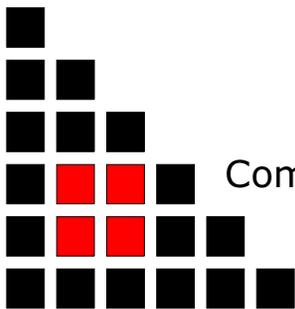


# **Bowdle COMPREHENSIVE HOUSING STUDY**

January 2019

An analysis of the overall housing needs  
of Bowdle



Community Partners Research, Inc.

Faribault, MN

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## **Introduction**

Local elected and public officials are often held responsible for conditions and circumstances over which they have limited control. This is particularly true of housing. Most of the housing units in Bowdle and Edmunds 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 Bowdle to conduct a study of the housing needs and conditions in the City.

### **Goals**

The multiple goals of the study include:

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

### **Methodology**

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

- U.S. Census Bureau
- American Community Survey
- Esri, a private data company
- Records and data from the City of Bowdle
- Records and data maintained by Edmunds County
- 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
- Mobile home/manufactured home 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.

This study was prepared by:

**Community Partners Research, Inc.**  
**Faribault, MN**  
**(507) 838-5992**  
**[cpartners@charter.net](mailto:cpartners@charter.net)**

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## **Demographic Data Overview**

### **Sources of Data**

The following pages contain demographic data obtained from a variety of local, state and national sources for Bowdle and Edmunds County.

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. 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 2016 estimates were derived from sampling that was done over a five-year period, between 2012 and 2016.

Additionally, Community Partners Research, Inc., has obtained information from Esri, a private company based in California that generates demographic and projection data. Esri estimates and projections are included in this demographic data section.

## Population Data and Trends

<b>Table 1 Population Trends - 1990 to 2018</b>						
	1990 Census	2000 Census	% Change 1990-2000	2010 Census	% Change 2000-2010	2018 Esri
Bowdle	589	571	-3.1%	502	-12.1%	486
Edmunds Co.	4,356	4,367	0.3%	4,071	-7.0%	4,004

Source: U.S. Census; Esri, Inc.

- ▶ Esri, a private data reporting service, has released 2018 population estimates. The estimate for Bowdle is 486, a decrease of 16 people from 2010 to 2018.
- ▶ The U.S. Census Bureau also releases annual population estimates. The most recent estimate for Bowdle is effective July 1, 2017, and also shows a population decrease very similar to Esri’s estimate. According to the Census Bureau, the City’s population in 2017 was 485 people, a decrease of 17 people from 2010 to 2017.
- ▶ Esri’s 2018 estimate for Edmunds County is 4,004, a loss of 67 people since 2010. The Census Bureau’s 2017 estimate for Edmunds County was 3,919, a decrease of 152 people from the population reported in the 2010 Census.
- ▶ According to the 2010 U.S. Census, Bowdle’s population was 502 people in 2010. When compared to the 2000 Census, the City had a population loss of 69 people from 2000 to 2010. The 69-person loss from 2000 was a population decrease of 12.1%.
- ▶ Edmunds County’s population was 4,071 in 2010. This was a decrease of 296 people from 2000, for a population loss of 7.0%.
- ▶ Edmunds County experienced a population gain and Bowdle had a population loss in the 1990s. Bowdle’s population decreased by 18 people and Edmunds County’s population increased by 11 people from 1990 to 2000.
- ▶ Bowdle’s population is primarily White and non-Hispanic/Latino. According to the 2010 U.S. Census, 96.0% of the City’s residents were White, 0.4% were Native American Indian, and 0.2% were Asian. Additionally, 3.4% identified themselves as some other race or two or more races. Also, 5.4% of the population identified themselves as Hispanic or Latino in 2010.

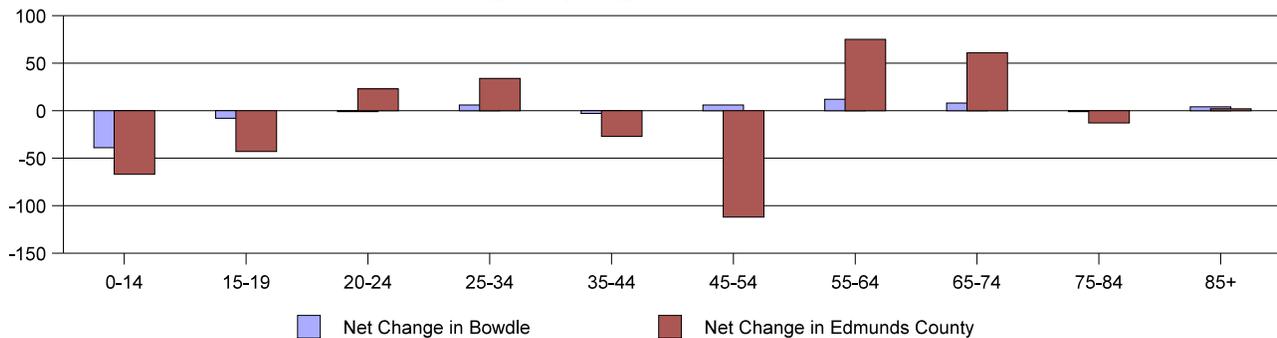
## Population by Age Trends: 2010 to 2018

The 2018 demographic information from Esri allows for some analysis of the changing age patterns for Bowdle and Edmunds County. The following table compares population by age in 2010 and 2018, along with the numeric changes.

Table 2 Population by Age - 2010 to 2018						
Age	Bowdle			Edmunds County		
	2010	2018	Change	2010	2018	Change
0-14	102	63	-39	778	711	-67
15-19	35	27	-8	279	236	-43
20-24	22	21	-1	166	189	23
25-34	44	50	6	358	392	34
35-44	47	44	-3	400	373	-27
45-54	59	65	6	672	560	-112
55-64	61	73	12	535	610	75
65-74	52	60	8	414	475	61
75-84	50	49	-1	314	301	-13
85+	30	34	4	155	157	2
Total	502	486	-16	4,071	4,004	-67

Source: U.S. Census; Esri

### Population Change by Age Between 2010 and 2018



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 Bowdle and Edmunds County.

Between 2010 and 2018, Bowdle had a gain of 20 people and the Edmunds County had a gain of 136 people in the age ranges between 55 and 74 years old. In 2018, all of the baby boomers were within these age ranges.

The City of Bowdle also had population gains in the 25 to 34, 45 to 54 and 85 and older age ranges. Bowdle had population losses in the 0 to 24, the 35 to 44 and the 75 to 84 age ranges.

In addition to the 55 to 74 age ranges, Edmunds County also had population gains in the 20 to 34 age ranges and 85 and older age range from 2010 to 2018. Edmunds County has population losses in the 0 to 19, 35 to 54 and 75 to 84 age ranges.

## 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. The South Dakota State Data Center has issued Edmunds County population projections for the year 2025.

<b>Table 3 Population Projections Through 2023/2025</b>				
	2010 US Census	2018 Esri Estimate	2023 Esri Projection	2025 Projection State Data Center
Bowdle	502	486	474	N/A
Edmunds Co.	4,071	4,004	3,941	3,744

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

- ▶ Esri’s growth projections expect a population loss of 12 people in Bowdle from 2018 to 2023. This is an loss of two to three people in an average year.
- ▶ Esri’s population projection for Edmunds County forecasts a loss of 63 people from 2018 to 2023.
- ▶ The State Data Center projects that Edmunds County’s population will be 3,744 people in the year 2025. If reduced to an annual average, the State Data Center projection expects an annual loss of approximately 22 people per year from 2010 to 2025. Esri’s 2023 population projection estimates an annual loss of 10 people from 2010 to 2023.

## Household Data and Trends

<b>Table 4 Household Trends - 1990 to 2018</b>						
	1990 Households	2000 Households	% Change 1990-2000	2010 Households	% Change 2000-2010	2018 Esri
Bowdle	263	244	-7.2%	225	-7.8%	221
Edmunds Co.	1,669	1,681	0.7%	1,607	-4.4%	1,600

Source: U.S. Census; Esri, Inc.

- ▶ Esri estimates that Bowdle has lost four households and Edmunds County had a loss of seven households from 2010 to 2018.
- ▶ According to the 2010 U.S. Census, Bowdle and Edmunds County had household losses from 2000 to 2010. Bowdle had 225 households in 2010, a decrease of 19 households from 2000, for a household loss of 7.8%. Edmunds County had 1,607 households in 2010. This was a decrease of 74 households from 2000 to 2010, or a household decrease of 4.4%.
- ▶ Bowdle had a loss of 19 households and Edmunds County had a gain of 12 households during the 1990s.
- ▶ Annual household estimates are not available from the Census Bureau.

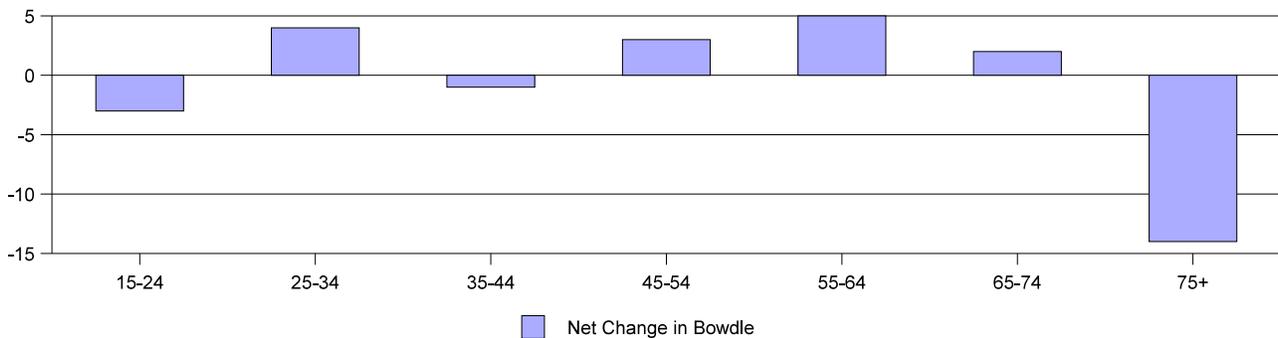
## Household by Age Trends: 2010 to 2018

Esri has also produced household estimates for 2018 by age of householder which can be compared to the 2010 Census to track the changing age patterns for Bowdle.

Table 5 Households by Age - 2010 to 2018			
Age	Bowdle		
	2010	2018	Change
15-24	12	9	-3
25-34	23	27	4
35-44	25	24	-1
45-54	34	37	3
55-64	37	42	5
65-74	32	34	2
75+	62	48	-14
Total	225	221	-4

Source: U.S. Census; Esri

Household Change by Age Between 2010 and 2018



Based on Esri estimates, from 2010 to 2018, Bowdle added seven households in the 55 to 74 year old age ranges. Bowdle also added four households in the 25 to 34 age range and three households in the 45 to 54 age range.

Bowdle had a decrease from 2010 to 2018 of three households in the 15 to 24 age range, a loss of one household in the 35 to 44 age range and a loss of 14 households in the 75 and older age range.

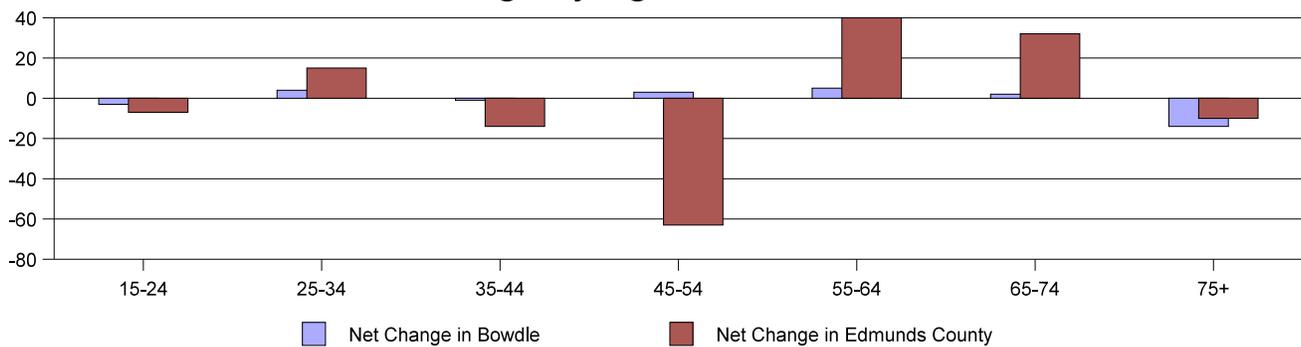
## Household by Age Trends: 2010 to 2018

Esri has also produced household estimates for 2018 by age of householder which can be compared to the 2010 Census to track the changing age patterns for Edmunds County.

<b>Table 6 Edmunds County Households by Age - 2010 to 2018</b>			
Age	Edmunds County		
	2010	2018	Change
15-24	61	54	-7
25-34	161	176	15
35-44	187	173	-14
45-54	367	304	-63
55-64	293	333	40
65-74	243	275	32
75+	295	285	-10
Total	1,607	1,600	-7

Source: U.S. Census; Esri

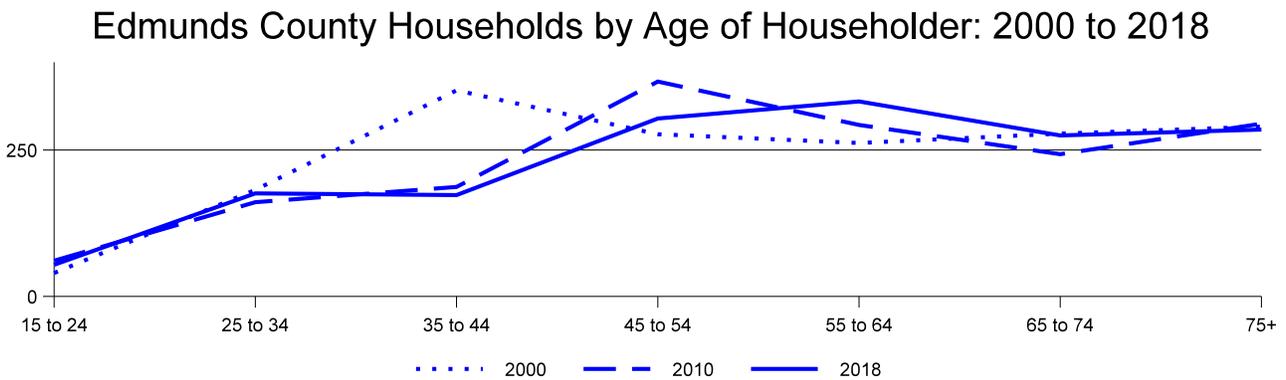
**Household Change by Age Between 2010 and 2018**



Based on Esri estimates, from 2010 to 2018, Edmunds County added 72 households in the 55 to 74 year old age ranges. Edmunds County also added 15 households in the 25 to 34 age range.

From 2010 to 2018, Edmunds County had a loss of seven households in the 15 to 24 age range, a loss of 77 households in the 35 to 54 age ranges and a decrease of 10 households in the 75 and older age range.

It is possible to track the “wave” progression of the baby boomer households over time in Edmunds County using information for households by the age of householder.



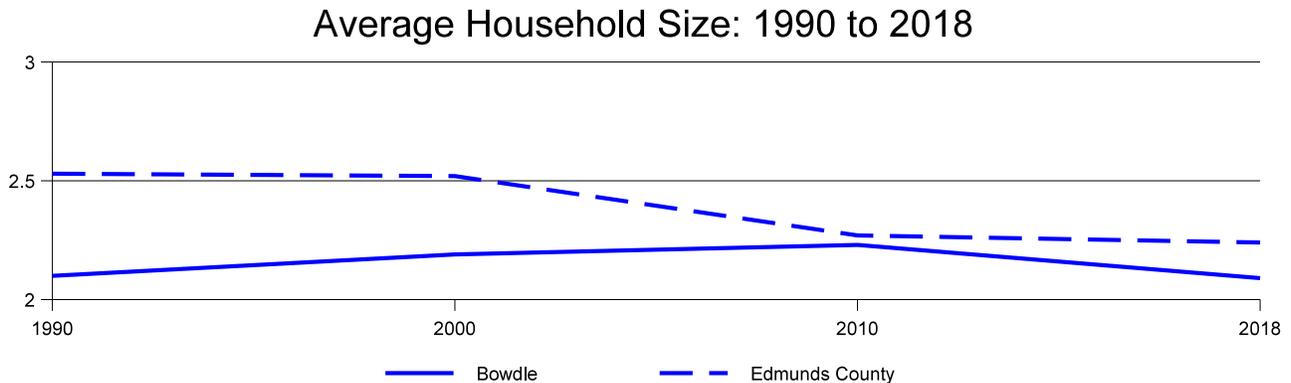
## Average Household Size

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

<b>Table 7 Average Number of Persons Per Household: 1990 to 2018</b>				
	1990 Census	2000 Census	2010 Census	2018 Esri
Bowdle	2.10	2.19	2.23	2.09
Edmunds County	2.53	2.52	2.27	2.24
South Dakota	2.59	2.50	2.42	N/A

Source: U.S. Census; Esri, Inc.

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.



In Bowdle, the average household size increased from 1990 to 2010, but it is estimated that the average household size decreased from 2.23 persons per household in 2010 to 2.09 in 2018.

Edmunds County’s average household size decreased consistently from 2.53 in 1990 to 2.24 in 2018. In 2010, Bowdle and Edmunds County’s average household sizes were below the Statewide average.

## Household Projections

The following table presents Esri’s 2018 household estimates and 2023 household projections for Bowdle and Edmunds County.

<b>Table 8 Household Projections Through 2023</b>			
	2010 Census	2018 Estimate Esri	2023 Projection Esri
Bowdle	225	221	219
Edmunds Co.	1,607	1,600	1,593

Source: U.S. Census; Esri

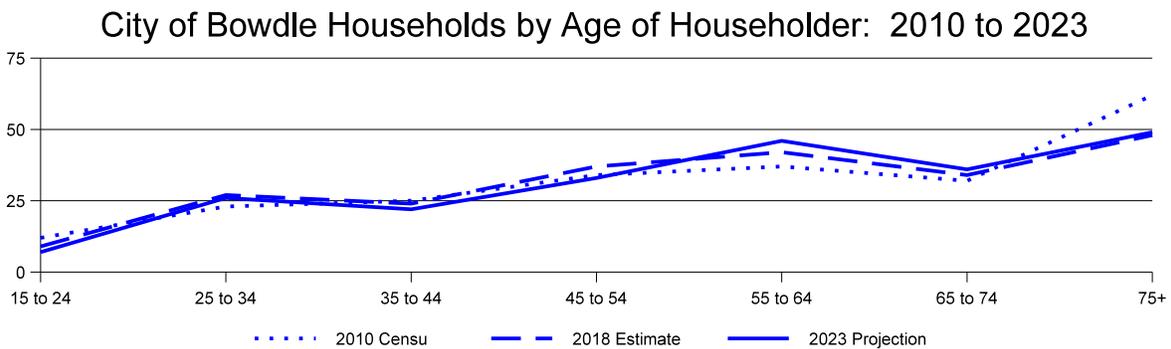
- ▶ The growth projections calculated by Esri expect minimal household losses for both Bowdle and Edmunds County from 2018 to 2023.
- ▶ Esri estimates that Bowdle had a loss of four households from 2010 to 2018, and projects that the City will lose two households from 2018 to 2023.
- ▶ Esri’s 2018 estimate for Edmunds County is 1,600 households, a decrease of seven households from 2010. Esri projects that Edmunds County will lose an additional seven households from 2018 to 2023.

## Bowdle Household by Age Projections: 2018 to 2023

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

<b>Table 9 Bowdle Projected Households by Age - 2018 to 2023</b>			
	2018 Estimate	2023 Projection	Change
15-24	9	7	-2
25-34	27	26	-1
35-44	24	22	-2
45-54	37	33	-4
55-64	42	46	4
65-74	34	36	2
75+	48	49	1
<b>Total</b>	<b>221</b>	<b>219</b>	<b>-2</b>

Source: Esri



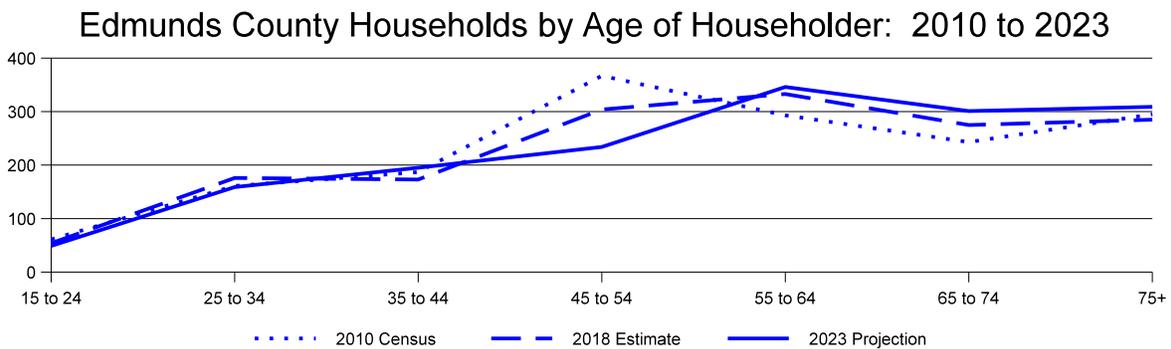
Consistent with the age distribution data presented earlier, the movement of the “baby boom” generation through the aging cycle should generate household growth in households in the 55 and older age ranges. Esri’s projections expect an increase of seven households in Bowdle from 2018 to 2023 in the 55 and older age ranges. Esri also projects a loss of nine households in the 54 and younger age ranges.

## Edmunds County Household by Age Projections: 2018 to 2023

Esri has released population by age projections to the year 2023. The following table presents Esri's 2023 household by age projections for Edmunds County, and the household changes from 2018 to 2023.

	2018 Estimate	2023 Projection	Change
15-24	54	49	-5
25-34	176	159	-17
35-44	173	195	22
45-54	304	234	-70
55-64	333	346	13
65-74	275	301	26
75+	285	309	24
Total	1,600	1,593	-7

Source: Esri



Consistent with the age distribution data presented earlier, the movement of the “baby boom” generation through the aging cycle should generate growth in households in the 55 and older age ranges. Esri’s projections expect an increase of 63 households in Edmunds County from 2018 to 2023 in the 55 and older age ranges. Esri also projects a gain of 22 households in the 35 to 44 age range. Esri’s projections expect a loss of 22 households in the 15 to 34 age ranges and a loss of 70 households in the 45 to 54 age range.

## 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 Bowdle.

<b>Table 11 Bowdle Household Composition - 2000 to 2010</b>			
	2000 Census	2010 Census	Change
Family Households			
Married Couple with own children	47	45	-2
Single Parent with own children	10	11	1
Married Couple without own children	85	66	-19
Family Householder without spouse	6	6	0
<b>Total Families</b>	<b>148</b>	<b>128</b>	<b>-20</b>
Non-Family Households			
Single Person	92	88	-4
Two or more persons	4	9	5
<b>Total Non-Families</b>	<b>96</b>	<b>97</b>	<b>1</b>

Source: U.S. Census

Between 2000 and 2010, Bowdle experienced an overall net decrease of 20 “family” households. There was a decrease of two married couple households with children and a decrease of 19 married couples without children. The City had an increase of one single parent household with children.

Bowdle had an increase of one “non-family” household. There was a decrease of four one-person households. However, there was an increase of five households that had unrelated individuals living together.

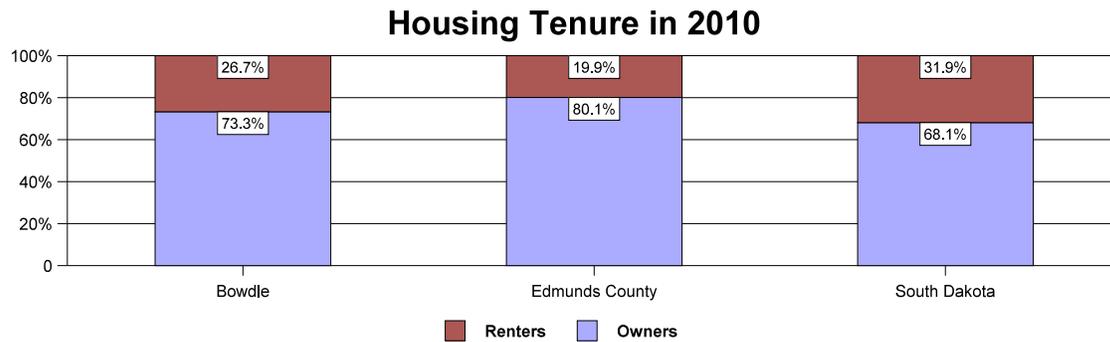
## Housing Tenure

The 2010 Census provided data on housing tenure patterns. The following tables examine tenure rates, along with changes that have occurred.

<b>Table 12 Household Tenure - 2010</b>				
	Number of Owners	Percent of all Households	Number of Renters	Percent of all Households
Bowdle	165	73.3%	60	26.7%
Edmunds Co.	1,288	80.1%	319	19.9%
State	-	68.1%	-	31.9%

Source: U.S. Census

According to the 2010 Census, the ownership tenure rate in Bowdle was 73.3% and Edmunds County’s ownership rate was 80.1%. Bowdle’s rental tenure rate of 26.7% was below the Statewide rate of 31.9% renter households.



<b>Table 13 Households by Housing Tenure - 2000 to 2010</b>						
Tenure	Bowdle			Edmunds County		
	2000	2010	Change	2000	2010	Change
Owners	198/81.1%	165/73.3%	-33	1,376/81.9%	1,288/80.1%	-88
Renters	46/16.9%	60/26.7%	14	305/18.1%	319/19.9%	14
Total	244/100%	225/100%	19	1,681/100%	1,607/100%	74

Source: U.S. Census

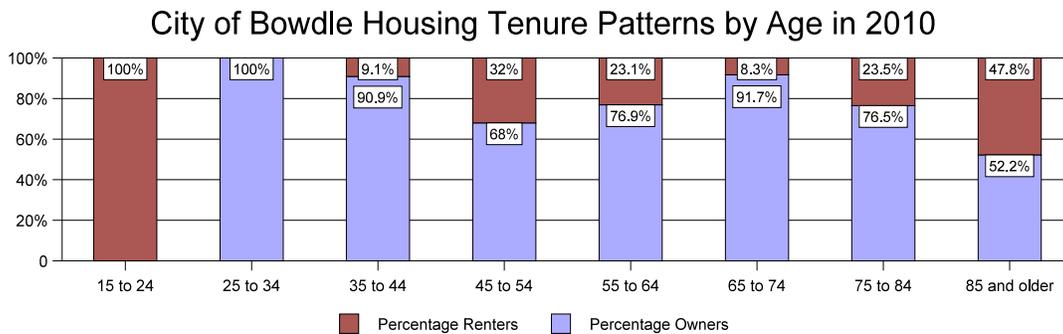
Bowdle’s ownership tenure rate decreased from 81.1% in 2000 to 73.3% in 2010. For Edmunds County, the ownership tenure rate decreased slightly, from 81.9% in 2000 to 80.1% in 2010.

## Tenure by Age of Householder

The 2016 American Community Survey provided information on the tenure distribution of Bowdle households within each defined age range. The following table examines the number and percentage of renters and owners in each age group in Bowdle.

<b>Table 14 Bowdle Tenure by Age of Householder - 2016</b>				
Age	Owners		Renters	
	Number	Percent within age	Number	Percent within age
15-24	0	0%	4	100%
25-34	38	100%	0	0%
35-44	10	90.9%	1	9.1%
45-54	17	68.0%	8	32.0%
55-64	40	76.9%	12	23.1%
65-74	22	91.7%	2	8.3%
75-84	13	76.5%	4	23.5%
85+	12	52.2%	11	47.8%
Total	152	78.4%	42	21.6%

Source: U.S. Census



The 2016 American Community Survey appears to have slightly undercounted the number of owner and renter households in Bowdle. However, it is still a good indicator of household tenure by age in Bowdle. Households at the lowest end and highest end of the age spectrum showed a greater preference for rental housing. All of the households age 15 to 24 and 48% age 85 and older rented their unit. Home ownership rates for each of the 10-year age cohorts from age 25 to 84 were 68% or higher.

## 2016 Income Data

The 2010 Census did not collect information on household income. However, annual estimates are available at the city and county level through the American Community Survey. The following table compares median income levels for 2010 and 2016.

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

<b>Table 15 Median Household Income - 2010 to 2016</b>			
	2010 Median	2016 Median	% Change
Median Household Income			
Bowdle	\$33,229	\$48,846	47.0%
Edmunds County	\$47,026	\$62,467	32.8%
South Dakota	\$46,369	\$52,078	12.2%
Median Family Income			
Bowdle	\$46,875	\$72,083	53.8%
Edmunds County	\$56,599	\$76,625	33.6%
South Dakota	\$58,958	\$66,825	13.3%

Source: ACS 5-year survey

Information contained in the 2016 American Community Survey shows that the median household and family incomes have increased substantially from 2010 to 2016 in Bowdle and Edmunds County. Generally, family household incomes tend to be higher than the overall household median, as families have at least two household members, and potentially more income-earners.

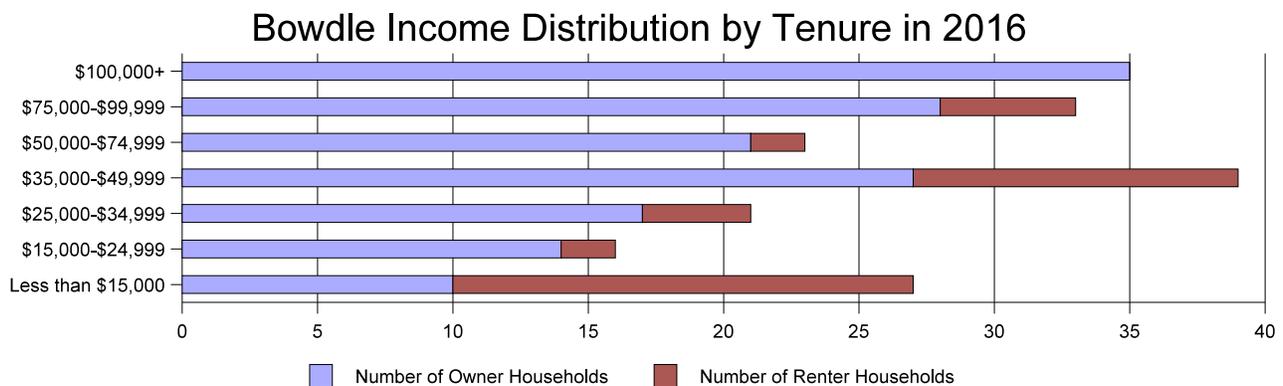
Using the commonly accepted standard that up to 30% of gross income can be applied to housing expenses without experiencing a cost burden, a median income household in Bowdle could afford approximately \$1,221 per month and a median income family household could afford \$1,882 per month for ownership or rental housing in 2016.

## Bowdle Income Distribution by Housing Tenure

The 2016 American Community Survey provides income data by owner and renter status. The following table examines income distribution in Bowdle. The American Community Survey is an estimate, based on limited sampling data, and there are some differences when compared to the 2018 Esri estimate. The 2016 American Community Survey reported income information on 194 households and Esri reported that there were 221 households in Bowdle in 2018.

<b>Table 16 Bowdle Household Income Distribution by Tenure - 2016</b>			
Household Income	Number of Owner Households	Number of Renter Households	Total Households
\$0 - \$14,999	10/37.0%	17/63.0%	27
\$15,000 - \$24,999	14/87.5%	2/12.5%	16
\$25,000 - \$34,999	17/81.0%	4/19.0%	21
\$35,000 - \$49,999	27/69.2%	12/30.8%	39
\$50,000 - \$74,999	21/91.3%	2/8.7%	23
\$75,000 - \$99,999	28/84.8%	5/15.2%	33
\$100,000+	35/100%	0/0%	35
<b>Total</b>	<b>152</b>	<b>42</b>	<b>194</b>

Source: 2016 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 2016, approximately 55% of all renter households in Bowdle 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 \$26,250 in 2016. At 30% of income, a renter at the median level could afford approximately \$656 per month or less for housing costs.

Most owner households had a higher income level than rental households. Approximately 55% of all owner households had an annual income of \$50,000 or more. The estimated median household income for owners in 2016 was approximately \$61,786. At 30% of income, an owner at the median income level could afford approximately \$1,545 per month for housing costs.

## 2016 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 Bowdle.

<b>Table 17 Gross Rent as a Percentage of Household Income - 2016</b>			
Percent of Income for Housing	Households Age 64 and Younger	Households Age 65 and Older	Total
Less than 20%	6/24.0%	7/41.2%	13/31.0%
20% to 29.9%	4/16.0%	4/23.5%	8/19.0%
30% to 34.9%	0/0%	0/0%	0/0%
35% or more	2/8.0%	2/11.8%	4/9.5%
Not Computed	13/52.0%	4/23.5%	17/40.5%
<b>Total</b>	<b>25/100%</b>	<b>17/100%</b>	<b>42/100%</b>

Source: 2016 American Community Survey

According to the American Community Survey, approximately 10% of the renters in the City were paying 30% or more of their income for rent. Federal standards for rent subsidy programs generally identify 30% of household 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”.

A lower percentage of the renter households in Bowdle reported a rent burden, in comparison to other similar sized South Dakota cities. However, an usually high number of households (approximately 41%) were reported as not computed.

A majority of the renter households with a housing cost burden had an annual 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.

Senior citizen renters (age 65 and older) represented 50% of the households with a rental cost burden. Households in the age ranges between 15 and 64 years old also represented 50% of all households with a rental cost burden.

## 2016 Estimated Income and Housing Costs - Owners

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

<b>Table 18 Ownership Costs as a Percentage of Income - Bowdle</b>		
Percentage of Household Income for Housing Costs	Number of Owner Households 2016	Percent of All Owner Households 2016
0% to 19.9%	111	73.0%
20% to 29.9%	20	13.2%
30% to 34.9%	3	2.0%
35% or more	18	11.8%
Not Computed	0	0%
<b>Total</b>	<b>152</b>	<b>100%</b>

Source: 2015 ACS

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

## **Existing Home Sales**

This section examines houses that have been sold from 2010 to 2018 in Bowdle. The information was obtained from the South Dakota Department of Revenue and reflects information assembled by the Edmunds County Equalization Office.

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

The County 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. The sales data obtained from the Department of Revenue identified the 150% rule sales. In the sales sample that follows, 150% rule sales have been included when they were open market transfers.

The County's sales ratio year differs slightly from the calendar year. It begins on November 1<sup>st</sup> and ends the following October 31<sup>st</sup>.

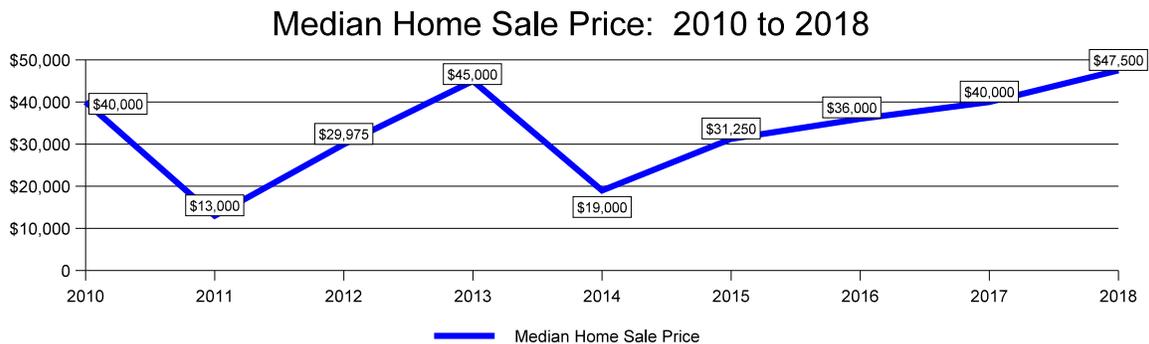
**Table 19 Bowdle Residential Sales Activity - 2010 to 2018**

Sales Year	Number of Sales	Median Sale Price	Highest Sale	Lowest Sale
2018	6	\$47,500	\$220,000	\$15,000
2017	8	\$40,000	\$180,000	\$22,500
2016	11	\$36,000	\$200,000	\$7,000
2015	10	\$31,250	\$120,000	\$2,500
2014	6	\$19,000	\$80,000	\$10,000
2013	13	\$45,000	\$201,000	\$1,500
2012	8	\$29,975	\$90,000	\$15,000
2011	11	\$13,000	\$75,000	\$5,000
2010	9	\$40,000	\$114,500	\$6,350

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

Over the past nine years the median home sale price in Bowdle has fluctuated and has ranged from a low of \$13,000 in 2011, to a high of \$47,500 in 2018. Over the past three years, the median sale price has been \$36,000 or higher.

The annual volume of good sales ranged from six sales in 2018 to 13 sales in 2013.



In each of the years reviewed there was at least one house that sold for \$22,500 or less, and in most years, there were several sales recorded for \$20,000 or less. There was at least one sale for \$75,000 or higher every year. In four years, the highest sales price was \$180,000 or greater.

An alternate home value estimate exists in the American Community Survey. In 2016, this estimate placed the median value for owner-occupied houses at \$53,300. This value was higher than the median sale price of \$36,000 for the year 2016, based on actual sales.

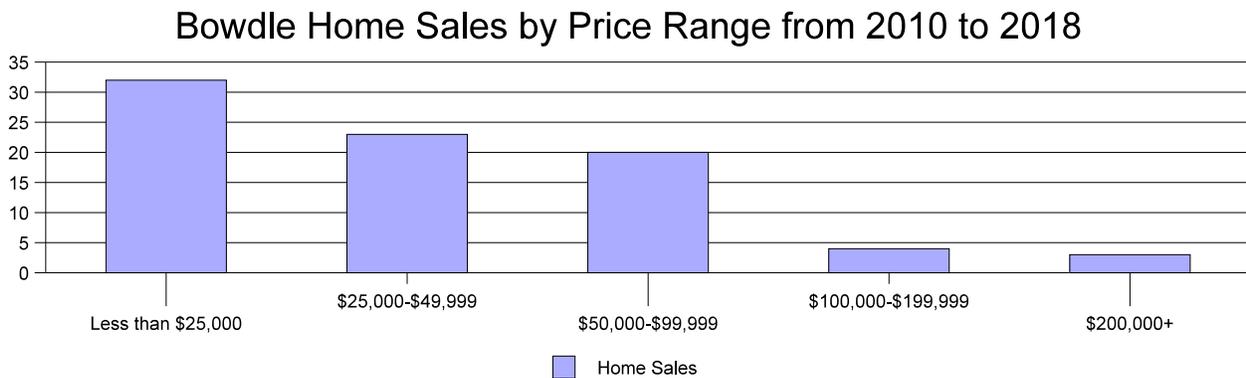
## Home Sales by Price Range

The following table looks at single family houses that sold within defined price ranges from 2010 to 2018. There were 82 good arms length sales over this period.

<b>Table 20 Bowdle Home Sales by Price Range: 2010 to 2018</b>		
Sale Price	Number of Sales	Percent of Sales
Less than \$25,000	32	39.0%
\$25,000 - \$49,999	23	28.0%
\$50,000 - \$99,999	20	24.4%
\$100,000 - \$199,999	4	4.9%
\$200,000+	3	3.7%
<b>Total</b>	<b>82</b>	<b>100%</b>

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

Recent home sales in Bowdle have been widely distributed in different price ranges. However, a majority of the recent sales have been for \$50,000 or less. Approximately 67% of the sales were less than \$50,000. Seven of the sales were for more than \$100,000, three of which were for more than \$200,000.



## **Bowdle Housing Condition**

Community Partners Research, Inc. representatives conducted a visual 'windshield' survey of 213 single family/duplex houses in the City of Bowdle. The City was divided into two neighborhoods, east of 4<sup>th</sup> Ave. and west of 4<sup>th</sup> Ave.

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 21 Windshield Survey Condition Estimate - 2018**

	Sound	Minor Repair	Major Repair	Dilapidated	Total
Neighborhood #1 West of 4 <sup>th</sup> Ave.	58/46.4%	36/28.8%	21/16.8%	10/8.0%	125
Neighborhood #2 East of 4 <sup>th</sup> Ave.	33/37.5%	30/34.1%	15/17.0%	10/11.4%	88
Total	91/42.7%	66/31.0%	36/16.9%	20/9.4%	213

Source: Community Partners Research, Inc.

- ▶ Approximately 31% of the houses in the City of Bowdle need minor repair and 17% need major repair. Approximately 43% are sound, with no required improvements. Twenty houses are dilapidated and possibly beyond repair.

## **Bowdle Mobile/Manufactured Home Housing Condition**

Community Partners Research, Inc. representatives conducted a visual 'windshield' survey of nine mobile homes located on various lots in the City of Bowdle.

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

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

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

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

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

<b>Table 22 Windshield Survey Condition Estimate - 2018</b>					
	Sound	Minor Repair	Major Repair	Dilapidated	Total
Total	2/22.2%	4/44.4%	2/22.2%	1.1%	9

Source: Community Partners Research, Inc.

- ▶ Based on our survey, four of the mobile homes need minor repair and two mobile homes need major repair. Two mobile homes are sound, with no required improvements.
- ▶ One mobile home was dilapidated and possibly beyond repair.

## **Bowdle Building Permit Trends**

Based on information provided by the City of Bowdle, three single family homes have been constructed in Bowdle over the past 10 years from 2009 to 2018. Also, four rental units were constructed in 2011.

## **Rental Housing Data**

### **Census Bureau Rental Inventory**

According to the 2010 U.S. Census, there were 60 occupied rental units and one unoccupied rental unit in Bowdle, for a total estimated rental inventory of 61 units. The City's rental tenure rate in 2010 was 26.7%, below the Statewide rental rate of 31.9%.

At the time of the 2000 Census, Bowdle had 46 occupied rental units, and 18 vacant rental units, for a total estimated rental inventory of 64 units. The rental tenure rate in 2000 was 18.9%.

Based on a Census comparison, the City had a gain of 14 renter-occupancy households, but a loss of approximately three rental units from 2000 to 2010.

From 2010 to 2018, we are aware of only four rental units, that were constructed in Bowdle. The four Bowdle Housing and Redevelopment Commission units were constructed in 2011.

### **Rental Housing Survey**

As part of this housing study, a telephone survey was conducted of multifamily projects in Bowdle. Emphasis was placed on contacting properties that have four or more units. However, a triplex, single family homes and mobile homes were also surveyed. For the purposes of planning additional projects in the future, multifamily properties represent the best comparison of market potential.

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

There were 34 rental housing units contacted in the survey. The survey was conducted in November 2018.

The units that were successfully contacted include:

- ▶ 18 market rate units
- ▶ 16 federally subsidized units

We also surveyed the 34-bed skilled nursing home.

The findings of the survey are provided below.

## Market Rate Summary

Information was obtained on 18 market rate rental units in rental buildings, twinhomes, single family homes and mobile homes.

### Unit Mix

We obtained the bedroom mix on 18 market rate units. The approximate bedroom mix of the 18 units is:

- ▶ efficiency - 1 (5.6%)
- ▶ one-bedroom - 4 (22.2%)
- ▶ two-bedroom - 9 (50.0%)
- ▶ three-bedroom - 4 (22.2%)

### Occupancy / Vacancy

At the time of the survey, there were three vacancies in the old hospital building, however, the units aren't actively marketed for rent. Steeple Heights had two vacancies. The HRC units, single family homes and mobile homes were fully occupied.

### Rental Rates

Rental units may include the primary utility payments within the contract rent, or the tenant may be required to pay some utilities separately, in addition to the contract rent.

In the following summary, Community Partners Research, Inc., has attempted to estimate the gross rents being charged, which includes an estimate for tenant-paid utilities.

<u>Unit Type</u>	<u>Lowest/Highest Gross Rents</u>
Efficiency	\$350
One-bedroom	\$400-\$450
Two-bedroom	\$500-\$950
Three-bedroom	\$600-\$1,000

Please note that the rent for efficiency units was based on only one rental property.

## **Tax Credit Summary**

There are no tax credit rental projects in Bowdle.

## **Subsidized Summary**

There is one federally subsidized project in Bowdle, Prairie View. Prairie View is a 16-unit General Occupancy USDA/Rural Development Project. All 16 units are one-bedroom. The project was constructed in the 1970s. Prairie View was originally a senior/disabled project, but has converted to general occupancy.

## **Rental Rates**

Tenants in Prairie View with rent assistance pay rent based on 30% of their household income. The project has a market rent and tenants do not pay more than the market rent.

## **Occupancy / Vacancy**

There were three vacant units identified in the 16 subsidized units at the time of the survey.

## **Senior Housing with Services**

There is one senior with services facility located in Bowdle, the Bowdle Nursing Home. The Bowdle Nursing Home is owned and operated by the City of Bowdle. The facility was constructed in 1970 and has 34 certified beds. The facility is located adjacent to the hospital and clinic that are also owned by the City of Bowdle. The Director reported that the Nursing Home has a 90% occupancy rate.

**Table 23 Bowdle Multifamily Rental Housing Inventory**

Name	Number of Units /Bedroom Mix	Rent	Vacancy/ Wait List	Tenant Mix	Comments
<b>Market Rate</b>					
Steeple Heights 'Old Church'	<u>3 - 1 bedroom</u> 3 total units	\$350 plus utilities	2 vacancies	General Occupancy	Steeple Heights is a church that has been converted into three one-bedroom rental units. The rent is \$350 plus utilities. At the time of the survey, there were two vacancies.
Bowdle HRC Units	<u>3 - 2 bedroom</u> <u>1 - 3 bedroom</u> 4 total units	\$700-\$800 \$850 plus utilities	No vacancies	General Occupancy	The Housing and Redevelopment Commission units were constructed in 2011 and include three two-bedroom units and one three-bedroom unit. The rent is \$700 for two two-bedroom units that have a one stall attached garage. One two-bedroom unit has three bedrooms with a two-car garage and the rent is \$800. The rent on the three-bedroom unit is \$850. All of the tenants also pay utilities. The manager reported no vacancies at the time of the survey, however, there has been some difficulty keeping the units fully occupied. One unit is reserved for hospital/clinic employees.
Carla's Rental Management	<u>2 - mobile homes</u> <u>5 - single family</u> 7 total units	\$350-\$450 plus utilities	No vacancies	General Occupancy	All seven homes are two and three-bedroom. Rent ranges from \$350 to \$450 plus utilities. The manager reported that at the time of the survey, all of the homes were occupied and the occupancy rate is usually very high.
'Old Hospital' Building	1 - efficiency 1 - 1 bedroom <u>2 - 2 bedroom</u> 4 total units	Average \$350 plus utilities	3 vacancies (not actively marketed)	General Occupancy	The 'Old Hospital Building' is located Downtown and includes one efficiency unit, one one-bedroom unit and two two-bedroom units. The average unit rent is \$350 plus utilities. There are three vacancies, however, the owner does not actively attempt to rent the units, so they can be available for hunters, friends, etc.

Name	Number of Units /Bedroom Mix	Rent	Vacancy / Wait List	Tenant Mix	Comments
<b>Subsidized</b>					
Prairie View	<u>16 - 1 bedroom</u> 16 total units	\$500-\$506 30% of income	3 vacancies	General Occupancy	Prairie View is a 16-unit USDA Rural Development general occupancy project constructed in the 1970s. Twelve of the 16 units have rent assistance. Tenants with rent assistance pay 30% of their income while tenants without rent assistance pay not less than the basic rent or more than the market rents listed. Manager reported three vacancies at the time of the survey. The manager also reported that tenants have incomes over the project's income limits can apply for an income exemption. Project renovations are in the discussion/planning phase.
<b>Senior with Services</b>					
Bowdle Nursing Home	<u>34 beds</u> 34 total units	Based on level of services	90% occupancy rate	Skilled nursing home	The Bowdle Nursing Home is a skilled nursing facility with 38 licensed beds in 2018 but only 34 beds in use. The facility was constructed in 1970. The Nursing Home is owned by the City of Bowdle. The Nursing Home is adjacent to the hospital and clinic. The Director reported a 90% occupancy rate.

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.

### Work Force and Unemployment Rates

Employment information has been analyzed for Edmunds County in this section of the Study. Data in the tables that follow have been obtained from the South Dakota Department of Labor and Regulation.

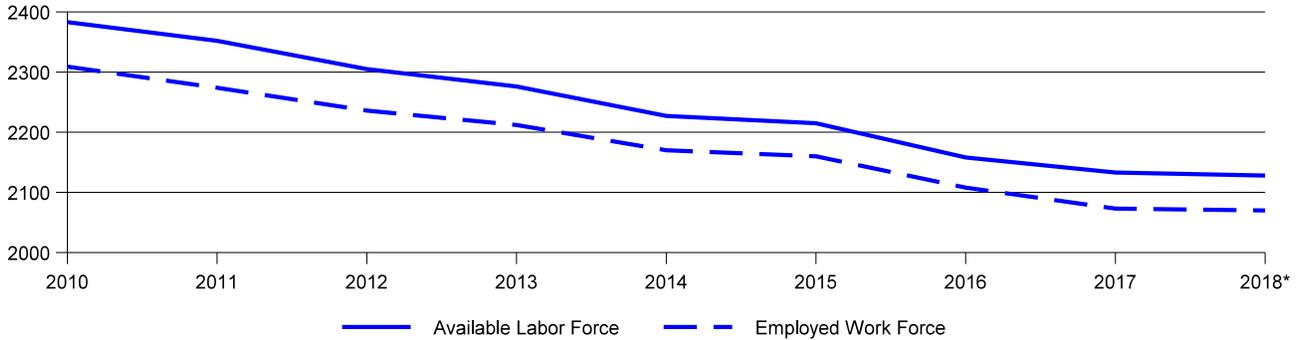
<b>Table 24 Edmunds County Annual Labor Statistics: 2010 to 2018*</b>						
Year	Labor Force	Employed	Unemployed	Unemployment Rate - County	Unemployment Rate - SD	Unemployment Rate - US
2010	2,383	2,309	74	3.1%	5.0%	9.6%
2011	2,352	2,274	78	3.3%	4.7%	8.9%
2012	2,305	2,236	69	3.0%	4.3%	8.1%
2013	2,276	2,212	64	2.8%	3.8%	7.4%
2014	2,227	2,170	57	2.6%	3.4%	6.2%
2015	2,215	2,160	55	2.5%	3.1%	5.3%
2016	2,158	2,108	50	2.3%	3.0%	4.9%
2017	2,133	2,073	60	2.8%	3.3%	4.4%
2018*	2,128	2,070	58	2.7%	3.1%	4.0%

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

\* 2018 is through October

The statistics on the available labor force track people by their county of residence. When viewed over the entire eight-year period, the size of the County’s resident labor force has decreased. Between 2010 and 2018 (partial-year) there was a reduction of 255 people from the labor force, a decrease of 10.7%.

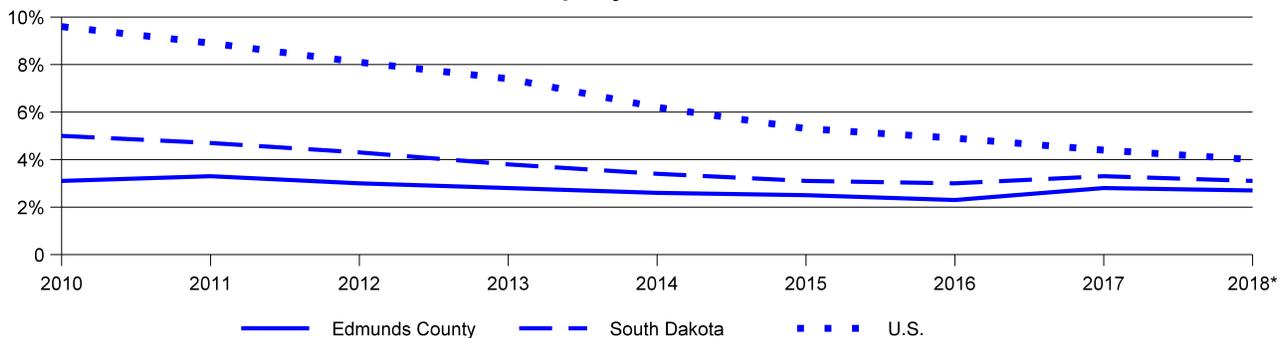
### Edmunds County Labor Force and Employed Work Force



The number of employed County residents has generally followed the same pattern. From 2010 to 2018, the number of employed residents of Edmunds County increased by 239 people, or 10.4%.

With both the labor force and the employed work force declining at a similar rate, the County’s unemployment rate has generally remained stable over time. Over the entire time, the unemployment rate has ranged from a high of 3.3% in 2011 to a low of 2.3% in 2016. Throughout the years reviewed, the County’s unemployment rate has been below the Statewide rate, and below the national unemployment rate.

### Unemployment Rates



## **Employment and Wages**

The Quarterly Census of Employment and Wages (QCEW) tracks annual employment and average annual wage data. The QCEW reporting is for unemployment compensation. It is important to note that the reporting does not represent all employment, as some classifications such as self-employed workers are not included. This information is for all of Edmunds County and tracks the location of the job.

<b>Table 25 Edmunds County Average Annual Wages - 2017</b>		
Industry	2017 Employment	Average Annual Wage
Total All Industry	1,220	\$37,648

Source: South Dakota Department of Labor & Regulation

The average weekly wage for all industry in 2017 was \$724 in Edmunds County. At full-time employment, this would yield an annual average wage of \$37,648.

The County's three largest employment sectors were Trade/Transportation and Utilities, Natural Resources and Mining, and Manufacturing.

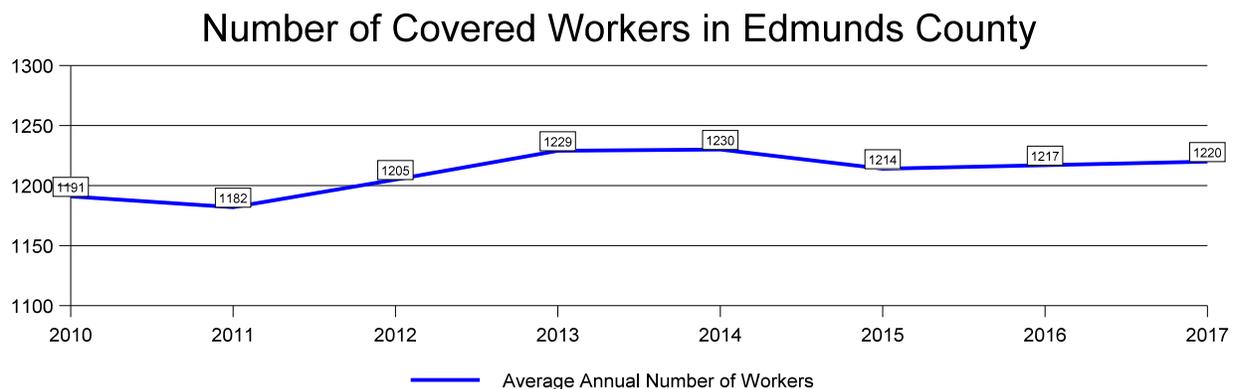
## Annual Covered Employment

Since the Quarterly Census of Covered Workers (QCEW) tracks employees covered by unemployment insurance by location of the worker, it is possible to examine longer-term patterns in the local employment level. The following table displays the total number of workers reported in the County back to the year 2010. No partial-year information exists for 2018.

<b>Table 26 Edmunds County Average Annual Employment</b>			
Year	Total Covered Employment	Year	Total Covered Employment
2010	1,191	2014	1,230
2011	1,182	2015	1,214
2012	1,205	2016	1,217
2013	1,229	2017	1,220

Source: QCEW - SD Department of Labor

There has been relative stability in the number of employees working in Edmunds County, as reported for unemployment insurance. If 2017 is compared to the year 2010, there has been an increase of 29 workers. However, the total in 2017 was down by 10 people from 2014, the peak year during the time period reviewed.



## Commuting Patterns of Area Workers

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

<b>Table 27 Commuting Times for Bowdle Residents - 2016</b>		
Travel Time	Number	Percent
Less than 10 minutes	127	70.2%
10 to 19 minutes	31	17.1%
20 to 29 minutes	0	0%
30 minutes +	23	12.7%
Total	181	100%

Source: American Community Survey

A majority of Bowdle’s residents worked locally in 2016, with more than 87% traveling less than 20 minutes for their primary job. Fewer than 13% of the City’s residents were commuting 30 minutes or more to work.

Travel time by location of the job is also provided. For people that worked in Bowdle the following travel times were identified.

<b>Table 28 Commuting Times for Bowdle-based Employees - 2016</b>		
Travel Time	Number	Percent
Less than 10 minutes	131	66.2%
10 to 19 minutes	16	8.1%
20 to 29 minutes	26	13.1%
30 minutes +	25	12.6%
Total	198	100%

Source: American Community Survey

Most of the people that worked in Bowdle lived within the immediate area, as more than 87% traveled 29 minutes or less to the City. This would include people that both lived and worked in Bowdle.

## **Findings on Growth Trends**

As part of this Study, Community Partners Research, Inc., has examined growth patterns for Bowdle and Edmunds 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.

Bowdle's population decreased by 3.1% from 1990 to 2000. The population decreased from 589 in 1990 to 571 in 2000. From 2000 to 2010, Bowdle's population decreased by 69 people, which was a population loss of 12.1%.

Edmunds County's population increased slightly from 4,356 in 1990 to 4,367 in 2000, which was an increase of 0.3%. The population decreased in the 2000s from 4,367 in 2000 to 4,071 in 2010, which was a population loss of 7.0%.

The U.S. Census also releases population estimates. The most recent estimates for Bowdle and Edmunds County are from 2010 to 2017. The U.S. Census estimates that Bowdle had a loss of 17 people and Edmunds County had a loss of 152 people during this time period.

Household levels in Bowdle decreased and household levels in Edmunds County increased from 1990 to 2000. Bowdle experienced a loss of 19 households from 1990 to 2000. Edmunds County had an increase of 12 households from 1990 to 2000. From 2000 to 2010, Bowdle had a loss of 19 households and Edmunds County had a loss of 74 households.

Esri estimates that Bowdle had a loss of 16 people and four households from 2010 to 2018. Esri estimates that Edmunds County had a loss of 67 people and a loss of seven households from 2010 to 2018.

## **Findings on Projected Growth**

This Study has utilized Esri's projections for Bowdle and Edmunds County. Esri projects that Bowdle's population will decrease by 12 people from 2018 to 2023. The household projections expect a loss of two households from 2018 to 2023.

Edmunds County is expected to lose approximately 63 people from 2018 to 2023. Edmunds County's household projections expect a loss of seven households from 2018 to 2023.

## **Summary of Bowdle’s Growth Projections by Age Group**

The Demographic section of this Study presented Bowdle 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 growth in households in the age range between 55 and 74 years old. Age projections would expect the City to add approximately six households in the 55 to 74 age ranges from 2018 to 2023.

The Esri age-based projections also expect a one household increase in the 75 and older age range.

Bowdle is projected to lose nine households in the 54 and younger age ranges.

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 Bowdle 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	-1
35 to 44	-2
45 to 54	-4
55 to 64	4
65 to 74	2
75 and older	<u>1</u>
Total	-2

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

Based on the household by age projections presented earlier, the changing age composition of Bowdle'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 Bowdle 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 one household 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 Bowdle is very high. A loss of one household within this age range indicates demand for both first-time home buyer and rental opportunities from this age range will not change during the projection period.

**35 to 44 Years Old** - The projections for this 10-year age cohort expect a loss of two households between 2018 and 2023 in Bowdle. In the past, this age group has had a 91% ownership rate in Bowdle. 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 Bowdle, the projections show a loss of four households in this age range. This age group typically has had a rate of home ownership of approximately 68% in Bowdle, and will often look for trade-up housing opportunities. A minimal loss in the number of households in this age group indicates that the demand for trade-up housing from this age range will remain relatively stable during the projection period.

***55 to 64 Years Old*** - The projections show an increase of four 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 Bowdle, at approximately 77% in 2010. Age-appropriate housing, such as town house or twin home units, is often well suited to the life-cycle preferences of this age group, as no maintenance/low maintenance housing has become a popular option for empty-nesters.

***65 to 74 Years Old*** - A gain of two 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. At the time of the 2010 Census, approximately 92% of the households in this age range owned their housing in Bowdle. 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 one household in Bowdle 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 Bowdle. 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 Bowdle to lose approximately two households and Edmunds County will lose seven households from 2018 to 2023. Therefore, there will be no demand for new housing production in Bowdle based on household growth.

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

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

***Pent-Up Demand*** - The third primary demand-generator for new housing is caused by unmet need among existing households, or pent-up demand. Shifting age patterns have created demand for certain types of housing in Bowdle. 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 Bowdle were identified through statistical data, local interviews, research and onsite review of the local housing stock.

- ▶ **Bowdle serves the surrounding area** - Bowdle provides employment opportunities, retail/service options, health services, professional services, governmental services and recreational facilities for a small geographical area that surrounds the City.
- ▶ **Educational system** - Bowdle has a public K-12 school system.
- ▶ **Infrastructure** - Bowdle's water and sewer infrastructure can accommodate future expansion. However, infrastructure improvements are needed.
- ▶ **Commercial development** - Bowdle's commercial district is adequate to meet most daily needs.
- ▶ **Employers** - Bowdle has employers that provide job opportunities for local residents.
- ▶ **Commuters** - More than 50 employees are commuting 20 or more minutes daily to work in Bowdle. These commuters are a potential market for future housing construction.
- ▶ **Bowdle Economic Development Corporation (BEDC)** - The BEDC has been active in developing and expanding business opportunities and commercial development.
- ▶ **Bowdle Housing and Redevelopment Commission (HRC)** - The Bowdle HRC has been active in developing and managing housing in Bowdle.
- ▶ **Small town atmosphere** - Bowdle has the real and perceived amenities of a small town. Small town living is attractive for some households.

- ▶ **Affordable housing stock** - The City of Bowdle has a stock of affordable existing homes. Our analysis shows that the City's median home value based on the most recent sales would be approximately \$45,000. This existing housing stock, when available for sale, provides an affordable option for home ownership.
- ▶ **Health facilities** - Bowdle has a hospital, clinic and nursing home.

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

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

- ▶ **Age and condition of some of the housing stock** - Bowdle has some homes that require minor or major improvements, or are potentially dilapidated and beyond repair.
- ▶ **Lower paying jobs** - Although Bowdle has employment opportunities, some jobs are at the lower end of the pay scale and employees with these jobs have limited housing choices.
- ▶ **Competition from rural building sites** - Households often seek available building sites in rural areas surrounding Bowdle and in Edmunds County. These building sites compete with available residential lots within the City of Bowdle.
- ▶ **Available residential lots** - There are a limited number of available residential lots in the City.
- ▶ **Distance from a large regional center** - The nearest large regional center to Bowdle is Aberdeen. Aberdeen is approximately 58 miles from Bowdle. Many households desire to live in or near a large regional center because of health care, employment, services, entertainment, etc.
- ▶ **Lack of developable land** - Although Bowdle has some developable land options, available land for subdivision development and new housing construction is limited.
- ▶ **Value gap deters new owner-occupied construction** - Based on market values from recent residential sales, we estimate that the median priced home in Bowdle is valued at approximately \$45,000. This is well below the cost for comparable new construction, which generally is above \$175,000 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.
- ▶ **Low rent structure** - The area's rent structure is low, which make it difficult to construct new rental housing.

## **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 Bowdle. They are based on the following strategies.

- ▶ **Be realistic in expectations for housing development** - Large-scale residential growth has not occurred in the recent past and is not likely to occur in the near future. The scale of activities proposed for the future should be comparable with the area's potential for growth.
- ▶ **Proactive community involvement** - New home and apartment construction will more likely occur in Bowdle if there is proactive support 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 Bowdle 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 a major asset, however, rehabilitation efforts are needed to continue to preserve the housing stock.
- ▶ **Protect the existing assets and resources** - Bowdle has several assets including a K-12 school, an excellent Downtown Commercial District, a hospital and clinic, etc. These are strong assets that make Bowdle 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 Northeast Council of Governments, the Mobridge Housing and Redevelopment Commission, Dakota Resources, Grow South Dakota and HAPI, Inc. These resources should continue to be accessed as needed to assist with housing activities.

## **Summary of Findings/Recommendations**

The findings/recommendations for the City of Bowdle have been formulated through the analysis of the information provided in the previous sections and include 20 recommendations. The findings/recommendations have been developed in the following five categories:

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

The findings/recommendations for each category are as follows:

### **Rental Housing Development**

1. Develop four to six general occupancy (workforce market rate) rental units
2. Monitor the need for additional subsidized rental housing units
3. Preserve the existing supply of subsidized housing
4. Consider the development of three to four assisted living and four to six independent/light services units/beds
5. Promote the conversion/renovation of existing buildings to create four to six affordable market rate rental housing units
6. Develop a downtown mixed-use commercial/housing project
7. Utilize the Housing Choice Voucher Program

### **Home Ownership**

8. Utilize and promote all programs that assist with home ownership
9. Develop a Purchase/Rehabilitation Program

**Single Family Housing Development**

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

**Housing Rehabilitation/Neighborhood Revitalization**

14. Promote rental housing rehabilitation
15. Promote owner-occupied housing rehabilitation programs
16. Acquire and demolish dilapidated structures

**Other Housing Initiatives**

17. Encourage employer involvement in housing
18. Create a plan and a coordinated effort among housing agencies
19. Strategies for downtown redevelopment
20. Develop home ownership and new construction marketing programs and strategies

# **Bowdle - Rental Housing Development**

## **Rental Housing Development**

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

In Bowdle, from 2010 to 2018, four rental units have been constructed by the Bowdle HRC. These rental units are market rate. Also, some single family homes have been converted from owner-occupied to rental use during that time period.

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 projects that Bowdle will lose two households and Edmunds County will lose seven households from 2018 to 2023. Therefore, there is no demand for new rental units in Bowdle over the next five years due to household growth.

Demand created by replacement of lost units is more difficult to determine, but the best available evidence suggests that Bowdle will lose as many as eight to 10 rental units over the next five years. 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 appropriate due to the deteriorating condition of older, substandard rental housing that should be removed from the occupied stock. Rental units will also be lost due to rental units converting to owner-occupancy.

Pent-up demand also exists. As part of this study, a rental telephone survey was conducted. Based on the high occupancy rates in existing rental housing, and a limited supply of some types of rental housing, we have identified pent-up demand for work force market rate and senior housing with services rental units.

These three demand generators show a need for 15 to 22 rental units/beds over the next five years. Based on the factors stated above, we recommend the development of the following new rental units over the next five years from 2018 to 2023.

▶ Work Force Market Rate	4-6 units
▶ Subsidized/Moderate Rent	0 units
▶ Conversions	4-6 units
▶ Senior with Services (assisted living, independent/ light services)	7-10 units/beds
Total	<hr/> 15-22 units/beds

**1. Develop four to six general occupancy (work force) market rate rental units**

**Findings:** Approximately 75% of the rental housing units in Bowdle 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.

Four market rate rental units have been constructed in Bowdle from 2010 to 2018. These units were developed by the Bowdle HRC. Also, a number of owner-occupied single family homes converted to rentals. The market rate units in Bowdle are in small rental buildings, twin home/town houses, single family houses and mobile homes.

The owners of rental properties and other stakeholders in the community reported a need for quality work force/moderate rent housing.

There is a variation in rental rates in the market rate segment in Bowdle. The existing rents including utilities range from \$550 for an efficiency unit, \$400 to \$450 for a one-bedroom unit, \$500 to \$950 for a two-bedroom unit and \$600 to \$1,000 for a three-bedroom unit.

**Recommendation:** As stated earlier in this section, rental housing demand is based on household growth, pent-up demand and replacement of housing units that have been demolished or converted. Based on this combination of demand generators, we believe that it is reasonable to plan for the production of a total of four to six work force market rate rental units over the next five years from 2019 to 2023.

Based on our research, there is a need for one, two and three-bedroom units.

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

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

However, there is a need for workforce/moderate rent housing in Bowdle. To construct the workforce housing and charge affordable rents, financial assistance, such as land donations, tax abatement, tax increment financing and other resources will be needed.

The first option to developing workforce/moderate rent housing would be to encourage private developers to undertake the construction of market rate rental housing.

If private developers cannot develop affordable workforce rental housing, the BEDC could potentially utilize essential function bonds, SDHDA financing, local funds, or similar funding sources, to construct market rate units. The South Dakota Housing Development Authority has several programs to assist with the development of rental housing including a Dakota-plex Apartment Program that utilizes governors homes.

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

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

<u>Unit Type</u>	<u>No. of Units</u>	<u>Size/Sq. Ft.</u>	<u>Rent</u>
One Bedroom	1	600 - 800	\$600 - \$650
Two Bedroom	2-4	900 - 1,200	\$700 - \$750
Three Bedroom	1	1,250 - 1,400	\$800 - \$850
Total	4-6		

**Note:** The recommended rents are gross rents including all utilities. The rents are quoted in 2018 dollars. It is assumed that rents will increase later in the five-year projection period.

It would be advantageous to have 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 current fair market rents are:

- ▶ 1 bedroom - \$635
- ▶ 2 bedroom - \$770
- ▶ 3 bedroom - \$1,008

## **2. Monitor the need for additional subsidized rental housing units**

**Findings:** There is one federally subsidized rental project in Bowdle, Prairie View. Prairie View is a 16-unit USDA Rural Development general occupancy project constructed in the 1970s. The 16 units are all one-bedroom. At the time of the survey, Prairie View had three vacancies. Tenants with rent assistance pay 30% of their income for rent up to the market rent.

Based on the 2016 American Survey, approximately four to six renter households reported that 30% or more of their income was required to pay housing costs. This represented approximately 10% of all renters that were surveyed. At that time, most of these households had annual incomes of less than \$25,000, and needed a very affordable unit to avoid a housing cost burden.

**Recommendation:** We recommend that the City of Bowdle, the Bowdle HRC, and the BEDC monitor the need to expand the supply of subsidized rental housing in Bowdle. It appears that the City is being adequately served by Prairie View at this time. Also, in the previous recommendation, we are recommending the construction of four to six workforce housing units. Additionally, the low and moderate income renter households can apply for a Housing Choice Voucher.

The large subsidized housing production programs of the past are no longer available, and it remains very difficult to produce new units for very low income renters. We do recommend that renovations are made to Prairie View Project and that the feasibility of converting several one-bedroom units to two-bedroom units be considered. Two-bedroom units would give families an additional housing option.

### **3. Preserve the existing supply of subsidized housing**

**Findings:** Bowdle has one “deep subsidy” rental housing project, Prairie View, that allows tenants with rent assistance to pay rent based on 30% of income. This project is more than 40 years old and was constructed when the federal government was actively involved in producing low income housing.

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

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

**Recommendation:** The South Dakota Housing and Development Authority (SDHDA) tracks subsidized housing in South Dakota that is at risk of being lost. SDHDA administers subsidy programs statewide and would therefore be aware of subsidized housing that is in the process of ending its subsidy contract. USDA Rural Development would know of any projects leaving their subsidy program.

Prairie View Housing owns and manages Prairie View, therefore, it is probable that it will remain subsidized housing into perpetuity.

### **4. Consider the development of three to four assisted living and four to six independent/light services units/beds**

**Findings:** There is one senior with services housing facility in the Bowdle Market Area. The Bowdle Nursing Home is a 34-bed skilled nursing facility.

We have analyzed population data for the Bowdle Market Area, which includes the Cities of Bowdle and Hosmer, the Town of Java, East Walworth Unorganized Territory and Cottonwood Lake, Odessa, Cloyd Valley, Modena and Hosmer Townships. While the Market Area may not be a perfect indicator of overall demand, it does provide an informative look at planning for specialized senior housing. Based on 2016 estimates from the American Community Survey, there are 132 older senior citizens, age 75 and older, residing in the Market Area. Older seniors represent the primary target market for specialized senior housing.

**Recommendation:** Based on the research completed for this Study, we recommend the development of three to four assisted living beds, and four to six independent/light services units in Bowdle over the next five years.

**Skilled Nursing Home** - The research for this Study points to a decreasing alliance on nursing homes as a long-term residence option for older senior citizens. Over time, the nursing homes have tended to use more beds for rehab/recovery stays, or other specialized uses. There has also been a long-standing moratorium that limits expansion in most cases. No recommendations are offered for this type of specialized housing. There is a skilled nursing home located in Bowdle that is licensed for 38 beds, but only 34 beds are being used.

**Assisted Living** - There are no assisted living facilities in the Bowdle Market Area. Therefore, to address projected demand, we are recommending the development of three to four assisted living units over the next five years. The Bowdle Nursing Home is licensed for additional skilled nursing beds that could potentially be converted to assisted living beds.

**Independent/Light Services** - We are not aware of any independent/light services units in the Bowdle Market Area. Independent/light services units are for more independent seniors that would look to have light services available with their housing. Lighter services would typically include a daily meal, weekly light house keeping and an emergency call system. Based on the size of the older senior population residing in the Bowdle Market Area, we are recommending the development of four to six independent/light services units in Bowdle through 2023.

The project should be designed to allow seniors to live in a unit independently. The senior project could be a one level apartment building or townhome style.

The project's amenities and features should include:

- ▶ 24-hour call system
- ▶ A limited access security system
- ▶ Smoke alarms
- ▶ Enclosed parking

Apartment features should include:

- ▶ 4 to 6 units
  - ▶ 2 to 3 one-bedroom
  - ▶ 2 to 3 two-bedroom
- ▶ Floor plans that promote accessibility
- ▶ Fully equipped kitchen
- ▶ Large storage area
- ▶ Ample closet space
- ▶ Laundry hookups
- ▶ Open floor plan
- ▶ Private patio
- ▶ Individually controlled heat and AC
- ▶ Raised outlets, lever door handles, lowered kitchen cabinets
- ▶ Expansive windows

Optional services that could be provided by community organizations or agencies could include:

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

Tax increment financing, tax abatement and other subsidies and/or incentives could be utilized to make the project financially feasible. Ideally, the units would be constructed adjacent to the nursing home.

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

***Memory Care Housing*** - There are no memory care beds in the Bowdle Market Area. However, the nursing home does have residents that have memory loss. We are not recommending the development of memory care units at this time.

The purpose of the senior with services recommendations is to provide general guidance to potential developers. A developer planning a specific project should have a project specific study conducted.

**5. Promote the renovation/conversion of existing buildings to create four to six affordable market rate rental housing units**

**Findings:** The market rate rental housing recommendation addressed the market potential to develop workforce rental units in Bowdle. Unfortunately, these units would still tend to be beyond the financial capability of some area renters. A majority of Bowdle’s renter households have an annual income below \$25,000. These households would need a rental unit at \$625 per month or less.

There is evidence that Bowdle has lost rental housing over the years due to redevelopment, deterioration and demolition, or tenure conversion. Part of the need for additional rental units in Bowdle is to provide for unit replacement of lost units. 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 Bowdle to promote the conversion of buildings to affordable rental units. A goal of four to six units over the next five years would help to replace affordable housing that has been lost.

It would be difficult to create affordable units through new construction. Instead, it may be more practical to work on building renovation or conversion projects that can create housing. This opportunity may arise in commercial buildings, or through the purchase and rehabilitation of existing single family homes. There are several vacant homes in Bowdle that may be available for rental housing.

Creating some additional units with contract rents below \$625 per month would help to expand the choices available to a majority of Bowdle’s renter households.

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

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

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

New mixed-use projects have been developed in several smaller cities. Some of these projects were developed because of market demand while others were developed to enhance the downtown, to introduce a new product to the market or to serve as a catalyst for downtown redevelopment. The City is currently planning some downtown street/infrastructure improvements.

**Recommendation:** We recommend the development of a mixed-use building in the downtown Bowdle area. There are several potential sites in the downtown area for a mixed-use project. The site could be a vacant parcel, or potentially a dilapidated structure or structures could be demolished to provide a site. The City has recently demolished two buildings in the downtown area.

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 continue to attract people to downtown.

The units should be one and two-bedroom. Please note that the new downtown units are included in the recommended unit totals in the first recommendation 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, land at a reduced price or other local funds.

## **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.

The Housing Choice Voucher Program is administered in Bowdle and Edmunds County by the Mobridge Housing and Redevelopment Commission. The Mobridge Housing and Redevelopment Commission has the ability to issue approximately 90 vouchers in a nine-county area. Currently, one Bowdle household is utilizing the Housing Choice Voucher Program. The Mobridge Housing and Redevelopment Commission currently has Vouchers available for Bowdle and Edmunds County households.

**Recommendation:** Bowdle should work with the Mobridge Housing and Redevelopment Commission to assure that renter households in Bowdle are aware of the Housing Choice Voucher Program and have an opportunity to apply for assistance.

# **Bowdle - Home Ownership**

## **Home Ownership**

**Findings:** Expanding home ownership opportunities is one of the primary goals for most cities. High rates of home ownership promote stable communities and strengthen the local tax base. The median owner-occupied home value in Bowdle is estimated to be approximately \$45,000 based on recent sales activity. The home values in Bowdle provide an opportunity for first time buyers and households seeking moderately priced homes.

Our analysis of Bowdle demographic trends shows the number of households in the traditionally strong home ownership age ranges between 25 and 44 years old as remaining relatively stable from 2018 to 2023. Households in these age ranges are typically first-time home buyers. 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 their first home.

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

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

**Findings:** We believe that affordable home ownership is one of the issues facing Bowdle 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, family self-sufficiency programs, rent to ownership programs, and home ownership counseling and training programs can help to address affordable housing issues. Bowdle has a supply of houses that are price-eligible for these assistance programs. The home value estimates used in this study indicate that most of the existing stock in Bowdle 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 funds, 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:** Bowdle should continue to work with area housing agencies, the South Dakota Housing Development Authority, USDA Rural Development and local financial institutions to utilize all available home ownership assistance programs. Private and nonprofit agencies should also be encouraged to provide home ownership opportunities in Bowdle.

The City of Bowdle, the Bowdle HRC and the BEDC could 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 Mobridge HRC, HAPI, Inc., and Grow South Dakota utilize several funding sources to provide home ownership programs. The Federal Home Loan Bank also currently has funds available for down payment/closing cost assistance.

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

**Findings:** Bowdle has a stock of older, lower valued homes, many of which need repairs. Our analysis of recent sales activity indicates that approximately 50% of the homes in Bowdle are valued less than \$45,000. 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 the City of Bowdle or the BEDC 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 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.

There may be an opportunity for local and regional housing agencies to financially assist the private sector with purchasing, rehabilitating and selling homes. This may increase the inventory of substandard homes that economically can be rehabilitated and sold.

# **Bowdle - Single Family Housing Development**

## **New Housing Construction**

**Findings:** Bowdle has experienced very limited single family owner-occupied housing construction over the past 10 years. It is estimated that over the past 10 years, three homes have been constructed in Bowdle.

It is our opinion that if the City of Bowdle, the BEDC, developers and builders, and local and regional housing agencies are proactive, five to seven single family owner-occupied housing units could be constructed in Bowdle from 2019 to 2024 to address demand. However, attractive lot options must be available for all home designs and prices.

Our projection for new owner-occupied single family housing units includes homes built on newly developed lots and on infill lots, and includes single family attached housing units, such as twin homes and town houses. The breakdown of our projection of five to seven new units annually is as follows:

▶ Higher & moderate price homes	1 home
▶ Affordable homes	2-4 homes
▶ Twin homes/town homes	<u>2 units</u>
Total	5-7 homes/ units

### **10. Lot availability**

**Findings:** As part of this Study, we attempted to identify the inventory of residential lots available for single family housing construction in the City of Bowdle. Currently, there are approximately six lots available in the City's newest subdivision. There are also miscellaneous infill lots scattered around the City that we did not attempt to count. We do not know the availability of some of these infill lots. Also, there are a few dilapidated homes in the City. If these homes are demolished, some of the cleared lots may be sites for new construction.

**Recommendation:** Our projections indicate that five to seven new single family housing units could be constructed over the next five years. With approximately six newer lots available, plus some infill sites, it appears that the City should have an adequate supply of residential lots to meet the expected demand. Some of the lots could be for attached unit construction.

It is our opinion that the City and the BEDC should inventory the in-fill lots that are available and monitor the number of homes being constructed, to determine if additional lots are needed over the next five years.

**11. Strategies to encourage continued residential lot sales and new home construction in Bowdle**

**Findings:** Over the past 10 years, three owner-occupied homes have been constructed in Bowdle.

**Recommendation:** We recommend that the City of Bowdle, the BEDC, the Bowdle HRC, 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** - There are lots available in communities throughout the region. To attract new home construction in Bowdle, lots should be competitively priced with other options in the area.
- ▶ **User-Friendly/develop momentum** - The lot purchase and home building process must be 'user friendly.' This includes an inventory of available lots, 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. This will create momentum for new housing construction.
- ▶ **Long-term planning** - The City of Bowdle and the BEDC should continue long-term development planning to assure lots are available to meet demand for all types of new housing.
- ▶ **Incentives** - Some cities and counties throughout South Dakota are offering incentives to construct new homes, including reduced lot prices, reduced water and sewer hookup fees, tax abatements, cash incentives, etc. Incentives should be considered to promote new home construction.

- ▶ ***Lot availability for twin home/town home development*** - It is our opinion that there will be a demand for twin homes/town homes over the next five to 10 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 subdivision. This broadens the lot buyer market. Also, smaller infill lots with fewer amenities could be marketed for affordable homes.
- ▶ ***Marketing*** - The City of Bowdle and all housing stakeholders will need to develop a comprehensive marketing strategy to sell available lots. Developers, realtors, financial institutions, builders, employers, the Bowdle HRC, the BEDC, etc. should all be involved in developing marketing strategies. In addition to marketing the lots, the City of Bowdle and its amenities should be marketed.
- ▶ ***Available lots for affordable homes*** - Lots should be available for affordable homes including Governors Homes, manufactured homes and modular homes.
- ▶ ***Governors Homes*** - Governors Homes represent an affordable option and SDHDA has initiated a program that enables developers to participate in the 'Governor's Home Program.'
- ▶ ***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.
- ▶ ***South Dakota Housing Development Authority Programs (SDHDA)*** - SDHDA has housing programs available to assist developers, builders and home buyers.

## **12. Promote town house, twin home and condominium development**

**Findings:** Bowdle has not experienced any attached housing development from 2000 to 2018. Many communities over the past two decades have seen attached housing take an increasingly large share of new construction for owner-occupants. In cities the size of Bowdle, 20% to 25% of the housing starts are typically twin homes/town homes.

Attached housing provides desirable alternatives for empty nesters and seniors to move out of their single family homes, thus, making traditional single family homes available for families. Attached housing may also be an affordable option for younger households. Based on Esri estimates for 2018, there were approximately 131 households in Bowdle with a head of household in the 55 and older age ranges, and it is estimated that the 55 and older age ranges will increase by seven households from 2018 to 2023.

It is important for the City to offer a range of life-cycle housing options as many of these households will be seeking to downsize into low maintenance housing options.

**Recommendation:** It is our projection that one twin home could be constructed over the next five years with the potential to develop additional twin homes after the five-year projection period.

We recommend twin home/town home construction, and 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 which provides security
- ▶ Homes at a price that is acceptable to the market

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

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

**Findings:** With the difficulty of producing new housing units that are affordable for moderate income households, it is important to take advantage of opportunities presented by housing agencies and nonprofit groups such as HAPI, Inc., and Grow South Dakota. Local agencies and organizations such as the Bowdle HRC and the BEDC could also assist with owner-occupied housing development. These sources may help generate new homes for moderate income families in Bowdle.

**Recommendation:** We recommend that the City coordinate with housing agencies, nonprofit groups and private sector builders to produce housing units for moderate income ownership. The City may be able to contribute to the project through land donations, TIF, tax abatement, or project coordination activities.

If dilapidated homes are demolished, some of the cleared lots may be suitable for redevelopment and these in-fill lots may be good sites for this type of new construction activity.

# **Bowdle Housing Rehabilitation**

## **Housing Rehabilitation and Neighborhood Revitalization**

**Findings:** Bowdle has an asset in their 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 Bowdle and area housing agencies will need to make housing rehabilitation a priority in the future. New housing construction that has occurred is often in a price range that is beyond the affordability level for most Bowdle 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, affordable stock could shrink, creating an even more difficult affordability situation.

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

### **14. Promote rental housing rehabilitation**

**Findings:** Based on the U.S. Census data, the City of Bowdle has approximately 65 rental units in 2018. These rental buildings are in multi-family project, small rental buildings, twin homes/town houses, single family homes and mobile homes. Many of these rental structures could benefit from rehabilitation as over 90% of these rental structures are more than 30 years old and some of these rental units may be in poor condition. Additionally, Prairie View, the City's 16-unit General Occupancy Rural Development Project is in need of renovation and the project's board is considering a renovation project.

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

**Recommendation:** The City of Bowdle, the Bowdle HRC and the BEDC should work with housing agencies to seek funds to rehabilitate the City’s rental units. Potential funding sources may include USDA Rural Development, HAPI, Inc., Grow South Dakota, the South Dakota Housing Development Authority, the Federal Home Loan Bank and local funds.

We also recommend the renovation of the Prairie View USDA Rural Development project. As part of the Prairie View renovation the Board could consider the feasibility of converting four one-bedroom units into two two-bedroom units. This would provide an additional housing option for families.

The project provides a significant percentage of the rental housing in Bowdle and is the only subsidized housing option in Bowdle. The median renter household income in Bowdle is \$26,250, thus, there is a significant need for affordable rental housing in Bowdle.

## **15. Promote owner-occupied housing rehabilitation programs**

**Findings:** The quality and affordability of the existing housing stock in Bowdle will continue to be an attraction for families that are seeking housing in Bowdle. Investment in owner-occupied housing rehabilitation activities will be critical to offering high quality housing opportunities. Approximately 79% of the owner-occupied housing units in Bowdle are more than 30 years old. Some of these units need rehabilitation.

The housing condition survey of the 213 homes in Bowdle found 66 homes that need minor repairs and 36 homes that need major repairs. Without rehabilitation assistance, the affordable housing stock will shrink in Bowdle.

**Recommendation:** We recommend that the City of Bowdle, the Bowdle HRC and the BEDC seek local, state and federal funds to assist in financing housing rehabilitation. USDA Rural Development, the Federal Home Loan Bank, HAPI, Inc., and Grow South Dakota are potential funding sources. HAPI, Inc., and Grow South Dakota have several housing programs to assist households with the rehabilitation of their homes. Some programs offer households that meet program requirements, a deferred loan to rehabilitate their homes. Deferred loans do not have to be paid back if the household lives in the rehabilitated home for a stipulated amount of time after the rehabilitation is completed. We encourage Bowdle households to utilize these housing rehabilitation programs. Also, Grow South Dakota provides Weatherization funds for Bowdle and Edmunds County.

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

**Findings:** The housing condition survey of the City's housing stock identified 20 houses that were dilapidated and viewed as too deteriorated to rehabilitate. We also identified 36 homes as needing major repair and several of these homes may be too dilapidated to rehabilitate. It is probable that some additional deteriorated houses exist in other neighborhoods that were not surveyed. The City of Bowdle has worked with property owners in the past to demolish dilapidated structures.

The Governor's Office of Economic Development has developed the Bulldoze, Build and Beautify (BBB) Program. This program assists with funding to demolish dilapidated housing structures, to prepare the sites for redevelopment and to construct new affordable housing on the cleared sites. Housing on cleared sites could be used for affordable single family housing or potentially for multi-family housing units.

**Recommendation:** We recommend that the City of Bowdle continue to work with property owners to demolish and clear severely dilapidated structures. The City is enhanced when blighted and dilapidated structures are removed. It is possible that some of the cleared lots could be utilized for the construction of new affordable housing units.

The City could develop partnerships with the private sector and housing agencies to construct new housing on cleared parcels. Tax increment financing, tax abatement, SDHDA, and Federal Home Loan Bank funds are potential funding sources for this initiative.

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

# **Bowdle - Other Housing Initiatives**

## **Other Housing Initiatives**

### **17. Encourage employer involvement in housing programs**

**Findings:** Bowdle has several employers with a significant number of employees. The connection between economic development and housing availability has become an increasingly important issue as local employers have the need to attract new workers into the community.

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

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

Employer involvement can include direct assistance to their employees such as a grant, loan, forgivable loan, deferred loan, down payment assistance, loan guarantee, etc. In many cases, employers do not wish to provide assistance to specific employees, but are willing to contribute to an overall city project, such as work force oriented rental housing or construction of affordable single family houses.

### **18. Create a plan and a coordinated effort among housing agencies**

**Findings:** Bowdle will continue to need resources in addition to existing City staff and local volunteers to plan and implement many of the housing recommendations advanced in this Study.

Bowdle has access to Dakota Resources, HAPI, Inc., Grow Dakota, the Northwest Council of Governments, the Mobridge Housing and Redevelopment Commission, the South Dakota Housing Development Authority and USDA Rural Development. These agencies all have experience with housing and community development programs.

**Recommendation:** Bowdle has access to multiple agencies that can assist with addressing housing needs. It is our recommendation that the City work with these agencies to prioritize the recommendations of this Study and develop a plan to address the identified housing needs. The Plan should include strategies, time lines and the responsibilities of each agency. It will be important that a coordinated approach be used to prioritize and assign responsibility for housing programs.

It will also be important for Bowdle 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:** Bowdle has a commercial district that addresses the retail/commercial daily needs of its residents. Bowdle has buildings that have been renovated and have quality commercial space. There are also buildings that have not been maintained and are substandard. The City has recently demolished two buildings in the downtown area, and is planning for street/infrastructure improvements.

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. Bowdle has been working to develop 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 commercial sector is sufficient to serve their daily needs. A viable commercial district is an important factor in their decision making process.

**Recommendation:** We are recommending the following actions for downtown Bowdle:

- ▶ 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
- ▶ Identify funding sources
  - ▶ Property owner funds
  - ▶ City funds
  - ▶ BEDC funds
  - ▶ 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 Bowdle
  - ▶ Northeast Council of Governments
  - ▶ BEDC

## **20. 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 Bowdle, the BEDC 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 Bowdle 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 (Bowdle and the area) to provide employees (especially new employees) with housing opportunities in Bowdle
- ▶ 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
- ▶ 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.
- ▶ 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 in Bowdle and Edmunds County:

### **Homes are Possible, Inc.**

320 S. Main  
Aberdeen, SD 57401  
(605) 225-4274

### **Mobridge Housing and Redevelopment Commission**

116 4<sup>th</sup> St.  
Mobridge, SD 57601  
(605) 845-2560

### **Grow South Dakota**

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

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

221 South Central Avenue  
Pierre, SD 57501  
(605) 773-3181

### **USDA Rural Development**

524 Enterprise St., South Suite 100  
Aberdeen, SD 57401  
(605) 224-3360

### **Northeast Council of Governments**

416 Production St. N., Suite 1  
Aberdeen, SD 57401  
(605) 626-2595

### **Dakota Resources**

25795 475<sup>th</sup> Avenue  
Suite #1  
Renner, SD 57055  
(605) 978-2804