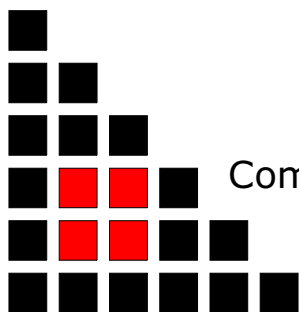


Grant County HOUSING STUDY

August 2022

An analysis of the overall housing needs
of the small cities and towns in Grant County



Community Partners Research, Inc.

Faribault, MN

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Introduction

Local elected and public officials are often held responsible for conditions and circumstances over which they have limited control. This is particularly true of housing. Most of the housing units in Milbank and Grant 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.

In 2015, Community Partners Research, Inc., was hired by the Grant County Development Corporation to conduct a study of the housing needs and conditions in the City of Milbank. In 2022, this Housing Study was initiated and expanded to examine demographic and housing data for the small cities and towns in Grant County.

Goals

The multiple goals of the study include:

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

Methodology

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

- U.S. Census Bureau
- American Community Survey
- Applied Geographic Solutions, a private data company
- Esri, a private data company
- Records and data from the city/town
- Records and data maintained by Grant County
- Interviews with housing stakeholders

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

Limitations

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

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

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Demographic Data Overview

Sources of Data

The following pages contain demographic data obtained from a variety of local, state and national sources for the cities and towns in Grant County.

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

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

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

The American Community Survey estimates have an effective date in 2020. The estimates were derived from five-year sampling, obtained between 2016 and 2020.

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

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

Population Data and Trends

Table 1 Population Trends - 1990 to 2020						
	1990 Census	2000 Census	% Change 1990-2000	2010 Census	% Change 2000-2010	2020 Census
Albee	15	10	-33.3%	16	60.0%	7
Big Stone City	669	605	-9.6%	467	22.8%	412
La Bolt	91	86	-5.5%	68	-20.9%	66
Marvin	38	66	73.7%	34	-48.5%	19
Reville	152	147	-3.3%	119	-19.0%	99
Stockholm	89	105	18.0%	108	2.9%	102
Strandburg	74	69	-6.8%	72	4.3%	63
Twin Brooks	54	55	1.9%	69	25.5%	47
Milbank	3,879	3,640	-6.2%	3,353	-7.9%	3,544
Grant Co.	8,372	7,847	-6.3%	7,356	-6.3%	7,556

Source: U.S. Census

- ▶ The release of population totals from the 2020 U.S. Census has established a new benchmark for the number of people residing in each jurisdiction. The Census total had an effective date of April 1, 2020.
- ▶ In 2020, the population for the **Town of Albee** was only seven people. When compared to the 2010 Census, the Town's population had decreased by more than 56%. Albee is a very small town and had reached its largest recent population level in 2010, when 16 people lived in the community.
- ▶ **Big Stone City** is the second largest incorporated community in Grant County. In 2020, the population for the City was 412 people. When compared back to the 2010 Census, the population had decreased by 55 people, or -11.8%. The pattern in the most recent decade continued a long-term trend of population loss for the community. If 2020 is compared to 1990, the City had lost 257 residents for a population decrease of -38.4%.

- ▶ The **Town of La Bolt** had 66 residents at the time of the 2020 Census, down by just two people from 2010. Although the Town was relatively stable for total population over the last decade, the longer-term patterns show a consistent loss of residents dating back to at least 1990.
- ▶ In 2020, the **Town of Marvin** had only 19 residents. When compared back to the 2010 Census, the Town's population has decreased by 15 people, or -44.1%. The Town had added a significant number of residents in the 1990s but this appears to have been in some type of group home. By 2000, the Town no longer had any group quarters residents and the population decreased accordingly.
- ▶ In 2020, the population for the **Town of Revillo** was 99 people. When compared back to the 2010 Census, the Town's population had decreased by 20 residents, or -16.8%. Revillo has been consistently losing population over the past 30 years.
- ▶ The population for the **Town of Stockholm** was 102 people in 2020, down slightly from 108 residents at the time of the 2010 Census. Although there has been some minor change from decade to decade, the Town's population level has remained relatively stable since the year 2000, and was higher in 2020 than in 1990, making Stockholm the only small community in Grant County to experience some population growth when compared back to the 1990 Census.
- ▶ In 2020, the **Town of Strandburg** had 63 residents down from 72 people in 2010. Although the Town's population did decrease by 12.5% over the most recent decade, the longer-term loss of population is relatively modest, as the Town's population is down by less than 15% when compared back to the year 1990.
- ▶ In 2020, the **Town of Twin Brooks** had 47 residents down by 22 people, or -31.9% from 2010. However, despite the significant population loss over the prior decade, the Town's population in 2020 was only slightly smaller than in 2000 or 1990. Twin Brooks had experience strong population growth between 2000 and 2010, before seeing this pattern reverse after 2010.

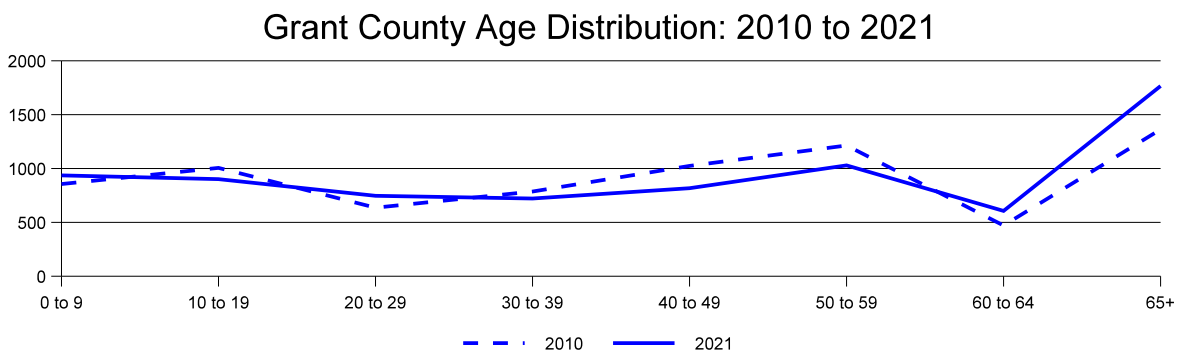
- ▶ The **City of Milbank** had 3,544 residents in 2020, up by 191 people from 2010. The most recent decade represented a change of patterns for population growth in Milbank. In the 1990s and between 2000 and 2010, the City had experienced population losses. Despite the gains since 2010, the City's total population level in 2020 was still smaller than the count from the 2000 Census.
- ▶ In 2020, the population level for all of **Grant County** was 7,556, up by 200 people from 2010. Although some other jurisdictions in the County may have added residents over the decade, most of the countywide growth would be attributed to the City of Milbank. Excluding Milbank, the remaining jurisdictions had a combined net population increase of only nine people between 2010 and 2020.
- ▶ There were no "group quarters" residents living in any of the small cities or towns in Grant County in 2020.

Population by Age Trends: 2010 to 2021

Age-based population estimates for Grant County are available from Applied Geographic Solutions. These estimates can be compared to the 2010 Census to examine the area’s changing age patterns over time. When compared to the 2020 Census total, it is probable that AGS’s 2021 estimate for Grant County is slightly low, but the possible difference would be less than 1%.

Table 2 Grant County Population by Age - 2010 to 2021			
Age	2010 Census	2021 AGS	Change
0-9	856	936	80
10-19	1,006	901	-105
20-29	636	747	111
30-39	786	721	-65
40-49	1,024	817	-207
50-59	1,214	1,029	-185
60-64	471	606	135
65+	1,363	1,766	403
Total	7,356	7,523	167

Source: U.S. Census; AGS



- ▶ As tracked by AGS, most of the age-based population growth between 2010 and 2021 occurred within the age ranges 60 years old and older, largely reflecting the movement of the large “baby boom” generation through the aging cycle.

- ▶ Conversely, the largest reductions occurred within the 40 to 59 year old ranges, as the advancing baby boomers were followed by a smaller demographic cohort.
- ▶ Although the County's population of senior citizens has been increasing, most of this was due to younger seniors. While the AGS estimates combine all senior citizens into a single group, other data sources, including Esri, show most of the past growth in the 10-year range between 65 and 74 years old. Estimated growth was more limited among older seniors age 75 and above.
- ▶ While AGS's estimates show some increase in the number of younger children in the County, this is then offset by reductions among older children. If all people age 19 and younger are combined, there was an estimated reduction of 25 people. Although the scale of this reduction is small, a decrease in children would be consistent with the estimated decrease of adults between 40 and 59 years old and an increasing population of empty-nesters and seniors in the age ranges 60 years old and older.
- ▶ AGS's estimates show some increase over the decade in the County's population of younger adults, in the age range between 20 and 29 years old. However, this is the only younger adult group that was estimated to increase in size.

Trend-Based Population Projections

Forecasts are available on the following page from Applied Geographic Solutions and Esri. However, these are viewed by the analysts as too conservative. As a result, trend-based projections have been used based the annualized growth rates between 2010 and 2020, and projecting forward to the year 2026. Trend-based projections have only been created for Milbank and Grant County.

Table 3 Trend-based Population Projections Through 2026			
	2020 Census	2026 Projection	Average Annual Change
Milbank	3,544	3,665	20 people/year
Remainder of County	4,012	4,014	1 person/year
Grant County	7,556	7,679	21 people/year

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

- ▶ A trend-based projection method anticipates that **Milbank** will have approximately 3,665 permanent residents by 2026, adding an annual average of 20 people per year going forward.
- ▶ A trend-based projection for **Grant County** expects an annual average increase of 21 people per year going forward. The County projection would include the expected increase within Milbank, indicating that nearly all of the population growth in Grant County through the year 2026 would be expected within the City.
- ▶ While it is very possible that these projections may also prove conservative, they do provide a better indicator of the area’s future growth potential.

Population Projections from AGS/Esri

Population projections are available for the small communities in Grant County from Applied Geographic Solutions. For Milbank and Grant County, additional projections have been obtained from Esri.

It is important to recognize that the estimates for 2021 and projections to 2026 were generated prior to the release of any information from the 2020 Census. As a result, there may be significant differences with the most recent Census data. AGS and Esri will not be adjusting their data to better align with Census totals until sometime later in 2022.

Table 4 Population Projections Through 2026				
	2020 Census	2021 Estimate	2026 Projection	Change
Albee	7	13	13	0
Big Stone City	412	430	378	-52
La Bolt	66	58	53	-5
Marvin	19	29	28	-1
Revilla	99	104	102	-2
Stockholm	102	102	93	-9
Strandburg	63	67	61	-6
Twin Brooks	47	61	56	-5
Milbank - AGS	3,544	3,484	3,452	-32
Milbank - Esri	3,544	3,315	3,259	-56
Grant County - AGS	7,556	7,523	7,247	-276
Grant County - Esri	7,556	7,213	7,081	-132

Source: U.S. Census; AGS; Esri

- ▶ Applied Geographic Solutions significantly over estimated the 2021 population level for **Albee** when compared to the 2020 Census count. However, their projection for the Town over the next five years shows a stable population level, which represents a reasonable expectation for this small community.

- ▶ Based on the 2020 Census, Applied Geographic Solutions somewhat over estimated the 2021 population level for **Big Stone City**. However, going forward their projection shows a gradual decrease in the City's population. While a reduced population would be very consistent with longer-term patterns for this community, the scale of the projected loss may be overstated, as it is unlikely that the City will lose more than 50 people.
- ▶ Applied Geographic Solutions under estimated the 2021 population level for **La Bolt** when compared to the 2020 Census count. As a result, their projection for the community over the next five years probably shows a larger loss of population over the next five years than would be indicated by recent trends, as this source expects the Town to lose five residents by 2026.
- ▶ Applied Geographic Solutions significantly over estimated the 2021 population level for **Marvin** when compared to the 2020 Census count. Their projection for the Town over the next five years shows a relatively stable population level, which represents a reasonable expectation for this small community.
- ▶ The 2021 estimate from Applied Geographic Solutions for **Reville** was generally similar to the 2020 Census count, especially with a one year time difference. Their projection for the community over the next five years shows a relatively stable population level, with only a small decrease in the number of residents.
- ▶ The 2021 estimate from Applied Geographic Solutions for **Stockholm** was identical to the 2020 Census count. Their projection for the community over the next five years shows a loss of nine residents.
- ▶ Applied Geographic Solutions slightly over estimated the 2021 population level for **Strandburg** when compared to the 2020 Census count. Their projection for the community over the next five years shows a minor reduction in the population level by 2026.
- ▶ Applied Geographic Solutions significantly over estimated the 2021 population level for **Twin Brooks** when compared to the 2020 Census count. Their projection for the community over the next five years shows a minor reduction in the population level.

- ▶ Although Applied Geographic Solutions underestimated the 2021 population level for **Milbank** by only a small amount, their projection to the year 2026 does not appear to be reliable. AGS expects that the City will see a declining population going forward.
- ▶ Esri significantly underestimated the 2021 population level for **Milbank**, when compared to the 2020 Census count. This has resulted in an expectation that the City will see a declining population going forward. In the opinion of the analysts, this is not a reliable forecast.
- ▶ Applied Geographic Solutions appeared to have a relatively accurate estimate of the 2021 population level for **Grant County** when compared to the 2020 Census count. However, their expectation is that the County will see a declining population going forward. In the opinion of the analysts, this is an overly conservative forecast.
- ▶ Esri underestimated the 2021 population level for **Grant County** by nearly 5% when compared to the 2020 Census count. This has resulted in an expectation that the County will see a declining population going forward. In the opinion of the analysts, this is not a reliable forecast.
- ▶ After examining projections from other sources, Community Partners Research, Inc., believes that trend-based projections provide a better indication of **Milbank's** and **Grant County's** growth potential going forward. These trend-based projections were provided on a preceding page.

Household Data and Trends

Table 4 Household Trends - 1990 to 2020						
	1990 Census	2000 Census	% Change 1990-2000	2010 Census	% Change 2000-2010	2020 Census
Albee	7	6	-14.3%	7	16.7%	6
Big Stone City	264	254	-3.8%	236	-7.1%	219
La Bolt	33	31	-6.1%	33	6.5%	31
Marvin	20	19	-5.0%	15	-21.1%	16
Revilla	73	70	-4.1%	53	-24.3%	50
Stockholm	38	48	20.8%	48	0%	41
Strandburg	34	28	-17.6%	27	-3.6%	22
Twin Brooks	23	24	4.3%	27	12.5%	26
Milbank	1,557	1,533	-1.5%	1,508	-1.6%	1,541
Grant County	3,154	3,116	-1.2%	3,089	-0.9%	3,103

Source: U.S. Census

- ▶ According to the 2020 Census, **Albee** had six permanent resident households in 2020, down by one household from 2010. Over the past three decades the Town's household count has remained stable, with between six and seven occupied housing units.
- ▶ In 2020, **Big Stone City** had 219 permanent resident households. When compared to 2010, the City had lost 17 households, for a reduction of -7.2%. There has been a long-term pattern of fewer households in the City, although the reduction has been gradual, with an approximate average loss of one to two households per year dating back to 1990.
- ▶ In 2020, there were 31 resident households in **La Bolt**. Between 2010 and 2020 the Town lost two households. However, La Bolt has generally remained stable over the past 30 years, fluctuating between 31 and 33 households living in the community since 1990.
- ▶ The **Town of Marvin** had 16 permanent households in 2020, up by one from the 2010 Census. In recent decades the community has remained relatively stable with only four fewer households in 2020 than were present in 1990. Marvin is the only small community in the County that added households between 2010 and 2020.

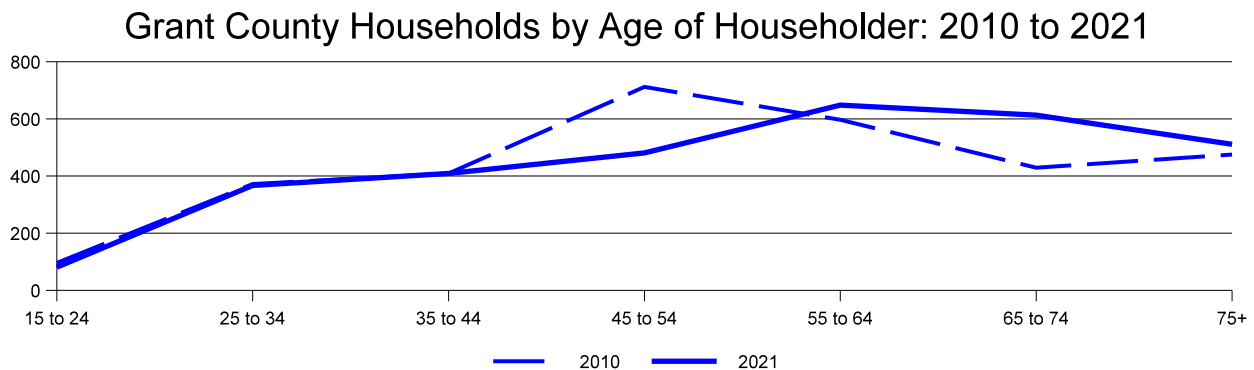
- ▶ The ***Town of Revillo*** had 50 permanent households in 2020, down by three from the 2010 Census. Although the reduction in the most recent decade was limited, longer-term the Town has continued to see fewer households. Between 1990 and 2020, there were 23 fewer households in the community.
- ▶ According to the 2020 Census, ***Stockholm*** had 41 permanent resident households in 2020, down by seven households from 2010. In the 1990s, the Town had added 10 households, and then remained stable through 2010. Since 2010, the Town has lost households but still had three more households than at the time of the 1990 Census.
- ▶ ***Strandburg*** had 22 resident households in 2020, down from 27 households in 2010. Although the Town has continued to see some reduction in households over the past three decades, the loss has been very gradual, with 12 fewer households over the 30-year time period.
- ▶ In 2020, the ***Town of Twin Brooks*** had 26 permanent resident households, down by one household from 2010. In recent decades, the Town has remained relatively stable, and had three more households in 2020 than were counted in the 1990 Census.
- ▶ The ***City of Milbank*** had 1,541 households in 2020, up by 33 households from the 2010 Census. When viewed over a longer time frame, the household count in Milbank has remained relatively stable. In the 1990s the City lost 22 households, and then lost 25 more households between 2000 and 2010. The recent gain of 33 households from 2010 to 2020 recovered much of the past lost, and in 2020 Milbank had only 16 fewer households than had been present in 1990.
- ▶ ***Grant County*** had 3,103 households in 2020, up by 14 households from 2010. However, this included the growth in Milbank. If the City is removed, the remaining jurisdictions in Grant County had a combined reduction of 19 permanent resident households over the prior decade. Like Milbank, Grant County has largely retained a stable household count over the past three decades. If 2020 is compared to 1990, the County had only 51 fewer households over a 30-year time period.

Household by Age Trends: 2010 to 2021

Esri provides age-based household estimates for the year 2021 which can be compared to the 2010 Census to track aging patterns. Esri appears to have under estimated the total household count for Grant County. Although these estimates are low by less than 3%, in the following table the Esri estimates have been adjusted by Community Partners Research, Inc., to better match the total household count in 2021.

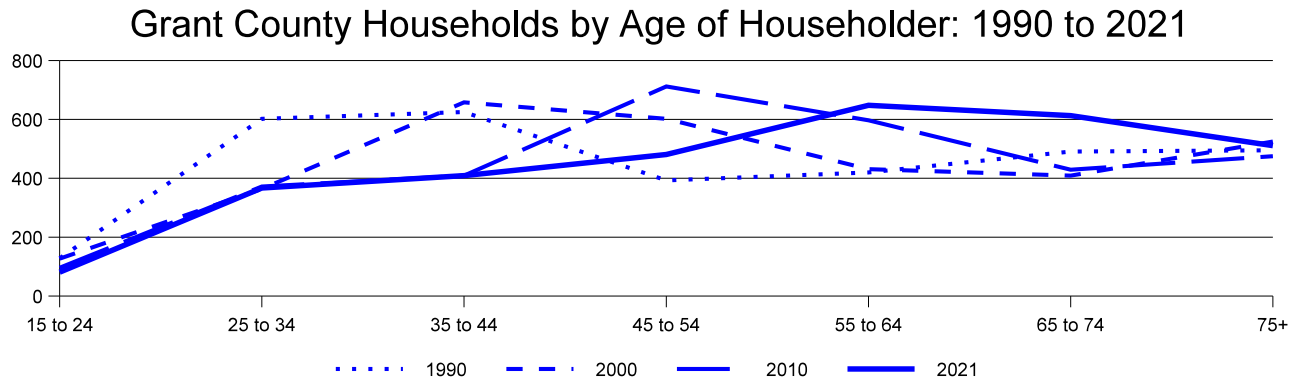
Table 5 Households by Age - 2010 to 2021			
Age	Grant County		
	2010	2021	Change
15-24	96	81	-15
25-34	372	367	-5
35-44	409	409	0
45-54	712	481	-231
55-64	597	648	51
65-74	429	613	184
75+	474	511	37
Total	3,089	3,110	21

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



- ▶ As estimated by Esri, the largest increases in the number of households between 2010 and 2021 occurred within a 10-year range between 65 and 74 years old. This would largely reflect the advancing baby boom generation. In total, 184 households were added in Grant County in this age group.

- ▶ There was a corresponding reduction of 231 households in the 45 to 54 year old range, as the age cohort following the baby boomers was much smaller in size.
- ▶ Most of the other defined age groups experienced only limited change over the prior decade, although there was a slight estimated decrease in younger adult households, age 44 and younger.
- ▶ The County is estimated to have added households in all of the age ranges 55 years old and older, while seeing fewer households in most of the age groups under 55 years old. If aggregated, the County added 272 households age 55 and older, while seeing a reduction of 251 households age 54 and younger.
- ▶ It is possible to track the longer-term patterns for Grant County using Census data back to 1990. Once again, the progression of the baby boomer households through the aging cycle in Grant County creates an advancing demographic wave.



Average Household Size

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

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

Table 6 Average Number of Persons Per Household: 1990 to 2020				
	1990 Census	2000 Census	2010 Census	2020 Census
Albee	2.14	1.67	2.29	1.17
Big Stone City	2.53	2.33	1.98	1.88
La Bolt	2.76	2.77	2.06	2.13
Marvin	1.90	2.21	2.27	1.19
Revilla	2.08	2.10	2.25	1.98
Stockholm	2.34	2.19	2.25	2.49
Strandburg	2.18	2.46	2.67	2.86
Twin Brooks	2.35	2.29	2.56	1.81
Milbank	2.39	2.25	2.16	2.18
Grant County	2.60	2.44	2.35	2.35
South Dakota	2.59	2.50	2.42	2.44

Source: U.S. Census

- ▶ According to the 2020 Census, the average household size in **Albee** was extremely small at only 1.17 persons per household. The Town had seven residents living in six households, so five of the six households were people living alone.
- ▶ The average household size in **Big Stone City** has been decreasing over the past three decades and was at 1.88 persons per household in 2020, typically indicating a community with few children and a large number of senior citizen households.

- ▶ Although the average household size in **La Bolt** has moved both up and down in recent decades, the general trend is for a smaller average household size over time. While the 2020 average of 2.13 persons was larger than in 2010, it was well below the average of 2.76 persons that existed in 1990.
- ▶ According to the 2020 Census, the average household size in **Marvin** was extremely small at only 1.19 persons per household. The Town had 19 residents living in 16 households, so the large majority of all households were people living alone.
- ▶ The average household size in **Revillo** had been increasing in the 1990s and between 2000 and 2010, but after 2010 the Town again moved toward fewer people per household. The average household size of 1.98 persons per household in 2020 probably indicates a community with fewer children and a growing number of senior citizen households.
- ▶ According to the 2020 Census, the average household size in **Stockholm** was 2.49 persons per household, the second largest average size of the communities in Grant County. Since the year 2000 the Town's average household size has been increasing, probably due to more families with children residing in the community.
- ▶ According to the 2020 Census, **Strandburg** had the largest average household size of any city or town in Grant County, at 2.86 persons. The Town's average household has continued to increase in size for the past three decades, presumably as the community has become a popular location for families with children.
- ▶ The average household size in **Twin Brooks** had increased between 2000 and 2010, but then decreased rapidly and by 2020 the Town's average household had only 1.81 persons. This probably indicates a community with fewer children and a growing number of senior citizen households.
- ▶ Although the average household size in **Milbank** had been decreasing gradually between 1990 and 2010, there was some rebound in the most recent decade as the City's household size had increased to 2.18 persons. Despite this recent increase, the City's average remained well below the Statewide average of 2.44 persons per household.
- ▶ The average household size for all of **Grant County** remained stable between 2010 and 2020, at 2.35 persons per household. The County's average household size is larger than in nearly all of the cities or towns, including Milbank, indicating that the rural townships tend to have substantially larger households than the incorporated communities.

Household Projections from AGS/Esri

Household projections are available for the small communities in Grant County from Applied Geographic Solutions. For Milbank and Grant County, additional projections have been obtained from Esri.

It is important to recognize that the estimates for 2021 and projections to 2026 were generated prior to the release of any information from the 2020 Census. As a result, there may be significant differences with the most recent Census data. AGS and Esri will not be adjusting their data to better align with Census totals until sometime later in 2022.

Table 7 Household Projections Through 2026				
	2020 Census	2021 Estimate	2026 Projection	Change
Albee	6	5	5	0
Big Stone City	219	206	209	3
La Bolt	31	22	23	1
Marvin	16	10	11	1
Revilla	50	39	42	3
Stockholm	41	40	41	1
Strandburg	22	26	27	1
Twin Brooks	26	24	24	0
Milbank - AGS	1,541	1,496	1,670	174
Milbank - Esri	1,541	1,501	1,478	-23
Grant County - AGS	3,103	3,089	3,341	252
Grant County - Esri	3,103	3,052	3,002	-50

Source: U.S. Census; AGS; Esri

- ▶ Applied Geographic Solutions under estimated the 2021 household level for **Albee** by one household when compared to the 2020 Census count. This source expects that the community will remain stable, with no change in the number of households over the 5-year projection period.
- ▶ AGS appears to have under estimated the current household level in **Big Stone City** in 2021 when compared to the 2020 Census. However, going forward, AGS is projecting that the City will add three households over the 5-year projection period.

- ▶ Applied Geographic Solutions significantly under estimated the 2021 household level for **La Bolt** by nine households when compared to the 2020 Census count. However, this source expects that the community will remain generally stable through the year 2026, with the addition of one household.
- ▶ Applied Geographic Solutions significantly under estimated the 2021 household level for **Marvin** by six households when compared to the 2020 Census count. However, this source expects that the community will remain generally stable through the year 2026, with the addition of one household by 2026.
- ▶ Applied Geographic Solutions significantly under estimated the 2021 household level for **Reville** by 11 households when compared to the 2020 Census. However, this source expects that the community will add three households over the 5-year projection period.
- ▶ Applied Geographic Solutions may have slightly under estimated the 2021 household level for **Stockholm** by one household when compared to the 2020 Census count. This source expects that the community will generally remain stable, with the addition of one household over the 5-year projection period.
- ▶ Applied Geographic Solutions appears to have over estimated the 2021 household level for **Strandburg** by four households when compared to the 2020 Census count. This source expects that the community will generally remain stable, with a small increase of one household over the 5-year projection period.
- ▶ Applied Geographic Solutions slightly under estimated the 2021 household level for **Twin Brook**, differing by two households from the 2020 Census count. This source expects that the community will remain stable, with no change in the number of households over the 5-year projection period.
- ▶ Applied Geographic Solutions is projecting significant household growth in **Milbank** between 2021 and 2026, with the expected addition of 174 households. If viewed as an annual average, this would yield expected growth of approximately 35 households per year. While this may be an achievable forecast, it would require growth at a significantly faster rate than in the past for Milbank.

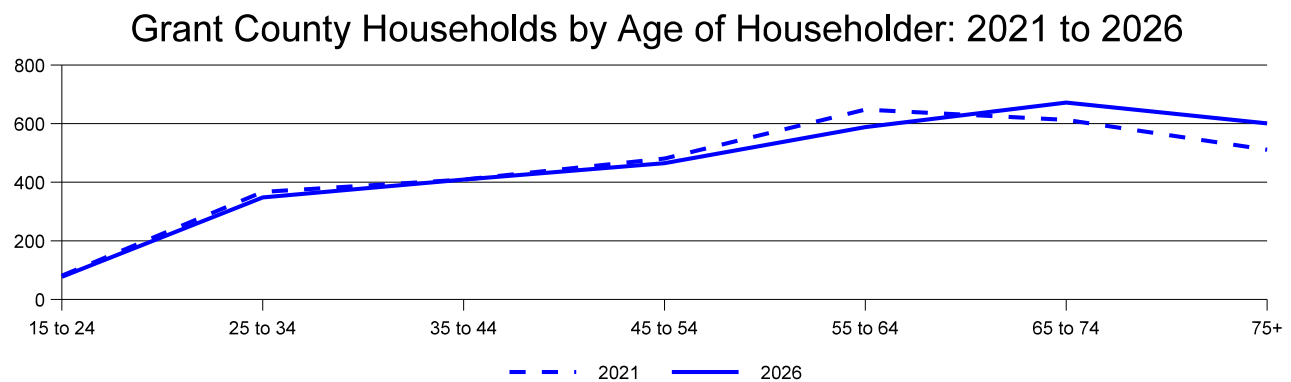
- ▶ Esri has underestimated the 2021 household level for **Milbank**, when compared to the 2020 Census count. This has resulted in an expectation that the City will see a moderate decline in the number of households going forward. In the opinion of the analysts, this is an overly conservative forecast.
- ▶ Applied Geographic Solutions believes that **Grant County** will add 252 households between 2021 and 2026, with 174 of these in Milbank and the remaining 78 households in the remainder of the County. In the opinion of the analysts, this Countywide forecast is very optimistic, and would require a significant change in the historical growth patterns, especially for the jurisdictions outside of Milbank.
- ▶ Although Esri had a relatively accurate household estimate for **Grant County** in 2021, their projection for future change is not viewed as a reliable forecast. The projection from Esri expects a reduction of 50 households in Grant County between 2021 and 2026.

Grant County Household by Age Projections: 2021 to 2026

Esri has an overly conservative estimate and projection for Grant County and the numbers in the following table have been adjusted by Community Partners Research, Inc., to better reflect accurate household counts for the County. These adjustments are approximately 3% or less. The adjusted information has been used to analyze age progression patterns over the next five years.

Table 8 Grant County Projected Households by Age - 2021 to 2026			
Age Range	2021 Estimate	2026 Projection	Change
15-24	81	77	-4
25-34	367	348	-19
35-44	409	409	0
45-54	481	465	-16
55-64	648	588	-60
65-74	613	672	59
75+	511	601	90
Total	3,110	3,160	50

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



- ▶ The age-based projections from Esri show limited change in many of the defined age ranges. In broader terms, Esri is projecting an overall increase in households age 65 and older, but a decrease in the number of households age 64 and younger.

- ▶ The largest increase is projected among households age 75 and older, followed by households in the 65 to 74 year old range. In total, nearly 150 additional households would be expected in the senior age groups.
- ▶ The largest projected decrease is expected in the age range between 55 and 64 years old, with 60 fewer households by 2026. The demographic cohort trailing behind the baby boom generation was not as large and will not replace the advancing baby boomers.
- ▶ The younger adult ranges are projected to remain relatively stable or decrease slightly in size. If all of the age groups 54 and younger are combined, these projections would indicate a net reduction of nearly 40 households Countywide.

Housing Tenure

The 2020 Census has not yet released any information on home owner and renter status. Although the annual American Community Survey does provide an estimate of the tenure distribution patterns, for very small communities this may not be accurate, given the limited number of surveys that are collected.

In the following table, the 2010 Census information on housing occupancy tenure is provided.

Table 9 Households by Tenure - 2010		
	Percent Owned	Percent Rented
Albee	71.4%	28.6%
Big Stone City	81.8%	18.2%
La Bolt	90.9%	9.1%
Marvin	100%	0%
Reville	66.0%	34.0%
Stockholm	68.8%	31.2%
Strandburg	81.5%	18.5%
Twin Brooks	96.3%	3.7%
Milbank	68.8%	31.2%
Grant County	78.2%	21.8%

Source: U.S. Census

- ▶ At the time of the 2010 Census, most of the small cities and towns in Grant County had high rates of home ownership. However, in **Reville** and **Stockholm** the renter-occupancy rate was above 31%. The rental rate in **Milbank** was also above 31% in 2010.
- ▶ In **Marvin**, **Twin Brooks** and **La Bolt**, the home ownership rate was above 90% in 2010.
- ▶ In 2010 the home ownership rate in all of **Grant County** was 78.2%.

Median Income Data

Information on median income levels is available at the city, town and county level through the American Community Survey. However, for small communities, the income information has a large margin of error due to the limited sampling that is done. For very small communities the income data may also be suppressed to protect the privacy of residents. As a result, no median income information has been presented for the small cities and towns. The following table provides estimates for Milbank and all of Grant County in 2020.

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

Table 10 Median Household Income - 2010 to 2020			
	2010 Median	2020 Median	% Change
Households			
Milbank	\$37,212	\$58,476	57.1%
Grant County	\$42,625	\$65,327	53.3%
South Dakota	\$46,369	\$59,896	29.1%
Families			
Milbank	\$49,331	\$77,485	57.1%
Grant County	\$56,250	\$77,121	37.1%
South Dakota	\$58,958	\$77,042	30.7%

Source: ACS

- ▶ According to the American Community Survey, the median household income in **Milbank** was \$58,476 in 2020, and had increased by more than 57% between 2010 and 2020. With the large increase in the City's median household income over the decade, the median for Milbank was only slightly below the comparable Statewide median in 2020. However, the median household income for all of **Grant County**, at \$65,327 in 2020, was higher than in Milbank, and well above the median for the State of South Dakota. Based on the available estimates, the County's median household income had increased at a rapid rate over the decade and was up by more than 53%.

- ▶ The median family income for **Milbank** was estimated at \$77,485 in 2020, up by more than 57% from 2010. With the rapid increase over the last decade, the median family income for Milbank had moved slightly above the comparable medians for the County and the State by 2020. The estimated median family income for all of **Grant County** was \$77,121.
- ▶ 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 **Grant County** could afford approximately \$1,633 per month and a median income family household could afford \$1,928 per month for ownership or rental housing in 2020.

New Housing Construction Activity

From 2010 through 2021, approximately five new houses were constructed in Big Stone City, and two houses were under construction in 2022.

We are not aware of any new home construction in the remaining towns in Grant County dating back to 2010.

2020 Census Housing Unit Data

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

Table 11 Housing Units, Occupancy and Vacancy - 2020									
	Total Housing Units			Occupied Units			Vacant Units		
	2010	2020	Change	2010	2020	Change	2010	2020	Change
Albee	7	6	-1	7	6	-1	0	0	0
Big Stone City	314	286	-28	236	219	-17	78	67	-11
La Bolt	37	32	-5	33	31	-2	4	1	-3
Marvin	21	17	-4	15	16	+1	6	1	-5
Revilla	67	56	-11	53	50	-3	14	6	-8
Stockholm	55	53	-2	48	41	-7	7	12	+5
Strandburg	36	33	-3	27	22	-5	9	11	+2
Twin Brooks	31	26	-5	27	26	-1	4	0	-4
Milbank	1,683	1,669	-14	1,508	1,541	33	175	128	-47
Grant County	3,526	3,426	-100	3,089	3,103	14	437	323	-114

Source: U.S. Census

- ▶ According to decennial Census data, **Albee** had only six total housing units in 2020, one less unit than had existed at the time of the 2010 Census. All of the available units in the Town were occupied in both 2020 and 2010. Presumably one older housing unit was lost over the decade, possibly due to condition or quality.
- ▶ The reconciliation of Census data from 2010 and 2020 for **Big Stone City** showed that the City had 28 fewer housing units in 2020. This reduction included 17 fewer occupied units and 11 fewer vacant units. The possible causes of the housing unit losses are not identified, but in 2010 more than half of all vacant units in the City were identified as "seasonal/recreational" properties, and it is possible that some of these have been removed over time. Part of the City is located on Big Stone Lake and it is assumed that much of the seasonal/recreational housing represents lake shore homes.

- ▶ Based on Census data, **La Bolt** had a reduction of five housing units between 2010 and 2020. The City had two fewer occupied units by 2020 and three fewer vacant units in the housing inventory. Possibly the reduction in vacant units represents older housing that was not suitable for occupancy in 2010 that was later removed from the housing inventory.
- ▶ According a reconciliation of decennial Census data, **Marvin** had four fewer housing units in 2020 than were present at the time of the 2010 Census. It appears that most of the lost housing was due to units that had been vacant in 2010 no longer being available in 2020. Possibly this reflects older housing that was not suitable for occupancy in 2010 that was later removed from the housing inventory.
- ▶ The reconciliation of Census data in **Reville** shows a reduction of 11 housing units between 2010 and 2020. While some of this reflects fewer occupied units, most of the loss occurred within units that had been vacant in 2010. Possibly this represents older housing that was not suitable for occupancy in 2010 that was later removed from the housing inventory.
- ▶ According to Census data there was very little change in the housing inventory in **Stockholm** between 2010 and 2020, with a loss of only two units. The Town did have reduction of occupied units but added vacant housing over the decade.
- ▶ According to Census data there was limited change in the housing inventory in **Strandburg** between 2010 and 2020, with a loss of only three units. The Town did have reduction of occupied units but added some vacant housing over the decade.
- ▶ Based on a reconciliation of decennial Census data, **Twin Brooks** had five fewer housing units in 2020 than were present at the time of the 2010 Census. It appears that most of the lost housing was due to units that had been vacant in 2010 no longer being available in 2020. Possibly this reflects older housing that was not suitable for occupancy in 2010 that was later removed from the housing inventory.
- ▶ According to a reconciliation of decennial Census data, **Milbank** had 14 fewer housing units in 2020 than were present at the time of the 2010 Census. Presumably some older housing was lost over the decade, possibly due to condition or quality. Despite a small reduction in the housing stock, Milbank did add households over the decade. Much of the household growth was linked to fewer vacant units in 2020.

- ▶ Based on Census data, **Grant County** lost 100 units from the housing inventory between 2010 and 2020. While the exact cause of this unit loss is not known, presumably some of the housing in the small towns and rural townships was removed from the useable inventory. Grant County did have a minor increase in households over the decade, due primarily to growth in Milbank. Over the decade, the County had a reduction in vacant housing.

American Community Survey Housing Data

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

Median Year of Construction - Owner-occupancy Housing

For owner-occupancy units an estimated median year of construction is provided. For some of the smallest communities, no estimate was included in the 2020 data.

Albee - N/A
Big Stone City - 1957
Marvin - 1974
La Bolt - 1939
Reville - 1939
Stockholm - 1946
Strandburg - 1939
Twin Brooks - 1955
Milbank - 1970
Grant County - 1965

The oldest estimated median year that is used by the American Community Survey is 1939, and it is possible that the median years of construction for La Bolt, Reville and Strandburg are actually earlier than that date.

Median Year of Construction - Renter-occupancy Housing

A median year of construction is also provided for rental housing, but in many of the small cities and towns there are very few rental units and estimates are suppressed.

Albee - N/A
Big Stone City - 1965
La Bolt - N/A
Marvin - N/A
Reville - 1964
Stockholm - 1980
Strandburg - N/A
Twin Brooks - N/A
Milbank - 1981
Grant County - 1976

Existing Home Sales

This section examines houses that have been sold in each jurisdiction. Because most of these cities and towns are very small, a three-year sales sample has been examined, starting on November 1, 2018 and extending to October 31, 2021.

The information was obtained from the South Dakota Department of Revenue website, using information compiled by the Grant County Equalization Office.

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

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

Table 12 Median Value of Recent Sales - 2019 to 2021				
Sales Year	Number of Good Sales	Median Sale Price	Highest Valued Sale	Lowest Valued Sale
Albee	N/A	-	-	-
Big Stone City	32	\$91,000	\$352,000	\$9,500
La Bolt	2	-	\$90,000	\$47,000
Marvin	1	\$13,000	-	-
Reville	8	\$41,500	\$102,000	\$14,500
Stockholm	8	\$14,750	\$174,900	\$2,000
Strandburg	4	\$42,675	\$125,500	\$10,000
Twin Brooks	0	-	-	-

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

- ▶ No specific home sales in **Albee** could be identified from the records that were obtained. According to the 2020 Census there were only six houses in the City, and it is probable that no homes have been sold in recent years.
- ▶ **Big Stone City** had more sales than any of the other small communities, with 32 good sales recorded over the 3-year time period reviewed. The median sale price was \$91,000. Big Stone City was the only community, other than Milbank, that recorded a home sale for more than \$175,000 in the past three years. Big Stone City does have some houses that are located on Big Stone Lake.
- ▶ During the time period reviewed there were only two open market home sales in **La Bolt**, with one for \$90,000 and the other for \$47,000.
- ▶ Only one good home sale was recorded in **Marvin**, for \$13,000.
- ▶ **Reville** had eight good sales recorded during the time period reviewed, with a calculated median of \$41,500. The highest price for a sale in the Town was \$102,000.
- ▶ There were eight good sales recorded in **Stockholm** during the 3-year time period reviewed, but the calculated median was only \$14,750. However, one house in the Town did sell for \$174,900.
- ▶ **Strandburg** had four open market sales during the past three years, with a calculated median price of \$42,675. The highest home sale price was \$125,500.
- ▶ There were no open market sales in **Twin Brooks** over the past three years.
- ▶ Although there has been some year to year variation, home prices in **Milbank** have generally remained in a moderate range, based on the annual sales median. The median price for 2021 was \$110,000, from 67 open market sales. In 2020, the City's median was higher at \$131,500.

Rental Housing Data

The following rental projects are located in Big Stone City and Revillo.

Table 13 Grant County Multifamily Rental Housing Inventory					
Name	Number of Units / Bedroom Mix	Rent	Vacancy/ Wait List	Tenant Mix	Comments
Subsidized					
Revillo Housing <i>Revillo</i>	3 - 1 bedroom 5 - 2 bedroom 8 total units	\$441 \$456 30% of income	No vacancies	General Occupancy	Revillo Housing is an eight-unit General Occupancy USDA Rural Development project. There are three one-bedroom and five two-bedroom units. The manager reported no vacancies at the time of the survey.
Applecrest Apartments <i>Big Stone City</i>	1 - 1 bedroom 7 - 2 bedroom 8 total units	\$625 \$665 30% of income	1 vacancy	General occupancy	Applecrest Apartments is a Rural Development subsidized general occupancy project located in Big Stone City. The project is an eight-plex with one one-bedroom and seven two-bedroom units. The manager reported one vacancy at the time of the survey.
Big Stone Apartments <i>Big Stone City</i>	1 - 1 bedroom 7 - 2 bedroom 8 total units	\$515 \$560 30% of income	1 vacancy	General occupancy	Big Stone Apartments is a Rural Development subsidized general occupancy project located in Big Stone City. The project is an eight-plex with 1 one-bedroom and 7 two-bedroom units. The manager reported one vacancy at the time of the survey.

Source: Community Partners Research, Inc.

Employment and Local Economic Trends

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

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

Labor Force and Unemployment

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

Table 14 Grant County Average Annual Labor Force: 2010 to 2021						
Year	Labor Force	Employed	Unemployed	Unemployment Rate - County	Unemployment Rate - SD	Unemployment Rate - US
2010	4,821	4,600	221	4.6%	5.0%	9.6%
2011	4,666	4,448	218	4.7%	4.6%	8.9%
2012	4,564	4,373	191	4.2%	4.1%	8.1%
2013	4,675	4,483	192	4.1%	3.7%	7.4%
2014	4,727	4,562	165	3.5%	3.3%	6.2%
2015	4,735	4,598	137	2.9%	3.0%	5.3%
2016	4,480	4,335	145	3.2%	3.0%	4.9%
2017	4,461	4,313	148	3.3%	3.1%	4.4%
2018	4,440	4,304	136	3.1%	2.9%	3.9%
2019	4,412	4,277	135	3.1%	3.0%	3.7%
2020	4,382	4,206	176	4.0%	4.6%	8.1%
2021	4,415	4,278	137	3.1%	2.8%	5.3%

Source: South Dakota Department of Labor

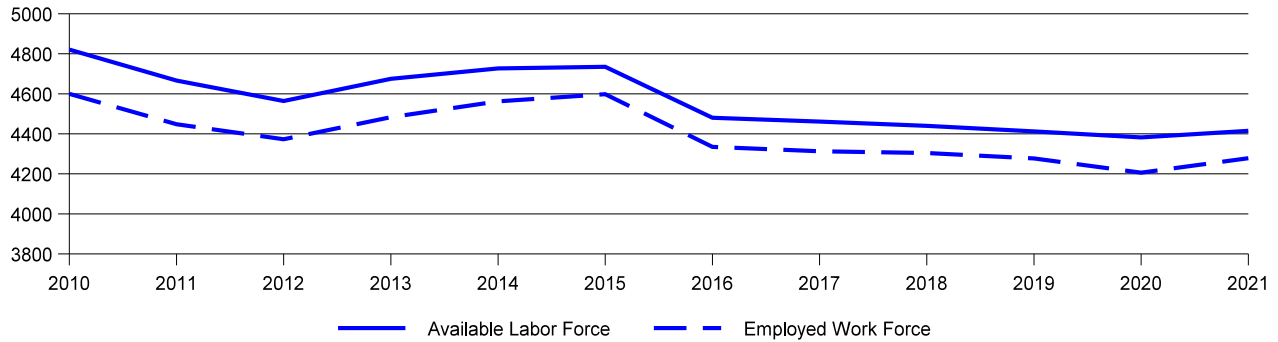
When tracked over a longer time period, the size of the County’s available resident labor force has gradually been decreasing. If 2019 (pre-pandemic) is compared to 2010, the labor force had decreased by 409 people, or -8.5%.

The County’s employed resident labor force has generally followed a similar pattern. If 2019 is compared to 2020, there were 323 fewer County residents that were employed, or -7.0%.

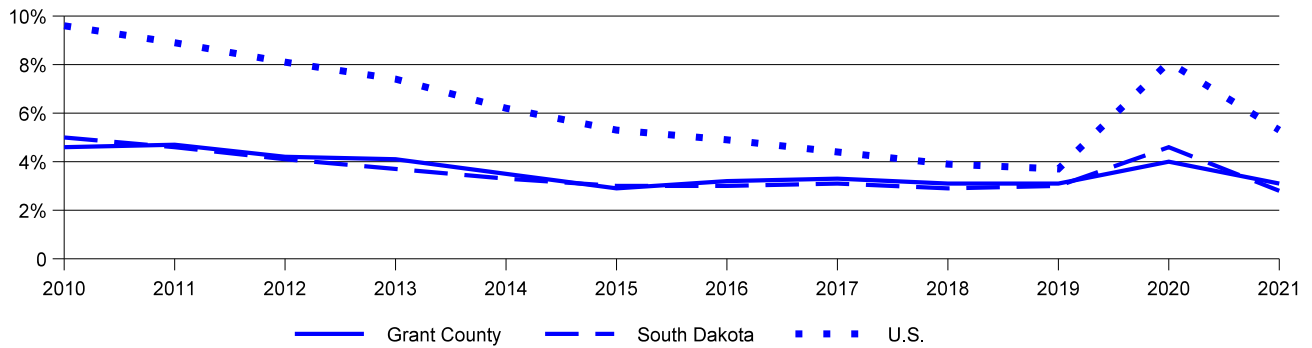
The global pandemic in 2020 then further decreased both of these labor statistics, although that short-term loss had already been recovered by 2021.

Throughout the entire time period reviewed, the unemployment rate in Grant County has stayed below the national rate. For most of the years reviewed, the unemployment rate in Grant County has been very similar to the Statewide unemployment rate.

Grant County Labor Force and Employed Work Force



Unemployment Rates



The Covid pandemic in 2020 did cause a spike in the County's unemployment rate, but by 2021, the rate had dropped again to only 3.1%.

Average Annual Wages by Industry Sector

The following table shows the annual employment and average annual wages by major employment sector in 2020, the last full year of data. It is important to note that the major employment sectors listed do not represent all employment in Grant County. With the exception of total employment, the industry sectors reported below are for private employment.

Table 15 Grant County Average Annual Wages by Industry Detail: 2020		
Industry	Employment	Average Weekly Wage
Total All Industry	3,742	\$884
Natural Resources, Mining	268	\$831
Construction	235	\$1,046
Manufacturing	691	\$1,137
Trade, Transportation, Utilities	1,014	\$960
Information	46	\$377
Financial Activities	168	\$1,148
Professional and Business Services	175	\$799
Education and Health Services	469	\$771
Leisure and Hospitality	240	\$253
Other Services	81	\$751
Government	378	\$27,769

Source: South Dakota Department of Labor

The average weekly wage for all industry in 2020 was \$884. At full-time employment this would equate to an annual wage of \$45,968.

The highest paying wage sectors were Financial Activities, Manufacturing and Construction. Each of these employment sectors had an average annual wage above \$54,000 at full-time employment.

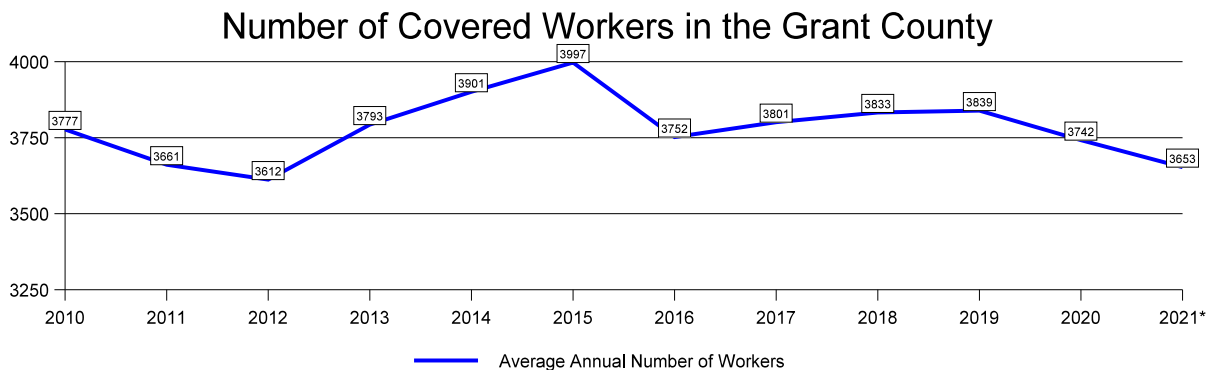
The lowest paying wage sector was Leisure and Hospitality, with an average annual wage below \$13,200.

Annual Covered Employment

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

Table 16 Grant County Average Annual Employment			
Year	Total Covered Employment	Year	Total Covered Employment
2010	3,777	2016	3,752
2011	3,661	2017	3,801
2012	3,612	2018	3,833
2013	3,793	2019	3,839
2014	3,901	2020	3,742
2015	3,997	2021*	3,653

Source: QCEW - SD Department of Labor



When viewed over a longer-term there has been both upward and downward movement in the number of covered employees working in Grant County. The recent employment peak was reached in 2015, and then has declined since that time. However, if 2019 (pre-pandemic) is compared back to 2010, there had been some increase in total employment in the County. Both 2020 and partial-year 2021 show some decrease once again, but this may be due to the impact of Covid.

Commuting Patterns of Area Workers

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

Table 17 Commuting Times for Grant County Residents - 2020		
Travel Time	Number	Percent
Less than 10 minutes	1,679	48.4%
10 to 19 minutes	968	27.9%
20 to 29 minutes	460	13.2%
30 minutes +	365	10.5%
Total	3,472	100%

Source: American Community Survey

The large majority of County residents were commuting less than 20 minutes to work in 2020. Overall, more than 76% of residents commuted 19 minutes or less to work. Fewer than 11% of the County’s residents were commuting 30 minutes or more for employment.

The American Community Survey also identifies travel time by location of employment. For people that worked in Grant County, the following travel times were identified.

Table 18 Commuting Times for County-based Employees - 2020		
Travel Time	Number	Percent
Less than 10 minutes	1,622	45.2%
10 to 19 minutes	1,088	30.3%
20 to 29 minutes	415	11.6%
30 minutes +	463	12.9%
Total	3588	100%

Source: American Community Survey

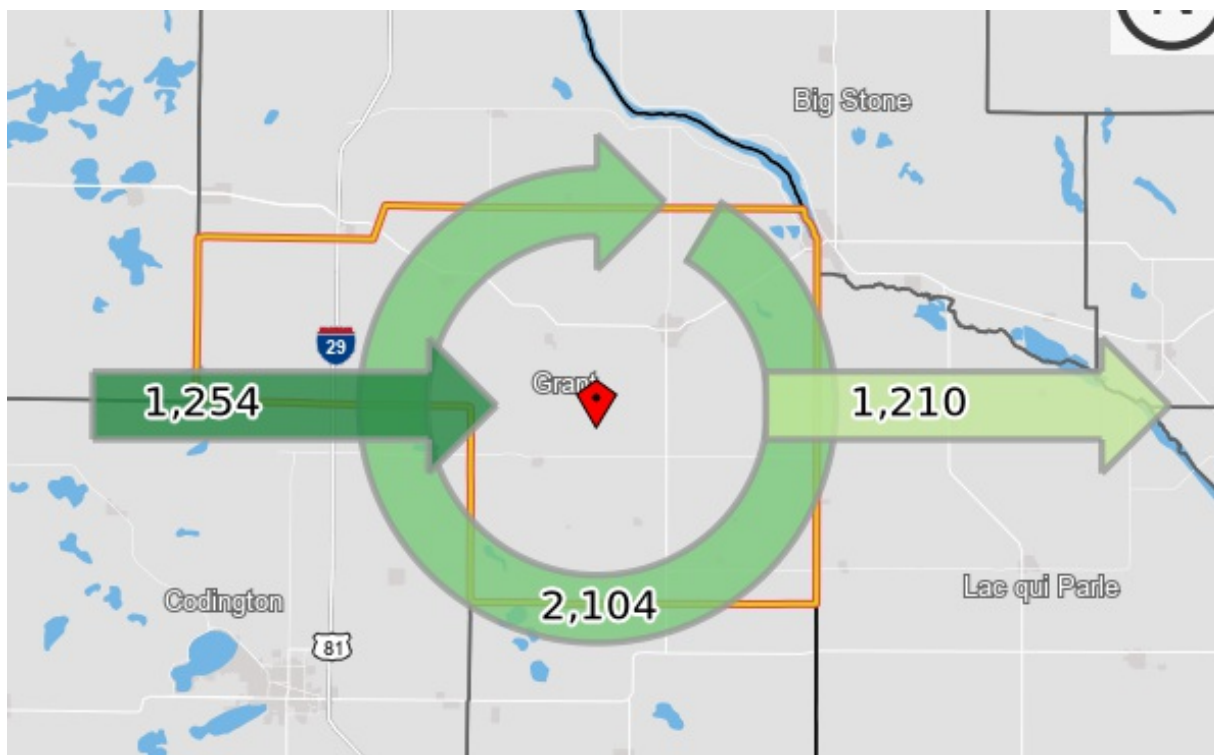
For people that worked in Grant County, nearly 76% traveled 19 minutes or less. While most workers lived within the immediate vicinity, nearly 13% of all County-based employees were traveling 30 minutes or more.

Census On the Map

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

According to the report for Grant County, there were 3,358 people that were employed within the County in 2019. Nearly 63% of these County-based employees also lived in Grant County, with an estimated 1,254 employees commuting into the County for their primary job. The identified home locations for workers traveling to the County were Ortonville, Watertown and Aberdeen.

On the Map can also be used to track worker outflow patterns from the County. Overall, there were 3,314 County residents that were employed. Most of these residents also worked inside the County, but an estimated 1,210 people traveled to other work locations outside of Grant County. The primary identified work locations were Watertown, Sioux Falls, Ortonville and Brookings.



Summary of Grant County Growth Projections by Age Group

The Demographic section of this Study presented projection information for Grant County on anticipated changes by age group from 2021 to 2026. This information can be informative in determining the housing that may be needed due to age patterns of the area’s residents.

The projections on expected changes by age are taken from Esri, but have been modified by Community Partners Research, Inc., to better reflect the probable total household count in Grant County. Esri’s household estimates and projections are low by approximately 3% and 5%, depending on the year. However, their expectations for age-based change, after adjustments to the total, are viewed as relatively accurate for broader demographic patterns.

The movement of the large “baby boom” generation through the aging cycle should generate much of the County’s change in households over the next five years. In broader terms, Esri is projecting an overall increase in households age 65 and older, but a decrease in the number of households age 64 and younger.

The largest increase is projected among households age 75 and older, followed by households in the 65 to 74 year old range. In total approximately 150 households will probably be added in the senior age groups in Grant County.

The age-based projections show limited change in some of the younger adult age ranges. The largest projected decrease is expected in the age range between 55 and 64 years old, with 60 fewer households by 2026.

The younger adult ranges are projected to remain relatively stable or decrease slightly in size. If all of the age groups 54 and younger are combined, these projections would indicate a net reduction of nearly 40 households Countywide.

<u>Age Range</u>	<u>Projected Change in Households</u>
	<u>2021 to 2026</u>
15 to 24	-4
25 to 34	-19
35 to 44	0
45 to 54	-16
55 to 64	-60
65 to 74	59
75 and older	<u>90</u>
Total change	50

Findings on Unit Demand by Type of Housing

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

Age 24 and Younger - The projections used for this Study expect a minimal loss of 4 households in the 15 to 24 age range through the year 2026. Past tenure patterns indicate that a substantial number of these households in Grant County will rent their housing. Relative stability in the number of households in this age range should mean that rental demand from younger households will also remain stable during the projection period.

25 to 34 Years Old - The projections show a minor loss of 19 households in this age range by 2026. Within this age range households often move from rental to ownership housing. Relative stability within this age range indicates demand for both first-time home buyer and rental opportunities from this age range will remain unchanged or decrease slightly during the projection period.

35 to 44 Years Old - The projections for this 10-year age cohort expect no change through 2026 in Grant County. In the past, this age group has had a high rate of home ownership in Grant County. Households within this range often represent both first-time buyers and households looking to trade-up, selling their starter home for a more expensive house.

45 to 54 Years Old - The projections show a minor loss of 19 households in this age range by 2026. This age group historically has had a high rate of home ownership and will often look for trade-up housing opportunities. Relative stability within this age range indicates demand for trade-up housing will remain stable or potentially decrease slightly during the projection period.

55 to 64 Years Old - By 2026, this age cohort will include part of the "baby bust" generation that followed behind the baby boomers. This age group tends to represent a much smaller segment of the population than the baby boom age group. For Grant County, the projections show a loss of 60 households in this range. This age group has traditionally a high rate of home ownership. Despite some expected decrease, age-appropriate housing, such as town house or twin home units, will be 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 strong gain of 59 households is expected by the year 2026 in the 65 to 74 age range. While this group will begin moving to life-cycle housing options as they age, the younger seniors are still predominantly home owners. Once again, preferences for age-appropriate units would increase from household growth within this age cohort.

75 Years and Older - There is also strong growth projected, with 90 households added in Grant County in this age range by 2026. An expansion of 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.

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

Findings on Housing Unit Demand and Tenure

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

Demand from Growth - The household projections used for this Study expect the small cities and towns in Grant County to each potentially add a few households from 2022 to 2026. However, the cumulative projected gain would be approximately 10 additional households. Greater growth is projected Countywide, but this would primarily be due to Milbank. Household growth will yield 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 Grant County, some dilapidated housing has been demolished, and more units will be removed in the future. As a result, we have included an allowance for unit replacement in the recommendations that follow.

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

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

Strengths for Housing Development

The following strengths for Grant County were identified through statistical data, local interviews, research and on-site review of the local housing stock.

- ▶ **Milbank serves as a small regional center** - Milbank is in close proximity to the other Grant County cities and towns and provides employment opportunities, retail/service options, health and professional services and recreational facilities for residents of the County, the cities and towns and a geographical area that surrounds the County.
- ▶ **Affordable priced housing stock** - Grant County and Grant County cities and towns have affordable, existing houses. This existing stock, when available for sale, provides an affordable option for home ownership.
- ▶ **Adequate land for development** - Most of the Grant County cities and towns have 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 systems** - Grant County has public K-12 schools.
- ▶ **Infrastructure** - The water and sewer infrastructure in most of the Grant County cities and towns can accommodate future expansion.
- ▶ **Grant County Job Development Authority** - The Grant County Development Corporation is active in promoting economic development, employment and housing opportunities in the County.
- ▶ **Small-town atmosphere** - The Grant County cities and towns have the real and perceived amenities of small communities. This small-town living is attractive to some households.

- ▶ **Health facilities** - Grant County has nursing homes, senior with services facilities, a hospital, medical clinics, a pharmacy, etc.
- ▶ **Commuters** - Employees are commuting into Grant County daily for employment. These commuters are a potential market for future housing construction.
- ▶ **Available lots** - There are lots and parcels available in the Grant County cities and towns for housing development.
- ▶ **Milbank Housing Authority** - The Milbank Housing Authority administers the Housing Voucher Program in Grant County.
- ▶ **Recreational and tourism opportunities** - Grant County is an area that provides excellent fishing, hunting and other recreational and tourism opportunities.

Barriers or Limitations to Housing Activities

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

- ▶ **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 area's rent structure is low, which makes it difficult to construct new rental housing.
- ▶ **Value gap deters new owner-occupied construction** - The median priced homes in Grant County are valued significantly below the comparable cost for new housing construction, which will generally be above \$250,000 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.
- ▶ **Limited commercial options** - Grant County's small cities and towns have limited commercial and retail options to meet daily needs.
- ▶ **Lower-paying jobs** - Although Grant County has several employers, some jobs are at the lower end of the pay scale and employees with these jobs have limited housing choices.
- ▶ **New rental housing** - The development of new rental housing has been limited over the past 20 years.
- ▶ **Staff capacity limitations** - Although Grant County has access to several housing agencies, it is difficult to develop and implement housing initiatives with limited resources.

Recommendations, Strategies and Housing Opportunities

Based on the research contained in this study, and the housing strengths and barriers identified above, we believe that the following recommendations are realistic options for Grant County. 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 in Grant County's small cities and towns 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 Grant County's small cities and towns, subsidies or some other form of financial assistance will be needed from the County, local and regional housing and economic development agencies and the South Dakota Housing Development Authority.
- ▶ **Protect the existing housing stock** - The future of Grant County's cities and towns will be heavily dependent on their appeal as residential locations. The condition of the existing housing stock is a major factor in determining the cities' and towns' long-term viability. The existing housing stock is an asset, however, rehabilitation efforts are needed to preserve the housing stock.
- ▶ **Protect the existing assets and resources** - Grant County's cities and towns have assets that make the cities and towns desirable locations to live in, and are key components to the cities' and towns' long-term success and viability. These assets must be protected and improved.
- ▶ **Develop a realistic action plan with goals and time lines** - The County and the cities and towns should prioritize their 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, the County has access to the South Dakota Housing Development Authority, USDA Rural Development, Inter-Lakes Community Action Partnership, Grow South Dakota and Homes are Possible, Inc. These resources should continue to be accessed as needed, to assist with housing activities.

Summary of Findings/Recommendations

The findings/recommendations for the Grant County small cities and towns have been formulated through the analysis of the information provided in the previous sections and include 18 recommendations. The findings/recommendations have been developed in the following five categories:

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

The findings/recommendations for each category are as follows:

Rental Housing Development

1. Develop 16 to 18 general occupancy market rate/moderate rent units
2. Monitor the need for subsidized rental housing units
3. Promote the development/conversion of 8 to 14 affordable market rate rental housing units
4. Senior housing with services needs
5. Develop a downtown mixed-use commercial/housing project
6. Continue to utilize the Housing Choice Voucher Program
7. Preserve the existing supply of subsidized housing

Home Ownership

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

Single Family Housing Development

10. Lot availability
11. Strategies to encourage continued residential lot sales and new home construction in the Grant County small cities and towns

Housing Rehabilitation

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

Other Housing Issues

14. Continue to acquire and demolish dilapidated structures
15. Create a plan and a coordinated effort among housing agencies
16. Encourage employer involvement in housing
17. Strategies for Commercial District Redevelopment/Development
18. Develop home ownership and new construction marketing programs

**Grant County
small cities and towns -
Recommendations
Rental Housing Development**

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, high construction costs and low rental rates have all contributed to making rental housing production difficult to achieve, especially in small cities and towns.

From 2010 to 2021, we are aware of no multifamily units that were constructed in Grant County, outside of Milbank. However, some single family homes were converted from owner-occupied to rental use and vice versa since 2010.

As part of this study, a rental survey was conducted of the rental projects in Grant County's small cities and towns. A total of 24 rental units in three subsidized projects were contacted. At the time of the survey, there were two reported vacancies in these 24 units, for a vacancy rate of 8.3%.

The majority of the Grant County small cities and towns are projected to have only minimal household growth through 2026. With very limited projected growth of households in the cities and towns, we are recommending several strategies to develop a healthy rental market. The strategies include:

- ▶ **Increase the population of the communities** - The Grant County small cities and towns and all the stakeholders should continue to implement all strategies possible to increase each City's population including job creation, marketing each community, assuring a healthy housing stock, etc. These efforts will continue to make the cities and towns attractive and viable.
- ▶ **Rehabilitate rental housing** - Most of the rental housing stock in the Grant County small cities and towns was constructed in the 1960s, 1970s and 1980s. Some of this rental housing stock needs rehabilitation. Rental rehabilitation programs should be created to rehabilitate the rental projects when it is economically feasible.
- ▶ **Demolish dilapidated rental housing** - Rental housing that is substandard and no longer feasible for renovation, should be demolished and eliminated from the rental housing stock.
- ▶ **Develop new rental housing** - It may appear to be counter productive to construct new rental housing in communities that are projected to lose households, however, new rental housing can achieve several goals which include:

- ▶ Addresses pent-up demand for certain housing types
 - ▶ Upgrades the overall quality of the rental stock
 - ▶ Increases each City’s rental rate
 - ▶ Addresses gaps in each City’s rental stock
 - ▶ Attracts new households to the cities and towns

Based on the strategies stated above, we recommend the development of the following new rental units in the Grant County small cities and towns over the next five years from 2022 to 2026:

▶ General Occupancy Market Rate/Moderate Rent	16-18 units
▶ Subsidized	0 units
▶ Affordable/Conversions	8-14 units
▶ Senior with Services	<u>0 units</u>
Total	24-32 units

1. Develop 16 to 18 general occupancy market rate/moderate rent rental units

Findings: From 2010 to 2021, we are aware of no conventional market rate rental projects constructed in Grant County’s small cities and towns. However, some single family homes may have converted from owner-occupancy to rental units and vice versa.

There is very limited or no demand for market rate rental housing in the very small towns because of the lack of services and amenities. Big Stone City is the largest of the small cities in the County and does have some demand for market rate rental housing.

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

Based on this combination of demand generators, we believe that it is reasonable to plan for production of 16 to 18 market rate rental units in the County’s small cities and towns over the next five years, from 2022 to 2026.

The market rate unit recommendation for each community is:

▶	Albee	0 units
▶	Big Stone City	10-12 units
▶	LaBolt	2 units
▶	Marvin	0 units
▶	Reville	2 units
▶	Stockholm	2 units
▶	Strandburg	0 units
▶	Twin Brooks	0 units
	Total	<u>16-18 units</u>

Twin home or town house-style units are options in addressing the need for market rate units. The projects, to be successful, should have 'state of the art' amenities. The majority of the new units constructed over the next five years should be two-bedroom units.

The first option to developing market rate housing would be to encourage private developers and builders to undertake the construction of market rate rental housing. If private developers do not proceed, a housing or economic development agency could potentially construct the units utilizing a variety of funding sources.

Also, a housing or economic development agency could partner with private developers to construct additional units. The individual City or the County could assist with land donations, tax increment financing, tax abatement, tax deferments, reduced water and sewer hookup fees, etc.

Recommended unit mix, sizes and rents for the Grant County Small City Market Rate Housing Units:

<u>Unit Type</u>	<u>No. of Units</u>	<u>Size/Sq. Ft.</u>	<u>Rent</u>
One Bedroom	2	650 - 800	\$700 - \$850
Two Bedroom	12-14	850 - 1,000	\$850 - \$1,000
Three Bedroom	2	1,100 - 1,200	\$975 - \$1,100
Total	<u>16-18</u>		

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

It may also be possible to utilize Housing Choice Vouchers if some of the new units meet income requirements and the rents are at or below the rent payment standards. The 2022 payment standards are \$633 for a one-bedroom unit, \$833 for a two-bedroom unit and \$1,030 for a three-bedroom unit.

2. Monitor the need to develop additional subsidized rental housing units

Findings: Over the past few decades, resources have not generally been available for new subsidized housing construction. Instead, the primary federal incentive program has been through low income housing tax credits, which typically generates moderate rent housing that is income restricted. However, strong competition for tax credit resources results in most awards being made in larger cities.

The research completed for this Study identified three subsidized projects in the Grant County small cities and towns, which have a combined 24 units. All three projects are general occupancy USDA Rural Development rental housing. Two projects with a total 16 units are located in Big Stone City and one project with eight units is located in Reville. Subsidized housing utilizes federal resources that provide a “deep subsidy”, allowing very low income people access to the housing at an affordable price.

The three subsidized rental projects in the Grant County small cities and towns include:

- ▶ **Applecrest Apartments - Big Stone City** - This project includes eight USDA Rural Development units for general occupancy. The eight units include one one-bedroom and seven two-bedroom units.
- ▶ **Big Stone Apartments - Big Stone City** - Big Stone Apartments is an eight-unit USDA Rural Development General Occupancy project. There is one one-bedroom and seven two-bedroom units.
- ▶ **Reville Housing** - Reville Housing is an eight-unit USDA Rural Development General Occupancy Project located in Reville. There are three one-bedroom and five two-bedroom units.

In April 2020 there were two total vacancies in the three subsidized projects. Applecrest Apartments and Big Stone Apartments each had one vacancy. Reville Housing was fully occupied.

There are additional “deep subsidy” resources available to Grant County residents through the tenant-based Housing Choice Voucher Program. The Vouchers allow tenants to pay 30% to 40% of their income for housing in suitable private-market rental units. The Voucher Program for Grant County is administered by the Milbank Housing Authority, which is located in Milbank.

The Voucher Program has no waiting list, thus, households could immediately be eligible for a voucher. Currently, approximately 50 Grant County households are currently utilizing a voucher.

Recommendation: Over the next five years, we recommend that the Grant County small cities and towns monitor the need for additional subsidized units in the cities and towns in the future. Currently, there are 24 subsidized units in the County’s small cities and towns and there are also subsidized housing projects in Milbank. Also, Grant County small city households have access to the Housing Choice Voucher Program. Therefore, we are not recommending the construction of additional subsidized housing at this time.

3. Promote the development/conversion of eight to 14 affordable market rate rental housing units

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

There is evidence that the Grant County small cities and towns have lost some rental housing over the years due to redevelopment, conversion to home ownership or due to deterioration and demolition. Part of the need for additional rental units in cities and towns, is to provide for unit replacement. Unfortunately, most of the lost units are probably very affordable, and new construction will not replace these units in a similar price range.

Recommendation: We encourage the Cities, Towns and County to promote the development/conversion of more affordable rental units. A goal of 16 to 21 units over the next five years would help to replace affordable housing that has been lost. The unit recommendation for each City is:

▶ Albee	0 units
▶ Big Stone City	4-5 units
▶ LaBolt	1-2 units
▶ Marvin	0 units
▶ Reville	1-2 units
▶ Stockholm	1-2 units
▶ Strandburg	1-2 units
▶ Twin Brooks	0-1 units
Total	<u>8-14 units</u>

It would be difficult to create affordable 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 existing buildings, or through the purchase and rehabilitation of existing single family homes. Several single family homes and buildings have been rehabilitated and/or renovated by local individuals for rental housing.

The estimated prevailing rent range for older rental units in Grant County small cities and towns is typically between \$425 and \$650 per month. Creating some additional units with contract rents below \$650 per month would help to expand the choices available to a majority of the County's renter households.

It is probable that a low rent structure for some units could only be obtained with financial commitments from other sources. This could include tax increment financing or property tax deferral from the city/county, or from other financial resources coming from funding agencies such as the South Dakota Housing Development Authority, USDA Rural Development, Inter-Lakes Community Action Partnership and Growth South Dakota.

4. Senior housing with services needs

Findings: Senior housing with services defines a wide range of housing types. Skilled nursing homes, assisted living and memory care housing are generally the most service-intensive units. High-service housing provides 24-hour staffing and a high level of assistance with daily living needs of residents.

Lower-service housing, sometimes referred to as congregate senior housing, generally offers the availability of a daily meal, and services such as weekly light housekeeping.

Grant County has four specialized projects that provide housing with supportive services for the senior population. The four projects are located in Milbank. Also, a new senior with services facility is under construction in Milbank. These senior with services projects include:

- ▶ **Golden Living Center** - The Golden Living Center is licensed for 77 skilled nursing beds. Some of the skilled nursing home beds are for residents with dementia.
- ▶ **Park Place** - Park Place is a 36-unit assisted living facility. Park Place provides the full array of assisted living services, including meals, medication distribution, laundry, housekeeping, bathing, etc. The facility is secured and does have residents in the early stages of dementia.

- ▶ **St. William's Care Center** - St. William's Care Center has 60 skilled nursing beds. The facility has some residents with dementia.
- ▶ **Darcie's Home Care** - Darcie's Home Care is an 11-bed Residential Living Center. Residential Living Centers are intended to provide a somewhat lower level of services than Assisted Living Centers. Darcie's Home Care was previously Snell's Adult Care.

Recommendation: Based on the number of senior with services housing projects located in Milbank, the current development of a new senior housing with services project in Milbank and the lack of services and amenities in the Grant County small cities and towns, we are not recommending the development of senior housing with services in the small cities and towns.

5. Develop downtown mixed-use commercial/housing projects

Findings: A mixed-use rental housing/commercial project in the downtown/commercial area would complement each City's ongoing efforts to maintain a vibrant downtown.

Downtown mixed-use projects have developed in communities because of market demand while others were developed to enhance the downtown, to introduce a new product to the market and to serve as a catalyst for downtown redevelopment.

Recommendation: We recommend the development of mixed-use buildings in the downtown areas of the Grant County small cities and towns that have viable commercial districts. There are several potential sites in most of the downtown areas for a mixed-use project.

We recommend commercial space on the first floor and rental units on the second floor. Prior to construction, the commercial space should be leased to an anchor tenant who would complement existing downtown businesses and attract people and be an asset to downtown. The commercial space could be for a business, but could also be for public use such as a clinic, city hall, library, etc.

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

The size of the mixed-use project will be somewhat determined by the size of the city. The smaller cities and towns will have only one or two units in the mixed-use building. Ideally, a private developer would construct and own the building. The Cities, Towns or County may have a role in the project by providing tax increment financing, tax abatement or other local funds and land at a reduced price.

6. Continue to Utilize the Housing Choice Voucher Program

Findings: The Housing Choice Voucher Program provides portable, tenant-based rent assistance to lower income renter households. The program requires participating households to contribute 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. 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 Grant County by the Milbank Housing Authority. The Milbank Housing Authority has the authorization to issue approximately 64 Vouchers in Grant County. At the time of the research for this Study, approximately 50 of the Vouchers were being utilized by Milbank and Grant County households.

Recommendation: The Milbank Housing Authority, should continue to work with Milbank, the small cities and towns, and rental property owners to assure that renter households are aware of the Housing Choice Voucher Program and have to the opportunity to apply for a Voucher.

Currently, there are vouchers available for Milbank, the small cities and towns and Grant County households.

The 2022 household income requirements to qualify for a housing voucher are:

- ▶ 1 person household - \$28,500
- ▶ 2 person household - \$32,550
- ▶ 3 person household - \$36,600
- ▶ 4 person household - \$40,650
- ▶ 5 person household - \$43,950

For a rental unit to qualify for a household with a voucher, the gross rents must be below:

- ▶ 1 bedroom - \$633
- ▶ 2 bedroom - \$833
- ▶ 3 bedroom - \$1,030

7. Preserve the existing supply of subsidized housing

Findings: The Grant County small cities and towns have three “deep subsidy” rental housing projects that allow tenants to pay rent based on 30% of income. The projects include two eight-unit general occupancy USDA Rural Development projects located in Big Stone City and an eight-unit general occupancy USDA Rural Development Project in Reville. These projects were constructed in the 1970s and 1980s when the federal government was actively involved in producing low income housing.

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

Privately-owned subsidized housing has been lost in some communities, as owners have the ability to opt-out of subsidy contracts after their original obligations have been met. Subsidized housing that is lost cannot be cost-effectively replaced with the low income housing production resources that are available today.

Recommendation: Big Stone City, Reville and local and regional housing agencies should check with USDA Rural Development on an ongoing basis to determine if the USDA Rural Development subsidized housing projects are considering the option to drop their subsidy contract. In some communities, public or nonprofit agencies have been able to purchase projects that are at risk of being lost, to preserve their affordable housing resources.

Grant County - Home Ownership Recommendations

Home Ownership

Findings: Expanding home ownership opportunities is one of the primary goals for most cities and towns. High rates of home ownership promote stable communities and strengthen the local tax base. All of the Grant County small cities and towns have a stock of affordable homes. The home values in the small cities and towns provide a good opportunity for first time buyers and households seeking moderately priced homes.

Some households in all 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 a home.

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

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

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

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

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

Recommendation: The Grant County small cities and towns should continue to work with area housing agencies, the South Dakota Housing Development Authority, USDA Rural Development and local financial institutions to utilize all available home ownership assistance programs. Private and nonprofit agencies should also be encouraged to provide home ownership opportunities.

The Grant County small cities and towns should also work with housing agencies to assure that they are receiving their share of resources that are available in the region.

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

9. Develop a Purchase/Rehabilitation Program

Findings: The Grant County small cities and towns have a stock of older, lower valued homes, many of which need repairs. Our analysis of recent sales activity indicates that there are a significant number of homes in the cities and towns that are valued at less than \$100,000. As some lower valued homes come up for sale, they may not be attractive options for potential home buyers because of the amount of repair work that is required.

Some communities with a stock of older homes that need rehabilitation have developed a purchase/rehabilitation program. Under a purchase/rehabilitation program, the County, 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 a low down payment and interest rate, resulting in a monthly payment that is affordable for the family.

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

Recommendation: We recommend that the Grant County small cities and towns work with a housing agency to develop and implement a purchase/rehab program. Attitudinal surveys that we have conducted in other counties and cities have found that purchase/rehabilitation programs are appealing to people who are currently renting their housing. In some similar sized communities, a large majority of survey respondents who were renters indicated an interest in buying a home in need of repair if rehabilitation assistance was available.

A purchase/rehabilitation program achieves several goals. The program encourages home ownership, prevents substandard homes from becoming rental properties and rehabilitates homes that are currently substandard.

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

Additionally, private individuals may be purchasing homes in the Grant County small cities and towns, rehabbing the homes and selling the homes. There may be an opportunity to financially assist the private sector with purchasing, rehabilitating and selling homes. This may increase the inventory of substandard homes that economically can be rehabilitated and sold.

Grant County - New Housing Construction

New Housing Construction

Findings: The Grant County small cities and towns have experienced very limited single family owner-occupied housing construction or houses that were moved in from 2010 to 2021. Big Stone City is the only city that has had single family housing development over the past 12 years from 2010 to 2021.

Affordable residential lots may result in the construction of some new homes or new homes moved into the small cities and towns, from 2022 to 2026.

The projections for new housing construction in the Grant County small cities and towns are based on the ongoing availability of lots for single family homes and twin homes/town homes at all price ranges.

The breakdown of our projection for new owner-occupied housing units in each City over the next five years from 2022 to 2026 is as follows:

- ▶ **Albee** - 0 homes
- ▶ **LaBolt** - 0-1 homes
- ▶ **Big Stone City** - 2-3 - Higher and medium-priced homes
2-3 - Affordable homes
2 - Twinhome/townhome units
6-8 - Total
- ▶ **Marvin** - 0 homes
- ▶ **Reville** - 0-1 affordable homes
- ▶ **Stockholm** - 0-1 affordable home
- ▶ **Strandburg** - 0-1 affordable home
- ▶ **Twin Brooks** - 0 affordable homes

The total projected number of new homes in the Grant County small cities and towns over the next five years from 2022 to 2026 is:

- ▶ 2-3 Higher priced and medium-priced homes
- ▶ 2-7 Affordable homes
- ▶ 2 Twin homes/town houses
- 6-12 - Total

* Please note that the new homes include homes that are constructed on-site and new homes that are moved in, such as modular homes.

10. Lot availability

Findings: As part of this Study, we attempted to identify the inventory of available residential lots for single family housing construction in the Grant County small cities and towns. Buildable lots are defined as having sewer and water available to the lots. It appears that there are infill lots that are potentially available in all of the cities and towns. Also, there are dilapidated houses in each of the cities and towns that could be demolished and some of these lots could be suitable for new construction. Additionally, Big Stone City has a subdivision with approximately five available lots.

Recommendation: We are projecting that a limited number of houses will be constructed or moved into the Grant County small cities and towns over the next five years. It appears that there are an adequate number of infill lots in the small cities and towns to meet the lot demand over the next five years. However, each City should inventory the lots that are buildable and potentially available for sale.

Also, Big Stone City has residential lots available in a newer subdivision.

11. Strategies to encourage residential lot sales and new home construction in the Grant County small cities and towns

Findings: Over the past 10 years, a very limited number of owner-occupancy single family units have been constructed in the Grant County small cities and towns.

Recommendation: We recommend that the Grant County small cities and towns, housing agencies, the Grant County Development Corporation, developers, builders, realtors and other housing stakeholders coordinate efforts to promote lot sales and housing development.

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

- ▶ ***Partnership with the South Dakota Housing Development Agency (SDHDA) and other agencies*** - SDHDA may have housing programs available to assist builders and home buyers. The City should work with SDHDA and local and regional housing economic development agencies to develop a plan that includes programs and strategies to sell lots and construct homes or move homes into the cities and towns.
- ▶ ***Competitive pricing*** - There are lots available in communities throughout the region. To attract new home construction in Grant County, lots should be available and competitively-priced compared to other options in the region.
- ▶ ***User-Friendly*** - The lot purchase and home building process must be 'user friendly.' This includes an inventory of available lots, a listing of builders that are readily available to build or move homes into the cities and towns, and regulations that are fair and reasonable. The entire process must be as 'user friendly' as possible to encourage home construction.
- ▶ ***Incentives*** - Some cities, towns and counties in South Dakota are offering incentives to construct new homes, including reduced lot prices, reduced water and sewer hookup fees, cash incentives, etc.
- ▶ ***Lot availability for twin home/town home development*** - Lots should be available for a twin home/town home development.
- ▶ ***Range of house prices*** - Lots should be available to as wide a range of home sizes and prices as possible. Also, smaller infill lots with fewer amenities should be marketed for affordable homes.
- ▶ ***Manufactured/modular homes*** - Manufactured and modular homes can provide affordable housing opportunities for moderate income households.
- ▶ ***In-fill lot home development*** - In-fill lots are often affordable and have existing City services.

Grant County small cities and towns - Housing Rehabilitation

Housing Rehabilitation

Findings: The Grant County small cities and towns have an asset in its existing housing stock. Existing units, both now and into the future, will represent the large majority of the affordable housing opportunities. Existing units generally sell at a discount to their replacement value. Units that are not maintained and improved may slip into disrepair and be lost from the housing stock. Investment in housing rehabilitation activities will be critical to offering affordable housing opportunities.

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

12. Promote rental housing rehabilitation

Findings: Based on the U.S. Census and the American Community Survey, the Grant County small cities and towns had a total of approximately 90 rental units in 2020. These rental buildings are in multi-family projects, small rental buildings, single family homes and mobile homes. Many of these rental structures are more than 40 years old and could benefit from rehabilitation as some of these rental structures are in need of renovation.

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

Recommendation: The Grant County small cities and towns should work with rental property owners and 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, the Federal Home Loan Bank, Inter-Lakes Community Action Partnership, Grow South Dakota and local funds.

13. Promote owner-occupied housing rehabilitation efforts

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

Based on 2020 American Community Survey data, the median year of construction for single family homes in the Grant County small cities and towns is:

- ▶ **Albee** - N/A
- ▶ **Big Stone City** - 1957
- ▶ **Marvin** - 1974
- ▶ **LaBolt** - 1939
- ▶ **Reville** - 1939
- ▶ **Stockholm** - 1946
- ▶ **Strandburg** - 1939
- ▶ **Twin Brooks** - 1955

Some of the older houses in these communities need improvements, and without rehabilitation assistance, the affordable housing stock will shrink.

Recommendation: We recommend that the Grant County small cities and towns seek local, state and federal funds to assist in financing housing rehabilitation. USDA Rural Development, the South Dakota Housing Development Authority, the Federal Home Loan Bank, Grow South Dakota and Inter-Lake Community Action Partnership are potential funding sources.

Grant County small cities and towns - Other Housing Initiatives

Other Housing Initiatives

14. Continue to acquire and demolish dilapidated structures

Findings: A high percentage of the housing units in Grant County's small cities and towns were constructed before 1970 and are more than 50 years old. Many of these units are in good condition, however, some units are dilapidated and beyond repair. There are also single family houses in each city that need major rehabilitation and some of these homes may be too dilapidated to rehabilitate.

To improve the quality of the housing stock and to maintain the appearance of the cities and towns, dilapidated structures should be demolished. Over the years, several dilapidated homes have been demolished in Grant County small cities and towns.

Recommendation: Grant County's small cities and towns should continue to work with property owners on an ongoing basis to demolish dilapidated homes. The appearance of the cities and towns is enhanced when blighted and dilapidated structures are removed. Also, some of the cleared lots have been utilized for the construction of new housing units or for homes to be moved onto the cleared lots.

Additionally, we recommend that each city maintain an inventory of structures that may be candidates for future demolition. Also, an inventory of in-fill lots for future development should be maintained.

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

Findings: Grant County's small cities and towns will continue to need resources to plan and implement many of the housing recommendations advanced in this Study. The cities and towns have access to the Grant County Development Corporation, the USDA Rural Development Office, the Milbank Housing Authority, Grow South Dakota, HAPI, Inc., the South Dakota Housing Development Authority and Dakota Resources. These agencies all have experience with housing and community development programs.

Recommendation: Grant County and the Grant County small cities and towns have access to multiple agencies that can assist with addressing housing needs. It is our recommendation that the County, Cities and Towns prioritize the recommendations of this Study and develop a plan to address the identified housing needs. The Plan should include strategies, time lines and the responsibilities of each agency. While there has traditionally been a degree of staff interaction between agencies, it will be important that a coordinated approach be used to prioritize and assign responsibility for housing programs and projects.

It will also be important for the cities and towns to look for opportunities to work cooperatively with other area cities and towns to address housing issues. With 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.

16. Encourage employer involvement in housing

Findings: The Cities, Towns and the Grant County Development Corporation have worked with existing employers to expand and for new employers to locate in Grant County. The connection between economic development and housing availability has become an increasingly important issue as low area unemployment rates dictate the need to attract new workers into the communities. The small cities and towns in Grant County provide affordable housing for Grant County employees and households.

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

Recommendation: We recommend an ongoing effort to involve employers as partners in addressing Grant County's housing needs. Funding agencies often view funding applications favorably that include employers in the problem solving process.

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

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

17. Strategies for Commercial District Redevelopment/Development

Findings: Most of the Grant County small cities and towns have minimal commercial districts because of their low populations. The commercial districts have a limited number of buildings. Some buildings have been renovated and have high quality commercial and/or housing space. There are also buildings that have not been maintained and are substandard.

This recommendation provides an outline of actions that could be taken in the cities and towns to continue downtown redevelopment, to maximize the usage of downtown buildings, to promote new downtown businesses and to identify and implement building rehabilitation and renovation.

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 often is an important factor in their decision making process.

Recommendation: We are recommending the following actions for each City's commercial district:

- ▶ Interview the commercial property owners to determine their future plans (expanding, selling, renovations, etc.)
- ▶ Develop an overall plan for the commercial buildings (potential new businesses, building renovation, potential tenants, building demolition, etc.)
- ▶ Develop a mini-plan for each property in the commercial district and each commercial district block. This may include:
 - ▶ Retention of existing businesses
 - ▶ Commercial building rehab and renovations
 - ▶ Facade work
 - ▶ Building demolition
 - ▶ New construction
 - ▶ Recruiting new businesses

- ▶ Identify funding sources
 - ▶ Property owner funds
 - ▶ Local funds
 - ▶ Grant County Development Corporation
 - ▶ Federal Home Loan Bank
 - ▶ Special tax districts
 - ▶ Funds from South Dakota State Agencies

- ▶ Work with stakeholders to identify roles, to secure funding, to develop and implement programs and projects
 - ▶ Property owners
 - ▶ Grant County small cities and towns
 - ▶ Grant County
 - ▶ Grant County Development Corporation

18. Develop home ownership and new construction marketing programs

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

Recommendation: Grant County and the cities and towns in the County have all been active in promoting and marketing housing, and we recommend the continuation or initiation of the following:

- ▶ Determine the County and each small City's strengths and competitive advantages and heavily promote them
- ▶ Work closely with employers to provide employees (especially new employees) with housing opportunities in Grant County small cities and towns
- ▶ Work with housing agencies to provide down payment assistance, low interest loans, gap financing, home owner education and home owner counseling programs
- ▶ Work with builders and households to make the construction of new homes a very user-friendly process

- ▶ Continue to work on the creation of jobs and the development of retail, service and recreational opportunities
- ▶ Provide lots at an affordable price
- ▶ Preserve the quality of existing housing through rehabilitation of substandard housing and the demolition of dilapidated structures that are beyond repair
- ▶ Develop new housing when feasible
- ▶ Develop a coordinated housing plan that includes the County, the small cities and towns, private sector and area and regional housing agencies

Agencies and Resources

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

Grow South Dakota

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

Inter-Lakes Community Action Partnership

111 North Van Eps
PO Box 268
Madison, SD 57042
(605) 256-6518

South Dakota Housing Development Authority

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

USDA Rural Development

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