaries and hourly wages and profits made by developers, builders and contractors.

1.73

MULTIPLIER (IMPLAN Factor)

Multiplier is a term used for the economic ripple effect measured by an economic impact model. In this case, the multiplier effect accounts for how each additional job or dollar of output enhanced by AHP funding impacts the home construction and rehabilitation of affordable rental and housing units.

\$11.85 MILLION

TAX REVENUE

Tax Revenue includes the revenue generated by local and state taxes related to rental, home construction and rehabilitation.

All dollars are in inflation-adjusted dollars.

SOUTH DAKOTA Home Purchase Activities

Economic Impact



\$334.53 MILLION

TOTAL ECONOMIC BENEFITS

Total Economic Benefits measure the economic activities associated with home purchases, enhanced by AHP funding.



2,328 JOBS

JOB CREATION

Job Creation includes new full-time, part-time, temporary, permanent, salary-based and fee-based jobs generated by the addition of AHP-enhanced home purchase activities.



\$74.74 MILLION

LABOR INCOME

Labor Income refers to all forms of income that stem from employment, such as salaries and hourly wages and profits made by developers, builders and contractors.

1.79

MULTIPLIER (IMPLAN Factor)

Multiplier is a term used for the economic ripple effect measured by an economic impact model. In this case, the multiplier effect accounts for how each additional job or dollar of output enhanced by AHP funding impacts the home purchases of affordable housing units.

\$12.86 MILLION

TAX REVENUE

Tax Revenue includes the revenue generated by local and state taxes related to rental, home construction and rehabilitation.

SOUTH DAKOTA

Project Profile: Rental Activity



The Franklin House

After receiving an AHP award in 2015, ADVANCE, a private, nonprofit organization that supports individuals with intellectual and developmental disabilities, developed the Franklin House to offer affordable housing in a group home setting for low-income adults in Brookings County. The property is on a large lot in a residential neighborhood on the south side of Brookings, South Dakota. It is also close to several new housing developments in that part of the city.

The house has eight bedrooms and features communal dining and living areas, a sunroom and two covered outdoor patios. The entire house is accessible to people who use a wheelchair or have other mobility aides. Staff are available in the house 24 hours a day to offer support services and attend to the care needs of the residents. So far, the project has affected the community very positively.

SOURCES

Private Donations	\$	261,281
FHLB Des Moines AHP	\$	240,000
First Bank and Trust Loan	\$	160,000
ADVANCE Foundation Grant	\$	100,000
Owner Equity	\$	93,399
Brookings County Grant	\$	35,000
Fishback Financial Community Fund Grant	\$	25,000
Total Development Costs	\$	914,680