

WELCOME...

**AND THANK YOU
FOR COMING
THIS EVENING!**

MARKETING THE HOUSING STUDY...

(IF WE BUILD IT, WILL THEY COME?)

WORKFORCE HOUSING MARKET RESEARCH:

DEFINE WORKFORCE HOUSING...

- PRICE POINT
- 2 OR THREE BEDROOM (?)
- ONE OR TWO CAR GARAGE (?)
- ONE OR TWO BATHROOMS (?)
- ADA (?)





BORING, NECESSARY STATISTICS

- **Males:** 1,784 (50.9%)
- **Females:** 1,719 (49.1%)
- **Median resident age:** 51.8 years
- **South Dakota median age:** 36.9 years
- **Zip codes:** [57747](#).
- **Estimated median household income in 2015:** **\$43,365**
(it was \$27,079 in 2000)
Hot Springs:
 - \$43,365
 - **SD:** \$53,017
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Read more: <http://www.city-data.com/city/Hot-Springs-South-Dakota.html#ixzz4g1vHzNK9>

OUR ANALYSIS FOR AFFORDABLE HOUSING:

- VA/FHA LOAN
 - 35% OF GROSS INCOME
 - ($\$43,365 \times 35\% = \$15,178$)
 - = \$1,265.00/MTH
- RURAL DEVELOPMENT
 - 29% OF GROSS INCOME
 - ($\$43,365 \times 29\% = \$12,575$)
 - = \$1048.00/MTH

WHAT DOES THIS MEAN?

- AFFORDABLE HOUSING CAN SUPPORT A MORTGAGE OF BETWEEN \$1,048.00 AND \$1,265.00 PER MONTH
- PRINCIPLE
- INTEREST
- TAXES
- INSURANCE

HOW MUCH HOUSE WILL THIS BUY?

VA/FHA/RURAL DEVELOPMENT LOANS:

- 0% DOWN
- 4% INTEREST
- 30 YEAR MORTGAGE

\$150,000 = \$1,018/MTH

\$180,000 = \$1,205/MTH

NOW WHAT?

(WHERE DO WE GO FROM HERE AND
HOW DO WE GET TO WHERE WE
WANT TO BE?)

QUESTIONS FOR DISCUSSION:

- WHY AREN'T CONTRACTORS BUILDING WORKFORCE HOUSING?
- WHY AREN'T MORE MUNICIPALITIES FACILITATING GROWTH IN THEIR COMMUNITY?
- WHY AREN'T DEVELOPERS ABLE TO OFFER WORKFORCE HOUSING LOTS?
- WHY AREN'T HOMEOWNERS BUYING WORKFORCE HOUSING HOMES?

PROGRAMS AVAILABLE FOR MUNICIPALITIES:

WORKFORCE HOUSING PILOT PROGRAM
THROUGH THE GOVERNOR'S OFFICE OF
ECONOMIC DEVELOPMENT

GOED PILOT PROGRAM

- ONE-YEAR PILOT PROGRAM
- \$1 MILLION FUNDING
- LOCAL MATCHING DOLLARS (IN-KIND AS WELL)
- CITY-CONTROLLED
- FOCUS ON DEMOLITION AND CLEAN UP OF DILAPIDATED PROPERTIES
- WORKFORCE HOUSING TO BE BUILT ON THESE LOTS

PROGRAMS AVAILABLE FOR MUNICIPALITIES:

US DEPARTMENT OF HOUSING AND URBAN
DEVELOPMENT “HOME” INVESTMENT
PARTNERSHIP PROGRAM

“HOME” INVESTMENT PARTNERSHIP PROGRAM

- 25% MATCHING FUNDS FROM THE CITY
- \$6 MILLION ANNUALLY ALLOCATED TO SOUTH DAKOTA
- HOME SUBSIDY ALLOWANCE FOR WORKFORCE HOUSING
- WORKFORCE HOUSING CONSTRUCTION
- REPAIR, REMOVE OR REPLACE DILAPIDATED HOUSING
- INCOME-BASED RENTAL HOUSING

NATIONAL ASSOCIATION OF HOMEBUILDERS:



JAY MENDEL

- OWNER, MENDEL'S MASONRY
- STATE TREASURER, SDHBA
- MEMBERSHIP CHAIRMAN, BHHBA
- FORMER PRESIDENT, BHHBA
- ALTERNATE NATIONAL DIRECTOR, NAHB
- WORKFORCE HOUSING ADVOCATE