

MOUNTAIN PLAINS NAHRO  
National Association of Housing & Redevelopment Officials



As South Dakota grapples with the unmet need of affordable housing federally funded rental assistance programs are more important than ever. The predominate housing problem facing very-low-income households is the high cost of housing, although some households also live in substandard or overcrowded conditions.

In recent years, rental assistance programs have been affected significantly by a series of cost containment measures generated by budgetary pressures. In many areas of South Dakota this has lead to a decrease in the number of affordable housing units and households that can be assisted. This situation has become especially critical during the latest economic downturn-leaving more households having to choose between providing a roof over their family's head or providing adequate food for their family.

In South Dakota, the Fair Market Rent (FMR) for a two bedroom apartment is \$600. A household must have income of \$2,000 per month, \$23,999 annually, in order to meet "affordability", i.e., not paying more than 30% of monthly income

for housing costs. This translates into an hourly wage of \$11.54, working 40 hours per week, 52 weeks per year. In South Dakota, the average hourly wage is \$9.71, a \$1.83 per hour deficit. In order to afford the FMR for a two-bedroom apartment a renter earning \$9.71 per hour would have to work 48 hours per week, 52 weeks per year. 40% of South Dakotans are unable to afford a two-bedroom unit at the \$600 FMR.

Households on fixed incomes, such as the elderly or disabled, receiving Social Security benefits or Supplemental Security Income (SSI) face an even greater difficulty in finding affordable housing.

Rural America, including South Dakota, is one-third of the United States' population. Rental assistance in rural America is critical. There aren't many options for low-income households in rural areas of this state or any other rural area across the nation. Congress needs to ensure that rural America's affordable housing needs are met and we are not left behind.

