



South Dakota

Low Income Housing Preservation in 2010

Low Income Housing Tax Credits (9% Tax Credits)

South Dakota removed their 60% preservation set-aside in the 2011-2012 QAP. Properties involving existing development receive 75 points while new construction properties receive up to 10 points. To be eligible for competitive tax credits projects must have substantial rehabilitation costs, at least \$10,000 per unit or 20% of the original basis, whichever is greater. South Dakota's definition of preservation allows for presently affordable, multifamily, unsubsidized rental housing to qualify as preservation. Projects that commit to a 40 year extended use affordability agreement will receive 80 points. The 30% basis boost is directed to projects located in QCTs or DDAs; projects that are part of a concerted community revitalization plan; service-enriched housing; rural projects; and historic rehabilitation.

Allocations (2003-2009)

Properties Preserved: 19
Apartments Preserved: 872

Private Activity Bonds with 4% Tax Credits

Allocations (2003-2009)

Properties Preserved: 1
Apartments Preserved: 99

Additional Info: Although South Dakota did not allocate any 4% tax credits towards preservation between 2003 and 2008, 100% of the 2009 4% credits went towards projects proposing preservation of affordable rental housing.

Other Preservation Incentives

South Dakota Housing Development Authority administers the Rural Housing Service 515 Preservation Revolving Loan Fund (RHS 515 PRLF), which aims to make fund available for the preservation and rehabilitation of RHS section 515 multifamily developments. A minimum of \$2,500 and a maximum of \$40,000 is available per unit of rehabilitation.

Green Multifamily Preservation Initiatives

Green Incentives in State Tax Credit Allocation Plan

South Dakota's 2011-2012 QAP awards up to 20 points for green features, 25 points for Energy Star certified units, and 15 points for Energy Star rated air conditioning units. Mandatory project characteristics, including several energy conservation measures, apply only to new construction projects, though rehab projects are encouraged to meet them as well.

Other Green Incentives Relevant to Preservation

The value added by a renewable energy system is exempt from property tax assessments.

For additional information on green initiatives, visit www.aceee.org for more on policies related to energy efficiency or www.dsireusa.org for programs that may be available to developers to incentivize renewable energy or energy efficiency.

Sustainable Communities & Transit-Oriented Development Incentives

Projects within Qualified Census Tracts which contribute to a Concerted Community Revitalization Plan will receive 30 points. Rehabilitation projects that contributed to a Concerted Community Revitalization Plan will receive 10 points.