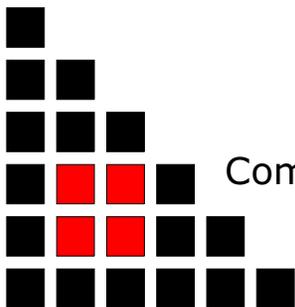


Martin/Greater Martin HOUSING STUDY

June 2013

An analysis of the overall housing needs
in the City of Martin and the surrounding area



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Introduction

Overview

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. Many of the housing units in Martin and Bennett 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 Wild Horse Butte Community Development Corporation to conduct a study of the housing needs and conditions in the City of Martin, and in the immediately surrounding area, which includes the Sunrise and North Housing Developments, part of the La Creek District of the Pine Ridge community.

Goals

The multiple goals of the study include:

- ▶ Provide updated demographic data including the 2010 Census
- ▶ Provide an analysis of the current housing stock and inventory
- ▶ Determine gaps or unmet housing needs
- ▶ Examine housing trends that the area can expect 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 2013 to May 2013. Data sources included:

- U.S. Census Bureau
- American Community Survey
- Records and data from the City
- Records and data maintained by Bennett County
- Records and data maintained by the Oglala Sioux Housing Authority
- South Dakota State Data Center
- Interviews with City officials, community leaders, housing stakeholders, etc.

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

Limitations

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

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Demographic Data Overview

Sources of Data

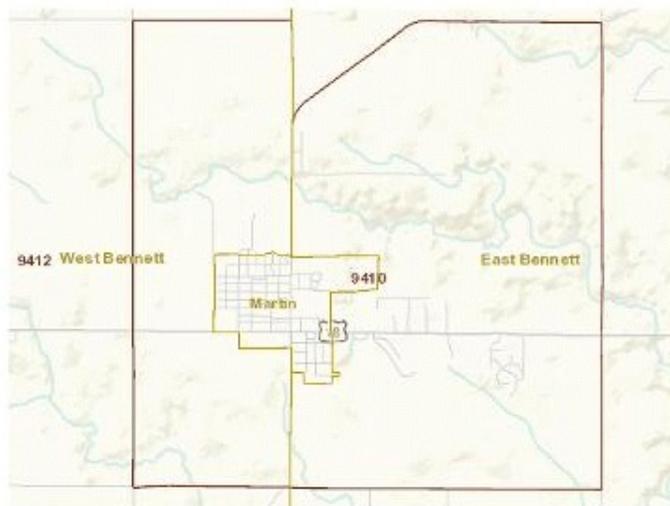
The following pages contain demographic data obtained from a variety of local, state and national sources for the City of Martin, the unincorporated portions of the County immediately outside of Martin, and for all of Bennett County.

There are two relatively large residential communities that exist outside of the city limits of Martin, known as the Sunrise and North Housing Developments. These areas are part of the La Creek District of the Pine Ridge community. Houses in these areas are part of the La Creek District, and represent Tribal housing opportunities.

Although specific demographic information is not available for the Sunrise and North Housing Developments, the last two decennial censuses have included these areas, along with the City of Martin, in a defined census tract. By examining information for this census tract, minus the data for the City of Martin, it is possible to get some information on the population in the Sunrise and North Housing Development areas. This area is referred to in this Study as Greater Martin.

In some cases information is presented for the City of Martin, and in some cases the Greater Martin area is examined. When both Martin and Greater Martin are combined, the aggregation is referred to as Martin/Greater Martin.

It is important to note that the boundaries of this census tract have only existed since 2000, so prior data cannot be obtained for comparison.



Although already somewhat dated, the 2010 Census still represents the most accurate demographic detail about the area. However, the 2010 Census was more limited in scope than in the past. As a result, some of the demographic variables, such as income and housing cost information, were not available.

To supplement the decennial Census, the Census Bureau has created the American Community Survey, an annual sampling of households. The American Community Survey provides detailed demographic characteristics, replacing information once collected by the decennial Census. However, because the American Community Survey is based on sampling data, there is a margin of error that exists for each estimate. The following tables incorporate the 2010 Census data, when available, or the 2011 or 2012 American Community Survey data.

The frequency of American Community Survey varies depending on the size of the jurisdiction. For most jurisdictions in South Dakota, the 2011 estimates were derived from sampling that was done over a five-year period, between 2007 and 2011. Unless otherwise noted, the American Community Survey estimates are based on the five-year survey data and are effective July 1, 2011.

Population Data and Trends

Table 1 Population Trends - 1980 to 2010						
	1980 Population	1990 Population	2000 Population	% Change 1990-2000	2010 Population	% Change 2000-2010
Martin	1,018	1,151	1,106	-3.9%	1,071	-3.2%
Greater Martin	N/A	N/A	542	N/A	548	1.1%
Bennett County	3,044	3,206	3,574	11.5%	3,431	-4.0%

Source: U.S. Census

- ▶ The City of Martin’s population was 1,071 people in 2010, down 35 people, or 3.2% from the year 2000. The last decade continued a longer-term trend in Martin, as the City also lost population in the 1990s.
- ▶ While there was a decrease of residents within the City, this loss was partially erased by a small population gain in Greater Martin, the portions of Bennett County that immediately surround the City. These adjoining areas added six people during the decade. When Martin and Greater Martin are combined, the area lost only 29 people, for a loss of 1.8%.
- ▶ Bennett County’s population was 3,431 in 2010, down 143 people, or 4%, from the number counted in the 2000 Census. In the 1980s and the 1990s, Bennett County had been adding residents, but this pattern reversed in the most recent decade.
- ▶ The Census Bureau has released more recent information through its population estimates program. The most recent estimate for Bennett County is effective July 1, 2012, and shows the County adding five people in the two years after the 2010 Census. This net growth has been attributed to “natural increase” as births exceeded deaths countywide. However, much of the net gain from natural increase was negated by “domestic migration” as more people moved out of the County than moved in.
- ▶ The most recent estimate for Martin is effective July 1, 2011, and shows the City adding three people between 2010 and 2011. The Census Bureau does not issue annual estimates for unincorporated areas or census tracts, so no 2011 information is available for Greater Martin.
- ▶ According to the 2010 Census, 37 Martin residents lived in group quarters, in a skilled nursing facility. Most of these people were age 65 or older.

Racial and Ethnic Population Data

The following tables compare racial and ethnic populations in the City of Martin, Greater Martin and Bennett County. The information was obtained from the decennial U.S. Census.

Table 2 Martin Racial/Ethnic Population Trends - 1990 to 2010					
	1990 Census	2000 Census	% Change 1990-2000	2010 Census	% Change 2000-2010
Race					
Native American	394	416	5.6%	517	24.3%
White	743	597	-19.7%	446	-25.9%
All Other Races	14	93	564.3%	108	16.1%
Total All Races	1,151	1,106	-3.9%	1,071	-3.2%
Ethnicity					
Hispanic/Latino	20	38	90.0%	44	15.8%
Not Hispanic/Latino	1,131	1,068	-5.6%	1,027	-3.8%
Total Ethnicity	1,151	1,106	-3.9%	1,071	-3.2%

Source: U.S. Census

- ▶ Over the past 20 years, the Native American population living in the City of Martin has continued to grow. By the year 2010, the Native American population was the largest single racial group in the City.
- ▶ Over the same time period, the population identifying themselves as White has continued to grow smaller, with a percentage decrease of nearly 26% over the last decade alone.
- ▶ There has also been an increase in people of another race, primarily identified as Two or More Races. This multi-race category was not an option on the 1990 Census, but was listed on the 2000 and 2010 Census forms.
- ▶ This City’s Hispanic/Latino population has increased over time, but still represented only 4.1% of the City’s population in 2010.

Greater Martin

The geographic area referred to in this Study as Greater Martin was not a specific census tract prior to the 2000 Census.

Table 3 Greater Martin Racial/Ethnic Population Trends - 2000 to 2010			
	2000 Census	2010 Census	% Change 2000-2010
Race			
Native American	407	410	0.7%
White	91	121	33.0%
All Other Races	44	17	-61.4%
Total All Races	542	548	1.1%
Ethnicity			
Hispanic/Latino	12	9	-25.0%
Not Hispanic/Latino	530	539	1.7%
Total Ethnicity	542	548	1.1%

Source: U.S. Census

- ▶ Over the past 10 years, the Native American population living in Greater Martin has remained relatively stable, increasing by less than 1%. The Native American population continues to be the largest single racial group in this area.
- ▶ Over the same time period, the population identifying themselves as White has grown, with a percentage increase of 33% over the decade. However, only 22% of Greater Martin residents listed their race as White.
- ▶ Other races, including those identified as Two or More Races, represented only a small percentage of the population in Greater Martin.
- ▶ Hispanic/Latino residents made up less than 2% of the population in Greater Martin.

Bennett County

Table 4 Bennett County Racial/Ethnic Population Trends - 1990 to 2010					
	1990 Census	2000 Census	% Change 1990-2000	2010 Census	% Change 2000-2010
Race					
Native American	1,481	1,861	25.7%	2,109	13.3%
White	1,709	1,462	-14.5%	1,157	-20.9%
All Other Races	16	251	1468.8%	165	-34.3%
Total All Races	3,206	3,574	11.5%	3,431	-4.0%
Ethnicity					
Hispanic/Latino	35	72	105.7%	67	-6.9%
Not Hispanic/Latino	3,171	3,502	10.4%	3,364	-3.9%
Total Ethnicity	3,206	3,574	11.5%	3,431	-4.0%

Source: U.S. Census

- ▶ Over the past 20 years, the Native American population living in Bennett County has continued to grow. By the year 2010, the Native American population represented more than 61% of all County residents.
- ▶ Over the same time period, the population identifying themselves as White has continued to grow smaller, with a percentage decrease of nearly 21% over the last decade, and a percentage decrease of more than 32% over the past 20 years.
- ▶ All other races, including people self-identified as Two or More Races, represented less than 5% of the County’s population in 2010.
- ▶ The County’s Hispanic/Latino population was also small, representing less than 2% of the population in 2010.

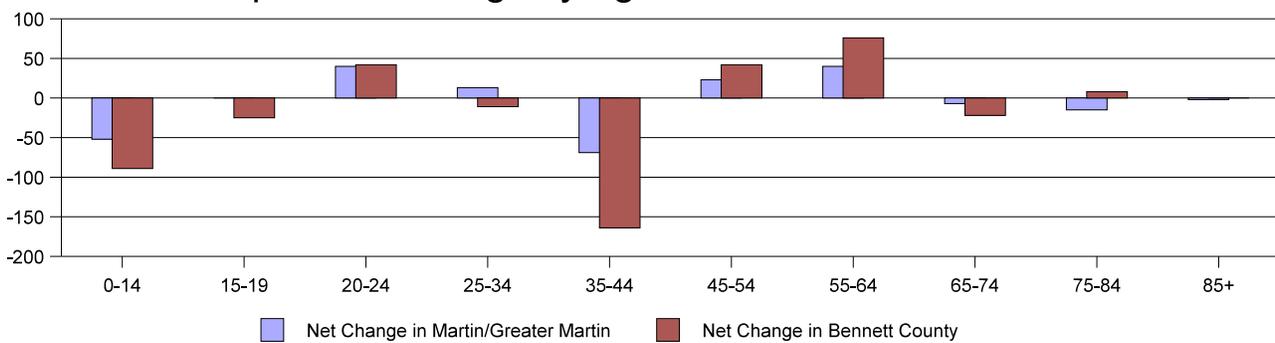
Population by Age Trends: 2000 to 2010

The release of demographic information from the 2010 Census allows for some analysis of the changing age patterns for the Martin/Greater Martin area and Bennett County. The following table compares population by age in 2000 and 2010, along with the numeric changes.

Table 5 Population by Age - 2000 to 2010						
Age	Martin and Greater Martin Combined			Bennett County		
	2000	2010	Change	2000	2010	Change
0-14	502	450	-52	1,075	986	-89
15-19	151	151	0	341	316	-25
20-24	96	136	+40	210	252	+42
25-34	171	184	+13	394	383	-11
35-44	224	155	-69	511	347	-164
45-54	157	180	+23	374	416	+42
55-64	120	160	+40	271	347	+76
65-74	101	94	-7	215	193	-22
75-84	84	69	-15	127	135	+8
85+	42	40	-2	56	56	0
Total	1,648	1,619	-29	3,574	3,431	-143

Source: U.S. Census

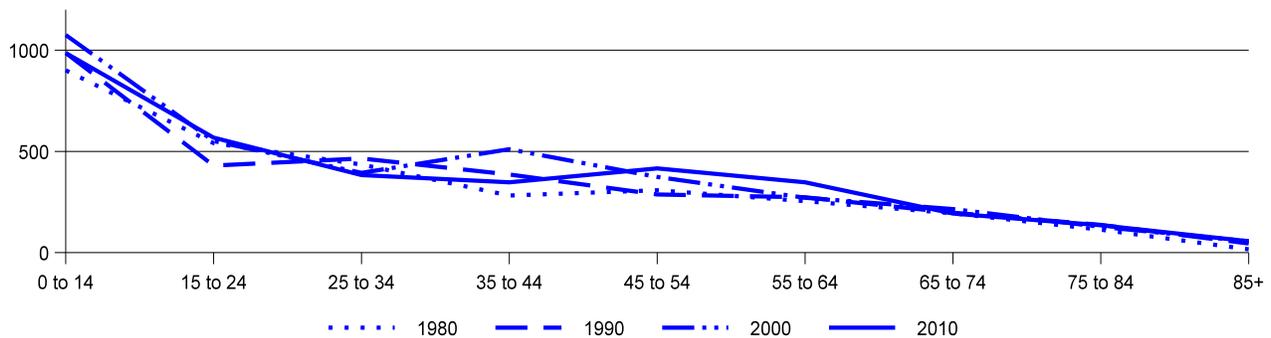
Population Change by Age Between 2000 and 2010



Between 2000 and 2010, Martin/Greater Martin had a net gain of people in the age groups between 45 and 64 years old, and in the age ranges between 20 and 34 years old. However, no growth or net population reductions in other age groups resulted in an overall loss of 29 people between 2000 and 2010.

In most communities, the impact of the large “baby boom” generation is evident. In Martin/Greater Martin, there was a net increase of 63 residents in the age groups between 45 and 64 years old, which would generally reflect the movement of baby boomers through the aging cycle. However, a pronounced “bulge” in the demographic statistics due to baby boomers is less evident, as shown in the County age pattern line chart below. Overall, there has been a more stable distribution of the population over the last 30 years.

County Age Distribution: 1980 to 2010



Both the Martin/Greater Martin area and Bennett County had an overall reduction of senior citizens over the last decade. There was also a declining number of children, age 19 and younger. However, if the 2010 distribution is compared to the levels recorded in 1980 or 1990, it is apparent that the number of children and the number of senior citizens has remained relatively stable over time.

Population Projections

The following table presents population projections using two different sources.

The South Dakota State Data Center has issued preliminary population projections for Bennett County. The following table shows the Data Center projection for 2015 and 2020.

The other projections have been calculated by Community Partners Research, Inc., and are based on past patterns of population change.

Table 6 Population Projections Through 2015					
	2010 Census	Community Partners Research, Inc.		State Data Center	
		2015 Projection	2020 Projection	2015 Projection	2020 Projection
Martin	1,071	1,053	1,040	N/A	N/A
Martin/Greater Martin	1,619	1,605	1,591	N/A	N/A
Bennett County	3,431	3,370	3,310	3,470	3,532

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

- ▶ The growth projections based on past growth trends expect minor population losses for the City of Martin over the next few years. Part of this loss is mitigated by the impact of Greater Martin, but overall, a minor reduction of residents would be expected, consistent with longer-term patterns.
- ▶ The Bennett County projections from Community Partners Research, Inc., also project ongoing population loss countywide. The State Data Center actually projects minor population growth for Bennett County. This countywide growth is certainly possible, as Bennett County had been adding residents in the 1980s and 1990s, before losing population over the last decade.

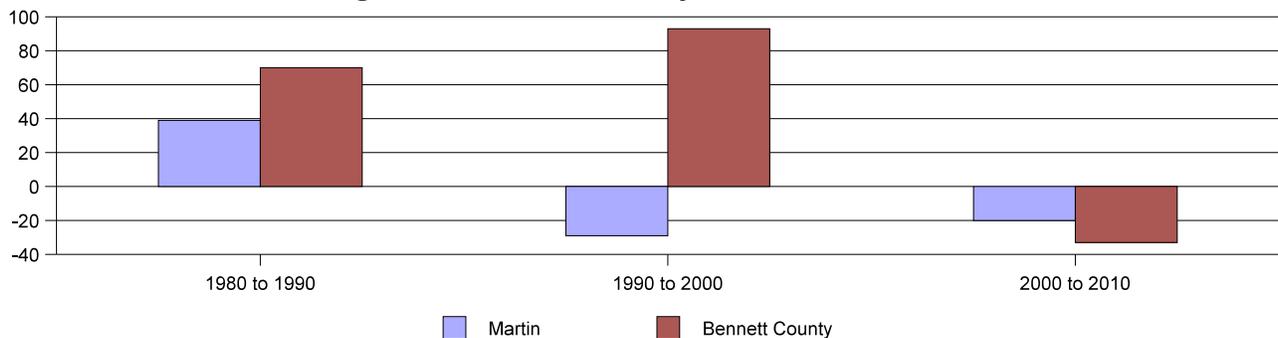
Household Data and Trends

Table 7 Household Trends - 1980 to 2010						
	1980 Households	1990 Households	2000 Households	% Change 1990-2000	2010 Households	% Change 2000-2010
Martin	411	450	421	-6.4%	401	-4.8%
Greater Martin	N/A	N/A	121	N/A	142	17.4%
Bennett County	960	1,030	1,123	9.0%	1,090	-2.9%

Source: U.S. Census

- ▶ The City of Martin lost 20 households from 2000 to 2010, for a reduction of 4.8%. Martin had also lost households in the 1990s.
- ▶ Although there was a reduction of households within the city limits, 21 households were added in Greater Martin. When Martin and Greater Martin are combined, there was a net increase of one household between 2000 and 2010.
- ▶ All of Bennett County lost 33 households in the last decade, for a decrease of 2.9%. In both the 1980s and 1990s, Bennett County had added households.

Net Change in Households by Decade: 1980 to 2010



Household by Age Trends: 2000 to 2010

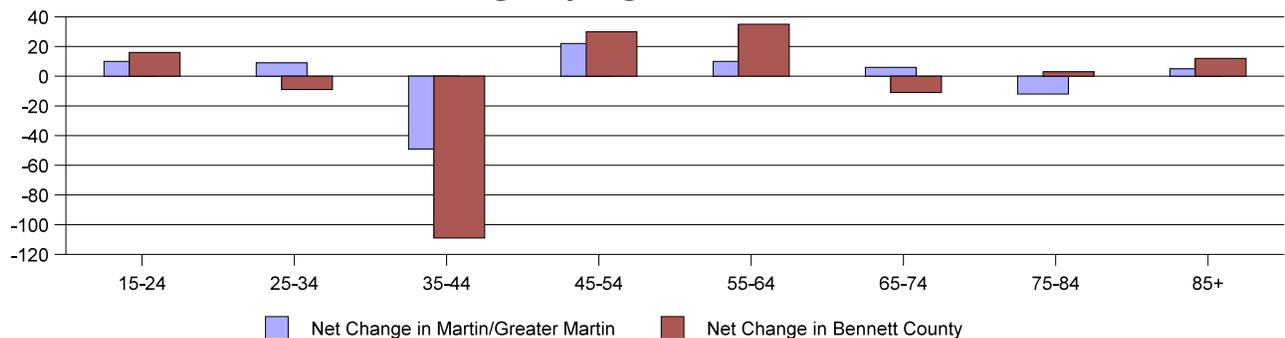
The 2010 Census allows for some analysis of Martin/Greater Martin and Bennett County’s changing age patterns. The following table compares households by age of householder in 2000 and 2010, along with the numeric changes.

Table 8 Households by Age - 2000 to 2010						
Age	Martin and Greater Martin Combined			Bennett County		
	2000	2010	Change	2000	2010	Change
15-24	28	38	+10	44	60	+16
25-34	71	80	+9	153	144	-9
35-44	135	86	-49	289	180	-109
45-54	84	106	+22	210	240	+30
55-64	84	94	+10	168	203	+35
65-74	65	71	+6	144	133	-11
75-84	54	42	-12	89	92	+3
85+	21	26	+5	26	38	+12
Total	542	543	+1	1,123	1,090	-33

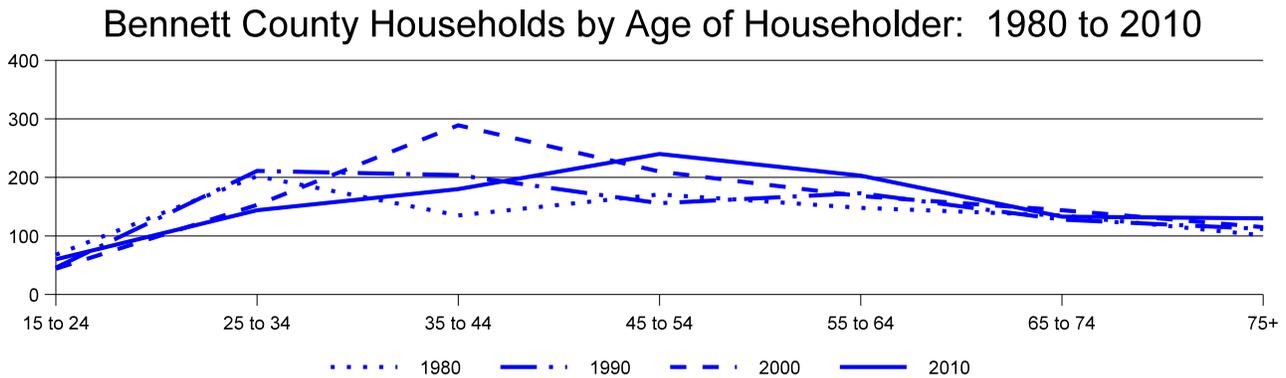
Source: U.S. Census

For the Martin/Greater Martin area, there was some net household growth in the age ranges between 45 and 74 years old, and at the youngest and oldest ends of the aging spectrum. A fairly large net reduction in the number of households age 35 to 44 years old resulted in almost no overall change for Martin/Greater Martin.

Household Change by Age Between 2000 and 2010



Similar patterns existed Countywide, but the large net reduction in households age 35 to 44 years old resulted in an overall loss of households.



As with the longer-term patterns for population, there is some impact of the baby boom generation, but this is not as evident in Bennett County as in other areas, as visible in the line chart below.

At the time of the 2000 Census, the County did have a large number of households in the 35 to 44 year old age range, reflecting many of the baby boomers at that time. However, by the year 2010, this “wave” was much less evident in the 45 to 54 year old group.

Over the past 30 years, the number of households at the youngest and oldest ends of the age spectrum has remained relatively stable countywide.

Average Household Size

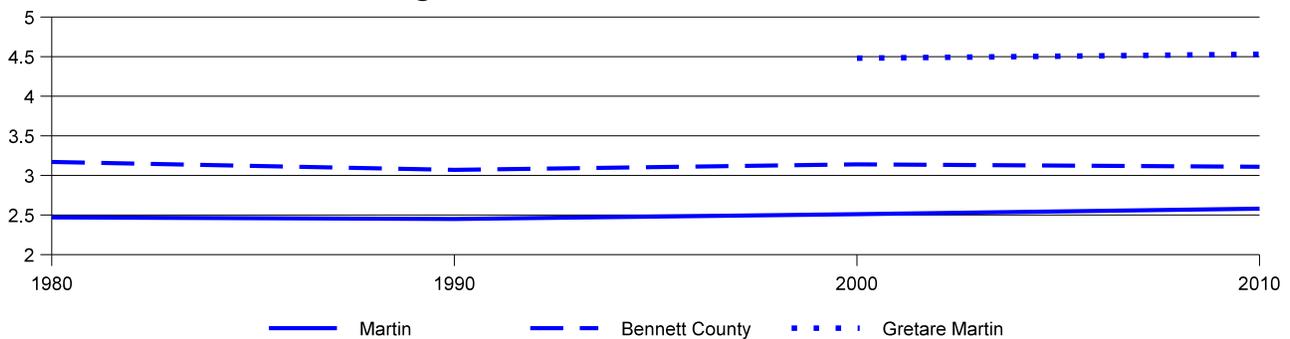
The following table provides decennial Census information on average household size.

Table 9 Average Number of Persons Per Household: 1980 to 2010				
	1980 Census	1990 Census	2000 Census	2010 Census
Martin	2.47	2.45	2.51	2.58
Greater Martin	N/A	N/A	4.48	4.53
Bennett County	3.17	3.07	3.14	3.11

Source: U.S. Census

Throughout most of the State of South Dakota, there has been a steady decrease in average household size. This has not been the case in Martin and Greater Martin, as the average household size has been growing in size in recent decades.

Average Household Size: 1980 to 2010



Greater Martin, in particular, has had a very large average household size reported in the past two Censuses. In 2010, the average household size was 4.53 persons per household.

While there has been some minor reduction in the average household size for all of Bennett County, the average is still very large by comparative standards, with 3.11 persons per household in 2010. For comparison, the average household size Statewide in 2010 was 2.42 persons.

Household Projections

The following table presents household projections for the Martin/Greater Martin area and Bennett County for the years 2015 and 2020. Both of these calculations have been generated by Community Partners Research, Inc., and are based on the rate of change that has been present in recent years.

Table 10 Household Projections Through 2015 and 2020			
	2010 Census	2015 Projection	2020 Projection
Martin	401	390	380
Martin/Greater Martin	543	544	545
Bennett County	1,090	1,080	1,070

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

- ▶ The growth projections for the City of Martin expect minor household losses for the next few years, consistent with the trends that have existed since 1990. However, if Martin and Greater Martin are combined, there is a stable household level projected. With the possible addition of one or two households in the future.
- ▶ The projections for Bennett County also expect a relatively stable household count through 2015, with minor reductions possible.
- ▶ It is important to note that these projections expect past trends to continue for the near future. It is very possible that household growth could also occur, but this may be based on overall housing availability in the area.

Household by Age Projections: 2010 to 2015

With the release of the 2010 Census, a new benchmark has been established for Bennett County age-related statistics. In the following table, Community Partners Research, Inc., has generated age-based household projections for Bennett County to the year 2015.

The first set of age-based projections has been extrapolated from preliminary population forecasts that have just been issued by the South Dakota State Data Center. They have been converted into households using past calculations on the average household size that has existed within specific age ranges.

The second set of projections was created by Community Partners Research, Inc., by trending forward past retention rates within defined age cohorts, and assuming that these past patterns are a reasonable predictor of future age-based population changes.

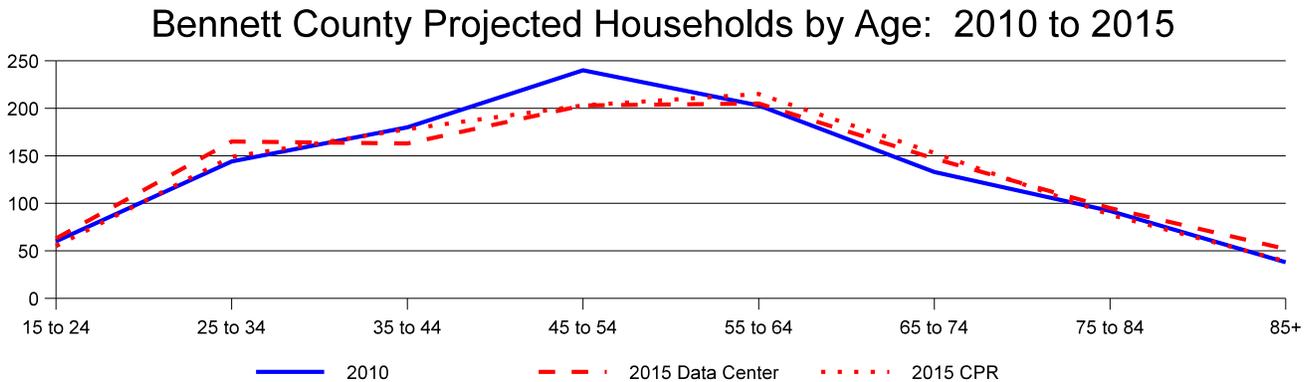
Both sets of projections assume that historical patterns will continue into the near-future, especially related to household formation and household size within specific age groups. If the population changes at a rate that is different than past patterns would suggest, traditional age-based forecasts could be altered.

Table 11 Bennett County Projected Households by Age - 2010 to 2015

Age Range	2010 Census	Extrapolated from State Data Center		Community Partners Research, Inc.	
		2015 Projection	Change from 2010	2015 Projection	Change from 2010
15-24	60	63	+3	55	-5
25-34	144	165	+21	149	+5
35-44	180	163	-17	178	-2
45-54	240	203	-37	203	-37
55-64	203	205	+2	215	+12
65-74	133	147	+14	153	+20
75-84	92	95	+3	88	-4
85+	38	52	+14	39	+1
Total	1,090	1,093	+3	1,080	-10

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

While the two projection methods do yield some differences for the age-based forecasts, in general terms they offer a somewhat similar expectation through the year 2015. The relative similarity becomes more evident when viewed as a line chart showing the progression from 2010 to 2015.



The projections from the State Data Center tend to be more optimistic for the number of younger households, in the age ranges between 15 and 34, and among older senior households, age 75 and above.

The extrapolated projections from the Data Center show growth among households age 85 and older, with a probable gain of 14 households, compared to a gain of only one household under the Community Partners Research, Inc., projection. It is the analysts' opinion that to achieve the growth in older seniors that the Data Center projects, Bennett County would need to attract older people from outside the immediate area.

Households by Type

The 2010 Census can be compared to statistics from 2000 to examine changes in household composition. The following table looks at household trends within the combined area of Martin and Greater Martin.

Table 12 Martin/Greater Martin Household Composition: 2000 - 2010			
	2000 Census	2010 Census	Change
Family Households			
Married Couple with own children	122	89	-33
Single Parent with own children	86	100	+14
Married Couple without own children	110	106	-4
Family Householder without spouse	39	66	+27
Total Families	357	361	+4
Non-Family Households			
Single Person	163	154	-9
Two or more persons	22	28	+6
Total Non-Families	185	182	-3

Source: U.S. Census

Between 2000 and 2010, the Martin/Greater Martin area experienced a minor increase in the total number of family households. This was due to an increase of single householder families, both with and without children age 18 and younger. There was an overall net decrease in the number of married couple families, both with and without children.

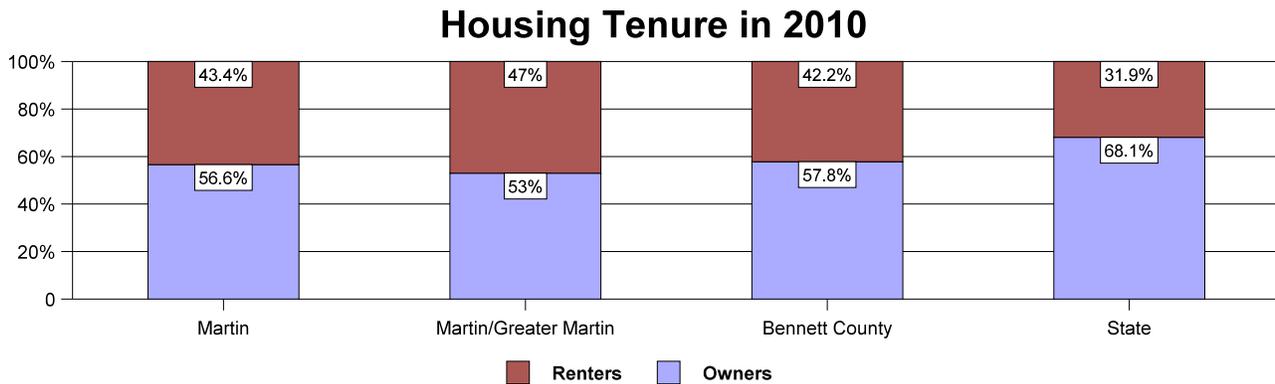
The City had a small net decrease in “non-family” households. This was due to a decrease in single person households. There was a slight increase in the number of unrelated individuals living together.

Housing Tenure

The 2010 Census provided an updated look at housing tenure patterns. The following tables examine overall tenure rates, along with the changes that have occurred since 2000 for the City of Martin, Greater Martin and Bennett County.

Table 13 Household Tenure - 2010				
	Number of Owners	Percent of all Households	Number of Renters	Percent of all Households
Martin	227	56.6%	174	43.4%
Greater Martin	61	43.0%	81	57.0%
Bennett County	630	57.8%	460	42.2%
State	-	68.1%	-	31.9%

Source: U.S. Census



According to the 2010 Census, the ownership tenure rate in the City of Martin was 56.6%, well below the Statewide home ownership rate of 68.1%. The ownership rate dropped even lower, below 50%, in the area just outside the city limits that is referred to as Greater Martin. Bennett County’s ownership rate was slightly higher, at 58.7%, but still reflected the impact of the high rental rate in Martin and Greater Martin.

Change in Households by Housing Tenure

The 2010 Census can be compared to the year 2000 to analyze trends in rental and home ownership patterns.

Table 14 Households by Housing Tenure - 2000 to 2010									
Tenure	Martin			Greater Martin			Bennett County		
	2000	2010	Change	2000	2010	Change	2000	2010	Change
Owners	254	227	-27	44	61	+17	664	630	-34
Renters	167	174	+7	77	81	+4	459	460	+1
Total	421	401	-20	121	142	+21	1,123	1,090	-33

Source: U.S. Census

Between 2000 and 2010, Martin’s ownership tenure rate decreased, as the City had a net reduction of 27 home owners, but gained seven renter-occupancy households.

The areas just outside the city limits, referred to as Greater Martin, added both home owners and renters in the last decade. However, if Martin and Greater Martin are combined, there was still a net loss of 10 home owners, but a net gain of 11 renter households.

The patterns for all of Bennett County were generally similar to those in Martin. Countywide, there was a net reduction of 34 home owners, and a net gain of one renter household.

Household Tenure by Race/Ethnicity

The following table presents minority household tenure information for the entire Martin area, including the City and Greater Martin.

Table 15 Tenure by Race/Ethnicity - Martin/Greater Martin in 2010				
Race/Ethnicity	Owner Households		Renter Households	
	Number	Percent	Number	Percent
Native American	74	31.9%	158	68.1%
White	194	70.5%	81	29.5%
All Other Race	20	55.6%	16	44.4%
Total All Races	288	53.0%	255	47.0%
Hispanic/Latino	5	38.5%	8	61.5%

Source: U.S. Census

- ▶ The lowest rate of home ownership was in the Native American community, with an ownership rate of less than 32%.
- ▶ The home ownership rate for White households was above 70% in 2010.
- ▶ The home ownership rate for Hispanic/Latino households was also relatively low, at less than 39%, but Hispanic/Latino households make up only a small percentage of all households in the Martin/Greater Martin area.

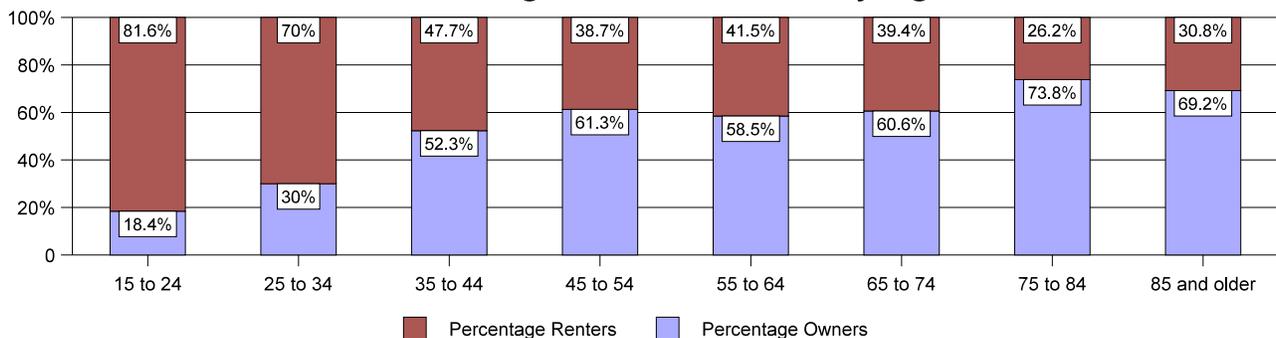
Tenure by Age of Householder

The 2010 Census provided information on the tenure distribution of households within each defined age range. The following table examines the number and percentage of renters and owners in each age group in the combined area of Martin and Greater Martin.

Age	Owners		Renters	
	Number	Percent within age	Number	Percent within age
15-24	7	18.4%	31	81.6%
25-34	24	30.0%	56	70.0%
35-44	45	52.3%	41	47.7%
45-54	65	61.3%	41	38.7%
55-64	55	58.5%	39	41.5%
65-74	43	60.6%	28	39.4%
75-84	31	73.8%	11	26.2%
85+	18	69.2%	8	30.8%
Total	288	53.0%	255	47.0%

Source: U.S. Census

Martin Area Housing Tenure Patterns by Age in 2010



Within the defined age ranges, younger adult households had a very high rate of renter-occupancy. Households age 35 and older had a preference for home ownership, but the ownership rate was below 70% for all age groups except for households age 75 to 84 years old. As people age, they tend to once again rent with greater frequency, but this was not the case in Martin/Greater Martin, as the highest rates of ownership existed among households age 75 and older.

Tenure by Household Size

The 2010 Census provided information on housing tenure by household size. This can be compared to 2000 Census information to better understand trends for housing unit needs. The following table provides information for the combined area of Martin and Greater Martin.

Table 17 Martin/Greater Martin Tenure by Household Size - 2000 to 2010						
Household Size	Owners			Renters		
	2000	2010	Change	2000	2010	Change
1-Person	79	92	+13	84	62	-22
2-Person	107	107	0	43	48	+5
3-Person	34	25	-9	28	39	+11
4-Person	40	28	-12	20	29	+9
5-Person	21	22	+1	29	37	+8
6-Person	8	6	-2	12	11	-1
7-Persons+	9	8	-1	28	29	+1
Total	298	288	-10	244	255	+11

Source: U.S. Census

Over the past decade, there was a decrease in the number of owner households but an increase in the number of renter households in the Martin/Greater Martin area. However, there was a decrease of 13 owner households with only one household member, and a decrease of 23 owner households with three or more household members.

There was an increase of 11 total renter households. This was due to a growing number of renters with between two and five household members. There was an overall reduction of 22 renter households with only one household member.

2011 Income Data

The 2010 Census did not collect information on household income. However, estimates are available through the 2011 American Community Survey. Unfortunately, the American Community Survey appears to underestimate the number of households in the area, at least when compared to the 2010 Census, which is assumed to be a more accurate demographic collection system.

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 18 Median Household Income - 2000 to 2011			
	2000 Median	2011 Median	% Change
Martin	\$26,779	\$31,985	19.4%
Martin/Greater Martin	\$26,779	\$31,176	16.4%
Bennett County	\$25,313	\$34,500	36.3%
South Dakota	\$35,271	\$46,369	31.5%

Source: U.S. Census; 2011 ACS 5-year survey

Table 19 Median Family Income - 2000 to 2011			
	2000 Median	2011 Median	% Change
Martin	\$32,500	\$38,235	17.6%
Martin/Greater Martin	\$32,917	\$35,776	8.7%
Bennett County	\$28,363	\$34,980	23.3%
South Dakota	\$43,237	\$58,958	36.4%

Source: U.S. Census; 2011 ACS 5-year survey

Information contained in the 2011 American Community Survey shows some improvement in the median income levels since 2000. However, the median household and median family income levels still remain well below the Statewide averages. In most cases, the rate of change in income levels has also lagged behind the Statewide rates.

The household median income for Martin was estimated at \$31,985 in 2011. While this median was up by more than 19% from the year 2000, it was still nearly \$15,000 below the median household income for all of South Dakota.

Martin's median household income level was below the median for all of Bennett County but similar to the median for the area defined as Greater Martin.

Family household incomes tend to be higher than the overall household median, as families have at least two household members, and potentially more income-earners. The estimated median family income in Martin in 2011 was \$38,235. The median family income in Martin was higher than the medians in Bennett County or Greater Martin, but still was more than \$20,000 below the Statewide median.

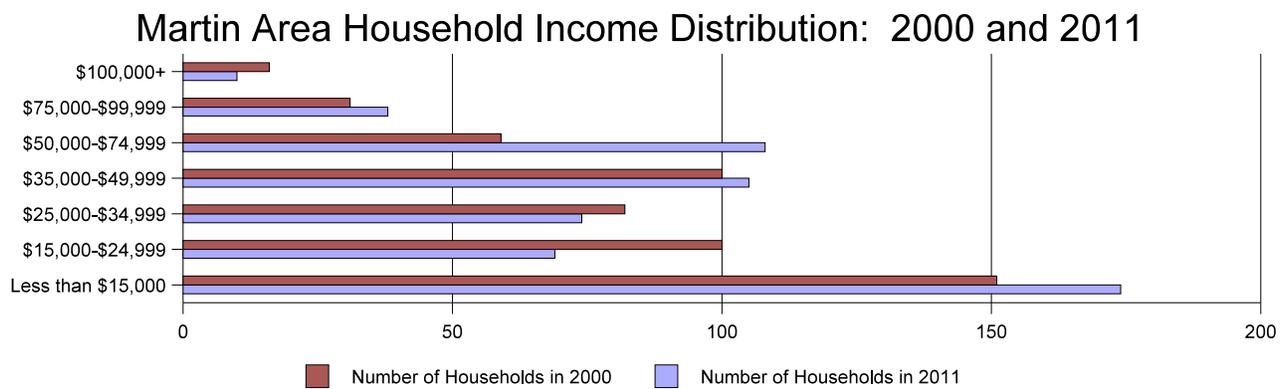
Using the commonly accepted standard that up to 30% of gross income can be applied to housing expenses without experiencing a cost burden, a median income household in Martin could afford approximately \$800 per month for ownership or rental housing in 2010. A median income family could afford approximately \$956 per month for housing. However, as will be detailed later in this section, renter households tend to be below the overall median, while owner households tend to be above the overall median level.

Household Income Distribution

The 2011 American Community Survey household income estimates for the combined area of Martin/Greater Martin can be compared to the same distribution information from 2000 to examine changes that have occurred over the past decade.

Household Income	Number of Households 2000	Number of Households in 2011	Change 2000 to 2011
\$0 - \$14,999	151	174	+23
\$15,000 - \$24,999	100	69	-31
\$25,000 - \$34,999	82	74	-8
\$35,000 - \$49,999	100	105	+5
\$50,000 - \$74,999	59	108	+49
\$75,000 - \$99,999	31	38	+7
\$100,000+	16	10	-6
Total	539	578	+39

Source: 2000 Census; 2011 ACS



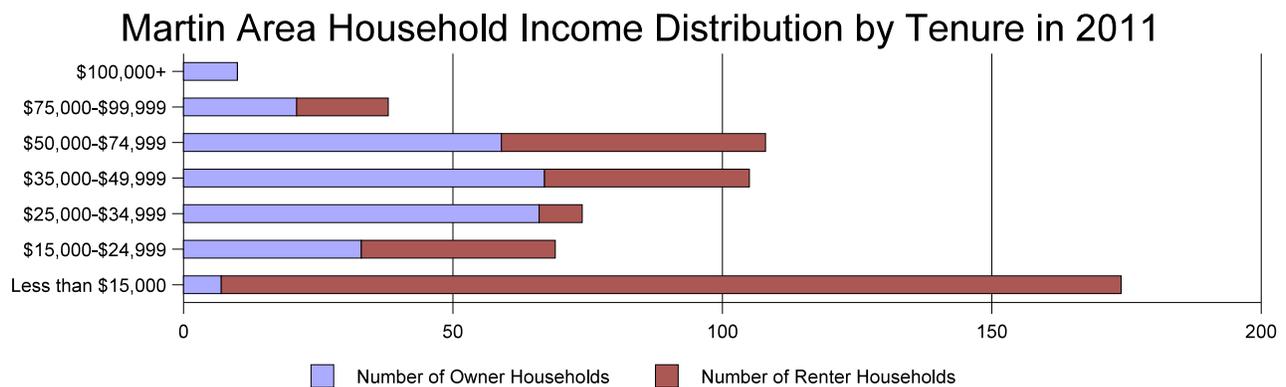
According to income estimates contained in the 2011 American Community Survey, household incomes have generally improved in Martin and Greater Martin, especially in the income range between \$50,000 and \$75,000. When compared to the 2000 Census (1999 income), the number of households with an income in this range increased by 49 households. However, there was also an increase of 23 households with an income less than \$15,000. Overall, there were 243 households in Martin/Greater Martin that had an annual income below \$25,000.

Income Distribution by Housing Tenure

The 2011 American Community Survey provides an estimate by owner and renter status. The following table examines income distribution within the City of Martin and Greater Martin. The American Community Survey is an estimate, based on limited sampling data, and there are some differences when compared to the 2010 Census. For total households, the American Community Survey reported 35 more households than the Census, a difference of 6.4%. The American Community Survey estimated 25 fewer owner households than the Census, but 60 more renter households. Despite some degree of inaccuracy in the American Community Survey estimates, they still represent the best available data on household incomes.

Household Income	Number of Owner Households	Number of Renter Households	Total Households
\$0 - \$14,999	7	167	174
\$15,000 - \$24,999	33	36	69
\$25,000 - \$34,999	66	8	74
\$35,000 - \$49,999	67	38	105
\$50,000 - \$74,999	59	49	108
\$75,000 - \$99,999	21	17	38
\$100,000+	10	0	10
Total	263	315	578

Source: 2011 American Community Survey



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 2010, approximately 67% of all renter households in Martin 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. Conversely, most owner households had a higher income level. Approximately 60% of all owner households had an annual income of \$35,000 or more.

Despite the fact that more than two-thirds of all renter households did have a low to moderate income, the American Community Survey estimates did show that there were 66 renter households in the Martin/Greater Martin area with an annual income of \$50,000 or more. Based on 30% of income, these households could apply up to \$1,250 per month to housing costs. However, since the ACS does overestimate the number of renter households that exist, it is possible that the number of higher income renter households is also flawed. At the time of the 2000 Census, there were only 16 renter households in Martin Greater/Martin that had an annual income of \$50,000 or more. While it is possible that there has been a significant increase in higher income renters in the area, it is probable that the number has not expanded to the level estimated by the American Community Survey.

2011 Estimated Income and Housing Costs - Renters

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

Table 22 Gross Rent as a Percentage of Income - Martin/Greater Martin		
Percentage of Household Income for Housing Costs	Number of Renter Households 2011	Percent of All Renter Households 2011
0% to 19.9%	113	35.9%
20% to 29.9%	23	7.3%
30% to 34.9%	16	5.1%
35% or more	123	39.0%
Not Computed	40	12.7%
Total	315	100%

Source: 2011 American Community Survey

Based on the tenure information from the 2010 Census, which is viewed as more reliable, the 2011 American Community Survey overestimated the number of renter households in the Martin/Greater Martin area. However, the estimates on housing cost burden are the best available information on income and expenses for housing.

According to the American Community Survey, approximately 44% of all renters in the City were paying 30% or more of their income for rent. The large majority of these households were actually paying 35% or more of their income for housing. 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".

There were also a large number of renter households that were paying less than 20% of their income for housing. As displayed on previous pages, the American Community Survey estimates do show a number of renter households with an annual income of \$50,000 or more.

2011 Estimated Income and Housing Costs - Owners

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

Table 23 Owner Costs as a Percentage of Income - Martin/Greater Martin		
Percentage of Household Income for Housing Costs	Number of Owner Households 2011	Percent of All Owner Households 2011
0% to 19.9%	169	64.3%
20% to 29.9%	58	22.1%
30% to 34.9%	16	6.1%
35% or more	20	7.6%
Not Computed	0	0%
Total	263	100%

Source: 2011 ACS

Based on the 2010 Census, which is viewed as more reliable, the 2011 American Community Survey slightly underestimated the number of owner households in the Martin/Greater Martin area, however, this source still represents the best available information on income compared to housing costs.

Most owner-occupants, which would include households with and without a mortgage, reported paying less than 30% of their income for housing. However, approximately 14% of all home owners reported that they paid more than 30% of their income for housing. Most of these households were paying more than 35% of income for housing costs.

As would be expected, most of the cost-burdened home owners had a mortgage on their home, but there were also some home owners that had a cost burden even though they did not have a mortgage. In these cases, a very low annual income is the cause of the housing cost burden.

Housing Construction Activity

Based on information available from the U.S. Census Bureau, three single family houses and one two-unit structure were constructed in the City between 2000 and 2012. City records indicate that seven units were constructed in the City during this same time period.

The Census Bureau site does not specifically identify any housing units being constructed outside of Martin, but locally-generated information points to some houses being built outside of the Martin City limits.

Occupancy Status of Housing Units - 2010

Table 24 Occupancy Status of Units in Martin/Greater Martin - 2010						
	Occupied Units		Vacant Units			
	Owner	Renter	For Rent/ Unoccupied	For Sale/ Unoccupied	Seasonal Use	Other Vacant
Martin/Greater Martin	288	255	43	7	10	12

Source: U.S. Census

- ▶ According to the 2010 U.S. Census, there were 543 occupied housing units and 72 unoccupied housing units in Martin and Greater Martin. Most of the unoccupied units were identified as vacant and available for rent.

Existing Home Sales

This section examines houses that have been sold in Martin in 2011 and 2012. It is important to note that the number of houses that have sold is limited, and may not be an accurate indicator of overall home values in the City. However, this sample does provide some insight into those units that are turning-over in a given year.

This table primarily reflects existing home sales. New construction sales activity would generally not be recorded in the data that was used for this analysis.

Table 25 Median Value of Residential Sales in Martin - 2011 to 2012			
Sales Period	Number of Good Sales	Median Sale Price	Average Sale Price
24 Months	19	\$25,000	\$33,053

Source: Bennett County Equalization; Community Partners Research, Inc.

- ▶ From 2011 and 2012, there were 19 residential sales of single family houses in Martin that were considered to be “arms length” transactions, according to the County’s Director of Equalization. Sales that are not “arms length” include, but are not limited to, sales between relatives, forced sales and foreclosures, and estate transfers that are not available on the open market. Only the “arms length” transactions have been reviewed for this study.
- ▶ The median sales price over this 24-month time period was \$25,000, and the average sales price was \$33,053. The highest valued sale was for \$80,000 and the lowest valued sale was for \$6,000.

Martin Housing Condition

Community Partners Research, Inc. representatives conducted a visual 'windshield' survey of all 321 single family/duplex houses in Martin. The City was divided into three neighborhoods, as defined below:

- Neighborhood No. 1:** All houses south of Highway 18
- Neighborhood No. 2:** South - Highway 18, North - Main Street,
East - city limits, West - 7th Avenue
- Neighborhood No. 3:** South - Main Street, North - city limits,
East - city limits, West - 7th Avenue

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

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

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

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

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

Table 26 Windshield Survey Condition Estimate - 2013

	Sound	Minor Repair	Major Repair	Dilapidated	Total
Neighborhood No. 1	44/71.0%	14/22.6%	4/6.4%	0/0%	62
Neighborhood No. 2	32/30.5%	35/33.3%	30/28.6%	8/7.6%	105
Neighborhood No. 3	45/29.2%	25/16.3%	49/31.8%	35/22.7%	154
Total	121/37.7%	74/23.0%	83/25.9%	43/13.4%	321

Source: Community Partners Research, Inc.

- ▶ The existing housing stock in Martin is in fair condition. Approximately 23% of the houses in the City of Martin need minor repair and 26% need major repair. Approximately 38% are sound, with no required improvements.
- ▶ Approximately 43 houses in the City are dilapidated and possibly beyond repair.

Martin Mobile Home Condition

Community Partners Research, Inc. representatives conducted a visual 'windshield' survey of the 58 mobile homes in Martin.

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

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

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

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

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

Table 27 Windshield Survey Condition Estimate - 2013

	Sound	Minor Repair	Major Repair	Dilapidated	Total
Mobile homes	12/20.7%	18/36.0%	11/19.0%	17/29.3%	58

Source: Community Partners Research, Inc.

- ▶ The mobile homes in Martin are in fair condition. Approximately 36% of the mobile homes in the City need minor repair and 19% need major repair. Approximately 21% are sound, with no required improvements.
- ▶ Seventeen mobile homes are dilapidated and possibly beyond repair.

Rental Housing Data

Census Bureau Rental Inventory

According to the 2010 U.S. Census, there were 255 occupied rental units and at least 43 unoccupied rental units in Martin and Greater Martin, for a total estimated rental inventory of 298 units in the Martin/Greater Martin area. The rental tenure rate was 47.0%, well above the Statewide rental rate in 2010 of 31.9%.

At the time of the 2000 Census, Martin/Greater Martin had 244 occupied rental units, and at least 26 vacant rental units, for a total estimated rental inventory of 270 units. The rental tenure rate in 2000 was 45.0%.

Based on a Census comparison, the Martin/Greater Martin area added 11 renter-occupancy households, and approximately 28 rental units during the last decade. However, there is no evidence that new rental housing construction occurred during the decade, so the net increase in rental housing was probably due to conversion, as units that had previously been used for owner-occupancy were changed to rental use. The Martin/Greater Martin area did experience a decrease in the number of owner-occupants between 2000 and 2010.

Rental Housing Survey

As part of this housing study, a telephone survey was conducted of multifamily projects in Martin/Greater Martin. The survey was primarily conducted during the month of May 2013. Emphasis was placed on contacting properties that have four or more units. For the purposes of planning additional projects in the future, multifamily properties represent the best comparison of market potential.

Information was tallied separately for different types of rental housing, including market rate units, subsidized housing and senior housing with services and housing.

There were 165 housing units of all types that were contacted in the survey. In addition to the 165 rental units, the 40-bed nursing home was contacted.

The units/beds that were successfully contacted include:

- ▶ 34 market rate units
- ▶ 131 federally subsidized units
- ▶ 2 assisted living beds

The findings of the survey are provided below.

Market Rate Summary

Information was obtained on 34 rental units from seven market rate rental property managers or owners. The units surveyed include small rental buildings, duplexes and single family homes.

Unit Mix

The bedroom mix of the market rate units surveyed is:

- ▶ Efficiencies - 6 (17.7%)
- ▶ One-bedroom - 10 (29.4%)
- ▶ Two-bedroom - 15 (44.1%)
- ▶ Three-bedroom - 3 (8.8%)

Occupancy / Vacancy

Within the market rate multifamily segment there was one vacant unit of the 34 used in the occupancy calculation. This represents a vacancy rate of 2.9%. The vacant unit was a two-bedroom unit. Owners/managers contacted in the survey reported that there was excellent demand for rentals and they are almost always fully occupied.

Rental Rates

Rental units may include the primary utility payments within the contract rent, or the tenant may be required to pay some utilities separately, in addition to the contract rent. In the following summary, Community Partners Research, Inc., has attempted to estimate the gross rents being charged, inclusive of an estimate for tenant-paid utilities.

The lowest and highest gross rents have been identified, as reported in the telephone survey. Since the highest and lowest rents range do not vary greatly, they also tend to represent the prevailing rents for the community.

<u>Unit Type</u>	<u>Gross Rent Range</u>
Efficiency	\$450
One-bedroom	\$450-\$525
Two-bedroom	\$450-\$625
Three-bedroom	\$475-\$625

The units that were contacted in the conventional housing survey generally had modest rental rates. Most of the units were in older structures, dating to the 1980s or earlier.

Tax Credit Summary

There are no tax credit units in the City of Martin.

Subsidized Summary

The research completed for this Study identified six subsidized projects providing rental opportunities for lower income households. These projects have a combined 129 units. All of the projects are general occupancy housing, although three projects have primarily one-bedroom units and have a high percentage of senior tenants. The 129 subsidized units represent approximately 51% of the total rental inventory in the Martin/Greater Martin Area.

The six subsidized rental projects in Martin include:

- ▶ ***Martin Housing Authority Public Housing*** - This project includes eight efficiency, eight one-bedroom and two two-bedroom units. The 18 units are in five buildings. The units are fully occupied, primarily by seniors. Tenants pay 30% of their income for rent.
- ▶ ***Martin Housing Authority Public Housing Scatter Site*** - This 16-unit HUD Public Housing project includes six two-bedroom, eight three-bedroom and two four-bedroom units in duplexes located throughout the community. The tenants pay 30% of their income for rent. The rents are all fully occupied and there is a waiting list.
- ▶ ***Parkview Apartments*** - This is a 12-unit SDHDA-financed project. The 12 units are in two buildings and include six two-bedroom and six three-bedroom units. Rent is \$450 for a two-bedroom unit and \$550 for a three-bedroom unit. Currently, the project has two vacancies.
- ▶ ***McDonnell Apartments*** - This Rural Development/SDHDA General Occupancy Project includes eight one-bedroom units. Tenants pay 30% of their income for rent. The units are fully occupied.
- ▶ ***Fourth Avenue Apartments*** - This eight-unit Rural Development General Occupancy Project includes two one-bedroom, four two-bedroom and two three-bedroom units. Tenants pay 30% of their income for rent. Currently, there is one one-bedroom vacancy and two two-bedroom vacancies.

- ▶ ***Oglala Sioux Housing Authority Units*** - The Oglala Sioux Housing Authority owns and manages 67 low-rent HUD rental housing units in two developments. Sunrise Housing is located approximately one mile east of Martin. There are 57 rental units in the Sunrise development. North Housing is one-half mile north of Martin and has 10 rental units. All of the rental units in both developments are fully occupied and there is a three to four-year waiting list. Tenants pay 30% of their income for rent.

Unit Mix

The bedroom mix breakdown for the 62 subsidized housing units in the City of Martin is as follows:

- ▶ 8 efficiency (12.9%)
- ▶ 18 one-bedroom (29.0%)
- ▶ 18 two-bedroom (29.0%)
- ▶ 16 three-bedroom (25.8)
- ▶ 2 four-bedroom (3.3%)

We do not have a breakdown of the bedroom mix in the 67 rental units in Sunrise Housing and North Housing.

Occupancy / Vacancy

There were five unoccupied units that were identified in the subsidized projects, which is a 3.9% vacancy rate. One vacancy was in a one-bedroom unit, three were in two-bedroom units and one vacancy was in a three-bedroom unit.

Subsidized Housing Gains/Losses

Federal subsidy sources for low income rental housing have been very limited for the past few decades. Three subsidized projects in Martin are privately owned and are more than 20 years old. These older projects will complete their compliance requirements and will have the opportunity to leave their subsidy program and convert to conventional rental housing.

At this time, we are not aware of any projects that are considering opting out of their subsidy programs.

Senior Housing with Services

The Bennett County Nursing Home is located in Martin and connected to the Bennett County Hospital. The Nursing Home has 40 beds and the hospital has 14 beds. The CEO reported that the nursing home has a very high occupancy rate. Two of the nursing home beds are utilized as assisted living beds. Currently, one of the assisted living beds is vacant.

Table 28 Martin Multifamily Rental Housing Inventory

Name	Number of Units /Bedroom Mix	Rent	Vacancy/ Wait List	Tenant Mix	Comments
Market Rate					
Crossroads Inn Annex	3 - Efficiencies 1 - Studio (2 rooms) 4 - 1 bedroom <u>3 - 2 bedroom</u> 11 total units	\$450 \$250/week \$525 \$600	1 vacant unit, 1 - 2 Bdrm	General occupancy	Eleven units in a converted hotel. Units include three efficiencies, one two-room apartment with three beds, four one-bedroom and three two-bedroom apartments. Rent includes utilities. The two-room unit is rented weekly. Manager reports one vacant two-bedroom unit, also a one-bedroom unit is being renovated.
Rosane Duplex	<u>2 - 1 bedroom</u> 2 total units	\$450 + utilities	No vacancies	General occupancy	Duplex with two one-bedroom units. Owner reports that the units are almost always fully occupied.
Kirk Four-plex	1 - 1 bedroom <u>3 - 2 bedroom</u> 4 total units	Not available	No vacancies	General occupancy	Four-plex with one one-bedroom and three two-bedroom units. Owner did not provide rental information.
McCallan Apartments	3 - 2 bedroom <u>1 - 3 bedroom</u> 4 total units	\$325 \$350	No vacancies	General occupancy	Units include one three-plex and one single family home. Tenants pay utilities. Units are almost always fully occupied.
Moore Apartments	2 - 1 bedroom <u>1 - 3 bedroom</u> 3 total units	\$350 \$400	No vacancies	General occupancy	Units include two one-bedroom units in the Old Fire Hall and a single family home with three bedrooms. Tenants pay utilities.
Clausen Apartments	2 - efficiency 1 - 1 bedroom <u>4 - 2 bedroom</u> 7 total units	\$475 \$500	No vacancies	General occupancy	Clausen Apartments include a four-plex, two efficiency apartments in the motel and a one-bedroom apartment that is the motel manger's unit. The two-bedroom units are \$500. Tenants pay all utilities except water. Clausens are in the process of renovating two one-bedroom and two two-bedroom units that may be available for rent this summer.
McDonnell Rentals	2 - 2 bedroom <u>1 - 3 bedroom</u> 3 total units	\$350 plus utilities	No vacancies	General occupancy	Two single family homes. One home has one unit and one home has two units. Units are fully occupied. Rent is \$350 plus utilities.

Table 28 Martin Multifamily Rental Housing Inventory

Name	Number of Units /Bedroom Mix	Rent	Vacancy/ Wait List	Tenant Mix	Comments
Subsidized					
Martin Housing Authority Public Housing	8 - efficiency 8 - 1 bedroom <u>2 - 2 bedroom</u> 18 total units	30% of income up to a maximum rent	No vacancies	General occupancy/ Mostly seniors	Eighteen-unit Public Housing Project constructed in 1972. Units are in five buildings. Project is general occupancy, but units are primarily occupied by seniors. Units have been fully occupied for the past six months, but there have been vacancies in the past. Tenants pay 30% of income up to a maximum rent, a few tenants pay maximum rent. Some seniors have Home Health Care.
Martin Housing Authority - Public Housing Scattered Site	6 - 2 bedroom 8 - 3 bedroom <u>2 - 4 bedroom</u> 16 total units	30% of income up to a maximum rent	No vacancies, waiting list	General occupancy	Sixteen Public Housing Scattered Site units including six two-bedroom, eight three-bedroom and two four-bedroom units. All units are fully occupied and there is a waiting list. Tenants pay 30% of income up to a maximum rent, one tenant pays maximum rent.
Parkview Apartments	6 - 2 bedroom <u>6 - 3 bedroom</u> 12 total units	\$450 \$550	2 vacant units, 1 - 2 Bdrm 1 - 3 Bdrm	General occupancy	Twelve-unit SDHDA project. Two vacancies, however, there is a waiting list. Vacancies are due to turnover and repairing the units. Tenants must be below income limits, but owner can allow two over income tenants. Rent includes utilities.
McDonnell Apartments	8 - 1 bedroom 8 total units	30% of income	No vacancies	General occupancy	Rural Development/SDHDA eight-unit project. All units have one bedroom. All the units are fully occupied. Tenants pay 30% of income.
Fourth Avenue Apartments	2 - 1 bedroom 4 - 2 bedroom <u>2 - 3 bedroom</u> 8 total units	30% of income	3 vacant units, 1 - 1 Bdrm 2 - 2 Bdrm	General occupancy	Eight-unit Rural Development Project. Tenants pay 30% of income. Manager reported three vacancies.
Oglala Sioux Housing Authority Units	67 - 2, 3 & 4 <u>bedroom units</u> 67 total units	30% of income	No vacancies	General occupancy	Sixty-seven HUD low-rent units in two developments, Sunrise Housing and North Housing. Units are in single family homes and duplexes. There are no vacancies and there is a three to four-year waiting list. Tenants pay 30% of income.

Table 28 Martin Multifamily Rental Housing Inventory					
Name	Number of Units /Bedroom Mix	Rent	Vacancy/ Wait List	Tenant Mix	Comments
Senior Housing with Services					
Martin Nursing Home	<u>40 beds</u> 40 total units	Based on services	High occupancy rate, 1 vacant assisted living bed	Skilled Nursing Home	Martin Nursing Home has 40 beds including two licensed assisted living beds. Administrator reports a high occupancy rate. Currently one of the two assisted living beds is vacant.

Source: Community Partners Research, Inc.

Employment and Local Economic Trends Analysis

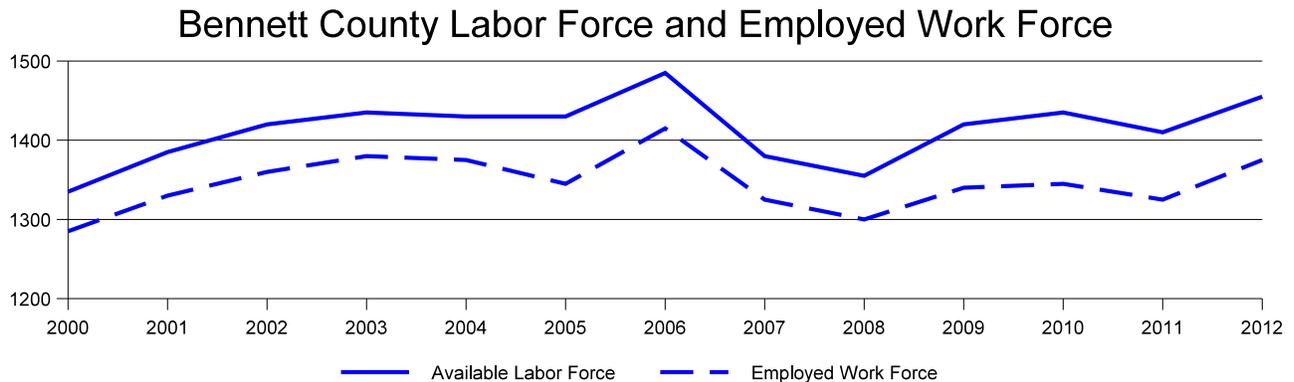
While many factors influence the need for housing, employment opportunities represent a predominant demand generator. Without jobs and corresponding wages, the means to pay for housing is severely limited.

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

Employment information is available at the County level for Bennett County. The labor force statistics track people by place of residence, rather than place of employment.

Table 29 County Average Annual Labor Force: 2000 to 2012						
Year	Labor Force	Employed	Unemployed	Unemployment Rate - County	Unemployment Rate - SD	Unemployment Rate - US
2000	1,335	1,285	50	3.9%	2.7%	4.0%
2001	1,385	1,330	55	4.0%	3.1%	4.7%
2002	1,420	1,360	60	4.3%	3.3%	5.8%
2003	1,435	1,380	55	3.8%	3.5%	6.0%
2004	1,430	1,375	55	4.0%	3.7%	5.6%
2005	1,430	1,345	85	5.9%	3.7%	5.1%
2006	1,485	1,415	70	4.7%	3.1%	4.6%
2007	1,380	1,325	55	4.1%	2.9%	4.6%
2008	1,355	1,300	55	3.9%	3.0%	5.8%
2009	1,420	1,340	80	5.6%	5.2%	9.3%
2010	1,435	1,345	90	6.1%	5.1%	9.6%
2011	1,410	1,325	85	6.1%	4.8%	8.9%
2012	1,455	1,375	80	5.6%	4.4%	8.1%

Source: South Dakota Department of Labor



Over the past 13 years there has been some up and down movement in the County's labor statistics. Between 2000 and 2012, the size of the labor force decreased by 120 people, or nearly 9%. However, the labor force actually peaked in size in 2006, at 1,485 people.

The employed work force has shown similar patterns of change. Between 2000 and 2012, the number of employed County residents increased by 90 people, or 7%. However, the highest employment level was once again reached in 2006. The number of employed residents of the County was 40 people lower in 2012 than in 2006.

The decreases after 2006 largely coincided with broader national trends, as the U.S. moved toward an economic recession. Beginning in 2009, the County's statistics began to improve.

The County's unemployment rate for 2012 was at 5.6%, well below the national rate. However, the County's unemployment rate has been above the Statewide rate since the year 2000.

Average Annual Wages by Industry Sector

The following table shows the annual employment and average annual wages by major employment sector in 2011, the last full year of data. It is important to note that the major employment sectors listed do not represent all employment in the County. This information is for all of Bennett County.

Table 30 County Average Annual Wages by Industry Detail: 2011		
Industry	2011 Employment	2011 Average Annual Wage
Total All Industry	872	\$26,622
Natural Resources, Mining	17	\$30,128
Construction	95	\$26,279
Manufacturing	N/A	N/A
Trade, Transportation, Utilities	201	\$20,600
Information	18	\$32,469
Financial Activities	N/A	N/A
Professional and Business Services	12	\$16,361
Education and Health Services	47	\$34,922
Leisure and Hospitality	50	\$9,417
Other Services	15	\$20,090
Government	385	\$31,135

Source: South Dakota Department of Labor

The average annual wage for all industry in 2011 was \$26,622. The highest paying wage sectors were Education and Health Services and Information, both with an annual average wage above \$32,000.

The lowest paying wage sector was Leisure and Hospitality, with an average annual wage of only \$9,417. The Professional and Business Services sector also had a relatively low wage, at \$16,361.

Major Employers in Bennett County

The Community Profile for Bennett County lists the following major employers. This information is from the Governor’s Office of Economic Development website.

- ▶ Bennett County School District
- ▶ Bennett County Health Care
- ▶ LaCreek Electric
- ▶ Security First Bank
- ▶ Bennett County Clinic
- ▶ City of Martin
- ▶ East Winds Casino

Source: Governor’s Office of Economic Development

There may be additional employers that are not listed.

Commuting Patterns of Area Workers

Only limited information is available on area workers that commute for employment. The best information is from the 2011 American Community Survey, and has been examined for Martin. This table only examines people that commuted, and excludes people that work at home.

Table 31 Commuting Times for Residents - 2011	
Travel Time	Number/Percent
Less than 10 minutes	193 / 59.0%
10 to 19 minutes	37 / 11.3%
20 to 29 minutes	4 / 1.2%
30 minutes +	93 / 28.4%
Total	327

Source: 2011 American Community Survey 5-year estimates

The large majority of Martin residents were commuting less than 20 minutes to work in 2010. Overall, more than 70% of residents commuted 19 minutes or less to work. However, more than 28% did commute 30 minutes or more. Presumably, some of these workers may have been commuting to the Black Hills or Rapid City for employment.

Findings on Growth Trends

As part of this Study, Community Partners Research, Inc., has examined growth patterns for the City of Martin, the Greater Martin area and Bennett County over the past few decades. These historic growth trends have then been used as a basis for projecting future demographic changes.

Martin's population has decreased since 1990. From 1990 to 2010, Martin's population decreased by 80 people and Bennett County's population decreased by 1,718 people. Bennett County gained 368 people from 1990 to 2000, but had a decrease of 143 people from 2000 to 2010. The Greater Martin area has gained six people from 2000 to 2010.

From 2000 to 2010, the City of Martin has lost 20 households and Bennett County experienced a decrease of 33 households. The Greater Martin area gained 21 households from 2000 to 2010, which is a household increase of 17.4%.

Findings on Projected Growth

The projections for Martin and the Greater Martin area calculated by Community Partners Research, Inc., from past growth trends reflect the patterns of recent decades. Shorter-term and longer-term calculations forecast losses in the near-future from 2010 to 2020. The Bennett County projections from Community Partners Research, Inc., also project ongoing population losses countywide, although the State Data Center actually projects minor population growth for Bennett County.

Using the past trends to form a range, Community Partners Research, Inc., projects that the City of Martin's population will decrease by 31 people between 2010 and 2020. The household projection expects a loss of 21 households from 2010 to 2020. The only official estimate released after the 2010 Census points to a loss of population and households after 2010.

The Community Partners Research, Inc., population projections for all of Bennett County expect a reduction of 121 people and the State Data Center projects a gain of 101 people through the year 2020. The Community Partners Research, Inc. forecast used for this Study expects a loss of 20 households over the 10-year projection period. The Greater Martin area is expected to lose 28 people and gain two households from 2010 to 2020.

Summary of Bennett County Growth Projections by Age Group

The Demographic section of this Study presented Bennett County projection information on anticipated changes by age group over the next few years. This information can be informative in determining the housing changes that may be needed due to age patterns of the area population.

In general terms, most of the projected net growth to the year 2015 will occur among people in the 55 to 64 age range. This would largely reflect the aging “baby boomers”, nearly all of whom will be age 55 or older by the year 2015.

There is a difference in the State Data Center and Community Partners Research, Inc. projections for the 15 to 24, 65 to 74, and 85 and over age ranges. The State Data Center projects household increases for these age ranges and Community Partners Research, Inc., is projecting losses.

While projections can be informative in planning for change, it is important to note that they may be altered in the future. To the extent that Martin and Bennett County can attract in-migration, the demographic profile of future residents may not always match historical patterns, and it is possible that more young adults may move to the area.

The following approximate ranges show the expected net change in the number of Bennett County households in each 10-year age cohort between 2010 and 2015. The first column shows the projections based on State Data Center data and the second column shows projections based on Community Partners Research, Inc., calculations.

<u>Age Range</u>	<u>Projected Change in Households 2010 to 2015</u>
15 to 24	3 to -5
25 to 34	21 to 5
35 to 44	-33 to -37
45 to 54	2 to 12
55 to 64	14 to 20
65 to 74	3 to -4
75 to 84	14 to 1
85 and Older	3 to -10

Findings on Unit Demand by Type of Housing

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

Age 24 and Younger - The projections used for this Study expect a range of a small loss of five households to a gain of three households in the 15 to 24 age range through the year 2015. Past tenure patterns indicate that as many as 82% of these households in Martin/Greater Martin will rent their housing. A stable number of households in this age range should mean that rental demand from younger households will remain relatively unchanged during the projection period.

25 to 34 Years Old - The projections show a numeric increase in this age cohort Countywide, with an expected gain of five to 21 households by 2015. Within this age range households often move from rental to ownership housing. The rental rate among these households in Martin/Greater Martin was 70% in 2010. The projected increase within this age range will generate increased demand for both first-time home buyer and rental opportunities.

35 to 44 Years Old - This 10-year age cohort is expected to decrease by 33 to 37 households between 2010 and 2015 in Bennett County. In the past, this age group has had an ownership rate of 52% in Martin/Greater Martin. Households within this range often represent both first-time buyers and households looking to trade-up in housing, selling their starter home for a more expensive house. Lower demand from this age cohort will have some limited negative impact on overall demand for owner-occupied housing and rental housing.

45 to 54 Years Old - By 2015, this age cohort will represent the front-end of the "baby bust" generation that followed behind the baby boomers. This age group represents a much smaller segment of the population than the baby boom age group. For Bennett County, the projections show a gain of two to 12 households in this range. This age group's rate of home ownership was approximately 61% in Martin/Greater Martin in 2010. This age group often looks for trade-up housing opportunities. With a household increase in this age group, there will be a slightly decreased demand for trade-up housing.

55 to 64 Years Old - This age range is part of the baby boom generation. The projections show an expected increase of 14 to 20 additional households in this 10-year age range by the year 2015 in the County. This age range's rate of home ownership in Martin/Greater Martin, was approximately 59% in 2010.

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.

65 to 74 Years Old - A range of a loss of four households to a gain of three households is expected Countywide within this age range by the year 2015. While this group will begin moving to life-cycle housing options as they age, the younger seniors are still predominantly home owners. At the time of the 2010 Census, approximately 61% of households in this age range owned their housing in Martin/Greater Martin. Once again, preferences for age-appropriate units should increase from household growth within this age cohort.

75 to 84 Years Old - There is a projected loss of one to 14 households in Bennett County in this age range between 2010 and 2015. In the past, households within this 10-year age range have had a relatively high rate of home ownership, at approximately 74% in Martin/Greater Martin. While this is likely to continue, an expansion of other housing options for seniors, including high quality rental housing, 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.

85 Years and Older - A range of the loss of 10 households to the gain of three households is projected from the State Data Center and Community Partners Research, Inc. among older seniors. Historic home ownership rates in this age group in Martin/Greater Martin have been relatively high, at approximately 69% in 2010. Seniors in this age range often seek senior housing with services options.

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

Findings on Housing Unit Demand and Tenure

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

Demand from Growth - The household projections used for this Study expect a relatively stable household level for the Martin/Greater Martin area and Bennett County. As a result, anticipated household growth yields no significant demand for new housing production.

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 Martin, some dilapidated housing has been demolished, and more units may be removed in the future. As a result, we have included a minor 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. Although there has not been any significant growth in the number of households, shifting age patterns have created demand for certain types of age-appropriate housing in the City. 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 of Martin/Greater Martin were identified through statistical data, local interviews, research and on-site review of the local housing stock.

- ▶ **Martin serves as a small regional center** - Martin provides employment opportunities, retail/service options, health and professional services and recreational facilities for a geographical area that surrounds the City.
- ▶ **Affordable priced housing stock** - The City has a large stock of affordable, existing houses. Our analysis shows that the City's median home value based on recent sales is approximately \$25,000. This existing stock, when available for sale, provides an affordable option for home ownership.
- ▶ **Adequate land for development** - The City has adequate land available for both residential and commercial/industrial development. However, some of this land needs to be serviced with infrastructure improvements and/or annexed into the City limits.
- ▶ **Educational system** - The City has a public K-12 school system.
- ▶ **Health facilities** - The City has health facilities including two medical clinics, a nursing home and a hospital.
- ▶ **Infrastructure** - Martin's water and sewer infrastructure can accommodate future expansion.
- ▶ **Commercial development** - Martin's commercial district is adequate to meet most daily needs.
- ▶ **Martin Housing Authority and Oglala Sioux (Lakota) Housing Authority** - The Martin Housing Authority and the Oglala Sioux (Lakota) Housing Authority are active in rental development, rental ownership, rental management, housing rehabilitation, etc.
- ▶ **Wild Horse Butte Community Development Corporation** - The Wild Horse Butte Community Development Corporation provides a variety of services to improve the quality of life for residents in the LaCreek District.

- ▶ **Small-town atmosphere** - Martin is a small town, with the real and perceived amenities of a small community. This small-town living is attractive to some households.
- ▶ **Oglala Lakota College** - Oglala Lakota College is located in Martin and provides educational opportunities.

Barriers or Limitations to Housing Activities

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

- ▶ **Age and condition of the housing stock** - While the existing stock is very affordable, some of the housing is in need of improvements to meet expectations of potential buyers.
- ▶ **Low rent structure** - The City's rent structure is low, which makes it difficult to construct new rental housing.
- ▶ **Value gap deters new owner-occupied construction** - Based on market values for recent residential sales, we estimate that the median priced home in Martin is valued at or below approximately \$25,000. This is well below the comparable cost for new housing construction, which will generally be above \$130,000 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.
- ▶ **Population and household losses** - Historical data indicates that the City is not expected to add people or households from 2010 to 2015, although some growth has tended to occur just outside the city limits. The City has to have realistic expectations when planning for the future.
- ▶ **Distance from a major regional center** - The nearest regional centers are Rapid City, which is 153 miles from Martin, and Pierre, which is 154 miles from Martin. Many households desire or need to be near a regional center for employment, health care, entertainment, retail, etc.

Recommendations, Strategies and Market Opportunities

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

- ▶ **Be realistic in expectations for housing development** - Large-scale residential growth has not occurred in the recent past and is not likely to occur in the near future. The scale of activities proposed for the future should be comparable with the area's potential for growth.
- ▶ **New housing development generally will not occur without proactive community involvement** - To attract new home or apartment construction in Martin/Greater Martin, subsidies or some other form of financial assistance will be needed from the City, local and regional housing and economic development agencies and the South Dakota Housing Development Authority.
- ▶ **Protect the existing housing stock** - The future of Martin/Greater Martin will be heavily dependent on the area's appeal as a residential location. The condition of the existing housing stock is a major factor in determining long-term viability. The existing housing stock is in fair condition and an asset, however, rehabilitation efforts are needed to preserve the housing stock.
- ▶ **Protect the existing assets and resources** - Martin/Greater Martin has many assets including a K-12 school, employment opportunities, a Downtown Commercial District, etc. These are assets that make the area a desirable place to live, and are key components to the area's long-term success and viability. These assets must be protected and improved.
- ▶ **Develop a realistic action plan with goals and time lines** - Martin/Greater Martin 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 local efforts, Martin/Greater Martin have other resources to draw on including USDA Rural Development, the South Dakota Housing Development Authority, the Martin Housing Authority, the Oglala Sioux Housing Authority, Wild Horse Butte Community Development Corporation, Thunder Valley Community Development Corporation, the Pennington County Housing and Redevelopment Commission, the Western SD Community Action Agency, NeighborWorks Dakota Home Resources and the Black Hills Council of Local Governments. These resources should be accessed as needed to assist with housing activities.

Summary of Findings/Recommendations

The findings/recommendations for Martin/Greater Martin have been formulated through the analysis of the information provided in the previous sections and include 22 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 10 to 12 general occupancy market rate rental units
2. Develop six to eight affordable rental units
3. Develop eight to 10 senior with services rental units
4. Develop six to eight subsidized rental housing units
5. Consider the development of student housing for six to eight students
6. Utilize the Housing Choice Voucher Program

Home Ownership

7. Utilize and promote all programs that assist with home ownership
8. Develop a purchase/rehabilitation program
9. Explore the creation of a local down payment assistance program
10. Consider the development of a lease to purchase program

Single Family Housing Development

11. Support Lot Development
12. Coordinate with housing agencies and nonprofit groups to construct affordable housing
13. Promote twin home/town home development
14. Develop a City of Martin Housing Incentive Program
15. Develop a 'Gap Financing' Mortgage Program

Housing Rehabilitation

16. Promote rental housing rehabilitation
17. Promote owner-occupied housing rehabilitation efforts

Other Housing Issues

18. Oglala Sioux Housing Authority Housing in the Greater Martin Area
19. Acquire and demolish dilapidated structures
20. Create a plan and a coordinated effort among housing agencies
21. Promote commercial rehabilitation and development
22. Develop mobile home programs

Rental Housing Development

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

Our projections indicate that the City of Martin is projected to lose 11 to 21 households from 2010 to 2015 and Bennett County is projected to decrease by 10 to 20 households. However, Martin/Greater Martin may show a small increase in households, due to growth outside the city limits.

Although there is only limited growth for the Martin/Greater Martin area over the next five years, we are recommending the development of the following units/beds from 2013 to 2018:

▶ General Occupancy Market Rate	- 10 to 12
▶ Subsidized	- 6 to 8
▶ Rehab/Conversions	- 6 to 8
▶ Senior with Services	- 8 to 10
▶ Student Housing	- 6 to 8
	<hr/>
Total	36 to 46 units/beds

These recommendations are based on continued pent-up demand for quality rental units, the loss of rental units from the housing stock and the low vacancy rates of existing rental units and the lack of some types of housing.

1. Develop 10 to 12 general occupancy market rate rental units

Findings: The City of Martin has a limited number of market rate units. There are no market rate rental projects with more than four units. There are also single family homes being rented in Martin. The rent structure for these units ranges from \$300 to \$500. We found no vacancies in these units.

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

There are no market rate rental projects in the City of Martin that have recently been constructed and have 'state of the art' amenities.

Although Martin is projected to lose households over the next five years, our interviews and rental surveys identified a need for market rate rental units.

Also, although there is limited growth projected for Martin/Greater Martin, there is a projected increase of approximately five to 21 households in Bennett County in the 25 to 34 age range and 16 to 32 households in the 45 to 64 age ranges. While this projection is for the overall growth in Bennett County, Martin has the potential to capture a significant share of this growth. Some of the households in this age range will prefer to rent and have incomes that are too high to qualify for subsidized rental housing.

Additionally, we are expecting the loss of rental households due to deterioration and demolition. We have identified 43 homes and 17 mobile homes in Martin that are dilapidated and beyond repair. Some of these dwellings are rentals and may be demolished or no longer rented because of their condition.

Recommendation: We recommend the development of 10 to 12 market rate rental housing units. Town home units would be the preferred style, to cater to active renter household, although a high quality apartment building with 'state of the art' amenities is also an option.

The first option to developing market rate housing would be to continue to encourage a private developer to undertake a project. If a private developer does not proceed, the Martin Housing Authority, the Wild Horse Butte Community Development Corporation or another agency could potentially utilize essential function bonds, or other sources of funding, to construct additional market rate units.

Also, the City of Martin or a housing agency could partner with a private developer to construct additional units. The City could assist with land donations, tax increment financing, reduced water and sewer hook up fees, etc. Additionally, housing vouchers could be utilized by households renting the units if they meet income requirements and the rents are at or below fair market rents. Currently, fair market rents are \$614 for a two-bedroom and \$905 for a three-bedroom unit.

Some cities have added units in small phases, as demand dictates the need for additional units. In this way they have expanded the supply without saturating the market.

We recommend the development of 10 to 12 units and the unit mix and rents should be as follows:

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

<u>Unit Type</u>	<u>No. of Units</u>	<u>Size/Sq. Ft.</u>	<u>Rent</u>
Two Bedroom	5-6	950-1,050	\$650-\$750
Three Bedroom	5-6	1,150-1,250	\$850-\$950
Total	10-12		

Note: Rents are quoted in 2013 dollars and include utilities.

If possible, it would be advantageous to keep the rent structure at or below the rent limits for the Housing Voucher Program. This would allow renter households to participate in the Housing Voucher Program and expand the number of households that could afford the proposed rents.

2. Develop six to eight affordable rental units

Findings: The previous recommendation had addressed the market potential to develop high quality rental units in Martin. Unfortunately, these units would tend to be beyond the financial capability of many area renters. A majority of Martin’s renter households have an annual income below \$25,000. These households would need a rental unit at \$625 per month or less.

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

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

Recommendation: We would encourage the City to promote the development of more affordable rental units. A goal of six to eight units over the next few 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 downtown buildings, or through the purchase and rehabilitation of existing single family homes.

The estimated prevailing rent range for older rental units in Martin is typically between \$300 and \$500 per month. Creating some additional units with contract rents below \$600 per month would help to expand the choices available to a majority of the City's renter households.

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

3. Develop eight to 10 senior with services rental units

Findings: The Bennett County Nursing Home is located in Martin. The nursing home is attached to the hospital. The nursing home has a high occupancy rate. Two beds in the nursing home are set aside for assisting living residents. Currently, one of these beds is vacant.

In 2010, there were 191 people age 75 and older in Bennett County. From 2010 to 2015, the number of households age 75 and older is projected to remain stable in Bennett County.

Recommendation: Of the 191 people in Bennett County age 75 and older, as many as 40 people may be living in the nursing home and would not be potential tenants in assisted living. Therefore, there is a potential market for assisted living of approximately 151 people age 75 and over in Bennett County.

Based on industry standards and past experience, we are estimating that 5% to 6% of these seniors will utilize assisted living in Martin, thus, there is a market need for eight to nine assisted living beds for Bennett County seniors. Also, we are projecting that two to three seniors from outside Bennett County would move into assisted living in Martin. Therefore, we are projecting that there is an overall need for 10 to 12 assisted living units in Martin.

The Bennett County Nursing Home in Martin has two assisted living beds, thus, there is a demand for eight to 10 units in Bennett County.

An ideal location for assisted living would be attached to the hospital and nursing home as facilities and staff can be shared. Also, it would be advantageous to offer senior services ala carte as this expands the senior market.

4. Develop six to eight subsidized rental housing units

Findings: The Martin/Greater Martin Area has six subsidized rental projects. All of the projects are general occupancy.

The six subsidized rental projects in the Martin/Greater Martin Area include:

- ▶ ***Martin Housing Authority Public Housing*** - This project includes eight efficiency, eight one-bedroom and two two-bedroom units. The 18 units are in five buildings. The units are fully occupied, primarily by seniors. Tenants pay 30% of their income for rent.
- ▶ ***Martin Housing Authority Public Housing Scatter Site*** - This 16-unit HUD Public Housing project includes six two-bedroom, eight three-bedroom and two four-bedroom units in duplexes located throughout the community. The tenants pay 30% of their income for rent. The rents are all fully occupied and there is a waiting list.
- ▶ ***Parkview Apartments*** - This is a 12-unit SDHDA-financed project. The 12 units are in two buildings and include six two-bedroom and six three-bedroom units. Rent is \$450 for a two-bedroom unit and \$550 for a three-bedroom unit. Currently, the project has two vacancies.
- ▶ ***McDonnell Apartments*** - This Rural Development/SDHDA General Occupancy Project includes eight one-bedroom units. Tenants pay 30% of their income for rent. The units are fully occupied.
- ▶ ***Fourth Avenue Apartments*** - This eight-unit Rural Development General Occupancy Project includes two one-bedroom, four two-bedroom and two three-bedroom units. Tenants pay 30% of their income for rent. Currently, there are one one-bedroom vacancy and two two-bedroom vacancies.
- ▶ ***Oglala Sioux Housing Authority Units*** - The Oglala Sioux Housing Authority owns and manages 67 low-rent HUD rental housing units in two developments. Sunrise Housing is located approximately one mile east of Martin. There are 57 rental units in the Sunrise development. North Housing is one-half mile north of Martin and has 10 rental units. All of the rental units in both developments are fully occupied and there is a three to four-year waiting list. Tenants pay 30% of their income for rent.

Our rental survey, which was conducted in May, identified five vacancies, which is a 3.9% vacancy rate.

Recommendation: Although five vacancies were identified in the rental survey, three projects were fully occupied. Additionally, 44% of all the renters in Martin/Greater Martin were paying more than 30% of their income for rent, according to the 2011 American Community Survey.

The vacancies in the subsidized housing are partially based on the age and quality of the units. Also, two units were vacant because they were being cleaned and repaired. The Martin Housing Authority has funds available that could potentially be used for new subsidized housing. We recommend the development of six to eight new two-bedroom and three-bedroom subsidized units over the next five years in the City of Martin. Scattered site duplex units would be the preferred project type.

There continues to be significant unmet demand for very affordable housing on the Pine Ridge Reservation. We also recommend that the Oglala Sioux Housing Authority continue to develop as many rental housing units on tribal land as possible, including within the LaCreek District.

5. Consider the development of housing for six to eight students

Findings: One of the Oglala Lakota College campuses, the LaCreek College Center is located in Martin. The LaCreek College Center has approximately 70 students. There is no on-campus student housing available. LaCreek College Center administrators report that although many students are commuters, some students seek housing in the Martin/Greater Martin area and have difficulty finding suitable housing.

Two of Oglala Lakota College campuses have on-campus student housing. However, the LaCreek College Center does not have tribal land available adjacent to the college location and has no student housing.

Recommendation: We recommend the development of student housing for six to eight students. It may be necessary for a private developer or a local nonprofit agency to construct the student housing. Also, a partnership could be developed between a nonprofit agency or private developer and the LaCreek College Center to develop the student housing.

We recommend that the site for the student housing is adjacent to or in the immediate vicinity of the college campus. Also, if possible, the site should also be large enough to accommodate additional student housing in the future.

The Pine Ridge campus has efficiency and one bedroom units. Efficiency and one bedroom units may be the best option for student housing units, however, the success of the Pine Ridge student housing units should be researched to determine if other size units or a different unit configuration may be a better alternative for LaCreek College Center housing.

6. 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 from 30% to 40% of their adjusted income for rent, with the rent subsidy payment making up the difference. Tenants may lease any suitable rental unit in the community, provided that it passes a Housing Quality Standards inspection, and has a reasonable gross rent when compared to prevailing rents in the community.

Although the federal government provides almost no funding for subsidized housing construction, it has provided new Housing Choice Voucher allocations over the last two decades.

Based on the research for this study, it appears that the Housing Choice Voucher Program is an underutilized form of subsidized housing in Martin. 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 Bennett County by the Pennington County Housing and Redevelopment Commission. Currently, two Martin households utilize the Housing Choice Voucher Program.

Recommendation: The Pennington County Housing and Redevelopment Commission should work with the City of Martin and local housing agencies to assure that Martin receives its share of Housing Choice Vouchers and that tenants are aware of the program. However, the Pennington County Housing and Redevelopment Commission reported that there is a two-year waiting list to obtain a Housing Choice Voucher.

Home Ownership

Findings: Expanding home ownership opportunities is a goal for most cities. High rates of home ownership promote stable communities and strengthen the local tax base. The median owner-occupied home value in Martin is estimated to be approximately \$25,000 based on sales activity in 2011 and 2012. The home values in Martin provide an excellent market for first time buyers and households seeking moderately priced homes.

Our analysis of Bennett County demographic trends shows an increasing number of households in the traditionally strong home ownership age range between 45 and 64 years old. Also, the 25 to 34 age range is projected to gain households. Households in this age range are typically first-time home buyers. The other age ranges are projected to lose households or will remain relatively stable. Some households in these age ranges that have not been able to achieve the goal of home ownership may need the assistance of special programs to help them purchase their first home.

Approximately 57% of the households in Martin and 43% of the households in Greater Martin are home owners. This is a low rate of home ownership compared with similar sized communities. The home ownership rate among Native American households in Martin/Greater Martin is 32%.

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

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

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

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

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

Recommendation: Martin/Greater Martin should continue to work with area housing agencies, the South Dakota Housing Development Authority and local financial institutions to utilize all available home ownership programs that assist households with purchasing a home. Private and nonprofit agencies should also be encouraged to provide home ownership opportunities. Currently, NeighborWorks Dakota Home Resources is providing home ownership assistance in the region. Martin/Greater Martin should also work with housing agencies to assure the area is receiving its share of resources that are available in Bennett County and the region.

Funding sources for home ownership programs may include the Department of Housing and Urban Development, USDA Rural Development, the South Dakota Housing Development Authority, NeighborWorks Dakota Home Resources and the Federal Home Loan Bank.

8. Develop a Purchase/Rehabilitation Program

Findings: The City of Martin has a large stock of older, lower valued homes, many of which need repairs. Our analysis of recent sales activity indicates that most of the homes in Martin are valued under \$75,000. As some lower valued homes come up for sale, they may not be attractive options for potential home buyers because of the amount of repair work that is required.

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

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

Recommendation: We recommend that the City of Martin 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 also 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 to directly assist low and moderate income households with purchasing and rehabilitating homes. Local housing agencies and financial institutions could offer some rehabilitation assistance in conjunction with first-time home buyer programs to make the City's older housing a more attractive option for potential home buyers. Also, USDA Rural Development provides purchase/rehabilitation loans to low and moderate income buyers.

9. Explore the creation of a local down payment assistance program

Findings: One of the identifiable barriers preventing low and moderate income households from owning a home is the inability to save money for down payment and closing costs. This is especially true now that lending institutions have tightened their lending criteria and some conventional loans require a lower loan-to-value ratio.

There are numerous examples of cities and counties that have created a local fund to assist home owners with a down payment assistance program. Under these programs, the city or county establishes a loan pool. Eligible applicants are provided a "soft second" loan that can be applied to a home purchase.

This down payment/closing cost loan is typically secured against the property, behind the primary mortgage. Repayment can be triggered if the buyer sells the home within a certain period of time, but often the loan is forgiven if the borrower meets the basic program requirements. In other cases, the loan may need to be repaid after a certain period of time, or when the borrower sells or transfers the house in the future. Loans with repayment requirements typically do not accrue interest. The size of the loan is generally \$5,000 or less, but depends upon the resources that are available for the loan pool.

Recommendation: The area may wish to consider the development of a local down payment/closing cost assistance program. A locally-funded program could provide additional assistance or could potentially serve households that do not qualify for SDHDA Down Payment Assistance. Following the collapse of the national housing bubble, and resulting rise in foreclosures, more stringent lending criteria now apply to many conventional mortgage loans, and a larger borrower contribution may be required.

To promote home ownership within the Martin/Greater Martin area, and to make ownership more achievable, a locally-funded program should be explored. Major local employers, the Federal Home Loan Bank and the South Dakota Housing Development Authority may be potential sources to contribute to the fund. In some communities, recaptured grant funds have also been used to create a loan pool.

10. Consider the development of a lease-to-purchase program

Findings: Home values in Martin are low and there are currently a significant number of homes valued under \$75,000. These homes are affordable for many families, and are well below new construction prices. Also, there is a need for quality new homes in Martin. However, some families seeking home ownership do not qualify for available mortgage programs due to credit problems, lack of savings for down payment/closing costs, a previous foreclosure or limited time with their current employer.

The White Horse Butte Development Corporation is considering moving governors homes into Martin and leasing them to families with a goal that the families would ultimately purchase the homes.

Recommendation: We recommend that the City consider the creation of a lease-to-purchase program for existing and new houses. A lease-to-purchase program enables a family that currently cannot purchase a home due to poor credit, lack of a down payment, etc., to lease a home initially with the intent of purchasing the home at a later date. While leasing the home, the household can work to remedy the problems that have prevented them from buying a house. NeighborWorks Dakota Home Resources provides credit and home ownership counseling.

When working with existing homes, a rehabilitation component can also be added to the program. A lease-to-purchase program may require ownership of the housing unit by a public or nonprofit agency. When utilizing a lease-to-purchase program for new construction, several funding sources must be utilized to write down the development costs, which could lower the purchase price for potential home buyers.

Single Family Housing Development

Findings: Martin has experienced limited single family housing development since 2000. Over the past 13 years, approximately seven single family homes have been constructed or have been moved into Martin. Also, several homes have been constructed out of the City limits, but in close proximity to the City.

Household growth projections for Martin indicate limited demand for owner-occupied housing construction. Growth is anticipated over the next five years among Bennett County households in the 45 and 64 year old age ranges. Households in these age ranges tend to be predominantly home owners, and form a market for higher priced, and trade-up housing or town homes/twin homes.

Our projections also expect an increase in the number of households in the 25 to 34 age range. Some households in this age range are first-time home buyers and may be in the market for new affordable homes.

It is our opinion that if the City, housing agencies, and builders are proactive, and if residential lots are available, eight to nine homes can be constructed or moved into Martin over the next five years, from 2013 to 2018.

11. Support Lot Development

Findings: As part of this Study, we attempted to identify the inventory of available residential lots for single family housing construction in the City of Martin. Buildable lots are defined as having sewer and water available to the lots. It appears that there are approximately 14 lots that are platted, but utilities need to be extended to the lots. There are also several in-fill lots located throughout the community. We do not know the availability of these lots. Also, there are numerous dilapidated houses throughout the City that could be demolished and the lot could be used for new construction.

Recommendation: We use a standard that a 2.5-year supply of lots should be available in the marketplace, based on annual lot usage. Using our projections that one to two houses will be constructed or moved in annually, an adequate supply of lots is not available. However, it would be possible to extend public services to some of the currently platted lots. Although it is a priority to redevelop neighborhoods by demolishing dilapidated housing and constructing houses on the cleared lots, we are also recommending that the City continue to work with the private developers to extend utilities to new lots. This would provide additional options for households looking to build a home.

12. Coordinate with housing agencies and nonprofit groups to construct affordable housing

Findings: There are several housing agencies and nonprofit groups that may have the capacity to construct new housing for low and moderate income households in Martin/Greater Martin, including the Oglala Sioux Housing Authority, the Wild Horse Butte Community Development Corporation, Thunder Valley Community Development Corporation and the NeighborWorks Dakota Home Resources.

Recommendation: We encourage Martin/Greater Martin to actively work with housing agencies or nonprofit groups to develop affordable housing.

As the housing economy improves and home values increase, a housing agency or nonprofit may become involved in new affordable home construction production in the area.

Additionally, Martin/Greater Martin should work with housing agencies and builders to market Governors Homes.

13. Promote townhouse and twin home development

Findings: From 2000 to 2012, one twin home was constructed in Martin. Attached housing provides desirable alternatives for empty nesters and seniors to move out of their single family homes, thus, making homes available for families. It is important for the community to offer a range of life-cycle housing options.

In 2010, there were 336 Bennett County households in the 55 to 74 year old age ranges and these age ranges are expected to increase by 16 to 17 households between 2010 and 2015. Household growth among empty-nester and senior households should result in some demand for attached single family units. It is likely that demand for attached housing units will also be dependent on the product's ability to gain additional market acceptance among the households in the prime target market.

Recommendation: It is our projection that approximately two to four new owner-occupied twin home/townhomes could be constructed in Martin over the next five years. Our projection is based on the availability of an ideal location and 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 twin homes which provides security
- ▶ Homes at a price that is acceptable to the market

The City's role could include assuring that adequate land is available for development, that zoning allows for attached housing development, land donations, tax increment financing, etc. Land adjacent to the Catholic Church may be a potential site for twin homes.

A corporation has been developed in Arlington, MN, that includes local contractors, the local bank, and local investors to construct twin homes. They have been very successful.

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

14. Develop a City of Martin Housing Incentive Program

Findings: Several cities have developed Incentive Programs to encourage new home construction. For example, the City of Herreid has developed the following program. The Incentive Program guidelines are as follows:

- ▶ A loan up to \$1,000 per person not to exceed \$5,000 per family is awarded to a person or family for the construction of a new home located within the city limits
- ▶ 0% interest and no principal due for five years - after five years of residency, the loan is forgiven
- ▶ The loan must be used toward down payment or closing costs - not applicable if financing is not required
- ▶ Homes \$100,000 and over may qualify for the \$5,000 maximum, homes under \$100,000 will be prorated based on 5% of the purchase price

Recommendation: We recommend that the City of Martin develop an Incentive Program to promote new single family housing development. In addition to a cash payment, other incentives can include:

- ▶ Reduced lot prices
- ▶ Free water and sewer for a period of time
- ▶ Permit and water and sewer hookup fees waived or discounted
- ▶ Discounts at area businesses

15. Develop a 'Gap Financing' Mortgage Program

Findings: The home values in the Martin/Greater Martin area are low compared to the cost of constructing a new home. Based on market values for recent residential sales, we estimate that the median priced home in Martin is valued at approximately \$25,000. This is well below the comparable cost for new housing construction, which will generally be above \$130,000 for a stick built home with commonly expected amenities. This creates a value gap between new construction and existing homes. This value gap makes it difficult for households to obtain financing to construct a new home or to move a new home into the area. Financial institutions have difficulty identifying comparable properties at a value equal to the cost of constructing a new home.

Recommendation: We recommend that the City of Martin, the Wild Horse Butte Community Development Corporation, area housing agencies, and financial institutions work together to develop a financial mechanism that provides mortgage financing for households seeking to construct a home in the Martin/Greater Martin area.

Potentially, the Wild Horse Butte Community Development Corporation or an area housing agency could provide a second mortgage or be involved in the underwriting of the mortgages.

Housing Rehabilitation

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

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

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

16. Promote rental housing rehabilitation

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

Recommendation: Martin/Greater Martin 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 South Dakota Housing Development Authority and the Federal Home Loan Bank.

17. Promote owner-occupied housing rehabilitation efforts

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

Our 2013 housing condition survey of the 321 Martin homes found 74 homes that need minor repairs and 83 homes that need major repairs. Without rehabilitation assistance, the affordable housing stock will shrink in Martin.

Recommendation: We recommend that the City of Martin and area housing agencies seek local, state and federal funds to assist in financing housing rehabilitation. USDA Rural Development, the South Dakota Housing Development Authority and the Federal Home Loan Bank, are all potential funding sources.

Currently, the Western SD Community Action Agency and NeighborWorks Dakota Home Resources are implementing owner-occupied housing rehabilitation programs, furnace replacement and weatherization programs in Martin and Bennett County. Households that meet program requirements are eligible for a loan or 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 Martin and Bennett County households to continue to utilize these programs.

Other Housing Initiatives

18. Oglala Sioux Housing Authority Housing in the Greater Martin Area

Findings: The Oglala Sioux Housing Authority owns and manages housing units in the Sunrise Housing and North Housing developments, which are in the Greater Martin Area.

Sunrise Housing

Sunrise Housing is a HUD cluster housing site developed in 1973 and located one mile east of Martin. The original development included 25 housing units. Over the years many housing units have been constructed at Sunrise Housing including rental and owner-occupied homes.

Currently, Sunrise Housing has 61 housing units including:

- ▶ 57 rental units in single family homes and duplexes
- ▶ Four Mutual Help owner-occupied homes
- ▶ In addition to the 61 total housing units, three single family homes are vacant due to their dilapidated condition

North Housing

North Housing is located one-half mile north of Martin and includes 10 low income rental homes and three mutual help owner-occupied homes. One of the homes is vacant due to its dilapidated condition.

North Housing homes were constructed in the late 1980's and early 1990's.

Occupancy / Vacancy

All of the livable units in the Sunrise and North Housing developments are occupied and there is a three to four-year waiting list.

Unit Mix

The rental units in Sunrise and North Housing include two, three and four bedroom units. A unit size breakdown by number of bedrooms is not available.

Rental Rates

Households pay 30% of their income for rent.

Future development

According to Ogalala Sioux Housing Authority staff, two additional homes are scheduled to be constructed in the developments.

Observations

The following observations are based on interviews with housing stakeholders and from visits to the Sunrise and North Housing developments:

- ▶ The housing units are fully occupied and there is a great demand for the units. Currently, there is a three to four-year waiting list.
- ▶ Many of the housing units are substandard, and appear to lack maintenance and need rehabilitation.
- ▶ The North Housing units appear to be in better condition. This may be because they are newer, there are fewer homes in the development and there is a greater distance between the homes.
- ▶ Some of the homes are occupied by several families and are overcrowded.
- ▶ Sunrise Housing, in particular, has litter and debris scattered throughout the development.
- ▶ The Sunrise Housing development has a much higher density than the North Housing Development.
- ▶ Based on our interviews, there are incidents of domestic problems, illegal activity and disagreements between the families living in the developments.
- ▶ The Oglala Sioux Housing Authority staff reported that they are in the process of rehabilitating the rental homes in the developments that are boarded-up.

Recommendation: Based on our observations and the information and demographics we have obtained, we are making the following recommendations. Please note that the Oglala Sioux Housing Authority may already be implementing some of these recommendations.

- ▶ Continue to utilize all potential funding sources to construct new rental units and owner-occupied homes including tax credits, Rural Development funds, HUD funds, Federal Home Loan Bank funds, etc.
- ▶ Encourage home ownership with Mutual Help, Lease / to purchase and Downpayment Assistance / Closing Cost programs.
- ▶ Develop home buyer education and renter education programs.
- ▶ If one does not exist, develop an Oglala Housing Authority Finance Corporation that provides financing to purchase a home or to rehabilitate a home.
- ▶ An aggressive approach to the rehabilitation of the substandard housing units in the two developments.
- ▶ Consider the development of a senior housing project.
- ▶ Although it would increase infrastructure costs and land may not be available, it may be advantageous to develop a policy that requires a greater distance between homes. Also, additional sites with low density should be considered.
- ▶ The Oglala Sioux Housing Authority should coordinate and partner with other housing agencies such as the Martin Housing Authority, the Wild Horse Community Development Corporation and the Thunder Valley Community Development Corporation to construct new housing and to develop and implement housing programs.
- ▶ Sunrise and North Housing management should aggressively enforce the rules and regulations. Overcrowding, illegal activity, vandalism, poor maintenance of the housing unit, etc. should not be tolerated and violators should be evicted. It is understood that enforcement is very difficult, but in the long term, it is necessary, if the developments are to be a safe and healthy housing option for families.
- ▶ Continue programs that address other issues including employment, health, addictions, domestic violence, etc.

19. Acquire and demolish dilapidated structures

Findings: Our housing condition survey identified 43 single family houses and 17 mobile homes in Martin that are dilapidated and too deteriorated to rehabilitate. We also identified 83 single family houses and 11 mobile homes as needing major repair and several of these homes may be too dilapidated to rehabilitate. To improve the quality of the City's housing stock and to maintain the appearance of the community, these structures should be demolished. In the past, the City has worked with property owners by providing City personnel to assist with demolishing dilapidated structures.

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

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

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

Findings: Martin/Greater Martin will need staff resources in addition to existing city personnel and volunteers to plan and implement many of the housing recommendations advanced in this Study. The area has access to USDA Rural Development, the South Dakota Housing Development Authority, the Martin Housing Authority, the Oglala Sioux Housing Authority, Wild Horse Butte Community Development Corporation, Thunder Valley Community Development Corporation, the Pennington County Housing and Redevelopment Commission, the Western SD Community Action Agency, NeighborWorks Dakota Home Resources and the Black Hills Council of Local Governments. These agencies all have experience with housing and community development programs.

Recommendation: Martin/Greater Martin have access to multiple agencies that can assist with addressing housing needs. It is our recommendation that Martin/Greater Martin work with the housing agencies to prioritize the recommendations of this Study and to develop a plan to address the area's housing needs. The Plan should include strategies, time lines and the responsibilities of each agency. While there has traditionally been a degree of staff interaction between these agencies, it will be important that a coordinated approach be used to prioritize and assign responsibility for housing programs. Currently, the City of Martin is working with the Home Address Program, sponsored by the Rural Housing Collaborative to develop and implement a housing plan.

It will also be important for Martin/Greater Martin to look for opportunities to work cooperatively with other area cities to address housing issues. With the number of small cities in the Region, and limited staff capacity at both the city and county levels, cooperative efforts may be the only way to accomplish certain projects. Cooperative efforts will not only make housing projects more practical, but they will often be more cost-effective and competitive.

21. Promote commercial rehabilitation and development

Findings: The City of Martin's commercial district is in fair to good condition, and several commercial buildings have been renovated, however, there are several substandard commercial buildings in Martin.

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

Recommendation: We recommend that the City of Martin and the Wild Horse Butte Community Development Corporation continue to work with commercial property and business owners to rehabilitate their buildings. Also, new businesses should continue to be encouraged to locate in Martin.

The City of Martin and the Wild Horse Butte Community Development Corporation should be encouraged to seek funding to assist property owners with rehabilitating their commercial buildings. A goal of one commercial rehab project annually in Martin would be a realistic goal.

22. Develop mobile home programs

Findings: The City of Martin has a significant inventory of mobile homes. Based on our housing survey, there are 58 mobile homes in the City. This represents approximately 14% of all housing options in Martin.

Eighteen mobile homes need minor repair, 17 homes need major repair and 17 mobile homes are dilapidated and beyond repair. Twelve mobile homes are in good condition and need no repairs.

Recommendation: Addressing the issues created by substandard mobile homes is not easily solved. Some communities have rehabilitated older units, but this is difficult to accomplish because of the type of construction of mobile homes, and it is rarely cost effective.

Some communities have established programs that provide for the purchase and removal of substandard mobile home units, provided a newer unit is purchased to replace the acquired dwelling. While this approach can work well in upgrading the stock, it can be expensive, especially if there are a large number of homes in poor condition.

It may be appropriate for the City to initiate programs to improve the quality of mobile homes, even if these programs can only address a few units per year. Innovative programs that have been used in other communities to address mobile home conditions include:

- ▶ ***Operation Safe Mobile Home*** - Owners of substandard mobile homes are given the option of voluntarily selling their substandard mobile home to the City or a local housing agency for a fixed minimum price. The mobile homes are then removed 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 rent or sale. All identified safety hazards must be corrected before the unit is sold or rented.

Agencies and Resources

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

Western SD Community Action Agency

1844 Lombardy Drive
Rapid City, SD 57703
(605) 348-1460
Contact: Linda Edel, Executive Director

NeighborWorks Dakota Home Resources

795 East Main Street
Deadwood, SD 57732
(605) 578-1401
Contact: Joy McCracken, Executive Director

USDA Rural Development

1717 North Lincoln Avenue
Pierre, SD 57501
(605)224-8870, Ext. 4
Contact: Clark Guthmiller, Area Specialist

South Dakota Housing Development Authority

3060 East Elizabeth Street
Pierre, SD 57501
(605) 773-3181
Contact: Mark Lauseng, Executive Director

Black Hills Council of Governments

525 University Loop, Suite 102
Rapid City, SD 57701
(605) 394-2681
Contact: Blaise Emerson, Executive Director

Martin Housing Authority

817 2nd Ave.
Martin, SD 57551
(605) 685-6344
Contact: Tammy Gregg, Executive Director

Wild Horse Butte Community Development Corporation

P.O. Box 488
Martin, SD 57551
(605) 685-1168
Contact: Kimmie Clausen, Executive Director

Oglala Sioux Housing Authority

1 Hwy 18
Pine Ridge, SD 57770
(605) 867-5161
Contact: Paul Iron Cloud

Thunder Valley Community Development Corporation

P.O. Box 290
Porcupine, SD 57772
(605) 455-2700
Contact: Nick Tilsen, Executive Director

Pennington County Housing and Redevelopment Commission

1805 West Fulton
Rapid City, SD 57702
(605) 394-5350
Contact: Doug Wells, Executive Director