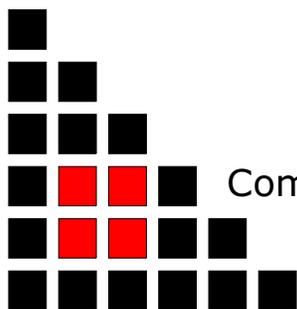


# Bonesteel HOUSING STUDY

September 2017

An analysis of the overall housing needs  
for the City of Bonesteel in Gregory County



Community Partners Research, Inc.

Faribault, MN

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## **Introduction**

Local elected and public officials are often held responsible for conditions and circumstances over which they have limited control. This is particularly true of housing. Most of the housing units in Gregory, Burke, and Bonesteel 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 Cities of Gregory, Burke, Bonesteel and Gregory County to conduct a study of the housing needs and conditions. This document contains demographic and housing information for each of the cities, along with specific recommendations for the City of Bonesteel.

### **Goals**

The multiple goals of the study include:

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

### **Methodology**

A variety of resources were utilized to obtain information for the Housing Study. Community Partners Research, Inc., collected and analyzed data from April to July, 2017. Data sources included:

- U.S. Census Bureau
- American Community Survey
- Esri, a private data company
- Records and data from the cities
- Records and data maintained by Gregory County
- South Dakota State Data Center
- Interviews with local officials, community leaders, housing stakeholders, etc.
- Area housing agencies
- State and Federal housing agencies
- Rental property owner surveys
- Housing condition and mobile home 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 Gregory, Burke, Bonesteel and Fairfax, and for Gregory County. The 2010 Census provides much of the base data for population and household trends. However, the 2010 Census was more limited in scope than in the past. As a result, some of the demographic variables, such as income and housing cost information, were not collected.

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 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 2015 estimates were derived from sampling that was done over a five-year period, between 2010 and 2015. Unless otherwise noted, the American Community Survey estimates are based on the five-year survey data.

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

## Population Data and Trends

| <b>Table 1 Population Trends - 1990 to 2016</b> |             |             |                    |             |                    |                     |
|---|-------------|-------------|--------------------|-------------|--------------------|---------------------|
|   | 1990 Census | 2000 Census | % Change 1990-2000 | 2010 Census | % Change 2000-2010 | 2016 Esri Estimates |
| Gregory   | 1,384       | 1,342       | -3.0%              | 1,295       | -3.5%              | 1,338               |
| Burke   | 756         | 676         | -10.6%             | 604         | -10.7%             | 606                 |
| Bonesteel                                       | 297         | 297         | 0%                 | 275         | -7.4%              | 276                 |
| Gregory Co.                                     | 5,359       | 4,792       | -10.6%             | 4,271       | -10.9%             | 4,278               |

Source: U.S. Census; Esri

- ▶ According to the 2010 U.S. Census, Gregory, Burke and Gregory County had population losses from 2000 to 2010.
- ▶ Gregory’s population was 1,295 people in 2010. The 47-person decrease from 2000 was a population loss of 3.5%.
- ▶ Burke’s population was 604 people in 2010. The 72-person decrease from 2000 was a loss of -10.6%.
- ▶ Bonesteel’s 2010 population was 275 people, which was a loss of 22 people from 2000 or a 7.4% population decrease.
- ▶ Gregory County’s population was 4,271 in 2010. This was a decrease of 521 people from 2000, for a population loss of 10.9%.
- ▶ Gregory, Burke and all of Gregory County experienced population decreases in the 1990s. Bonesteel’s population did not change. Gregory’s population decreased by 42 people, Burke’s population decreased by 80 people and Bonesteel’s population remained the same. Gregory County’s population decreased by 567 people from 1990 to 2000.
- ▶ Two sources, Esri and the American Community Survey, have estimated each jurisdiction’s population since the 2010 U.S. Census. The American Community Survey’s estimates are for 2015. The estimates show continued population decreases for each jurisdiction.

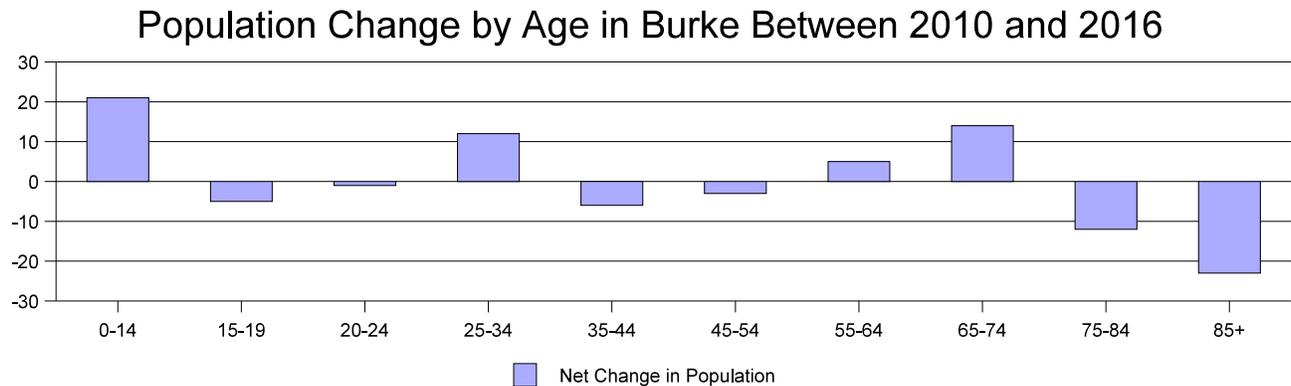
- ▶ The American Community Survey estimates that in 2015 Gregory's population was 1,254, a loss of 41 people since 2010. Burke's population was estimated to be 581, a loss of 23 people, and Bonesteel's population was estimated at 270, a loss of five people since 2010. Gregory County's population was estimated to be 4,201 in 2015, a loss of 70 people since 2010.
- ▶ Esri's estimates are for the year 2016 and are more optimistic than the American Community Survey estimates. Esri estimates that all of the jurisdictions had population increases from 2010 to 2016. Esri estimated that Gregory's population was 1,338, a gain of 43 people, Burke's population was estimated to be 606, a gain of two people, and Bonesteel's population was estimated to be 276 in 2016, also a gain of one person since 2010. Esri estimated that Gregory County's population was 4,278 in 2016, a gain of seven people since 2010.
- ▶ In 2010, 90.3% of Gregory's population identified their race as White and 6.8% identified themselves as American Indian. In Burke, 94.2% of the population identified their race as White and 3.5% identified themselves as American Indian. In Bonesteel, 73.5% of the population identified their race as White and 22.9% identified themselves as American Indian. For all of Gregory County, 89.6% of the population identified their race as White and 7.5% identified themselves as American Indian.

## Population by Age Trends in Burke: 2010 to 2016

The release of demographic information from the 2010 Census allows for some analysis of the changing age patterns for Burke and Gregory County. The following table compares population by age in 2010 and 2016, along with the numeric changes.

| <b>Table 2 Population by Age - 2010 to 2016</b> |       |      |        |                |       |        |
|---|-------|------|--------|----------------|-------|--------|
| Age   | Burke |      |        | Gregory County |       |        |
|   | 2010  | 2016 | Change | 2010           | 2016  | Change |
| 0-14  | 81    | 102  | 21     | 785            | 745   | -40    |
| 15-19   | 35    | 30   | -5     | 256            | 234   | -22    |
| 20-24   | 16    | 15   | -1     | 139            | 189   | 50     |
| 25-34   | 47    | 59   | 12     | 372            | 352   | -20    |
| 35-44   | 63    | 57   | -6     | 411            | 416   | 5      |
| 45-54   | 89    | 86   | -3     | 645            | 547   | -98    |
| 55-64   | 95    | 100  | 5      | 650            | 744   | 94     |
| 65-74   | 62    | 76   | 14     | 444            | 494   | 50     |
| 75-84   | 61    | 49   | -12    | 353            | 355   | 2      |
| 85+   | 55    | 32   | -23    | 216            | 202   | -14    |
| Total   | 604   | 606  | 2      | 4,271          | 4,278 | 7      |

Source: U.S. Census; Esri

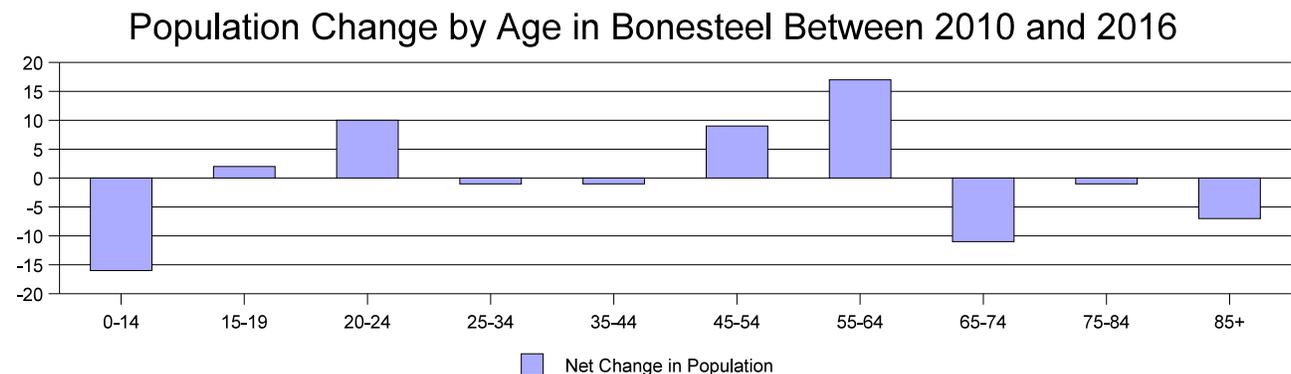


## Population by Age Trends in Bonesteel: 2010 to 2016

The release of demographic information from the 2010 Census allows for some analysis of the changing age patterns for Bonesteel and Gregory County. The following table compares population by age in 2010 and 2016, along with the numeric changes.

| <b>Table 3 Population by Age - 2010 to 2016</b> |            |            |          |                |              |          |
|---|------------|------------|----------|----------------|--------------|----------|
| Age   | Bonesteel  |            |          | Gregory County |              |          |
|   | 2010       | 2016       | Change   | 2010           | 2016         | Change   |
| 0-14  | 59         | 43         | -16      | 785            | 745          | -40      |
| 15-19   | 16         | 18         | 2        | 256            | 234          | -22      |
| 20-24   | 5          | 15         | 10       | 139            | 189          | 50       |
| 25-34   | 22         | 21         | -1       | 372            | 352          | -20      |
| 35-44   | 28         | 27         | -1       | 411            | 416          | 5        |
| 45-54   | 27         | 36         | 9        | 645            | 547          | -98      |
| 55-64   | 35         | 52         | 17       | 650            | 744          | 94       |
| 65-74   | 42         | 31         | -11      | 444            | 494          | 50       |
| 75-84   | 25         | 24         | -1       | 353            | 355          | 2        |
| 85+   | 16         | 9          | -7       | 216            | 202          | -14      |
| <b>Total</b>                                    | <b>275</b> | <b>276</b> | <b>1</b> | <b>4,271</b>   | <b>4,278</b> | <b>7</b> |

Source: U.S. Census; Esri



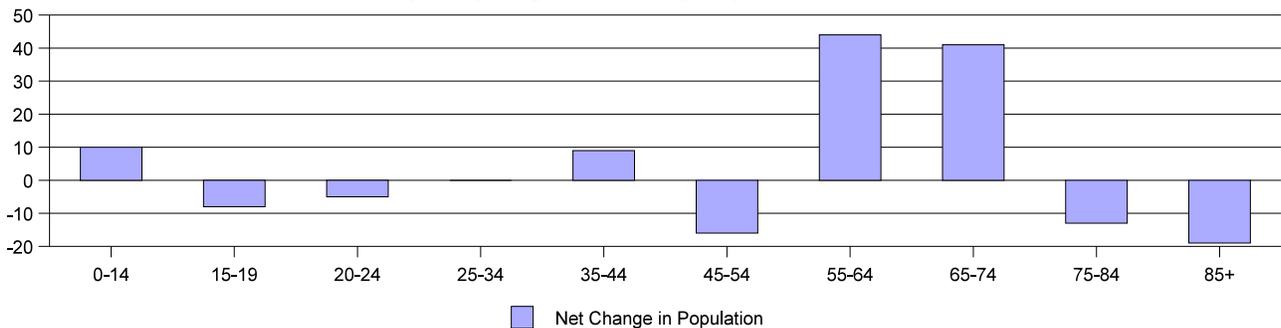
## Population by Age Trends in Gregory: 2010 to 2016

The release of demographic information from the 2010 Census allows for some analysis of the changing age patterns for Gregory, Burke, Bonesteel and Gregory County. The following table compares population by age in 2010 and 2016, along with the numeric changes.

| Table 4 Population by Age - 2010 to 2016 |         |       |        |                |       |        |
|--|---------|-------|--------|----------------|-------|--------|
| Age                                      | Gregory |       |        | Gregory County |       |        |
|  | 2010    | 2016  | Change | 2010           | 2016  | Change |
| 0-14                                     | 234     | 244   | 10     | 785            | 745   | -40    |
| 15-19                                    | 76      | 68    | -8     | 256            | 234   | -22    |
| 20-24                                    | 59      | 54    | -5     | 139            | 189   | 50     |
| 25-34                                    | 113     | 113   | 0      | 372            | 352   | -20    |
| 35-44                                    | 108     | 117   | 9      | 411            | 416   | 5      |
| 45-54                                    | 180     | 164   | -16    | 645            | 547   | -98    |
| 55-64                                    | 184     | 228   | 44     | 650            | 744   | 94     |
| 65-74                                    | 116     | 157   | 41     | 444            | 494   | 50     |
| 75-84                                    | 128     | 115   | -13    | 353            | 355   | 2      |
| 85+                                      | 97      | 78    | -19    | 216            | 202   | -14    |
| Total                                    | 1,295   | 1,338 | 43     | 4,271          | 4,278 | 7      |

Source: U.S. Census; Esri

Population Change by Age in Gregory Between 2010 and 2016



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 Gregory County. Between 2010 and 2016, Gregory had a gain of 85 people, Burke had a gain of 19 people, and Bonesteel had a net gain of six people in the 55 to 74 age ranges. Overall, Gregory County had a gain of 144 people in the age ranges between 55 and 74 years old. In 2010, most of the baby boomers were within the 55 to 74 age ranges.

Gregory County also had growth of 50 people in the 20 to 24 age range, a gain of five people in the 35 to 44 year old age range, and a gain of two people in the 75 to 84 year old age range. However, Gregory County had a loss of 62 people in the 0 to 19 age range, a loss of 20 people in the 25 to 34 year old age range, a loss of 98 people in the 45 to 54 year old age range, and a loss of 14 people in the 85 and older age range.

In addition to the growth in the 55 to 74 age ranges, Gregory had a gain of 10 people in the 0 to 14 age range, a gain of nine people in the 35 to 44 age range. Gregory experienced a population loss of 13 people in the 15 to 34 age ranges, a loss of 16 people in the 45 to 54 age range and a loss of 32 people in the 75 and older age ranges.

In addition to the net growth in the 55 to 74 age ranges, Burke gained 21 people in the 0 to 14 age range and 12 people in the 25 to 34 age range. Burke had a loss of six people in the 15 to 24 age ranges, a loss of nine people in the 35 to 54 age ranges and a loss of 35 people in the 75 and older age ranges.

In addition to the growth in the 55 to 74 age ranges, Bonesteel gained 12 people in the 15 to 24 age ranges and nine people in the 45 to 54 age range. Bonesteel had a loss of 16 people in the 0 to 14 age range, a loss of two people in the 25 to 44 year old age group and 19 people in the 65 and older age ranges.

## Population Projections

The following table presents population projections using two different sources. Estimates and projections have been obtained from Esri and span the five-year period from 2016 to 2021. The South Dakota State Data Center has issued Gregory County population projections for the year 2020.

| <b>Table 5 Population Projections Through 2020/21</b> |                |                    |                      |                                   |
|---|----------------|--------------------|----------------------|-----------------------------------|
|   | 2010 US Census | 2016 Estimate Esri | 2021 Projection Esri | 2020 Projection State Data Center |
| Gregory   | 1,295          | 1,338              | 1,369                | N/A                               |
| Burke   | 604            | 606                | 609                  | N/A                               |
| Bonesteel   | 275            | 276                | 278                  | N/A                               |
| Gregory County  | 4,271          | 4,278              | 4,305                | 3,864                             |

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

- ▶ Esri’s growth projections expect a gain of 31 people in Gregory, a gain of three people in Burke and a gain of two people in Bonesteel from 2016 to 2021.
- ▶ Esri’s population projections for Gregory County forecast an increase of 27 people from 2016 to 2021.
- ▶ The State Data Center had projected that Gregory County would lose population over the current decade, with a forecast that only 3,864 people would live in the County by the year 2020, down by 407 people from the 2010 Census. Although this projection differs from Esri’s, which expects some minor population growth countywide, it is similar to other recent estimates including the Census Bureau’s 2016 County estimate which does show the County losing residents after 2010.

## Household Data and Trends

| <b>Table 6 Household Trends - 1990 to 2016</b> |                 |                 |                    |                 |                    |                    |
|--|-----------------|-----------------|--------------------|-----------------|--------------------|--------------------|
|  | 1990 Households | 2000 Households | % Change 1990-2000 | 2010 Households | % Change 2000-2010 | 2016 Esri Estimate |
| Gregory  | 629             | 613             | -2.5%              | 611             | -0.3%              | 635                |
| Burke  | 345             | 327             | -5.2%              | 324             | -1.0%              | 328                |
| Bonesteel                                      | 143             | 137             | -4.2%              | 125             | -8.8%              | 126                |
| Gregory Co.                                    | 2,139           | 2,022           | -5.5%              | 1,936           | -4.3%              | 1,957              |

Source: U.S. Census; Esri

- ▶ According to the 2010 Census, all of the jurisdictions had household losses from 2000 to 2010.
- ▶ Gregory had a slight loss of two households (-0.3%) from 2000 to 2010.
- ▶ Burke had a loss of three households (-1.0%) from 2000 to 2010.
- ▶ Bonesteel had a loss of 12 households (-8.8%) from 2000 to 2010.
- ▶ Gregory County had 1,936 households in 2010. This was a decrease of 86 households, or a household loss of 4.3% from 2000 to 2010.
- ▶ During the 1990s, Gregory had a loss of 16 households, Burke had a loss of 18 households, Bonesteel had a loss of six households and Gregory County had a loss of 117 households.
- ▶ The Esri estimates for 2016 show that Gregory had a gain of 24 households, Burke had a gain of four households, Bonesteel had a gain of one household and Gregory County had a gain of 21 households from 2010 to 2016.

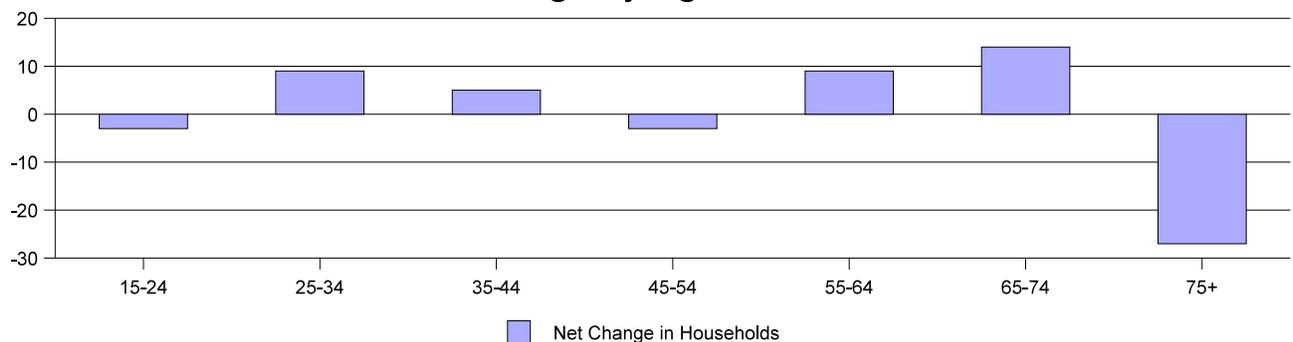
## Household by Age Trends in Burke: 2010 to 2016

The 2010 Census allows for some analysis of Burke and Gregory County’s changing age patterns. The following table compares households by age of householder in 2010 and 2016, along with the numeric changes.

| <b>Table 7 Households by Age - 2010 to 2016</b> |       |      |        |                |       |        |
|---|-------|------|--------|----------------|-------|--------|
| Age   | Burke |      |        | Gregory County |       |        |
|   | 2010  | 2016 | Change | 2010           | 2016  | Change |
| 15-24   | 12    | 9    | -3     | 60             | 58    | -2     |
| 25-34   | 27    | 36   | 9      | 193            | 193   | 0      |
| 35-44   | 35    | 40   | 5      | 232            | 225   | -7     |
| 45-54   | 57    | 54   | -3     | 362            | 307   | -55    |
| 55-64   | 57    | 66   | 9      | 389            | 422   | 33     |
| 65-74   | 36    | 50   | 14     | 271            | 313   | 42     |
| 75+   | 100   | 73   | -27    | 429            | 439   | 10     |
| Total   | 324   | 328  | 4      | 1,936          | 1,957 | 21     |

Source: U.S. Census; Esri

**Burke Household Change by Age Between 2010 and 2016**



Burke had a gain of 14 households in the 25 to 44 age ranges and a gain of 23 households in the 55 to 74 age ranges. Burke had a loss of three households in the 15 to 24 age range, a loss of three households in the 45 to 54 age range, and a loss of 27 households in the 75 and older age ranges.

Gregory County added 85 households in the 55 and older age ranges from 2010 to 2016. Gregory County had a decrease of 64 households in the 54 and younger age ranges.

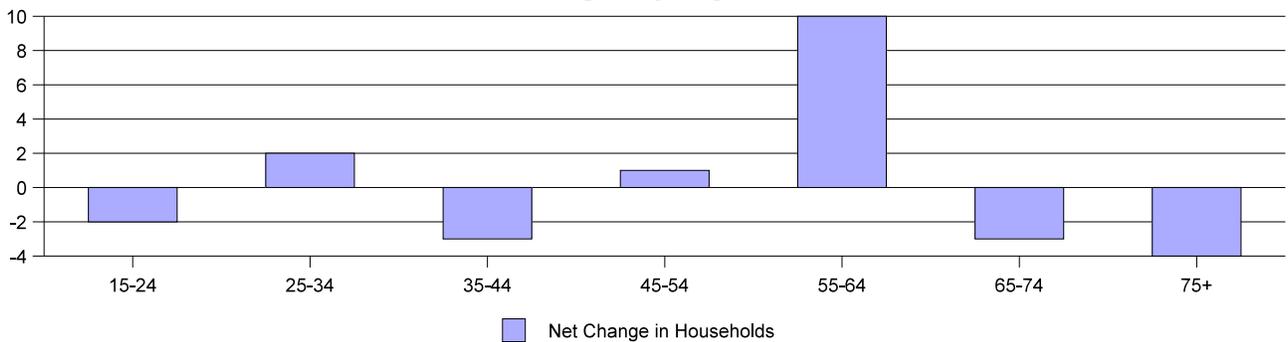
## Household by Age Trends in Bonesteel: 2010 to 2016

The 2010 Census allows for some analysis of Bonesteel and Gregory County’s changing age patterns. The following table compares households by age of householder in 2010 and 2016, along with the numeric changes.

| <b>Table 8 Households by Age - 2010 to 2016</b> |           |      |        |                |       |        |
|---|-----------|------|--------|----------------|-------|--------|
| Age   | Bonesteel |      |        | Gregory County |       |        |
|   | 2010      | 2016 | Change | 2010           | 2016  | Change |
| 15-24   | 3         | 1    | -2     | 60             | 58    | -2     |
| 25-34   | 10        | 12   | 2      | 193            | 193   | 0      |
| 35-44   | 17        | 14   | -3     | 232            | 225   | -7     |
| 45-54   | 18        | 19   | 1      | 362            | 307   | -55    |
| 55-64   | 22        | 32   | 10     | 389            | 422   | 33     |
| 65-74   | 22        | 19   | -3     | 271            | 313   | 42     |
| 75+   | 33        | 29   | -4     | 429            | 439   | 10     |
| Total   | 125       | 126  | 1      | 1,936          | 1,957 | 21     |

Source: U.S. Census

**Bonesteel Household Change by Age Between 2010 and 2016**



Bonesteel had an increase of two households in the 25 to 34 age range and a gain of 11 households in the 45 to 64 age ranges. Bonesteel had a decrease of two households in the 15 to 24 age range, a loss of three households in the 35 to 44 age range and a loss of seven households in the 65 and older age ranges.

Gregory County added 85 households in the 55 and older age ranges from 2010 to 2016. Gregory County had a decrease of 64 households in the 54 and younger age ranges.

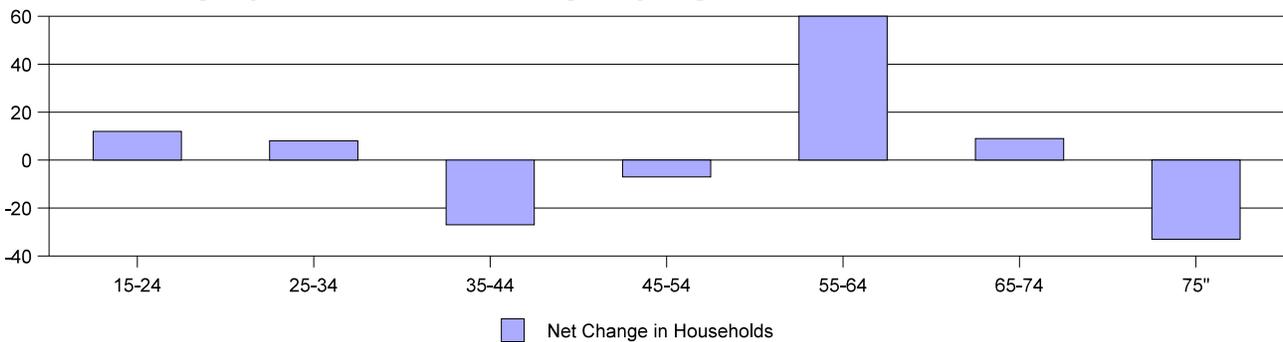
## Household by Age Trends in Gregory: 2010 to 2016

The 2010 Census allows for some analysis of Gregory and Gregory County’s changing age patterns. The following table compares households by age of householder in 2010 and 2016, along with the numeric changes.

| <b>Table 9 Households by Age - 2010 to 2016</b> |         |      |        |                |       |        |
|---|---------|------|--------|----------------|-------|--------|
| Age   | Gregory |      |        | Gregory County |       |        |
|   | 2010    | 2016 | Change | 2010           | 2016  | Change |
| 15-24   | 13      | 25   | 12     | 60             | 58    | -2     |
| 25-34   | 55      | 63   | 8      | 193            | 193   | 0      |
| 35-44   | 99      | 72   | -27    | 232            | 225   | -7     |
| 45-54   | 98      | 91   | -7     | 362            | 307   | -55    |
| 55-64   | 74      | 134  | 60     | 389            | 422   | 33     |
| 65-74   | 97      | 106  | 9      | 271            | 313   | 42     |
| 75+   | 177     | 144  | -33    | 429            | 439   | 10     |
| Total   | 613     | 635  | 22     | 1,936          | 1,957 | 21     |

Source: U.S. Census; Esri

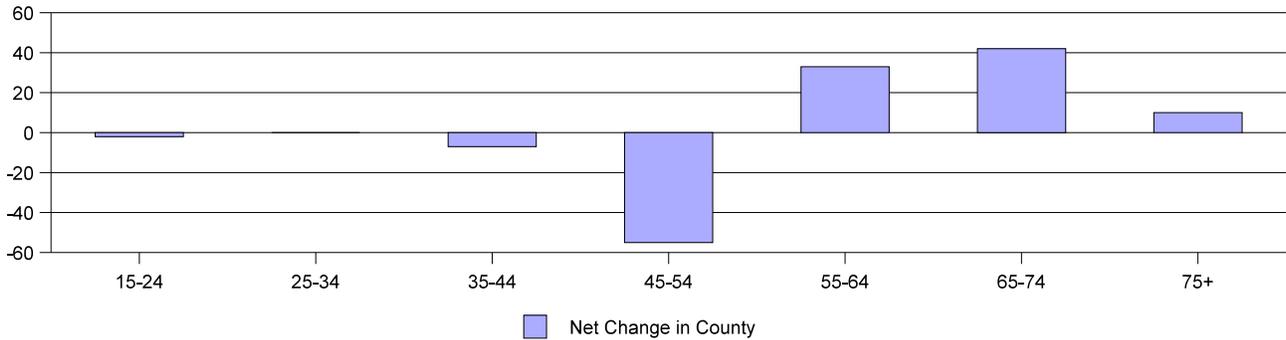
**Gregory Household Change by Age Between 2010 and 2016**



Gregory added 20 households in the 15 to 34 year old age ranges and 69 households in the 55 to 74 age ranges. Gregory had a decrease of 34 households in the 35 to 54 age ranges, and a loss of 33 households in the 75 and older age ranges.

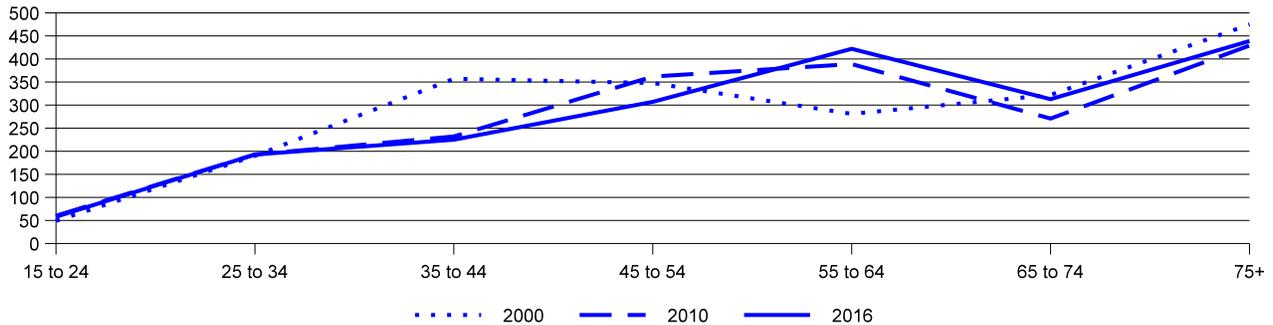
Gregory County added 85 households in the 55 and older age ranges from 2010 to 2016. Gregory County had a decrease of 64 households in the 54 and younger age ranges.

### Gregory County Household Change by Age Between 2010 and 2016



It is possible to track the age progression of over the past several years in Gregory County, using Census information for households by the age of householder.

### Gregory County Households by Age of Householder: 2000 to 2016



## Average Household Size

The following table provides decennial Census information on average household size, and a 2016 estimate from Esri.

| <b>Table 10 Average Number of Persons Per Household: 1990 to 2016</b> |             |             |             |                    |
|---|-------------|-------------|-------------|--------------------|
|   | 1990 Census | 2000 Census | 2010 Census | 2016 Esri Estimate |
| Gregory   | 2.20        | 2.19        | 2.05        | 2.08               |
| Burke   | 2.16        | 2.03        | 1.86        | 1.84               |
| Bonesteel   | 2.08        | 2.09        | 2.20        | 2.19               |
| Gregory County  | 2.47        | 2.32        | 2.18        | 2.16               |
| South Dakota  | 2.59        | 2.50        | 2.42        | N/A                |

Source: U.S. Census; Esri

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

The average household size in Gregory, Burke, and Gregory County decreased from 1990 to 2016. Gregory’s average household size decreased from 2.20 to 2.08. Burke’s average household size decreased from 2.16 to 1.84. Gregory County’s average household size decreased from 2.47 in 1990 to 2.16 in 2016. Bonesteel’s average household size actually increased from 2.08 in 1990 to 2.19 in 2016.

## Household Projections

The following table presents Esri’s 2016 household estimates and 2021 household projections for the three communities and Gregory County.

| <b>Table 11 Household Projections Through 2021</b> |             |                       |                         |                        |
|--|-------------|-----------------------|-------------------------|------------------------|
|  | 2010 Census | 2016 Estimate<br>Esri | 2021 Projection<br>Esri | Change<br>2016 to 2021 |
| Gregory  | 611         | 635                   | 652                     | 17                     |
| Burke  | 324         | 328                   | 332                     | 4                      |
| Bonesteel  | 125         | 126                   | 128                     | 2                      |
| Gregory Co.  | 1,936       | 1,957                 | 1,979                   | 22                     |

Source: U.S. Census; Esri

- ▶ The household estimates from 2010 to 2016 and the household projections from 2016 to 2021 for Gregory, Bonesteel, Burke and Gregory County show household gains. These estimates and projections counter past trends as there has been a long-term pattern of household loss in each of these jurisdictions.
- ▶ Esri estimates that Gregory increased by 24 households from 2010 to 2016 and is projected to increase by an additional 17 households from 2016 to 2021.
- ▶ Esri estimates that Burke had a gain of four households from 2010 to 2016 and is projected to gain another four households from 2016 to 2021.
- ▶ Esri estimates that Bonesteel had a gain of one household from 2010 to 2016 and will gain two households from 2016 to 2021.
- ▶ Esri’s 2016 estimate for Gregory County shows a gain of 21 households from 2010. Esri projects that Gregory County will gain an additional 22 households from 2016 to 2021.

## Burke Household by Age Projections: 2016 to 2021

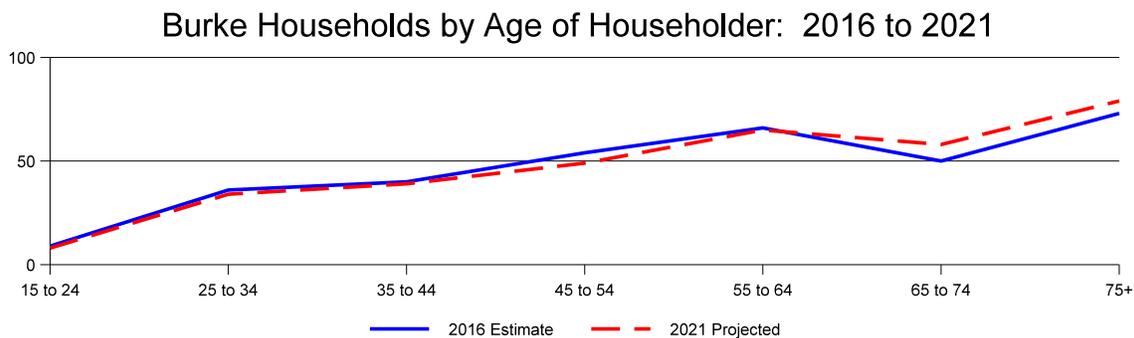
Esri has released population by age projections to the year 2021. The following table presents Esri’s 2021 household by age projections for Burke, and the household changes from 2016 to 2021.

| <b>Table 12 Burke Projected Households by Age - 2016 to 2021</b> |               |                 |                  |
|--|---------------|-----------------|------------------|
|  | 2016 Estimate | 2021 Projection | Change from 2016 |
| 15-24  | 9             | 8               | -1               |
| 25-34  | 36            | 34              | -2               |
| 35-44  | 40            | 39              | -1               |
| 45-54  | 54            | 49              | -5               |
| 55-64  | 66            | 65              | -1               |
| 65-74  | 50            | 58              | 8                |
| 75+  | 73            | 79              | 6                |
| Total  | 328           | 332             | 4                |

Source: Esri

Consistent with the age distribution data presented earlier, the movement of the “baby boom” generation through the aging cycle should generate most of the City of Burke’s growth in households in the age range between 65 and 74 years old. Esri projections expect a gain of eight households in this age range in Burke from 2016 to 2021. Esri is also projecting a gain of six households in the 75 and older age range.

When viewed as larger age groupings, these projections expect a decrease of 10 households age 64 and younger, but an increase of 14 households age 65 and older through the year 2021.



## Bonesteel Household by Age Projections: 2016 to 2021

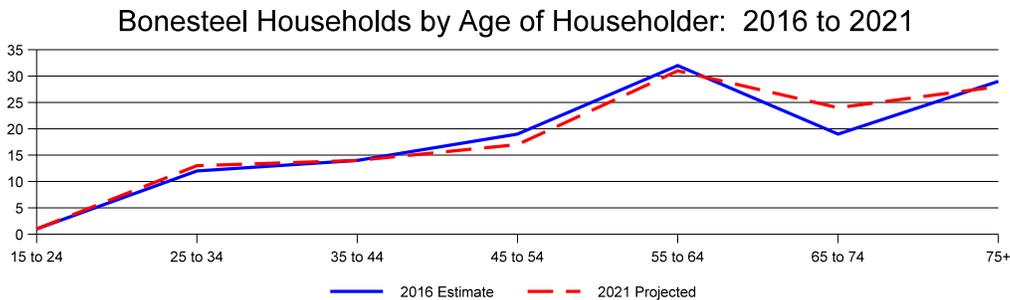
Esri has released population by age projections to the year 2021. The following table presents Esri’s 2021 household by age projections for Bonesteel, and the household changes from 2016 to 2021.

| <b>Table 13 Bonesteel Projected Households by Age - 2016 to 2021</b> |               |                 |                  |
|--|---------------|-----------------|------------------|
|  | 2016 Estimate | 2021 Projection | Change from 2016 |
| 15-24  | 1             | 1               | 0                |
| 25-34  | 12            | 13              | 1                |
| 35-44  | 14            | 14              | 0                |
| 45-54  | 19            | 17              | -2               |
| 55-64  | 32            | 31              | -1               |
| 65-74  | 19            | 24              | 5                |
| 75+  | 29            | 28              | -1               |
| Total  | 126           | 128             | 2                |

Source: Esri; Community Partners Research, Inc.

Consistent with the age distribution data presented earlier, the movement of the “baby boom” generation through the aging cycle should generate most of the City of Bonesteel’s growth in households in the age range between 65 and 74 years old. Esri projections expect a gain of five households in this age range in Bonesteel from 2016 to 2021. Esri is also projecting a gain of one household in the 25 to 34 age range.

Esri is projecting a loss of three households in the 45 to 64 age ranges and a loss of one household in the 75 and older age range. No change in households is projected for Bonesteel in the 15 to 24 and 35 to 44 age ranges.



## Gregory Household by Age Projections: 2016 to 2021

Esri has released population by age projections to the year 2021. The following table presents Esri’s 2021 household by age projections for Gregory, and the household changes from 2016 to 2021.

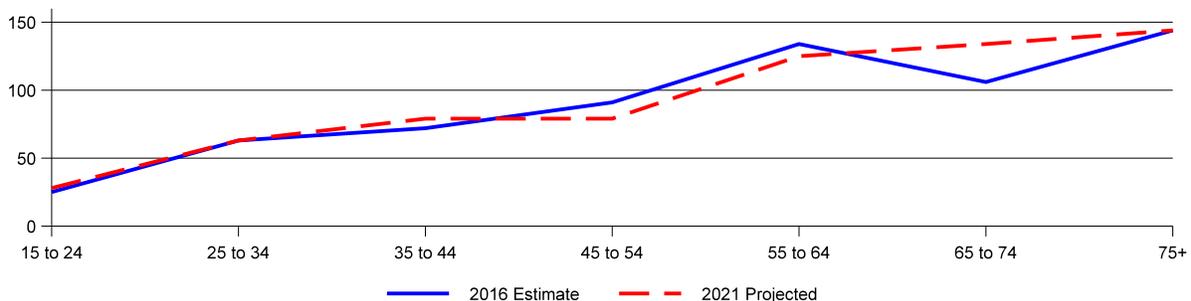
| <b>Table 14 Gregory Projected Households by Age - 2016 to 2021</b> |               |                 |                  |
|--|---------------|-----------------|------------------|
|  | 2016 Estimate | 2021 Projection | Change from 2016 |
| 15-24  | 25            | 28              | 3                |
| 25-34  | 63            | 63              | 0                |
| 35-44  | 72            | 79              | 7                |
| 45-54  | 91            | 79              | -12              |
| 55-64  | 134           | 125             | -9               |
| 65-74  | 106           | 134             | 28               |
| 75+  | 144           | 144             | 0                |
| Total  | 635           | 652             | 17               |

Source: Esri

Consistent with the age distribution data presented earlier, the movement of the “baby boom” generation through the aging cycle should generate most of the City of Gregory’s growth in households in the age range between 65 and 74 years old. Esri projections expect a gain of 28 households in the 65 to 74 age range in Gregory from 2016 to 2021. Esri is also projecting a gain of three households in the 15 to 24 age range and a gain of seven households in the 35 to 44 year old range.

Esri is projecting a loss of 21 households in the 45 to 64 age ranges. No change in households is projected in the 25 to 34 and 75 and older age ranges.

Gregory Households by Age of Householder: 2016 to 2021



**Gregory County Household by Age Projections: 2016 to 2021**

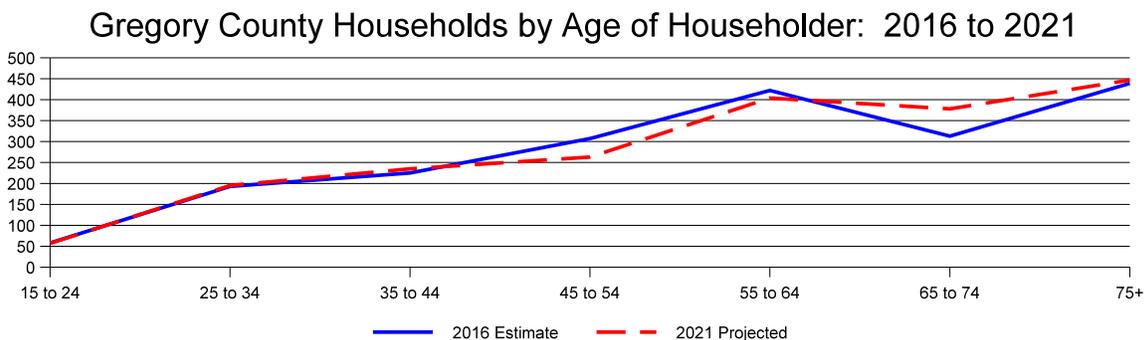
Esri has released population by age projections to the year 2021. The following table presents Esri’s 2021 household by age projections for Gregory County, and the household changes from 2016 to 2021.

| <b>Table 15 Gregory County Projected Households by Age - 2016 to 2021</b> |               |                 |                  |
|---|---------------|-----------------|------------------|
|   | 2016 Estimate | 2021 Projection | Change from 2016 |
| 15-24   | 58            | 57              | -1               |
| 25-34   | 193           | 195             | 2                |
| 35-44   | 225           | 235             | 10               |
| 45-54   | 307           | 263             | -44              |
| 55-64   | 422           | 404             | -18              |
| 65-74   | 313           | 378             | 65               |
| 75+   | 439           | 447             | 8                |
| Total   | 1,957         | 1,979           | 22               |

Source: Esri

Consistent with the age distribution data presented earlier, the movement of the “baby boom” generation through the aging cycle should generate most of the County’s growth in households in the age range between 65 and 74 years old. Esri projections expect a gain of 65 households in this age range in Gregory County from 2016 to 2021. Esri is also projecting a gain of 12 households in the 25 to 44 age ranges and a gain of eight households in the 75 and older age range.

Esri is projecting a loss of one household in the 15 to 24 age range and a loss of 62 households in the 45 to 64 age ranges.



## Households by Type - Burke

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 Burke.

| <b>Table 16 Burke Household Composition - 2000 to 2010</b> |             |             |        |
|--|-------------|-------------|--------|
|  | 2000 Census | 2010 Census | Change |
| Family Households  |             |             |        |
| Married Couple with own children                           | 64          | 47          | -17    |
| Single Parent with own children                            | 9           | 12          | 3      |
| Married Couple without own children                        | 91          | 92          | 1      |
| Family Householder without spouse                          | 14          | 10          | -4     |
| Total Families   | 178         | 161         | -17    |
| Non-Family Households                                      |             |             |        |
| Single Person  | 145         | 157         | 12     |
| Two or more persons  | 4           | 6           | 2      |
| Total Non-Families   | 149         | 163         | 14     |

Source: U.S. Census

Between 2000 and 2010, Burke had a net loss of 17 “family” households. There was a decrease of 17 married couples with children and a decrease of four family households without spouses. There was an increase of three single parent households that had their own children and an increase of one married couple without their own children under the age of 18.

Burke had an increase of 14 “non-family” households. There was an increase of 12 one-person households and an increase of two households that had unrelated individuals living together.

## Households by Type - Bonesteel

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 Bonesteel.

| <b>Table 17 Bonesteel Household Composition - 2000 to 2010</b> |             |             |        |
|--|-------------|-------------|--------|
|  | 2000 Census | 2010 Census | Change |
| Family Households  |             |             |        |
| Married Couple with own children                               | 18          | 19          | 1      |
| Single Parent with own children                                | 12          | 8           | -4     |
| Married Couple without own children                            | 55          | 40          | -15    |
| Family Householder without spouse                              | 5           | 7           | 2      |
| Total Families   | 90          | 74          | -16    |
| Non-Family Households  |             |             |        |
| Single Person  | 46          | 48          | 2      |
| Two or more persons  | 1           | 3           | 2      |
| Total Non-Families   | 47          | 51          | 4      |

Source: U.S. Census

Between 2000 and 2010, Bonesteel had a net decrease of 16 “family” households. Bonesteel had a decrease of 15 married couples without their own children and a decrease of four single parent with children households. The City had a gain of one married couple with children and a gain of two family householder without spouse households.

Bonesteel had an increase of four “non-family” households. There was a gain of two one-person households and a gain of two households that had unrelated individuals living together.

## Households by Type - Gregory

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 Gregory.

| <b>Table 18 Gregory Household Composition - 2000 to 2010</b> |             |             |        |
|--|-------------|-------------|--------|
|  | 2000 Census | 2010 Census | Change |
| Family Households  |             |             |        |
| Married Couple with own children                             | 112         | 73          | -39    |
| Single Parent with own children                              | 41          | 58          | 17     |
| Married Couple without own children                          | 179         | 168         | -11    |
| Family Householder without spouse                            | 20          | 27          | 7      |
| Total Families   | 352         | 326         | -26    |
| Non-Family Households  |             |             |        |
| Single Person  | 245         | 267         | 22     |
| Two or more persons  | 16          | 18          | 2      |
| Total Non-Families   | 261         | 285         | 24     |

Source: U.S. Census

Between 2000 and 2010, Gregory experienced an overall net decrease of 26 “family” households. The City had an increase of 17 single parent with children households and seven family householder without spouse households. There was a decrease of 39 married couples with their own children and a decrease of 11 married couples without children.

Gregory had an increase of 24 “non-family” households. There was an increase of 22 one-person households and an increase of two households that had unrelated individuals living together.

## Households by Type - Gregory County

The 2010 Census can be compared to statistics from 2000 to examine changes in household composition. The following table looks at household trends within Gregory County.

| <b>Table 19 Gregory County Household Composition - 2000 to 2010</b> |             |             |        |
|---|-------------|-------------|--------|
|   | 2000 Census | 2010 Census | Change |
| Family Households   |             |             |        |
| Married Couple with own children                                    | 442         | 298         | -144   |
| Single Parent with own children                                     | 92          | 121         | 29     |
| Married Couple without own children                                 | 675         | 669         | -6     |
| Family Householder without spouse                                   | 81          | 84          | 3      |
| Total Families  | 1,290       | 1,172       | -118   |
| Non-Family Households   |             |             |        |
| Single Person   | 685         | 709         | 24     |
| Two or more persons   | 47          | 55          | 8      |
| Total Non-Families  | 732         | 764         | 32     |

Source: U.S. Census

Between 2000 and 2010, Gregory County had an overall decrease of 118 “family” households. There was a decrease of 144 married couples with children and a decrease of six married couples without children households. There was an increase of 29 single parents with children households and an increase of three family householder without spouse households.

Gregory County had an increase of 32 “non-family” households. There was an increase of 24 one-person households and an increase of eight households that had unrelated individuals living together.

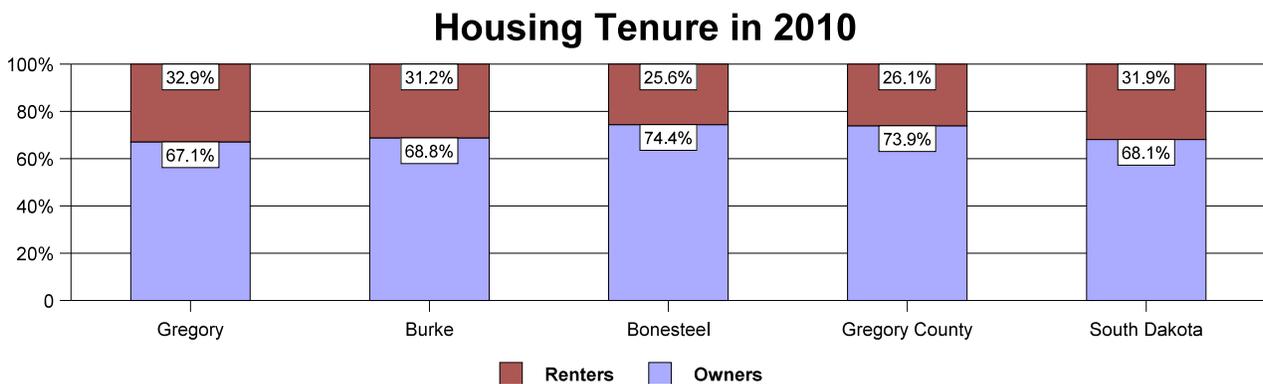
## Housing Tenure

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

| <b>Table 20 Household Tenure - 2010</b> |                  |                           |                   |                           |
|---|------------------|---------------------------|-------------------|---------------------------|
|   | Number of Owners | Percent of all Households | Number of Renters | Percent of all Households |
| Gregory                                 | 410              | 67.1%                     | 201               | 32.9%                     |
| Burke                                   | 223              | 68.8%                     | 101               | 31.2%                     |
| Bonesteel                               | 93               | 74.4%                     | 32                | 25.6%                     |
| Gregory County                          | 1,431            | 73.9%                     | 505               | 26.1%                     |
| State                                   | -                | 68.1%                     | -                 | 31.9%                     |

Source: U.S. Census

According to the 2010 Census, the ownership tenure rate in the City of Gregory was 67.1%, Burke’s ownership rate was 68.8%, Bonesteel’s ownership rate was 74.4%, and Gregory County’s ownership rate was 73.9%. The rental tenure rates for Gregory and Burke were comparable to South Dakota’s rental rates. Bonesteel and Gregory County’s rental tenure rates were significantly below the State’s rental tenure rates.



Tenure patterns in 2000 and 2010 can be compared to see changes that have been occurring within each community.

| <b>Table 21 Households by Housing Tenure - 2000 to 2010</b> |             |             |        |           |           |        |
|---|-------------|-------------|--------|-----------|-----------|--------|
| Tenure  | Owners      |             |        | Renters   |           |        |
|   | 2000        | 2010        | Change | 2000      | 2010      | Change |
| Gregory   | 432/70.5%   | 410/67.1%   | -22    | 181/29.5% | 201/32.9% | 20     |
| Burke   | 232/70.9%   | 223/68.8%   | -9     | 95/29.1%  | 101/31.2% | 6      |
| Bonesteel   | 98/71.5%    | 93/74.4%    | -5     | 39/28.5%  | 32/25.6%  | -7     |
| Gregory Co  | 1,517/75.0% | 1,431/73.9% | -86    | 505/25.0% | 505/26.1% | 0      |

Source: U.S. Census

Gregory, Burke, Bonesteel and Gregory County all had a decrease in owner households between 2000 and 2010.

The City of Gregory had a 20-household increase and Burke had a six household increase in renter households. Bonesteel had a seven-household decrease in rental households and Gregory County had no change in renter households.

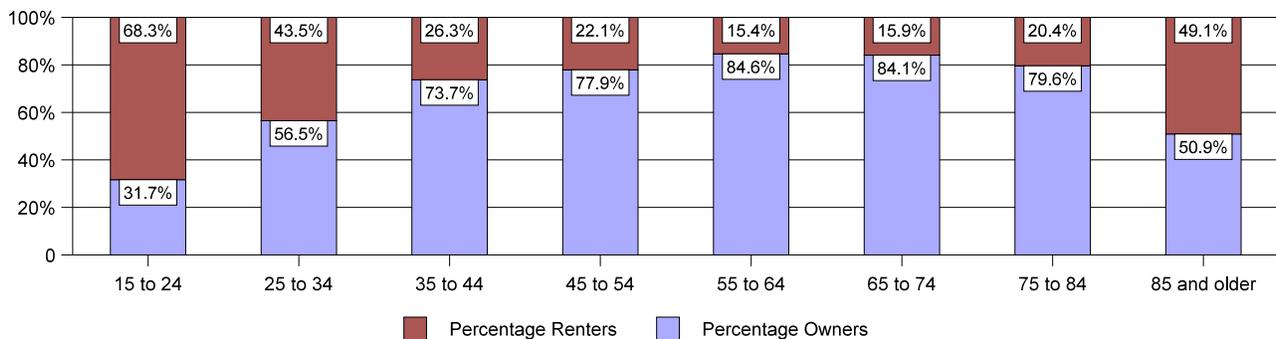
## Tenure by Age of Householder

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 Gregory County.

| <b>Table 22 Gregory County Tenure by Age of Householder - 2010</b> |        |                    |         |                    |
|--|--------|--------------------|---------|--------------------|
| Age  | Owners |                    | Renters |                    |
|  | Number | Percent within age | Number  | Percent within age |
| 15-24  | 19     | 31.7%              | 41      | 68.3%              |
| 25-34  | 109    | 56.5%              | 84      | 43.5%              |
| 35-44  | 171    | 73.7%              | 61      | 26.3%              |
| 45-54  | 282    | 77.9%              | 80      | 22.1%              |
| 55-64  | 329    | 84.6%              | 60      | 15.4%              |
| 65-74  | 228    | 84.1%              | 43      | 15.9%              |
| 75-84  | 207    | 79.6%              | 53      | 20.4%              |
| 85+  | 86     | 50.9%              | 83      | 49.1%              |
| Total  | 1,431  | 73.9%              | 505     | 26.1%              |

Source: U.S. Census

**Gregory County Housing Tenure Patterns by Age in 2010**



Within the defined age ranges, typical tenure patterns were present. Households at the lowest and highest ends of the age spectrum showed a higher preference for rental housing, while middle-aged adult households were primarily home owners. Approximately 68% of households age 24 and younger and 44% of the households in the 25 to 34 age range rented their unit, and approximately 49% of households age 85 and older were renters. Home ownership rates for each of the 10-year age cohorts between 35 and 84 years old were above 73%.

## Tenure by Household Size

The 2010 Census provided information on housing tenure by household size. This can be compared to 2000 Census information to better understand changing trends. The following table provides information for Gregory County.

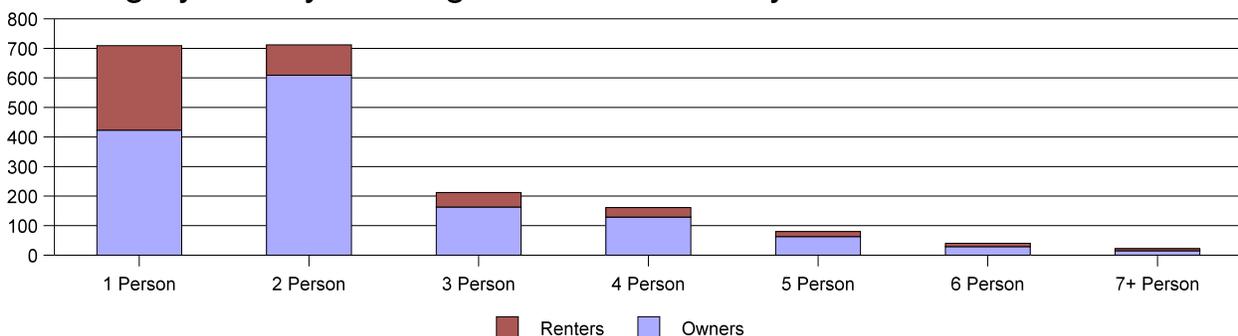
| Table 23 Gregory County Tenure by Household Size - 2000 to 2010 |        |       |        |         |      |        |
|---|--------|-------|--------|---------|------|--------|
| Household Size  | Owners |       |        | Renters |      |        |
|   | 2000   | 2010  | Change | 2000    | 2010 | Change |
| 1-Person  | 414    | 423   | 9      | 271     | 286  | 15     |
| 2-Person  | 613    | 609   | -4     | 102     | 103  | 1      |
| 3-Person  | 165    | 163   | -2     | 49      | 49   | 0      |
| 4-Person  | 162    | 129   | -33    | 39      | 32   | -7     |
| 5-Person  | 119    | 63    | -56    | 26      | 17   | -9     |
| 6-Person  | 27     | 29    | 2      | 11      | 11   | 0      |
| 7-Persons+  | 17     | 15    | -2     | 7       | 7    | 0      |
| Total   | 1,517  | 1,431 | -86    | 505     | 505  | 0      |

Source: U.S. Census

From 2000 to 2010, there was an overall decrease in the number of owner households in Gregory County. The number of renter households in Gregory County did not change. There was an increase of nine owner households with one household member and an increase of two six-person owner households.

There was a decrease of 95 owner households with two to five household members. There was also a decrease of two owner households with seven or more household members.

Gregory County Housing Tenure Patterns by Household Size in 2010



There was a decrease of 16 renter households with four or five household members. There was a gain of 16 households with one or two household members. Three-person, six-person and seven or more-person households did not change in Gregory County from 2000 to 2010. Approximately 77% of the renter households in Gregory County were one or two person households in 2010.

## 2015 Income Data

The 2010 Census did not collect information on household income. However, estimates are available at the city and county level through the American Community Survey. Estimates from 2010 and 2015 can be compared to track recent changes.

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 24 Median Household Income - 2010 to 2015</b> |             |             |          |
|--|-------------|-------------|----------|
|  | 2010 Median | 2015 Median | % Change |
| Gregory  | \$31,555    | \$30,294    | -4.0%    |
| Burke  | \$36,181    | \$33,333    | -7.9%    |
| Bonesteel  | \$35,417    | \$34,107    | -3.7%    |
| Gregory County   | \$33,940    | \$37,540    | 10.6%    |
| South Dakota   | \$46,369    | \$50,957    | 9.9%     |

Source: ACS 5-year survey

| <b>Table 25 Median Family Income - 2010 to 2015</b> |             |             |          |
|---|-------------|-------------|----------|
|   | 2010 Median | 2015 Median | % Change |
| Gregory   | \$52,500    | \$41,250    | -21.4%   |
| Burke   | \$38,478    | \$44,896    | 16.7%    |
| Bonesteel   | \$44,250    | \$44,375*   | 0.3%     |
| Gregory County                                      | \$44,333    | \$51,023    | 15.1%    |
| South Dakota  | \$46,369    | \$65,237    | 40.7%    |

Source: ACS 5-year survey

\* The Bonesteel median family income was based on 2014 ACS data as the 2015 ACS data for Bonesteel appeared to be flawed.

It is important to note that the American Community Survey is based on household sampling, and a margin of error exists within each estimate. For very small communities, the number of completed surveys may be very limited, and the 2015 estimate may not be an accurate reflection of actual median income levels.

Information contained in the 2015 American Community Survey shows that the median household income in Gregory, Burke and Bonesteel decreased from 2010 to 2015. However, the median household income for all of Gregory County increased during this time.

The median family income has increased from 2010 to 2015 in Burke, Bonesteel and Gregory County, but has decreased in the City of Gregory. The three communities and Gregory County's median family and household incomes are below the comparable statewide medians.

Generally, family household incomes tend to be much higher than the overall household median, as families have at least two household members, and potentially more income-earners.

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 Gregory County could afford approximately \$938 per month and a median income family household could afford \$1,276 per month for ownership or rental housing in 2015.

## Household Income Distribution

The 2015 American Community Survey provides household income distribution estimates for the four communities.

| <b>Table 26 Household Income Distribution - 2015</b> |           |          |           |                |
|--|-----------|----------|-----------|----------------|
| Household Income                                     | Gregory   | Burke    | Bonesteel | Gregory County |
| \$0 - \$14,999                                       | 178/25.4% | 87/27.0% | 18/12.4%  | 381/19.3%      |
| \$15,000 - \$24,999                                  | 134/19.1% | 41/12.7% | 34/23.4%  | 333/16.9%      |
| \$25,000 - \$34,999                                  | 84/12.0%  | 39/12.1% | 23/15.9%  | 224/11.4%      |
| \$35,000 - \$49,999                                  | 100/14.2% | 45/14.0% | 24/16.6%  | 272/13.8%      |
| \$50,000 - \$74,999                                  | 69/9.8%   | 53/16.5% | 15/10.3%  | 340/17.3%      |
| \$75,000 - \$99,999                                  | 78/11.1%  | 20/6.2%  | 11/7.6%   | 183/9.3%       |
| \$100,000+   | 59/8.4%   | 37/11.5% | 20/13.8%  | 237/12.0%      |
| Total  | 702       | 322      | 145       | 1,970          |

Source: ACS

- ▶ In 2015, approximately 71% of Gregory’s households, 66% of Burke’s households, 68% of Bonesteel’s households and 61% of Gregory County’s households had annual incomes less than \$50,000.
- ▶ In 2015, approximately 29% of Gregory’s households, 34% of Burke’s households, 32% of Bonesteel’s households and 39% of Gregory County’s households had annual incomes more than \$50,000.
- ▶ Approximately 42% of the total households in the three cities have annual incomes less than \$25,000.

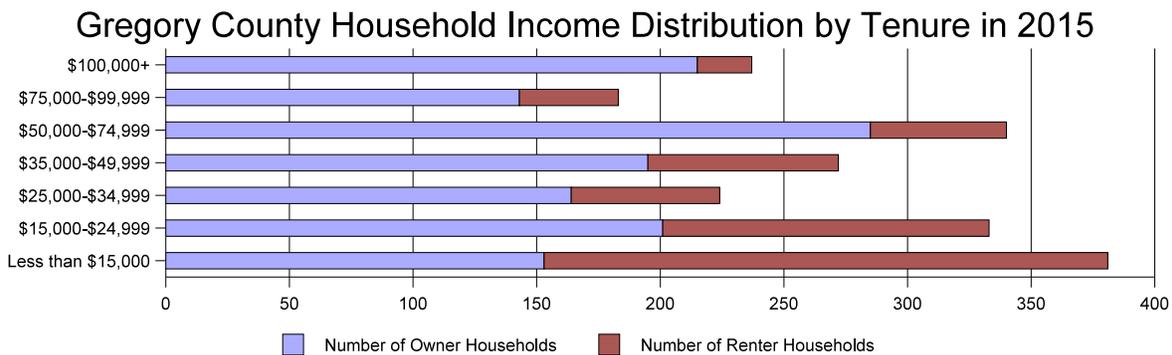
## Gregory County Income Distribution by Housing Tenure

The 2015 American Community Survey provides income data by owner and renter status. The following table examines income distribution in Gregory County.

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 appears to have undercounted owner households and overcounted renter households, when compared to the 2010 Census. However, it is still a good indicator of household income distribution in Gregory County.

| Table 27 Gregory County Income Distribution by Tenure - 2015 |                            |                             |                  |
|--|----------------------------|-----------------------------|------------------|
| Household Income   | Number of Owner Households | Number of Renter Households | Total Households |
| \$0 - \$14,999   | 153/40.2%                  | 228/59.8%                   | 381              |
| \$15,000 - \$24,999  | 201/60.4%                  | 132/39.6%                   | 333              |
| \$25,000 - \$34,999  | 164/73.2%                  | 60/26.8%                    | 224              |
| \$35,000 - \$49,999  | 195/71.7%                  | 77/28.3%                    | 272              |
| \$50,000 - \$74,999  | 285/83.8%                  | 55/16.2%                    | 340              |
| \$75,000 - \$99,999  | 143/78.1%                  | 40/21.9%                    | 183              |
| \$100,000+   | 215/90.7%                  | 22/9.3%                     | 237              |
| Total  | 1,356                      | 614                         | 1,970            |

Source: 2015 American Community Survey



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

In 2015, approximately 68% of all renter households in Gregory County had an annual income below \$35,000. At 30% of income, these households would have \$875, or less, that could be applied to monthly housing costs. The median income for all renter households was approximately \$19,102 in 2015. At 30% of income, a renter at the median level could afford approximately \$478 per month or less for housing costs.

Most owner households had a higher income level than rental households. Approximately 47% of all owner households had an annual income of \$50,000 or more. The estimated median household income for owners in 2015 was approximately \$47,697. At 30% of income, an owner at the median income level could afford approximately \$1,192 per month for housing costs.

## 2015 Income and Renter Housing Costs - City of Burke

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 Burke.

| <b>Table 28 Gross Rent as a Percentage of Income - Burke</b> |                               |                             |          |
|--|-------------------------------|-----------------------------|----------|
| Percent of 2015 Income for Housing                           | Households Age 64 and Younger | Households Age 65 and Older | Total    |
| Less than 20%  | 10/23.2%                      | 29/43.3%                    | 39/35.4% |
| 20% to 29.9%   | 3/7.0%                        | 7/10.4%                     | 10/9.1%  |
| 30% to 34.9%   | 3/7.0%                        | 10/14.9%                    | 13/11.8% |
| 35% or more  | 22/51.2%                      | 19/28.4%                    | 41/37.3% |
| Not Computed   | 5/11.6%                       | 2/3.0%                      | 7/6.4%   |
| Total  | 43/100%                       | 67/100%                     | 110/100% |

Source: 2015 American Community Survey

According to the American Community Survey, approximately 49% of all renters in Burke were paying 30% or more of their income for rent. The 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 household income as the maximum household contribution. When more than 30% of income is required, this is often called a "rent burden". When more than 35% is required, this can be considered a "severe rent burden".

Although a housing cost burden could be caused by either high housing costs or low household income, in Burke it was primarily due to low income levels for renters. A majority of the renter households with a housing cost burden had an annual household income below \$20,000. To avoid a cost burden, these lower income households would have needed a unit with a gross monthly rent of \$500 or less.

Senior citizen renters (age 65 and older) represented approximately 54% of all households with a rental cost burden. Households in the age ranges between 15 and 64 years old represented approximately 46% of all households with a rental cost burden.

## 2015 Income and Renter Housing Costs - City of Bonesteel

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 Bonesteel.

| <b>Table 29 Gross Rent as a Percentage of Income - Bonesteel</b> |                               |                             |                |
|--|-------------------------------|-----------------------------|----------------|
| Percent of 2015 Income for Housing                               | Households Age 64 and Younger | Households Age 65 and Older | Total          |
| Less than 20%  | 15/50.0%                      | 0/0%                        | 15/31.9%       |
| 20% to 29.9%   | 11/36.7%                      | 0/0%                        | 11/23.4%       |
| 30% to 34.9%   | 0/0%                          | 0/0%                        | 0/0%           |
| 35% or more  | 4/13.3%                       | 16/94.1%                    | 20/42.6%       |
| Not Computed   | 0/0%                          | 1/5.9%                      | 1/2.1%         |
| <b>Total</b>   | <b>30/100%</b>                | <b>17/100%</b>              | <b>47/100%</b> |

Source: 2015 American Community Survey

According to the American Community Survey, approximately 43% of all renters in Bonesteel were paying 30% or more of their income for rent. All of these households were actually paying 35% or more of their income for housing. Federal standards for rent subsidy programs generally identify 30% of household income as the maximum household contribution. When more than 30% of income is required, this is often called a "rent burden". When more than 35% is required, this can be considered a "severe rent burden".

Although a housing cost burden could be caused by either high housing costs or low household income, in Bonesteel it was primarily due to low income levels for renters. A majority of the renter households with a housing cost burden had an annual household income below \$20,000. To avoid a cost burden, these lower income households would have needed a unit with a gross monthly rent of \$500 or less.

Senior citizen renters (age 65 and older) represented approximately 80% of all households with a rental cost burden. Households in the age ranges between 15 and 64 years old represented approximately 20% of all households with a rental cost burden.

## 2015 Income and Renter Housing Costs - City of Gregory

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 Gregory.

| <b>Table 30 Gross Rent as a Percentage of Income - Gregory</b> |                               |                             |                 |
|--|-------------------------------|-----------------------------|-----------------|
| Percent of 2015 Income for Housing                             | Households Age 64 and Younger | Households Age 65 and Older | Total           |
| Less than 20%  | 23/13.7%                      | 12/16.0%                    | 35/14.4%        |
| 20% to 29.9%   | 41/24.4%                      | 34/45.3%                    | 75/30.9%        |
| 30% to 34.9%   | 36/21.4%                      | 4/5.3%                      | 40/16.4%        |
| 35% or more  | 43/25.6%                      | 17/22.7%                    | 60/24.7%        |
| Not Computed   | 25/14.9%                      | 8/10.7%                     | 33/13.6%        |
| <b>Total</b>   | <b>168/100%</b>               | <b>75/100%</b>              | <b>243/100%</b> |

Source: 2015 American Community Survey

According to the American Community Survey, approximately 41% of all renters in Gregory were paying 30% or more of their income for rent. The 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 household income as the maximum household contribution. When more than 30% of income is required, this is often called a “rent burden”. When more than 35% is required, this can be considered a “severe rent burden”.

Although a housing cost burden could be caused by either high housing costs or low household income, in Gregory it was primarily due to low income levels for renters. A majority of the renter households with a housing cost burden had an annual household income below \$20,000. To avoid a cost burden, these lower income households would have needed a unit with a gross monthly rent of \$500 or less.

Senior citizen renters (age 65 and older) represented approximately 21% of all households with a rental cost burden. Households in the age ranges between 15 and 64 years old represented approximately 79% of all households with a rental cost burden.

## 2015 Income and Renter Housing Costs - Gregory County

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 Gregory County.

| <b>Table 31 Gross Rent as a Percentage of Income - Gregory County</b> |                               |                             |           |
|---|-------------------------------|-----------------------------|-----------|
| Percent of 2015 Income for Housing                                    | Households Age 64 and Younger | Households Age 65 and Older | Total     |
| Less than 20%   | 114/25.8%                     | 46/26.6%                    | 160/26.1% |
| 20% to 29.9%  | 59/13.4%                      | 46/26.6%                    | 105/17.1% |
| 30% to 34.9%  | 58/13.1%                      | 16/9.2%                     | 74/12.1%  |
| 35% or more   | 99/22.5%                      | 52/30.1%                    | 151/24.6% |
| Not Computed  | 111/25.2%                     | 13/7.5%                     | 124/20.1% |
| Total   | 441/100%                      | 173/100%                    | 614/100%  |

Source: 2015 American Community Survey

According to the American Community Survey, approximately 37% of all renters in the County were paying 30% or more of their income for rent. The 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 household income as the maximum household contribution. When more than 30% of income is required, this is often called a “rent burden”. When more than 35% is required, this can be considered a “severe rent burden”.

Although a housing cost burden could be caused by either high housing costs or low household income, in Gregory it was primarily due to low income levels for renters. A majority of the renter households with a housing cost burden had an annual household income below \$20,000. To avoid a cost burden, these lower income households would have needed a unit with a gross monthly rent of \$500 or less.

Senior citizen renters (age 65 and older) represented approximately 30% of all households with a rental cost burden. Households in the age ranges between 15 and 64 years old represented approximately 70% of all households with a rental cost burden.

## 2015 Income and Owner Housing Costs - City of Burke

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

| <b>Table 32 Ownership Costs as a Percentage of Income - Burke</b> |                                 |                                      |
|---|---------------------------------|--------------------------------------|
| Percentage of Household Income for Housing Costs                  | Number of Owner Households 2015 | Percent of All Owner Households 2015 |
| 0% to 19.9%   | 147                             | 69.3%                                |
| 20% to 29.9%  | 29                              | 13.7%                                |
| 30% to 34.9%  | 14                              | 6.6%                                 |
| 35% or more   | 22                              | 10.4%                                |
| Not Computed  | 0                               | 0%                                   |
| Total   | 212                             | 100%                                 |

Source: 2015 ACS

The 2015 American Community Survey may have slightly underestimated the number of owner households in the City of Burke. 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 17% of all home owners reported that they paid more than 30% of their income for housing. A majority of these households were paying more than 35% of income for housing costs.

## 2015 Income and Owner Housing Costs - City of Bonesteel

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

| <b>Table 33 Ownership Costs as a Percentage of Income - Bonesteel</b> |                                 |                                      |
|---|---------------------------------|--------------------------------------|
| Percentage of Household Income for Housing Costs                      | Number of Owner Households 2015 | Percent of All Owner Households 2015 |
| 0% to 19.9%   | 73                              | 74.5%                                |
| 20% to 29.9%  | 11                              | 11.2%                                |
| 30% to 34.9%  | 5                               | 5.1%                                 |
| 35% or more   | 9                               | 9.2%                                 |
| Not Computed  | 0                               | 0%                                   |
| Total   | 98                              | 100%                                 |

Source: 2015 ACS

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

## 2015 Income and Owner Housing Costs - City of Gregory

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

| <b>Table 34 Ownership Costs as a Percentage of Income - Gregory</b> |                                 |                                      |
|---|---------------------------------|--------------------------------------|
| Percentage of Household Income for Housing Costs                    | Number of Owner Households 2015 | Percent of All Owner Households 2015 |
| 0% to 19.9%   | 288                             | 62.7%                                |
| 20% to 29.9%  | 65                              | 14.2%                                |
| 30% to 34.9%  | 13                              | 2.8%                                 |
| 35% or more   | 93                              | 20.3%                                |
| Not Computed  | 0                               | 0%                                   |
| Total   | 459                             | 100%                                 |

Source: 2015 ACS

Most owner-occupants, which would include households with and without a mortgage, reported paying less than 30% of their income for housing. However, approximately 23% of all home owners reported that they paid more than 30% of their income for housing. The large majority of these households were paying more than 35% of income for housing costs.

## 2015 Income and Owner Housing Costs - Gregory County

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

| <b>Table 35 Ownership Costs as a Percentage of Income - Gregory Co.</b> |                                 |                                      |
|---|---------------------------------|--------------------------------------|
| Percentage of Household Income for Housing Costs                        | Number of Owner Households 2015 | Percent of All Owner Households 2015 |
| 0% to 19.9%   | 882                             | 65.0%                                |
| 20% to 29.9%  | 222                             | 16.4%                                |
| 30% to 34.9%  | 46                              | 3.4%                                 |
| 35% or more   | 206                             | 15.2%                                |
| Not Computed  | 0                               | 0%                                   |
| Total   | 1,356                           | 100%                                 |

Source: 2015 ACS

The 2015 American Community Survey underestimated the number of owner households in Gregory County. 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 19% of all home owners reported that they paid more than 30% of their income for housing. A significant majority of these households were paying more than 35% of income for housing costs.

## Occupancy Status of Housing Units - 2010

| <b>Table 36 Occupancy Status of Housing Units - 2010</b> |                |        |              |          |              |              |
|--|----------------|--------|--------------|----------|--------------|--------------|
|  | Occupied Units |        | Vacant Units |          |              |              |
|  | Owner          | Renter | For Rent     | For Sale | Seasonal Use | Other Vacant |
| Gregory  | 410            | 201    | 41           | 7        | 27           | 44           |
| Burke  | 223            | 101    | 23           | 3        | 11           | 37           |
| Bonesteel  | 93             | 32     | 8            | 1        | 12           | 24           |
| Gregory Co.  | 1,431          | 505    | 94           | 15       | 141          | 317          |

Source: U.S. Census

- ▶ In 2010, according to the U.S. Census, there were 141 seasonal housing units in Gregory County including 27 units in Gregory, 11 units in Burke and 12 units in Bonesteel.
- ▶ In addition to the seasonal units in 2010, there were 426 vacant housing units in Gregory County, including 92 units in Gregory, 63 units in Burke and 33 units in Bonesteel.

## **Existing Home Sales**

This section examines houses that have been sold from 2010 to 2016 in the Cities of Gregory, Burke and Bonesteel. The information was obtained from the South Dakota Department of Revenue, but reflects information assembled by the Gregory County Equalization Office.

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

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

The County and State reject sales that show significant variation from the assessed value. Known as the "150% rule" these sales may be open market transactions but are not useful in the County's sales ratio analysis. The sales data obtained from the Department of Revenue identified the 150% rule sales. In the sales sample that follows, 150% rule sales have been included when they were open market transfers.

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

## City of Burke - Existing Home Sales

| <b>Table 37 Burke Residential Sales Activity - 2010 to 2016</b> |                 |                   |              |             |
|---|-----------------|-------------------|--------------|-------------|
| Sales Year  | Number of Sales | Median Sale Price | Highest Sale | Lowest Sale |
| 2016  | 7               | \$45,000          | \$150,000    | \$3,500     |
| 2015  | 13              | \$48,868          | \$163,000    | \$10,000    |
| 2014  | 15              | \$25,000          | \$148,000    | \$3,500     |
| 2013  | 5               | \$16,000          | \$80,000     | \$3,250     |
| 2012  | 12              | \$16,500*         | \$87,500     | \$6,000     |
| 2011  | 12              | \$18,750*         | \$100,000    | \$5,000     |
| 2010  | 8               | \$13,625*         | \$75,000     | \$2,500     |

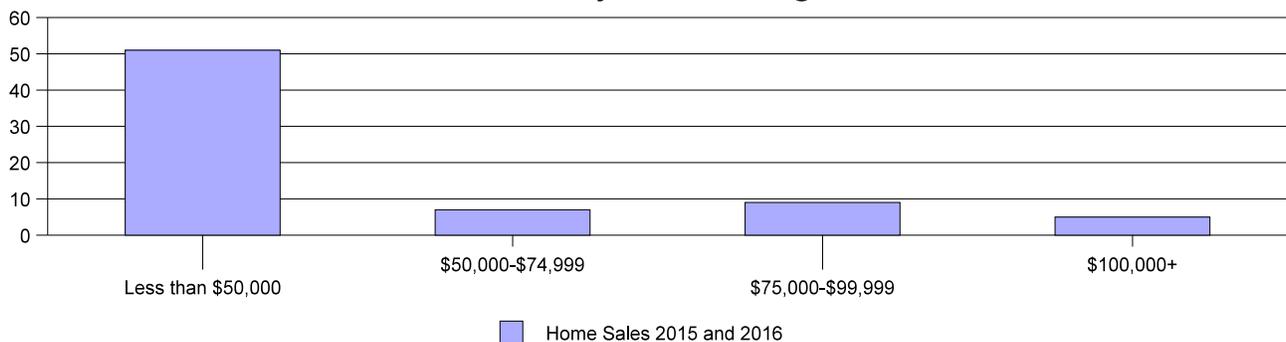
Source: SD Dept. of Revenue; Community Partners Research, Inc.

\* Calculated median from two nearest sales

With so few sales typically happening within any single year, the median home sale price can vary greatly in Burke. However, if all of the good sales over the entire seven-year period are aggregated, then the median home sale price in Burke was \$25,000. If only the last three years are aggregated, the median price was \$38,000.

Over the entire seven-year time period only five houses have been sold for \$100,000 or more. The highest price was \$163,000, recorded in 2015.

Home Sales in Burke by Price Range: 2010 to 2016



## City of Bonesteel - Existing Home Sales

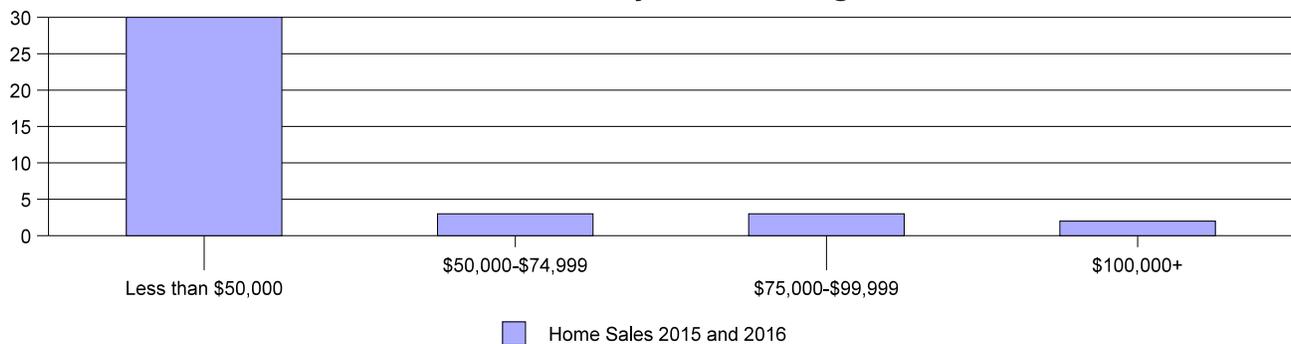
| <b>Table 38 Bonesteel Residential Sales Activity - 2010 to 2016</b> |                 |                   |              |             |
|---|-----------------|-------------------|--------------|-------------|
| Sales Year  | Number of Sales | Median Sale Price | Highest Sale | Lowest Sale |
| 2016  | 5               | \$80,000          | \$130,000    | \$30,000    |
| 2015  | 3               | \$33,500          | \$50,000     | \$33,000    |
| 2014  | 5               | \$45,000          | \$116,000    | \$32,000    |
| 2013  | 7               | \$28,000          | \$37,500     | \$10,500    |
| 2012  | 10              | \$26,450*         | \$55,000     | \$4,000     |
| 2011  | 6               | \$15,950*         | \$75,000     | \$2,000     |
| 2010  | 2               | \$43,250*         | \$47,500     | \$39,000    |

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

\* Calculated median from two nearest sales

With so few sales typically happening within any single year, the median home sale price can vary greatly in Bonesteel. However, if all of the good sales over the entire seven-year period are aggregated, then the median home sale price in Bonesteel was \$34,500. If only the last three years are aggregated, the median price was \$45,000.

### Home Sales in Bonesteel by Price Range: 2010 to 2016



Over the entire seven-year time period only two houses have been sold for more than \$100,000. The highest price was \$130,000, recorded in 2016.

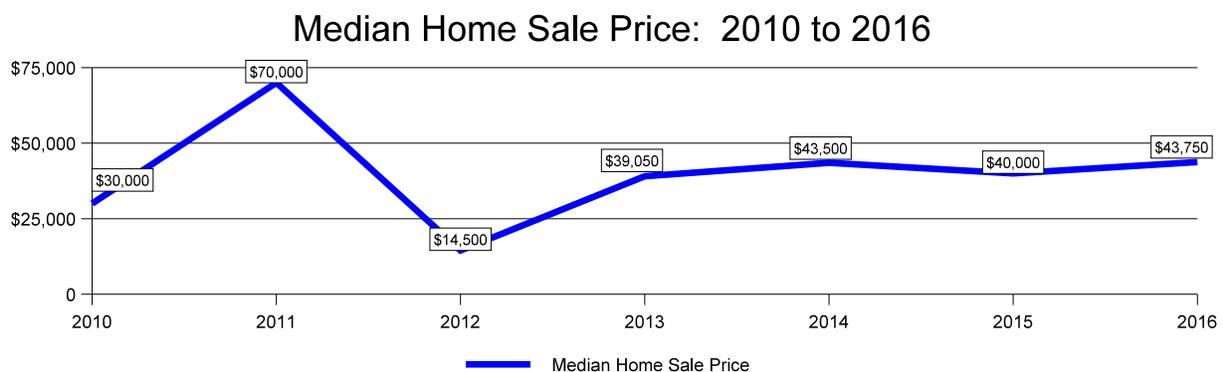
## City of Gregory - Existing Home Sales

| Table 39 Gregory Residential Sales Activity - 2010 to 2016 |                 |                   |              |             |
|--|-----------------|-------------------|--------------|-------------|
| Sales Year   | Number of Sales | Median Sale Price | Highest Sale | Lowest Sale |
| 2016   | 26              | \$43,750*         | \$212,000    | \$18,000    |
| 2015   | 23              | \$40,000          | \$140,000    | \$2,000     |
| 2014   | 20              | \$43,500*         | \$120,000    | \$4,500     |
| 2013   | 18              | \$39,050*         | \$125,000    | \$6,000     |
| 2012   | 20              | \$14,500*         | \$106,500    | \$3,000     |
| 2011   | 9               | \$70,000          | \$100,000    | \$2,000     |
| 2010   | 25              | \$30,000          | \$115,000    | \$2,500     |

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

\* Calculated median from two nearest sales

Over the past seven years the median home sale price in Gregory has ranged from a low of \$14,500 in 2012, to a high of \$70,000 in 2011. However, the higher median price in 2011 was probably due to the small number of good sales that occurred in that 12-month time period. In all of the other years reviewed, the median price was less than \$44,000.



Although the number of annual sales in Gregory is limited, and may not always be an accurate reflection of home values, it does appear that after 2012 the annual median sale prices stabilized, and in four of the past five years at least 20 good sales have been recorded annually.

With the exception of 2016, at least one house each year was sold for \$10,000 or less. Over the entire seven-year time period only two houses have been sold for more than \$150,000 and both of those transactions were recorded in 2016.

## Gregory Home Sales by Price Range

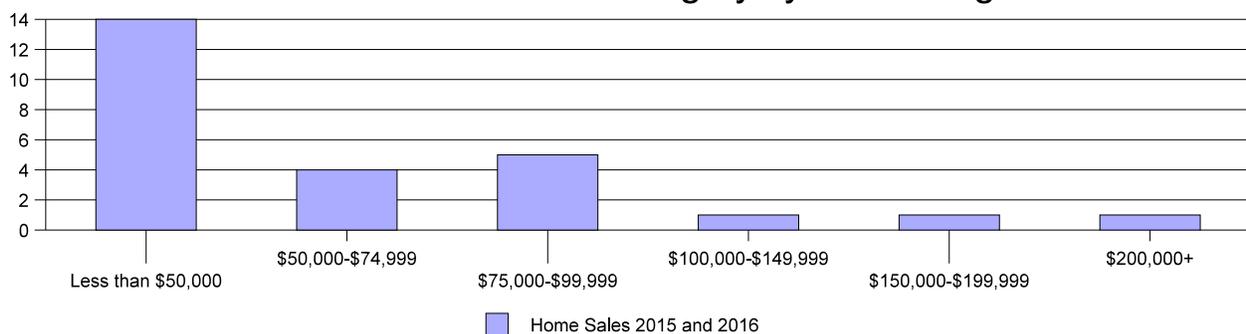
The following table looks at single family houses that sold within defined price ranges in 2016, the most recent 12-month sales period.

| <b>Table 40 Gregory 12-Month Home Sales by Price Range</b> |                 |                  |
|--|-----------------|------------------|
| Sale Price   | Number of Sales | Percent of Sales |
| Less than \$50,000   | 14              | 53.8%            |
| \$50,000 - \$74,999  | 4               | 15.4%            |
| \$75,000 - \$99,999  | 5               | 19.2%            |
| \$100,000 - \$149,999                                      | 1               | 3.8%             |
| \$150,000 - \$199,999                                      | 1               | 3.8%             |
| \$200,000 +  | 1               | 3.8%             |
| Total  | 26              | 100%             |

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

Recent home sales in Gregory have been distributed in different price ranges, but most recent sales have been below \$75,000. Approximately 54% of recent sales were priced below \$50,000 and more than 69% sold for less than \$75,000. Fewer than 12% of the home sales in 2016 were for \$100,000 or more.

Recent Home Sales in Gregory by Price Range



## American Community Survey Estimated Home Values

One final source of information on home values is available from the American Community Survey for 2015, which asked home owners about the value of their house. The following table displays the distribution of values that were reported in Gregory, Burke and Bonesteel. The values in the table are for owner-occupied homes only.

| <b>Table 41 Estimated Home Values by Price Range in 2015</b> |                                 |       |           |                                  |       |           |
|--|---------------------------------|-------|-----------|----------------------------------|-------|-----------|
| Sale Price   | Number of Owner-Occupancy Units |       |           | Percent of Owner-Occupancy Units |       |           |
|  | Gregory                         | Burke | Bonesteel | Gregory                          | Burke | Bonesteel |
| Less than \$25,000   | 90                              | 30    | 18        | 19.6%                            | 14.2% | 18.4%     |
| \$25,000 - \$49,999  | 108                             | 41    | 38        | 23.5%                            | 19.3% | 38.8%     |
| \$50,000 - \$79,999  | 110                             | 70    | 20        | 24.0%                            | 33.0% | 20.4%     |
| \$80,000 - \$99,999  | 49                              | 23    | 6         | 10.7%                            | 10.9% | 6.1%      |
| \$100,000 - \$124,999  | 55                              | 20    | 10        | 12.0%                            | 9.4%  | 10.2%     |
| \$125,000 - \$149,999  | 21                              | 7     | 3         | 4.6%                             | 3.3%  | 3.1%      |
| \$150,000 - \$200,000  | 17                              | 21    | 0         | 3.7%                             | 9.9%  | 0%        |
| \$200,000+   | 9                               | 0     | 3         | 1.9%                             | 0%    | 3.1%      |
| Total  | 459                             | 212   | 98        | 100%                             | 100%  | 100%      |

Source: 2015 American Community Survey

Approximately 43% of the owner-occupied homes in Gregory were valued below \$50,000 and approximately 35% were valued between \$50,000 and \$100,000. Slightly more than 22% were valued over \$100,000. In Burke, approximately 34% were valued below \$50,000 and 44% were valued between \$50,000 and \$100,000. Approximately 23% were valued over \$100,000. In Bonesteel, approximately 57% were valued below \$50,000 and 27% were valued between \$50,000 and \$100,000. Approximately 16% were valued over \$100,000.

## **Housing Condition**

Community Partners Research, Inc. representatives conducted a visual 'windshield' survey of 922 single family/duplex houses in the three cities. The number of houses surveyed in each City was:

- ▶ Gregory - 529 (entire city)
- ▶ Burke - 253 (entire city)
- ▶ Bonesteel - 140 (entire city)

All 529 single family/duplex houses were surveyed in the City of Gregory. Due to its size, Gregory was divided into four neighborhoods. The boundaries are:

- ▶ Neighborhood #1: North - 14<sup>th</sup> St.  
South - Hwy 18  
East - Logan Ave.  
West - Main St.
- ▶ Neighborhood #2: North - 14<sup>th</sup> St.  
South - Hwy 18  
East - Main St.  
West - Park St.
- ▶ Neighborhood #3: South of Hwy 18
- ▶ Neighborhood #4: North of 14<sup>th</sup> St.

All 253 single family/duplex houses in Burke were surveyed. The City was divided into two neighborhoods, east of Main St. and west of Main St.

All 140 single family/duplex houses in Bonesteel were surveyed.

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

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

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

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

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

| <b>Table 42 Windshield Survey Housing Condition Estimate - 2017</b> |           |              |              |             |       |
|---|-----------|--------------|--------------|-------------|-------|
|   | Sound     | Minor Repair | Major Repair | Dilapidated | Total |
| Gregory #1  | 114/35.1% | 98/30.2%     | 69/21.2%     | 44/13.5%    | 325   |
| Gregory #2  | 36/26.1%  | 43/31.2%     | 32/23.2%     | 27/19.5%    | 138   |
| Gregory #3  | 38/92.7%  | 3/7.3%       | 0/0%         | 0/0%        | 41    |
| Gregory #4  | 23/92.0%  | 2/8.0%       | 0/0%         | 0/0%        | 25    |
| Gregory Total   | 211/39.9% | 146/27.6%    | 101/19.1%    | 71/13.4%    | 529   |
| Burke #1  | 91/54.8%  | 44/26.5%     | 25/15.1%     | 6/3.6%      | 166   |
| Burke #2  | 36/41.4%  | 23/26.4%     | 16/18.4%     | 12/13.8%    | 87    |
| Burke Total   | 127/50.2% | 67/26.5%     | 41/16.2%     | 18/7.1%     | 253   |
| Bonesteel   | 54/38.6%  | 32/22.9%     | 30/21.4%     | 24/17.1%    | 140   |
| Grand Total   | 392/42.5% | 245/26.6%    | 172/18.6%    | 113/12.3%   | 922   |

Source: Community Partners Research, Inc.

- ▶ Approximately 27% of the houses in the three cities need minor repair and 19% need major repair. Approximately 43% are sound, with no required improvements. Approximately 113 houses are dilapidated and possibly beyond repair.
- ▶ In Gregory, more than 33% of all rated houses citywide were in one of the two lowest condition categories, including 71 houses that received the lowest rating of dilapidated.
- ▶ In Burke, approximately 23% of the rated houses were in one of the two lowest condition categories, including 18 houses that received the lowest rating of dilapidated.
- ▶ In Bonesteel, more than 38% of all rated houses were in one of the two lowest condition categories, including 24 houses that received the lowest rating of dilapidated. However, nearly 39% of the homes in Bonesteel were rated as sound.

## Mobile Home Housing Condition

Community Partners Research, Inc. representatives conducted a visual 'windshield' survey of 43 mobile homes located in Gregory, Burke and Bonesteel.

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

Dilapidated was the lowest rating used. Dilapidated mobile homes need major renovation to become decent, safe and sanitary housing. Some Dilapidated properties may be abandoned and may be candidates for removal. Major Rehabilitation is defined as a mobile home needing multiple major improvements such as roof, windows, sidings, structural/foundation, etc. Houses and mobile homes in this condition category may or may not be economically feasible to rehabilitate.

Minor Repair mobile homes are judged to be generally in good condition and require less extensive repair, such as one major improvement. Mobile homes in this condition category may be good candidates for rehabilitation programs because they are in a salable price range and may be feasible to repair. Sound mobile homes are judged to be in good, 'move-in' condition. Mobile homes may contain minor code violations and still be considered Sound.

| <b>Table 43 Windshield Survey Mobile Home Condition Estimate - 2017</b> |          |              |              |             |       |
|---|----------|--------------|--------------|-------------|-------|
|   | Sound    | Minor Repair | Major Repair | Dilapidated | Total |
| Gregory   | 4/21.1%  | 5/26.3%      | 3/15.8%      | 7/36.8%     | 19    |
| Burke   | 6/37.5%  | 3/18.8%      | 4/25.0%      | 3/18.8%     | 16    |
| Bonesteel   | 4/50.0%  | 1/12.5%      | 2/25.0%      | 1/12.5%     | 8     |
| Total   | 14/32.6% | 9/20.9%      | 9/20.9%      | 11/25.6%    | 43    |

Source: Community Partners Research, Inc.

- ▶ Nine of the mobile homes in the communities need minor repair and nine mobile homes need major repair. Fourteen mobile homes are sound, with no required improvements. Eleven mobile homes were rated as dilapidated and possibly beyond repair.

## Gregory Building Permit Trends

Gregory has experienced limited new housing construction activity in recent years. The following table identifies the units that have been constructed from 2001 to 2017.

| <b>Table 44 Gregory Housing Unit Construction Activity: 2000 to 2017*</b> |               |                   |                         |
|---|---------------|-------------------|-------------------------|
| Year  | Single Family | Two or More Units | Total Units Constructed |
| 2017  | 1             | 0                 | 1                       |
| 2016  | 2             | 0                 | 2                       |
| 2015  | 0             | 0                 | 0                       |
| 2014  | 0             | 0                 | 0                       |
| 2013  | 1             | 0                 | 1                       |
| 2012  | 3             | 0                 | 3                       |
| 2011  | 3             | 4                 | 7                       |
| 2010  | 0             | 0                 | 0                       |
| 2009  | 2             | 0                 | 2                       |
| 2008  | 2             | 0                 | 2                       |
| 2007  | 2             | 0                 | 2                       |
| 2006  | 1             | 0                 | 1                       |
| 2005  | 4             | 0                 | 4                       |
| 2004  | 4             | 0                 | 4                       |
| 2003  | 5             | 0                 | 5                       |
| 2002  | 2             | 0                 | 2                       |
| 2001  | 2             | 0                 | 2                       |
| <b>TOTAL</b>  | <b>34</b>     | <b>4</b>          | <b>38</b>               |

Source: City of Gregory \* 2017 is partial-year

Over the past 17 years from 2001 to 2017, 38 new housing units have been constructed in Gregory, based on information provided by the City of Gregory. Thirty-four units are single family homes and four units are in a four-plex.

From 2001 to 2008, 23 units were constructed, which is an average of two to three units per year. From 2009 to 2017, 15 units have been constructed, which is an average of approximately two units per year.

## **Burke New Housing Construction**

From January 2000 to May 2017, 11 single family homes were constructed in the City of Burke. Additionally, seven modular/manufactured homes were moved into the City. Therefore, 18 new homes have been constructed or moved into the City over the past 17 years, which is an average of approximately one new home annually.

No multi-family units have been constructed in Burke since 2000.

## **Bonesteel New Housing Construction**

From January 2000 to May 2017, four new homes have been constructed or moved into the City of Bonesteel. No multi-family units have been constructed in Bonesteel since 2000.

## **Rental Housing Data**

### **Census Bureau Rental Inventory**

According to the 2010 U.S. Census, there were 32 occupied rental units and eight unoccupied rental units in Bonesteel, for a total estimated rental inventory of 40 units. The City's rental tenure rate in 2010 was 25.6%, below the Statewide rental rate of 31.9%.

At the time of the 2000 Census, Bonesteel of 39 occupied rental units, and six vacant rental units, for a total estimated rental inventory of 45 units. The rental tenure rate in 2000 was 28.5%.

Based on a Census comparison, the City had a loss of seven renter-occupancy households, and a decrease of five rental units from 2000 to 2010.

From 2000 to 2010, no rental units were constructed in Bonesteel. With the loss of five rental units, it appears that some rental units converted to owner-occupancy and/or were demolished.

### **Rental Housing Survey**

As part of this housing study, a telephone survey was conducted of multifamily projects in Bonesteel. Emphasis was placed on contacting properties that have four or more units. For the purposes of planning additional projects in the future, multifamily properties represent the best comparison of market potential.

Two projects were surveyed in Bonesteel, River Hills Apartments, an eight-unit market rate project and Haisch Haus, a 16-bed assisted living project.

Koenig Valley View Manor in Fairfax was also surveyed.

The findings of the survey are provided below.

## **Market Rate Summary**

Information was obtained on River Hills Apartments in Bonesteel. River Hills Apartments was a senior/disabled USDA Rural Development Project, but the owners opted out of the Rural Development Subsidy Program and River Hills converted to a market rate project. Based on the number of rental units reported in the 2010 Census. There are rental single family homes in Bonesteel, but we did not survey these units.

### **Unit Mix**

River Hills has eight one-bedroom units.

There were no two, three or four-bedroom multi-family units in Bonesteel. However, there are rental single family homes in Bonesteel that have multiple bedrooms.

### **Occupancy / Vacancy**

At the time of the survey, there were two vacancies in River Hills, which is a 25% vacancy rate.

### **Rental Rates**

The rent for the one-bedroom units in Bonesteel is \$350 plus heat and electricity.

### **Market Rate Fairfax**

We also surveyed the Koenig Valley View Manor in Fairfax because of its proximity to Bonesteel. Koenig Valley View Manor was a USDA Rural Development project that converted to market rate. The project has six one-bedroom units. The rent is \$585, which includes utilities. At the time of the survey, the project had three vacancies.

## **Tax Credit Summary**

There are no tax credit units in Bonesteel.

## **Subsidized Summary**

There are no subsidized rental units in Bonesteel. River Hills was a subsidized project, but opted out of its subsidy program and converted to market rate.

## **Senior Housing with Services**

### **Unit Inventory**

There is one senior with services project in Bonesteel and a total of five senior with services projects in Gregory County, which include:

- ▶ **Haisch Haus Assisted Living** - Haisch Haus Assisted Living is a 16-bed assisted living facility located in Bonesteel. The facility is 20 years old. The facility provides the full array of assisted living senior services, including meals, bathing, laundry, medication management, etc. The facility offers three levels of service, thus, tenants can receive additional services as needed. The owner reported three vacant beds at the time of the survey. The number of vacant beds fluctuates and the facility is at times fully occupied. The facility accepts Medicaid residents, thus, residents come from a wide geographical area.
- ▶ **Avera/Rosebud Country Care Center** - The Avera/Rosebud Country Care Center is located in Gregory. It has 52 licensed skilled nursing beds, however, 40 beds is the current capacity due to a staffing shortage. The 40 beds are fully occupied and there is a waiting list. The Care Center is attached to the hospital.
- ▶ **Silver Threads Assisted Living** - Silver Threads Assisted Living is located in Gregory and is part of the Silver Threads campus. Silver Threads is an assisted living facility with 32 licensed beds. The licensed beds are in a variety of unit types. The facility was constructed in 2000 and provides the full array of senior assisted living services including three daily meals, laundry, bathing, medication management, etc. At the time of the survey, there were four vacancies, however, the number of vacancies varies and the facility often is fully occupied. There is one set fee for services and the unit rent is based on the type of unit.
- ▶ **Silver Threads Apartments** - Silver Threads Apartments in Gregory has nine units and is part of the Silver Threads campus. Silver Threads Apartments were constructed in 2000 and include four one-bedroom, one one-bedroom plus den and four two-bedroom units. Tenants can get up to three meals a day, weekly housekeeping and they can participate in activities at Silver Threads Assisted Living. At the time of the survey, there were no vacancies and the Director reported that the units are usually fully occupied.

- ▶ **TLC Assisted Living Home** - The TLC Assisted Living Home is located in Burke. The assisted living facility has 16 beds and was constructed in 2001. The facility provides the full array of assisted living services, including meals, medication management, laundry, bathing, etc. Residents with memory loss, upon doctors approval, have access to a wander-guard bracelet, which prevents the resident from leaving the facility unattended. The staff reported four vacancies at the time of the survey. The facility accepts Medicaid residents.

### **Occupancy / Vacancy**

At the time of the survey, Avera/Rosebud County Care Center and the Silver Threads Apartments were fully occupied. Silver Threads Assisted Living had four vacancies, TLC Assisted Living Home had four vacancies and Haisch Haus - Assisted Living had three vacancies.

**Table 45 Multifamily Market Rate Rental Housing Inventory**

| Name                                      | Number of Units / Bedroom Mix                          | Rent                          | Vacancy / Wait List | Tenant Mix        | Comments   |
|---|--|-------------------------------|---------------------|-------------------|--|
| <b>Gregory - Market Rate</b>              |  |                               |                     |                   |  |
| Gregory HRC                               | 3 - 2 bedroom<br><u>1 - 3 bedroom</u><br>4 total units | \$925<br>\$975<br>+ utilities | No vacancies        | General occupancy | The Gregory HRC owns and manages a 4-plex that includes four townhome units. The units were constructed in 2011 and include three two-bedroom units and one three-bedroom unit. Rent is \$925 for a two-bedroom unit and \$975 for a one-bedroom unit. Tenants also pay utilities. There is also a \$50 discount if the rent is automatically withdrawn from the tenants bank account. At the time of the survey, there were no vacancies. However, there is occasionally a vacancy. |
| Sundquist Rentals - 5 single family homes | 3 - 2 bedroom<br><u>2 - 3 bedroom</u><br>5 total units | \$375 to \$500<br>+ utilities | No vacancies        | General occupancy | Sundquist Rentals include five single family homes, three two-bedroom and two three-bedroom. Rents range from \$375 to \$500 plus utilities. At the time of the survey, the homes were fully occupied.   |
| Klein 4-plex                              | <u>4 - 2 bedroom</u><br>4 total units                  | \$300<br>+ utilities          | No vacancies        | General occupancy | The Klein 4-plex includes four two-bedroom units. The 4-plex was constructed in the early 1070s. Rent is \$300 plus utilities. The owner reports no vacancies.   |
| Main St. Apartments                       | <u>4 - 2 bedroom</u><br>4 total units                  | \$350<br>+ utilities          | No vacancies        | General occupancy | Main St. Apartments includes four two-bedroom units. The 4-plex was constructed in the 1970s. Rent is \$350 plus utilities. The owner reports no vacancies.  |
| Mathis Properties                         | 1 - 2 bedroom<br><u>1 - 3 bedroom</u><br>2 total units | \$400<br>\$500<br>+ utilities | No vacancies        | General occupancy | Mathis Properties includes a two-bedroom single family home and a three-bedroom single family home. Rent is \$400 plus utilities for the two-bedroom and \$550 plus utilities for the three-bedroom. The owner reported that the homes are always occupied.  |
| Downtown Lofts                            | <u>2 - studio</u><br>2 total units                     | \$350<br>+ utilities          | 1 vacancy           | General occupancy | The Downtown Lofts includes two studio units on the 2 <sup>nd</sup> floor of a Downtown mixed-use building. Rent is \$350 plus utilities. The owner reported one vacancy at the time of the survey.  |

| <b>Table 45 Multifamily Market Rate 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>Burke - Market Rate</b>                                       |   |                                 |                           |                   |  |
| Lake Drive Apartments  | <u>8 - 2 bedroom</u><br>8 total units                         | \$400                           | 4 vacancies               | General occupancy | Lake Drive Apartments is an 8-unit market rate rental project. All of the units have two bedrooms. The project was constructed in 1980 as a USDA Rural Development project. The rent is \$400 plus heat and electricity. The owner reported four vacancies.  |
| Claussen Properties  | <u>2 - 2 bedroom</u><br><u>2 - 2 bedroom</u><br>4 total units | \$400<br>\$425<br>+ utilities   | No vacancies              | General occupancy | Claussen Properties includes 2 two-bedroom and 2 three-bedroom single family homes. The rents are in the \$400 to \$425 range. Tenants also pay utilities. The owner reported no vacancies at the time of the survey.  |
| <b>Bonesteel - Market Rate</b>                                   |   |                                 |                           |                   |  |
| River Hills Apartments   | <u>8 - 1 bedroom</u><br>8 total units                         | \$350<br>+ heat and electricity | 2 vacancies               | General occupancy | River Hills Apartments is a market rate general occupancy project. The project was constructed in the late 1970s. The project was a Rural Development subsidized project, but has converted to market rate. The current owner has made improvements to the project. The manager reported two vacancies at the time of the survey.                                |
| <b>Fairfax - Market Rate</b>                                     |   |                                 |                           |                   |  |
| Koenig Valley View Manor - Fairfax                               | <u>6 - 1 bedroom</u><br>6 total units                         | \$585                           | 3 vacancies               | Seniors           | Koenig Valley View Manor is a 6-unit market rate senior project. All of the units are one-bedroom. The project was a USDA Rural Development project, but the owner opted out of the program and the project converted from subsidized to market rate. The rent is \$585, which includes utilities. The owner reported three vacancies at the time of the survey. |

Source: Community Partners Research, Inc.

| <b>Table 46 Multifamily Subsidized 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>Gregory - Subsidized</b>                                     |   |                             |                           |                   |   |
| Edmonton Heights  | <u>16 - 2 bedroom</u><br>16 total units | \$644 max.<br>30% of Income | No vacancies              | General occupancy | Edmonton Heights is a 16-unit subsidized HUD general occupancy project. All of the units have two units, however, four of the units have an extra room in addition to the two bedrooms. Tenants pay 30% of their income for rent up to a maximum rent of \$644. The manager reported no vacancies at the time of the survey and there is a waiting list.  |
| Gregory Housing Senior Village                                  | <u>19 - 1 bedroom</u><br>19 total units | \$462 max.<br>30% of Income | 5 vacancies               | Senior/ disabled  | Gregory Housing - Senior Village is a 19-unit Section 8/SDHDA subsidized senior/disabled project. The project was constructed in the late 1970s. All of the units are one-bedroom. Tenants pay 30% of their income up to a maximum rent of \$462. Tenants that do not meet the income and age guidelines can rent a unit if there are vacancies. However, low income seniors/disabled have preference. The manager reported five vacancies at the time of the survey. |
| Nemer Apartments Church St.                                     | <u>9 - 1 bedroom</u><br>9 total units   | 30% of Income               | 1 vacancy                 | General occupancy | Nemer Apartments (Church St.) is a nine-unit general occupancy HUD/SDHDA subsidized project. All of the units are one-bedroom. The project was constructed in 1979. Tenants pay 30% of their income up to a maximum rent. The owner reported two vacancies at the time of the survey.   |
| Nemer Apartments Sunburst                                       | <u>8 - 1 bedroom</u><br>8 total units   | 30% of Income               | 2 vacancies               | Senior/ Disabled  | Nemer Apartments (Sunburst) is an eight-unit elderly/disabled HUD/SDHDA subsidized project. All of the units have one bedroom. The project was constructed in 1981. Tenants pay 30% of their income up to a maximum rent. The owner reported four vacancies at the time of the survey.  |

| <b>Table 46 Multifamily Subsidized 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>Gregory - Subsidized</b>                                     |   |               |                           |                   |  |
| Nemer Apartments<br>415 Rosebud                                 | <u>12 - 2 bedroom</u><br>12 total units | 30% of Income | 3 vacancies               | General occupancy | Nemer Apartments (415 Rosebud) is a 12-unit general occupancy USDA Rural Development project. All of the units have two bedrooms. The project was constructed in 1976. Five of the units have rent assistance and the tenants pay 30% of their income up to a maximum rent. The tenants in the remaining units pay 30% of their income, but not less than the minimum rent and not more than the maximum rent. The owner reported four vacancies at the time of the survey. However, there are usually two to three vacancies. |

**Table 46 Multifamily Subsidized Rental Housing Inventory**

| Name                      | Number of Units /Bedroom Mix                             | Rent                                      | Vacancy/ Wait List | Tenant Mix        | Comments   |
|---------------------------|--|---|--------------------|-------------------|--|
| <b>Burke - Subsidized</b> |  |   |                    |                   |  |
| Burke HRC Public Housing  | 19 - 1 bedroom<br><u>3 - 2 bedroom</u><br>22 total units | \$25-\$450<br>\$25-\$475<br>30% of Income | 2 vacancies        | Senior/ disabled  | Burke HRC Public Housing is a 22-unit senior/subsidized project with 19 one-bedroom and 3 two-bedroom units. The units were constructed in the 1960s. Tenants pay 30% of their income with a minimum rent of \$25 and a maximum rent of \$450 for a one-bedroom unit and \$475 for a two-bedroom unit. At the time of the survey, there were two vacancies and the Director reported that there usually is a few vacancies.  |
| Copperkey Apartments      | <u>8 - 1 bedroom</u><br>2 total units                    | 15% of Income                             | 5 vacancies        | General occupancy | Copperkey Apartments has 8 one-bedroom apartments. The project was a USDA Rural Development project, but was purchased by the SWA Corporation. Tenants must be tribal members and be below income guidelines to qualify to live in the project. Tenants pay 15% of their income for rent. Currently, there are five vacancies, however, three units are being renovated.   |
| Parkview Manor            | 8 - 1 bedroom<br><u>4 - 2 bedroom</u><br>12 total units  | \$25-\$452<br>\$25-\$502<br>30% of Income | 1 vacancy          | Senior/ disabled  | Parkview Manor is a Section 8/SDHDA subsidized senior/disabled project with 8 one-bedroom and 4 two-bedroom units. The units were constructed in the 1960s. The project is owned and managed by the Burke HRC. Tenants pay 30% of their income with a minimum rent of \$25 and maximum rent of \$452 for a one-bedroom unit and \$502 for a two-bedroom unit. At the time of the survey, there was one vacancy. The Director reports that the project usually has a few vacancies. The project has a waiver that allows senior/disabled tenants that are over income to rent a unit in the project. There was a conversion project where two one-bedroom units were converted to one two-bedroom unit. |

| <b>Table 46 Multifamily Subsidized 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>Burke - Subsidized</b>                                       |                                       |                             |                           |                   |  |
| Rosebud Apartments  | <u>8 - 1 bedroom</u><br>8 total units | \$25-\$511<br>30% of Income | No vacancies              | General occupancy | Rosebud Apartments is an eight-unit Section 8/SDHDA General Occupancy Project. The project was constructed in 1975. All of the units are one-bedroom. The project is owned and managed by the Gregory HRC. Tenants pay 30% of their income with a maximum rent of \$25 and a maximum rent of \$511. At the time of the survey, there were no vacancies and the Director reports that the units are usually fully occupied. |

Source: Community Partners Research, Inc.

**Table 47 Multifamily Specialized Senior Rental Housing Inventory**

| Name                                  | Number of Units /Bedroom Mix   | Rent                       | Vacancy/ Wait List | Tenant Mix                   | Comments  |
|---------------------------------------|--|----------------------------|--------------------|------------------------------|---|
| <b>Gregory - Senior with Services</b> |  |                            |                    |                              |   |
| Avera/ Rosebud County Care Center     | 52 licensed beds but 40 beds considered capacity due to <u>staff shortage</u><br>40 total beds | Based on level of services | 100% occupancy     | Skilled nursing home         | Avera/Rosebud County Care Center has 52 licensed skilled nursing beds, however, 40 beds is the current capacity due to a staffing shortage. The 40 beds a fully occupied and there is a waiting list. The Care Center is attached to the hospital.  |
| Silver Threads Assisted Living        | 12 - single<br>7 - single deluxe<br>6 - double<br><u>1 - master suite</u><br>32 total units    | Based on unit type         | 4 vacancies        | Assisted Living Center       | Silver Threads is an assisted living facility with 32 licensed beds. The licensed beds are in a variety of unit types. The facility was constructed in 2000. The facility provides the full array of senior assisted living services including three daily meals, laundry, bathing, medication management, etc. At the time of the survey, there were four vacancies, however, the number of vacancies varies and the facility often is fully occupied. There is one set fee for services and the unit rent is based on the type of unit. |
| Silver Threads Apartments             | 4 - 1 bedroom<br>1 - bedroom+den<br><u>4 - 2 bedroom</u><br>9 total units                      | Based on type of unit      | No vacancies       | Senior housing with services | Silver Threads Apartments were constructed in 2000 and include 4 one-bedroom, 1 one-bedroom plus den and 4 two-bedroom units. Tenants can get up to three meals a day, weekly housekeeping and they can participate in activities at Silver Threads Assisted Living. At the time of the survey, there were no vacancies and the Director reported that the units are usually fully occupied.  |

| <b>Table 47 Multifamily Specialized Senior 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>Burke - Senior with Services</b>                                     |   |                            |                           |                        |   |
| TLC Assisted Living Home  | <u>16 - licensed beds</u><br>16 total units | Based on level of services | 4 vacant beds             | Assisted Living Center | The TLC Assisted Living Home is an assisted living facility with 16 beds. The facility was constructed in 2001. The facility provides the full array of assisted living services, including meals, medication management, laundry, bathing, etc. Residents with memory loss, upon doctors approval, have access to a wander-guard bracelet, which prevents the resident from leaving the facility unattended. The staff reported four vacancies at the time of the survey. The facility accepts Medicaid residents.   |
| <b>Bonesteel - Senior with Services</b>                                 |   |                            |                           |                        |   |
| Haisch Haus Assisted Living   | <u>16 licensed beds</u><br>16 total beds    | Based on level of services | 3 vacant beds             | Assisted Living Center | Haisch Haus is a 16-bed assisted living facility. The facility is 20 years old. The facility provides the full array of assisted living senior services, including meals, bathing, laundry, medication management, etc. The facility offers three levels of service, thus, tenants can receive additional services as needed. The owner reported three vacant beds at the time of the survey. The number of vacant beds fluctuates and the facility is at times fully occupied. The facility offers Medicaid residents, thus, residents come from a wide geographical area. |

Source: Community Partners Research, Inc.

## Employment and Local Economic Trends

While many factors influence the need for housing, employment opportunities represent a predominant demand generator. Without jobs and corresponding wages, the means to afford housing is severely limited. The type of employment, wage level, and working conditions will each influence the kind of housing that is needed and at what level of affordability.

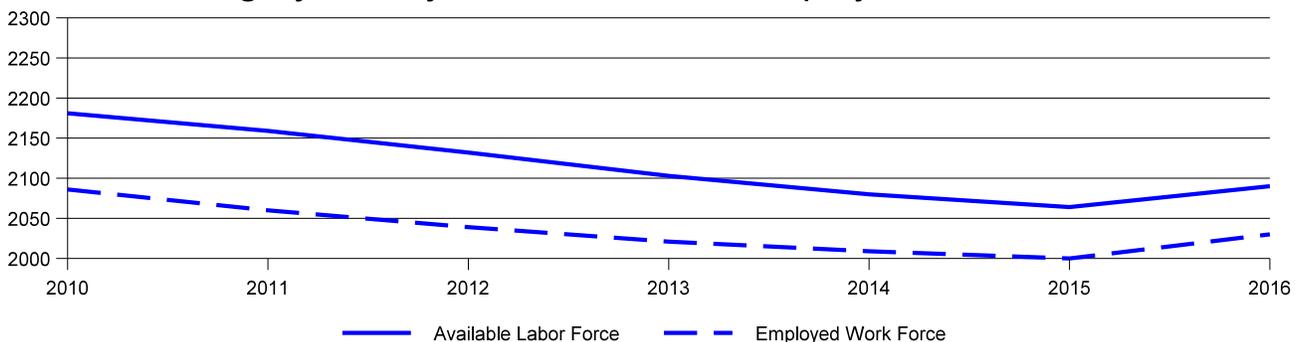
### Work Force and Unemployment Rates

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

| <b>Table 48 Gregory County Annual Labor Statistics: 2010 to 2016</b> |             |          |            |                            |                        |                        |
|--|-------------|----------|------------|----------------------------|------------------------|------------------------|
| Year   | Labor Force | Employed | Unemployed | Unemployment Rate - County | Unemployment Rate - SD | Unemployment Rate - US |
| 2010   | 2,181       | 2,086    | 95         | 4.4%                       | 5.0%                   | 9.6%                   |
| 2011   | 2,159       | 2,060    | 99         | 4.6%                       | 4.7%                   | 8.9%                   |
| 2012   | 2,132       | 2,039    | 93         | 4.4%                       | 4.3%                   | 8.1%                   |
| 2013   | 2,103       | 2,021    | 82         | 3.9%                       | 3.8%                   | 7.4%                   |
| 2014   | 2,080       | 2,009    | 71         | 3.4%                       | 3.4%                   | 6.2%                   |
| 2015   | 2,064       | 2,000    | 64         | 3.1%                       | 3.1%                   | 5.3%                   |
| 2016   | 2,090       | 2,030    | 60         | 2.9%                       | 2.8%                   | 4.9%                   |

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

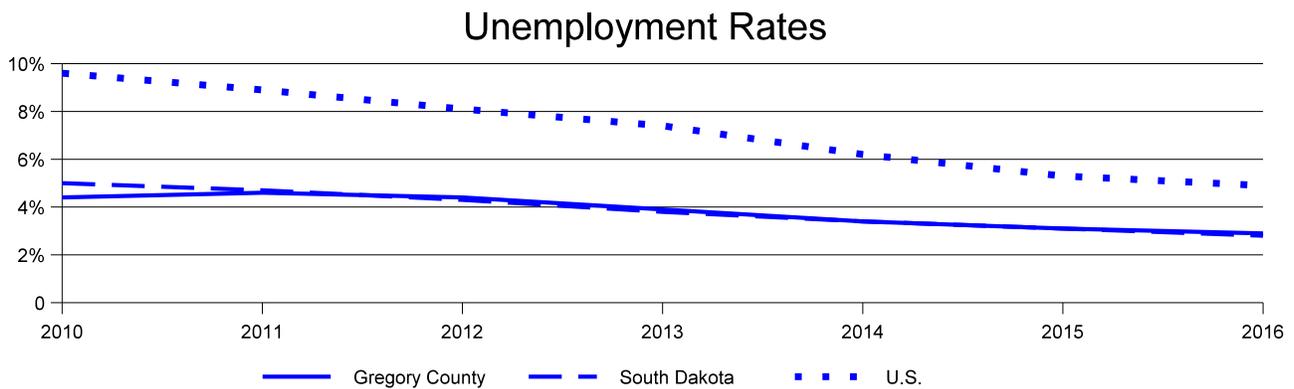
**Gregory County Labor Force and Employed Work Force**



The statistics on the available labor force track people by their county of residence. When viewed over the entire 6-year period, the size of the County's resident labor force has decreased. Between 2010 and 2016 there were 91 fewer people in the labor force, a decrease of nearly 4.2%. However, the available resident labor force actually reached its lowest level in 2015, before rebounding slightly in 2016.

The number of employed County residents has followed the same pattern. From 2010 to 2016, the number of employed residents of Gregory County decreased by 56 people, or 2.7%.

With the labor force decreasing at a faster rate than the employed work force, the County's unemployment rate dropped over this time period, from 4.4% in 2010 to 2.9% in 2016. For most of the years reviewed, the County's unemployment rate has been very similar to the Statewide rate, and well below the national unemployment rate.



## Employment and Wages

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

| <b>Table 49 Gregory County Average Annual Wages - 2015</b> |                 |                     |
|--|-----------------|---------------------|
| Industry   | 2015 Employment | Average Annual Wage |
| Total All Industry   | 1,463           | \$29,432            |

Source: South Dakota Department of Labor & Regulation

The average weekly wage for all industry in 2015 was \$566 in Gregory County. At full-time employment, this would yield an annual average wage of just under \$29,500. The County’s two largest employment sectors were Trade, Transportation and Utilities and Education and Health Services.

### Annual Covered Employment

Since the Quarterly Census of Covered Workers (QCEW) tracks employees covered by unemployment insurance by location of the worker, it is possible to examine longer-term patterns in the local employment level. The following table displays the total number of workers reported in the County back to the year 2010. Only partial-year information exists for 2016.

| <b>Table 50 Gregory County Average Annual Employment</b> |                          |      |                          |
|--|--------------------------|------|--------------------------|
| Year   | Total Covered Employment | Year | Total Covered Employment |
| 2010   | 1,436                    | 2013 | 1,448                    |
| 2011   | 1,452                    | 2014 | 1,445                    |
| 2012   | 1,459                    | 2015 | 1,463                    |

Source: QCEW - SD Department of Labor

There has been some growth in the number of employees working in Gregory County. If 2015 is compared to the year 2010, there has been an increase of 37 reported workers covered by unemployment insurance, or an increase of 2.6%. The employment level that was reached in 2015 was the highest for the time period reviewed.

## Commuting Patterns of Area Workers

Information is available on area workers that commute for employment. The best information is from the 2015 American Community Survey, and has been examined for the City of Gregory, the largest city in the County. The first table examines City residents that traveled to work and excludes people that work at home.

| <b>Table 51 Commuting Times for Gregory Residents - 2015</b> |        |         |
|--|--------|---------|
| Travel Time  | Number | Percent |
| Less than 10 minutes   | 462    | 69.2%   |
| 10 to 19 minutes   | 80     | 12.0%   |
| 20 to 29 minutes   | 37     | 5.5%    |
| 30 minutes +   | 89     | 13.3%   |
| Total  | 668    | 100%    |

Source: American Community Survey

A large majority of Gregory’s residents worked locally in 2015, with more than 81% traveling less than 20 minutes for their primary job. However, more than 13% of the City’s residents were commuting 30 minutes or more to work.

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

| <b>Table 52 Commuting Times for Gregory-based Employees - 2015</b> |        |         |
|--|--------|---------|
| Travel Time  | Number | Percent |
| Less than 10 minutes   | 499    | 64.6%   |
| 10 to 19 minutes   | 130    | 16.8%   |
| 20 to 29 minutes   | 79     | 10.2%   |
| 30 minutes +   | 64     | 8.3%    |
| Total  | 772    | 100%    |

Source: American Community Survey

Most of the people that worked in Gregory lived within the immediate area, as more than 81% traveled 19 minutes or less to the City. This would include people that both lived and worked in Gregory. However, approximately 19% of city-based workers did commute from greater distances, and traveled 20 minutes or more to Gregory.

## Census On the Map - Bonesteel

The Census Bureau also produces commuter reports through its Center for Economic Studies division. This information is based on reports for the year 2014, but provides a further breakdown of worker movement.

According to the report for Bonesteel, there were 78 people that were employed within the City in 2014. Only 5% of these City-based employees also lived in Bonesteel. The remaining 95% of employees lived outside the City and commuted in for their job.

On the Map can also be used to track worker outflow patterns from the City. Overall, there were 110 Bonesteel residents that were employed. Most of these City residents worked outside the community, as more than 96% left the City for their job. Less than 4% of City residents also worked within their home community.

For Bonesteel residents that left the City for their employment, the primary destinations were Burke and Gregory. For people that were commuting into Bonesteel for their job, the primary home locations were Burke, West Gregory UT and Gregory.

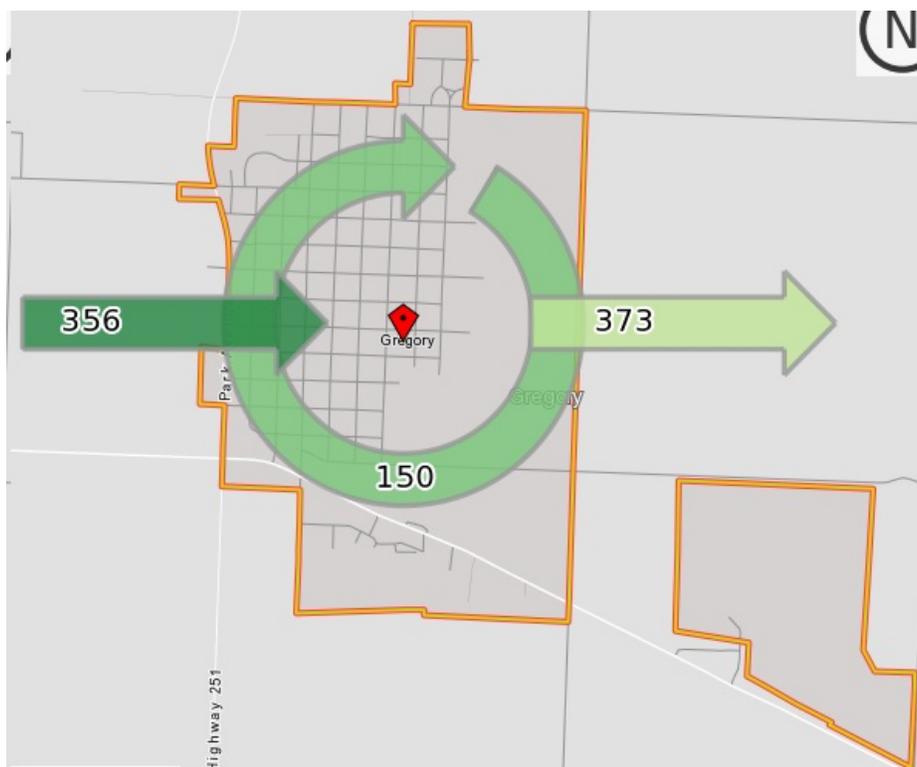


## Census On the Map - Gregory

According to the report for Gregory, there were 506 people that were employed within the City in 2014. Approximately 30% of these City-based employees also lived in Gregory. The remaining 70% of employees lived outside the City and commuted in for their job.

On the Map can also be used to track worker outflow patterns from the City. Overall, there were 523 Gregory residents that were employed. Most of these City residents worked outside the community, as approximately 71% left the City for their job. Only 29% of City residents also worked within their home community.

For Gregory residents that left the City for their employment, the primary destinations were Sioux Falls, Winner and Burke. For people that were commuting into Gregory for their job, the primary home location was North Gregory UT.

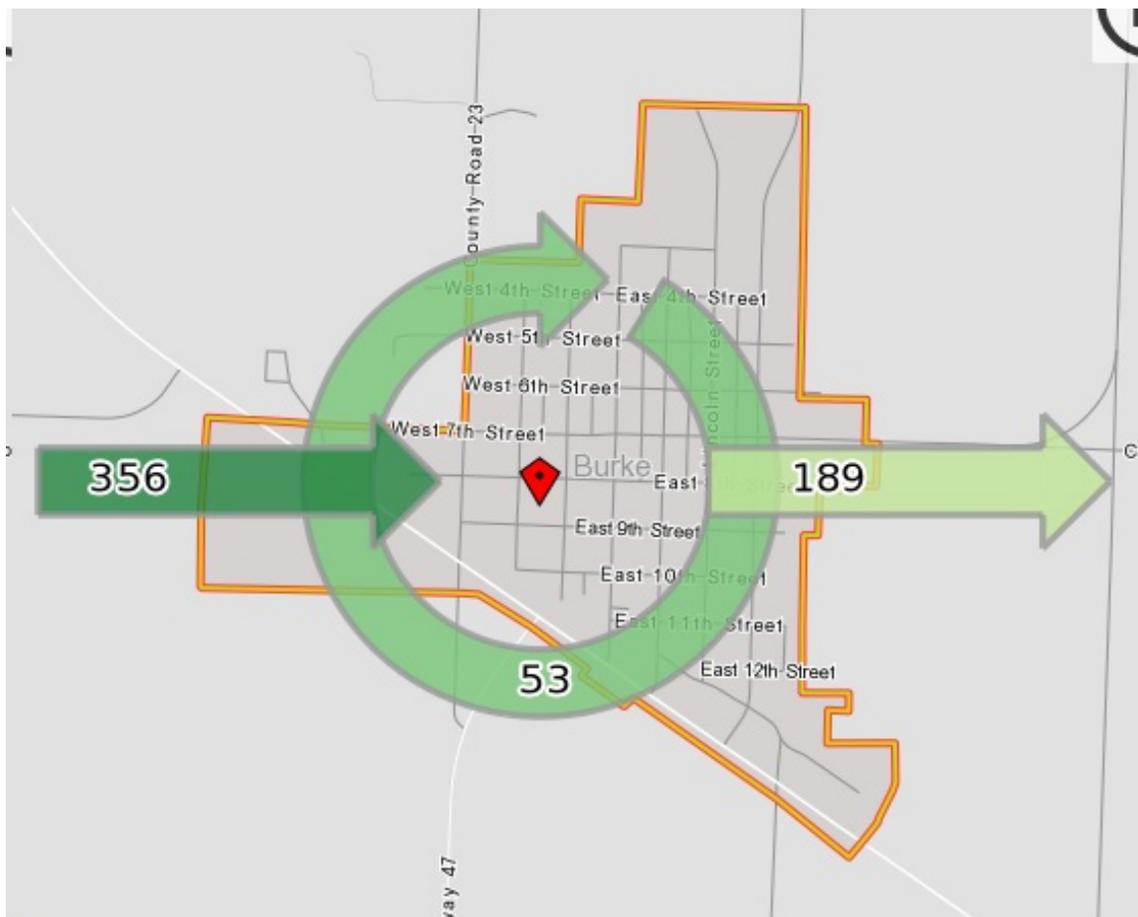


## Census On the Map - Burke

According to the report for Burke, there were 409 people that were employed within the City in 2014. Only 13% of these City-based employees also lived in Burke. The remaining 87% of employees lived outside the City and commuted in for their job.

On the Map can also be used to track worker outflow patterns from the City. Overall, there were 242 Burke residents that were employed. Most of these City residents worked outside the community, as approximately 78% left the City for their job. Only 22% of City residents also worked within their home community.

For Burke residents that left the City for their employment, the primary destinations were Gregory, Rapid City and Bonesteel. For people that were commuting into Burke for their job, the primary home locations were West Gregory UT, Gregory and Bonesteel.



## **Findings on Growth Trends**

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

Bonesteel's population remained at 297 and did not change from 1990 to 2000. From 2000 to 2010, Bonesteel's population decreased by 22 people, which was a population loss of 7.4%.

Gregory County's population decreased from 5,359 in 1990 to 4,792 in 2000, which was a decrease of 10.6%. The population decreased in the 2000s from 4,792 in 2000 to 4,271 in 2010, which was a population loss of 10.9%.

Household levels in Bonesteel and Gregory County decreased from 1990 to 2010. Bonesteel experienced a loss of seven households from 1990 to 2000 and a loss of 12 households from 2000 to 2010. Gregory County had a decrease of 117 households from 1990 to 2000 and a loss of 86 households from 2000 to 2010.

Esri estimates that Bonesteel and Gregory County had slight population and household gains from 2010 to 2016. Esri estimates that Bonesteel gained one person and one household and Gregory County gained seven people and 21 households from 2010 to 2016.

## **Findings on Projected Growth**

This Study has utilized Esri's projections for Bonesteel and Gregory County, which show continued growth patterns established over the past six years. Esri projects that Bonesteel's population will increase by two people from 2016 to 2021. The household projections also expect a gain of two households from 2016 to 2021.

Gregory County is expected to gain 42 people from 2016 to 2021. Gregory County's household projections expect a gain of 22 households from 2016 to 2021.

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

The Demographic section of this Study presented Bonesteel projection information on anticipated changes by age group from 2016 to 2021. This information can be informative in determining the housing that may be needed due to age patterns of the City’s population.

Consistent with the age distribution data presented earlier, the movement of the “baby boom” generation through the aging cycle should generate much of the City’s growth in households in the age range between 65 and 74 years old. Age projections would expect the City to add approximately five households in the 65 to 74 age range from 2010 to 2021.

The Esri age-based projections also expect an increase of one household in the 25 to 34 age range.

Bonesteel is projected to lose three households in the 45 to 64 age ranges and one household in the 75 and older age range. No change is projected in the number of households in the 15 to 24 and 35 to 44 age ranges.

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

| <u>Age Range</u> | <u>Projected Change in Households<br/>2016 to 2021</u> |
|------------------|--|
| 15 to 24         | 0  |
| 25 to 34         | 1  |
| 35 to 44         | 0  |
| 45 to 54         | -2   |
| 55 to 64         | -1   |
| 65 to 74         | 5  |
| 75 and older     | -1   |
| Total            | <u>2</u>   |

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

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

***Age 24 and Younger*** - The projections used for this Study expect no change in the number of households in the 15 to 24 age range from 2016 to 2021. Past tenure patterns indicate that a large majority of these households in Bonesteel will rent their housing. No change in the 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 gain of one household in this age range by 2021. Within this age range households often move from rental to ownership housing. The ownership rate among these households in Bonesteel was approximately 80% in 2010. A household increase of one household within this age range indicates demand for both first-time home buyer and rental opportunities from this age range will not change during the projection period.

***35 to 44 Years Old*** - The projections for this 10-year age cohort expect no change in the number of households between 2010 and 2021 in Bonesteel. In the past, this age group has had a high rate of home ownership in Bonesteel, at approximately 71%. Households within this range often represent both first-time buyers and households looking to trade-up in housing, selling their starter home for a more expensive house.

***45 to 54 Years Old*** - By 2021, 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 Bonesteel, the projections show a loss of two households in this age range. This age group historically has had a high rate of home ownership, approximately 77% in Bonesteel in 2010, and will often look for trade-up housing opportunities. A small loss in the number of households in this age group indicates that the demand for trade-up housing will decrease slightly during the projection period.

***55 to 64 Years Old*** - This age range is part of the baby boom generation. The projections show a decrease of one household in this 10-year age range by the year 2021 in the City. This age range has traditionally a high rate of home ownership in Bonesteel, at approximately 95% in 2010. Age-appropriate housing, such as town house or twin home units, is often well suited to the life-cycle preferences of this age group, as no maintenance/low maintenance housing has become a popular option for empty-nesters.

***65 to 74 Years Old*** - A gain of five households is expected by the year 2021 in the 65 to 74 age range. While this group will begin moving to life-cycle housing options as they age, the younger seniors are still predominantly home owners. At the time of the 2010 Census, approximately 91% of the households in this age range owned their housing in Bonesteel. Once again, preferences for age-appropriate units would increase from household growth within this age cohort.

***75 Years and Older*** - There is a projected loss of one household in Bonesteel in this age range between 2016 and 2021. In the past, the older households within this age range have had a relatively low rate of home ownership in Bonesteel. An expansion of housing options for seniors, including high quality rental housing, should appeal to this age group. In most cases, income levels for senior households have been improving, as people have done better retirement planning. As a result, households in this age range may have fewer cost limitations for housing choices than previous generations of seniors.

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

## **Findings on Housing Unit Demand and Tenure**

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

***Demand from Growth*** - The household projections used for this Study expect Bonesteel to gain two households and Gregory County will gain 22 households from 2016 to 2021. Household growth in Bonesteel and Gregory County will yield some limited demand for new housing production in Bonesteel.

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

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

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

## **Strengths for Housing Development**

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

- ▶ **Affordable priced housing stock** - The City of Bonesteel has a stock of affordable, existing houses. Our analysis shows that the City's median home value based on sales over the past three years is approximately \$45,000. This existing stock, when available for sale, provides an affordable option for home ownership.
- ▶ **Educational system** - Bonesteel currently has a public K-12 school system.
- ▶ **Infrastructure** - Bonesteel's water and sewer infrastructure can accommodate future expansion and infrastructure improvements are ongoing.
- ▶ **Employers** - Bonesteel has employers that provide job opportunities for local residents including Devine Concrete and the South Central School District.
- ▶ **Commuters** - Approximately 74 of the Bonesteel-based jobs are filled by people commuting into the City daily for work. These commuters are a potential market for future housing construction.
- ▶ **Bonesteel Economic Development Corporation** - The Bonesteel Economic Development Corporation has been active in the past in addressing Bonesteel's housing needs.
- ▶ **Population and household growth** - Bonesteel and Gregory County are projected to add people and households over the next five years.
- ▶ **Small town atmosphere** - Bonesteel has the real and perceived amenities of a small town. Small town living is attractive for some households.

- ▶ **Downtown Bonesteel** - For a City the size of Bonesteel, the Downtown has a significant number of businesses and several buildings have been renovated.
- ▶ **Adequate land for development** - Bonesteel has adequate land available for both residential and commercial/industrial development. However, some of this land is not for sale or needs to be serviced with infrastructure improvements.
- ▶ **Area amenities** - Bonesteel is only 10 miles from the Missouri River, which provides fishing, hunting, boating and camping opportunities.

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

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

- ▶ **Age and condition of the housing stock** - While the existing stock is affordable, some of the housing is in need of improvements to meet expectations of potential buyers.
- ▶ **Low rent structure** - The area's rent structure is relatively low, which makes it difficult to construct new rental housing.
- ▶ **Value gap deters new owner-occupied construction** - Based on market values from residential sales over the past three years, we estimate that the median priced home in Bonesteel is valued at approximately \$45,000. This is below the comparable cost for new housing construction, which will generally be above \$175,000 for a stick built home with commonly expected amenities. This creates a value gap between new construction and existing homes. This can be a disincentive for any type of speculative building and can also deter customized construction.
- ▶ **Lower paying jobs** - Although Bonesteel has job opportunities, some jobs are at the lower end of the pay scale and employees with these jobs have limited housing choices.
- ▶ **Commercial/retail option** - Bonesteel has a limited number of commercial and retail opportunities compared to larger regional centers.
- ▶ **Land for residential lot development** - Bonesteel has only a few lots immediately available for new home construction.
- ▶ **Competition from rural lots** - The Bonesteel area has rural lot opportunities that are not in the city limits. These lots compete with available residential lots within the City of Bonesteel.
- ▶ **Proximity to a large regional center** - Bonesteel is not located near a large regional center. Bonesteel is 104 miles from Mitchell, 95 miles from Yankton, 148 miles from Pierre and 174 miles from Sioux Falls.

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

- ▶ **Be realistic in expectations for housing development** - Large-scale residential growth has not occurred in the recent past and is not likely to occur in the near future. The scale of activities proposed for the future should be comparable with the area's potential for growth.
- ▶ **Proactive community involvement** - New home and apartment construction will more likely occur in Bonesteel if there is proactive support from the City, local and regional housing and economic development agencies and the South Dakota Housing Development Authority.
- ▶ **Protect the existing housing stock** - The future of Bonesteel will be heavily dependent on the City's appeal as a residential location. The condition of the existing housing stock is a major factor in determining the City's long-term viability. The existing housing stock is in good condition and is a major asset, however, rehabilitation efforts are needed to preserve the housing stock.
- ▶ **Protect the existing assets and resources** - Bonesteel has several assets including a K-12 school, a Downtown Commercial District, recreational opportunities, two major employers, etc. These are strong assets that make Bonesteel a desirable community to live in, and are key components to the City's long-term success and viability. These assets must be protected and improved.
- ▶ **Develop a realistic action plan with goals and time lines** - The City should prioritize its housing issues and establish goals and time lines to achieve success in addressing its housing needs.
- ▶ **Access all available resources for housing** - In addition to the local efforts, the City has other resources to draw on including USDA Rural Development, the South Dakota Housing Development Authority, Planning and Development District III, the Rural Office of Community Services, Inc., and Grow South Dakota. These resources should continue to be accessed as needed to assist with housing activities.

## **Summary of Findings/Recommendations**

The findings/recommendations for the City of Bonesteel have been formulated through the analysis of the information provided in the previous sections and include 19 recommendations. The findings/recommendations have been developed in the following five categories:

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

The findings/recommendations for each category are as follows:

### **Rental Housing Development**

1. Develop three to four general occupancy market rate rental units
2. Promote the development/conversion of three to four affordable market rate rental housing units
3. Monitor the need for subsidized rental housing units
4. Develop additional senior housing with services units/beds
5. Develop a downtown mixed-use commercial/housing project
6. Utilize the Housing Choice Voucher Program

### **Home Ownership**

7. Utilize and promote all programs that assist with home ownership
8. Develop a purchase/rehabilitation program

**Single Family Housing Development**

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

**Housing Rehabilitation**

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

**Other Housing Initiatives**

15. Encourage employer involvement in housing
16. Continue to acquire and demolish dilapidated structures
17. Create a plan and a coordinated effort among housing agencies
18. Continue downtown redevelopment
19. Develop home ownership and new construction marketing programs and strategies

# **Bonesteel - Rental Housing Development**

## **Rental Housing Development**

**Overview:** In recent decades it has been difficult to produce new rental housing units that are viewed as “affordable” when compared to existing rental housing. A number of factors, including federal tax policy, state property tax rates, high construction costs and a low rent structure, have all contributed to the difficulty in developing rental housing in most South Dakota communities. From 2000 to 2017, no rental units were constructed in Bonesteel.

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

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

Esri’s household projections for Bonesteel expect limited household growth over the next five years. From 2017 to 2022, it is projected that there will be a gain of approximately two households. It is estimated that one of these households will be a rental household, thus, there will be a demand of approximately one additional rental unit due to household growth over the next five years.

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

Limited pent-up demand also exists for some rental housing segments. As part of this study, a rental survey was conducted. We identified pent-up demand for high quality market rate rental units in Bonesteel.

These three demand generators, after factoring current vacancy rates, show a need for six to eight rental units over the next five years. Based on the factors stated above, we recommend the development of the following new rental units over the next five years from 2017 to 2022.

|                                 |                  |
|---------------------------------|------------------|
| ▶ General Occupancy Market Rate | 3-4 units        |
| ▶ Subsidized                    | 0 units          |
| ▶ Affordable/Conversions        | <u>3-4 units</u> |
| Total                           | 6-8 units        |

\* In addition to these recommendations, a total of 22 to 25 senior with services units/beds are recommended for all of Gregory County.

### **1. Develop three to four general occupancy market rate rental units**

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

We surveyed River Hills Apartments, the only market rate rental project in Bonesteel. At the time of the survey, two of the eight units were vacant. However, the manager reported that the vacancies fluctuate from no vacancies to one to two vacancies. The River Hills monthly rent is \$350 plus heat and electricity.

River Hills Apartments was a USDA Rural Development subsidized rental project. The owner of the project opted-out of the subsidy program and converted the project from subsidized to market rate, creating eight unit opportunities within the conventional rental segment.

From 2000 to 2017, no market rate rental units were constructed in Bonesteel.

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

Based on this combination of demand generators, we believe that it is reasonable to plan for the production of three to four market rate rental units over the next five years. The new units should be two and three-bedroom units.

At the time of the survey, Bonesteel had two vacant market rate rental units in River Hills Apartments. However, all of the units in River Hills are one-bedroom. Also, it is important to continue to add new units to the rental market.

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

The first option to developing market rate housing would be to encourage private developers to undertake the construction of market rate rental housing. If private developers do not proceed, the Bonesteel Economic Development Corporation or a regional housing agency could potentially utilize essential function bonds, or similar funding sources, to construct market rate units.

Also, the Bonesteel Economic Development Corporation could partner with private developers to construct units. The City could assist with land donations, tax increment financing, reduced water and sewer hook up fees, etc.

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

| <u>Unit Type</u> | <u>No. of Units</u> | <u>Size/Sq. Ft.</u> | <u>Rent</u>   |
|------------------|---------------------|---------------------|---------------|
| Two Bedroom      | 2-3                 | 900 - 1,000         | \$700 - \$800 |
| Three Bedroom    | <u>1</u>            | 1,100 - 1,200       | \$800 - \$900 |
| Total            | 3-4                 |                     |               |

**Note:** The recommended rents are gross rents including all utilities. The rents are quoted in 2017 dollars.

**2. Promote the development/conversion of five to six affordable market rate rental housing units**

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

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

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

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

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

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

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

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

**Findings:** 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.

There was an eight-unit USDA Rural Development subsidized project in Bonesteel, however, the project converted to a market rate project, thus, there are no rent or income restrictions.

**Recommendation:** Based on the median household income of renter households in Bonesteel, the conversion of the one subsidized rental project to market rate and the number of rental households that are paying more than 30% of their income for rent, subsidized housing is needed in Bonesteel.

However, over the past few decades, very few federal subsidy sources have been available for the construction of “deep subsidy” rental housing especially in very small cities. Also, due to market constraints, rents at River Hills Apartments did not increase significantly. Therefore, many low income tenants can afford the rent. Additionally, the Housing Voucher Program is available in Gregory County.

#### **4. Consider the development of additional senior with services units/beds**

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

Lower-service housing, sometimes referred to as congregate senior housing, generally offers the availability of a daily meal, and services such as weekly light housekeeping. Gregory County has five specialized projects that provide housing with supportive services for an elderly population, including three projects in Gregory, one project in Burke and one project in Bonesteel. These senior with services projects include:

- ▶ **Haisch Haus Assisted Living** - Haisch Haus Assisted Living is a 16-bed assisted living facility located in Bonesteel. The facility is 20 years old. The facility provides the full array of assisted living senior services, including meals, bathing, laundry, medication management, etc. The facility offers three levels of service, thus, tenants can receive additional services as needed. The owner reported three vacant beds at the time of the survey. The number of vacant beds fluctuates and the facility is at times fully occupied. The facility accepts Medicaid residents, thus, residents come from a wide geographical area.
- ▶ **Avera/Rosebud Country Care Center** - The Avera/Rosebud Country Care Center is located in Gregory. It has 52 licensed skilled nursing beds, however, 40 beds is the current capacity due to a staffing shortage. The 40 beds are fully occupied and there is a waiting list. The Care Center is attached to the hospital.

- ▶ **Silver Threads Assisted Living** - Silver Threads Assisted Living is located in Gregory and is part of the Silver Threads campus. Silver Threads is an assisted living facility with 32 licensed beds. The licensed beds are in a variety of unit types. The facility was constructed in 2000 and provides the full array of senior assisted living services including three daily meals, laundry, bathing, medication management, etc. At the time of the survey, there were four vacancies, however, the number of vacancies varies and the facility often is fully occupied. There is one set fee for services and the unit rent is based on the type of unit.
- ▶ **Silver Threads Apartments** - Silver Threads Apartments in Gregory has nine units and is part of the Silver Threads campus. Silver Threads Apartments were constructed in 2000 and include four one-bedroom, one one-bedroom plus den and four two-bedroom units. Tenants can get up to three meals a day, weekly housekeeping and they can participate in activities at Silver Threads Assisted Living. At the time of the survey, there were no vacancies and the Director reported that the units are usually fully occupied.
- ▶ **TLC Assisted Living Home** - The TLC Assisted Living Home is located in Burke. The assisted living facility has 16 beds and was constructed in 2001. The facility provides the full array of assisted living services, including meals, medication management, laundry, bathing, etc. Residents with memory loss, upon doctors approval, have access to a wander-guard bracelet, which prevents the resident from leaving the facility unattended. The staff reported four vacancies at the time of the survey. The facility accepts Medicaid residents.

**Recommendation:** In 2016, Gregory County had 493 people between the age of 65 and 74 and 557 people over the age of 75. The growth projections for 2016 to 2021 show an expected increase of 49 seniors age 65 to 74 and a decrease of 12 seniors over the age of 75.

- ▶ **Skilled Nursing Home** - The research for this Study points to a decreasing reliance on nursing homes as a long-term residency option for older senior citizens. Over time, the nursing homes have tended to use more beds for rehab/recovery stays, or other specialized uses. There has also been a long-standing State moratorium that limits expansion in most cases. However, Avera/Rosebud County Care Center has 12 licensed beds that are not being utilized due to a lack of staff availability. With the 100% occupancy rate at the facility and a waiting list, we recommend that the 12 beds be phased into the inventory as adequate staffing allows.

- ▶ **Memory Care Housing** - There are no designated memory care beds in a secured facility in Gregory County. However, the nursing home and the assisted living facilities all serve residents that have memory loss issues. Also, the TLC Assisted Living Home, upon a doctor's approval, provides a wander-guard bracelet, which prevents the residents from leaving the facility unattended. Local providers do report some unmet demand for this type of specialized memory care housing. Based on the demand for the beds and unmet need, we recommend the development of six to eight beds in a secure facility dedicated for memory care over the next five years. It would be advantageous for these beds to be part of an existing senior with services facility in Gregory County.
- ▶ **Assisted Living** - Gregory County has three assisted living projects with a total of 64 units/beds. Silver Threads located in Gregory has 32 beds, TLC Assisted Living Home located in Burke has 16 beds and Haisch Haus - Assisted Living in Bonesteel has 16 beds. The three facilities had a total of 11 vacant beds at the time of the survey. For all three facilities to be fully occupied, an 11.5% capture rate among Gregory County seniors (over age 75) would be needed. Based on industry standards, this is a very high capture rate. The three facilities do, however, have residents coming to their facilities from outside of Gregory County. Based on the current number of assisted living beds in Gregory County, we do not recommend additional assisted living beds at this time. However, the need for additional beds should continue to be monitored.
- ▶ **Independent/Light Service Housing** - Currently, there is one independent/light service project in Gregory County. Silver Threads Apartments is located in Gregory and has nine units. Tenants receive weekly housekeeping and can receive up to three meals a day. Tenants can also participate in activities at Silver Threads Assisted Living. If a 3% capture rate could be achieved among senior-headed households over age 75 in Gregory County, approximately 13 to 14 units of independent/lighter services housing could be supported. With nine units in Silver Threads Apartments, another four to five units could be supported.

The supply and demand overview presented above indicates potential demand for up to 12 skilled nursing beds, six to eight memory care beds and four to five independent/light services units. It would probably be most cost effective for the recommended units/beds to be added to existing Gregory County senior with services facilities.

The purpose of this recommendation is to provide general guidance. A developer or existing senior with services facility planning a specific project should have a project-specific study conducted.

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

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

New mixed-use projects have been developed in several smaller cities. Some of these projects were developed because of market demand while others were developed to enhance the downtown, to introduce a new product to the market or to serve as a catalyst for downtown redevelopment.

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

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

The units should be primarily two-bedroom apartments. Please note that these units are not in addition to the units recommended in the first and second recommendations of this section. If a mixed use building was constructed, the number of units recommended previously should be reduced.

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

## **6. Utilize the Housing Choice Voucher Program**

**Findings:** The Housing Choice Voucher Program provides portable, tenant-based rent assistance to lower income renter households. The program requires participating households to contribute from 30% to 40% of their adjusted income for rent, with the rent subsidy payment making up the difference. Tenants may lease any suitable rental unit in the community, provided that it passes a Housing Quality Standards inspection, and has a reasonable gross rent when compared to prevailing rents in the community.

Although the federal government provides very limited funding for subsidized housing construction, it has provided new Housing Choice Voucher allocations over the last two decades. Because of the flexibility offered through the program, eligible households often prefer the portable rent assistance to other forms of subsidized housing that are project-based, and can only be accessed by living in a specific rental development.

The Housing Choice Voucher Program is administered in Bonesteel and Gregory County by the Yankton Housing and Redevelopment Commission. The Yankton Housing and Redevelopment Commission administers approximately 130 vouchers in a multi-county area. Currently, two Gregory County households are utilizing the Housing Choice Voucher Program. Both of these households are in Fairfax. There is a waiting list to obtain a voucher.

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

# **Bonesteel - Home Ownership**

## **Home Ownership**

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

Our analysis of Bonesteel demographic trends shows an increase in the number of households in the traditionally strong home ownership age range between 65 and 74 years old over the next five years. The 15 to 44 age ranges will remain stable over the next five years. Some households in these age ranges as well as other age ranges that have not been able to achieve the goal of home ownership may need the assistance of special programs to help them purchase their first home.

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

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

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

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

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

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

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

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

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

**Findings:** Bonesteel has a stock of older, lower valued homes, many of which need repairs. Our analysis of recent sales activity indicates that approximately 50% of the homes in Bonesteel are valued less than \$45,000. As some lower valued homes come up for sale, they may not be attractive options for potential home buyers because of the amount of repair work that is required.

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

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

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

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

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

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

# **Bonesteel - Single Family Housing Development**

## **Single Family Housing Development**

**Findings:** Based on City and U.S. Census information, Bonesteel has experienced limited single family housing development over the past 18 years, from 2000 to 2017. During that time span, it is estimated that only four houses were constructed or moved into the City.

It is our opinion that if the City, the Bonesteel Economic Development Corporation, housing agencies, and builders are proactive, four to six units can be constructed/moved into Bonesteel from 2017 to 2022.

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

|                                  |            |
|----------------------------------|------------|
| ▶ Higher and medium priced homes | 1          |
| ▶ Affordable homes               | 1-2        |
| ▶ Twin homes/town homes          | <u>2-3</u> |
| Total                            | 4-6        |

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

**Findings:** As part of this Study, we attempted to identify the inventory of available residential lots for single family housing construction in the City of Bonesteel.

One local property owner has 18 single family lots. However, the owner did not provide specific details about the pricing or status of these lots. Also, the ability to service these lots with municipal infrastructure is not known.

There are also miscellaneous infill lots and parcels scattered around Bonesteel, but once again there were few specific details that could be obtained, such as their availability, if they have enough square footage for new construction, if they are in attractive locations, etc. Also, dilapidated homes are being demolished in Bonesteel. Some of the cleared lots may be potential sites for new construction.

**Recommendation:** With projections that four to six new owner-occupied housing units could be constructed in Bonesteel over the next five years, the City should assure that residential lots available to meet the expected demand. Part of this demand would be for attached unit construction.

With only a few identified lots available in the City, there is not an adequate supply of lots to address the projected demand. Therefore, if expected demand comes to fruition, it will be necessary to develop additional residential lots or to identify additional miscellaneous lots.

There are sites in Bonesteel which may be conducive to lot development. Also, future demolition may provide additional in-fill lots. Additionally, it is possible that several adjacent dilapidated homes or buildings could be demolished to create a larger parcel of land for development. Also, there is open space scattered around the City that may have access to City utilities that could be utilized for new home construction. The City should inventory all the open space and vacant parcels to determine their feasibility for potential lot development and new home construction.

To achieve the level of new home construction potential that has been identified, we would recommend the availability of six to eight new lots for construction based on the following. This supply of lots may already exist in Bonesteel but this could not be verified.

- ▶ To keep development costs as low as possible, sites with easy access to existing infrastructure should be considered.
- ▶ The lots must be as aesthetically acceptable as possible and include high quality amenities.
- ▶ The lots should have covenants that assure quality development. However, the covenants should not be so restrictive that they eliminate the target market's ability to construct a home.
- ▶ The lots should accommodate a variety of home designs and home prices.
- ▶ All stakeholders should be involved in promoting and publicizing the lots.
- ▶ To be successful, the homes must be available to households with as wide an income range as possible.
- ▶ Some lots should be available for twin home/ town home development

- ▶ Successful lot development will need the cooperation of financial institutions, funding agencies, employers, home builders, developers, the City of Bonesteel and the Bonesteel Economic Development Corporation. Financial assistance such as tax increment financing, tax abatement and land donations or writedowns, may be necessary to make the development of lots feasible.

## **10. Strategies to encourage residential lot sales and new home construction in Bonesteel**

**Findings:** There is a small inventory of lots available in the City of Bonesteel. However, the capacity exists to develop additional lots, and in the previous recommendation, we have recommended additional lot development.

**Recommendation:** We recommend that the City of Bonesteel and the Bonesteel Economic Development Corporation coordinate efforts with the private sector to promote lot sales and housing development in Bonesteel.

Our recommendations to promote lot sales and housing development include:

- ▶ ***Competitive pricing*** - There are lots that are available in communities throughout the Region. Lot prices in Bonesteel will need to be competitive.
- ▶ ***Plan for long-term absorption*** - The research completed for this Study expects limited absorption of lots in Bonesteel over the next five years. If new lots are developed, it is necessary to view the lot sales and development as a long-term plan.
- ▶ ***Generate initial activity*** - Recent construction activity has been limited. To stimulate new construction, proactive efforts, such as the sale of some lots at discounted prices, reduction of hookup and permit fees or other incentives should be provided if the buyer agrees to build a home of a certain quality and style within a specified time period. This will help create some momentum for houses to be built.
- ▶ ***User-Friendly*** - The lot purchase and homebuilding process must be 'user-friendly.' This includes builders, who are readily available to build custom homes, information on quality homes that could be moved into the community and City regulations that are fair and reasonable. This entire process should be as user-friendly as possible to encourage new home construction.

- ▶ ***Allow for a range of house prices*** - Lots should be available in Bonesteel in as wide a range of home sizes and prices as possible. This would broaden the lot buyer market.
- ▶ ***Incentives*** - Many cities throughout South Dakota are offering incentives to construct new homes, including reduced lot prices, reduced water and sewer hookup fees, tax abatements, cash incentives, etc. Incentives should be considered to promote new home construction.
- ▶ ***Lot availability for twin home/town home development*** - It is our opinion that there will be a demand for twin homes/town homes over the next five years. Lots should be available for twin home/town home lot development.
- ▶ ***Marketing*** - The City of Bonesteel, the Bonesteel Economic Development Corporation and the lot owners should develop a marketing strategy to sell the available lots. All stakeholders including realtors, financial institutions, builders, employers, etc. should be included in marketing strategies. In addition to marketing the lots, the City of Bonesteel and its amenities should be marketed.
- ▶ ***Consider partnerships that share and split financial risk to construct spec homes*** - Spec houses could potentially attract buyers that are not interested in going through the home building process, but instead wants a turnkey unit. A spec home can also serve as a model, allowing potential home buyers to examine specific floor plans and features in the home before committing to buy. In an attempt to spur spec home construction, some communities have formed partnerships with private home builders to share the financial risks. For example, subdivision owners have been willing to defer the payment for the lot until the spec home is sold. Another builder incentive is for the City to waive any water/sewer hook up fees, special assessment payments and building permit fees until the home is sold. A more aggressive approach is to become directly involved in helping cover the payments on a home builder's construction loan, if the house does not sell within a reasonable period of time. A community risk pool would need to be established for this type of activity. These types of approaches would somewhat reduce the builder's risk, by lowering the upfront development costs. A local builder has constructed spec homes in Bonesteel in the past and may construct spec homes in Bonesteel in the future.

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

**Findings:** With the difficulty of producing new housing units that are affordable to moderate income households, it is important to take advantage of opportunities presented by housing and economic development agencies and nonprofit groups. These sources can help generate new homes for moderate income families in Bonesteel.

**Recommendation:** We recommend that the City of Bonesteel and the Bonesteel Economic Development Corporation coordinate with housing agencies, nonprofit groups and private sector builders to produce housing units for moderate income ownership. The City may be able to contribute to the project through land donations, tax increment financing (TIF), tax abatement, or project coordination activities. The Governors Home Program could also be utilized to reduce the cost of a new affordable home.

If dilapidated homes are demolished, some of the cleared lots may be suitable for new construction activity.

## **12. Promote twin home/town home development**

**Findings:** Attached housing provides desirable alternatives for empty nesters and seniors to move out of their single family homes, thus, making homes available for families. It is important for the community to offer a range of life-cycle housing options. In Bonesteel since 2000, no twin homes/town house units have been constructed.

In 2016, Bonesteel had 51 households and Gregory County had 735 households in the 55 to 74 age ranges. In these age ranges, Bonesteel is expected to add four households and Gregory County is expected to add 22 households from 2016 to 2021. Household growth among empty-nester and senior households should result in demand for attached single family units. It is likely that demand for attached housing units will also be dependent on the product's ability to gain additional market acceptance among the households in the prime target market, and among other households.

**Recommendation:** It is our projection that two to three new owner-occupied twin home or town home units could be constructed in Bonesteel over the next five years. Our projection is based on the availability of an ideal location for twin home/town home development as well as high quality design and workmanship.

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

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

Bonesteel's role could include assuring that adequate land continues to be available for development and that zoning allows for attached housing construction.

A corporation has been developed in Arlington, MN, that includes local contractors, the local bank, the local lumberyard and local investors to construct twin homes. They have been very successful.

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

# **Bonesteel - Housing Rehabilitation**

## **Housing Rehabilitation**

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

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

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

### **13. Promote rental housing rehabilitation**

**Findings:** Based on the U.S. Census data, the City of Bonesteel had approximately 40 rental units in 2010. These rental buildings are in a multi-family project, single family homes and mobile homes. Some of these rental structures could benefit from rehabilitation as most of these rental structures are more than 25 years old and some rental units are in poor condition.

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

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

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

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

Our housing condition survey of the 140 homes in Bonesteel found 32 homes that need minor repairs and 30 homes that need major repairs. Without rehabilitation assistance, the affordable housing stock will shrink in Bonesteel.

**Recommendation:** We recommend that the City of Bonesteel and the Bonesteel Economic Development Corporation seek local, state and federal funds to assist in financing housing rehabilitation. USDA Rural Development, the South Dakota Housing Development Authority, the Federal Home Loan Bank, the Rural Office of Community Services, Inc. and Grow South Dakota are potential funding sources.

Grow South Dakota currently have several housing programs to assist households with the rehabilitation of their homes. The Rural Office of Community Services, Inc. administers the Weatherization Program in Gregory County.

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

# **Bonesteel - Other Housing Initiatives**

## **Other Housing Initiatives**

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

**Findings:** The connection between economic development and housing availability has become an increasingly important issue as local employers have the need to attract new workers into the community.

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

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

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

### **16. Continue to acquire and demolish dilapidated structures**

**Findings:** Our housing condition survey identified 24 single family houses in Bonesteel that are dilapidated and too deteriorated to rehabilitate. We also identified 30 single family houses in Bonesteel as needing major repair and some of these homes may be too dilapidated to rehabilitate. To improve the quality of the housing stock and to maintain the appearance of the City, dilapidated structures should be demolished.

The City of Bonesteel has been active in demolishing dilapidated structures.

**Recommendation:** We recommend that the City of Bonesteel continue to work with property owners to demolish dilapidated structures. The appearance of the City is enhanced when blighted and dilapidated structures are removed. Also, some of the cleared lots can be utilized for the construction of new affordable housing units.

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

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

**Findings:** Bonesteel will continue to need staff resources in addition to existing City staff to plan and implement many of the housing recommendations advanced in this Study. The City of Bonesteel has access to the Planning and Development District III, the Rural Office of Community Services, Inc., Grow South Dakota, the South Dakota Housing Development Authority and USDA Rural Development. These agencies all have experience with housing and community development programs.

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

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

## **18. Strategies for Downtown Redevelopment**

**Findings:** Downtown Bonesteel has buildings that have been renovated and have high quality commercial space. There are also buildings that have not been maintained and are substandard. This recommendation provides an outline of actions that could be taken to continue to redevelop the downtown, to maximize the usage of downtown buildings and to promote new downtown businesses.

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

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

- ▶ Interview downtown property owners to develop a database and to determine their future plans (expanding, selling, renovations, etc.)
- ▶ Develop an overall plan for the downtown (potential new businesses, address parking needs, develop an overall theme, art and cultural opportunities, etc.)
- ▶ Develop a mini-plan for each downtown property and each downtown block. This may include:
  - ▶ Commercial building rehab and renovations
  - ▶ Facade work
  - ▶ Building demolition
  - ▶ New construction
  - ▶ Recruiting new businesses
- ▶ Identify funding sources
  - ▶ Property owner funds
  - ▶ Bonesteel Economic Development Corporation funds
  - ▶ Federal Home Loan Bank
  - ▶ Special tax districts
  - ▶ Tax increment financing
  - ▶ Tax abatement
  - ▶ Funds from South Dakota State Agencies

- ▶ Work with stakeholders to identify roles, secure funding, develop and implement programs and projects
  - ▶ Property owners
  - ▶ City of Bonesteel
  - ▶ Bonesteel Economic Development Corporation
  - ▶ Planning and Development District III

### **19. Develop home ownership and new construction marketing programs and strategies**

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

The City of Bonesteel, the Bonesteel Economic Development Corporation and employers have been active in promoting the City, including housing opportunities.

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

- ▶ Determine the City's strengths and competitive advantages and heavily promote them
- ▶ Continue to create marketing materials that can be distributed regionally (including internet, TV, radio, etc.)
- ▶ Work closely with employers (Bonesteel and the area) to provide employees (especially new employees) with housing opportunities in Bonesteel
- ▶ Work with housing agencies to provide down payment assistance, low interest loans, home owner education and home owner counseling and other housing programs
- ▶ Continue to work on the creation of jobs and the development of retail, service and recreational opportunities

- ▶ Provide attractive lots at an affordable price for a variety of home sizes, styles and price ranges
- ▶ Preserve the quality of the City through the rehabilitation of substandard housing and the demolition of dilapidated structures that are beyond repair
- ▶ Continue to develop new housing choices, such as new single family homes, rental housing, twin homes, etc.
- ▶ Review the City's policies and fees to assure that they are user-friendly, fair and receptive for builders and households.
- ▶ Develop a coordinated housing plan with the private sector and area housing agencies.

## **Agencies and Resources**

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

### **Planning and Development District III**

1808 Summit Street  
Yankton, SD 57078  
(605) 665-4408

### **Rural Office of Community Services, Inc.**

214 Main St.  
P.O. Box 70  
Lake Andes, SD 57356

### **Grow South Dakota**

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

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

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

### **USDA Rural Development**

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