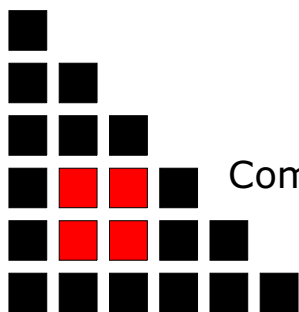


# Colman HOUSING STUDY

February 2023

An analysis of the overall housing needs  
of the City of Colman, SD



Community Partners Research, Inc.  
Faribault, MN

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## **Introduction**

Local elected and public officials are often held responsible for conditions and circumstances over which they have limited control. This is particularly true of housing. Most of the housing units in Colman and Moody County are privately owned and were constructed with private funds. On an increasing scale, however, the public is demanding that public officials control what happens in this largely private housing market by eliminating blight, protecting individual investments, and generating new housing growth to meet economic development needs.

Community Partners Research, Inc., was hired by the Colman Economic Development Corporation to conduct a study of the housing needs and conditions in the City of Colman.

### **Goals**

The multiple goals of the study include:

- ▶ Provide demographic data including the 2020 Census
- ▶ Provide an analysis of the current housing stock and inventory
- ▶ Determine gaps or unmet housing needs
- ▶ Examine future housing trends that the area can expect to address in the coming years
- ▶ Provide a market analysis for housing development
- ▶ Provide housing recommendations and findings

### **Methodology**

A variety of resources were utilized to obtain information for the Housing Study. Community Partners Research, Inc., collected and analyzed data from September 2022 to January 2023. Data sources included:

- U.S. Census Bureau
- American Community Survey
- Applied Geographic Solutions, a private data company
- Esri, a private data company
- Records and data from the City
- Records and data maintained by Moody County
- Interviews with City officials, community leaders, housing stakeholders, etc.

- Area housing agencies
- State and Federal housing agencies
- Rental property owner surveys
- Housing condition survey

## **Limitations**

This Housing Study represents an analysis performed with the data available at the time of the Study. The findings and recommendations are based upon current solutions and the best available information on future trends and projections. Significant changes in the area's economy, employment growth, federal or State tax policy or other related factors could change the conclusions and recommendations contained in this Housing Study.

During the course of the research for this project, a global pandemic was still underway, which has had widespread impacts, including on economic, housing and educational conditions. The longer-term impacts of the pandemic cannot be predicted, and the analysts have proceeded with the best information available at the time of the research.

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# Demographic Data Overview

## Sources of Data

The following pages contain demographic data obtained from a variety of local, state and national sources for the City of Colman and Moody County.

At the time that research was completed for this Study, the Census Bureau had released initial information from the 2020 decennial Census. However, some of the more detailed tables on demographic and housing characteristics are not scheduled for release until May 2023.

The global pandemic had not only impacted the Census release schedule, but it also affected the data collection in 2020. As a result, there are some questions about the accuracy of 2020 Census data, but in the opinion of the analysts it still represents the best demographic information available.

With the absence of some data from the 2020 Census, this Update has proceeded with the best available estimates from secondary sources, including the Census Bureau's American Community Survey, an annual sampling of households. However, because the American Survey is an estimate, based on sampling data, there is a margin of error that exists for each estimate. The American Community Survey estimates have an effective date in 2020. The estimates were derived from five-year sampling, obtained between 2016 and 2020.

This Update has also utilized demographic estimates and projections that have been generated by private data providers. The South Dakota Governor's Office of Economic Development contracts with Applied Geographic Solutions (AGS) to provide community profiles for each city in the State. The AGS estimates and projections were generated after the release of 2020 Census totals and generally have been adjusted to reflect this new demographic benchmark.

Prior to using AGS, the State had used Esri, Inc., for community profiles. The analysts have also utilized estimates and projections from Esri. Esri produced its estimates and projections after the release of the 2020 Census, and the information is also generally consistent with Census totals. Both of these private data reporting services are widely used by financial and government entities.

## Population Data and Trends

| <b>Table 1 Population Trends - 1990 to 2020</b> |             |             |                    |             |                    |             |
|---|-------------|-------------|--------------------|-------------|--------------------|-------------|
|   | 1990 Census | 2000 Census | % Change 1990-2000 | 2010 Census | % Change 2000-2010 | 2020 Census |
| Colman  | 482         | 572         | 18.7%              | 594         | 3.8%               | 634         |
| Moody County                                    | 6,507       | 6,595       | 1.4%               | 6,486       | -1.7%              | 6,336       |

Source: U.S. Census

- ▶ The release of population totals from the 2020 U.S. Census has established a new benchmark for the number of people residing in each jurisdiction. The Census total has an effective date of April 1, 2020.
- ▶ In 2020, the population for the City of Colman was 634 people. When compared back to the 2010 Census, the City had added 40 permanent residents, for a population increase of 6.7%.
- ▶ The most recent decade represented a continued pattern of population growth, as the City added residents in the 1990s and between 2000 and 2010. Over the entire 30-year time period, Colman added 152 residents.
- ▶ In 2020, the population level for all of Moody County was 6,336, down by 150 people from 2010. The Countywide loss of population occurred despite some population growth in Colman and Flandreau, the largest cities in Moody County.
- ▶ While Moody County did have some population growth in the 1990s, the number of County residents has decreased consistently since that time.
- ▶ There are more recent population estimates available from both Applied Geographic Solutions (AGS) and Esri. Both sources provide estimates for with an effective date of 2022 and were produced after the 2020 Census was released.
- ▶ AGS, the data source utilized by the Governor’s Office of Economic Development, estimated that the City of Colman had 648 permanent residents in 2022. This estimate was slightly above the 2020 Census count of 634 people, with a two-year difference in the effective date.

- ▶ The 2022 estimate from Esri for the City of Colman showed 641 residents, also slightly above the 2020 Census count of 634 people, with a two-year difference in the effective date.
- ▶ While the 2022 estimates from AGS and Esri both showed some continued population growth after the 2020 Census, it is probable that both of the estimates are too low. As will be discussed later in this document, between 2020 and 2022, there were a number of new housing unit construction starts in Colman which should have resulted in greater population and household growth than indicated by either AGS or Esri.
- ▶ The AGS estimate for Moody County showed 6,415 residents in 2022, compared to 6,336 counted by the 2020 Census. Based on this estimate, the County has experienced some population growth between 2020 and 2022.

### **Population Characteristics**

- ▶ Colman's population is primarily White and non-Hispanic/Latino. At the time of the 2020 Census, more than 92% of the City's residents were identified White for race. The next largest racial group was "two or more races", which represented 4.4% of the City's residents.
- ▶ Fewer than 3% of Colman's residents were of Hispanic/Latino ethnic origin according to the 2020 Census.
- ▶ In 2020, there were no people in Colman living in some form of group quarters housing such as a nursing home or a group home.

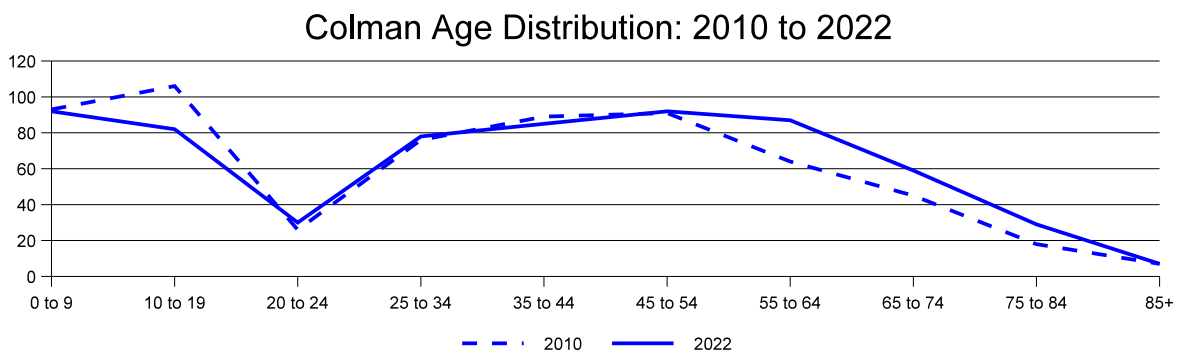


## Population by Age Trends: 2010 to 2022

Age-based population estimates are available from Esri. These estimates can also be compared to the 2010 Census examine the area’s changing age patterns over time. This information is for the City of Colman. As stated on the previous page, Esri has probably under estimated the City’s total population in 2022, but the age-based changes are reflective of general patterns.

| <b>Table 2 Colman Population by Age - 2010 to 2022</b> |             |            |           |
|--|-------------|------------|-----------|
| Age  | 2010 Census | 2022 Esri  | Change    |
| 0-9  | 93          | 92         | -1        |
| 10-19  | 106         | 82         | -24       |
| 20-24  | 26          | 30         | 4         |
| 25-34  | 76          | 78         | 2         |
| 35-44  | 89          | 85         | -4        |
| 45-54  | 91          | 92         | 1         |
| 55-64  | 64          | 87         | 23        |
| 65-74  | 45          | 59         | 14        |
| 75-84  | 18          | 29         | 11        |
| 85 and older   | 7           | 7          | 0         |
| <b>Total</b>   | <b>615</b>  | <b>641</b> | <b>26</b> |

Source: U.S. Census; Esri



- ▶ Between 2010 and 2022, the City of Colman added 26 residents, according to Esri estimates. All of the defined age groups changed by fewer than 25 people over this time period.

- ▶ Most of the growth came within the 55 to 64 year old age group, which added 23 people. The next oldest age range, 65 to 74 years old, added 14 people. This 20-year age cohort would generally reflect the movement of the large baby boom generation through the aging cycle.
- ▶ There was also some growth estimated in the 75 to 84 year old age group, while the number of older seniors, age 85 and above, remained stable.
- ▶ If all of the age groups 55 and older are combined, the City had an increase of 48 people in these near-senior and senior citizen age ranges.
- ▶ Esri's estimates show a decrease in the number of children and young adults under the age of 20. Most of this decrease was due to fewer people in the 10 to 19 year old age group.
- ▶ Very little change was estimated among young and middle-aged adults between 20 and 54 years old. Combined, these age groups had a net increase of only three residents in Colman between 2010 and 2022.

## Population Projections

Population projections are available from both Applied Geographic Solutions and Esri. Community Partners Research has also generated its own estimates and projections using available housing development data after the 2020 Census. The base-year estimates from each source have been provided, along with projections to 2027. The 2020 Census is also presented for comparison.

| <b>Table 3 Population Projections Through 2027</b> |             |               |                 |        |
|--|-------------|---------------|-----------------|--------|
|  | 2020 Census | 2022 Estimate | 2027 Projection | Change |
| Colman - AGS                                       | 634         | 648           | 639             | -9     |
| Colman - Esri                                      | 634         | 641           | 651             | 10     |
| Colman - CPR, Inc.                                 | 634         | 670           | 750             | 80     |
| Moody County - AGS                                 | 6,336       | 6,415         | 6,304           | -111   |

Source: U.S. Census; AGS; Esri; Community Partners Research, Inc.

- ▶ Applied Geographic Solutions is projecting a minor population decrease in Colman with the expected loss of 9 people over the 5-year time period, or an annual average of approximately two fewer residents per year. This projection would not be consistent with past patterns, as Colman has added residents over the past three decades.
- ▶ Esri is projecting minor growth for the City between 2022 and 2027, with the expected addition of 10 residents, or an average of two people per year. In the opinion of the analysts, this is a conservative forecast.
- ▶ In the opinion of the analysts, both AGS and Esri have an overly conservative view of the City’s growth potential. In the recommendations that follow, Community Partners Research, Inc., has proceeded with a forecast that the City will add approximately 45 households between 2022 and 2027. This would also yield population growth of 80 or more people in the City.
- ▶ Applied Geographic Solutions is also projecting a decreasing population Countywide, with the expected reduction of 111 people between 2022 and 2027, or an annual average loss of approximately 22 residents per year. Between 2010 and 2020, the County had an average annual loss of 15 people per year. While it is likely that some of the rural areas will continue to lose population, with growth potential in Flandreau and Colman, it is possible that the County will add some residents by 2027.

## Household Data and Trends

| <b>Table 4 Household Trends - 1990 to 2020</b> |             |             |                    |             |                    |             |
|--|-------------|-------------|--------------------|-------------|--------------------|-------------|
|  | 1990 Census | 2000 Census | % Change 1990-2000 | 2010 Census | % Change 2000-2010 | 2020 Census |
| Colman   | 211         | 242         | 14.7%              | 237         | -2.1%              | 258         |
| Moody County                                   | 2,398       | 2,526       | 5.3%               | 2,554       | 1.1%               | 2,474       |

Source: U.S. Census

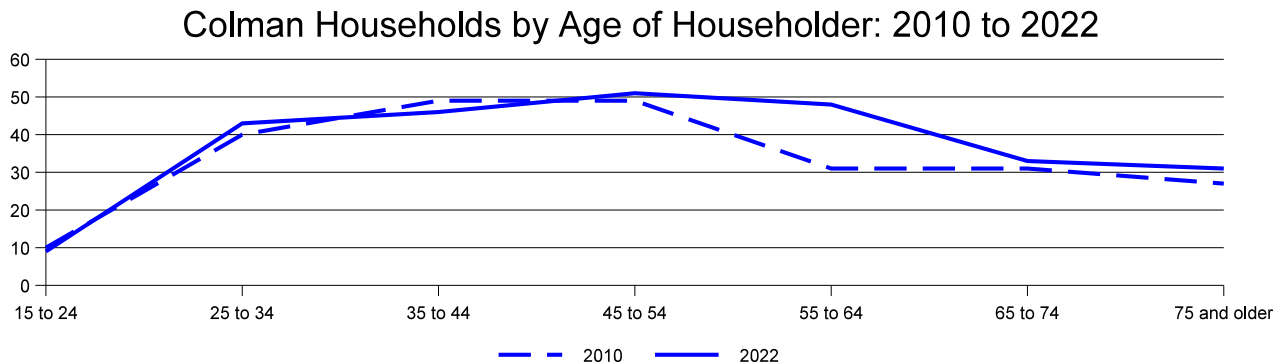
- ▶ According to the 2020 Census, Colman had 258 permanent resident households in 2020, up by 21 households from 2010, or 8.9%.
- ▶ Despite a minor loss of households between 2000 and 2010, Colman has a longer-term pattern of growth, adding 47 households between 1990 and 2020.
- ▶ Moody County had 2,474 households in 2020, down by 80 households from 2010. Despite the household growth in Colman, the remainder of the County, had a net reduction of households over the decade.
- ▶ Although Moody County had added households in the 1990s and between 2000 and 2010, the actual numeric increase had been limited. After the reduction between 2010 and 2020, the County added only 76 households in the 30-year period from 1990 to 2020.
- ▶ Household estimates for 2022 are available from Applied Geographic Solutions and Esri. According to AGS there were 245 households in Colman in 2022, compared to the Census count of 258 households in 2020. Based on the Census, the household estimate from AGS is too low.
- ▶ According to Esri there were 261 households in the City in 2022, compared to the Census count of 258 households in 2020.
- ▶ The AGS estimate for Moody County showed 2,512 households in 2022, up from the Census count of 2,474 households in 2020.
- ▶ In the opinion of the analysts, the 2022 estimates from AGS and Esri are too low, and do not accurately reflect the new housing unit construction activity that has occurred since the Census was conducted, which should have resulted in greater population and household growth than indicated by either AGS or Esri.

## Household by Age Trends: 2010 to 2022

Esri provides age-based household estimates for the year 2022 which can be compared to the 2010 Census to track aging patterns. This information is for the City of Colman. While Esri’s total household count for the City is assumed to be low, the age-based changes are indicative of demographic patterns.

| <b>Table 5 Colman Households by Age - 2010 to 2022</b> |             |            |           |
|--|-------------|------------|-----------|
| Age  | 2010 Census | 2022 Esri  | Change    |
| Under 25   | 10          | 9          | -1        |
| 25-34  | 40          | 43         | 3         |
| 35-44  | 49          | 46         | -3        |
| 45-54  | 49          | 51         | 2         |
| 55-64  | 31          | 48         | 17        |
| 65-74  | 31          | 33         | 2         |
| 75 and older   | 27          | 31         | 4         |
| <b>Total</b>   | <b>237</b>  | <b>261</b> | <b>24</b> |

Source: U.S. Census; Esri



- ▶ As estimated by Esri, the City of Colman added 24 households between 2010 and 2022. Most of the defined age ranges remained relatively stable, with only one age range changing by more than five households over this time period.
- ▶ According to Esri, there was an increase of 17 households in the 55 to 64 year old age group. This would generally reflect the large baby boom generation as it moved through the aging cycle.

- ▶ The younger adult and middle-aged groups showed very little change over this time. If combined, the City had an estimated net gain of only one household age 54 and younger between 2010 and 2022.
- ▶ While each of the age ranges 55 and older increased in size, most of this was attributable to the 55 to 64 year old range. Based on Esri's estimates, the City added only six senior-headed households, age 65 and older.

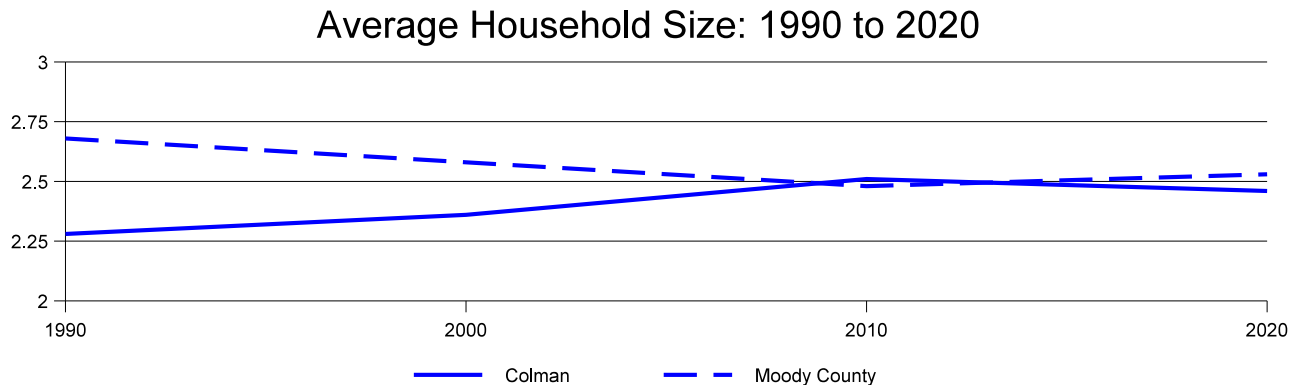
## Average Household Size

The following table provides decennial Census information on average household size.

| <b>Table 6 Average Number of Persons Per Household: 1990 to 2020</b> |             |             |             |             |
|--|-------------|-------------|-------------|-------------|
|  | 1990 Census | 2000 Census | 2010 Census | 2020 Census |
| Colman   | 2.28        | 2.36        | 2.51        | 2.46        |
| Moody County   | 2.68        | 2.58        | 2.48        | 2.53        |
| South Dakota   | 2.59        | 2.50        | 2.42        | 2.44        |

Source: U.S. Census

- ▶ In most communities, household formation has been occurring at a different rate than population change in recent decades due to a steady decrease in average household size. This has been caused by household composition changes, such as more single person and single parent families, fewer children per family, and more senior households due to longer life spans.



- ▶ However, Colman has generally moved in the opposite direction, with a significant increase in the average household size between 1990 and 2010. While the average household size then decreased slightly between 2010 and 2020, the average in Colman was still above the Statewide average in 2020.
- ▶ The average household size for all of Moody County was decreasing between 1990 and 2010, but then increased after 2010. The County’s average household has remained above the South Dakota average since 1990.

## Household Projections

Household projections are available to the year 2027 from Applied Geographic Solutions and Esri. Community Partners Research, Inc., has also generated its own estimates and projections using available housing development data after the 2020 Census. The base-year estimate from each source has been provided to track the expected change in households over the 5-year time period. The 2020 Census count is also provided for comparison.

| <b>Table 7 Household Projections Through 2027</b> |             |               |                 |        |
|---|-------------|---------------|-----------------|--------|
|   | 2020 Census | 2022 Estimate | 2027 Projection | Change |
| Colman - AGS                                      | 258         | 245           | 241             | -4     |
| Colman - Esri                                     | 258         | 261           | 264             | 3      |
| Colman - CPR, Inc.                                | 258         | 273           | 318             | 45     |
| Moody County - AGS                                | 2,474       | 2,512         | 2,456           | -56    |

Source: U.S. Census; AGS; Esri; Community Partners Research, Inc.

- ▶ Applied Geographic Solutions starts with a lower base-year estimate for 2022 and projects that Colman will lose four households between 2022 and 2027, or an average of nearly one household per year. In the opinion of the analysts, this is an overly conservative forecast as the City added households between 2010 and 2020.
- ▶ Esri is projecting a minor level of growth, with the addition of three households between 2022 and 2027, or less than one household per year. In the opinion of the analysts, the City does have greater growth potential than indicated in Esri’s forecast.
- ▶ In the opinion of the analysts, both AGS and Esri have an overly conservative view of the City’s growth potential. In the recommendations that follow, Community Partners Research, Inc., has proceeded with a forecast that the City will add approximately 45 households between 2022 and 2027.
- ▶ Applied Geographic Solutions believes that Moody County will lose 56 households between 2022 and 2027. The projected rate of loss, at approximately 11 households per year, would be greater than the reduction that was experienced between 2010 and 2020, when the County had an annual average loss of eight households per year.



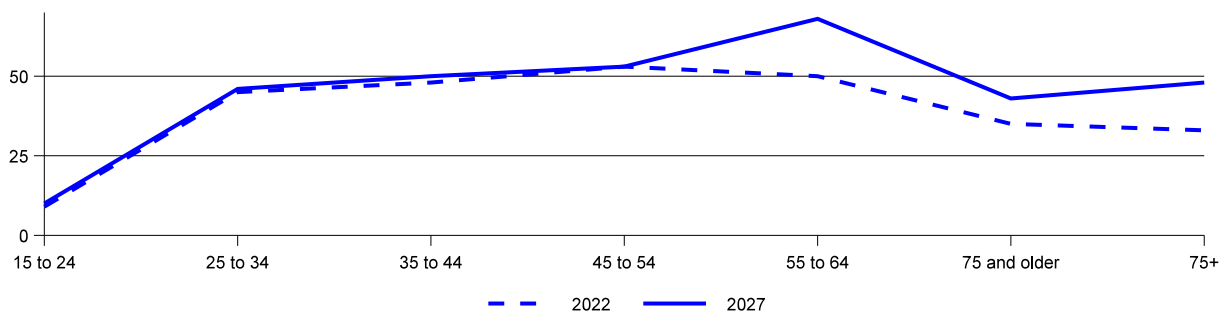
## Colman Household by Age Projections: 2022 to 2027

Esri has also produced age-based household projections. However, in the opinion of the analysts, both the base year estimates for 2022 and projections to 2027 are too low. Community Partners Research, Inc. Has adjusted the Esri data upward to better reflect probable changes by age.

| <b>Table 8 Colman Projected Households by Age - 2022 to 2027</b> |               |                 |        |
|--|---------------|-----------------|--------|
| Age Range  | 2022 Estimate | 2027 Projection | Change |
| 24 and younger   | 9             | 10              | 1      |
| 25-34  | 45            | 46              | 1      |
| 35-44  | 48            | 50              | 2      |
| 45-54  | 53            | 53              | 0      |
| 55-64  | 50            | 68              | 18     |
| 65-74  | 35            | 43              | 8      |
| 75 and older   | 33            | 48              | 15     |
| Total  | 273           | 318             | 45     |

Source: Esri, Inc.; Community Partners Research, Inc.

Colman Households by Age of Householder: 2022 to 2027



- ▶ The modified age-based projections show limited change in each of the younger age ranges, 54 and under. In broader terms, Esri is projecting an overall increase in households age 55 and older, but only a very small increase in the number of households age 54 and younger.
- ▶ The largest increase is projected among households age 55 to 64 years old, followed by growth from households age 75 and older. In total, 41 additional households would be expected in the senior and near-senior age groups, age 55 and older.

## Housing Tenure

The 2020 Census has not yet released any information on home owner and renter status. The American Community Survey does provide an estimate of the tenure distribution patterns. In the following table, the 2020 estimates have been presented, along with the 2010 Census data for comparison.

| <b>Table 9 Households by Tenure - 2010 and 2020</b> |               |                |               |                |
|---|---------------|----------------|---------------|----------------|
|   | 2010 Census   |                | 2020 ACS      |                |
|   | Percent Owned | Percent Rented | Percent Owned | Percent Rented |
| Colman  | 76.8%         | 23.2%          | 79.4%         | 20.6%          |
| Moody County  | 74.4%         | 25.6%          | 70.9%         | 29.1%          |

Source: U.S. Census; ACS

- ▶ According to the American Community Survey, the home ownership tenure rate in Colman has been increasing, with an estimated 79.4% of all households owning their housing in 2020 compared to 76.8% of all households in 2010.
- ▶ Although the rate of home ownership in the City may have increased in recent years, in the opinion of the analysts the American Community Survey may have over estimated the actual change in tenure.
- ▶ According to this source, the home ownership rate in all of Moody County has been decreasing, and was below 71% in 2020. Once again, this estimate may reflect a sampling error as it is doubtful that the County’s home ownership rate would have decreased as much as indicated in the American Community Survey estimate.

## Median Income Data

Information on median income levels is available at the city and county level through the American Community Survey. These estimates are for 2020.

Household income represents all independent households, including people living alone and unrelated individuals together in a housing unit. Families are two or more related individuals living together. Generally, family household incomes tend to be much higher than the overall household median, as families have at least two household members, and potentially more income-earners.

| <b>Table 10 Median Household Income - 2010 to 2020</b> |             |             |          |
|--|-------------|-------------|----------|
|  | 2010 Median | 2020 Median | % Change |
| Households   |             |             |          |
| Colman   | \$57,000    | \$84,318    | 47.9%    |
| Moody County   | \$52,354    | \$61,894    | 18.2%    |
| South Dakota   | \$46,369    | \$59,896    | 29.1%    |
| Families   |             |             |          |
| Colman   | \$61,125    | \$96,250    | 57.5%    |
| Moody County   | \$61,667    | \$80,000    | 29.7%    |
| South Dakota   | \$58,958    | \$77,042    | 30.7%    |

Source: ACS

- ▶ According to the American Community Survey, the median household income in Colman was relatively high in 2020 at \$84,318, and had increased by nearly 48% between 2010 and 2020. The City’s estimated median household income was more than \$24,000 higher than the comparable Statewide median in 2020. The County’s median household income was also above the Statewide median but more than \$22,000 lower than the median in Colman.
- ▶ The median family income for Colman was estimated at \$96,250 in 2020, up by more than 57% from 2010. With the rapid increase over the last decade, the median family income for Colman had moved well above the comparable medians for the County and the State by 2020.
- ▶ Using the commonly accepted standard that up to 30% of gross income can be applied to housing expenses without experiencing a cost burden, the high median incomes in Colman yield an amount of \$2,108 for households and \$2,406 for families at the medians that could be applied to monthly costs for ownership or rental housing in 2020.

## Colman Household Income Distribution

The American Community Survey provides income data by owner and renter status. For Colman, the 2020 American Community Survey estimated that there were 248 total households compared to the 2020 Census count of 258 households.

| <b>Table 11 Colman Household Income Distribution - 2020</b> |                            |                             |            |
|---|----------------------------|-----------------------------|------------|
| Household Income  | Number of Owner Households | Number of Renter Households | Total      |
| \$0 - \$14,999  | 21 / 10.7%                 | 5 / 9.8%                    | 26 / 10.5% |
| \$15,000 - \$24,999   | 7 / 3.6%                   | 3 / 5.9%                    | 10 / 4.0%  |
| \$25,000 - \$34,999   | 16 / 8.1%                  | 13 / 25.5%                  | 29 / 11.7% |
| \$35,000 - \$49,999   | 5 / 2.5%                   | 6 / 11.8%                   | 11 / 4.4%  |
| \$50,000 - \$74,999   | 17 / 8.6%                  | 11 / 21.6%                  | 28 / 11.3% |
| \$75,000 - \$99,999   | 40 / 20.3%                 | 10 / 19.6%                  | 50 / 20.2% |
| \$100,000+  | 91 / 46.2%                 | 3 / 5.9%                    | 94 / 37.9% |
| Total   | 197                        | 51                          | 248        |

Source: ACS

- ▶ Household income and housing tenure are often linked for most households, with home owners generally having higher annual income levels, and renters having lower incomes.
- ▶ In 2020, nearly 53% of renter households in Colman had an annual income below \$50,000. The estimated median income level for all renter households was \$49,375.
- ▶ Most owner households had a higher income level. More than 66% of owner households had an annual income of \$75,000 or more in 2020. The estimated median household income for home owners was \$93,281.
- ▶ It is important to note that a margin of error applies to all American Community Survey estimates and in a small community, the number of households surveyed each year would be small.

## Estimated Income and Housing Costs - Renters

The American Community Survey also collected information on housing costs. The following table provides data on the number of renter households that are paying different percentages of their gross household income for housing in the City of Colman.

Federal standards for rent subsidy programs generally identify 30% of household income as the maximum household contribution. When more than 30% of income is required, this is often called a “rent burden”. When more than 35% is required, this can be considered a “severe rent burden”.

| <b>Table 12 Gross Rent as a Percentage of Household Income - 2020</b> |                             |                              |
|---|-----------------------------|------------------------------|
| Percent of Income for Housing   | Number of Renter Households | Percent of Renter Households |
| Less than 20%   | 30                          | 58.8%                        |
| 20% to 29.9%  | 10                          | 19.6%                        |
| 30% to 34.9%  | 6                           | 11.8%                        |
| 35% or more   | 5                           | 9.8%                         |
| Total   | 51                          | 100%                         |

Source: American Community Survey

- ▶ According to the 2020 American Community Survey, most renter households in Colman had an affordable rent. More than 78% of all renters in the City were paying less than 30% of their income for rent.
- ▶ Nearly 22% of all renter households were paying 30% or more and had a cost burden in 2020.
- ▶ While a housing cost could be caused by high housing costs, in Colman it was primarily due to lower income levels. All of the City’s renter households with a cost burden had an annual income below \$35,000 in 2020.

## Estimated Income and Housing Costs - Owners

The American Community Survey also provided housing cost estimates for owner-occupants. The following table provides estimates of the number of households in Colman that are paying different percentages of their gross household income for housing costs.

| <b>Table 13 Colman Ownership Costs as a Percentage of Income - 2020</b> |                            |                                 |
|---|----------------------------|---------------------------------|
| Percentage of Household Income for Housing Costs                        | Number of Owner Households | Percent of All Owner Households |
| 0% to 19.9%   | 144                        | 73.1%                           |
| 20% to 29.9%  | 18                         | 9.1%                            |
| 30% or more   | 35                         | 17.8%                           |
| Total   | 197                        | 100%                            |

Source: ACS

- ▶ More than 82% of owner-occupants in Colman, which would include households with and without a mortgage, reported paying less than 30% of their income for housing in 2020.
- ▶ Approximately 18% of all home owners reported that they paid more than 30% of their income for housing.

## Colman Building Permit Trends

The following table identifies the units constructed from 2010 to August 2022 based on building permit issuance.

| <b>Table 14 Colman Housing Unit Construction Activity: 2010 to 2022</b> |               |                   |                         |
|---|---------------|-------------------|-------------------------|
| Year  | Single Family | Two or More Units | Total Units Constructed |
| 2022  | 6             | 4                 | 10                      |
| 2021  | 5             | 0                 | 5                       |
| 2020  | 8             | 0                 | 8                       |
| 2019  | 2             | 4                 | 6                       |
| 2018  | 0             | 0                 | 0                       |
| 2017  | 1             | 8                 | 9                       |
| 2016  | 1             | 0                 | 1                       |
| 2010-2015   | 0             | 0                 | 0                       |
| Total   | 23            | 16                | 39                      |

Source: Moody County; Census Bureau

\*2022 is through August

- ▶ Annual building permit reports were not available from the City of Colman for the years 2010 through 2015. It appears that annual reporting was not done for the Census Bureau during that time as Census records show that no new housing units were permitted in Colman between 2010 and 2020.
- ▶ Annual reports were obtained from Moody County for the years 2016 through 2022. Along with the reports obtained from the County, additional information collected by the analysts would indicate that during the 7-year time period from 2016 to 2022 there were 39 housing units created, for an annual average of between five and six units per year.
- ▶ Most of the permitted units were identified as traditional single family houses, but 16 multifamily units were also added. In 2017, an 8-unit apartment building was moved into Colman from a neighboring community and substantially rehabilitated. In 2019, an existing church building was converted to rental housing. In 2022, a 4-unit new construction rental structure was also permitted.

- ▶ Single family home building has been increasing in recent years. Over the 3-year period from 2020 through 2022, the annual average for single family housing starts has been between six and seven houses per year.



## 2020 Census Housing Unit Data

The first housing counts released from the 2020 Census included information on occupancy and vacancy. The following table compares information from 2010 and 2020 to track changes over the decade as reported by the Census.

| <b>Table 15 Housing Units, Occupancy and Vacancy - 2020</b> |                     |      |        |                |      |        |              |      |        |
|---|---------------------|------|--------|----------------|------|--------|--------------|------|--------|
|   | Total Housing Units |      |        | Occupied Units |      |        | Vacant Units |      |        |
|   | 2010                | 2020 | Change | 2010           | 2020 | Change | 2010         | 2020 | Change |
| Colman  | 263                 | 285  | 22     | 237            | 258  | 21     | 26           | 27   | 1      |

Source: U.S. Census

- ▶ According to a reconciliation of decennial Census data, Colman had 22 more housing units in 2020 than were present at the time of the 2010 Census.
- ▶ The building permit reporting presented on the previous page indicated that there were 16 new housing units permitted in Colman between 2016 and 2019. However, a net gain of 22 housing units, as reported by the Census, would indicate that some additional housing development may have occurred earlier in the last decade, as no building permit reports were available for the years between 2010 and 2015.
- ▶ Most of the growth in the housing stock also resulted in occupied units, as Colman added 21 resident households between 2010 and 2020. The City added one vacant unit over the decade.

## **American Community Survey Housing Data**

The Census Bureau's American Community Survey includes information on various housing topics. As stated previously, the estimates for small communities are based on limited sampling, which can result in a margin of error within the individual data being presented.

### **Median Year of Construction - Owner-occupancy Housing**

For owner-occupancy units an estimated median year of construction is provided. In Colman, the estimated median year of construction was 1977. Approximately 21% of the owner-occupied houses in the City were constructed before 1960.

### **Median Year of Construction - Renter-occupancy Housing**

For renter-occupancy units in Colman, the estimated median year of construction was 1976. Nearly 57% of all rental units in the City were constructed before 1980.

## Existing Home Sales

This section examines houses that have been sold since 2017 in Colman. The information was obtained from the South Dakota Department of Revenue website, using information compiled by the Moody County Equalization Office.

The County Board of Equalization collects and utilizes information from residential sales for its annual sales ratio study. The County compares the actual sale price to the estimated taxable value for each property. As a result, the information primarily reflects sales of existing homes that have an established tax value. New construction sales activity would generally not be recorded in the data that was used for this analysis, unless the house had been constructed some time ago and did have an established tax value from the prior year.

The County sorts the residential sales into different groupings, primarily based on whether or not the house was actively listed for sale in the open market. In the following table, only open market transactions have been reported.

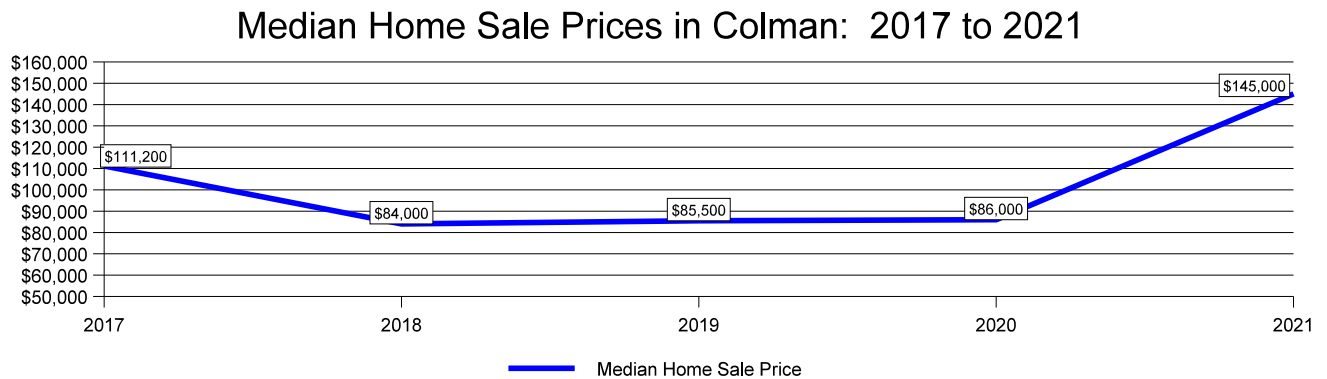
The time period for analyzing annual sales differs slightly from the calendar year. It begins on November 1<sup>st</sup> and ends on October 31<sup>st</sup> of each year.

| <b>Table 16 Median Value of Recent Sales - 2017 to 2021</b> |                      |                   |                     |                    |
|---|----------------------|-------------------|---------------------|--------------------|
| Sales Year  | Number of Good Sales | Median Sale Price | Highest Valued Sale | Lowest Valued Sale |
| 2021  | 5                    | \$145,000         | \$211,000           | \$34,000           |
| 2020  | 12                   | \$86,000          | \$525,000           | \$42,500           |
| 2019  | 8                    | \$85,500          | \$310,000           | \$35,000           |
| 2018  | 7                    | \$84,000          | \$400,000           | \$53,000           |
| 2017  | 6                    | \$111,200         | \$153,650           | \$31,900           |

Source: SD Dept. of Revenue; Community Partners Research, Inc.

- ▶ With only a limited number of home sales within any 12-month time period, there can be significant year to year variation in the annual median sale price.
- ▶ For 2021, the median price was \$145,000, well above the medians reached in prior years. However, there were only five good sales recorded in 2021.

- ▶ In 2020, when 12 good sales were reported, the median price was \$86,000. If sales in 2020 and 2021 are combined, the median over the 24-month time period was \$97,000.
- ▶ Since 2018, at least one annual sale has been recorded for more than \$200,000. In four of the five years reviewed, at least one home has sold annually for less than \$50,000.



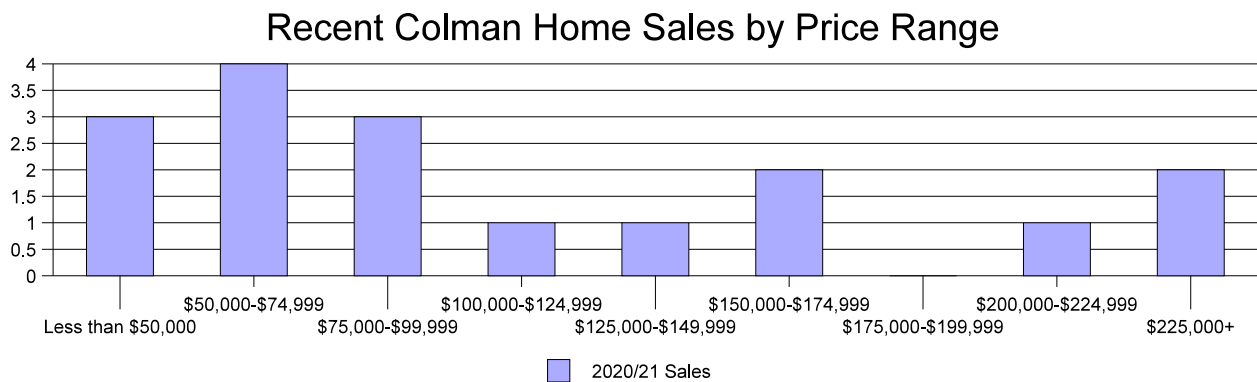
- ▶ An alternate estimate of home values exists in the American Community Survey. In 2020, the estimated median value for all owner-occupied housing in Colman was \$163,300. This estimate was much higher than the median sale price recorded in 2020 of \$86,000.

## Home Sales by Price Range

The following table looks at 17 single family houses that sold in 2020 and 2021, using the information that was available from the County Equalization Office.

| Table 17 Colman Home Sales by Price Range in 2020 and 2021 |                 |                  |
|--|-----------------|------------------|
| Sale Price   | Number of Sales | Percent of Sales |
| Less than \$49,999   | 3               | 17.6%            |
| \$50,000 - \$74,999  | 4               | 23.5%            |
| \$75,000 - \$99,999  | 3               | 17.6%            |
| \$100,000 - \$124,999                                      | 1               | 5.9%             |
| \$125,000 - \$149,999                                      | 1               | 5.9%             |
| \$150,000 - \$174,999                                      | 2               | 11.8%            |
| \$175,000 - \$199,999                                      | 0               | 0%               |
| \$200,000 - \$224,999                                      | 1               | 5.9%             |
| \$225,000 or more  | 2               | 11.8%            |
| Total  | 17              | 100%             |

Source: SD Dept of Revenue; Community Partners Research, Inc.



- ▶ While recent home sales in Colman have been widely distributed in different price ranges, nearly 59% of the sales in 2020 and 2021 were priced below \$100,000.
- ▶ Fewer than 18% of the existing homes were sold for \$175,000 or more.

## Colman Housing Condition

Community Partners Research, Inc. representatives conducted a visual 'windshield' survey of the 170 single family/duplex structures in a defined neighborhood in Colman. The area surveyed included houses north of Highway 34. Mobile homes and structures that appeared to contain three or more residential units were excluded from the survey.

Houses were categorized in one of four levels of physical condition, Sound, Minor Repair, Major Repair, and Dilapidated as defined below. The visual survey analyzed only the physical condition of the visible exterior of each structure. Exterior condition is assumed to be a reasonable indicator of the structure's interior quality.

Dilapidated was the lowest rating used. These houses need major renovation to become decent, safe and sanitary housing. Some Dilapidated properties may be abandoned and may be candidates for demolition and clearance.

Major Rehabilitation is defined as a house needing multiple major improvements such as roof, windows, sidings, structural/foundation, etc. Houses in this condition category may or may not be economically feasible to rehabilitate.

Minor Repair houses are judged to be generally in good condition and require less extensive repair, such as one major improvement. Houses in this condition category will generally be good candidates for rehabilitation programs because they are in a salable price range and are economically feasible to repair.

Sound houses are judged to be in good, 'move-in' condition. Sound houses may contain minor code violations and still be considered Sound.

| <b>Table 18 Windshield Survey Condition Estimate - 2023</b> |            |              |              |             |       |
|---|------------|--------------|--------------|-------------|-------|
|   | Sound      | Minor Repair | Major Repair | Dilapidated | Total |
| Total   | 69 / 40.6% | 65 / 38.2%   | 28 / 16.5%   | 8 / 4.7%    | 170   |

Source: Community Partners Research, Inc.

- ▶ The existing housing stock in this portion of Colman is generally in good condition. Nearly 41% of the houses were rated as Sound, the highest rating given, and more than 38% were rated in the Minor Repair category.
- ▶ There were 28 houses (16.5% of all structures) that were judged to need Major Repair, and 8 structures were rated as Dilapidated, the lowest rating given. Dilapidated houses may be beyond the point of repair.

## **Rental Housing Data**

### **Census Bureau Rental Inventory**

The 2020 Census has not yet released any of the more detailed tables on housing occupancy patterns, including owner versus renter status. Estimates for 2021 do exist in the American Community Survey.

At the time of the 2010 Census there were 55 occupied rental units and 11 unoccupied rental units in Colman, for a total estimated rental inventory of 66 units. The City's rental tenure rate in 2010 was 23.2%, well below the Statewide rental rate of 31.9%.

The 2020 American Community Survey estimated that there were 51 renter-occupancy households in Colman and six unoccupied rental units, for a total inventory of 57 units. If accurate, the City had lost some rental housing units over time, and a few renter households. However, it is also possible that the American Community had slightly under estimated the rental information.

### **Recent Rental Construction**

Based on available reporting, some additional rental housing development occurred after 2010.

- ▶ In 2017, an 8-unit apartment building was relocated from Howard into the City of Colman.
- ▶ In 2019, a former church building was converted into rental housing creating four conventional market rate units.
- ▶ In 2022, a 4-plex was constructed by a local developer which will provide conventional market rate housing.

With these rental additions, at least 16 rental units were added in Colman. Other changes in the City's rental stock may have occurred due to tenure conversion, such as rental houses that were changed to owner-occupancy, or vice versa.

## **Rental Housing Survey**

As part of this housing study, a telephone survey was conducted of multifamily projects in Colman. Emphasis was placed on contacting properties that have four or more units. For the purposes of planning additional projects in the future, multifamily properties represent the best comparison of market potential.

The survey was conducted in November 2022. All of the contacted units provide conventional market rate rental housing. Colman does not have any income-based subsidized housing or specialized senior housing with services.

There were 52 market rate rental units that were contacted in the survey. The findings of the survey are provided below.



## Market Rate Summary

Information was obtained on 52 market rate rental units, in projects ranging in size from four units to 20 units.

### Unit Mix

Bedroom mix information was obtained from all 52 market rate units, as follows:

- ▶ one-bedroom - 10 (19.2%)
- ▶ two-bedroom - 31 (59.6%)
- ▶ three-bedroom - 9 (17.3%)
- ▶ four-bedroom - 2 (3.8%)

### Occupancy / Vacancy

At the time of the survey, there was a high rate of occupancy in market rate units in Colman. Any unoccupied units were the result of recent turnover and were in the process of being re-leased.

### Rental Rates

Rental units may include the primary utility payments within the contract rent, or the tenant may be required to pay some utilities separately, in addition to the contract rent.

In the following summary, Community Partners Research, Inc., has attempted to estimate the gross rents being charged, inclusive of an estimate for tenant-paid utilities. The lowest and highest gross rents have been identified, as reported in the telephone survey. It should be noted that the survey included only two 4-bedroom units.

| <u>Unit Type</u> | <u>Lowest/Highest<br/>Gross Rents</u> |
|------------------|---------------------------------------|
| One-bedroom      | \$600-\$650                           |
| Two-bedroom      | \$675-\$1,100                         |
| Three-bedroom    | \$900-\$950                           |
| Four-bedroom     | \$1,000-\$1,050                       |

## **Tax Credit Summary**

There are no units in Colman that have been assisted through the federal low income housing tax credit program.

## **Subsidized Summary**

There are no federally subsidized rental projects in Colman in 2022. There had once been two projects that were subsidized through USDA Rural Development but both projects have ended their subsidy contracts and were converted to conventional market rate housing. There were 28 total units between these two former subsidized projects.

## **Tenant-Based Rent Assistance**

Renter households in Colman have access to tenant-based rent assistance through the U.S. Department of Housing and Urban Development (HUD), primarily through the Housing Choice Voucher program. The rent assistance programs are administered by the Brookings County Housing and Redevelopment Commission.

HUD Voucher assistance is issued to income-eligible households for use in suitable, private market rental housing. With the assistance, a household pays approximately 30% of their income for their rent, with the program subsidy paying any additional rent amounts.

To use the Voucher assistance, the participating household must live in an eligible rental unit. There are maximum rent limitations that apply, and the unit must meet certain housing quality standards.

The Voucher program in Moody County is part of a five-county program that also includes Brookings County. There are typically two to three Vouchers in use in Colman. Since this rent assistance is tenant-based, and moves with the household, the actual number of participating households within the City of Colman can vary from month to month.

At the time of the research for this Study, there was no waiting list for a Voucher and a new applicant could have immediate access to a Voucher.

## **Senior Housing with Services**

There are no specialized senior housing projects in Colman. There are housing with services options in Moody County in Flandreau. Specialized senior housing is also available in Madison and within the Sioux Falls region.

**Table 19 Colman Multifamily Rental Housing Inventory**

| Name  | Number of Units /Bedroom Mix                              | Rent                                     | Vacancy/ Wait List                         | Tenant Mix     | Comments  |
|---|---|--|--|----------------|---|
| <b>Market Rate</b>  |   |  |  |                |   |
| Discovery Street 4-Plex                                   | <u>4 - 2 bedroom</u><br>4 total units                     | \$900<br>+utilities                      | Under construction but all units committed | Mix of tenants | Four-plex under construction in 2022 - all units have been pre-leased. Tenants pay nearly all utilities including electric heat. Units have 1 or 2-car attached garage, dishwasher and in-unit laundry. Mix of tenants reported with local workers, commuters and seniors.  |
| Discovery Street 4-Plex                                   | <u>4 - 2 bedroom</u><br>4 total units                     | \$600<br>+utilities                      | No vacant units                            | Mix of tenants | Four-plex constructed in 2007. Tenants pay nearly all utilities including electric heat. Units have attached garage, dishwasher and in-unit laundry. Owner reported a high rate of occupancy with turnover units filling quickly. Mix of tenants reported with local workers, commuters and seniors.  |
| 118 N Florence  | <u>8 - 2 bedroom</u><br>8 total units                     | \$475-\$600<br>+utilities                | No vacant units                            | Mix of tenants | Two 4-plexes originally constructed as a USDA Rural Development subsidized project but converted to conventional market rate housing in about 2017. Tenants pay nearly all utilities including electric heat. Units have been remodeled with in-unit laundry. Owner reported a high rate of occupancy with turnover units filling quickly. Mix of tenants reported with local workers, commuters and seniors.                   |
| Southern Heights Apartments<br>101 SW 4 <sup>th</sup> Ave | 10 - 1 bedroom<br><u>10 - 2 bedroom</u><br>20 total units | \$450-\$500<br>\$475-\$600<br>+utilities | No vacant units                            | Mix of tenants | Five 4-plexes originally constructed as a USDA Rural Development subsidized project but later converted to conventional market rate housing. Tenants pay nearly all utilities including electric heat. Units have been remodeled with dishwasher and some have in-unit laundry. Owner reported a high rate of occupancy with turnover units filling quickly. Mix of tenants reported with local workers, commuters and seniors. |

**Table 19 Colman Multifamily Rental Housing Inventory**

| Name                          | Number of Units /Bedroom Mix  | Rent                                  | Vacancy/ Wait List | Tenant Mix     | Comments   |
|-------------------------------|---|---------------------------------------|--------------------|----------------|--|
| <b>Market Rate</b>            |   |                                       |                    |                |  |
| 128 NE 3 <sup>rd</sup> Street | 1 - 2 bedroom<br>1 - 3 bedroom<br><u>2 - 4 bedroom</u><br>4 total units | \$600<br>\$700<br>\$800<br>+utilities | No vacant units    | Mix of tenants | Former church that was converted to rental housing in about 2019. Tenants pay nearly all utilities including electric heat. Units have dishwasher and in-unit laundry. Owner reported a high rate of occupancy with turnover units filling quickly. Mix of tenants reported with local workers, commuters and seniors.   |
| 225 SW 3 <sup>rd</sup> Street | <u>4 - 2 bedroom</u><br>4 total units                                   | \$600<br>+utilities                   | No vacant units    | Mix of tenants | Four-plex constructed in mid-1990s. Tenants pay nearly all utilities including electric heat. Units have detached garage, dishwasher and in-unit laundry. Owner reported a high rate of occupancy with turnover units filling quickly. Mix of tenants reported with local workers, commuters and seniors.  |
| 301 SW 3 <sup>rd</sup> St     | <u>8 - 3 bedroom</u><br>8 total units                                   | \$700<br>+utilities                   | No vacant units    | Mix of tenants | Two-level walkup apartment building that was moved into the City in 2017 and substantially remodeled. Tenants pay nearly all utilities including electric heat. All units have 3 bedrooms and 1 bathroom with 945 sq ft. Owner reported a high rate of occupancy with turnover units filling quickly. Mix of tenants reported with local workers, commuters and seniors. |

Source: Community Partners Research, Inc.

## **Employment and Local Economic Trends**

While many factors influence the need for housing, employment opportunities represent a predominant demand generator. Without jobs and corresponding wages, the means to pay for housing is severely limited.

Employment opportunities may be provided by a broad range of private and public business sectors. Jobs may be available in manufacturing, commercial services, agriculture, public administration, and other industries. The type of employment, wage level, and working conditions will each influence the kind of housing that is needed and at what level of affordability.

Major employers in Colman include:

- ▶ T&R Electric/T&R Service Company
- ▶ Sioux Valley Energy
- ▶ Jarry's Electric
- ▶ Dakota Ethanol Plant
- ▶ Dollar General

Source: Colman Economic Development Corporation

## Labor Force and Unemployment

Employment information is available at the County level. This table presents information based on place of residence, not by the location of employment.

| <b>Table 20 Moody County Average Annual Labor Force: 2010 to 2022*</b> |             |          |            |                            |                        |                        |
|--|-------------|----------|------------|----------------------------|------------------------|------------------------|
| Year   | Labor Force | Employed | Unemployed | Unemployment Rate - County | Unemployment Rate - SD | Unemployment Rate - US |
| 2010   | 4,175       | 3,886    | 289        | 6.9%                       | 5.0%                   | 9.6%                   |
| 2011   | 4,169       | 3,909    | 260        | 6.2%                       | 4.6%                   | 8.9%                   |
| 2012   | 4,044       | 3,834    | 210        | 5.2%                       | 4.1%                   | 8.1%                   |
| 2013   | 4,025       | 3,843    | 182        | 4.5%                       | 3.7%                   | 7.4%                   |
| 2014   | 4,000       | 3,840    | 160        | 4.0%                       | 3.3%                   | 6.2%                   |
| 2015   | 3,968       | 3,836    | 132        | 3.3%                       | 3.0%                   | 5.3%                   |
| 2016   | 3,970       | 3,823    | 147        | 3.7%                       | 3.0%                   | 4.9%                   |
| 2017   | 3,976       | 3,840    | 136        | 3.4%                       | 3.1%                   | 4.4%                   |
| 2018   | 3,990       | 3,880    | 110        | 2.8%                       | 2.9%                   | 3.9%                   |
| 2019   | 4,023       | 3,899    | 124        | 3.1%                       | 3.0%                   | 3.7%                   |
| 2020   | 4,000       | 3,806    | 194        | 4.9%                       | 4.6%                   | 8.1%                   |
| 2021   | 4,002       | 3,890    | 112        | 2.8%                       | 2.8%                   | 5.3%                   |
| 2022*  | 4,038       | 3,926    | 112        | 2.8%                       | 2.4%                   | 3.8%                   |

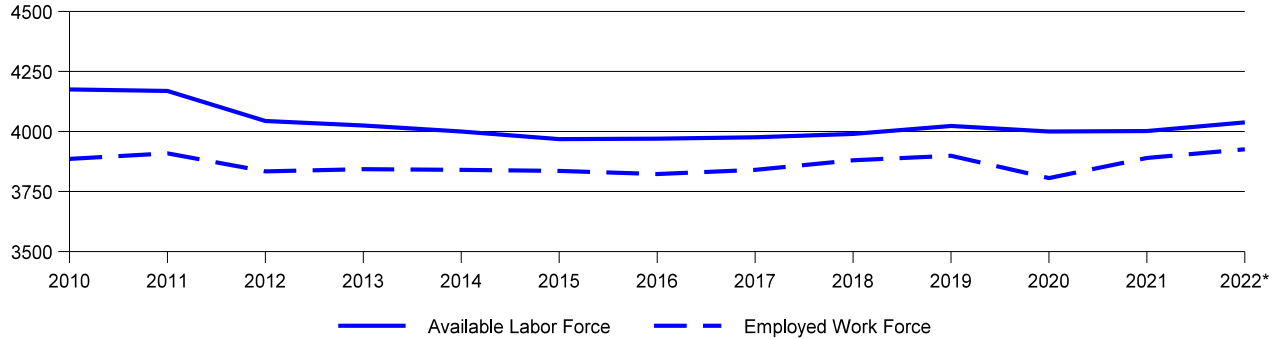
Source: South Dakota Department of Labor

\* 2022 is through August

When tracked over a longer time period, the size of the County’s available resident labor force has experienced both up and down movement, but if 2021 is compared to 2010, the labor force had decreased by 173 people, or -4.1%.

The County’s employed resident labor force has remained more stable, and the number of employed County residents in 2021 was nearly identical to the total in 2010. Since that time, the unemployment rate for the County has decreased.

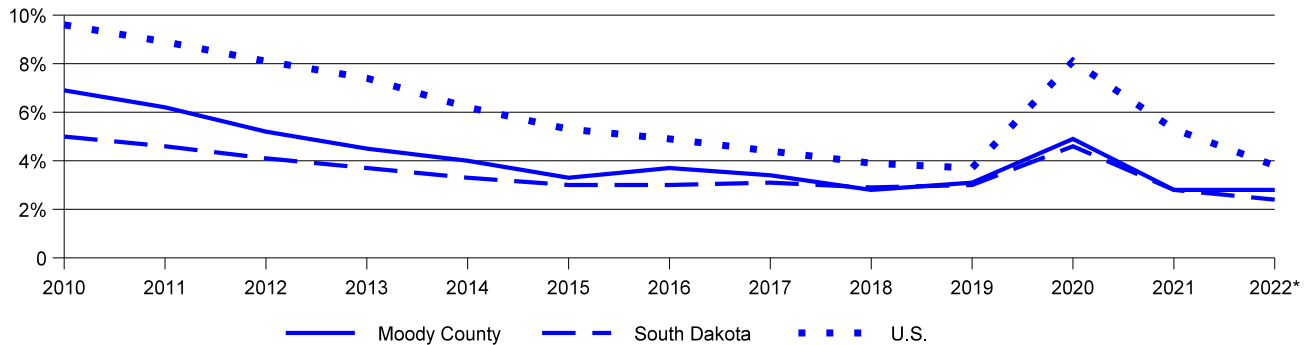
### Moody County Labor Force and Employed Work Force



The global pandemic in 2020 did have some impact on the County’s labor statistics, but by the end of 2021 Moody County had generally returned to pre-pandemic levels.

Throughout the entire time period reviewed, the unemployment rate in Moody County has stayed below the national rate. Since 2018, the unemployment rate in the County has been very similar to the Statewide unemployment rate.

### Unemployment Rates





## Average Annual Wages by Industry Sector

The following table shows the annual employment and average annual wages by major employment sector in 2021, the last full year of data. It is important to note that the major employment sectors listed do not represent all employment in Moody County. With the exception of total employment, the industry sectors reported below are for private employment.

| <b>Table 21 Moody County Average Annual Wages by Industry Detail: 2021</b> |            |                     |
|--|------------|---------------------|
| Industry   | Employment | Average Weekly Wage |
| Total All Industry   | 2,383      | \$862               |
| Natural Resources, Mining  | 286        | \$819               |
| Construction   | 242        | \$1,033             |
| Manufacturing  | 299        | \$892               |
| Trade, Transportation, Utilities   | 399        | \$964               |
| Information  | 7          | \$653               |
| Financial Activities   | 37         | \$1,020             |
| Professional and Business Services   | 65         | \$1,085             |
| Education and Health Services  | 177        | \$860               |
| Leisure and Hospitality  | 94         | \$213               |
| Other Services   | 25         | \$619               |
| Government   | 378        | \$27,769            |

Source: South Dakota Department of Labor

The average weekly wage for all industry in 2021 was \$862. At full-time employment this would equate to an annual wage of \$44,824.

The highest paying wage sectors were Professional and Business Services, Construction and Financial Activities. Each of these employment sectors had an average annual wage above \$53,000 at full-time employment.

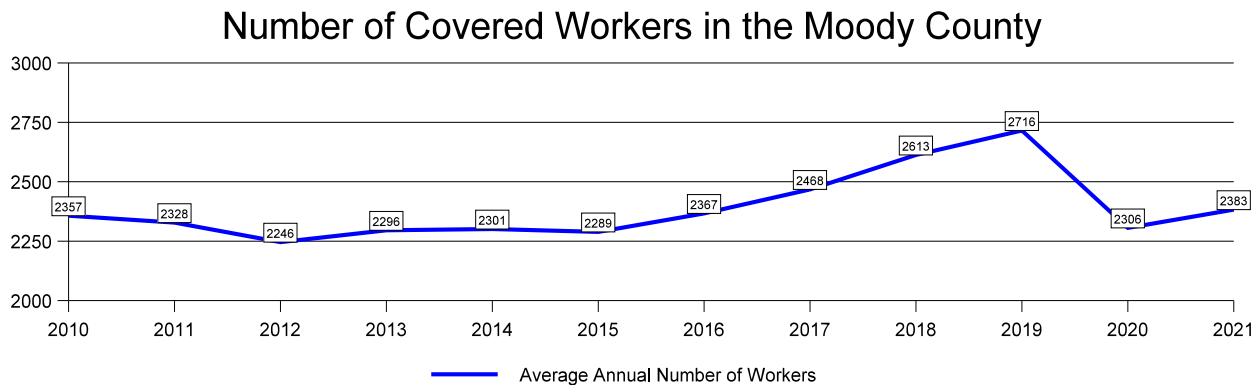
The lowest paying wage sector was Leisure and Hospitality, with an average annual wage below \$11,100.

## Annual Covered Employment

Since the Quarterly Census of Covered Workers (QCEW) tracks employees covered by unemployment insurance by location of the worker, it is possible to examine longer-term patterns in the local employment level. The following table displays the total number of workers reported in the County back to the year 2010.

| <b>Table 22 Moody County Average Annual Employment</b> |                          |      |                          |
|--|--------------------------|------|--------------------------|
| Year   | Total Covered Employment | Year | Total Covered Employment |
| 2010   | 2,357                    | 2016 | 2,367                    |
| 2011   | 2,328                    | 2017 | 2,468                    |
| 2012   | 2,246                    | 2018 | 2,613                    |
| 2013   | 2,296                    | 2019 | 2,716                    |
| 2014   | 2,301                    | 2020 | 2,306                    |
| 2015   | 2,289                    | 2021 | 2,383                    |

Source: QCEW - SD Department of Labor



Prior to the global health pandemic in 2020, the number of covered workers in Moody County had been increasing. However, a large employ drop then occurred between 2019 and 2020. By the end of 2021, some of the lost jobs had been recovered but remained below the 2019 peak.

## Commuting Patterns of Area Workers

Some information is available on area workers that commute for employment. The best information is from the 2020 American Community Survey, and has been examined for the City of Colman. The first table examines Colman residents that traveled to work and excludes people that work at home.

| <b>Table 23 Commuting Times for Colman Residents - 2020</b> |        |         |
|---|--------|---------|
| Travel Time   | Number | Percent |
| Less than 10 minutes  | 116    | 37.7%   |
| 10 to 19 minutes  | 28     | 9.1%    |
| 20 to 29 minutes  | 41     | 13.3%   |
| 30 minutes +  | 123    | 39.9%   |
| Total   | 308    | 100%    |

Source: American Community Survey

A majority of the employed residents of Colman were commuting 20 minutes or more to work in 2020. Overall, more than 53% of residents had a drive time of 20 minutes or more. Nearly 40% of the City’s residents were actually traveling 30 or more minutes to their job.

The ACS also identifies travel time by location of employment. For people that worked in Colman, the following travel times were identified.

| <b>Table 24 Commuting Times for Colman-based Employees - 2020</b> |        |         |
|---|--------|---------|
| Travel Time   | Number | Percent |
| Less than 10 minutes  | 93     | 31.5%   |
| 10 to 19 minutes  | 69     | 23.4%   |
| 20 to 29 minutes  | 24     | 8.1%    |
| 30 minutes +  | 109    | 36.9%   |
| Total   | 295    | 100%    |

Source: American Community Survey

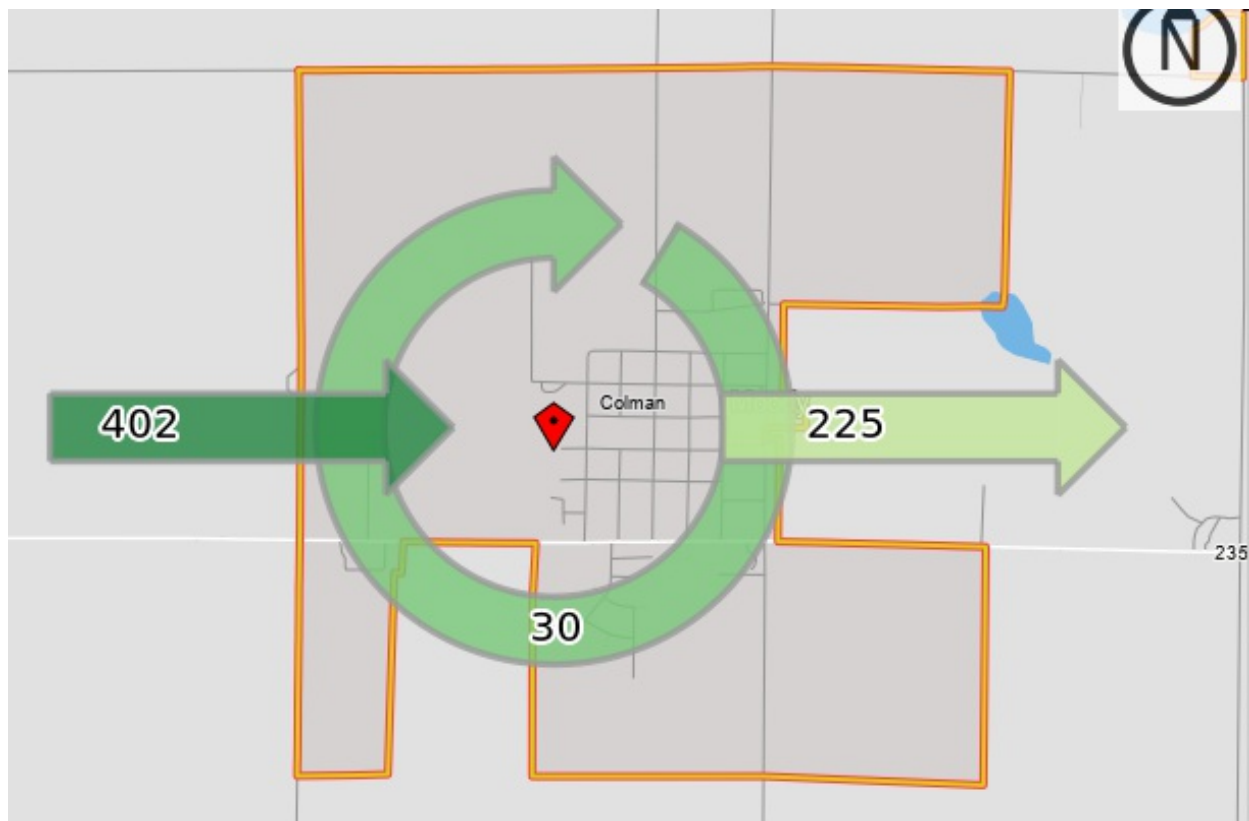
Most of the people that worked in Colman traveled 19 minutes less in 2020, with nearly 55% living within the immediate area. However, nearly 37% of the people employed within Colman were coming from greater distances, with a travel time of 30 minutes or more.

## Census On the Map

The Census Bureau also produces commuter reports through its Center for Economic Studies division. This information is based on reports for the year 2019, but provides a further breakdown of worker movement.

According to the report for Colman, there were 432 people that were employed within the City in 2019. Only 7% of these City-based employees also lived in Colman, with an estimated 402 employees commuting into the City for their primary job. The identified home locations for workers traveling to the community were Madison, Sioux Falls, Dell Rapids, Lynn Township, Flandreau and Pipestone.

On the Map can also be used to track worker outflow patterns from the City. Overall, there were 255 Colman residents that were employed. Most of these City residents worked outside the community with 225 people traveling to other locations. The primary identified work locations were Sioux Falls, Brookings, Flandreau and Dell Rapids.



## **Findings on Growth Trends**

The Demographic section of this report has presented information on the recent estimates and past trends for the City of Colman and Moody County. In general, Colman has been a growing community, adding population and households over the past 30 years.

Based on the 2020 Census, Colman added 21 permanent resident households and 40 people between 2010 and 2020. While this numeric growth was modest, it continued a pattern of population growth, as Colman added 90 people in the 1990s and 22 people from 2000 to 2010. The City did see a small decrease in households between 2000 and 2010, but over the 30-year time period from 1990 to 2020, Colman added 47 households.

One of the primary factors benefitting the long-term growth trends in Colman is the City's location between Sioux Falls and Brookings. Other smaller regional centers, Madison and Flandreau, are also near Colman, placing the City within reasonable commuting distance of the area's largest employment and service options.

Since the 2020 Census was completed, it appears that the City has been growing at a faster rate, based on housing unit construction patterns. While the best available information indicates that Colman was averaging approximately two new housing starts between 2010 and 2019, this average has since increased to between seven and eight new units per year. In the past, housing unit creation and household growth in Colman have been directly linked. The increase in housing starts since 2020 would point to a greater level of growth over the past three years, and the analysts have used a higher base year estimate (2022) for households than used by other data sources, including Applied Geographic Solutions and Esri.

Despite the past growth in Colman, the remainder of Moody County has tended to see a reduced number of households and people. Excluding Colman, the remainder of the County had a population reduction of 190 people and 101 households between 2010 and 2020. Over time, the more rural portions of the County have been seeing fewer households and residents.

## **Findings on Projected Growth**

This Update has examined projections from established national sources, including both Applied Geographic Solutions (AGS) and Esri. For Colman, these sources show relatively stable demographic patterns over the next five years. However, in the opinion of the analysts, the available projections are too conservative, and Community Partners Research, Inc., has generated its own household projection information for 2027.

Although the City does not have a past history of larger-scale growth, the potential exists for the community to grow in the future provided adequate housing options exist. A projection that the City can add between 8 and 10 households per year over the next five years is viewed as a very achievable forecast for Colman.

Outside of Colman it is probable that the remainder of Moody County will continue to see a declining population and fewer households, although the scale of these losses will be limited. However, the potential loss of households in the rural portions of the County will not impact the growth potential in Colman, and some rural households may elect to move into the cities in the County to have better access to services and employment.

## **Summary of Growth Projections by Age Group**

The Demographic section of this Study presented projection information for Colman on anticipated household changes by age group from 2022 to 2027. This information can be informative in determining the housing that may be needed due to age patterns of the area’s residents.

The projections on expected changes by age are taken from Esri, but have been modified by Community Partners Research, Inc., to better reflect the probable total household count in Colman. Esri’s household projections for 2027 are low by approximately 20%. The base projections from Esri have been adjusted upwards to reflect the City’s growth potential.

| <u>Age Range</u> | <u>Projected Change in Households<br/>2022 to 2027</u> |
|------------------|--|
| 24 and younger   | 1  |
| 25 to 34         | 1  |
| 35 to 44         | 2  |
| 45 to 54         | 0  |
| 55 to 64         | 18   |
| 65 to 74         | 8  |
| 75 and older     | <u>15</u>  |
| Total change     | 45   |

The movement of the large “baby boom” generation through the aging cycle should generate much of the City’s change in households over the next five years. In broader terms, the adjusted projections point to a significant increase in households age 55 and older, but very limited change in the number of households age 54 and younger.

The largest increases are projected among households age 55 to 64 and from households age 75 and older, adding 18 and 15 households respectively. The number of households age 65 to 74 is projected to increase by eight households. In total, an increase of more than 41 households is projected in the near-senior and senior citizen age groups.

Conversely, these projections would indicate relative stability in the number of younger adult households. Combined, the adjusted projections would indicate growth of fewer than five total households age 54 and younger in Colman between 2022 and 2027.

## **Findings on Unit Demand by Type of Housing**

Based on the household by age projections presented earlier, the changing age composition of Colman's population through the projection period will have an impact on demand for housing.

**Age 24 and Younger** - The projections used for this Study expect no real change in the number of households age 24 and younger through the year 2027. Past tenure patterns indicate that most younger households will rent their housing. Relative stability in the number of households in this age range should mean that rental demand from younger households will also remain stable during the projection period.

**25 to 34 Years Old** - The projections also show relative stability from households in this age range by 2027. Within this age range households often move from rental to ownership housing. Limited change within this age range indicates demand for both first-time home buyer and rental opportunities from this age range will remain unchanged during the projection period.

**35 to 44 Years Old** - The projections for this 10-year age cohort expect a small increase of two households through 2027 in Colman. In the past, this age group has had a relatively high rate of home ownership. Households within this range often represent both first-time buyers and households looking to trade-up, selling their starter home for a more expensive house.

**45 to 54 Years Old** - The projections show no expected change in the number of households in this age range by 2027. This age group historically has had a high rate of home ownership, and will often look for trade-up housing opportunities. Relative stability within this age range indicates demand for trade-up housing will remain stable during the projection period.

**55 to 64 Years Old** - By 2027, this age cohort will represent the last of the baby boom generation. The age-based projections for Colman expect an increase of 18 households in this age range. This group has traditionally a high rate of home ownership, and age-appropriate housing, such as town house or twin home units, should have increasing appeal for the life-cycle preferences of this age group, as no maintenance/low maintenance housing has become a popular option for empty-nesters.



**65 to 74 Years Old** - A gain of 8 households is expected by the year 2027 in the 65 to 74 age range. While this group will begin moving to life-cycle rental housing options as they age, the younger seniors are still predominantly home owners. Once again, preferences for age-appropriate units should increase from household growth within this age cohort.

**75 Years and Older** - There is also strong growth projected, with 15 households added in this age range by 2027. In Colman, this group may increasingly look for high quality rental options. Colman does not have any specialized senior housing with services and seniors needing care options with their housing will probably leave for choices that existing in larger surrounding communities. In most cases, income levels for senior households have been improving, as people have done better retirement planning. As a result, households in this age range may have fewer cost limitations for housing choices than previous generations of seniors.

These demographic trends will be incorporated into the recommendations that follow later in this section.

## **Findings on Housing Unit Demand and Tenure**

Calculations for total future housing needs are generally based on three demand generators; household growth, replacement of lost housing units, and pent-up or existing demand for units from households that already exist but are not being served.

***Demand from Growth*** - The household projections used for this Study expect Colman to gain approximately 45 households from 2023 to 2027. Household growth will yield demand for new housing production in Colman.

***Replacement of Lost Owner-Occupancy Units*** - It is difficult to quantify the number of units that are lost from the housing stock on an annual basis. Unit losses may be caused by demolition activity, losses to fire or natural disasters, and to causes such as deterioration or obsolescence. In Colman, some dilapidated housing has been demolished, and more units will be removed in the future. As a result, we have included an allowance for unit replacement in the recommendations that follow.

***Replacement of Lost Renter-Occupancy Units*** - It is also difficult to accurately quantify the number of units that are lost from the rental housing stock on an annual basis, however, we are projecting that rental units will be removed from the rental inventory over the next several years. As a result, we have included a minor allowance for unit replacement in the recommendations that follow.

***Pent-Up Demand*** - The third primary demand-generator for new housing is caused by unmet need among existing households, or pent-up demand. Household growth and shifting age patterns have created demand for certain types of age-appropriate housing in Colman. We have included our estimates of pent-up demand into the specific recommendations that follow later in this section.

## **Strengths for Housing Development**

The following strengths for Colman were identified through additional statistical data, interviews and an on-site review of the local housing stock.

- ▶ **Colman is located near regional centers** - Colman is in close proximity to Sioux Falls and Brookings which are large regional centers. Colman is also located near smaller regional centers including Madison and Flandreau. These regional centers provide employment opportunities, retail/service options, government services, health and professional services, and cultural amenities to large surrounding trade areas. Many households prefer to live near, but not in a regional center.
- ▶ **Adequate land for development** - The City has adequate land available for residential development. However, some of the land needs to be serviced with infrastructure improvements.
- ▶ **Population and household growth** - Over the past three decades, the City has sustained population and household growth and the City is projected to continue to grow in the future.
- ▶ **Sioux Falls MSA Market** - Colman is located adjacent to the Sioux Falls MSA which has had substantial population growth, household growth and new housing construction for several decades. Colman will continue to benefit from its location adjacent to a major population center.
- ▶ **Active housing developers in the City** - Colman has housing developers and builders that are willing to invest in housing projects in the community. Developers and builders have been active in subdivision development, single family housing construction and rental development.
- ▶ **School system** - The City of Colman has a pre-school-12 school system.
- ▶ **Infrastructure** - The City's public utilities and infrastructure are in good condition and can facilitate future expansion.
- ▶ **Affordable priced housing stock** - Colman has a stock of affordable existing homes. The existing stock, when available for sale, provides an affordable option for home ownership.

- ▶ **Colman Economic Development Corporation** - The Colman Economic Development Corporation is active in promoting housing and economic development.
- ▶ **Subdivision and lot development** - New subdivision and lot development are ongoing in Colman.
- ▶ **Commuters** - Approximately 400 people are commuting into Colman daily for employment. These commuters are a potential market for future housing construction.
- ▶ **Desirable location for families** - Colman is an attractive community for families. Colman is within close proximity to regional centers and has residential lots available for new housing construction, a pre-school through 12 school system, golf course, employment opportunities, etc.
- ▶ **Small town atmosphere** - Colman has the real and perceived amenities of a small community. This small town living is attractive to some households.
- ▶ **New housing construction** - Over the past several years, Colman has had new housing construction, including new single family homes and rental construction.
- ▶ **Employers** - Colman has a large private employer that provides approximately 240 jobs, along with other employment options.

## **Barriers or Limitations to Housing Activities**

Our research also identified the following barriers or limitations that hinder or prevent certain housing activities in the City of Colman.

- ▶ **Proximity to regional centers** - Although it is a strength to be located in close proximity to several regional centers, it is also a barrier as Colman must compete with these cities, which offer attractive residential opportunities and other amenities and services.
- ▶ **Staff capacity limitations** - It is difficult to develop and implement housing initiatives with limited staff resources, although, the City has access to several housing and economic development agencies.
- ▶ **Limited commercial/retail options** - Colman has limited commercial and retail options to meet daily needs.
- ▶ **Age and condition of the housing stock** - While most of the existing stock is in good condition, some houses need improvements to meet the expectations of potential buyers.
- ▶ **Low rent structure** - The City's rent structure is relatively low, which makes it difficult to construct new rental housing.
- ▶ **Low-paying jobs** - Although the Colman area has significant job opportunities, some jobs are at the lower end of the pay scale and employees with these jobs have limited housing choices.
- ▶ **Lack of medical and senior housing facilities** - The City of Colman currently does not have a clinic or any housing with services projects.

## **Recommendations, Strategies and Housing Market Opportunities**

Based on the research contained in this study, and the housing strengths and barriers identified above, we believe that the following recommendations are realistic options for Colman. They are based on the following strategies.

- ▶ **Be realistic in expectations for housing development** - Large-scale residential growth has not occurred in the recent past and is not likely to occur in the near future.
- ▶ **Proactive community involvement** - New home and apartment construction will more likely occur in Colman if there is continued proactive support from the City, local and regional housing and economic development agencies, the private sector, employers and the South Dakota Housing Development Authority.
- ▶ **Protect the existing housing stock** - The future of Colman will be heavily dependent on the City's appeal as a residential location. The condition of the existing housing stock is a major factor in determining the City's long-term viability. The existing housing stock is in good condition and is a major asset, however, rehabilitation efforts are needed to preserve the housing stock.
- ▶ **Protect the existing assets and resources** - Colman has many assets including a pre-school through grade 12 school system, a large employer, available residential lots, job opportunities, recreational opportunities, etc. These are strong assets that make Colman a desirable community to live in, and are key components to the City's long-term success and viability. These assets must be protected and improved.
- ▶ **Develop a realistic action plan with goals and time lines** - In the past, the City and the Economic Development Corporation have been involved in housing issues. The City should prioritize its housing issues and establish goals and time lines to achieve success in addressing its housing needs.
- ▶ **Access all available resources for housing** - In addition to the local efforts, the City has other resources to draw on including the First District of Local Governments, USDA Rural Development, Inter-Lakes Community Action Partnership, the South Dakota Housing Development Authority and Grow South Dakota. These resources should continue to be accessed as needed to assist with housing activities.

## Summary of Findings/Recommendations

The findings/recommendations for the City of Colman have been formulated through the analysis of the information provided in the previous sections and includes a total of 18 recommendations divided into the following five categories:

- ▶ **Rental Housing Development**
- ▶ **Home Ownership**
- ▶ **Single Family New Construction**
- ▶ **Housing Rehabilitation**
- ▶ **Other Housing Initiatives**

The findings/recommendations for each category are as follows:

| <b>Findings and Recommendations for the City of Colman</b> |   |
|--|---|
| <b>Rental Housing Development</b>                          |   |
| 1.   | Develop 24 to 28 general occupancy market rate rental units                                 |
| 2.   | Promote the development/conversion of four to six affordable market rate housing units      |
| 3.   | Develop 8 to 10 subsidized rental housing units   |
| 4.   | Develop 12 to 16 senior independent/light services market rate units                        |
| 5.   | Develop a mixed-use commercial/housing project  |
| 6.   | Continue to utilize the Housing Choice Voucher Program                                      |
| <b>Home Ownership</b>                                      |   |
| 7.   | Utilize and promote all programs that assist with home ownership                            |
| <b>New Construction</b>                                    |   |
| 8.   | Subdivision Development and Lot Availability  |
| 9.   | Strategies to encourage continued residential lot sales and new home construction in Colman |
| 10.  | Promote townhouse and twin home development   |
| 11.  | Coordinate with agencies/nonprofits that develop affordable housing                         |
| <b>Housing Rehabilitation</b>                              |   |

| <b>Findings and Recommendations for the City of Colman</b> |  |
|--|--|
| 12.  | Promote rental housing rehabilitation programs                   |
| 13.  | Promote owner-occupied housing rehabilitation programs           |
| <b>Other Housing Initiatives</b>                           |  |
| 14.  | Acquire and demolish dilapidated structures                      |
| 15.  | Encourage employer involvement in housing                        |
| 17.  | Strategies for downtown redevelopment and commercial development |
| 18.  | Develop home ownership and new construction marketing programs   |



# **Colman - Recommendations Rental Housing Development**

## **Rental Housing Development**

### **Overview**

Based on available building permit reporting, some additional rental housing construction occurred after 2010.

- ▶ In 2017, an 8-unit apartment building was relocated from Howard into the City of Colman.
- ▶ In 2019, a former church building was converted into rental housing creating four conventional market rate units.
- ▶ In 2022, a 4-plex was constructed by a local developer which will provide conventional market rate housing.

With these rental additions, at least 16 rental units were added in Colman. Other changes in the City's rental stock may have occurred due to tenure conversion, such as rental houses that were changed to owner-occupancy, or vice versa.

Demand for new rental housing in Colman is generated from three factors:

- ▶ Growth from new households
- ▶ Replacement of lost units
- ▶ Pent-up demand from existing households

Projections for Colman expect significant household growth, although a majority of this growth will result in demand for owner-occupancy housing. From 2023 to 2027, Community Partners Research, Inc., projects that there will be a gain of eight to 10 households per year in Colman, for a total of 40 to 50 households over the next five years. We are estimating that approximately 50% of the households will be looking for rental options, thus, there is projected growth-generated demand for 20 to 25 rental units.

Demand created by replacement of lost units is more difficult to determine, but the best available evidence suggests that the City will lose approximately four to six total rental units from 2023 to 2027. In some cases, this unit replacement will be necessary as existing units are removed from the inventory through demolition or conversion. However, in some cases, the unit replacement will be due to single family rental houses converting to owner-occupancy.

Pent-up demand also exists. As part of this study, a rental survey was conducted. There were 52 rental units that were contacted and surveyed. The survey found no vacant units and the rental property owners and managers reported a high demand for rental units.

Based on no vacancies in existing rental projects, expected household growth and the lack of certain rental unit types, we have identified pent-up demand for market rate units/moderate rent units and senior independent/light services units in Colman.

These three demand generators, after factoring current occupancy rates, show a need for 48 to 60 rental units in Colman over the next five years. Based on the factors stated above, we recommend the development of the following new rental units from 2023 to 2027.

|                                       |                    |
|---------------------------------------|--------------------|
| ▶ General Occupancy Market Rate       | 24-28 units        |
| ▶ Affordable Conversions              | 4-6 units          |
| ▶ Subsidized                          | 8-10 units         |
| ▶ Senior (Independent/Light Services) | <u>12-16 units</u> |
| Total                                 | 48-60 units        |

For 48 to 60 additional rental units to be developed over the next five years, affordable land and infrastructure must be available for multi-family construction in multiple locations around the community. Additionally, the City of Colman must continue to develop amenities that make the City an attractive residential option for households.

**1. Develop 24 to 28 general occupancy market rate/moderate rental units**

**Findings:** The entire rental inventory in the City of Colman includes approximately 70 total units in 2022. All of these rental units can be classified as general occupancy market rate housing. These units are free of any specific occupancy restrictions such as financial status, age, or student enrollment. Market rate housing does not have any form of rent controls, other than those imposed by the competitive marketplace. Compared to other similar sized cities, Colman’s percentage of market rate rental housing versus income-restricted housing is high.

Of the 52 market rate rental units we surveyed, we found no vacancies. The rental property owners and managers reported high ongoing occupancy rates and strong demand for market rate housing.

The gross rent range for the one-bedroom units that were surveyed is \$600 to \$650, \$675 to \$1,100 for two-bedroom units, \$900 to \$950 for three-bedroom units and \$1,000 to \$1,050 for four-bedroom units.

From 2010 to the present, we are aware of approximately 16 market rate rental units that have been constructed or moved into Colman. These units include an eight-unit apartment building relocated from Howard, a former church converted into four rental units and the construction of a four-plex. Also, two subsidized rental projects, with a total of 28 units, have been converted to market rate. Additionally, some owner-occupied single family homes have converted to rentals and vice versa.

**Recommendation:** As stated earlier in this section, rental housing demand is based on household growth, pent-up demand and replacement of housing units that have been demolished or converted. Based on this combination of demand generators, we believe that it is reasonable to plan for the production of 24 to 28 market rate and moderate rent rental units over the next five years from 2023 to 2027.

Based on our research, there is a need for all sizes of rental units, thus, the new units constructed over the next five years should be one, two and three-bedroom units.

Town home-style units or high quality apartment buildings are both options in addressing the need for market rate units. The projects, to be successful, should have 'state of the art' amenities. It may be advantageous for new units to be constructed in smaller project phases. This strategy allows the new units to be absorbed into the market.

There are two market rate rental segments in Colman. One segment is seeking a high quality and high amenity unit and can afford a higher rent. The second segment is seeking work force housing and a more modest rent. This segment may not qualify for subsidized or tax credit rental units, but affordability is still an issue.

There is a need to construct both types of market rate rental housing, thus, there is a wide rent range in the following table reflecting the two segments. To construct the workforce housing and charge affordable rents, land donations, financial assistance, tax increment financing, tax abatement, tax deferral and other resources may be needed.

There are developers that may have an interest in developing market rate rental housing in Colman.

We recommend the development of 24 to 28 rental units over the next five years, with a unit mix and rent levels as follows:

**Recommended unit mix, sizes and rents for the Colman Market Rate Housing Units:**

| <u>Unit Type</u> | <u>No. of Units</u> | <u>Size/Sq. Ft.</u> | <u>Rent</u>       |
|------------------|---------------------|---------------------|-------------------|
| One Bedroom      | 5-6                 | 650 - 800           | \$850 - \$1,150   |
| Two Bedroom      | 14-16               | 850 - 1,050         | \$950 - \$1,400   |
| Three Bedroom    | 5-6                 | 1,100 - 1,250       | \$1,200 - \$1,600 |
| Total            | 24-28               |                     |                   |

Note: The recommended rents are gross rents including all utilities. The rents are quoted in 2023 dollars.

If possible, it would be advantageous to keep the rent structure at or below the rent limits for the Housing Choice Voucher Program. This would allow potential renters to use a Voucher and expand the number of households that could afford the proposed rents. The current rent limits for the Voucher Program are:

- ▶ one-bedroom \$787
- ▶ two-bedroom \$991
- ▶ three-bedroom \$1,362

**2. Promote the development/conversion of four to six affordable market rate rental housing units**

**Findings:** The previous recommendation had addressed the market potential to develop high quality rental units in Colman. Unfortunately, these units would tend to be beyond the financial capability of many area renters. Some of Colman’s renter households have an annual income below \$25,000. These households would need a rental unit at \$650 per month or less.

It is anticipated that Colman will lose rental housing over the next five years due to redevelopment or due to deterioration and demolition. Part of the need for additional rental units in Colman is to provide for unit replacement. Unfortunately, most of the lost units are probably very affordable, and new construction will not replace these units in a similar price range.

**Recommendation:** We encourage the City of Colman to promote the development/conversion of more affordable rental units. A goal of four to six units over the next five years would help to replace affordable housing that has been lost.

It would be difficult to create units through new construction. Instead, it may be more practical to work on building renovation or conversion projects that can create housing. This opportunity may arise in commercial or mixed-use buildings, or through the purchase and rehabilitation of existing single family homes. Several single family homes have been rehabilitated for rental housing by local individuals.

The estimated prevailing rent range for older rental units in Colman is typically less than \$650 per month. Creating some additional units with contract rents below \$650 per month would help to expand the choices available to a majority of the City's renter households.

It is probable that the proposed rent structure for some units could only be obtained with financial commitments from other sources such as tax increment financing or property tax deferral from the City and other financial resources from funding agencies such as the South Dakota Housing Development Authority.

### **3. Develop 8 to 10 subsidized rental housing units**

**Findings:** The term subsidized rental housing, as used in this Study, refers to rental units that have been constructed to serve low and moderate income people. In nearly all cases, subsidized housing has utilized federal resources that provide a "deep subsidy", allowing very low income people access to housing at an affordable price.

The research completed for this Study found no subsidized rental projects in Colman. There had once been 28 USDA Rural Development subsidized rental units in the City. These units were in two general occupancy projects, an eight-plex and a 20-unit project. However, these projects have opted out of their subsidy contracts and converted to market rate housing.

There are additional "deep subsidy" resources available to Colman residents through the tenant-based Housing Choice Voucher Program. The Vouchers allow tenants to pay approximately 30% of income for housing in suitable private-market rental units. The Voucher Program for Colman and Moody County is administered by the Brookings County Housing and Redevelopment Commission.

Approximately 27% of the City of Colman's renters was paying more than 30% of their income for rent in 2020, which is considered a rent burden.

**Recommendation:** Based on the projected growth of renter households in Colman, and the loss of 28 subsidized units due to conversion, we recommend that the City develop deep subsidy rental housing for lower income renters in Colman. Over the next five years, we recommend that the City attempt to construct eight to 10 units that achieve a rent level that would be affordable to very low income households earning less than \$30,000 per year.

This recommendation represents a modest goal, however, over the past few decades, very few federal subsidy sources have been available for the construction of “deep subsidy” rental housing. The actual number of units that can be developed will be dependent upon access to financial resources.

In the opinion of the analysts, the highest priority would be to create general occupancy units for families and younger households.

Expanded promotion of Housing Choice Vouchers may also be appropriate. Although Vouchers are tenant-based, and may not remain in the City if the tenant moves, the Voucher can eliminate a severe rent burden by allowing the household to apply only 30% of income for gross rent. A new applicant for a Voucher could have immediate access to rent assistance.

#### **4. Develop 12 to 16 senior independent/light services market rate units/Monitor the need for assisted living beds**

**Findings:** Senior housing that provides some level of services for residents can exist in a wide range of different options. Under South Dakota law, the Department of Health is required to license the more service-intensive forms of senior housing, including Skilled Nursing Homes and Assisted Living Centers. Lower-service forms of senior housing, referred to as Residential Living Centers by the State, are required to register with the Department of Health, but are not licensed and subject to the more stringent requirements, such as inspections, that apply to more service-intensive housing. Currently, there are no senior with services housing projects in Colman.

In 2022, there were approximately 64 Colman households and 600 Moody County households age 65 or older. The number of households age 65 and older is projected to increase over the next five years.

We are estimating that 2% to 3% of senior households age 65 and older in Colman and Moody County would move into a senior independent/light services rental project. Also, the project will attract a limited number of tenants from surrounding cities and counties.

**Recommendation:** It is our opinion that currently Colman does not have an adequate senior population or services to support an assisted living project that offers a high level of services at this time. However, we are recommending a 12 to 16-unit independent/light services senior project in Colman. As Colman's population continues to grow and after a senior independent/light services project is developed, the need may exist for assisted living beds in the future.

The independent/light services project should be designed to allow seniors to live in a unit independently or with the need for light services. The senior project could be a one-level apartment building or town home-style units. The project's amenities and features should include:

- ▶ A small community room
- ▶ 24-hour call system
- ▶ A limited access security system
- ▶ Smoke alarms
- ▶ Enclosed parking

Unit features should include:

- ▶ 12 to 16 units
  - ▶ 2 to 4 one-bedroom
  - ▶ 10 to 12 two-bedroom
- ▶ Floor plans that promote accessibility
- ▶ Fully equipped kitchen
- ▶ Large storage area
- ▶ Ample closet space
- ▶ Laundry hookups
- ▶ Open floor plan
- ▶ Private patio
- ▶ Individually controlled heat and AC
- ▶ Raised outlets, lever door handles, lowered kitchen cabinets
- ▶ Expansive windows

Optional services that could be provided by community organizations or agencies could include:

- ▶ Noon meal
- ▶ Weekly housekeeping
- ▶ Home healthcare
- ▶ Social activities



Tax increment financing, tax abatement, tax deferral, land donations, low interest loans and/or other subsidies and incentives could be utilized to make the project financially feasible.

It is estimated that 50% of the units will be occupied when the project opens and one to two additional units will be rented each following month for an absorption period of five to six months.

The location of the project should be close to services as the project will be occupied by seniors. A high amenity location would be ideal for a senior project. If possible, the project should have land available for future project phases.

## **5. Develop a Mixed-Use Commercial/Housing Project**

**Findings:** A mixed-use rental housing/commercial project in Colman would complement the City's efforts to develop commercial/retail options in Colman. New mixed-use projects have been developed in several cities comparable to the size of Colman. Some of these projects were developed because of market demand, while others were developed to introduce a new product to the market or to serve as a catalyst for commercial development/redevelopment.

**Recommendation:** We recommend the development of a mixed-use building in Colman. There are several potential sites for a mixed-use commercial/housing project.

Prior to construction, a portion of the commercial space should be leased to an anchor tenant who would complement existing businesses and attract people to the commercial area. Also, there should be sensitivity to the timing of the project and type of commercial tenants the project will have, to assure the project is an asset to the City of Colman.

The rental units should be primarily market rate units, but could be mixed income with some moderate income units. The units should be primarily one and two-bedroom units. Please note that these units are not in addition to the units recommended in the previous recommendations of this section. If a mixed use building was constructed, the number of units recommended previously should be reduced.

Ideally, a private developer would construct and own the building. The City may have a role in the project by providing tax increment financing, tax abatement, tax deferral, or other local funds and/or land at a reduced price.

## **6. Continue to Utilize the Housing Choice Voucher Program**

**Findings:** The Housing Choice Voucher Program provides portable, tenant-based rent assistance to lower income renter households. The program requires participating households to contribute approximately 30% of their adjusted income for rent, with the rent subsidy payment making up the difference. Tenants may lease any suitable rental unit in the community, provided that it passes a Housing Quality Standards inspection, and has a reasonable gross rent when compared to prevailing rents in the community.

Although the federal government provides a very limited funding for subsidized housing construction, it has provided new Housing Choice Voucher allocations over the past several decades.

Because of the flexibility offered through the program, eligible households often prefer the portable rent assistance to other forms of subsidized housing that are project-based, and can only be accessed by living in a specific rental development.

The Housing Choice Voucher Program is administered in Colman by the Brookings County Housing and Redevelopment Commission. Currently, funds are available for new applicants.

**Recommendation:** From a practical standpoint, the Housing Choice Voucher Program is the single best way that Colman can provide affordable housing for low income households. We recommend that low/moderate income renter households that are paying more than 30% of their income for rent, apply for a Housing Choice Voucher.

# **Colman - Home Ownership Recommendations**

## **Home Ownership Recommendations**

**Findings:** Expanding home ownership opportunities is one of the primary goals for most cities. High rates of home ownership promote stable communities and strengthen the local tax base.

The median owner-occupied home value of existing homes in Colman based on 2020 and 2021 sales is estimated to be \$97,000. With approximately 50% of the homes in Colman valued less than \$97,000, Colman has a market for first-time home buyers and households seeking moderately priced homes.

The number of Colman households in the 25 to 44 age ranges is expected to increase slightly from 2023 to 2027. While many of these younger households already own their housing, those households that have not been able to achieve the goal of home ownership, may need the assistance of special programs to help them purchase their first home. Many households in these age ranges are first time home buyers or are looking for trade-up housing.

Our analysis of Colman demographic trends shows projected strong household growth from 2023 to 2027 in the 55 and older age ranges with a gain of approximately 41 households. While most households in these age ranges already own their housing, this group represents a strong potential market for lower maintenance housing options, such as twin homes or town house developments.

Some households in all age ranges have not been able to achieve the goal of home ownership and may need the assistance of programs to help them purchase a home. Additionally, there are a significant number of households in the area that are seeking home ownership opportunities.

To assist in promoting the goal of home ownership, the following activities are recommended.

## **7. Utilize and promote all programs that assist with home ownership**

**Findings:** We believe that affordable home ownership is one of the issues facing Colman in the future. Home ownership is generally the preferred housing option for most households. There are a number of strategies and programs that can be used to promote home ownership.

First-time home buyer assistance, down payment assistance, low interest loans, gap financing, and home ownership counseling and training programs can help to address affordable housing issues. Colman has a limited supply of houses that are price-eligible for these assistance programs. The home value estimates used in this study indicate that some of the existing stock currently is valued under the purchase price limits for the first-time home buyer assistance programs.

While these individual home ownership assistance programs may not generate a large volume of new ownership activity, the combination of low mortgage rates, home ownership training, credit counseling, and down payment assistance may be the mix of incentives that moves a potential home buyer into home ownership.

**Recommendation:** The City of Colman, the Economic Development Corporation and local financial institutions should work with regional housing agencies and the South Dakota Housing Development Authority to utilize all available home ownership assistance programs. Private and nonprofit agencies should also be encouraged to provide home ownership opportunities.

Funding sources for home ownership programs may include USDA Rural Development, the South Dakota Housing Development Authority and the Federal Home Loan Bank. Also, Inter-Lakes Community Action Partnership and Grow South Dakota utilize several funding sources to provide home ownership programs.

# **Colman - New Housing Construction**

## **New Housing Construction**

**Findings:** The City of Colman has experienced significant single family owner-occupied housing construction over the past three years from 2020 to 2022. Based on U.S. Census and City records, approximately 19 owner-occupancy single family units have been constructed in Colman during this time period, which is an average of six housing units per year.

The attractiveness of Colman and the surrounding area, the City's amenities and its proximity to Brookings, Sioux Falls, Madison and Flandreau should result in the continued construction of new homes annually. However, there must continue to be attractive residential lot options available for new construction.

Overall household projections for Colman indicate good demand for owner-occupied housing construction. Colman is projected to gain approximately 45 households from 2023 to 2027, and this projection may be conservative. Household growth is projected in most age ranges, thus, there will be a demand for starter homes, median and high-priced homes and low maintenance attached housing (twinhomes/townhomes).

Also, the City of Colman has the opportunity to capture a greater number of the household growth than projected in the surrounding areas including the Sioux Falls MSA.

It is our opinion that if the City of Colman, the Colman Economic Development Corporation, developers and home builders are proactive, 50 to 60 owner-occupied housing units could be constructed in Colman over the next five years from 2023 to 2027 to address demand. This is an average of 10 to 12 units per year. Our projection for single family housing starts includes homes built in new subdivisions and on infill lots, and includes single family owner-occupied attached housing units, such as twin homes and town houses. For this number of new houses to be constructed, new subdivisions and residential lots must be developed.

The breakdown of our projection of 50 to 60 new owner-occupied housing units over the next five years is as follows:

| <b>Demand Projection for Owner-Occupancy Housing Construction from 2023 to 2027</b> |                         |                  |
|---|-------------------------|------------------|
| Unit Type   | Approximate Price Range | Projected Demand |
| Single Family Projected Demand  |                         |                  |
| Affordable  | Less than \$325,000     | 22-26 units      |
| Mid-Priced  | \$325,000- \$450,000    | 16-20 units      |
| Higher-Valued   | More than \$450,000     | 12-14 units      |

Source: Community Partners Research, Inc.

We have defined **affordable homes** as single family units that would typically sell for less than \$325,000. While many people may view this as a high price for affordable housing, it is increasingly difficult to construct new houses at a lower cost. Houses within this price range often appeal to younger buyers, first-time buyers, or those households trading-up from an older, lower valued house or mobile home. To achieve a price under \$325,000, assistance may be needed such as land at a reduced price, tax increment financing, tax abatement, tax deferments, etc. Also, financial assistance may be needed from state agencies.

Additionally, affordable homes may be constructed by organizations such as the Colman Economic Development Corporation or Inter-Lakes Community Action Partnership. This housing often serves a segment of the market that could not otherwise access newly constructed units. Also, affordable homes could include governors homes, modular homes and twin homes/town houses.

We have defined **mid-priced homes** within a price range of \$325,000 to \$450,000. This price can generally be achieved by private housing developers. Colman has had some active construction activity occurring within this price range. The higher end of the price range represents a portion of the trade-up housing market. Also, some of the homes at the lower end of this price range may include twin homes and town houses.

We have defined **higher-valued homes** as those priced above \$450,000. Many households purchasing a high valued home will be selling an existing home and have an equity position that can be used to purchase a home in this price range.



In addition to the demand for new owner-occupancy housing construction from projected household growth in Colman, new housing will be generated from housing construction demand from surrounding areas which includes Madison, Flandreau, Brookings and the Sioux Falls MSA.

In the past few years, the Sioux Falls MSA has been producing approximately 1,700 single family housing units per year, and production at or above this level is expected to continue. It is anticipated that with Colman's small town atmosphere, available affordable lots, an excellent school system and other amenities, Colman can capture a higher portion of the MSA's proposed development.

## **8. Subdivision Development and Lot Availability**

**Findings:** As part of this Study, we attempted to identify the inventory of available residential lots for single family housing construction in the City of Colman. Two subdivisions have recently been developed in Colman. The Redrock Addition is a 13-residential lot subdivision. Eleven lots have been sold. Houses have been constructed or are under construction on most of these lots. Two lots are still for sale.

The second subdivision, Sunrise Estates, is a 19-lot subdivision. Three of the lots have been sold and 16 lots are for sale.

A third subdivision is currently under construction. This subdivision will have 24 residential lots, including 19 single family lots and five larger lots to accommodate multi-family housing.

Also, additional land is available in the development for an additional 30 residential lots. There are also miscellaneous infill lots scattered around the City that we did not attempt to count. We do not know the availability of these infill lots. Additional, dilapidated houses may be acquired and demolished over the next five years. Some of these cleared lots may be sites for new construction.

**Recommendation:** We use a standard that a three-year supply of lots should be available in the marketplace based on annual lot usage. With projections that 10 to 12 new owner-occupancy housing units will be constructed annually, the City should have approximately 30 to 36 residential lots available to meet the expected demand.

With 18 residential lots currently available in the City's two newest subdivisions and 23 lots under construction, the City has approximately 41 lots that are or will be on the market. There may also be a few available infill lots.

Therefore, it is estimated that the City of Colman has an adequate number of lots to address short-term demand. However, we are projecting that the City will have a need for additional lots to continue to meet the demand beyond three years. The availability of land to develop an additional 30 residential lots should address the lot demand for an additional three years.

With the developed lots, lots under construction and the lots that are in the planning phase, the City should have an adequate supply to address demand for a 6 to 7 year period, based on projected new home construction. New home construction should continue to be monitored on an ongoing basis to assure that lot development reflects actual demand.

New subdivision/lot development should include the following:

- ▶ The subdivision(s) should have adequate land available, if possible, for future phases of lot development, based on demand.
- ▶ Lots should continue to be developed in phases.
- ▶ The subdivision(s) must be as aesthetically acceptable as possible and include high quality amenities.
- ▶ The subdivision(s) should have covenants that assure high quality development. However, the covenants should not be so restrictive that they eliminate the target market's ability to construct a home.
- ▶ The subdivision(s) should accommodate a variety of home designs and home prices.
- ▶ Major employers should be involved in promoting and publicizing the subdivisions.
- ▶ To be successful, the homes must be available to households with as wide an income range as possible.

- ▶ Successful subdivisions will need the cooperation of area housing agencies, financial institutions, developers/builders, employers, the Colman Economic Development Corporation and the City of Colman. Financial assistance such as tax increment financing, tax abatement and tax deferral may be necessary to make the development of lots feasible. The SDHDA may also have funding available for future housing development.
- ▶ The subdivision and lots should expand the market by providing attractive, affordable options.
- ▶ Some lots should be available for twin home/town home development.
- ▶ The development process should be as user-friendly and streamlined as possible.

## **9. Strategies to encourage continued residential lot sales and new home construction in Colman**

**Findings:** Over the past three years, approximately 19 owner-occupied new single family housing units have been constructed. To construct new single family owner-occupied housing units at an increased rate, we recommend several strategies.

**Recommendation:** We recommend that the City of Colman, the Colman Economic Development Corporation, developers, builders, realtors and other housing stakeholders continue to coordinate efforts to promote lot development, lot sales and housing development.

Our recommendations to continue to promote lots sales and housing development include:

- ▶ ***Continue the momentum*** - The City has a working formula for new home construction and the City should maintain its momentum by assuring that there are an adequate number of developers, builders, lots, etc. in the City.
- ▶ ***Competitive pricing*** - There are lots available in communities throughout the region. To continue to attract new home construction in Colman, lots should remain competitively priced in comparison to other options in the area.

- ▶ ***User-Friendly*** - The lot purchase and home building process must be 'user friendly.' This includes the construction of spec homes, builders that are readily available to build custom homes and city regulations that are fair and reasonable. The entire process must be as 'user friendly' as possible to encourage home construction.
- ▶ ***Long-term planning*** - The City of Colman, the Colman Economic Development Corporation and private developers should continue long-term development planning to assure lots are available to meet demand for all types and pricing of new housing on an ongoing basis.
- ▶ ***Promote spec home construction*** - Spec houses attract a buyer that is not interested in going through the home building process, but instead wants a turnkey unit. A spec home can also serve as a model, allowing potential home buyers to examine specific floor plans and features in the home before committing to buy.
- ▶ ***Lot availability for twin home/town home development*** - It is our opinion that there will be a demand for twin homes/town homes over the next five years. Lots should be available for a twin home/town home development.
- ▶ ***Range of house prices*** - Lots should be available to as wide a range of home sizes and prices as possible, without compromising the subdivisions. This broadens the lot buyer market. Also, smaller infill lots with fewer amenities could be marketed for affordable homes.
- ▶ ***Marketing*** - The City of Colman will need to continue a comprehensive marketing strategy to sell available lots. All stakeholders including developers, realtors, financial institutions, builders, employers, etc., should to be included in marketing strategies. In addition to marketing the lots, the City of Colman and its amenities should be marketed.
- ▶ ***Covenants*** - New subdivisions in Colman may establish covenants that assure quality development. The covenants should assure that they protect the integrity of the subdivision, but should not be a barrier to new construction and do not prevent the target markets from constructing homes.
- ▶ ***Lot Availability for affordable homes*** - Lots should be available for affordable homes including modular homes and Governor's Homes that provide affordable ownership options for moderate income households.

- ▶ ***Incentives*** - Many cities throughout South Dakota are offering incentives to construct new homes, including reduced lot prices, reduced water and sewer hookup fees, tax abatements, cash incentives, etc. It does not appear that incentives are needed in Colman to promote new construction at this time. However, incentives may be needed if new construction slows in the future.
- ▶ ***Infill lot Home Development*** - Infill lots in existing neighborhoods are often affordable and have existing City services.
- ▶ ***Housing Programs*** - The South Dakota Housing Development Authority, USDA Rural Development and other housing agencies may have housing programs available to assist developers, builders and home buyers.

## **10. Promote town house/twin home development**

**Findings:** Based on building permit records, two twinhomes (four units) have been constructed in Colman from 2010 to 2022. Currently, these units are rental housing. Many communities over the past decade have seen attached housing take an increasingly large share of new construction. In cities the size of Colman, a small percentage of the housing starts are owner-occupancy twin homes/town houses. We are aware of no twin homes/town houses that have been constructed in Colman since 2010 for owner-occupancy.

Attached housing provides desirable alternatives for empty nesters and seniors to move out of their single family homes, making these homes available for families. It is estimated that in the 65 and older age ranges there were approximately 615 households in Moody County in 2022. The households in these age ranges are projected to increase from 2023 to 2027. It is important for the City to offer a range of life-cycle housing options as many of these households will be seeking to downsize into low maintenance housing options. There are also young families that may be seeking affordable twin homes/town houses.

**Recommendation:** It is our projection that approximately 6 to 8 of Colman's new owner-occupancy single family units should be twin homes or town houses over the next five years.

This recommendation is based on the availability of twin home/town house lots in Colman.

For a twin home/town house development to be successful, the following should be considered:

- ▶ Senior friendly home designs
- ▶ Maintenance, lawn care, snow removal, etc. all covered by an Association
- ▶ Cluster development of a significant number of homes which provides security
- ▶ Homes at a price that is acceptable to the market

The public sector's role in any owner-occupancy attached housing development may be limited, as the private sector can often meet this housing need if a demand exists. The City's role should include assuring that adequate land is available for development and that zoning allows for attached housing development.

## **11. Coordinate with agencies/nonprofits that develop affordable housing**

**Findings:** With the difficulty of producing new housing units that are affordable to lower income people, it is important to take advantage of opportunities presented by housing agencies, nonprofit groups and organizations. Inter-Lakes Community Action Partnership has a Mutual Self Help Program. Households that participate in this program assist each other with constructing affordable new homes.

Other local and regional housing and economic development agencies and nonprofits may also have the capacity to construct affordable housing in Colman. These sources can help generate new homes for moderate income families in Colman.

**Recommendation:** We recommend that the City coordinate with housing and economic development agencies and nonprofit organizations that help to produce housing units for moderate income ownership. The City may be able to contribute to the project through land donations, tax increment financing, tax abatement, tax deferments or project coordination activities.

# **Colman - Housing Rehabilitation**

## **Housing Rehabilitation**

**Findings:** Colman has an asset in its existing housing stock. Existing units, both now and into the future, will represent the majority of the affordable housing opportunities. Existing units generally sell at a discount to their replacement value. Units that are not maintained and improved may slip into disrepair and be lost from the housing stock. Efforts and investment in housing rehabilitation activities will be critical to offering affordable housing opportunities and in preventing the deterioration of existing neighborhoods.

Housing options for households will largely be met by the existing, more affordable housing stock. As this existing stock ages, more maintenance and repair are required. Without rehabilitation assistance, the affordable stock will shrink, creating an even more difficult affordability situation.

The following specific recommendations are made to address the housing rehabilitation needs.

### **12. Promote rental housing rehabilitation programs**

**Findings:** Based on the U.S. Census and building permit data, the City of Colman had approximately 70 rental units in 2022. This represents approximately 25% of the total housing units in Colman. This is a smaller percentage of rental housing than is typically in a city the size of Colman. These rental units are in multi-family projects, small rental buildings, duplexes and single family homes. Although many of the rental units are in good condition, approximately 50% of the rental structures and units are more than 45 years old and some of these may need improvements.

The rehabilitation of older rental units can be one of the most effective ways to produce decent, safe and sanitary affordable housing. However, it is often difficult for rental property owners to rehabilitate and maintain their rental properties while keeping the rents affordable for the tenants.

**Recommendation:** The City of Colman and local housing agencies should seek funds that can be dedicated to the rehabilitation of rental units. For a rental rehabilitation program to be workable and successful, the funds should to the extent possible, allow for program design flexibility.

Potential funding sources include USDA Rural Development, the Federal Home Loan Bank, the South Dakota Housing Development Authority and local funds.



### **13. Promote owner-occupied housing rehabilitation programs**

**Findings:** The existing housing stock in Colman will continue to be a major attraction for families that are seeking housing in the area. Investment in owner-occupied housing rehabilitation activities will be critical to offering affordable housing opportunities.

Community Partners Research, Inc., conducted a housing condition survey and rated 170 single family homes in the City of Colman. All of the homes north of Highway 34 were viewed and rated. Houses south of Highway 34 were not surveyed as these homes have recently been constructed. The survey found that 65 homes needed minor repairs and 28 homes needed major repairs. Without rehabilitation assistance, there is the potential that the affordable housing stock will shrink in Colman.

Inter-Lakes Community Action Partnership currently has several housing programs to assist area households with the rehabilitation of their homes, including the Weatherization Program, the Self Help Rehabilitation Program and programs utilizing HOME and other funds.

**Recommendation:** We recommend that the City of Colman and area housing agencies seek local, state and federal funds to assist in financing housing rehabilitation. USDA Rural Development, the South Dakota Housing Development Authority and the Federal Home Loan Bank are potential funding sources. Colman should coordinate with the Inter-Lake's Community Action Partnership to assure Colman households have access to housing rehabilitation funds.

# **Colman - Other Housing Initiatives**

#### **14. Acquire and demolish dilapidated structures**

**Findings:** The housing condition survey of the City's 170 single family homes in the City's older neighborhoods identified eight dilapidated homes that were too deteriorated to rehabilitate. The survey also identified 28 homes as needing major repair. Several of these homes may be too dilapidated to rehabilitate upon a more detailed inspection.

**Recommendation:** We recommend that Colman work with property owners to demolish severely dilapidated structures. The City is enhanced when blighted and dilapidated structures are removed. Also, some of the cleared lots can possibly be utilized for the construction of new affordable housing units.

We also recommend that the City of Colman maintain an inventory of structures that may be candidates for future acquisition. An inventory of in-fill lots for future development should also be maintained.

#### **15. Encourage employer involvement in housing**

**Findings:** The City of Colman has several employers including one large employer. The connection between economic development and housing availability has become an increasingly important issue as low area unemployment rates dictate the need to attract new workers into the community.

Although the jobs being created may have good wages for the area, many jobs do not pay wages sufficient for workers to buy or improve their housing. Housing for new employees is a concern for employers. It may be advantageous for employers to become involved in housing.

**Recommendation:** We recommend an ongoing effort to involve employers as partners in addressing Colman's housing needs. Several funding sources have finance programs that include employers. Additionally, the funding agencies often view funding applications favorably that include employers in the problem solving process.

Employer involvement can include direct assistance to their employees such as a grant, loan, forgivable loan, deferred loan, down payment assistance, loan guarantee, etc. In many cases, employers do not wish to provide assistance to specific employees, but are willing to contribute to an overall city project such as an affordable residential subdivision or a moderate rent rental housing project.

Additionally, employers can continue to support other city projects, such as parks, trails, ball fields, educational facilities, etc., that have a positive impact on housing in Colman.

## **16. Create a plan and continue coordination among housing agencies**

**Findings:** Colman needs staff resources in addition to local staff and volunteers to plan and implement many of the housing recommendations advanced in this Study. Colman has access to the Inter-Lakes Community Action Partnership, the First District of Local Governments, USDA Rural Development, the South Dakota Housing Development Authority, Grow South Dakota and Dakota Resources. These agencies all have experience with housing and community development programs.

**Recommendation:** The City of Colman is fortunate to have access to several agencies that can address housing needs. It is our recommendation that the City continue to work with the housing and economic development agencies to prioritize the recommendations of this Study and to develop a plan to comprehensively address the City's housing needs. The plan should include strategies, time lines and the responsibilities of each agency. While there has traditionally been a degree of staff interaction between these agencies, it will be important that a coordinated approach be used to prioritize and assign responsibility for housing programs. This approach will reduce duplication and provide coordination and cooperation among agencies and will effectively utilize scarce resources.

It will also be important for the City to look for opportunities to work cooperatively with other area cities to address housing issues. With limited staff capacity, cooperative efforts may be the only way to accomplish certain projects. Cooperative efforts will not only make housing projects more practical, but they will often be more cost-effective and competitive.

## **17. Strategies for downtown redevelopment and commercial development**

**Findings:** The City of Colman has a limited number of commercial buildings. There are buildings that have not been maintained and are substandard. This recommendation provides an outline of actions that could be taken to continue to redevelop the downtown, to maximize the usage of downtown buildings and to promote new downtown businesses.

When households are selecting a city to purchase a home in, they often determine if the city's commercial sector is sufficient to serve their daily needs. A viable downtown commercial district is an important factor in their decision making process.

**Recommendation:** We are recommending the initiation or continuation of the following actions for downtown Colman:

- ▶ Interview downtown property owners to develop a database and to determine their future plans (expanding, selling, renovations, etc.)
- ▶ Develop an overall plan for the downtown (potential new businesses, address parking needs, develop an overall theme, art and cultural opportunities, etc.)
- ▶ Develop a mini-plan for each downtown property and each downtown block. This may include:
  - ▶ Commercial building rehab and renovations
  - ▶ Facade work
  - ▶ Building demolition
  - ▶ New construction
  - ▶ Recruiting new businesses
- ▶ Identify funding sources
  - ▶ Property owner funds
  - ▶ City of Colman
  - ▶ Federal Home Loan Bank
  - ▶ Special tax districts
  - ▶ Tax increment financing
  - ▶ Tax abatement and/or deferment
  - ▶ Funds from South Dakota State Agencies
  - ▶ Colman Economic Development Corporation
  - ▶ Grow Colman
- ▶ Work with stakeholders to identify roles, secure funding, develop and implement programs and projects
  - ▶ Property owners
  - ▶ City of Colman
  - ▶ South Eastern Council of Governments
  - ▶ Colman Economic Development Corporation
  - ▶ Grow Colman

## **18. Develop home ownership and new construction marketing programs**

**Findings:** Cities that invest in marketing have an advantage. Opportunities to buy or construct a home are sometimes limited because of the lack of information and awareness of financing and incentive programs, homes and lots on the market, local builders, etc. This is especially evident for new households moving into the area. The home buying/home building process can be very intimidating for first-time buyers and builders. It is important for the home buying or home building process to be user-friendly.

**Recommendation:** The City has been active in promoting and marketing housing and we recommend the initiation or continuation of the following:

- ▶ Determine the City’s strengths and competitive advantages and heavily promote them
- ▶ Continue to create marketing materials that can be distributed regionally (including social media, TV, radio, etc.)
- ▶ Work closely with employers (Colman and the Colman Area) to provide employees (especially new employees) with housing opportunities in Colman
- ▶ Work with housing agencies to provide down payment assistance, low interest loans, gap financing, home owner education and home owner counseling programs
- ▶ Consider an annual Housing Fair that provides information on lots, builders, finance programs, etc. Developers, builders, lenders, realtors, public agencies and local businesses could participate
- ▶ Continue to work with developers and builders to make lot development and the construction of new homes as user-friendly as possible
- ▶ Continue to work on the creation of jobs and the development of retail, service, medical and recreational opportunities that can make the City a “full service” community
- ▶ Continue to provide attractive lots at an affordable price for a variety of home sizes, styles and price ranges
- ▶ Preserve the quality of existing neighborhoods through the rehabilitation of substandard housing and the demolition of dilapidated structures that are beyond repair
- ▶ Continue to develop new housing choices that serve life-cycle housing needs, such as new rental housing, twin homes, senior housing, etc.
- ▶ Review the City’s policies and fees to assure that they are user-friendly, fair and receptive for developers, builders and households
- ▶ Develop a coordinated housing plan with the private sector and area housing agencies

## **Housing Agencies and Resources**

The following local and state agencies administer programs or provide funds for housing programs and projects:

### **InterLakes Community Action Partnership**

505 North Western Avenue  
Sioux Falls, SD 57104  
(605) 334-2808

### **First District Association of Local Governments**

P.O. Box 1207  
Watertown, SD 57201  
(605) 886-8202

### **Grown South Dakota**

104 Ash Street East  
Sisseton, SD 57262  
(605) 698-7654

### **USDA Rural Development**

810 10<sup>th</sup> Ave. SE  
Watertown, SD 57201  
(605) 886-8202

### **Brookings County Housing and Redevelopment Commission**

1310 Main Avenue S., Suite 106  
P.O. Box 432  
Brookings, SD 57006  
(605) 692-1670

### **South Dakota Housing Development Authority**

P.O. Box 1237  
3060 E. Elizabeth Street  
Pierre, SD 57501  
(605) 773-3181

### **Dakota Resources**

25795 475<sup>th</sup> Ave., Suite 1  
Renner, SD 57055  
(605) 978-2804