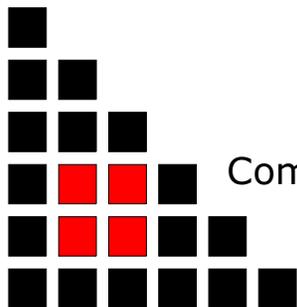


Beresford HOUSING STUDY

January 2019

An analysis of the overall housing needs
of the City of Beresford



Community Partners Research, Inc.

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List of Sections

	<u>Page</u>
Introduction	2
Demographic and Projection Data	4
Existing Housing Data	27
Rental Housing Inventory	34
Employment and Local Economic Trends Analysis	42
Findings and Recommendations	48
Agencies and Resources	88

Introduction

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

Community Partners Research, Inc., was hired by the City of Beresford to update the 2013 Beresford Housing Study which identified the housing needs and conditions in the City of Beresford.

Goals

The multiple goals of the study include:

- ▶ Provide updated demographic data
- ▶ 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
- ▶ Update the housing recommendations and findings from the 2013 Beresford Housing Study

Methodology

A variety of resources were utilized to obtain information for the Housing Study. Community Partners Research, Inc., collected and analyzed data from October 2018 to January 2019. Data sources included:

- U.S. Census Bureau
- American Community Survey
- Esri, Inc., a private data reporting service
- Records and data from the City
- Records and data maintained by Union and Lincoln Counties
- South Dakota State Data Center
- Interviews with City officials, community leaders, housing stakeholders, etc.
- Area housing agencies
- State and Federal housing agencies
- Rental property owner surveys
- Housing condition survey

Limitations

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

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Section Table of Contents

	<u>Page</u>
Demographic Data Overview	5
Population Data and Trends	6
Population by Age Trends: 2010 to 2018	8
Population Projections	10
Household Data and Trends	11
Household by Age Trends: 2010 to 2018	12
Average Household Size	14
Household Projections	15
Beresford Household Projections by Age	16
Union County Household Projections by Age	18
Households by Type	19
Tenure by Age	20
2017 Income Data	21
Household Income Distribution	22
Income Distribution by Tenure	23
2017 Estimated Income and Housing Costs - Renters	25
2017 Estimated Income and Housing Costs - Owners	26

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 Beresford, Union and Lincoln Counties. For some demographic variables, the 2010 Census still represents the most reliable source of information.

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 American Community Survey data when it is viewed as reliable.

The frequency of American Community Survey estimates vary depending on the size of the jurisdiction. For most jurisdictions in South Dakota, the 2017 estimates were derived from sampling that was done over a five-year period, between 2012 and 2017.

Additionally, Community Partners Research, Inc., has obtained data from Esri, a private company based in California that generate demographic and projection data. The South Dakota Governor's Office of Economic Development contracts with Esri to provide demographic profiles for the local jurisdictions in the State. Esri estimates and projections are included in this demographic data section.

The majority of the City of Beresford is located in Union County, thus, much of the demographic data that follows includes Union County. However, a small portion of the City of Beresford is located in Lincoln County, therefore, Lincoln County is also included in some of the following demographic data.

Population Data and Trends

Table 1 Population Trends - 1980 to 2018							
	1980 Census	1990 Census	2000 Census	% Change 1990-2000	2010 Census	% Change 2000-2010	2018 Estimates
Beresford	1,865	1,849	2,006	8.5%	2,005	-0.05%	2,127
Union Co.	10,938	10,189	12,584	23.5%	14,399	14.4%	16,208
Lincoln Co.	13,942	15,427	24,131	56.4%	44,828	85.8%	57,376

Source: U.S. Census, Esri

- ▶ The Esri population estimates are for 2018. The Esri 2018 estimate for Beresford is 2,127, a gain of 122 people from 2010 to 2018. The 2018 Esri estimate for Union County is 16,208, a gain of 1,809 from 2010 to 2018. The Esri 2018 estimate for Lincoln County is 57,376, a gain of 12,548 people from 2010 to 2018.
- ▶ Another recent population estimate is available from the Census Bureau, for the year 2017. Although the effective date is one year earlier, this source shows a significantly different population pattern for Beresford. The 2017 population estimate for the City is 1,953, which shows Beresford losing 52 people between 2010 and 2017. While this estimate may be accurate, it is not consistent with the level of new housing unit construction that has occurred in the City since 2010.
- ▶ The Census Bureau’s 2017 estimate for Union County is 15,029 and shows the County adding 630 people from 2010 to 2017, once again much lower than the 2018 estimate from Esri. Lincoln County’s 2017 estimate is 56,664, an increase of 11,836 people from 2010 to 2017. When allowing for the one-year time difference, the two sources are generally similar on the recent growth in Lincoln County.
- ▶ The Census Bureau’s county-level estimates also include information on the components of change. The estimated net growth in the two counties has been attributed to a combination of “natural increase” as births exceeded deaths, and in-migration.
- ▶ According to the 2010 U.S. Census, the City of Beresford had a slight population loss of one person from 2000 to 2010. Beresford’s population was 2,005 in 2010. The one-person decrease from 2000, was a population loss of 0.05%.

- ▶ Union County's population was 14,399 in 2010. This was a 1,815-person increase from 2000, for a population gain of 14.4%.
- ▶ Lincoln County's population was 44,828 in 2010. This was a substantial increase of 20,697 people from 2000, for a population gain of 85.8%.
- ▶ Beresford, Union County and Lincoln County experienced population increases in the 1990s. Beresford's population increased by 157 people, Union County's population increased by 2,395 people and Lincoln County increased by 8,704 people from 1990 to 2000.
- ▶ Beresford's population is primarily White and non-Hispanic/Latino. Based on the time of the 2017 American Community Survey, approximately 99.7% of the City's residents were White, 0.1% were American Indian and 0.2% were Asian. Also, approximately 1.7% of the City's population was identified as Hispanic/Latino.

Population by Age Trends: 2010 to 2018

The following table compares population by age from the 2010 Census and Esri’s 2018 population by age estimates, along with the numeric changes.

Table 2 Population by Age - 2010 to 2018						
Age	Beresford			Union County		
	2010	2018	Change	2010	2018	Change
0-14	429	405	-24	3,117	3,228	111
15-19	122	126	4	940	1,019	79
20-24	86	97	11	553	792	239
25-34	271	230	-41	1,649	1,746	97
35-44	255	264	9	1,902	2,022	120
45-54	231	289	58	2,214	2,177	-37
55-64	229	287	58	2,002	2,394	392
65-74	154	230	76	1,030	1,751	721
75-84	154	119	-35	717	742	25
85+	74	80	6	275	337	62
Total	2,005	2,127	122	14,399	16,208	1,809

Source: U.S. Census, Esri

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 Beresford and Union County. Between 2010 and 2018, Beresford had a gain of 134 people and Union County had a gain of 1,113 people in the age ranges between 55 and 74 years old. In 2018, nearly all of the baby boomers were within these age ranges. The aging of the baby boomers, as reflected in the numeric gain in the 55 to 74 year old age groups, resulted in the largest change within any of the defined age cohorts.

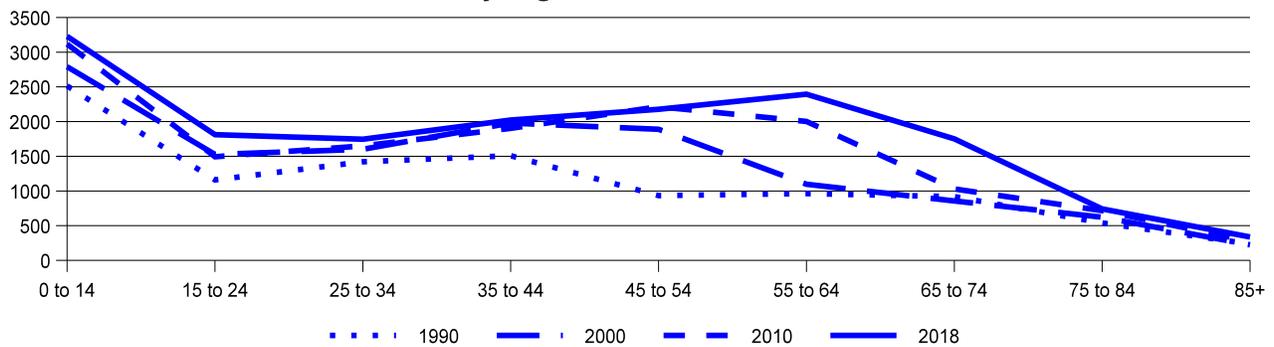
Union County also had growth in all the other age ranges with the exception of the 45 to 54 age range, which had a loss of 37 people.

Beresford also had population growth in the 15 to 24 age ranges, which increased by 15 people. The City also had a gain of 67 people in the 35 to 54 age ranges and a gain of six people in the 85 and older age ranges.

Beresford experienced a population loss of 24 people in the 0 to 14 age range, a loss of 41 people in the 25 to 34 age range and a loss of 35 people in the 75 to 84 age range.

The aging trends present in Union County can be traced back over the previous decades to see the movement of the baby boom generation.

Union County Age Distribution: 1990 to 2018



Population Projections

The following table presents population projections using two different sources. Estimates and projections have been obtained from Esri and span the five-year period from 2018 to 2023. Also, the South Dakota State Data Center has issued population projections for the year 2025 for Union and Lincoln Counties.

Table 3 Population Projections Through 2023/2025				
	2010 Population Census	2018 Estimate Esri	2023 Projection Esri	2025 Projection State Data Center
Beresford	2,005	2,127	2,209	N/A
Union County	14,399	16,208	17,278	17,770
Lincoln County	44,828	57,376	66,549	70,483

Source: U.S. Census; Esri; State Data Center

- ▶ Esri’s growth projections expect a population gain of 82 people in Beresford from 2018 to 2023. This is a gain 16 to 17 people in an average year.
- ▶ Esri’s population projection for Union County forecasts a gain of 1,070 people from 2018 to 2023. This is an average yearly gain of 214 people.
- ▶ Esri’s population projection from 2018 to 2023 for Lincoln County is a gain of 9,173. This is an average annual gain of approximately 1,835 people.
- ▶ The State Data Center had issued population projections following the release of the 2010 Census. This source had projected that Union County’s population would be 17,770 people in the year 2025. If reduced to an annual average, the State Data Center projection had expected an annual gain of approximately 225 people per year from 2010 to 2025. Esri’s 2023 population projection estimates an annual gain of 214 people from 2018 to 2023.
- ▶ The State Data Center had projected that Lincoln County’s population would be 70,483 people in the year 2025. If reduced to an annual average, the State Data Center projection had expected an approximate annual gain of more than 1,700 people per year from 2010 to 2025. Esri’s 2023 population projection estimates an annual gain of 1,835 people from 2018 to 2023.

Household Data and Trends

Table 4 Household Trends - 1990 to 2018						
	1990 Households	2000 Households	% Change 1990-2000	2010 Households	% Change 2000-2010	2018 Esri
Beresford	797	852	6.9%	861	1.1%	907
Union County	3,859	4,927	27.7%	5,756	16.8%	6,405
Lincoln County	5,461	8,782	60.8%	16,649	89.6%	21,275

Source: U.S. Census; Esri

- ▶ Esri estimates that Beresford, Union County and Lincoln County all gained households from 2010 to 2018. Esri estimates that Beresford gained 46 households, Union County gained 649 households and Lincoln County gained 4,626 households.
- ▶ The Census Bureau does not issue annual household estimates, but based on their population data, there would also have been a lower level of household growth in Beresford and Union County between 2010 and 2017, when compared to the estimates from Esri.
- ▶ According to the 2010 U.S. Census, Beresford, Union County and Lincoln County gained households from 2000 to 2010. Beresford gained nine households, Union County gained 829 households and Lincoln County gained 7,867 households.
- ▶ Beresford gained 55 households, Union County gained 1,068 households and Lincoln County gained 3,321 households during the 1990s.

Household by Age Trends: 2010 to 2018

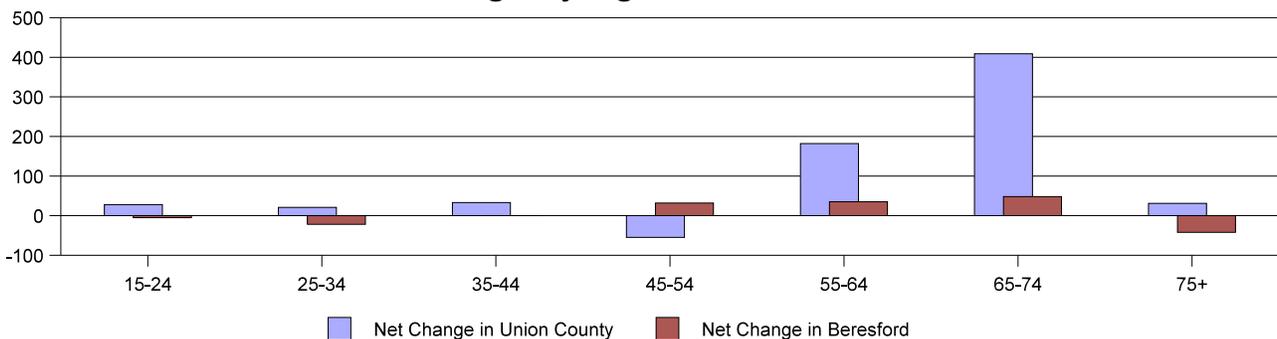
Esri has produced 2018 household estimates by age of householder for Beresford and Union County. The following table compares households by age of householder in 2010 and 2018, along with the numeric changes and changing age patterns.

Table 5 Households by Age - 2010 to 2018						
Age	Beresford			Union County		
	2010	2018	Change	2010	2018	Change
15-24	30	25	-5	170	198	28
25-34	144	122	-22	813	834	21
35-44	136	136	0	1,030	1,063	33
45-54	139	171	32	1,261	1,206	-55
55-64	141	176	35	1,162	1,344	182
65-74	98	146	48	640	1,049	409
75+	173	131	-42	680	711	31
Total	861	907	46	5,756	6,405	649

Source: U.S. Census; Esri

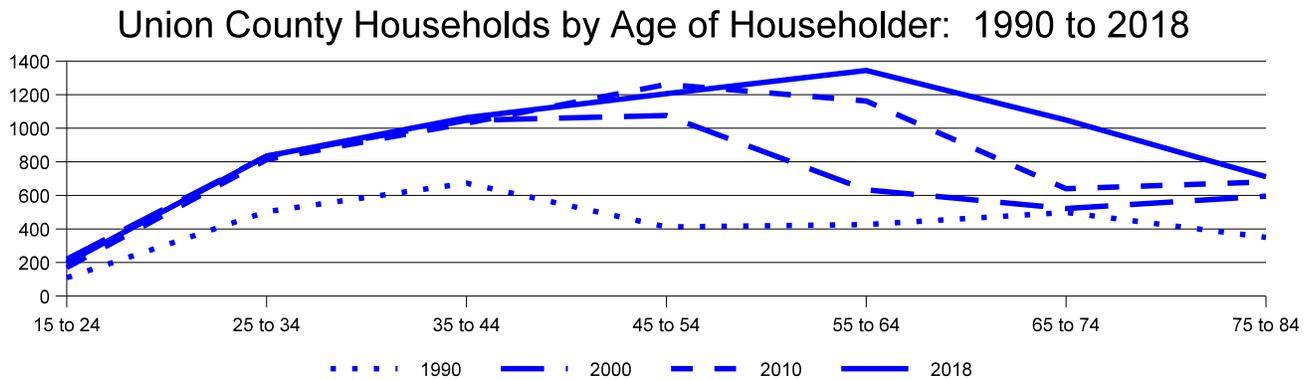
From 2010 to 2018, Beresford had a gain of 115 households in the 45 to 74 age ranges. Beresford had a loss of 27 households in the 15 to 34 age ranges and a loss of 42 households in the 75 and older age range. There was no change from 2010 to 2018 in the 35 to 44 age range.

Household Change by Age Between 2010 and 2018



Union County had a gain of 82 households in the 44 and younger age ranges and a significant gain of 622 households in the 55 and older age ranges. The 45 to 54 age range had a loss of 55 households, which was the only age range in Union County that had a decrease in the number of households from 2010 to 2018.

As with the longer-term patterns for population, it is possible to track the progression of the baby boomer households over the past 28 years in Union County, using information for households by the age of householder.



Average Household Size

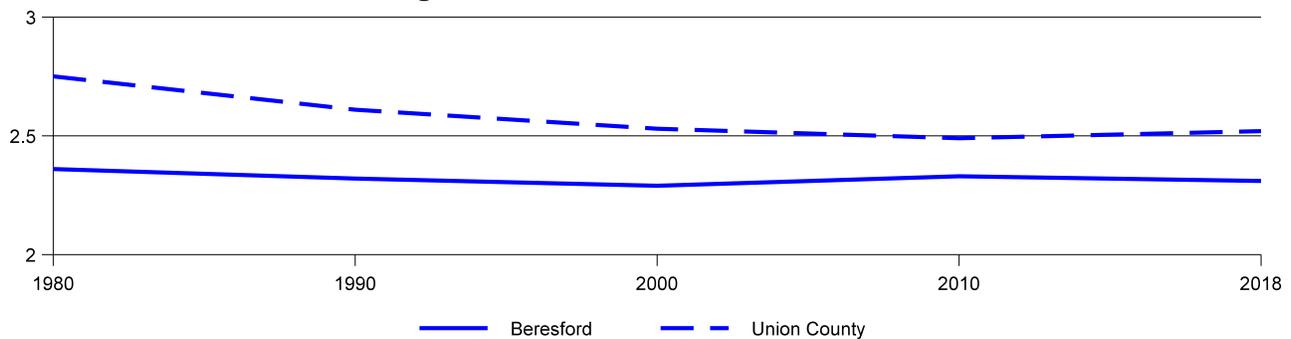
The following table provides decennial Census information on average household size. The 2018 estimates from Esri are also provided.

Table 6 Average Number of Persons Per Household: 1990 to 2018					
	1980 Census	1990 Census	2000 Census	2010 Census	2018 Esri
Beresford	2.36	2.32	2.29	2.33	2.31
Union County	2.75	2.61	2.53	2.49	2.52
Lincoln County	2.85	2.77	2.72	2.68	2.68

Source: U.S. Census; Esri

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.

Average Household Size: 1980 to 2018



When tracing patterns from 1980 to 2018, the average household size in Beresford and Union and Lincoln Counties has decreased. In Beresford, the average household size decreased from 2.36 persons per household in 1980 to 2.31 in 2018. Union County’s average household size decreased from 2.75 in 1980 to 2.49 in 2010. Lincoln County’s average household size decreased from 2.85 in 1980 to 2.68 in 2018.

However, in recent years, there have been some changes. Union County’s average household size has increased from 2.49 in 2010 to 2.52 in 2018. The average household size for Lincoln County has remained stable from 2010 to 2018.

Household Projections

The following table presents Esri’s 2018 household estimates and 2023 household projections for Beresford, Union County and Lincoln County.

Table 7 Household Projections Through 2023				
	2010 Census	2018 Estimate Esri	2023 Projection Esri	Projected Change 2018 to 2023
Beresford	861	907	943	36
Union County	5,756	6,405	6,798	393
Lincoln County	16,649	21,275	24,665	3,390

Source: U.S. Census; Esri

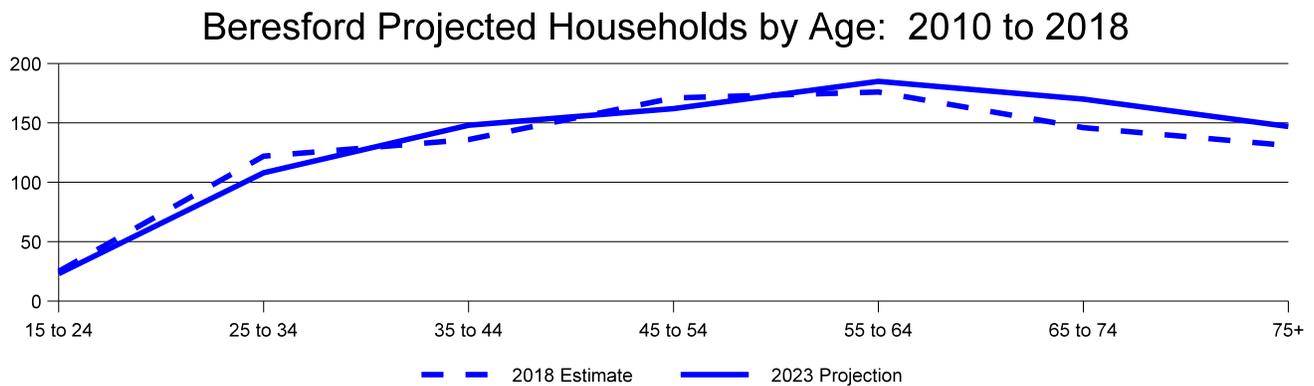
- ▶ The growth projections calculated by Esri estimate household gains for Beresford and Union and Lincoln Counties from 2018 to 2023.
- ▶ Esri estimates that Beresford had a gain of 46 households from 2010 to 2018 and projects that the City will add 36 households from 2018 to 2023.
- ▶ Esri estimates that Union County had a gain of 649 households from 2010 to 2018 and projects that the County will add 393 households from 2018 to 2023.
- ▶ Esri estimates that Lincoln County had a gain of 4,626 households from 2010 to 2018 and projects that the County will add 3,390 households from 2018 to 2023.

Beresford Household by Age Projections: 2018 to 2023

Esri has released household by age projections to the year 2023. The following table presents Esri’s 2023 household by age projections for Beresford, and the household changes from 2018 to 2023.

Table 8 Beresford Projected Households by Age - 2018 to 2023				
Age Range	2010 Census	Esri		
		2018 Estimate	2023 Projection	Change
15-24	30	25	23	-2
25-34	144	122	108	-14
35-44	136	136	148	12
45-54	139	171	162	-9
55-64	141	176	185	9
65-74	98	146	170	24
75+	173	131	147	16
Total	861	907	943	36

Source: U.S. Census; Esri



Consistent with the age distribution data presented earlier, the movement of the “baby boom” generation through the aging cycle should generate most of the City’s household growth. Esri’s projections expect a gain of 33 households in the 55 to 74 age ranges from 2018 to 2023.

Esri projects that Beresford will also gain 12 households in the 35 to 44 age range and 16 households in the 75 and older age range. Esri projects that Beresford will lose 16 households in the 15 to 34 age ranges and nine households in the 45 to 54 age range.

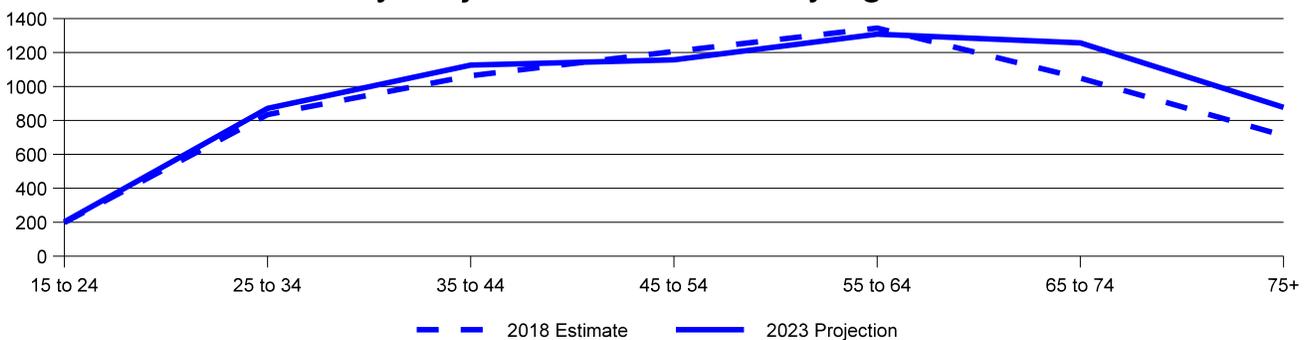
Union County Household by Age Projections: 2018 to 2023

Esri has released household by age projections to the year 2023. The following table presents Esri’s 2023 household by age projections for Union County and the household changes from 2018 to 2023.

Table 9 Union County Projected Households by Age - 2018 to 2023				
Age Range	2010 Census	Esri		
		2018 Estimate	2023 Projection	Change
15-24	170	198	202	4
25-34	813	834	871	37
35-44	1,030	1,063	1,126	63
45-54	1,261	1,206	1,157	-49
55-64	1,162	1,344	1,308	-36
65-74	640	1,049	1,257	208
75+	191	711	877	166
Total	5,756	6,405	6,798	393

Source: U.S. Census; Esri

Union County Projected Households by Age: 2018 to 2023



Based on Esri’s projections from 2018 to 2023, Union County will gain 104 households in the 15 to 44 age ranges from 2018 to 2023. Union County is also projected to have a significant gain of 374 households in the 65 and older age ranges. Union County is projected to lose 85 households in the 45 to 64 age ranges.

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 Beresford.

Table 10 Beresford Household Composition - 2000 to 2010			
	2000 Census	2010 ACS	Change
Family Households			
Married Couple with own children	191	183	-8
Single Parent with own children	61	59	-2
Married Couple without own children	256	289	33
Family Householder without spouse	28	30	2
Total Families	536	561	25
Non-Family Households			
Single Person	288	269	-19
Two or more persons	28	31	3
Total Non-Families	316	300	-16

Source: U.S. Census; American Community Survey

Between 2000 and 2010, Beresford experienced an overall net increase of 25 “family” households. There was a decrease of eight married couple families that had their own children in the household. The City also had a decrease of two single parent households with children. The City had a gain of 33 married couples without children and a gain of two family householder without spouse households.

The City of Beresford had a decrease of 16 “non-family” households. There was a decrease of 19 one-person households. There was an increase of three households that had unrelated individuals living together.

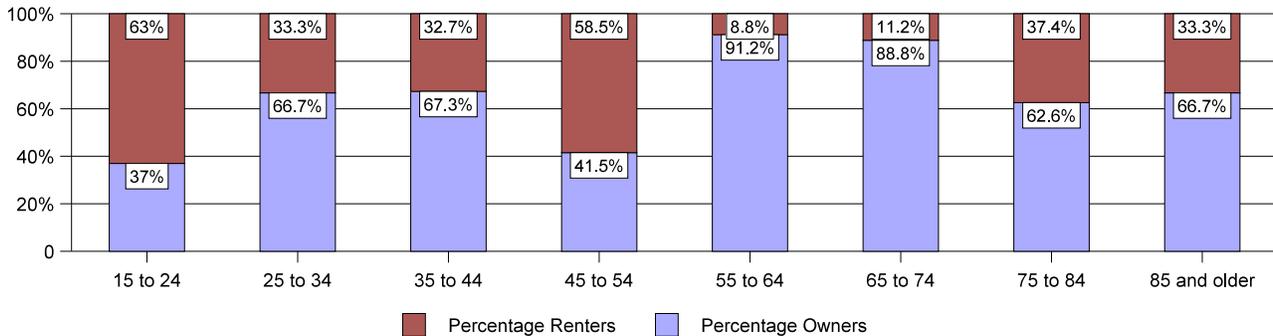
Tenure by Age of Householder

The 2017 American Community Survey has provided information on the tenure distribution of Beresford households within each defined age range. The following table examines the number and percentage of renters and owners in each age group in Beresford.

Table 11 Beresford Tenure by Age of Householder - 2017				
Age	Owners		Renters	
	Number	Percent within age	Number	Percent within age
15-24	10	37.0%	17	63.0%
25-34	94	66.7%	47	33.3%
35-44	115	67.3%	56	32.7%
45-54	83	41.5%	117	58.5%
55-64	114	91.2%	11	8.8%
65-74	119	88.8%	15	11.2%
75-84	57	62.6%	34	37.4%
85+	32	66.7%	16	33.3%
Total	624	66.6%	313	33.4%

Source: U.S. Census

Beresford Housing Tenure Patterns by Age in 2017



Households at the lowest end of the age spectrum showed greater preference for rented housing, while middle-aged and older adult households were primarily homeowners with the exception of the 45 to 54 age range which had a 41.5% homeowner rate. Approximately 63% of households age 24 and younger rented their unit. Home ownership rates for each of the 10-year age cohorts age 25 and older, with the exception of the 45 to 54 age range, had home ownership rates above 62%.

2017 Income Data

Median income estimates are available at the city and county level through the American Community Survey. The most recent estimates are for 2017 and can be compared to the 2010 data to track changes over time.

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

Table 12 Median Household Income - 2010 to 2017			
	2010 Median	2017 Median	% Change
Household Income			
Beresford	\$50,625	\$58,958	16.5%
Union County	\$59,889	\$65,434	9.3%
Lincoln County	\$67,365	\$81,849	21.5%
South Dakota	\$46,369	\$54,126	16.7%
Family Income			
Beresford	\$66,736	\$73,824	10.6%
Union County	\$71,308	\$87,842	23.2%
Lincoln County	\$75,231	\$91,872	22.1%
South Dakota	\$58,958	\$69,425	17.8%

Source: American Community Survey

Information contained in the American Community Survey shows that the median household and family incomes have increased substantially from 2010 to 2017 in Beresford, Union County and Lincoln County, and these median levels are above the State of South Dakota’s median incomes.

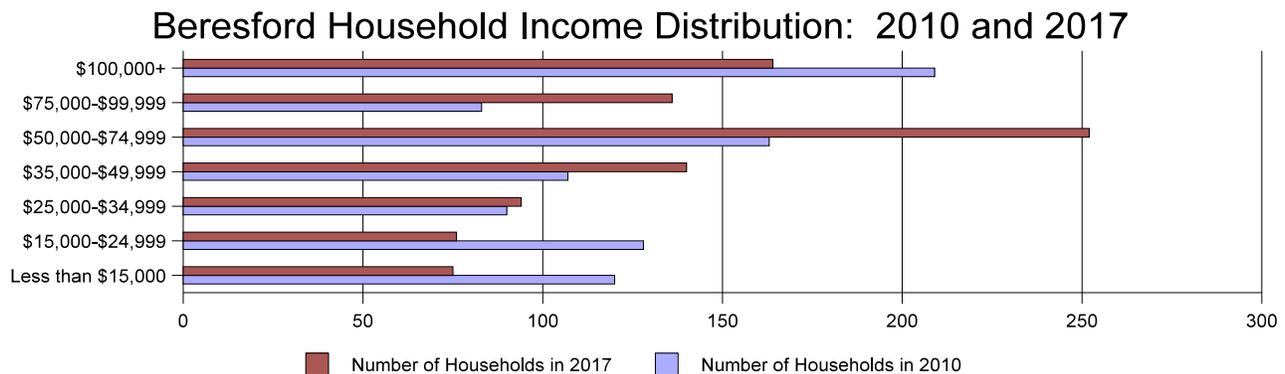
Using the commonly accepted standard that up to 30% of gross income can be applied to housing expenses without experiencing a cost burden, a median income household in Beresford could afford approximately \$1,474 per month and a median income family household could afford \$1,846 per month for ownership or rental housing in 2017.

Beresford Household Income Distribution

The 2017 American Community Survey household income estimates for Beresford can be compared to the same distribution information from 2010 to examine changes that have occurred over the eight-year period.

Household Income	Number of Households 2010	Number of Households in 2017	Change
\$0 - \$14,999	120	75	-45
\$15,000 - \$24,999	128	76	-52
\$25,000 - \$34,999	90	94	4
\$35,000 - \$49,999	107	140	33
\$50,000 - \$74,999	163	252	89
\$75,000 - \$99,999	83	136	53
\$100,000+	209	164	-45
Total	900	937	37

Source: American Community Survey



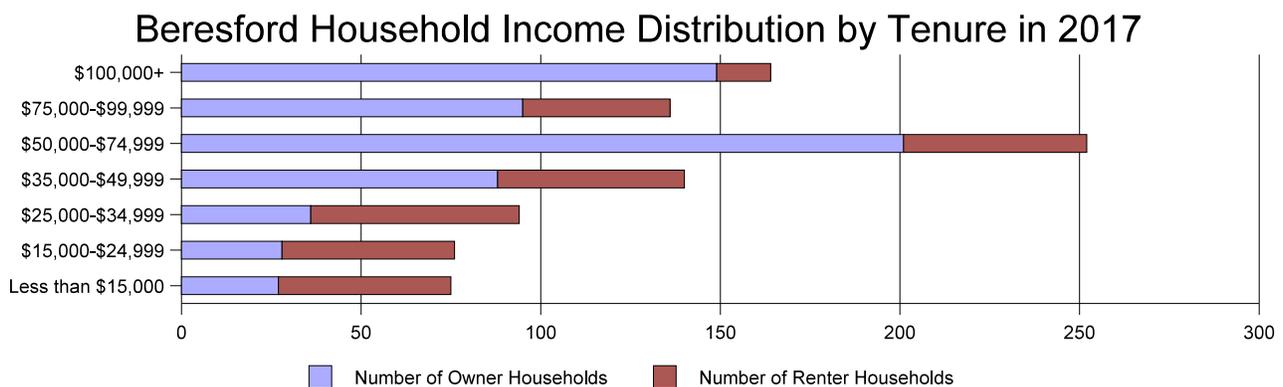
According to income estimates contained in the 2017 American Community Survey, household incomes have improved in Beresford in the highest income ranges. When compared to the 2010 Census, the number of households with an income of \$50,000, or more, increased by a net 97 households. Conversely, the number of households with annual incomes less than \$50,000 decreased by a net 60 households. Although there was a decrease in the number of households in the lower income ranges, there were still 151 households with an annual income below \$25,000 in 2017, which represented 16.1% of all households in Beresford.

Beresford Income Distribution by Housing Tenure

The 2017 American Community Survey provides income data by owner and renter status. The following table examines income distribution in Beresford. The American Community Survey is an estimate, based on limited sampling data, thus, the data does have a margin of error.

Household Income	Number of Owner Households	Number of Renter Households	Total Households
\$0 - \$14,999	27/36.0%	48/64.0%	75
\$15,000 - \$24,999	28/36.8%	48/63.2%	76
\$25,000 - \$34,999	36/38.3%	58/61.7%	94
\$35,000 - \$49,999	88/62.9%	52/37.1%	140
\$50,000 - \$74,999	201/79.8%	51/20.2%	252
\$75,000 - \$99,999	95/69.9%	41/30.1%	136
\$100,000+	149/90.9%	15/9.1%	164
Total	624/66.6%	313/33.4%	937

Source: American Community Survey



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

In 2017, approximately 49% of all renter households in Beresford 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. The median income for all renter households was approximately \$35,781 in 2017. At 30% of income, a renter at the median level could afford approximately \$895 per month or less for housing costs.

Most owner households had a higher income level than rental households. Approximately 71% of all owner households had an annual income of \$50,000 or more. The estimated median household income for owners in 2017 was approximately \$65,938. At 30% of income, an owner at the median income level could afford approximately \$1,648 per month for housing costs.

2017 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 Beresford.

Table 15 Gross Rent as a Percentage of Household Income - Beresford		
Percentage of Household Income for Housing Costs	Number of Renter Households 2017	Percent of All Renter Households 2017
0% to 19.9%	184	58.8%
20% to 29.9%	69	22.0%
30% to 34.9%	0	0%
35% or more	30	9.6%
Not Computed	30	9.6%
Total	313	100%

Source: 2017 American Community Survey

According to the American Community Survey, approximately 10% of all renters in the City were paying 30% or more of their income for rent. All 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”.

Some of the renter households with a housing cost burden had an annual household income below \$20,000. To avoid a cost burden, these lower income households would have needed a unit with a gross monthly rent of \$500 or less.

2017 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 Beresford that are paying different percentages of their gross household income for housing costs.

Table 16 Ownership Costs as a Percentage of Income - Beresford		
Percentage of Household Income for Housing Costs	Number of Owner Households 2017	Percent of All Owner Households 2017
0% to 19.9%	435	69.7%
20% to 29.9%	137	22.0%
30% to 34.9%	21	3.4%
35% or more	31	4.9%
Not Computed	0	0%
Total	624	100%

Source: 2017 ACS

Based on the 2017 American Community Survey, most owner-occupants, which would include households with and without a mortgage, reported paying less than 20% of their income for housing. However, approximately 8% of all home owners reported that they paid more than 30% of their income for housing. A majority of these households were paying more than 35% of income for housing costs.

Existing Home Sales

This section examines houses that have been sold from 2011 to 2018 in Beresford. The information was obtained from the South Dakota Department of Revenue and reflects information assembled by both the Union County and Lincoln County Equalization Offices.

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

The County also attempts to sort the residential sales into different groupings, primarily based on whether or not the house was actively listed for sale in the open market. As a result, some transactions in the County's sample may have been sales that could be considered distressed, such as houses that were previously bank-owned, but were sold by the bank back into private ownership. While it can be argued that sales of bank-owned properties acquired through foreclosure are not fair market transactions, they may be included in the County data if the bank openly placed them for sale in the public market.

The County and State reject sales that show significant variation from the assessed value. Known as the "150% rule" these sales may be open market transactions but are not useful in the County's sales ratio analysis. Both Counties did include sales data on rejected 150% rule sales in Beresford.

The County's sales ratio year differs slightly from the calendar year. It begins on November 1st and ends the following October 31st. The eight-year sample that has been analyzed therefore represents the period starting November 1, 2010 through October 31, 2018.

Table 17 Beresford Residential Sales Activity - 2011 to 2018

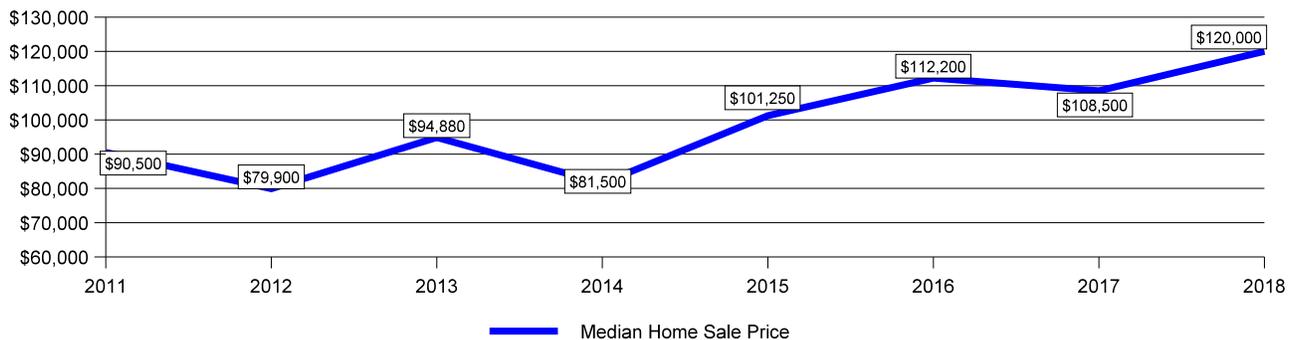
Sales Year	Number of Sales	Median Sale Price	Highest Sale	Lowest Sale
2018	48	\$120,000*	\$369,000	\$28,000
2017	37	\$108,500	\$250,000	\$36,000
2016	36	\$112,200*	\$296,900	\$22,500
2015	44	\$101,250*	\$227,000	\$15,000
2014	26	\$81,500*	\$210,000	\$4,500
2013	34	\$94,880*	\$225,000	\$8,600
2012	27	\$79,900	\$308,500	10,000
2011	26	\$90,500*	\$270,000	\$14,000

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

* Median calculated from two nearest sales

Over the past eight years there has been some variation in the number of home sales that are viewed as “open market” transactions. According to the records on the State website, this ranged from a high of 48 good sales in 2018, to a low of 26 good sales in 2014 and 2011. Due to the limited sales that may occur in some years, the median may not always be a good indicator of overall home values in the community.

Since 2015, the median home sale price has been above \$100,000. For 2018, the median reached a recent high at \$120,000 for the midpoint sales price.

Median Home Sale Price: 2011 to 2018

An alternate home value estimate exists in the American Community Survey. In 2017, this estimate placed the median value for owner-occupied houses in Beresford at \$118,300. This value was very similar to the median sale price of \$120,000, based on actual sales in 2018.

Home Sales by Price Range

The following table looks at single family houses that sold within defined price ranges in the 2018 sales year. There were 48 good "open market" sales over this period.

Table 18 Beresford Home Sales by Price Range: 2018		
Sale Price	Number of Sales	Percent of Sales
Less than \$50,000	5	10.4%
\$50,000 - \$74,999	5	10.4%
\$75,000 - \$99,999	7	14.6%
\$100,000 - \$124,999	9	18.8%
\$125,000 - \$149,999	12	25.0%
\$150,000 - \$199,999	3	6.2%
\$200,000+	7	14.6%
Total	48	100%

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

Recent home sales in Beresford have been distributed in different price ranges, but more than 58% of the sales were priced between \$75,000 and \$149,999. Nearly 21% of the sales were for \$150,000 or more, and nearly 21% were for less than \$75,000.



Beresford Housing Condition

Community Partners Research, Inc. representatives conducted a visual 'windshield' survey of 233 single family/duplex houses in two of Beresford's oldest neighborhoods.

The boundaries of the two neighborhoods are as follows:

- ▶ Neighborhood #1: North - City limits
South - Hwy 46
East - City limits, E & W Cedar St.
West - N. 8th St.

- ▶ Neighborhood #2: North - E & W Mable St.
South - Hwy 46
East - E. 1st St.
West - S. 4th St.

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

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

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

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

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

Table 19 Windshield Survey Condition Estimate - 2018

	Sound	Minor Repair	Major Repair	Dilapidated	Total
Neighborhood #1	48/42.9%	55/49.1%	5/4.4%	4/3.6%	112
Neighborhood #2	35/28.9%	56/46.3%	23/19.0%	7/5.8%	121
Total	83/35.6%	111/47.6%	28/12.0%	11/4.8%	233

Source: Community Partners Research, Inc.

- ▶ The existing housing stock in Beresford's older neighborhoods is in good condition. Approximately 48% of the houses in the City's two oldest neighborhoods need minor repair and 12% need major repair. Approximately 36% are sound, with no required improvements. Eleven houses are dilapidated and possibly beyond repair.

Building Permit Trends

Beresford has had a significant amount of new housing construction activity in recent years. The following table identifies the units that have been constructed and the units that have been demolished from 2000 to 2018.

Table 20 Beresford Housing Unit Construction Activity: 2000 to 2018				
Year	Single Family	Multifamily	Total Units Constructed	Houses Demolished
2018	11	0	11	0
2017	5	0	5	1
2016	5	0	5	1
2015	8	0	8	3
2014	5	0	5	6
2013	5	0	5	4
2012	6	4	10	5
2011	5	0	5	2
2010	3	0	3	2
2009	2	2	4	1
2008	8	0	8	1
2007	2	6	8	2
2006	6	8	14	3
2005	15	0	15	1
2004	13	10	23	1
2003	8	0	8	3
2002	3	0	3	1
2001	8	4	12	3
2000	1	0	1	0
TOTAL	119	34	153	40

Source: City of Beresford; Community Partners Research, Inc.

Over the past 19 years from 2000 to 2018, 153 new housing units have been constructed in Beresford, based on building permit issuance. Of the 153 new housing units, 119 are identified as single family homes or twin homes, and 34 units have also been constructed in multifamily projects. The single family/twin homes and multifamily units include rental and owner-occupied units. Over the past 19 years, 40 houses have been demolished in Beresford.

The construction of 153 housing units over the past 19 years from 2000 to 2018, is an average of approximately eight new housing starts per year. From 2010 to 2018, 57 housing units have been constructed, which is an annual average of six to seven new housing units.

Rental Housing Data

Census Bureau Rental Inventory

According to the 2010 U.S. Census, there were 240 occupied rental units and 49 unoccupied rental units in Beresford, for a total estimated rental inventory of 289 units. The City's rental tenure rate in 2010 was 27.9%, below the Statewide rental rate of 31.9%.

At the time of the 2000 Census, Beresford had 238 occupied rental units, and 22 vacant rental units, for a total estimated rental inventory of 260 units. The rental tenure rate in 2000 was also 27.9%.

Based on a Census comparison, the City gained two renter-occupancy households, and approximately 29 rental units from 2000 to 2010.

From 2010 to 2018, we are not aware of any rental units that have been constructed in Beresford. Therefore, we are estimating that there are approximately 290 rental units in Beresford in 2019.

Rental Housing Survey

As part of this housing study, a telephone survey was conducted of multifamily projects in Beresford. Emphasis was placed on contacting properties that have six or more units. To plan for additional projects in the future, multifamily properties represent the best comparison of market potential. However, we also obtained some information on smaller rental projects and single family homes.

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

There were 131 housing units of all types that were contacted in the survey. In addition to the 131 rental units, the nursing home, which has 67 skilled nursing and four assisted living beds, was surveyed.

The units that were successfully contacted include:

- ▶ 94 market rate units
- ▶ 21 federally subsidized units
- ▶ 16 senior independent living units
- ▶ 71 beds in the nursing home

The findings of the survey are provided below.

Market Rate Summary

Information was obtained on 90 rental units in eight multifamily projects. We also obtained information on four single family homes, for a total of 94 total market rate rental units.

Unit Mix

The bedroom mix of the 90 market rate units in the eight multifamily projects that we surveyed is:

- ▶ one-bedroom - 33 (36.7%)
- ▶ two-bedroom - 57 (63.3%)
- ▶ three-bedroom - 0 (0%)

Occupancy / Vacancy

At the time of the survey, there was one vacancy in the 94 market rate units that were surveyed. This is a vacancy rate of 1.1%. The only vacancy was in Sunview Apartments. The rental property owners that were surveyed reported a high demand for market rate rental units in Beresford. At the time of the 2013 Housing Study survey, the market rate rental units in Beresford had a 7.2% vacancy rate.

Rental Rates

The rental rates including utilities in the rental projects that were surveyed range from \$425 to \$675 for a one-bedroom unit and \$600 to \$975 for a two-bedroom unit. The rent including utilities in the single family homes, which includes homes with two to four bedrooms, range from \$800 to \$1,300.

Tax Credit Summary

There are no tax credit units in Beresford.

Subsidized Summary

The research completed for this Update identified one subsidized project with 21 units providing rental opportunities for lower income households. At the time of the 2013 Beresford Housing Study, the City had five subsidized rental projects with a total of 62 units. However, since the 2013 Housing Study, four subsidized rental projects with a total of 40 units converted to market rate. Evergreen Square reduced its unit count by one apartment since that time.

The one remaining subsidized rental project in Beresford is:

- ▶ **Evergreen Square Apartments** - Evergreen Square Apartments is a 21-unit HUD Section 8 subsidized project. The project includes two buildings. The 21 units include 18 one-bedroom and three two-bedroom units. The project was constructed in 1969, however, there have been renovations over the years.

Tenants pay 30% of their income for rent.

Unit Mix

The bedroom mix breakdown for the 21 subsidized housing units in Evergreen Square Apartments is as follows:

- ▶ 18 one-bedroom (85.7%)
- ▶ 3 two-bedroom (14.3%)

Occupancy / Vacancy

At the time of the survey, the Evergreen Square Apartments were fully occupied.

Subsidized Housing Gains/Losses

Federal subsidy sources for low income rental housing have been very limited for the past few decades. Many subsidized projects in South Dakota were constructed in the 1960s, 1970s and 1980s. Some of these older projects have completed their compliance requirements and have the opportunity to leave their subsidy program and convert to conventional rental housing.

West Acres Apartments with eight units, Sunview Apartments with eight units, Kary House Apartments with eight units and Northview Apartments with 16 units were all USDA Rural Development subsidized general occupancy projects at the time of the 2013 Housing Study. Since the Study, all four projects have converted to market rate.

Senior Housing with Services

Unit Inventory

Bethesda of Beresford includes a 16-unit independent residential living facility, four assisted living units and a 67-bed nursing home.

Bethesda Inn - Bethesda Inn is a 16-unit independent living facility that is registered with the State of South Dakota as a Residential Living Center. It includes six one-bedroom and 10 two-bedroom units. Tenants can rent a unit and live independently with no services or obtain services as needed through home health care and/or purchase additional services from the nursing home. Rent is \$1,060 for a one-bedroom unit and \$1,267 for a two-bedroom unit. There are fees for additional services. At the time of the survey, there were three vacancies. There were also three vacancies at the time of the 2013 Beresford Housing Study.

Bethesda of Beresford Assisted Living - Bethesda of Beresford Assisted Living is licensed with the State as an Assisted Living Center. It has four licensed beds in 2019. Assisted living residents receive the full array of senior services including meals, medication management, laundry, bathing, etc. Currently, all four beds are occupied. All four assisted living beds were occupied at the time of the survey.

Bethesda of Beresford Nursing Home - The Bethesda of Beresford Nursing Home is licensed as a 67-bed skilled nursing facility. The facility averages approximately a 50-resident occupancy. At the time of the 2013 Housing Study, the facility averaged a 65-resident occupancy. Fees are based on the level of services.

Table 21 Beresford Multifamily Rental Housing Inventory

Name	Number of Units /Bedroom Mix	Rent	Vacancy/ Wait List	Tenant Mix	Comments
Market Rate					
Oakwood Apartments	<u>12 - 1 bedroom</u> 12 total units	\$410 + utilities	No vacancies	General occupancy	Oakwood Apartments is an 12-unit general occupancy market rate project constructed in 1976. All of the units are one-bedroom. Rent is \$410 plus utilities. The manager reported no vacancies at the time of the survey.
S & S Rentals	<u>28 - 2 bedroom</u> 28 total units	\$725-\$795 + utilities	No vacancies, waiting list	General occupancy	S & S Rentals include 28 two-bedroom units. The units were originally constructed and owned by the Beresford HRC, but have been sold to S & S Rentals. The units were constructed from 2000 to 2012. All of the units have two bedrooms and attached garages. Rents range from \$725 to \$795 plus utilities. The manager reported no vacancies and a waiting list at the time of the survey.
West Acre Apartments	<u>8 - 2 bedroom</u> 8 total units	\$675 + utilities	No vacancies	General occupancy	West Acres was a USDA Rural Development project, but has converted to market rate. The project was constructed in the 1970s, but has been renovated and improvements have been made over the years. The rent is \$675 plus utilities. The manager reported no vacancies at the time of the survey.
Jenson Rentals	4 single <u>family homes</u> 4 total	\$650-\$800 + utilities	No vacancies	General occupancy	Jenson Rentals includes four single family homes. The homes range from two to four-bedroom and rent ranges from \$650 to \$800 plus utilities. At the time of the survey, all of the homes were occupied.
206 S. 4th	<u>4 - 1 bedroom</u> 4 total units	\$300 + utilities	No vacancies	General occupancy	Project is a 4-plex with four one-bedroom units. Rent is \$300 plus utilities. The owner reported no vacancies at the time of the survey.
507 N 6th	3 - 1 bedroom <u>3 - 2 bedroom</u> 6 total units	\$525 \$550 + utilities	No vacancies	General occupancy	Project includes three one-bedroom and three two-bedroom units. Rents are \$525 for a one-bedroom and \$550 for a two-bedroom. Tenants also pay utilities. The owner reported no vacancies at the time of the survey.

Table 21 Beresford Multifamily Rental Housing Inventory

Name	Number of Units / Bedroom Mix	Rent	Vacancy/ Wait List	Tenant Mix	Comments
Market Rate					
Sunview Apartments	<u>8 - 1 bedroom</u> 8 total units	\$450	1 vacancy	General Occupancy	Sunview Apartments was an eight-unit General Occupancy USDA Rural Development project, but has converted to market rate. The project has eight one-bedroom units. Rent is \$450 plus heat and electricity. At the time of the survey, the owner reported one vacancy.
Northview Apartments	<u>2 - 1 bedroom</u> <u>14 - 2 bedroom</u> 16 total units	\$425 \$525	No vacancies	General occupancy	Northview Apartments was a 16-unit Rural Development project, but has converted to market rate. There are two one-bedroom and 14 two-bedroom units. Rent is \$425 for a one-bedroom unit and \$525 for a two-bedroom unit. Tenants also pay heat and electricity. The owner reported no vacancies at the time of the survey.
Kary House Apartments	<u>4 - 1 bedroom</u> <u>4 - 2 bedroom</u> 8 total units	\$475 \$575	No vacancies	General occupancy	Kary House Apartments was a General Occupancy USDA Rural Development project that has converted to market rate. The project was constructed in 1973. The project has four one-bedroom and four two-bedroom units. The tenants pay utilities in addition to rent. At the time of the survey, the owner reported no vacancies.
Subsidized					
Evergreen Square	<u>18 - 1 bedroom</u> <u>3 - 2 bedroom</u> 21 total units	30% of income	No vacancies	General occupancy	Evergreen Square is a HUD Section 8 general occupancy project with 21 units in two. The project was constructed in 1969. The project has had renovations over the years. The project has income limits and tenants pay 30% of their income for rent. At the time of the survey, the owner reported no vacancies.

Table 21 Beresford Multifamily Rental Housing Inventory

Name	Number of Units / Bedroom Mix	Rent	Vacancy/ Wait List	Tenant Mix	Comments
Senior with Services					
Bethesda Inn Residential Living	6 - 1 bedroom <u>10 - 2 bedroom</u> 16 total units	\$1,060 \$1,267	3 vacancies	Residential Living Center	Bethesda Inn is a 16-unit independent living senior project. The project has six one-bedroom and 10 two-bedroom units. Rent includes utilities. Tenants can get home health care or purchase additional services from Bethesda. Tenants can purchase a garage stall for an additional \$40 per month. At the time of the survey, the Administrator reported three vacancies.
Bethesda of Beresford Nursing Home	<u>67 beds</u> 67 total units	Based on level of services	Average 50-bed occupancy	Skilled Nursing Home	The Bethesda Skilled Nursing Home is a 67-bed facility. The facility averages a 50-bed occupancy. The facility provides long-term care and care for people who need rehabilitation after injury or illness.
Bethesda of Beresford Assisted Living	<u>4 beds</u> 4 total	Based on services	No vacancies	Assisted Living Center	Bethesda Assisted Living includes four beds. Assisted living services include meals, medication management, laundry, housekeeping, etc. The Administrator reported that the beds are usually fully occupied.

Source: Community Partners Research, Inc.

Employment and Local Economic Trends

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

The City of Beresford is located on the border of Lincoln and Union Counties. Lincoln County is part of the Sioux Falls Metropolitan Statistical Area (MSA), while Union County is part of the Sioux City MSA. As a result, Beresford residents have job opportunities available locally, as well as multiple options for commuters, in both Sioux Falls and Sioux City.

The largest employers located in Beresford include:

- ▶ Bethesda Nursing Home
- ▶ Quality Park Products
- ▶ Beresford School District
- ▶ City of Beresford
- ▶ Fiesta Foods
- ▶ Sioux Steam Cleaners
- ▶ First Savings Bank
- ▶ Pedersen Machines
- ▶ Farmers Elevator

Major employers in Sioux Falls include:

- ▶ Sanford Health
- ▶ Avera Health
- ▶ Smithfield Foods
- ▶ Sioux Falls School District
- ▶ HyVee Food Stores
- ▶ Wells Fargo
- ▶ Citi
- ▶ WalMart/Sam's Club
- ▶ Evangelical Lutheran Good Samaritan Society
- ▶ City of Sioux Falls
- ▶ Department of Veterans Affairs Medical and Regional Office
- ▶ LifeScape
- ▶ First PREMIER Bank/PREMIER Bankcard

Source: SiouxFallsDevelopment.com

Work Force and Unemployment Rates

Since most of Beresford is located in Union County, the following tables examine labor statistics for Union County. Information has been reviewed back to the year 2010. Data in the tables that follow have been obtained from the South Dakota Department of Labor.

Table 22 Union County Annual Labor Statistics 2010 to 2018*						
Year	Labor Force	Employed	Unemployed	Unemployment Rate - County	Unemployment Rate - SD	Unemployment Rate - US
2010	7,743	7,295	448	5.8%	5.0%	9.6%
2011	7,644	7,246	398	5.2%	4.7%	8.9%
2012	7,803	7,432	371	4.8%	4.3%	8.1%
2013	7,860	7,533	327	4.2%	3.8%	7.4%
2014	7,994	7,697	297	3.7%	3.4%	6.2%
2015	8,014	7,742	272	3.4%	3.1%	5.3%
2016	8,033	7,781	252	3.1%	3.0%	4.9%
2017	7,926	7,634	292	3.7%	3.3%	4.4%
2018*	8,007	7,741	266	3.3%	3.1%	3.9%

Source: South Dakota Department of Labor; Community Partners Research, Inc.

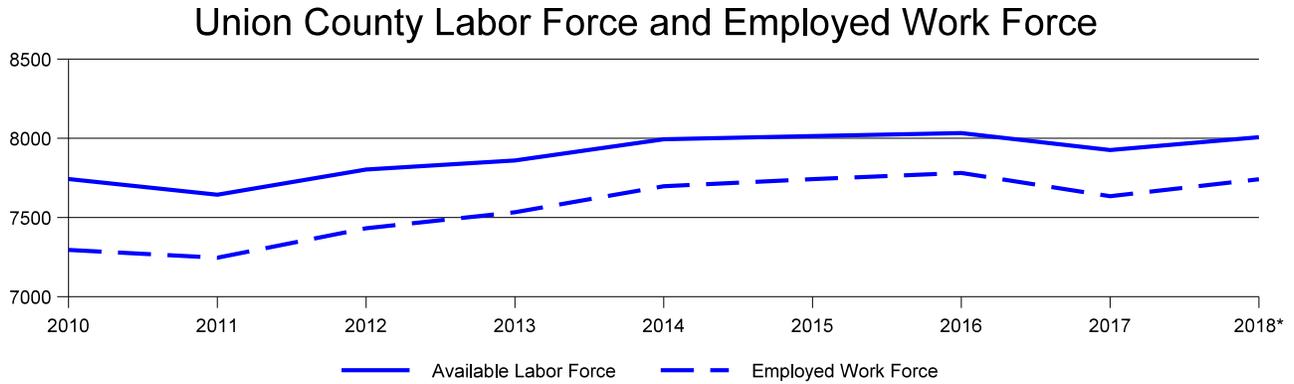
* 2018 is through November

Not seasonally adjusted

Union County represents only a small portion of the employment that exists in the Sioux City MSA, but the size of the available labor force has continued to grow. Over a longer time period, from 2010 to 2018 (partial-year), the County added 264 people to the labor force, or an increase of 3.4%. The size of the labor force actually reached a recent peak in 2016, before decreasing slightly in 2017. Partial-year information points to some growth in the labor force, but the annual average will still be lower than in 2016.

The employed resident work force has shown similar patterns, with longer-term growth. Between 2010 and 2018, the employed work force increased by 446 people, or 6.1%. Once again, the employed work force reached a recent peak in 2016, before decreasing in 2017.

The County's unemployment rate has remained low by national standards, but has been above the Statewide rate since 2010. Through the first 11 months of 2018, the unemployment rate in Union County was at 3.3%.



Employment and Wages by Industry

The following table shows the annual employment and average annual wages by major employment sector in 2017, the last full year of data. It is important to note that the major employment sectors listed do not represent all employment, as some classifications, such as self-employed workers, are not included. This information is for all of Union County, but only reflects private employers.

Table 23 Union Average Annual Wages by Industry Detail - 2017		
Industry	2017 Employment	Average Annual Wage
Total All Industry	8,817	\$56,316
Construction	368	\$49,452
Education and Health Services	1,204	\$60,476
Financial Activities	1,117	\$44,980
Information	76	\$47,320
Leisure and Hospitality	828	\$15,444
Manufacturing	1,795	\$46,644
Natural Resources, Mining	41	\$45,396
Other Services	143	\$30,524
Professional and Business Services	1,814	\$92,456
Trade, Transportation, Utilities	1,434	\$56,784

Source: South Dakota Department of Labor

The average annual wage for all industry in 2012 was \$56,316 in Union County. The County benefitted from a number of higher-paying wage sectors, including Professional and Business Services at more than \$92,000, Education and Health Services at nearly \$60,500, and Manufacturing at more than \$46,600. Each of these industry sectors also had more than 1,000 employees.

The lowest average wages were paid in the Leisure and Hospitality sector, at \$15,444, and the Other Services sector, at \$30,524. These were the only sectors with an average wage below \$40,000.

Commuting Patterns of Beresford Residents

Information is available on area workers that commute for employment through the 2017 American Community Survey. The following tables examine people that commuted, and exclude people that work at home. The first table looks at Beresford residents that are employed.

Table 24 Commuting Times for Beresford Residents - 2017	
Travel Time	Number/Percent
Less than 10 minutes	485 / 39.7%
10 to 19 minutes	124 / 10.1%
20 to 29 minutes	161 / 13.2%
30 minutes or more	452 / 37.0%
Total	1,222

Source: American Community Survey

Although a majority of Beresford residents appear to be working more locally, approximately 37% of residents commuted 30 minutes or more in 2017, and may have been working in the Sioux Falls or Sioux City urban areas. Nearly half of all residents had a travel time of 19 minutes or less, and are probably employed within the City limits, or within the immediate area.

Commuting information is also available for people that are employed within the City of Beresford.

Table 25 Commuting Times for Beresford-based Employees - 2017	
Travel Time	Number/Percent
Less than 10 minutes	404 / 51.5%
10 to 19 minutes	161 / 20.5%
20 to 29 minutes	117 / 14.9%
30 minutes or more	103 / 13.1%
Total	785

Source: American Community Survey

Most of the Beresford-based jobs are filled by people that live in the area. Overall, approximately 72% of the employees are traveling less than 20 minutes. This includes people that both live and work in Beresford.

Census On the Map

The Census Bureau also produces commuter reports through its Center for Economic Studies division. This information is based on reports for the year 2015, but provides a further breakdown of worker movement.

It is important for readers to recognize that these two data sources do show somewhat differing information for the City. For example, the previous page showed fewer people working in Beresford than is reported on this page. Despite the differences, they do provide some insight into commuting patterns.

According to the report for Beresford, there were 996 people that were employed within the City in 2015. This would be an average annual estimate. Approximately 18% of these City-based employees also lived in Beresford. The remaining 82% of employees lived outside the City and commuted in for their job. For people that were commuting into Beresford, the primary home locations included Sioux Falls, Alcester, Sioux City and Big Springs Township.

On the Map can also be used to track worker outflow patterns from the City. Overall, there were 845 Beresford residents that were employed. Most of these City residents worked outside the community, as approximately 79% were leaving the City for their job. For Beresford residents that left the City for their employment, the primary destinations were Sioux Falls, Alcester, Pleasant Township, Vermillion and Sioux City.



Findings on Growth Trends

As part of this Study, Community Partners Research, Inc., has examined growth patterns for Beresford, Union County and Lincoln 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.

Beresford's population increased by 8.5% from 1990 to 2000. The population increased from 1,849 in 1990 to 2,006 in 2000. From 2000 to 2010, Beresford's population decreased by one person.

Union County's population increased from 10,189 in 1990 to 12,584 in 2000, which was an increase of 23.5%. The population continued to grow in the 2000s from 12,584 in 2000 to 14,399 in 2010, which was a gain of 14.4%.

Lincoln County, which includes a small portion of Beresford, had a population increase of 8,704 people from 1990 to 2000, an increase of 56.4%. Lincoln County's population was 24,131 in 2000 and 44,828 in 2010, a gain of 85.8%.

Household levels have also increased from 1990 to 2010 in Beresford and in Union and Lincoln Counties. Beresford experienced a gain of 55 households from 1990 to 2000 and a gain of nine households from 2000 to 2010. Union County gained 1,068 households from 1990 to 2000 and 829 households from 2000 to 2010. Lincoln County added 3,321 households from 1990 to 2000 and 7,867 households from 2000 to 2010.

Esri estimates that Beresford gained 122 people and 46 households from 2010 to 2018. Esri estimates that Union County gained 1,809 people and 649 households from 2010 to 2018. Esri estimates that Lincoln County added 12,548 people and 4,626 households from 2010 to 2018. The 2017 U.S. Census population estimates were less optimistic and show Beresford actually losing 52 households from 2010 to 2017. Also, the 2017 Census Bureau estimates show the Counties adding fewer people than Esri's estimates. The Census Bureau shows that Union County added 630 people and Lincoln County added 11,836 people from 2010 to 2017.

Findings on Projected Growth

The Esri projections for Beresford and Union and Lincoln Counties show Beresford and Union and Lincoln Counties gaining population and households from 2018 to 2023. Esri projects that Beresford will gain 82 people and 36 households from 2018 to 2023. Esri projects that Union County will gain 1,070 people and 393 households from 2018 to 2023. Esri projects that Lincoln County will gain 9,173 and 3,390 households from 2018 to 2023.

Summary of Beresford’s Growth Projections by Age Group

The Demographic section of this Study presented Beresford projection information on anticipated changes by age group from 2018 to 2023. This information can be informative in determining the housing that may be needed due to age patterns of the City’s population.

Consistent with the age distribution data presented earlier, the movement of the “baby boom” generation through the aging cycle should generate much of the City’s household growth. Age projections would expect the City to add approximately 33 households in the 55 to 74 age ranges from 2018 to 2023.

The Esri age-based projections also expect a 12 household increase in the 35 to 44 age range and a 16-household increase in the 75 and older age range.

Beresford is projected to lose 16 households in the 15 to 34 age ranges and nine households in the 45 to 54 age range.

The projections assume that historical patterns will continue into the near-future, especially related to household formation and household size within specific age groups. If Beresford adds population at a rate that is faster or slower than past patterns would suggest, traditional age-based forecasts would be altered.

<u>Age Range</u>	<u>Projected Change in Households 2017 to 2023</u>
15 to 24	-2
25 to 34	-14
35 to 44	12
45 to 54	-9
55 to 64	9
65 to 74	24
75 and older	<u>16</u>
Total	36

Findings on Unit Demand by Type of Housing

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

Age 24 and Younger - The projections used for this Study expect a loss of two households in the 15 to 24 age range from 2018 to 2023. Past tenure patterns indicate that a significant majority of the households in this age range in Beresford will rent their housing. A slight change in the number of households in this age range should mean that rental demand from younger households will remain relatively stable during the projection period.

25 to 34 Years Old - The projections show a loss of 14 households in this age range by 2023. Within this age range households often move from rental to ownership housing. The ownership rate among these households in Beresford is approximately 67%. A loss of 14 households within this age range indicates demand for both first-time home buyer and rental opportunities from this age range will decrease during the projection period.

35 to 44 Years Old - The projections for this 10-year age cohort expect a gain of 12 households between 2018 and 2023 in Beresford. In the past, this age group has had a 67% ownership rate in Beresford. 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.

45 to 54 Years Old - By 2023, 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 Beresford, the projections show a loss of nine households in this age range. In 2017, this age group had a rate of home ownership of only 42% in Beresford. Home owners in this age range will often look for trade-up housing opportunities. A reduction in the number of households in this age group indicates that the demand for trade-up housing will decrease during the projection period.

55 to 64 Years Old - The projections show an increase of nine households in this 10-year age range by the year 2023 in the City. This age range has traditionally had a high rate of home ownership in Beresford, at approximately 91% in 2017. Age-appropriate housing, such as town house or twin home units, is often well suited to the life-cycle preferences of this age group, as no maintenance/low maintenance housing has become a popular option for empty-nesters.

65 to 74 Years Old - A significant gain of 24 households is expected by the year 2023 in the 65 to 74 age range. While this group will begin moving to life-cycle housing options as they age, the younger seniors are still predominantly home owners. In 2017, approximately 89% of the households in this age range owned their housing in Beresford. Once again, preferences for age-appropriate units would increase from household growth within this age cohort.

75 Years and Older - There is a projected gain of 16 households in Beresford in this age range between 2018 and 2023. In the past, the older households within this age range have had a relatively low rate of home ownership in Beresford. An expansion of housing options for seniors, including high quality rental housing, should appeal to this age group. In most cases, income levels for senior households have been improving, as people have done better retirement planning. As a result, households in this age range may have fewer cost limitations for housing choices than previous generations of seniors.

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

Findings on Housing Unit Demand and Tenure

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

Demand from Growth - The household projections used for this Study expect Beresford to gain 36 households, Union County to gain 393 households and Lincoln County to gain 3,390 households from 2018 to 2023.

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

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

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

Strengths for Housing Development

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

- ▶ **Beresford serves as a small regional center** - Beresford provides employment opportunities, retail/service options, health and professional services and recreational facilities for a geographical area that surrounds the City.
- ▶ **Affordable priced housing stock** - The City of Beresford has a stock of affordable, existing houses. Our analysis shows that the City's median home value, based on 2018 sales, is approximately \$120,000. This existing stock, when available for sale, provides an affordable option for home ownership.
- ▶ **Adequate land for development** - Beresford has adequate land available for both residential and commercial/industrial development. However, some of this land needs to be serviced with infrastructure improvements and/or annexed into the City limits.
- ▶ **Proactive City involvement** - Beresford has a track record of being very proactive and working with housing agencies and the private sector to develop housing opportunities, including rental housing and subdivision development.
- ▶ **Educational system** - Beresford has an excellent public K-12 school system.
- ▶ **Health facilities** - Beresford has excellent health facilities including a medical clinic, a nursing home and assisted living.
- ▶ **Infrastructure** - Beresford's water and sewer infrastructure can accommodate future expansion.
- ▶ **Commercial development** - Beresford's commercial districts are adequate to meet most daily needs. Also, new commercial buildings and businesses continue to be developed in Beresford.
- ▶ **Beresford Housing and Redevelopment Commission** - The Beresford Housing and Redevelopment Commission has been active in developing rental housing projects and has provided other housing programs in Beresford.

- ▶ **Beresford Economic Development Corporation** - The Beresford Economic Development Corporation has developed residential lots and has been active in promoting economic development opportunities.
- ▶ **Available lots** - Beresford currently has several lots with City utilities that are available for new home construction.
- ▶ **Job Creation** - There are several new industries in Beresford and industries that have expanded or plan to expand. There are also industrial prospects that may locate in Beresford. Many jobs are being created and there is a need for additional housing.
- ▶ **Beresford is located near four regional centers** - Beresford is located 37 miles from Sioux Falls, 46 miles from Yankton, 30 miles from Vermillion, and 53 miles from Sioux City. These regional centers provide employment opportunities, retail/service options, education services and cultural amenities. Many households prefer to live near, but not in a regional center.
- ▶ **Commuters** - As many as 800 employees are potentially commuting into Beresford daily for work. These commuters are a possible market for future housing construction.
- ▶ **Small City atmosphere** - Beresford has the real and perceived amenities of a small city. Small city living is attractive for some households.
- ▶ **Housing projects in the planning phase** - There are several rental housing, new subdivision, lot development and new owner-occupancy housing construction projects in the planning phase.
- ▶ **Strong population and household growth in the region** - Union, Lincoln and Minnehaha Counties are all projected to add a significant number of households over the next five years.

Barriers or Limitations to Housing Activities

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

- ▶ **Age and condition of the housing stock** - While the existing stock is very affordable, some of the housing is in need of improvements to meet expectations of potential buyers.
- ▶ **Low rent structure** - The City's rent structure is relatively low, which makes it difficult to construct new rental housing.
- ▶ **Value gap deters new owner-occupied construction** - Based on market values for 2018 residential sales, we estimate that the median priced home in Beresford is valued at approximately \$120,000. This is below the comparable cost for new housing construction, which will generally be above \$200,000 for a stick built home with commonly expected amenities. This creates a value gap between new construction and existing homes. This can be a disincentive for any type of speculative building and can also deter customized construction, unless the owner is willing to accept a potential loss on their investment.
- ▶ **Competition from regional centers** - The nearest regional centers are Sioux Falls, which is 37 miles from Beresford, Yankton, which is 46 miles from Beresford, Vermillion, which is 30 miles from Beresford, and Sioux City, which is 53 miles from Beresford. Many households desire or need to be near a regional center for employment, health care, entertainment, retail, etc.

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 Beresford. They are based on the following strategies.

- ▶ **Be realistic in expectations for housing development** - Large-scale residential growth has not occurred in the recent past and is not likely to occur in the near future. The scale of activities proposed for the future should be comparable with the area's potential for growth.
- ▶ **New housing development generally will not occur without proactive community involvement** - To attract new home or apartment construction in Beresford, subsidies or some other form of financial assistance may be needed from the City, local and regional housing and economic development agencies and the South Dakota Housing Development Authority.
- ▶ **Protect the existing housing stock** - The future of Beresford will be heavily dependent on the City's appeal as a residential location. The condition of the existing housing stock is a major factor in determining the City's long-term viability. The existing housing stock is in good condition and is a major asset, however, rehabilitation efforts are needed to preserve the housing stock.
- ▶ **Protect the existing assets and resources** - Beresford has many assets including a K-12 school, employment opportunities, a Downtown Commercial District, health facilities, etc. These are strong assets that make Beresford a desirable community to live in, and are key components to the City's long-term success and viability. These assets must be protected and improved.
- ▶ **Develop a realistic action plan with goals and time lines** - In the past the City has been involved in housing issues. The City should prioritize its housing issues and establish goals and time lines to achieve success in addressing its housing needs.
- ▶ **Access all available resources for housing** - In addition to the local efforts, the City has other resources to draw on including USDA Rural Development, the South Dakota Housing Development Authority, the South Eastern Council of Governments, the South Eastern Development Foundation, the Inter-Lakes Community Action Agency, the Rural Office of Community Services and Growth South Dakota. These resources should be accessed as needed to assist with housing activities.

Summary of Findings/Recommendations

The findings/recommendations for the City of Beresford have been formulated through the analysis of the information provided in the previous sections and include 21 recommendations. The findings/recommendations have been developed in the following five categories:

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

The findings/recommendations for each category are as follows:

Rental Housing Development

1. Develop 22 to 26 general occupancy market rate rental units
2. Develop 24 to 28 tax credit/moderate rent housing units
3. Develop six to eight affordable rental units
4. Monitor the need to develop additional subsidized rental units
5. Consider the development of 8 to 10 senior assisted living units/beds
6. Develop a downtown mixed-use commercial/housing project
7. Utilize the Housing Choice Voucher Program

Home Ownership

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

Single Family Housing Development

10. Lot Availability and Lot Development
11. Strategies to encourage residential lot sales and new home construction in Beresford
12. Coordinate with economic development agencies, housing agencies and nonprofit groups to construct affordable housing
13. Promote twin home/townhome development
14. Strategies to develop new affordable homes

Housing Rehabilitation

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

Other Housing Issues

17. Continue to acquire and demolish dilapidated structures
18. Continue to coordinate with housing agencies
19. Strategies for downtown redevelopment
20. Develop mobile home park improvement programs
21. Develop home ownership and new construction marketing programs and strategies

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 2010 to 2018, based on City data, no market rate or income-restricted rental units have been constructed in Beresford.

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

Esri’s household projections expect a gain of 36 households in Beresford and a gain of 393 households in Union County from 2018 to 2023. However, with attractive housing development, we believe that the City can capture an even larger share of the projected County growth. Therefore, we are recommending the development of 35 rental housing units to address potential household growth over the next five years in Beresford.

Demand created by replacement of lost units is more difficult to determine, but the best available evidence suggests that Beresford will lose approximately four to five rental units per year. As a result, approximately 20 to 25 rental 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. In other cases, this replacement is due to the deteriorating condition of older, substandard rental housing that is removed from the occupied stock as it is no longer habitable. Also, it is projected that some of the single family homes that converted to rentals will convert back to owner-occupied homes.

As part of this study, a rental survey of rental units in Beresford was conducted. In total, 115 Beresford market rate and subsidized rental units were contacted and surveyed. Also, 16 senior independent units were surveyed. The survey found only one vacancy in the general occupancy market rate units and no vacancies in the subsidized project. The senior project had three vacancies at the time of the survey.

Based on our research, the vacancy findings and local interviews, we have identified pent-up demand for new high quality rental units, affordable rental units and senior with services rental units.

These demand generators, after factoring current vacancy rates, show a demand potential for 60 to 72 rental units over the projection period. Based on the factors stated above, we recommend the development of the following new rental units over the next five years, from 2019 to 2024.

▶ General Occupancy Market Rate	22–26 units
▶ Affordable/Conversions	6-8 units
▶ Tax Credit/Moderate Rent	24-28 units
▶ Senior with Services (Assisted Living)	<u>8-10 units</u>
Total	60-72 units

1. Develop 22 to 26 general occupancy market rate rental units

Findings: The entire rental inventory in the City includes approximately 290 total units in 2018. Approximately 92% of the rental housing in Beresford can be classified as general occupancy market rate housing. These units are free of any specific occupancy restrictions such as financial status, age, or student enrollment. Market rate housing does not have any form of rent controls, other than those imposed by the competitive marketplace.

Of the 94 market rate rental units we surveyed in Beresford, we found only one vacant unit at the time of the survey, which is a 1.1% vacancy rate. The majority of the Beresford rental property owners and managers we surveyed typically have very low vacancy rates.

Potentially 800 employees are commuting into Beresford daily for work. Some of these employees would potentially move to Beresford if additional housing was available. Additionally, it is estimated that there are more than 180 vacant jobs in Beresford. Also, it is projected that more jobs will be created in Beresford due to industry expansion and new employers locating in Beresford.

The gross rents for market rate rental units in Beresford are approximately \$425 to \$675 for a one-bedroom unit, \$600 to \$975 for a two-bedroom unit and \$800 to \$975 for a three-bedroom unit.

From 2010 to 2018, we are not aware of any market rate rental units that were developed in Beresford. However, the City’s market rate rental stock has gained 40 units since the 2013 Housing Study due to four subsidized projects that converted from subsidized to market rate. These 40 units are in older projects that have moderate rents.

Many of the housing stakeholders that were interviewed for the study stated that there is a significant need for additional high quality rental housing. Several developers have expressed interest in developing market rate rental housing in Beresford.

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 vacated.

Based on this combination of demand generators, we believe that it is reasonable to plan for the production of 22 to 26 market rate general occupancy rental units over the next five years, from 2019 to 2024.

Based on our research, there is a need for rental units of all sizes, thus, the new units constructed over the next five years should include one, two and three-bedroom units.

Town home-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, such as attached parking, in-unit laundry, secured entrances, multiple bathrooms, etc.

New units could be constructed in smaller project phases. This strategy allows the new units to be successfully absorbed into the market.

There are two market rate rental segments in Beresford. 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, thus, there is a relatively 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, tax abatement, South Dakota Housing Development Authority programs and other resources may be needed. Currently, a 5-year tax abatement plan is offered to developers for the construction of rental housing.

The first option to develop market rate housing would be to encourage private developers to construct rental units. If private developers do not proceed, the Beresford Housing and Redevelopment Commission or a regional housing agency, could potentially utilize essential function bonds or similar funding sources to construct market rate rental housing.

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

<u>Unit Type</u>	<u>No. of Units</u>	<u>Size/Sq. Ft.</u>	<u>Rent</u>
One Bedroom	4-5	650 - 800	\$700 - \$850
Two Bedroom	14-16	850 - 950	\$875 - \$1,150
Three Bedroom	4-5	1,050 - 1,150	\$950 - \$1,350
Total	22-26		

Note: The recommended rents are gross rents including all utilities. The rents are quoted in 2019 dollars.

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

- ▶ 1 bedroom - \$598
- ▶ 2 bedroom - \$810
- ▶ 3 bedroom - \$1,150

2. Consider the development of 24 to 28 tax credit/moderate rent housing units

Findings: Currently, Beresford has no tax credit projects and only one subsidized rental project. We see unmet need for more affordable/moderate rent units. Federal low income housing tax credits are the most available development financing resource that is available for affordable rental housing development. Over the past two decades, a number of the more affordable projects in the Sioux Falls MSA and surrounding area have utilized tax credits.

Tax credit rental housing cannot serve all renter households. There are occupancy restrictions concerning household composition. There are also income limits that apply to all tax credit-assisted units. Households earning more than 60% of the HUD median income level, as adjusted by family size, cannot reside in a tax credit unit.

Since nearly all tax credit units have a more moderate gross rent, there is also a lower effective income limit, as households below 30% of the HUD median may not be able to afford the monthly rent. This lower limit can be eliminated if the household has a rent assistance Voucher or some form of project-based rent assistance.

Tax credit assistance has been widely used to construct new rental units in the Sioux Falls MSA. Tax credit units have also been constructed outside Sioux Falls, including projects in Brandon, Tea, Harrisburg and Hartford.

Most of the renter households currently residing in Beresford are in the moderate to lower income ranges. According to the renter income distribution contained in the American Community Survey, approximately 50% of all renter households in 2017 had an annual income below \$36,000. Although some of these households had a very low income, and could not afford a moderate rent unit without rent assistance, approximately 40% of all renters have an annual income between \$20,000 and \$40,000. These basic income ranges are typically targeted by tax credit projects.

The growth projections provided earlier expect the City to add 36 renter households and Union County to add 393 households over the next five years. The adjacent Sioux Falls MSA is also expected to have very significant household gains over the next five years. Many households would potentially be income-qualified for a tax credit unit. However, this growth-generated demand will gradually be added over the five-year period. Additional demand would be generated from existing residents that would look to move into a newly constructed affordable unit.

Recommendation: We recommend the development of 24 to 28 tax credit units in Beresford during the next five years based on the following:

- ▶ No rental units were constructed in Beresford from 2010 to 2018.
- ▶ The rental housing inventory conducted as part of this Study found only one vacancy in the 115 market rate and subsidized rental units that were surveyed.
- ▶ Beresford, Union County and Lincoln County are projected to add a significant number of new renter households from 2019 to 2024. Past history indicates that many of these will be in a moderate to lower income range.
- ▶ The median income for all renter households in Beresford in 2017 was \$35,781. Approximately 40% of all renter households are within the income range from approximately \$20,000 to \$40,000. These households will generally be income-qualified for a moderate rent tax credit unit. Some of these moderate income renters cannot afford a market rate unit, but also do not qualify to live in a subsidized unit.

- ▶ Approximately 350 of the renter households in Union County are paying more than 30% of their income for rent. A significant majority of these households are actually paying over 35% of their income for rent.
- ▶ Beresford is experiencing industrial and commercial growth and adding employees. It is estimated that there are 180 vacant jobs in Beresford and more jobs will be created due to industry expansions and new industrial and commercial development. Some of these employees have moderate incomes and a tax credit rental project would address their housing needs.
- ▶ The Sioux Falls MSA is experiencing substantial commercial and industrial growth. This growth is creating jobs and a demand for housing. Part of Beresford is located in the MSA and Beresford has the opportunity to address some of the demand for housing.
- ▶ The City of Beresford, the Beresford Housing and Redevelopment Commission and the Beresford Economic Development Corporation have identified the need for affordable rental housing in Beresford, and would be receptive to development proposals that would create work force housing.
- ▶ Since Beresford is located in two different counties, it would important for a developer to research the regulatory income limit and rent differences that apply to both Union and Lincoln Counties. This may impact the preferred location for project development.

3. Develop six to eight affordable rental units

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

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

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

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

These units could be developed by a housing agency or by a private developer. A partnership between a housing agency and private developers is another option. Through the interview process, some current rental property owners expressed interest in purchasing properties and renovating them into affordable rental units.

Creating rental units with contract rents below \$650 per month would help to expand the choices available to a majority of the City's renter households.

To obtain an affordable rent structure, financial commitments from other sources such as tax increment financing from the City of Beresford, property tax deferral and other financial resources from funding agencies such as the South Dakota Housing Development Authority may be necessary.

4. Monitor the need to develop additional subsidized rental units

Findings: At the time of the Beresford 2013 Housing Study, the City of Beresford had five subsidized rental projects with a total of 62 units. Since the 2013 Study, four subsidized projects with 40 units have converted from subsidized to market rate. The remaining project is:

- ▶ **Evergreen Square Apartments** - Evergreen Square Apartments is a 21-unit HUD Section 8 subsidized project. The project includes two buildings. The 21 units include 18 one-bedroom and three two-bedroom units. The project was constructed in 1969, however, there have been renovations over the years. At the time of the survey, Evergreen Square Apartments had no vacancies.

Recommendation: At the time of the 2013 Beresford Housing Study, the five subsidized projects were underutilized and had high vacancy rates. In the 2013 Study, we recommended the conversion of some units to market rate.

We are not recommending the development of additional subsidized units at this time. The 40 units that converted to market rate still have very affordable rents and the City still has 21 subsidized units. Also, we are recommending 24 to 28 tax credit units.

5. Consider the development of 8 to 10 senior assisted living units/beds

Findings: Bethesda of Beresford is a senior campus that provides a full array of senior housing including independent, light services, assisted living and nursing home beds.

The campus also has the flexibility to convert units or beds to the type of senior housing that is needed, or to provide services as needed.

Based on our interviews and research, there currently are an adequate number of independent senior units and skilled nursing beds in Beresford. However, if senior growth trends continue as projected, there will be a need for additional units later in the five-year period. Also, we have identified a need for additional assisted living units/beds. Currently, the Bethesda campus has four assisted living beds.

Recommendation: We recommend the development of eight to 10 assisted living units/beds over the next five years, which provide the full array of senior assisted living services, including meals, medication management, laundry, housekeeping, bathing, etc. The need for additional senior with services units/beds should be monitored as Beresford and Union County's senior population is projected to increase over the next five years.

6. Develop a Downtown Mixed-Use Commercial/Housing Project

Findings: One of the City of Beresford’s goals is to continue to redevelop the downtown area. A mixed-use rental housing/commercial project could complement the City’s ongoing efforts to redevelop the 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 Beresford. 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 Beresford area. There are several potential sites in the downtown area for a mixed-use project.

We recommend commercial space on the first floor and rental units on the second floor. 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 rental units should be primarily market rate units, but could be mixed income with some moderate income units. The units should be primarily one and two-bedroom units. Please note that these units are not in addition to the units recommended in the 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 tax increment financing, tax abatement or other local funds, and/or provide land at a reduced price.

7. Utilize the Housing Choice Voucher Program

Findings: The Housing Choice Voucher Program provides portable, tenant-based rent assistance to lower income renter households. The program requires participating households to contribute 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.

Based on the research for this Study, the Housing Choice Voucher Program is available to households in the Lincoln County portion of Beresford. Union County does not have a countywide program. However, a household moving to the Union County portion of Beresford could apply for a Voucher through the Canton Housing Agency and may have the opportunity to use the Voucher in Union County.

The Housing Choice Voucher Program is administered in Lincoln County by the Canton Housing Agency. There currently is a waiting list to obtain a Housing Choice Voucher. The Canton Housing Agency has the ability to issue approximately 68 Vouchers. At the time of the research for this Study, no Beresford renter households were utilizing a Housing Choice Voucher.

Recommendation: The Canton Housing Agency should work with Beresford and the Beresford Housing and Redevelopment Commission to assure that Beresford households are aware of the Housing Choice Voucher Program and have to the opportunity to apply for a Voucher.

Also, the Beresford Housing and Redevelopment Commission should work with HUD to attempt to bring a Voucher program to Union County.

Home Ownership

Findings: Expanding home ownership opportunities is one of the primary goals for most cities. High rates of home ownership promote stable communities and strengthen the local tax base. The median owner-occupied home value in Beresford is estimated to be approximately \$120,000 based on 2018 sales activity. The home values in Beresford provide a good opportunity for first time buyers and households seeking moderately priced homes.

Our analysis of Beresford demographic trends show household growth in the 35 to 44 and in the 55 and older age ranges. Some households in these age ranges as well as other age ranges that have not been able to achieve the goal of home ownership may need the assistance of special programs to help them purchase a home.

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

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

Findings: We believe that affordable home ownership is one of the issues facing Beresford 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 of Beresford has a supply of houses that are price-eligible for these assistance programs. The home value estimates used in this study indicate that a 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: Beresford should continue to work with area housing agencies, the South Dakota Housing Development Authority and local financial institutions to utilize all available home ownership assistance programs. Private and nonprofit agencies should also be encouraged to provide home ownership opportunities.

The City of Beresford and the Beresford Housing and Redevelopment Corporation should also work with housing agencies to assure that they are receiving their share of resources that are available in the region.

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

9. Develop a Purchase/Rehabilitation Program

Findings: Beresford 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 Beresford are valued less than \$120,000. 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 Beresford 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.

Additionally, private contractors have successfully purchased, rehabbed and sold existing homes in Beresford. Potentially the City or the Beresford Housing and Redevelopment Commission could assist private contractors, when necessary, with purchasing, rehabbing and selling existing homes.

Single Family Housing Development

Findings: Based on City information, Beresford has experienced significant owner-occupancy single family housing development from 2011 to 2018. Over the past eight years, approximately 54 single family units have been constructed in Beresford. This is an average of approximately six to seven owner-occupied units constructed annually in Beresford. Since the 2013 Housing Study, from 2014 to 2018 there was also an average of six to seven new owner-occupied homes constructed annually. In 2018, 11 new housing units were constructed.

Household growth projections for Beresford and Union County indicate demand for owner-occupied housing construction. Strong growth is anticipated over the next five years among Beresford and Union County households in the 55 and older age ranges. Households in these age ranges tend to be predominantly home owners, and form a market for higher priced, and trade-up housing or town homes/twin homes.

Growth projections also estimate that households in the 25 to 44 age ranges will increase from 2018 to 2023. Some households in these age ranges are first-time home buyers and may be in the market for new affordable homes.

It is our opinion that if the City, area housing agencies, the Beresford Economic Development Corporation, the Beresford Housing and Redevelopment Commission, private builders and developers are proactive, nine to 12 homes can be constructed or moved into the City annually from 2019 to 2023. Also, lots must be available for higher valued homes, affordable homes and twinhomes/townhomes.

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

▶ Higher and Medium priced homes	3-4
▶ Affordable Homes	3-4
▶ Twin homes/Townhomes	3-4
Total	9-12

10. Lot availability and lot development

Findings: As part of this Study, we attempted to identify the inventory of available residential lots for single family housing construction in Beresford. Buildable lots are defined as having sewer and water available to the lots. It appears that there are approximately 13 single family lots and four twin home lots for housing development in Beresford.

There are also a limited number of infill lots that are potentially available throughout the City. We do not know the status of these lots. Also, there are dilapidated houses in the City that may be demolished and the lots could potentially be suitable for new construction. The City has passed an ordinance that allows new homes to be constructed on smaller infill lots.

Since the 2013 Housing Study, the lots in the 1st phase of the Bridges Development have been sold and the 2nd phase of Bridges has been developed. Eleven of the 13 single family lots and the four twin home lots that are available are in the 2nd phase of the Bridges Development. Recently the Beresford Development Corporation has entered into an agreement to sell eight lots in the Bridges 2nd phase development to a private developer.

Recommendation: We use a standard that a 2.5-year supply of lots should be available in the marketplace, based on annual lot usage. Using our projections that nine to 12 houses will be constructed or moved in annually, an adequate supply of lots would be 23 to 30 lots. With approximately 17 lots available for development in Beresford, plus infill lots, there is a need for additional lots.

Several parcels have been identified as potential sites for lot development in Beresford, including the 'campground site,' City owned property adjacent to the 'campground' site and a parcel adjacent to the high school football field. We recommend the immediate development of 16 to 20 lots, on these sites or other sites identified as quality sites for housing development. Lot development should include:

- ▶ If possible, the site(s) for lot development should have land available for future lot development phases.
- ▶ The lots could be developed on several sites
- ▶ To keep development costs as low as possible, sites with easy access to existing infrastructure should be considered.

- ▶ The lots must be as aesthetically acceptable as possible and include high quality amenities.
- ▶ The lots should have covenants that assure quality development. However, the covenants should not be so restrictive that they eliminate the target market's ability to construct a home.
- ▶ The lots should accommodate a variety of home designs and home prices.
- ▶ All stakeholders should be involved in promoting and publicizing the lots.
- ▶ To be successful, the homes must be available to households with as wide an income range as possible.
- ▶ Some lots should be available for twin home/ town home development
- ▶ Successful lot development will need the cooperation of financial institutions, funding agencies, employers, home builders, developers, the City of Beresford, the Beresford Economic Development Corporation and the Beresford Housing and Redevelopment Commission. Financial assistance such as tax increment financing, deferment of assessments, tax abatement and land donations or write downs, may be necessary to make the development of lots feasible.
- ▶ It may be advantageous to develop the lots in phases.

We also recommend that the City of Beresford, the Beresford Economic Development Corporation and the Beresford Housing and Redevelopment Commission continue to identify infill lots that are available for purchase and are suitable for a new home.

Also, the City, the Beresford Economic Development Corporation and the Beresford Housing and Redevelopment Commission should continue to plan for future subdivision and lot development. If new construction projections come to fruition, there will be a need for 45 to 60 lots over the next five years. The current inventory of 17 lots, plus the 12 to 16 lots recommended, total 33 to 37 lots.

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

Findings: Over the past eight years from 2011 to 2018, six to seven single family owner-occupied units have been constructed annually. We are estimating that nine to 12 owner-occupied housing units will be constructed annually over the next five years from 2019 to 2024.

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

Our recommendations to promote lots sales and housing development include:

- ▶ ***Competitive pricing*** - To stay competitive, Beresford should continue to offer lots at a very competitive price.
- ▶ ***Sioux Falls MSA and Union County growth*** - The Sioux Falls MSA, which includes Lincoln and Minnehaha Counties, averages more than 1,000 new owner-occupied housing units annually. The City of Beresford should market its strengths to the MSA market. Capturing only 1% of the MSA new housing market would generate more than 10 additional new homes annually in Beresford. In addition, Union County is projected to gain 393 households over the next five years.
- ▶ ***User-Friendly*** - The lot purchase and home building process must be 'user friendly.' This includes the construction of spec homes, builders that are readily available to build custom homes and city regulations that are fair and reasonable. The entire process must be as 'user friendly' as possible to encourage home construction.
- ▶ ***Consider developing an exclusive builder(s) relationship*** - A block of lots could be sold to a builder(s). Momentum can be created when a builder has access to several lots. This allows for marketing opportunities and efficiencies in the home building process. Builders are more willing to enter a market when the lots are attractive and very affordable. Recently, the Beresford Economic Development Corporation has entered into an agreement with a developer to buy eight lots in the 2nd phase Bridges Development.

- ▶ ***Lot availability for twin home/town home development*** - It is our opinion that there will be a demand for twin homes/town homes over the next five years. Lots should be available for a twin home/town home development.
- ▶ ***Range of house prices*** - Lots should be available to as wide a range of home sizes and prices as possible, without compromising the subdivisions. This broadens the lot buyer market. Also, smaller infill lots with fewer amenities should be marketed for affordable homes.
- ▶ ***Marketing*** - The City of Beresford, the Beresford Economic Development Corporation, the Beresford Housing and Redevelopment Commission and all stakeholders including developers, realtors, financial institutions, builders, employers, etc., should develop a marketing strategy to sell available lots. In addition to marketing the lots, the City of Beresford and its amenities should be marketed.
- ▶ ***Incentives*** - The City of Beresford should consider providing an incentive package for households who build or purchase a new home in Beresford. The incentives can include reduced lot prices, reduced water/sewer charges, tax abatement, cash incentives, etc. The City has offered incentives in the past to households constructing a home in Beresford.
- ▶ ***Consider partnerships that share and split financial risk to construct spec homes*** - Spec houses could potentially attract a buyer that is not interested in going through the home building process, but instead wants a turnkey unit. A spec home can also serve as a model, allowing potential home buyers to examine specific floor plans and features in the home before committing to buy. In an attempt to spur spec home construction, some communities have formed partnerships with private home builders to share the financial risks. For example, subdivision owners have been willing to defer the payment for the lot until the spec home is sold. Another builder incentive is for the City to waive any water/sewer hook up fees, special assessment payments and building permit fees until the home is sold. A more aggressive approach is to become directly involved in helping cover the payments on a home builder's construction loan, if the house does not sell within a reasonable period of time. A community risk pool would need to be established for this type of activity. These types of approaches would somewhat reduce the builder's risk, by lowering the up-front development costs.

12. Continue to coordinate with economic development agencies, housing agencies, nonprofit groups and home builders to construct affordable housing

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

The Beresford Housing and Redevelopment Commission has moved a Governors Home into Beresford, and sold it to a moderate income household and may consider purchasing and selling a second Governors home.

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

Recently, a private builder has purchased two infill lots and is planning to construct affordable houses on these lots.

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

The Beresford Housing and Redevelopment Commission should continue to move in Governors homes and the development of a Mutual Self Help Program should be considered. The South Eastern Development Foundation provides loans to purchase and set up Governors Homes. The development of one to two affordable homes annually over the next five years would be a realistic goal.

13. Promote twin home/townhome development

Findings: Attached housing provides desirable alternatives for empty nesters and seniors to move out of their single family homes, thus, making homes available for families. It is important for the community to offer a range of life-cycle housing options. Over the past four years from 2015 to 2018, 10 twinhome units have been constructed, which is approximately 34% of the housing units constructed during the four-year period.

In 2018, there were 3,104 Union County households in the 55 and older age ranges and these age ranges are expected to increase by 338 households between 2018 and 2023. Household growth among empty-nester and senior households should result in some demand for attached single family units. It is likely that demand for attached housing units will also be dependent on the product's ability to gain additional market acceptance among the households in the prime target market, and among other households.

Recommendation: It is our projection that approximately three to four new owner-occupied twin homes/townhome units could be constructed in Beresford annually over the next five years for a total of 15 to 20 units. Our projection is based on the availability of an ideal location for twin home/townhome development as well as high quality design and workmanship. The Bridges 2nd phase currently has four lots available for twin home/townhome development.

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

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

Beresford's role could include assuring that adequate land is available for development and that zoning allows for attached housing construction. The City or Beresford Economic Redevelopment Corporation could also provide financial assistance in the form of land write downs, tax increment financing, etc.

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

14. Strategies to develop new affordable homes

Findings: It is difficult to develop homes that are considered affordable 'under \$200,000'. Land and development costs, the cost of materials and labor, new building requirements, etc. are all factors which make most new homes out of reach for most households.

Often, developers and builders have little incentive to address the affordable home market, as they are busy addressing the higher priced home market which generates higher profits.

Recommendation: We have recommended the construction of three to four affordable homes annually in Beresford annually from 2019 to 2024. To accomplish this, the City of Beresford, the Beresford Economic Development Corporation and the Beresford Housing and Redevelopment Commission may need to take an active role in developing new affordable housing including tax increment financing, tax abatement, land donations, etc.

Successful affordable home development strategies include:

- ▶ **Available lots** - Lots should be available for affordable homes including manufactured homes and modular homes.
- ▶ **Manufactured/modular homes** - Manufactured and modular homes can provide affordable housing opportunities for moderate income households.
- ▶ **In-fill lot Home Development** - In-fill lots in existing neighborhoods are often affordable and have existing City services. Some housing agencies and nonprofits develop affordable homes on in-fill lots.
- ▶ **Affordable Housing Financing** - Area housing agencies and the South Dakota Housing Development Authority have financing and housing programs available to assist developers, builders and home buyers.
- ▶ **City codes and regulations** - The City of Beresford should review its codes and regulations to assure that the codes and regulations are still relevant and are not impeding affordable home construction or unnecessarily adding to the cost of construction.
- ▶ **Develop an affordable design** - The City of Beresford and the Beresford Economic Development Corporation could work with builders to develop a home design that would be affordable and compatible in existing neighborhoods and on small in-fill lots.
- ▶ **Publicly owned subdivision** - Private developers often have little incentive to develop lower-priced lots and houses. A possible approach is to develop a publicly-owned subdivision, which could offer lower-priced lots for affordable homes.

Housing Rehabilitation

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

It is our opinion that Beresford and area housing agencies will need to make housing rehabilitation a priority in the future. New housing construction that has occurred is often in a price range that is beyond the affordability level for many Beresford households. Housing options for households at or below the median income level will largely be met by the existing, more affordable housing stock. As this existing stock ages, more maintenance and repair will be required. Without rehabilitation assistance, there is a chance that this affordable stock could shrink, creating an even more difficult affordability situation.

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

15. Promote rental housing rehabilitation

Findings: Based on the U.S. Census data, the City of Beresford had approximately 290 rental units in 2018. These rental buildings are in multi-family projects, small rental buildings, duplexes, single family homes and mobile homes. Approximately 65% of the rental units are more than 40 years old. Some of these older rental structures could benefit from rehabilitation.

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

Several rental buildings have been renovated and improvements have been made to rental units since the 2013 Housing Study.

Recommendation: The City of Beresford should work with housing agencies to seek funds that allow for program design flexibility that make a rental rehabilitation program workable. Potential funding sources may include USDA Rural Development, Grow South Dakota, the South Dakota Housing Development Authority and the Federal Home Loan Bank.

16. Promote owner-occupied housing rehabilitation efforts

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

Our housing condition survey of 233 homes in two of Beresford's older neighborhoods found 111 homes that need minor repairs and 28 homes that need major repairs. Without rehabilitation assistance, the affordable housing stock will shrink in Beresford. In 2013, our housing condition survey of 242 homes in these neighborhoods found 78 homes that need major repair and 39 homes that need major repair. Approximately 75% of the owner occupied single family homes in Beresford are more than 40 years old.

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

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

Some programs offer households that meet program requirements for a deferred loan to rehabilitate their homes. Deferred loans do not have to be paid back if the household lives in the rehabilitated home for a stipulated amount of time after the rehabilitation is completed. We encourage Beresford and Union County households to continue to utilize these housing rehabilitation programs.

Other Housing Initiatives

17. Continue to acquire and demolish dilapidated structures

Findings: Our housing condition survey identified 11 single family houses in two of the City's oldest neighborhoods that are dilapidated and too deteriorated to rehabilitate. We also identified 28 single family houses in Beresford as needing major repair and several of these homes may be too dilapidated to rehabilitate. To improve the quality of the housing stock and to maintain the appearance of the City, these structures should be demolished. From 2011 to 2018, the City has worked with property owners to demolish 22 dilapidated structures. This is an average of two to three homes annually.

Recommendation: Beresford aggressively works to condemn and demolish dilapidated homes. The appearance of the City is enhanced when blighted and dilapidated structures are removed. Also, some of the cleared lots are utilized for the construction of new affordable housing units.

Some cities have developed ordinances that give cities more authority to require property owners to demolish vacant, dilapidated homes. The City of Beresford should maintain an inventory of structures that may be candidates for future acquisition and clearance. Additionally, an inventory of possible infill lots for future development should be maintained.

18. Continue to coordinate with housing agencies to address housing needs

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

Recommendation: Beresford has access to multiple agencies that can assist with addressing housing needs. It is our recommendation that the City prioritize the recommendations of this Study and develop a plan to address the identified housing needs. The Plan should include strategies, time lines and the

responsibilities of each agency. While there has traditionally been a degree of staff interaction between agencies, it will be important that a coordinated approach be used to prioritize and assign responsibility for housing programs.

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

19. Strategies for Downtown Redevelopment

Findings: Beresford has a downtown commercial district that has a limited capacity to address the retail/commercial daily needs of its residents. Beresford has buildings that have been renovated and have quality commercial space. There are also buildings that have not been maintained and are substandard. Also, some of the downtown businesses are open for business sporadically.

This recommendation provides an outline of actions that could be taken to continue downtown redevelopment, to maximize the usage of downtown buildings, to promote new downtown businesses and to identify and implement building rehabilitation and renovations. Beresford has been working to redevelop its downtown. The purpose of this recommendation is to continue to build on the City's successes.

When households are selecting a city to purchase a home in, they often determine if the city's downtown commercial district is sufficient to serve their daily needs. A viable downtown commercial district is an important factor in their decision making process. It should be noted that Beresford does have an additional commercial district along the entrance to the community from Interstate 29, which also provides commercial opportunities.

Recommendation: We are recommending the following actions for downtown Beresford:

- ▶ Interview downtown property owners to develop a database and to determine their future plans (expanding, selling, renovations, etc.)
- ▶ Develop an overall plan for downtown (potential new businesses, address parking needs, develop an overall theme, art and cultural opportunities, etc.)
- ▶ Develop a mini-plan for each downtown property and each downtown block. This may include:
 - ▶ Retention of existing businesses
 - ▶ Commercial building rehab and renovations
 - ▶ Facade work
 - ▶ Building demolition
 - ▶ New construction
 - ▶ Recruiting new businesses
 - ▶ Development of upper floor housing
 - ▶ Infrastructure improvements
- ▶ Identify funding sources
 - ▶ Property owner funds
 - ▶ City funds
 - ▶ Beresford Economic Development Corporation
 - ▶ Beresford Housing and Redevelopment Commission
 - ▶ Federal Home Loan Bank
 - ▶ Special tax districts
 - ▶ Tax increment financing
 - ▶ Tax abatement
 - ▶ Funds from South Dakota State Agencies
- ▶ Work with stakeholders to identify roles, to secure funding, to develop and implement programs and projects
 - ▶ Property owners
 - ▶ City of Beresford
 - ▶ Southeastern Council of Governments
 - ▶ Beresford Economic Development Corporation
 - ▶ Beresford Housing and Redevelopment Commission
 - ▶ Beresford Chamber of Commerce

20. Develop mobile home park improvement programs

Findings: In the 2013 Beresford Housing Study, we identified a significant number of mobile homes in the City of Beresford that needed major rehabilitation or that are dilapidated and beyond repair. Although some mobile homes have been removed from the City's housing stock, there are still substandard mobile homes in the City's housing stock.

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. Two programs that have been used in communities to address mobile home conditions and mobile home park issues include:

- ▶ ***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 being rented or sold. All identified safety hazards must be corrected before the unit is occupied.
- ▶ ***Age of mobile homes moved into the City*** - Some cities, including Beresford, have implemented an ordinance or regulation that stipulates that a mobile home must have been manufactured after a designated year to be moved into the City. This prevents older homes from being moved into the City. It is our understanding that Beresford may already have some age designation in place.

Often mobile home programs improve the quality of mobile home parks and make mobile home living a more viable option for households.

21. Develop home ownership and new construction marketing programs and strategies

Findings: Cities that invest in marketing have a competitive 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 intimidating for first-time buyers and builders. It is important for the home buying or home building process to be user-friendly.

The City of Beresford, the Beresford Economic Development Corporation, the Beresford Housing and Redevelopment Commission, the Beresford Chamber of Commerce, and other organizations have been active in promoting the City, including housing opportunities.

Recommendation: We recommend that the stakeholders continue to promote and market housing in Beresford as follows:

- ▶ Determine the City’s strengths and competitive advantages and continue to heavily promote them
- ▶ Continue to create marketing materials that can be distributed regionally (including internet, TV, radio, etc.)
- ▶ Work closely with employers (Beresford and the region) to provide employees (especially new employees) with housing opportunities in Beresford
- ▶ Work with housing agencies to provide down payment assistance, low interest loans, home owner education and home owner counseling and other housing programs
- ▶ Work with builders to make sure the construction of a new home is a very user friendly process
- ▶ 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
- ▶ Provide attractive lots at an affordable price for a variety of home sizes, styles and price ranges
- ▶ Continue to preserve the quality of existing neighborhoods through the rehabilitation of substandard housing and the demolition of dilapidated structures that are beyond repair
- ▶ Develop new housing choices that serve life-cycle housing needs, such as new rental housing, twin homes, senior with services, etc.

- ▶ Review the City’s policies and fees to assure that they are user-friendly, fair and receptive for developers, builders and households.
- ▶ Work with all stakeholders to advertise the employment opportunities available in the City of Beresford
- ▶ Develop a coordinated housing plan with the private sector and area housing agencies.

Agencies and Resources

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

South Eastern Council of Governments

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

InterLakes Community Action Partnership

505 North Western Avenue
Sioux Falls, SD 57104
(605) 334-2808

South Eastern Development Foundation

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

South Dakota Housing Development Authority

221 South Central Avenue
Pierre, SD 57501
(605) 773-3181
Contact: Mark Lauseng, Executive Director

USDA Rural Development

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

Rural Office of Community Services, Inc.

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