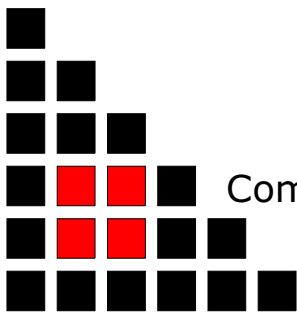


Beadle & Spink Enterprise Community, Inc. HOUSING STUDY UPDATE

January 2022

An updated analysis of the overall housing needs of the communities of Doland, Frankfort, Tulare in Spink County and Hitchcock in Beadle County



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 Doland, Frankfort, Tulare, Hitchcock and in Spink 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 originally hired in 2014 by the Beadle & Spink Enterprise Community, Inc. (BASEC) to conduct a study of the housing needs and conditions in the Cities of Doland and Frankfort, and the Towns of Tulare and Hitchcock. In 2021, BASEC initiated an Update to the 2014 Housing Study.

Goals

The multiple goals of the study include:

- ▶ Provide updated demographic data
- ▶ 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 August to October, 2021. Data sources included:

- U.S. Census Bureau
- American Community Survey
- Applied Geographical Solutions, Inc., a data reporting service
- ESRI, a private data company
- Records and data from the communities

- Records and data maintained by Spink and Beadle Counties
- South Dakota State Data Center
- Interviews with city and town officials, community leaders, housing stakeholders, etc.
- Area housing agencies
- State and Federal housing agencies
- Rental property owner surveys
- Housing condition and mobile home surveys

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 Doland, Frankfort, Tulare, Hitchcock and Spink County. The Town of Hitchcock is located in Beadle County near the border with Spink County, but has been included with other Spink County jurisdictions in this document.

When the demographic research for this Update was underway, the Census Bureau began releasing data from the 2020 U.S. Census. However, only limited information was available, although this included totals for population, households and housing units. The available Census information has been incorporated into the analysis that follows, but for other demographic variables, including age distribution, sources other than the 2020 Census have been used.

In addition to the decennial Census, the Census Bureau has created the American Community Survey, an annual sampling of households. The American Community Survey provides detailed demographic characteristics. However, the American Community Survey is based on sampling data and there is a margin of error that exists for each estimate. The following tables incorporate the 2019 American Community Survey data, when viewed as reliable.

The frequency of American Community Survey estimates vary depending on the size of the jurisdiction, but the 2019 estimates used for this Update were derived from sampling that was done over a 5-year period from 2015 to 2019.

The Governor's Office of Economic Development provides demographic profile information for cities, towns and counties supplied by Applied Geographic Solutions (AGS), a private company. The AGS estimates are for 2021, with projections to 2026 and have been used for this Update.

Prior to using AGS, the State had used a similar provider, Esri, Inc., for demographic data. The analysts have examined both of these sources in some of the tables that follow for current-year estimates and future projections. The Esri estimates are for 2021, with projections to 2026.

It is important to note that the release of 2020 Census tables has been delayed by the global pandemic. The AGS and Esri estimates used for this Update were generated without access to the new benchmark demographic data from the 2020 Census. As a result, the accuracy of estimates information will not be known until after the completion of this document.

Population Data and Trends

Table 1 Population Trends - 1990 to 2020						
	1990 Census	2000 Census	% Change 1990-2000	2010 Census	% Change 2000-2010	2020 Census
Doland	306	297	-2.9%	180	-39.4%	199
Frankfort	192	166	-13.5%	149	-10.2%	134
Tulare	244	221	-9.4%	207	-6.3%	211
Hitchcock	95	108	13.7%	91	-15.7%	112
Spink County	7,981	7,454	-6.6%	6,415	-13.9%	6,361

Source: U.S. Census

- ▶ The 2020 Census population counts were released in August 2021, and are provided in the table above. In the text that follows, the 2020 Census information has been compared to non-Census estimates that have also been used for this document. Estimates from both Applied Geographic Solutions and Esri have an effective date for 2021, compared to the Census with an effective date of April 1, 2020.
- ▶ According to 2020 Census, **Doland** had 199 permanent residents in 2020. When compared to 2010, the City had added 19 people over the decade for population growth of 10.6%. This represented a change in the longer-term pattern for the City, as Doland had lost population in the 1990s and experienced a substantial population reduction between 2000 and 2010.
- ▶ A 2021 population estimate obtained from Applied Geographic Solutions (AGS) for **Doland** showed 176 residents. Although a one-year time difference exists, it appears that AGS has underestimated the recent growth that has occurred in the City.
- ▶ According to 2020 Census, **Frankfort** had 134 permanent residents in 2020. When compared to 2010, the City had lost 15 people over the decade for population reduction of 10.1%. This 2020 Census total continued a longer-term pattern of reduced population for the City, as Frankfort had lost population in the 1990s and between 2000 and 2010.
- ▶ A 2021 population estimate obtained from Applied Geographic Solutions (AGS) for **Frankfort** showed 142 residents. Although a one-year time difference exists, it appears that AGS has slightly overestimated the City's population.

- ▶ According to 2020 Census, **Tulare** had 211 permanent residents in 2020. When compared to 2010, the City had added four people over the decade for population growth of 1.9%. Although the Town's numeric growth was small, this did represent a change in the longer-term pattern as Tulare had lost population in the 1990s and between 2000 and 2010.
- ▶ The 2021 population estimate obtained from AGS for **Tulare** showed 221 residents in 2021. While it is possible that some additional residents were added between 2020 and 2021, it appears that the AGS estimate for Tulare was slightly high for 2021.
- ▶ According to 2020 Census, **Hitchcock** had 112 permanent residents in 2020. When compared to 2010, the City had added 21 people over the decade for population growth of 23.1%. This represented a change in past patterns for the City, as Hitchcock had lost a significant number of residents between 2000 and 2010. The population gain since 2010 has replaced the losses of the prior decade and the Town's population in 2020 was slightly larger than at the time of the 2000 Census.
- ▶ The 2021 population estimate obtained from AGS for **Hitchcock** showed 100 residents. With a one-year time difference that exists, it appears that AGS was too low in its estimate of the recent growth that has occurred in the Town.
- ▶ The 2020 Census reported a total population for **Spink County** of 6,361 people. When compared to 2010, the County had lost 54 permanent residents over the decade for a population reduction of 0.8%. Despite the small reduction, the County largely remained stable over the last decade, after much larger population losses in the 1990s and between 2000 and 2010.
- ▶ Based on the 2020 Census count, the estimates available from sources such as AGS and Esri have been reasonably accurate in tracking the population change that has occurred in **Spink County** in recent years. The AGS estimate for Spink County showed 6,313 residents, or 48 people lower than the 2020 Census. Esri had a slightly smaller estimate, with 6,289 people in 2021, or 72 people below the Census count. While both estimating sources may be slightly low for the County's population, the differences are less than 1.2%.
- ▶ There were no group quarter's residents living in Doland, Frankfort, Tulare or Hitchcock at the time of the 2010 Census. Group quarters housing would include nursing homes and group homes.

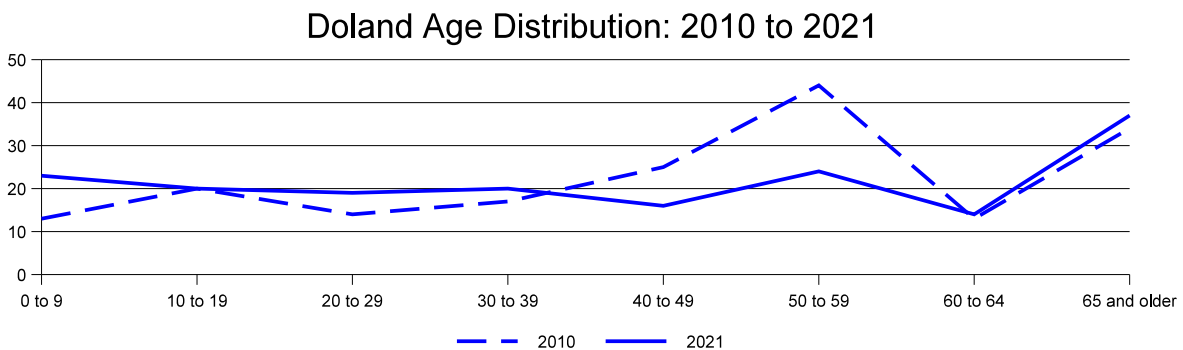
Population by Age Trends in Doland: 2010 to 2021

The 2020 Census has not yet released age data for population. The 2021 estimates from Applied Geographic Solutions have been used and compared to age distribution data from the 2010 Census. Readers should note that AGS appears to have underestimated the City’s 2021 population by 20 or more people.

Table 2 Population by Age in Doland - 2010 to 2021			
Age	2010	2021	Change
0-9	13	23	10
10-19	20	20	0
20-29	14	19	5
30-39	17	20	3
40-49	25	16	-9
50-59	44	24	-20
60-64	13	14	1
65+	34	37	3
Total	180	173	-7

Source: U.S. Census; AGS

There were limited numeric changes in most of the defined age groups in Doland between 2010 and 2021. Only three specific ranges experienced a change of 9 or more people. Most of the positive growth occurred among younger residents, age 39 and under, including an estimated increase of 10 children age 9 and younger. Some minor growth also occurred among older adults age 60 and older. The estimated reductions occurred within a 20-year age group between 40 and 59, with an estimated decrease of 29 people.



Population by Age Trends in Frankfort: 2010 to 2021

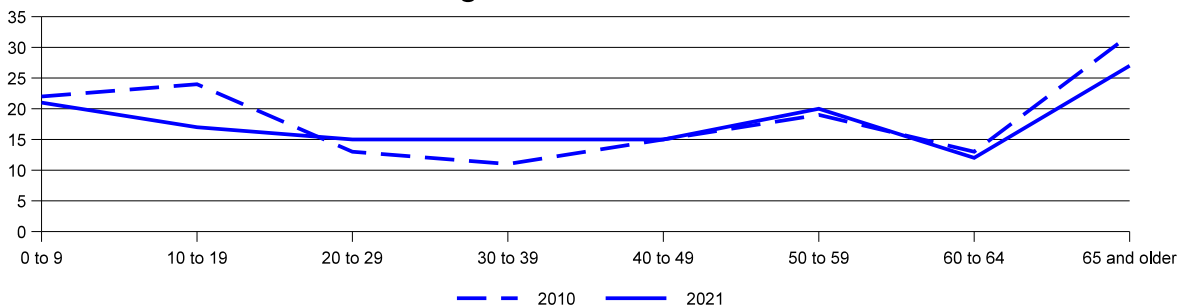
The 2020 Census has not yet released age data for population. The 2021 estimates from Applied Geographic Solutions have been used and compared to age distribution data from the 2010 Census. Readers should note that AGS appears to have slightly overestimated the City’s 2021 population.

Table 3 Population by Age in Frankfort - 2010 to 2021			
Age	2010	2021	Change
0-9	22	21	-1
10-19	24	17	-7
20-29	13	15	2
30-39	11	15	4
40-49	15	15	0
50-59	19	20	1
60-64	13	12	-1
65+	32	27	-5
Total	149	142	-7

Source: U.S. Census; AGS

There were limited numeric changes in most of the defined age groups in Frankfort between 2010 and 2021. Only two specific ranges experienced a change of 5 or more people. The largest decreases occurred among younger residents, age 19 and under, including an estimated decrease of 7 children age 10 to 19 years old. Population losses also occurred among seniors, with a loss of 5 people age 65 and older. Some minor growth did occur among younger adults, with the addition of six people in the 20 to 39 age ranges.

Frankfort Age Distribution: 2010 to 2021



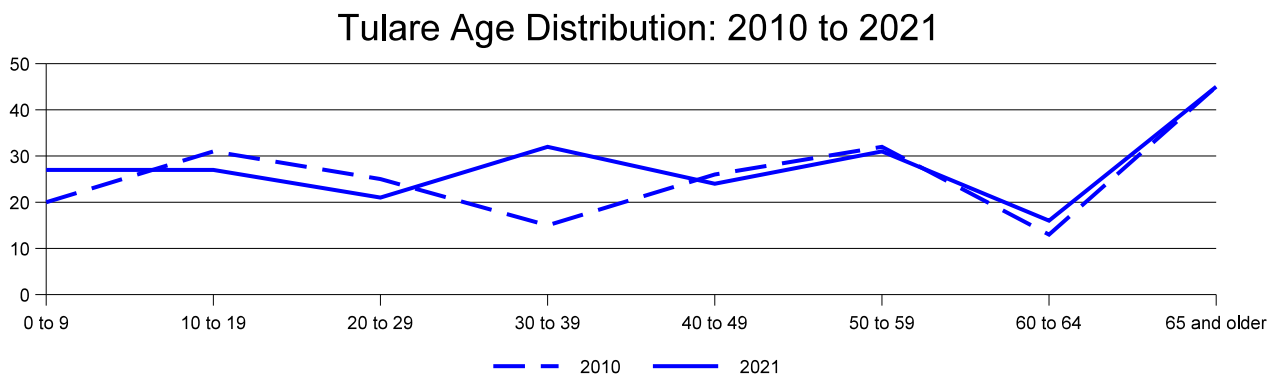
Population by Age Trends in Tulare: 2010 to 2021

The 2020 Census has not yet released age data for population. The 2021 estimates from Applied Geographic Solutions have been used and compared to age distribution data from the 2010 Census. Readers should note that AGS appears to have slightly overestimated the City’s 2021 population.

Table 4 Population by Age in Tulare - 2010 to 2021			
Age	2010	2021	Change
0-9	20	27	7
10-19	31	27	-4
20-29	25	21	-4
30-39	15	32	17
40-49	26	24	-2
50-59	32	31	-1
60-64	13	16	3
65-74	45	45	0
Total	207	223	16

Source: U.S. Census; AGS

Within most of the defined age ranges there was a change of fewer than five people in Tulare between 2010 and 2021. The Town did see an increase of seven children age nine and younger. Tulare also added 17 younger adult residents in the 30 to 39 year old age range. According to AGS, Tulare added three people age 60 and older.



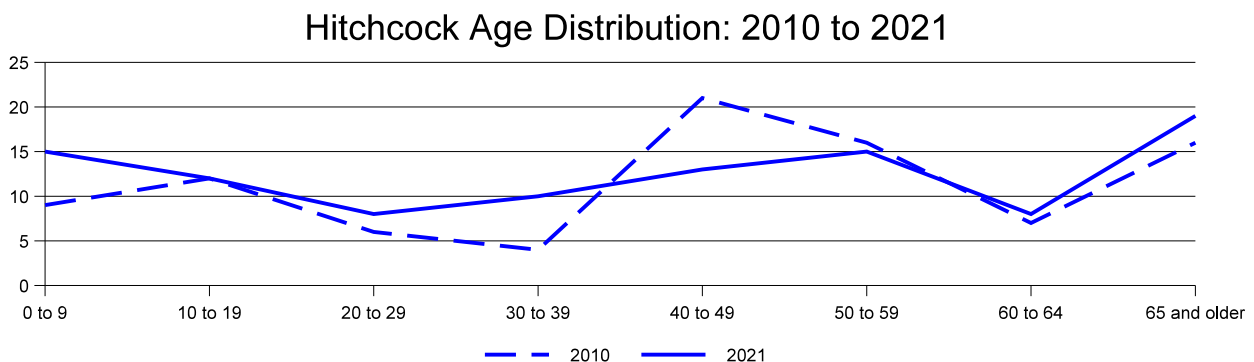
Population by Age Trends in Hitchcock: 2010 to 2021

The 2020 Census has not yet released age data for population. The 2021 estimates from Applied Geographic Solutions have been used and compared to age distribution data from the 2010 Census. Readers should note that AGS appears to have underestimated the City’s 2021 population by 10 or more people.

Table 5 Population by Age in Hitchcock - 2010 to 2021			
Age	2010	2021	Change
0-9	9	15	6
10-19	12	12	0
20-29	6	8	2
30-39	4	10	6
40-49	21	13	-8
50-59	16	15	-1
60-64	7	8	1
65+	16	19	3
Total	91	100	9

Source: U.S. Census; AGS

Given the small size of Hitchcock, there were limited numeric changes in most of the defined age groups. Only three specific ranges experienced a change of more than five people. Most of the positive growth occurred among younger residents, as Hitchcock added 6 people age nine and younger, and 8 residents between the ages of 20 and 39 years old. The Town did add some older adults, with a gain of 4 people age 60 and older. The largest decrease occurred among adults age 40 to 49, with a decrease of 8 people between 2010 and 2021.



Household Data and Trends

At the time of the demographic research for this Update, the 2020 Census totals for households had just been released.

Table 6 Household Trends - 1990 to 2020						
	1990 Census	2000 Census	% Change 1990-2000	2010 Census	% Change 2000-2010	2020 Census
Doland	136	120	-11.8%	95	-20.8%	88
Frankfort	82	81	-1.2%	61	-24.7%	58
Tulare	104	100	-3.8%	90	-10.0%	96
Hitchcock	46	52	13.0%	43	-17.3%	53
Spink County	3,022	2,847	-5.8%	2,608	-8.4%	2,520

Source: U.S. Census

- ▶ The 2020 Census recorded 88 resident households in **Doland**, down by seven households from 2010. Over the past three decades the Town has continued to see a reduction of occupied housing units. The pace of recent household loss has been slowing, but over the last decade the City still had a reduction of nearly one household per year.
- ▶ The 2020 Census count for **Frankfort** showed 58 permanent resident households, down by three from the 2010 Census. Although the City has experienced only a minor downward change in the last decade, the City has lost some households over each of the past three decades.
- ▶ The 2020 Census recorded 96 households living in **Tulare**, up by six households from the 2010 Census. After losing some households in the 1990s and between 2000 and 2010, Tulare recovered some of this loss after 2010, and by 2020 had only eight fewer households than counted in the 1990 Census.
- ▶ The 2020 Census count for **Hitchcock** showed 53 households, up by 10 from the 2010 Census. Although the Town has experienced both upward and downward changes in recent decades, the household count in 2020 was seven households higher than the level reported in the 1990 Census.
- ▶ For all of **Spink County**, the Census showed 2,520 households in 2020, down by 88 households from 2010. This continued a long-term pattern of fewer resident households living in the County.

- ▶ The analysts also reviewed household estimates for the year 2021 from AGS. These were issued prior to the release of 2020 Census data, and in some cases appear to be unreliable.
- ▶ For **Doland**, AGS showed only 63 households in 2021, a reduction of 32 households from 2010, while the Census showed the City losing only eight households through 2020. Despite the one year time difference in the effective dates, the AGS household estimate for 2021 is not viewed as reliable.
- ▶ The AGS estimate for **Frankfort** showed 51 households in 2021, down by 10 households between 2010 and 2021. The 2020 Census showed the City losing only three households through 2020, so the AGS has significantly overstated the level of loss.
- ▶ The AGS estimate for **Tulare** showed 88 households in 2021, down by two from the 2010 Census. However, the 2020 Census showed the City adding six households since 2010, and AGS has not been tracking the recent growth in the community.
- ▶ The AGS estimate for **Hitchcock** showed only 39 households in 2021, down by four from the 2010 Census. However, the 2020 Census showed the City adding 10 households since 2010, and AGS has not been tracking the recent growth in the community.
- ▶ AGS estimates that all of **Spink County** had 2,548 households in 2021, down by 60 households from the 2010 Census. This was very similar to the 2020 Census which reported 2,520 households Countywide, up by 88 households from 2010. As stated previously, AGS also had a relatively accurate population estimate for the County, based on the 2020 Census.
- ▶ The 2021 household estimate obtained from Esri shows 2,584 households in **Spink County**, down by only 24 households since 2010. Esri's estimate is slightly above the 2020 Census count, but the difference between the two is only 2.5%, and there is a one year difference in the effective dates.

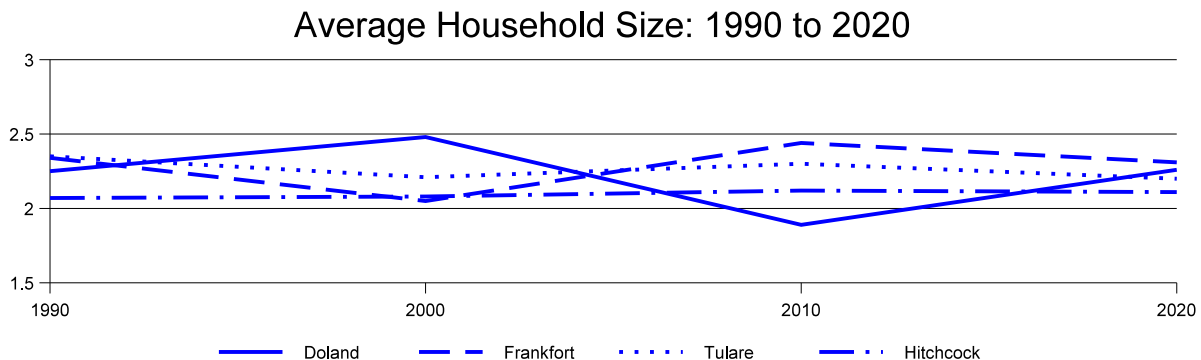
Average Household Size

The following table provides decennial Census information on average household size, including the 2020 Census.

Table 7 Average Number of Persons Per Household: 1990 to 2020				
	1990 Census	2000 Census	2010 Census	2020 Census
Doland	2.25	2.48	1.89	2.26
Frankfort	2.34	2.05	2.44	2.31
Tulare	2.35	2.21	2.30	2.20
Hitchcock	2.07	2.08	2.12	2.11
Spink County	2.51	2.30	2.30	2.35

Source: U.S. Census

- ▶ Household formation has generally been occurring at a different rate than population change in recent decades due to a typical pattern of 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.
- ▶ This pattern of smaller households has not been present in recent years in Doland, but the communities of Frankfort, Tulare and Hitchcock have each had their average household size decrease between 2010 and 2021. Countywide, the average household size also increased over the last decade.



- ▶ After decreasing in the 1990s, and between 2000 and 2010, the average household size in **Doland** increased to 2.26 persons in 2020. In 2010, the City had a very small average household size of only 1.89 persons, generally indicating a large number of senior citizen households. Over time, it is possible that housing has turned over, and younger families have replaced some of the senior households.
- ▶ The average household size in **Frankfort** was 2.31 persons in 2020, down from 2.44 persons in 2010. However, the City's average was only 2.05 persons in 2000, and has recovered from that low level over the past 20 years. Once again this would imply that some younger families have been replacing senior citizen households over the past two decades.
- ▶ The average household size in **Tulare** was 2.20 persons in 2020, down from 2.30 persons in 2010. Despite the recent decrease, the Town's average household size is very similar to the average in the year 2000.
- ▶ The average household size in **Hitchcock**, at 2.11 people in 2020, was relatively unchanged from the average of 2.12 persons in 2010. Over the past four Censuses the Town's average household size has generally remained stable, although it has also been small when compared to the Countywide average.
- ▶ For all of **Spink County** the average household size in 2020 was 2.35 people, up from 2.30 persons in 2010. After decreasing in the 1990s, the County's average household size then remained stable between 2000 and 2010, before increasing slightly over the most recent decade.

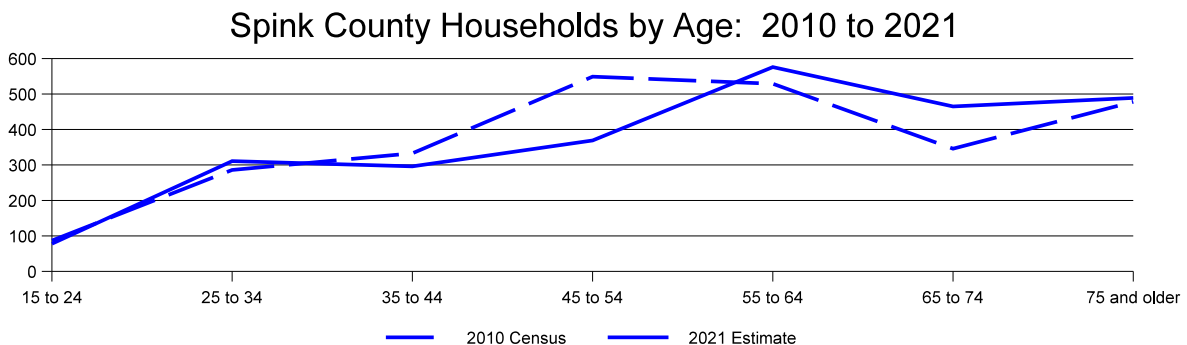
Household by Age Estimates: Spink County 2010 to 2021

The 2020 Census has not yet released age details for households. Esri does provide age-based estimates for the year 2021. The distribution of households by age of householder is presented for 2010 and 2021, to track aging patterns in recent years. Esri had a slightly higher household count for the County when compared to the 2020 Census, but the difference was only 2.2%, and was one year more current than the Census. The following table represents the best available information on aging patterns.

Table 8 Spink County Households by Age - 2010 to 2021			
	2010 Census	2021 Esri Estimate	Change from 2010
15-24	87	78	-9
25-34	286	311	25
35-44	333	296	-37
45-54	549	369	-180
55-64	529	576	47
65-74	346	465	119
75+	478	489	11
Total	2,608	2,584	-24

Source: U.S. Census; Esri, Inc.

Despite the possibility that some of the communities in this Update have had some in-migration of younger households in recent decades, the overall age progression patterns for Spink County show an aging population. Between 2010 and 2021, as estimated by Esri, the County has seen decreases in most of the younger age groups, and increases in older adult households. If aggregated into larger groupings, Spink County had an increase of 177 households age 55 and older, and a decrease of 201 households age 54 and younger, despite some increase in the 25 to 34 year old range.



Household Projections

With the recent release of the 2020 Census, it is possible to generate trend-based projections for each jurisdiction based on the growth rate experienced since 2010. In the following table, trend-based projections to the year 2026 have been calculated by Community Partners Research, Inc.

The analysts have also examined household projections for each of the communities that were generated by Applied Geographic Solutions. However, AGS has tended to underestimate the recent patterns in each of the communities. As a result, their projections for the future are overly conservative.

Table 9 Household Projections Through 2026			
	2020 Census	2026 Projection	Change
Doland	88	84	-4
Frankfort	58	56	-2
Tulare	96	100	4
Hitchcock	53	60	7
Spink County	2,520	2,469	-51

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

- ▶ The growth projections generated from past trends expected only limited change in the number of resident households for each of the individual jurisdictions reviewed.
- ▶ The projection for **Doland** expects a probable loss of four households by the year 2026. While no change or small-scale growth is certainly possible, the City has been gradually losing households in recent years and a minor reduction would therefore be projected going forward.
- ▶ The trend-based projection for **Frankfort** anticipates the loss of two households by 2026. This would be consistent with the City’s change since 2010, as the Census showed the community losing three households in the last decade.
- ▶ The projection for **Tulare** expects a probable gain of four households by the year 2026. While a greater level of growth is certainly possible, the Town has been adding approximately one new household every two years over the past decade, and this modest level of growth is very achievable going forward.

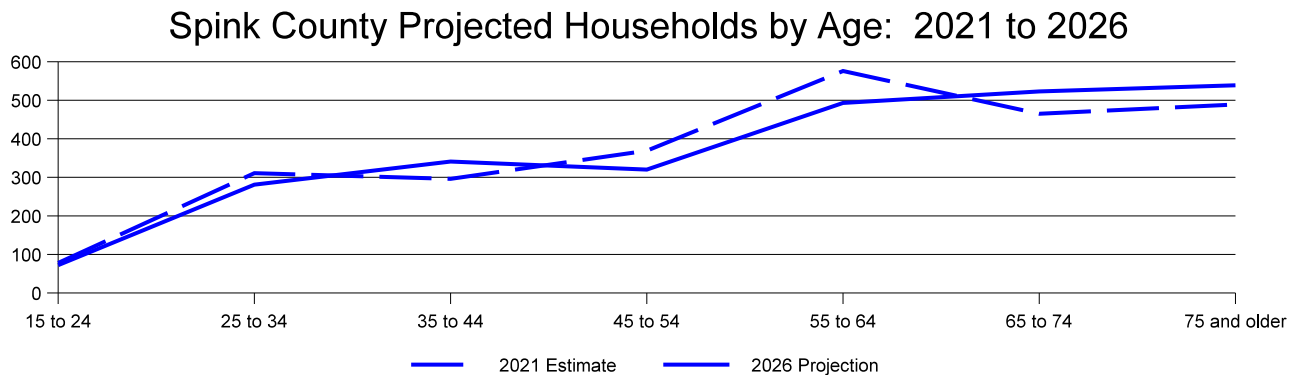
- ▶ The trend-based projection for **Hitchcock** would expect a gain of seven households by the year 2026. While a greater level of growth can be supported by the patterns of the past decade, it is probable that some of the recent gains were due to available vacant housing in the community. If a trend-based projection is made from longer-term patterns for the community, a significantly smaller level of growth would be expected.
- ▶ The trend-based projection for all of **Spink County** would expect a loss of 51 households by 2026. This slight but gradual reduction in the number of resident households could be consistent with the patterns that have been present in the County since at least 1990.
- ▶ While not displayed on the table above, the analysts have also reviewed household projections from Applied Geographic Solutions extending to the year 2026. As stated previously, the current-year estimates from AGS are often incorrect when compared to the 2020 Census. However, the incremental change projected by AGS can be useful in anticipating future demographic patterns for each of the communities.
- ▶ For **Doland**, AGS projects a reduction of three households between 2021 and 2026, very similar to the trend-based projection which indicates a loss of four households.
- ▶ The AGS projection for **Frankfort** expects a loss of two households by 2026, equal to the forecast from past trends.
- ▶ For **Tulare**, AGS has underestimated past growth, and as a result, is projecting a loss of one household by 2026. However, based on recent trends, the Town would be expected to add approximately four households.
- ▶ The AGS projection for **Hitchcock** expects no change in the Town's household count by 2026. Based on growth patterns from the past decade, the Town would be projected to grow by as many as 10 households. However, some of the past growth was probably due to vacant existing housing units, which may not be present going forward.
- ▶ For all of Spink County, AGS is projecting a loss of 73 households, similar to the trend-based forecast. A projection obtained from Esri also expects a minor reduction in the **Spink County** household count. Between 2021 and 2026, Esri is forecasting a loss of 15 households. Although Esri projects the smallest future loss, all three sources do expect a minor reduction in the number of households by the year 2026.

Household by Age Projections: Spink County 2021 to 2026

Esri’s age-based household projections to the year 2026 can be compared to their estimates for 2021 to examine expected changes over the next five years. The data represent all of Spink County. As stated on the previous page, Esri is projecting the smallest level of household loss for the County by 2026.

Table 10 Spink County Households by Age - 2021 to 2026			
	2021 Esri Estimate	2026 Esri Projection	Change
15-24	78	72	-6
25-34	311	281	-30
35-44	296	341	45
45-54	369	320	-49
55-64	576	493	-83
65-74	465	523	58
75+	489	539	50
Total	2,584	2,569	-15

Source: U.S. Census; Esri, Inc.



As projected by Esri, Spink County will continue to see an older population progression over the next five years. The County is expected to see an increase of 108 households age 65 and older, but a net decrease of 123 households age 64 and younger between 2021 and 2026.

Housing Tenure

The 2020 Census information on housing tenure has not yet been released. The 2010 Census still provides the most reliable information on housing tenure patterns, especially in small communities.

Table 11 Household Tenure - 2010				
	Number of Owners	Percent of all Households	Number of Renters	Percent of all Households
Doland	73	76.8%	22	23.2%
Frankfort	52	85.2%	9	14.8%
Tulare	77	85.6%	13	14.4%
Hitchcock	35	81.4%	8	18.6%
Spink County	1,957	75.0%	651	25.0%
State	-	68.1%	-	31.9%

Source: U.S. Census

- ▶ At the time of the 2010 Census, the ownership tenure rate in **Doland** was nearly 77%. The City primarily provides owner-occupancy housing options in single family homes, but the City also had a rental tenure rate above 23%.
- ▶ In 2010, **Frankfort's** home ownership rate was above 85%. Only nine units were occupied by renters in the community.
- ▶ In 2010, **Tulare's** home ownership rate was nearly 86%. Only 13 renter households lived in the community.
- ▶ The home ownership tenure rate in **Hitchcock** was above 81% in 2010, with only eight housing units occupied by renters.
- ▶ In 2010, only 25% of all households living in **Spink County** rented their housing. This was well below the Statewide rental tenure rate of nearly 32%.
- ▶ As with other demographic variables, the release of data tables from the 2020 Census will establish new, reliable data of housing occupancy patterns.

2019 Median Income Data

Income estimates are available for at the town, city and county level through the American Community Survey. In the following table, the estimated median income levels for 2019 and 2010 have been compared to analyze changes over time.

The number of households in Doland, Frankfort, Tulare, and Hitchcock is very small and only a limited number of surveys are completed annually. This results in a large margin of error within the individual estimates which should be considered when analyzing the income data.

Household income represents all independent households, including people living alone and unrelated individuals together in a housing unit. Families are a subset of households with 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.

Table 12 Median Household Income - 2010 to 2019			
	2010 Median	2019 Median	% Change
Households			
Doland	\$50,114	\$55,625	11.0%
Frankfort	\$52,500	\$32,500	-38.1%
Tulare	\$45,000	\$62,500	38.9%
Hitchcock	\$39,107	\$68,125	74.2%
Spink County	\$45,000	\$54,423	20.9%
South Dakota	\$46,369	\$58,275	25.7%
Families			
Doland	\$56,250	\$64,250	14.2%
Frankfort	\$60,000	\$37,083	-38.2%
Tulare	\$61,667	\$61,250	-0.7%
Hitchcock	\$56,875	\$86,250	51.6%
Spink County	\$60,639	\$70,292	15.9%
South Dakota	\$58,958	\$75,168	27.5%

Source: American Community Survey

- ▶ According to the American Community Survey, the estimated median household income in **Doland** was \$55,625 in 2019, and the City's median family income was \$64,250. Both medians had increased since 2010 but at a slower rate than the increase Countywide. The median household income in Doland would yield \$1,391 per month for housing costs if a standard of 30% of income is applied.
- ▶ Based on the American Community Survey, the median income levels in **Frankfort** had dropped substantially between 2010 and 2019. This probably represents a sampling error, and does not appear to be reliable. However, it is possible that a large number of households in the Town had moved from earned income to fixed retirement income over the past decade, which could impact the reported annual income levels.
- ▶ The 2019 American Community Survey estimate for **Tulare** showed a median household income was \$62,500, and the Town's median family income was very similar at \$61,250. Based on these estimates, the Town's median household income had increased substantially over the decade, while the median family income remained largely stable. If accurate, the median household income in Tulare was above both the comparable medians for Spink County and the State. The median household income in Tulare would yield \$1,563 per month for housing costs if a standard of 30% of income is applied.
- ▶ According to the American Community Survey, the estimated median household income in **Hitchcock** was \$68,125, and the Town's median family income was \$86,250. If accurate, both of these medians were well above the comparable medians for Spink County and the State in 2019. The median household income in Hitchcock would yield \$1,703 per month for housing costs if a standard of 30% of income is applied.
- ▶ The estimated median household income in **Spink County** was \$54,423 in 2019, and the median family income was \$70,292. Both of the County's medians were below the comparable Statewide medians. The median household income in Spink County would yield \$1,361 per month for housing costs if a standard of 30% of income is applied.
- ▶ Although most of the jurisdictions had a median household income that would allow more than \$1,300 per month that could be available for housing expenses, there can be a significant difference in incomes for owners and renters. For all of Spink County, the estimated median income for home owners was \$68,407 in 2019, compared to a median of \$36,657 for renter households. A renter household at the median income level could apply \$916 per month at 30% of income for housing costs.

Estimated Income and Housing Costs - Renters

The American Community Survey collected information on housing costs and income in 2019. However, the estimates for small communities can have a significant margin of error based on the limited sampling that is completed. Instead of providing the detailed tables for each of the communities, the following summary information is provided on housing cost burden.

The goal of most housing assistance programs is to keep housing costs at 30% or less of household income. When 30% or more of income is required, it is generally defined as a "housing cost burden". Households applying 35% or more of their income for housing may have a "severe housing cost burden".

- ▶ In ***Doland***, approximately 15% of all renter households were applying 30% or more of their income to housing costs in 2019.
- ▶ Very few renter households were reported in ***Frankfort*** and none were applying 30% or more of their income to housing costs in 2019.
- ▶ In ***Tulare***, no renter households were applying 30% or more of their income to housing costs in 2019.
- ▶ In ***Hitchcock***, approximately 13% of all renter households were applying 30% or more of their income to housing costs in 2019.
- ▶ In all of ***Spink County***, nearly 23% of all renter households were applying 30% or more of their income to housing costs in 2019.

Estimated Income and Housing Costs - Owners

The American Community Survey also provides housing cost and income estimates for home owners. Once again, only limited summary information is provided due to the limited sampling that is done in small communities.

It is important to note that mortgage lending practices also tend to limit the amount of monthly income that can be used for mortgage repayment to less than 30%, however, some home owners do pay more than this amount for housing. The following information includes owner households both with and without a mortgage.

- ▶ In ***Doland***, approximately 11% of all owner households were applying 30% or more of their income to housing costs in 2019.
- ▶ In ***Frankfort***, nearly 30% of owner households were applying 30% or more of their income to housing costs in 2019.
- ▶ In ***Tulare***, fewer than 3% of owner households were applying 30% or more of their income to housing costs in 2019.
- ▶ In ***Hitchcock***, only 3% of all owner households were applying 30% or more of their income to housing costs in 2019.
- ▶ In all of ***Spink County***, fewer than 11% of all owner households were applying 30% or more of their income to housing costs in 2019.

New Housing Construction

Doland, Frankfort, Tulare and Hitchcock do not report annual housing construction activity to the U.S. Census Bureau's Building Permits Survey. However, some information was obtained directly from the communities. Over the past 11 years, from 2010 to 2020, the following new units can be identified from available information:

- ▶ **Doland** added four new houses and three new rental units
- ▶ **Frankfort** added two new houses
- ▶ **Hitchcock** added two new houses
- ▶ **Tulare** added four new houses and a rental duplex

Spink County does submit annual reports to the Census Bureau for the unincorporated areas of the County, but there is no further geographic breakdown available on the locations of these homes.

Between 2010 and 2020, there were permits issued for 136 single family houses, six units in 3 twin home/duplex structures, three units in a 3-unit structure, four units in a 4-unit structure, and five units in a 5-unit structure. In total, 154 new housing units were reported in the unincorporated areas in Spink County through this system.

Although a significant number of new units have been reported over the 11-year time period, most of this was prior to 2018. Over the 3-year period from 2018 to 2020, only 16 total units were permitted, or an average of between five and six houses per year.

It is also important to note that the initial releases from the 2020 Census show a reduction in the number of housing units in Spink County between 2010 and 2020. If accurate, this would indicate that the new housing built in the County since 2010 was not sufficient to replace older housing that was lost during the decade. Census data on housing units is provided on the following page.

2020 Census Housing Data

Only basic housing counts have been released from the 2020 Census, but this information can provide some insights into changes in the housing stock for each community. The following table compares information from 2010 and 2020 to track changes over the decade as reported by the Census.

Table 13 Housing Units, Occupancy and Vacancy - 2020									
	Total Housing Units			Occupied Units			Vacant Units		
	2010	2020	Change	2010	2020	Change	2010	2020	Change
Doland	131	117	-14	95	88	-7	36	29	-7
Frankfort	77	70	-7	61	58	-3	16	12	-4
Tulare	103	109	6	90	96	6	13	13	0
Hitchcock	58	58	0	43	53	10	15	5	-10
Spink Co.	3,139	2,983	-156	2,608	2,520	-88	531	463	-68

Source: U.S. Census

- ▶ According to the Census, the City of **Doland** had a reduction of 14 housing units between 2010 and 2020. Over the decade the City lost seven households and also had a reduction of seven vacant housing units.
- ▶ In **Frankfort**, there were seven fewer housing units counted in 2020 than were present in 2010. The City had three fewer occupied units and four fewer vacant units.
- ▶ **Tulare** had some growth in the housing stock, with six more units in 2020 than reported in 2010. There was no change in the number of vacant units, but the Town added six occupied housing units.
- ▶ As tracked by the Census, there was no change in the housing stock in **Hitchcock** between 2010 and 2020. While no new units may have been built during the decade, apparently no older units were lost. The Town did see a gain of 10 occupied housing units, but this growth was due to the availability of vacant units in the community, as the Town had 15 vacant units in 2010 compared to only five vacant in 2020.
- ▶ For all of **Spink County** there was a reduction of 156 housing units over the last decade. The County had 88 fewer occupied units, and also had a reduction of 56 vacant units. This net loss of housing occurred despite some new construction, as detailed on the previous page.

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 results in a margin of error within the individual data being presented.

Median Year of Construction - Owner-occupancy Housing

An estimate is available for the median year of construction for owner-occupancy units in each jurisdiction:

- ▶ Doland - 1939
- ▶ Frankfort - 1954
- ▶ Tulare - 1955
- ▶ Hitchcock - 1939
- ▶ Spink County - 1960

Median Year of Construction - Renter-occupancy Housing

An estimate is available for the median year of construction for occupied rental units in each jurisdiction:

- ▶ Doland - 1957
- ▶ Frankfort - N/A
- ▶ Tulare - 1974
- ▶ Hitchcock - 1978
- ▶ Spink County - 1961

Existing Home Sales

Home sale information exists from the South Dakota Department of Revenue based on annual sales reports submitted from Spink County. The County collects information from residential sales for their annual sales ratio study.

Each County compares the actual sale price to the estimated taxable value for each property. As a result, the County information for sales primarily reflects 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 also attempts to sort the residential sales into different groupings, primarily based on whether or not the house was actively listed for sale in the open market. As a result, some sales are rejected because they were not viewed as open market transactions.

Sales are rejected if the price exceeds 150% of the taxable market value, even when these sales are open market transactions. However, when these sales are identified as open market transactions, Community Partners Research, Inc., would include these higher-ratio sales.

The County's time period for analyzing annual sales differs slightly from the calendar year. It begins on November 1st and ends on October 31st of each year. Information was analyzed beginning with year 2016 (starting November 1, 2015) and extending through October 31, 2020. No sales have yet been listed for the 2021 sales year.

It is important to note that the number of houses sold in any 12-month period can be limited and may not be an accurate indicator of overall home values in the community. With the small number of annual sales in each of these communities, the entire 5-year sales sample has been aggregated in the following table. By looking at a multi-year grouping of sales, it is possible to analyze more reliable data.

Hitchcock is across the County border and located in Beadle County. Sales records for Beadle County were also obtained through the Department of Revenue website.

Table 14 Residential Sales Activity - 2016 through 2020

Jurisdiction	Number of Sales	Median Sale Price	Highest Sale
Doland	19	\$30,000	\$65,000
Frankfort	12	\$25,000	\$69,900
Tulare	14	\$51,000*	\$148,000
Hitchcock	4	\$41,250*	\$68,115

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

* Median calculated from nearest sales

- ▶ Over the 5-year time period reviewed there were 19 good residential sales recorded in **Doland**. The median price was \$30,000. The highest valued sale in the City was \$65,000, with that transaction recorded in 2019.
- ▶ There were 12 good sales recorded in **Frankfort** from 2016 to 2020. The calculated median price was \$25,250. The highest valued sale in the City was \$69,900, with that transaction recorded in 2017.
- ▶ There were 14 good sales recorded in **Tulare** from 2016 to 2020. The calculated median price was \$51,000. The highest valued sale in the City was \$148,000, with that transaction recorded in 2020. Over the 5-year time period reviewed there were four sales in Tulare that were priced above \$100,000.
- ▶ There were only four good sales recorded in **Hitchcock** from 2016 to 2020. The calculated median price was \$41,250. The highest valued sale in the City was \$68,115, with that transaction recorded in 2018.
- ▶ An alternate home value estimate exists in the American Community Survey, for owner-occupancy units. The most recent estimate is for 2019. The estimated median value in **Doland** was \$35,500 according to this source, above the median of \$30,000 from recent sales.
- ▶ The American Community Survey estimated median value in **Frankfort** was \$41,400, well above the median of \$25,000 from recent sales.
- ▶ The American Community Survey estimated median value in **Tulare** was \$62,500, well above the median of \$51,000 from recent sales.
- ▶ The American Community Survey estimated median value in **Hitchcock** was \$45,000, above the median of \$41,250 from recent sales.

Housing Condition

Community Partners Research, Inc. representatives conducted a visual 'windshield' survey of all the single family/duplex houses in the four communities. Houses that appeared to contain three or more residential units were excluded from the survey. The number of houses surveyed is:

- ▶ Doland - 116
- ▶ Frankfort - 70
- ▶ Tulare - 107
- ▶ Hitchcock - 63

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.

Table 15 Windshield Survey Housing Condition Estimate - 2021					
	Sound	Minor Repair	Major Repair	Dilapidated	Total
Doland	51 / 44.0%	32 / 27.6%	24 / 20.7%	9 / 7.7%	116
Frankfort	23 / 32.9%	17 / 24.3%	14 / 20.0%	12 / 22.8%	70
Tulare	49 / 45.8%	32 / 29.9%	18 / 16.8%	8 / 7.5%	107
Hitchcock	22 / 34.9%	18 / 28.6%	13 / 20.6%	10 / 15.9%	63
Total	145 / 40.7%	99 / 27.8%	69 / 19.4%	43 / 12.1%	356

Source: Community Partners Research, Inc.

- ▶ Approximately 28% of the houses in the four cities and towns need minor repair and more than 19% need major repair. Approximately 41% are sound, with no required improvements. Forty-three houses are dilapidated and possibly beyond repair.
- ▶ In **Doland**, approximately 72% of the houses were rated in one of the two highest condition categories, with 44% of houses rated as sound and nearly 28% in the minor repair group. There were 24 houses rated as needing major repair and nine houses that received the lowest rating of dilapidated. In the 2014 survey there had been 17 houses in the dilapidated category in Doland, and it is possible that some of these substandard structures were later removed.
- ▶ In **Frankfort**, more than 67% of the houses were rated in one of the two highest condition categories, with approximately 33% of houses rated as sound and more than 24% in the minor repair group. There were 14 houses rated as needing major repair and 12 houses that received the lowest rating of dilapidated. In the 2014 survey there had been 18 houses in the dilapidated category in Frankfort, and it is possible that some of these substandard structures were later removed.
- ▶ In **Tulare**, nearly 76% of the houses were rated in one of the two highest condition categories, with nearly 46% of houses rated as sound and 30% in the minor repair group. There were 18 houses rated as needing major repair and 8 houses that received the lowest rating of dilapidated. In the 2014 survey there were seven houses that received the lowest rating of dilapidated.
- ▶ In **Hitchcock**, approximately 64% of the houses were rated in one of the two highest condition categories, with nearly 35% of houses rated as sound and approximately 29% in the minor repair group. There were 13 houses rated as needing major repair and 10 houses that received the lowest rating of dilapidated. In the 2014 survey there were 11 houses that received the lowest rating of dilapidated.

Mobile Home Housing Condition

Community Partners Research, Inc. representatives conducted a visual 'windshield' survey of 25 mobile homes located in Doland, Frankfort, Tulare and Hitchcock.

Mobile homes 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. Dilapidated mobile homes need major renovation to become decent, safe and sanitary housing. Some Dilapidated properties may be abandoned and may be candidates for removal. Major Rehabilitation is defined as a mobile home needing multiple major improvements such as roof, windows, sidings, structural/foundation, etc. Houses and mobile homes in this condition category may or may not be economically feasible to rehabilitate.

Minor Repair mobile homes are judged to be generally in good condition and require less extensive repair, such as one major improvement. Mobile homes in this condition category may be good candidates for rehabilitation programs because they are in a salable price range and may be feasible to repair. Sound mobile homes are judged to be in good, 'move-in' condition. Mobile homes may contain minor code violations and still be considered Sound.

Table 16 Windshield Survey Mobile Home Condition Estimate - 2021					
	Sound	Minor Repair	Major Repair	Dilapidated	Total
Doland	1 / 20.0%	2 / 40.0%	2 / 40.0%	0 / 0%	5
Frankfort	5 / 41.7%	4 / 33.3%	3 / 25.0%	0 / 0%	12
Tulare	3 / 100%	0 / 0%	0 / 0%	0 / 0%	3
Hitchcock	1 / 20.0%	2 / 40.0%	1 / 20.0%	1 / 20%	5
Total	10 / 40.0%	8 / 32.0%	6 / 24.0%	1 / 4.0%	25

Source: Community Partners Research, Inc.

- ▶ The mobile homes in the jurisdictions are in fair condition. Approximately 32% of the mobile homes need minor repair and 24% need major repair. Approximately 40% are sound, with no required improvements. Only one mobile home was rated as dilapidated and possibly beyond repair.

Employment and Local Economic Trends Analysis

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.

Work Force and Unemployment Rates

Employment information is available for Spink County. Information has been reviewed back to the year 2010. Data in the tables that follow have been obtained from the South Dakota Department of Labor.

Table 17 Spink County Annual Labor Statistics: 2010 to 2020						
Year	Labor Force	Employed	Unemployed	Unemployment Rate - County	Unemployment Rate - SD	Unemployment Rate - US
2010	3,609	3,476	133	3.7%	5.0%	9.6%
2011	3,525	3,383	142	4.0%	4.7%	8.9%
2012	3,433	3,300	133	3.9%	4.3%	8.1%
2013	3,361	3,243	118	3.5%	3.8%	7.4%
2014	3,414	3,297	117	3.4%	3.4%	6.2%
2015	3,338	3,237	101	3.0%	3.1%	5.3%
2016	3,302	3,199	103	3.1%	3.0%	4.9%
2017	3,236	3,132	104	3.2%	3.2%	4.4%
2018	3,236	3,128	108	3.3%	3.0%	3.9%
2019	3,165	3,067	98	3.1%	3.0%	3.7%
2020	3,111	2,985	126	4.1%	4.6%	8.1%

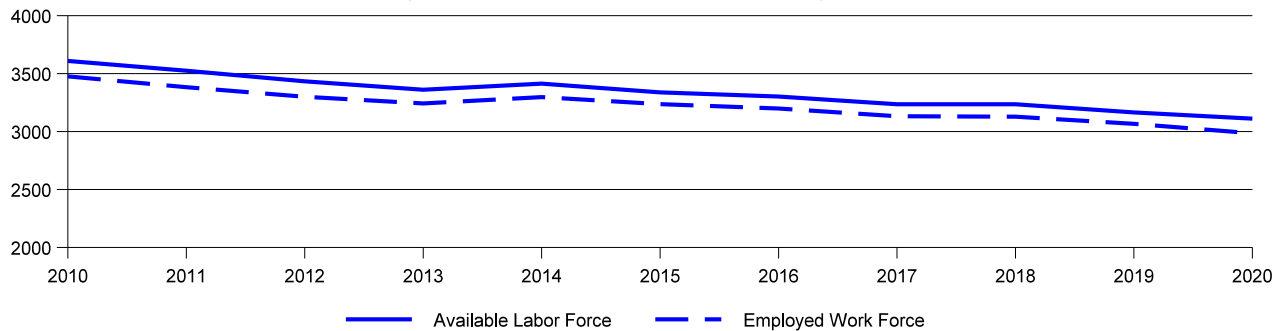
Source: South Dakota Department of Labor

Labor force data as tracked by the Local Area Unemployment Statistics (LAUS) are based on the place of residence, regardless where the person is employed.

Over time, the resident labor force in Spink County has generally been decreasing in size. The numbers for 2020 may have been negatively impacted by the global pandemic, but if 2020 is compared to 2010, the size of the County’s labor force decreased by nearly 500 people, -13.8%.

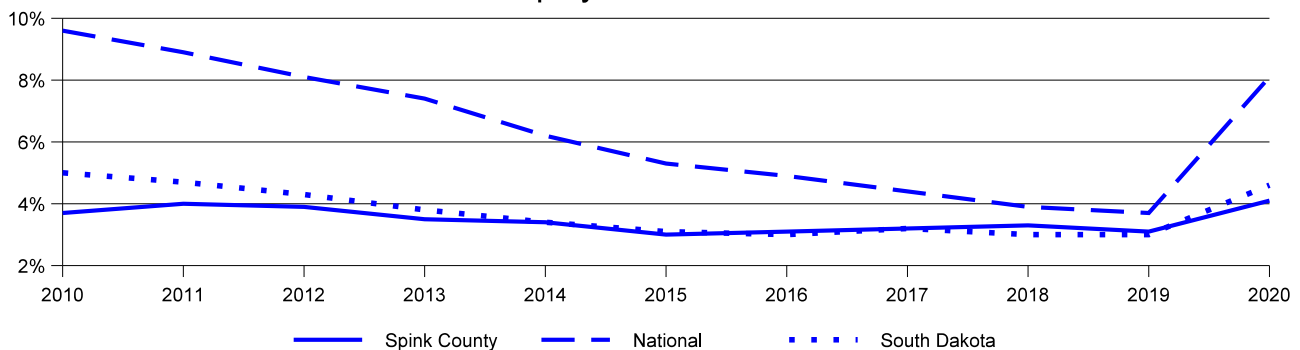
The employed resident work force has shown somewhat similar patterns. If 2020 is compared to 2010, the number of employed County residents decreased by 491 people, or 14.1%.

Spink County Labor Force and Employed Work Force



Despite some year to year fluctuations in the labor force and employed work force, the County has consistently maintained a low rate of unemployment. Over the time period reviewed the County’s unemployment rate has been at 4.1% or less, and has been comparable to the Statewide rate for most years. Throughout the time period reviewed, the unemployment rate in Spink County has remained below the rate for the nation.

Annual Unemployment Rate: 2010 to 2020



Employment and Wages by Industry

The following table shows the annual employment and average annual wages in 2020, the last full year of data. This information is for all of Spink County.

Table 18 Spink County Average Annual Wages - 2020		
Industry	2020 Employment	Average Annual Wage
Total All Industry	2,294	\$42,380

Source: South Dakota Department of Labor

The Quarterly Census of Employment and Wages (QCEW) tracks workers that are covered by unemployment insurance. Reports are submitted based on the location of the job. There are some jobs that are not reported, including self-employed individuals.

In 2020, there were 2,294 covered workers reported in Spink County. The average weekly wage for all employment was \$815. At full-time employment, this would yield an average annual wage of nearly \$42,400.

Commuting Patterns of County Residents

The American Community Survey collects information on workers that commute for employment. The most recent information is from 2019. Because of the small size of the individual communities, no reliable data would exist, and the following tables look at all Spink County residents. The first table excludes people that work at home.

Table 19 Commuting Times for Spink County Residents - 2019		
Travel Time	Number	Percent
Less than 10 minutes	1,356	47.5%
10 to 19 minutes	667	23.3%
20 to 29 minutes	238	8.3%
30 minutes +	596	20.9%
Total	2,857	100%

Source: American Community Survey

Most of the employed residents of Spink County were commuting less than 20 minutes for their primary job in 2019. Nearly 71% had a drive time of 19 minutes or less, although nearly 21% were traveling 30 minutes or more.

Information also exists for people that were employed in Spink County, including people that may have commuted in from surrounding counties.

Table 20 Commuting Times for Spink County-based Employees - 2019		
Travel Time	Number	Percent
Less than 10 minutes	1,333	49.9%
10 to 19 minutes	807	30.2%
20 to 29 minutes	218	8.2%
30 minutes +	314	11.8%
Total	2,672	100%

Source: American Community Survey

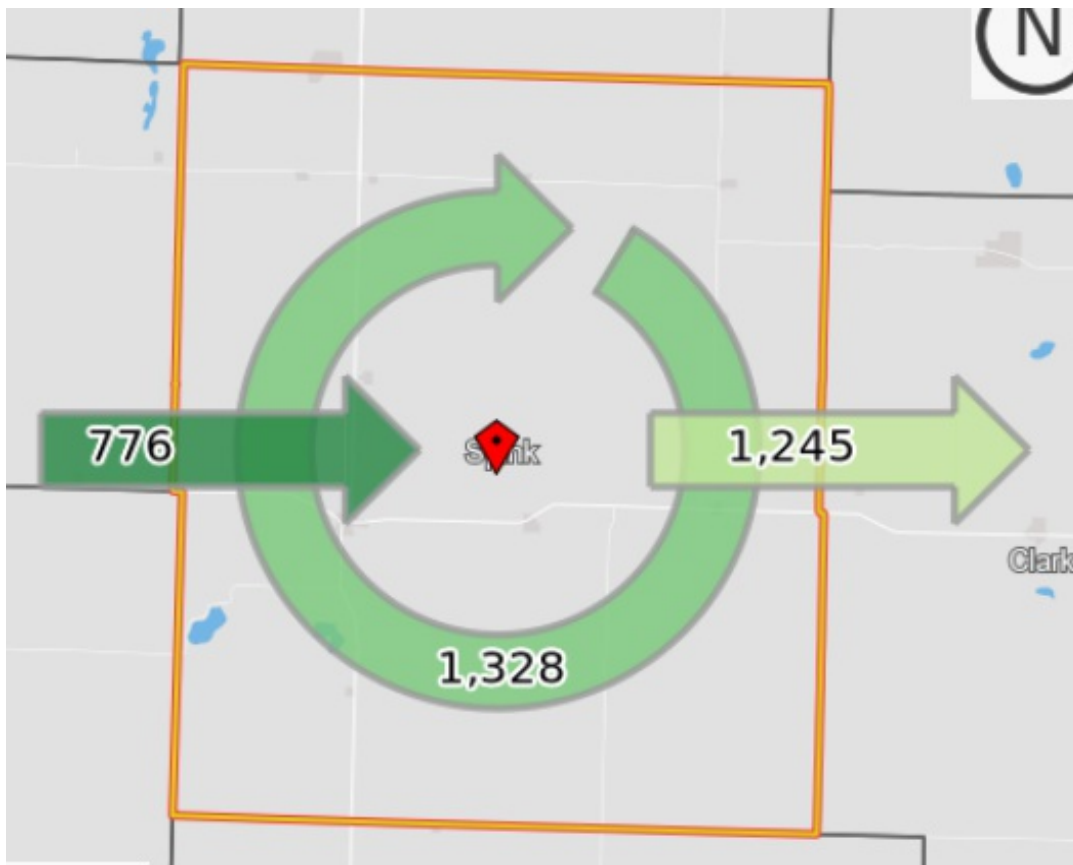
Most of the people that worked in Spink County also lived nearby. More than 80% of County-based workers traveled less than 20 minutes in 2019. Fewer than 12% of workers commuted 30 minutes or more to their primary job.

Census On the Map

The Census Bureau also produces commuter reports through its Center for Economic Studies division. This information is also based on reports for the year 2018, but provides a further breakdown of worker movement patterns. This information is for all of Spink County.

According to the report there were 2,104 people that were employed within the County borders in 2018. More than 63% of these jobs were filled by people that also lived in Spink County. However, there were an estimated 776 employees that lived outside the County but commuted in for their primary job. For workers that did not also reside in the County, the primary identified home locations were Aberdeen and Huron.

There were 2,573 Spink County residents employed in 2018. Nearly 52% of these employed residents were also working the County. However, 1,245 County residents had their primary job located outside of Spink County. For outbound County residents, the primary destinations were Aberdeen, Sioux Falls, Huron and Watertown.



City of Doland

Introduction

Doland is a small town located in Spink County approximately 20 miles from Redfield, 18 miles from Clark, 45 miles from Huron, 50 miles from Watertown and 60 miles from Aberdeen.

Key Statistics: Doland	
Demographic	
Population:	199 people in 2020
Households:	88 households in 2020
Household Size:	2.26 persons per household in 2020
Population Trend:	Up 19 people from 2010 to 2020
Household Trend:	Down 7 households from 2010 to 2020
Household Projection:	A loss of 4 households between 2020 and 2026
Income	
Median Household Income:	\$55,625 in 2019
Median Family Income:	\$64,250 in 2019
Housing	
Home Ownership Rate:	76.8% home owners in 2010
Rental Rate:	23.2% renters in 2010
Median Home Value:	\$30,000 based on sales from 2016 to 2020
New Construction:	7 units from 2010 to 2020
Housing Condition	
Condition Rating:	Sound - 51 homes/44.0% Minor Rehab - 32 homes/27.6% Major Rehab - 24 homes/20.7% Dilapidated - 9 homes/7.7%

Findings on Growth Trends

Doland's population was 199 people in 2020, which is a gain of 19 people from 2010. Doland had a loss of nine people during the 1990s and a significant loss of 117 people from 2000 to 2010.

Doland had 88 households in 2020, which is a loss of seven households from 2010. Doland had a loss of 16 households in the 1990s and a loss of 25 households from 2000 to 2010.

From 2010 to 2020, Spink County had a decrease of 54 people and 88 households. From 2000 to 2010, Spink County had a loss of 1,039 people and 239 households.

Findings on Growth Projections

As part of this Study, Community Partners Research, Inc., provided household projections to the year 2026 for Doland and Spink County. Community Partners Research, Inc., is projecting that Doland will decrease by four households from 2020 to 2026.

For all of Spink County, Community Partners Research, Inc., expects a decrease of 51 households from 2020 to 2026.

Rental Housing Data

Census Bureau Rental Inventory

According to the 2010 U.S. Census, there were 22 occupied rental units and three unoccupied rental units in Doland, for a total estimated rental inventory of 25 units. Doland's rental tenure rate was 23.2%, which was well below the Statewide rate in 2010 of 31.9%.

At the time of the 2000 Census, Doland had 29 occupied rental units, and nine vacant rental units, for a total estimated rental inventory of 38 units. The rental tenure rate in 2000 was 24.2%.

Based on a Census comparison, Doland had a decrease of seven renter-occupancy households, and 13 rental units from 2000 to 2010. Since 2010, three new rental units have been constructed. Also, some single family homes have been converted to rentals and vice versa.

Rental Survey

As part of the research for this Study, Community Partners Research, Inc., attempted to contact owners or managers of multifamily buildings.

The City of Doland has two multi-family rental projects. The Doland General Occupancy USDA Rural Development Project has eight units in two four-plexes. The eight units include two one-bedroom and six two-bedroom units. Tenants that live in units with rent assistance pay 30% of their income for rent, up to a maximum rent. The maximum rent is \$598 for a one-bedroom unit and \$630 for a two-bedroom unit. At the time of the survey, there were four vacancies in the project. However, the manager reported that there typically is a higher occupancy rate.

The Doland Triplex was constructed in 2014. The Triplex has one two-bedroom and two three-bedroom units. These units are high quality and have attached garages. Rents are \$775 for the one-bedroom unit and \$890 for the three-bedroom units. The owner reported no vacancies at the time of the survey.

BASEC has purchased two three-bedroom homes and is renting the homes. Rents are \$540 and \$700 plus utilities. At the time of the survey, both houses were occupied.

Table 21 Doland Multifamily Rental Housing Inventory					
Name	Number of Units /Bedroom Mix	Rent	Vacancy/ Wait List	Tenant Mix	Comments
Market Rate					
BASEC Single family homes	<u>2 - 3 Bedroom</u> 2 Total Units	\$540 & \$700	No vacancies	General Occupancy	BASEC has purchased and rehabilitated and is currently renting two three-bedroom homes in Doland. Rent for the two homes in \$540 and \$700 plus utilities. There were no vacancies at the time of the survey.
Moderate Income Rental Housing					
Doland Triplex	<u>1 - 2 Bedroom</u> <u>2 - 3 Bedroom</u> 3 Total Units	\$775 \$890	No vacancies	General Occupancy	The Doland Triplex is a moderate income general occupancy rental project constructed in 2014 by a local investment group. There is one two-bedroom unit and two three-bedroom units. The units have attached garages. The tenants pay utilities in addition to the rent. Tenant household income must be below 115% of the area’s median income. Most area renter households are below this income limit. The manager reported no vacancies at the time of the survey.
Subsidized					
Doland Rural Development Project	<u>2 - 1 Bedroom</u> <u>6 - 2 Bedroom</u> 8 Total Units	\$598 max \$630 max 30% of income	4 vacancies	General Occupancy	The Doland General Occupancy Rural Development Project includes eight units in two 4-plexes. There are two one-bedroom and six two-bedroom units. Six units have rent assistance and pay 30% of their income up to a maximum rent. Currently, there are four vacancies. The manager reported that four vacancies is unusual and there typically are less vacancies.

Recommendations, Strategies and Housing Market Opportunities

Based on the research contained in this study, we believe that the following recommendations are realistic options for Doland. 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. The scale of activities proposed for the future should be comparable with the City's potential for growth.
- ▶ **New housing development and housing rehabilitation generally will not occur without proactive community involvement** - To attract new home construction or housing rehabilitation in Doland, it is probable that financial assistance and technical assistance will be needed from the City of Doland, BASEC, Grow Spink, Inc., regional housing agencies and the South Dakota Housing Development Authority.
- ▶ **Protect the City's existing housing stock** - The future of Doland 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 fair condition and the City's major asset, however, rehabilitation efforts are needed to preserve the housing stock.
- ▶ **Develop a realistic action plan with goals and time lines** - The City should continue to 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 continue to draw on including Grow South Dakota, Homes are Possible, Inc., USDA Rural Development and the South Dakota Housing Development Authority. These resources should be accessed as needed to assist with housing activities.

Summary of Findings/Recommendations

The findings/recommendations for Doland have been formulated through the analysis of the information provided in the previous sections and include 12 recommendations. The findings/recommendations have been developed in the following five categories:

- ▶ **Rental Housing Development**
- ▶ **Home Ownership**
- ▶ **Single Family Housing Development**
- ▶ **Housing Rehabilitation**
- ▶ **Other Housing Issues**

The findings/recommendations for each category are as follows:

Rental Housing Development

1. Develop three to four new affordable market rate rental housing units
2. Utilize single family homes for rental housing
3. Utilize the Housing Choice Voucher Program

Home Ownership

4. Utilize and promote all programs that assist with home ownership
5. Develop a purchase/rehabilitation program

Single Family Housing Development

6. Lot availability
7. Governors Homes/Housing development

Housing Rehabilitation

8. Promote rental housing rehabilitation
9. Promote owner-occupied housing rehabilitation

Other Housing Issues

10. Acquire and demolish dilapidated structures
11. Create a plan and a coordinated effort among housing agencies
12. Promote commercial rehabilitation and development

Rental Housing Development

Findings: The 2010 U.S. Census reports that there were 22 rental households in Doland. Most of Doland's renter households are living in the City's USDA Rural Development subsidized project, in the Doland triplex, and in single family rental homes.

Community Partners Research, Inc., projections indicate that Doland is expected to lose four households from 2020 to 2026 and Spink County is projected to decrease by 51 households.

1. Develop three to four new affordable market rate rental housing units

Findings: From 2020 to 2026, Doland is projected to lose four households.

Currently, Doland has an eight-unit USDA Rural Development subsidized rental housing project. This project includes eight units in two four-plexes. The units have been remodeled. There are two one-bedroom and six two-bedroom units in the project. Tenants that have rent assistance pay 30% of their income up to a maximum rent, which is \$598 for a one-bedroom unit and \$630 for a two-bedroom unit. At the time of the survey, the project had four vacant units.

An investment group constructed a rental tri-plex in 2014. The tri-plex includes one two-bedroom and two three-bedroom units. The rents are \$775 plus utilities for a one-bedroom unit and \$890 plus utilities for a three-bedroom unit. Tenants must have an annual income less than 115% of the median income. The units will be single story units with high quality amenities and the units will have garages.

The development of the tri-plex was a coordinated effort and includes funds from the South Dakota Housing Development Authority and assistance from BASEC, Grow Spink, Inc., and the City of Doland.

Also, Doland has single family homes that are rentals, two of which are owned by BASEC.

Recommendation: We are recommending the construction of three to four affordable market rate rental housing units over the next five years. Although Doland lacks some amenities to attract a large number of rental households including employment, commercial, health care, retail and service opportunities, there is a need for additional rental units.

We recommend that the new rental units have amenities, square footage, rents, etc., comparable to the Doland triplex, as these units have been successful. The units should be two and three-bedroom to accommodate families. For the new rental units to be constructed, financial and/or technical assistance may be needed from the City of Doland, BASEC, Grow Spink, Inc., and the South Dakota Housing Development Authority.

It may be possible to utilize Housing Choice Vouchers if some of the tenants can meet the income requirements of that program, and if the rents are at or below the Fair Market Rents (FMRs) that apply to Voucher use. The 2021 FMRs for Spink County are \$584 for a one-bedroom, \$769 for a two-bedroom, and \$943 for a three-bedroom unit.

2. Utilize single family homes for rental housing

Findings: In addition to the new rental housing, we believe there is limited continued demand for affordable rental housing utilizing existing single family homes. Doland is within commuting distance of Redfield, Clark, Huron, Watertown and Aberdeen. These cities have employment opportunities and other amenities. Also, there are some limited employment opportunities in Doland.

According to the 2020 U.S. Census, and our housing condition survey, there are vacant homes in Doland. There are also single family homes that may come up for sale or become available due to foreclosures. Since the 2014 Housing Study, BASEC has purchased two single family homes in Doland and converted the houses to rentals.

Recommendation: We recommend that the City of Doland and BASEC coordinate with private rental property owners and housing agencies to acquire homes for rental housing. Also, private rental property owners could purchase the homes and utilize funding from housing agencies to rehabilitate the homes. Potential funding sources include USDA Rural Development, the South Dakota Housing Development Authority and the Federal Home Loan Bank. Grow South Dakota and HAPI, Inc., are regional housing agencies that could potentially assist with this project.

Additionally, housing vouchers may be available to assist the eligible rental households with the rent.

3. 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 almost no funding for subsidized housing construction, it has provided new Housing Choice Voucher allocations over the last two 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 Spink County by the Redfield Housing Authority. The Redfield Housing Authority currently has the ability to issue approximately 45 vouchers. The waiting list for a Voucher is approximately eight months.

Recommendation: The Redfield Housing Authority should work with the City of Doland and BASEC to assure that Doland receives its share of Housing Choice Vouchers and that tenants are aware of the program.

Also, Housing Choice Vouchers would expand the market of households for the new rental units, as a Voucher would make the rent affordable for more households.

Home Ownership

Findings: Expanding home ownership opportunities is a primary goal for most cities. High rates of home ownership promote stable communities and strengthen the local tax base. The median owner-occupied home value in Doland is estimated to be approximately \$30,000 based on sales activity over the past five years. The home values in Doland provide an excellent market for first time buyers and households seeking moderately priced homes.

Some Doland and Spink County households have not been able to achieve the goal of home ownership and may need the assistance of special programs to help them purchase their first home. The number of households in the 35 to 44 and 65 and older age ranges are expected to grow in Spink County from 2021 to 2026. Some households may need assistance to purchase a home. To assist in promoting the goal of home ownership, the following activities are recommended.

4. Utilize and promote all programs that assist with home ownership

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

First time home buyer assistance, down payment assistance, low interest loans and home ownership counseling and training programs can help to address affordable housing issues. Doland has a supply of houses that are price-eligible for these assistance programs. The home value estimates used in this study indicate that a large majority 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 below market mortgage money, 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 Doland, BASEC, Grow Spink, Inc., and the Doland Housing and Development Corporation should continue to work with area housing agencies, the South Dakota Housing Development Authority and local financial institutions to utilize all available home ownership assistance programs. BASEC currently has a mortgage program available to Spink and Beadle County households. Private and nonprofit agencies should also be encouraged to provide home ownership opportunities. Doland should also work with housing agencies to assure that Doland is receiving its share of resources that are available in Spink County and the region.

Funding sources for home ownership programs may include BASEC, USDA Rural Development, the South Dakota Housing Development Authority, and the Federal Home Loan Bank. Also, Grow South Dakota and HAPI, Inc., utilize several funding sources to provide home ownership programs in the Region.

5. Develop a Purchase/Rehabilitation Program

Findings: Doland has a stock of older, lower valued homes, many of which need repairs. Our analysis of recent sales activity indicates that up to 50% of the homes in Doland are valued at less than \$30,000. As some lower valued homes come up for sale, they may not be attractive options for potential home buyers because of the amount of repair work that is required.

Some communities with a stock of older homes that need rehabilitation have developed a purchase/rehabilitation program. Under a purchase/rehabilitation program, the City or a housing agency purchases an existing home that needs rehabilitation, rehabilitates the home, sells the home to a low/moderate income family and provides a mortgage with no down payment, a low interest rate and a monthly payment that is affordable for the family. Also, the homes could be rehabilitated and available for rental occupancy.

In many cases, the cost of acquisition and rehab will exceed the house's after-rehab value, thus, a subsidy is needed. Although a public subsidy may be involved, the cost to rehab and sell an existing housing unit is generally lower than the subsidy required to provide an equally affordable unit through new construction.

BASEC has purchased and rehabilitated two homes in Doland, and these houses are currently being used for rental housing.

Recommendation: We recommend that BASEC and BASEC cities and towns develop and implement a purchase/rehab program. The low values of existing homes in small Spink and Beadle County cities and towns make a purchase/rehab program feasible. Attitudinal surveys that we have conducted in other cities have found that purchase/rehabilitation programs are appealing to people who are currently renting their housing. In some similar sized communities, a majority of survey respondents who were renters indicated an interest in buying a home in need of repair if rehabilitation assistance was available.

A purchase/rehabilitation program achieves several goals. The program encourages home ownership, rehabilitates homes that are currently substandard and provides affordable home ownership and rental opportunities.

Because a purchase/rehabilitation program can be expensive and its cost effectiveness in some cases may be marginal, it may be advantageous in some cases to directly assist low and moderate income households with purchasing and rehabilitating homes. BASEC and financial institutions could offer some rehabilitation assistance in conjunction with home buyer programs to make the City's older housing a more attractive option for potential home buyers. Also, USDA Rural Development provides purchase/rehabilitation loans to low and moderate income buyers.

Also, there may be an opportunity for BASEC and Grow Spink, Inc., to financially assist the private sector with purchasing, rehabilitating and selling homes.

Single Family Housing Development

Findings: Four new homes have been constructed in Doland from 2010 to 2020. All of the new homes are Governors Homes.

Household projections for Doland expect the loss of four households over the next five years, thus, there is limited demand for owner-occupied housing construction. However, growth is anticipated over the next five years among Spink County households in the 35 and 44 and 65 and older age ranges. Households in the 35 to 44 age range tend to be predominantly home owners, and form a market for first-time home buyers and those seeking affordable homes. The 65 and older age groups often seek low/no maintenance housing options, such as twin homes or town houses. This older age group can also look for better quality trade-up housing.

It is our opinion that new housing construction will be limited over the next five years. This is due to multiple factors including the small size of the community, the lack of household growth, the current low property values and limited housing construction over the past 20 years. However, it is our projection that two to three homes could be constructed or moved into Doland over the next five years from 2022 to 2026.

6. Lot Availability

Findings: As part of this Study, we attempted to identify the inventory of available residential lots for single family housing construction in Doland. Buildable lots are defined as having sewer and water available to the lots. There are no new lots or subdivisions in Doland, however, there are several in fill lots throughout the community.

Recommendation: We use a standard that a 2.5-year supply of lots should be available in the marketplace, based on annual lot usage. Using our projections that two to three houses will be constructed or moved in over the next five years, there currently is an adequate supply of in fill lots in Doland and these lots can meet demand.

However, we recommend that Doland inventory lots in the City to determine their availability, price, etc. Therefore, if there is a household that has an interest in building a home in Doland or moving a home into Doland, an inventory of lots will be available.

7. Governors Homes/Housing Development

Findings: Four Governors Homes have been moved into Doland from 2010 to 2020. Although it can take an amount of time to sell the homes, it has been a successful method of expanding Doland’s housing stock.

Recommendation: We recommend that the City of Doland continue to utilize the Governors Home Program. It is our opinion that two Governors Homes could be moved in over the next five years. However, the number of homes may change based on demand.

For the Governors Home Program to be successful in Doland, the price of the home must be as low as possible. To accomplish this, all stakeholders must continue to be involved, including the City of Doland, Grow Spink, Inc., and BASEC. Also, financial assistance such as land donations, low interest loans, down payment assistance, tax abatement, etc. may be needed to keep the homes affordable.

Housing Rehabilitation

Findings: Doland has an asset in its existing housing stock. Existing units, both now and into the future, will represent the large 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.

It is our opinion that the City of Doland, BASEC and area housing agencies will need to make housing rehabilitation a priority in the future. Housing options for households at or below the median income level will largely be met by the existing, more affordable housing stock. As this existing stock ages, more maintenance and repair will be required. Without rehabilitation assistance, there is a chance that this affordable stock could shrink, creating an even more difficult affordability situation.

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

8. Promote rental housing rehabilitation

Findings: Doland has approximately 30 rental units. Our condition analysis identified several substandard rental units. The rental units in need of repair are primarily single family homes. It is difficult for rental property owners to rehabilitate and maintain their rental properties while keeping the rents affordable for the tenants. The rehabilitation of older rental units can be one of the most effective ways to produce decent, safe and sanitary affordable housing.

Recommendation: The City of Doland and BASEC should work with housing agencies to seek funds that allow for program design flexibility that make a rental rehabilitation program workable. Potential funding sources may include BASEC, Grow South Dakota, HAPI, Inc., USDA Rural Development, the South Dakota Housing Development Authority and the Federal Home Loan Bank.

9. Promote owner-occupied housing rehabilitation

Findings: The affordability of the existing housing stock in Doland will continue to be an attraction for households that are seeking housing in Doland. Investment in owner-occupied housing rehabilitation activities will be critical to offering affordable housing opportunities.

Our 2021 housing condition survey of 116 Doland homes found 32 homes that need minor repairs and 24 homes that need major repairs. In 2014, our housing condition survey identified 41 homes that need minor repair and 30 homes need major repair, therefore, the condition of the single family homes has improved since 2014. Without continued housing rehabilitation, there is the potential that the affordable housing stock could shrink in Doland.

Recommendation: We recommend that Doland and area housing agencies continue to seek local, state and federal funds to assist in financing housing rehabilitation. BASEC and Grow Spink, Inc., have been active in obtaining funds for housing rehabilitation. USDA Rural Development, the South Dakota Housing Development Authority and the Federal Home Loan Bank are all potential funding sources.

Currently, Grow South Dakota and Homes are Possible, Inc., are assisting BASEC with funding and implementing owner-occupied housing rehabilitation programs in Spink County. BASEC currently administers a housing rehabilitation program that provides funding for owner-occupancy housing rehab. Households that meet eligibility requirements are eligible for a low interest loan and a deferred forgivable loan to rehabilitate their homes. Deferred forgivable loans do not have to be paid back if the household lives in the rehabilitated home for a stipulated amount of time after the rehabilitation is completed. We encourage Doland and Spink County households to utilize these programs.

Other Housing Initiatives

10. Acquire and Demolish Dilapidated Structures

Findings: Our housing condition survey identified that of the 116 homes in Doland, nine homes are dilapidated and too deteriorated to rehabilitate. We also identified 24 homes as needing major repair and several of these homes may be too dilapidated to rehabilitate. To improve the quality of Doland's housing stock and to maintain the appearance of the community, dilapidated structures should be demolished when possible.

Recommendation: The City of Doland and BASEC should continue to work with property owners to demolish severely dilapidated structures. Doland is enhanced when blighted and dilapidated structures are removed. Also, some of the cleared lots can be utilized for the construction of new affordable housing units. Some cities are adopting ordinances that give cities more authority to require property owners to demolish vacant, dilapidated homes.

Also, the City of Doland and BASEC should maintain an inventory of the dilapidated houses, which will assist the City in acquiring these structures as opportunities become available. Additionally, an inventory of infill lots should be maintained for future redevelopment potential.

11. Create a plan and a coordinated effort among housing agencies

Findings: The City of Doland has access to BASEC, Grow Spink, Inc., Grow South Dakota, Homes are Possible, Inc., USDA Rural Development and the South Dakota Housing Development Authority to assist with addressing housing needs. These agencies all have experience with housing and community development programs.

Recommendation: The City of Doland has access to multiple agencies that can assist with addressing housing needs. It is our recommendation that Doland work with the housing agencies to prioritize the recommendations of this Study and to develop a plan in coordination with BASEC to address Doland'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.

It will also be important for Doland to look for opportunities to work cooperatively with other area towns and cities to address housing issues. With the number of small towns and cities in the County, and limited staff capacity at the town and county levels, 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.

12. Promote Commercial Rehabilitation and Development

Findings: Doland's commercial district is in fair to good condition, however, there are several substandard commercial buildings.

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

Recommendation: We recommend that the City of Doland and BASEC continue to work with commercial property owners to rehabilitate their buildings and to demolish the buildings if they are beyond repair. Also, new businesses should, to the extent that it is feasible, be encouraged to locate in Doland.

City of Frankfort

Introduction

Frankfort is a small town located in Spink County approximately 10 miles from Redfield, 29 miles from Clark, 42 miles from Huron, 52 miles from Aberdeen and 60 miles from Watertown.

Key Statistics: Frankfort	
<i>Demographic</i>	
Population:	134 people in 2020
Households:	58 households in 2020
Household Size:	2.31 persons per household in 2020
Population Trend:	Down 15 people from 2010 to 2020
Household Trend:	Down 3 households from 2010 to 2020
Household Projection:	A loss of 2 households between 2020 and 2026
<i>Income</i>	
Median Household Income:	\$32,500 in 2019
Median Family Income:	\$37,083 in 2019
<i>Housing</i>	
Home Ownership Rate:	85.2% home owners in 2010
Rental Rate:	14.8% renters in 2010
Median Home Value:	\$25,000 based on sales from 2016 to 2020
New Construction:	Two houses moved in from 2010 to 2020
<i>Housing Condition</i>	
Condition Rating:	Sound - 23 homes/32.9%
	Minor Rehab - 17 homes/24.3%
	Major Rehab - 14 homes/20.7%
	Dilapidated - 12 homes/22.8%

Findings on Growth Trends

Frankfort's population was 134 people in 2020, which is a loss of 15 people from 2010. Frankfort had a loss of 26 people during the 1990s and a loss of 17 people from 2000 to 2010.

Frankfort had 58 households in 2020, which is a loss of three households from 2010. Frankfort had one household loss in the 1990s and a loss of 20 households from 2000 to 2010.

From 2010 to 2020, Spink County had a decrease of 54 people and 88 households. From 2000 to 2010, Spink County had a loss of 1,039 people and 239 households.

Findings on Growth Projections

As part of this Study, Community Partners Research, Inc., has provided household projections to the year 2026 for Frankfort and Spink County. Community Partners Research, Inc., is projecting that Frankfort will lose two households.

For all of Spink County, Community Partners Research, Inc., expects a decrease of 51 households from 2021 to 2026.

Rental Housing Data

Census Bureau Rental Inventory

According to the 2010 U.S. Census, there were nine occupied rental units and no unoccupied rental units in Frankfort, for a total estimated rental inventory of nine units. Frankfort's rental tenure rate was 14.8%, which is well below the Statewide rate in 2010 of 31.9%.

At the time of the 2000 Census, Frankfort had seven occupied rental units, and one vacant rental unit, for a total estimated rental inventory of eight units. The rental tenure rate in 2000 was 8.6%.

Based on a Census comparison, Frankfort had an increase of two renter-occupancy households, and a gain of one rental unit from 2000 to 2010. There were no rental units constructed in Frankfort from 2010 to 2020, however, some single family homes may have converted from owner-occupancy to rental and vice versa.

Rental Survey

As part of the research for this Study, Community Partners Research, Inc., attempted to contact owners or managers of multifamily buildings with four or more units. There are no multi-family projects with four or more units in Frankfort, thus, no survey was completed.

Recommendations, Strategies and Housing Market Opportunities

Based on the research contained in this study, we believe that the following recommendations are realistic options for Frankfort. 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. The scale of activities proposed for the future should be comparable with the City's potential for growth.
- ▶ **New housing development and housing rehabilitation generally will not occur without proactive community involvement** - To attract new home construction or housing rehabilitation in Frankfort, it is probable that financial assistance and technical assistance will be needed from the Frankfort Housing and Development Corporation, BASEC, Grow Spink, Inc., regional housing agencies and the South Dakota Housing Development Authority.
- ▶ **Protect the City's existing housing stock** - The future of Frankfort 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 fair condition and the City's major asset, however, rehabilitation efforts are needed to preserve the housing stock.
- ▶ **Develop a realistic action plan with goals and time lines** - The City should continue to 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 continue to draw on including Grow South Dakota, Homes are Possible, Inc., USDA Rural Development and the South Dakota Housing Development Authority. These resources should be accessed as needed to assist with housing activities.

Summary of Findings/Recommendations

The findings/recommendations for Frankfort have been formulated through the analysis of the information provided in the previous sections and include 12 recommendations. The findings/recommendations have been developed in the following five categories:

- ▶ **Rental Housing Development**
- ▶ **Home Ownership**
- ▶ **Single Family Housing Development**
- ▶ **Housing Rehabilitation**
- ▶ **Other Housing Issues**

The findings/recommendations for each category are as follows:

Rental Housing Development

1. Monitor the need to develop new market rate or subsidized housing
2. Utilize single family homes for rental housing
3. Utilize the Housing Choice Voucher Program

Home Ownership

4. Utilize and promote all programs that assist with home ownership
5. Develop a purchase/rehabilitation program

Single Family Housing Development

6. Lot availability/water accessibility
7. Governors Homes/Housing Development

Housing Rehabilitation

8. Promote rental housing rehabilitation
9. Promote owner-occupied housing rehabilitation

Other Housing Issues

10. Acquire and demolish dilapidated structures
11. Create a plan and a coordinated effort among housing agencies
12. Promote commercial rehabilitation and development

Rental Housing Development

Findings: The 2010 U.S. Census reports that there were nine rental households in Frankfort. Frankfort's renter households are living in single family homes.

Community Partners Research, Inc., projections indicate that Frankfort is expected to decrease by two households and Spink County is projected to lose 51 households from 2020 to 2026.

1. Monitor the need to develop new market rate or subsidized rental housing

Findings: From 2020 to 2026, Frankfort is projected to decrease by two households, thus, Frankfort's demand for rental housing is limited. Also, Frankfort lacks amenities to attract a large number of rental households including employment, commercial, health care, retail and service opportunities. Frankfort historically has been a City with a high owner occupancy rate due to the lack of demand for rental housing and the lack of a significant household growth over past decades.

Recommendation: We do not recommend the construction of market rate or subsidized rental housing at this time. We do recommend that Frankfort monitor the need for the production of market rate or subsidized housing in the future.

2. Utilize single family homes for rental housing

Findings: We are not recommending the construction of new rental housing, however, we do believe there is some limited demand for affordable rental housing. Frankfort is within commuting distance of Redfield, Clark, Huron and Watertown. These cities have employment opportunities and other amenities. According to the 2020 U.S. Census, and our housing condition survey, there are several vacant homes in Frankfort. There are also affordable single family homes that may come up for sale or become available due to foreclosures.

Recommendation: We recommend that the City of Frankfort and BASEC coordinate with private rental property owners and regional housing agencies to acquire vacant homes, or homes that are in foreclosure, for rental housing. Private rental property owners or BASEC could purchase the homes and utilize funding from housing agencies to rehabilitate the homes. Potential funding sources include USDA Rural Development, the South Dakota Housing Development Authority, the Federal Home Loan Bank, Grow South Dakota and HAPI, Inc.

Additionally, housing vouchers may be available to assist the eligible rental households with the rent.

3. 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 almost no funding for subsidized housing construction, it has provided new Housing Choice Voucher allocations over the last two 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 Spink County by the Redfield Housing Authority. The Redfield Housing Authority has the ability to issue approximately 45 Vouchers. The waiting list for a Voucher is approximately eight months

Recommendation: The Redfield Housing Authority should work with the City of Frankfort and BASEC to assure that Frankfort receives its share of Housing Choice Vouchers and that tenants are aware of the program.

Home Ownership

Findings: Expanding home ownership opportunities is a primary goal for most cities. High rates of home ownership promote stable communities and strengthen the local tax base. The median owner-occupied home value in Frankfort is estimated to be approximately \$25,000 based on sales activity over the past five years. The home values in Frankfort provide an excellent market for first time buyers and households seeking moderately priced homes.

Some Frankfort and Spink County households have not been able to achieve the goal of home ownership and may need the assistance of special programs to help them purchase their first home. Also, the number of households in the 35 to 44 and 65 and older age ranges are expected to grow in Spink County from 2021 to 2026. Some households may need assistance to purchase a home. To assist in promoting the goal of home ownership, the following activities are recommended:

4. Utilize and promote all programs that assist with home ownership

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

First time home buyer assistance, down payment assistance, low interest loans and home ownership counseling and training programs can help to address affordable housing issues. Frankfort has a supply of houses that are price-eligible for these assistance programs. The home value estimates used in this study indicate that a large majority 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 below market mortgage money, 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 Frankfort, BASEC and Grow Spink, Inc., should continue to work with area housing agencies, the South Dakota Housing Development Authority and local financial institutions to utilize all available home ownership assistance programs. Currently, BASEC has a mortgage program available to Spink and Beadle County households. Private and nonprofit agencies should also be encouraged to provide home ownership opportunities.

The City of Frankfort should also work with housing agencies to assure that Frankfort is receiving its share of resources that are available in Spink County and the region.

Funding sources for home ownership programs may include BASEC, USDA Rural Development, the South Dakota Housing Development Authority, and the Federal Home Loan Bank. Also, Grow South Dakota and HAPI, Inc., utilize several funding sources to provide home ownership programs in the Region.

5. Develop a Purchase/Rehabilitation Program

Findings: Frankfort has a stock of older, lower valued homes, many of which need repairs. Our analysis of sales activity indicates that some of the homes in Frankfort are valued at less than \$25,000. As some lower valued homes come up for sale, they may not be attractive options for potential home buyers because of the amount of repair work that is required.

Some communities with a stock of older homes that need rehabilitation have developed a purchase/rehabilitation program. Under a purchase/rehabilitation program, the City or a housing agency purchases an existing home that needs rehabilitation, rehabilitates the home, sells the home to a low/moderate income family and provides a mortgage with no down payment, a low interest rate and a monthly payment that is affordable for the family. Also, the homes could be rehabilitated and available for rental occupancy.

In many cases, the cost of acquisition and rehab will exceed the house's after-rehab value, thus, a subsidy is needed. Although a public subsidy may be involved, the cost to rehab and sell an existing housing unit is generally lower than the subsidy required to provide an equally affordable unit through new construction.

Recommendation: We continue to recommend that BASEC and BASEC cities and towns develop and implement a purchase/rehab program. The low values of existing homes in small Spink and Beadle County cities and towns make a purchase/rehab program feasible. Attitudinal surveys that we have conducted in other cities have found that purchase/rehabilitation programs are appealing to people who are currently renting their housing. In some similar sized communities, a majority of survey respondents who were renters indicated an interest in buying a home in need of repair if rehabilitation assistance was available.

A purchase/rehabilitation program achieves several goals. The program encourages home ownership, rehabilitates homes that are currently substandard and provides affordable home ownership and rental opportunities.

Because a purchase/rehabilitation program can be expensive and its cost effectiveness in some cases may be marginal, it may be advantageous in some cases to directly assist low and moderate income households with purchasing and rehabilitating homes. BASEC and financial institutions could offer some rehabilitation assistance in conjunction with home buyer programs to make the City's older housing a more attractive option for potential home buyers. Also, USDA Rural Development provides purchase/rehabilitation loans to low and moderate income buyers.

Also, there may be an opportunity for BASEC and Grow Spink, Inc., to financially assist the private sector with purchasing, rehabilitating and selling or renting homes.

Single Family Housing Development

Findings: Two new homes have been moved into Frankfort from 2010 to 2020. Both of these houses were Governors Homes.

Household projections for Frankfort expect the loss of two households over the next five years, thus, there is limited demand for owner-occupied housing construction. However, growth is anticipated over the next five years among Spink County households in the 35 and 44 and 65 and older age ranges. Households in the 35 to 44 age ranges tend to be predominantly home owners, and form a market for first time home buyers seeking affordable homes and for higher priced and trade-up housing.

It is our opinion that new housing construction will be limited in Frankfort over the next five years. This is due to multiple factors including the small size of the community, the lack of household growth, the current low property values and limited housing construction over the past 10 years. However, it is our projection that two homes could be constructed or moved into Frankfort over the next five years from 2021 to 2026.

6. Lot Availability/water accessibility

Findings: As part of this Study, we attempted to identify the inventory of available residential lots for single family housing construction in Frankfort. Buildable lots are defined as having sewer and water available to the lots. There are no new lots or subdivisions in Frankfort, however, there are several in fill lots throughout the community.

However, it has been costly for the in-fill lots to obtain access to the City's water supply.

Recommendation: We use a standard that a 2.5-year supply of lots should be available in the marketplace, based on annual lot usage. Using our projections that two houses will be constructed or moved in over the next five years, there currently is an adequate supply of in fill lots in Frankfort and these lots can meet demand.

We recommend that Frankfort inventory lots in the City to determine their availability, price, etc. Therefore, if there is a household that has an interest in building a home or moving a home into Frankfort, an inventory of lots will be available.

We also recommend that the City of Frankfort work with the City's water supplier to improve its capacity to provide water to new homes in Frankfort at an affordable rate.

Also, BASEC and the City of Frankfort should consider purchasing existing lots for future development and for Governors Home sites. Currently, BASEC owns one lot in Frankfort.

7. Governors Homes/Housing Development

Findings: Two Governors Homes have been moved into Frankfort over the past several years. Although it can take an extended amount of time to sell a Governors Home, it is a successful method of expanding Frankfort's housing stock.

Recommendation: We recommend that the City of Frankfort continue to utilize the Governors Home Program. It is our opinion that two Governors Homes could be moved into Frankfort over the next five years from 2021 to 2026. However, the number of homes may change based on demand.

For the Governors Home Program to be successful in Frankfort, the price of the home must be as low as possible. Also, the issue of water availability to Frankfort lots must be resolved. To accomplish this, all stakeholders must continue to be involved, including the City of Frankfort, the Frankfort Housing and Development Corporation, and BASEC. Also, financial assistance such as land donations, low interest loans, down payment assistance, tax abatement, etc. may need to be included in the development and purchase of the homes to keep the homes affordable.

Housing Rehabilitation

Findings: Frankfort has an asset in its existing housing stock. Existing units, both now and into the future, will represent the large 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.

It is our opinion that the City of Frankfort, BASEC, and area housing agencies will need to make housing rehabilitation a priority in the future. Housing options for households at or below the median income level will largely be met by the existing, more affordable housing stock. As this existing stock ages, more maintenance and repair will be required. Without rehabilitation assistance, there is a chance that this affordable stock could shrink, creating an even more difficult affordability situation.

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

8. Promote rental housing rehabilitation

Findings: Frankfort has approximately nine rental units. Our condition analysis identified several substandard rental units. The rental units in need of repair are in single family homes. It is difficult for rental property owners to rehabilitate and maintain their rental properties while keeping the rents affordable for the tenants. The rehabilitation of older rental units can be one of the most effective ways to produce decent, safe and sanitary affordable housing.

Recommendation: The City of Frankfort and BASEC should work with housing agencies to seek funds that allow for program design flexibility that make a rental rehabilitation program workable. Potential funding sources may include BASEC, Grow South Dakota, HAPI, Inc., USDA Rural Development, the South Dakota Housing Development Authority and the Federal Home Loan Bank.

9. Promote owner-occupied housing rehabilitation

Findings: The affordability of the existing housing stock in Frankfort will continue to be an attraction for households that are seeking housing in Frankfort. Investment in owner-occupied housing rehabilitation activities will be critical to offering affordable housing opportunities.

Our 2021 housing condition survey of 70 Frankfort homes found 17 homes that need minor repairs and 14 homes that need major repairs. In 2014, the housing condition survey, identified 17 homes that needed minor repair and 21 homes that needed major repair, therefore, the condition of the single family homes has improved since 2014. Without continued housing rehabilitation, there is the potential that the affordable housing stock could shrink in Frankfort.

Recommendation: We recommend that Frankfort and area housing agencies continue to seek local, state and federal funds to assist in financing housing rehabilitation. BASEC and Grow Spink, Inc., have been active in obtaining funds for housing rehabilitation. USDA Rural Development, the South Dakota Housing Development Authority and the Federal Home Loan Bank are all potential funding sources.

Currently, Grow South Dakota and Homes are Possible, Inc., are assisting BASEC with funding and implementing owner-occupied housing rehabilitation programs in Spink County. BASEC currently administers a housing rehabilitation program that provides funding for owner-occupancy rehab. Households that meet eligibility requirements are eligible for a low interest loan and a deferred forgivable loan to rehabilitate their homes. Deferred forgivable loans do not have to be paid back if the household lives in the rehabilitated home for a stipulated amount of time after the rehabilitation is completed. We encourage Frankfort and Spink County households to utilize these programs.

Other Housing Initiatives

10. Acquire and Demolish Dilapidated Structures

Findings: Our housing condition survey identified that of the 70 homes surveyed in Frankfort, 12 homes are dilapidated and too deteriorated to rehabilitate. The 2014 housing condition survey identified 18 homes that were dilapidated. We also identified 14 homes as needing major repair and several of these homes may be too dilapidated to rehabilitate. To improve the quality of Frankfort's housing stock and to maintain the appearance of the community, these structures should be demolished when possible.

Recommendation: The City of Frankfort and BASEC should continue to work with property owners to demolish severely dilapidated structures. Frankfort is enhanced when blighted and dilapidated structures are removed. Also, some of the cleared lots can be utilized for the construction of new affordable housing units. Some cities are adopting ordinances that give cities more authority to require property owners to demolish vacant, dilapidated homes.

Also, the City of Frankfort and BASEC should maintain an inventory of dilapidated houses, which will enable the City to acquire dilapidated homes as opportunities come to fruition. Additionally, an inventory of vacant lots should be maintained for potential redevelopment.

11. Create a plan and a coordinated effort among housing agencies

Findings: The City of Frankfort has access to BASEC, Grow Spink, Inc., Grow South Dakota, Homes are Possible, Inc., USDA Rural Development and the South Dakota Housing Development Authority to assist with addressing its housing needs. These agencies all have experience with housing and community development programs.

Recommendation: The City of Frankfort has access to multiple agencies that can assist with addressing housing needs. It is our recommendation that Frankfort work with the housing agencies to prioritize the recommendations of this Study and to develop a plan, in coordination with BASEC, to address the City's housing needs. The plan should include strategies, time lines and the responsibilities of each agency.

It will also be important for Frankfort to look for opportunities to work cooperatively with other area towns and cities to address housing issues. With the number of small towns and cities in the County, and limited staff capacity at the town and county levels, 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.

12. Promote Commercial Rehabilitation and Development

Findings: The City of Frankfort's commercial/retail opportunities are very limited. Frankfort would be a more attractive residential location for households if more of their daily commercial/retail needs could be met in Frankfort.

Recommendation: We recommend that the City of Frankfort and BASEC continue to work to develop commercial projects in Frankfort that may be feasible.

Town of Tulare

Introduction

Tulare is a small town located in Spink County approximately 10 miles from Redfield, 53 miles from Aberdeen and 39 miles from Huron.

Key Statistics: Tulare	
<i>Demographic</i>	
Population:	211 people in 2020
Households:	96 households in 2020
Household Size:	2.20 persons per household in 2020
Population Trend:	Up 4 people from 2020
Household Trend:	Up 6 households from 2020
Household Projection:	Up 4 households between 2020 and 2026
<i>Income</i>	
Median Household Income:	\$62,500 in 2019
Median Family Income:	\$61,250 in 2019
<i>Housing</i>	
Home Ownership Rate:	85.6% home owners in 2010
Rental Rate:	14.4% renters in 2010
Median Home Value:	\$51,000 based on sales from 2016 to 2020
New Construction:	6 houses constructed/moved in from 2010 to 2020
<i>Housing Condition</i>	
Condition Rating:	Sound - 49 homes/45.8%
	Minor Rehab - 32 homes/29.9%
	Major Rehab - 18 homes/16.8%
	Dilapidated - 8 homes/7.5%

Findings on Growth Trends

Tulare's population was 211 people in 2020, which is a gain of four people from 2010. Tulare had a loss of 23 people during the 1990s and a loss of 14 people from 2010 to 2020.

Tulare had 96 households in 2020, which is a gain of six households from 2010. Tulare had a loss of four households in the 1990s, and a decrease of 10 households between 2000 and 2010.

From 2010 to 2020, Spink County had a decrease of 54 people and 88 households. From 2000 to 2010, Spink County had a loss of 1,039 people and 239 households.

Findings on Growth Projections

As part of this Study, Community Partners Research, Inc., has provided household projections to the year 2026 for Tulare and Spink County.

Community Partners Research, Inc., is projecting that Tulare will add four households from 2020 to 2026.

For all of Spink County, Community Partners Research, Inc., expects a decrease of 51 households from 2020 to 2026.

Rental Housing Data

Census Bureau Rental Inventory

According to the 2010 U.S. Census, there were 13 occupied rental units and two unoccupied rental units in Tulare, for a total estimated rental inventory of 15 units. Tulare's rental tenure rate, was 14.4%, which was well below the Statewide rate in 2010 of 31.9%.

At the time of the 2000 Census, Tulare had 23 occupied rental units, and four vacant rental units, for a total estimated rental inventory of 27 units. The rental tenure rate in 2000 was 23%.

Based on a Census comparison, Tulare had a decrease of 10 renter-occupancy households, and a loss of 12 rental units from 2000 to 2010.

Since 2010, one rental twinhome (two units) was constructed. Also, a rental 4-plex is being converted to a duplex. Additionally, some single family homes may have converted from owner-occupancy to rental use or vice versa.

Rental Survey

As part of the research for this Study, Community Partners Research, Inc., attempted to contact owners or managers of multifamily buildings.

Tulare has a multi-family USDA Rural Development general occupancy four-plex. The four units are all one-bedroom units. The four units have rent assistance. Tenants that live in units with rent assistance pay 30% of their income for rent, up to a maximum rent. The maximum rent is \$510. At the time of the rental survey two units were vacant.

The second USDA Rural Development rental project in Tulare has been purchased and the owner is converting the 4-plex into two units.

A rental market rate general occupancy twinhome was constructed by the Tulare Action Committee. The twinhome is approximately two years old. The units have high quality amenities. Rent is \$1,100 plus utilities. The units are fully occupied.

Tulare 22 Multifamily Rental Housing Inventory					
Name	Number of Units /Bedroom Mix	Rent	Vacancy/ Wait List	Tenant Mix	Comments
Subsidized					
Tulare Rural Development Project	<u>4 - 1 bedroom</u> 4 total units	\$510 max. 30% of income	2 vacancies	General Occupancy	The Tulare General Occupancy Rural Development Project includes one 4-plex. There are four one-bedroom units. All four units have rent assistance and tenants pay 30% of their income up to a maximum rent. Currently, there are two vacancies.
Tulare Action Committee Twinhome	<u>2 - 2 bedroom</u> 2 total units	\$1,100	No vacancies	General occupancy	The Tulare Action Committee has constructed a rental twinhome. The units have two bedrooms and high quality amenities. Rent is \$1,100 plus utilities. The units are occupied.

Recommendations, Strategies and Housing Market Opportunities

Based on the research contained in this study, we believe that the following recommendations are realistic options for Tulare. 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. The scale of activities proposed for the future should be comparable with the Town's potential for growth.
- ▶ **New housing development and housing rehabilitation generally will not occur without proactive community involvement** - To attract new home construction or housing rehabilitation in Tulare, it is possible that financial assistance and technical assistance will be needed from the Town of Tulare, BASEC, Grow Spink, Inc., regional housing agencies and the South Dakota Housing Development Authority.
- ▶ **Protect the City's existing housing stock** - The future of Tulare will be heavily dependent on the Town's appeal as a residential location. The condition of the existing housing stock is a major factor in determining the Town's long-term viability. The existing housing stock is in fair condition and the Town's major asset, however, rehabilitation efforts are needed to preserve the housing stock.
- ▶ **Develop a realistic action plan with goals and time lines** - The Town should continue to 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 Town has other resources to continue to draw on including Grow South Dakota, Homes are Possible, Inc., USDA Rural Development and the South Dakota Housing Development Authority. These resources should be accessed as needed to assist with housing activities.

Summary of Findings/Recommendations

The findings/recommendations for Tulare have been formulated through the analysis of the information provided in the previous sections and include 12 recommendations. The findings/recommendations have been developed in the following five categories:

- ▶ **Rental Housing Development**
- ▶ **Home Ownership**
- ▶ **Single Family Housing Development**
- ▶ **Housing Rehabilitation**
- ▶ **Other Housing Issues**

The findings/recommendations for each category are as follows:

Rental Housing Development

1. Develop two to four new affordable market rate rental housing units
2. Utilize single family homes for rental housing
3. Utilize the Housing Choice Voucher Program

Home Ownership

4. Utilize and promote all programs that assist with home ownership
5. Develop a purchase/rehabilitation program

Single Family Housing Development

6. Lot availability
7. Governors Homes/Housing Development

Housing Rehabilitation

8. Promote rental housing rehabilitation
9. Promote owner-occupied housing rehabilitation efforts

Other Housing Issues

10. Acquire and demolish dilapidated structures
11. Create a plan and a coordinated effort among housing agencies
12. Promote commercial rehabilitation and development

Rental Housing Development

Findings: The 2010 U.S. Census reported that there were 13 renter households in Tulare. Most of Tulare's renter households were living in a 4-plex, duplexes and single family homes.

Community Partners Research, Inc., projections indicate that Tulare will gain four households from 2020 to 2026 and Spink County is projected to lose 51 households.

1. Develop two to four market rate rental housing units

Findings: From 2020 to 2026, Tulare is projected to gain four households, thus, there will be some limited demand for additional rental housing in Tulare based on household growth. However, Tulare lacks some amenities including employment, commercial, health care, retail and service opportunities to attract a large number of rental households.

Tulare has a four-unit Rural Development subsidized rental housing project. The Rural Development Project includes four one-bedroom units. Tenants pay 30% of their income up to a maximum rent of \$510. Currently, the Rural Development project in Tulare has two vacancies.

Also, Tulare had a second Rural Development project. However, the four-plex was sold and converted from subsidized to market rate. The new owner is converting the four-plex into a duplex.

Also, since the 2014 Housing Study, a rental twinhome has been constructed in Tulare. The units have two bedrooms and the rent is \$1,100 plus utilities. The units are occupied.

Recommendation: We recommend the development of two to four of market rate rental units.

The units could be in a four-unit townhome project or in twin homes. We recommend that the units are two-bedroom and that rents range from \$900 to \$1,100, plus utilities. We recommend that the rents in two of the units be kept at a more affordable level than the current Tulare twinhome project rents. This would provide a more affordable housing option for a larger share of households in Tulare. We also recommend that the Town of Tulare monitor the need for subsidized rental units in the future.

It may be possible to utilize Housing Choice Vouchers if some of the tenants can meet the income requirements of that program, and if the rents are at or below the Fair Market Rents (FMRs) that apply to Voucher use. The 2021 FMRs for Spink County are \$584 for a one-bedroom, \$769 for a two-bedroom, and \$943 for a three-bedroom unit.

2. Utilize single family homes for rental housing

Findings: In addition to the need for new rental housing, we believe there is some limited continued demand for affordable rental options. Tulare is within commuting distance of Redfield, Clark, Huron, Aberdeen and Watertown. These cities have employment opportunities and other amenities. Also, there are limited employment opportunities in Tulare. According to the 2020 U.S. Census, and our housing condition survey, there are vacant homes in Tulare. There are also single family homes that may come up for sale or become available due to foreclosures. BASEC has purchased and rehabilitated a single family home in Tulare and is currently renting the home.

Recommendation: We recommend that the City of Tulare and BASEC coordinate with private rental property owners and regional housing agencies to acquire homes for rental housing. Private rental property owners could purchase the homes and utilize funding from housing agencies to rehabilitate the homes. Potential funding sources include USDA Rural Development, the South Dakota Housing Development Authority and the Federal Home Loan Bank. Grow South Dakota and HAPI, Inc., are regional agencies that could also potentially assist with this project.

Additionally, housing vouchers may be available to assist the eligible rental households with the rent.

3. 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 almost no funding for subsidized housing construction, it has provided new Housing Choice Voucher allocations over the last two 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 Spink County by the Redfield Housing Authority. The Redfield Housing Authority currently has the ability to issue approximately 45 Vouchers. The waiting list for a Voucher is approximately eight months.

Recommendation: The Redfield Housing Authority should work with the City of Tulare and BASEC to assure that Tulare receives its share of Housing Choice Vouchers and that tenants are aware of the program.

Also, Housing Choice Vouchers would expand the market of potential households that could afford to live in new rental units, as a Voucher can make the rent affordable to even lower income households.

Home Ownership

Findings: Expanding home ownership opportunities is a primary goal for most cities. High rates of home ownership promote stable communities and strengthen the local tax base. The median owner-occupied home value in Tulare is estimated to be \$51,000 based on sales activity over the past five years. This is significantly higher than the estimated Tulare median home value at the time of the 2014 Housing Study. The home values in Tulare provide an excellent market for first time buyers and households seeking moderately priced homes.

Some Tulare and Spink County households have not been able to achieve the goal of home ownership and may need the assistance of special programs to help them purchase their first home. The number of households in the 35 to 44 and 65 and older age ranges is expected to grow in Spink County. Some households may need assistance to purchase a home. To assist in promoting the goal of home ownership, the following activities are recommended.

4. Utilize and promote all programs that assist with home ownership

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

First time home buyer assistance, down payment assistance, low interest loans and home ownership counseling and training programs can help to address affordable housing issues. Tulare has a supply of houses that are price-eligible for these assistance programs. The home value estimates used in this study indicate that a large majority 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 below market mortgage money, 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 Town of Tulare and BASEC should continue to work with area housing agencies, the South Dakota Housing Development Authority and local financial institutions to utilize all available home ownership assistance programs.

Currently, BASEC has a mortgage program available to Spink and Beadle County households. Private and nonprofit agencies should also be encouraged to provide home ownership opportunities.

The Town of Tulare should also work with housing agencies to assure that Tulare is receiving its share of resources that are available in Spink County and the region.

Funding sources for home ownership programs may include BASEC, USDA Rural Development, the South Dakota Housing Development Authority, and the Federal Home Loan Bank. Also, Grow South Dakota and HAPI, Inc., utilize several funding sources to provide home ownership programs in the Region.

5. Develop a Purchase/Rehabilitation Program

Findings: The Town of Tulare has a stock of older, lower valued homes, many of which need repairs. Our analysis of recent sales activity indicates that approximately 50% of the homes in Tulare are valued less than \$51,000. As some lower valued homes come up for sale, they may not be attractive options for potential home buyers because of the amount of repair work that is required.

Some communities with a stock of older homes that need rehabilitation have developed a purchase/rehabilitation program. Under a purchase/rehabilitation program, the City or a housing agency purchases an existing home that needs rehabilitation, rehabilitates the home, sells the home to a low/moderate income family and provides a mortgage with no down payment, a low interest rate and a monthly payment that is affordable for the family. Also, homes could be rehabilitated and available for rental occupancy.

In many cases, the cost of acquisition and rehab will exceed the house's after-rehab value, thus, a subsidy is needed. Although a public subsidy may be involved, the cost to rehab and sell an existing housing unit is generally lower than the subsidy required to provide an equally affordable unit through new construction.

Recommendation: We recommend that BASEC and the cities and towns served by BASEC develop and implement a purchase/rehab program. The low values of existing homes in small Spink and Beadle County cities and towns make a purchase/rehab program feasible. Attitudinal surveys that we have conducted in other cities have found that purchase/rehabilitation programs are appealing to people who are currently renting their housing. In some similar sized communities, a large majority of survey respondents who were renters indicated an interest in buying a home in need of repair if rehabilitation assistance was available.

A purchase/rehabilitation program achieves several goals. The program encourages home ownership, rehabilitates homes that are currently substandard and provides affordable home ownership and rental opportunities. BASEC has purchased a home in Tulare, rehabilitated the home and the home is currently being rented.

Because a purchase/rehabilitation program can be expensive and its cost effectiveness in some cases may be marginal, it may be advantageous in some cases to directly assist low and moderate income households with purchasing and rehabilitating homes. BASEC and financial institutions could offer some rehabilitation assistance in conjunction with home buyer programs to make the City's older housing a more attractive option for potential home buyers. Also, USDA Rural Development provides purchase/rehabilitation loans to low and moderate income buyers.

Also, there may be an opportunity for BASEC and Grow Spink, Inc., to financially assist the private sector with purchasing, rehabilitating and selling or renting homes.

Single Family Housing Development

Findings: Nine new homes have been constructed or moved into Tulare since 2000. The homes include seven single family homes and a twin home.

Household projections for Tulare expect an increase of four households over the next five years, thus, there is limited demand for owner-occupied housing construction based on household growth. Growth is anticipated over the next five years among Spink County households in the 65 and older age ranges. Households in these age ranges tend to be predominantly home owners, and form a market for higher priced trade-up housing, and for low/no maintenance options such as twin homes and town houses.

Our projections also expect Spink County's number of households in the 35 to 44 age range to increase over the next five years. Some households in this age range may be in the market for new affordable homes or for trade-up higher valued homes.

It is our opinion that new housing construction will be limited over the next five years. This is due to multiple factors including the small size of the community, the current low property values and limited housing construction over the past 20 years. However, it is our projection that three to four homes could be constructed or moved into Tulare over the next five years from 2021 to 2026.

6. Lot Availability

Findings: As part of this Study, we attempted to identify the inventory of available residential lots for single family housing construction in Tulare. Buildable lots are defined as having sewer and water available to the lots. There are no new lots or subdivisions in Tulare, however, there are several in fill lots available throughout the community.

Also, it is anticipated that additional lots may be available due to housing demolition over the next several years. There may also be an opportunity to purchase a parcel of land, which could provide approximately two lots. Also, BASEC owns a lot in Tulare.

Recommendation: We use a standard that a 2.5-year supply of lots should be available in the marketplace, based on annual lot usage. Using our projections that three to four houses will be constructed or moved in over the next five years, there appears to be an adequate supply of in fill lots in Tulare and these lots can meet demand.

We recommend that Tulare inventory lots in the Town to determine their availability, price, etc. Therefore, if there is a household that has an interest in building a home in Tulare or moving a home into Tulare, an inventory of lots will be available.

7. Governors Homes/Housing Development

Findings: Several Governors Homes have been moved into Tulare over the past 20 years.

Recommendation: We recommend that the Town of Tulare continue to utilize the Governors Home Program. It is our opinion that two Governors Homes could be moved in over the next five years. However, the number of homes may change based on demand.

For the Governors Home Program to be successful in Tulare, the price of the home must be as low as possible. To accomplish this, all stakeholders must continue to be involved, including the Town of Tulare, Grow Spink, Inc., and BASEC. Also, financial assistance such as land donations, low interest loans, down payment assistance, tax abatement, etc. will be needed to keep the homes affordable.

Another affordable alternative to Governors Homes is modular homes. This affordable housing option should continue to be available.

Housing Rehabilitation

Findings: Tulare has an asset in its existing housing stock. Existing units, both now and into the future, will represent the large 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.

It is our opinion that the Town of Tulare, BASEC and area housing agencies will need to make housing rehabilitation a priority in the future. Housing options for households at or below the median income level will largely be met by the existing, more affordable housing stock. As this existing stock ages, more maintenance and repair will be required. Without rehabilitation assistance, there is a chance that this affordable stock could shrink, creating an even more difficult affordability situation.

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

8. Promote rental housing rehabilitation

Findings: Tulare has approximately 15 to 20 rental units. Our condition analysis identified several substandard rental units. The rental units in need of repair are primarily single family homes. It is difficult for rental property owners to rehabilitate and maintain their rental properties while keeping the rents affordable for the tenants. The rehabilitation of older rental units can be one of the most effective ways to produce decent, safe and sanitary affordable housing.

Recommendation: The Town of Tulare and BASEC should work with housing agencies to seek funds that allow for program design flexibility that make a rental rehabilitation program workable. Potential funding sources may include Grow South Dakota, HAPI, Inc., USDA Rural Development, the South Dakota Housing Development Authority and the Federal Home Loan Bank.

9. Promote owner-occupied housing rehabilitation efforts

Findings: The affordability of the existing housing stock in Tulare will continue to be an attraction for households that are seeking housing in Tulare. Investment in owner-occupied housing rehabilitation activities will be critical to offering affordable housing opportunities.

Our 2021 housing condition survey of 107 Tulare homes found 32 homes that need minor repairs and 18 homes that need major repairs. Without rehabilitation assistance, there is the potential that the affordable housing stock will shrink in Tulare.

Recommendation: We recommend that Tulare and area housing agencies continue to seek local, state and federal funds to assist in financing housing rehabilitation. BASEC and Grow Spink, Inc., have been active in obtaining funds for housing rehabilitation. USDA Rural Development, the South Dakota Housing Development Authority and the Federal Home Loan Bank are potential funding sources.

Currently, Grow South Dakota and Homes are Possible, Inc., are assisting BASEC with funding and implementing owner-occupied housing rehabilitation programs in Spink County. BASEC is currently administering a housing rehabilitation program that provides funding for owner-occupancy rehab. Households that meet eligibility requirements are eligible for a low interest loan and a deferred forgivable loan to rehabilitate their homes. Deferred forgivable loans do not have to be paid back if the household lives in the rehabilitated home for a stipulated amount of time after the rehabilitation is completed. We encourage Tulare and Spink County households to utilize these programs.

Other Housing Initiatives

10. Acquire and Demolish Dilapidated Structures

Findings: Our housing condition survey identified that of the 107 homes in Tulare, eight homes are dilapidated and too deteriorated to rehabilitate. We also identified 18 homes as needing major repair and several of these homes may be too dilapidated to rehabilitate. To improve the quality of Tulare's housing stock and to maintain the appearance of the community, these structures should be demolished when possible.

Recommendation: The Town of Tulare and BASEC should continue to work with property owners to demolish severely dilapidated structures. Tulare is enhanced when blighted and dilapidated structures are removed. Also, some of the cleared lots can be utilized for the construction of new affordable housing units. Some cities are adopting ordinances that give cities more authority to require property owners to demolish vacant, dilapidated homes.

Also, the Town of Tulare and BASEC should maintain an inventory of dilapidated houses, which will enable the Town to acquire dilapidated homes as opportunities come to fruition. Also, an inventory of infill lots should be maintained for potential redevelopment projects.

11. Create a plan and a coordinated effort among housing agencies

Findings: The Town of Tulare has access to BASEC, Grow Spink, Inc., Grow South Dakota, Homes are Possible, Inc., USDA Rural Development and the South Dakota Housing Development Authority to assist with addressing its housing needs. These agencies all have experience with housing and community development programs.

Recommendation: Tulare has access to multiple agencies that can assist with addressing housing needs. It is our recommendation that Tulare work with the housing agencies to prioritize the recommendations of this Study and to develop a plan in coordination with BASEC to address Tulare'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 responsibilities for housing programs.

It will also be important for Tulare to look for opportunities to work cooperatively with other area towns and cities to address housing issues. With the number of small towns and cities in the County, and limited staff capacity at the town and county levels, 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.

12. Promote Commercial Rehabilitation and Development

Findings: The Town of Tulare commercial district is in good condition. When households are selecting a town to purchase a home in, they often determine if the town's commercial sector is sufficient to serve their daily needs. A viable commercial district is an important factor in their decision making process.

Recommendation: We recommend that the Town of Tulare and BASEC continue to work with commercial property owners to rehabilitate their buildings and to demolish the buildings if they are beyond repair. Also, new businesses should, to the extent that it is feasible, be encouraged to locate in Tulare.

Town of Hitchcock

Introduction

Hitchcock is a small town located in Beadle County approximately 22 miles from Redfield, 28 miles from Huron and 64 miles from Aberdeen.

Key Statistics: Hitchcock	
<i>Demographic</i>	
Population:	112 people in 2020
Households:	53 households in 2020
Household Size:	2.11 persons per household in 2020
Population Trend:	Up 21 people from 2010 to 2020
Household Trend:	Up 10 households from 2010 to 2020
Household Projection:	A gain of 7 households between 2020 and 2026
<i>Income</i>	
Median Household Income:	\$68,125 in 2019
Median Family Income:	\$86,250 in 2019
<i>Housing</i>	
Home Ownership Rate:	81.4% home owners in 2010
Rental Rate:	18.6% renters in 2010
Median Home Value:	\$41,250 based on sales from 2016 to 2020
New Construction:	Three houses moved in from 2000 to 2020
<i>Housing Condition</i>	
Condition Rating:	Sound - 22 homes/34.9%
	Minor Rehab - 18 homes/28.6%
	Major Rehab - 13 homes/20.6%
	Dilapidated - 10 homes/15.9%

Findings on Growth Trends

Hitchcock's population was 112 people in 2020, which is a gain of 21 people from 2010. Hitchcock had a gain of 13 people during the 1990s, but a loss of 17 people from 2000 to 2010.

Hitchcock had 53 households in 2020, which is a gain of 10 households from 2010. Hitchcock had a gain of six households in the 1990s but a loss of nine households from 2000 to 2010.

Findings on Growth Projections

As part of this Study, Community Partners Research, Inc., has provided household projections to the year 2026 for Hitchcock and rural Beadle County, which does not include Huron.

Community Partners Research, Inc., is projecting that Hitchcock will gain seven households from 2020 to 2026.

For Beadle County, excluding Huron, Community Partners Research, Inc., expects a decrease of eight households from 2020 to 2026.

Rental Housing Data

Census Bureau Rental Inventory

According to the 2010 U.S. Census, there were eight occupied rental units and eight unoccupied rental units in Hitchcock, for a total estimated rental inventory of 16 units. Hitchcock's rental tenure rate was 18.6%, which was well below the Statewide rate in 2010 of 31.9%.

At the time of the 2000 Census, Hitchcock had 13 occupied rental units, and no vacant rental units, for a total estimated rental inventory of 13 units. The rental tenure rate in 2000 was 25.0%.

Based on a Census comparison, Hitchcock had a decrease of five renter-occupancy households, and an increase of three rental units from 2000 to 2010. No rental units have been constructed in Hitchcock from 2010 to 2020. However, some owner-occupancy single family homes may have converted to rental use or vice versa.

Rental Survey

As part of the research for this Study, Community Partners Research, Inc., attempted to contact owners or managers of multifamily buildings with four or more units.

Hitchcock has one multi-family rental project. Cedar Apartments is a seven-unit general occupancy market rate project. The units were constructed in 1980. Cedar Apartments was originally a subsidized project, but converted to market rate when the new owners purchased the project in 1999. The seven units include six one-bedroom and one two-bedroom unit. The rents are \$400 for a one-bedroom unit and \$700 for a two-bedroom unit. Tenants also pay heat and electricity.

The owner reported no vacancies at the time of the survey.

Table 23 Hitchcock Multifamily Rental Housing Inventory					
Name	Number of Units / Bedroom Mix	Rent	Vacancy/ Wait List	Tenant Mix	Comments
Market Rate					
Cedar Apartments	6 - 1 bedroom <u>1 - 2 bedroom</u> 7 total units	\$400 \$700 + heat and electricity	No vacancies	General occupancy	Cedar Apartments is a six-unit general occupancy market rate project. The units were constructed in 1980. Cedar Apartments was originally a subsidized project, but converted to market rate when the new owners purchased the project in 1999. The seven units include six one-bedroom and one two-bedroom unit. The rents are \$400 for a one-bedroom unit and \$700 for the two-bedroom unit. Tenants also pay heat and electricity.

Source: Community Partners Research, Inc.

Recommendations, Strategies and Housing Market Opportunities

Based on the research contained in this study, we believe that the following recommendations are realistic options for Hitchcock. 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. The scale of activities proposed for the future should be comparable with the Town's potential for growth.
- ▶ **New housing development and housing rehabilitation generally will not occur without proactive community involvement** - To attract new home construction or housing rehabilitation in Hitchcock, subsidies or some other form of financial assistance will be needed from Hitchcock, BASEC, regional housing agencies and the South Dakota Housing Development Authority.
- ▶ **Protect the Town's existing housing stock** - The future of Hitchcock will be heavily dependent on the Town's appeal as a residential location. The condition of the existing housing stock is a major factor in determining the Town's long-term viability. The existing housing stock is in fair condition and the Town's major asset, however, rehabilitation efforts are needed to preserve the housing stock.
- ▶ **Develop a realistic action plan with goals and time lines** - The Town 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 Town has other resources to continue to draw on including BASEC, Grow South Dakota, Homes are Possible, Inc., USDA Rural Development and the South Dakota Housing Development Authority. These resources should be accessed as needed to assist with housing activities.

Summary of Findings/Recommendations

The findings/recommendations for Hitchcock have been formulated through the analysis of the information provided in the previous sections and include 12 recommendations. The findings/recommendations have been developed in the following five categories:

- ▶ **Rental Housing Development**
- ▶ **Home Ownership**
- ▶ **Single Family Housing Development**
- ▶ **Housing Rehabilitation**
- ▶ **Other Housing Issues**

The findings/recommendations for each category are as follows:

Rental Housing Development

1. Develop two to three new affordable market rate rental units
2. Utilize single family homes for rental housing
3. Utilize the Housing Choice Voucher Program

Home Ownership

4. Utilize and promote all programs that assist with home ownership
5. Develop a purchase/rehabilitation program

Single Family Housing Development

6. Lot availability
7. Governors Homes/Housing Development

Housing Rehabilitation

8. Promote rental housing rehabilitation
9. Promote owner-occupied housing rehabilitation efforts

Other Housing Issues

10. Acquire and demolish dilapidated structures
11. Create a plan and a coordinated effort among housing agencies
12. Promote commercial rehabilitation and development

Rental Housing Development

Findings: It is estimated that in 2021, there are approximately 15 rental households in Hitchcock. Seven of the renter households are living in Cedar Apartments.

Community Partners Research, Inc., projections indicate that Hitchcock is expected to increase by seven households from 2020 to 2026, and rural Beadle County, excluding Huron, is projected to lose eight households.

1. **Develop two to three new affordable market rate rental housing units**

Findings: From 2020 to 2026, Hitchcock is projected to increase by seven households, thus, there is a demand for new rental housing from household growth. Although Hitchcock lacks some amenities to attract a large number of rental households including employment, commercial, health care, retail and service opportunities, the Town is in close proximity to larger cities.

Cedar Apartments is almost always fully occupied and there is an ongoing demand for rental units.

Recommendation: We recommend the construction of two to three affordable market rate rental housing units.

The rental units should be two-bedroom and twinhome/townhome design. Rents should be as low as possible in the \$700 to \$800 range including utilities. To achieve these rents, assistance will be needed from the Town of Hitchcock, BASEC, the South Dakota Housing Development Authority, etc. Assistance could include grants, loans, land donations, tax abatement, etc.

It may be possible to utilize Housing Choice Vouchers if some of the tenants can meet the income requirements of that program, and if the rents are at or below the Fair Market Rents (FMRs) that apply to Voucher use.

2. Utilize single family homes for rental housing

Findings: In addition to the construction of new rental housing, we believe there is some limited demand for affordable rental housing utilizing existing single family homes. Hitchcock is within commuting distance of Redfield, Huron and Aberdeen. These cities have employment opportunities and other amenities. According to the 2020 U.S. Census, and our housing condition survey, there are vacant homes and seasonal homes in Hitchcock. There are also single family homes that may come up for sale or will become available due to foreclosures.

Recommendation: We recommend that the Town of Hitchcock and BASEC coordinate with private rental property owners and housing agencies to acquire vacant and/or seasonal homes for rental housing. Potentially, private rental property owners could purchase the homes and utilize funding from housing agencies to rehabilitate the homes. Potential funding sources include USDA Rural Development, the South Dakota Housing Development Authority and the Federal Home Loan Bank. Grow South Dakota and HAPI, Inc., are regional housing agencies that could potentially assist with this project.

Additionally, housing vouchers may be available to assist the eligible rental households with the rent.

3. 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 almost no funding for subsidized housing construction, it has provided new Housing Choice Voucher allocations over the last two 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 Beadle County by the Huron Housing Authority. There is a waiting list for the Voucher program.

Recommendation: The Huron Housing Authority should work with Hitchcock and BASEC to assure that Hitchcock receives its share of Housing Choice Vouchers and that tenants are aware of the program.

Also, Housing Choice Vouchers would expand the market of households for new rental units, as a Voucher would make the rent affordable for more households.

Home Ownership

Findings: Expanding home ownership opportunities is a primary goal for most cities and towns. High rates of home ownership promote stable communities and strengthen the local tax base. The median owner-occupied home value in Hitchcock is estimated to be approximately \$41,250 based on sales activity over the past five years. The home values in Hitchcock provide an excellent market for first time buyers and households seeking moderately priced homes.

Some Hitchcock and Beadle County households have not been able to achieve the goal of home ownership and may need the assistance of special programs to help them purchase their first home. To assist in promoting the goal of home ownership, the following activities are recommended.

4. Utilize and promote all programs that assist with home ownership

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

First time home buyer assistance, down payment assistance, low interest loans and home ownership counseling and training programs can help to address affordable housing issues. Hitchcock has a supply of houses that are price-eligible for these assistance programs. The home value estimates used in this study indicate that a large majority 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 below market mortgage money, 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 Town of Hitchcock and BASEC should continue to work with area housing agencies, the South Dakota Housing Development Authority and local financial institutions to utilize all available home ownership assistance programs. Currently, BASEC has a mortgage program available for Beadle and Spink County households.

Private and nonprofit agencies should also be encouraged to provide home ownership opportunities. The Town of Hitchcock should also work with housing agencies to assure that Hitchcock is receiving its share of resources that are available in Beadle County and the region.

Funding sources for home ownership programs may include BASEC, USDA Rural Development, the South Dakota Housing Development Authority, and the Federal Home Loan Bank. Also, Grow South Dakota and HAPI, Inc., utilize several funding sources to provide home ownership programs in the Region.

5. Develop a Purchase/Rehabilitation Program

Findings: Hitchcock has a stock of older, lower valued homes, many of which need repairs. Our analysis of recent sales activity over the past five years indicates that approximately 50% of the homes in Hitchcock are valued less than \$41,250. As some lower valued homes come up for sale, they may not be attractive options for potential home buyers because of the amount of repair work that is required.

Some communities with a stock of older homes that need rehabilitation have developed a purchase/rehabilitation program. Under a purchase/rehabilitation program, the Town or a housing agency purchases an existing home that needs rehabilitation, rehabilitates the home, sells the home to a low/moderate income family and provides a mortgage with no down payment, a low interest rate and a monthly payment that is affordable for the family. Also, the homes could be rehabilitated and available for rental occupancy.

In many cases, the cost of acquisition and rehab will exceed the house's after-rehab value, thus, a subsidy is needed. Although a public subsidy may be involved, the cost to rehab and sell an existing housing unit is generally lower than the subsidy required to provide an equally affordable unit through new construction.

Recommendation: We continue to recommend that BASEC and BASEC cities and towns develop and implement a purchase/rehab program. The low values of existing homes in small Spink and Beadle County's cities and towns make a purchase/rehab program feasible. Attitudinal surveys that we have conducted in other cities have found that purchase/rehabilitation programs are appealing to people who are currently renting their housing. In some similar sized communities, a majority of survey respondents who were renters indicated an interest in buying a home in need of repair if rehabilitation assistance was available.

A purchase/rehabilitation program achieves several goals. The program encourages home ownership, rehabilitates homes that are currently substandard and provides affordable home ownership and rental opportunities.

Because a purchase/rehabilitation program can be expensive and its cost effectiveness in some cases may be marginal, it may be advantageous in some cases to directly assist low and moderate income households with purchasing and rehabilitating homes. BASEC and financial institutions could offer some rehabilitation assistance in conjunction with first-time home buyer programs to make the City's older housing a more attractive option for potential home buyers. Also, USDA Rural Development provides purchase/rehabilitation loans to low and moderate income buyers.

Also, there may be an opportunity for BASEC to financially assist the private sector with purchasing, rehabilitating and selling homes.

Single Family Housing Development

Findings: Three new homes have been moved into Hitchcock over the past 20 years from 2000 to 2020, including Governors Homes.

Household projections for Hitchcock expect the gain of seven households over the next five years from 2020 to 2026, thus, there is limited demand for owner-occupied housing construction. Strong growth is anticipated over the next five years among Beadle County households in the 65 and older age ranges. Households in these age ranges tend to be predominantly home owners, and form a market for higher priced and trade-up housing and low maintenance housing such as twinhomes/townhomes.

Our projections also expect Beadle County's number of households in the 35 to 44 age range to remain relatively stable over the next five years. Many households in this age range are first-time home buyers and may be in the market for new affordable homes or trade-up housing.

It is our opinion that new housing construction will be limited over the next five years. This is due to multiple factors including the small size of the community, the current low property values and limited housing construction over the past 20 years, however, Hitchcock has added people and households over the past decade. It is our projection that two homes could be constructed or moved into Hitchcock over the next five years from 2021 to 2026.

6. Lot Availability

Findings: As part of this Study, we attempted to identify the inventory of available residential lots for single family housing construction in Hitchcock. Buildable lots are defined as having sewer and water available to the lots. There are no new lots or subdivisions in Hitchcock, however, there are several in fill lots that may be available throughout the community.

Recommendation: We use a standard that a 2.5-year supply of lots should be available in the marketplace, based on annual lot usage. Using our projections that two houses will be constructed or moved in over the next five years, there currently is an adequate supply of in fill lots in Hitchcock and these lots can meet demand.

We recommend that Hitchcock inventory lots in the Town to determine their availability, price, etc. Therefore, if there is a household that has an interest in building a home in Hitchcock or moving a home into Hitchcock, an inventory of lots will be available.

7. Governors Homes/Housing Development

Findings: Two Governors Homes have been moved into Hitchcock. Both of these houses have been sold. Although it can take an extended amount of time to sell the homes, it is a successful method of expanding Hitchcock's housing stock.

Recommendation: We recommend that the Town of Hitchcock continue to utilize the Governors Home Program. It is our opinion that two Governors or modular homes could be moved in over the next five years. However, the number of homes may change based on demand.

For the Governors Home Program to be successful in Hitchcock, the price of the home must be as low as possible. To accomplish this, all stakeholders must continue to be involved, including the Town of Hitchcock and BASEC. Also, financial assistance such as land donations, low interest loans, down payment assistance, tax abatement, etc. will be needed to keep the homes affordable.

Housing Rehabilitation

Findings: Hitchcock has an asset in its existing housing stock. Existing units, both now and into the future, will represent the large 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.

It is our opinion that Hitchcock, BASEC and area housing agencies will need to make housing rehabilitation a priority in the future. Housing options for households at or below the median income level will largely be met by the existing, more affordable housing stock. As this existing stock ages, more maintenance and repair will be required. Without rehabilitation assistance, there is a chance that this affordable stock could shrink, creating an even more difficult affordability situation.

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

8. Promote rental housing rehabilitation

Findings: It is estimated that in 2021, Hitchcock has approximately 15 rental units. Our condition analysis identified several substandard rental units. The rental units in need of repair are primarily single family homes. It is difficult for rental property owners to rehabilitate and maintain their rental properties while keeping the rents affordable for the tenants. The rehabilitation of older rental units can be one of the most effective ways to produce decent, safe and sanitary affordable housing.

Recommendation: The Town of Hitchcock and BASEC should work with housing agencies to seek funds that allow for program design flexibility that make a rental rehabilitation program workable. Potential funding sources may include BASEC, Grow South Dakota, HAPI, Inc., USDA Rural Development, the South Dakota Housing Development Authority and the Federal Home Loan Bank.

9. Promote owner-occupied housing rehabilitation efforts

Findings: The affordability of the existing housing stock in Hitchcock will continue to be an attraction for households that are seeking housing in Hitchcock. Investment in owner-occupied housing rehabilitation activities will be critical to offering affordable housing opportunities.

Our 2021 housing condition survey of 63 Hitchcock homes found 18 homes that need minor repairs and 13 homes that need major repairs. Without rehabilitation assistance, there is the potential that the affordable housing stock will shrink in Hitchcock.

Recommendation: We recommend that Hitchcock and area housing agencies continue to seek local, state and federal funds to assist in financing housing rehabilitation. BASEC has been active in obtaining funds for housing rehabilitation. USDA Rural Development, the South Dakota Housing Development Authority and the Federal Home Loan Bank are all potential funding sources.

Currently, Grow South Dakota and Homes are Possible, Inc., are assisting BASEC with funding and implementing owner-occupied housing rehabilitation programs in Beadle and Spink Counties. BASEC is currently administering a housing rehabilitation program that provides funding for owner-occupancy rehab. Households that meet eligibility requirements are eligible for a low interest loan and a deferred forgivable loan to rehabilitate their homes. Households that meet eligibility requirements may be eligible for a deferred forgivable loan to rehabilitate their homes. Deferred forgivable loans do not have to be paid back if the household lives in the rehabilitated home for a stipulated amount of time after the rehabilitation is completed. We encourage Hitchcock households to utilize these programs.

Other Housing Initiatives

10. Acquire and Demolish Dilapidated Structures

Findings: Our housing condition survey identified that of the 63 homes in Hitchcock, 10 homes are dilapidated and too deteriorated to rehabilitate. We also identified 13 homes as needing major repair and several of these homes may be too dilapidated to rehabilitate. To improve the quality of Hitchcock's housing stock and to maintain the appearance of the community, these structures should be demolished when possible.

Recommendation: The Town of Hitchcock and BASEC should continue to work with property owners to demolish severely dilapidated structures. Hitchcock is enhanced when blighted and dilapidated structures are removed. Also, some of the cleared lots can be utilized for the construction of new affordable housing units. Some cities are adopting ordinances that give towns more authority to require property owners to demolish vacant, dilapidated homes.

Also, the Town of Hitchcock and BASEC should maintain an inventory of dilapidated homes, which will enable the City to acquire dilapidated homes as opportunities come to fruition. Also, an inventory of infill lots should be maintained for potential redevelopment projects.

11. Create a plan and a coordinated effort among housing agencies

Findings: In addition to local resources, the Town of Hitchcock has access to BASEC, Grow South Dakota, Homes are Possible, Inc., USDA Rural Development and the South Dakota Housing Development Authority to assist with addressing its housing needs. These agencies all have experience with housing and community development programs.

Recommendation: The Town of Hitchcock has access to multiple agencies that can assist with addressing housing needs. It is our recommendation that Hitchcock continue to work with the housing agencies to prioritize the recommendations of this Study and to develop a plan in coordination with BASEC to address Hitchcock'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.

It will also be important for Hitchcock to look for opportunities to work cooperatively with other area towns and cities to address housing issues. With the number of small towns and cities in the County, and limited staff capacity at the town and county levels, 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.

12. Promote Commercial Rehabilitation and Development

Findings: Hitchcock’s commercial district is very limited and in fair condition. There are several vacant substandard commercial buildings.

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

Recommendation: We recommend that the Town of Hitchcock and BASEC continue to work with commercial property owners to rehabilitate their buildings and to demolish the buildings if they are beyond repair. Also, new businesses should, to the extent that it is feasible, be encouraged to locate in Hitchcock.

Agencies and Resources

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

Grow South Dakota

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

Homes Are Possible, Inc.

318 S. Main
Aberdeen, SD 57401
(605) 225-4274

South Dakota Housing Development Authority

221 South Central Avenue
Pierre, SD 57501
(605) 773-3181

USDA Rural Development

524 Enterprise Street South
Aberdeen, SD 57401
(605) 226-3360