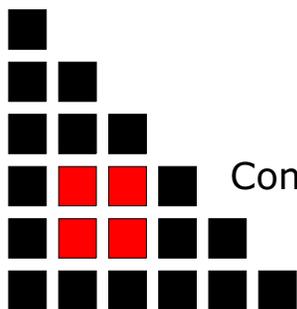


# City of Belle Fourche HOUSING STUDY

June 2013

An analysis of the overall housing needs  
of the City of Belle Fourche, SD



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# Introduction

## Overview

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

Community Partners Research, Inc., was hired by the City of Belle Fourche to conduct a study of the housing needs and conditions in the City.

## Goals

The multiple goals of the study include:

- ▶ Provide updated demographic data including the 2010 Census
- ▶ Provide an analysis of the current housing stock and inventory
- ▶ Determine gaps or unmet housing needs
- ▶ Examine future housing trends that the area can expect to address in the coming years
- ▶ Provide a market analysis for housing development
- ▶ Provide housing recommendations and findings

## Methodology

A variety of resources were utilized to obtain information for the Housing Study. Community Partners Research, Inc., collected and analyzed data from April 2013 to June 2013. Data sources included:

- U.S. Census Bureau
- American Community Survey
- Records and data from the City
- Records and data maintained by Butte County
- South Dakota State Data Center
- Interviews with City officials and staff
- Area and State housing agencies
- Interviews with developers and housing stakeholders
- Rental property surveys
- Housing condition surveys

**Limitations**

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

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## **Demographic Data Overview**

### **Sources of Data**

The following pages contain demographic data obtained from a variety of local, state and national sources for the City of Belle Fourche and Butte County. At the time that research was completed for this Study, the 2010 Census information was available. However, the 2010 Census was more limited in scope than in the past. As a result, some of the demographic variables, such as income and housing cost information, were not available.

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

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

## Population Data and Trends

<b>Table 1 Population Trends - 1980 to 2010</b>							
	1980 Census	1990 Census	2000 Census	% Change 1990-2000	2010 Census	% Change 2000-2010	2011/2012 Estimate
Belle Fourche	4,692	4,335	4,565	5.3%	5,594	22.5%	5,675
Butte Co.	8,372	7,914	9,094	14.9%	10,110	11.2%	10,228

Source: U.S. Census

- ▶ According to the 2010 U.S. Census, the City of Belle Fourche and Butte County both had significant population gains from 2000 to 2010. Belle Fourche’s population was 5,594 in 2010. This was a 1,029-person increase from 2000, which was a population gain of 22.5%.
- ▶ Butte County’s population was 10,110 in 2010. This was a 1,016-person increase from 2000, which was a population gain of 11.2%.
- ▶ Belle Fourche and Butte County also experienced population increases in the 1990s. Belle Fourche’s population increased by 230 people and Butte County’s population increased by 1,180 people.
- ▶ Belle Fourche’s population is primarily White and non-Hispanic/Latino. At the time of the 2010 Census, more than 97% of the City’s residents identified their race as White, with the Native American population representing approximately 2.1% of the City total. Approximately 4% of the City’s residents were identified as Hispanic/Latino.
- ▶ According to the 2010 Census, 103 Belle Fourche residents lived in group quarters. Nearly all of these group quarters residents were living in skilled nursing facilities.
- ▶ The Census Bureau has released some population estimates following the 2010 Census. For Belle Fourche, the most recent estimate is effective on July 1, 2011. This estimate shows the City’s population at 5,675 people, up 81 residents from the 2010 Census.
- ▶ For all of Butte County, the most recent estimate has an effective date of July 1, 2012. This estimate shows the County’s population at 10,228, which is an increase of 118 people since the 2010 Census.

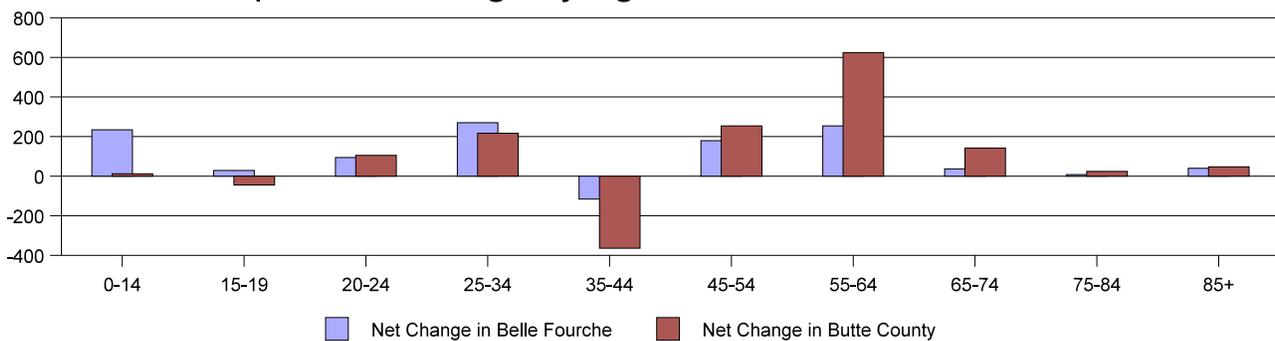
## Population by Age Trends: 2000 to 2010

The release of demographic information from the 2010 Census allows for some analysis of the changing age patterns for Belle Fourche and Butte County. The following table compares population by age in 2000 and 2010, along with the numeric changes.

<b>Table 2 Population by Age - 2000 to 2010</b>						
Age	Belle Fourche			Butte County		
	2000	2010	Change	2000	2010	Change
0-14	1,026	1,260	234	2,081	2,093	12
15-19	335	364	29	733	688	-45
20-24	256	350	94	416	521	105
25-34	500	770	270	923	1,140	217
35-44	665	549	-116	1,437	1,073	-364
45-54	608	787	179	1,309	1,563	254
55-64	386	640	254	817	1,441	624
65-74	377	414	37	717	859	142
75-84	288	296	8	481	505	24
85+	124	164	40	180	227	47
<b>Total</b>	<b>4,565</b>	<b>5,594</b>	<b>1,029</b>	<b>9,094</b>	<b>10,110</b>	<b>1,016</b>

Source: U.S. Census

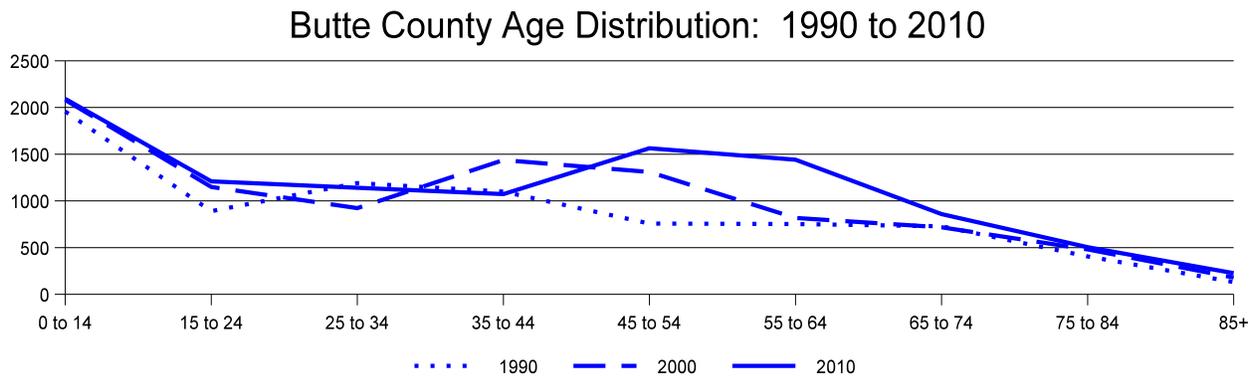
**Population Change by Age Between 2000 and 2010**



For many years, demographic analysts have been talking about the impact that is occurring as the large “baby boom” generation moves through the aging cycle. This trend has been evident in Belle Fourche and Butte County.

Between 2000 and 2010, Belle Fourche had a gain of 433 people and Butte County had a gain of 878 people in the age ranges between 45 and 64 years old. In 2010, nearly all of the baby boomers were within these age ranges.

The City of Belle Fourche had increases in all age ranges with the exception of the 35 to 44 age range, which decreased by 116 people. Butte County also had increases in all ranges except the 35 to 44 age range, which lost 364 people and the 15 to 19 age range, which had a decrease of 45 people.



The aging trends present in 2010 can be traced back over the previous decades to see the movement of the baby boom generation over the last 20 years in Butte County.

## Population Projections

The following table presents population projections using two different sources.

The South Dakota State Data Center has issued preliminary population projections to the year 2030 for Butte County. The following table shows the Data Center projection for 2015.

The other set of projections has been calculated by Community Partners Research, Inc., and these are based on past patterns of population change. The 20-year growth trend is based on the rate of change between 1990 and 2010, using the 1990 and 2010 Census. The 10-year growth trend uses the same methodology, but calculates an annual growth rate from 2000 to 2010.

<b>Table 3 Population Projections Through 2015</b>				
	2010 Population Census	2015 Projection from 10-year trend	2015 Projection from 20-year trend	2015 Projection State Data Center
Belle Fourche	5,594	6,224	6,000	N/A
Butte Co.	10,110	10,675	10,811	10,614

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

- ▶ The growth projections based on 10-year and 20-year growth trends estimate significant population gains from 2010 to 2015 for the City of Belle Fourche and Butte County.
- ▶ The 10-year and 20-year growth trend population projections for Belle Fourche estimate an increase of 406 to 630 people between 2010 and 2015.
- ▶ Butte County’s population, based on 10-year and 20-year growth trends, is projected to gain between 565 and 701 people from 2010 to 2015. The State Data Center projects that Butte County will gain 504 people by 2015.

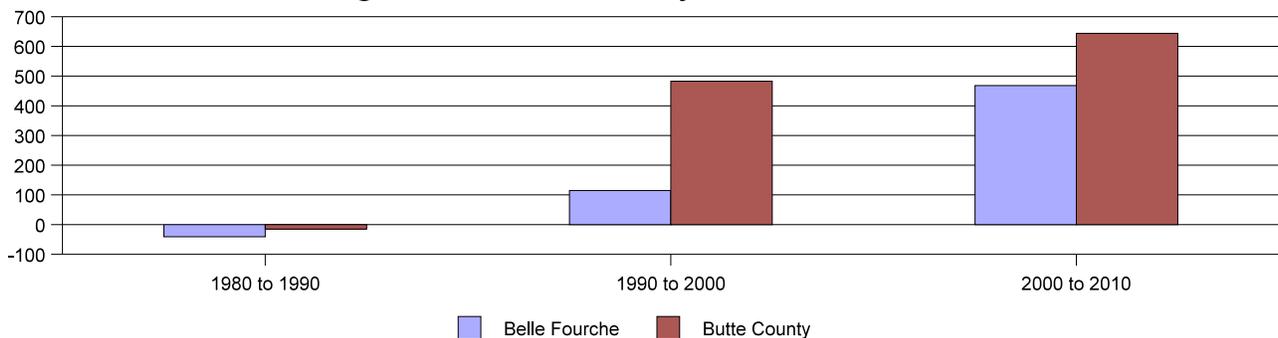
## Household Data and Trends

<b>Table 4 Household Trends - 1980 to 2010</b>						
	1980 Households	1990 Households	2000 Households	% Change 1990-2000	2010 Households	% Change 2000-2010
Belle Fourche	1,780	1,739	1,854	6.6%	2,322	25.2%
Butte Co.	3,048	3,033	3,516	15.9%	4,160	18.3%

Source: U.S. Census

- ▶ According to the 2010 U.S. Census, both Belle Fourche and Butte County gained a significant number of households from 2000 to 2010. Belle Fourche had 2,322 households in 2010. This was an increase of 468 households from 2000, which was a household gain of 25.2%.
- ▶ Butte County had 4,160 households in 2010. This was a gain of 644 households from 2000, which was a household increase of 18.3%.
- ▶ Belle Fourche and Butte County also experienced household gains during the 1990s, Belle Fourche gained 115 households and Butte County gained 483 households from 1990 to 2000.

**Net Change in Households by Decade: 1980 to 2010**



## Household by Age Trends: 2000 to 2010

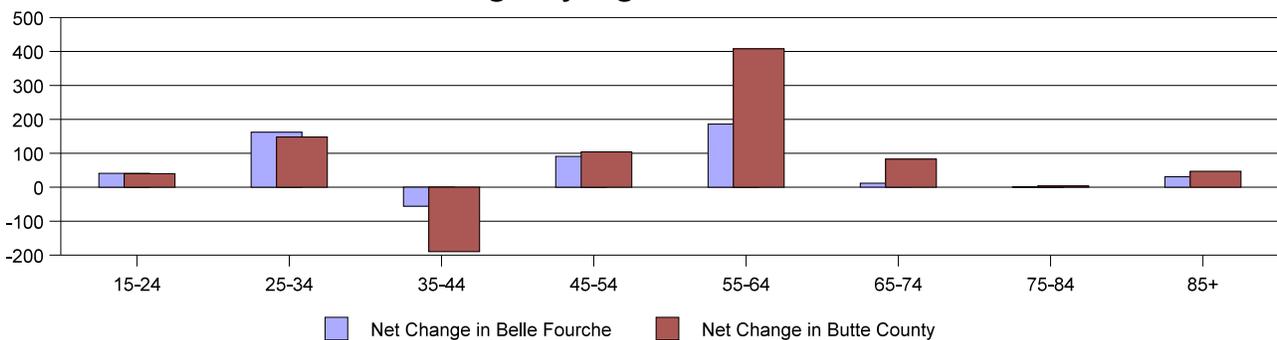
The 2010 Census allows for some analysis of Belle Fourche and Butte County's changing age patterns. The following table compares households by age of householder in 2000 and 2010, along with the numeric changes.

<b>Table 5 Households by Age - 2000 - 2010</b>						
Age	Belle Fourche			Butte County		
	2000	2010	Change	2000	2010	Change
15-24	121	162	41	171	211	40
25-34	257	419	162	450	598	148
35-44	379	323	-56	780	590	-190
45-54	360	451	91	749	853	104
55-64	224	410	186	473	881	408
65-74	250	262	12	454	537	83
75-84	193	194	1	337	341	4
85+	70	101	31	102	149	47
<b>Total</b>	<b>1,854</b>	<b>2,322</b>	<b>468</b>	<b>3,516</b>	<b>4,160</b>	<b>644</b>

Source: U.S. Census

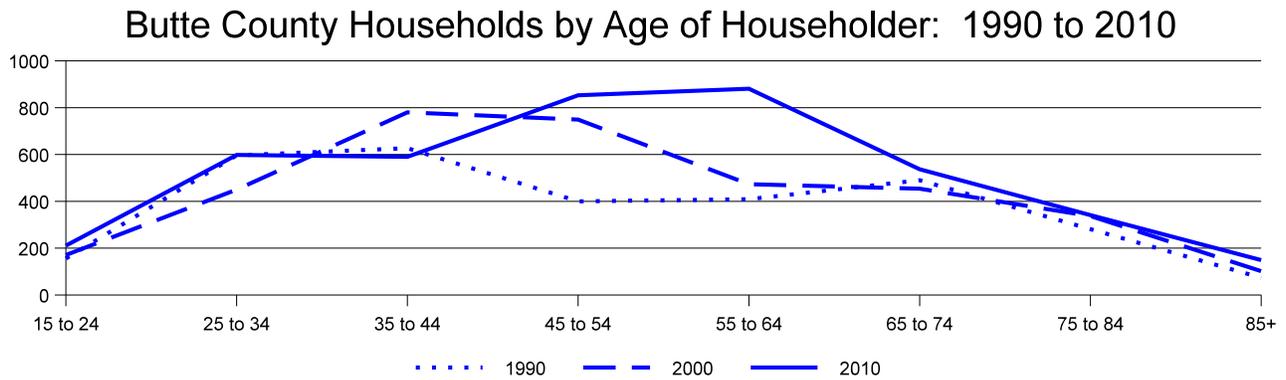
Consistent with the population by age data presented earlier, the household patterns show much of the net change occurring in the baby boomer age groups. For all of Butte County there was an increase of 512 households in the 45 to 64 year age range, and in Belle Fourche there was again of 277 households in the 45 to 64 year old age ranges.

**Household Change by Age Between 2000 and 2010**



Belle Fourche had increases in all age ranges with the exception of the 35 to 44 age range which had a loss of 56 households. Butte County also had net gains in all of the age ranges except the 35 to 44 age range, which had a loss of 190 households.

As with the longer-term patterns for population, it is possible to track the progression of the baby boomer households over the past 20 years in Butte County, using Census information for households by the age of householder.



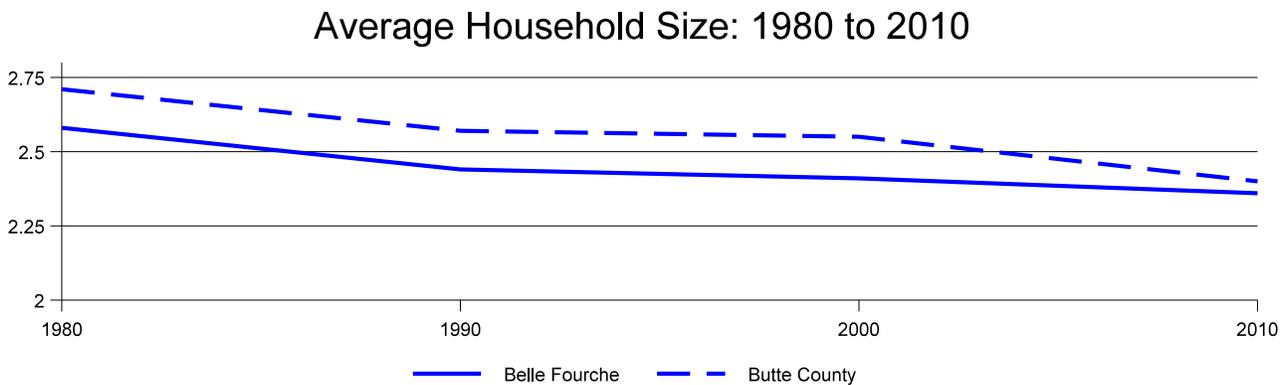
## Average Household Size

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

<b>Table 6 Average Number of Persons Per Household: 1990 to 2010</b>				
	1980 Census	1990 Census	2000 Census	2010 Census
Belle Fourche	2.58	2.44	2.41	2.36
Butte County	2.71	2.57	2.55	2.40

Source: U.S. Census

Household formation has 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.



The average household size in Belle Fourche decreased from 2.58 in 1980 to 2.36 in 2010. Butte County’s average household size decreased from 2.71 in 1980 to 2.40 in 2010.

## Household Projections

The following table presents household projections for Belle Fourche and Butte County using two different calculation methods. Both of these calculations have been generated by Community Partners Research, Inc., and are based on the rate of change that was present between 2000 and 2010, and between 1990 and 2010.

<b>Table 7 Household Projections Through 2015</b>			
	2010 Census	2015 Projection from 10-year trend	2015 Projection from 20-year trend
Belle Fourche	2,322	2,563	2,479
Butte County	4,160	4,450	4,475

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

- ▶ The growth projections based on 10- and 20-year trends estimate significant household gains for Belle Fourche and Butte County.
- ▶ From 2010 to 2015, Belle Fourche is expected to gain 157 to 241 households.
- ▶ Butte County is projected to add 290 to 315 households from 2010 to 2015.

## Household by Age Projections: 2010 to 2015

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

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

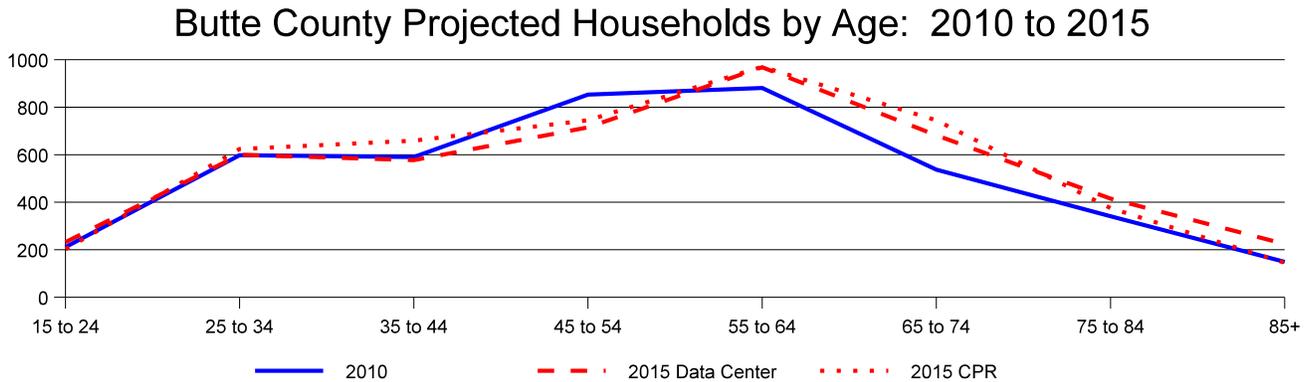
The second set of projections was created by Community Partners Research, Inc., by trending forward past retention rates within defined age cohorts, and assuming that these past patterns are reasonable predictors of future age-based population changes.

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

<b>Table 8 Butte County Projected Households by Age - 2010 to 2015</b>					
Age Range	2010 Census	Extrapolated from State Data Center		Community Partner Research	
		2015 Projection	Change from 2010	2015 Projection	Change from 2010
15-24	211	232	21	202	-9
25-34	598	600	2	624	26
35-44	590	577	-13	659	69
45-54	853	715	-138	745	-108
55-64	881	968	87	970	89
65-74	537	682	145	745	208
75-84	341	415	74	375	34
85+	149	224	75	145	-4
<b>Total</b>	<b>4,160</b>	<b>4,413</b>	<b>253</b>	<b>4,465</b>	<b>305</b>

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

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



The projections from the State Data Center tend to be more optimistic for the number of younger households age 15 to 24. The extrapolation from the State Data Center indicates a probable gain of 21 households within this younger adult group while Community Partners Research, Inc., projects a loss of nine households. Community Partners Research, Inc., is more optimistic in the 25 to 34 and 35 to 44 age ranges. The State Data Center projects a net loss of 11 households and Community Partners Research, Inc., projects a net gain of 95 households in these age ranges.

The two projection methods are reasonably similar in the 45 to 84 age ranges. The Community Partners Research, Inc., projection shows a net gain of 223 households in the age ranges between 45 and 84 years old, while the Data Center extrapolation shows a net gain of 243 households.

The extrapolated projections from the Data Center show growth among households age 85 and older, with a probable gain of 75 households, compared to a loss of four households under the Community Partners Research, Inc., projection. It is the analysts' opinion that to achieve the growth in older seniors that the Data Center projects, Butte County would need to attract older people from outside the immediate area.

## Households by Type

The 2010 Census can be compared to statistics from 2000 to examine changes in household composition. The following table looks at household trends within the City of Belle Fourche.

<b>Table 9 Belle Fourche Household Composition - 2000 to 2010</b>			
	2000 Census	2010 Census	Change
Family Households			
Married Couple with own children	428	450	22
Single Parent with own children	173	259	86
Married Couple without own children	503	618	115
Family Householder without spouse	82	134	52
<b>Total Families</b>	<b>1,186</b>	<b>1,461</b>	<b>275</b>
Non-Family Households			
Single Person	566	756	190
Two or more persons	102	105	3
<b>Total Non-Families</b>	<b>668</b>	<b>861</b>	<b>193</b>

Source: U.S. Census

Between 2000 and 2010, Belle Fourche experienced significant gains in the total number of family households. Most of the net gain was due to an increase of married couples without children and single parents with children, although there was also some increase in the number of married couples with children and family householders without spouses.

The City also had a significant increase in “non-family” households. This was primarily due to an increase in single person households, although, there was also a slight increase in the number of unrelated individuals living together.

## Housing Tenure

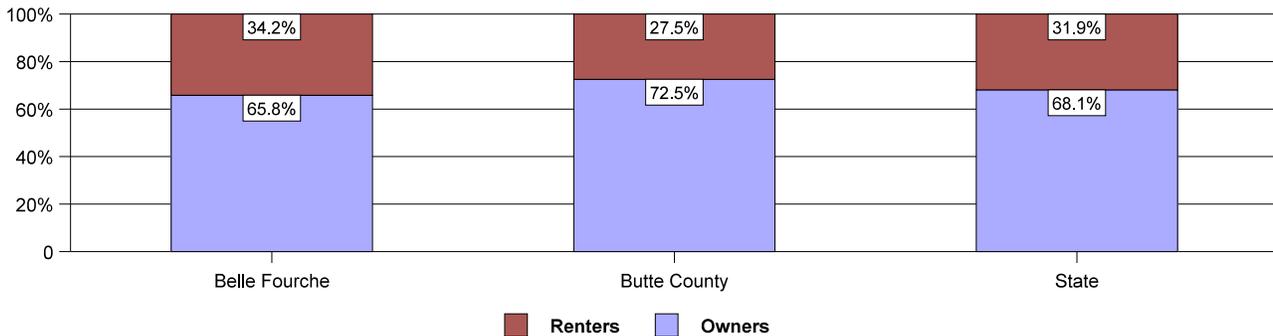
The 2010 Census provided an updated look at housing tenure patterns. The following tables examine overall tenure rates, along with the changes that have occurred since 2000 for the City of Belle Fourche and Butte County.

<b>Table 10 Household Tenure - 2010</b>				
	Number of Owners	Percent of all Households	Number of Renters	Percent of all Households
Belle Fourche	1,527	65.8%	795	34.2%
Butte Co.	3,016	72.5%	1,144	27.5%
State	-	68.1%	-	31.9%

Source: U.S. Census

According to the 2010 Census, the ownership tenure rate in the City of Belle Fourche was 65.8%. Butte County's ownership rate was 72.5%.

### Housing Tenure in 2010



<b>Table 11 Households by Housing Tenure - 2000 to 2010</b>						
Tenure	Belle Fourche			Butte County		
	2000	2010	Change	2000	2010	Change
Owners	1,217/65.6%	1,527/65.8%	310	2,575/73.2%	3,016/72.5%	441
Renters	637/34.4%	795/34.2%	158	941/26.8%	1,144/27.5%	203
Total	1,854	2,322	468	3,516	4,160	644

Source: U.S. Census

Belle Fourche's ownership tenure rate increased slightly from 2000 to 2010, from 65.6% in 2000 to 65.8% in 2010. For Butte County, there was a slight decrease in the rate of owner households between 2000 and 2010. The ownership tenure rate decreased from 73.2% in 2000 to 72.5% in 2010.

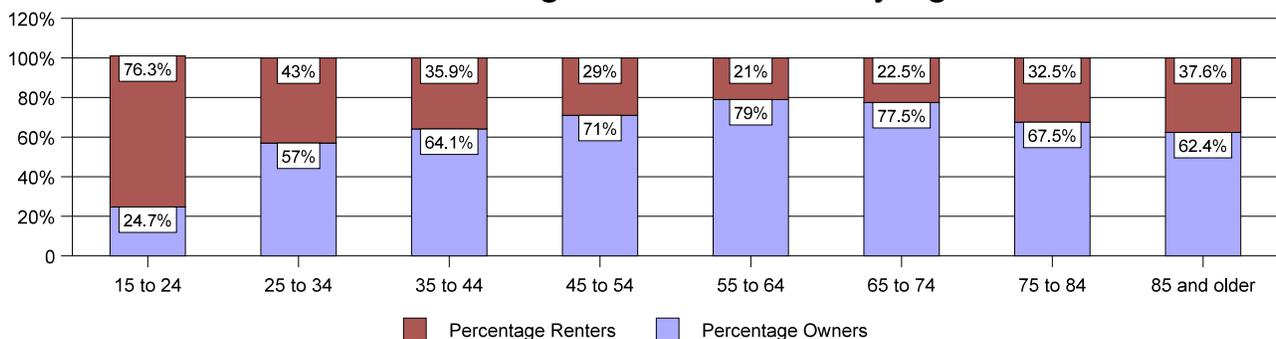
## Tenure by Age of Householder

The 2010 Census provided information on the tenure distribution of households within each defined age range. The following table examines the number and percentage of renters and owners in each age group in the City of Belle Fourche.

<b>Table 12 Belle Fourche Tenure by Age of Householder - 2010</b>				
Age	Owners		Renters	
	Number	Percent within age	Number	Percent within age
15-24	40	24.7%	122	76.3%
25-34	239	57.0%	180	43.0%
35-44	207	64.1%	116	35.9%
45-54	320	71.0%	131	29.0%
55-64	324	79.0%	86	21.0%
65-74	203	77.5%	59	22.5%
75-84	131	67.5%	63	32.5%
85+	63	62.4%	38	37.6%
Total	1,527	65.8%	795	34.2%

Source: U.S. Census

**Belle Fourche Housing Tenure Patterns by Age in 2010**



Within the defined age ranges, typical tenure patterns were present, with the households in the younger age ranges showing a greater preference for rental housing, while middle-aged and older adult households were primarily home owners. Approximately 76% of households age 24 and younger and 43% of the households in the 25 to 34 age range rented their unit. Home ownership rates for each of the 10-year age cohorts age 35 and older were above 62%.

## Tenure by Household Size

The 2010 Census did provide information on housing tenure by household size. This can be compared to 2000 Census information to better understand trends for housing unit needs. The following table provides information for Belle Fourche.

<b>Table 13 Belle Fourche Tenure by Household Size - 2000 to 2010</b>						
Household Size	Owners			Renters		
	2000	2010	Change	2000	2010	Change
1-Person	288	396	108	278	360	82
2-Person	458	567	109	162	177	15
3-Person	182	242	60	85	115	30
4-Person	167	192	25	66	66	0
5-Person	77	78	1	31	53	22
6-Person	31	38	7	8	21	13
7-Persons+	14	14	0	7	3	-4
Total	1,217	1,527	310	637	795	158

Source: U.S. Census

- ▶ Over the past decade, there was a significant increase in the number of owner and renter households in Belle Fourche. There was an increase of 108 one-person owner households, 109 two-person owner households and 60 three-person households. There was also an increase of 33 owner households with four or more people per household.
- ▶ There was a gain of 82 one-person renter households, 15 two-person households and 30 three-person households. There was also a net gain of 31 renter households with four or more people from 2000 to 2010.
- ▶ Approximately 68% of the renter households in Belle Fourche were one or two person households.

## 2011 Income Data

The 2010 Census did not collect information on household income. However, estimates are available at the city and county level through the 2011 American Community Survey.

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

<b>Table 14 Median Household Income - 2000 to 2011</b>			
	2000 Median	2011 Median	% Change
Belle Fourche	\$26,875	\$41,014	52.6%
Butte County	\$29,040	\$41,145	41.7%
South Dakota	\$35,271	\$46,369	31.5%

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

<b>Table 15 Median Family Income - 2000 to 2011</b>			
	2000 Median	2011 Median	% Change
Belle Fourche	\$35,506	\$50,774	43.0%
Butte County	\$34,173	\$53,377	56.2%
South Dakota	\$43,237	\$58,958	36.4%

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

Information contained in the 2011 American Community Survey shows improvement in the income growth from 2000 to 2011. Both the median household income and the median family income for Belle Fourche and Butte County were below the respective medians for all of South Dakota. However, the percentage increases were higher than the overall South Dakota rates.

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.

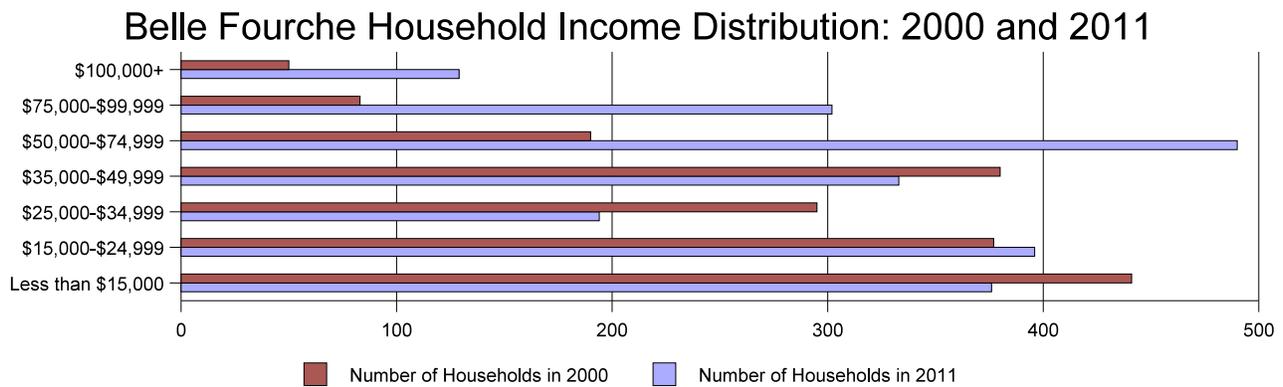
Using the commonly accepted standard that up to 30% of gross income can be applied to housing expenses without experiencing a cost burden, a median income household in Belle Fourche could afford approximately \$1,025 per month for ownership or rental housing in 2010. A median income family could afford approximately \$1,269 per month for housing. However, as will be detailed later in this section, renter households tend to be below the overall median, while owner households tend to be above the overall median level.

## Belle Fourche Household Income Distribution

The 2011 American Community Survey household income estimates for the City of Belle Fourche can be compared to the same distribution information from 2000 to examine changes that have occurred from 2000 to 2011.

Household Income	Number of Households 2000	Number of Households in 2011	Change 2000 to 2011
\$0 - \$14,999	441	376	-65
\$15,000 - \$24,999	377	396	19
\$25,000 - \$34,999	295	194	-98
\$35,000 - \$49,999	380	333	-47
\$50,000 - \$74,999	190	490	300
\$75,000 - \$99,999	83	302	219
\$100,000+	50	129	79
<b>Total</b>	<b>1,816</b>	<b>2,223</b>	<b>407</b>

Source: 2000 Census; 2011 ACS



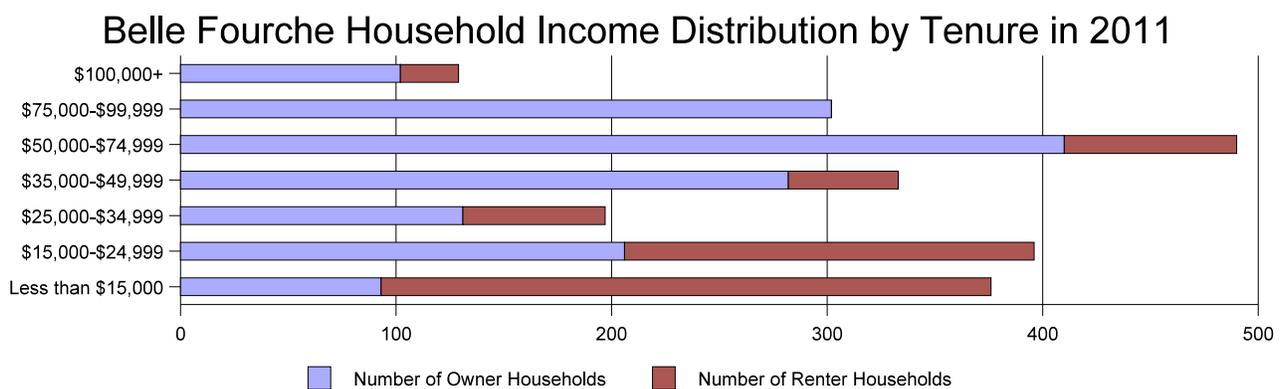
According to income estimates contained in the 2011 American Community Survey, household incomes have improved in Belle Fourche, especially in the highest income ranges. When compared to the 2000 Census (1999 income), the number of households with an income of \$50,000, or more, increased by 598 households. There was also a net decrease of 191 households with incomes under \$50,000, but there were still 772 households in Belle Fourche that have an annual income below \$25,000.

## Belle Fourche Income Distribution by Housing Tenure

The 2011 American Community Survey provides an income estimate by owner and renter status. The following table examines income distribution within the City of Belle Fourche. The American Community Survey is an estimate, based on limited sampling data, and there are some differences when compared to the 2010 Census. For total households, the American Community Survey reported 99 less households than the Census, a difference of 4.5%. The American Community Survey estimated only one less owner household than the Census, and 98 less renter households. Since owner households tend to have higher incomes than renters, the over-weighting of owners in the estimate probably results in some higher totals in the higher income ranges.

<b>Table 17 Belle Fourche Household Income Distribution by Tenure - 2011</b>			
Household Income	Number of Owner Households	Number of Renter Households	Total Households
\$0 - \$14,999	93/24.7%	283/75.3%	376
\$15,000 - \$24,999	206/52.0%	190/48.0%	396
\$25,000 - \$34,999	131/66.5%	66/33.5%	197
\$35,000 - \$49,999	282/84.7%	51/15.3%	333
\$50,000 - \$74,999	410/83.7%	80/16.3%	490
\$75,000 - \$99,999	302/100%	0/0%	302
\$100,000+	102/79.1%	27/20.9%	129
<b>Total</b>	<b>1,526/68.6%</b>	<b>697/31.4%</b>	<b>2,223</b>

Source: 2011 American Community Survey



Income and housing tenure are linked for most households, with home owners generally having higher annual income levels, and renters having lower incomes.

In 2010, approximately 77% of all renter households in Belle Fourche had an annual income below \$35,000. At 30% of income, these households would have \$875, or less, that could be applied to monthly housing costs.

Conversely, a majority of the owner households had a substantially higher income level. Approximately 53% of all owner households had an annual income of \$50,000 or more. At 30% of income, these owners could afford \$1,364 or more per month for housing costs.

## 2011 Estimated Income and Housing Costs - Renters

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

<b>Table 18 Gross Rent as a Percentage of Household Income - Belle Fourche</b>		
Percentage of Household Income for Housing Costs	Number of Renter Households 2011	Percent of All Renter Households 2011
0% to 19.9%	151	21.7%
20% to 29.9%	134	19.2%
30% to 34.9%	67	9.6%
35% or more	280	40.2%
Not Computed	65	9.3%
Total	697	100%

Source: 2011 American Community Survey

Based on the more accurate tenure information from the 2010 Census, the 2011 American Community Survey did underestimate the number of renter households in Belle Fourche. However, the estimates on housing cost burden are the best available information on income and expenses for housing.

According to the American Community Survey, approximately 50% of all renters in the City were paying 30% or more of their income for rent. The large majority of these households were actually paying 35% or more of their income for housing. Federal standards for rent subsidy programs generally identify 30% of income as the maximum household contribution. When more than 30% of income is required, this is often called a "rent burden". When more than 35% is required, this can be considered a "severe rent burden".

## 2011 Estimated Income and Housing Costs - Owners

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

<b>Table 19 Ownership Costs as a Percentage of Income - Belle Fourche</b>		
Percentage of Household Income for Housing Costs	Number of Owner Households 2011	Percent of All Owner Households 2011
0% to 19.9%	946	62.0%
20% to 29.9%	313	20.5%
30% to 34.9%	122	8.0%
35% or more	145	9.5%
Not Computed	0	0%
Total	1,526	100%

Source: 2011 ACS

Based on the 2010 Census, the 2011 American Community Survey slightly underestimated the number of owner households in the City by only one household.

Most owner-occupants, which would include households with and without a mortgage, reported paying less than 30% of their income for housing. However, approximately 18% of all home owners reported that they paid more than 30% of their income for housing. The majority of these households were paying more than 35% of income for housing costs.

As would be expected, most of the cost-burdened home owners had a mortgage on their home.

## Building Permit Trends

Belle Fourche has had a significant amount of new housing construction activity in recent years. The following table identifies the units that have been issued a building permit since the year 2000.

<b>Table 20 Belle Fourche Housing Unit Construction Activity: 2000 to 2012</b>			
Year	Single Family Detached	Multifamily	Total Units
2012	11	5	16
2011	7	2	9
2010	12	2	14
2009	14	18	32
2008	22	2	24
2007	25	14	39
2006	35	7	42
2005	37	4	41
2004	26	7	33
2003	15	5	20
2002	9	0	9
2001	16	0	16
TOTAL	229	66	295

Source: City of Belle Fourche; Community Partners Research, Inc.

Over the past 12 years, 291 new housing units have been constructed in Belle Fourche, based on building permit issuance. A majority of these units are identified as single family homes, but 66 multifamily units have also been added, for both owner-occupancy (twin homes and town houses) and renter-occupancy (twin homes, town houses, small apartment buildings).

Much of the new housing construction occurred between 2004 and 2008. During this five-year period, the City averaged approximately 36 new units per year. From 2009 to 2012, housing construction activity slowed somewhat, and the City has averaged approximately 12 new units per year.

## Occupancy Status of Housing Units - 2010

<b>Table 21 Occupancy Status of Housing Units - 2010</b>						
	Occupied Units		Vacant Units			
	Owner	Renter	For Rent	For Sale	Seasonal Use	Other Vacant
Belle Fourche	1,527	795	72	22	22	73
Butte Co.	3,016	1,144	152	50	92	167

Source: U.S. Census

- ▶ In 2010, according to the U.S. Census, there were 92 seasonal housing units in Butte County, including 22 units in Belle Fourche.
- ▶ Excluding the seasonal use units , there were 369 other types of vacant housing units in Butte County in 2010, including 167 vacant units in Belle Fourche. Many of the vacant units were listed as “other vacant” and the status of these units is not known.

## Existing Home Sales

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

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

<b>Table 22 Median Value of Residential Sales - 2011 and 2012</b>		
Calendar Year	Number of Good Sales	Median Sale Price
2011	66	\$116,000
2012	84	\$111,000

Source: Butte County Assessor; Community Partners Research, Inc.

- ▶ The sales were considered to be “arms length” transactions, according to the County’s Director of Equalization. Sales that are not “arms length” include, but are not limited to, sales between relatives, forced sales and foreclosures, and estate transfers that are not available on the open market. Only the “arms length” transactions have been reviewed for this study.
- ▶ In 2011, there were 66 residential sales in Belle Fourche. The median sales price was \$116,000. The highest valued sale was for \$337,000 and the lowest valued sale was for \$6,400.
- ▶ In 2012, there were 84 residential sales in Belle Fourche. The median sales price was \$111,000. The highest valued sale was for \$275,000 and the lowest valued sale was for \$12,000.

## **Belle Fourche Housing Condition**

Community Partners Research, Inc., representatives conducted a visual 'windshield' survey of 603 single family/duplex houses and 69 mobile homes in three Belle Fourche neighborhoods.

The boundaries of the three neighborhoods are:

**Neighborhood No. 1:** South - Belle Fourche River, North - Mt. View St., East - 10<sup>th</sup> Ave., West - 6<sup>th</sup> Ave.

**Neighborhood No. 2:** South - Railroad St., North - Edmunds St., East - Hwy 85, West - 1<sup>st</sup> Ave.

**Neighborhood No. 3:** South - National St., North - Belle Fourche River, East - 10<sup>th</sup> Ave. & Elkorn St., West - Hwy 85

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

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

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

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

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

<b>Table 23 Single Family Home/Duplex Condition Estimate - 2013</b>					
	Sound	Minor Repair	Major Repair	Dilapidated	Total
Neighborhood #1	26/17.4%	43/28.8%	57/38.3%	23/15.5%	149
Neighborhood #2	7/12.7%	10/18.2%	24/43.6%	14/25.5%	55
Neighborhood #3	129/32.3%	130/32.6%	115/28.8%	25/6.3%	399
<b>Total</b>	<b>162/26.9%</b>	<b>183/30.3%</b>	<b>196/32.5%</b>	<b>62/10.3%</b>	<b>603</b>

Source: Community Partners Research, Inc.

- ▶ The existing housing stock in Belle Fourche is in fair to good condition. Approximately 30% of the houses in the three neighborhoods need minor repair and 33% need major repair. Approximately 27% are sound, with no required improvements.
- ▶ Approximately 62 houses in the three neighborhoods are dilapidated and possibly beyond repair.

<b>Table 24 Mobile Home Windshield Survey Condition Estimate - 2013</b>					
	Sound	Minor Repair	Major Repair	Dilapidated	Total
Neighborhood #1	23/41.1%	18/32.1%	8/14.3%	7/12.5%	56
Neighborhood #2	6/46.1%	3/23.1%	4/30.8%	0/0%	13
Neighborhood #3	0/0%	0/0%	0/0%	0/0%	0
<b>Total</b>	<b>29/42.0%</b>	<b>21/30.4%</b>	<b>12/17.4%</b>	<b>7/10.2%</b>	<b>69</b>

Source: Community Partners Research, Inc.

- ▶ The mobile homes in the neighborhoods that were surveyed are in fair to good condition. Approximately 30% of the mobile homes need minor repair and 17% need major repair. Approximately 42% are sound, with no required improvements.
- ▶ Approximately seven mobile homes are dilapidated and possibly beyond repair.

## **Belle Fourche Mobile Home Condition**

Community Partners Research, Inc. representatives conducted a visual 'windshield' survey of 308 mobile homes in nine Belle Fourche mobile home parks.

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

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

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

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

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

<b>Table 25 Mobile Home Park Condition Estimate - 2013</b>					
	Sound	Minor Repair	Major Repair	Dilapidated	Total
South Side Mobile Home Park	13/16.7%	28/35.9%	30/38.4%	7/9.0%	78
Hillsview Court	11/13.8%	20/25.0%	34/42.5%	15/18.7%	80
Oak Valley Court	3/15.0%	9/45.0%	8/40.0%	0/0%	20
Plainsview Park	1/4.2%	3/12.5%	15/62.5%	5/20.8%	24
Tipperory Court	11/16.0%	23/33.3%	27/39.1%	8/11.6%	69
Bob-n-Blinda's Horseshoe Court	0/0%	4/25.0%	5/31.2%	7/43.8%	16
Shady Lane Estates	7/87.5%	1/12.5%	0/0%	0/0%	8
AGC & Charlie Johnson Courts	4/30.8%	4/30.8%	3/23.0%	2/15.4%	13
<b>Total</b>	<b>50/16.2%</b>	<b>92/29.9%</b>	<b>122/39.6%</b>	<b>44/14.3%</b>	<b>308</b>

Source: Community Partners Research, Inc.

- ▶ The mobile homes in the nine mobile home parks in Belle Fourche are in fair condition. Approximately 30% of the mobile homes need minor repair and 40% need major repair. Approximately 16% are sound, with no required improvements.
- ▶ Forty-four mobile homes are dilapidated and possibly beyond repair.

## **Rental Housing Data**

### **Census Bureau Rental Inventory**

According to the 2010 U.S. Census, there were 795 occupied rental units and 79 unoccupied rental units in Belle Fourche, for a total estimated rental inventory of 874 units. The City's rental tenure rate was 34.2%, above the Statewide rental rate of 31.9% in 2010.

At the time of the 2000 Census, Belle Fourche had 637 occupied rental units, and at least 142 vacant rental units, for a total estimated rental inventory of 779 units. The rental tenure rate in 2000 was 37.1%.

Based on a Census comparison, the City gained 142 renter-occupancy households, and approximately 95 rental units from 2000 to 2010.

### **Rental Housing Survey**

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

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

There were 306 housing units of all types that were contacted in the survey. Based on our research, all of the subsidized and senior with services rental projects were surveyed. A high percentage of market rate multifamily projects were also contacted. We also surveyed the 83-bed nursing home.

The units that were successfully contacted include:

- ▶ 79 market rate units
- ▶ 161 federally subsidized units
- ▶ 66 senior with services units/beds
- ▶ 83 nursing home beds

The findings of the survey are provided below.

## Market Rate Summary

Information was obtained on 79 market rate rental units. The rental units surveyed are in nine multifamily buildings. We also obtained information on some rental single family homes in Belle Fourche.

### Unit Mix

The bedroom mix of the 79 surveyed market rate units is:

- ▶ Efficiency - 0 (0%)
- ▶ One-bedroom - 18 (22.8%)
- ▶ Two-bedroom - 59 (74.7%)
- ▶ Three-bedroom - 2 (2.5%)
- ▶ Four-bedroom - 0 (0%)

The multifamily market rate projects have no four-bedroom units, however, there are rental single family homes, although, the number of four-bedroom units is minimal.

### Occupancy / Vacancy

Within the market rate multifamily segment, the managers and owners reported there were 11 vacant units of the 79 units used in the occupancy calculation. This represents a vacancy rate of 13.9%. Eight of the vacancies were in two rental projects, Summit View Apartments had five vacancies and Heritage Apartments had three vacancies. Seven of the nine market rate rental projects reported no vacancies or only one vacancy.

### Rental Rates

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

The following median gross rent range has been identified based on information from the telephone survey.

<u>Unit Type</u>	<u>Median Gross Rent Range</u>
One-bedroom	\$450-\$550
Two-bedroom	\$550-\$700
Three-bedroom	\$750-\$800

No multifamily projects that we surveyed had efficiency units or four-bedroom units.

## **Tax Credit Summary**

One rental project in Belle Fourche was constructed utilizing tax credits. Tanglewood Apartments was constructed in 1996 with Rural Development subsidies and tax credits. Because Tanglewood Apartments also utilized Rural Development subsidies, we have included Tanglewood Apartments in the subsidized section.

## **Subsidized Summary**

The research completed for this Study identified seven subsidized projects providing rental opportunities for lower income households. These projects have a combined 161 units. Four of the projects are general occupancy housing with 69 units and three projects are senior/disabled occupancy with 92 units. The subsidized projects were developed in Belle Fourche with USDA Rural Development funds or HUD Section 8 funds.

## **Rental Rates**

The City's subsidized units have access to project-based rent assistance. These units charge rent based on 30% of the tenant's household income. The subsidized projects have a market rent and tenants do not pay more than the market rent. However, a very high percentage of tenants in the subsidized projects pay less than the market rent, as 30% of their income is less than the market rent.

## **Unit Mix**

The bedroom mix breakdown for subsidized housing in Belle Fourche is as follows:

- ▶ Efficiency - 28 (17.4%)
- ▶ One-bedroom - 66 (41.0%)
- ▶ Two-bedroom - 57 (35.4%)
- ▶ Three-bedroom - 10 (6.2%)

There are no four-bedroom units in the seven subsidized projects.

## **Occupancy / Vacancy**

There were 13 vacant units that were identified in the subsidized projects, which is an 8.1% vacancy rate. Five of the vacancies were in efficiency units, two of the vacancies were in one-bedroom units and six were in two-bedroom units.

John Burns Apartments had six of the 13 vacancies. Tanglewood Apartments and Bella Vista Village each reported three vacancies

## **Subsidized Housing Gains/Losses**

Federal subsidy sources for low income rental housing have been very limited for the past few decades. Most subsidized projects were constructed in the 1960, 1970s and 1980s. Some of these older projects may have completed their compliance requirements and have the opportunity to leave their subsidy program and convert to conventional rental housing. At this time, we are not aware of any projects that are considering opting out of their subsidy programs.

## **Housing Choice Vouchers**

In addition to subsidized rental projects, Belle Fourche and Butte County households have access to the Housing Choice Voucher Program. The Meade County Housing and Redevelopment Commission administers the Housing Voucher Program in Belle Fourche and Butte County.

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

## **Senior Housing with Services**

Belle Fourche has five senior with services projects with a total of 66 beds. Four facilities are licensed as an Assisted Living Center, and one is registered as an Adult Foster Care.

There was a total of 11 vacant beds in the five facilities, for a 16.6% vacancy rate. Eight of the vacancies were in the Sunpointe Assisted Living Center.

The Belle Fourche Health Care Center, an 83-bed nursing home was also surveyed. The nursing home has a 95% occupancy rate.

<b>Table 26 Belle Fourche Multifamily Rental Housing Inventory</b>					
<b>Name</b>	<b>Number of Units /Bedroom Mix</b>	<b>Rent</b>	<b>Vacancy/ Wait List</b>	<b>Tenant Mix</b>	<b>Comments</b>
<b>Market Rate</b>					
816 State Street Apartments	<u>12 - 2 Bedroom</u> 12 Total Units	\$525	No vacancies	General occupancy	Two-level apartment building with 12 two-bedroom units. Rent includes water, sewer and garbage. Manager reports no vacancies.
Ponderosa 711 8 <sup>th</sup> Ave	<u>10 - 1 Bedroom</u> 10 Total Units	\$350	1 vacancy	General occupancy	Two-level walk-up apartment building. Amenities include coin laundry facility. Rent includes water, sewer and garbage. Manager reports one vacancy.
507 State Street	<u>1 - 1 Bedroom</u> <u>3 - 2 Bedroom</u> 4 Total Units	\$275	1 vacancy	General occupancy	Apartment building with one one-bedroom and three two-bedroom units. Rent includes all utilities except electricity. Manager reports one vacancy.
Summit View Apartments 2107 7 <sup>th</sup> Ave	<u>4 - 1 Bedroom</u> <u>19 - 2 Bedroom</u> 23 Total Units	\$525 \$575	5 vacancies	General occupancy	Twenty-three unit apartment complex with four one-bedroom and 19 two-bedroom units. Tenants pay electricity. Owner reports five vacancies and he typically has a few vacancies. Some tenants have a Housing Choice Voucher.
709 9 <sup>th</sup> Ave	<u>1 &amp; 2 Bedroom</u> 6 Total Units	\$450 + electricity	1 vacancy 1 - 1 Bdrm	General occupancy	Six-unit building. Owner currently has one vacant one-bedroom unit available. Rent is \$450 plus electricity.
Heritage Apartments	<u>16 - 2 Bedroom</u> 16 Total Units	\$575	3 vacancies	General occupancy	Sixteen-unit market rate project. All the units have two bedrooms. Tenants pay heat and electricity. Owner reports three vacancies.
Willowlake Twinhomes	<u>2 - 2 Bedroom</u> <u>2 - 3 Bedroom</u> 4 Total Units	\$550 \$600 + utilities	No vacancies	General occupancy	Two twin homes in the Meadowbrooke development managed by the Meade County Housing and Redevelopment Commission. Tenants pay all utilities. Manager reports no vacancies.
Summit Street Townhouses	<u>4 - 2 Bedroom</u> 4 Total Units	\$595 to \$825	No vacancies	General occupancy	Four two-bedroom townhomes. Rent varies based on size of the units. Units were constructed in the late 1990s. Manager reports no vacancies.

<b>Table 26 Belle Fourche Multifamily Rental Housing Inventory</b>					
<b>Name</b>	<b>Number of Units /Bedroom Mix</b>	<b>Rent</b>	<b>Vacancy/ Wait List</b>	<b>Tenant Mix</b>	<b>Comments</b>
<b>Subsidized</b>					
Bella Vista Village	1 - 1 Bedroom 19 - 2 Bedroom 4 - 3 Bedroom 24 Total Units	\$602 max. \$645 max. \$683 max. 30% of income	3 vacant units, 3 - 2 Bdrm	General occupancy	HUD Section 8/SDHDA subsidized project for general occupancy. Units are town house style, with 2 levels and basement. All tenants have access to rent assistance that allows rent based on 30% of income. Amenities include in-unit laundry hookup; 3-bedroom units have 2 bathrooms. Project has a waiver to allow non-low income tenants if there are vacancies.
Haywood Apartments	4 - 1 Bedroom 9 - 2 Bedroom 13 Total Units	\$699 max. \$709 max. 30% of income	No vacancies	General occupancy	Two 2-level apartment building subsidized through USDA Rural Development. All tenants have access to project-based rent assistance that allows rent based on 30% of income, up to higher end of basic-market rent range listed.
John Burns Apartments	12 - Efficiency 9 - 1 Bedroom 7 - 2 Bedroom 28 Total Units	\$609 max. \$644 max. \$679 max. 30% of income	6 vacant units, 5- efficiency 1 -1 Bdrm	Senior/ disabled occupancy	Rural Development subsidized project. Older building from the 1920s that was converted into rental housing. Designated for senior and/or disabled tenant occupancy. All tenants have access to rent assistance that allows rent based on 30% of income, up to maximum rent listed. Amenities include off-street parking, pet friendly building and coin laundry facilities. Cable offered for \$6 per month.
Meadowlark Apartments	24 - 1 Bedroom 24 Total Units	\$559 max. 30% of income	1 vacancy	Senior/ disabled occupancy	HUD subsidized three-level apartment building with elevator designated for senior (62+) and/or disabled tenant occupancy. All tenants have access to rent assistance that allows rent based on 30% of income. Amenities include community room and coin laundry facilities.

<b>Table 26 Belle Fourche Multifamily Rental Housing Inventory</b>					
<b>Name</b>	<b>Number of Units /Bedroom Mix</b>	<b>Rent</b>	<b>Vacancy/ Wait List</b>	<b>Tenant Mix</b>	<b>Comments</b>
<b>Subsidized</b>					
South Park Apartments	16 - Efficiency <u>24 - 1 Bedroom</u> 40 Total Units	\$434 max. \$486 max. 30% of income	No vacancies	Senior/ disabled occupancy	HUD Section 8/SDHDA subsidized project designated for senior and/or disabled tenant occupancy. All tenants have access to rent assistance that allows rent based on 30% of income.
Tanglewood Apartments	4 - 1 Bedroom 14 - 2 Bedroom <u>6 - 3 Bedroom</u> 24 Total Units	\$633 max. \$724 max. \$804 max. 30% of income	3 vacant units, 3 - 2 Bdrm	General occupancy	Subsidized rental project constructed in 1996 using Rural Development subsidies and tax credits. All tenants have access to rent assistance that allows rent based on 30% of income, up to maximum rent listed. Amenities include playground and coin laundry facilities.
Valley Drive Apartments	<u>8 - 2 Bedroom</u> 8 Total Units	\$680 max. 30% of income	No vacancies	General occupancy	Rural Development subsidized project. All tenants have access to rent assistance that allows rent based on 30% of income, up to maximum rent listed.

<b>Table 26 Belle Fourche Multifamily Rental Housing Inventory</b>					
<b>Name</b>	<b>Number of Units /Bedroom Mix</b>	<b>Rent</b>	<b>Vacancy/ Wait List</b>	<b>Tenant Mix</b>	<b>Comments</b>
<b>Senior Housing with Services</b>					
Country Place Senior Living	licensed for 16 residents	Based on service level- \$3,000 to \$5,000	1 vacancy	Assisted Living Center - Seniors	Country Place opened in 2010 and is a state-licensed Assisted Living Center with capacity for 16 residents. Currently, there is one vacancy. Facility has option to provide up to two independent living beds. Facility also can serve people with dementia. Director reports that they are occasionally at full occupancy.
High Prairie Retirement Home	licensed for 10 residents	Not available	No vacancies	Assisted Living Center - Seniors	State-licensed Assisted Living Center with capacity for 10 residents. Most of the residents are not private pay and are medicaid waiver. Director reports no vacancies.
Judy's Assisted Living Center	licensed for 20 residents	Based on services	2 vacancies	Assisted Living Center - Seniors	Judy's Assisted Living Center is a state-licensed Assisted Living Center with capacity for 20 residents. Currently, there are two vacancies. Owner reported that they are usually fully occupied.
Sunpointe Assisted Living Center	licensed for 16 residents	Not available	50% occupancy	Assisted Living Center - Seniors	Sunpointe Assisted Living Center is a 16-bed state-licensed Assisted Living Center. Currently, the facility is at 50% occupancy.
Palms Country View	4 beds	\$2,800 to \$3,400 Based on services	No vacancies	Adult Foster Care - Seniors	Adult Foster Care facility with four beds. Provides a residential setting. Currently no vacancies.
Belle Fourche Healthcare Center	83 beds	Based on services	95% occupancy	Skilled Nursing Home	Belle Fourche Healthcare Center is an 83-bed nursing home. Facility has a 95% occupancy rate.

Source: Community Partners Research

## Employment and Local Economic Trends Analysis

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

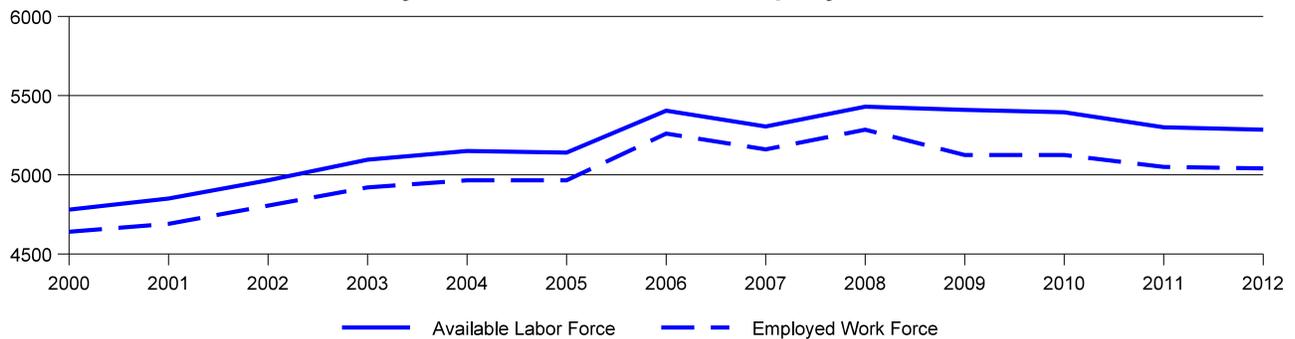
Employment opportunities may be provided by a broad range of private and public business sectors. Jobs may be available in manufacturing, commercial services, agriculture, public administration, and other industries. The type of employment, wage level, and working conditions will each influence the kind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

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

<b>Table 27 County Average Annual Labor Force: 2000 to 2012</b>						
Year	Labor Force	Employed	Unemployed	Unemployment Rate - County	Unemployment Rate - SD	Unemployment Rate - US
2000	4,780	4,640	140	3.0%	2.7%	4.0%
2001	4,850	4,690	140	3.3%	3.1%	4.7%
2002	4,965	4,805	160	3.2%	3.3%	5.8%
2003	5,095	4,920	175	3.4%	3.5%	6.0%
2004	5,150	4,965	185	3.6%	3.7%	5.6%
2005	5,140	4,965	175	3.4%	3.7%	5.1%
2006	5,405	5,260	145	2.7%	3.1%	4.6%
2007	5,305	5,160	145	2.8%	2.9%	4.6%
2008	5,430	5,285	145	2.7%	3.0%	5.8%
2009	5,410	5,125	285	5.3%	5.2%	9.3%
2010	5,395	5,125	270	5.0%	5.0%	9.6%
2011	5,300	5,050	250	4.8%	4.7%	8.9%
2012	5,285	5,040	245	4.6%	4.4%	8.1%

Source: South Dakota Department of Labor

### Butte County Labor Force and Employed Work Force



Over a longer time period, there has been a gradual upward movement in the size of the County’s labor force and employed work force. Between 2000 and 2012, the size of the labor force increased by 505 people, or 10.6%. The employed work force increased by 400 people, or 8.6% during this same time period.

However, much of this increase occurred between 2000 and 2008. Since 2008, statistics for the County have actually declined somewhat. When 2008 is compared to 2012, the available labor force has decreased by 145 people, and the employed work force has decreased by 245 people.

The County’s unemployment rate for 2012 was at 4.6%, well below the national rate. However, for the past two years, the County’s unemployment rate has been slightly higher than the Statewide rate.

## Average Annual Wages by Industry Sector

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

<b>Table 28 County Average Annual Wages by Industry Detail: 2011</b>		
Industry	2011 Employment	2011 Average Annual Wage
Total All Industry	2,670	\$28,467
Natural Resources, Mining	122	\$57,568
Construction	122	\$29,048
Manufacturing	113	\$29,742
Trade, Transportation, Utilities	728	\$31,508
Information	6	\$26,574
Financial Activities	103	\$30,315
Professional and Business Services	135	\$33,356
Education and Health Services	287	\$28,244
Leisure and Hospitality	310	\$10,269
Other Services	108	\$32,128
Government	637	\$26,054

Source: South Dakota Department of Labor

The average annual wage for all industry in 2011 was \$28,467. The highest paying wage sector was Natural Resources and Mining, with an annual average wage above \$57,000. However, only 122 people worked in this sector. Trade, Transportation and Utilities was the largest single employment sector, and had annual wages above \$31,500.

The lowest paying wage sector was Leisure and Hospitality, with an average annual wage of only \$10,269. This was the only industry sector with an annual wage below \$20,000.

## Major Employers in Butte County

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

- ▶ American Colloid
- ▶ Belle Fourche Public Schools
- ▶ Belle Fourche Health Care Center
- ▶ City of Belle Fourche

Source: Governor’s Office of Economic Development

There may be additional employers that are not listed.

## Commuting Patterns of Area Workers

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

<b>Table 29 Commuting Times for Residents - 2011</b>	
Travel Time	Number/Percent
Less than 10 minutes	925 / 35.5%
10 to 19 minutes	695 / 26.7%
20 to 29 minutes	455 / 17.5%
30 minutes +	532 / 20.4%
Total	2,607

Source: 2011 American Community Survey 5-year estimates

The majority of Belle Fourche residents were commuting less than 20 minutes to work in 2011. Overall, more than 62% of residents commuted 19 minutes or less to work. However, the City also had a large number of workers that commuted. More than 20% of all working residents had a travel time of 30 minutes or more, and nearly 38% had a commute time of at least 20 minutes.

## **Findings on Growth Trends**

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

Belle Fourche and Butte County's population increased significantly from 1990 to 2010. From 1990 to 2000, Belle Fourche's population increased by 230 people and Butte County's population increased by 1,180 people. From 2000 to 2010, Belle Fourche's population increased by 1,029 people and Butte County's population increased by 1,016 people. Belle Fourche's and Butte County's 2011 and 2012 population estimates show continued growth.

The City of Belle Fourche gained 115 households from 1990 to 2000 and gained 468 households from 2000 to 2010. Butte County gained 483 households from 1990 to 2000 and gained 644 households from 2000 to 2010.

## **Findings on Projected Growth**

The projections for Belle Fourche and Butte County calculated by Community Partners Research, Inc., from past growth trends reflect the patterns of recent decades. Using the past trends to form a range, Community Partners Research, Inc., projects that Belle Fourche's population will increase by 406 to 630 people between 2010 and 2015. The household projection expects a gain of 195 to 293 households from 2010 to 2015.

The 10-year and 20-year trend projections for all of Butte County expect a gain of 565 to 701 people and 290 and 315 households from 2010 to 2015.

## **Summary of Butte County Growth Projections by Age**

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

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

In general terms, most of the projected net growth to the year 2015 will occur among people in the 55 to 74 age ranges. This would largely reflect the aging “baby boomers”, nearly all of whom will be age 55 or older by the year 2015. From 2010 to 2015, Butte County is projected to gain 232 to 297 households in the 55 to 74 year old age ranges.

There is a difference in the State Data Center and Community Partners Research, Inc. projections for the 15 to 24, 35 to 44 and 85 and over age ranges. The State Data Center projects household increases for the 15 to 24 and 85 and older age ranges, and Community Partners Research, Inc., is projecting losses. Community Partners Research, Inc., is projecting a 69 household gain in the 35 to 44 age range but the State Data Center is projecting a loss of 13 households.

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

<u>Age Range</u>	<u>Projected Change in Households 2010 to 2015</u>
15 to 24	21 to -9
25 to 34	2 to 26
35 to 44	-13 to 69
45 to 54	-138 to -108
55 to 64	87 to 89
65 to 74	145 to 208
75 to 84	74 to 34
85 and Older	75 to -4
Total	253 to 305

## **Findings on Unit Demand by Type of Housing**

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

***Age 24 and Younger*** - The projections used for this Study expect a range of a loss of nine households to a gain of 21 households in the 15 to 24 age range through the year 2015. Past tenure patterns indicate that as many as 76% of these households in Belle Fourche will rent their housing. A relatively stable number of households in this age range should mean that rental demand from younger households will remain relatively unchanged during the projection period.

***25 to 34 Years Old*** - The projections show a gain of two to 26 households in this age cohort Countywide by 2015. Within this age range households often move from rental to ownership housing. The ownership rate among these households in Belle Fourche was nearly 57% in 2010. A slight increase in the number of households within this age range will mean a small increase in the demand for both first-time home buyer and rental opportunities.

***35 to 44 Years Old*** - This 10-year age cohort has a projected range of a gain of 69 households to a loss of 13 households between 2010 and 2015 in Butte County. In the past, this age group has had a high rate of home ownership in Belle Fourche, at approximately 64%. Households within this range often represent both first-time buyers and households looking to trade-up in housing, selling their starter home for a more expensive house. Demand from this age cohort would have some impact on overall demand for owner-occupied housing.

***45 to 54 Years Old*** - By 2015, this age cohort will represent the front-end of the "baby bust" generation that followed behind the baby boomers. This age group represents a much smaller segment of the population than the baby boom age group. For Butte County, the projections show a loss of 108 to 138 households in this range. This age group historically has had a high rate of home ownership, approximately 71% in Belle Fourche in 2010, and will often look for trade-up housing opportunities. With a household decrease in this age group, there will be a decrease in the demand for trade-up housing.

**55 to 64 Years Old** - This age range is part of the baby boom generation. The projections show an expected increase of 87 to 89 additional households in this 10-year age range by the year 2015 in the County. This age range has traditionally had a high rate of home ownership in Belle Fourche, at approximately 79% in 2010. Age-appropriate housing, such as town house or twin home units, is often well suited to the life-cycle preferences of this age group, as no maintenance/low maintenance housing has become a popular option for empty-nesters.

**65 to 74 Years Old** - Relatively strong household growth is expected Countywide within this age range, with the projections showing an increase of 145 to 208 households by the year 2015. While this group will begin moving to life-cycle housing options as they age, the younger seniors are still predominantly home owners. At the time of the 2010 Census, approximately 78% of households in this age range owned their housing in Belle Fourche. Once again, preferences for age-appropriate units should increase from household growth within this age cohort.

**75 to 84 Years Old** - There is a projected gain of 34 to 74 households in Butte County in this age range between 2010 and 2015. In the past, households within this 10-year age range have had a relatively high rate of home ownership, at approximately 68% in Belle Fourche. While this is likely to continue, an expansion of other housing options for seniors, including high quality rental housing, should appeal to this age group. In most cases, income levels for senior households have been improving, as people have done better retirement planning. As a result, households in this age range may have fewer cost limitations for housing choices than previous generations of seniors.

**85 Years and Older** - A wide range of the loss of four households to the gain of 75 households is projected among older senior citizens. Historic home ownership rates in this age group in Belle Fourche have been relatively low, at approximately 62% in 2010. Seniors in this age range often seek senior housing with services options.

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

# **Belle Fourche - Strengths and Barriers for Housing Development**

## **Strengths for Housing Development**

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

- ▶ **Belle Fourche is located near Rapid City, which is the regional center for the area** - Belle Fourche is approximately 45 miles from Rapid City. Rapid City provides employment opportunities, retail/service options, government services, health and professional services, and cultural amenities to a large surrounding trade area. Many households prefer to live near, but not in a regional center.
- ▶ **Increasingly diverse housing stock** - The City has a good mix of housing options, including rental housing units for both lower income and market rate households. The City also has town houses, twin homes, and senior with services facilities.
- ▶ **Median home price** - Belle Fourche's median priced home is approximately \$111,000. This matches well with new homes, which is an incentive for new home construction.
- ▶ **Adequate land for development** - The City has adequate land available for residential, commercial and industrial development.
- ▶ **Population and household growth for the City** - Over the past decade, the City has sustained strong population and household growth and the City is projected to continue to grow in the future.
- ▶ **Active housing developers in the City** - Belle Fourche has housing developers that are willing to invest in housing projects in the community. Developers have been active in subdivision development, rental housing, attached ownership housing and single family development.
- ▶ **School system** - The City has an excellent public K-12 school system.
- ▶ **Infrastructure** - The City's public utilities and infrastructure can facilitate future expansion.

- ▶ **Park/trail system** - The City has developed attractive parks and recreational opportunities that make the community a desirable place to live.
- ▶ **Commercial development** - Belle Fourche's commercial districts are adequate to meet daily needs and new commercial development is ongoing.
- ▶ **Available lots** - The City currently has available lots for housing of all types.
- ▶ **Belle Fourche Development Corporation** - The Belle Fourche Development Corporation is very active in promoting industrial and commercial development.
- ▶ **Black Hills Recreational Area** - Belle Fourche is in the Black Hills Recreational Area, which is a popular vacation destination and has many recreational, commercial, tourism and natural amenities.
- ▶ **Industrial Park and Industrial Development** - The City of Belle Fourche is developing a 100-acre industrial park. Additionally, an industrial project is under construction that will provide approximately 50 jobs and there are other industrial prospects.
- ▶ **North Dakota Oil Industry** - Belle Fourche is located approximately 100 miles from the North Dakota oil fields and is a practical location for industries that provide materials and supplies to oil drilling operations.

## **Barriers or Limitations to Housing Activities**

Our research also identified the following barriers or limitations that hinder or prevent certain housing activities in the City of Belle Fourche.

- ▶ **Proximity to Rapid City**- Although it is a strength to be located in close proximity to Rapid City, it is also a barrier as Belle Fourche must compete with Rapid City, which offers attractive residential opportunities and other amenities and services.
- ▶ **Age and condition of the housing stock** - While the existing stock is affordable, some of the housing is in need of improvements to meet expectations of potential buyers.
- ▶ **Staff capacity limitations** - Although the City has access to several housing agencies, it is very difficult to develop and implement housing initiatives with limited staff resources.
- ▶ **High property taxes** - There is a local perception that Belle Fourche has a high property tax rate when compared to other jurisdictions in the area.
- ▶ **Rural Development Opportunities** - There are numerous housing development opportunities in rural areas that surround the City of Belle Fourche. The City must compete with these rural opportunities.

# **Belle Fourche - Recommendations and Opportunities**

## **Recommendations, Strategies and Housing Market 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 Belle Fourche. They are based on the following strategies:

- ▶ **Focus heavily on the preservation, maintenance and improvement of the housing stock that already exists** - While significant housing construction will occur in coming years, most of the housing opportunities will continue to be provided by the housing stock that is already on the ground. This is especially important for affordable housing opportunities, as it will almost always be less expensive to offer an affordable unit through rehabilitation versus new construction. Units that are lost due to deterioration and obsolescence cannot be replaced for a similar price. Evidence suggests that the majority of the existing stock is generally being well maintained, however, a significant percentage of housing needs repair. Emphasis on continued improvement will be important to meet future housing needs.
- ▶ **Develop life cycle housing** - It is vital for a self-contained community to provide housing opportunities for all ages and household types. These housing opportunities enable a community to thrive, and allow households to live in the community throughout their lives.
- ▶ **Promote new construction** - New construction provides housing opportunities, stimulates the economy and upgrades the community's housing stock. Both new owner-occupied single family homes and rental units are needed to provide households in Belle Fourche with housing options and to assure a healthy housing stock into the future.
- ▶ **Promote home ownership** - Home ownership is the preferred option for most households. Home ownership assists in creating community stability and commitment to the community. There are many younger families that are renting their housing. These households may be interested in home ownership, if an affordable opportunity is available.
- ▶ **Prioritize community housing goals** - Many of the recommendations in the Study will require staff-intensive efforts. The City should prioritize its housing goals and establish a plan to achieve its goals.

It is very difficult to meet all of the objectives as the balance of the objectives are very sensitive. An overly aggressive or overly passive approach to any of the objectives can cause problems in achieving the other objectives. For example, overbuilding new rental housing units could lead to vacancy problems in older, less marketable units in the community, causing these units to deteriorate in quality. The recommendations of this section attempt to provide a balanced approach to addressing the housing needs of Belle Fourche.

## Summary of Findings/Recommendations

The findings/recommendations for the City of Belle Fourche have been formulated through the analysis of the information provided in the previous sections and include a total of 22 recommendations divided into the following five categories:

- ▶ **Rental Housing Development**
- ▶ **Home Ownership**
- ▶ **Single Family New Construction**
- ▶ **Housing Rehabilitation**
- ▶ **Other Housing Initiatives**

The findings/recommendations for each category are as follows:

<b>Findings and Recommendations for the City of Belle Fourche</b>	
<b>Rental Housing Development</b>	
1.	Develop 32 to 36 general occupancy market rate rental units
2.	Promote the development/conversion of 12 to 14 affordable market rate rental housing units
3.	Monitor the need for subsidized rental housing units
4.	Develop 22 to 26 senior independent/senior with light services units
5.	Develop a downtown mixed-use commercial/housing project
6.	Continue to utilize the Housing Choice Voucher Program
<b>Home Ownership</b>	
7.	Utilize and promote all programs that assist with home ownership
8.	Develop a purchase/rehabilitation program
<b>New Construction</b>	
9.	Monitor lot availability and development
10.	Promote townhouse and twin home development
11.	Coordinate with agencies/nonprofits that develop affordable housing

<b>Findings and Recommendations for the City of Belle Fourche</b>	
<b>Housing Rehabilitation</b>	
12.	Promote rental housing rehabilitation programs
13.	Promote owner-occupied housing rehabilitation programs
14.	Develop a neighborhood revitalization program
15.	Develop and implement a rental inspection program
<b>Other Housing Initiatives</b>	
16.	Encourage employer involvement in housing programs
17.	Acquire and demolish dilapidated structures
18.	Develop mobile home park improvement programs
19.	Create a plan and continue coordination among housing agencies
20.	Promote commercial rehabilitation and development
21.	Develop home ownership and new construction marketing programs
22.	Competition with other jurisdictions

# **Belle Fourche - Recommendations Rental Housing Development**

## **Rental Housing Development**

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

From 2000 to 2012, based on City of Belle Fourche data, it is estimated that approximately 35 rental units were constructed in Belle Fourche. The 35 units all provide market rate general occupancy housing. In addition to the new rental units, a significant number of single family homes were converted from owner-occupied to rental use between 2000 and 2012.

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

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

Our household projections for Belle Fourche expect continued household growth, although some of this growth will result in demand for owner-occupied housing. From 2010 to 2015, it is projected that there will be approximately a 200-household gain in Belle Fourche. Approximately 30% of these households will be rental households, thus, there will be a demand of approximately 60 additional rental units over the next five years.

Demand created by replacement of lost units is more difficult to determine, but the best available evidence suggests that the City will lose as many as five rental units per year. As a result, approximately 35 additional units will be needed over the next five years to replace lost units. In some cases, this unit replacement will be necessary as existing units are removed from the inventory through demolition or conversion. In other cases, this replacement is appropriate due to the deteriorating condition of older, substandard rental housing that should be removed from the occupied stock.

Some pent-up demand also exists. As part of this study, a rental survey was conducted. A total of 306 rental units in 21 multifamily buildings were contacted. Limited information was also obtained on single family homes. The survey found a 13.9% vacancy rate in general occupancy market rate units, an 8.1% vacancy rate in subsidized units, and a 16.6% vacancy rate in the senior with services projects.

Although vacancy rates were high, we identified pent-up demand for new high quality rental units and senior with light services rental units.

These three demand generators, after factoring current vacancy rates, show a need for 66 to 76 rental units over the next five years. Based on the factors stated above, we recommend the development of the following new rental units over the next five years from 2013 to 2018.

▶ General Occupancy Market Rate	32-36 units
▶ Affordable/Conversions	12-14 units
▶ Senior with Light Services	<u>22-26 units</u>
Total	66-76 units

### **1. Develop 32 to 36 general occupancy market rate rental units**

**Findings:** Approximately 74% of the rental housing in the City of Belle Fourche can be classified as general occupancy market rate housing. These units are free of any specific occupancy restrictions such as financial status, age, or student enrollment. Market rate housing does not have any form of rent controls, other than those imposed by the competitive marketplace.

The entire rental inventory in the City included approximately 874 total units in 2010. We believe that approximately 646 of these units are best described as market rate rental housing.

Of the market rate rental units we surveyed, we found a vacancy rate of 13.9%, which is above a healthy market range of 3% to 5%. However, of the nine rental projects we surveyed, seven had only one or no vacancies. Also, the owners and managers of single family home rentals, reported very high occupancy rates and strong demand.

There is a fairly wide variation in rental rates in the market rate segment in the City of Belle Fourche. The prevailing gross rent range is \$450 to \$550 for a one-bedroom unit, \$550 to \$750 for a two-bedroom unit and \$750 to \$800 for a three-bedroom unit.

From 2000 to 2012, only duplexes, townhomes and small market rate rental projects were constructed. Also, some single family homes have converted from owner-occupied to rental units partially due to the downturn in the economy.

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

Based on this combination of demand generators, we believe that it is reasonable to plan for production of between 32 to 36 market rate rental units over the next five years.

Based on our research, there is a significant need for larger rental units, thus, the majority of the new units constructed over the next five years should be two, three and four-bedroom units.

Townhome style units or high quality apartment buildings are both options in addressing the need for market rate units. The projects, to be successful, should have 'state of the art' amenities. It may be advantageous for new units to be constructed in smaller project phases. This strategy allows the new units to be absorbed into the market.

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

There is a need to construct both types of market rate rental housing. There is a wide rent range in the following table reflecting the two segments. To construct the workforce housing and charge affordable rents, land donations, financial assistance, tax increment financing and other resources may be needed.

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

<u>Unit Type</u>	<u>No. of Units</u>	<u>Size/Sq. Ft.</u>	<u>Rent</u>
One Bedroom	5-6	800 - 900	\$600 - \$750
Two Bedroom	15-16	1,000 - 1,100	\$650 - \$875
Three Bedroom	8-9	1,150 - 1,250	\$700 - \$950
Four Bedroom	4-5	1,350 - 1,500	\$800 - \$1,050
Total	32-36		

**Note:** The recommended rents are gross rents including all utilities. The rents are quoted in 2013 dollars.

## **2. Promote the development/conversion of 12 to 14 affordable market rate rental housing units**

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

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

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

**Recommendation:** We would encourage the City to promote the development/conversion of more affordable rental units. A goal of 10 to 12 units over the next five years would help to replace affordable housing that has been lost.

It would be difficult to create units through new construction. Instead, it may be more practical to work on building renovation or conversion projects that can create housing. This opportunity may arise in downtown buildings, or through the purchase and rehabilitation of existing single family homes. Currently, several single family homes are being rehabilitated for rental housing by local individuals.

Another property with conversion potential is the Veteran's Complex on Water Tank Road. This complex includes four buildings and could potentially be converted into affordable housing.

The estimated prevailing rent range for older rental units in Belle Fourche is typically between \$300 and \$600 per month. Creating some additional units with contract rents below \$625 per month would help to expand the choices available to a majority of the City's renter households.

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

### **3. Monitor the need for subsidized rental housing units**

**Findings:** Belle Fourche has a good supply of subsidized multifamily rental units. The supply of subsidized units is adequate to address Belle Fourche's needs. The City of Belle Fourche has seven project-based subsidized developments with a combined 161 units. Subsidies have been provided by USDA Rural Development, the Department of Housing and Urban Development (HUD) and through the South Dakota Housing Development Authority. The breakdown of the seven rental projects is as follows:

- ▶ Four subsidized general occupancy projects with 69 units
- ▶ Three subsidized senior/disabled projects with 92 units

All of the city's subsidized units serve low income people and charge rent based on 30% of the tenant's household income up to a maximum market rent.

In addition to these subsidized projects, Butte County has access to Housing Choice Vouchers. Voucher assistance is issued to income-eligible households for use in suitable, private market rental housing units. With the assistance, a household pays approximately 30% of their income for rent, with the program subsidy paying any additional rent amounts.

Despite the existing supply of subsidized units in Belle Fourche, the 2011 American Community Survey still identified that approximately 50% of renter households in Belle Fourche reported a housing cost burden, with 30% or more of their income going to housing costs. A majority of these households were actually paying 35% or more of their income for housing, which is defined as a severe cost burden.

Our rental survey found 13 vacancies in the subsidized projects, which represented a vacancy rate of 8.1%. Four of the seven subsidized projects had vacancies.

**Recommendation:** We are not recommending the development of additional subsidized units at this time for the following reasons:

- ▶ There are vacancies in the existing subsidized projects.
- ▶ Funding for the development of subsidized units is very difficult to secure at this time.
- ▶ We are recommending the development of affordable units through conversions and we are recommending the development of market rate units, including some that are affordable and can be utilized for work force housing.

We do recommend the following:

- ▶ Continued maintenance and rehabilitation of the existing subsidized units to assure they are a viable option for Belle Fourche households.
- ▶ Encourage Belle Fourche households to apply for Housing Choice Vouchers
- ▶ Monitor the need for additional subsidized housing units in the future
- ▶ Monitor the subsidized projects that may have the option to opt-out of their subsidy program and convert to market rate units. If a project is considering an opt-out option, possibly an area housing agency could purchase the project to assure the units remain in the subsidized inventory.

#### **4. Develop 22 to 26 independent/senior with services units**

**Findings:** The City of Belle Fourche currently has five senior with services projects with a total of 66 beds. Four projects with 62 units are licensed as Assisted Living Centers. The other project has four beds and is licensed as an Adult Foster Care facility.

Currently, there are 11 vacancies in the five projects that offer senior housing with services, which is a 16.6% vacancy rate.

Our research for this Study did not identify any units dedicated for seniors to live independently in a senior project or for seniors that need only light services.

**Recommendation:** Using 2010 Census data for Butte County, there are approximately 732 senior citizens age 75 and above that are not currently in a nursing home and are part of the potential market for assisted living units.

Based on our previous research in other communities, the 66 current assisted living and adult foster care beds are adequate to address Belle Fourche's and Butte County's assisted living beds.

However, there are no independent, senior-designated housing options or senior with light services projects in Belle Fourche, thus, we are recommending a 22 to 26 unit independent/senior with light services project in Belle Fourche. The project should be designed to allow seniors to live in a unit independently or to rent a unit and utilize a low level of senior services such as noon meal and housekeeping.

The project's amenities and features should include:

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

Apartment features should include:

- ▶ 22 to 26 units
  - ▶ 8 to 10 one-bedroom
  - ▶ 14 to 16 two-bedroom
- ▶ Fully equipped kitchen
- ▶ Large storage room
- ▶ Ample closet space
- ▶ Laundry hookups
- ▶ Open floor plan
- ▶ Private patio
- ▶ Individually controlled heat and AC
- ▶ Raised outlets, lever door handles, lowered kitchen cabinets
- ▶ Expansive windows

Optional services should include:

- ▶ Noon meal
- ▶ Weekly housekeeping
- ▶ Home healthcare
- ▶ Social activities

This project is intended to be senior independent living supplemented with limited services and community support.

The location of the project should be close to services as the project will be primarily occupied by older seniors.

The recommended rents are \$800 to \$950 for a one-bedroom unit and \$900 to \$1,000 for a two-bedroom unit. Subsidies and/or incentives should be utilized to lower rents, expand the available senior market and to make the project possible.

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

For 22 to 26 units, we recommend the following unit type, number of units, size and rent structure:

**Senior Market Rate Units:**

<u>Unit Type</u>	<u>No. of Units</u>	<u>Size/Sq. Ft.</u>	<u>Rent</u>
One Bedroom	8-10	850-900	\$800-\$950
Two Bedroom	14-6	950-1,050	\$900-\$1,100
Total	22-26		

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

**5. Develop a Downtown Mixed-Use Commercial/Housing Project**

**Findings:** The City of Belle Fourche has an active downtown area. A mixed-use rental housing/commercial project could complement the City’s ongoing efforts to maintain a vibrant downtown. There should be sensitivity to the timing of the project and type of commercial tenants the project will have, to assure the project is an asset to the downtown.

New mixed use projects have been developed in several cities comparable to the size of Belle Fourche. Some of these projects were developed 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 a mixed-use building in the downtown Belle Fourche area. There are several potential sites in the downtown area for a mixed-use project.

We recommend commercial space on the first floor and 10 to 12 rental units on the second and third floors. Prior to construction, a portion of the commercial space should be leased to an anchor tenant who would complement existing downtown businesses and attract people to downtown.

The 10 to 12 rental units should be primarily market rate units, but could be mixed income with some moderate income units. The units should be primarily two-bedroom units. Please note that these units are not in addition to the units recommended in the first and second recommendations of this section. If a mixed use building was constructed, the number of units recommended previously should be reduced.

Ideally, a private developer would construct and own the building. The City may have a role in the project by providing TIF 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.

Currently, approximately 50% of Belle Fourche households are paying more than 30% of their income for rent.

The Housing Choice Voucher Program is administered in Butte County by the Meade County Housing and Redevelopment Commission. Twenty Housing Choice Vouchers are designated for non-elderly disabled households in Belle Fourche and Butte County. Also, low and moderate income Belle Fourche and Butte County households can apply for vouchers that are available to Meade, Lawrence and Butte County households. However, there is a nine-month waiting list for these Vouchers.

**Recommendation:** From a practical standpoint, the Housing Choice Voucher Program is the single best way that Belle Fourche and Butte County can provide affordable housing. Although current funding is very limited, we recommend that low/moderate income renter households that are paying over 30% of their income for rent, apply for a Housing Choice Voucher.

# **Belle Fourche - Home Ownership Recommendations**

## **Home Ownership Recommendations**

**Findings:** Expanding home ownership opportunities is a goal for most cities. High rates of home ownership promote stable communities and strengthen the local tax base. The median owner-occupied home value in Martin is estimated to be approximately \$111,000 based on sales activity in 2011 and 2012. The home values in Martin provide an excellent market for first time buyers and households seeking moderately priced homes.

Our analysis of Butte County demographic trends shows an increasing number of households in the traditionally strong home ownership age ranges between 55 and 74 years old. Also, the 25 to 44 year old age ranges are projected to gain households. Households in these age ranges are typically first-time home buyers. The other age ranges are also projected to gain households with the exception of the 45 to 54 age range. Some households in these other age ranges that have not been able to achieve the goal of home ownership may need the assistance of special programs to help them purchase their first home.

Approximately 66% of the households in Belle Fourche are home owners. This is an average rate of home ownership compared with similar sized cities.

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

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

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

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

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

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

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

## **8. Develop a Purchase/Rehabilitation Program**

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

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

In many cases, the cost of acquisition and rehab will exceed the house's after-rehab value, 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 Belle Fourche work with a housing agency to develop and implement a purchase/rehab program. Attitudinal surveys that we have conducted in other cities have found that purchase/rehabilitation programs are appealing to people who are currently renting their housing. In some similar sized communities, a large majority of survey respondents who were renters indicated an interest in buying a home in need of repair if rehabilitation assistance was available.

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

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

# **Belle Fourche - New Housing Construction**

## **New Housing Construction**

**Findings:** Belle Fourche has experienced significant single family owner-occupied housing construction. According to City records, from 2001 to 2012, 269 single family owner-occupied units were constructed in Belle Fourche, which is an average of nearly 22 housing units per year. The peak years for new construction were 2005 and 2006, when approximately 39 owner-occupancy units were constructed each year. However, during the past three years from 2009 to 2012, an average of only 10 single family owner-occupied units were constructed annually. The large majority of the owner-occupied units are detached units, however, some additional attached units, such as twin homes or town houses were also built for owner-occupancy, but the exact number of these units cannot be determined from annual reports. Thus, we have estimated the number of attached units that were constructed for owner occupancy.

The attractiveness of the area, the City's amenities and its job creation, should result in the continued construction of new homes annually. Also, there are many attractive residential lot options available for new home construction.

Overall household projections for Belle Fourche and Butte County indicate good demand for owner-occupied housing construction. Substantial household growth is anticipated through 2015 among households in the age ranges between 55 and 74 years old. Butte County is projected to gain 232 to 297 households in the 55 to 74 age ranges from 2010 to 2015. Households in these age ranges tend to be predominantly home owners, and form a market for higher priced, trade-up housing and low maintenance housing such as town homes and twin homes. The number of households in the 25 to 44 year old ranges is also expected to add up to 95 households through 2015. Many of the households in these age ranges are first time home buyers. However, there is projected to be a loss of 108 to 138 households in the 45 to 54 age range.

It is our opinion that if the city, local housing agencies and developers are proactive, 28 to 33 owner-occupied housing units should be constructed in Belle Fourche annually over the next five years from 2013 to 2018 to address demand. Our projection for single family housing starts includes homes built in new subdivisions and on infill lots, and includes single family attached housing units, such as twin homes and town houses. The breakdown of our projection of 28 to 33 new owner-occupied housing units annually over the next five years is as follows:

▶ Higher & median price homes	11-12 homes
▶ Affordable homes	7-8 homes
▶ Homes on infill lots	4-5 homes
▶ Twin homes/town homes	<u>6-8 units</u>
Total	28-33 units

## **9. Monitor lot availability and development**

**Findings:** As part of this Study, we attempted to identify the inventory of available residential lots for single family housing construction in the City of Belle Fourche. Currently, there are approximately 200 lots available in nine newer subdivisions in Belle Fourche. In addition to these lots, there are numerous lots in the advanced planning stages that could be available for the next construction season. Additionally, there are many lots available outside the city limits of the City of Belle Fourche.

There are also several miscellaneous infill lots scattered around the city that we did not attempt to count. We also do not know the availability of some of these infill lots. Also, we are promoting the acquisition and demolition of dilapidated houses. Some of the cleared lots may be sites for new construction.

**Recommendation:** We use a standard that a 2 ½ year supply of lots should be available in the marketplace based on annual lot usage. With projections that 28 to 33 new owner-occupied housing units will be constructed per year, the City should have approximately 70 to 83 residential lots available to meet the expected demand. Part of this demand would be for attached unit construction.

With approximately 200 available lots, plus infill lots, the City currently has an adequate number of lots. However, the City should continue to monitor the number of lots that are available to assure there is an adequate number on an ongoing basis and that lots are available for homes in all price ranges.

## **10. Promote townhouse and twin home development**

**Findings:** Belle Fourche has experienced limited owner-occupied attached housing development from 2000 to 2012. Many communities over the past decade have seen attached housing take an increasingly large share of new construction. In cities the size of Belle Fourche, 20% to 30% of the housing starts are typically twin homes/townhomes. Over the past 12 years, approximately 22% of the owner-occupied housing units constructed in Belle Fourche have been attached units such as twin homes/townhomes.

Attached housing provides desirable alternatives for empty nesters and seniors to move out of their single family homes, thus, making traditional single family homes available for families. It is estimated that the 55 to 74 age ranges will increase by 232 to 297 households in Butte County from 2010 to 2015. It is important for the City to offer a range of life-cycle housing options as many of these households will be seeking to downsize into low maintenance housing options.

**Recommendation:** It is our projection that approximately six to eight of Belle Fourche's new owner single family units per year should be twin homes or town houses over the next five years, which is an approximate total of 30 to 40 units during the five-year period. It should be noted that twin home/town home development has been impacted by the downturn in the housing economy, and full recovery of this segment of the market may not occur until later in the five-year time period.

We recommend a twin home/town home development and for the development to be successful, the following should be considered:

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

The public sector's role in any owner-occupancy attached housing development may be limited, as the private sector can often meet this housing need if a demand exists. The city's role should include assuring that adequate land is available for development and that zoning allows for attached housing development.

**11. Coordinate with agencies/nonprofits that develop affordable housing**

**Findings:** With the difficulty of producing new housing units that are affordable to lower income people, it is important to take advantage of opportunities presented by housing agencies, nonprofit groups and organizations. NeighborWorks Home Resources has constructed affordable homes in the region. Other local and regional housing agencies and nonprofits may also have the capacity to construct affordable housing in Belle Fourche. These sources can help generate new homes for lower income families in Belle Fourche.

**Recommendation:** We recommend that the City coordinate with housing agencies and nonprofit organizations that help to produce housing units for lower income ownership. The City may be able to contribute to the project through land donations, TIF, grant writing, or project coordination activities.

The City should work with housing agencies and area builders to market Governors homes.

NeighborWorks Dakota Home Resources has developed a land trust program that lowers the costs of home ownership by removing the land cost from the purchase transaction. This group has successfully sold one land trust home in Belle Fourche.

# **Belle Fourche - Housing Rehabilitation**

## **Housing Rehabilitation**

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

Housing options for households will largely be met by the existing, more affordable housing stock. As this existing stock ages, more maintenance and repair are required. Without rehabilitation assistance, the affordable stock will 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 programs**

**Findings:** Based on the U.S. Census data, the City of Belle Fourche had approximately 874 rental units in 2010. These rental units are in multi-family projects, small rental buildings, duplexes, single family homes and mobile homes. Many of these rental structures could benefit from rehabilitation as many of the rental structures are more than 25 years old and some rental units are in poor condition.

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

**Recommendation:** Belle Fourche and area housing agencies should seek funds that can be dedicated to the rehabilitation of rental units. For a rental rehabilitation program to be workable and successful, the funds should to the extent possible, allow for program design flexibility.

Potential funding sources include USDA Rural Development, the Federal Home Loan Bank, the South Dakota Housing Development Authority, and local funds.

### **13. Promote owner-occupied housing rehabilitation efforts**

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

Our 2013 housing condition survey of the 603 Belle Fourche homes in three of the City's oldest neighborhoods found 183 homes that need minor repairs and 196 homes that need major repairs. Without rehabilitation assistance, the affordable housing stock will shrink in Belle Fourche.

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

Currently, the Western SD Community Action Agency and NeighborWorks Dakota Home Resources are implementing owner-occupied housing rehabilitation, furnace replacement and weatherization programs in Belle Fourche and Butte County. Households that meet program requirements are eligible for a loan or deferred loan to rehabilitate their homes. Deferred loans do not have to be paid back if the households lives in the home for a stipulated amount of time after rehabilitation is completed. We encourage Belle Fourche and Butte County households to utilize these programs.

#### **14. Develop a Neighborhood Revitalization Program**

**Findings:** The City of Belle Fourche has several neighborhoods that are on the bubble. These neighborhoods have a significant number of homes that need rehabilitation and a significant number of low/moderate income households. These neighborhoods also have vacant and dilapidated homes. The neighborhoods could deteriorate, or could be revitalized to be strong vital neighborhoods.

**Recommendation:** We recommend that the City of Belle Fourche, area housing agencies, and the private housing sector select a neighborhood and develop and implement a Neighborhood Revitalization Program. Redevelopment strategies and opportunities should be identified for the Neighborhood including:

- ▶ A plan for each parcel in the neighborhood
- ▶ Owner-occupied rehabilitation
- ▶ Rental Rehabilitation
- ▶ Demolition of dilapidated structures
- ▶ Infill new construction including single family homes and attached housing
- ▶ Land pooling for larger town home and attached housing projects
- ▶ Purchase/Rehabilitation Programs that rehabilitate homes and provide home ownership for low/moderate income households
- ▶ Public projects (streets, utilities, parks, etc.)
- ▶ Possible rezoning, variances and/or replatting to make areas and parcels more desirable for redevelopment
- ▶ Programs that encourage energy conservation
- ▶ Other projects identified through the planning process

The Neighborhood Revitalization Plan should include time lines, the identification of a responsible city department or housing agency, funding sources, etc. The program should be evaluated on an ongoing basis as opportunities and potential projects may change priorities.

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

After a neighborhood is revitalized, a new neighborhood can be selected for future targeted efforts.

## **15. Develop and implement a Rental Inspection Program**

**Findings:** A Rental Inspection Program can be a valuable tool in improving the quality of the City's rental housing and assuring safe and sanitary housing. In 2010, there were 874 rental units in the City of Belle Fourche, many that are more than 25 years old. Neighborhood deterioration, lower property values and unsafe rental units are often prevented when a Rental Inspection Program is successfully implemented. Currently, Belle Fourche enforces codes on a complaint basis, but does not have a uniform inspection policy.

The need for an ongoing Rental Inspection Program includes the following:

### **Health and Safety**

- There is a need to provide tenants with safe, sanitary, and standard living conditions and to eliminate life threatening hazards.

### **Age of Housing Stock**

- Much of the existing rental housing stock is more than 25 years old.
- Older housing needs continued rehabilitation and maintenance.
- Older housing often has difficulty complying with current codes.

### **Conversions**

- Many of the rental buildings were originally constructed for uses other than rental housing such as owner-occupied single family homes and commercial use buildings. In conversion, owners often do the work themselves and may have inadequate or faulty mechanical, electrical, plumbing, and heating systems. Also, constructing an apartment in the basement often results in a lack of natural lighting, ventilation and proper access and egress.

### **Trends of Conversions**

- Many of today's buyers want more amenities and conveniences, and less maintenance, thus, they are less likely to purchase older homes. Also, there has been an increase in foreclosures. These issues result in the continuation of converting old homes to rental units and magnify the problem.

### **Maintenance Efforts**

- A large number of landlords are providing standard housing and reinvesting in their rental properties. However, some landlords do not maintain their buildings. Ongoing maintenance is necessary for older housing as buildings with continued deferred maintenance become unsafe and substandard.

**High Number of Landlords**

- ▶ Belle Fourche has a significant number of rental property owners. Many of these landlords do an excellent job; however, some absentee landlords do not reinvest in their properties, and create a need for the program.

**Neighborhood Stabilization**

- ▶ Rental units need to be maintained to keep the integrity of the neighborhood and stabilize property values. Deferred maintenance, and such things as parked junk cars, trash and debris all have a negative impact on residential neighborhoods.

**Zoning and Codes**

- ▶ Illegal apartments such as inappropriately constructed basement apartments may be unsafe and a violation of zoning regulations.

**Coordination**

- ▶ A Rental Inspection Program provides a record of rental units and owners.
- ▶ The program provides a better opportunity for coordination of city programs and codes.
- ▶ The program assures that rental units comply with minimum housing standards.

**Recommendation:** We recommend the development and implementation of a Rental Inspection Program to assure that all rental units in Belle Fourche comply with housing laws and codes. The Program assures that Belle Fourche rental units are safe and sanitary, thus, removing blighted and unsafe conditions.

# **Belle Fourche - Other Housing Initiatives**

## **16. Encourage employer involvement in housing**

**Findings:** The City of Belle Fourche has several large employers. 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 community.

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 employers. It may be advantageous for employers to become involved in housing.

The South Dakota Housing Development Authority has developed an employer participation program, known as the Employer Mortgage Assistance Program (EMAP). There are a number of participating employers around the State. This program can assist employees of participating companies with home ownership assistance.

**Recommendation:** We recommend an ongoing effort to involve employers as partners in addressing Belle Fourche's housing needs. Several funding sources have finance programs that include employers. Additionally, the 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.

## **17. Acquire and demolish dilapidated structures**

**Findings:** Our housing condition survey of three neighborhoods identified 62 single family homes and seven mobile homes that are dilapidated and too deteriorated to rehabilitate. We also identified 196 single family homes and 12 mobile homes as needing major repair (several of these homes may be too dilapidated to rehabilitate upon a more detailed inspection). There are also homes in other Belle Fourche neighborhoods that may be dilapidated and beyond repair. Additionally, according to the 2010 U.S. Census, there were approximately 167 housing units that were vacant in Belle Fourche in 2010. There is the threat that some of these housing units may deteriorate to the point of being beyond repair.

**Recommendation:** We recommend that Belle Fourche continue to work with property owners to demolish severely dilapidated structures. The City is enhanced when blighted and dilapidated structures are removed. Also, some of the cleared lots can possibly be utilized for the construction of new affordable housing units. Additionally, the demolition of dilapidated rental structures will upgrade the communities' rental housing stock.

Also, Belle Fourche should work with Butte County to acquire and demolish tax forfeited properties that are dilapidated and beyond repair.

## **18. Develop mobile home park improvement programs**

**Findings:** The City of Belle Fourche has a significant inventory of mobile homes. The housing condition survey conducted as part of the research for this Study identified 377 mobile homes in the City. This represents approximately 15% of all housing options in Belle Fourche.

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

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

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

- ▶ **Operation Safe Mobile Home Park** - Owners of substandard mobile homes are given the option of voluntarily selling their substandard mobile home to the City or a local housing agency for a fixed minimum price. The mobile homes are then removed from the park and demolished/salvaged. The owner can then use the funds from the sale to help purchase a new home. Mobile home dealerships have sometimes participated by buying the salvaged homes.

- ▶ ***Time of Sale Inspection Program*** - This inspection program is designed to provide safe living conditions through the identification and elimination of basic life/safety hazards in older mobile homes. Mobile homes are subject to inspection prior to their sale. All identified safety hazards must be corrected before the unit is sold and/or occupied.
- ▶ ***Cooperative/Land Trust*** - Some mobile home parks have created a cooperative or a land trust which enables the home owners to own the mobile home park land and facilities. This ownership often creates pride which results in a clean, safe park atmosphere.

## **19. Create a plan and continue coordination among housing agencies**

**Findings:** Belle Fourche needs staff resources to plan and implement many of the housing recommendations advanced in this Study. Belle Fourche has access to NeighborWorks Dakota Home Resources, the Black Hills Council of Local Governments, Western South Dakota Community Action Agency, the Meade Housing and Redevelopment Commission, USDA Rural Development and the South Dakota Housing Development Authority. These agencies all have experience with housing and community development programs.

**Recommendation:** Belle Fourche is fortunate to have access to several agencies that can address housing needs. It is our recommendation that the City work with the housing agencies to prioritize the recommendations of this Study and to develop a plan to comprehensively address the City's housing needs. The plan should include strategies, time lines and the responsibilities of each agency. While there has traditionally been a degree of staff interaction between these agencies, it will be important that a coordinated approach be used to prioritize and assign responsibility for housing programs. This approach will reduce duplication, provide coordination and cooperation among agencies and will effectively utilize scarce resources.

It will also be important for the City to look for opportunities to work cooperatively with other area cities to address housing issues. With limited staff capacity, 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.

## **20. Promote Commercial Rehabilitation and Development**

**Findings:** The City of Belle Fourche’s Downtown commercial district is in fair to good condition, and several commercial buildings have been renovated, however, there are several substandard and vacant commercial buildings in Belle Fourche.

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

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

The City of Belle Fourche and the Belle Fourche Development Corporation should continue to seek funding to assist property owners with rehabilitating their commercial buildings. A goal of two commercial rehab projects annually in Belle Fourche would be a realistic goal.

## **21. Develop home ownership and new construction marketing programs**

**Findings:** With the downturn in the housing economy, the competition among cities for households looking to buy or build a home has been greater than in the past. Also, some cities have an excess inventory of residential lots, homes for sale, vacant homes and homes in foreclosure. Additionally, households are evaluating the appropriate timing to buy or build a home.

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

**Recommendation:** The City of Belle Fourche, the Belle Fourche Development Corporation and the Belle Fourche Chamber of Commerce, have been active in promoting and marketing housing and we recommend the following:

- ▶ Determine the City's strengths and competitive advantages and heavily promote them
- ▶ Continue to create marketing materials that can be distributed regionally (including internet, TV, radio, etc.)
- ▶ Work closely with employers (Belle Fourche and the entire Black Hills area) to provide employees (especially new employees) with housing opportunities in Belle Fourche
- ▶ Work with housing agencies to provide down payment assistance, low interest loans, home owner education and home owner counseling programs
- ▶ Consider an annual Housing Fair that provides information on lots, builders, finance programs, etc. Developers, builders, lenders, realtors, public agencies and local businesses could participate
- ▶ Work with builders to make the construction of a new home a very user friendly process
- ▶ Develop new home construction and home purchase incentive programs. Examples include:
  - ▶ Free water and sewer for a period of time
  - ▶ Construction financing assistance
  - ▶ Permit fee lowered
  - ▶ Developer assistance
  - ▶ Real estate tax abatements
  - ▶ Cash payment
  - ▶ Discounts at area businesses
  - ▶ Lots at a reduced price

## **22. Competition with Other Jurisdictions**

**Findings:** During the interview process, several individuals expressed concern regarding the City of Belle Fourche’s ability to compete for new development in the region. It is our opinion that the City of Belle Fourche’s household growth and new housing starts over the past several years has been very competitive with other cities in the Region.

**Recommendation:** Although Belle Fourche is competing well with other jurisdictions in the Region, the City can enhance its position as a viable location for new households. We recommend the following:

- ▶ Continue to work on the creation of jobs and the development of retail, service and recreational opportunities that make the City a “full service” community
- ▶ Continue to provide attractive lots at an affordable price for a variety of home sizes, styles and price ranges
- ▶ Provide financing mechanisms for households to build new homes, purchase existing homes and to rehabilitate older homes
- ▶ Preserve the quality of existing neighborhoods through the rehabilitation of substandard housing and the demolition of dilapidated structures that are beyond repair
- ▶ Continue to develop new housing choices that serve life-cycle housing needs, such as new rental housing, twin homes, etc.
- ▶ Publicize and market Belle Fourche throughout the Region and among area employers and employees
- ▶ Communication with Belle Fourche and Black Hills area employees and employers to assure they are aware of the housing opportunities in Belle Fourche
- ▶ Develop a coordinated plan with area housing agencies

## **Agencies and Resources**

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

### **Western SD Community Action Agency**

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

### **NeighborWorks Dakota Home Resources**

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

### **USDA Rural Development**

2202 W. Main Street  
Sturgis, SD 57785  
(605) 347-4952

### **South Dakota Housing Development Authority**

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

### **Black Hills Council of Governments**

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

### **Meade Housing and Redevelopment Commission**

1220 Cedar Street  
Sturgis, SD 57785  
(605) 347-3384  
Contact: Sharon Schudder