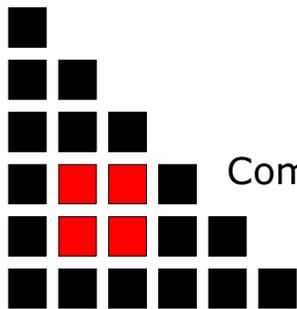


Flandreau HOUSING STUDY

August 2014

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



Community Partners Research, Inc.

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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 Flandreau and Moody County are privately owned and were constructed with private funds. On an increasing scale, however, the public is demanding that public officials control what happens in this largely private housing market by eliminating blight, protecting individual investments, and generating new housing growth to meet economic development needs.

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

Goals

The multiple goals of the study include:

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

Methodology

A variety of resources were utilized to obtain information for the Housing Study. Community Partners Research, Inc., collected and analyzed data from March 2014 to July 2014. Data sources included:

- U.S. Census Bureau
- American Community Survey
- ESRI, Inc.
- Records and data from the City
- Records and data maintained by Moody County
- South Dakota State Data Center
- Interviews with City officials, community leaders, housing stakeholders, etc.
- Area housing agencies
- State and Federal housing agencies
- Rental property owner surveys
- Housing condition survey

Limitations

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

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Demographic Data Overview

Sources of Data

The following pages contain demographic data obtained from a variety of local, state and national sources for the City of Flandreau and Moody County. The 2010 U.S. Census represents the most accurate recent source for demographic information. However, the 2010 Census was more limited in scope than in the past. As a result, some of the demographic variables, such as income and housing cost information, were not available.

To supplement the decennial Census, the Census Bureau has created the American Community Survey, an annual sampling of households. The American Community Survey provides detailed demographic characteristics, replacing information once collected by the decennial Census. However, because the American Survey is based on sampling data, there is a margin of error that exists for each estimate. The following tables incorporate the 2010 Census data, when available, or the 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 2012 estimates were derived from sampling that was done over a five-year period, between 2008 and 2012. Unless otherwise noted, the American Community Survey estimates are based on the five-year survey data.

The State of South Dakota has contracted with ESRI, Inc., a private company based in California that generates demographic and projection data. Community reports from ESRI are available on the website maintained by the Governor's Office of Economic Development. The ESRI current-year estimates and projections have also been included.

Population Data and Trends

Table 1 Population Trends - 1980 to 2013							
	1980 Census	1990 Census	2000 Census	% Change 1990-2000	2010 Census	% Change 2000-2010	2013 Estimates
Flandreau	2,114	2,311	2,376	2.8%	2,341	-1.5%	2,301
Moody Co.	6,692	6,507	6,595	1.4%	6,486	-1.7%	6,404

Source: Census Bureau

- ▶ According to the 2010 U.S. Census, the City of Flandreau had a slight population loss of 35 people from 2000 to 2010. Flandreau’s population was 2,341 in 2010. The 35-person decrease from 2000 was a population loss of 1.5%.
- ▶ Moody County’s population was 6,486 in 2010. This was a 109-person decrease from 2000, for a population loss of 1.7%.
- ▶ Flandreau and Moody County experienced population increases in the 1990s. Flandreau’s population increased by 65 people and Moody County’s population increased by 88 people from 1990 to 2000.
- ▶ The Census Bureau has released more recent information through its population estimates program. The most recent estimate for Flandreau is effective July 1, 2013, and shows the City losing 40 people between 2010 and 2013.
- ▶ A Census Bureau estimate also exists for Moody County. The 2013 estimate shows the County losing 82 people between 2010 and 2013. This estimate shows the County adding some residents through natural increase, as births have exceeded deaths in recent years. However, there has been a larger loss due to out-migration, as more people have moved out of the County than have moved in since the year 2010.
- ▶ ESRI, a private data reporting service used by the State of South Dakota, estimates the population in Flandreau at 2,311 people in 2014, 10 people higher than the 2013 Census Bureau estimate. Although ESRI shows a slightly larger population in the City, it also tracks a loss of residents when compared to the 2010 Census.

- ▶ ESRI's 2014 estimate for Moody County is 6,372 people, lower than the Census Bureau's 2013 estimate. If accurate, Moody County has lost 114 people between 2010 and 2014.
- ▶ According to the 2010 Census, 58 Flandreau residents live in group quarters. Most of these group quarters residents lived in a skilled nursing facility.
- ▶ Flandreau and Moody County's populations are racially diverse. Later in this section, information is provided on racial and ethnic attributes of the resident population and households.

Population by Age Trends: 2000 to 2010

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

Table 2 Population by Age - 2000 to 2010						
Age	Flandreau			Moody County		
	2000	2010	Change	2000	2010	Change
0-14	506	530	24	1,515	1,390	-125
15-19	199	125	-74	600	450	-150
20-24	128	142	14	284	309	25
25-34	267	302	35	730	715	-15
35-44	307	219	-88	1,013	749	-264
45-54	295	299	4	892	1,011	119
55-64	180	288	108	576	879	303
65-74	176	189	13	411	527	116
75-84	209	150	-59	410	299	-111
85+	109	97	-12	164	157	-7
Total	2,376	2,341	-35	6,595	6,486	-109

Source: U.S. Census

For many years, demographic analysts have been talking about the impact that is occurring as the large “baby boom” generation moves through the aging cycle. This trend has been evident in Flandreau and Moody County. Between 2000 and 2010, Moody County had a gain of 422 people in the age ranges between 45 and 64 years old. In 2010, nearly all of the baby boomers were within these age ranges. The aging of the baby boomers, as reflected in the numeric gain in the 55 to 64 year old age group of 303 people, was the largest change within any of the defined age cohorts.

Moody County also had growth of 25 people in the 20 to 24 age range and a gain of 116 people in the 75 to 84 age range.

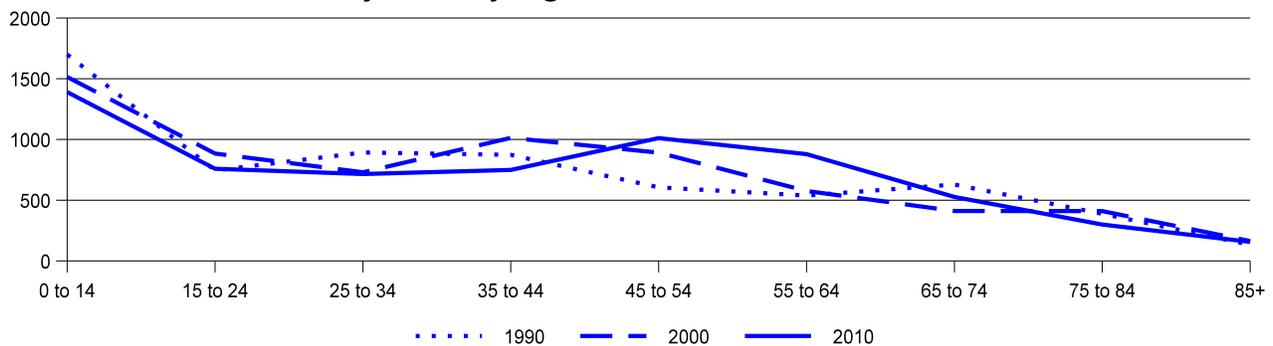
Moody County had significant losses of 275 people in the 0 to 19 age ranges, 279 people in the 25 to 44 age ranges and 118 people in the 75 and older age ranges.

Flandreau had population growth in the 0 to 14 age range, which increased by 24 people. The City also had a gain of 49 people in the 20 to 34 age ranges, and a gain of 125 people in the 45 to 74 age ranges.

Flandreau experienced a population loss of 74 people in the 15 to 19 age range, a loss of 88 people in the 35 to 44 age range and a loss of 71 people in the 75 and older age ranges.

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

Moody County Age Distribution: 1990 to 2010



Population Projections

The following table presents population projections using two different sources. Community Partners Research, Inc., has calculated population projections based on past patterns of population change. The other population projection has been issued by the South Dakota State Data Center for Moody County for the years 2015 and 2020.

Table 3 Population Projections Through 2015/2020					
	2010 Census	Community Partners Research, Inc.		State Data Center	
		2015 Projection	2020 Projection	2015 Projection	2020 Projection
Flandreau	2,341	2,327	2,315	N/A	N/A
Moody County	6,486	6,469	6,453	6,603	6,709

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

- ▶ The growth projections based on past growth trends, as calculated by Community Partners Research, Inc., show small population losses for the City of Flandreau and Moody County from 2010 to 2020.
- ▶ The projections for Flandreau forecast a decrease of 14 people from 2010 to 2015, and a loss of an additional 12 people from 2015 to 2020.
- ▶ Moody County’s population is projected to decrease by 17 people from 2010 to 2015 and decrease by another 16 people from 2015 to 2020.
- ▶ The State Data Center projects that the County will add people from 2010 to 2020. While this is certainly possible, there is no recent evidence to support this projection. Moody County lost population between 2000 and 2010. The most recent annual estimates from the Census Bureau show continued population loss after 2010. For the County to add population by 2015 and 2020, there would need to be a sudden reversal of the trends that have existed for more than 10 years.
- ▶ Population projections are also available from ESRI, although they only extend to the year 2019. ESRI expects that Flandreau’s population will be 2,279 people, slightly lower than the Community Partners Research, Inc., forecast. For Moody County, ESRI projects 6,263 residents, lower than the forecasts from Community Partners Research, Inc., or the State Data Center.

Household Data and Trends

Table 4 Household Trends - 1980 to 2010						
	1980 Households	1990 Households	2000 Households	% Change 1990-2000	2010 Households	% Change 2000-2010
Flandreau	878	927	986	6.4%	973	-1.3%
Moody County	2,385	2,398	2,526	5.3%	2,554	1.1%

Source: U.S. Census

- ▶ According to the 2010 U.S. Census, Flandreau had a slight household loss but Moody County had a small household gain from 2000 to 2010. Flandreau had 973 households in 2010. This was a decrease of 13 households from 2000, or a household loss of 1.3%.
- ▶ Moody County had 2,554 households in 2010. This was an increase of 28 households from 2000, or a household gain of 1.1%.
- ▶ Flandreau gained 59 households and Moody County gained 128 households during the 1990s.
- ▶ Although the Census Bureau does not issue annual household estimates, their population estimates for Moody County would translate into no household growth and possibly a small reduction in households after the year 2010.
- ▶ The 2014 estimate from ESRI shows 961 households in Flandreau, a decrease of 12 households from the 2010 Census.
- ▶ For all of Moody County, the 2014 ESRI estimate is 2,541 households, down by 13 households from the 2010 Census. Excluding the impact of Flandreau, ESRI believes that the remainder of the County has maintained a stable household level in recent years.

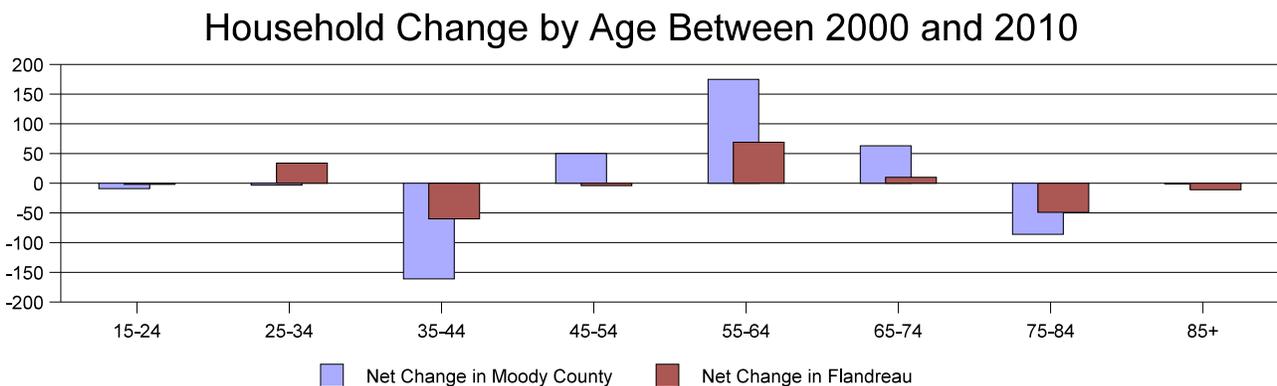
Household by Age Trends: 2000 to 2010

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

Table 5 Households by Age - 2000 - 2010						
Age	Flandreau			Moody County		
	2000	2010	Change	2000	2010	Change
15-24	62	60	-2	116	107	-9
25-34	129	163	34	365	362	-3
35-44	182	122	-60	560	399	-161
45-54	180	176	-4	506	556	50
55-64	111	180	69	333	508	175
65-74	112	122	10	258	321	63
75-84	145	96	-49	284	198	-86
85+	65	54	-11	104	103	-1
Total	986	973	-13	2,526	2,554	28

Source: U.S. Census

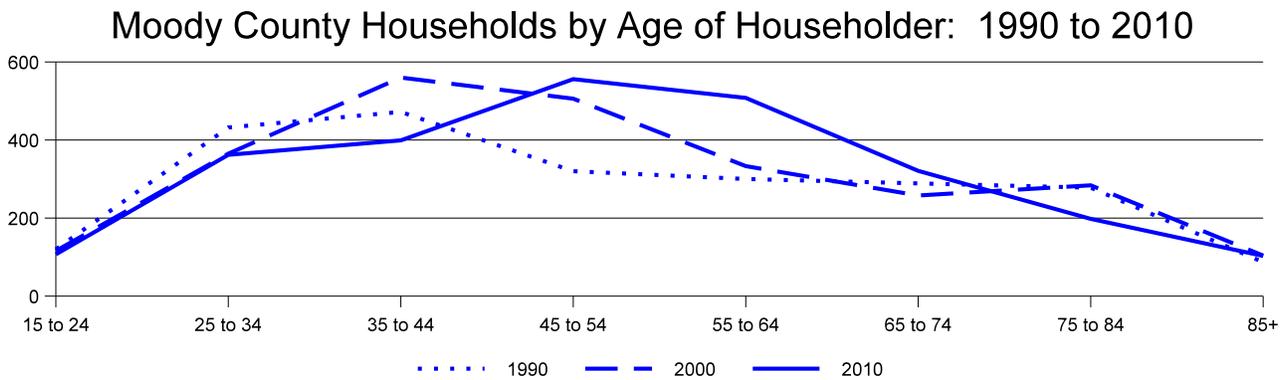
Flandreau added 34 households in the 25 to 34 year old age range, and 79 households in the 55 to 74 age ranges.



Flandreau had a decrease of two households in the 15 to 24 age range, a decrease of 64 households in the 35 to 54 age ranges and a loss of 60 households in the 75 and older age ranges.

Moody County had a loss of 173 households in the 44 and younger age ranges and a loss of 87 households in the 75 and older households. Moody County gained 288 households in the 45 to 74 age ranges.

As with the longer-term patterns for population, it is possible to track the progression of the baby boomer households over the past 30 years in Moody County, using Census information for households by the age of householder.



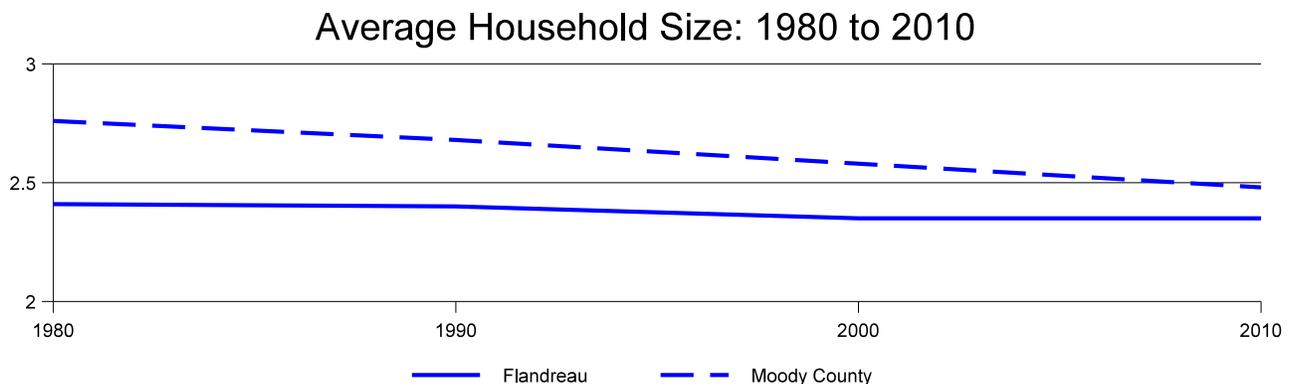
Average Household Size

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

Table 6 Average Number of Persons Per Household: 1990 to 2010				
	1980 Census	1990 Census	2000 Census	2010 Census
Flandreau	2.41	2.40	2.35	2.35
Moody County	2.76	2.68	2.58	2.48

Source: U.S. Census

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



The average household size in Moody County has decreased over the past three decades. Moody County’s average household size decreased from 2.76 in 1980 to 2.48 in 2010.

Flandreau’s average household size decreased between 1980 and 2000, but has remained unchanged from 2000 to 2010. In Flandreau, the average household size decreased from 2.41 persons per household in 1980 to 2.35 persons in 2000 and has remained at 2.35 from 2000 to 2010.

Household Projections

The following table presents household projections for Flandreau and Moody County. The calculations have been generated by Community Partners Research, Inc., and are based on the rate of change that was present between 2000 and 2010.

Table 7 Household Projections Through 2015/2020			
	2010 Census	2015 Projection	2020 Projection
Flandreau	973	979	985
Moody County	2,554	2,581	2,608

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

- ▶ The growth projections based on past growth trends estimate household gains for Flandreau and Moody County from 2010 to 2020.
- ▶ From 2010 to 2020, Flandreau is expected to add approximately 12 households, or one to two households in an average year.
- ▶ Moody County is projected to add approximately 54 households from 2010 to 2020, or five to six households in an average year.
- ▶ Household projections are also available from ESRI, although they only extend to the year 2019. ESRI expects that Flandreau will have 953 households in 2019, reflecting a loss of households when compared to the 2010 Census.
- ▶ For all of Moody County, ESRI projects 2,510 households in 2019, nearly 100 households lower than the forecast from Community Partners Research, Inc.

Household by Age Projections: 2010 to 2020

With the release of the 2010 Census, a new benchmark has been established for Moody County’s age-related statistics. In the following table, Community Partners Research, Inc., has generated age-based household projections for Moody County to the year 2020.

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

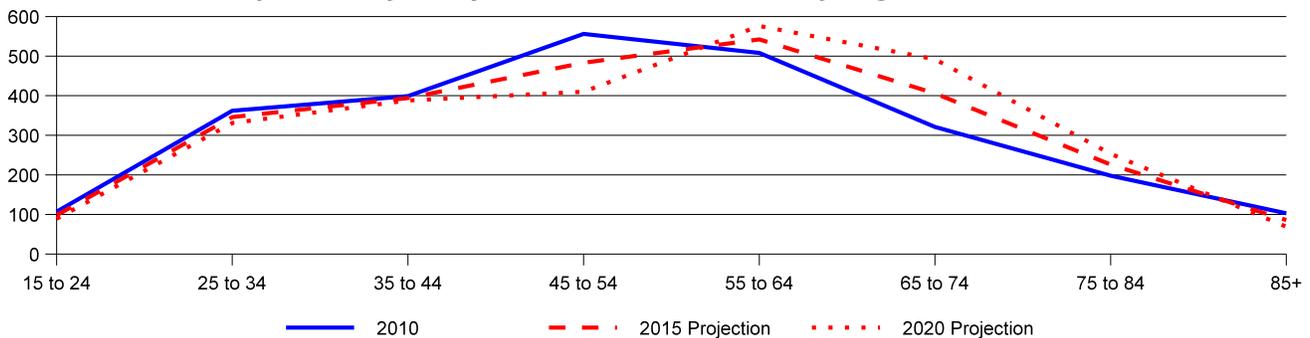
The projections assume that historical patterns will continue into the near-future, especially related to household formation and household size within specific age groups. If Moody County adds population at a rate that is faster or slower than past patterns would suggest, traditional age-based forecasts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

Table 8 Moody County Projected Households by Age - 2010 to 2020				
Age Range	2010 Census	Community Partner Research		
		2015 Projection	2020 Projection	Change from 2010 to 2020
15-24	107	98	89	-18
25-34	362	346	331	-31
35-44	399	394	388	-11
45-54	556	483	410	-146
55-64	508	542	576	68
65-74	321	406	492	171
75-84	198	226	253	55
85+	103	86	69	-34
Total	2,554	2,581	2,608	54

Source: U.S. Census; 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 County’s growth in households in the age ranges between 55 and 74 years old. Community Partners Research, Inc., projections indicate a gain of 239 households age 55 to 74 in Moody County from 2010 to 2020. Moody County is also projected to gain 55 households in the 75 to 84 age ranges.

Moody County Projected Households by Age: 2010 to 2015



Moody County is projected to lose 206 households in the 54 and younger age ranges. It is estimated that there will also be a loss of 34 households in the 85 and older age ranges.

Household by age projections from ESRI are not available on the State website. However, population by age forecasts are provided to the year 2019, and these can be compared to the aging trends presented above. ESRI expects a smaller County population in the age ranges 54 and younger, which is consistent with a smaller number of households in the younger adult age ranges.

ESRI expects all of the age ranges 55 and older to increase in size, with the largest numeric increase in the 65 to 74 year old group. This is also very consistent with the household by age forecasts presented above.

One difference is that ESRI projects a stable number of older seniors, age 85 and above in Moody County, while the Community Partners Research, Inc., projections expect a decreasing number of households within this oldest senior age range.

Households by Type

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

Table 9 Flandreau Household Composition - 2000 to 2010			
	2000 Census	2010 Census	Change
Family Households			
Married Couple with own children	174	122	-52
Single Parent with own children	127	136	9
Married Couple without own children	256	263	7
Family Householder without spouse	48	62	14
Total Families	605	583	-22
Non-Family Households			
Single Person	338	336	-2
Two or more persons	43	54	11
Total Non-Families	381	390	9

Source: U.S. Census

Between 2000 and 2010, Flandreau experienced an overall net decrease of 22 “family” households. There was a decrease of 52 married couple families that had their own children in the household. The City had a gain of nine single parent with children households, a gain of seven married couples without children households and a gain of 14 family householder without spouse households.

The City of Flandreau had a gain of nine “non-family” households. There was a decrease of two one-person households. However, there was an increase of 11 households that had unrelated individuals living together.

Housing Tenure

The 2010 Census provided an updated look at housing tenure patterns. The following tables examine tenure rates, along with changes that have occurred.

Table 10 Household Tenure - 2010				
	Number of Owners	Percent of all Households	Number of Renters	Percent of all Households
Flandreau	569	58.5%	404	41.5%
Moody County	1,900	74.4%	654	25.6%
State	-	68.1%	-	31.9%

Source: U.S. Census

According to the 2010 Census, the ownership tenure rate in Flandreau was 58.5% and Moody County's ownership rate was 74.4% in 2010. Flandreau's rental tenure rate of 41.5% was well above the Statewide rate of 31.9% renter households.

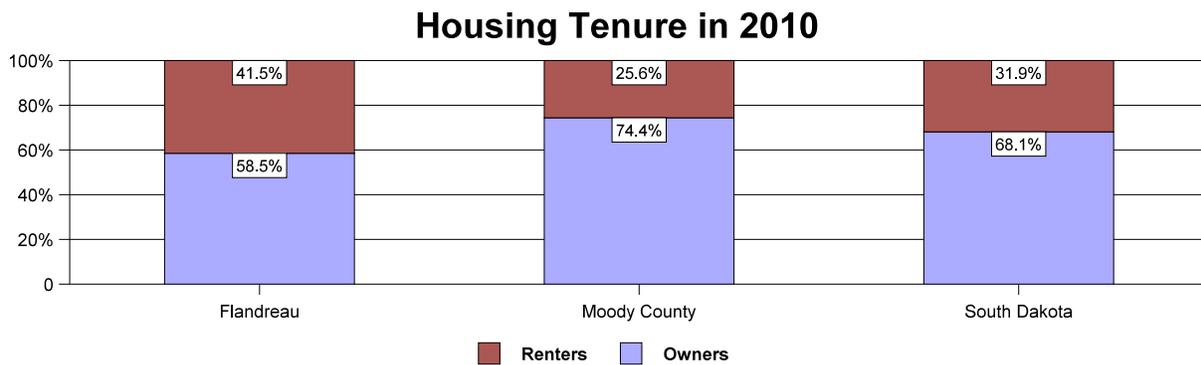


Table 11 Households by Housing Tenure - 2000 to 2010						
Tenure	Flandreau			Moody County		
	2000	2010	Change	2000	2010	Change
Owners	583/59.1%	569/58.5%	-14	1,835/72.6%	1,900/74.4%	65
Renters	403/40.9%	404/41.5%	1	691/27.4%	654/25.6%	-37
Total	986	973	-13	2,526	2,554	28

Source: U.S. Census

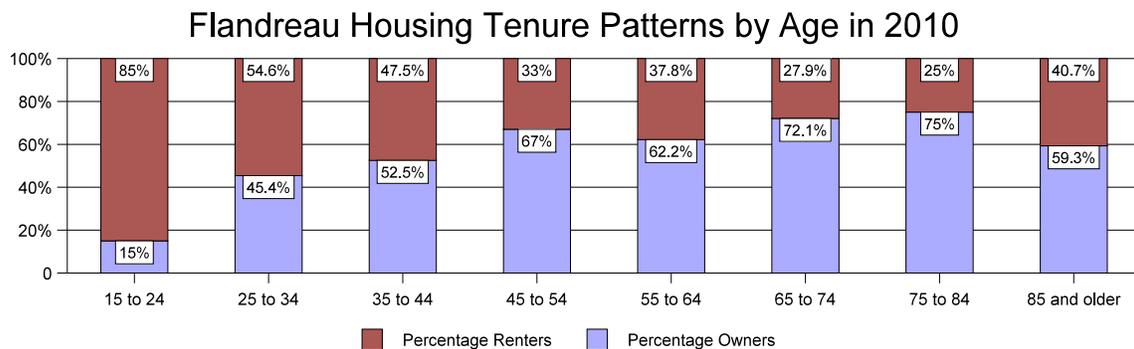
The City of Flandreau's ownership tenure rate decreased slightly from 59.1% in 2000 to 58.5% in 2010. For Moody County, the ownership tenure rate increased from 72.6% in 2000 to 74.4% in 2010.

Tenure by Age of Householder

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

Table 12 Flandreau Tenure by Age of Householder - 2010				
Age	Owners		Renters	
	Number	Percent within age	Number	Percent within age
15-24	9	15.0%	51	85.0%
25-34	74	45.4%	89	54.6%
35-44	64	52.5%	58	47.5%
45-54	118	67.0%	58	33.0%
55-64	112	62.2%	68	37.8%
65-74	88	72.1%	34	27.9%
75-84	72	75.0%	24	25.0%
85+	32	59.3%	22	40.7%
Total	569	58.5%	404	41.5%

Source: U.S. Census



While Flandreau has a high percentage of renter households, within the defined age ranges, typical tenure patterns were present. Households at the youngest end of the age spectrum showed greater preference for rented housing, while middle-aged adult households were primarily homeowners. Approximately 85% of households age 24 and younger rented their unit, approximately 55% of the households in the 25 to 34 age range were renters. Approximately 41% of households age 85 and older were renters. Home ownership rates for each of the other 10-year age cohorts between 45 and 84 were above 62%.

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 trends for housing unit needs. The following table provides information for Flandreau.

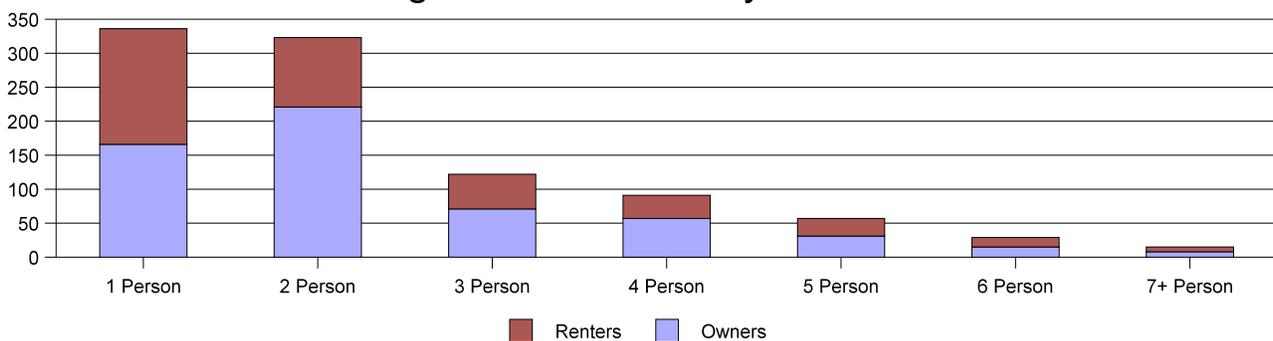
Table 13 Flandreau Tenure by Household Size - 2000 to 2010						
Household Size	Owners			Renters		
	2000	2010	Change	2000	2010	Change
1-Person	157	166	9	181	170	-11
2-Person	226	221	-5	82	102	20
3-Person	97	71	-26	58	51	-7
4-Person	53	57	4	44	34	-10
5-Person	29	31	2	22	26	4
6-Person	15	15	0	7	14	7
7-Persons+	6	8	2	9	7	-2
Total	583	569	-14	403	404	1

Source: U.S. Census

From 2000 to 2010, there was a decrease of 14 of owner households and an increase of one renter household in Flandreau. There was an increase of nine one-person owner households. There was a decrease of 31 owner households with two or three household members. There was an increase of eight owner households with four or more household members.

There was a net loss of eight renter households with four or less people and a net gain of nine households with five or more people. Approximately 67% of the renter households in Flandreau were one or two person households in 2010.

Flandreau Housing Tenure Patterns by Household Size in 2010



2012 Income Data

The 2010 Census did not collect information on household income. However, estimates are available at the city and county level through the 2012 American Community Survey.

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

Table 14 Median Household Income - 2000 to 2012			
	2000 Median	2012 Median	% Change
Flandreau	\$31,090	\$44,359	42.7%
Moody County	\$35,467	\$50,949	43.7%
South Dakota	\$35,271	\$46,369	31.5%

Source: U.S. Census; 2012 ACS 5-year survey

Table 15 Median Family Income - 2000 to 2012			
	2000 Median	2012 Median	% Change
Flandreau	\$40,272	\$50,185	24.6%
Moody County	\$41,623	\$62,974	51.3%
South Dakota	\$43,237	\$58,958	36.4%

Source: U.S. Census; 2012 ACS 5-year survey

Information contained in the 2012 American Community Survey shows that the median household and family incomes have increased substantially from 2000 to 2012 in Flandreau and Moody County. Moody County's median levels are above the State of South Dakota's median incomes.

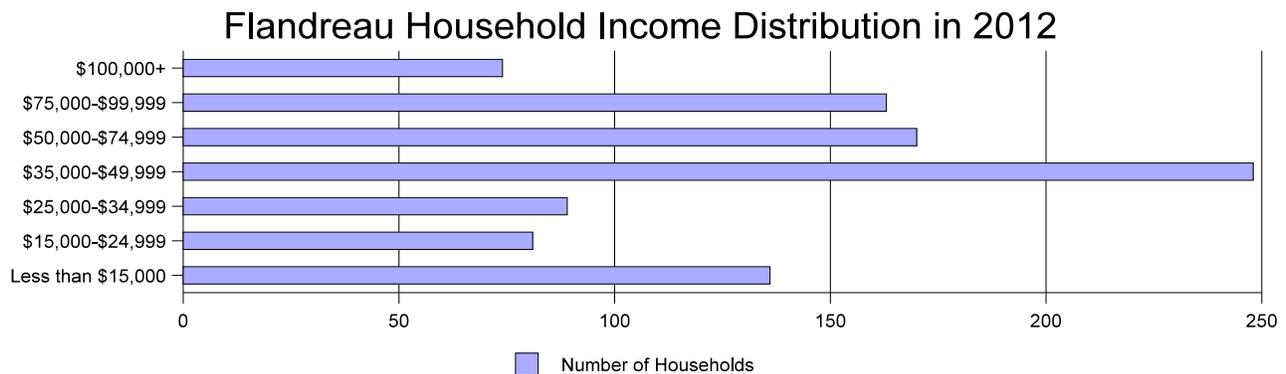
Generally, family household incomes tend to be higher than the overall household median, as families have at least two household members, and potentially more income-earners. Using the commonly accepted standard that up to 30% of gross income can be applied to housing expenses without experiencing a cost burden, a median income household in Flandreau could afford approximately \$1,109 per month and a median income family household could afford \$1,255 per month for ownership or rental housing in 2012.

Flandreau Household Income Distribution

The 2012 American Community Survey household income estimates for Flandreau can be compared to the same distribution information from 2000 to examine changes that have occurred over the past decade.

Household Income	Number of Households 2000	Number of Households in 2012	Change 2000 to 2012
\$0 - \$14,999	211	136	-75
\$15,000 - \$24,999	186	81	-105
\$25,000 - \$34,999	164	89	-75
\$35,000 - \$49,999	193	248	55
\$50,000 - \$74,999	150	170	20
\$75,000 - \$99,999	47	163	116
\$100,000+	41	74	33
Total	992	961	-31

Source: 2000 Census; 2012 ACS



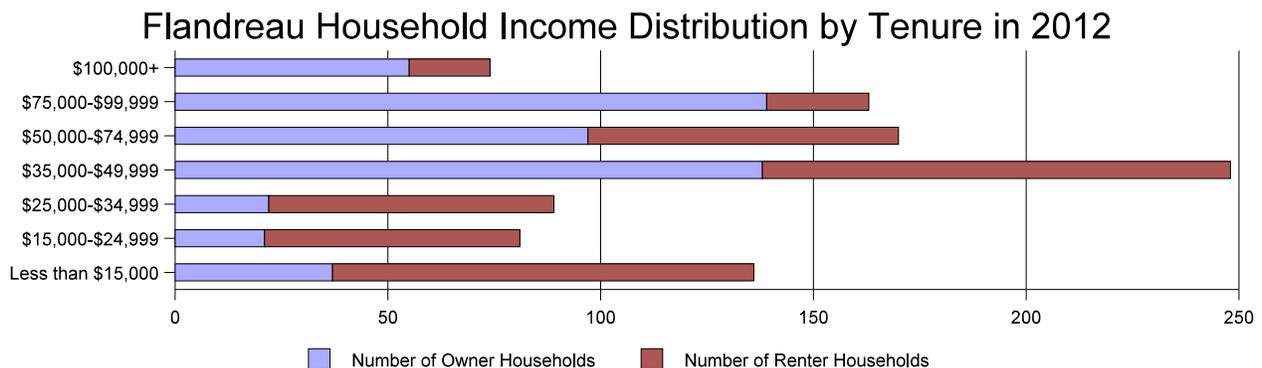
According to income estimates contained in the 2012 American Community Survey, household incomes have improved in Flandreau in the highest income ranges. When compared to the 2000 Census (1999 income), the number of households with an income of \$35,000, or more, increased by 224 households. Conversely, the number of households with annual incomes under \$35,000 decreased by 255 households. Although there was a decrease in the number of households in the lower income ranges, there were still 217 households with an annual income below \$25,000 in 2012, which represented 22.6% of all households in Flandreau.

Flandreau Income Distribution by Housing Tenure

The 2012 American Community Survey provides income data by owner and renter status. The following table examines income distribution in Flandreau. 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 reported income information on 961 households and the U.S. 2010 Census reported that there are 973 households in Flandreau.

Household Income	Number of Owner Households	Number of Renter Households	Total Households
\$0 - \$14,999	37/27.2%	99/72.8%	136
\$15,000 - \$24,999	21/25.9%	60/74.1%	81
\$25,000 - \$34,999	22/24.7%	67/75.3%	89
\$35,000 - \$49,999	138/55.6%	110/44.4%	248
\$50,000 - \$74,999	97/57.1%	73/42.9%	170
\$75,000 - \$99,999	139/85.3%	24/14.7%	163
\$100,000+	55/74.3%	19/25.7%	74
Total	509	452	961

Source: 2012 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 2012, approximately 35% of all renter households in Flandreau had an annual income below \$25,000. At 30% of income, these households would have \$625, or less, that could be applied to monthly housing costs. The median income for all renter households was approximately \$35,000 in 2012. At 30% of income, a renter at the median level could afford approximately \$875 per month or less for housing costs.

Most owner households had a higher income level than rental households. Approximately 57% of all owner households had an annual income of \$50,000 or more. The estimated median household income for owners in 2012 was approximately \$60,000. At 30% of income, an owner at the median income level could afford approximately \$1,500 per month for housing costs.

2012 Estimated Income and Housing Costs - Renters

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

Table 18 Gross Rent as a Percentage of Household Income - 2012			
Percent of Income for Housing	Households Age 64 and Younger	Households Age 65 and Older	Total
Less than 20%	313/53.0%	32/22.2%	345/46.9%
20% to 29.9%	130/22.0%	34/23.6%	164/22.3%
30% to 34.9%	49/8.3%	7/5.0%	56/7.6%
35% or more	56/9.5%	41/28.4%	97/13.2%
Not Computed	43/7.2%	30/20.8%	73/10.0%
Total	591	144	735

Source: 2012 American Community Survey

According to the American Community Survey, approximately 21% of all renters in the City were paying 30% or more of their income for rent. The large majority of these households were actually paying 35% or more of their income for housing. Federal standards for rent subsidy programs generally identify 30% of 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 Flandreau 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 \$25,000. To avoid a cost burden, these lower income households would have needed a unit with a gross monthly rent of \$625 or less.

Senior citizen renters (age 65 and older) represented approximately 31% of all households with a rental cost burden. Households in the age ranges between 15 and 64 years old represented approximately 69% of all households with a rental cost burden.

2012 Estimated Income and Housing Costs - Owners

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

Table 19 Ownership Costs as a Percentage of Income - Flandreau		
Percentage of Household Income for Housing Costs	Number of Owner Households 2012	Percent of All Owner Households 2012
0% to 19.9%	361	70.9%
20% to 29.9%	79	15.6%
30% to 34.9%	20	3.9%
35% or more	49	9.6%
Not Computed	0	0%
Total	509	100%

Source: 2012 ACS

The 2012 American Community Survey underestimated the number of owner households in the City of Flandreau by 60 households. 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 20% of their income for housing. However, approximately 14% of all home owners reported that they paid more than 30% of their income for housing. Most of these households were paying more than 35% of income for housing costs.

Flandreau Population by Race/Ethnicity

The following table provides some basic information from the 2000 and 2010 Census about households by race and by ethnicity in the City of Flandreau.

Table 20 Population by Race/Ethnicity in Flandreau - 2000 to 2010			
	2000 Population	2010 Population	% Change 2000 to 2010
Race			
White	1,678	1,504	-10.4%
Black/African American	11	11	0%
Native American/Alaskan	592	649	9.6%
Asian/Pacific Islander	29	53	82.8%
Other Race/Two or More Races	66	124	87.9%
Total	2,376	2,341	-1.5%
Ethnicity			
Hispanic/Latino	25	83	232.0%
Non-Hispanic/Latino	2,351	2,258	-4.1%
Total	2,376	2,341	-1.5%

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

- ▶ Flandreau’s White population decreased by 174 people from 2000 to 2010.
- ▶ The Black/African American population did not change, the Native American population gained 57 people, the Asian population gained 24 people and Other Race/Two or More Races added 58 people from 2000 to 2010.
- ▶ The Two or More Races population consists primarily of people who identified themselves as White and Native American.
- ▶ The City also added 58 Hispanic/Latino households between 2000 and 2010.

Moody County Population by Race/Ethnicity

The following table provides some basic information from the 2000 and 2010 Census about population by race and by ethnicity in Moody County.

Table 21 Population by Race/Ethnicity in Moody County - 2000 to 2010			
	2000 Population	2010 Population	% Change 2000 to 2010
Race			
White	5,600	5,256	-6.1%
Black/African American	19	33	73.7%
Native American/Alaskan	792	909	14.8%
Asian/Pacific Islander	37	70	89.2%
Other Race/Two or More Races	147	218	48.3%
Total	6,595	6,486	-1.7%
Ethnicity			
Hispanic/Latino	50	111	122.0%
Non-Hispanic/Latino	6,545	6,375	-2.7%
Total	6,595	6,486	-1.7%

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

- ▶ Moody County’s White population decreased by 344 people from 2000 to 2010. The Black/African American population increased by 14 people, the Native American population increased by 117 people, the Asian population increased by 33 people and the Other race/two or more race populations increased by 71 people.
- ▶ The two or more races population consists primarily of people who identified themselves as White and Native American.
- ▶ Moody County’s Hispanic/Latino population increased by 61 people from 2000 and 2010.

Flandreau Households by Race/Ethnicity

The following table provides some basic information from the 2000 and 2010 Census about households by race and by ethnicity in the City of Flandreau.

Table 22 Households by Race/Ethnicity in Flandreau - 2000 to 2010			
	2000 Households	2010 Households	% Change 2000 to 2010
Race			
White	767	697	-9.1%
Black/African American	3	2	-33.3%
Native American/Alaskan	192	223	16.2%
Asian/Pacific Islander	6	14	133.3%
Other Race/Two or More Races	18	37	105.6%
Total	986	973	-1.3%
Ethnicity			
Hispanic/Latino	6	22	266.7%
Non-Hispanic/Latino	980	951	-3.0%
Total	986	973	-1.3%

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

- ▶ From 2000 to 2010, the City of Flandreau had a decrease of 70 White households and one Black/African American household. The City added 31 Native American households, eight Asian households and 19 Other Race/Two or More Races households from 2000 to 2010.
- ▶ The City added 16 Hispanic/Latino households between 2000 and 2010.

Moody County Households by Race/Ethnicity

The following table provides some basic information from the 2000 and 2010 Census about households by race and by ethnicity in Moody County.

Table 23 Households by Race/Ethnicity in Moody County - 2000 to 2010			
	2000 Households	2010 Households	% Change 2000 to 2010
Race			
White	2,217	2,175	-1.9%
Black/African American	5	5	0%
Native American/Alaskan	257	300	16.7%
Asian/Pacific Islander	7	17	142.9%
Other Race/Two or More Races	40	57	42.5%
Total	2,526	2,554	1.1%
Ethnicity			
Hispanic/Latino	12	29	141.7%
Non-Hispanic/Latino	2,514	2,525	0.4%
Total	2,526	2,554	1.1%

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

- ▶ From 2000 to 2010, Moody County decreased by 42 White households and the number of Black/African American households has not changed. Moody County added 43 Native American households, 10 Asian households and 17 Other Race/Two or More Races households from 2000 to 2010.
- ▶ The County added 17 Hispanic/Latino households between 2000 and 2010.

Flandreau Household Tenure by Race/Ethnicity

The following table presents race/ethnicity household tenure information for the City of Flandreau from the 2010 Census.

Table 24 Household Tenure by Race/Ethnicity in Flandreau: 2010				
Race/Ethnicity	Owner Households		Renter Households	
	Number	Percent	Number	Percent
Race				
White	490	70.3%	207	29.7%
Black/African American	0	0%	2	100%
Native American/Alaskan	65	29.1%	158	70.9%
Asian/Pacific Islander	8	57.1%	6	42.9%
Other Race/Two or More Races	6	16.2%	31	83.8%
Total	569	58.5%	404	41.5%
Ethnicity				
Hispanic/Latino	3	13.6%	19	86.4%
Non-Hispanic/Latino	566	59.5%	385	40.5%
Total	569	58.5%	404	41.5%

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

- ▶ The highest rate of home ownership in 2010 was among White households at 70.3%.
- ▶ The Native American home ownership rate was 29.1% and the Asian home ownership rate was 57.1%. There were only two Black/African American households and both were renters.
- ▶ The other race/two or more race household home ownership rate was 16.2%.
- ▶ The Hispanic/Latino home ownership rate in 2010 was 13.6%.

Moody County Household Tenure by Race/Ethnicity

The following table presents race/ethnicity household tenure information for Moody County from the 2010 Census.

Table 25 Household Tenure by Race/Ethnicity in Moody County: 2010				
Race/Ethnicity	Owner Households		Renter Households	
	Number	Percent	Number	Percent
Race				
White	1,751	80.5%	424	19.5%
Black/African American	0	0%	5	100%
Native American/Alaskan	118	39.3%	182	60.7%
Asian/Pacific Islander	10	58.8%	7	41.2%
Other Race/Two or More Races	21	36.8%	36	63.2%
Total	1,900	74.4%	654	25.6%
Ethnicity				
Hispanic/Latino	8	27.6%	21	72.4%
Non-Hispanic/Latino	1,892	73.6%	633	26.4%
Total	1,900	74.4%	654	25.6%

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

- ▶ The home ownership rate among White households was 80.5% in 2010. The Asian home ownership rate was 58.8%, the Native American home ownership rate was 39.3%, and the Other Race/Two or More Races home ownership rate was 36.8%. There were only five Black/African American households and all five were renters.

- ▶ The Hispanic/Latino home ownership rate in 2010 was 27.6%.

Occupancy Status of Housing Units - 2010

Table 26 Occupancy Status of Housing Units - 2010						
	Occupied Units		Vacant Units			
	Owner	Renter	For Rent	For Sale	Seasonal Use	Other Vacant
Flandreau	569	404	65	11	7	35
Moody Co.	1,900	654	84	35	33	118

Source: U.S. Census

- ▶ In 2010, according to the U.S. Census, there were 33 seasonal housing units in Moody County including seven units in Flandreau.
- ▶ There were 237 vacant housing units in Moody County in 2010 in addition to the seasonal units, including 111 units in Flandreau.

Existing Home Sales

This section examines houses that have been sold in Flandreau from 2009 through 2013. It is important to note that the number of houses that have sold is limited, and may not be an accurate indicator of overall home values in the City of Flandreau. However, this sample does provide some insight into those units that have turned-over during this time period.

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

Table 27 Median Value of Recent Residential Sales - 2009 and 2013			
	Number of Good Sales	Median Sale Price	Average Sale Price
2013	19	\$95,000	\$93,174
2012	25	\$69,000	\$83,856
2011	24	\$76,250	\$73,221
2010	35	\$88,000	\$83,120
2009	19	\$59,900	\$70,911

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

- ▶ From 2009 through 2013, there were 122 improved residential sales of single family houses in Flandreau that were considered to be “arms length” transactions, according to the Moody County Director of Equalization. Sales that are not “arms length” include, but are not limited to, sales between relatives, forced sales and foreclosures, and estate transfers that are not available on the open market. Only the “arms length” transactions have been reviewed for this study.
- ▶ The median sales price for the 19 residential sales in Flandreau in 2013 was \$95,000. The highest valued sale was for \$200,000 and the lowest valued sale was for \$16,000.
- ▶ The median sales price for the 25 residential sales in Flandreau in 2012 was \$69,000. The highest valued sale was for \$275,000 and the lowest valued sale was for \$9,000.

- ▶ The median sales price for the 24 residential sales in Flandreau in 2011 was \$76,250. The highest valued sale was for \$147,000 and the lowest valued sale was for \$17,000.
- ▶ The median sales price for the 35 residential sales in Flandreau in 2010 was \$88,000. The highest valued sale was for \$189,999 and the lowest valued sale was for \$15,000.
- ▶ The median sales price for the 19 residential sales in Flandreau in 2009 was \$59,900. The highest valued sale was for \$153,500 and the lowest valued sale was for \$13,000.

Flandreau Housing Condition

Community Partners Research, Inc. representatives conducted a visual 'windshield' survey of 177 single family/duplex houses in two of Flandreau's oldest neighborhoods.

The boundaries of the two neighborhoods are as follows:

- ▶ Neighborhood #1: North - Bridge Ave.
South - 1st Ave.
East - Crescent St.
West - Wilson St.

- ▶ Neighborhood #2: North - Broad St.
South - 3rd Ave.
East - Summit St.
West - Prairie St.

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

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

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

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

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

Table 28 Windshield Survey Condition Estimate - 2012

	Sound	Minor Repair	Major Repair	Dilapidated	Total
Neighborhood #1	30/27.0%	37/33.3%	38/34.3%	6/5.4%	111
Neighborhood #2	17/25.8%	25/37.9	20/30.3%	4/6.0%	66
Total	47/26.6%	62/35.0%	58/32.7%	10/5.7%	177

Source: Community Partners Research, Inc.

- ▶ The existing housing stock in the two neighborhoods that were surveyed in Flandreau is in fair to good condition. Approximately 35% of the houses in the City's two oldest neighborhoods need minor repair and 33% need major repair. Approximately 27% are sound, with no required improvements. Ten houses are dilapidated and possibly beyond repair.

Building Permit Trends

Flandreau has had some new housing construction activity in recent years. The following table identifies the units that have been permitted from 2000 to 2013.

Table 29 Flandreau Housing Unit Construction Activity: 2000 to 2013			
Year	Single Family	Twinhomes/Townhomes	Total Units Constructed
2013	1	0	1
2012	2	0	2
2011	3	0	3
2010	2	0	2
2009	2	0	2
2008	1	0	1
2007	5	0	5
2006	4	4	8
2005	2	4	6
2004	4	4	8
2003	1	0	1
2002	1	0	1
2001	2	0	2
2000	2	0	2
TOTAL	32	12	44

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

Over the past 14 years, 44 new housing units have been constructed in Flandreau, based on building permit issuance. Thirty-two of these units are identified as single family homes and 12 units are attached units such as twin homes/townhomes. The attached units include the 10-unit project developed by the Flandreau Development Corporation. Some additional housing is not included in the table above, including a 16-unit independent senior rental project that was constructed for Tribal members, and Edgewood Vista expanded by adding seven assisted living units.

Much of the new single family construction occurred between 2004 and 2007. During this four-year period, the City averaged approximately six to seven new units per year. After 2007, housing construction activity slowed, and the City has averaged approximately two new units per year from 2008 to 2013.

Rental Housing Data

Census Bureau Rental Inventory

According to the 2010 U.S. Census, there were 404 occupied rental units and 66 unoccupied rental units in Flandreau, for a total estimated rental inventory of 470 units. The City's rental tenure rate in 2010 was 41.5%, substantially above the Statewide rental rate of 31.9%.

At the time of the 2000 Census, Flandreau had 403 occupied rental units, and 47 vacant rental units, for a total estimated rental inventory of 450 units. The rental tenure rate in 2000 was 40.9%.

Based on a Census comparison, the City gained one renter-occupancy household, and approximately 20 rental units from 2000 to 2010.

Rental Housing Survey

As part of this housing study, a telephone survey was conducted of multifamily projects in Flandreau. 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. However, we also obtained some information on smaller rental projects and single family homes.

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

There were 269 housing units of all types that were contacted in the survey. In addition to the 269 rental units, the nursing home, which has 60 beds, was surveyed.

The units that were successfully contacted include:

- ▶ 91 market rate units
- ▶ 64 federally subsidized units
- ▶ 43 senior independent/assisted living units
- ▶ 60 beds in the nursing home
- ▶ 71 tribal rental housing units

The findings of the survey are provided below.

Market Rate Summary

Information was obtained on 70 rental units in 13 projects. We also obtained information on 21 single family homes, for a total of 91 total market rate rental units.

Unit Mix

The bedroom mix of the 91 market rate units in the five projects that we surveyed is:

- ▶ one-bedroom - 29 (31.9%)
- ▶ two-bedroom - 52 (57.1%)
- ▶ three-bedroom - 6 (6.6%)
- ▶ four-bedroom - 4 (4.4%)

Occupancy / Vacancy

At the time of the survey, there was only one vacancy in the 91 market rate units that were surveyed. This is a vacancy rate of 1.1%. There were, however, nine units that were vacant due to renovations. Many rental property owners and managers reported high demand for market rate rental units.

Rental Rates

The rental rates in the rental projects that were surveyed range from \$220 to \$425 plus utilities for a one-bedroom unit, \$250 to \$450 plus utilities for a two-bedroom unit, \$350 to \$450 plus utilities for a three-bedroom unit and \$450 plus utilities for a four-bedroom unit.

Tax Credit Summary

There are no tax credit units in Flandreau.

Subsidized Summary

The research completed for this Study identified three subsidized projects (not including Tribal) providing rental opportunities for lower income households. These projects have a combined 64 units. Two projects are general occupancy rental housing and one rental project is for senior/disabled tenants.

There were two additional subsidized Rural Development projects, Fairwood Apartments with eight two-bedroom units, and Lafayette Apartments with 12 one-bedroom units. These two projects opted out of the Rural Development subsidy and converted to market rate units.

The three subsidized rental projects in Flandreau include:

- ▶ **Boulder Heights Apartments** - Boulder Heights Apartments is a 16-unit general occupancy USDA Rural Development project. The 16 units include two one-bedroom units and 14 two-bedroom units. The project was constructed in 1975.
- ▶ **Four Winds Apartments** - Four Winds Apartments is a 16-unit USDA Rural Development Senior/Disabled Project. The 16 units are all two-bedroom units. The project was constructed in 1980.
- ▶ **Foxcroft I & II Apartments** - Foxcroft I & II Apartments is a 32-unit USDA Rural Development General Occupancy project. The 32 units are in four eight-unit buildings and include eight one-bedroom units and 24 two-bedroom units.

The City's subsidized units have access to project-based rent assistance. These units can charge rent based on 30% of the tenant's household income up to a maximum rent. Several tenants in the subsidized units are paying the maximum rent.

Unit Mix

The bedroom mix breakdown for the 64 subsidized housing units in Flandreau is as follows:

- ▶ one-bedroom 26 (40.6%)
- ▶ two-bedroom 38 (59.4%)
- ▶ three-bedroom 0 (0%)

Occupancy / Vacancy

There were 12 unoccupied units that were identified in the subsidized projects, which is a 18.8% vacancy rate. Eight vacancies were in Foxcroft I & II Apartments. Four Winds Apartments reported four vacancies. Boulder Heights Apartments reported no vacancies.

Subsidized Housing Gains/Losses

Federal subsidy sources for low income rental housing have been very limited for the past few decades. The three subsidized projects in Flandreau were constructed in the 1970s, 1980s and early 1990s. Some of the older projects in the State of South Dakota have completed their compliance requirements and have the opportunity to leave their subsidy program and convert to conventional rental housing.

Two Flandreau Rural Development Projects, Fairwood Apartments and Lafayette Apartments, with a total of 20 units have previously opted out of the subsidy program and converted to conventional rental housing. At this time, we are not aware of any additional projects that are considering opting out of their subsidy program.

Housing Choice Vouchers

In addition to subsidized rental projects, Flandreau and Moody County households have access to the Housing Choice Voucher Program. The Brookings Housing and Redevelopment Commission administers the Housing Voucher Program in Flandreau and Moody County.

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

Currently, the Brookings Housing and Redevelopment Commission has issued Vouchers to approximately 10 to 15 Flandreau households. Currently, there is a short waiting list for a Housing Choice Voucher.

Senior Housing with Services

Unit Inventory

There are four senior housing with services rental projects in Flandreau, which include: a 16-unit light services project, a 23-unit assisted living facility, a four-bed assisted living project and a 60-bed nursing home. A summary of these facilities is as follows:

Riverview Apartments - Riverview Apartments is a 16-unit independent/light services living facility that includes 12 one-bedroom and four two-bedroom units. Tenants can rent a unit and live independently with no services or purchase services including meals, housekeeping and laundry. Rent is \$900 for a one-bedroom unit and \$1,300 for a two-bedroom unit. There are fees for additional services. At the time of the survey, there were two vacancies.

Riverview Health Services Assisted Living - Riverview Health Services Assisted Living includes four beds. Currently, all four beds are occupied. The four assisted living beds are located in the Riverview Manor nursing home. The assisted living residents have access to the full array of assisted living services.

Riverview Manor Nursing Home - The Riverview Manor Nursing Home is licensed as a 60-bed skilled nursing facility. The facility has a 95% to 98% occupancy rate. Fees are based on the level of services.

Edgewood Vista - Edgewood Vista is a 23-unit assisted living facility. Many of the units are utilized as single occupancy, but could be double occupancy. Recently, Edgewood Vista constructed a seven-unit expansion that has a capacity for 11 residents. Tenants pay a base rent and also pay for services based on the level of services they need. The facility provides all senior assisted living services including meals, medication management, laundry, housekeeping, bathing, 24-hour staffing, etc. Edgewood Vista is not a lockdown facility but the doors do have buzzers. It is licensed for memory care and does have residents with memory impairments. The Director reports two vacant units and the facility has had vacancies since the expansion.

In addition to these senior with services projects, Tate Win Independent Senior Living provides senior apartments for Tribal members. More detailed information on this facility is provided in the following Tribal Rental Housing Section.

Tribal Rental Housing

The Flandreau Santee Sioux Reservation owns and manages four rental housing projects. These projects include:

- ▶ **General Occupancy HUD Rental Units** - The General Occupancy HUD Rental Units total 37 two, three and four-bedroom units in three duplexes and 31 single family homes. Tenants must be Native American and tribal members have preference. The units are all fully occupied and there is a waiting list.
- ▶ **Walking Shield Rental Units** - The Walking Shield Rental Units include six units in three duplexes. All six units are three-bedroom with 1.5 bathrooms. The units were Air Force housing that were moved onto Tribal land. There were two additional duplexes, but they were destroyed by a tornado. Tenants must be Native American and tribal members have a preference. The units are fully occupied and there is a waiting list.
- ▶ **Senior/Disabled HUD Rental Units** - The Senior/Disabled HUD Rental Units include 10 one-bedroom and five two-bedroom units for a total 15 units. The 15 units are in three apartments buildings. Tenants must be senior or disabled and Native American. Tribal members have a preference. The units are fully occupied and there is a waiting list.
- ▶ **Tate Win Independent Senior Living** - Tate Win Independent Senior Living is a 16-unit senior independent living facility that was constructed in 2009 and 2010. All 16 units have two bedrooms. The units are furnished and include garages. The facility does not provide senior services, however, meals are provided at the Community Center, which is adjacent to Tate Win. To be eligible for residency, individuals must be 62 or older, tribal members and currently living on the Reservation. The rent is \$250 per month, which includes utilities. Currently, there are six vacant units.

Table 30 Flandreau Multifamily Rental Housing Inventory

Name	Number of Units / Bedroom Mix	Rent	Vacancy/ Wait List	Tenant Mix	Comments
Market Rate					
Fairwood Apartments	<u>8 - 2 bedroom</u> 8 total units	\$450 + electricity	No vacancies	General occupancy	Fairwood Apartments is a market rate project that was previously a Rural Development Project. The project was constructed in the early 1970s. New owners purchased the project three years ago and opted out of the Rural Development subsidy. The new owners renovated the units. The rent is \$450 plus electricity. Three tenants are utilizing the Housing Choice Voucher Program. The owner reports no vacancies.
Prairie Garden Apartments	<u>12 - 1 bedroom</u> 12 total units	\$400 + heat and electricity	No vacancies	General occupancy	Prairie Garden Apartments is a market rate general occupancy project that was previously a Rural Development Project called Lafayette Apartments. New owner purchased the property three years ago and opted out of the Rural Development subsidy. Three of the 12 units are unoccupied due to renovation. The other nine units are fully occupied. Rent is \$400 plus heat and electricity.
Crescent Street Apartments	<u>4 - 2 bedroom</u> 4 total units	\$350-\$400 + electricity	No vacancies	General occupancy	Crescent Street Apartments is a four-plex with four two-bedroom units. Owner reports no vacancies. Rents range from \$350 to \$400 plus electricity.
115 & 117 E 2 nd Ave	<u>3 - 1 bedroom</u> <u>1 - 2 bedroom</u> 4 total units	\$220 \$400 + utilities	No vacancies	General occupancy	Four units on the upper floor of a Downtown mixed-use building. Rents range from \$220 for a small one-bedroom unit to \$400 for a two-bedroom unit. Tenants pay utilities. Owner reports no vacancies, but one unit is currently unoccupied due to renovation.
Sutton 4-plex	<u>4 - 2 bedroom</u> 4 total units	\$435 + utilities	No vacancies	General occupancy	Four-plex constructed in 1972. All four units have two bedrooms. Rent is \$435 plus utilities. Rent includes a garage. Owner reports no vacancies and the units have long-term tenants.
107-109 North Bates Triplex	<u>3 - 2 bedroom</u> 3 total units	N/A	No vacancies	General occupancy	Triplex with three two-bedroom units. Units are fully occupied. Owner did not provide rent information.
316 E Pipestone	<u>4 - 1 bedroom</u> 4 total units	N/A	No vacancies,	General occupancy	Four-unit rental building with four one-bedroom units. Units are all fully occupied, although two unoccupied units due to renovation. Owner did not provide rental information.

Table 30 Flandreau Multifamily Rental Housing Inventory

Name	Number of Units / Bedroom Mix	Rent	Vacancy/ Wait List	Tenant Mix	Comments
Market Rate					
402 E Pipestone	2 - 1 bedroom 1 - 2 bedroom 3 total units	N/A	No vacancies	General occupancy	House with three rental units. Units are all fully occupied. Owner did not provide rental information.
Christensen Single Family Homes	3 - 2-bedroom 3 total single family homes	N/A	No vacancies	General occupancy	Three single family two-bedroom homes. The homes are all occupied. Owner did not provide rental information.
Zandt Building	2 - 1 bedroom 4 - 2 bedroom 6 total units	\$250 + utilities	No vacancies	General occupancy	Six units in a Downtown mixed-use building. Manager lives in one unit. One unit is currently vacant due to repairs. Rent is \$250 plus utilities.
Jones Properties - 4-plex and single family home	5 - 2 bedroom 5 total units	\$400 + some utilities	No vacancies	General occupancy	Four-plex with four two-bedroom units and a two-bedroom single family home. Rent is \$400. Rent includes heat and a portion of the other utilities. Some tenants utilize the Housing Voucher Program.
Duncan Single Family Home	1 - 2 bedroom 1 total home	\$450 + utilities	No vacancy	General occupancy	Single family home with two bedrooms. Home is occupied. Rent is \$450 plus utilities.
Toates Apartments	2 -1 bedroom 2 -2 bedroom 4 total units	\$150 \$325	No vacancies	General occupancy	Four-unit building including two one-bedroom and two two-bedroom units. Rents range from \$150 to \$325. Tenants also pay water. Owner reports no vacancies, however, one unit is unoccupied due to renovations.
Toates Homes - 16 single family homes and one duplex	3 - 1 bedroom 5 - 2 bedroom 6 - 3 bedroom 4 - 4 bedroom 18 total units	\$275-\$300 \$350 \$350-\$400 \$450 + utilities	No vacancies	General occupancy	Toates Homes include 16 single family houses and one duplex. Rents range from \$275 to \$450. Tenant pay all utilities except duplex where tenants pay only electricity. Owner reports no vacancies and a high demand for the units. Two houses are unoccupied due to renovations.

Table 30 Flandreau Multifamily Rental Housing Inventory

Name	Number of Units / Bedroom Mix	Rent	Vacancy/ Wait List	Tenant Mix	Comments
Subsidized					
Boulder Heights Apartments	2 - 1 bedroom <u>14 - 2 bedroom</u> 16 total units	\$405 max. \$436 max. 30% of income	No vacancies	General occupancy	Rural Development General Occupancy Project constructed in 1975. There are 16 units including two one-bedroom and 14 two-bedroom. Tenants pay 30% of income up to a maximum rent. Tenants also pay heat, electricity and garbage. Manager reports that several tenants pay the maximum rent. Manager reports no vacancies, however, there are often vacancies.
Four Winds	<u>16 - 1 bedroom</u> 16 total units	\$635 max. 30% of income	4 vacancies	Senior/ Disabled	Four Winds is a 16-unit Senior/Disabled HUD Project. All of the units are one-bedroom. The units were constructed in 1980. Tenants pay 30% of income up to a maximum rent of \$635. Tenants pay electricity and receive a \$28 utility allowance. Two tenants are paying maximum rent. Currently, there are four vacancies.
Foxcroft I & II	8 - 1 bedroom <u>24 - 2 bedroom</u> 32 total units	\$733 max. \$773 max. 30% of income	8 vacancies	General occupancy	Foxcroft I & II is a 32-unit Rural Development General Occupancy Project. The project includes eight one-bedroom and 24 two-bedroom units. The units are in four eight-unit buildings that were built in phases in the 1980s and early 1990s. Tenants pay 30% of income up to a maximum rent. Currently, all tenants are receiving a rent subsidy and no tenants are paying the maximum rent. Manager reports eight vacancies. Manager also reports that the project has been fully occupied and there has also been as high as 10 vacancies.

Table 30 Flandreau Multifamily Rental Housing Inventory

Name	Number of Units /Bedroom Mix	Rent	Vacancy/ Wait List	Tenant Mix	Comments
Senior with Services					
Riverview Health Services - Assisted Living	<u>4 beds</u> 4 total beds	Based on level of services	No vacancies	Seniors	Riverview Health Services has four assisted living beds in the nursing home. The residents are provided the full array of assisted living services. Currently, the beds are all occupied.
Edgewood Vista	<u>23 units</u> 23 total units	Based on level of services	2 vacant units	Seniors	Edgewood Vista is a 23-unit assisted living facility. Many of the units are utilized as single occupancy, but could be double occupancy. Recently, Edgewood Vista constructed a seven-unit expansion that has a capacity for 11 residents. Tenants pay a base rent and also pay for services based on the level of services they need. The facility provides all senior assisted living services including meals, medication management, laundry, housekeeping, bathing, 24-hour staffing, etc. The facility is not a lockdown facility for memory care, but is licensed for memory care and does have residents with memory impairments. The doors do have buzzers. The Director reports two vacant units and the facility has had vacancies since the expansion.
Riverview Health Services - Riverview Manor	<u>60 beds</u> 60 total beds	Based on level of services	Averages 95% to 98% occupancy rate	Seniors	Riverview Manor is a 60-bed nursing home.
Riverview Health Services - Riverview Apartments	12 - 1 bedroom <u>2 -2 bedroom</u> 16 total units	\$900 \$1,300 includes services	2 vacancies, 1 1-bdrm 1 2-bdrm	Seniors	Riverview Apartments is a light services senior project constructed in the 1970s. Services include meals, housekeeping and laundry. Residents can live independently in the facility without services. Currently, there are two vacancies. Rent with services is \$900 for a one-bedroom unit and \$1,300 for a two-bedroom unit.

Table 30 Flandreau Multifamily Rental Housing Inventory

Name	Number of Units /Bedroom Mix	Rent	Vacancy/ Wait List	Tenant Mix	Comments
Tribal Housing					
General Occupancy HUD Rental Units	2 bedroom 3 bedroom <u>4 bedroom</u> 37 total units	Tenants pay a ceiling rent	No vacancies, waiting list	General occupancy Native Americans /Tribal Members	The general occupancy HUD Rental Project includes two, three and four-bedroom units, however, most of the units are three-bedroom. The units are in three duplexes and 31 single family homes. Tenants pay a low ceiling rent. Tenants must be Native American. There is a preference for Tribal Members. There are no vacancies. There is a waiting list.
Walking Shield Rental Units	<u>6 - 3 bedroom</u> 3 total duplexes	Tenants pay a ceiling rent	No vacancies, waiting list	General occupancy Native Americans /Tribal Members	The Walking Shield Rental Units include three duplexes/six units. All six units are three bedrooms/1.5 bathes. The units are Air Force units that were moved in. Tenants pay a low ceiling rent. There are no vacancies and a waiting list. Tenants must be Native American. There is a preference to Tribal Members. There were five duplexes, but two duplexes were destroyed by a tornado.
Senior/ Disabled HUD Rental Units	10 - 1 bedroom <u>5 - 2 bedroom</u> 15 total units	Tenants pay a ceiling rent	No vacancies, waiting list	Seniors/ Disabled Native Americans /Tribal Members	The Senior/Disabled HUD Rental Project includes 10 one-bedroom and five two-bedroom units for senior/disabled tenants. The 15 units are in three apartment buildings. Tenants pay a low ceiling rent. There are no vacancies and a waiting list. Tenants must be Native American. There is a preference for Tribal Members.
Tate Win Independent Senior Living	<u>16 - 2 bedroom</u> 16 total units	\$250	6 vacancies	Seniors	Tate Win is a 16-unit independent living facility. All of the units have two bedrooms. To be eligible for residency, individuals must be 62 or older, Tribal Members and living on the Reservation. Rent of \$250 per month includes utilities. The project is independent living and does not provide senior services. However, meals are provided at the Community Center, which is adjacent to Tate Win. The facility was constructed in two phases with Shakapee grant funds. The units are furnished and include garages. The units were constructed in 2009 and 2010. Currently, there are six vacancies.

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.

Flandreau residents have job opportunities available locally, as well as options for commuters in nearby regional centers.

The largest employers located in Flandreau include:

- ▶ Royal River Casino & Hotel
- ▶ Avera Flandreau Hospital & Clinic
- ▶ Riverview Manor
- ▶ Flandreau Santee Sioux Tribe Clinic & Offices
- ▶ Flandreau Public School District
- ▶ Moody County
- ▶ Flandreau Indian School (just outside City limits)
- ▶ Loiseau Construction
- ▶ City of Flandreau

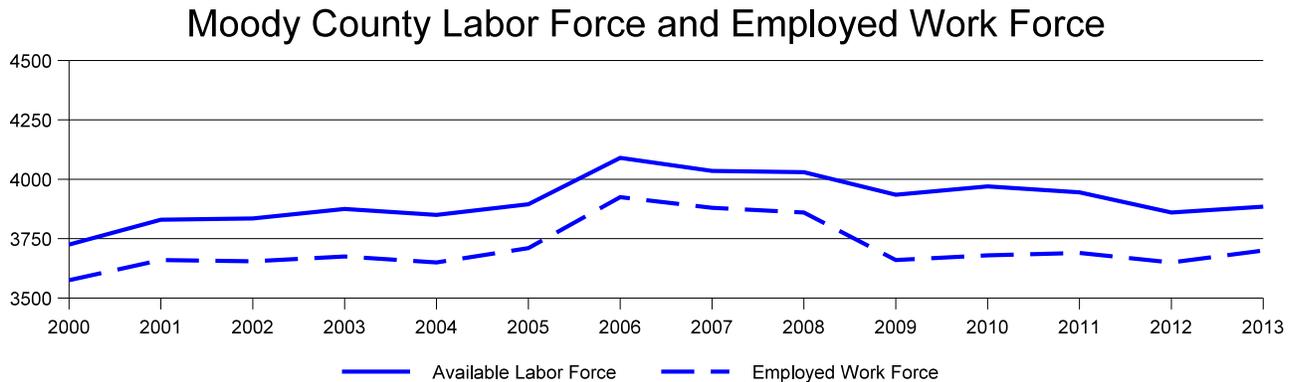
Work Force and Unemployment Rates

The following tables examine labor statistics for Moody County. Information has been reviewed back to the year 2000. Data in the tables that follow have been obtained from the South Dakota Department of Labor.

Table 31 Moody County Annual Labor Statistics 2000 to 2013						
Year	Labor Force	Employed	Unemployed	Unemployment Rate - County	Unemployment Rate - SD	Unemployment Rate - US
2000	3,725	3,575	150	4.0%	2.7%	4.0%
2001	3,830	3,660	170	4.5%	3.1%	4.7%
2002	3,835	3,655	180	4.7%	3.3%	5.8%
2003	3,875	3,675	200	5.1%	3.5%	6.0%
2004	3,850	3,650	200	5.1%	3.7%	5.6%
2005	3,895	3,710	185	4.7%	3.7%	5.1%
2006	4,090	3,925	165	4.0%	3.1%	4.6%
2007	4,035	3,880	155	3.8%	2.9%	4.6%
2008	4,030	3,860	170	4.2%	3.0%	5.8%
2009	3,935	3,660	275	7.0%	5.2%	9.3%
2010	3,970	3,680	290	7.3%	5.1%	9.6%
2011	3,945	3,690	255	6.5%	4.7%	8.9%
2012	3,860	3,650	210	5.4%	4.2%	8.1%
2013	3,885	3,700	185	4.7%	4.1%	7.4%

Source: South Dakota Department of Labor; Community Partners Research, Inc.
Not seasonally adjusted

Over a longer time period, Moody County has had both upward and downward changes in the size of the resident labor force. Between 2000 and 2013, the County added 160 to the labor force, or an increase of nearly 4.3%. However, the resident labor force actually reached its largest size in 2006, and since that time has decreased by 205 people, or 5%.



The employed resident work force has shown similar patterns, with long-term growth, despite some setbacks late in the last decade. Between 2000 and 2013, the employed work force increased by 125 people, or nearly 3.5%. The employed work force reached a recent peak in 2008, at 3,925 people. Since that time, it has decreased by 225 people through the end of 2013.

The County's unemployment rate has remained relatively low by national standards, but has been above the Statewide rate throughout the time period reviewed. In 2013, the last full year of data, the unemployment rate in Moody County was at 4.7%, well below the national rate of 7.4%.

Employment and Wages by Industry

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

Table 32 Moody Average Annual Wages by Industry Detail - 2012		
Industry	2012 Employment	Average Annual Wage
Total All Industry	2,246	\$33,127
Natural Resources, Mining	197	\$29,537
Construction	192	\$46,679
Manufacturing	254	\$39,254
Trade, Transportation, Utilities	389	\$38,815
Information	4	\$11,543
Financial Activities	32	\$32,723
Professional and Business Services	41	\$23,601
Education and Health Services	213	\$29,272
Leisure and Hospitality	113	\$13,034
Other Services	47	\$38,575
Government	764	\$30,066

Source: South Dakota Department of Labor

The average annual wage for all industry in 2012 was \$33,127 in Moody County. The County's highest paying wage sectors were Construction, Manufacturing, Trade/Transportation/Utilities, and Other Services, each above \$38,000.

The lowest average wages were paid in Information and in Leisure and Hospitality. These were the only sectors with an average wage below \$20,000. However, the Information sector had only four employees, so the average wage is not a good indicator of the potential wage in this industry.

Commuting Patterns

The best information on commuting patterns is from the 2012 American Community Survey, and has been examined for Flandreau. This table only examines employed City residents, and excludes people that work at home.

Table 33 Commuting Times for Flandreau Residents - 2012	
Travel Time	Number/Percent
Less than 5 minutes	194 / 18.6%
5 to 9 minutes	386 / 37.0%
10 to 19 minutes	214 / 20.5%
20 to 29 minutes	86 / 8.2%
30 minutes or more	164 / 15.7%
Total	1,044

Source: 2012 American Community Survey 5-year estimates

Although a majority of Flandreau residents appear to be working more locally, nearly 45% commute 10 minutes or more, and are probably working outside of the City. Nearly 16% of all residents had a travel time of 30 minutes or more, and may be traveling to Sioux Falls or other regional centers.

Commuting time was also identified by location of employment. For people that worked in Flandreau, the following travel times were identified.

Table 34 Commuting Times for Flandreau Employees - 2012		
Travel Time	Number	Percent
Less than 10 minutes	678	50.6%
10 to 19 minutes	378	28.2%
20 to 29 minutes	117	8.7%
30 minutes +	167	12.5%
Total	1,340	100%

Source: 2012 American Community Survey 5-year estimates

For people that worked in Flandreau, nearly 79% traveled less than 20 minutes and would either be City residents, or were living reasonably close to the City. Overall, approximately 167 people traveled to Flandreau from greater distances of 30 minutes or more.

Findings on Growth Trends

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

Flandreau's population increased by 2.8% from 1990 to 2000. The population increased from 2,311 in 1990 to 2,376 in 2000. From 2000 to 2010, Flandreau's population decreased by 35 people, from 2,376 to 2,341 people. This was a decrease of 1.5%.

Moody County's population increased from 6,507 in 1990 to 6,595 in 2000, which was an increase of 1.4%. The population decreased in the 2000s from 6,595 in 2000 to 6,486 in 2010, which was a loss of 1.7%.

Household levels increased from 1990 to 2000 in Flandreau followed by a loss of households in the 2000s. Flandreau experienced a gain of 59 households from 1990 to 2000 and a loss of 13 households from 2000 to 2010.

Moody County gained households from 1990 to 2010. Moody County gained 128 households from 1990 to 2000 and 28 households from 2000 to 2010.

Findings on Projected Growth

The projections for Flandreau and Moody County calculated by Community Partners Research, Inc., from past growth trends reflect the patterns of recent decades. Community Partners Research, Inc., projects that Flandreau's population will decrease by 26 people from 2010 to 2020. However, the household projections expect a gain of 12 households from 2010 to 2020, as smaller average household sizes will result in more households being formed from fewer people.

The population and household projections for all of Moody County expect slight population losses, but household gains from 2010 to 2020. The forecasts used for this Study expect a loss of 33 people and a gain of 54 households from 2010 to 2020. An aging population Countywide should result in more one and two person households.

Although the Community Partners Research, Inc., projections expect some household growth, other sources, such as ESRI, anticipate a minor loss of both population and households over the next five years.

Summary of Moody County Growth Projections by Age

The Demographic section of this Study presented Moody County projection information on anticipated changes by age group from 2010 to 2020. This information can be informative in determining the housing that may be needed due to age patterns of the area's population.

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 ranges between 55 and 74 years old. Community Partners Research, Inc., projections indicate a gain of 239 households age 55 to 74 in Moody County from 2010 to 2020. Moody County is also projected to gain 55 households in the 75 to 84 age ranges.

Moody County is projected to lose 206 households in the 54 and younger age ranges. It is estimated that there will also be a loss of 34 households in the 84 and older age ranges.

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

Following is the approximate net change in the number of Moody County households in each 10-year age cohort between 2010 and 2020.

<u>Age Range</u>	<u>Projected Change in Households 2010 to 2020</u>
15 to 24	-18
25 to 34	-31
35 to 44	-11
45 to 54	-146
55 to 64	68
65 to 74	171
75 to 84	55
85 and Older	-34
Total	54

These household projections are reasonably consistent with age-based population forecasts from ESRI, which show a reduction in the number of County residents age 54 and younger by the year 2019, and an increase in the County's population age 55 and older.

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 Flandreau to gain a limited number of 12 households through 2020. Household gains of 54 households are projected for all of Moody County. Anticipated household growth will yield some demand for new housing production in Flandreau.

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 Flandreau, some dilapidated housing has been demolished, and more units will be removed in the future. As a result, we have included a minor 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. Although there has not been any significant growth in the number of households, shifting age patterns have created demand for certain types of age-appropriate housing in Flandreau. We have included our estimates of pent-up demand into the specific recommendations that follow later in this section.

Findings on Unit Demand by Type of Housing

Based on the household by age projections presented earlier, the changing age composition of Moody County's population through 2020 will have an impact on demand for housing.

Age 24 and Younger - The projections used for this Study expect a loss of 18 households in the 15 to 24 age range in Moody County through the year 2020. Past tenure patterns indicate that approximately 85% of households in Flandreau in this age range will rent their housing. A loss in the number of households in this age range should mean that rental demand from younger households will decrease during the projection period.

25 to 34 Years Old - The projections show a loss of 31 households in this age range by 2020. Within this age range households often move from rental to ownership housing. The ownership rate among these households in Flandreau was approximately 45% in 2010. A loss of households within this age range indicates less demand for both first-time home buyer and rental opportunities.

35 to 44 Years Old - The projections for this 10-year age cohort expect a loss of 11 households between 2010 and 2020 in Moody County. In the past, this age group has had a rate of home ownership in Flandreau, at approximately 53%. 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 2020, 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 Moody County, the projections show a substantial loss of 146 households. This age group historically has had a relatively high rate of home ownership, approximately 67% in Flandreau in 2010, and will often look for trade-up housing opportunities. A loss of households in this age group, indicates that the demand for trade-up housing will decrease during the projection period.

55 to 64 Years Old - This age range is part of the baby boom generation. The projections show an expected increase of 68 additional households in this 10-year age range by the year 2020 in the County. This age range had a rate of

home ownership in Flandreau, of approximately 62% 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 - Community Partners Research, Inc., expect a strong gain of 171 households by the year 2020 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 72% of households in this age range owned their housing in Flandreau. Once again, preferences for age-appropriate units would increase from household growth within this age cohort.

75 to 84 Years Old - There is a projected gain of 55 households in Moody County in this age range between 2010 and 2020. In the past, households within this 10-year age range have had a high rate of home ownership, at approximately 75% in Flandreau. While this is likely to continue, an expansion of other housing options for seniors, including high quality rental housing, should appeal to this age group. In most cases, income levels for senior households have been improving, as people have done better retirement planning. As a result, households in this age range may have fewer cost limitations for housing choices than previous generations of seniors.

85 Years and Older - A loss of 34 households is projected from 2010 to 2020 in this age range. Historic home ownership rates in this age group in Flandreau have been relatively low, at approximately 59% in 2010. Seniors in this age range often seek senior housing with services options.

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

Strengths for Housing Development

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

- ▶ **Flandreau serves as a small regional center** - Flandreau provides employment opportunities, retail/service options, health and professional services and recreational facilities for a geographical area that surrounds the City.
- ▶ **Affordable priced housing stock** - The City of Flandreau has a stock of affordable, existing houses. Our analysis shows that the City's median home value based on 2013 sales is approximately \$95,000. This existing stock, when available for sale, provides an affordable option for home ownership.
- ▶ **Land for development** - Flandreau has some limited land available for both residential and commercial/industrial development. However, some of this land needs to be serviced with infrastructure improvements and/or annexed into the city limits.
- ▶ **Proactive City involvement** - Flandreau has a track record of being very proactive and working to develop housing opportunities, including rental housing, subdivision development and senior housing.
- ▶ **Educational system** - Flandreau has an excellent public K-12 school system.
- ▶ **Flandreau Indian School** - The Flandreau Indian School is an off-reservation - Bureau of Indian Affairs boarding school, serving students in grades 9-12.
- ▶ **Health facilities** - Flandreau has excellent health facilities including a medical clinic, a nursing home and assisted living.
- ▶ **Infrastructure** - Flandreau is in the process of upgrading its public utilities.
- ▶ **Commercial development** - Flandreau's commercial district is adequate to meet most daily needs.

- ▶ **Flandreau Housing Corporation** - The Flandreau Housing Corporation has been active over the years in developing and managing rental projects and in actively providing other housing programs in Flandreau.
- ▶ **Flandreau Development Corporation** - The Flandreau Development Corporation has been active in promoting economic development and housing projects.
- ▶ **Job Creation** - There are several economic development projects in the Region that are in the planning phase. If they come to fruition, jobs will be created and there will be a need for additional housing.
- ▶ **Flandreau is located near two regional centers** - Flandreau is located 35 miles from Sioux Falls, and 28 miles from Brookings. These regional centers provide employment opportunities, retail/service options, education services and cultural amenities. Many households prefer to live near, but not in a regional center.
- ▶ **Royal River Casino** - The Royal River Casino located in Flandreau, is a major entertainment destination and employer.
- ▶ **Flandreau Santee Sioux Reservation** - The Flandreau Santee Sioux Reservation is located in Moody County.
- ▶ **Flandreau recreational facilities** - The City has recreational facilities including the Flandreau Aquatic Center and a Boy's and Girl's Club that is currently being constructed.

Barriers or Limitations to Housing Activities

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

- ▶ **Age and condition of the housing stock** - While the existing stock is very affordable, some of the housing is in need of improvements to meet expectations of potential buyers.
- ▶ **Low rent structure** - The area's rent structure is low, which makes it difficult to construct new rental housing.
- ▶ **Value gap deters new owner-occupied construction** - Based on market values for 2013 residential sales, we estimate that the median priced home in Flandreau is valued at approximately \$95,000. This is below the comparable cost for new housing construction, which will generally be above \$170,000 for a stick built home with commonly expected amenities. This creates a value gap between new construction and existing homes. This can be a disincentive for any type of speculative building and can also deter customized construction, unless the owner is willing to accept a potential loss on their investment.
- ▶ **Population and household growth** - Historical data indicates that Flandreau is not expected to add a significant number of people or households from 2010 to 2020. The City has to use realistic expectations when planning for the future.
- ▶ **Proximity to regional centers** - The nearest regional centers are Sioux Falls, which is 35 miles from Flandreau, and Brookings, which is 28 miles from Flandreau. Many households desire or need to be near a regional center for employment, health care, entertainment, retail, etc.

Recommendations, Strategies and Housing Market Opportunities

Based on the research contained in this study, and the housing strengths and barriers identified above, we believe that the following recommendations are realistic options for Flandreau. They are based on the following strategies.

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

Summary of Findings/Recommendations

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

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

The findings/recommendations for each category are as follows:

Rental Housing Development

1. Develop 16 to 20 general occupancy market rate rental units
2. Develop six to eight affordable rental units
3. Monitor the need for additional subsidized rental units and explore options to improve occupancy rates
4. Monitor the need for additional senior with services units
5. Develop a downtown mixed-use commercial/housing project
6. Utilize the Housing Choice Voucher Program

Home Ownership

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

Single Family Housing Development

9. Support the Flandreau Development Corporation's subdivision development

10. Consider the development of a Housing Incentive Program
11. Coordinate with economic development agencies, housing agencies and nonprofit groups to construct affordable housing
12. Promote twin home/townhome development

Housing Rehabilitation

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

Other Housing Issues

15. Continue to acquire and demolish dilapidated structures
16. Create a plan and a coordinated effort among housing agencies
17. Promote commercial rehabilitation and development
18. Develop home ownership and new construction marketing programs
19. Competition with other jurisdictions
20. Flandreau Santee Sioux Tribal Housing Recommendations

Our interviews and rental survey identified demand and a need for additional market rate rental housing. Our rental survey found only one vacant unit for a vacancy rate of 1.1%. A healthy vacancy rate is 3% to 5%.

Flandreau is projected to add up to eight households between 2014 and 2019. There is also a projected increase of up to 30 households in Moody County. While this projection is for the overall growth in Moody County, Flandreau has the potential to capture a share of this growth. Some of these households will prefer to rent and will seek higher quality market rate units.

Additionally, we are expecting the loss of rental units due to deterioration and demolition. We have identified 10 single family homes in two older Flandreau neighborhoods that are dilapidated and beyond repair. We also identified 39 single family homes that need major rehabilitation. Some of these dwellings are rentals and may be demolished or no longer rented because of their condition.

Recommendation: We recommend the development of 16 to 20 market rate rental housing units over the next five years. A town home unit or twin home style would be the preferred style, to cater to active renter households, although, a high quality apartment building with 'state of the art' amenities is an option.

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

Essential function bonds are revenue bonds sold by a local housing authority or housing agency to generate funds for new rental housing construction. The revenue from unit rents pays for the debt. The housing authority/agency is allowed to make a payment in lieu of taxes, which is 5% or less of shelter rents. The housing authority can elect to pay no property taxes. Essential function bonds may require that income limits apply to tenants.

Also, the Flandreau Development Corporation or Flandreau Housing Corporation could partner with private developers to construct additional units. Additionally, the City of Flandreau could assist with land donations, tax increment financing, tax abatement, reduced water and sewer hook up fees, etc. It may also be possible to utilize Housing Choice Vouchers if they meet income requirements and the rents are at or below Fair Market Rents (FMRs). The 2014 FMRs are \$594 for a two-bedroom and \$873 for a three-bedroom unit.

The units could be added in several phases, as demand dictates the need for additional units. In this way they have expanded the supply without saturating the market. Additionally, some of the units should be three-bedroom units as there is a shortage of three-bedroom units in Flandreau.

There are two market rate rental segments in Flandreau. One segment is seeking a high quality unit and can afford a higher rent. The second segment is seeking workforce housing and a more modest rent. This segment may not qualify for subsidized rental units, but affordability is an issue.

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

We recommend the development of 16 to 20 units and the unit mix and rents should be as follows:

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

<u>Unit Type</u>	<u>No. of Units</u>	<u>Size/Sq. Ft.</u>	<u>Rent</u>
One Bedroom	3-4	750-850	\$625-\$775
Two Bedroom	10-12	900-1,000	\$675-\$925
Three Bedroom	<u>3-4</u>	1,100-1,200	\$825-\$1,200
Total	16-20		

Note: Rents are quoted in 2014 dollars and include utilities.

2. Develop six to eight affordable rental units

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

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

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

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

It would be difficult to create units through new construction. Instead, it may be more practical to work on building renovation or conversion projects that can create housing. This opportunity may arise in downtown buildings or through the purchase and rehabilitation of existing single family homes. According to the U.S. Census, in 2010 there were 35 vacant housing units in Flandreau that were not for rent or for sale. Potentially, some housing units could be renovated to be quality rental units.

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

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

To obtain an affordable rent structure, financial commitments from other sources such as tax increment financing or tax abatement from the City of Flandreau, and other financial resources from funding agencies such as the South Dakota Housing Development Authority or Interlakes's Community Action Partnership may be necessary.

3. Monitor the need for subsidized rental housing and explore options to improve occupancy rates

Findings: The City of Flandreau has three subsidized rental projects with a total of 64 units. Also, there are 71 tribal rental housing units in four projects that are subsidized or have a low rent structure. The total 135 units are approximately 29% of the City's total rental housing stock. The three subsidized and four tribal housing rental projects include:

- ▶ **Boulder Heights Apartments** - Boulder Heights Apartments is a 16-unit general occupancy USDA Rural Development project. The 16 units include two one-bedroom units and 14 two-bedroom units. The project was constructed in 1975.
- ▶ **Four Winds Apartments** - Four Winds Apartments is a 16-unit USDA Rural Development Senior/Disabled Project. The 16 units are all two-bedroom units. The project was constructed in 1980.
- ▶ **Foxcroft I & II Apartments** - Foxcroft I & II Apartments is a 32-unit USDA Rural Development General Occupancy project. The 32 units are in four eight-unit buildings and include eight one-bedroom units and 24 two-bedroom units.

Tribal Rental Housing

- ▶ **General Occupancy HUD Rental Units** - The General Occupancy HUD Rental Units total 37 two, three and four bedroom-units in three duplexes and 31 single family homes. Tenants must be Native American and tribal members have preference. The units are all fully occupied and there is a waiting list.
- ▶ **Walking Shield Rental Units** - The Walking Shield Rental Units include six units in three duplexes. All six units are three-bedroom with 1.5 bathrooms. The units were Air Force units that were moved onto Tribal land. There were two additional duplexes, but they were destroyed by a tornado. Tenants must be Native American and tribal members have a preference. The units are fully occupied and there is a waiting list.
- ▶ **Senior/Disabled HUD Rental Units** - The Senior/Disabled HUD Rental Units include 10 one-bedroom and five two-bedroom units for a total 15 units. The 15 units are in three apartments buildings. Tenants must be senior or disabled and Native American. Tribal members have a preference. The units are fully occupied and there is a waiting list.
- ▶ **Tate Win Independent Senior Living** - Tate Win Independent Senior Living is a 16-unit senior independent living facility that was constructed in 2009 and 2010. All 16 units have two bedrooms. The units are furnished and include garages. The facility does not provide senior services, however, meals are provided at the Community Center, which is adjacent to Tate Win. To be eligible for residency, individuals must be 62 or older, tribal members and currently living on the Reservation. The rent is \$250 per month, which includes utilities. Currently, there are six vacant units.

The City of Flandreau had two additional subsidized rental projects, Fairwood Apartments and Lafayette Apartments, with a total 20 units that have converted to market rate rental units.

Currently, there are 12 vacancies in the 64 subsidized units, which is an 18.8% vacancy rate. Based on our rental survey and interviews, there have been chronic vacancies over the past several years in some of the subsidized projects.

The Tribal Rental housing units were fully occupied with a waiting list.

Recommendation: The subsidized rental projects in Flandreau are under utilized with a high ongoing vacancy rate. It is our recommendation that the City of Flandreau, the Flandreau Housing Corporation and the Flandreau Development Corporation work with the projects' owners, USDA Rural Development, HUD, the South Dakota Housing Development Authority and area housing agencies to determine what actions can be taken to increase the subsidized projects' occupancy rates and to better address Flandreau's rental housing needs.

Actions could include purchase of the projects, combining smaller units to create larger units, renovations, converting some of the projects to market rate, lowering the market rent, etc.

Please refer to the Flandreau Santee Sioux Tribal Housing Recommendation for our findings and recommendations on tribal housing.

4. Monitor the need for additional senior with services rental units

Findings: Flandreau has four senior with services facilities, Riverview Apartments, Riverview Health Service - Assisted Living, Edgewood Vista and Riverview Manor Nursing Home.

A summary of each of these senior facilities is as follows:

Riverview Apartments - Riverview Apartments is a 16-unit independent/light services living facility that includes 12 one-bedroom and four two-bedroom units. Tenants can rent a unit and live independently with no services or purchase services including meals, housekeeping and laundry. Rent is \$900 for a one-bedroom unit and \$1,300 for a two-bedroom unit. There are fees for additional services. At the time of the survey, there were two vacancies.

Riverview Health Services Assisted Living - Riverview Health Services Assisted Living includes four beds. Currently, all four beds are occupied. The four assisted living beds are located in the Riverview Manor nursing home. The assisted living residents have access to the full array of assisted living services.

Edgewood Vista - Edgewood Vista is a 23-unit assisted living facility. Many of the units are utilized as single occupancy, but could be double occupancy. Recently, Edgewood Vista constructed a seven-unit expansion that has a capacity for 11 residents. Tenants pay a base rent and also pay for services based on the level of services they need. The facility provides all senior assisted living services including meals, medication management, laundry, housekeeping, bathing, 24-hour staffing, etc. It is licensed for memory care and does have residents with memory impairments. Edgewood Vista is not a 'lockdown' facility but the doors do have buzzers. The Director reports two vacant units and the facility has had vacancies since the expansion.

Riverview Manor Nursing Home - The Riverview Manor Nursing Home is licensed as a 60-bed skilled nursing facility. The facility has a high 95% to 98% occupancy rate. Fees are based on the level of services.

Based on our projections, the number of Flandreau and Moody County senior age 75 and over households will remain relatively stable over the next five years.

Recommendation: Moody County, based on the 2010 Census, had approximately 299 people in the 75 to 84 age range and 157 people age 85 and over, for a total of 456 people age 75 and older. Of this total, approximately 57 people live in a nursing home and would not be potential tenants in assisted living. Therefore, there is a market for assisted living of approximately 399 people age 75 and over in Moody County.

Based on industry standards and past experience, we are estimating that 7% to 8% of these seniors will utilize assisted living or light service units in Flandreau, thus, there is a market need for 28 to 32 seniors housing with services units for Moody County seniors. Also, we are projecting that two to three seniors from outside Moody County would move into a housing with services project. Therefore, we are projecting that there is an overall need for 30 to 34 assisted living and light services units in Moody County.

Riverview Apartments, Riverview Health Services-Assisted Living and Edgewood Vista have a total 43 units, including some independent living units. Based on the calculated statistical demand, the senior with services projects have an

adequate number of assisted living and light services units to meet Moody County's demand. At the time of the rental survey Riverview Apartments and Edgewood Vista each had two vacancies. Since its expansion which added seven units, Edgewood Vista has never reached full occupancy.

We recommend that the need for additional assisted living and light services units be monitored. Presently, the senior projects in Flandreau should adequately address most of the demand for senior with services units. The projects should, however, continue to evaluate its product and the market to determine if additional units are needed in the future.

Additionally, the need for memory care beds should be monitored. Edgewood Vista is licensed for memory care and does serve people with memory loss. However, Edgewood Vista does not have a designated memory care wing to serve residents with dementia who need a high level of services.

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

Findings: A vibrant Downtown is vital to Flandreau's future. A new mixed-use rental housing/commercial project could complement the City's ongoing efforts to redevelop and revitalize the downtown.

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

There should be sensitivity to the timing of the project and type of commercial tenants the project will have, to assure the project is an asset to the downtown.

Recommendation: We recommend the development of a mixed-use building in the downtown Flandreau area. There are several potential sites in the downtown area for a mixed-use project.

We recommend commercial space on the first floor and six to seven 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 six to seven rental units should be primarily market rate units, but could be mixed income with some moderate income units. The units should be primarily two-bedroom units. Also, the units could be designated primarily for households age 55 and older. Please note that these units are not in addition to the units recommended in the first recommendations of this section. If a mixed use building was constructed, the number of units recommended previously should be reduced.

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

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 almost no funding for subsidized housing construction, it has provided new Housing Choice Voucher allocations over the last two decades. Because of the flexibility offered through the program, eligible households often prefer the portable rent assistance to other forms of subsidized housing that are project-based, and can only be accessed by living in a specific rental development.

The Housing Choice Voucher Program is administered in Flandreau and Moody County by the Brookings Housing and Redevelopment Commission. There currently is a short waiting list to obtain a Housing Choice Voucher. The Brookings Housing and Redevelopment Commission has the ability to issue approximately 343 Vouchers in their service area. At the time of the research for this Study, 10 to 15 Flandreau renter households were utilizing a Housing Choice Voucher.

Recommendation: The Brookings Housing and Redevelopment Commission should work with the City to assure that Flandreau households are aware of the Housing Choice Voucher Program and have to the opportunity to apply for rent assistance.

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 Flandreau is estimated to be approximately \$95,000 based on 2013 sales activity. The home values in Flandreau provide a good opportunity for first time buyers and households seeking moderately priced homes.

Our analysis of Flandreau and Moody County demographic trends shows an increasing number of households in the traditionally strong home ownership age ranges between 55 and 74 years old. 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. Continue to utilize and promote all programs that assist with home ownership

Findings: We believe that affordable home ownership is one of the issues facing Flandreau 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 Flandreau 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: Flandreau should continue to work with area housing agencies, the South Dakota Housing Development Authority and local financial institutions to utilize all available home ownership assistance programs. Private and nonprofit agencies should also be encouraged to provide home ownership opportunities.

The City of Flandreau 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, Interlakes Community Action Partnership and Grow South Dakota utilize several funding sources to provide home ownership programs.

8. Develop a Purchase/Rehabilitation Program

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

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

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

Recommendation: We recommend that Flandreau 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.

Single Family Housing Development

Findings: Based on City of Flandreau information, Flandreau has experienced some single family housing development from 2000 to 2013. Over the past 13 years, approximately 44 single family owner-occupied units have been constructed in Flandreau. The 44 units include 32 detached single family homes and 12 attached single family units. This is an average of approximately three to four owner-occupied units constructed annually in Flandreau.

Household growth projections for Flandreau and Moody County indicate demand for owner-occupied housing construction. Growth is anticipated over the next five years among Flandreau and Moody County households in the 55 to 84 year old age ranges. Households in these age ranges tend to be predominantly home owners, and form a market for higher priced, and trade-up housing or town homes/twin homes.

Also, growth projections estimate that households in the 35 to 44 age range will remain relatively stable from 2010 to 2020. Some households in these age ranges are first-time home buyers and may be in the market for new affordable homes.

It is our opinion that if the City, housing agencies, and builders are proactive, four to five homes can be constructed or moved into Flandreau annually from 2014 to 2019.

The breakdown of our projection of a total of 20 to 25 new owner occupied housing units constructed over the next five years is as follows:

▶ Higher and Median priced homes	8-9
▶ Affordable Homes	6-8
▶ Twin homes/Townhomes	<u>6-8</u>
Total	20-25

9. The Flandreau Development Corporation's Subdivision Development

Findings: As part of this Study, we attempted to identify the inventory of available residential lots for single family housing construction in Flandreau. Buildable lots are defined as having sewer and water available to the lots. It appears that there are approximately eight to 10 available lots in Flandreau. All of these lots are remaining lots in established subdivisions or in fill lots that are available due to demolition.

Also, there are houses throughout the City that are dilapidated or need major repairs that may be demolished in the future, which would provide additional infill lots.

There are no new subdivisions in Flandreau, however, the Flandreau Development Corporation is in the final planning phase of developing a 15-lot subdivision.

Recommendation: We use a standard that a 2.5-year supply of lots should be available in the marketplace, based on annual lot usage. Using our projections that four to five houses will be constructed or moved in annually, an adequate supply of lots would be 10 to 13 lots. With approximately eight to 10 lots currently available in Flandreau, and with the Flandreau Development Corporation lots, there will be an adequate number of buildable lots in Flandreau. Also, the lots will provide location and price options for buyers.

It is our recommendation that the Flandreau Development Corporation's 15-lot subdivision includes the following:

- ▶ The subdivision must be as aesthetically acceptable as possible and include high quality amenities.
- ▶ The subdivision should have covenants that assure a high quality development. However, the covenants should not be so restrictive that they eliminate the target market's ability to construct a home.
- ▶ The subdivision should allow for a variety of home designs and prices.
- ▶ Major employers should be involved in promoting and publicizing the subdivision.
- ▶ To be successful, the homes must be available to households with as wide an income range as possible.
- ▶ A successful subdivision will need the cooperation of area housing agencies, financial institutions, funding agencies, employers and the City of Flandreau.
- ▶ The project must create a new housing market by providing an attractive, affordable product.

We are estimating a five-to-seven year lot absorption timeframe with two to three homes constructed annually.

10. Consider the development of a City of Flandreau Housing Incentive Program

Findings: Several cities have developed Incentive Programs to encourage new home construction. For example, the City of Herreid has developed the following program. The Incentive Program guidelines are as follows:

- ▶ A loan up to \$1,000 per person not to exceed \$5,000 per family is awarded to a person or family for the construction of a new home located within the city limits
- ▶ 0% interest and no principal due for five years - after five years of residency, the loan is forgiven
- ▶ The loan must be used toward down payment or closing costs - not applicable if financing is not required
- ▶ Homes \$100,000 and over may qualify for the \$5,000 maximum, homes under \$100,000 will be prorated based on 5% of the purchase price

Recommendation: We recommend that the City of Flandreau continue to offer and develop an incentive program to promote new single family housing development. In addition to a cash payment, other incentives can include:

- ▶ Reduced lot prices
- ▶ Free water and sewer for a period of time
- ▶ Permit and water and sewer hookup fees waived or discounted
- ▶ Discounts at area businesses
- ▶ Tax Abatement

11. Continue to coordinate with economic development agencies, housing agencies and nonprofit groups to construct affordable housing

Findings: There are several housing agencies and nonprofit groups that have the capacity to construct new housing in Flandreau, including the Flandreau Development Corporation, the Flandreau Housing Corporation, Grow South Dakota and Interlakes Community Action Partnership. However, due to the downturn in the housing economy, most agencies have cut back on new housing production over the past few years.

Interlakes Community Action Partnership administers the Mutual Self Help Program. The Mutual Self Help Program works with three or more households to construct new homes. The households work together to construct the homes. Also, Governors homes are an affordable new housing option. Additionally, Habitat for Humanity has constructed affordable homes in Flandreau.

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

As the housing economy continues to improve and home values increase, new affordable home construction production in Flandreau will be more feasible. The development of one to two affordable homes annually over the next five years would be a realistic goal.

12. Promote twin home/townhome development

Findings: Attached housing provides desirable alternatives for empty nesters and seniors to move out of their single family homes, thus, making homes available for families. It is important for the community to offer a range of life-cycle housing options.

Based on projections, in 2015 there will be 948 Moody County households in the 55 to 74 year old age ranges and these age ranges are expected to increase by an additional 120 households between 2015 and 2020. Household growth among empty-nester and senior households should result in some demand for attached single family units. It is likely that demand for attached housing units will also be dependent on the product's ability to gain additional market acceptance among the households in the prime target market, and among other households.

In the mid 2000s, the Flandreau Development Corporation developed a 10-unit owner-occupied townhome project. Although the units took longer to sell than anticipated, the townhome project was considered a success and an asset to the community.

Recommendation: It is our projection that approximately six to eight new owner-occupied twin homes or townhomes could be constructed in Flandreau over the next five years. Our projection is based on the availability of an ideal location for twin home development as well as high quality design and workmanship.

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

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

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

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.

Housing Rehabilitation

Findings: Flandreau 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 Flandreau 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 Flandreau 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 Flandreau had approximately 470 rental units in 2010. These rental buildings are in multi-family projects, small rental buildings, duplexes, single family homes and mobile homes. Many of these rental structures could benefit from rehabilitation as many of 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: Flandreau and local housing agencies should seek funds that can be dedicated to the rehabilitation of rental housing. For a rental rehab program to be workable and successful, to the extent possible the funds should allow for program design flexibility. 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 Flandreau will continue to be an attraction for families that are seeking housing in Flandreau. Investment in owner-occupied housing rehabilitation activities will be critical to offering affordable housing opportunities.

Our housing condition survey of 177 homes in two of Flandreau's older neighborhoods found 62 homes that need minor repairs and 58 homes that need major repairs. Without rehabilitation assistance, the affordable housing stock will shrink in Flandreau.

Recommendation: We recommend that the City of Flandreau and the Flandreau Housing 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 and Interlakes Community Action Partnership are potential funding sources.

Interlakes Community Action Partnership currently has several housing programs to assist households with the rehabilitation of their homes including the Self Help Rehabilitation Program, programs utilizing Home and CHIP funds and the Weatherization program for Flandreau and Moody County.

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

Other Housing Initiatives

15. Continue to acquire and demolish dilapidated structures

Findings: Our housing condition survey identified 10 single family houses in two of the City's oldest neighborhoods that are dilapidated and too deteriorated to rehabilitate. We also identified 58 single family houses in Flandreau as needing major repair and several of these homes may be too dilapidated to rehabilitate. There may also be dilapidated houses in other neighborhoods. To improve the quality of the housing stock and to maintain the appearance of the City, these structures should be demolished.

Recommendation: Flandreau should work with property owners to demolish dilapidated homes. 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.

Some cities are developing ordinances that give cities more authority to require property owners to demolish vacant, dilapidated homes.

16. Create a plan and a coordinated effort among housing agencies

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

Recommendation: Flandreau 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.

We recommend that the City conduct a planning session with representatives of area agencies. The First District Association of Local Governments could potentially assist the City with this planning process. Home Address is another program that can work with cities in the development of housing plans.

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

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

17. Promote Commercial Rehabilitation and Development

Findings: The City of Flandreau's commercial district is in fair to good condition, and several commercial buildings have been renovated, however, there are several substandard commercial buildings in Flandreau.

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

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

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

We also encourage the City of Flandreau and the Flandreau Development Corporation to develop a Redevelopment Plan for the downtown.

18. Develop home ownership and new construction marketing programs

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

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

Recommendation: The City of Flandreau, the Flandreau Development Corporation and the Flandreau Housing Corporation have been active in promoting and marketing housing and we recommend the following:

- ▶ Determine the City's strengths and competitive advantages and heavily promote them
- ▶ Create marketing materials that can be distributed regionally (including internet, TV, radio, etc.)
- ▶ Work closely with employers (Flandreau and the entire region) to provide employees with housing opportunities in Flandreau
- ▶ Work with housing agencies to provide down payment assistance, low interest loans, home owner education and home owner counseling programs
- ▶ Consider an annual Housing Fair that provides information on lots, builders, finance programs, etc. Developers, builders, lenders, realtors, public agencies and local businesses could participate
- ▶ Work with builders to make the construction of a new home a very user friendly process
- ▶ Develop a new home construction incentive program

19. Competition with Other Jurisdictions

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

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

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

20. Flandreau Santee Sioux Tribal Housing Recommendations

Findings: The Flandreau Santee Sioux Reservation is located in Flandreau and Moody County. Based on the 2010 Census, there were 649 Native American people and 223 Native American households in Flandreau. Moody County had 909 Native American people and 300 households. From 2000 to 2010, Flandreau added 57 Native American people and 31 Native American households and Moody County added 117 Native American people and 43 Native American households.

It is estimated that approximately 300 of the Native American people living in Moody County are members of the Flandreau Santee Sioux Tribe.

Tribal Rental housing totals 74 units in Flandreau and includes:

- ▶ 37 General Occupancy HUD units
- ▶ 6 Walking Shield units
- ▶ 15 Senior/Disabled HUD units
- ▶ 16 Independent Senior Living units in the Tate Win Project

There are also 65 Self-Help owner-occupied homes on the Reservation including 15 homes in Flandreau and 50 homes in Moody County outside of the City of Flandreau.

Recommendation: The housing recommendations for the Flandreau Santee Sioux Tribe Reservation include:

1. The Flandreau Santee Sioux Tribe Housing Authority has determined that there is a need to increase home ownership among tribal households, both on and off the Reservation. We concur and encourage the Housing Authority to continue the following activities.
 - ▶ Work with Interlakes Community Action Partnership to develop a Self-Help Program
 - ▶ Develop a downpayment assistance program
 - ▶ Utilize governors homes for home ownership
 - ▶ Develop a lease to purchase program
 - ▶ Continue homebuyer education programs
2. Develop additional rental housing on the Reservation. Currently, there are no vacancies in the exiting rental housing and there are waiting lists.

3. Continue to rehabilitate the current rental and owner-occupied housing units on the Reservation.
4. Consider the development of transitional housing. There is an existing program that assists people with housing for five days, however, transitional housing is often needed for a longer time period.
5. Consider the development of a Homeless Shelter.
6. Consider the acquisition of an existing subsidized housing project that may be for sale in Flandreau. The project could be used for a variety of Reservation housing needs including transitional housing and rental housing.
7. Continue to monitor the need for additional senior housing.
8. Coordinate with the Flandreau Housing Corporation, the Flandreau Development Corporation, the City of Flandreau and area housing agencies to maximize housing resources.

Agencies and Resources

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

InterLakes Community Action Partnership

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

First District Association of Governments

124 1st Avenue NW
Watertown, SD 57201
(605) 882-5115
Contact: Todd Kays, Executive Director

South Dakota Housing Development Authority

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

USDA Rural Development

2408 East Benson Road
Sioux Falls, SD 57104
(605) 996-1564
Contact: Trace Davids

Brookings County Housing and Redevelopment Commission

1310 Main Avenue
Suite# 106
Brookings, SD 57006
(605) 692-1670
Contact: Connie McFarland