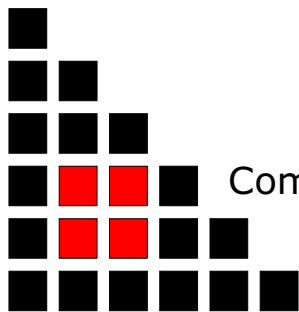


City of Viborg HOUSING STUDY UPDATE

June 2023

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



Community Partners Research, Inc.

Faribault, MN

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Introduction

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

Community Partners Research, Inc., was hired by the City of Viborg in 2013 to conduct a study of the housing needs and conditions in the City. In 2023, an Update to this previous housing study was completed.

Goals

The multiple goals of the study include:

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

Methodology

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

- U.S. Census Bureau
- American Community Survey
- Applied Geographical Solutions, Inc., a data reporting service
- Esri, Inc., a data reporting service
- Records and data from the City
- Records and data maintained by Turner County
- Interviews with City officials, housing stakeholders, etc.
- Area housing agencies
- State and Federal housing agencies
- Rental property owner 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 ending. The pandemic had widespread impacts, especially in 2020 and 2021, including on economic and housing conditions. Although possible longer-term impacts of the pandemic cannot be predicted, 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.

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

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

With the absence of some data from the 2020 Census, this Study has proceeded with the best available estimates from secondary sources, including the Census Bureau's American Community Survey, an annual sampling of households. However, because the American Survey is an estimate, based on sampling data, there is a margin of error that exists for each estimate.

The American Community Survey estimates have an effective date in 2021. The estimates were derived from five-year sampling, obtained between 2017 and 2021.

This Update has also utilized demographic estimates and projections that have been generated by private data providers. The South Dakota Governor's Office of Economic Development contracts with Applied Geographic Solutions (AGS) to provide community profiles for each city in the State.

Prior to using AGS, the State had used Esri, Inc., for community profiles. The analysts have also utilized estimates and projections from Esri. Both of these private data reporting services are widely used by financial and government entities.

Viborg is in Turner County, one of the four counties that form the Sioux Falls Metropolitan Statistical Area (MSA). Comparative information has sometimes been provided for Turner County or for the entire MSA. However, it is important to recognize that Viborg represented only 0.33% of the total count for all households in the Sioux Falls MSA in 2020.

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
Viborg	763	832	9.0%	782	-6.0%	814
Turner Co.	8,576	8,849	3.2%	8,347	-5.7%	8,673

Source: U.S. Census

- ▶ The release of population totals from the 2020 U.S. Census has established a new benchmark for the number of people residing in each jurisdiction. The Census total had an effective date of April 1, 2020.
- ▶ In 2020, the population for the City of Viborg was 814 people. When compared back to the 2010 Census, the City had added 32 permanent residents, for a population increase of 4.1%.
- ▶ Although Viborg did add permanent residents between 2010 and 2020, the City has not grown consistently in the past. In the 1990s, the City did add 69 residents, but between 2000 and 2010, the City’s population decreased by 50 people. As a result, Viborg had only 51 more people in 2020 than had been recorded in the 1990 Census. Over the 30-year period the City averaged fewer than two additional residents per year.
- ▶ In 2020, the population level for all of Turner County was 8,673, up by 326 people, or 3.9%, from 2010. Like Viborg, all of Turner County also had a population loss between 2000 and 2010, before population growth then returned after 2010. Despite limited growth in Turner County over the past 30 years, the Metropolitan Statistical Area (MSA) has grown very rapidly in past decades, with most of this growth specifically located in the City of Sioux Falls.
- ▶ There are population estimates available for 2022 which were released after the 2020 Census and reflect the Census reporting.
- ▶ Applied Geographic Solutions (AGS), the data source utilized by the Governor’s Office of Economic Development, estimates that the City of Viborg had 812 residents in 2022. This estimate was nearly identical to the 2020 Census count of 814 people, indicating that the City has not been growing over the past few years.

- ▶ A 2022 estimate from Esri for the City of Viborg showed 818 residents, slightly above the 2020 Census count of 814 people.
- ▶ A 2022 population estimate for Turner County is also available from AGS. This estimate showed the County's population to be 8,731 people, up slightly from the 2020 Census count of 8,673 people.

Population Characteristics

- ▶ Viborg's population is primarily White and non-Hispanic/Latino. At the time of the 2020 Census, nearly 90% of the City's residents were identified as White for race. The next largest racial group was "two or more races", which represented 4.3% of the City's residents.
- ▶ Approximately 4.1% of Viborg's residents were of Hispanic/Latino ethnic origin in 2020.
- ▶ In 2020, there were 43 people in Viborg living in some form of "group quarters" housing. Seventeen of these residents were in a skilled nursing facility, and the remaining 26 people were in other undefined types of institutional or noninstitutional housing, such as a group home. The analysts are not aware of any other types of group quarters housing in Viborg and it is possible that the 26 people in undefined housing were also residents of the nursing.
- ▶ The 2010 Census had recorded 70 Viborg residents living in group quarters housing, with most of these people age 65 or older and living in a skilled nursing home facility.

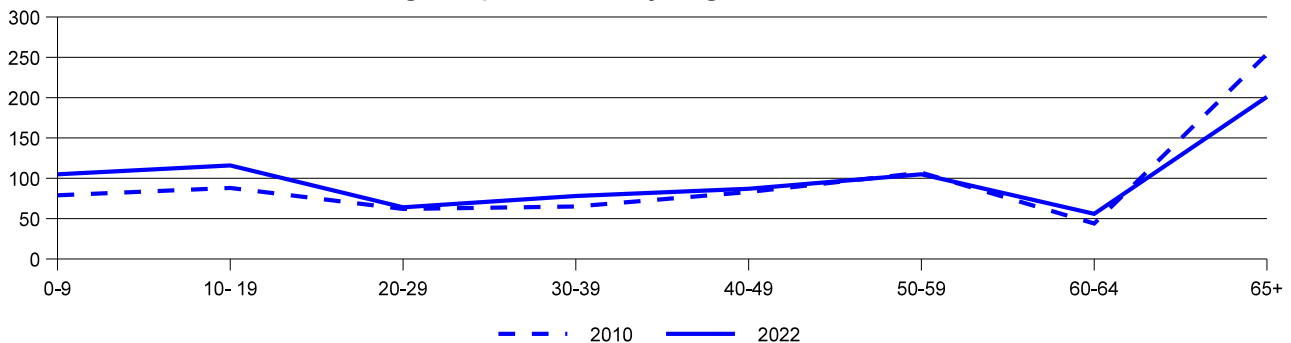
Population by Age Trends: 2010 to 2022

The 2022 population estimate from Applied Geographic Solutions includes information on the age distribution of residents. This information can be compared to the age patterns present at the time of the 2010 Census. It is important to note that AGS groups all senior citizens age 65 and older into a single age range.

Table 2 Population by Age - 2010 to 2022			
Age	Viborg		
	2010	2022	Change
0-9	79	105	26
10-19	88	116	28
20-29	62	64	2
30-39	65	78	13
40-49	83	87	4
50-59	107	105	-2
60-64	44	56	12
65+	254	201	-53
Total	782	812	30

Source: U.S. Census; AGS

Viborg Population by Age: 2010 to 2022



- ▶ The age-based estimates from AGS show some population growth in most of the defined age groups in the City between 2010 and 2022. Only two of the age groups decreased in size over this time period.

- ▶ Most of the positive change was attributed to younger residents, including children and young adults age 19 and younger. Based on AGS's estimates, the City added 54 people under the age of 20.
- ▶ Although some growth did occur within the younger adult and middle-aged ranges, overall the City was estimated to add only 19 people in the combined age groups from 20 to 49 years old.
- ▶ A very small decrease of two residents was estimated in the 50 to 59 year old range.
- ▶ The City added an estimated 12 people in the near senior age group between 60 and 64 years old.
- ▶ According to AGS, there was a fairly large loss of residents in the senior citizen groups, age 65 and older. Between 2010 and 2022, Viborg had an estimated reduction of 53 senior residents. AGS does not provide additional details for seniors, grouping all people age 65 and older into a single range.

Population Projections

Population projections for the five-year time period spanning the years 2022 through 2027 are available from both AGS and Esri. In addition, Community Partners Research, Inc., has also issued a forecast for Viborg based on the City’s projected housing unit construction and growth potential.

Table 3 Population Projections Through 2027				
	2020 Census	2022 Estimate	2027 Projection	Change
Viborg - AGS	814	812	805	-7
Viborg - Esri	814	818	813	-5
Viborg - CPR, Inc.	814	820	860	40
Turner Co. - AGS	8,673	8,731	8,644	-87

Source: Applied Geographic Solutions; Esri

- ▶ AGS is projecting a relatively stable population level in Viborg with the loss of seven people over the 5-year projection period. On an average basis, this equates to between one and two fewer residents per year.
- ▶ Esri is generally projecting a similar pattern of stability, with an expected loss of five people over the 5-year period, or an average of one less resident per year.
- ▶ While the available projections for Viborg are generally consistent with patterns evident in recent decades, in the opinion of the analysts the City does have the potential to exceed these forecasts given the significant growth that will occur within the larger Sioux Falls region over the next five years.
- ▶ Based on expectations that Viborg will add households by 2027, Community Partners Research, Inc., would project that the City will add approximately 40 residents over the 5-year time period.
- ▶ AGS is also projecting a small population decrease for all of Turner County. The projection from Applied Geographic Solutions anticipates that the County will have 87 fewer residents at the end of the five-year projection period, or an annual average loss of approximately 17 people per year. In the opinion of the analysts, this is an overly conservative forecast as the County has been adding residents in recent years.

Household Data and Trends

Table 4 Household Trends - 1990 to 2020						
	1990 Census	2000 Census	% Change 1990-2000	2010 Census	% Change 2000-2010	2020 Census
Viborg	328	366	11.6%	360	-1.6%	357
Turner Co.	3,332	3,510	5.3%	3,452	-1.7%	3,467

Source: U.S. Census

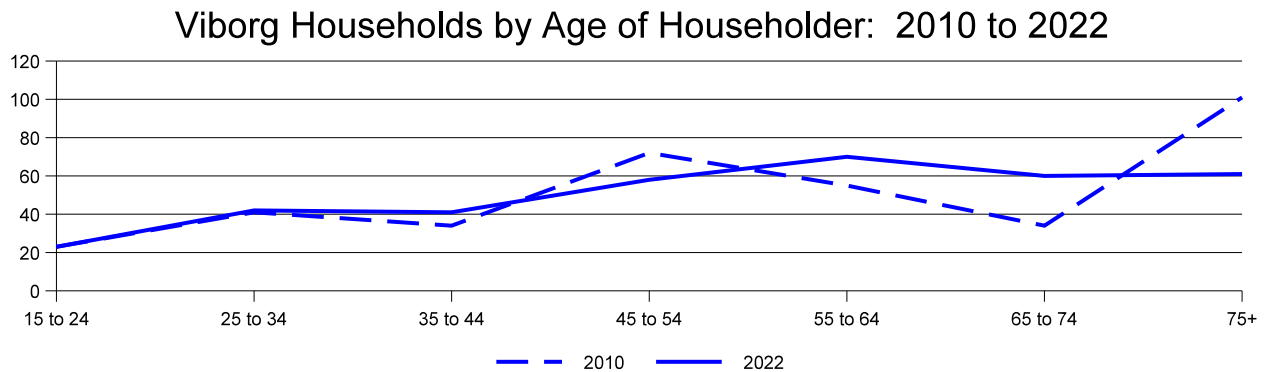
- ▶ According to the 2020 Census, Viborg had 357 permanent resident households in 2020, down by three households from 2010.
- ▶ Although the loss of households between 2010 and 2020 was very small, it did continue a pattern of fewer households in the City that dated back to the year 2000, as the City lost six households between 2000 and 2010. Household growth did occur in the 1990s, when Viborg added 38 households over that decade, but with minor reductions over the next two decades, the City has had limited change over time. If 2020 is compared back to 1990, the City has long-term average growth of approximately one household per year over the past 30 years.
- ▶ Turner County has also experienced very little change, as the entire County added only 15 households between 2010 and 2020. After losing households between 2000 and 2010, modest growth did return after 2010. Longer-term, Turner County has added an average of fewer than five households per year over the past 30 years.
- ▶ Household estimates for 2022 are also available from Applied Geographic Solutions and Esri.
- ▶ According to AGS there were 351 households in Viborg in 2022, down from the 2020 Census count of 357 households.
- ▶ Esri estimated that there were 355 households in the City in 2022. While slightly below the 2020 Census count of 357 households, the Esri estimate shows a very stable community in recent years.
- ▶ AGS estimated that there were 3,494 households in Turner County 2022 compared to 3,467 in the 2020 Census. If accurate, Turner County added 27 households between 2020 and 2022, despite the estimated small reduction in Viborg.

Household by Age Trends: 2010 to 2022

The following table compares households by age from the 2010 Census and 2022 estimates from Esri. This information is for the City of Viborg.

Table 5 Viborg Households by Age - 2010 to 2022			
Age	2010	2022	Change
15-24	23	23	0
25-34	41	42	1
35-44	34	41	7
45-54	72	58	-14
55-64	55	70	15
65-74	34	60	26
75+	101	61	-40
Total	360	355	-5

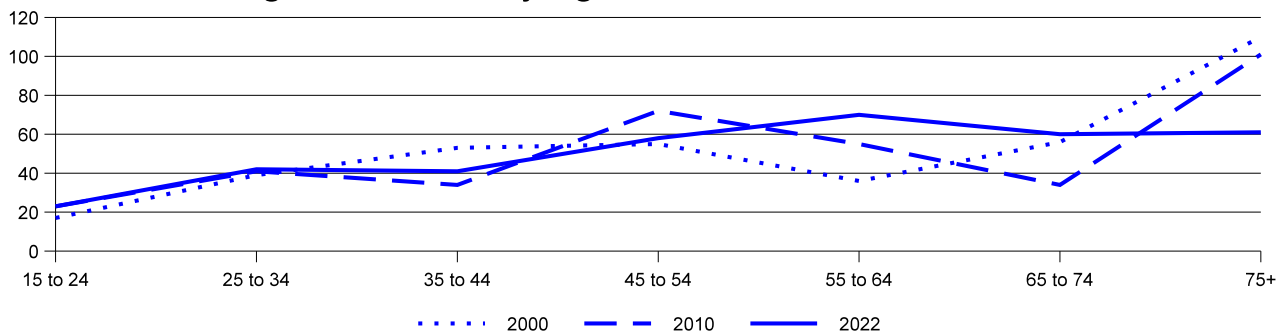
Source: U.S. Census; Esri



- ▶ The age-based household estimates provided by Esri generally show the age advancement of the baby boom generation through the aging cycle between 2010 and 2022. The City added an estimated 41 households in the 20-year range between 55 and 74 years old.
- ▶ Despite the estimated growth in the near-senior and younger senior ranges, the City had an estimated reduction of 40 households in the older senior ranges, age 75 and older.

- ▶ Only limited changes occurred in the younger adult ranges. Overall, the City added fewer than 10 households age 44 and younger between 2010 and 2022.
- ▶ Viborg had a decrease of 14 households in the 45 to 54 year old range, as the age cohort trailing behind the baby boomers was not as large and did not fully replace the advancing age groups that were immediately older.
- ▶ Using age-based information from the previous Viborg Housing Study it is possible to examine longer-term age progression patterns for the City, back to the year 2000. One noticeable trend is the continued decrease over time in the number of older senior households, age 75 and above. However, the City has generally been adding households within the near-senior and younger senior ranges, between 55 and 74 years old.

Viborg Households by Age of Householder: 2000 to 2022



Average Household Size

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

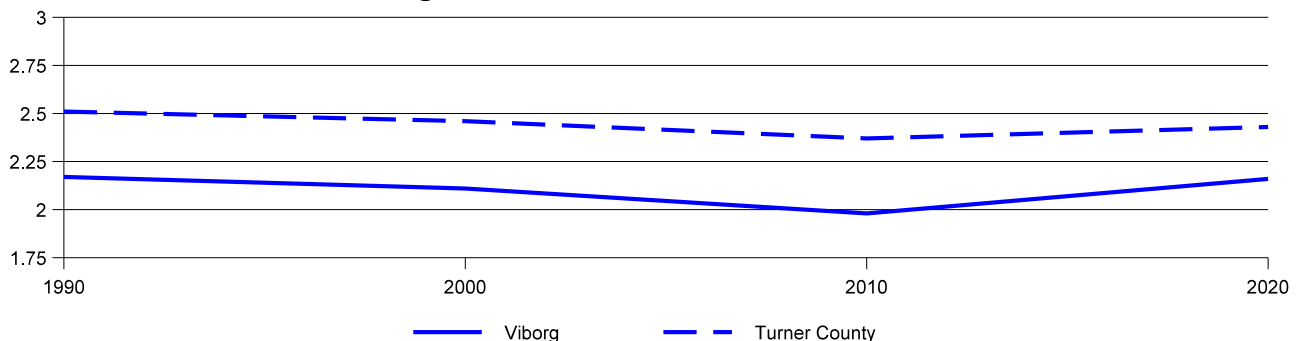
In most jurisdictions there has been a steady decrease in average household size over the past several decades. This has often been caused by household composition changes, such as more single person and single parent families, fewer children per family, and more senior households due to longer life spans.

Table 6 Average Number of Persons Per Household: 1990 to 2020				
	1990 Census	2000 Census	2010 Census	2020 Census
Viborg	2.17	2.11	1.98	2.16
Turner Co.	2.51	2.46	2.37	2.43

Source: U.S. Census

- ▶ After seeing a continued decrease in the size of the average household in Viborg, this pattern then reversed between 2010 and 2020. However, the average household size of 2.16 persons in 2020 was still relatively small by comparative standards.
- ▶ A very similar pattern was recorded for Turner County, as the average household size was decreasing between 1990 and 2010. After 2010, the average increased and was at 2.43 persons by 2020.

Average Household Size: 1990 to 2020



Household Projections

Household projections for the five-year time period spanning the years 2022 through 2027 are available from both AGS and Esri. In addition, Community Partners Research, Inc., has also issued a household forecast for Viborg based on the City’s housing unit construction and growth potential. Household growth directly impacts the demand for housing.

Table 7 Household Projections Through 2027				
	2020 Census	2022 Estimate	2027 Projection	Change
Viborg - AGS	357	351	340	-11
Viborg - Esri	357	355	352	-3
Viborg - CPR, Inc.	357	360	380	20
Turner Co. - AGS	3,467	3,494	3,397	-97

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

- ▶ Applied Geographic Solutions is projecting that Viborg will lose 11 households over the 5-year projection period, or an average of approximately two fewer households per year. In the opinion of the analysts, this is forecast is conservative and the City does have growth potential based on its location in the Sioux Falls region.
- ▶ The 2027 projection from Esri expects relative stability, with a decrease of three households in Viborg over the 5-year projection period. An average annual change of less than one household per year would be consistent with patterns in the City since the year 2000, but a higher growth forecast is achievable, in the opinion of the analysts, especially with the large-scale growth potential that exists in the Sioux Falls region.
- ▶ Community Partners Research, Inc., is projecting that the City of Viborg can potentially add between three and four households per year going forward, with up to 20 households added over a 5-year projection period.
- ▶ The AGS projection for Turner County expects a potential loss of nearly 100 households between 2022 and 2027, or an annual average of nearly 20 households per year. Although Turner County is part of the Sioux Falls MSA, most of the regions growth has been located in Minnehaha and Lincoln Counties. Once again, in the opinion of the analysts this is an overly conservative forecast as the County has been adding households in recent years.

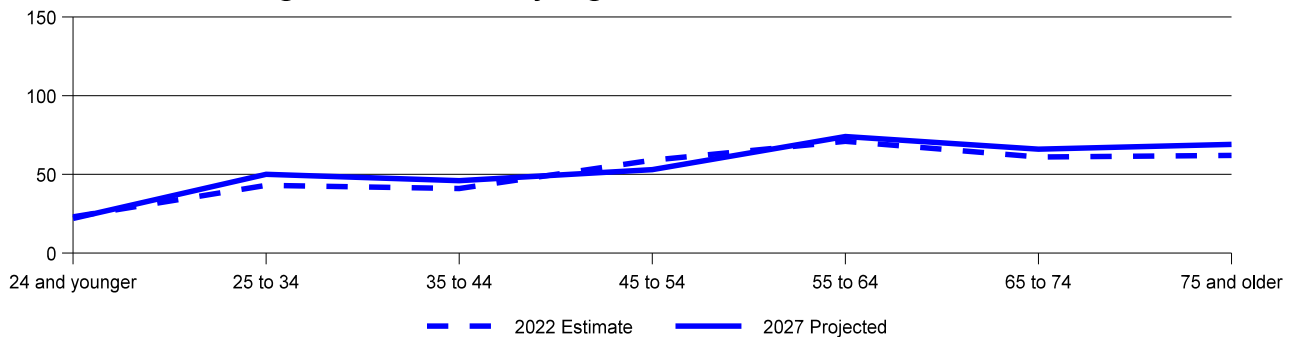
Viborg Household by Age Projections: 2022 to 2027

Esri has generated age-based projections for households to the year 2027. However, in the opinion of the analysts, Esri’s growth forecast for Viborg is too low. Community Partners Research, Inc., has adjusted the original Esri data up slightly to better match the probable total household count in Viborg in 2027.

Table 8 Projected Households by Age - 2022 to 2027			
Age Range	2022	2027	Change
15-24	23	22	-1
25-34	43	50	7
35-44	41	46	5
45-54	59	53	-6
55-64	71	74	3
65-74	61	66	5
75+	62	69	7
Total	360	380	20

Source: Esri; Community Partners Research, Inc.

Viborg Households by Age of Householder: 2022 to 2027



- ▶ The age-based projections from Esri show limited change of five or fewer households in many of the defined age ranges between 2022 and 2027. Only two age groups, younger households age 25 to 34, and older senior households age 75 and above are projected to grow by more than five households. Each of these age groups is expected to add seven households by 2027.

- ▶ The largest projected reduction would be among households age 45 to 54 years old, with an expected loss of six households by 2027.
- ▶ While the City is projected to add some younger adult households in certain age ranges, overall these projections expect an increase of only five households age 54 and younger over the next five years.
- ▶ Most of the projected growth should occur within the senior citizen and near-senior age ranges, with a combined total increase of 15 households age 55 and older between 2022 and 2027.

Housing Tenure

Although the American Community Survey produces estimates of housing occupancy tenure, these do not appear to be reliable for the City of Viborg. As a result, the following table presents the owner and renter household distribution from the 2010 Census. The release of the 2020 Census data within the next year will re-benchmark housing tenure distribution.

Table 9 Household Tenure - 2010				
	Number of Owners	Percent of all Households	Number of Renters	Percent of all Households
Viborg	234	65.0%	126	35.0%

Source: U.S. Census

- ▶ At the time of the 2010 Census, the home ownership rate in the City of Viborg was at 65%. While the City primarily offers single family housing options for home ownership, the rental rate of 35% in Viborg was above the Statewide renter rate of approximately 32% in 2010.
- ▶ Although it is possible that the housing tenure rate in the City has changed since 2010, this would largely be due to tenure conversion, as houses that were once owner-occupied switched to rental use or vice versa. As will be discussed later in this document, there has been no new recent construction identified of renter-occupancy housing in Viborg and limited new construction of single family houses.

Median Income Data

The American Community Survey provides income estimates for cities and counties. The following table provides 2021 American Community survey data for Viborg along with Turner County and the State of South Dakota for comparison.

Household income represents all independent households, including people living alone and unrelated persons together in a housing unit. Families are two or more related people living in a household. 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 10 Median Household Income - 2010 to 2021			
	2010 Median	2021 Median	% Change
Median Household Income			
Viborg	\$27,679	\$42,031	51.9%
Turner County	\$48,068	\$66,199	37.7%
South Dakota	\$46,369	\$63,920	37.9%
Median Family Income			
Viborg	\$37,734	\$71,875	90.5%
Turner County	\$57,881	\$78,551	35.7%
South Dakota	\$58,958	\$81,756	38.7%

Source: American Community Survey

- ▶ According to the American Community Survey, the median household income in Viborg was \$42,031 in 2021. While the City’s median had increased by nearly 52% from 2010, it was still relatively low by comparative standards. In 2021, the median household income for Turner County was \$66,199, more than \$2,000 above the Statewide median.
- ▶ An even larger increase was estimated for Viborg’s median family income, up by more than 90% from 2010. However, the median family income for the City, at \$71,875 in 2021, was nearly \$6,700 below the comparable median for Turner County and nearly \$9,900 below the Statewide median family income in 2021.

- ▶ Median income levels can be used to establish a benchmark for affordable housing thresholds, using the commonly accepted standard that up to 30% of gross income can be applied to housing expenses without experiencing a cost burden
- ▶ A median income household in Viborg could afford approximately \$1,051 per month for ownership or rental housing in 2021. However, as will be detailed later in this section, renter households tend to be below the overall median, while owner households tend to be above the overall median level.
- ▶ A median income family in Viborg could afford \$1,797 in 2021 for monthly housing costs.

Viborg Income Distribution

The 2021 American Community Survey provides income data within specific income ranges. Based on other data, it appears that the American Community Survey has not accurately estimated the total number of owner versus renter households in the City, but the percentage distribution is assumed to be accurate.

Table 11 City of Viborg Income Distribution by Tenure - 2021			
Household Income	Owner Households	Renter Households	All Households
\$0 - \$14,999	12.3%	17.0%	14.4%
\$15,000 - \$24,999	4.4%	28.5%	15.2%
\$25,000 - \$34,999	10.8%	20.6%	15.2%
\$35,000 - \$49,999	12.7%	12.1%	12.5%
\$50,000 - \$74,999	19.1%	3.6%	12.2%
\$75,000 - \$99,999	16.7%	16.4%	16.5%
\$100,000+	24.0%	1.8%	14.1%
Total	100%	100%	100%

Source: ACS

- ▶ Income and housing tenure are often linked for most households, with home owners generally having higher annual income levels, and renters having lower incomes.
- ▶ The ACS estimated that more than 66% of all renter-occupancy households in Viborg had an annual income below \$35,000 in 2021.
- ▶ The estimated median income for all renter households was \$30,288 in 2021. At 30% of income, a renter at the median level could afford approximately \$757 per month for housing costs.
- ▶ Conversely, most owner households had a substantially higher income level. Nearly 60% of all owner households had an annual income of \$50,000 or more in 2021. The estimated median for all owner-occupancy households was \$63,333. At 30% of income, an owner at the median level could afford approximately \$1,583 per month for housing costs.

Estimated Income and Housing Costs - Renters

The American Community Survey collected information on housing costs. The following table provides data on the percentage of renter households that are paying different percentages of their income for housing in Viborg. The American Community Survey appears to have over estimated the number of renter households in Viborg. As a result, percentage distributions have been used to provide some additional insight on rental costs in the City.

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

Table 12 Gross Rent as a Percentage of Income - City of Viborg	
Percent of Income for Housing	Percent of Renter Households
Less than 20%	38.2%
20% to 29.9%	6.7%
30% to 34.9%	4.2%
35% or more	33.3%
Not Computed	17.6%
Total	100%

Source: American Community Survey

- ▶ Nearly 38% of all renter households in Viborg reported a cost burden in 2021. The large majority of these households were actually applying 35% or more of income and were in the severe cost burden category.
- ▶ Nearly all of the renter households with a cost burden had an annual income below \$35,000 in 2021. These households would have needed a housing unit with a gross rent of \$875 or less to avoid a rental cost burden.

Estimated Income and Housing Costs - Owners

The American Community Survey provided housing cost estimates for owner-occupants. The following table examines estimates for the number of households in Viborg that are paying different percentages of their gross household income for housing costs. The American Community Survey appears to have under estimated the number of home owners in Viborg when compared to other data sources, so percentage distributions have been provided as the best available data on this topic.

It is important to note that mortgage lending practices generally attempt to keep monthly payments below 30% of household income.

Table 13 Viborg Owner Costs as a Percentage of Income: 2021	
Percentage of Income for Housing Costs	Percent of All Owner Households
0% to 19.9%	69.6%
20% to 29.9%	13.2%
30% or more	16.2%
Not Computed	1.0%
Total	100%

Source: American Community Survey

- ▶ A very large majority of owner-occupants in Viborg, which would include households with or without a mortgage, reported paying less than 30% of their income for housing. Only 16.2% of all home owners reported that they paid more than 30% of their income for housing in 2021.
- ▶ Nearly all of the households with an ownership cost burden in 2021 had an annual income below \$35,000.

Building Permit Trends

Viborg has experienced some new housing construction activity in recent years. Specific annual permit information was obtained from the Census Bureau.

Table 14 Viborg Housing Unit Construction Activity: 2010 to 2022			
Year	Single Family	Two or More Units	Total Units Constructed
2022	2	0	2
2021	1	0	1
2020	2	0	2
2019	0	0	0
2018	0	0	0
2017	0	0	0
2016	1	0	1
2015	1	0	1
2014	2	0	2
2013	2	0	2
2012	0	0	0
2011	1	0	1
2010	2	0	2
TOTAL	14	0	14

Source: Census Bureau; City of Viborg; Community Partners Research, Inc.

- ▶ Over the past 13 years, spanning the years 2010 through 2022, there were 14 new single family houses permitted in Viborg. No multifamily unit construction could be identified from available reporting.
- ▶ The last identified construction of multifamily housing occurred in 2000 when a 4-plex was built.
- ▶ The Viborg Development Corporation has an active residential subdivision, Western Hills Addition, with improved residential lots. In early 2023, there were approximately 15 single family lots still available, and five lots designed for twin homes. Single family lot prices ranged from \$29,000 to \$48,000. According to the City website, five lots have been sold.

2020 Census Housing Unit Data

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

Table 15 Housing Units, Occupancy and Vacancy - 2020									
	Total Housing Units			Occupied Units			Vacant Units		
	2010	2020	Change	2010	2020	Change	2010	2020	Change
Viborg	429	420	-9	360	357	-3	69	63	-6

Source: U.S. Census

- ▶ According a reconciliation of decennial Census data, Viborg had nine fewer housing units in 2020 than were present at the time of the 2010 Census. The City had a decrease of three occupied units and six unoccupied or vacant units.
- ▶ On the previous page, information was presented on building permit issuance. Between 2010 and 2019 there were nine new housing units built in the City. With the Census reporting nine fewer units, it would imply that approximately 18 older housing units were lost over the decade due to demolition or other causes.

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

For owner-occupancy units in Viborg, the estimated median year of construction is 1947. Nearly 62% of all owner-occupancy houses in the City were constructed prior to 1960.

Based on the American Community Survey data, Viborg's single family housing stock is older than average for South Dakota.

Median Year of Construction - Renter-occupancy Housing

For renter-occupancy units in Viborg, the estimated median year of construction is 1975. Nearly 64% of all renter-occupancy units in the City were constructed prior to 1980.

Existing Home Sales

This section examines houses that have been sold in Viborg from 2018 through 2022.

The information was obtained from the South Dakota Department of Revenue website, based on sales reports submitted by the Turner County Equalization Office. The Equalization Office collects and utilizes information from residential sales for its annual sales ratio study. The County compares the actual sale price to the estimated taxable value for each property. As a result, the 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.

It is important to note that the number of houses that sell each year can vary and may not be an accurate indicator of overall home values in the City. However, this sample does provide some insight into those units that have turned-over during this time period.

The County sorts the residential sales into different groupings, rejecting certain sales. The primary reason that sales are rejected is because the house was not actively listed for sale in the open market. Only the “good” sales have been used in the analysis that follows.

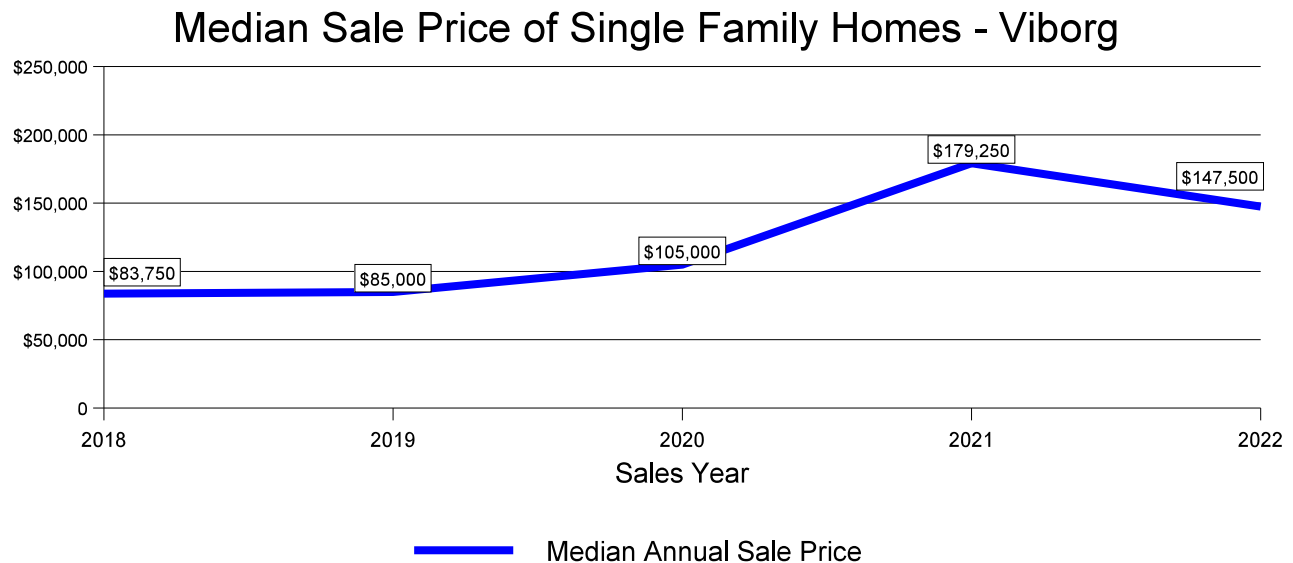
The County’s sale year differs slightly from a calendar year, and begins on November 1st and extends to October 31st.

Table 16 Median Value of Recent Residential Sales - 2018 to 2022				
Year	Number of Sales	Median Sale Price	Highest Sale	Lowest Sale
2022	17	\$147,500	\$330,000	\$50,000
2021	12	\$179,250	\$269,900	\$17,000
2020	15	\$105,000	\$549,900	\$25,000
2019	17	\$85,000	\$301,000	\$25,500
2018	18	\$83,750	\$182,900	\$12,000

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

- ▶ Between 2020 and 2021 there was a large increase in the median sale price in Viborg. The median price of \$179,250 in 2021 was \$74,250 higher than in 2020.

- ▶ The median sale price for 2022 was lower than in 2021, at \$147,500, but this was still the second highest median over the 5-year time period reviewed. Based on the past two years of sales, there have been rapidly escalating prices in the community.



- ▶ From 2018 to 2020 there had been a general pattern of gradually rising prices in the community, increasing from \$83,750 in 2018 to \$105,000 in 2020.
- ▶ Although overall prices have been increasing, there are also some lower valued home sales in Viborg each year. In each of the years reviewed at least one home was sold for \$50,000 or less.
- ▶ There have been some higher valued sales in Viborg. In three of the last four years at least one home has been sold for more than \$300,000. In 2020, a sale was recorded for nearly \$550,000.
- ▶ An alternate estimate of home values exists in the American Community Survey. In 2021, the estimated median value for all owner-occupied housing in Viborg was \$109,300. This estimate was well below the median sale price recorded in 2021 of \$179,250, but was similar to the median sales prices achieved in 2020 of \$105,000.

Home Sales by Price Range

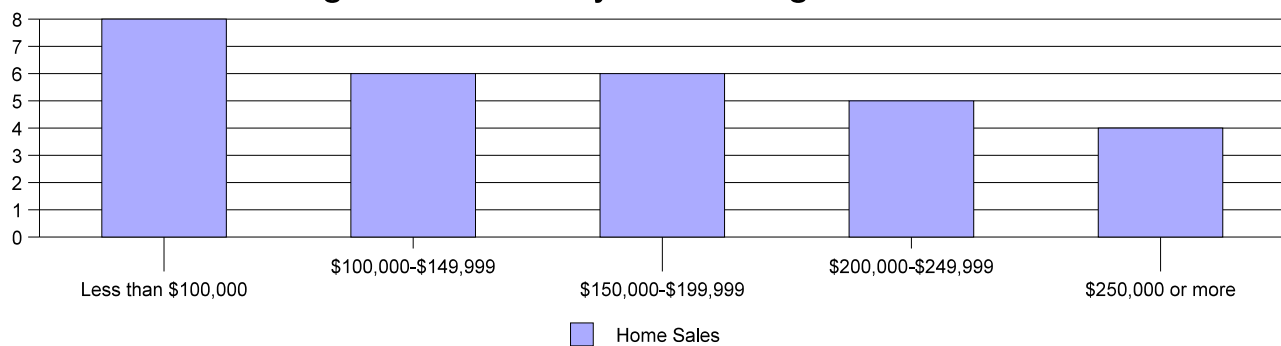
The following table looks at single family houses that sold within defined price ranges over a 24-month period spanning the 2021 and 2022 sales years. There were 29 good “arms length” sales over this period.

Table 17 Viborg 24-Month Home Sales by Price Range		
Sale Price	Number of Sales	Percent of Sales
Less than \$100,000	8	27.6%
\$100,000 - \$149,999	6	20.7%
\$150,000 - \$199,999	6	20.7%
\$200,000 - \$249,999	5	17.2%
\$250,000 or more	4	13.8%
Total	29	100%

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

- Recent home sales in Viborg were widely distributed in different price ranges. However, the majority of homes were sold for less than \$200,000. Overall, approximately 69% of the sales were for less than \$200,000, and fewer than 14% were for \$250,000 or more.

Viborg Home Sales by Price Range in 2021/2022



Rental Housing Data

Census Bureau Rental Inventory - Viborg

The 2020 Census has not yet released any of the more detailed tables on housing occupancy patterns, including owner versus renter status. Estimates for 2021 do exist in the American Community Survey, but these appear to have underestimated the number of renter households in the City and are not viewed as reliable.

At the time of the 2010 Census there were 126 occupied rental units and 41 unoccupied rental units in Viborg, for a total estimated rental inventory of 167 units. The City's rental tenure rate in 2010 was 35.0%, above the Statewide rental rate of 31.9%.

Between 2010 and 2022 no multifamily units were constructed in the City. Some changes may have occurred from houses that converted to rental use or vice versa.

Census Bureau Rental Inventory - Sioux Falls MSA

Viborg is part of the Sioux Falls Metropolitan Statistical Area (MSA), with the City of Sioux Falls having the large majority of the region's rental units. According to the 2021 American Community Survey, there were more than 36,150 occupied rental units in the MSA. For the entire MSA the rental tenure rate was above 33%.

When compared to the totals provided in the 2010 Census, the Sioux Falls MSA had added nearly 8,000 total rental units from 2010 to 2021. The rental tenure rate in 2010 was less than 32%, compared to more than 33% in 2021.

Viborg's Share of Rental Housing in the MSA

At the time of the 2010 Census, the number of renter-occupancy households in Viborg represented less than 0.5% of all renter households in the entire MSA. From 2010 to 2021, Viborg's overall share of renters decreased, as no new units were built in the City while the MSA is estimated to have added nearly 8,000 units.

Pending Rental Projects

Our research identified no proposed rental projects in Viborg that are currently in the planning phase.

Rental Housing Survey

As part of this housing study, a telephone survey was conducted of multifamily projects in the City of Viborg. The survey was conducted during the month of February 2023.

Emphasis was placed on contacting properties that have four or more units. For the purposes of planning additional projects in the future, multifamily properties represent the best comparison of market potential. Information was tallied separately for different types of rental housing, including market rate units, subsidized housing and specialized senior housing.

There were 107 rental housing units of all types that were contacted in the survey. The units that were successfully contacted include:

- ▶ 68 conventional market rate units
- ▶ 8 federally subsidized units
- ▶ 31 units in specialized senior housing with services projects

In addition to the rental units listed above, the skilled nursing home in the City was also included in the survey.

The findings of the survey are provided below.

Market Rate Summary

Information was obtained on 68 rental units in eight multifamily projects. The specific properties contacted ranged in size from four units to 16 units. The inventory of conventional market rate rental units in Viborg has increased substantially from the time of the 2013 Housing Study due to the conversion of a number of federally subsidized housing projects to market rate rentals.

Unit Mix

Information on the bedroom mix was obtained from all 68 units that were contacted:

- ▶ efficiency 4 (5.9%)
- ▶ one-bedroom 31 (45.6%)
- ▶ two-bedroom 33 (48.5%)

Although no conventional market rate units with more than two bedrooms were identified in multifamily projects, Viborg also has single family houses that are offered as rentals. Some of these houses contain three or more bedrooms.

Occupancy/Vacancy

At the time of the survey, there were four vacant units in the 68 market rate units that were surveyed, for a vacancy rate 5.9%. However, three of the four reported vacancies were in efficiency apartments. Excluding efficiencies from the calculation, the vacancy rate was less than 2%.

Most of the property managers/owners that were contacted indicated that good demand exists for rental housing in Viborg, with any turnover units filling quickly.

Rental Rates

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

In the following summary, Community Partners Research, Inc., has attempted to estimate the gross rents being charged, inclusive of an estimate for tenant-paid utilities.

<u>Unit Type</u>	<u>Estimated Gross Rent Range</u>
Efficiency	\$600
One-bedroom	\$525-\$725
Two-bedroom	\$575-\$825

American Community Survey Rent Estimates

The American Community Survey contains an estimate of the median gross rent in Viborg. In 2021, the estimated median rent for all units in the City was \$652, very consistent with the rent ranges identified by the research for this Update.

Tax Credit Summary

There are no tax credit units in Viborg.

Subsidized Summary

The research completed for this Update found that only one federally subsidized project remains in Viborg in 2023. Danish Villa is an 8-unit general occupancy project subsidized through USDA Rural Development.

At the time of the 2013 Housing Study there had been a number of other subsidized projects in the City, but since that time all have ended their subsidy contracts and converted to conventional market rate housing. The former projects, and their estimated year of conversion, are as follows:

- ▶ Meadowlands Apartments - after 2013
- ▶ Village Apartments - 2016
- ▶ Rosewood Apartments - 2021
- ▶ Viking Court Apartments - 2022
- ▶ Washington Square - 2022

In total, 40 rental units that had been subsidized through USDA Rural Development or HUD have been converted to conventional market rate housing over the past 10 years.

Subsidized Inventory

In 2023, the only remaining subsidized project in Viborg is Danish Villa, with eight 2-bedroom units. This housing is designated for general occupancy.

Occupancy/Vacancy

When surveyed, all of the units in Danish Villa were occupied and a waiting list was reported.

Rental Rates

All eight units in Danish Villa have project-based rent assistance available, allowing tenants to pay 30% of their household income for rent, up to a maximum rent of \$668.

Senior Housing with Services

Viborg has a range of senior housing options that provide supportive services with the housing. The City has a health care campus that includes a hospital, clinic, a nursing home with a dedicated memory care wing, an Assisted Living Center and a Residential Living Center.

- ▶ ***Pioneer Memorial Nursing Home*** is licensed for 46 beds in 2023, including 8 beds in a specialized memory care wing. There are 5 additional beds on lay-away that are not currently licensed.
- ▶ ***Pioneer Inn*** is a State-licensed Assisted Living Center with 12 units.
- ▶ ***Pioneer Villa*** has 19 apartment units and is registered as a Residential Living Center. This facility serves more independent seniors but does offer some light services including a noon meal, light housekeeping and laundry assistance.

Occupancy/Vacancy

In general, some unused capacity was available at the time of the rental survey for this Update, but occupancy varied by housing segment.

A high rate of occupancy was reported in the skilled nursing beds, including full occupancy in the memory care wing. Two traditional nursing home beds were unoccupied, and the facility does have five additional unlicensed beds that could potentially be licensed as needed in the future.

A high rate of occupancy was reported in the assisted living units, with one unit unoccupied on the date of the survey. This facility did have some decreased demand during the height of the Covid pandemic, but has returned to a high rate of occupancy.

There were 10 unoccupied units in the light services housing project. This facility had also experienced decreased demand during the height of the Covid pandemic and has not yet returned to a higher rate of occupancy.

Rental Rates

Rental rates and charges for specialized senior housing can vary greatly depending on the inclusion of services, and no specific information was obtained from most of the different market segments.

Table 18 Viborg Multifamily Rental Housing Inventory

Name	Number of Units /Bedroom Mix	Rent	Vacancy/ Wait List	Tenant Mix	Comments
Market Rate					
Bjordal Apartments	<u>4 - 2 bedroom</u> 4 total units	N/A	N/A	N/A	Unable to contact in 2023 survey - information provided is from prior survey. Conventional market rate units developed by the Viborg Housing and Redevelopment Commission in 2000, but later sold to a private owner. Tenants pay all utilities.
Evergreen Apartments	<u>16 - 1 bedroom</u> 16 total units	N/A	Master leased for workers	Worker housing	Former assisted living facility that was closed and converted to rental housing in 2019. Units are master leased to large local employer and used as worker housing.
Four-plex 300 E Park	<u>1 - 1 bedroom</u> <u>3 - 2 bedroom</u> 4 total units	\$475 \$500 +heat, electric	No vacant units	Mix of tenants	Four-plex that was constructed as conventional market rate housing. Rent includes water, sewer and garbage with tenant paying heat and electricity. Full occupancy reported on date of survey. Mix of tenants in occupancy.
Hoyer Duplexes Hoyer St	<u>8 - 2 bedroom</u> 8 total units	\$700 + utilities	No vacant units	Mix of tenants	Four market rate duplexes constructed in 1995. Tenant pays utilities except garbage in addition to rent. Units are 2-bedroom with 1 bathroom and attached 1-car garage. Owner reported full occupancy with a waiting list.
Meadowlands Apartments 400 Lincoln Ave	4 - efficiencies <u>8 - 1 bedroom</u> 12 total units	\$600 \$725	3 vacant units 3 - effic.	Mix of tenants	Previously a HUD/Section 8 general occupancy subsidized project constructed in mid-1970s, but was converted to market rate housing sometime after 2013. Tenants in occupancy were provided with tenant-based rent assistance Vouchers and one tenant still remains. Building is a 2-level walkup. Rent includes utilities. Manager reported 3 vacant efficiency units - less demand for efficiencies but 1-bedrooms are full.
Rosewood Apartments 102 S Nora St	<u>4 - 1 bedroom</u> 4 total units	\$500 +heat, electric	No vacant units	Mix of tenants	Formerly a USDA Rural Development subsidized project that ended its subsidy contract in 2021 and converted to market rate housing. Building is one-level. Rent includes water, sewer and garbage with tenant paying heat and electric. Manager reported full occupancy on date of survey and mix of tenants including seniors.

Table 18 Viborg Multifamily Rental Housing Inventory

Name	Number of Units /Bedroom Mix	Rent	Vacancy/ Wait List	Tenant Mix	Comments
Market Rate					
Viking Court Apartments 100 N Jackson	<u>8 - 2 bedroom</u> 8 total units	\$550 +heat, electric	No vacant units	Mix of tenants	Formerly a USDA Rural Development subsidized project that ended its subsidy contract in 2022 and converted to market rate housing. Building is 2-level walkup. Rent includes water, sewer and garbage with tenant paying heat and electric. Manager reported full occupancy on date of survey and mix of tenants.
Village Apartments 301/303 W Blaine	<u>2 - 1 bedroom</u> <u>6 - 2 bedroom</u> 8 total units	\$575 \$575 +heat, electric	No vacant units	Mix of tenants	Formerly a USDA Rural Development subsidized project constructed in 1973 and 1975 that ended its subsidy contract in about 2016 and converted to market rate housing. The project includes two 2-level walkup buildings. Eligible tenants were provided with tenant-based rent assistance at time of conversion. Tenant pays heat and electric in addition to rent. Owner reported full occupancy - many tenants are in local work force.
Washington Square 201 W Lincoln	<u>8 - 2 bedroom</u> 8 total units	\$525 +heat, electric	1 vacant unit	Mix of tenants	Formerly a USDA Rural Development subsidized project constructed in 1986 that ended its subsidy contract in 2022 and converted to market rate housing. Two-level walkup building. Rent includes water, sewer and garbage with tenant paying heat and electric. Manager reported 1 vacant unit on date of survey due to turnover but good demand, Mix of tenants reported.
Subsidized					
Danish Villa 312 N Maple St	<u>8 - 2 bedroom</u> 8 total units	\$668 max. 30% of income	No vacant units, waiting list	General occupancy	USDA Rural Development subsidized project constructed in 1977 and designated for general occupancy. All tenants have access to project-based rent assistance that allows rent based on 30% of income up to maximum rent listed. Manager reported full occupancy and a waiting list.

Table 18 Viborg Multifamily Rental Housing Inventory

Name	Number of Units /Bedroom Mix	Rent	Vacancy/ Wait List	Tenant Mix	Comments
Senior with Services					
Pioneer Villa 315 N Washington	studio 1 bedroom <u>2 bedroom</u> 19 total units	\$1300-\$1700 depending on unit size	10 vacant units	Residential Living Center	A congregate senior housing project that is registered as a Residential Living Center. Originally constructed in the 1970s with 2-bedrooms added in the 1990s. Part of a health care complex that is physically connected and includes hospital, clinic, nursing home and assisted living. Services include a noon meal, light housekeeping, laundry assistance, activities and an emergency call system. Units are apartment-style with kitchen. At the time of the survey, there were 10 vacant units - high rate of vacancy during pandemic and higher occupancy rate has not been recovered.
Pioneer Inn 315 N Washington	<u>12 - 1 bedroom</u> 12 total units 12 resident license	Based on level of service	1 vacant unit	Assisted Living Center	Assisted Living Center that is licensed for 12 residents in 12 apartment-style units with kitchenettes. Constructed in mid-1990s and part of a health care complex that is physically connected and includes hospital, clinic, nursing home and Residential Living Center. Assisted living services provided - three care plans available depending on needs of resident. One unit vacant at time of survey due to turnover but a high rate of occupancy is typical. Facility is private-pay.
Pioneer Memorial Nursing Home 315 N Washington	46 licensed beds including 8 for memory care	N/A	Occupancy rate of 95% or higher	Skilled nursing home	Skilled nursing home that is licensed for 46 residents in 2023 - 5 additional beds on lay-away that could be licensed as needed. Part of a health care complex that is physically connected and includes hospital, clinic, assisted living and Residential Living Center. Eight of the beds are dedicated for memory care. The dementia beds were fully occupied at time of survey and 36 of 38 beds in nursing home were occupied - typical occupancy is 95% or higher. The facility has single and shared rooms.

Source: Community Partners Research, Inc.

Net Household Growth in the Sioux Falls MSA

Over the last few decades, the Sioux Falls MSA has grown at a rapid rate. Between the 2010 Census and the 2020 Census there were a substantial number of households that were added in Sioux Falls and in many of the smaller cities in Minnehaha and Lincoln Counties. The following table examines growth in numeric and percentage terms. The listed cities have been ordered by the numeric household growth that occurred over the period.

Table 19 Household Growth by Jurisdiction: 2010 to 2020				
City	2010 Census	2020 Census	Numeric Growth	Percentage Growth
Sioux Falls	61,707	78,405	16,698	27.1%
Harrisburg	1,423	2,268	845	59.4%
Brandon	3,118	3,888	770	24.7%
Tea	1,254	1,897	643	51.3%
Hartford	913	1,218	305	33.4%
Dell Rapids	1,388	1,551	163	11.7%
Baltic	389	458	69	17.7%
Crooks	431	476	45	10.4%
Garretson	449	482	33	7.3%
Viborg	360	357	-3	-0.8%
MSA	83,677	109,218	25,541	30.5%

Source: US Census

Between in 2010 and 2020, the MSA added 25,541 households, for an increase of 30.5%. More than 65% of this household growth occurred within the City of Sioux Falls.

The remainder of the region’s household growth was shared between multiple jurisdictions within the 4-County MSA, but Harrisburg, Brandon, Tea and Hartford captured the largest numeric share of household growth outside of Sioux Falls. Together, these four jurisdictions, along with Sioux Falls, accounted for more than 75% of all household growth in the MSA.

The City of Viborg lost three households over the decade, according to the decennial Census.

MSA Housing Unit Construction Activity: 2010 to 2022

The U.S. Census Bureau collects building permit issuance information from individual cities, towns and townships. Annual housing construction summary information is available for the combined jurisdictions that form the Sioux Falls MSA. This represents a four-county area of Minnehaha, Turner, McCook and Turner Counties. The total unit production for 2022 was identified as “preliminary” at the time of the research for this Update and may change.

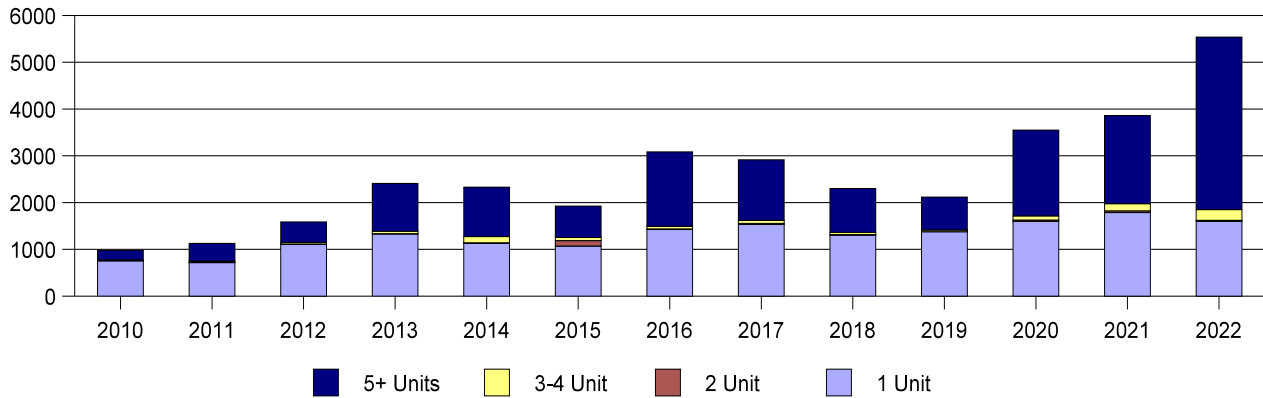
It is important to note that the Census Bureau’s annual totals may differ from other information in this Update, which may be collected directly from individual jurisdictions. However, the Census Bureau reports do provide some perspective on housing construction within the larger MSA. Census Bureau annual totals for the City of Viborg are also provided for comparison.

Housing construction activity in Viborg has represented a very small share of all activity in the Sioux Falls MSA in recent years. From 2010 through 2022 the City reported that 14 new housing units were built in Viborg which represented less than 0.05% of all MSA activity.

Table 20 Viborg and MSA Housing Unit Construction Activity - 2010 to 2022										
Year	City of Viborg					Sioux Falls MSA				
	Single Family	Two Family	3 to 4 Family	Multifamily	Total	Single Family	Two Family	3 to 4 Family	Multifamily	Total
2022	2	0	0	0	2	1,600	22	229	3,687	5,538
2021	1	0	0	0	1	1,788	36	153	1,882	3,859
2020	2	0	0	0	2	1,597	30	89	1,834	3,550
2019	0	0	0	0	0	1,376	10	28	705	2,119
2018	0	0	0	0	0	1,306	12	46	938	2,302
2017	0	0	0	0	0	1,533	22	67	1,292	2,914
2016	1	0	0	0	1	1,431	6	58	1,589	3,084
2015	1	0	0	0	1	1,069	120	67	670	1,926
2014	2	0	0	0	2	1,134	8	131	1,057	2,330
2013	2	0	0	0	2	1,330	6	52	1,021	2,409
2012	0	0	0	0	0	1,104	12	36	435	1,587
2011	1	0	0	0	1	716	16	19	378	1,129
2010	2	0	0	0	2	755	8	111	207	1,081
Total	14	0	0	0	14	16,739	308	1,086	15,695	33,828

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

MSA Annual Housing Unit Construction: 2010 to 2022

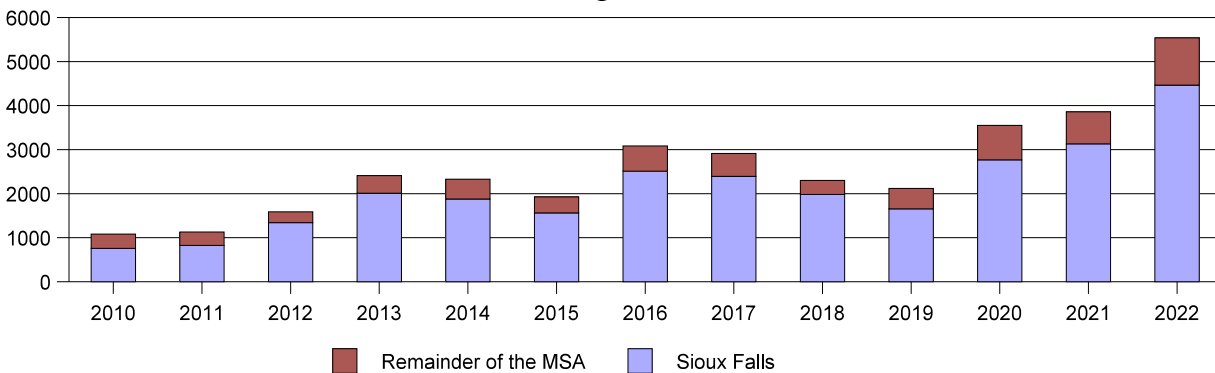


According to Census Bureau reports, the years 2022 and 2021 represented the highest years for new housing unit production in the MSA over the 13-year period reviewed. In 2022, preliminary reports indicated that more than 5,500 total housing units were permitted.

The permitting for 2022 was distributed in all structure types, but the year-to-year increase from 2021 was due to very strong production of multifamily units. Approximately 29% of all permitted units in 2022 were in one unit structures and nearly 67% were in multifamily projects with five or more units per structure. The remaining units were in structures with between two and four residential units.

As the primary jurisdiction in the MSA, the City of Sioux Falls accounts for a large majority of the units constructed annually. While year-to-year variation exists, in recent decades, Sioux Falls has typically represented between 70% or more 86% of the annual MSA construction activity. Based on preliminary reporting for 2022, Sioux Falls represented nearly 81% of the MSA’s construction unit total, according to the Census Bureau.

Sioux Falls/MSA Annual Housing Unit Construction: 2010 to 2022



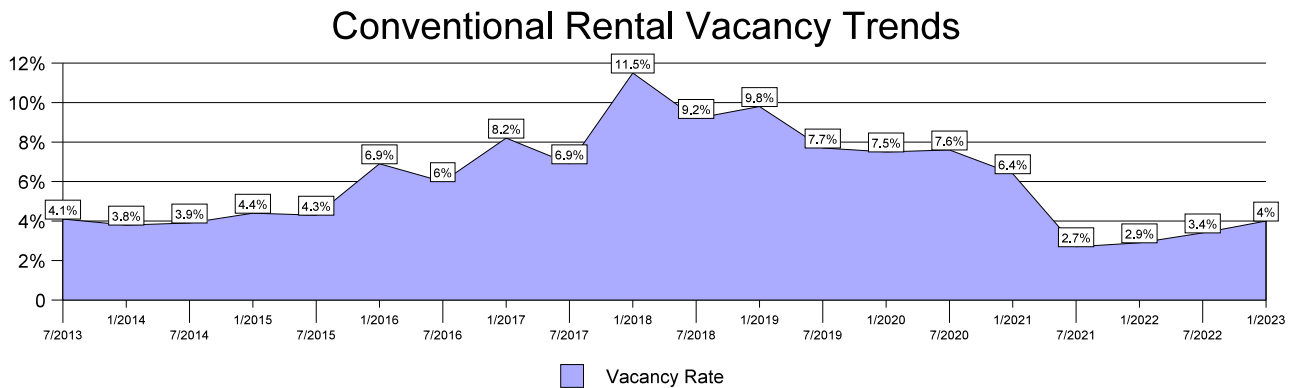
Regional Rental Vacancy Rates

The South Dakota Multi-Housing Association has tracked rental housing vacancy information for the Sioux Falls area for many years through a semiannual survey. This is an excellent source of information that not only provides a current picture of rental housing occupancy, but also a perspective on longer-term trends.

Conventional Market Rate Housing

The most recently completed vacancy survey is from January 2023. This survey found a vacancy rate of 4.0% in conventional market rate housing. The survey included nearly 15,900 conventional units and found just 629 vacancies. Although this was an area-wide survey, including communities that are within a 20-mile radius of Sioux Falls, a very large majority of the reporting units were located within the Sioux Falls zip codes.

The following chart presents the Multi-Housing Association vacancy calculations dating back to the July 2013 to provide a 10-year history for conventional rental housing.



While the most recent survey does show a slight increase in the conventional rental vacancy rate when compared to the prior two surveys, the reported vacancy rate of 4.0% is still relatively low by historic standards. Over the past 20 surveys, the vacancy rate has been below 4% only five times in this market segment.

A big drop in the vacancy rate occurred in 2021, with a 6.4% in January which then moved to only 2.7% by July 2021. Since that time it has been gradually increasing.

A general standard for rental housing vacancy is that a rate up to 5% is considered acceptable. A modest level of vacancy is desirable to allow tenant movement in the market by providing choices for prospective renters. It also allows a community the chance to grow, as new households moving into the area can readily locate a living unit. In Sioux Falls, a vacancy rate above 5% would not be surprising for individual surveys, as large-scale unit construction can occur which can temporarily cause an oversupply of units.

As evident in the previous chart, past history shows that the Sioux Falls market has had the ability to “self-correct”. People interviewed in past studies in the area have cited the cyclical nature of rental production in Sioux Falls. As the vacancy rate has risen, construction activity in subsequent years tends to diminish. As vacancy rates begin to fall, it has been typical to see an above-average level of construction.

Based on the building permit reporting presented previously from the Census Bureau, the number of multifamily units permitted in the MSA was below average in 2018 and 2019, probably in response to very high vacancy rates during those years. Multifamily production then began to increase in 2020 and 2021. The preliminary reporting for 2022 points to the largest production of new multifamily units over the past 13 years. While vacancy rates have been low, the impact of the above-average construction in 2022 may be starting to be reflected as more units enter the market in 2023, and vacancy rates may continue to increase as the next few surveys are completed.

Income-Based Housing Vacancy Rates

The large majority of the units in the Multi-Housing survey are conventional rentals. However, different types of income-restricted housing are also included. These units include moderate rent properties constructed through the federal low income housing tax credit program and federally subsidized low income housing, referred to as “HUD units” in the reports.

Since the start of 2018, the vacancy rate in tax credit housing has stayed above 5%, and in many surveys has been above 7%. In the January 2023 survey, tax credit units had a vacancy rate of 6.1%, compared to the conventional housing vacancy rate of 4.0%.

HUD units have tended to maintain a low rate of vacancy over time. In the most recent report, the vacancy rate for HUD units was only 1.4%. With the exception of one survey in January 2020, when the HUD vacancy rate was at 6.6%, this very affordable segment has maintained a vacancy rate below 5%.

Although the Sioux Falls MSA generally performed well during the global health pandemic, presumably the impact had caused some decrease in incomes for some MSA households. This potentially increased demand for income-restricted tax credit and deep subsidy rental housing.

Vacancy Rates Outside of Sioux Falls

The Multi-Housing Survey does collect some rental data from units that are outside of the City of Sioux Falls, but within a certain radius. Information is provided by zip code for communities in the Sioux Falls region. However, no rental units in Viborg were included in the recent surveys.

Employment and Local Economic Trends

While many factors influence the need for housing, employment opportunities represent a predominant demand generator. Without jobs and corresponding wages, the means to afford housing is severely limited. Much of the household growth that has occurred in the Sioux Falls MSA in the past decade was the direct result of job opportunities that were available, especially in the City of Sioux Falls. The type of employment, wage level, and working conditions will each influence the kind of housing that is needed and at what level of affordability.

Major employers in Sioux Falls with more than 1,000 employees include:

- ▶ Sanford Health
- ▶ Avera
- ▶ John Morrell & Company
- ▶ Wells Fargo
- ▶ Sioux Falls School District
- ▶ Citibank
- ▶ Hy-Vee Food Stores
- ▶ Sioux Valley Clinic
- ▶ Evangelical Lutheran Good Samaritan Society
- ▶ Midwest Coast Transport
- ▶ WalMart/Sam's Club
- ▶ First PREMIER Bank/PREMIER Finance Bankcard
- ▶ City of Sioux Falls

Work Force and Unemployment Rates

Employment information is available for the Sioux Falls MSA. 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 21 Sioux Falls MSA Annual Labor Statistics: 2010 to 2022						
Year	Labor Force	Employed	Unemployed	Unemployment Rate - MSA	Unemployment Rate - SD	Unemployment Rate - US
2010	133,585	127,238	6,347	4.8%	5.0%	9.6%
2011	134,281	128,513	5,768	4.3%	4.7%	8.9%
2012	136,615	131,430	5,185	3.8%	4.3%	8.1%
2013	138,817	134,408	4,409	3.2%	3.8%	7.4%
2014	141,705	137,621	4,084	2.9%	3.4%	6.2%
2015	144,400	140,650	3,750	2.6%	3.1%	5.3%
2016	146,949	143,305	3,644	2.5%	3.0%	4.9%
2017	150,020	145,981	4,039	2.7%	3.2%	4.4%
2018	152,316	148,354	3,962	2.6%	3.0%	3.9%
2019	155,468	151,110	4,358	2.8%	3.0%	3.7%
2020	156,605	149,880	6,275	4.3%	4.6%	8.1%
2021	159,995	156,025	3,970	2.5%	2.8%	5.3%
2022	163,101	159,830	3,271	2.0%	2.3%	3.7%

Source: South Dakota Department of Labor

The Sioux Falls MSA continues to be strong for labor force and job growth. Over the time period from 2010 through 2022, the size of the resident labor force increased by more than 29,500 people, or an increase of more than 22%. The employed resident work force increased by more than 32,600 people during this same time, for an increase of nearly 26%.

The MSA’s unemployment rate has generally decreased over this longer time period and pre-pandemic in 2019, was at only 2.8%. The Covid pandemic then impacted statistics for 2020, although the annual employment rate was still only 4.3%. But for 2022, the MSA’s unemployment rate had dropped to only 2%.

Employment and Wages by Industry

The following table shows the annual employment and average annual wages in 2021, the last full year of data. This information is for all of the MSA.

Table 22 MSA Average Annual Wages - 2021		
Industry	Total Employment	Average Weekly Wage
Total All Industry	157,592	\$1,102

Source: South Dakota Department of Labor

The average weekly wage for all industry in 2021 was \$1,102 for the Sioux Falls MSA. At full-time employment this would yield an annual average wage of more than \$57,300.

Commuting Patterns of Viborg Residents

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

Table 23 Commuting Times for Viborg Residents - 2021		
Travel Time	Number	Percent
Less than 10 minutes	98	28.4%
10 to 19 minutes	65	18.8%
20 to 29 minutes	34	9.9%
30 minutes +	148	42.9%
Total	345	100%

Source: American Community Survey

A majority of Viborg’s residents were driving 20 minutes or more for their primary employment in 2021. Approximately 47% of residents were traveling less than 19 minutes, while nearly 53% were traveling 20 minutes or more, often consistent with employment in Sioux Falls.

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

Table 24 Commuting Times for Viborg-based Employees - 2021		
Travel Time	Number	Percent
Less than 10 minutes	96	32.8%
10 to 19 minutes	93	31.7%
20 to 29 minutes	38	13.0%
30 minutes +	66	22.5%
Total	293	100%

Source: American Community Survey

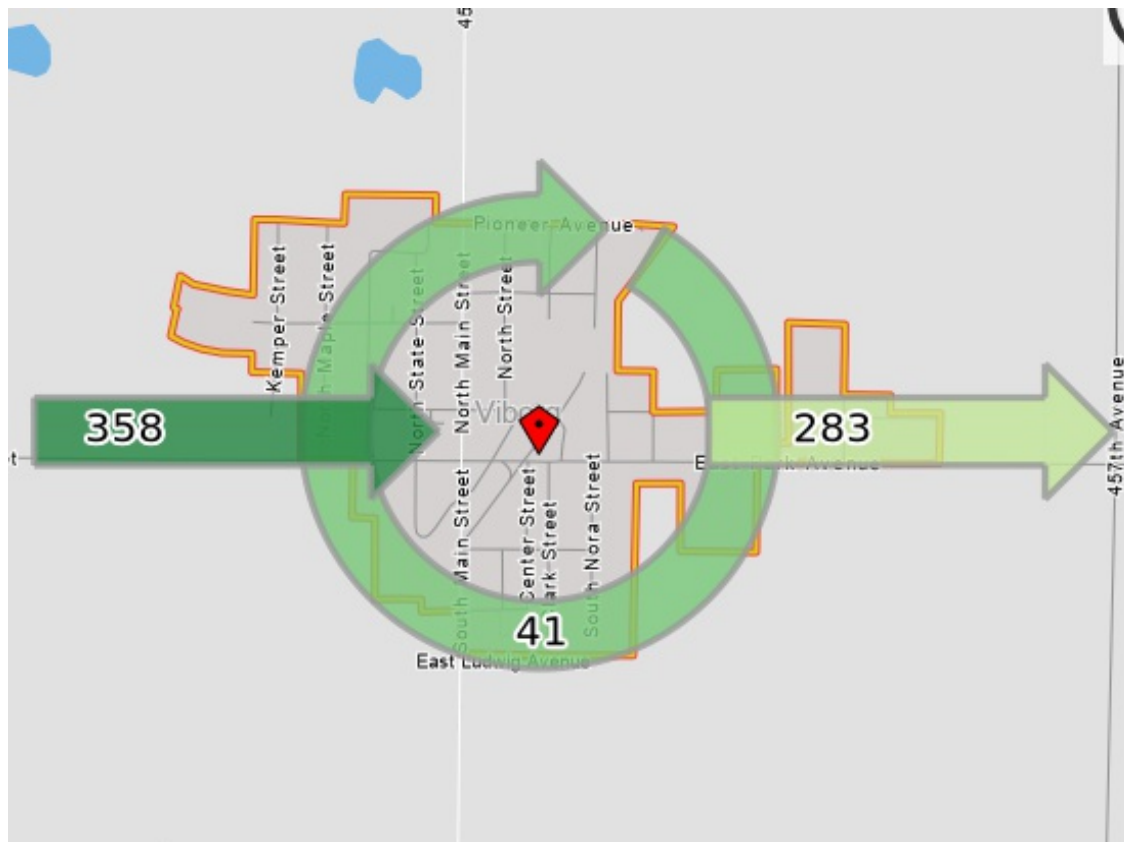
Most of the people that worked in Viborg traveled 19 minutes less in 2021, with nearly 73% living within the immediate area. However, nearly 23% of the people employed within the City were coming from greater distances, with a travel time of 30 minutes or more.

Census On the Map

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

According to the report for Viborg, there were 399 people that were employed within the City in 2019. Nearly all of these city-based employees did not live in Viborg, with 358 people commuting in for their job. The primary jurisdictions supplying workers to Viborg were Centerville, Daneville Township, Hurley, Sioux Falls and Middleton Township.

On the Map can also be used to track worker outflow patterns from the City. Overall, there were 324 employed Viborg residents, but 283 of these people worked outside the community. The primary identified destination for employment was Sioux Falls. Overall, approximately 29% of Viborg's residents that left the City were commuting to Sioux Falls. Other identified locations included Centerville, Freeman, Irene and Beresford.



Findings on Growth Trends

As part of this Study, Community Partners Research, Inc., has examined growth patterns for the City of Viborg, as well as Turner County and the entire Sioux Falls MSA. Although Viborg is a small community with limited growth over the past few decades, the City's location near a fast-growing metropolitan area gives it some potential for adding population and households in the future.

Based on the 2020 Census, Viborg added 32 residents but lost three permanent households between 2010 and 2020. The population growth was attributed to more people living in the average household, such as an increase of families with children.

For households, the minor decrease of three households in the most recent decade was consistent with the pattern from 2000 to 2010, when Viborg lost six households. The City did grow in the 1990s, but if the 30-year time period from 1990 to 2020 is examined, Viborg had a net gain of only 29 total households, or an average of approximately one household per year.

Viborg is located in Turner County, the second smallest of the four counties that form the Sioux Falls Metropolitan Statistical Area (MSA). Turner County has had a pattern of very limited growth, similar to the patterns in Viborg. Over the 30-year time period from 1990 to 2020, the average annual net household growth in Turner County was less than five households per year.

The entire Sioux Falls MSA added more than 25,500 households between 2010 and 2020. Most of the household growth since 2010 was directly attributable to the Sioux Falls, as more than 65% of the MSA's household increase was within that City. More than 75% of the MSA's household growth was due to the five cities of Sioux Falls, Harrisburg, Brandon, Tea and Hartford.

Findings on Projected Growth

This Study has examined projections from established national sources, including both Applied Geographic Solutions (AGS) and Esri. In the opinion of the analysts, these household projections represent an overly conservative view of the City's growth potential.

In the opinion of the analysts, Viborg has the potential to add between three and four households per year over the next five years, for a cumulative total of 15 to 20 households by 2027. While this growth forecast could prove to be conservative, if achieved it would be much greater than the level of numeric growth that the City has achieved over the past two decades.

The projection from Applied Geographic Solutions for Turner County point to a modest reduction of households going forward. Once again, this forecast tends to under estimate the impact of growth in the larger Sioux Falls region. Although larger-scale growth is less likely in the Turner County portion of the MSA, the Sioux Falls area will add thousands of households and housing units each year through 2027, and some of this can potentially be captured by some of the communities in Turner County, including Viborg.

Summary of Growth Projections by Age

The Demographic section of this Study presented projection information on anticipated changes by age group from 2022 to 2027 in Viborg. The base projections were generated by Esri, but have been adjusted upward slightly by Community Partners Research, Inc., to better reflect some additional growth potential in Viborg. These age-based forecasts assume that approximately four households per year will be added in Viborg, for an increase of 20 households by 2027.

<u>Age Range</u>	<u>Projected Change in Households</u>
	<u>2022 to 2027</u>
15 to 24	-1
25 to 34	7
35 to 44	5
45 to 54	-6
55 to 64	3
65 to 74	5
75 and older	<u>7</u>
Total	20

In general, the movement of the “baby boom” generation through the aging cycle will generate many of the changes within age distribution patterns through the year 2027. If grouped into larger aggregations, these projections expect Viborg to have an increasing number of households in the age ranges 55 and older. By the year 2027 nearly all of the large baby boom generation will be age 65 or older, and especially strong growth is being projected within the 65 year old and older age ranges.

While some of the younger adult age ranges may remain relatively stable or increase slightly in size, other ranges are projected to have fewer households. The City is projected to see an increase of households in the 25 to 34 year old age group, and in the 35 to 44 year old range. If accurate, this may indicate that younger families will look to smaller communities within the Sioux Falls region as an attractive and more affordable place to live.

These projections represent an informed prediction of changes in the near-future for Viborg. However, as a single jurisdiction within a large MSA, the actual growth patterns in the City will also be impacted by the larger trends within the MSA.

Findings on Unit Demand by Type of Housing

Based on the household by age projections presented earlier, the changing age composition of Viborg's population through the five-year projection period will have some impact on demand for housing.

Age 24 and Younger - The projections used for this Update expects the youngest adult age range to remain relatively stable through the year 2027. Past tenure patterns indicate that a majority of the younger households in Viborg will rent their housing. No significant change in the number of households in this age range should mean that rental demand from younger households will remain stable during the projection period.

25 to 34 Years Old - The projections show an increase of seven households in this age cohort by 2027, continuing a pattern of younger families locating in the City. Within this age range households often move from rental to ownership housing. An increase in the number of households within this age range will mean that demand for both first-time home buyer and rental opportunities should also increase somewhat over the next five years.

35 to 44 Years Old - This 10-year age cohort has a projected gain of five households between 2022 and 2027 in Viborg. Households within this range often represent both first-time buyers and households looking for trade-up housing, selling their starter home for a more expensive house. Some growth in this age group should yield growing demand for these housing options.

45 to 54 Years Old - The projections for this age range show possible reduction of six households in this age range. This group historically has had a high rate of home ownership, and will often look for trade-up housing opportunities. With the projected reduction of households in this age group, the demand for trade-up housing from this age range will decrease slightly.

55 to 64 Years Old - The projections show an expected decrease of three households in this 10-year age range by the year 2027. This age range has traditionally had a high rate of home ownership in Viborg. Age-appropriate housing, such as town house or twin home units, is often well suited to the life-cycle preferences of this age group, as no maintenance/low maintenance housing has become a popular option for empty-nesters. Some households in this age range are also seeking trade-up housing.

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

75 Years and Older - A gain of seven households is projected among older seniors. Households in this age range often seek high quality rental housing or senior housing with services options.

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

Strengths for Housing Development

The following strengths for the City of Viborg were identified through statistical data, local interviews, research and on-site review of the local housing stock and strengths identified in the 2013 Viborg Comprehensive Housing Study.

- ▶ **Viborg serves as a small regional center** - Viborg provides employment opportunities, retail/service options, health and professional services and recreational facilities for a geographical area that surrounds the City.
- ▶ **Affordable priced housing stock** - The City of Viborg has a stock of affordable, existing houses. Our analysis shows that the City's median home value based on 2021 and 2022 sales is approximately \$150,000. This existing stock, when available for sale, provides an affordable option for home ownership.
- ▶ **Western Hills Addition** - The Viborg Development Corporation has developed the Western Hills Addition, which has 26 residential lots.
- ▶ **Population and Household Growth** - Community Partners Research, Inc., is forecasting that Viborg will gain population and households over the next five years.
- ▶ **Adequate land for development** - Viborg has land available for additional residential and commercial/industrial development. However, some of this land needs to be serviced with infrastructure improvements and/or annexed into the City limits. There is land available adjacent to the Western Hills Addition for a Phase II Western Hills residential lot development.
- ▶ **Proactive City involvement** - Viborg has a track record of being proactive and working with housing agencies and the private sector to develop housing opportunities, including rental housing and subdivision development.
- ▶ **Educational system** - Viborg is part of the Viborg-Hurley School System. The pre-school-4 and 9-12 schools are located in Viborg and the 5-8 school is located in Hurley.
- ▶ **Infrastructure** - Viborg's water and sewer infrastructure can accommodate future expansion.

- ▶ **Commercial development** - Viborg's commercial district is adequate to meet most daily needs.
- ▶ **Viborg Housing and Redevelopment Commission** - The Viborg Housing and Redevelopment Commission has developed, owned and managed rental housing in Viborg in the past.
- ▶ **Viborg Development Corporation** - The Viborg Development Corporation is active in promoting housing, economic and employment opportunities in Viborg.
- ▶ **Small-town atmosphere** - Viborg is a small town with the real and perceived amenities of small communities. This small-town living is attractive to some households.
- ▶ **Services for senior citizens** - Viborg has senior with services facilities including assisted living, senior with light services and a nursing home, which includes memory care beds.
- ▶ **Viborg is located near three regional centers** - Viborg is located 45 miles from Sioux Falls, 35 miles from Yankton and 33 miles from Vermillion, all of which are regional centers. These regional centers provide employment opportunities, retail/service options, education facilities, government services, health and professional services and cultural amenities. Many households prefer to live near, but not in a regional center.
- ▶ **Health Care Facilities** - Viborg has a hospital, medical clinic and pharmacy.
- ▶ **Industrial Park** - Viborg has an industrial park with several businesses and approximately 40 acres available for development.
- ▶ **Dairy Operations** - Dairy Operations are located in the Viborg area, which have an impact on housing needs in Viborg.
- ▶ **Sioux Falls MSA** - The City of Viborg and Turner County are in the Sioux Falls MSA. An average of more than 4,000 housing units has been constructed annually in the MSA over the past few years. Viborg will capture a portion of this housing development.

Barriers or Limitations to Housing Activities

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

- ▶ **Age and condition of the housing stock** - While the existing stock is affordable, some of the housing is in need of improvements to meet expectations of potential buyers.
- ▶ **Low rent structure** - The area's rent structure is relatively low, which makes it difficult to construct new rental housing.
- ▶ **Value gap deters new owner-occupied construction** - Based on market values for 2021 and 2022 residential sales, we estimate that the median priced home in Viborg is valued at approximately \$150,000. This is well below the comparable cost for new housing construction, which will generally be above \$275,000 for a stick built home with commonly expected amenities. This creates a value gap between new construction and existing homes. This can be a disincentive for any type of speculative building and can also deter customized construction, unless the owner is willing to accept a potential loss on their investment.
- ▶ **Communities in the Sioux Falls MSA** - Although it is a strength to be located in the MSA, it is also a barrier as Viborg must compete with other communities in the MSA, which offer attractive residential opportunities and other amenities and services.
- ▶ **Limited commercial options** - The City of Viborg has commercial and retail opportunities to meet daily needs, but it has limited other retail and commercial options.
- ▶ **Staff capacity limitations** - Although the City has access to several housing agencies, it is very difficult to develop and implement housing initiatives with limited staff resources.

Recommendations, Strategies and Housing Opportunities

Based on the research contained in this study, and the housing strengths and barriers identified above, we believe that the following recommendations are realistic options for Viborg. 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 area's potential for growth.
- ▶ **New housing development generally will not occur without proactive community involvement** - To attract new home or apartment construction in Viborg, subsidies or some other form of financial assistance will be needed from the City, local and regional housing and economic development agencies and the South Dakota Housing Development Authority.
- ▶ **Protect the existing housing stock** - The future of Viborg will be heavily dependent on the City's appeal as a residential location. The condition of the existing housing stock is a major factor in determining the City's long-term viability. The existing housing stock is in good condition and is a major asset, however, rehabilitation efforts are needed to preserve the housing stock.
- ▶ **Protect the existing assets and resources** - Viborg has many assets including preschool through grade 4, and grade 9 through 12 schools, employment opportunities, a Downtown Commercial District, health facilities, available residential lots, etc. These are strong assets that make Viborg a desirable community to live in, and are key components to the City's long-term success and viability. These assets must be protected and improved.
- ▶ **Develop a realistic action plan with goals and time lines** - In the past the City has been involved in housing issues. The City should prioritize its housing issues and establish goals and time lines to achieve success in addressing its housing needs.
- ▶ **Access all available resources for housing** - In addition to the local efforts, the City has other resources to draw on including USDA Rural Development, the South Dakota Housing Development Authority, the South Eastern Council of Governments, the South Eastern Development Foundation, the Inter-Lakes Community Action Agency, the Lennox Housing and Redevelopment Commission, the Rural Office of Community Services and Grow South Dakota. These resources should continue to be accessed as needed, to assist with housing activities.

Summary of Findings/Recommendations

The findings/recommendations for the City of Viborg have been formulated through the analysis of the information provided in the previous sections and include 18 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 12 to 14 general occupancy market rate rental units
2. Develop five to six affordable rental units
3. Develop six to eight subsidized rental units
4. Monitor the need to develop additional senior with services units
5. Utilize the Housing Choice Voucher Program
6. Develop a mixed-use commercial/housing project

Home Ownership

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

Single Family Housing Development

9. Subdivision Development and Lot Availability
10. Strategies to encourage continued residential lot sales and new home construction in Viborg

11. Coordinate with economic development agencies, housing agencies and nonprofit groups to construct affordable housing
12. Promote twin home/town house development

Housing Rehabilitation

13. Promote rental housing rehabilitation
14. Promote owner-occupied housing rehabilitation efforts

Other Housing Issues

15. Acquire and demolish dilapidated structures
16. Create a plan and a coordinated effort among housing agencies
17. Strategies for downtown redevelopment and commercial development
18. Develop home ownership and new construction marketing programs

Viborg - Recommendations Rental Housing Development

Rental Housing Development

Overview

It is difficult to produce new affordable rental units. A number of factors including federal tax policy, state property tax rates, a low rent structure and high construction costs have all contributed to making rental housing difficult, especially in small cities.

Based on available building permit reporting, no rental housing construction has occurred in the City of Viborg from 2010 to 2022.

However, some changes in the City's rental stock may have occurred due to tenure conversion, such as rental houses changing to owner-occupancy, or vice versa. Also, since the 2013 Viborg Housing Study, 40 subsidized rental units have converted to market rate rental housing.

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

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

Community Partners Research, Inc., household projections for Viborg expect household growth. From 2023 to 2027, we project that there will be a gain of approximately 20 households in Viborg. This is an average gain of four households annually. We are projecting that approximately 10 new households will be seeking rental housing.

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

Pent-up demand also exists. As part of this study, a rental survey was conducted. There were 76 market rate and subsidized rental units contacted and surveyed. The survey found only four vacant units, three of which were efficiency units. The rental property owners and managers reported a high demand for rental units.

Based on few vacancies in existing rental projects and the lack of certain rental unit types, we identified pent-up demand for market rate units/moderate rent units and subsidized units in Viborg.

These three demand generators, after factoring current occupancy rates, show a need for 23 to 28 rental units in Viborg over the next five years. Based on the factors stated above, we recommend the development of the following new rental units from 2023 to 2027.

▶ General Occupancy Market Rate	12-14 units
▶ Affordable Conversions	5-6 units
▶ Subsidized	6-8 units
▶ Senior (Independent/Light Services)	<u>0 units</u>
Total	23-28 units

For 23 to 28 additional rental units to be developed over the next five years, affordable land and infrastructure must be available for multi-family construction. Additionally, the City of Viborg must continue to develop amenities that make it an attractive residential option for households.

1. Develop 12 to 14 general occupancy market rate/moderate rental units

Findings: It is estimated that the entire rental inventory in the City of Viborg includes approximately 167 total units in 2022. Approximately 77% of these rental units can be classified as general occupancy market rate housing. These units are free of any specific occupancy restrictions such as financial status, age, or student enrollment. Market rate housing does not have any form of rent controls, other than those imposed by the competitive marketplace.

Of the 68 market rate rental units we surveyed, we found four vacancies, three of which were in efficiency units. The rental property owners and managers reported high ongoing occupancy rates and strong demand for market rate housing.

The gross rent range for the units that were surveyed is \$525 to \$725 for one-bedroom units, and \$575 to \$825 for two-bedroom units.

The only three-bedroom and four-bedroom market rate units are in single family homes. There are no three-bedroom or larger units in the three market rate multifamily rental projects.

Although Viborg's total number of households is not expected to increase significantly over the next five years, our interviews and rental survey identified demand and a need for additional market rate rental housing.

There is, however, a significant projected increase of households in the Sioux City MSA. While this projection is for the overall growth in the MSA, Viborg has the potential to capture a share of this growth.

Additionally, we are expecting the loss of rental households in Viborg due to deterioration and demolition. We have identified single family homes in Viborg that are dilapidated and beyond repair. We also identified single family homes that need major rehabilitation. Some of these dwellings are rentals and may be demolished or no longer rented because of their condition.

Also, there are dairy operations in the Viborg area, which have created additional demand for housing.

Recommendation: We recommend the development of 12 to 14 market rate rental housing units over the next five years. Town house or twin home-style units similar to the units developed by the Viborg Housing and Redevelopment Commission units or a high quality apartment building with 'state of the art' amenities are both viable options to address the demand for market rate rental housing.

The first option to developing market rate housing would be to encourage private developers to undertake the construction of market rate rental housing. If private developers do not proceed, the Viborg Housing and Redevelopment Commission or the Viborg Development Corporation could utilize essential function bonds, or similar funding sources to construct market rate units.

Also, the Viborg Housing and Redevelopment Commission or the Viborg Development Corporation could partner with private developers to construct additional units. The City of Viborg could assist with land donations, tax increment financing, tax abatement, tax deferrals, reduced water and sewer hookup fees, etc.

As demand dictates the need for additional units, the units could be added in phases. In this way the supply could be expanded without saturating the market. Additionally, some of the units should be three-bedroom units as there is a shortage of three-bedroom units in Viborg. In the 2013 Viborg Housing Study, we recommended the development of six to eight market rate rental units. No units were constructed. Although no market rate rental units were constructed, five subsidized rental projects with a total of 40 units, converted from subsidized to market rate.

In 2023, we are recommending the development of 12 to 14 units and the unit mix and rents should be as follows:

**Recommended unit mix, sizes and rents for the Viborg
Market Rate Housing Project:**

<u>Unit Type</u>	<u>No. of Units</u>	<u>Size/Sq. Ft.</u>	<u>Rent</u>
One Bedroom	2	650-800	\$750-\$850
Two Bedroom	8-10	850-1,100	\$950-\$1,050
Three Bedroom	2	1,200-1,350	\$1,100-\$1,300
Total	12-14		

Note: Rents are quoted in 2023 dollars and include utilities.

It would be advantageous to keep the rent structure at or below the rent limits for the Housing Voucher Program. This would allow renter households to participate in the Housing Voucher Program and expand the number of households that could afford the proposed rents. The 2023 Rent Limits for the Housing Choice Voucher Program are:

- ▶ One Bedroom - \$793
- ▶ Two Bedroom - \$949
- ▶ Three Bedroom - \$1,274

2. Develop five to six affordable rental units

Findings: The previous recommendation addressed the market potential to develop high quality rental units in Viborg. Unfortunately, these units would tend to be beyond the financial capability of many area renters. A majority of Viborg renter households have an annual income below \$30,000. These households would need a rental unit at \$750 per month or less.

The City of Viborg has lost some affordable rental housing over the years and will continue to lose units due to deterioration and demolition. Part of the need for additional rental units in Viborg is to provide for unit replacement. Unfortunately, most of the lost units are probably very affordable, and new construction will not replace these units in a similar price range.

There are still some programs for affordable housing creation for moderate income renters. The federal low income housing tax credit program is one available resource. However, competition for tax credits is very difficult, and few awards are made to small cities for small rental projects.

Recommendation: We encourage the City of Viborg to promote the development of more affordable rental units. A goal of five to six units over the next five years would help to replace affordable housing that has been lost and to address pent-up demand.

It would be difficult to create units through new construction. Instead, it may be more practical to work on building renovation or conversion projects that can create housing. This opportunity may arise in downtown buildings or through the purchase and rehabilitation of existing single family homes. According to the U.S. Census, in 2020 there were vacant housing units in Viborg. Potentially, some of these units could be renovated to be quality rental units. These units could be developed by a housing agency or by a private developer. A partnership between a housing agency and private developers is another option.

Creating rental units with contract rents below \$750 per month would help to expand the choices available to a majority of the City's renter households.

To obtain an affordable rent structure, financial commitments from the City of Viborg may be needed such as tax increment financing, property tax abatement or deferment. Other financial resources may also be needed from funding agencies such as the South Dakota Housing Development Authority.

3. Develop six to eight subsidized rental units

Findings: In 2023, Viborg has only one remaining subsidized rental project. Danish Villa is an 8-unit apartment project subsidized through USDA Rural Development. All of the apartments have two bedrooms and the project is designated as general occupancy housing. At the time of the rental survey, the Danish Villa units were fully occupied and there is a waiting list.

At the time of the 2013 Viborg Housing Study there were five additional projects, with a combined 40 units, that were in the City's subsidized inventory. The large supply of subsidized housing represented approximately 30% of the City's total rental housing stock. Since 2013, the following projects have ended their subsidy contracts and have been converted to conventional market rate housing:

- ▶ Meadowlands Apartments - converted after 2013
- ▶ Village Apartments - 2016
- ▶ Rosewood Apartments - 2021
- ▶ Viking Court Apartments - 2022
- ▶ Washington Square - 2022

The large inventory of subsidized housing that was present in 2013 had resulted in a high rate of vacancy. The rental survey in 2013 found a vacancy rate of 33.3% in the subsidized units. Based on the rental survey and interviews conducted at that time, there had been chronic vacancies over the past several years in the subsidized projects.

It does appear that at the time of conversion, most eligible tenants would have been offered a tenant-based rent assistance Voucher, but any project-based rent subsidies tied to these projects were ended. Over time, as tenants have moved, it is believed that very few of the tenant-based Vouchers are still being used in Viborg.

Recommendation: Based on the projected growth of renter households in Viborg, and the loss of 40 subsidized units due to conversion, we recommend that the City develop deep subsidy rental housing for lower income renters. Over the next five years, we recommend that the City attempt to construct six to eight units that achieve a rent level that would be affordable to very low income households earning less than \$35,000 per year. Although in 2013 Viborg had an excess number of subsidized units with a high number of vacancies, the conversion of five subsidized rental projects with 40 units to market rate, has resulted in the need for additional subsidized rental units.

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

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

Expanded promotion of Housing Choice Vouchers may also be appropriate. Although Vouchers are tenant-based, and may not remain in the City if the tenant moves, the Voucher can eliminate a severe rent burden by allowing the household to apply only 30% of income for gross rent. However, the Voucher Program has a significant waiting list.

4. Monitor the need for additional senior with services units

Findings: The City of Viborg currently has three senior with services projects. All of these are part of the Pioneer Memorial complex that also includes a hospital and clinic in addition to specialized senior housing. The three projects include:

- ▶ **Pioneer Villa** - Pioneer Villa is a senior congregate housing project that includes 19 total units including studio, one-bedroom and two-bedroom units. Pioneer Villa provides a light level of services including a noon meal, housekeeping, laundry, activities and an emergency call system. At the time of our survey, there was one vacant studio unit. The Administrator reported that there have been vacancies in the past. Rents and fees are \$1,040 to \$1,190 for a studio unit, \$1,190 to \$1,340 for a one-bedroom unit and \$1,380 to \$1,530 for a two-bedroom unit.
- ▶ **Pioneer Inn** - Pioneer Inn is a 12-bed assisted living facility. Pioneer Inn provides the full array of senior assisted living services. Residents can choose from three service plans including minimum assistance, moderate assistance and extensive assistance. Rents and fees range from \$2,800 to \$3,300. At the time of the survey, there were no vacancies and a waiting list.
- ▶ **Pioneer Memorial Nursing Home** - The Pioneer Memorial Nursing Home has 46 licensed beds in 2023, including eight beds for specialized memory care. At the time of the survey, the memory care beds were fully occupied and the traditional nursing home beds had a high rate of utilization. This facility does have the capacity for five additional beds that are not licensed in 2023.

At the time of the 2013 Housing Study an additional Assisted Living Center was operating in Viborg. Evergreen Assisted Living Center, which had 24 beds, has since been closed.

There are also senior with services projects in other Turner County Cities including Centerville, Marion and Parker.

Recommendation: Currently there is a significant number of senior with services housing beds, including congregate, assisted living and memory care beds in Viborg and other cities in Turner County. It is our opinion that the current supply of senior housing with services units in Viborg is adequate to meet existing needs.

However, the occupancy rates in all of the senior with services projects in Turner County should be monitored on an ongoing basis to assure there is an adequate supply of senior with services beds. Also, there may be a need in the future to convert the type of senior with services beds. For example, there may be a need to convert existing assisted living beds to memory care beds. The existing senior with services providers are in the best position to determine what conversions may be needed, or if additional senior with services beds are needed in the future.

5. 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.

Based on the research for this study, it appears that the Housing Choice Voucher Program is an underutilized form of subsidized housing in Viborg. 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 Turner County by the Lennox Housing and Redevelopment Commission. There currently is a waiting list of approximately 2.5 years to obtain a Housing Choice Voucher.

Recommendation: The Lennox Housing and Redevelopment Commission should work with the City of Viborg and the Viborg Housing and Redevelopment Commission to assure that Viborg households are aware of the Housing Choice Voucher Program and have to the opportunity to apply for a voucher.

However, the low number of Housing Choice Vouchers available, the length of the waiting list and Viborg's low rent structure, limit the demand for Housing Choice Vouchers in Viborg.

6. Develop a Mixed-Use Commercial/Housing Project

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

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

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

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

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

Viborg - Home Ownership Recommendations

Home Ownership

Findings: Expanding home ownership opportunities is one of the primary goals for most cities. High rates of home ownership promote stable communities and strengthen the local tax base. The median owner-occupied home value in Viborg is estimated to be approximately \$150,000 based on 2021 and 2022 sales activity. The home values in Viborg provide an excellent opportunity for first time buyers and households seeking moderately priced homes.

Our analysis of Viborg demographic trends shows an increasing number of households in the traditionally strong home ownership age ranges between 25 and 44 years old. These households are primarily first-time home buyers or households seeking to trade-up to a higher-priced home. There will also be an increase of households in the 55 and older age ranges. These households are often looking for low-maintenance housing or senior housing with services. Some households in these age ranges as well as other age ranges that have not been able to achieve the goal of home ownership may need the assistance of special programs to help them purchase their first home.

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

7. Continue to utilize and promote all programs that assist with home ownership

Findings: We believe that affordable home ownership is one of the issues facing Viborg 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, gap financing, low interest loans and home ownership counseling and training programs can help to address affordable housing issues. The City of Viborg 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: We recommend that the City of Viborg work with area housing agencies, the South Dakota Housing Development Authority and local financial institutions to utilize all available home ownership assistance programs. Private and nonprofit agencies should also be encouraged to provide home ownership opportunities.

The City of Viborg should also work with housing agencies to assure that they are receiving their share of resources that are available in the region.

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

8. Develop a Purchase/Rehabilitation Program

Findings: The City of Viborg has a stock of older, lower-valued homes, some of which need repairs. Our analysis of recent sales activity indicates that approximately 28% of the homes in Viborg are valued less than \$100,000. 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, no interest and a monthly payment that is affordable for the family.

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 Viborg work with housing agencies to develop and implement a purchase/rehab program. 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, prevents substandard homes from becoming rental properties and rehabilitates homes that are currently substandard.

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. Area housing agencies 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 are private individuals who are purchasing homes in Viborg, rehabilitating the homes and then selling the homes. There may be an opportunity for housing agencies to financially assist the private sector with purchasing, rehabilitating and selling the homes. This may increase the inventory of substandard homes that can economically be purchased, rehabilitated and sold.

Viborg - Single Family Housing Development

Single Family Housing Development

Findings: Based on City and U.S. Census Bureau information, Viborg has experienced limited single family housing development from 2010 to 2022. Over the past 13 years, 14 single family homes have been constructed in or moved into Viborg. This is an average of approximately one home constructed annually in Viborg. However, over the past three years, a total of five single family homes have been constructed. The attractiveness of the City of Viborg, the City’s amenities, available residential lots, and the projected substantial household growth of the Sioux Falls MSA, should result in the construction of owner-occupied homes over the next five years.

Household growth projections for Viborg indicate limited demand for owner-occupied housing construction. Growth is anticipated over the next five years among Viborg households in the 55 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 or town homes/twin homes.

Growth projections estimate that households in the 25 to 44 age ranges will increase from 2023 to 2027. Some households in these age ranges are first-time home buyers and may be in the market for new affordable homes. Also, some of these households may be moving up to higher priced new homes.

It is our opinion that if the City, the Viborg Development Corporation, housing agencies, and builders are proactive, 12 to 16 owner-occupancy housing units can be constructed or moved into Viborg from 2023 to 2027.

The breakdown of our projection of 12 to 16 new owner-occupied housing units over the next five years is as follows:

▶ Higher and Medium priced homes (over \$300,000)	4-5
▶ Affordable Homes (under \$300,000)	4-5
▶ Twin home/Town house units	<u>4-6</u>
Total	12-16

9. Subdivision Development and Lot Availability

Findings: As part of this Study, we attempted to identify the inventory of available residential lots for single family housing construction in the City of Viborg. Since the 2014 Viborg Housing Study, Western Hills Addition, a 26-residential lot subdivision, has been developed. Six lots have been sold. Five houses have been constructed and one house is under construction in the Addition.

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

Recommendation: We are projecting that 12 to 16 new owner-occupancy housing units will be constructed over the next five years. The City has approximately 20 residential lots available in the Western Hills Addition, plus some older infill lots, to meet the expected demand.

The City and the Viborg Development Corporation have recently increased the size of several residential lots in the Western Hills Addition to accommodate buyers seeking larger lots. We recommend that the Viborg Development Corporation continue to evaluate the size of the lots, type of lots (single family, twinhome) and the price of lots to address demand and maximize new construction activity.

Also, we are recommending that the City and the Viborg Development Corporation monitor lot sales and new housing construction to determine if additional new lot development is needed later in the five-year projection period.

10. Strategies to encourage continued residential lot sales and new home construction in Viborg

Findings: Over the past three years, five owner-occupied new single family housing units have been constructed in the City of Viborg. To construct new single family owner-occupied housing units at an increased rate, we recommend several strategies.

Recommendation: We recommend that the City of Viborg, the Viborg Development Corporation, the Viborg Housing and Redevelopment Commission, developers, builders, realtors and other housing stakeholders continue to coordinate efforts to promote lot development, lot sales and housing development.

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

- ▶ **Continue the momentum** - The City has a working formula for new home construction and the City should maintain its momentum by assuring that there are an adequate number of developers, builders, lots, etc. in the City.
- ▶ **Competitive pricing** - There are lots available in communities throughout the region. To continue to attract new home construction in Viborg, lots should remain competitively priced in comparison to other options in the area.
- ▶ **User-Friendly** - The lot purchase and home building process must be 'user friendly.' This includes the construction of spec homes, builders that are readily available to build custom homes and city regulations that are fair and reasonable. The entire process must be as 'user friendly' as possible to encourage home construction.
- ▶ **Continue to evaluate residential lots in the Western Hills Addition** - The residential lots should be evaluated on an ongoing basis to determine if the current lots are of the size, type and price to generate the highest number of housing units.
- ▶ **Long-term planning** - The City of Viborg, the Viborg Development Corporation and private developers should continue long-term development planning to assure lots are available to meet demand for all types and pricing of new housing on an ongoing basis.
- ▶ **Promote spec home construction** - Spec houses attract a buyer that is not interested in going through the home building process, but instead wants a turnkey unit. A spec home can also serve as a model, allowing potential home buyers to examine specific floor plans and features in the home before committing to buy.

- ▶ ***Lot availability for twin home/town home development*** - It is our opinion that there will be a demand for twin homes/town homes over the next five years. Lots should continue to be available for a twin home/town home development.
- ▶ ***Range of house prices*** - Lots should be available to as wide a range of home sizes and prices as possible, without compromising the subdivision. This broadens the lot buyer market. Also, smaller infill lots with fewer amenities could be marketed for affordable homes.
- ▶ ***Marketing*** - The City of Viborg will need to continue a comprehensive marketing strategy to sell available lots. All stakeholders including developers, realtors, financial institutions, builders, employers, etc. should to be included in marketing strategies. In addition to marketing the lots, the City of Viborg and its amenities should be marketed.
- ▶ ***Covenants*** - New lots in Viborg may have covenants that assure quality development. The covenants should assure that they protect the integrity of the subdivision, but are not a barrier to new construction and do not prevent the target markets from constructing homes.
- ▶ ***Lot Availability for affordable homes*** - Lots should be available for affordable homes including modular homes and Governor’s Homes that provide affordable ownership options for moderate income households.
- ▶ ***Incentives*** - Many cities throughout South Dakota are offering incentives to construct new homes, including reduced lot prices, reduced water and sewer hookup fees, tax abatements, tax deferments, cash incentives, etc.
- ▶ ***Infill lot home development*** - Infill lots in existing neighborhoods are often affordable and have existing City services.
- ▶ ***Housing programs*** - The South Dakota Housing Development Authority, USDA Rural Development and other housing agencies may have housing programs available to assist developers, builders and home buyers.

11. Coordinate with economic development agencies, housing agencies and nonprofit groups to construct affordable housing

Findings: There are several housing agencies and nonprofit groups that may have the capacity to construct new housing in Viborg, including the Viborg Development Corporation, the Viborg Housing and Redevelopment Commission, Grow South Dakota and Interlakes Community Action Partnership.

Interlakes Community Action Partnership administers the Mutual Self Help Program. The Mutual Self Help Program works with three or more households to construct new homes. The households work together to construct the homes.

Recommendation: We encourage the City of Viborg to actively work with economic development and housing agencies or nonprofit groups to develop affordable housing.

The Viborg Housing and Redevelopment Commission and the Viborg Development Corporation should consider the construction of affordable homes. The development of a Mutual Self Help Program should also be considered. The development of two to three affordable homes over the next five years would be a realistic goal.

Additionally, the Viborg Housing and Redevelopment Commission and the Viborg Development Corporation should work with households to move Governors Homes into the Community. The South Eastern Council of Governments assists cities with locating Governors Homes in their communities.

12. Promote twin home/town home development

Findings: Attached housing provides desirable alternatives for empty nesters and seniors to move out of their single family homes, thus, making homes available for families. It is important for the community to offer a range of life-cycle housing options.

In 2022, there were approximately 191 Viborg households in the 55 and older age ranges. The number of empty-nester and senior households should result in some demand for attached single family units. It is likely that demand for attached housing units will also be dependent on the product's ability to gain additional market acceptance among the households in the prime target market, and among other households.

Recommendation: It is our projection that approximately four to six new owner-occupancy twin home/town house units could be constructed in Viborg over the next five years with the potential to develop additional twin homes after the five-year projection period. Our projection is based on the availability of an ideal location for twin home development as well as high quality design and workmanship. Currently, there are twin home lots available in the Western Hills Addition.

We recommend that for twin home development to be successful, the following should be considered:

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

Viborg's role could include assuring that adequate land is available for development and that zoning allows for attached housing construction. The City, the Viborg Housing and Redevelopment Commission or the Viborg Development Corporation could also provide financial assistance in the form of land donations, tax increment financing, tax abatement, tax deferments, etc.

It may be advantageous to meet with a group of empty nesters and seniors who are interested in purchasing a twin home to solicit their ideas.

Viborg - Housing Rehabilitation

Housing Rehabilitation

Findings: The City of Viborg 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. Investment in housing rehabilitation activities will be critical to offering affordable housing opportunities.

It is our opinion that Viborg and area housing agencies will need to make housing rehabilitation a priority in the future. New housing construction that has occurred is often in a price range that is beyond the affordability level for many Viborg households. 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.

13. Promote rental housing rehabilitation

Findings: Based on the U.S. Census data, the City of Viborg had approximately 167 rental units in 2010. These rental buildings are in multi-family projects, small rental buildings, duplexes and single family homes. Approximately 64% of the rental structures in Viborg are more than 40 years old. Some of these rental structures are in poor condition and could benefit from rehabilitation.

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: We continue to recommend that the City of Viborg 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 USDA Rural Development, Grow South Dakota, the South Dakota Housing Development Authority and the Federal Home Loan Bank.

14. Promote owner-occupied housing rehabilitation efforts

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

Approximately 62% of the owner-occupied homes in the City of Viborg are more than 60 years old. Some of these older homes need rehabilitation to continue to be viable housing options. Without rehabilitation assistance, the affordable housing stock will shrink in Viborg.

Recommendation: We continue to recommend that the City of Viborg, the Viborg Housing and Redevelopment Commission and the Viborg Development Corporation, seek local, state and federal funds to assist in financing housing rehabilitation. USDA Rural Development, the South Dakota Housing Development Authority, the Federal Home Loan Bank, Interlakes Community Action Partnership and the Rural Office of Community Services are potential funding sources.

Interlakes Community Action Partnership currently has several housing programs to assist households with the rehabilitation of their homes including the Self Help Rehabilitation Program. Also, the Rural Office of Community Services, Inc., provides Weatherization funds for Viborg and Turner County.

Some programs offer households that meet program requirements, a deferred loan to rehabilitate their homes. Deferred 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 Viborg and Turner County households to continue to utilize these housing rehabilitation programs.

Viborg - Other Housing Initiatives

Other Housing Initiatives

15. Acquire and Demolish Dilapidated Structures

Findings: There are single family houses in the City of Viborg that are dilapidated and too deteriorated to rehabilitate. To improve the quality of the housing stock and to maintain the appearance of the City, these structures, when possible, should be demolished. In the past, the City has worked with property owners to demolish several dilapidated structures.

Recommendation: We recommend that the City of Viborg continue to work with property owners to demolish severely dilapidated structures. The appearance of the City 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.

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

Some cities are developing ordinances that give cities more authority to require property owners to demolish vacant, dilapidated homes.

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

Findings: The City of Viborg will continue to need staff resources in addition to existing City personnel and local volunteers to plan and implement many of the housing recommendations advanced in this Study. The City of Viborg has access to the South Eastern Council of Governments, the USDA Rural Development Office, the South Dakota Housing Development Authority, Interlakes Community Action Partnership, the Rural Office of Community Services, the South Eastern Development Foundation, Grow South Dakota and the Lennox Housing and Redevelopment Commission. These agencies all have experience with housing and community development programs.

Recommendation: The City of Viborg has access to multiple agencies that can assist with addressing housing needs. It is our recommendation that the City continue to prioritize the recommendations of this Study and develop a plan to address the identified 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 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 the City of Viborg to continue to look for opportunities to work cooperatively with other area cities to address housing issues. With the number of small cities in the Region, and limited staff capacity at both the city 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.

17. Strategies for downtown redevelopment and commercial development

Findings: The City of Viborg has a limited number of commercial buildings. While some of the buildings have been maintained or improved over time, there are buildings that have not been maintained and are substandard. This recommendation provides an outline of actions that could be taken to continue to redevelop the downtown, to maximize the usage of downtown buildings and to promote new downtown businesses.

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

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

- ▶ Interview downtown property owners to develop a database and to determine their future plans (expanding, selling, renovations, etc.)
- ▶ Develop an overall plan for the downtown (potential new businesses, address parking needs, develop an overall theme, art and cultural opportunities, etc.)
- ▶ Develop a mini-plan for each downtown property and each downtown block. This may include:
 - ▶ Commercial building rehab and renovations
 - ▶ Facade work
 - ▶ Building demolition
 - ▶ New construction
 - ▶ Recruiting new businesses
 - ▶ Housing development

- ▶ Identify funding sources
 - ▶ Property owner funds
 - ▶ City of Viborg
 - ▶ Federal Home Loan Bank
 - ▶ Special tax districts
 - ▶ Tax increment financing
 - ▶ Tax abatement
 - ▶ Tax deferments
 - ▶ Funds from South Dakota State Agencies
 - ▶ Viborg Development Corporation
 - ▶ Viborg Housing and Redevelopment Commission

- ▶ Work with stakeholders to identify roles, secure funding, develop and implement programs and projects
 - ▶ Property owners
 - ▶ City of Viborg
 - ▶ South Eastern Council of Governments
 - ▶ Viborg Development Corporation
 - ▶ Viborg Housing and Redevelopment Commission

18. Develop home ownership and new construction marketing programs

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

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

- ▶ Determine the City's strengths and competitive advantages and heavily promote them
- ▶ Continue to create marketing materials that can be distributed regionally (including social media, TV, radio, etc.)
- ▶ Work closely with employers (Viborg and the Sioux Falls MSA) to provide employees (especially new employees) with housing opportunities in Viborg

- ▶ Work with housing agencies to provide down payment assistance, low interest loans, gap financing, home owner education and home owner counseling programs
- ▶ Continue to work with builders to make lot development and the construction of new homes as user-friendly as possible
- ▶ Continue to work on the creation of jobs and the development of retail, service, medical and recreational opportunities that can make the City a “full service” community
- ▶ Continue to provide attractive lots at an affordable price for a variety of home sizes, styles and price ranges
- ▶ Preserve the quality of existing neighborhoods through the rehabilitation of substandard housing and the demolition of dilapidated structures that are beyond repair
- ▶ Continue to develop new housing choices that serve life-cycle housing needs, such as new rental housing, twin homes, senior housing, etc.
- ▶ Review the City’s policies and fees to assure that they are user-friendly, fair and receptive for developers, builders and households
- ▶ Develop a coordinated housing plan with the private sector and area housing agencies

Agencies and Resources

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

InterLakes Community Action Partnership

505 North Western Avenue
Sioux Falls, SD 57104
(605) 334-2808
Contact: Dana Whitehouse

South Eastern Development Foundation

500 North Western Avenue, Suite 100
Sioux Falls, SD 57104
(605) 367-5390
Contact: Lynne Keller Forbes, Executive Director

South Eastern Council of Governments

500 North Western Avenue, Suite 100
Sioux Falls, SD 57104
(605) 367-5390
Contact: Lynne Keller Forbes, Executive Director

South Dakota Housing Development Authority

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

USDA Rural Development

2408 East Benson Road
Sioux Falls, SD 57104
(605) 996-1564

Rural Office of Community Services, Inc.

214 W. Main
P.O. Box 70
Lake Andes, SD 57356
(605) 698-7654

Lennox Housing and Redevelopment Commission

217 S. Pine Street

P.O. Box 265

Lennox, SD 57039

(605) 647-2140