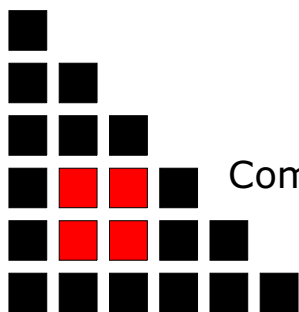


Town of Wall HOUSING STUDY UPDATE

October 2022

An updated analysis of the overall housing needs
of the Town of Wall



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 Town of Wall and Pennington County are privately owned and were constructed with private funds. On an increasing scale, however, the public is demanding that public officials control what happens in this largely private housing market by eliminating blight, protecting individual investments, and generating new housing growth to meet economic development needs.

Community Partners Research, Inc., was hired by the Wall Economic Development Corporation in 2016 to conduct a study of the housing needs and conditions in the Town of Wall. In 2022, an update to the Housing Study was initiated.

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 April to October, 2022. Data sources included:

- U.S. Census Bureau
- American Community Survey
- Applied Geographic Solutions, a private data company
- Esri, a private data company
- Records and data from the Town of Wall
- Records and data maintained by Pennington County
- Interviews with Town officials, housing stakeholders, etc.
- Area housing agencies
- State and Federal housing agencies
- Rental property owner survey

Limitations

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

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

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Demographic Data Overview

Sources of Data

The following pages contain demographic data obtained from a variety of local, state and national sources for the Town of Wall and Pennington County.

At the time that research was completed for this Study, the Census Bureau had released initial information from the 2020 decennial Census. However, some of the more detailed tables on demographic and housing characteristics are not scheduled for release until 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 2020. The estimates were derived from five-year sampling, obtained between 2016 and 2020.

This Study 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 and town 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.

The estimates and projections from Applied Geographic Solutions were issued prior to the release of any 2020 Census data and will not be revised to incorporate the new 2020 benchmark data until sometime later in 2022. Esri's estimates and projections were produced after the release of 2020 Census data, and should incorporate this new benchmark.

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
Wall	834	818	-1.9%	766	-6.4%	699
Pennington Co.	81,343	88,565	8.9%	100,948	14.0%	109,222

Source: U.S. Census Bureau

- ▶ 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 Wall was 699 people. When compared back to the 2010 Census, the Town had lost 67 permanent residents, for a population decrease of 8.7%.
- ▶ The most recent decade was a continuation of long-term patterns for population change in Wall, as the Town has seen an ongoing reduction of residents over at least the past three decades. The numeric loss experienced between 2010 and 2020 was greater than in the prior two decades.
- ▶ Although the decennial Census is generally viewed as the most reliable data source for demographic information, the 2020 Census was impacted by the start of the global health pandemic. As a result, it is possible that the most recent Census may but be as accurate as in the past.
- ▶ An alternate data source that exists, the American Community Survey, placed the Town’s total population level at 724 people in 2020. While still showing a population decrease from 2010, the American Community Survey estimate points to a smaller reduction in Wall’s population.
- ▶ According to the 2020 Census, the population level for all of Pennington County was 109,222, up by 8,274 people from 2010. Although some other jurisdictions in the County also added people over the decade, most of the countywide growth would be attributed to Rapid City, which added 6,747 residents. Excluding Rapid City, the remaining jurisdictions had a combined net population increase of 1,572 people between 2010 and 2020.

- ▶ There are also more recent estimates available, for 2021 from AGS and for 2022 from Esri.
- ▶ Applied Geographic Solutions (AGS) estimates that Wall had 617 permanent residents in 2021. This estimate was well below the 2020 Census count of 699 people. Even with a one-year difference in the effective date, the AGS estimate does not appear to be reliable.
- ▶ A population estimate is also available from Esri, a private data reporting service. For Wall, this source showed a 2022 population of 696 people, very similar to the 2020 Census count of 699 people. It is important to note that Esri has adjusted its 2022 estimate to reflect 2020 Census totals.
- ▶ The AGS estimate for Pennington County showed 109,500 residents in 2021, compared to 109,222 counted by the 2020 Census. Since some additional growth would have occurred between 2020 and 2021, it would appear that the AGS estimate for the County is relatively accurate.

Population Characteristics

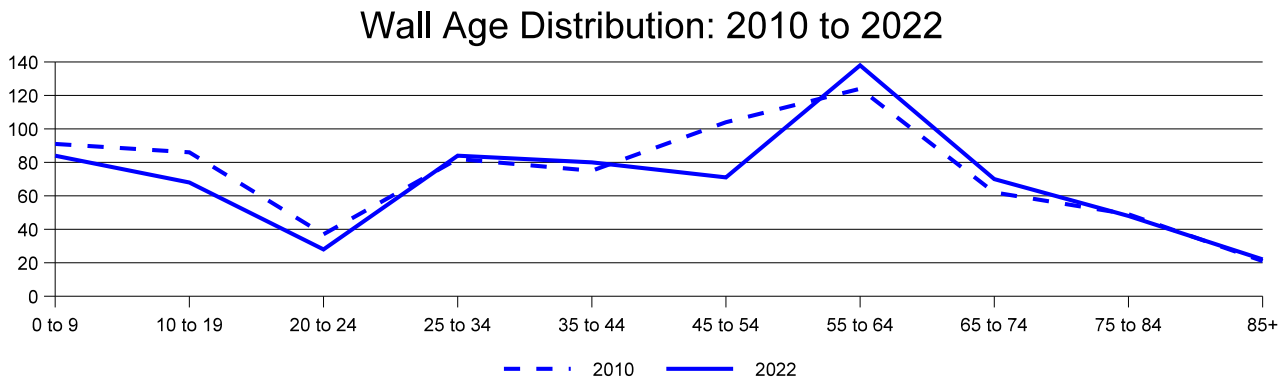
- ▶ Wall's population is primarily White and non-Hispanic/Latino. At the time of the 2020 Census, nearly 82% of the Town's residents were identified White for race. Native Americans represented approximately 7.9% of Wall's population. The third largest racial group was "two or more races", which represented 7.2% of the Town's residents.
- ▶ Approximately 2.3% of Wall's residents were of Hispanic/Latino ethnic origin according to the 2020 Census.
- ▶ In 2020, there were 13 people in Wall living in group quarters housing. All of these residents were in some type of noninstitutional housing, such as a group home.

Population by Age Trends: 2010 to 2022

The estimates from Esri include age-based population totals for 2022. These can be compared to the 2010 Census to track Wall’s changing age patterns.

Table 2 Population by Age - 2010 to 2022			
Age	Wall		
	2010	2022	Change
0-9	91	85	-6
10-19	86	68	-18
20-24	37	28	-9
25-34	82	85	3
35-44	75	80	5
45-54	104	71	-33
55-64	124	139	15
65-74	62	70	8
75-84	49	48	-1
85+	21	22	1
Total	731	696	-35

Source: U.S. Census; Esri



- ▶ Based on the 2022 estimates, Wall lost 35 permanent residents between 2010 and 2022. While changes occurred within each of the defined age ranges, the numeric increase or decrease was sometimes small.

- ▶ Wall experienced some increase within the adult age ranges between 55 and 74 years old, with an estimated increase of 23 people within this 20-year range. This would largely reflect the movement of the “baby boom” generation through the aging cycle.
- ▶ There was a large estimated decrease within the 45 to 54 year old range, as the cohort following behind the baby boom was not as large and could not replace the advancing older age group.
- ▶ As estimated by Esri, there were very limited changes within the senior citizen age group. While the Town did add some younger seniors, age 65 to 74, there was no change in the older senior ranges, age 75 and above.
- ▶ The estimates show a decreasing population of children and young adults, age 24 and younger. Some minor population growth occurred within the age ranges between 25 and 44 years old.

Population Projections

The following table presents population projections from Applied Geographic Solutions and Esri. The AGS projections extend to the year 2026, and are based on that company’s 2021 estimates. The Esri projections are for the year 2027 and are based on the 2022 estimates. The 2020 Census totals are provided for comparison.

Table 3 Population Projections Through 2026/27				
	2020 Census	2021/22 Estimate	2026/27 Projection	Change
Wall - AGS	699	617	623	6
Wall - Esri	699	696	690	-6
Pennington Co. - AGS	109,222	109,500	117,931	8,431

Source: U.S. Census; AGS; Esri

- ▶ AGS significantly underestimated Wall’s population in 2021, when compared to the 2020 Census. However, this source does expect some limited growth by 2026 with the addition of six people.
- ▶ Esri projects a relatively stable population level in Wall, with the expected loss of approximately one resident per year.
- ▶ Although Wall represents only a small share of Pennington County’s total population, significant growth potential exists Countywide. According to AGS, Pennington County will add more than 8,400 people over the 5-year projection period. Past history would indicate that most of this growth will occur in Rapid City and Box Elder.

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
Wall	351	349	-0.6%	359	2.9%	319
Pennington Co.	30,553	34,641	13.4%	41,251	19.1%	44,909

Source: U.S. Census

- ▶ According to the 2020 Census, Wall had 319 permanent resident households in 2020, down by 40 households, or -11.1% from 2010.
- ▶ The most recent decade generally represented a change in patterns for Wall. Between 1990 and 2010, the Town’s household count had remained relatively stable, changing by only eight households over a 20-year period. However, based on the 2020 Census, the Town then lost 40 households between 2010 and 2020.
- ▶ Pennington County had 44,909 households in 2020, up by 3,658 households from 2010. However, most of this growth would be directly attributable to growth in Rapid City, which added 2,742 households. If Rapid City is removed, the remaining jurisdictions in Pennington County had a combined increase of 916 permanent resident households over the prior decade.
- ▶ More recent household estimates are also available from Applied Geographic Solutions and Esri.
- ▶ According to AGS there were 279 households in Wall in 2021, well below the Census count of 319 households. Despite the one-year time difference, the estimate from AGS is too low.
- ▶ According to Esri there were 318 households in the Town, very similar to the 2020 Census count.
- ▶ According to AGS there were 45,028 households in Pennington County 2021. This was generally similar to the Census count of 44,909 households when adjusted for a one-year time difference in effective dates.

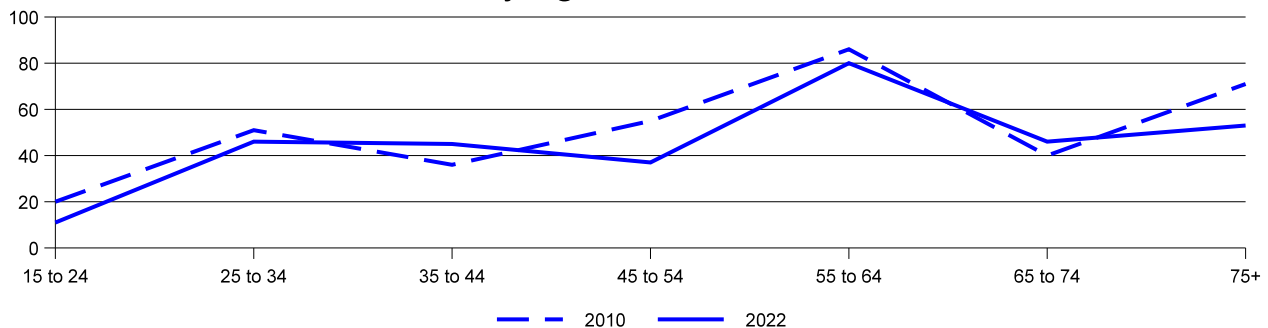
Household by Age Trends: 2010 to 2022

Esri has produced household estimates for 2022 by age of householder. These can be compared to the 2010 Census to track the changing age patterns for Wall.

Table 5 Households by Age - 2010 to 2022			
Age	Wall		
	2010	2022	Change
15-24	20	11	-9
25-34	51	46	-5
35-44	36	45	9
45-54	55	37	-18
55-64	86	80	-6
65-74	40	46	6
75+	71	53	-18
Total	359	318	-41

Source: U.S. Census; Esri

Wall Households by Age of Householder: 2010 to 2022



- ▶ Between 2010 and 2022, it is estimated that Wall lost 41 households. As a result, some of the defined age groups also saw some decrease in households, although this reduction was often less than 10 households.
- ▶ Based on the Esri estimates for 2022, the largest decreases occurred in the 45 to 54 year old range and among households age 75 and older. Both of these ranges had an estimated reduction of 18 households.

- ▶ Despite the estimated reduction of older senior households, Esri's estimates show some limited growth in the younger senior group, age 65 to 74 years old, with an addition of six households.
- ▶ In the non-senior age groups, the adjusted Esri estimates show an increase in only one age range, households age 35 to 44 years old, which added nine households.
- ▶ If all of the age groups under age 65 are combined, the adjusted Esri estimates show a decrease of 29 households between 2010 and 2022.

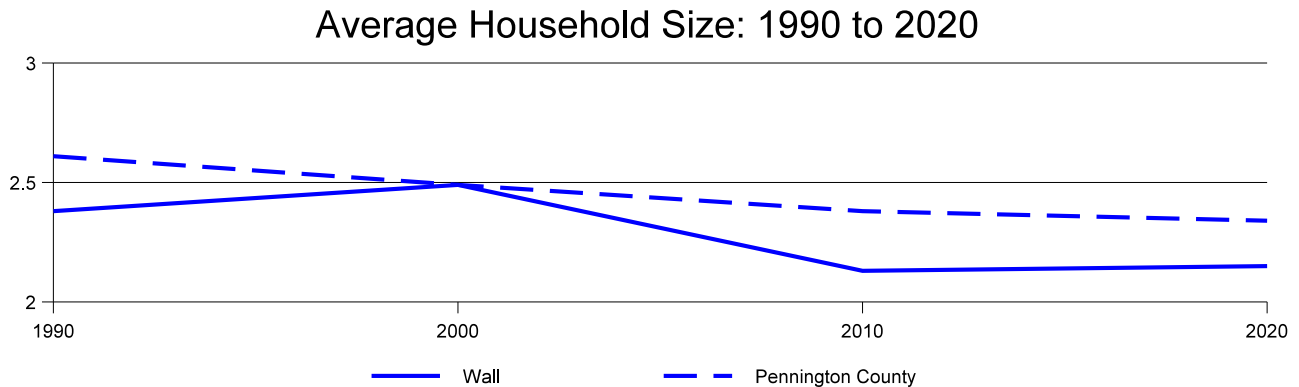
Average Household Size

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

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

Table 6 Average Number of Persons Per Household: 1990 to 2020				
	1990 Census	2000 Census	2010 Census	2020 Census
Wall	2.38	2.49	2.13	2.15
Pennington County	2.61	2.49	2.38	2.34
South Dakota	2.59	2.50	2.42	2.44

Source: U.S. Census



- ▶ In Wall, the average household size increased slightly between 2010 and 2020, to 2.15 persons. Despite the recent increase, the Town’s average household size was relatively small, and well below the average of 2.49 persons per household in 2000.
- ▶ Pennington County’s average household size has been continuously decreasing in recent decades and was down to 2.34 persons per household in 2020. The County’s average household size of 2.34 persons was below the Statewide average of 2.44 persons per household.

Household Projections

The following table presents household projections for Wall and Pennington County. These projections are for the 5-year period, with AGS projecting from 2021 to 2026 and Esri projecting from 2022 to 2027.

Table 7 Household Projections Through 2026/27				
	2020 Census	2021/22 Estimate	2026/27 Projection	Change
Wall - AGS	319	279	284	5
Wall - Esri	319	318	316	-2
Pennington Co. - AGS	44,909	45,028	48,994	3,966

Source: U.S. Census; AGS; Esri

- ▶ AGS appears to have significantly underestimated the household count in Wall, when compared to the 2020 Census. Looking forward, AGS is projecting that Wall will add five households over the 5-year period, or an average of approximately one household per year.
- ▶ Esri projects relative stability in Wall with a decrease of only two households between 2022 and 2027.
- ▶ Although Wall represents less than 1% of all households living in Pennington County, strong growth is expected Countywide. AGS expects Pennington County to add nearly 4,000 households between 2021 and 2026.
- ▶ Although the analysts have reviewed these household projections from standardized sources, they are viewed as too low for the Town of Wall. Provided that adequate housing choices exist in the community, it is reasonable to expect that Wall can add between 20 and 25 households between 2022 and 2027, or an annual average of 4 to 5 households in a typical year. This growth projection has been used in the specific housing recommendations presented later in this document.

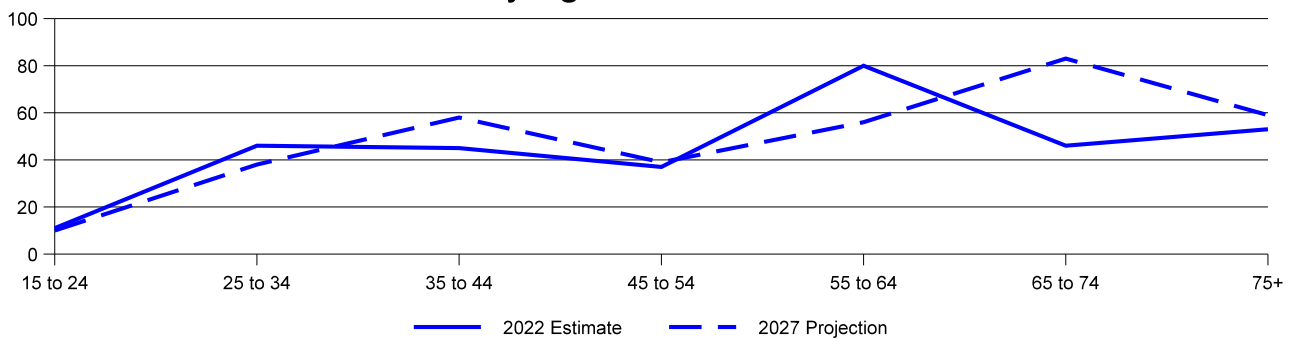
Wall Household by Age Projections: 2022 to 2027

Esri has released age-based projections to the year 2027. However, in the opinion of the analysts, Esri’s projection for total households in 2027 is low. In the following table, Esri’s base household by age projections for Wall have been adjusted upward by approximately 8.5% to better reflect the probable total household count in 2027.

Table 8 Wall Projected Households by Age - 2022 to 2027			
	2022 Estimate	2027 Projection	Change
15-24	11	10	-1
25-34	46	38	-8
35-44	45	58	13
45-54	37	39	2
55-64	80	56	-24
65-74	46	83	37
75+	53	59	6
Total	318	343	25

Source: Esri; Community Partners Research, Inc.

Wall Households by Age of Householder: 2022 to 2027



- ▶ The adjusted projections show a net increase of 25 total households between 2022 and 2027. While some of the defined age ranges show significant change over this time period, other age ranges remain relatively stable.

- ▶ Esri's adjusted projections expect a large increase in the 65 to 74 year old range, consistent with the movement of the large baby boom generation through the aging cycle. These projections show the Town adding 37 households in the 65 to 74 year old range.
- ▶ Following behind the baby boomers was a smaller demographic cohort, and these projections show a large decrease of 24 households in the 55 to 64 year old age group.
- ▶ Despite growth in the younger senior age range between 65 and 74 years old, the adjusted projections show more limited growth in the older senior ranges age 75 and older, with an expected increase of six households.
- ▶ Growth of 13 households is projected in the 35 to 44 year old range. This is the only younger adult age range expected to have a significant increase in the number of households.
- ▶ If all of the non-senior age groups are combined, Esri's projections expect a net decrease of 18 households age 64 and younger.

Housing Tenure

The 2020 Census has not yet released information on housing tenure patterns. However, estimates exist in the 2020 American Community Survey and in the following table have been compared to the 2010 Census data.

Table 9 Households by Tenure - 2010 and 2020				
	2010 Census		2020 ACS	
	Percent Owned	Percent Rented	Percent Owned	Percent Rented
Wall	70.5%	29.5%	74.6%	25.4%
Pennington Co.	64.9%	35.1%	68.9%	31.1%

Source: U.S. Census; ACS

- ▶ According to the most recent American Community Survey estimates, the home ownership tenure rate in Wall increased over the past decade, from 70.5% in 2010 to 74.6% in 2020. In the opinion of the analysts, the estimated increase in the home ownership rate in the Town in 2020 is probably too high. While Wall may have added home owners over the decade, it is doubtful that the tenure percentages shifted as much as estimated.
- ▶ The American Community Survey also showed an increasing rate of home ownership for all of Pennington County between 2010 and 2020.

Median Income Data

Median income estimates are available through the American Community Survey. The most recently released data are for 2020 and have been compared to estimates from 2010 to track changes over time.

Household income represents all independent households, including people living alone and unrelated individuals together in a housing unit. Families are two or more related individuals living in a household.

Table 10 Median Household Income - 2010 to 2020			
	2010 Median	2020 Median	% Change
Median Household Income			
Wall	\$54,167	\$62,426	15.2%
Pennington County	\$46,849	\$58,278	24.4%
South Dakota	\$46,369	\$59,896	29.1%
Median Family Income			
Wall	\$67,596	\$70,938	4.9%
Pennington County	\$57,278	\$74,120	29.4%
South Dakota	\$58,958	\$77,042	30.7%

Source: ACS 5-year survey

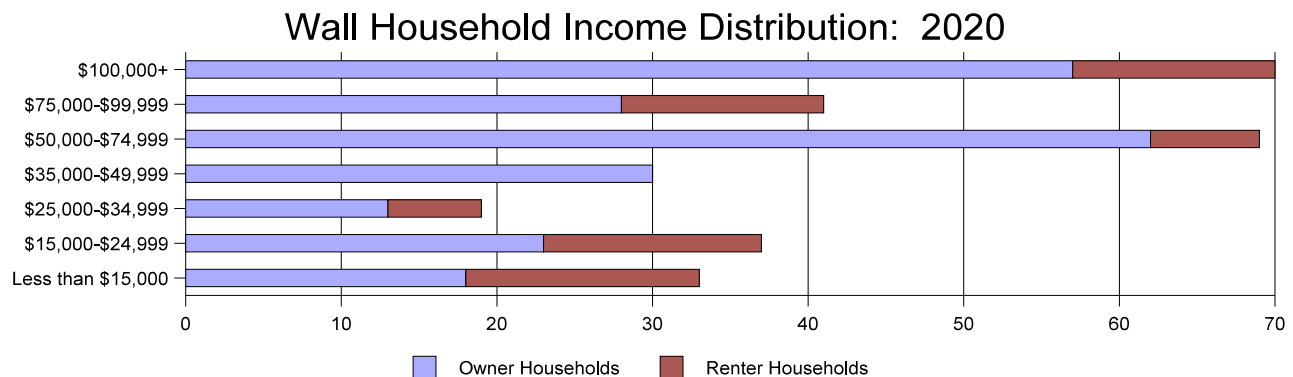
- ▶ According to the American Community Survey, the median household income in Wall was \$62,426 in 2020. Although the Town’s median household income was above the comparable medians for the State and Pennington County, it had been increasing at a slower rate, up by 15.2% from 2010.
- ▶ The median family income for Wall was estimated at \$70,938 in 2020, up by less than 5% from 2010. While the Town’s median family income had been above the State and County medians in 2010, the slow rate of income growth resulted in a lower median family income by 2020 when compared to Pennington County and the State.
- ▶ 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 Wall could afford approximately \$1,561 per month and a median income family household could afford \$1,773 per month for ownership or rental housing in 2020.

Wall Household Income Distribution by Tenure

The American Community Survey household income estimates are available by home owner and renter housing tenure. The 2020 American Community Survey underestimated the number of households in Wall when compared to the 2020 Census, but the distribution of income is viewed as the best information on this topic.

Table 11 Wall Income Distribution by Tenure - 2020			
Household Income	Owner Households	Renter Households	Total
\$0 - \$14,999	18 / 7.8%	15 / 22.1%	33 / 11.0%
\$15,000 - \$24,999	23 / 10.9%	14 / 20.6%	37 / 12.4%
\$25,000 - \$34,999	13 / 5.6%	6 / 8.8%	19 / 6.4%
\$35,000 - \$49,999	30 / 13.0%	0 / 0%	30 / 10.0%
\$50,000 - \$74,999	62 / 26.8%	7 / 10.3%	69 / 23.1%
\$75,000 - \$99,999	28 / 12.1%	13 / 19.1%	41 / 13.7%
\$100,000+	57 / 24.7%	13 / 19.1%	70 / 23.4%
Total	231 / 100%	68 / 100%	299 / 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.

- ▶ In 2020, more than 51% of all renter households living in Wall had an annual income below \$35,000. At 30% of income, these households would have \$875, or less, that could be applied to monthly housing costs.
- ▶ Most owner households had a substantially higher income level. Nearly 64% of all owner households had an annual income of \$50,000 or more in 2020.

Estimated Income and Housing Costs - Renters

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

In 2020, the American Community Survey estimated that there were only 68 renter households in Wall. At the time of the 2010 Census there were 106 renter households in Wall. Therefore, it appears that the American Community Survey renter household estimate for 2020 was too low. However, this source is still viewed as the best available information on the percentages of renter households with a cost burden.

Table 12 Gross Rent as a Percentage of Household Income - 2020		
Percent of Income for Housing	Number of Renter Households	Percent
Less than 20%	41	60.3%
20% to 29.9%	17	25.0%
30% to 34.9%	0	0%
35% or more	7	10.3%
Not Computed	3	4.4%
Total	68	100%

Source: 2014 American Community Survey

- ▶ Federal standards for rent subsidy programs generally identify 30% of 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”.
- ▶ According to the American Community Survey, only 10.3% of all renters in Wall were paying 30% or more of their income for rent. However, all of these households were paying 35% or more of their income for housing.
- ▶ While a cost burden could be caused by either high housing costs or low household income, in Wall it was primarily due to low income levels for renters. All of the renter households paying 30% or more of their income had an annual household income below \$20,000. To avoid a cost burden, these lower income households would have needed a unit with a gross monthly rent of \$500 or less.

Estimated Income and Housing Costs - Owners

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

The American Community Survey reported income information on 231 owner households. The 2010 Census reported that there were 253 owner households in Wall. However, the Town did lose households between 2010 and 2020 and it would appear that the American Community Survey owner household estimate for Wall is reasonably accurate.

Table 13 Ownership Costs as a Percentage of Income - Wall		
Percentage of Household Income for Housing Costs	Number of Owner Households	Percent of Owner Households
0% to 19.9%	137	59.3%
20% to 29.9%	59	25.5%
30% or more	35	15.2%
Not Computed	0	0%
Total	231	100%

Source: ACS

- ▶ It is important to note that mortgage lending practices tend to limit the amount of monthly income that can be used for mortgage repayment to less than 30%.
- ▶ A large majority of owner-occupants, which would include households with and without a mortgage, reported paying less than 30% of their income for housing. Only 15.2% of all home owners reported that they paid more than 30% of their income for housing.
- ▶ As would be expected, the majority of cost-burdened home owners had a mortgage on their home. However, there were also households without a mortgage that reported a cost burden, typically caused by a lower household income.

Wall Building Permit Trends

Wall has experienced some new housing construction activity in recent years. The following table identifies the units that have been constructed since 2010. Specific annual information could not be obtained from 2017 onward and a cumulative total is provided.

Table 14 Wall Housing Unit Construction Activity: 2010 to 2022*			
Year	Single Family	Two or More Units	Total Units Constructed
2017-2022*	9	0	9
2016	3	0	3
2015	1	0	1
2014	1	0	1
2013	1	0	1
2012	0	0	0
2011	2	0	2
2010	3	0	3
Total	20	0	20

Source: Town of Wall; Census Bureau; Community Partners Research, Inc.

* 2022 is through July

- ▶ Over the 13-year period from 2010 through 2022 (partial-year) there were 20 new single family houses constructed in Wall.
- ▶ No multifamily housing projects were identified in annual building permit reports.
- ▶ Between 2017 and 2022 (partial-year) there have been nine new houses permitted, although the specific years of the permits were not available. This was an average of between one and two houses per year.
- ▶ The previous Housing Study for Wall had tracked 21 single family houses permitted between 2000 and 2009.

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
Wall	436	380	-56	359	319	-40	77	61	-16

Source: U.S. Census

- ▶ According to a reconciliation of decennial Census data, Wall had 56 fewer housing units in 2020 than were present at the time of the 2010 Census. As reported previously, there was a reduction of 40 permanent resident households during this time.
- ▶ On a previous page information was presented on building permit issuance which indicated that an estimated net gain of approximately 17 new housing units can be tracked through new construction. Despite some new houses being built there was an overall reduction in the housing unit inventory.
- ▶ While the housing unit discrepancy may be due to counting methods used by the Census in 2020, it may instead be due to unit losses for reasons such as demolition, or the removal of rental units.
- ▶ Wall had a relatively large number of vacant units in both 2020 and in 2010. The vacancy details from the 2020 Census have not yet been released but in 2010 more than half of all vacant units were identified as seasonal/recreational use housing.
- ▶ According to local sources, Wall has at least 48 housing units that are used by a seasonal work force that comes to the community during the tourist season. These workers often come from international locations and are part-year residents of the community. When the Census was conducted in April 2020, it is probable that most or all of these units were unoccupied.

American Community Survey Housing Data

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

Median Year of Construction - Owner-occupancy Housing

For owner-occupancy units an estimated median year of construction is provided. In Wall, the estimated median year of construction was 1970. Approximately 24% of the owner-occupied houses were constructed before 1960.

Median Year of Construction - Renter-occupancy Housing

For renter-occupancy units in Wall, the estimated median year of construction was 1976. Approximately 66% of all rental units were constructed before 1980.

Existing Home Sales

This section examines houses that have been sold from 2016 to 2021 in the Town of Wall. The information was obtained from the South Dakota Department of Revenue website, using information compiled by the Pennington County Equalization Office.

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

The County also attempts to sort the residential sales into different groupings, primarily based on whether or not the house was actively listed for sale in the open market. As a result, some sales in the County's sample may have been transfers that could be considered distressed, such as houses that were previously bank-owned, but were sold by the bank back into private ownership.

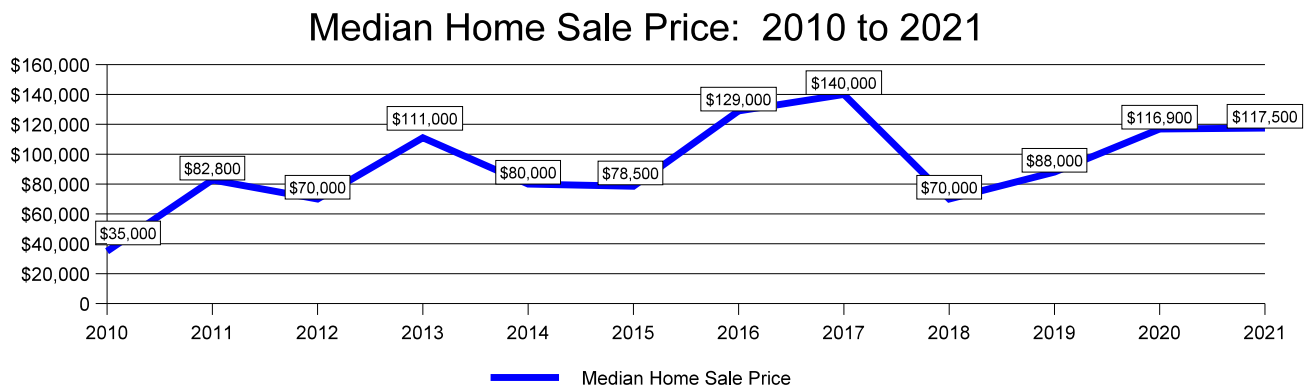
The County's time period for analyzing annual sales differs slightly from the calendar year. It begins on November 1st and ends on October 31st of each year. The 6-year time period analyzed reflects sales between November 1, 2015 through October 31, 2021.

Table 16 Wall Residential Sales Activity - 2016 to 2021				
Sales Year	Number of Sales	Median Sale Price	Highest Sale	Lowest Sale
2021	19	\$117,500	\$310,000	\$21,000
2020	18	\$116,900*	\$230,000	\$17,500
2019	4	\$88,000*	\$220,000	\$45,000
2018	13	\$70,000	\$170,000	\$9,000
2017	9	\$140,000	\$220,000	\$30,000
2016	17	\$129,000	\$264,000	\$21,500

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

- ▶ Within any 12-month time period there have been a limited number of good sales in Wall, and the annual median may not be an accurate indication of overall home values in the community.

- ▶ In 2021, the most recently reported data, the median home sale price in Wall was \$117,500, based on 19 open market transactions.
- ▶ The median in 2021, was very similar to the extrapolated median in 2020, of \$116,900, based on 18 good sales. The consistency in the annual medians for the past two years may provide a good indication of current home values in the community.
- ▶ In the years prior to 2021 and 2020, there had been significant fluctuation in the annual median, ranging from a high of \$140,000 in 2017 to a low of \$70,000 in 2018.
- ▶ In each of the years reviewed, at least one home had been sold for \$45,000 or less.
- ▶ In five of the six years reviewed, at least one home had sold for more than \$200,000. However, only one sale was for more than \$300,000, which occurred in 2021.



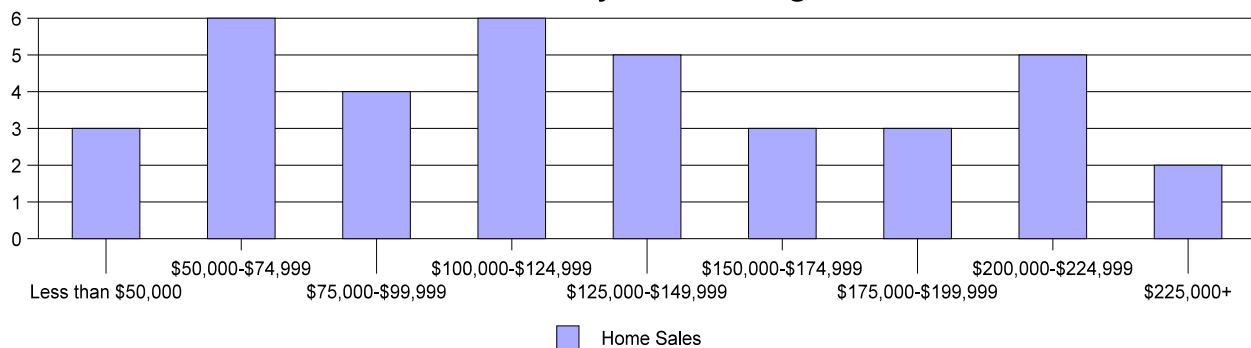
- ▶ Using information from the 2016 Housing Study it is possible to track the longer-term patterns in the annual median sale prices in Wall, which have shown significant year-to-year variation.
- ▶ An alternate estimate of home values exists in the American Community Survey. This source placed the median value at \$121,600 in 2020, slightly higher than the sales medians reached in 2020 and 2021.

Home Sales by Price Range

The following table looks at single family houses that sold within defined price ranges in the 2-year period using 2020 and 2021 sales.

Table 17 Home Sales by Price Range: 2020/21		
Sale Price	Number of Sales	Percent of Sales
Less than \$50,000	3	8.1%
\$50,000 - \$74,999	6	16.2%
\$75,000 - \$99,999	4	10.8%
\$100,000 - \$124,999	6	16.2%
\$125,000 - \$149,999	5	13.5%
\$150,000 - \$174,999	3	8.1%
\$175,000 - \$199,999	3	8.1%
\$200,000 - \$224,999	5	13.5%
\$225,000+	2	5.4%
Total	37	100%

Wall Home Sales by Price Range: 2020/21



Source: SD Dept. of Revenue; Pennington County Equalization

- ▶ Recent home sales in Wall have been distributed in a wide range of prices, primarily distributed in the low to moderate price ranges, but nearly 65% of sales in the past two years were for less than \$150,000.
- ▶ Fewer than 19% of recent sales were for \$200,000 or more.

Rental Housing Data

Census Bureau Rental Inventory

The occupancy tenure distribution data from the 2020 Census will not be released until 2023.

At the time of the 2010 U.S. Census, there were 106 occupied rental units and 25 unoccupied rental units in Wall, for a total estimated rental inventory of 131 units. The Town's rental tenure rate was 29.5% in 2010, below the Statewide rental rate of 31.9%.

The 2020 American Community Survey did contain a housing occupancy tenure estimate, but in the opinion of the analysts, this estimate was not reliable. As a result, the 2010 Census still provides the best information on renter households in the community.

Rental Housing Construction

Based on annual building permit reporting, there has been no new rental housing construction in Wall in recent decades.

Rental Housing Survey

As part of this housing study, a telephone survey was conducted of multifamily projects in the Town of Wall. The survey was conducted in July 2022. Emphasis was placed on contacting properties that have six 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 conventional market rate and subsidized rental housing.

There were 44 market rate and subsidized housing units contacted in the survey. The two income-based subsidized projects and the one market rate multifamily project in Wall were surveyed.

The units that were successfully contacted include:

- ▶ 8 market rate units
- ▶ 36 federally subsidized units

The findings of the survey are provided below.

Market Rate Summary

Information was obtained on the eight-unit market rate project, Foothills Properties. Foothills Properties has one one-bedroom unit and seven two-bedroom units. There were no vacancies in the project at the time of the survey. The rent for a two-bedroom unit is \$800.

Market Rate Rental Construction from 2000 to 2022

We are aware of no market rate units that were constructed from 2000 to 2022 in Wall. However, some houses were converted from owner to renter occupancy and vice versa since 2000.

Subsidized Summary

The research completed for this Study surveyed the two income-restricted projects providing rental opportunities for lower income households in Wall. The two projects are:

- ▶ **Prairie Village** - Prairie Village is a senior/disabled HUD Public Housing project with 27 one-bedroom units and one two-bedroom unit. The project was constructed in 1974.
- ▶ **Wall Ridge** - Wall Ridge Apartments is an 8-unit USDA Rural Development subsidized project for general occupancy with 1 one-bedroom and 7 two-bedroom units. The project was constructed in 1978.

Rental Rates

A majority of the subsidized units have access to project-based rent assistance. These units charge rent based on 30% of the tenant’s household income. The subsidized projects have a market rent and tenants do not pay more than the market rent.

Unit Mix

The bedroom mix breakdown for the two subsidized housing projects in Wall is as follows:

▶ One-bedroom -	28 (77.8%)
▶ Two-bedroom -	8 (22.2%)
▶ Three or more bedrooms -	<u>0 (0%)</u>
▶ Total -	36

Occupancy / Vacancy

There were four vacant units identified in the subsidized projects, which is a 11.1% vacancy rate. All of the vacancies were in Prairie Village. Wall Ridge had no vacancies.

Subsidized Housing Gains/Losses

Federal subsidy sources for low income rental housing have been very limited for the past few decades. Most subsidized projects were constructed in the 1970s and 1980s. Some of the older projects around the State have completed their compliance requirements and have the opportunity to leave their subsidy program and convert to conventional rental housing.

In 2009, one eight-unit USDA Rural Development Project, Foothills Properties (previously Wall Ridge Apartments - North) opted out of the subsidy program and converted to market rate.

Housing Choice Vouchers

The Housing Choice Voucher Program provides portable, tenant-based rent assistance to lower income 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.

The Housing Choice Voucher Program in Wall and Pennington County is administered by the Pennington County Housing and Redevelopment Commission. The Pennington County Housing and Redevelopment Commission has the ability to issue approximately 1,325 vouchers in Pennington County. Currently, no Wall households are utilizing the Housing Choice Voucher Program. There is a two to three-month waiting period to obtain a Voucher.

Senior Housing with Services

Wall does not have any senior with services facilities, however, Philip, which is approximately 30 miles from Wall, has two senior with services facilities.

Table 18 Wall Multifamily Rental Housing Inventory					
Name	Number of Units / Bedroom Mix	Rent	Vacancy/ Wait List	Tenant Mix	Comments
Market Rate					
Foothills Properties	1 - 1 bedroom 7 - 2 bedroom 8 total units	\$800	No vacancies	General occupancy	Foothills Properties is an eight-unit market rate project that was constructed in 1978. The project was a subsidized Rural Development Project, but converted to market rate in 2009. The units were renovated in 2015 and 2016. The rents are \$800 for a two-bedroom unit. Tenants also pay heat and electricity. At the time of the survey, there were no vacancies.
Subsidized					
Prairie Village	27 - 1 bedroom 1 - 2 bedroom 28 total units	\$532 max. 30% of income	4 vacancies	Senior/ disabled	Prairie Village is a 28-unit General Occupancy Public Housing Project constructed in 1974. Prairie Village is owned and managed by the Pennington County Housing and Redevelopment Commission. The 28 units include 27 one-bedroom and one two-bedroom unit. Tenants must meet income guidelines and pay 30% of their income up to a maximum rent. The manager reported four vacancies at the time of the survey.
Wall Ridge Apartments South	1 - 1 bedroom 7 - 2 bedroom 8 total units	30% of income	No vacancies	General occupancy	Wall Ridge Apartments is a General Occupancy Rural Development Project constructed in 1978. Tenant to pay 30% of income up to a maximum rent. There were no vacancies at the time of the survey.

Source: Community Partners Research, Inc.

Net Household Growth in the Rapid City MSA

Over the last decade, the Rapid City MSA has continued to add households. This growth has been distributed between the various jurisdictions that form the MSA. The following table examines this growth in numeric and percentage terms. Some of the larger communities in the MSA have been identified.

Table 19 Household Growth by Jurisdiction: 2010 to 2020			
City/Town	2010 Census	2020 Census	Change Numeric/Percentage
Rapid City	28,586	31,261	2,675 / 9.4%
Box Elder	2,443	4,123	1,689 / 68.8%
Sturgis	2,916	3,092	176 / 6.0%
Summerset	655	1,068	413 / 63.1%
Hill City	394	388	-6 / -1.5%
Wall	359	319	-40 / -11.1%
MSA	51,154	56,274	5,120 / 10.0%

Source: US Census

- ▶ Between 2010 and 2020, the entire MSA added 5,120 households, for an increase of 10%.
- ▶ In numeric terms, Rapid City accounted for the largest household increase of the jurisdictions in the MSA, adding 2,675 households between 2010 and 2020, or more than 52% of the MSA total.
- ▶ Box Elder added 1,689 households over the decade. However, some of the City's growth may have been due to a shift of existing housing at Ellsworth AFB into the City. As presented previously, Box Elder added fewer than 1,000 housing units through new construction between 2010 and 2019, making household growth of 1,689 households unlikely without the shift in Base housing ownership. In 2022, there are 780 residential units in Antelope Ridge that were impacted by this transfer.
- ▶ Significant household growth was also recorded in Summerset, with the addition of 413 households. It is not known if any of this increase was due to annexation.

MSA Housing Unit Construction Activity: 2010 to 2021

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 Rapid City MSA. This represents a two-county area of Pennington and Meade Counties. It is important to note that the Census Bureau's annual totals may differ from other information which may be collected directly from individual jurisdictions. However, the Census Bureau reports do provide a standardized data source providing perspective on housing construction within the larger MSA.

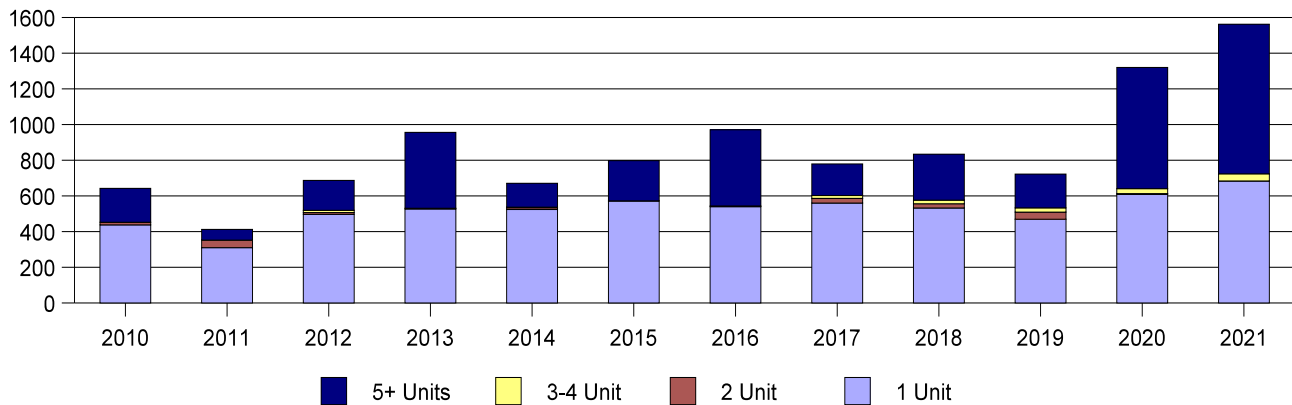
The Town of Wall provided information that nine new houses were permitted in the years between 2017 and 2021, but these were not reported to the Census Bureau.

Table 20 Rapid City MSA Housing Unit Construction Activity - 2010 to 2020										
Year	Wall					Rapid City MSA				
	Single Family	Two Family	3 to 4 Family	Multifamily	Total	Single Family	Two Family	3 to 4 Family	Multifamily	Total
2021	9*	0	0	0	9*	684	0	40	838	1,562
2020	-	-	-	-	-	609	4	28	679	1,320
2019	-	-	-	-	-	469	40	24	189	722
2018	-	-	-	-	-	532	24	20	258	834
2017	-	-	-	-	-	560	26	16	177	779
2016	3	0	0	0	3	540	0	4	427	971
2015	1	0	0	0	1	572	0	0	226	798
2014	1	0	0	0	1	524	10	3	134	671
2013	1	0	0	0	1	527	4	0	425	956
2012	0	0	0	0	0	497	10	12	168	687
2011	2	0	0	0	2	310	42	0	60	412
2010	3	0	0	0	3	438	14	0	190	642
Total	20	0	0	0	20	6,262	174	147	3,771	10,354

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

* Reporting from Wall did not show the specific year the permit was issued but 9 new houses were constructed after 2017

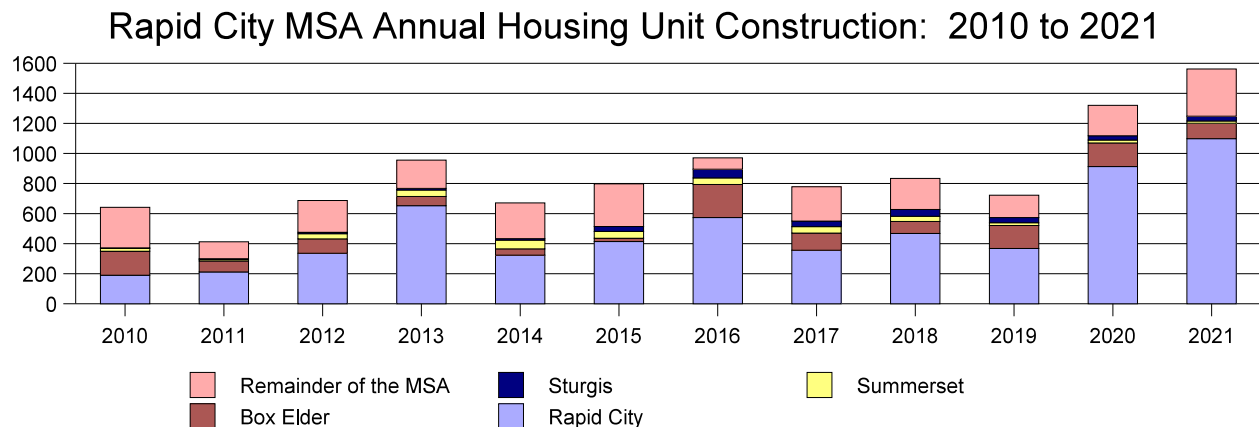
MSA Annual Housing Unit Construction: 2010 to 2021



- ▶ According to Census Bureau reports, the years 2020 and 2021 represented the highest annual levels of new housing unit production in the MSA over the 12-year period reviewed. These were the first two years that the MSA had more than 1,000 new units permitted, and in 2021 there were more than 1,500 total units constructed.
- ▶ The above-average construction activity in 2020 and 2021 was largely due to multifamily projects. In both of these years there were more than 675 units permitted in structures with five or more units, presumably intended for renter-occupancy.
- ▶ As the largest city in the MSA, Rapid City accounted for more than 57% of the permitted unit total over the 12-year time period.
- ▶ Based on Census Bureau reports, the City of Box Elder represented 12.4% of the permit total between 2010 and 2021.
- ▶ According to reporting to the Census Bureau, Wall added 20 single family houses through new construction between 2010 and 2021. This represented approximately 0.2% of all unit construction in the MSA. For just single family homes, the 20 houses in Wall represented approximately 0.3% of the MSA's new units.

Location of MSA Construction

Using the Census Bureau’s annual reports, it is possible to better understand the location of recent housing permitting. It is important to note that there are a large number of individual jurisdictions within the 2-county MSA, and only locations with larger annual totals were reviewed, including Rapid City, Box Elder, Sturgis and Summerset.



- ▶ As the primary city within the MSA, Rapid City had the largest number of units permitted of any single jurisdiction. In most of the years reviewed, Rapid City represented more than half of all units within the MSA.
- ▶ In both 2020 and 2021, Rapid City did have above-average unit permitting. These two years represented the highest years for unit construction in the entire MSA. In both years, Rapid City represented more than 69% of all permitted units.
- ▶ While there are many individual jurisdictions within the MSA, most of the new home construction that occurred outside of Rapid City, Box Elder, Summerset and Sturgis was located in the rural, unincorporated portions of Pennington County.
- ▶ Throughout the entire 12-year time period, the City of Box Elder accounted for approximately 12.4% of all permitted units in the MSA, according to the Census Bureau’s reporting system. As a single jurisdiction, Box Elder only trailed Rapid City for new housing starts.

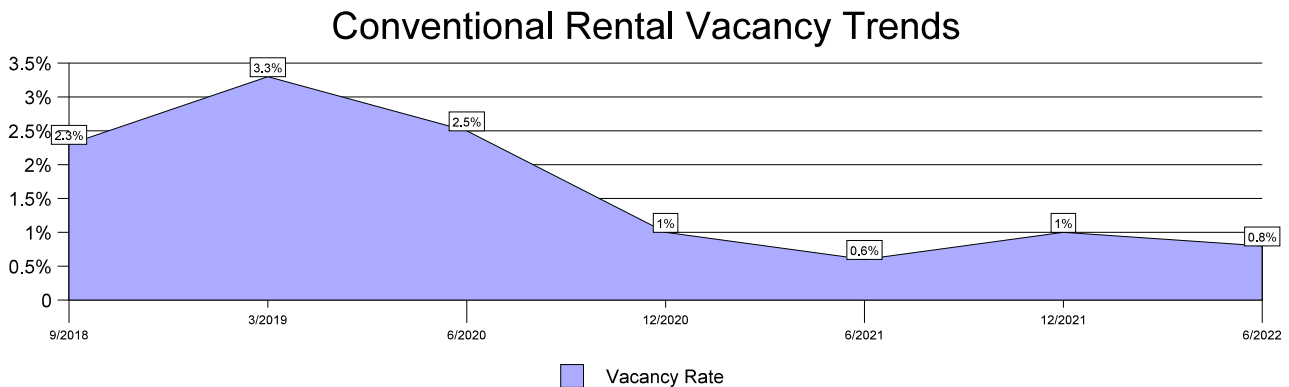
Regional Rental Vacancy Rates

The South Dakota Multi-Housing Association has tracked rental housing vacancy information for the Black Hills area since the second half of 2018 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 past patterns.

Conventional Market Rate Housing

The most recent vacancy survey available was from June 2022. This survey found a vacancy rate of less than 1% in conventional market rate housing. The survey included nearly 3,800 conventional units and found only 30 vacancies.

Although this was an area-wide survey, including multiple communities, approximately 57% of the reporting units were located within the Rapid City zip codes. More than 26% of the surveyed units were in Box Elder and approximately 13% of the surveyed units were on the Ellsworth Air Force Base. Only a very small number of units were outside of these zip code areas.



As displayed in the chart above, the Multi-Housing Association vacancy calculations dating back to September 2018 show a low vacancy rate in the area. In seven surveys, the vacancy rate has only been above 3% one time, in March 2019, and the vacancy rate in that survey was only 3.3%. Since December 2020 the vacancy rate has been approximately 1% or less in the conventional market rate segment.

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 locate a living unit.

Based on the building permit reporting presented previously from the Census Bureau, the number of multifamily units permitted in the MSA has increased substantially in 2020 and 2021, possibly in response to the extremely low vacancy rate. Many of these units may still be in the process of entering the market in 2022, and the impact on area vacancy rates may not be known until later in the year or in 2023.

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.

The June 2022 survey recorded a vacancy rate of 1.5% in tax credit units, down from 3.8% in the prior survey. Prior to the June survey the vacancy rate had been rising slightly in each of the four previous surveys.

In June there were only 329 reporting tax credit units, compared to more than 700 units in the prior survey. Approximately 61% of the reporting tax credit units were in Rapid City, with the remaining units Spearfish and Hot Springs. The vacancy rate in tax credit units in Rapid City was at 2% compared to 1.5% with the inclusion of Spearfish and Hot Springs.

HUD units have tended to have the highest vacancy rate in recent surveys, at 4.0% in June 2022. This was down from 6.5% in December 2021. There were 199 HUD units reporting, with 8 vacant.

There were no income-restricted tax credit or HUD units that reported for Wall.

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.

The Town of Wall is part of the Rapid City Metropolitan Statistical Area (MSA), which includes all of Pennington and Meade Counties. Much of the household growth that has occurred in the MSA in past decades was the direct result of job opportunities that were available, especially in Rapid City. The type of employment, wage level, and working conditions will each influence the kind of housing that is needed and at what level of affordability.

Work Force and Unemployment Rates

Employment information is available for the Rapid City 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 Rapid City MSA Annual Labor Statistics: 2010 to 2021						
Year	Labor Force	Employed	Unemployed	Unemployment Rate - MSA	Unemployment Rate - SD	Unemployment Rate - US
2010	70,416	66,760	3,656	5.2%	5.0%	9.6%
2011	70,913	67,550	3,363	4.7%	4.6%	8.9%
2012	71,206	67,208	2,998	4.2%	4.1%	8.1%
2013	71,410	68,646	2,764	3.9%	3.7%	7.4%
2014	71,798	69,374	2,424	3.4%	3.3%	6.2%
2015	72,113	69,835	2,278	3.2%	3.0%	5.3%
2016	72,747	70,438	2,309	3.2%	3.0%	4.9%
2017	73,582	71,246	2,336	3.2%	3.1%	4.4%
2018	73,803	71,640	2,163	2.9%	2.9%	3.9%
2019	74,663	72,424	2,239	3.0%	3.0%	3.7%
2020	74,877	71,171	3,703	4.9%	4.6%	8.1%
2021	76,674	74,211	2,463	3.2%	2.8%	5.3%

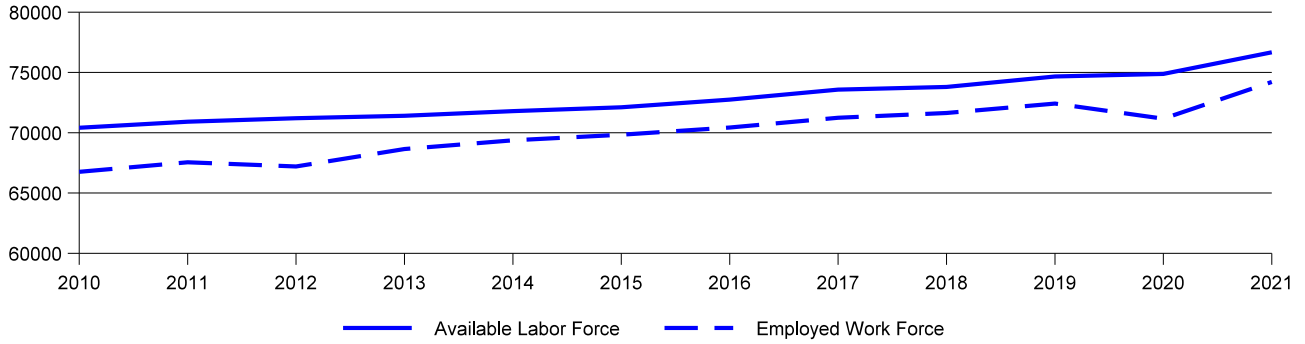
Source: South Dakota Department of Labor; Community Partners Research, Inc.
Not seasonally adjusted

The statistics on the available labor force track people by their county of residence, regardless of where they are employed.

When viewed over the entire 12-year period, the size of the MSA’s resident labor force has continually increased in size. Between 2010 and 2021, there were 6,258 people added to the labor force, for an increase of 8.9%.

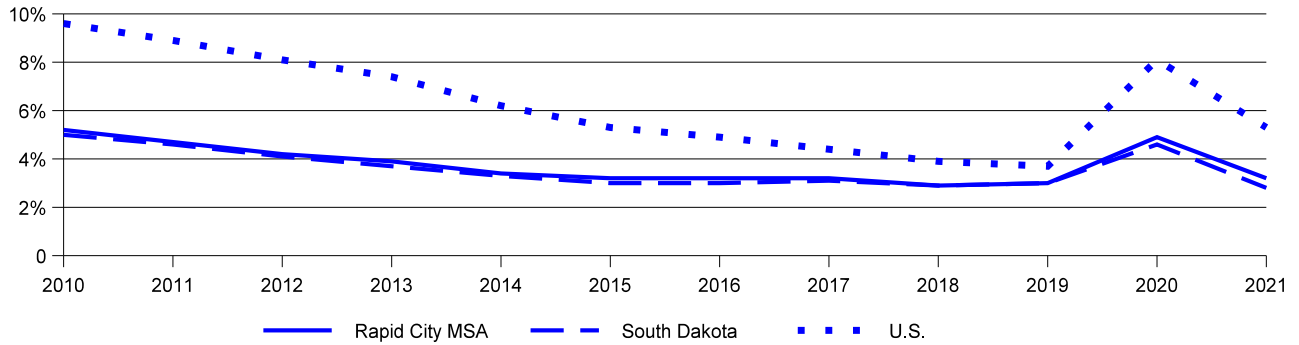
The number of employed MSA residents has generally followed the same pattern. From 2010 to 2021, the number of employed residents increased by 7,451 people, or 11.2%. Although the Covid pandemic did have some impact on the number of employed residents between 2019 and 2020, by the end of 2021 the MSA’s employment had exceeded the 2019 level.

Rapid City MSA Labor Force and Employed Work Force



Throughout the years reviewed, the MSA’s unemployment rate has been very similar to the Statewide rate, but well below the national unemployment rate.

Unemployment Rates



Average Employment and Weekly Wages

The following table shows the annual employment and average weekly wages for all employment in the Rapid City MSA in 2020, the last full year of data. This information is from the Quarterly Census of Employment and Wages (QCEW). Some employment, including people that are self-employed, may not be included in the data.

Table 22 QCEW Employment and Average Weekly Wages: 2020		
	Employment	Average Weekly Wage
Total All Industry	65,072	\$910

Source: South Dakota Department of Labor

The average weekly wage for all industry in the entire MSA was \$910 in 2020. At full-time employment this would equate to an average annual wage of \$47,320.

Commuting Patterns of Area Workers

Information is available on workers that commute for employment. The American Community Survey has been examined for the Town of Wall. The first table only examines people living in Wall that traveled to work and excludes people that work at home.

Table 23 Travel Times for Wall Residents - 2020		
Travel Time	Number	Percent
Less than 10 minutes	199	66.1%
10 to 19 minutes	34	11.3%
20 to 29 minutes	21	7.0%
30 minutes or more	47	15.6%
Total	301	100%

Source: American Community Survey

According to the American Community Survey, more than 66% of Wall residents were working locally and commuting less than 10 minutes for employment in 2020. However, nearly 23% commuted 20 minutes or more.

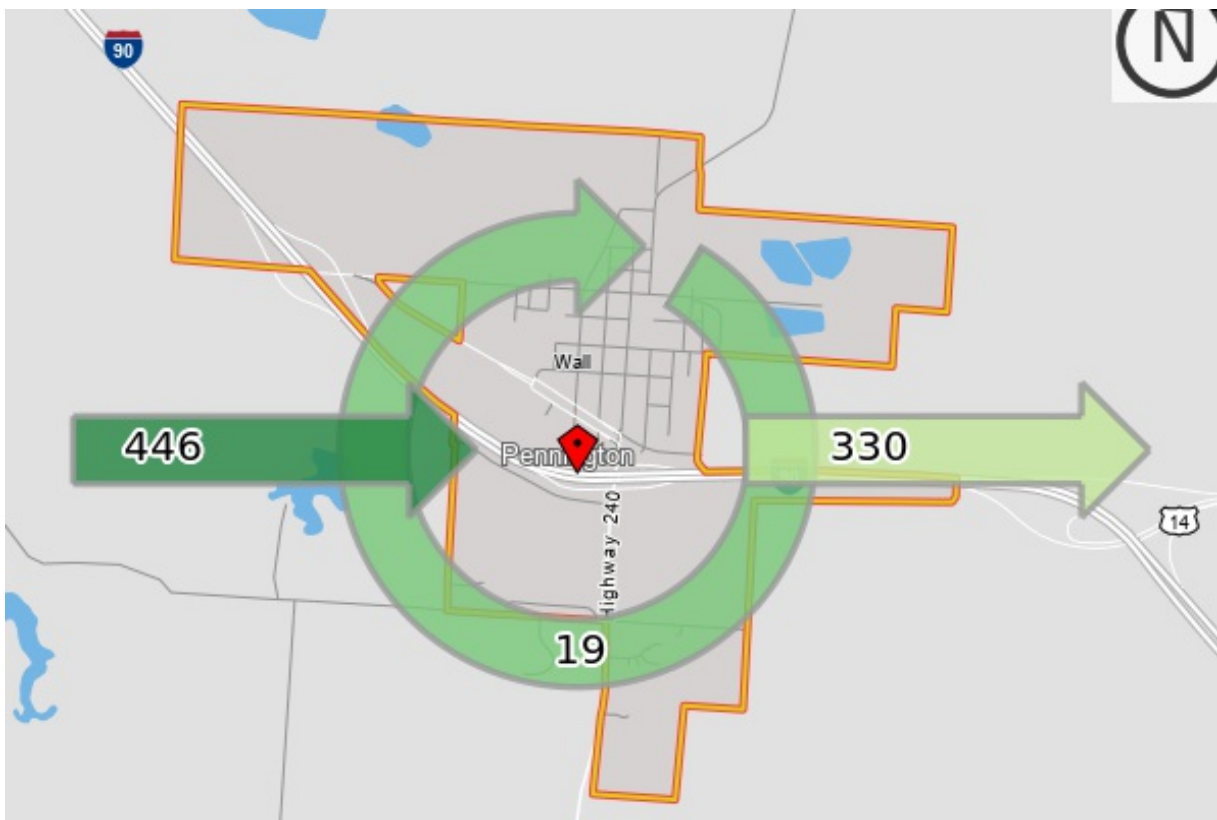
The American Community Survey also identifies travel time by location of employment. However, no estimate was provided in 2020 for people that worked in Wall.

Census On the Map - Wall

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 Wall, there were 465 people with their primary job within the corporate limits in 2019. Very few of these Wall-based employees also lived in the Town. There were 446 employees that lived outside the Town and commuted in for their job. For people that were commuting into Wall, the primary home location was Rapid City, but workers were also coming from Box Elder, Rapid City East UT and Central Pennington UT.

On the Map can also be used to track worker outflow patterns from Wall. Overall, there were 349 Wall residents that were employed. The large majority of these residents worked outside the community, as nearly 95% left Wall for their primary job. The main destination for outbound residents was Rapid City. For people not also working in Wall, more than 61% were commuting to Rapid City. A much smaller number of residents were also commuting to Box Elder, Southwest Meade UT, Central Pennington UT and Rapid City East UT.



Summary of Growth Trends

As part of this Study, Community Partners Research, Inc., has examined growth patterns for Wall and Pennington County over the past few decades.

Based on the 2020 Census, Wall lost both population and households over the past decade. If 2020 is compared to 2010, the Town had 67 fewer residents and 40 fewer permanent households. Other data sources, including the American Community Survey, show a smaller reduction in the Town's population level over the last decade.

The reduction in the number of households, as recorded by the 2020 Census, was significant, and reversed a pattern of relative stability in prior decades. Between 1990 and 2010, the number of resident households in Wall had changed by only eight households, before the larger decrease from 2010 to 2020.

There are few available details that may explain the household loss that occurred over the past decade. Based on the preliminary Census data, there was also a decrease of housing units (both occupied and unoccupied) in Wall between 2010 and 2020. It is possible that some of the Town's housing was in poor condition and removed from the usable inventory.

A possible explanation for the reduction of permanent resident households is that there has been some increase in the use of housing units in the Town by seasonal/recreational residents, instead of permanent resident occupancy. It is also known that some housing is used for a seasonal work force that does not live in the Town year-round but only in the prime tourist season.

While Wall has seen a reduction of households and population, Pennington County has continued to grow. Driven primarily by strong growth in Rapid City, the entire County added 3,658 households between 2010 and 2020, and added nearly 8,300 people, continuing a long-term pattern of growth Countywide.

Summary of Growth Projections

This Update has examined growth projections from both Applied Geographic Solutions and from Esri. Both of these sources expect limited future demographic changes in Wall.

Esri is projecting that the Town will lose two permanent households over the five-year projection period. Applied Geographic Solutions is projecting that Wall will add five households, or an average of one household per year going forward. In the opinion of the analysts, these projections are overly conservative.

There has been limited new housing construction in Wall in recent years. Based on available reporting, the Town has been averaging approximately two new single family housing starts per year since 2010. At the same time, Census records indicate that some older housing units may be lost, possibly due to condition. For Wall to add households going forward, it is probable that a commensurate level of new housing unit construction will be required.

Although only limited growth is being projected for Wall, the remainder of Pennington County is expected to add a large number of people and households. The MSA projection from Applied Geographic Solutions expects average annual growth of nearly 793 households per year. However, in the past, a large majority of the household gains Countywide have been in Rapid City or Box Elder. Still, the regional growth potential does impact Wall and there is a possibility that the Town could add a greater number of households going forward.

For this Housing Study, the analysts have used a projection that Wall has the potential to add between four and five households per year, for a five-year total of up to 25 total households. To achieve this potential growth, additional housing units will need to be added.

Summary of Wall’s Growth Projections by Age Group

The Demographic section of this Study presented Wall projection information on anticipated changes by age group from 2021 to 2027. This information can be informative in determining the housing that may be needed due to age patterns of the Town’s population.

The age-based projections were generated by Esri, but have been adjusted upward for 2027 to better reflect the probable growth that will occur in the community over the next five years.

<u>Age Range</u>	<u>Projected Change in Households 2022 to 2027</u>
15 to 24	-1
25 to 34	-8
35 to 44	13
45 to 54	2
55 to 64	-24
65 to 74	37
75 and older	<u>6</u>
Total	25

Consistent with the age distribution data presented earlier, the movement of the “baby boom” generation through the aging cycle should generate much of the Town’s growth from households in the age ranges 65 and older. Age projections would expect the Town to add approximately 43 households in the senior citizen age ranges from 2022 to 2027.

The age-based projections expect growth in only two of the younger age groups, with an increase of 13 households in the 35 to 44 age range and two households in the 45 to 54 age group.

The adjusted projections show a significant reduction in the 55 to 64 year old age range, as the demographic cohort trailing behind the baby boomers was smaller in size and will not replace the older age group. Minor reductions are also projected among households age 34 and younger.

The projections assume that historical age progression patterns will continue into the near-future. If Wall adds population at a rate that is faster or slower than past patterns would suggest, traditional age-based forecasts would be altered.

Findings on Unit Demand by Type of Housing

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

Age 24 and Younger - The projections used for this Study expect a loss of only one household in the 15 to 24 age range through the year 2027. Past tenure patterns indicate that most of the households in Wall in this age range will rent their housing. Stability in the number of households in this age range should mean that rental demand from younger households will remain largely unchanged during the projection period.

25 to 34 Years Old - The projections show a reduction of eight households in this age range from 2022 to 2027. Within this age range households often move from rental to ownership housing. A slight reduction in the number of households within this age range indicates demand for both first-time home buyer and rental opportunities will decrease during the projection period.

35 to 44 Years Old - The projections for this 10-year age cohort expect a gain of 13 households between 2022 and 2027 in Wall. In the past, this age group has had a high rate of home ownership. Households within this range often represent both first-time buyers and households looking to trade-up housing, selling their starter home for a more expensive house.

45 to 54 Years Old - The projections show a small increase of two households in this age group. Households in this range will often look for trade-up housing opportunities. Relative stability in the number of households in this age group, indicates that the demand for trade-up housing will remain stable during the projection period.

55 to 64 Years Old - The projections show a significant decrease of 24 households in this 10-year age range by the year 2027 in the Town. This age range represents a much smaller segment of the population than the older baby boom age group. This age range has traditionally a high rate of home ownership. 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. This age range also seeks trade-up housing.

65 to 74 Years Old - A large gain of 37 households is expected by the year 2027 in the 65 to 74 age range. 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 would increase from household growth within this age cohort.

75 Years and Older - There is a projected increase of six households in Wall in this age range between 2022 and 2027. In the past, senior households age 75 to 84 have had a high rate of ownership. The older seniors, over the age of 85, had a relatively low ownership rate. An expansion of housing options for seniors, including high quality rental housing and senior housing with services, should appeal to this age group. In most cases, income levels for senior households have been improving, as people have done better retirement planning. As a result, households in this age range may have fewer cost limitations for housing choices than previous generations of seniors.

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

Findings on Housing Unit Demand and Tenure

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

Demand from Growth - The household projections used for this Study expect Wall to add as many as 25 households over the 5-year projection period. Pennington County has the potential to add approximately 793 households annually over the next five years. Wall can generate household growth if it develops new housing. We are projecting that there will be some demand for housing based on household growth.

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

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

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

Strengths for Housing Development

The following strengths for the Town of Wall were identified through statistical data, local interviews, research and on-site review of the local housing stock and from the previous Housing Study.

- ▶ **Wall serves as a small regional center** - Wall provides employment opportunities, retail/service options, governmental services and recreational facilities for a small geographical area that surrounds the Town.
- ▶ **Tourism** - Wall Drug is located in Wall and Wall is the Gateway to the Badlands National Park. Wall Drug and the Badlands are two major well-known tourism destinations.
- ▶ **Affordable priced housing stock** - The Town of Wall has a stock of affordable, existing houses. Our analysis shows that the Town's median home value based on home sales in 2021 was approximately \$117,500. This existing stock, when available for sale, provides an affordable option for home ownership.
- ▶ **Adequate land for development** - Wall has adequate land available for both residential and commercial/industrial development. However, some of this land is not for sale, needs to be serviced with infrastructure improvements and/or needs to be annexed into the Town limits.
- ▶ **Educational system** - Wall has an excellent public K-12 school system. A new school was constructed in 2005.
- ▶ **Infrastructure** - Wall's water and sewer infrastructure can accommodate future expansion.
- ▶ **Wall Economic Development Corporation** - The Wall Economic Development Corporation is very active in promoting economic development and housing in Wall.
- ▶ **Employers** - Wall has several large employers that provide job opportunities for local residents including Wall Drug, West River Electric, Wall School District 51-5 and Golden West Telecommunications.
- ▶ **Industrial Park** - An industrial park is being developed in Wall. It will be the only certified light industrial park in western South Dakota.

- ▶ **Proximity to Rapid City and the Black Hills** - Wall is located approximately 50 miles from Rapid City and the Black Hills. Rapid City provides employment opportunities, retail/service options, educational opportunities, health care facilities and cultural amenities. Some households prefer to live near, but not in a large regional center. Also, the Black Hills provides many tourism and recreational opportunities.
- ▶ **Interstate 90** - Wall is located on Interstate 90, which provides excellent access to the Town.
- ▶ **Sales Tax Revenue** - Wall receives a substantial amount of revenue annually from sales tax revenue.
- ▶ **Small town atmosphere** - Although Wall is a major tourism destination, the Town still has the real and perceived amenities of a small town. This small town living is attractive to some households.
- ▶ **Commuters** - Approximately 446 of the Wall-based employees are commuting into the Town daily for work. These commuters are a potential market for future housing construction.
- ▶ **Subdivision/lot development** - A developer is working with the Town and the Wall Economic Development Corporation to develop a 24-lot residential subdivision.
- ▶ **Governors homes** - Since the 2016 Wall Housing Study, three Governors homes have been moved into the Town, and two additional units are planned for the future.
- ▶ **Acquisition of dilapidated structures/redevelopment** - A developer has acquired and demolished several cabins and single family homes that were in poor condition. The site has been cleared for redevelopment.

Barriers or Limitations to Housing Activities

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

- ▶ **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 Town's rent structure is low, which makes it difficult to construct new rental housing.
- ▶ **Value-gap deters new owner-occupied construction** - Based on 2021 homes sales, we estimate that the median priced home in Wall is valued at approximately \$117,500. 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.
- ▶ **Commercial/retail options** - Although Wall Drug and other tourist orientated retail stores are located in Wall, the Town has a limited number of commercial and retail opportunities in comparison to a regional center.
- ▶ **Proximity to Rapid City** - Although it is a strength to be located in approximately 50 miles from Rapid City, some households desire to need to be closer to a regional center for employment, medical services, etc.
- ▶ **Lot Availability** - Currently, there is a limited number of lots available for new residential development.
- ▶ **Population and household growth** - According to the 2020 U.S. Census, Wall had a loss of population and households from 2010 to 2020.

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 Wall. 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.
- ▶ **Proactive community involvement** - New home and apartment construction will more likely occur in Wall if there is continued proactive support from the Town of Wall, local and regional housing agencies, the Wall Economic Development Corporation and the South Dakota Housing Development Authority.
- ▶ **Protect the existing housing stock** - The future of Wall will be heavily dependent on the Town's appeal as a residential location. The condition of the existing housing stock is a major factor in determining the Town's long-term viability. The existing housing stock is in good condition and is a major asset, however, rehabilitation efforts are needed to preserve the housing stock.
- ▶ **Protect the existing assets and resources** - Wall has several assets including a K-12 school, major tourism attractions, an affordable housing stock, recreational opportunities, several employers, etc. These are strong assets that make Wall a desirable community to live in, and are key components to the Town'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 Town has been involved in housing issues. The Town should prioritize its housing issues and establish goals and time lines to achieve success in addressing its housing needs.
- ▶ **Access all available resources for housing** - In addition to the local efforts, the Town has other resources to draw on including USDA Rural Development, the South Dakota Housing Development Authority, the Western South Dakota Community Action Agency, the Pennington County Housing and Redevelopment Commission, the Black Hills Council of Local Governments, NeighborWorks Dakota Home Resources 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 Town of Wall have been formulated through the analysis of the information provided in the previous sections and include 23 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 14 to 16 general occupancy market rate rental units
2. Promote the development/conversion of six to eight affordable market rate housing units
3. Monitor the need for additional subsidized rental housing units
4. Preserve the existing supply of subsidized housing
5. Consider the development of 10 to 12 senior independent/light services units / Monitor the need for assisted living units/beds
6. Consider the development of a mixed-use commercial/housing project
7. Utilize the Housing Choice Voucher Program

Home Ownership

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

Single Family Housing Development

10. Lot availability and lot development
11. Strategies to encourage residential lot sales and new home construction in Wall
12. Promote twin home/townhome development
13. Coordinate with agencies/nonprofits that develop affordable housing

Housing Rehabilitation

14. Promote rental housing rehabilitation
15. Promote owner-occupied housing rehabilitation efforts
16. Develop a Town of Wall revitalization program

Other Housing Initiatives

17. Encourage employer involvement in housing
18. Continue to acquire and demolish dilapidated structures
19. Create a plan and a coordinated effort among housing agencies
20. Continue to promote commercial rehabilitation and development
21. Develop mobile home programs and policies
22. Develop home ownership and new construction marketing programs
23. Seasonal employee housing

Wall - Rental Housing Development

Rental Housing Development

Overview: In recent decades it has been difficult to produce new rental housing units that are viewed as “affordable” when compared to existing rental housing. A number of factors, including federal tax policy, state property tax rates, high construction costs and a low rent structure, have all contributed to the difficulty in developing rental housing in most South Dakota communities.

From 2000 to 2022, we are not aware of any rental units that have been constructed in Wall. However, some single family homes were converted from owner-occupied to rental use and vice versa. Also, some modular and mobile homes have been moved into Wall that are being used as rentals.

Demand for new rental housing is typically generated from three factors:

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

The projections used for this Update expect that Wall can add as many as 20 to 25 additional households, provided adequate housing options are available. It is estimated that nearly 50% of these households will be rental households, thus, there will be a demand of 10 to 12 additional rental units due to household growth over the next five years.

Demand created by replacement of lost units is more difficult to determine, but the best available evidence suggests that Wall will lose as many as six to eight units over the next five years. As a result, approximately six to eight additional units will be needed over the next five years to replace lost units.

In some cases, this unit replacement will be necessary as existing units are removed from the inventory through demolition or conversion. In other cases, this replacement is appropriate due to the deteriorating condition of older, substandard rental housing that should be removed from the occupied stock. Rental units will also be lost due to rental units converting to owner occupancy. Additionally, some rental units used for year-round rental housing may be converted to seasonal rental use.

Pent-up demand also exists. As part of this study, a rental survey was conducted. Based on the high occupancy rates in existing rental housing, the limited number of multi-family units and a limited supply of rental options, we have identified pent-up demand for market rate and senior independent/light services housing units.

These three demand generators show a need for 30 to 36 rental units over the next five years. In the 2016 Wall Housing Study, we recommended the development of 22 to 28 rental units. No rental units were constructed from 2016 to 2022. Based on the factors stated above, we recommend the development of the following new rental units over the next five years from 2022 to 2027.

▶ General Occupancy Market Rate	14-16 units
▶ Subsidized	0 units
▶ Affordable/Conversions	6-8 units
▶ Senior Independent/Light Services	<u>10-12 units</u>
Total	30-36 units

1. Develop 14 to 16 general occupancy market rate rental units

Findings: Approximately 70% of the rental housing units in the Town of Wall 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.

Wall has only one multi-family rental project, Foothill Properties, which is an eight-unit project that converted from a subsidized project to market rate. The project was constructed in 1978. The remaining market rate units in Wall are primarily single family homes and mobile homes.

Based on our survey and interviews, the rental properties have high occupancy rates and strong demand for rental housing. Foothill Properties currently is used primarily for seasonal employee housing.

From 2000 to 2022, we are not aware of any market rate rental units that have been constructed in Wall, although some single family homes converted from owner-occupancy to rental since 2000 and vice versa. Additionally, Wall has a unique situation in that it has a large seasonal employee population. Therefore, many single family homes and mobile homes that would be in the rental market are utilized for seasonal housing. A significant number of mobile homes and single family homes are being utilized for employee seasonal rental housing.

Recommendation: As stated earlier in this section, rental housing demand is based on household growth, pent-up demand and replacement of housing units that have been demolished or converted.

Based on this combination of demand generators, we believe that it is reasonable to plan for the production of 14 to 16 market rate rental units over the next five years. The majority of the new units constructed over the next five years should be two-bedroom units.

Town house-style units or a high quality apartment building are both options in addressing the need for market rate units. The projects, to be successful, should have 'state of the art' amenities.

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

There is a need to construct both types of market rate rental housing. There is a wide rent range in the following table reflecting the two segments. To construct the workforce housing and charge affordable rents, financial assistance may be needed, such as land donations, tax abatement, tax deferment, tax increment financing, SDHDA Programs such as the DakotaPlex Program, the Governor's Office of Economic Development (GOED) funds, etc.

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 Wall Economic Development Corporation could potentially utilize essential function bonds, or similar funding sources, to construct market rate units.

Also, the Wall Economic Development Corporation or a regional housing agency could partner with private developers to construct units. Additionally, the Town of Wall could assist with land donations, tax increment financing, tax abatement, reduced water and sewer hook up fees, etc. SDHDA funds and GOED funds could also be accessed.

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

<u>Unit Type</u>	<u>No. of Units</u>	<u>Size/Sq. Ft.</u>	<u>Rent</u>
One Bedroom	3-4	650 - 850	\$700 - \$900
Two Bedroom	8-9	850 - 1,050	\$850 - \$1,050
Three Bedroom	<u>3</u>	1,100 - 1,250	\$1,000 - \$1,450
Total	14-16		

Note: The recommended rents are gross rents including all utilities. The rents are quoted in 2022 dollars.

It would be advantageous to have rents for some of the units at or less than the payment standards for the Housing Choice Voucher Program, thus, making the units more affordable for more households. The 2022 payment standards are:

- ▶ 1 bedroom - \$764
- ▶ 2 bedroom - \$1,006
- ▶ 3 bedroom - \$1,423

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

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

There is evidence that Wall has lost rental housing over the years due to deterioration and demolition and rental single family homes converting to owner-occupied homes or seasonal employee housing. Part of the need for additional rental units in Wall is to provide for unit replacement. Unfortunately, most of the lost units were 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 continue to encourage the Town of Wall to promote the development/conversion of more affordable rental units. A goal of six to eight units over the next five years would help to replace affordable housing that has been lost.

It would be difficult to create units through new construction. Instead, it may be more practical to work on building renovation or conversion projects that can create housing. This opportunity may arise in commercial buildings, or through the purchase and conversion/rehabilitation of motels, cabins or existing single family homes.

The estimated prevailing rent range for older rental units in Wall is typically between \$500 and \$750 per month. Creating some additional units with contract rents below \$750 per month including utilities would help to expand the choices available to a majority of the Town's renter households.

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

3. Monitor the need for additional subsidized rental housing units

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

The research completed for this Study identified two subsidized projects in Wall. Wall Ridge Apartments is an eight-unit USDA Rural Development project for general occupancy and Prairie Village is a 28-unit senior/disabled occupancy Public Housing project. The tenants with rent assistance pay 30% of their income up to a maximum rent. Prairie Village Apartments had four vacancies at the time of the survey. Wall Ridge Apartments was changing its management at the time of the survey and the number of vacancies was not known.

The 2020 American Community survey estimated that approximately 10% of the renters in the Town of Wall were paying 30% or more of their income for rent.

The Town of Wall had eight additional subsidized Rural Development rental units, however, the owner opted out of the subsidy program in 2009 and converted the units to market rate.

Recommendation: We do not recommend the development of additional subsidized rental housing at this time. When the rental survey was conducted, there were subsidized unit vacancies. Thirty-six units of subsidized housing are a significant number for a Town of Wall’s size. Also, the rent structure in Wall is relatively low, which provides affordable housing for low income households. Additionally, it is currently difficult to obtain funding for the development of subsidized rental housing.

In the previous recommendations, we have supported the construction of 14 to 16 market rate units. We also recommended the development/conversion of six to eight affordable market rate units. We do recommend that the Town monitor the need for the production of subsidized housing in the future.

4. Preserve the existing supply of subsidized housing

Findings: The Town of Wall has two “deep subsidy” rental housing projects that allow tenants to pay rent based on 30% of income. These projects were constructed in the 1970s when the federal government was actively involved in producing low income housing. In 2009, an eight-unit USDA Rural Development project converted from subsidized to market rate.

The subsidized housing represents the most affordable option available to lower income households. Since most of these units charge rent based on income, even extremely low income households can afford their housing.

One of the two “deep subsidy” rental housing projects is privately owned. In some communities, privately owned subsidized housing has been lost as owners have the ability to opt-out of subsidy contracts after their original obligations have been met. Subsidized housing that is lost cannot be cost-effectively replaced with the low income housing production resources that are available today.

Recommendation: The South Dakota Housing Development Authority (SDHDA) may know of subsidized housing in South Dakota that is at risk of being lost. SDHDA administers some of the rent assistance programs Statewide and would be aware of subsidized projects that are considering the option to drop their subsidy contract. USDA Rural Development would know of projects in the process of leaving their subsidy programs.

The Town of Wall and the Wall Economic Development Corporation should check with SDHDA, USDA Rural Development and/or the subsidized project owners on an ongoing basis to determine if a project is considering the option to drop its subsidy contract. In some communities, public or nonprofit agencies have been able to purchase projects that are at risk of being lost, to preserve their affordable housing resources.

5. Consider the development of 10 to 12 senior independent/light services units/monitor the need for assisted living units/beds

Findings: The Town of Wall has no senior housing with services facilities. There is an assisted living project with 16 units and a 30-bed nursing home in Philip. There are also many senior housing with services providers in the Rapid City area.

In 2022, there are approximately 99 households age 75 or older in the Town of Wall. This is 31% of the total households in Wall.

Recommendation: We are not making a recommendation on the need for assisted living units/beds in Wall that would provide a high level of services, as it is our understanding that Wall has commissioned a consultant to evaluate the need for assisted living units/beds in the Town.

However, we are recommending a 10 to 12-unit independent/senior with light services project in Wall. The project should be designed to allow seniors to live in a unit independently or to rent a unit and utilize a low level of senior services such as noon meal and housekeeping. In the 2016 Wall Housing Study, we recommended the development of a six to eight-unit independent/light services project. This project was not constructed.

The project's amenities and features should include:

- ▶ A small community room including a community dining room and kitchen
- ▶ 24-hour call system
- ▶ A limited access security system
- ▶ Smoke alarms
- ▶ Enclosed parking
- ▶ Spacious corridor with a theme such as a street scape design

Apartment features should include:

- ▶ 10 to 12 units
 - ▶ three to four one-bedroom units
 - ▶ seven to eight two-bedroom units
- ▶ Fully equipped kitchen
- ▶ Large storage room
- ▶ Ample closet space
- ▶ Laundry hookups
- ▶ Open floor plan
- ▶ Private patio
- ▶ Individually controlled heat and AC
- ▶ Raised outlets, lever door handles, lowered kitchen cabinets
- ▶ Expansive windows

Optional services should include:

- ▶ Noon meal
- ▶ Weekly housekeeping

- ▶ Home healthcare
- ▶ Social activities

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

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

6. Consider the Development of a Mixed-Use Commercial/Housing Project

Findings: A new mixed-use rental housing/commercial project would be an asset to Wall.

New mixed-use projects have been developed in several smaller cities. Some of these projects were developed because of market demand, while others were developed to enhance the downtown or to introduce a new product to the market.

Recommendation: We continue to recommend the development of a mixed-use building in Wall's commercial district. There are several potential sites for a mixed-use project.

We recommend commercial space on the first floor and three to four rental units on the second floor. Prior to construction, a portion of the commercial space should be leased to an anchor tenant, which will complement the existing downtown businesses.

The units should be primarily one-bedroom and two-bedroom units. Please note that these units are not in addition to the units recommended in the first and second 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 Town of Wall may have a role in the project by providing tax increment financing, tax abatement, tax deferment or other local funds and land at a reduced price.

7. Utilize the Housing Choice Voucher Program

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

Although the federal government provides almost no funding for subsidized housing construction, it has provided new Housing Choice Voucher allocations over the last two decades. Because of the flexibility offered through the program, eligible households often prefer the portable rent assistance to other forms of subsidized housing that are project-based, and can only be accessed by living in a specific rental development.

The Housing Choice Voucher Program is administered in Wall and Pennington County by the Pennington County Housing and Redevelopment Commission. The Pennington County Housing and Redevelopment Commission has the ability to issue approximately 1,325 vouchers in Pennington County. There is a two to three-month waiting list to obtain a Voucher.

Recommendation: The Town of Wall should work with the Pennington County Housing and Redevelopment Commission to assure that renter households in Wall are aware of the Housing Choice Voucher Program and have an opportunity to apply for assistance.

Wall - Home Ownership

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 Wall is estimated to be approximately \$117,500 based on sales activity in 2021. The home values in Wall provide a good opportunity for first time buyers and households seeking moderately priced homes.

Some Wall households and households who are moving to the community that have not been able to achieve the goal of home ownership may need the assistance of special programs to help them purchase a home.

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

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

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

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

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

Recommendation: The Town of Wall should continue to work with area housing agencies, the South Dakota Housing Development Authority, USDA Rural Development, NeighborWorks Dakota Home Resources 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 Town and the Wall Economic Development Corporation 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, NeighborWorks Dakota Home Resources and Grow South Dakota utilize several funding sources to provide home ownership programs.

9. Develop a Purchase/Rehabilitation Program

Findings: Wall has a stock of older, lower valued homes, many of which need repairs. Our analysis of 2021 sales activity indicates that approximately 50% of the homes in Wall are valued less than \$117,500. As some lower valued homes come up for sale, they may not be attractive options for potential home buyers because of the amount of repair work that is required.

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

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 the Town of Wall work with a housing agency 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 Town'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.

Additionally, private individuals have purchased homes in Wall, and rehabed and then resold the homes. There may be an opportunity for local housing agencies to financially assist the private sector with purchasing, rehabilitating and selling homes. This may increase the inventory of substandard homes that economically can be rehabilitated and sold.

Wall - Single Family Housing Development

Single Family Housing Development

Findings: Based on information from the Town of Wall and the Census Bureau, Wall has experienced some single family housing development from 2000 to 2022. Over the past 23 years, approximately 37 single family owner-occupied homes have been constructed in Wall. Twenty single family homes were constructed from 2000 to 2008, which is an average of two to three homes annually. Twelve homes were constructed from 2009 to 2016, which is an average of one to two homes annually. Nine homes were constructed from 2017 to 2022, which is an average of one to two homes annually. Most of the new houses were constructed in three subdivisions located in Wall south of Interstate 90.

It is our opinion that if the Town, housing agencies, the Economic Development Corporation, employers, community leaders, builders and developers are proactive, 20 to 30 homes can be constructed or moved into Wall from 2022 to 2027. This recommendation is based on the availability of residential lots for a range of types, price and size of homes.

The breakdown of our projection of 20 to 30 new owner-occupied housing units over the next five years is as follows:

▶ High and medium priced homes	6-8
▶ Affordable homes	10-16
▶ Twin homes/Town homes	<u>4-6</u>
Total	20-30

10. Lot availability and lot development

Findings: As part of this Update, we attempted to identify the inventory of available residential lots for single family housing construction in the Town of Wall.

Currently, there are approximately 11 residential lots available in the Town of Wall. These lots are in the Echo Valley Subdivision, the Hanson Addition I and on the Hillcrest Motel Site.

Also, the Town of Wall and the Wall Economic Development Corporation are working with a developer to develop 24 residential lots in the Echo Valley Subdivision. These lots must be serviced with infrastructure including water, sewer and streets.

There are also a few miscellaneous infill lots scattered around Wall that we did not attempt to count. We also do not know the availability of some of these infill lots. Also, dilapidated homes and buildings are being demolished in Wall. Some of the cleared lots may be potential sites for new construction.

Recommendation: With projections that 20 to 30 new owner-occupied housing units could be constructed in Wall over the next five years, the Town must have residential lots available to meet the expected demand. Part of this demand would be for attached unit construction.

With only 11 residential lots available, the Town currently does not have an adequate supply of lots to address the projected demand. Therefore, if expected demand comes to fruition, it will be necessary to develop additional residential lots.

The Echo Valley Subdivision has land available for 41 additional lots. A private developer is working with the Town on a first phase of development which will create 24 lots. There may be other potential sites in Wall, which may be conducive to lot development. Also, several in-fill lots may be available and future demolition may provide additional in-fill lots.

To achieve the level of new home construction potential that has been identified, we recommend the development of 24 new lots. We recommend residential construction be based on the following:

- ▶ To keep development costs as low as possible, the Town and Development Corporation should apply for State and Federal funds.
- ▶ The lots must be as aesthetically acceptable as possible and include high quality amenities.
- ▶ The lots should have covenants that assure quality development. However, the covenants should not be so restrictive that they eliminate the target market's ability to construct a home.
- ▶ The lots should accommodate a variety of home designs and home prices.
- ▶ All stakeholders should be involved in promoting and publicizing the lots.
- ▶ To be successful, the homes must be available to households with as wide an income range as possible.
- ▶ Some lots should be available for twin home/ town home development

- ▶ Successful lot development will need the cooperation of financial institutions, funding agencies, employers, home builders, developers, the Town of Wall, and the Economic Development Corporation. Financial assistance such as tax increment financing, tax abatement, tax deferral and State and Federal funds may be necessary to make the development of lots feasible.

11. Strategies to encourage residential lot sales and new home construction in Wall

Findings: There are a limited number of lots currently available in Wall, including a small inventory of infill lots. We have recommended the development of additional lots.

Recommendation: We recommend that the Town of Wall, the Economic Development Corporation, developers and builders coordinate efforts to promote lot sales and housing development in Wall. Our recommendations to promote lot sales and housing development include:

- ▶ ***Competitive pricing*** - There are lots available in communities throughout the Region. Lot prices in Wall will need to be competitive.
- ▶ ***Plan for long-term absorption*** - The research completed for this Study expects limited annual absorption of lots in Wall over the next five years. If new subdivision lots are developed, it is necessary to view the lot sales and development as a long-term plan.
- ▶ ***Generate initial activity*** - To stimulate new construction in a new area or on in-fill lots, proactive efforts, such as the sale of some lots at discounted prices, reduction of hookup and permit fees or other incentives could be provided if the buyer agrees to build a home of a certain quality and style within a specified time period. This will help create momentum for more houses to be built.
- ▶ ***Consider developing an exclusive builder(s) relationship*** - Several lots could be sold to a builder(s). Momentum can be created when a builder has access to several lots. This allows for marketing opportunities and efficiencies in the home building process. However, the subdivision owner should stipulate that the builder is obligated to construct a minimum number of homes within a specified time period. Builders are more willing to enter a market when the lots are attractive and very affordable. Selling lots to an exclusive builder should be explored, even if price concessions are required.

- ▶ ***User-Friendly*** - The lot purchase and homebuilding process must be 'user-friendly.' This includes builders, who are readily available to build custom homes, and information on quality homes that can be purchased and moved into the community.
- ▶ ***Allow for a range of house prices*** - Lots should be available in Wall in as wide a range of home sizes and prices as possible. This will broaden the lot buyer market. Twelve of the 24 lots planned in Echo Valley Subdivision will be designated for affordable houses.
- ▶ ***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 deferral, cash incentives, etc. Incentives should be considered to promote new home construction. Currently, the Town has a tax abatement program available for new housing construction.
- ▶ ***Lot availability for twin home/town home development*** - It is our opinion that there will be a demand for twin homes/town homes over the next five years. Lots should be available for twin home/town home construction.
- ▶ ***Marketing*** - The Town of Wall, the Economic Development Corporation, and the Chamber of Commerce should develop a marketing strategy to sell available lots. All stakeholders including realtors, financial institutions, builders, developers, employers, etc. should be included in marketing strategies. In addition to marketing the lots, the Town of Wall and its amenities should also be promoted as part of the overall sales strategy.
- ▶ ***Consider innovative housing developments*** - Innovative projects such as planned unit developments, patio/villa homes, etc. provide unique opportunities for home buyers and can help to broaden the housing market.

- ▶ ***Consider partnerships that share and split financial risk to construct spec homes*** - Spec houses could potentially 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. In an attempt to spur spec home construction, some communities have formed partnerships with private home builders to share the financial risks. For example, subdivision owners have been willing to defer the payment for the lot until the spec home is sold. Another builder incentive is for the Town to waive any water/sewer hook up fees, special assessment payments and building permit fees until the home is sold. A more aggressive approach is to become directly involved in helping cover the payments on a home builder's construction loan, if the house does not sell within a reasonable period of time. A community risk pool would need to be established for this type of activity. These types of approaches would somewhat reduce the builder's risk, by lowering the upfront development costs.

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. Also, it is important for the community to offer a range of life-cycle housing options. In Wall, we are not aware of any owner-occupied twin homes/town homes have been constructed since 2000.

In 2022, Wall has approximately 183 households in the 55 and older age ranges. With the number of empty-nester and senior households, there should be demand for attached single family units over the next five years. It is likely that demand for attached housing units will be dependent on the product's ability to gain additional market acceptance among the households in the prime target market. Also, some households will move to Wall if twin home housing options are available.

Recommendation: It is our projection that four to six new owner-occupancy twin home or town home units could be constructed in Wall over the next five years. Our projection is based on the availability of an ideal location for twin home/town home development as well as high quality design and workmanship. We recommend that for twin home/town 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 of homes, which provides security
- ▶ Homes at a price that is acceptable to the market

Wall's role could include assuring that adequate land continues to be available for development and that zoning allows for attached housing construction.

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

13. Coordinate with agencies/nonprofits that develop affordable housing

Findings: With the difficulty of producing new housing units that are affordable to moderate income people, it is important to take advantage of opportunities presented by housing and development agencies, nonprofit groups and the private sector that may have the capacity to construct new affordable housing. These sources can help generate new homes for moderate income families in Wall. NeighborWorks Home Resources constructed a home on an in-fill lot several years ago.

Recommendation: We recommend that the Town of Wall coordinate with housing agencies, nonprofit groups and private sector builders to produce housing units for lower income ownership. The Town may be able to contribute to the project through land donations, tax increment financing, tax deferments, tax abatement, or project coordination activities.

There are several vacant in-fill lots in Wall and some of these lots may be good sites for new construction activity. Also, additional dilapidated homes will be demolished and some of the cleared lots may be suitable for redevelopment.

Also, the Town and the Economic Development Corporation should work with housing agencies and builders to utilize the Governor's Home Program. Potentially a partnership could be created between the Town or Development Corporation and a contractor to move governors homes into the Town at an affordable price. Recently, a developer moved three Governors homes into Wall and has plans to move two additional homes into the Kelly Addition.

Wall - Housing Rehabilitation

Housing Rehabilitation

Findings: Wall 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 options. 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 will be critical to offering affordable housing opportunities.

It is our opinion that Wall 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 Wall households. Housing for households at or below the median income level will largely be met by the existing, more affordable stock. As this existing housing 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.

14. Promote rental housing rehabilitation

Findings: The Town of Wall had approximately 130 rental units in 2022. These rental units are in multifamily projects, small rental buildings, single family homes and mobile homes. Many of these rental structures could benefit from rehabilitation as most of these rental structures are more than 30 years old and some rental units are in poor condition.

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

Recommendation: The Town of Wall and the Wall Economic Development Corporation should work with housing agencies to seek funds that allow for program design flexibility that make a rental rehabilitation program workable. Potential funding sources may include USDA Rural Development, the Western South Dakota Community Action Agency, NeighborWorks Dakota Home Resources, Grow South Dakota, the South Dakota Housing Development Authority and the Federal Home Loan Bank.

15. Promote owner-occupied housing rehabilitation efforts

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

More than 50% of the single family homes in Wall are more than 50 years old. Some of these homes are in poor condition and are in need of rehabilitation. Also, a visual survey of the homes in Wall identified a significant number of homes that need minor or major repairs. Without rehabilitation assistance, the affordable housing stock will shrink in Wall.

Recommendation: We recommend that the Town of Wall and the Wall Economic 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, NeighborWorks Dakota Home Resources, the Western South Dakota Community Action Agency and Grow South Dakota are potential funding sources.

NeighborWorks Dakota Home Resources and Grow South Dakota have several housing programs to assist households with housing rehabilitation. The Western South Dakota Community Action Agency administers the Weatherization Program in Wall and Pennington 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 Wall households to utilize these housing rehabilitation programs.

16. Develop a Town of Wall Revitalization Program

Findings: Wall has older neighborhoods that are on the bubble. These neighborhoods have a significant number of homes and buildings that need rehabilitation or should be demolished. These neighborhoods also have a significant number of low/moderate income households. The neighborhoods could deteriorate or could be revitalized to be strong vital neighborhoods.

Recommendation: Over the years, there has been housing and neighborhood revitalization projects in the neighborhoods including housing rehabilitation, the demolition of dilapidated housing, the development of new housing and public facility improvements. We continue to recommend that Wall, area housing agencies and the private housing sector continue these efforts, and develop and implement a Revitalization Program.

Redevelopment strategies and opportunities should be identified including:

- ▶ A plan for each parcel in the older neighborhoods (commercial and residential)
- ▶ Owner-occupied rehabilitation
- ▶ Rental and seasonal housing rehabilitation
- ▶ Commercial rehabilitation
- ▶ Demolition of dilapidated structures
- ▶ Infill new construction including single family homes and attached housing
- ▶ Land pooling for town home and attached housing projects
- ▶ Purchase/Rehabilitation Programs that rehabilitate homes and provide home ownership for low/moderate income households
- ▶ Public projects (streets, utilities, parks, etc.)
- ▶ Consider rezoning, variances and/or replatting to make areas and parcels more desirable for redevelopment
- ▶ Converting/renovating older motels/cabins into seasonal or rental housing
- ▶ Other projects identified through the planning process

The Revitalization Plan should include time lines, responsible entity to implement the plan, funding sources, etc. The Program should be evaluated on an ongoing basis as opportunities and potential projects may change priorities.

It must be noted that neighborhood revitalization can result in the loss of affordable housing. Redevelopment projects, infill construction and other affordable housing projects in the community should assure that there are overall net gains in the affordable housing stock.

Wall - Other Housing Initiatives

Other Housing Initiatives

17. Encourage employer involvement in housing

Findings: The Town of Wall has several large employers. The connection between economic development and housing availability has become an increasingly important issue as local employers have the need to attract new workers into the community.

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

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

Employer involvement can include direct assistance to their employees such as a grant, loan, forgivable loan, deferred loan, down payment assistance, loan guarantee, etc. In many cases, employers do not wish to provide assistance to specific employees, but are willing to contribute to an overall community project, such as a rental housing project or the development of affordable lots. Additionally, employers can continue to support other community projects such as trails, parks, ball fields, etc., that directly have a positive impact on housing in Wall.

18. Continue to acquire and demolish dilapidated structures

Findings: There are single family houses in Wall that are dilapidated and too deteriorated to rehabilitate. There are also single family houses in Wall that need major repair and some of these homes may be too dilapidated to rehabilitate. To improve the quality of the housing stock and to maintain the appearance of the Town, dilapidated structures should be demolished.

The Town of Wall and private individuals have been active in demolishing dilapidated structures. Also, the Town waives fees associated with demolition. The Town has sent several letters to several owners of dilapidated properties encouraging them to demolish their properties.

Since the 2016 Wall Housing Study, a private developer demolished a structure and moved in three Governors homes. Also, an individual cleared a site that includes a motel, cabins and several homes. There are now four residential lots available for development.

Recommendation: We recommend that the Town of Wall continue to identify dilapidated structures and work with the property owners to demolish dilapidated structures. The appearance of the Town 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.

The Town of Wall should 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.

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

Findings: Wall will continue to need staff resources in addition to existing Town and Economic Development Corporation staff to plan and implement many of the housing recommendations advanced in this Study. The Town of Wall has access to the Pennington County Housing and Redevelopment Commission, NeighborWorks Dakota Home Resources, the Western South Dakota Community Action Agency, Grow South Dakota, the South Dakota Housing Development Authority, USDA Rural Development and the Black Hills Council of Local Governments. These agencies all have experience with housing and community development programs.

Recommendation: The Town of Wall has access to multiple agencies that can assist with addressing housing needs. It is our recommendation that the Town 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.

It will be important that a coordinated approach be used to prioritize and assign responsibility for housing programs.

20. Continue to Promote Commercial Rehabilitation and Development

Findings: The Town of Wall’s Downtown Commercial District is a major asset. Wall Drug and other tourist orientated downtown businesses are a major attraction. The majority of commercial/retail buildings in the commercial district in Wall are in good condition and occupied by viable businesses, however, some buildings are substandard and/or vacant.

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

Recommendation: We continue to recommend that the Town of Wall, the Wall Economic Development Corporation and the Chamber of Commerce continue to work with commercial property and business owners to rehabilitate their buildings. Also, new businesses that complement the tourism industry and/or address the daily commercial/retail needs of the community should continue to be encouraged to locate in Wall.

Additionally, the Town of Wall, the Wall Economic Development Corporation and the Chamber of Commerce, should seek funding to assist property owners with rehabilitating their commercial buildings.

21. Develop mobile home programs and policies

Findings: Wall has 78 mobile homes according to the American Community Survey. There are also vacant pads/lots available for mobile or modular homes in the mobile home park.

Mobile homes are an affordable option for many households and Wall is an excellent location for households seeking a modular or mobile home as a housing option.

Recommendation: It may be appropriate for the community to initiate programs to encourage households to locate a mobile or modular home in Wall. Some of the innovative programs that have been used in other communities to address mobile home conditions and mobile home park issues include:

- ▶ ***Down Payment Assistance Program*** - Develop a Down Payment Assistance Program that assists households with the purchase of a mobile home.

- ▶ ***Operation Safe Mobile Home Park*** - Owners of substandard mobile homes are given the option of voluntarily selling their substandard mobile home to the Town or an area housing agency for a fixed minimum price. The mobile homes are then removed from the park and demolished/salvaged. The owner can then use the funds from the sale to help purchase a new home. Mobile home dealerships have sometimes participated by buying the salvaged homes.
- ▶ ***Time of Sale/Rent Inspection Program*** - This inspection program is designed to provide safe living conditions through the identification and elimination of basic life/safety hazards in older mobile homes. Mobile homes are subject to inspection prior to their sale or rental. All identified safety hazards must be corrected before the unit is sold, rented and/or occupied.
- ▶ ***Age of Mobile Homes Moved into the Town*** - Some cities and towns have implemented an ordinance which stipulates that a mobile home must have been manufactured after a designated year to be moved into the Town. This prevents older units from being moved into the Town. The owner of the Mobile Home Park currently has a policy that mobile homes more than 10 years old cannot be moved into the Park.

22. Develop home ownership and new construction marketing programs

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

Recommendation: The Town of Wall, the Wall Economic Development Corporation, the Chamber of Commerce, private builders and developers have been active in promoting the Town and marketing housing. We recommend the continuation or initiation of the following:

- ▶ Determine the Town's strengths and competitive advantages and continue to heavily promote them

- ▶ Continue to create marketing materials that can be distributed regionally (including internet, TV, radio, etc.)
- ▶ Work closely with employers (Wall and the entire region) to provide employees with housing opportunities in Wall
- ▶ Work with housing agencies to provide down payment assistance, gap financing, low interest loans, home owner education, home owner counseling programs and other programs
- ▶ Work with builders to make the construction of new homes or rental units a very user friendly process
- ▶ Develop new home construction and home purchase incentive programs.
- ▶ Continue to promote Wall as a major tourist attraction and destination
- ▶ Continue to work on the creation of jobs and the development of retail, service and recreational opportunities that make the Town 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 Town’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.

23. Seasonal Employee Housing

Findings: During the tourism/vacation season, many Wall businesses employ seasonal workers. Often these employees are in need of housing.

A significant number of homes have been converted to seasonal employee housing. Also, some employees live in mobile homes. Additionally, seasonal employees commute into Wall from other cities and rural areas.

Recommendation: It may be advantageous to create an inventory of the number, location and type of seasonal employee housing. This could assist in the development of additional employee housing opportunities. The Town, the Wall Economic Development Corporation, area housing agencies and the South Dakota Housing Development Authority could potentially assist business owners with developing and/or identifying employee designated housing in Wall.

New employee housing would provide a quality housing option for seasonal workers and lower the number of existing homes that are currently being used, or that may be converted to this use in the future.

Agencies and Resources

The following regional and state agencies administer programs or provide funds for housing programs and projects in Wall and Pennington County:

Pennington County Housing and Redevelopment Commission

1805 W. Fulton St., Suite 101
Rapid City, SD 57702
(605) 394-5350

NeighborWorks Dakota Home Resources (Main Office)

795 Main St.
Deadwood, SD 57732
(605) 578-1405

* NeighborWorks also has offices in Box Elder and Wall.

Grow South Dakota

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

South Dakota Housing Development Authority

PO Box 1237
3060 East Elizabeth Street
Pierre, SD 57501
(605) 773-3181

USDA Rural Development

414 East Stumer Road, Suite 200
Rapid City, SD 57701
(605) 342-0301

Western South Dakota Community Action Agency

1844 Lombardy Drive
Rapid City, SD 57703
(605) 348-1460