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South Dakota STATEWIDE HOUSING NEEDS ANALYSIS

Client

The South Dakota Housing Development Authority (SDHDA) allocates low income housing tax credits and issues mortgage revenue bonds for homeownership throughout the state. SDHDA also administers the state's HOME and Continuum of Care Programs.

Project Description

- Prepare statewide housing needs analysis for South Dakota.
- Forecast demand for home ownership and rental housing throughout the state.

Challenges

SDHDA was experiencing vacant rental units in certain areas of the state. Some approved tax credit projects were also being leased more slowly than anticipated. SDHDA challenged M&L to answer the following questions:

- Should we expect demand for additional affordable rental housing?
- In which areas of the state will such demand be most pronounced?
- Should we expect demand for elderly or for family rental units?
- Should we expect continued demand for home mortgages under our revenue bond program?

Solution

Members of M&L's staff traveled throughout the state to meet with housing practitioners, lenders, developers, and public agencies. We mailed surveys to 47 of the state's public and Indian housing agencies. Our team followed the surveys with face-to-face interviews. M&L compiled and sorted statistical information for the state's 66 counties, 19 cities, and 9 Indian reservations.

Using household formation trends, M&L prepared a forecast of mortgage demand of buyers who meet the income qualifications for the agency's homeownership programs.

Benefits

- SDHDA can look at the state as a whole to match resources to areas of greatest need and/or with highest potential impact.
- SDHDA can use the housing needs analysis, in part, to prepare the Five Year Consolidated Plan required by HUD
- Because M&L's research pointed to increases in household formation at lower income levels, South Dakota can strategically direct subsidies to increase the rate of homeownership.

Planning and Development Consultants