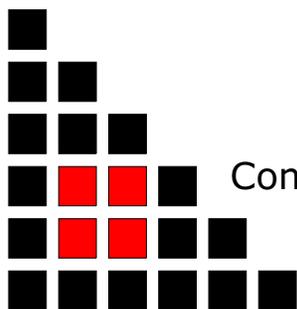


# City of Crooks HOUSING STUDY

January 2014

An analysis of the overall housing needs  
of the City of Crooks, SD



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# Introduction

## Overview

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

## Goals

The multiple goals of the study include:

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

## Methodology

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

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

**Limitations**

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

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## **Demographic Data Overview**

### **Sources of Data**

The following pages contain demographic data obtained from a variety of local, state and national sources for the City of Crooks and Minnehaha County. The 2010 Census information was more limited in scope than in the past. As a result, some of the demographic variables, such as income and housing cost information, were not available.

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

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

## Population Data and Trends

<b>Table 1 Population Trends - 1980 to 2010</b>							
	1980 Census	1990 Census	2000 Census	% Change 1990-2000	2010 Census	% Change 2000-2010	2012 Estimate
Crooks	594	671	859	28.0%	1,269	47.7%	1,307
Minnehaha Co.	109,435	123,809	148,281	19.8%	169,468	14.3%	175,034

Source: U.S. Census; Census Bureau Annual Population Estimates Program

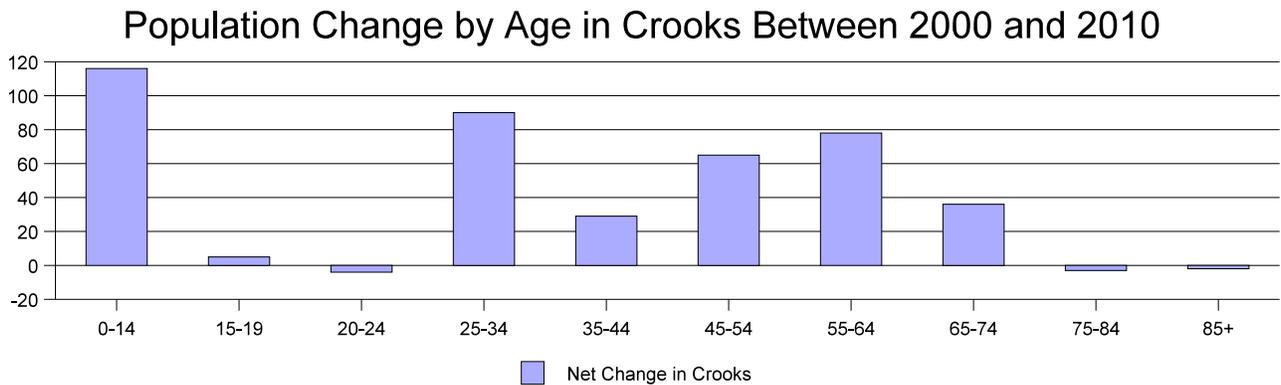
- ▶ According to the 2010 U.S. Census, the City of Crooks and Minnehaha County both had significant population gains from 2000 to 2010. Crooks' population was 1,269 in 2010. This was a 410-person increase from 2000, which was a population gain of 47.7%.
- ▶ Minnehaha County's population was 169,468 in 2010. This was a 21,187-person increase from 2000, which was a population gain of 14.3%.
- ▶ Crooks and Minnehaha County also experienced significant population increases in the 1990s. Crooks' population increased by 188 people and Minnehaha County's population increased by 24,472 people.
- ▶ Crooks' population is primarily White and non-Hispanic/Latino. At the time of the 2010 Census, approximately 98% of the City's residents identified their race as White. Approximately 2% of the City's residents were identified as Hispanic/Latino.
- ▶ According to the 2010 Census, no Crooks residents lived in group quarters.
- ▶ The Census Bureau has released some population estimates following the 2010 Census. For Crooks, the most recent estimate is effective on July 1, 2012. This estimate shows the City's population at 1,307 people, up by 38 residents from the 2010 Census.
- ▶ For all of Minnehaha County, the most recent estimate also has an effective date of July 1, 2012. This estimate shows the County adding 5,566 residents since the 2010 Census.

## Population by Age Trends: 2000 to 2010

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

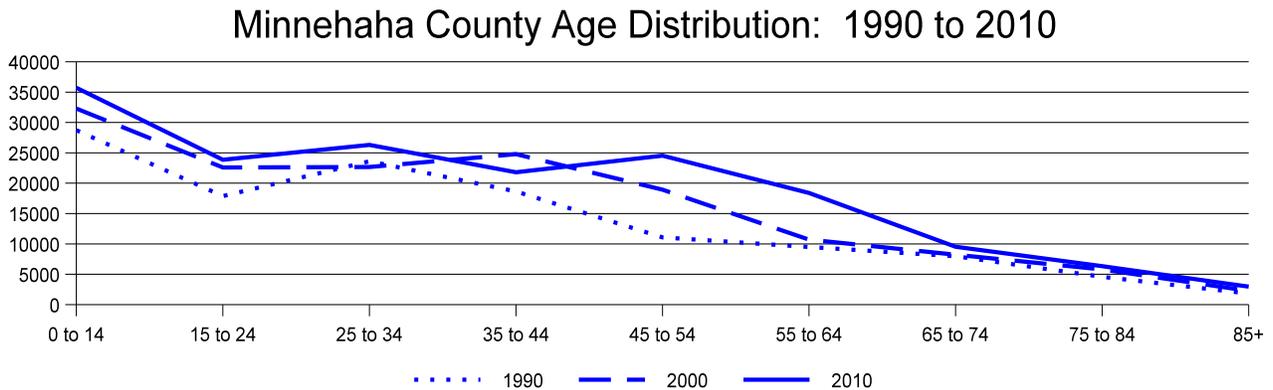
<b>Table 2 Population by Age - 2000 to 2010</b>						
Age	Crooks			Minnehaha County		
	2000	2010	Change	2000	2010	Change
0-14	244	360	116	32,288	35,727	3,439
15-19	79	84	5	11,119	11,425	306
20-24	51	47	-4	11,466	12,443	977
25-34	136	226	90	22,659	26,300	3,641
35-44	158	187	29	24,794	21,810	-2,984
45-54	127	192	65	18,928	24,535	5,607
55-64	36	114	78	10,714	18,385	7,671
65-74	11	47	36	8,233	9,540	1,307
75-84	13	10	-3	5,801	6,337	536
85+	4	2	-2	2,279	2,966	687
Total	589	1,269	410	148,281	169,468	21,187

Source: U.S. Census



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 Crooks and Minnehaha County. Between 2000 and 2010, Crooks had a gain of 143 people and Minnehaha County had a gain of 13,278 people in the age ranges between 45 and 64 years old. In 2010, nearly all of the baby boomers were within these age ranges.

The City of Crooks had increases in all age ranges with exception of the 20 to 24 age range, which decreased by four people and the 75 and older age ranges, which decreased by five people. Minnehaha County had increases in all age ranges with the exception of the 35 to 44 age range, which had a significant loss of 2,984 people.



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

## Population Projections

The following table presents population projections using two different sources.

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

The other set of projections has been calculated by Community Partners Research, Inc., and these are based on past patterns of population change over the past 22 years. Projections are provided for 2015 and 2020.

<b>Table 3 Population Projections Through 2015 and 2020</b>				
	2012 Estimate	2015 Projection	2020 Projection	2015 Projection State Data Center
Crooks	1,307	1,367	1,492	N/A
Minnehaha Co.	175,034	181,575	192,098	180,180

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

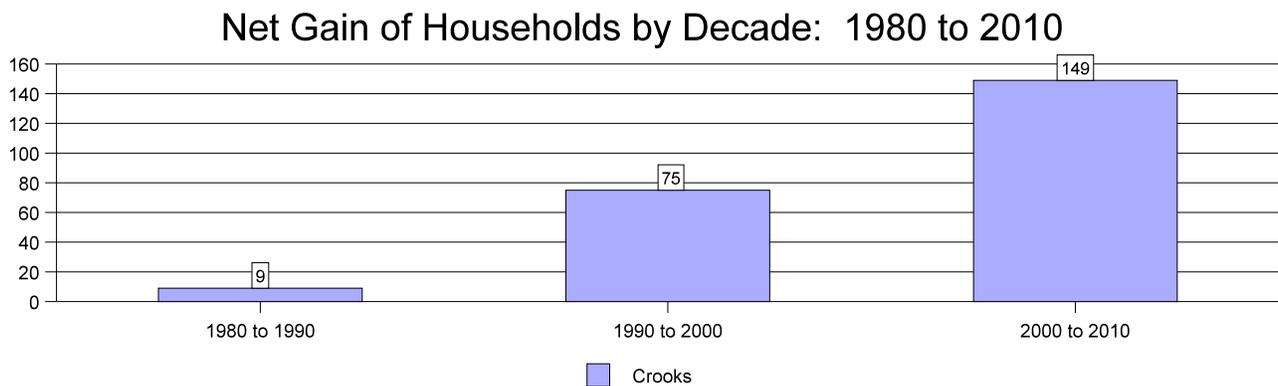
- ▶ The growth projections calculated by Community Partners Research, Inc., expect population gains from 2012 to 2020 for the City of Crooks and Minnehaha County.
- ▶ The Community Partners Research, Inc., population projections for Crooks estimate an increase of 60 people between 2012 and 2015 and the gain of an additional 125 people from 2015 to 2020.
- ▶ Minnehaha County’s population, based on past growth trends, is projected to gain 6,541 people from 2012 to 2015, and then gain an additional 10,523 people from 2015 to 2020. The State Data Center’s 2015 projection for Minnehaha County is 180,180, which is slightly lower than the Community Partners Research, Inc., projection.

## Household Data and Trends

<b>Table 4 Household Trends - 1980 to 2010</b>						
	1980 Census	1990 Census	2000 Census	% Change 1990-2000	2010 Census	% Change 2000-2010
Crooks	198	207	282	36.2%	431	52.8%
Minnehaha Co.	40,054	46,805	57,996	23.9%	67,028	15.6%

Source: U.S. Census

- ▶ According to the 2010 U.S. Census, both Crooks and Minnehaha County gained a significant number of households from 2000 to 2010. Crooks had 431 households in 2010. This was an increase of 149 households from 2000, which was a household gain of 52.8%.
- ▶ Minnehaha County had 67,028 households in 2010. This was a gain of 9,032 households from 2000, which was a household increase of 15.6%.
- ▶ Crooks and Minnehaha County also experienced household gains during the 1990s, Crooks gained 75 households and Minnehaha County gained 11,191 households from 1990 to 2000.
- ▶ No household estimates have been released by the Census Bureau following the 2010 Census.



## Household by Age Trends: 2000 to 2010

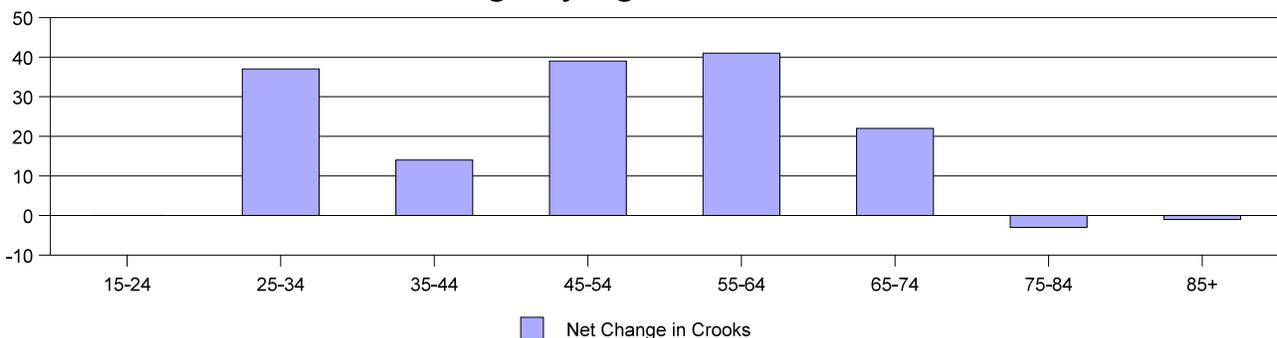
The 2010 Census allows for some analysis of Crooks and Minnehaha County’s changing age patterns. The following table compares households by age of householder in 2000 and 2010, along with the numeric changes.

<b>Table 5 Households by Age - 2000 - 2010</b>						
Age	Crooks			Minnehaha County		
	2000	2010	Change	2000	2010	Change
15-24	10	10	0	4,709	4,310	-399
25-34	71	108	37	11,619	13,252	1,633
35-44	84	98	14	13,882	11,928	-1,954
45-54	72	111	39	10,924	14,134	3,210
55-64	25	66	41	6,352	11,092	4,740
65-74	7	29	22	5,240	6,012	772
75-84	10	7	-3	3,927	4,312	385
85+	3	2	-1	1,343	1,988	645
<b>Total</b>	<b>282</b>	<b>431</b>	<b>149</b>	<b>57,996</b>	<b>67,028</b>	<b>9,032</b>

Source: U.S. Census

Consistent with the population by age data presented earlier, the household patterns show most of the net change occurring in the baby boomer age groups. For all of Minnehaha County there was an increase of 7,950 households in the 45 to 64 year age ranges and Crooks had an increase of 80 households in these age ranges.

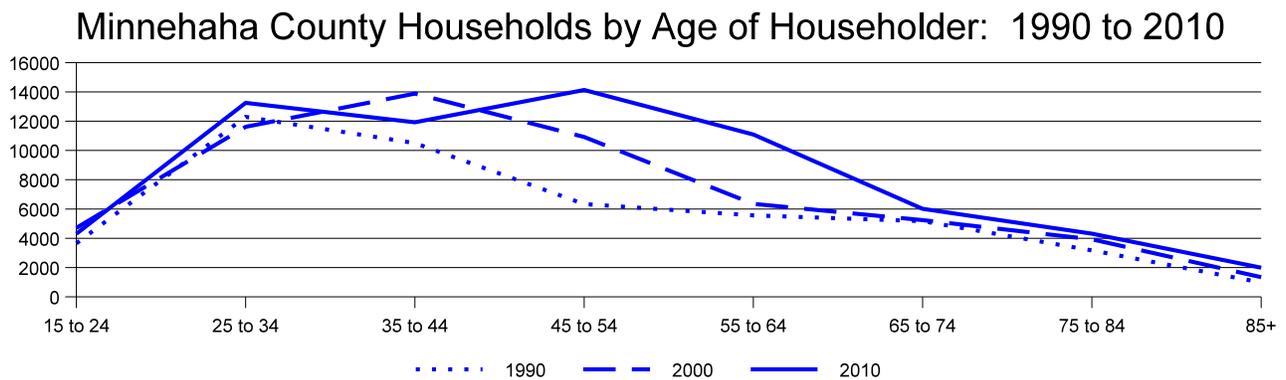
**Household Change by Age Between 2000 and 2010**



Crooks had increases in all age ranges with the exception of the 75 and older age ranges, which had a loss of four households and the 15 to 24 age range, which had no change.

Although Minnehaha County had net gains in most of the age ranges, there was a net loss of households in the 15 to 24 and 35 to 44 age ranges.

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



## Average Household Size

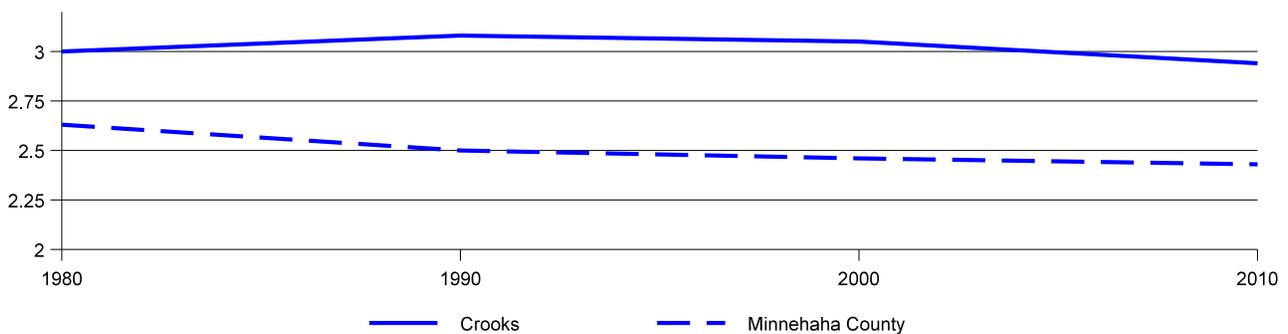
The following table provides decennial Census information on average household size.

<b>Table 6 Average Number of Persons Per Household: 1990 to 2010</b>				
	1980 Census	1990 Census	2000 Census	2010 Census
Crooks	3.00	3.08	3.05	2.94
Minnehaha County	2.63	2.50	2.46	2.43

Source: U.S. Census

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

Average Household Size: 1980 to 2010



The average household size in Crooks has decreased slightly from 1980 to 2000. However, Crooks' 2010 average household size of 2.94 is very high when compared to other South Dakota cities.

Minnehaha County's average household size decreased from 2.63 in 1980 to 2.43 in 2010.

## Household Projections

The following table presents 2015 and 2020 household projections for Crooks and Minnehaha County. Both of these calculations have been generated by Community Partners Research, Inc., and are based on past growth trends.

<b>Table 7 Household Projections Through 2015</b>			
	2010 Census	2015 Projection	2020 Projection
Crooks	431	472	527
Minnehaha County	67,028	72,258	77,598

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

- ▶ The growth projections estimate household gains for Crooks and Minnehaha County.
- ▶ Crooks is expected to gain 41 households from 2010 to 2015 and an increase of an additional 55 households from 2015 to 2020.
- ▶ Minnehaha County is projected to add 5,230 households from 2010 to 2015 and an additional 5,340 households from 2015 to 2020.

## Household by Age Projections: 2010 to 2015

With the release of the 2010 Census, a new benchmark has been established for the City of Crooks age-related statistics. In the following table, Community Partners Research, Inc., has generated age-based household projections for Crooks to the year 2015. The projections were created by trending forward past retention rates within defined age cohorts, and assuming that these past patterns are reasonable predictors of future age-based population changes.

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 the City gains population at a rate that is different from past patterns, traditional age-based forecasts could be altered.

<b>Table 8 Crooks Projected Households by Age - 2010 to 2015</b>			
Age Range	2010 Census	Community Partner Research, Inc.	
		2015 Projection	Change from 2010
15-24	10	10	0
25-34	108	94	-14
35-44	98	116	18
45-54	111	106	-5
55-64	66	74	8
65-74	29	54	25
75-84	7	16	9
85+	2	2	0
<b>Total</b>	<b>431</b>	<b>472</b>	<b>41</b>

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

The Crooks' 35 to 44 age range is expected to gain 18 households from 2010 to 2015 and the 55 to 84 age ranges are projected to gain 42 households during the five-year period.

The 25 to 34 age range is expected to lose 14 households and the 45 to 54 age range is projected to decrease by five households from 2010 to 2015. The 15 to 24 and 85 and older age ranges are projected to have no change in the numbers of households from 2010 to 2015.

## Households by Type

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

<b>Table 9 Crooks Household Composition - 2000 to 2010</b>			
	2000 Census	2010 Census	Change
Family Households			
Married Couple with own children	130	152	22
Single Parent with own children	23	42	19
Married Couple without own children	69	135	66
Family Householder without spouse	10	16	6
<b>Total Families</b>	<b>232</b>	<b>345</b>	<b>113</b>
Non-Family Households			
Single Person	37	66	29
Two or more persons	13	20	7
<b>Total Non-Families</b>	<b>50</b>	<b>86</b>	<b>36</b>

Source: U.S. Census

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

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

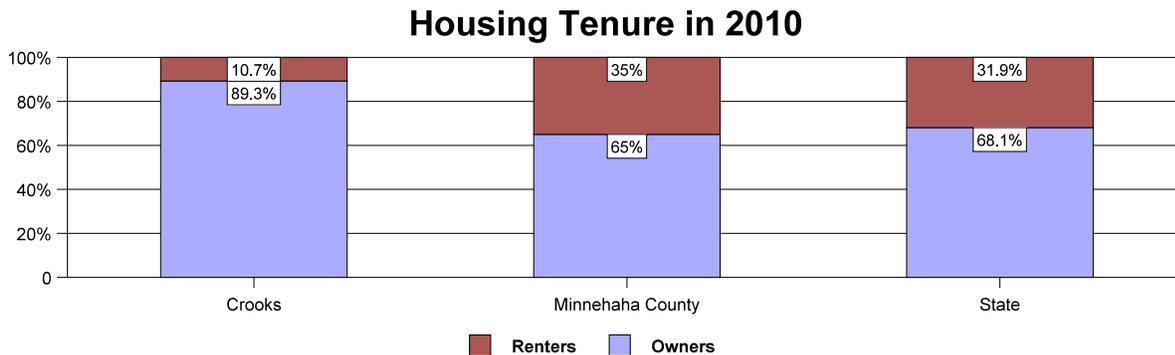
## Housing Tenure

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

<b>Table 10 Household Tenure - 2010</b>				
	Number of Owners	Percent of all Households	Number of Renters	Percent of all Households
Crooks	385	89.3%	46	10.7%
Minnehaha Co.	43,567	65.0%	23,461	35.0%
State	-	68.1%	-	31.9%

Source: U.S. Census

According to the 2010 Census, the ownership tenure rate in the City of Crooks was 89.3%. Minnehaha County’s ownership rate was 65.0%. The City of Crooks renter tenure rate of 10.7% is significantly lower than the State of South Dakota renter tenure rate of 31.9%.



<b>Table 11 Households by Housing Tenure - 2000 to 2010</b>						
Tenure	Crooks			Minnehaha County		
	2000	2010	Change	2000	2010	Change
Owners	240/85.1%	385/89.3%	145	37,512/64.7%	43,567/65.0%	6,055
Renters	42/14.9%	46/10.7%	4	20,484/35.3%	23,461/35.0%	2,977
Total	282	431	149	57,996	67,028	9,032

Source: U.S. Census

Crooks’ ownership rate increased from 85.1% in 2000 to 89.3% in 2010. For Minnehaha County, there was a slight increase in the rate of owner households between 2000 and 2010, from 64.7% in 2000 to 65.0% in 2010.

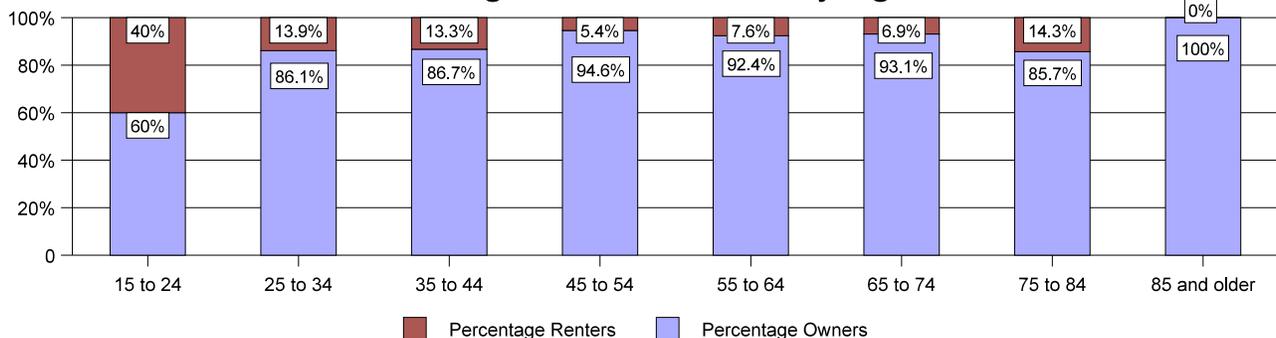
## Tenure by Age of Householder

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

<b>Table 12 Crooks Tenure by Age of Householder - 2010</b>				
Age	Owners		Renters	
	Number	Percent within age	Number	Percent within age
15-24	6	60.0%	4	40.0%
25-34	93	86.1%	15	13.9%
35-44	85	86.7%	13	13.3%
45-54	105	94.6%	6	5.4%
55-64	61	92.4%	5	7.6%
65-74	27	93.1%	2	6.9%
75-84	6	85.7%	1	14.3%
85+	2	100%	0	0%
Total	385	89.3%	46	10.7%

Source: U.S. Census

**Crooks Housing Tenure Patterns by Age in 2010**



All of the age ranges in Crooks have a very high ownership rate with the exception of the 15 to 24 age range, which had a renter rate of 40%. Home ownership rates for each of the 10-year age cohorts age 25 and older were above 85%.

## Tenure by Household Size

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

Household Size	Owners			Renters		
	2000	2010	Change	2000	2010	Change
1-Person	27	53	26	10	13	3
2-Person	64	120	56	14	5	-9
3-Person	48	77	29	6	12	6
4-Person	67	83	16	10	9	-1
5-Person	23	37	14	1	5	4
6-Person	10	12	2	0	2	2
7-Persons+	1	3	2	1	0	-1
Total	240	385	145	42	46	4

Source: U.S. Census

- ▶ Over the past decade, there was an increase in the number of owner and renter households in Crooks. There was an increase of 26 one-person owner households, 56 two-person owner households and 29 three-person households. There was also an increase of 34 owner households with four or more people per household.
- ▶ There was a gain of three one-person renter households, a loss of nine two-person households and a gain of six three-person renter households. There was a net gain of four renter households with four or more people from 2000 to 2010.
- ▶ Approximately 61% of the renter households in Crooks are three or more person households, which is a high percentage compared with other South Dakota cities.

## 2011 Income Data

The 2010 Census did not collect information on household income. However, estimates are available at the city and county level through the 2011 American Community Survey. Household income represents all independent households, including people living alone and unrelated individuals together in a housing unit. Families are two or more related individuals living in a household.

<b>Table 14 Median Household Income - 2000 to 2011</b>			
	2000 Median	2011 Median	% Change
Crooks	\$54,583	\$74,962	37.3%
Minnehaha County	\$42,566	\$52,758	23.9%
South Dakota	\$35,271	\$46,369	31.5%

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

<b>Table 15 Median Family Income - 2000 to 2011</b>			
	2000 Median	2011 Median	% Change
Crooks	\$56,528	\$80,833	43.0%
Minnehaha County	\$52,031	\$66,953	28.7%
South Dakota	\$43,237	\$58,958	36.4%

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

Information contained in the 2011 American Community Survey shows local income levels and income growth over the past decade. Both the median household incomes and the median family incomes for Crooks and Minnehaha County were above the respective medians for all of South Dakota. Crooks' had a high rate of income growth with the household median income increasing by 37.3% and the family median income increasing by 43.0%.

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.

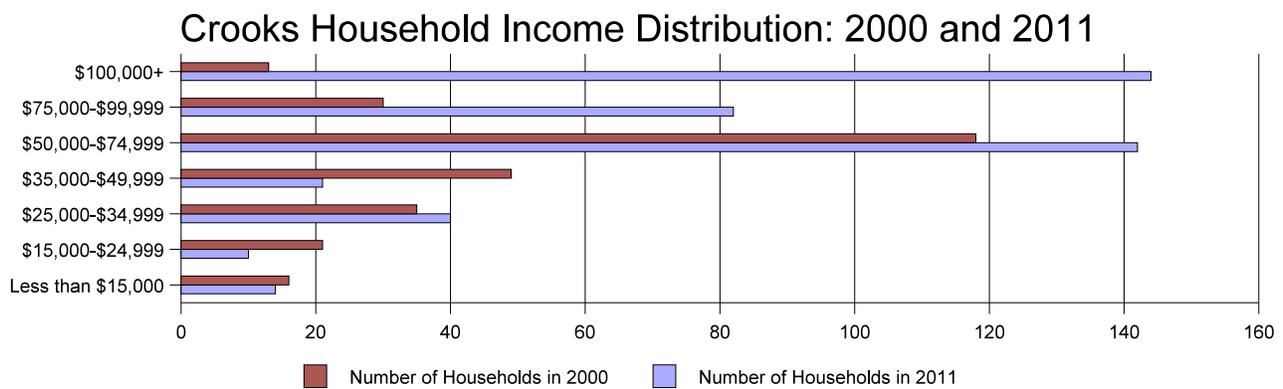
Using the commonly accepted standard that up to 30% of gross income can be applied to housing expenses without experiencing a cost burden, a median income household in Crooks could afford approximately \$1,874 per month for ownership or rental housing in 2010. A median income family could afford approximately \$2,021 per month for housing. However, as will be detailed later in this section, renter households tend to be below the overall median, while owner households tend to be above the overall median level.

## Crooks Household Income Distribution

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

<b>Table 16 Crooks Household Income Distribution - 2000 to 2011</b>			
Household Income	Number of Households 2000	Number of Households in 2011	Change 2000 to 2011
\$0 - \$14,999	16	14	-2
\$15,000 - \$24,999	21	10	-11
\$25,000 - \$34,999	35	40	5
\$35,000 - \$49,999	49	21	-28
\$50,000 - \$74,999	118	142	24
\$75,000 - \$99,999	30	82	52
\$100,000+	13	144	131
<b>Total</b>	<b>282</b>	<b>453</b>	<b>171</b>

Source: 2000 Census; 2011 ACS



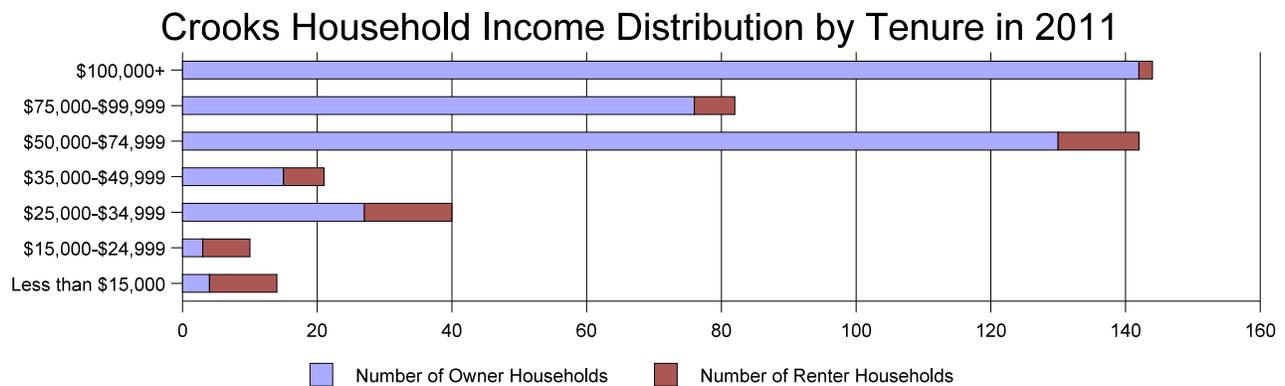
According to income estimates contained in the 2011 American Community Survey, household incomes have improved in Crooks, especially in the highest income ranges. When compared to the 2000 Census (1999 income), the number of households with an income of \$50,000, or more, increased by 207 households. There was a net decrease of 36 households in the \$49,999 income range and lower.

## Crooks Income Distribution by Housing Tenure

The 2011 American Community Survey provides an income estimate by owner and renter status. The following table examines income distribution within the City of Crooks. The American Community Survey is an estimate, based on limited sampling data, and there are some differences when compared to the 2010 Census. The American Community Survey estimated 12 more owner households than the Census, and 10 more renter households. However the American Community Survey estimate is for 2011, one year after the decennial Census.

<b>Table 17 Crooks Household Income Distribution by Tenure - 2011</b>			
Household Income	Number of Owner Households	Number of Renter Households	Total Households
\$0 - \$14,999	4/28.6%	10/71.4%	14
\$15,000 - \$24,999	3/30.0%	7/70.0%	10
\$25,000 - \$34,999	27/67.5%	13/32.5%	40
\$35,000 - \$49,999	15/71.4%	6/28.6%	21
\$50,000 - \$74,999	130/91.5%	12/8.5%	142
\$75,000 - \$99,999	76/92.7%	6/73.2%	82
\$100,000+	142/98.6%	2/1.4%	144
<b>Total</b>	<b>397</b>	<b>56</b>	<b>453</b>

Source: 2011 American Community Survey



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

In 2010, approximately 54% of all renter households in Crooks had an annual income below \$35,000. At 30% of income, these households would have \$875, or less, that could be applied to monthly housing costs.

Conversely, most owner households had a substantially higher income level. Approximately 88% of all owner households had an annual income of \$50,000 or more. At 30% of income, an owner could afford \$1,364 or more per month for housing costs.

## 2011 Estimated Income and Housing Costs - Renters

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

<b>Table 18 Gross Rent as a Percentage of Household Income - Crooks</b>		
Percentage of Household Income for Housing Costs	Number of Renter Households 2011	Percent of All Renter Households 2011
0% to 19.9%	12	21.4%
20% to 29.9%	9	16.0%
30% to 34.9%	3	5.4%
35% or more	29	51.8%
Not Computed	3	5.4%
Total	56	100%

Source: 2011 American Community Survey

Based on the more accurate tenure information from the 2010 Census, the 2011 American Community Survey overestimated the number of renter households in Crooks. The 2010 U.S. Census reported that there were 46 renter households in Crooks and the 2011 American Community Survey estimated that there were 56 renter households in Crooks. However, the estimates on housing cost burden are the best available information on income and expenses for housing.

According to the American Community Survey, approximately 57% of all renters in the City were paying 30% or more of their income for rent. The large majority of these households were actually paying 35% or more of their income for housing. Federal standards for rent subsidy programs generally identify 30% of income as the maximum household contribution. When more than 30% of income is required, this is often called a "rent burden". When more than 35% is required, this can be considered a "severe rent burden".

## 2011 Estimated Income and Housing Costs - Owners

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

<b>Table 19 Ownership Costs as a Percentage of Income - Crooks</b>		
Percentage of Household Income for Housing Costs	Number of Owner Households 2011	Percent of All Owner Households 2011
0% to 19.9%	208	52.4%
20% to 29.9%	131	33.0%
30% to 34.9%	34	8.6%
35% or more	24	6.0%
Not Computed	0	0%
Total	397	100%

Source: 2011 ACS

Based on the 2010 Census, the 2011 American Community Survey slightly overestimated the number of owner households in the City, however, this source still represents the best available information on income compared to housing costs.

Most owner-occupants, which would include households with and without a mortgage, reported paying less than 30% of their income for housing. However, approximately 15% of all home owners reported that they paid more than 30% of their income for housing. Approximately 6% of these households were paying more than 35% of income for housing costs.

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

## Building Permit Trends

Crooks has had a significant amount of new housing construction activity in recent years although almost all of the new housing construction was in single family homes. The following table identifies the units that have been issued a building permit since the year 2000.

<b>Table 20 Crooks Housing Unit Construction Activity: 2000 to 2012</b>				
Year	Single Family Detached	Single Family Attached	Multifamily	Total Units
2013	3	0	0	3
2012	4	0	0	4
2011	5	0	0	5
2010	4	0	0	4
2009	4	0	0	4
2008	6	0	0	6
2007	6	0	0	6
2006	17	0	0	17
2005	20	0	0	20
2004	27	0	0	27
2003	17	8	0	25
2002	15	0	0	15
2001	14	0	0	14
2000	6	0	0	6
<b>TOTAL</b>	<b>148</b>	<b>8</b>	<b>0</b>	<b>156</b>

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

Over the past 14 years, 156 new housing units have been constructed in Crooks, based on building permit issuance. The 156 housing units include 148 single family homes, and eight units in four twin homes. No multi-family units were constructed in Crooks from 2000 to 2013.

Much of the new single family construction occurred from 2000 and 2006. During this seven-year period, the City averaged approximately 17 new houses per year. After 2006, housing construction activity slowed, and the City has averaged approximately five new houses per year from 2007 to 2013.

It should also be noted that Crooks was not alone in the reduced level of construction after 2007. In 2006 and 2007, the City of Sioux Falls was averaging approximately 935 single family detached houses per year, based on building permits. In 2008 and 2009, the annual average in Sioux Falls dropped to 509 units.

## Occupancy Status of Housing Units - 2010

<b>Table 21 Occupancy Status of Housing Units - 2010</b>						
	Occupied Units		Vacant Units			
	Owner	Renter	For Rent	For Sale	Seasonal Use	Other Vacant
Crooks	385	46	0	2	2	5
Minnehaha Co.	43,567	23,461	2,690	645	214	980

Source: U.S. Census

- ▶ In 2010, according to the U.S. Census, there were 214 seasonal housing units in Minnehaha County, including two units in Crooks.
- ▶ There were 4,529 vacant housing units in Minnehaha County in 2010, including nine units in Crooks. The nine vacant units in Crooks included the two seasonal use structures, two houses that were vacant and for sale, and five units identified as "other vacant".

## Existing Home Sales

This section examines houses that were sold in Crooks during the one-year period from November 2012, through October 2013. For comparison purposes, we have included houses sold in Baltic, Colton, Dell Rapids, Garretson and Hartford. It is important to note that the number of houses that have sold is limited, and may not be an accurate indicator of overall home values in the City. However, this sample does provide some insight into those units that are turning-over in a given year.

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

<b>Table 22 Median Value of Residential Sales - 2013</b>		
City	Number of Good Sales	Median Sale Price
Crooks	33	\$148,000
Baltic	23	\$124,900
Colton	8	\$107,500
Dell Rapids	70	\$145,000
Garretson	18	\$104,000
Hartford	63	\$147,450

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

- ▶ The sales in each City were considered to be “arms length” transactions, according to the County’s Director of Equalization. Sales that are not “arms length” include, but are not limited to, sales between relatives, forced sales and foreclosures, and estate transfers that are not available on the open market. Only the “arms length” transactions have been reviewed for this study.
- ▶ During the one-year sales period, there were 33 residential sales in Crooks. The median sales price was \$148,000. The highest valued sale was for \$367,000 and the lowest valued sale was for \$42,000.
- ▶ During the one-year sales period, there were 23 residential sales in Baltic. The median sales price was \$124,900. The highest valued sale was for \$210,000 and the lowest valued sale was for \$69,900.

- ▶ During the one-year sales period, there were eight residential sales in Colton. The median sales price was \$107,500. The highest valued sale was for \$238,900 and the lowest valued sale was for \$70,000.
- ▶ During the one-year sales period, there were 70 residential sales in Dell Rapids. The median sales price was \$145,000. The highest valued sale was for \$370,000 and the lowest valued sale was for \$15,000.
- ▶ During the one-year sales period, there were 18 residential sales in Garretson. The median sales price was \$104,000. The highest valued sale was for \$260,000 and the lowest valued sale was for \$17,000.
- ▶ During the one-year sales period, there were 63 residential sales in Hartford. The median sales price was \$147,450. The highest valued sale was for \$401,440 and the lowest valued sale was for \$9,000.

## **Crooks Housing Condition**

Community Partners Research, Inc., representatives conducted a visual 'windshield' survey of 51 single family/duplex houses in Crooks' oldest core neighborhood.

The boundaries of the neighborhood are:

North - Railroad tracks, South - 4<sup>th</sup> St., East - Railroad tracks, West - West 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. Dilapidated houses need major renovation to become decent, safe and sanitary housing. Some Dilapidated properties may be abandoned and may be candidates for demolition and clearance.

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

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

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

**Table 23 Windshield Survey Condition Estimate - 2012**

	Sound	Minor Repair	Major Repair	Dilapidated	Total
Crooks' Core Neighborhood	17/33.3%	23/45.1%	10/19.6%	1/2.0%	51

Source: Community Partners Research, Inc.

- ▶ The existing housing stock in the neighborhood is in fair to good condition. Approximately 45% of the houses in the neighborhood need minor repair and 20% need major repair. Approximately 33% are sound, with no required improvements.
- ▶ One house in the neighborhood is dilapidated and possibly beyond repair.

## **Rental Housing Data**

### **Census Bureau Rental Inventory - Crooks**

According to the 2010 U.S. Census, there were 46 occupied rental units, and three unoccupied rental units in Crooks, for a total estimated rental inventory of approximately 49 units. The City's rental tenure rate was only 10.5%, well below the Statewide rental tenure rate in 2010 of 31.9%.

At the time of the 2000 Census, Crooks had 42 occupied rental units, and three unoccupied rental units, for a total estimated rental inventory of approximately 45 units. The rental tenure rate in 2000 was 14.9%.

Based on a Census comparison, the City added four renter-occupancy households, and approximately four rental units from 2000 to 2010. Based on building permit reports, there were building permits issued for eight apartment/rental units in Crooks between 2000 and 2010, thus, the growth in the rental housing inventory was less than the level of new multifamily units constructed, implying that some housing units that were previously used for renter occupancy were probably converted to home ownership.

### **Census Bureau Rental Inventory - Sioux Falls MSA**

Crooks is part of the Sioux Falls Metropolitan Statistical Area (MSA), with the City of Sioux Falls having the large majority of the region's rental units. According to the 2010 Census, there were 28,281 occupied rental units in the MSA. For the entire MSA the rental tenure rate was 31.7%, nearly identical to the rental tenure rate Statewide.

When compared to the totals provided in the 2000 Census, the Sioux Falls MSA added 6,010 renter-occupancy households from 2000 to 2010 and approximately 8,360 total rental units. The number of vacant/unoccupied units in 2010 was much higher than in 2000. The rental tenure rate in 2000 was 33.4%.

### **Crooks' Share of Rental Housing in the MSA**

At the time of the 2010 Census, the number of renter-occupancy households in Crooks represented 0.16% of all renter households in the entire MSA. From 2000 to 2010, Crooks' overall share of renters decreased, as approximately 0.19% of all renter households in the MSA lived in the City of Crooks in 2000.

Since the 2010 Census was completed, a substantial amount of new rental construction has occurred in the MSA, especially within the City of Sioux Falls. However, no new rental units have been constructed in Crooks since 2010.

### **Pending Rental Projects**

Our research identified no proposed rental projects in Crooks that are currently in the planning or construction phase.

## Rental Housing Survey

As part of this housing study, a telephone survey was conducted of multifamily projects in the City of Crooks. The survey was conducted during the month of November, 2013.

Emphasis was placed on contacting properties that have four or more units, although smaller properties were also included. 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 conventional market rate units and subsidized housing.

There were 34 rental units of all types that were contacted in the survey. This total represents approximately 69% of the estimated total inventory of rental housing units in 2013. The units that were successfully contacted include:

- ▶ 26 conventional, market rate units
- ▶ 8 subsidized units for general occupancy

The findings of the survey by unit type are provided below.

## Market Rate Summary

Usable information was obtained on 26 conventional rental units. The conventional rental units are in an 11-unit project, four duplexes and seven single family homes.

### Unit Mix

The following breakdown is based on the specific information obtained from property owners/managers:

- ▶ Efficiency/Studio - 0 units (0% of all units surveyed)
- ▶ One-bedroom - 0 units (0%)
- ▶ Two-bedroom - 12 units (46.2%)
- ▶ Three-bedroom - 12 units (46.2%)
- ▶ Four-bedroom - 2 units (7.6%)

No efficiency/studio or one-bedroom units were identified.

## Occupancy / Vacancy

Within the market rate multifamily segment there was only one vacant unit of the 26 used in the occupancy calculation. This represents an overall vacancy rate of 3.8%.

The one vacancy that did exist was in a two-bedroom rental unit. The manager of the project reported a high occupancy rate.

## Rental Rates

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

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

The lowest and highest gross rents have been identified, as reported in the telephone survey.

<u>Unit Type</u>	<u>Lowest/Highest Gross Rents</u>
Two-bedroom	\$640-\$850
Three-bedroom	\$750-\$1,225
Four bedroom	\$800-\$950

It is important to recognize that the rental units include units in single family homes, duplexes and multi-family buildings.

## **Tax Credit/Moderate Rent Summary**

There are no tax credit projects in Crooks.

## **Subsidized Summary**

The research completed for this Study identified only one subsidized project in Crooks that provides rental opportunities for lower income households. Fairmont Apartments has eight units available for general occupancy and is subsidized through USDA Rural Development. Fairmont Apartments is currently in the process of being totally renovated (interior and exterior) with tax credit funds.

The units in the Fairmont Apartments have access to project-based rent assistance. These units charge rent based on 30% of the tenant's household income. The manager reported no vacancies and a waiting list for units.

## **Subsidized Housing Gains/Losses**

Federal subsidy sources for low income rental housing have been very limited for the past few decades. Most subsidized projects were constructed in the 1960s, 1970s or early 1980s. Some of these older projects may have completed their compliance requirements and have the opportunity to leave their subsidy program and convert to conventional rental housing. In communities with low vacancy rates, private property owners may have an incentive to convert subsidized units to conventional housing.

There is no evidence that Fairmont Apartments, the only subsidized rental project in Crooks, will leave the subsidy program. With the renovations that are in process utilizing tax credit funds, Fairmont Apartments is obligated to remain in the subsidy program.

## **Tenant-Based Rent Assistance Vouchers**

There are also tenant-based rent assistance Vouchers available in the area. The Voucher Program is administered by the Sioux Falls Housing Commission.

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

In November 2013, there was one renter households receiving Voucher assistance in Crooks. Since this rent assistance is tenant-based, and moves with the household, the actual number of participating households within the City can vary from month to month. There were an additional five renter households living in Crooks that were on the Voucher Program waiting list.

The waiting list for the Program was very long in 2013, and the estimated waiting time was as long as four years. Unless a Crooks household had applied for assistance in the past, it is unlikely that any new applicants from the City would be expected to come to the top of the list anytime soon.

### **Senior Housing with Services Summary**

There are no projects in Crooks that provide housing and services to senior renters.

However, Sioux Falls has numerous senior with services housing options. Also, Leisure Living II is a 21-room senior with services project located in the neighboring community of Hartford.

**Table 24 Crooks Multifamily Rental Housing Inventory**

Name	Number of Units /Bedroom Mix	Rent	Vacancy/ Wait List	Tenant Mix	Comments
<b>Market Rate</b>					
White Properties 7 single family homes	1 - 2 bedroom 4 - 3 bedroom <u>2 - 4 bedroom</u> 7 total units	Range of \$500 to \$750 + utilities	No vacancies	Mix of tenants	White Properties include seven single family homes. The seven homes include one two-bedroom, four three-bedroom and two four-bedroom homes. Owner reports no vacancies and the homes are usually fully occupied. Tenants include couples, families and singles. Tenants pay utilities in addition to rent.
Formerly the Dakota Sunrise Apartments	<u>11 - 2 bedroom</u> 11 total units	Range of \$775 to \$800	1 vacancy	Mix of tenants	Market rate project with 11 two-bedroom units in two buildings. Several units have an extra den type room in addition to the two bedrooms. Rent includes all utilities except electricity. Manager reports one vacancy. The units have a good occupancy rate.
201 & 203 S. West	<u>2 - 3 bedroom</u> 2 total units	\$1,050 + utilities	No vacancies	Mix of tenants	Duplex constructed in 2003. Both units have three bedrooms. The units are fully occupied. Rent is \$1,050 plus utilities.
205 & 207 S. West	<u>2 - 3 bedroom</u> 2 total units	Approximately \$1,000 + utilities	No vacancies	Mix of tenants	Duplex constructed in 2003. Both units have three bedrooms. The units are fully occupied. Rent is approximately \$1,000 plus utilities.
301-307 S. West	<u>4 - 3 bedroom</u> 4 total units	\$1,075 + utilities	No vacancies	Mix of tenants	Two duplexes constructed in 2003. All of the units are three-bedroom. Owner reports no vacancies and a high occupancy rate. Rent is \$1,075 plus utilities. Three of the four current tenants are families with children.

<b>Table 24 Crooks Multifamily Rental Housing Inventory</b>					
<b>Name</b>	<b>Number of Units / Bedroom Mix</b>	<b>Rent</b>	<b>Vacancy/ Wait List</b>	<b>Tenant Mix</b>	<b>Comments</b>
<b>Subsidized</b>					
Fairmont Apartments	<u>8 - 2 Bedroom</u> 8 total units	30% of income \$538 - max rent	No vacancies, waiting list	General occupancy	Rural Development eight-unit project. The project includes two four-plexes. All eight units have two bedrooms. The project is currently undergoing a total renovation including total interior and exterior improvements. The manager reports no vacancies and the units are usually fully occupied. No tenants are paying the maximum rent.

Source: Community Partners Research, Inc.

## Net Household Growth in the Sioux Falls MSA

Over the last few decades, the entire Sioux Falls MSA has grown at a rapid rate. Between the 2000 Census and the 2010 Census, a substantial number of households were added in Sioux Falls and in many of the smaller cities in Minnehaha and Lincoln Counties. The following table examines net growth in numeric and percentage terms. The listed cities all had net growth of more than 100 households and have been ordered by the numeric household growth that occurred over the 10-year period.

<b>Table 25 Household Growth by Jurisdiction: 2000 to 2010</b>				
City	2000 Census	2010 Census	Numeric Growth	Percentage Growth
Sioux Falls	49,731	61,707	11,976	24.1%
Brandon	1,909	3,118	1,209	63.3%
Harrisburg	315	1,423	1,108	351.7%
Tea	590	1,254	664	112.5%
Dell Rapids	1,127	1,388	261	23.2%
Hartford	661	913	252	38.1%
Crooks	282	431	149	52.8%
Worthing	206	325	119	57.8%
MSA	66,778	83,677	16,899	25.3%

Source: US Census; Community Partners Research, Inc.

Between the Census in 2000 and the Census in 2010, the entire Metropolitan Statistical Area added 16,899 households. Overall, nearly 71% of the net growth occurred with Sioux Falls.

Brandon captured the largest numeric share of household growth for any single jurisdiction outside of Sioux Falls, and had net growth of more than 1,200 households. Harrisburg and Tea, both located in the Lincoln County portion of the MSA, added 1,108 and 664 net households, respectively. Growth within these three surrounding communities, along with Sioux Falls, accounted for approximately 88.5% of the net household gain for the entire MSA.

No other single jurisdiction had net growth above 300 households. Dell Rapids, with a net gain of 261 households, Hartford, with a net gain of 252 households, and Crooks with a net gain of 149 households ranked fifth through seventh.

## Housing Unit Construction Activity: 2004 to 2012

Table 26 Regional Housing Unit Construction Activity - 2004 to 2012										
Year	City of Crooks					Sioux Falls MSA				
	Single Family	Two Family	3 to 4 Family	Multifamily	Total	Single Family	Two Family	3 to 4 Family	Multifamily	Total
2012	4	0	0	0	4	1,008	8	20	443	1,479
2011	5	0	0	0	5	716	16	19	378	1,129
2010	4	0	0	0	4	755	8	111	207	1,081
2009	4	0	0	0	4	962	24	99	492	1,577
2008	6	0	0	0	6	940	84	143	699	1,866
2007	6	0	0	0	6	1,517	96	148	621	2,382
2006	17	0	0	0	17	1,646	38	175	464	2,323
2005	20	0	0	0	20	1,869	22	95	309	2,295
2004	27	0	0	0	27	1,909	20	52	467	2,448
Total	93	0	0	0	93	11,322	316	862	4,080	16,580

Source: City of Crooks; U.S. Census Bureau; Community Partners Research, Inc.

Housing construction activity in Crooks has represented a small share of all activity in the Sioux Falls MSA in recent years. Over the entire 9-year time period reviewed, total unit construction in Crooks represented 0.6% of all unit construction within the MSA. However, in 2004, unit construction in Crooks did represent more than 1.0% of all area housing activity. This year was the high point for market share. Crooks' market share of new unit construction decreased after 2004.

All of the housing construction in Crooks from 2004 to 2012 was single family housing. No duplexes, three to four family units or multi-family buildings were constructed in Crooks during the nine-year period reviewed. However, four duplexes were constructed in Crooks in 2003, a year earlier than displayed in this table.

## **Relative Property Tax Rates for Owner-Occupied Houses**

The smaller cities that surround Sioux Falls can be compared to determine the relative property tax rates that would apply to an owner-occupied home. In the following table, the property tax amount that would be payable in 2013 has been presented for each community. This is a total tax rate, including city, county and school district levies. It is based on the rate for a non-agricultural, owner-occupied house.

An assessed value of \$175,000 has been used for this comparison. There may be differences in assessments between communities, or between counties, but the State Department of Revenue does attempt to keep valuation practices similar statewide.

In addition to the 2013 tax amount, a ranking column has been provided, with 1 representing the highest tax amount. The cities used for this comparison are the same communities that attracted the largest level of household growth over the last decade.

<b>Table 27 Property Taxes Payable in 2013 on a \$175,000 House</b>		
City	2013 Taxes	Rank (1=Highest Tax)
Tea	\$3,954	1
Hartford	\$3,882	2
Worthing	\$3,670	3
Dell Rapids	\$3,476	4
Brandon	\$3,223	5
Harrisburg	\$3,222	6
Crooks	\$2,782	7
Sioux Falls	\$2,550 to \$3,657	N/A

Source: Minnehaha County; Lincoln County; Community Partners Research, Inc.

There is some variation in the annual property tax payments that would be made on a house with taxable value of \$175,000. For payable 2013, the highest tax rate would be in the City of Tea. Hartford has the second highest rate of the communities reviewed. The City of Crooks has the lowest tax citywide rate, although one portion of Sioux Falls, located in Lincoln County, would have the lowest rate of the areas reviewed.

It is not known how significant property tax rates may be to prospective home buyers, unless comparative information is made available by a real estate agent or the property seller. However, there may be a public perception that exists that certain communities are "high tax" or "low tax", and this may influence location decisions for some potential buyers.

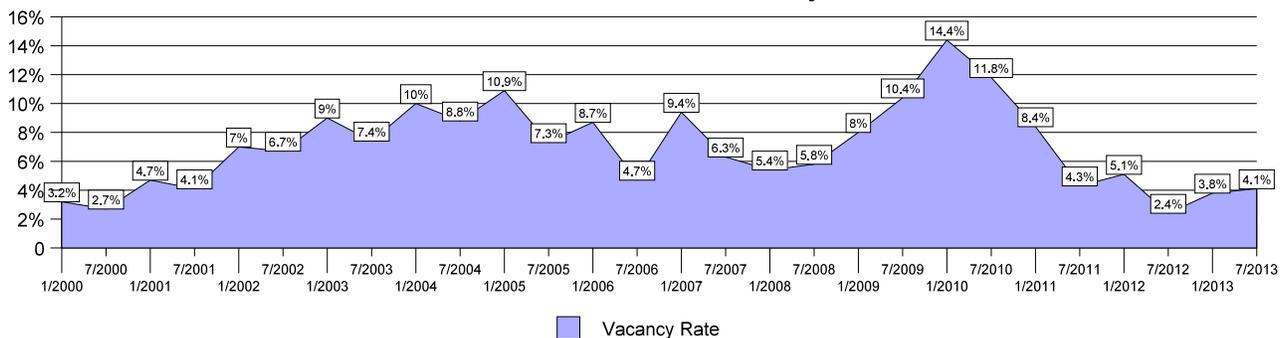
It is also important to recognize that tax rates for 2013 may not reflect future changes that could occur. For example, higher rates in some communities may be a reflection of recent upgrades in infrastructure or school buildings, while cities with lower current rates may need to invest in public improvements in the future.

## Regional Rental Vacancy Rates

The South Dakota Multi-Housing Association has tracked rental housing vacancy information for the Sioux Falls area for many years through a semiannual survey. This information provides an excellent source of information that not only provides a current picture of rental housing occupancy, but also a perspective on longer-term trends. The following chart presents the Multi-Housing Association vacancy calculations dating back to the year 2000.

The most recently completed vacancy survey was on July 15, 2013. This survey found a 4.05% vacancy rate in conventional housing. The survey included more than 8,182 conventional units and found 331 vacancies. Although this was an area-wide survey, including communities such as Crooks that are within a 15-mile radius of Sioux Falls, more than 95% of the reporting units were located within the City of Sioux Falls.

**Conventional Rental Vacancy Trends**



Although the vacancy rate for the most recent report was up slightly from the January 2013 survey, it still represents a low rate by recent standards. The vacancy rates over the last three reporting periods are the lowest since the two reports for the year 2000. For most of the past 12 years, the vacancy rate had remained above 4%, and for five reporting periods during that time, actually reached 10% or higher.

People interviewed in past studies in the area have cited the cyclical nature of rental production that has often been evident in the past in Sioux Falls. As the vacancy rate has risen, construction activity in subsequent years tends to diminish. As vacancy rates begin to fall, it has been typical to see an above-average level of construction.

The general standard for rental housing vacancy is that a rate up to 5% is considered acceptable. A modest level of vacancy is desirable to allow tenant movement in the market by providing choices for prospective renters. It also allows a community the chance to grow, as new households moving into the area can locate a living unit. From January 2002 until January 2012, the reported conventional rental vacancy rate was nearly always above 5%. In January 2010, the conventional rental vacancy rate was above 14%, the highpoint for the time period reviewed.

However, starting in July 2012, the conventional vacancy rate decreased rapidly, and was at only 2.4% in the July 2012 survey, the lowest point reached over the time period reviewed. The vacancy rate in the most recent survey, July 2013, generally continued this trend of low vacancy in conventional housing, although the vacancy rate has increased since the July 2012 and January 2013 surveys.

### **Income-Based Housing Vacancy Rates**

The large majority of the units in the Multi-Housing survey are conventional rentals. However, in most surveys, 2,000 or more units of income-based housing are also included. In the past few surveys, the vacancy rate in moderate rent tax credit housing has tended to be above the conventional rate. In the July 2013, survey, tax credit units had a vacancy rate of 4.19%, slightly above the conventional housing vacancy rate.

Federally-subsidized housing, listed in the reports as HUD units, has tended to maintain a low rate of vacancy over time. Even when the conventional market reached a vacancy rate above 14% in 2010, the HUD units had a reported vacancy rate at 5.4%, which was the highest rate of the entire time period reviewed. However, in the most recent report, the vacancy rate for HUD units was 8.28%, the highest of any of the market sectors, and well above the 2.32% vacancy rate reported in the January 2013, survey.

### **Vacancy Rates Outside of Sioux Falls**

The Multi-Housing Survey does typically collect some rental data from units that are outside of the City of Sioux Falls, but within a 15-mile radius. In the most recent surveys, vacancy rates have been higher outside of the Sioux Falls, but a relatively small sample size may not be a perfect indicator of vacancy rates in surrounding communities.

In the July 2013 survey, there were 372 conventional units outside of Sioux Falls, with a vacancy rate of 4.57%. There were 336 moderate rent tax credit units surveyed and the vacancy rate was 5.95%. Only 24 HUD units were surveyed, and the vacancy rate was 3.75%.

### **Rental Rates**

Information on rental rates is available from two sources. The Multi-Housing Association collects information in its semiannual survey. The U.S. Census Bureau includes rental information from the American Community Survey, although the Census information is from 2011.

### **Multi-Housing Association Rental Rate Information**

The Multi-Housing Association survey provides a current look at rental rates. This information is provided for different geographic segments of the surveyed area.

<b>Table 28 Conventional Housing Average Rental Rates - July 2013</b>				
Unit Type	Conventional Rentals		Tax Credit Rentals	
	Outlying Areas	Sioux Falls Region	Outlying Areas	Sioux Falls Region
Studio	N/A	\$485	N/A	\$461
1-Bedroom	\$562	\$574	\$454	\$559
2-Bedroom	\$737	\$700	\$555	\$617
3-Bedroom	\$909	\$862	\$681	\$731
4-Bedroom	N/A	\$983	N/A	\$787

Source: SD Multi-Housing Association; Community Partners Research, Inc.

When examining the average rent information for the different communities outside of Sioux Falls, it is important to note that the number of units surveyed may be small. Even for the entire region, the number of studio units and four-bedroom rentals are limited, and are much less common than one, two, and three-bedroom rentals.

For the five Sioux Falls Regions, the estimated average rent for a conventional one-bedroom unit was \$574, and was \$700 for a two-bedroom. The average rent for a three-bedroom was \$862. Rates for tax credit units were significantly lower than in the conventional segment, especially for two-bedroom, three-bedroom and four-bedroom options.

### **2011 American Community Survey Rental Rate Information**

The 2011 American Community Survey (ACS) also included information on gross rental rates for units in the Sioux Falls Metropolitan Statistical Area (MSA), which includes all of Minnehaha and Lincoln Counties. Information collected for 2011 would predate the recent change in vacancy rates. It is possible that rental rates are rising in response to an overall vacancy rate that has been approximately 4%.

The overall median gross rent level in the MSA was \$679 in 2011, according to the ACS. This median is not differentiated by bedroom size. The median gross rent in Crooks was \$830, much higher than the median for the MSA. Most of the rental housing units in Crooks are single family houses or duplexes. With the inclusion of tenant-paid utilities, gross rents for these units would tend to be higher than apartments or other multifamily rental units.

## **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.

Crooks is part of the Sioux Falls MSA and is located just a few miles north of the city limits for Sioux Falls. Much of the household growth that has occurred in the MSA in the past decade was the direct result of job opportunities that were available, especially in the City of Sioux Falls. The type of employment, wage level, and working conditions will each influence the kind of housing that is needed and at what level of affordability.

The largest employers in Crooks include:

- ▶ Dakota Roskens Pizza
- ▶ Crooks Food Mart
- ▶ Eastern Farmers Coop
- ▶ Home Federal Savings

Major employers in Sioux Falls with more than 1,000 employees include:

- ▶ Sanford Health
- ▶ Avera
- ▶ John Morrell & Company
- ▶ Wells Fargo
- ▶ Sioux Falls School District
- ▶ Citibank
- ▶ Hy-Vee Food Stores
- ▶ Sioux Valley Clinic
- ▶ Evangelical Lutheran Good Samaritan Society
- ▶ Midwest Coast Transport
- ▶ WalMart/Sam's Club
- ▶ First PREMIER Bank/PREMIER Finance Bankcard
- ▶ City of Sioux Falls
- ▶ Dept. of Veterans Affairs Medical and regional Office

Source: Governor's Office of Economic Development

## Work Force and Unemployment Rates

Employment information is available for the Sioux Falls MSA. Information has been reviewed back to the year 2000. Data in the tables that follow have been obtained from the South Dakota Department of Labor.

<b>Table 29 Sioux Falls MSA Annual Labor Statistics 2000 -2012</b>						
Year	Labor Force	Employed	Unemployed	Unemployment Rate - MSA	Unemployment Rate - SD	Unemployment Rate - US
2000	111,195	108,865	2,330	2.1%	2.7%	4.0%
2001	112,945	110,135	2,810	2.5%	3.1%	4.7%
2002	114,480	111,305	3,175	2.8%	3.3%	5.8%
2003	116,510	112,955	3,555	3.1%	3.5%	6.0%
2004	118,790	114,790	4,000	3.4%	3.7%	5.6%
2005	120,280	116,370	3,910	3.3%	3.7%	5.1%
2006	123,175	119,810	3,365	2.7%	3.1%	4.6%
2007	126,810	123,600	3,210	2.5%	2.9%	4.6%
2008	129,030	125,490	3,540	2.7%	3.0%	5.8%
2009	128,820	122,185	6,635	5.1%	5.2%	9.3%
2010	128,420	121,920	6,500	5.1%	5.0%	9.6%
2011	130,245	124,465	5,780	4.4%	4.7%	8.9%
2012	130,895	125,595	5,300	4.0%	4.4%	8.1%
2013*	134,865	130,020	4,845	3.6%	4.0%	7.5%

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

\* 2013 is through October Not seasonally adjusted

After experiencing very low rates of unemployment for most of the last decade, the rate for the Sioux Falls MSA increased rapidly between 2008 and 2009. However, in comparison to national patterns, the unemployment rate in the area was still very low. After 2010, the unemployment rate began to decrease, and through the first 10 months of 2013 was down to only 3.6%, less than half of the national rate.

In terms of the employment level, 2012 (last full year of data) represented the highest employment count of the 13 years reviewed. The size of the available labor force also reached a peak in 2012. Based on the first 10 months, 2013 will exceed the levels achieved in 2012.

## Employment and Wages by Industry

The following table shows the annual employment and average annual wages by major employment sector in 2012, the last full year of data. It is important to note that the major employment sectors listed do not represent all employment, as some classifications, such as self-employed workers, are not included. This information is for all of the Sioux Falls MSA.

<b>Table 30 MSA Average Annual Wages by Industry Detail - 2012</b>		
Industry	2012 Employment	Average Annual Wage
Total All Industry	135,897	\$41,010
Natural Resources, Mining	444	\$36,359
Construction	6,569	\$43,040
Manufacturing	12,969	\$44,239
Trade, Transportation, Utilities	29,301	\$36,790
Information	2,725	\$49,515
Financial Activities	15,468	\$50,881
Professional and Business Services	12,608	\$48,190
Education and Health Services	26,561	\$48,066
Leisure and Hospitality	13,241	\$14,342
Other Services	3,399	\$28,136
Government	12,613	\$42,087

Source: South Dakota Department of Labor

The average annual wage for all industry in 2012 was \$41,010 for the Sioux Falls MSA. The highest wage sector was Financial Activities, with an annual wage of \$50,881. The lowest average wage was paid in the Leisure and Hospitality sector, at \$14,342.

In terms of actual employment, the largest single sector was Trade, Transportation and Utilities, with 29,301 people. This is a broad sector, with a wide variation in annual wages for sub-sectors. The Retail Trade sub-sector, which accounted for nearly 59% of all employment within this sector, had an average annual wage of only \$26,568.

## **Commuting Patterns of Area Workers**

Only limited information is available on workers that commute for employment. The best information is from the 2011 American Community Survey, and has been examined for the City of Crooks. This table only examines travel time for Crooks residents, and excludes people that work at home.

<b>Table 31 Commuting Times for Crooks Residents - 2011</b>		
Travel Time	Number	Percent
Less than 10 minutes	109	12.9%
10 to 19 minutes	374	44.3%
20 to 29 minutes	286	33.9%
30 minutes +	75	8.9%
Total	844	100%

Source: 2011 American Community Survey 5-year estimates

Approximately 87% of City residents were commuting 10 minutes or more to work in 2011, implying that they were employed outside of the City. Nearly 43% were traveling 20 minutes or more.

The American Community Survey also identifies travel time by location of employment. However, no information was available for people that worked in Crooks due to the small sample size.

## **Findings on Growth Trends**

As part of this Study, Community Partners Research, Inc., has examined growth patterns for the City of Crooks and Minnehaha 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.

Crooks and Minnehaha County's population increased significantly from 1990 to 2010. From 1990 to 2000, Crooks' population increased by 188 people and Minnehaha County's population increased by 24,472 people. From 2000 to 2010, Crooks' population increased by 410 people and Minnehaha County's population increased by 21,187 people. Also, based on 2012 U.S. Census estimates, Crooks added 38 people and Minnehaha County added 5,569 people from 2010 to 2012.

The City of Crooks gained 75 households from 1990 to 2000 and gained 149 households from 2000 to 2010. Minnehaha County gained 11,191 households from 1990 to 2000 and gained 9,032 households from 2000 to 2010.

## **Findings on Projected Growth**

The projections for Crooks and Minnehaha County calculated by Community Partners Research, Inc., from past growth trends reflect the patterns of recent decades. Using the past trends, Community Partners Research, Inc., projects that Crooks' population will increase by 60 people from 2012 to 2015 and will gain an additional 125 people from 2015 to 2020. The household projections expect a gain of 41 households from 2010 to 2015 and an increase of an additional 55 households from 2015 to 2020.

The trend-based projections for all of Minnehaha County expect a gain of 6,541 people from 2012 to 2015 and the gain of an additional 10,523 people from 2015 to 2020. The household projections expect a gain of 5,230 households from 2010 to 2015 and an increase of an additional 5,340 households from 2015 to 2020.

## **Strengths for Housing Development**

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

- ▶ **Crooks is located near Sioux Falls, which is a regional center for the area** - Crooks is approximately five miles from Sioux Falls. Sioux Falls provides employment opportunities, retail/service options, government services, health and professional services, and cultural amenities to a large surrounding trade area. Many households prefer to live near, but not in a regional center.
- ▶ **Median home price** - Crooks' median priced home is approximately \$148,000. This matches well with new homes, which is an incentive for new home construction.
- ▶ **Adequate land for development** - The City has adequate land available for residential development. However, some of the land needs to be serviced with infrastructure improvements.
- ▶ **Population and household growth for the City** - Over the past two decades, the City has sustained strong population and household growth and the City is projected to continue to grow in the future.
- ▶ **Sioux Falls market** - On average, over the past nine years, more than 1,800 housing units were constructed in Sioux Falls annually. Crooks has an opportunity to capture a portion of this market.
- ▶ **Active housing developers in the City** - Crooks has housing developers that may be willing to invest in housing projects in the community. Developers have been active in subdivision development and single family development.
- ▶ **School systems** - The City's children have several school systems to choose from including the Tri-Valley School System.
- ▶ **Infrastructure** - The City's public utilities and infrastructure are in good condition and can facilitate future expansion.
- ▶ **Crooks Development Corporation** - The Crooks Development Corporation is active in promoting industrial, commercial and housing development.

- ▶ **Sioux Falls Growth Pattern** - Several large commercial and industrial projects are in the planning or construction phases in northwest Sioux Falls. Growth to the northwest of Sioux Falls has the potential to benefit residential development in Crooks.
- ▶ **New homes** - Since 2000, 148 new single family homes have been constructed in Crooks. Many of these homes are occupied by families with children.
- ▶ **Property Tax Rate** - Crooks has a low property tax rate, in comparison with surrounding cities.

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

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

- ▶ **Proximity to Sioux Falls** - Although it is a strength to be located in close proximity to Sioux Falls, it is also a barrier as Crooks must compete with Sioux Falls, which offers attractive residential opportunities and other amenities and services.
- ▶ **Staff capacity limitations** - Although the City has access to several housing agencies, it is very difficult to develop and implement housing initiatives with limited staff resources.
- ▶ **Limited commercial options** - Crooks has very few commercial and retail opportunities to meet daily needs.
- ▶ **School System** - Although Crooks' children have several school districts to choose from, there are no schools located in Crooks.
- ▶ **Available lots** - There are only a few residential lots available in Crooks for new housing construction.

## **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 Crooks. They are based on the following strategies:

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

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

## **Summary of Crooks Growth Projections by Age**

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

The following chart shows the expected net change in the number of Crooks households in each 10-year age cohort between 2010 and 2015. The projections are based on Community Partners, Research, Inc. calculations.

Growth is projected in all age ranges. Strong net growth to the year 2015 will occur among people in the 55 to 74 age ranges. This would largely reflect the aging “baby boomers”, nearly all of whom will be age 55 or older by the year 2015. From 2010 to 2015, Crooks is projected to gain 33 households in the 55 to 74 year old age ranges.

The 35 to 44 age range is also projected to have significant gains with an increase of 18 households. The youngest age range, 15 to 24, is projected to remain stable and the 25 to 34 age range is projected to decrease by 14 households. The 75 and older age ranges are projected to gain nine households.

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

<u>Age Range</u>	<u>Projected Change in Households 2010 to 2015</u>
15 to 24	0
25 to 34	-14
35 to 44	18
45 to 54	-5
55 to 64	8
65 to 74	25
75 to 84	9
85 and Older	<u>0</u>
Total	41

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

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

**Age 24 and Younger** - The projections used for this Study expect no change in the number of households in the 15 to 24 age range through the year 2015. Past tenure patterns indicate that as many as 40% of these households in Crooks will rent their housing. A stable number of households in this age range should mean that rental demand from younger households will remain stable during the projection period.

**25 to 34 Years Old** - The projections show a decrease in this age cohort of 14 households by 2015. Within this age range households often move from rental to ownership housing. The ownership rate among these households in Crooks was approximately 86% in 2010. A decrease in the number of households within this age range will mean less demand for both first-time home buyer and rental opportunities.

**35 to 44 Years Old** - This 10-year age cohort has a projected gain of 18 households between 2010 and 2015 in Crooks. In the past, this age group has had a high rate of home ownership in Crooks, at approximately 87%. 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. An increase in the number of households in this age range will have an impact on overall demand for owner-occupied housing.

**45 to 54 Years Old** - By 2015, this age cohort will represent the front-end of the "baby bust" generation that followed behind the baby boomers. This age group represents a much smaller segment of the population than the baby boom age group. For Crooks, the projections show a loss of five households in this range. This age group historically has had a high rate of home ownership, approximately 95% in Crooks in 2010, and will often look for trade-up housing opportunities. With small household losses in this age group, there will be a slight decrease in the demand for trade-up housing.

**55 to 64 Years Old** - This age range is part of the baby boom generation. The projections show an expected increase of eight additional households in this 10-year age range by the year 2015 in the City. This age range has traditionally had a high rate of home ownership in Crooks, at approximately 92% 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*** - Strong household growth is expected in Crooks within this age range, with the projections showing an increase of 25 households by the year 2015. While this group will begin moving to life-cycle housing options as they age, the younger seniors are still predominantly home owners. At the time of the 2010 Census, approximately 93% of households in this age range owned their housing in Crooks. Once again, preferences for age-appropriate units should increase from household growth within this age cohort.

***75 to 84 Years Old*** - There is a projected gain of nine households in Crooks in this age range between 2010 and 2015. In the past, households within this 10-year age range have had a relatively high rate of home ownership, at approximately 86% in Crooks. While this is likely to continue, an expansion of other housing options for seniors, including high quality rental housing, should appeal to this age group. In most cases, income levels for senior households have been improving, as people have done better retirement planning. As a result, households in this age range may have fewer cost limitations for housing choices than previous generations of seniors.

***85 Years and Older*** - No change in the number of households is projected from Community Partners Research, Inc. among older seniors. Historic home ownership rates in this age group in Crooks have been high at 100% in 2010, although there were only two seniors over the age of 85. Seniors in this age range often seek senior housing with services options.

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

## Summary of Findings/Recommendations

The findings/recommendations for the City of Crooks have been formulated through the analysis of the information provided in the previous sections and include a total of 17 recommendations divided into the following five categories:

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

The findings/recommendations for each category are as follows:

<b>Findings and Recommendations for the City of Crooks</b>	
<b>Rental Housing Development</b>	
1.	Support the development of 20 to 24 market rate rental units
2.	Consider the development of 16 to 18 additional tax credit units
3.	Promote the development of 8 to 10 additional subsidized units
4.	Monitor the need for senior housing with services units
5.	Develop a mixed-use commercial/housing project
<b>Home Ownership</b>	
6.	Utilize and promote all programs that assist with home ownership
7.	Develop a purchase/rehabilitation program
<b>New Construction</b>	
8.	Support the development of 55 to 75 lots over the next five years
9.	Promote townhouse and twin home development
10.	Coordinate with agencies/nonprofits that develop affordable housing
<b>Housing Rehabilitation</b>	
11.	Promote rental housing rehabilitation programs
12.	Promote owner-occupied housing rehabilitation programs

<b>Findings and Recommendations for the City of Crooks</b>	
<b>Other Housing Initiatives</b>	
13.	Acquire and demolish dilapidated structures
14.	Create a plan and continue coordination among housing agencies
15.	Promote commercial rehabilitation and development
16.	Develop home ownership and new construction marketing programs
17.	Competition with other jurisdictions

# **Crooks - Rental Housing Development Recommendations**

## **Rental Housing Development**

### **Overview**

The City of Crooks has been successful in attracting new housing construction for home ownership, however, new rental construction has been limited.

Over the past 14 years, the time period reviewed for the research in this Study, Crooks has added only eight rental housing units through new construction. Four rental twin homes were constructed in 2003.

The scope of this Study was focused on the City of Crooks, and an extensive analysis of rental housing demand and development activity in Sioux Falls was not completed. However, some information was readily available from existing data sources that can be used to help define the regional rental housing potential that may exist in Crooks.

In 2010, Community Partners Research, Inc., completed a comprehensive housing study for the City of Sioux Falls. At that time, we had projected that rental unit demand within Sioux Falls would support between 390 and 430 additional rental housing units per year through new construction. Demand for the entire MSA was projected to be even larger, but we had expected at least 85% of the regional demand to actually be located within the City of Sioux Falls. This resulted in potential demand for between 80 and 100 units per year in the remainder of the Sioux Falls MSA, which would include the large number of surrounding small communities in Minnehaha and Lincoln Counties, including Crooks, Brandon, Harrisburg, Hartford and Tea, among others.

At the time of the research for Sioux Falls in 2010, rental housing vacancy rates, as tracked by the Multi-Housing Association surveys, were hitting record highs. The conventional rental housing vacancy rate reached a recent highpoint at 14.4% in January 2010. Based on the above-average vacancy rate, we had predicted that limited new rental construction would occur in 2010, but that new production would begin to increase again before 2015 as vacant units were successfully absorbed.

This projection appears to have been accurate. In 2010, only 120 multifamily units were constructed in Sioux Falls, based on building permit issuance. In 2011, nearly 300 multifamily units were permitted, and in 2012, more than 430 units were created, based on the best available estimates. Since the vacancy rate has been low, it is very probable that the year 2013 will reach or exceed the 2012 production levels in Sioux Falls.

Although Crooks has some internally-generated demand for rental units, much of the demand is generated by capturing a share of the regional growth. There are various reasons why households elect to live in Crooks while working out of the City, but Crooks' easy commuting route to Sioux Falls will contribute to its success as a location for housing, including rental options.

The analysts do acknowledge that the regional demand potential for rental housing, which may be at or above 400 units in a typical year, creates the possibility that larger-scale future production could occur in Crooks, or in one of many other small communities that surround the City of Sioux Falls. However, from a practical standpoint, Sioux Falls has held a significant competitive advantage in attracting the large share of recent rental construction, and there are no identifiable barriers that would change this position. In the past, as much as 85% to 90% of regional construction has been in Sioux Falls, and with more than 430 multifamily units permitted in 2012, it appears that this will continue to be the preferred location for the foreseeable future.

It is our opinion that based on the City of Crooks capturing its relative share of rental construction and renter household growth for the MSA, along with internally generated demand, the City should develop the following rental units for 2014 to 2019:

▶	General Occupancy Market Rate	- 20 to 24
▶	Tax Credit	- 16 to 18
▶	Subsidized	- 8 to 10
▶	Senior with Services	- 0
	Total	<u>44 to 52</u>

**1. Support the development of 20 to 24 market rate rental housing units in Crooks**

**Findings:** The majority of the rental housing that currently exists in Crooks can be classified as general occupancy, conventional rental housing. Conventional units are typically free of any specific occupancy restrictions, other than some projects that may be age-designated for senior renters. Conventional rental housing does not have any maximum income limits in place, and tenants are accepted based on their ability to pay. Conventional rental housing does not have any form of rent controls, other than those imposed by the competitive marketplace.

There is only one rental project in Crooks that does not meet the definition of conventional market rate housing, Fairmont Apartments. Fairmont Apartments provides income-based housing and has eight two-bedroom units. However, approximately 41 rental units, or 84% of the City's total rental units, offer conventional rental housing.

While there is no readily available inventory of the number of conventional units in Sioux Falls, in the 2010 Study we had estimated that there were approximately 20,000 rental housing units within Sioux Falls would be classified as conventional rental housing.

New construction activity in the conventional segment of the market has been relatively strong over the past few years in Sioux Falls. Although there was some slowdown in 2010 and 2011, due to abnormally high rental vacancy rates, the best available data point to the annual construction of between 300 and 400 conventional rental units in an average year in Sioux Falls.

Based on the most recent projects in small cities in the MSA, developers have been targeting the two-bedroom and three-bedroom segments of the market. One potential target market for rental housing in Crooks is families with children that move to the City for alternative public school options, even though the parents will often commute for employment to Sioux Falls or other nearby cities.

Although only limited information exists on comparative rental rates, it does not appear that rental units in Crooks need to be discounted in order to compete in the larger market. According to the 2011 American Community Survey, the median gross rent in Crooks was at \$830 per month, compared to \$679 for the entire MSA. While an exact Crooks comparison cannot be made from the Multi-Housing Association survey, it would appear that average rents in the outlying communities around Sioux Falls tend to be reasonably similar for comparable units to the rent structure in Sioux Falls.

Even though median and average rents may be similar, much of the recent new construction of conventional rental housing in Sioux Falls has been at higher rental rates, as would be expected with new construction. Some new projects have catered to the luxury segment of the market, and offer attractive amenities to justify the higher prices.

**Recommendation:** Over the next five years, from 2014 to 2019, the projections used for this Study expect demand for conventional housing in Crooks to be 20 to 24 total units.

It is possible that development proposals will emerge that could create substantially more units than projected by this Study. With demand for conventional rental housing exceeding 300 units per year within the Sioux Falls MSA, substantial potential exists for rental projects. However, past history suggests that Sioux Falls will capture most of this demand, and the smaller communities that surround Sioux Falls will compete for a much smaller share of this market potential.

If larger-scale rental development projects are proposed, the City may need to make some policy decisions on the future balance between owner and renter-occupancy housing. The potential does exist that a large rental project could continue to shift more of the City's future growth into renter-occupancy households, although the City's current rental tenure rate of 10.7% is very low.

One benefit that could occur in Crooks from the future development of both conventional and income-based rental units is that younger families will move to the City. Although initially moving to Crooks to rent, as they develop connections to the community, these families may elect to purchase or build a home in the City.

Town home unit or twin home style units would be the preferred style, to cater to active renter households, although, a high quality apartment building or buildings with 'state of the art' amenities is another option.

The units could be added in several phases, as demand dictates the need for additional units. In this way the supply could be expanded without saturating the market. The units should include one, two and three-bedroom units.

We recommend the development of 20 to 24 units and the unit mix and rents should be as follows:

**Recommended unit mix, sizes and rents for the Crooks Market Rate Housing Project:**

<u>Unit Type</u>	<u>No. of Units</u>	<u>Size/Sq. Ft.</u>	<u>Rent</u>
One Bedroom	5-6	700-800	\$775-\$850
Two Bedroom	10-12	850-950	\$900-\$1,050
Three Bedroom	<u>5-6</u>	1,050-1,150	\$1,250-\$1,350
Total	20-24		

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

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

**2. Consider the development of 16 to 18 tax credit/moderate rent housing units**

**Findings:** Federal low income housing tax credits are the most available development financing resource that is available for more affordable rental housing development. Over the past two decades, a number of the most affordable projects in Sioux Falls have utilized tax credits. Currently, there are no tax credit rental units in Crooks.

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

Since nearly all tax credit units have a more moderate gross rent, there is also a lower effective income limit, as households below 30% of the HUD median may not be able to afford the monthly rent. This lower limit can be eliminated if the household has a rent assistance Voucher or some form of project-based rent assistance. When research was completed in Sioux Falls in 2010, approximately 25% of the tax credit units in that community were being occupied by a household that also had a tenant-based rent assistance Voucher.

Tax credit assistance has been widely used to construct new rental units in Sioux Falls. The research completed in Sioux Falls in 2010 had found that an annual average of nearly 90 new construction tax credit units had been built since the year 2000. There had also been units constructed outside Sioux Falls, including projects in Brandon, Harrisburg, Tea, and Hartford.

Due in part to the ongoing production of tax credit housing in the Sioux Falls area, there has been some level of unit vacancy. However, in the July 2013 survey completed by the Multi-Housing Association, the vacancy rate in tax credit housing was at 4.19%, down from 6.67% in January 2013. The Northwest Region of Sioux Falls, which is adjacent to Crooks, had a tax credit unit vacancy rate of 2.53%.

**Recommendation:** We recommend the development of 16 to 18 tax credit units in Crooks during the next five years based on the following:

- ▶ The City of Crooks currently has no tax credit units and only eight subsidized units.
- ▶ Based on the 2010 Census, only 10.7% of the City's housing units are rentals.
- ▶ Crooks is projected to add 41 households from 2010 to 2015 and an additional 55 households from 2015 to 2020.
- ▶ Over 57% of the renter households in Crooks are paying more than 30% of their income for rent. A significant majority of these households are actually paying more than 35% of their income for rent.
- ▶ The Northwest Region of Sioux Falls is experiencing substantial commercial and industrial growth.
- ▶ This growth is creating jobs and a demand for housing. Crooks is located within five to 10 miles of much of this growth and has the opportunity to address the demand for housing.

The 16 to 18 tax credit units should be primarily two and three-bedroom units and serve families.

It should be noted that the State of South Dakota awards tax credits based on a point system. It is our understanding that Crooks does not score well utilizing this point system because of a lack of services in the community, thus, it may be later in the decade, after Crooks develops more services, that the City can successfully compete for tax credits.

**3. Promote the development of 8 to 10 general occupancy subsidized rental housing units**

**Findings:** The term subsidized rental housing, as used in this Study, refers to rental units that have been constructed to serve low and moderate income people. In nearly all cases, subsidized housing has utilized federal resources that provide a “deep subsidy”, allowing very low income people access to the housing at an affordable price.

The research completed for this Study found only one project, Fairmont Apartments, that offers subsidized general occupancy housing with rent based on income. Fairmont Apartments has eight total two-bedroom units. This project reported full occupancy at the time of the rental survey. Fairmont Apartments is in the process of being totally renovated.

There are additional “deep subsidy” resources available to Crooks residents through the tenant-based Housing Choice Voucher Program, but it does not appear that this resource is being used by many households. The Vouchers allow tenants to pay 30% of income for housing in suitable private-market rental units. The Voucher Program for the MSA is administered by the Sioux Falls Housing and Redevelopment Commission. Only one Crooks household was using a Voucher in November 2013. There were an additional five Crooks households on the Voucher Program waiting list.

The 2011 American Community survey estimated that approximately 57% of all renters in the City of Crooks were paying 30% or more of their income for rent. The large majority of these households were actually paying 35% or more of their income for housing. Most of the households with a severe rent burden had low annual incomes, and would be under the income limits for subsidized housing. Older adult households, age 65 and above, accounted for a small percentage of the households with a rental cost burden, so working-age households were the group that was experiencing the greatest housing cost burden.

**Recommendation:** Based on the cost burden data contained in the American Community Survey, we would recommend that the City look to expand the supply of deep subsidy rental housing for lower income renters. Over the next five years, we would recommend that the City attempt to construct 10 to 12 units that achieve a rent level that would be affordable to very low income households earning less than \$25,000 per year.

This recommendation represents a modest goal, since substantially more low income households exist in the City with a cost burden. However, over the past few decades, very few federal subsidy sources have been available for the construction of “deep subsidy” rental housing. The actual number of units that can be developed will be dependent upon access to financial resources.

In the opinion of the analysts, the highest priority would be to create general occupancy units for families and younger households. The rent burden statistics cited above show that most of the cost burdened households are age 64 and younger, with most of these households between 25 and 64 years old.

Expanded promotion of Housing Choice Vouchers may also be appropriate. Although Vouchers are tenant-based, and may not remain in the City if the tenant moves, the Voucher can eliminate a severe rent burden by allowing the household to apply only 30% of income for gross rent.

#### **4. Monitor the need for senior housing with services units**

**Findings:** Senior housing that also provides some level of services for residents can exist in a wide range of different options. Under South Dakota law, the Department of Health is required to license the more service-intensive forms of senior housing, including Skilled Nursing Facilities and Assisted Living Centers. Lower-service forms of senior housing, referred to as Residential Living Centers by the State, are required to register with the Department of Health, but are not licensed and subject to the more stringent requirements, such as inspections, that apply to more service-intensive housing.

Currently, there are no senior with services housing projects in Crooks.

At the time of the 2010 Census, there were only nine older senior citizens, age 75 and above, that were living in Crooks. It is projected that there will be 18 seniors, age 75 and older, in Crooks in 2015. Most of the near-term growth will occur in the near-senior and younger senior age ranges, between 55 and 74 years old, as the leading edge of the baby boom generation begins turning 65 in the next few years. After the year 2020, there should be stronger growth in the population of older senior citizens in Crooks. Sioux Falls has a number of senior with services options for seniors living in the MSA.

**Recommendation:** It is our opinion that there is not sufficient demand to develop a senior with services project in Crooks at this time. It is the opinion of the analysts that attracting older seniors in need of services to Crooks is less likely than attracting younger households that are willing to commute. Older seniors will generally want to locate closer to services and medical facilities as they age. Crooks does not have these services.

However, the need for senior with services units in Crooks should be monitored. As the baby boomers age and more services are developed in Crooks in the future, a senior with services project may be warranted.

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

**Findings:** New mixed use projects have been developed in several cities comparable to the size of Crooks. Some of these projects were developed because of market demand while others were developed to enhance the commercial district, to introduce a new product to the market or to serve as a catalyst for downtown redevelopment.

A mixed-use rental housing/commercial project could complement the City's ongoing efforts to maintain or to develop vibrant commercial areas.

**Recommendation:** We recommend the development of a mixed-use building in Crooks. There are several potential sites in Crooks for a mixed-use commercial/housing project.

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

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

Ideally, a private developer would construct and own the building. The City may have a role in the project by providing TIF or other local funds and land at a reduced price.

# **Crooks - Home Ownership Recommendations**

## **Home Ownership Recommendations**

**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 Crooks based on the most recent sale over the past 12 months is estimated to be \$148,000. With approximately 50% of the homes in Crooks valued less than \$148,000, Crooks has a limited market for first time home buyers and households seeking moderately priced homes.

Our analysis of Crooks demographic trends shows strong household growth from 2010 to 2015 in the 55 to 74 age ranges with a gain of approximately 33 households. While most households in these age ranges already own their housing, this group represents a strong potential market for 'trade-up' housing. Increasingly, the older age ranges within this group look for lower maintenance housing options, such as twin homes or town house developments.

The number of Crooks households in the 35 to 44 age range is expected to increase by 18 households from 2010 to 2015. While some of these households already own their housing, those households 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 and will be seeking affordable homes.

Also, Crooks has the opportunity to attract other Minnehaha County households to the City. Minnehaha County is projected to add 5,230 households from 2010 to 2015 and an additional 5,340 households from 2015 to 2020.

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

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

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

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

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

**Recommendation:** The City of Crooks and local financial institutions should continue to work with regional housing agencies and the South Dakota Housing Development Authority to utilize all available home ownership assistance programs. Private and nonprofit agencies should also be encouraged to provide home ownership opportunities.

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

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

**Findings:** Crooks has a small stock of older, lower valued homes, some of which need repairs. Our analysis of recent sales activity indicates that some of the homes in Crooks have a low value. 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 Crooks 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. Local housing agencies and financial institutions could offer some rehabilitation assistance in conjunction with first-time home buyer programs to make the City's older housing a more attractive option for potential home buyers. Also, USDA Rural Development provides purchase/rehabilitation loans to low and moderate income buyers.

# **Crooks - New Housing Construction**

## **New Housing Construction**

**Findings:** The City of Crooks has experienced significant single family owner-occupied housing construction. Based on city and U.S. Census data, from 2000 to 2013, 156 single family structures and twin homes have been constructed in the City of Crooks, which is an average of approximately 11 housing units per year. The peak years for new construction were 2004 when 27 units were constructed, 2003 when 25 units were constructed and 2005 when 20 units were constructed. From 2000 to 2006, an average of 17 housing units were constructed annually. From 2007 to 2013, the average has declined to five units annually.

The attractiveness of the area and the City's proximity to Sioux Falls should result in the continued construction of new homes annually. However, attractive residential lot options must be available for new home construction to continue.

Overall household projections for Crooks indicate good demand for owner-occupied housing construction. Crooks is projected to gain approximately 33 households in the 55 to 74 age ranges from 2010 to 2015. Households in these age ranges tend to be predominantly home owners, and form a market for higher priced, trade-up housing and low maintenance housing such as town homes and twin homes. The 35 to 44 year old range is expected to gain 18 households through 2015. Many of the households in these age ranges are first time home buyers. A gain of nine households is projected in the 75 to 84 age range. These households are often seeking low maintenance housing options.

Additionally, it is projected that more than 1,000 homes will be constructed annually in the Sioux Falls MSA. Crooks would only need to capture a small percentage of this annual housing construction to experience significant household growth.

It is our opinion that if the City, developers and builders are proactive, 12 to 16 owner-occupied housing units should be constructed in Crooks annually over the next five years from 2014 to 2019 to address demand. Our projection for single family housing starts includes homes built in new subdivisions and on infill lots, and includes single family attached housing units, such as twin homes and town houses.

The breakdown of our projection of 12 to 16 new owner-occupied housing units annually over the next five years is as follows:

▶ Higher & median price homes	6-7 homes
▶ Affordable homes	2-3 homes
▶ Homes on infill lots	1-2 homes
▶ Twin homes/town homes	<u>3-4 units</u>
Total	12-16 units

In the past seven years, Crooks' market share of the new single family construction has been approximately 0.4% of the MSA total. To achieve the recommendation above, the City would need to capture between 1.2% and 1.6% of all projected single family housing construction in the Sioux Falls MSA.

### **8. Support the development of 55 to 75 lots over the next five years**

**Findings:** As part of this Study, we attempted to identify the inventory of available residential lots for single family housing construction in the City of Crooks. Currently, there is only one active residential subdivision in Crooks. A nine-lot subdivision was recently developed. Four lots have been sold with five lots remaining for sale. The Sunset Subdivision, where the majority of the City's housing construction has taken place since 2001, has only one lot that has not been developed.

There are also a few miscellaneous infill lots scattered around the City that we did not attempt to count. We also do not know the availability of some of these infill lots.

**Recommendation:** We use a standard that a 2 ½ year supply of lots should be available in the marketplace based on annual lot usage. With projections that 12 to 16 new owner-occupied housing units will be constructed per year, the City should have approximately 30 to 40 residential lots available to meet the expected demand over the next 2 ½ years and 60 to 80 lots over the five-year period from 2014 to 2019. Part of this demand would be for attached unit construction.

With approximately five available lots, the City currently does not have an adequate number of lots to meet construction demand.

The Sunset Subdivision still has approximately 25 acres available for lot development. Approximately 55 lots could be developed on this parcel. The developer has developed 130 lots in Crooks and has the experience, expertise and the resources to install infrastructure to make lots available on this parcel during the next construction season.

Additionally, the first phase of the Pheasant Ridge Addition has been platted. If the lots in this first phase were developed, approximately new 15 lots would be available.

There are also several other parcels of land in the City limits and adjacent to the City limits that could be developed for residential new construction.

We recommend the immediate development of 25 to 35 lots and the development of 55 to 75 lots over the next five years from 2014 to 2019.

We also recommend the following:

- ▶ The development of lots should be phased.
- ▶ It would be advantageous to have several subdivisions developed which would provide buyers with options.
- ▶ The subdivisions should accommodate a variety of home designs and home prices, but quality should not be compromised.
- ▶ A portion of the lots should accommodate twin homes and town homes.
- ▶ The City of Crooks and/or the Crooks Development Corporation may need to work with the developers to facilitate future lot development.

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

**Findings:** Crooks has had no owner-occupied attached housing development 2000 to 2013. However, four rental twin homes were constructed in 2003. Many communities over the past decade have seen attached housing take an increasingly large share of new construction. In cities the size of Crooks, 20% to 25% of the housing starts are typically twin homes/townhomes.

Attached housing provides desirable alternatives for empty nesters and seniors to move out of their single family homes, thus, making traditional single family homes available for families. It is estimated that the 55 to 74 age ranges will increase by 42 households in Crooks from 2010 to 2015. Minnehaha County is also projected to have large increases in these age ranges. It is important for the City to offer a range of life-cycle housing options as many of these households will be seeking to downsize into low maintenance housing options.

**Recommendation:** It is our projection that approximately three to four of Crooks' new owner single family units per year should be twin homes or town houses over the next five years, which is an approximate total of 15 to 20 units during the five-year period. This is approximately 25% of the annual projected single family housing construction total in Crooks.

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

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

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

## **10. Coordinate with agencies/nonprofits that develop affordable housing**

**Findings:** With the difficulty of producing new housing units that are affordable to lower income people, it is important to take advantage of opportunities presented by housing agencies, nonprofit groups and organizations. Inter-Lakes Community Action Partnership has a Mutual Self Help Program. Households who participate in this program assist each other with constructing affordable new homes. Also, Sioux Falls Habitat for Humanity is willing to work with a Crooks group to construct homes in Crooks. Other local and regional housing agencies and nonprofits may also have the capacity to construct affordable housing in Crooks. These sources can help generate new homes for lower income families in Crooks.

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

# **Crooks - Housing Rehabilitation**

## **Housing Rehabilitation**

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

Housing options for households will largely be met by the existing, more affordable housing stock. As this existing stock ages, more maintenance and repair are required. Without rehabilitation assistance, the affordable stock will shrink, creating an even more difficult affordability situation.

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

### **11. Promote rental housing rehabilitation programs**

**Findings:** Based on the U.S. Census data, the City of Crooks had approximately 49 rental units in 2010. These rental units are in multi-family projects, small rental buildings, duplexes, single family homes and mobile homes. Some of these rental structures could benefit from rehabilitation as many of the rental structures are more than 25 years old and some rental units are in poor condition.

Fairmont Apartments, a Rural Development project, with eight units, is in the process of a total interior and exterior renovation.

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

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

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

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

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

Our Crooks housing condition survey rated the 51 single family homes in the City's oldest neighborhood. The survey found that 23 homes need minor repairs and 10 homes need major repairs. Without rehabilitation assistance, there is the potential that the affordable housing stock will shrink in Crooks.

Inter-Lakes Community Action Partnership currently has several housing programs to assist area households with the rehabilitation of their homes, including the Weatherization Program, the Self Help Rehabilitation Program and programs utilizing Home and CHIP funds.

**Recommendation:** We also recommend that Crooks and area housing agencies seek local, state and federal funds to assist in financing housing rehabilitation. USDA Rural Development, the South Dakota Housing Development Authority and the Federal Home Loan Bank, are potential funding sources. Crooks should coordinate with the Inter-Lake's Community Action Partnership to assure Crooks households have access to housing rehabilitation funds.

# **Crooks - Other Housing Initiatives**

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

**Findings:** Our housing condition survey of the City of Crooks' oldest neighborhood identified only one home that was dilapidated and too deteriorated to rehabilitate. However, we also identified 10 homes as needing major repair (several of these homes may be too dilapidated to rehabilitate upon a more detailed inspection). There are also homes in other Crooks neighborhoods that may be dilapidated and beyond repair. Additionally, according to the 2010 U.S. Census, there were approximately seven housing units that were vacant in Crooks in 2010. There is the threat that some of these housing units may deteriorate to the point of being beyond repair.

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

Also, Crooks and the Crooks Development Corporation should work with Minnehaha County to acquire and demolish any tax forfeited properties that may exist in Crooks that are dilapidated and beyond repair.

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

**Findings:** Crooks needs staff resources to plan and implement many of the housing recommendations advanced in this Study. Crooks has access to Inter-Lakes Community Action Partnership, the South Eastern Council of Governments, Sioux Falls Habitat for Humanity, the South Eastern Development Foundation, the Sioux Falls Housing and Redevelopment Commission, USDA Rural Development and the South Dakota Housing Development Authority. These agencies all have experience with housing and community development programs.

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

It will also be important for the City to look for opportunities to work cooperatively with other area cities to address housing issues. With limited staff capacity, cooperative efforts may be the only way to accomplish certain projects. Cooperative efforts will not only make housing projects more practical, but they will often be more cost-effective and competitive.

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

**Findings:** The City of Crooks has a very limited commercial district. The existing commercial buildings are generally in good condition, and several commercial buildings have been renovated, however, there are several substandard commercial buildings in Crooks. Also, there are not adequate commercial and retail opportunities to meet many of Crooks' residents daily needs.

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. Crooks, however, is located adjacent to Sioux Falls, which limits Crooks' ability to attract commercial development.

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

The City of Crooks and the Crooks Development Corporation should seek funding to assist property owners with rehabilitating their commercial buildings. A goal of one commercial rehab/expansion project and one new commercial project annually in Crooks would be realistic.

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

**Findings:** With the downturn in the housing economy, the competition among cities for households looking to buy or build a home had been greater than past years.

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

Also, it is important for the home buying or home building process to be user-friendly. During the interview process, there were comments that Crooks is a difficult City to develop in. This may or may not be true, however, the perception exists.

**Recommendation:** We recommend that the City of Crooks and Crooks Development Corporation continue to do the following:

- ▶ Determine the City's strengths and competitive advantages and heavily promote them
- ▶ Create marketing materials that can be distributed regionally (including internet, TV, radio, etc.)
- ▶ Work closely with employers (Crooks and Sioux Falls) to provide employees (especially new employees) with housing opportunities in Crooks
- ▶ Work with housing agencies to provide down payment assistance, low interest loans, home owner education and home owner counseling programs
- ▶ Work with builders and developers to make subdivision development and new home construction a very user friendly process
- ▶ Consider the development of new home construction and home purchase incentive programs. Examples include:
  - ▶ Free water and sewer for a period of time
  - ▶ Construction financing assistance
  - ▶ Permit fee lowered
  - ▶ Developer assistance
  - ▶ Real estate tax abatements

- ▶ Cash payment
- ▶ Discounts at area businesses
- ▶ Lots at a reduced price

## **17. Competition with Other Jurisdictions**

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

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

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

## **Housing Agencies and Resources**

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

### **Crooks Development Corporation**

P.O. Box 676  
Crooks, SD 57020  
(605) 543-5213  
Contact: Marvin Wieman

### **InterLakes Community Action Partnership**

505 North Western Avenue  
Sioux Falls, SD 57104  
(605)334-2808  
Contact: Dana Whitehouse

### **South Eastern Development Foundation**

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

### **South Eastern Council of Governments**

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

### **Habitat for Humanity Greater Sioux Falls**

721 East Amidon Street  
Sioux Falls, SD 57117  
(605) 332-5962  
Contact: Sue Olson, Director

### **Affordable Housing Solutions**

630 South Minnesota Avenue  
Sioux Falls, SD 57117  
(605) 332-0704  
Contact: Shireen Ranschau, Executive Director

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

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