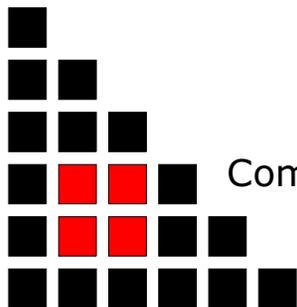


Gettysburg Area HOUSING STUDY

June 2013



Community Partners Research, Inc.

1011 Newhall Drive

Faribault, MN 55021

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Introduction

Overview

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

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 between December 2012 and April 2013. Data sources included:

- U.S. Census Bureau
- American Community Survey
- Records and data from the City
- Records and data maintained by Potter County
- South Dakota State Data Center
- Interviews with City Officials, community leaders and housing stakeholders

- 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.

This study was prepared by:

**Community Partners Research, Inc.
1011 Newhall Drive
Faribault, MN 55021
(507) 838-5992
cpartners@charter.net**

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Demographic Data Overview

Sources of Data

The following pages contain demographic data obtained from a variety of local, state and national sources for the City of Gettysburg, the West Potter Unorganized Territory, and Potter County. As part of this Study, we are including the Whitlock Bay Area. The Whitlock Bay Area is located in the West Potter Unorganized Territory. U.S. Census data is provided for the West Potter Unorganized Territory. Although the Territory data represents a larger area than Whitlock Bay, it does provide relatively accurate demographic data for the Whitlock Bay Area. At the time that research was completed for this Study, the 2010 Census information was available. 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 2011 American Community Survey data.

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

Population Data and Trends

Table 1 Population Trends - 1980 to 2010						
	1980 Population	1990 Population	2000 Population	% Change 1990-2000	2010 Population	% Change 2000-2010
Gettysburg	1,623	1,510	1,352	-10.5%	1,162	-14.1%
West Potter UT	262	236	174	-26.3%	208	19.5%
Potter County	3,674	3,190	2,693	-15.6%	2,329	-13.5%

Source: U.S. Census

- ▶ According to the 2010 U.S. Census, both Gettysburg and Potter County lost population between 2000 and 2010. However, the West Potter Unorganized Territory, which includes the Whitlock Bay development areas, gained population between 2000 and 2010.
- ▶ Gettysburg’s population was 1,162 in 2010. This was a 190-person decrease from 2000, for a population loss of 14.1%.
- ▶ The West Potter Unorganized Territory’s population was 208 in 2010. This was a 34-person increase from 2000, for a population gain of 19.5%.
- ▶ Potter County’s population was 2,329 in 2010. This was a 364-person decrease from 2000, for a population loss of 13.5%.
- ▶ Gettysburg, the West Potter Unorganized Territory and Potter County all experienced population decreases in the 1990s. Gettysburg decreased by 158 people, the West Potter Unorganized Territory decreased by 62 people and Potter County decreased by 497 people from 2000 to 2010.
- ▶ The Census Bureau has released some population estimates following the 2010 Census. For Gettysburg, the most recent estimate is effective on July 1, 2011. This estimate shows the City’s population at 1,179 people, up by 17 residents from the 2010 Census. The Census Bureau does not produce annual estimates for unorganized territories.
- ▶ For all of Potter County, the most recent estimate has an effective date of July 1, 2012. This estimate shows the County adding 30 residents since the 2010 Census. All of the net growth has been attributed to in-migration from other locations in the U.S. The County actually had a net loss of residents from natural changes, as deaths exceeded births, but in-migration resulted in some overall growth in the population level.

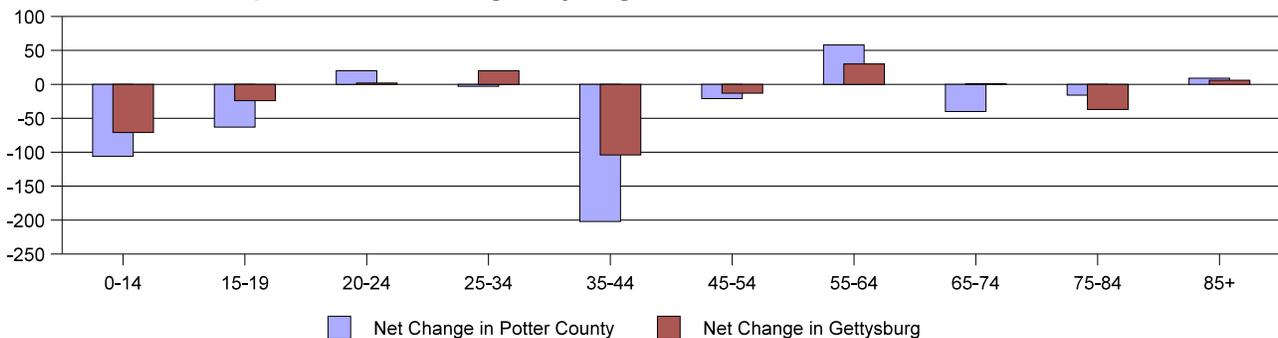
Population by Age Trends: 2000 to 2010

The release of demographic information from the 2010 Census allows for some analysis of Gettysburg and Potter County’s changing age patterns. 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	Gettysburg			Potter County		
	2000	2010	Change	2000	2010	Change
0-14	262	191	-71	486	380	-106
15-19	88	64	-24	190	127	-63
20-24	27	29	2	50	70	20
25-34	84	104	20	193	190	-3
35-44	211	107	-104	407	205	-202
45-54	184	171	-13	384	363	-21
55-64	145	175	30	309	367	58
65-74	136	137	1	312	272	-40
75-84	135	98	-37	242	226	-16
85+	80	86	6	120	129	9
Total	1,352	1,162	-190	2,693	2,329	-364

Source: U.S. Census

Population Change by Age Between 2000 and 2010



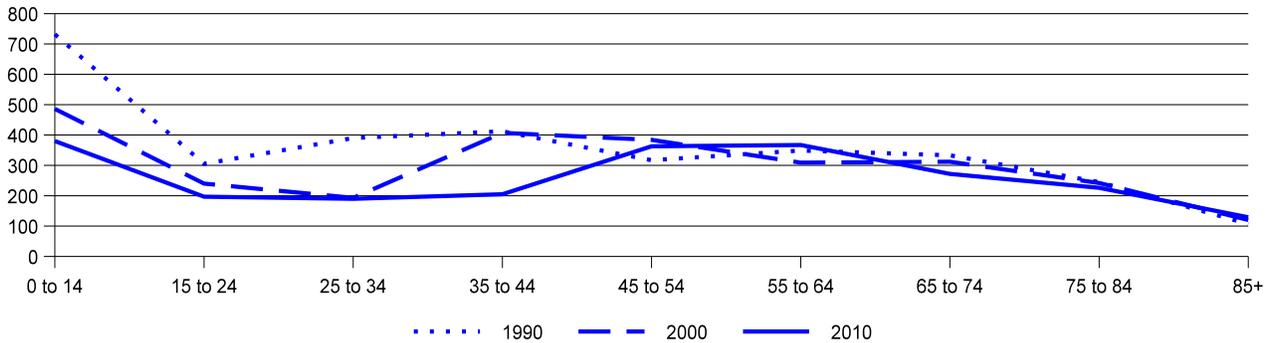
For many years, demographic analysts have been talking about the impact that is occurring as the large “baby boom” generation moves through the aging cycle. This trend has been evident in Gettysburg and Potter County. Between 2000 and 2010, Gettysburg had a net gain of 30 people and Potter County had a gain of 58 people in the age ranges between 55 and 64 years old.

The City and County also had an increase of older senior citizens, age 85 and older. There was a gain of six people in Gettysburg and a gain of nine people in Potter County in the age 85 or older age range.

The 20 to 24 age range also had gains in the City and County from 2000 to 2010. The City gained two people and Potter County gained 20 people.

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

Potter County Age Distribution: 1990 to 2010



Population Projections

The following table presents population projections using two different sources. The State Data Center has issued preliminary population projections at the County level. These projections were issued in 2012, and reflect the new data presented in the 2010 Census. Projections are not available from the State Data Center for cities or unorganized territories.

The other set of projections has been calculated by Community Partners Research, Inc., and are based on past patterns of population change. The 20-year growth trend is based on the rate of change between 1990 and 2010, using the 1990 and 2010 Census. The 10-year growth trend uses the same methodology, but calculates an annual growth rate from 2000 to 2010.

Table 3 Population Projections Through 2015				
	2010 Population Census	2015 Projection from 10-year trend	2015 Projection from 20-year trend	2015 Projection State Data Center Extrapolation
Gettysburg	1,162	1,080	1,095	N/A
West Potter UT	208	228	201	N/A
Potter County	2,329	2,172	2,172	2,170

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

- ▶ The projections based on past growth trends show population losses from 2010 to 2015 for both Gettysburg and Potter County. The State Data Center also projects population losses for Potter County. This is not consistent with the most recent estimates from the Census Bureau that show the population stabilizing, or actual growing slightly over the past two years. While longer-term trends indicate future losses, it is possible that these patterns have recently changed.
- ▶ The 10-year and 20-year growth trend population projections for Gettysburg estimate a decrease of 67 to 82 people by 2015.
- ▶ Potter County, based on 10-year and 20-year growth trends, is projected to lose 157 people from 2010 to 2015. The State Data Center projects Potter County will lose 159 people by 2015.
- ▶ The 10-year growth projection for the West Potter Unorganized Territory estimates a population gain from 2010 to 2015, while the 20-year growth projection estimates a population decline. The possible range is from a loss of seven people to a gain of 20 people from 2010 to 2015.

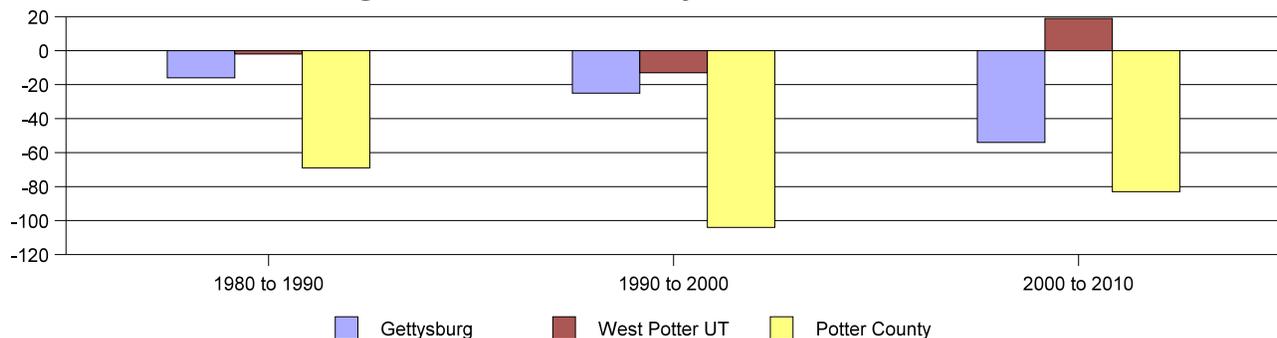
Household Data and Trends

Table 4 Household Trends - 1980 to 2010						
	1980 Households	1990 Households	2000 Households	% Change 1990-2000	2010 Households	% Change 2000-2010
Gettysburg	629	613	588	-4.1%	534	-9.2%
West Potter UT	94	92	79	-14.1%	98	24.1%
Potter County	1,318	1,249	1,145	-8.3%	1,062	-7.2%

Source: U.S. Census

- ▶ According to the 2010 Census, Gettysburg and Potter County lost households from 2000 to 2010, while the West Potter Unorganized Territory gained households.
- ▶ Gettysburg had 534 households in 2010. This was a 54-household decrease from 2000, for a household loss of 9.2%.
- ▶ The West Potter Unorganized Territory had 98 households in 2010. This was a 19-household increase from 2000, for a household gain of 24.1%.
- ▶ Potter County had 1,062 households in 2010. This was a decrease of 83 households, for a household loss of 7.2%.
- ▶ Gettysburg, the West Potter Unorganized Territory and Potter County all experienced household losses during the 1990s. Gettysburg lost 25 households, the West Potter Unorganized Territory lost 13 households and Potter County had a loss of 104 households.

Net Change in Households by Decade: 1980 to 2010



Household by Age Trends: 2000 to 2010

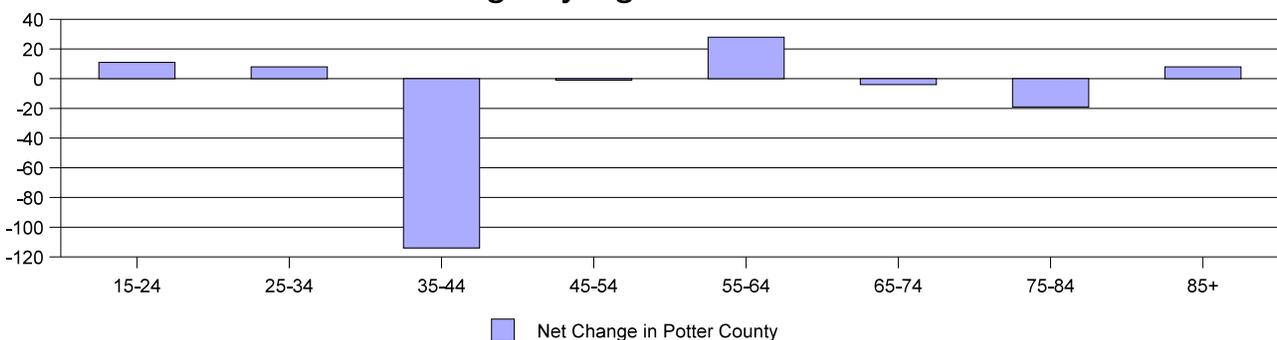
The 2010 Census allows for some analysis of Gettysburg and Potter County’s changing age patterns. The following table compares households by age of householder in 2000 and 2010, along with the numeric changes.

Table 5 Households by Age - 2000 to 2010						
Age	Gettysburg			Potter County		
	2000	2010	Change	2000	2010	Change
15-24	15	15	0	21	32	11
25-34	42	56	14	88	96	8
35-44	119	54	-65	219	105	-114
45-54	103	104	1	212	211	-1
55-64	91	102	11	185	213	28
65-74	81	92	11	184	180	-4
75-84	96	63	-33	165	146	-19
85+	41	48	7	71	79	8
Total	588	534	-54	1,145	1,062	-83

Source: U.S. Census

Consistent with the population by age data presented earlier, the household patterns show some net growth occurring in the baby boomer age groups. For Potter County, the largest net growth in households occurred in the 10-year age group between 55 and 64 years old. Potter County had an increase of 28 households in the 55 to 64 year age range. Gettysburg had an increase of 22 households in the 55 to 74 age ranges and a 14-household increase in the 25 to 34 age range.

Household Change by Age Between 2000 and 2010



Average Household Size

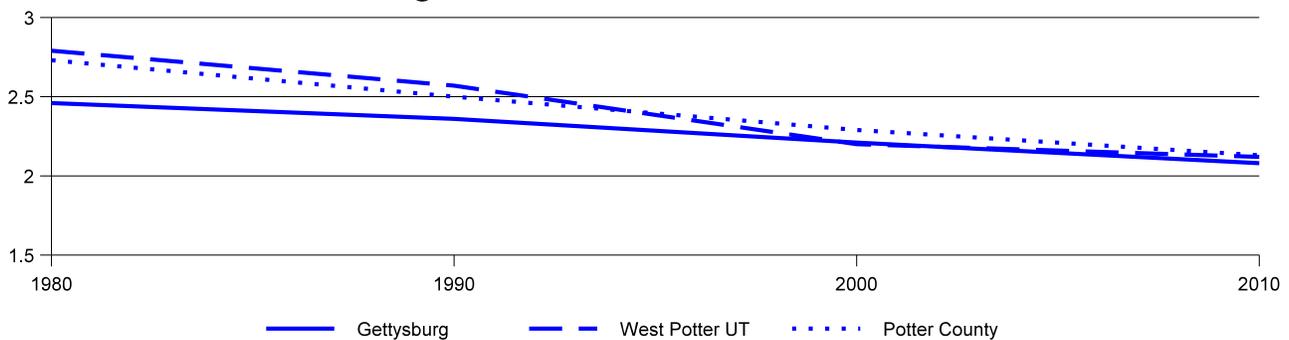
The following table provides decennial Census information on average household size.

Table 6 Average Number of Persons Per Household: 1990 to 2010				
	1980 Census	1990 Census	2000 Census	2010 Census
Gettysburg	2.46	2.36	2.21	2.08
West Potter UT	2.79	2.57	2.20	2.12
Potter County	2.73	2.50	2.29	2.13

Source: U.S. Census

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

Average Household Size: 1980 to 2010



The average household size in Gettysburg, the West Potter Unincorporated Territory and Potter County has continued to decrease over the past three decades. In Potter County, the average household size has decreased from 2.73 persons per household in 1980 to 2.13 persons in 2010.

Gettysburg’s average household size decreased from 2.46 in 1980 to 2.08 in 2010.

Household Projections

The following table presents household projections using two different calculation methods. Both of these calculations have been generated by Community Partners Research, Inc., and are based on the rate of change that was present between 2000 and 2010, and between 1990 and 2010.

Table 7 Household Projections Through 2015			
	2010 Census	2015 Projection from 10-year trend	2015 Projection from 20-year trend
Gettysburg	534	509	517
West Potter UT	98	110	100
Potter County	1,062	1,024	1,022

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

- ▶ The growth projections based on 10-year and 20-year trends estimate household losses for Gettysburg and Potter County, and household gains for the West Potter Unorganized Territory from 2010 to 2015.
- ▶ From 2010 to 2015, Gettysburg is expected to decrease by 17 to 25 households and Potter County is projected to decrease by 38 to 40 households.
- ▶ The West Potter Unorganized Territory is projected to gain two to 12 households from 2010 to 2015.
- ▶ The Census Bureau does not issue estimates for households. However, the 2011 and 2012 Census estimates for population show some limited growth for Gettysburg and Potter County. Since this recent growth is attributed to domestic in-migration, it would imply that there has also been some level of household growth since 2010.

Household by Age Projections: 2010 to 2015

With the release of the 2010 Census, a new benchmark has been established for age-related statistics for Potter County. In the following table, Community Partners Research, Inc., has generated age-based household projections for Potter County to the year 2015.

The first set of age-based projections has been extrapolated from preliminary population forecasts that have just been issued by the South Dakota State Data Center. They have been converted into households using past calculations on the average household size that has existed within specific age ranges.

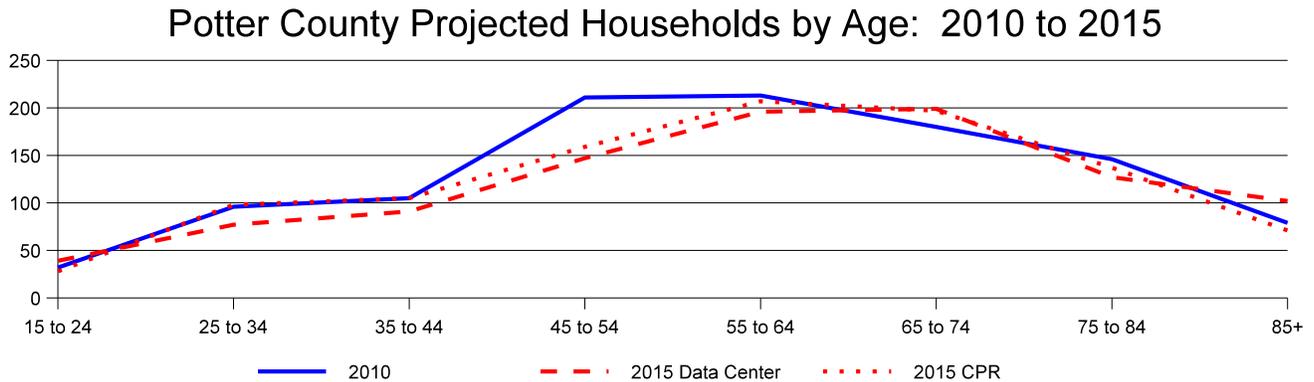
The second set of projections was created by Community Partners Research, Inc., by trending forward past retention rates within defined age cohorts, and assuming that these past patterns are reasonable predictors of future age-based population changes.

Both sets of projections assume that historical patterns will continue into the near-future, especially related to household formation and household size within specific age groups. If Potter County's population level changes at a different rate than past patterns would suggest, traditional age-based forecasts could be altered.

Age Range	2010 Census	Extrapolated from State Data Center		Community Partners Research, Inc.	
		2015 Projection	Change from 2010	2015 Projection	Change from 2010
15-24	32	39	7	28	-4
25-34	96	77	-19	98	2
35-44	105	91	-14	105	0
45-54	211	147	-64	159	-52
55-64	213	196	-17	207	-6
65-74	180	199	19	197	17
75-84	146	127	-19	137	-9
85+	79	102	23	71	-8
Total	1,062	978	-84	1,002	-60

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

While the two projection methods do yield some differences for the age-based forecasts, in general terms they offer a somewhat similar expectation through the year 2015. The relative similarity becomes more evident when viewed as a line chart showing the progression from 2010 to 2015.



The projections from the State Data Center tend to be more optimistic for the number of younger households in the 15 to 24 age range. The extrapolation from the State Data Center indicates a probable gain of seven households within this younger adult group while Community Partners Research, Inc., projects a loss of four households.

The extrapolated projections from the State Data Center show growth among households age 85 and older, with a probable gain of 23 households, compared to a loss of eight households under the Community Partners Research, Inc., projection. It is the analysts’ opinion that to achieve the growth in older seniors that the Data Center projections show, Potter County would need to attract older people from outside the immediate area.

Community Partners Research, Inc., is more optimistic in the 25 to 34 and 35 to 44 age ranges. Community Partners Research, Inc., projects a gain of two households in the 25 to 34 age range while the Data Center projects a loss of 19 households. Community Partners Research, Inc., projects no change in the number of households in the 35 to 44 age range, while the Data Center projects a loss of 14 households.

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 Gettysburg.

Table 9 Gettysburg Household Composition - 2000 to 2010			
	2000 Census	2010 Census	Change
Family Households			
Married Couple with own children	124	84	-40
Single Parent with own children	34	27	-7
Married Couple without own children	187	178	-9
Family Householder without spouse	20	21	1
Total Families	365	310	-55
Non-Family Households			
Single Person	214	202	-12
Two or more persons	9	22	13
Total Non-Families	223	224	1

Source: U.S. Census

Between 2000 and 2010, Gettysburg experienced an overall net decrease in “family” households with two or more related individuals living together. This was primarily due to a decrease of 40 married couple families that had their own children in the household. The City also experienced a loss of seven single parent families with children and nine married couples without children.

The City did have an increase of one “non-family” household. This was due to an increase of 13 unrelated individuals living together. This was offset, however, with a loss of 12 single person households.

Housing Tenure

The 2010 Census provided an updated look at housing tenure patterns. The following tables examine overall ownership and rental tenure rates, along with the changes that have occurred since 2000.

Table 10 Household Tenure - 2010				
	Number of Owners	Percent of all Households	Number of Renters	Percent of all Households
Gettysburg	413	77.3%	121	22.7%
West Potter UT	87	88.8%	11	11.2%
Potter County	876	82.5%	186	17.5%
State	-	68.1%	-	31.9%

Source: U.S. Census

According to the 2010 Census, the ownership tenure rate in Potter County was above 82.5%. Gettysburg’s ownership rate was 77.3% in 2010 and the West Potter Unorganized Territory’s ownership rate was 88.8%.

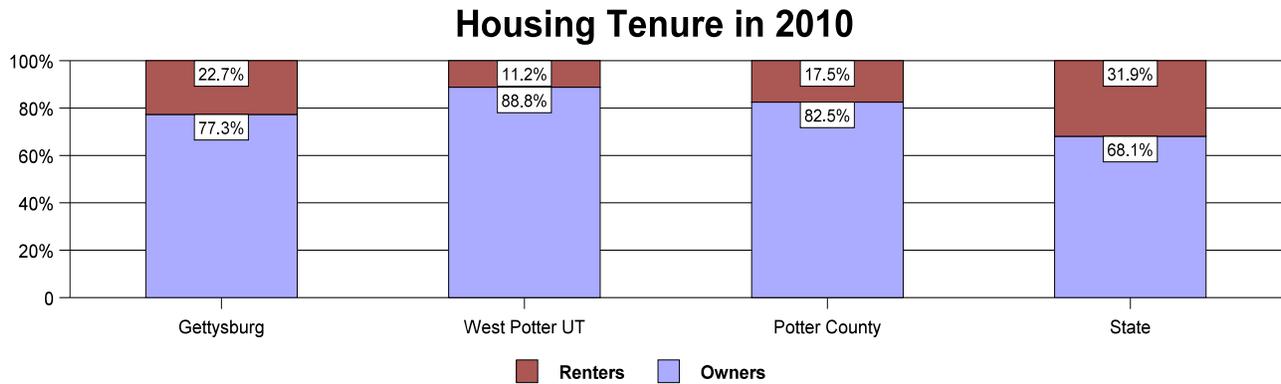


Table 11 Tenure Change in Gettysburg: 2000 to 2010			
	2000	2010	Change
Owners	433/73.6%	413/77.3%	-20
Renters	155/26.4%	121/22.7%	-34
Total	588/100%	534/100%	-54

Source: U.S. Census

Gettysburg’s ownership rate increased from 2000 to 2010. In 2000, the City’s ownership rate was 73.6%. The ownership rate increased to 77.3% in 2010.

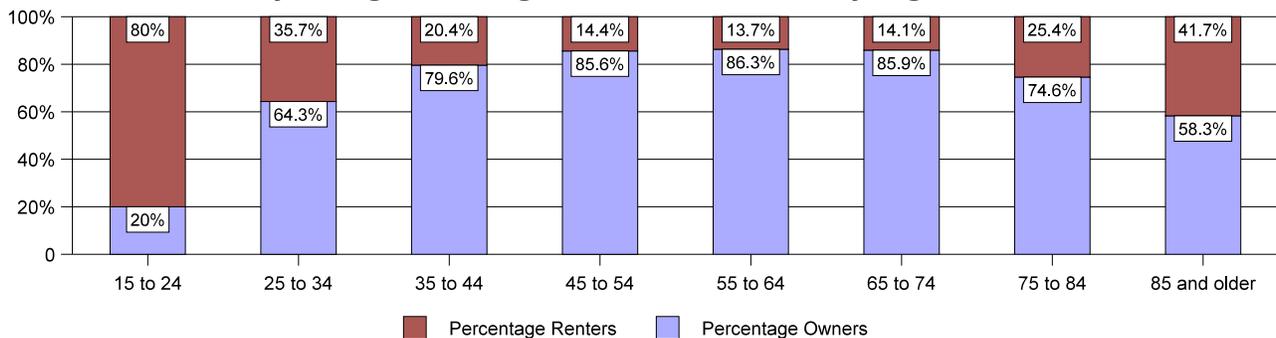
Tenure by Age of Householder

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

Table 12 Gettysburg Tenure by Age of Householder - 2010				
Age	Owners		Renters	
	Number	Percent within age	Number	Percent within age
15-24	3	20%	12	80%
25-34	36	64.3%	20	35.7%
35-44	43	79.6%	11	20.4%
45-54	89	85.6%	15	14.4%
55-64	88	86.3%	14	13.7%
65-74	79	85.9%	13	14.1%
75-84	47	74.6%	16	25.4%
85+	28	58.3%	20	41.7%
Total	413	77.3%	121	22.7%

Source: U.S. Census

Gettysburg Housing Tenure Patterns by Age in 2010



Home ownership rates for each of the 10-year age cohorts between 35 and 74 years old were above 79%. The only age range with a majority of renters was 15 to 24, which had 80% of their households renting their unit.

Tenure by Household Size

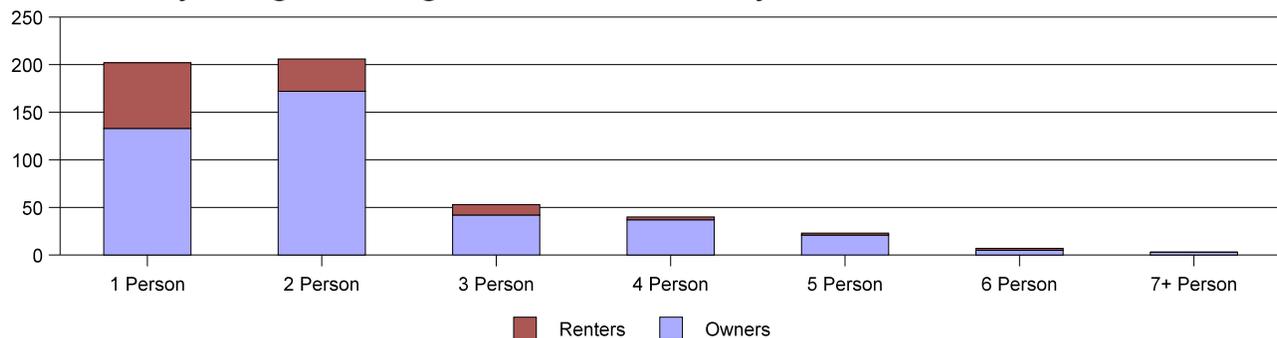
The 2010 Census did provide information on housing tenure by household size. This can be compared to 2000 Census information to better understand trends for housing unit needs. The following table provides information for Gettysburg.

Table 13 Gettysburg Tenure by Household Size - 2000 to 2010						
Household Size	Owners			Renters		
	2000	2010	Change	2000	2010	Change
1-Person	116	133	17	98	69	-29
2-Person	176	172	-4	35	34	-1
3-Person	41	42	1	10	11	1
4-Person	63	37	-26	8	3	-5
5-Person	24	21	-3	3	2	-1
6-Person	10	5	-5	1	2	1
7-Persons+	3	3	0	0	0	0
Total	433	413	-20	155	121	-34

Source: U.S. Census

Over the past decade, there was a loss of 20 owner-occupied households in Gettysburg. Among home owners, the net loss occurred among two, four, five and six-person households. There was a net increase of 17 one-person owner households. This would be consistent with some of the other demographic characteristic information provided earlier, including an aging population and fewer married couples with children. There was a loss of 34 renter households, 29 of which were one-person households. Approximately 85% of the renters in Gettysburg are one-person or two-person households.

Gettysburg Housing Tenure Patterns by Household Size in 2010



2011 Income Data

The 2010 Census did not collect information on household income. However, estimates are available at the city and county level through the 2011 American Community Survey.

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

Table 14 Median Household Income - 2000 to 2011			
	2000 Median	2011 Median	% Change
Gettysburg	\$30,469	\$47,083	54.5%
West Potter UT	\$33,750	\$37,917	12.3%
Potter County	\$30,086	\$45,682	51.8%
South Dakota	\$35,271	\$46,369	31.5%

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

Table 15 Median Family Income - 2000 to 2011			
	2000 Median	2011 Median	% Change
Gettysburg	\$37,763	\$57,188	51.4%
West Potter UT	\$36,875	\$50,357	36.6%
Potter County	\$37,827	\$55,034	45.5%
South Dakota	\$43,237	\$58,958	36.4%

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

Information contained in the 2011 American Community Survey shows income growth over the past decade for Gettysburg, the West Potter Unincorporated Territory and Potter County. Gettysburg’s median household income was above the statewide median household income and Gettysburg’s family income was slightly below the statewide median family income. The West Potter Unincorporated Territory’s household and family incomes are substantially lower than the statewide median incomes.

Potter County experienced strong overall income growth from 2000 to 2011.

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

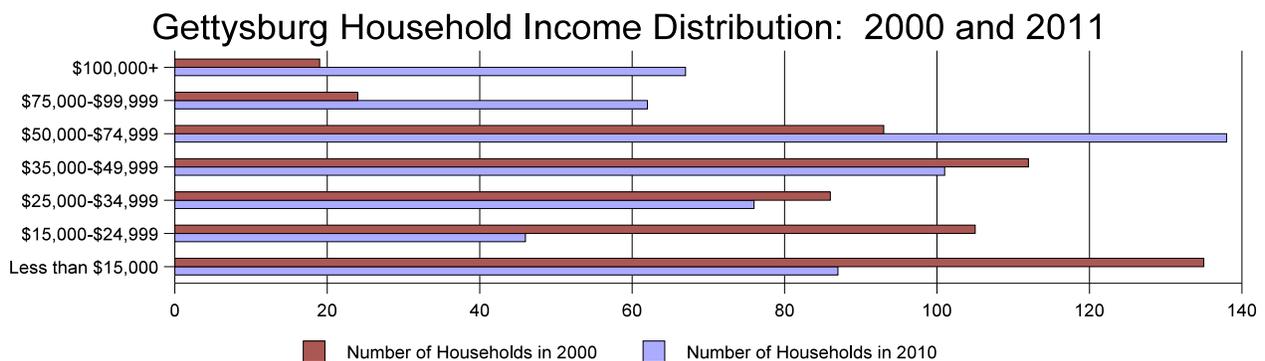
Using the commonly accepted standard that up to 30% of gross income can be applied to housing expenses without experiencing a cost burden, a median income household in Gettysburg could afford approximately \$1,077 per month for ownership or rental housing in 2011. However, renter households tend to be below the overall median, while owner households tend to be above the overall median level.

Gettysburg Household Income Distribution

The 2011 American Community Survey household income estimates for Gettysburg can be compared to the same distribution information from 2000 to examine changes that have occurred from 2000 to 2011.

Household Income	Number of Households 2000	Number of Households in 2011	Change 2000 to 2011
\$0 - \$14,999	135	87	-48
\$15,000 - \$24,999	105	46	-59
\$25,000 - \$34,999	86	76	-10
\$35,000 - \$49,999	112	101	-11
\$50,000 - \$74,999	93	138	45
\$75,000 - \$99,999	24	62	38
\$100,000+	19	67	48
Total	574	577	3

Source: 2000 Census; 2011 ACS



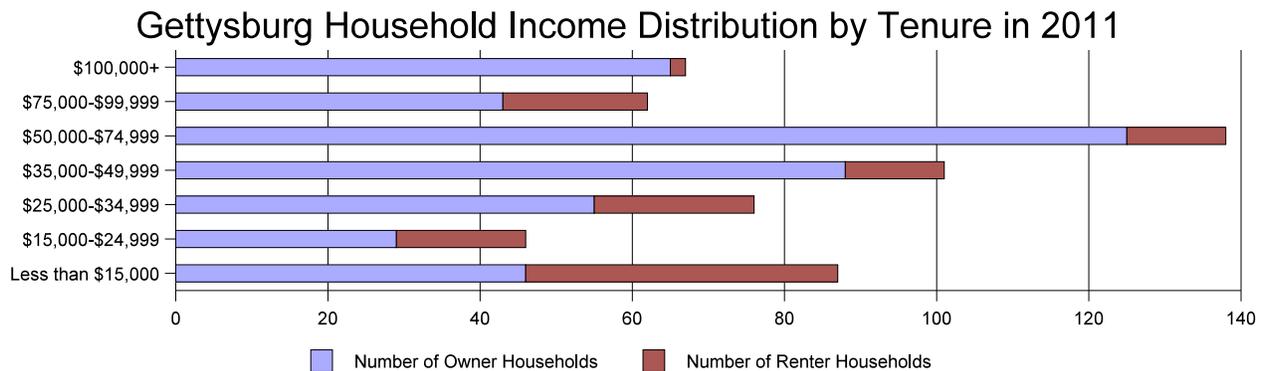
According to income estimates contained in the 2011 American Community Survey, household incomes have improved in Gettysburg, especially in the highest income ranges. When compared to the 2000 Census (1999 income), the number of households with an annual income of \$50,000, or more, increased by 131 households. There was a decrease of 128 households with annual incomes below \$50,000. Although there was a decrease in the number of households in each of the lower income ranges, there were still 133 households with an annual income below \$25,000 in 2011.

Gettysburg Income Distribution by Housing Tenure

The 2011 American Community Survey provides income data by owner and renter status. The following table examines income distribution in Gettysburg. The American Community Survey is an estimate, based on limited sampling data, and there are some differences in the number of households in Gettysburg when compared to the 2010 Census. The American Community Survey reported income information on 577 households and the U.S. 2010 Census reported that there were 534 households in Gettysburg.

Household Income	Number of Owner Households	Number of Renter Households	Total Households
\$0 - \$14,999	46/52.9%	41/47.1%	87
\$15,000 - \$24,999	29/63.0%	17/37.0%	46
\$25,000 - \$34,999	55/72.4%	21/27.6%	76
\$35,000 - \$49,999	88/87.1%	13/12.9%	101
\$50,000 - \$74,999	125/90.6%	13/9.4%	138
\$75,000 - \$99,999	43/69.4%	19/30.6%	62
\$100,000+	65/97.0%	2/3.0%	67
Total	451/78.2%	126/21.8%	577

Source: 2011 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 2011, approximately 63% of all renter households in Gettysburg had an annual income below \$35,000. At 30% of income, these households would have \$875, or less, that could be applied to monthly housing costs. The median income for all renter households was approximately \$28,000 in 2011. At 30% of income, a renter at the median level could afford approximately \$700 per month for housing costs.

Most owner households had a higher income level than rental households. Approximately 52% of all owner households had an annual income of \$50,000 or more. The estimated median household income for owners in 2011 was approximately \$47,000. At 30% of income, an owner at the median income level could afford approximately \$1,175 per month for housing costs.

2011 Estimated Income and Housing Costs - Renters

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

Table 18 Gross Rent as a Percentage of Household Income - Gettysburg		
Percentage of Household Income for Housing Costs	Number of Renter Households 2011	Percent of All Renter Households 2011
0% to 19.9%	27	21.4%
20% to 29.9%	13	10.3%
30% to 34.9%	6	4.8%
35% or more	39	31.0%
Not Computed	41	32.5%
Total	126	100%

Source: 2011 American Community Survey

The rental household estimate in the 2011 American Community Survey is reasonably consistent with the tenure information from the 2010 Census. At the time of the Census, there were 121 renter households in Gettysburg, compared to 126 households, as estimated in the 2011 American Community Survey. Part of the difference may be due to the effective dates for each data source.

According to the American Community Survey, nearly 36% of all renters in the City were paying 30% or more of their income for rent. The large majority of these households were actually paying 35% or more of their income for housing. Federal standards for rent subsidy programs generally identify 30% of income as the maximum household contribution. When more than 30% of income is required, this is often called a "rent burden". When more than 35% is required, this can be considered a "severe rent burden".

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

2011 Estimated Income and Housing Costs - Owners

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

Table 19 Ownership Costs as a Percentage of Income - Gettysburg		
Percentage of Household Income for Housing Costs	Number of Owner Households 2011	Percent of All Owner Households 2011
0% to 19.9%	333	73.8%
20% to 29.9%	70	15.5%
30% to 34.9%	0	0
35% or more	48	10.7%
Not Computed	0	0
Total	451	100%

Source: 2011 ACS

The 2011 American Community Survey underestimated the number of owner households in the City by approximately 9%. 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, almost 11% of all home owners reported that they paid more than 35% of their income for housing.

Occupancy Status of Housing Units - 2010

Table 20 Occupancy Status of Housing Units - 2010						
	Occupied Units		Vacant Units			
	Owner	Renter	For Rent	For Sale	Seasonal Use	Other Vacant
Gettysburg	413	121	19	11	14	39
West Potter UT	87	11	0	0	248	14
Potter Co.	876	186	45	20	288	85

Source: U.S. Census

- ▶ In 2010, according to the U.S. Census, there were 288 seasonal housing units in Potter County including 14 units in Gettysburg and 248 units in the West Potter Unincorporated Territory.
- ▶ Discussions with property owners and a visual inspection of the Whitlock Bay area showed a larger number of seasonal units in the area. There are an estimated 450 mobile homes/trailers that are almost exclusively used as seasonal housing. It is not clear to the analysts why the current count differs substantially from the 2010 Census count. It is possible that the Census Bureau considered some of these units as "mobile" instead of more permanent structures.
- ▶ There were 150 vacant housing units in Potter County in 2010 in addition to the seasonal units, including 69 units in Gettysburg, and 14 units in the West Potter Unincorporated Territory.

Existing Home Sales

This section examines houses that have been sold in Gettysburg in 2011 and 2012. 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 each City. 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 21 Median Value of Recent Residential Sales - 2011 & 2012			
Year	Number of Good Sales	Median Sale Price	Average Sale Price
2011	21	\$40,000	\$37,390
2012	29	\$60,000	\$74,700

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

- ▶ In 2011 and 2012, there were 50 total improved residential sales of single family houses in Gettysburg that were considered to be “arms length” transactions, according to the County’s Director of Equalization. Sales that are not “arms length” include, but are not limited to, sales between relatives, forced sales and foreclosures, and estate transfers that are not available on the open market. Only the “arms length” transactions have been reviewed for this study.
- ▶ The median sales price for the 21 residential sales in Gettysburg in 2011 was \$40,000. The highest valued sale was for \$100,000 and the lowest valued sale was for \$8,000.
- ▶ The median sales price for the 29 residential sales in Gettysburg in 2012 was \$60,000. The highest valued sale was for \$170,000 and the lowest valued sale was for \$17,500.

Gettysburg Housing Condition

Community Partners Research, Inc., representatives conducted a visual 'windshield' survey of the 485 single family/duplex houses in Gettysburg. The table below provides the survey information for single family homes east and west of East Street.

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

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

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

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

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

Table 22 Windshield Survey Condition Estimate - 2012					
	Sound	Minor Repair	Major Repair	Dilapidated	Total
East of East St.	110/40.2%	70/25.5%	57/20.8%	37/13.5%	274
West of East St.	114/54.0%	36/17.1%	38/18.0%	23/10.9%	211
Total	224/46.2%	106/21.8%	95/19.6%	60/12.4%	485

Source: Community Partners Research, Inc.

- ▶ The existing housing stock in Gettysburg is in fair to good condition. Approximately 22% of the houses in the City need minor repair and 20% need major repair. Approximately 46% are sound, with no required improvements. Sixty houses are dilapidated and possibly beyond repair.

Gettysburg Mobile Home Condition

Community Partners Research, Inc., representatives conducted a visual 'windshield' survey of the mobile homes in Gettysburg.

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

Dilapidated was the lowest rating used. Mobile homes 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 mobile home needing multiple major improvements such as roof, windows, sidings, structural/foundation, etc. Houses and mobile homes in this condition category may or may not be economically feasible to rehabilitate.

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

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

Table 23 Windshield Survey Condition Estimate - 2012					
	Sound	Minor Repair	Major Repair	Dilapidated	Total
Mobile homes	15/37.5%	8/20%	10/25%	7/17.5%	40

Source: Community Partners Research, Inc.

- ▶ The mobile homes in Gettysburg are in fair condition. Approximately 20% of the mobile homes in the City need minor repair and 25% need major repair. Approximately 38% are sound, with no required improvements.
- ▶ Seven mobile homes are dilapidated and possibly beyond repair.

Rental Housing Data

Census Bureau Rental Inventory

According to the 2010 U.S. Census, there were 121 occupied rental units and 23 unoccupied rental units in Gettysburg, for a total estimated rental inventory of 144 units. The City's rental tenure rate in 2010 was 22.7%, below the Statewide rental rate of 31.9%.

At the time of the 2000 Census, Gettysburg had 155 occupied rental units, and at least 24 vacant rental units, for a total estimated rental inventory of 179 units. The rental tenure rate in 2000 was 26.4%.

Based on a Census comparison, the City lost 34 renter-occupancy households, and approximately 35 rental units during the last decade.

From 2000 to 2010, seven new rental units were constructed in Gettysburg.

Rental Housing Survey

As part of this housing study, a telephone survey was conducted of multifamily projects in Gettysburg. The survey was primarily conducted during the months of March and April 2013. 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.

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

There were 76 housing units of all types that were contacted in the survey. In addition to the 76 rental units, the nursing home, which has 50 beds, was contacted. Approximately 53% of the rental units in Gettysburg were contacted by the survey.

The units that were successfully contacted include:

- ▶ 48 market rate units
- ▶ 36 federally subsidized units
- ▶ 12 senior congregate housing units
- ▶ 50 beds in the nursing home

The findings of the survey are provided below.

Market Rate Summary

Information was obtained on 48 rental units in five market rate rental projects. The units surveyed include a 16-unit project, a nine-plex, three 4-plexes, a five-plex, a tri-plex, a duplex and a single family home.

There are no market rate rental projects in Gettysburg that are larger than a 16-unit project.

Unit Mix

The bedroom mix of the 48 market rate units surveyed is:

- ▶ One-bedroom - 15 (31.3%)
- ▶ Two-bedroom - 32 (66.7%)
- ▶ Three-bedroom - 1 (2.0%)

Occupancy / Vacancy

Within the market rate multifamily segment there were no vacant units in the 48 units used in the occupancy calculation. This represents a vacancy rate of 0%. Owners/managers contacted in the survey reported that there was excellent demand for rentals and they are almost always fully occupied. Several owners/managers maintain waiting lists.

Rental Rates

Rental units may include the primary utility payments within the contract rent, or the tenant may be required to pay some utilities separately, in addition to the contract rent. In the following summary, Community Partners Research, Inc., has attempted to estimate the gross rents being charged, inclusive of an estimate for tenant-paid utilities.

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

<u>Unit Type</u>	<u>Identified Gross Rent Range</u>
One-bedroom	\$350-\$450
Two-bedroom	\$375-\$950
Three-bedroom	\$520

Many of the units that were contacted in the conventional, market rate housing survey had modest rental rates and were in older structures, dating to the 1980s or earlier. Most of the Logan Properties' units, however, were constructed over the past 15 years. These units have Gettysburg's highest rents.

Tax Credit Summary

There are no tax credit units in Gettysburg.

Subsidized Summary

The research completed for this Study surveyed three subsidized projects providing rental opportunities for lower income households in Potter County. One project is in Gettysburg and two projects are in Hoven. These projects have a combined 36 units. All three projects are general occupancy housing. One of the general occupancy projects was originally a senior/disabled project, but has converted to a general occupancy project.

The three subsidized rental projects in Potter County include:

- ▶ **Courtyard Apartments** - Courtyard Apartments is a 16-unit General Occupancy Rural Development project located in Gettysburg. The project was constructed in the late 1960s. The 16 units include two one-bedroom and 14 two-bedroom units. The units are fully occupied. Courtyard Apartments has a waiver that allows households that are not low income to rent a unit. One tenant is non-low income and pays the maximum rent.
- ▶ **Hoven Enterprises** - Hoven Enterprises is a 12-unit General Occupancy Rural Development project located in Hoven. The project was constructed in the early 1970s. The 12 units are all two-bedroom units. The project currently has one vacancy. The project has a waiver to allow non-low income tenants to rent a unit and a majority of the tenants are non-low income and pay a maximum rent.

- ▶ **Sunrise Apartments** - Sunrise Apartments is an eight-unit General Occupancy Rural Development project in Hoven. The project was constructed in 1991. The eight units include six one-bedroom and two two-bedroom units. The project was originally a senior/disabled project, but has converted to a general occupancy project. Non-low income tenants can rent a unit. There are currently three vacant units and the project has never been fully occupied.

The three subsidized projects have access to project-based rent assistance. These units can charge rent based on 30% of the tenant's household income. All three projects have a waiver that allows tenants that are over the income limits to rent a unit if a unit is available. These tenants pay a maximum rent.

Unit Mix

The bedroom mix breakdown for the three subsidized housing projects is as follows:

- ▶ 8 one-bedroom (22.2%)
- ▶ 28 two-bedroom (77.8%)

Occupancy / Vacancy

Courtyard Apartments located in Gettysburg had no vacancies. There were four vacancies in the 20 Hoven units, for a vacancy rate of 20%.

Subsidized Housing Gains/Losses

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

At this time, we are not aware of any projects that are considering opting out of their subsidy programs. However, Park Apartments is a 16-unit project in Gettysburg that was a Rural Development project, but has opted out of its Rural Development contract and is now a market rate project.

Senior Housing with Services

Unit Inventory

Gettysburg has a congregate housing project and a nursing home that includes dementia units. The senior with services projects include:

Avera Oahe Villa Apartments - Avera Oahe Villa Apartments is a senior congregate housing project that includes 12 one-bedroom units. Rent is \$900 for single occupancy and \$1,200 for double occupancy. Rent includes a noon meal, housekeeping and laundry service. The facility includes a common's area. The administrator reported that there were four vacancies at the time of the survey and that the facility averages approximately four vacancies. There are plans to reduce the number of units and increase the size of the remaining units.

Avera Oahe Manor - Avera Oahe Manor is a 50-bed skilled nursing home. The administrator reports that average occupancy is 47 beds. The nursing home includes a 15-bed dementia facility. Also, the nursing home can provide a lower level of services to accommodate residents that need an assisted living level of care.

Avera Oahe Haven - The 50 beds in the Avera Oahe Manor include 15 beds for dementia residents. The beds are in a secured portion of the nursing home. The beds are usually fully occupied. The facility serves a large market area and it is the only dementia facility in the area.

Table 24 Gettysburg Multifamily Rental Housing Inventory

Name	Number of Units /Bedroom Mix	Rent	Vacancy/ Wait List	Tenant Mix	Comments
Market Rate					
Logan Properties	<u>18 - 2 bedroom</u> 18 Total Units	Range of \$700 to \$850	No vacancies, waiting list	Primarily seniors	The 18 units include one duplex constructed in 1989, a four-plex constructed in 2007, a three-plex constructed in 2011 and a nine-plex constructed in the late 1990s. The units are townhome style and have attached garages. The owner reports no vacancies and a waiting list. The units are primarily occupied by seniors.
Park Apartments	10 - 1 bedroom <u>6 - 2 bedroom</u> 16 total units	Information not provided	No vacancies	Mix of tenants	Sixteen-unit project that was a Rural Development, no waiver, owner opted-out of the Rural Development contract and the units are now market rate. Manager reports no vacancies. Manager did not know or was unwilling to provide rental rate information.
Frost Properties	1 - 1 bedroom <u>4 - 2 bedroom</u> 5 total units	\$275 \$300	No vacancies	Mix of tenants	The units include a four-plex and a single family home. Owner reports no vacancies. Owner pays heat and tenants pay remaining utilities.
Quiett 5-plex	4 - 1 bedroom <u>1 - 3 bedroom</u> 5 total units	\$325-\$350 \$400	No vacancies	Mix of tenants	Older apartment building with five units. Owner reports no vacancies and the units have been fully occupied for several years. Rent does not include utilities.
Starks 4-plex	<u>4 - 2 bedroom</u> 4 total units	\$375-\$400	No vacancies	Mix of tenants	Four-plex constructed in the late 1960s. Owner reports no vacancies. Tenants pay electricity.

Table 24 Gettysburg Multifamily Rental Housing Inventory					
Name	Number of Units /Bedroom Mix	Rent	Vacancy/ Wait List	Tenant Mix	Comments
Subsidized					
Courtyard Apartments Gettysburg	2 - 1 bedroom <u>14 - 2 bedroom</u> 16 Total Units	\$525 max. \$575 max. 30% of income	No vacancies	General occupancy	Rural Development project constructed in the late 1960s. Project has 16 total units with two one-bedroom and 14 two-bedroom units. Owner reports full occupancy. If low income tenants are not available to fill the units, non-low income people can rent a unit and pay market rents listed.
Hoven Enterprises Hoven	<u>12 - 2 bedroom</u> 12 total units	\$370-\$375 30% of income	1 vacancy	General occupancy	Rural Development project which includes 12 two-bedroom units in three four-plexes. Project is approximately 40 years old. Rent includes all utilities except electricity. Currently, there is only one vacancy, but there have been more vacancies in the past. Non-low income tenants can rent a unit and pay market rents listed. Currently, the majority of the tenants pay market rent.
Sunrise Apartments Hoven	6 - 1 bedroom <u>2 - 2 bedroom</u> 8 total units	\$514 max. \$539 max. 30% of income	3 vacancies	General occupancy	Rural Development project constructed in 1991. The project is a one-level building that includes six one-bedroom and two two-bedroom units. The project was originally senior/disabled, but is now general occupancy. Non-low income tenants can rent a unit for the market rents listed. Manager reports three vacancies and the project has never been fully occupied.

Table 24 Gettysburg Multifamily Rental Housing Inventory

Name	Number of Units /Bedroom Mix	Rent	Vacancy/ Wait List	Tenant Mix	Comments
Senior Housing with Services					
Avera Oahe Manor	50 beds - licensed for 60 beds	Based on services	Average 47 bed occupancy	Skilled nursing home	Avera Oahe Manor is a 50-bed facility. Administrator reports that the average occupancy is 47 beds. The nursing home includes a 15-bed dementia facility. Also, the nursing home can provide a lower level of services to accommodate residents that need an assisted living level of services.
Avera Oahe Haven	15 beds	Based on services	Usually fully occupied	Dementia housing	The 50 beds in the Avera Oahe Manor include 15 beds for dementia residents. The beds are in a secured portion of the nursing home. The beds are usually fully occupied. The facility serves a large market area and it is the only dementia facility in the area.
Avera Oahe Villa Apartments	<u>12 - 1 bedroom</u> 12 total units	\$900/\$1200 single/double	4 vacancies	Senior congregate housing	Avera Oahe Villa includes 12 one-bedroom congregate housing apartments. Rent includes a noon meal, housekeeping and laundry. The facility has a common's area that includes a kitchen. Administrator reports four vacancies currently, and the facility typically averages four vacancies. There are plans to reduce the number of units and increase the size of the remaining units.

Source: Community Partners Research

Employment and Local Economic Trends Analysis

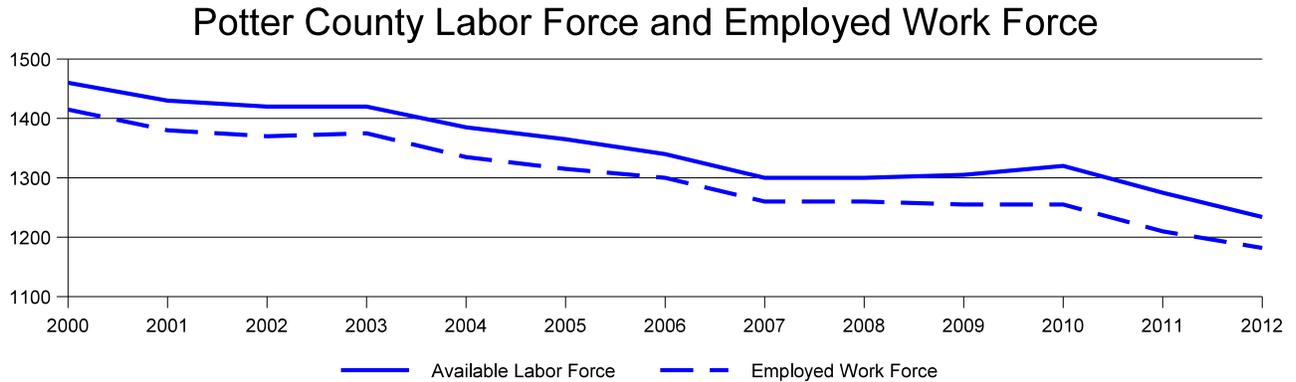
While many factors influence the need for housing, employment opportunities represent a predominant demand generator. Without jobs and corresponding wages, the means to pay for housing is severely limited.

Employment opportunities may be provided by a broad range of private and public business sectors. Jobs may be available in manufacturing, commercial services, agriculture, public administration, and other industries. 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.

Employment information is available at the county level for Potter County. The labor force statistics track people by place of residence, rather than place of employment.

Table 25 County Average Annual Labor Force: 2000 to 2012						
Year	Labor Force	Employed	Unemployed	Unemployment Rate - County	Unemployment Rate - SD	Unemployment Rate - US
2000	1,460	1,415	45	2.9%	2.7%	4.0%
2001	1,430	1,380	50	3.5%	3.1%	4.7%
2002	1,420	1,370	50	3.4%	3.3%	5.8%
2003	1,420	1,375	45	3.2%	3.5%	6.0%
2004	1,385	1,335	50	3.6%	3.7%	5.6%
2005	1,365	1,315	50	3.6%	3.7%	5.1%
2006	1,340	1,300	40	3.1%	3.1%	4.6%
2007	1,300	1,260	40	3.0%	2.9%	4.6%
2008	1,300	1,260	40	3.1%	3.0%	5.8%
2009	1,305	1,255	50	3.9%	5.2%	9.3%
2010	1,320	1,255	65	4.8%	5.0%	9.6%
2011	1,275	1,210	65	5.2%	4.7%	8.9%
2012	1,234	1,182	52	4.2%	4.4%	8.1%

Source: South Dakota Department of Labor



Over a longer time period, there has been a gradual reduction in the size of the area's labor force and employed work force. Between 2000 and 2012, the size of the County's labor force decreased by 226 people, or 15.5%. The employed work force decreased by 233 people, or 16.5% during this same time period.

The County's unemployment rate for 2012 was at 4.2%, below the national rate, and also lower than the Statewide rate.

Average Annual Wages by Industry Sector

The following table shows the annual employment and average annual wages by major employment sector in 2011, the last full year of data. It is important to note that the major employment sectors listed do not represent all employment in the County. This information is for all of Potter County.

Table 26 County Average Annual Wages by Industry Detail: 2011		
Industry	2011 Employment	2011 Average Annual Wage
Total All Industry	849	\$28,336
Natural Resources, Mining	33	\$31,139
Construction	61	\$36,478
Manufacturing	59	\$29,729
Trade, Transportation, Utilities	225	\$30,079
Information	8	\$21,354
Financial Activities	39	\$50,571
Professional and Business Services	4	\$113,324
Education and Health Services	142	\$26,190
Leisure and Hospitality	78	\$11,724
Other Services	32	\$21,427
Government	169	\$25,842

Source: South Dakota Department of Labor

The average annual wage for all industry in 2011 was \$28,336. The highest paying wage sector was Professional and Business Services, but there were only four covered workers in this sector. There were 39 people employed in Financial Activities, where the average wage was \$50,571. These were the only industry sectors with an average wage above \$40,000.

The lowest paying wage sector was Leisure and Hospitality, with an average annual wage of \$11,724. This was the only industry sector with an average wage below \$20,000.

Major Employers in Potter County

The Community Profile for Potter County lists the following major employers in Gettysburg and Hoven with 25 or more employees. This information is from the Governor’s Office of Economic Development website.

- ▶ Gettysburg Medical Center
- ▶ Gettysburg School System
- ▶ Potter County
- ▶ Northern Plains/Harvest States
- ▶ Potter County Implement
- ▶ Logan Electric
- ▶ Holy Infant Hospital - Hoven
- ▶ Hoven Cass Clay - Hoven

Source: Governor’s Office of Economic Development

There may be additional large employers in the area that are not listed.

Commuting Patterns of Area Workers

Only limited information is available on area workers that commute for employment. The best information is from the 2011 American Community Survey, and has been examined for Gettysburg. This table only examines people that commuted, and excludes people that work at home.

Table 27 Commuting Times for Gettysburg Residents - 2011	
Travel Time	Number/Percent
Less than 10 minutes	407 / 68.9%
10 to 19 minutes	75 / 12.7%
20 to 29 minutes	26 / 4.4%
30 minutes +	83 / 14.0%
Total	591

Source: 2011 American Community Survey 5-year estimates

The large majority of Gettysburg residents were working locally in 2011. Overall, nearly 69% of residents commuted nine minutes or less to work, and nearly 82% had a commute time that was less than 20 minutes. However, 14% of City residents did travel 30 minutes or more for employment.

Findings on Growth Trends

As part of this Study, Community Partners Research, Inc., has examined growth patterns for Gettysburg, the West Potter Unorganized Territory and Potter 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.

Gettysburg, the West Potter Unorganized Territory and Potter County's population has decreased since 1980. From 1980 to 2010, Gettysburg's population decreased by 461 people, the West Potter Unorganized Territory's population decreased by 54 people and Potter County's population decreased by 1,345 people. From 2000 to 2010, Gettysburg's population decreased by 190 people and Potter County's population decreased by 364 people. However, the West Potter Unorganized Territory gained 34 people from 2000 to 2010, although it experienced a net loss from 1980 to 2010.

Household levels have decreased from 2000 to 2010 in Gettysburg and Potter County. Gettysburg experienced a loss of 54 households and Potter County's number of households decreased by 83 households. The West Potter Unorganized Territory gained 19 households from 2000 to 2010.

Findings on Projected Growth

The projections for Gettysburg, the West Potter Unorganized Territory and Potter County calculated by Community Partners Research, Inc., from past growth trends reflect the patterns of recent decades. Using the past trends to form a range, Community Partners Research, Inc., projects that Gettysburg's population will decrease by 67 to 82 people, and by 17 to 25 households from 2010 to 2015. The West Potter Unorganized Territory is projected to experience a range of a loss of seven people to a gain of 20 people, and a gain of two to 12 households from 2010 to 2015.

The population and household projections for all of Potter County expect an ongoing reduction through the year 2015. The forecasts used for this Study expect a loss of 159 people and a loss of 38 to 40 households from 2010 to 2015.

These projections have been formed by longer-term trends. The most recently released population estimates from the Census Bureau are more optimistic, and actually show some population growth over the past few years. It is too early to know if these changing trends can be sustained, and the long-term patterns can be reversed.

Findings on Housing Unit Demand and Tenure

Calculations for total future housing needs 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 Gettysburg and Potter County to continue to lose households through 2015. Small household gains are projected for the West Potter Unorganized Territory through 2015. As a result, anticipated household growth yields only slight demand for new housing production.

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 Gettysburg and Potter County, some dilapidated housing has been demolished, and more units may 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 Gettysburg. We have included our estimates of pent-up demand into the specific recommendations that follow later in this section.

Summary of Potter County Growth Projections by Age Group

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

In general terms, much of the projected net growth to the year 2015 will occur among people in the 65 to 74 age ranges. This would largely reflect the aging “baby boomers”, nearly all of whom will be age 55 or older by the year 2015.

There is a difference in the State Data Center and Community Partners Research, Inc. projections in several age ranges. The State Data Center projects household increases for the 15 to 24 age range and Community Partners Research, Inc., is projecting household losses. Conversely, Community Partners Research, Inc., is projecting household gains in the 25 to 34 age range, while the State Data Center is projecting household losses. Also, the State Data Center is estimating that there will be an increase of 23 households 85 and over, while Community Partners Research, Inc., is projecting the loss of eight households.

While projections can be informative in planning for change, it is important to note that they may be altered in the future. To the extent that Gettysburg, the West Potter Unorganized Territory and Potter 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.

The following approximate ranges show the expected net change in the number of Potter County households in each 10-year age cohort between 2010 and 2015. The first column shows the projections based on State Data Center data and the second column shows projections based on Community Partners Research, Inc. calculations.

<u>Age Range</u>	<u>Projected Change in Households</u>
	<u>2010 to 2015</u>
15 to 24	7 to -4
25 to 34	-19 to 2
35 to 44	-14 to 0
45 to 54	-64 to -52
55 to 64	-17 to -6
65 to 74	19 to 17
75 to 84	-19 to -9
85 and Older	23 to -8

Findings on Unit Demand by Type of Housing

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

Age 24 and Younger - The projections used for this Study expect a range of a small loss of four households to a gain of seven households in the 15 to 24 age range through the year 2015. Past tenure patterns indicate that 80% of these households in Gettysburg will rent their housing. A stable number of households in this age range should mean that rental demand from younger households will remain relatively unchanged during the projection period.

25 to 34 Years Old - The projections show a range of a gain of two households to a loss of 19 households by 2015. Within this age range households often move from rental to ownership housing. The ownership rate among these households in Gettysburg was approximately 64% in 2010. A potential slight decrease within this age range will generate slightly reduced 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 range of no change in households to a loss of 14 households between 2010 and 2015 in Potter County. In the past, this age group has had a high rate of home ownership in Gettysburg, at approximately 80%. 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 2015, this age cohort will represent the front-end of the "baby bust" generation that followed behind the baby boomers. This age group represents a much smaller segment of the population than the baby boom age group. For Potter County, the projections show a loss of 52 to 64 households in this range. This age group historically has had a high rate of home ownership, approximately 86% in Gettysburg in 2010, and will often look for trade-up housing opportunities. With a household decrease in this age group, there will be a decrease in the demand for trade-up housing.

55 to 64 Years Old - This age range is part of the baby boom generation. The projections show an expected decrease of six to 17 additional households in this 10-year age range by the year 2015 in the County. This age range has traditionally a high rate of home ownership in Gettysburg, at approximately 86% 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 - The State Data Center projects a gain of 19 households and Community Partners Research, Inc., estimates a gain of 17 households by the year 2015 in this 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 86% of households in this age range owned their housing in Gettysburg. 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 loss of nine to 19 households in Potter County in this age range between 2010 and 2015. In the past, households within this 10-year age range have had a relatively high rate of home ownership, at approximately 75% in Gettysburg. 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 gain of 23 households is projected from the State Data Center, but Community Partners Research, Inc., is projecting a loss of eight households among older seniors. Historic home ownership rates in this age group in Gettysburg have been relatively low, at approximately 58% 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 of the Gettysburg/Whitlock Bay area were identified through statistical data, local interviews, research and on-site review of the local housing stock.

- ▶ **Gettysburg serves as a small regional center** - Gettysburg and the surrounding area provide employment opportunities, retail/service options, health and professional services and recreational facilities and opportunities for a geographical area that surrounds the City and Potter County.
- ▶ **Affordable priced housing stock** - The City of Gettysburg has a large stock of affordable, existing houses. Our analysis shows that the City's median home value based on 2012 sales is approximately \$60,000. This existing stock, when available for sale, provides an affordable option for home ownership.
- ▶ **Adequate land for development** - Gettysburg and Whitlock Bay have adequate land available for both residential and commercial/industrial development. However, some of this land needs to be serviced with infrastructure improvements and/or annexed into the City limits.
- ▶ **Educational system** - Gettysburg has a public K-12 school system.
- ▶ **Health facilities** - Gettysburg has health facilities including a hospital, a medical clinic and a nursing home.
- ▶ **Infrastructure** - Gettysburg's water and sewer infrastructure can accommodate future expansion.
- ▶ **Commercial development** - Gettysburg's commercial district is adequate to meet most daily needs.
- ▶ **Gettysburg-Whitlock Bay Economic Development Corporation** - The Gettysburg-Whitlock Bay Economic Development Corporation promotes economic, employment and housing opportunities for the area.
- ▶ **Small-town atmosphere** - Gettysburg is a small town, with the real and perceived amenities of a small community. This small-town living is attractive to some households.

- ▶ **Recreational Area** - Potter County is a recreational area that provides excellent hunting and fishing. Also, Whitlock Bay, which is on Lake Oahe, is a vacation and seasonal recreation destination that includes boating, fishing, hiking, camping, etc.
- ▶ **Employers** - Gettysburg has several large employers that provide employment opportunities for area residents.
- ▶ **Whitlock Bay** - Whitlock Bay has land available for future development. Future development can include year-round and seasonal homes.

Barriers or Limitations to Housing Activities

Our research also identified the following barriers or limitations that hinder or prevent certain housing activities in the Gettysburg/Whitlock Bay Area.

- ▶ **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 2012 residential sales, we estimate that the median priced home in Gettysburg is valued at or below approximately \$60,000. This is below the comparable cost for new housing construction, which will generally be above \$150,000 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 losses** - Historical data indicate that Gettysburg is expected to lose population and households from 2010 to 2015. The community has to use realistic expectations when planning for the future.
- ▶ **Distance from a major regional center** - The nearest regional center is Pierre, which is 60 miles from Gettysburg. Many households desire or need to be near a regional center for employment, health care, entertainment, retail, etc.

Recommendations, Strategies and 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 the Gettysburg/Whitlock Bay area. 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 the Gettysburg/Whitlock Bay area, subsidies or some other form of financial assistance will be needed from local and regional housing and economic development agencies and the South Dakota Housing Development Authority.
- ▶ **Protect the existing housing stock** - The future of the Gettysburg/Whitlock Bay area will be heavily dependent on the area's appeal as a residential location. The condition of the existing housing stock is a major factor in determining the communities' 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** - The Gettysburg/Whitlock Bay area has many assets including a K-12 school, employment opportunities, a Downtown Commercial District, resorts, residential areas, etc. These are strong assets that make the area a desirable place to live, and are key components to the area'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 community has been involved in housing issues. The community should prioritize its housing issues and establish goals and time lines to achieve success in addressing their housing needs.
- ▶ **Access all available resources for housing** - In addition to the local efforts, the community has other resources to draw on including USDA Rural Development, the South Dakota Housing Development Authority, the Mobridge Housing Authority, Homes Are Possible, Inc., Grow South Dakota, and the Northeast Council of Governments. These resources should be accessed as needed to assist with housing activities.

Summary of Findings/Recommendations

The findings/recommendations for the Gettysburg/Whitlock Bay area have been formulated through the analysis of the information provided in the previous sections and include 18 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 12 to 16 general occupancy market rate rental units
2. Promote the development of six to eight affordable rental units
3. Monitor the need for additional senior with services rental units
4. Promote the development of 12 to 16 additional subsidized rental housing units as resources allow
5. Utilize the Housing Choice Voucher Program

Home Ownership

6. Utilize and promote all programs that assist with home ownership
7. Develop a purchase/rehabilitation program
8. Explore the creation of a local down payment assistance program

Single Family Housing Development

9. Support the development of an eight to ten lot subdivision
10. Develop a City of Gettysburg Housing Incentive Program
11. Coordinate with economic development and housing agencies, and nonprofit groups to construct affordable housing

12. Promote twin home/town home development
13. Continue to promote housing development in Whitlock Bay

Housing Rehabilitation

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

Other Housing Issues

16. Acquire and demolish dilapidated structures
17. Create a plan and a coordinated effort among housing agencies
18. Promote commercial rehabilitation and development

Rental Housing Development

Findings: It is difficult to produce new affordable rental units. A number of factors including Federal tax policy, State property tax rates, a low rent structure and high construction costs have all contributed to making rental housing difficult, especially in small cities.

Our projections indicate that the City of Gettysburg is expected to lose approximately 17 to 25 households from 2010 to 2015. Potter County is projected to lose 38 to 40 households over the five-year period.

Although there is expected to be household losses in Gettysburg and Potter County over the next five years, we are recommending the development of the following units from 2013 to 2018:

▶ General Occupancy Market Rate		- 12 to 16
▶ Subsidized		- 12 to 16
▶ Rehab/Conversions		- <u>6 to 8</u>
	Total	30 to 40

These recommendations are based on continued pent-up demand for quality rental units, the loss of rental units from the housing stock, the low vacancy rates in existing units, and the low number of rental units that currently exist in Gettysburg.

1. Develop 12 to 16 general occupancy market rate rental units

Findings: Gettysburg has a limited number of market rate units. The only market rate units in Gettysburg that are less than 15 years old are 16 Logan Properties units. These units include a three-plex, four-plex and nine-plex. These units have 'state of the art' amenities. Rents range from \$700 to \$850 per month plus utilities. The City also gained 16 market rate rental units when Park Apartments opted out of its Rural Development contract and converted to market rate rental housing. However, the Park Apartments units are older and have limited amenities. The older market rate rental units that we surveyed included two four-plexes and a five-plex that had rents ranging from \$275 to \$400 plus utilities.

There are also a number of single family homes being rented in Gettysburg. It is estimated that the prevailing rent structure for these units ranges from \$300 to \$500.

The only three-bedroom and four-bedroom market rate units in Gettysburg are in single family homes. There are no three-bedroom or larger units in the market rate multifamily rental projects.

Although Gettysburg and Potter County are projected to lose households over the next five years, our interviews and rental surveys identified a need for market rate rental housing. Also, there are no vacancies in the 48 market rate rental units we surveyed.

There is a projected increase of up to 19 households in Potter County in the 65 to 74 age ranges. While this projection is for the overall growth in Potter County, Gettysburg has the potential to capture a significant share of this growth. Some of the households in this age range will prefer to rent and have incomes that are too high to qualify for subsidized rental housing. Additionally, the newest rental units in Gettysburg were constructed primarily for seniors and are fully occupied and very successful.

Also, we are expecting the loss of rental households due to deterioration and demolition. We have identified 60 homes and seven mobile homes in Gettysburg that are dilapidated and beyond repair. Some of these dwellings are rentals and may be demolished or no longer rented because of their condition.

The developer that has constructed 18 units in the City, including 16 units over the past 15 years, may have an interest in constructing additional units.

Recommendation: We recommend the development of 12 to 16 market rate rental housing units. 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 continue to encourage private developers to undertake the development of market rate rental housing. If private developers do not proceed, the Gettysburg-Whitlock Bay Economic Development Corporation could potentially utilize essential function bonds or other financing to construct market rate units.

Also, the Gettysburg-Whitlock Bay Economic Development Corporation could partner with private developers to construct additional units. The City could also assist with land donations, tax increment financing, reduced water and sewer hook up fees, etc. Additionally, housing vouchers could be utilized by households renting the units if they meet income requirements and the rents are at or below fair market rents. Currently, fair market rents are \$614 for a two-bedroom and \$765 for a three-bedroom unit.

Some cities, including Gettysburg, have added units in small phases, as demand dictates the need for additional units. In this way they have expanded the supply without saturating the market.

A significant percentage of the units should be three-bedroom units as there is a shortage of three-bedroom units in Gettysburg.

We recommend the development of 12 to 16 units and the unit mix and rents should be as follows:

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

<u>Unit Type</u>	<u>No. of Units</u>	<u>Size/Sq. Ft.</u>	<u>Rent</u>
Two Bedroom	8-10	950-1,050	\$650-\$850
Three Bedroom	4-6	1,150-1,250	\$850-\$975
Total	12-16		

Note: Rents are quoted in 2013 dollars and does not include utilities.

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

2. Promote the development of six to eight affordable market rate rental housing units

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

There is evidence that Gettysburg has lost some affordable rental housing over the years and will continue to lose units due to deterioration and demolition. Part of the need for additional rental units in Gettysburg 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 Gettysburg 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.

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 2010 U.S. Census, there were 69 vacant homes in Gettysburg. Potentially, some of these homes 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.

The estimated prevailing rent range for older rental units in Gettysburg is typically between \$300 and \$500 per month. Creating some additional units with contract rents below \$600 per month would help to expand the choices available to a majority of the City's renter households.

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

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

Findings: The City of Gettysburg has a senior congregate housing project, a nursing home and a dementia facility. The description of these facilities is as follows:

Avera Oahe Villa Apartments - Avera Oahe Villa Apartments is a senior congregate housing project that includes 12 one-bedroom units. Rent is \$900 for single occupancy and \$1,200 for double occupancy. Rent includes a noon meal, housekeeping and laundry service. The facility includes a common's area. The administrator reported that there were four vacancies at the time of the survey and that the facility averages approximately four vacancies. There are plans to reduce the number of units and increase the size of the remaining units.

Avera Oahe Manor - Avera Oahe Manor is a 50-bed skilled nursing home. The administrator reports that average occupancy is 47 beds. The nursing home includes a 15-bed dementia facility. Also, the nursing home can provide a lower level of services to accommodate residents that need an assisted living level of care.

Avera Oahe Haven - The 50 beds in the Avera Oahe Manor include 15 beds for dementia residents. The beds are in a secured portion of the nursing home. The beds are usually fully occupied. The facility serves a large market area and it is the only Alzheimer facility in the area.

In April 2010, there were 627 senior citizens (age 65+) living in Potter County. This included 272 younger seniors, in the age range between 65 and 74 years old, and 355 older seniors, age 75 and above. The population of senior citizens did not grow over the last decade. Between 2000 and 2010, the County had a net gain of only one younger senior, age 65 to 74. However, there was a net loss of 31 senior citizens age 75 and older.

Between 2010 and 2015, the projections used for this Study show minor losses in the number of senior citizens in the County, caused by a declining number of older seniors. By 2015, the projection would point to approximately 328 older seniors in the County, down from 355 older seniors in the year 2010. This projected decrease in the population of older seniors is expected to continue until after the year 2020, when the movement of the baby boomers through the aging cycle begins to once again increase the number of older residents.

To fill the 50 available beds in Avera Oahe Manor, the facility needs a market capture rate of approximately 15% to 16% of all of the older seniors living in the County. While this is a high rate, the facility did report strong occupancy. Some seniors from neighboring Counties have moved to Gettysburg due to the attractive features of this health care complex. Also, the nursing home has 15 dementia beds and provides a level of services for some residents that is comparable to assisted living.

Assuming that as many as 50 older seniors in Potter County would be living in the nursing home at any point in time, the 12 units in Avera Oahe Villa Apartments would need a capture rate of approximately 2% of the senior population to remain at full occupancy. This rate is not overly high, however, the facility has not had strong occupancy.

Recommendation: Gettysburg does have attractive housing options for seniors looking for some level of services with their housing. Avera Oahe Manor, Avera Oahe Haven and Avera Oahe Villa Apartments provide senior with services housing for seniors who need a nursing home, congregate housing or housing for individuals with dementia.

Gettysburg and Potter County do not have assisted living units. Typically, 4% to 5% of older seniors need an assisted living unit, which in Potter County would be 13 to 16 units. The nursing home, the dementia beds and the congregate housing appear to be serving most of the seniors that need assisted living housing. However, a small assisted living project may be needed in the future.

It should be noted that the projections used for this Study do expect the number of older senior citizens, age 75 and above, to decrease slightly over the next few years. It is not until after the year 2020 that there will once again be some numeric growth within this demographic segment. Any near-term expansion of units should therefore be based on the evidence of pent-up demand that exists, rather than on any anticipated growth in the size of the primary target market.

4. Promote the development of 12 to 16 additional subsidized rental housing as resources allow

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

The research completed for this Study found only one project, Courtyard Apartments, that offers subsidized housing with rent based on income. Courtyard Apartments has 16 total units, with two one-bedroom and 14 two-bedroom apartments. This project reported full occupancy at the time of the rental survey. There are also two subsidized projects in Hoven, Sunrise Apartments with eight units and Hoven Enterprises with 16 units.

There had been another federally subsidized project in Gettysburg, Park Apartments with 16 units, but the owner opted out of its subsidy contract. Park Apartments converted to conventional market rate housing. Even though this project now provides market rate housing, the rent structure still remains low.

There are additional “deep subsidy” resources available to Potter County residents through the tenant-based Housing Choice Voucher Program, but it does not appear that this resource is being used by any households. The Vouchers allow tenants to pay 30% of income for housing in suitable private-market rental units. The Voucher Program for Potter County is administered by the Mobridge Housing Authority. Currently, no Gettysburg or Potter County households are utilizing the Housing Choice Voucher Program.

Before the conversion of Park Apartments, approximately 6% of the City's rental stock was in the form of deep subsidy units. Currently, approximately 3% remains in the subsidized category. The percentage of subsidized housing is small in Gettysburg.

The 2011 American Community survey estimated that nearly 36% 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. Most of the households with a severe rent burden had low annual incomes, and would be under the income limits for subsidized housing.

Recommendation: Based on the cost burden data contained in the American Community Survey, and the loss of 16 subsidized rental units, we would recommend that the City look to expand the supply of deep subsidy rental housing for lower income renters. Over the next five years, we would recommend that the City attempt to construct 12 to 16 units that achieve a rent level that would be affordable to very low income households earning less than \$20,000 per year.

Over the past few decades, very few federal subsidy sources have been available for the construction of "deep subsidy" rental housing. The actual number of units that can be developed will be dependent upon access to financial resources.

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

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

5. 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.

Based on the research for this study, it appears that the Housing Choice Voucher Program is an underutilized form of subsidized housing in Gettysburg. 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 Potter County by the Moberg Housing Authority. The Moberg Housing Authority has the ability to issue approximately 150 vouchers, but nearly 50 vouchers are currently unused and available. Currently, no Gettysburg or Potter County households utilize the Housing Choice Voucher Program. The rent structure is low for many Gettysburg households, which may limit the need for the Program.

Recommendation: The Moberg Housing Authority should work with Gettysburg and Potter County to assure that they receive their share of Housing Choice Vouchers and that tenants are aware of the program. Currently, the Housing Choice Voucher program is underutilized and approximately 50 vouchers are available for households in a multi-county area.

Also, Moberg Housing Authority staff has indicated that potentially housing vouchers could be project-based. Therefore, a rental project could be constructed in Gettysburg and housing vouchers could be set aside and assigned to this specific project. A new rental project will have a higher rent structure, which may increase the need for Housing Vouchers.

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 Gettysburg is estimated to be approximately \$60,000 based on sales activity from 2012. The home values in Gettysburg provide an excellent market for first time buyers and households seeking moderately priced homes.

Our analysis of Potter County demographic trends shows an increasing number of households in the traditionally strong home ownership age ranges between 65 and 74 years old. The younger age ranges between 25 and 44 are projected to remain relatively stable from 2010 to 2015. 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:

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

Findings: We believe that affordable home ownership is one of the issues facing Gettysburg 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. Gettysburg 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: The City of Gettysburg and the Gettysburg-Whitlock Bay Economic Development Corporation should 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.

Gettysburg should also work with housing agencies to assure that they are receiving their share of resources that are available in the region.

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

7. Develop a Purchase/Rehabilitation Program

Findings: Gettysburg 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 Gettysburg are valued below \$60,000. 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 costs to rehab and sell an existing housing unit are generally lower than the subsidy required to provide an equally affordable unit through new construction.

Recommendation: We recommend that Gettysburg 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 also 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 to directly assist low and moderate income households with purchasing and rehabilitating homes. Local housing agencies and financial institutions could offer some rehabilitation assistance in conjunction with first-time home buyer programs to make the City's older housing a more attractive option for potential home buyers. USDA Rural Development also provides purchase/rehabilitation loans to low and moderate income buyers.

8. Explore the creation of a local down payment assistance program

Findings: One of the identifiable barriers preventing low and moderate income households from owning a home is the inability to save money for down payment and closing costs. This is especially true now that lending institutions have tightened their lending criteria and some conventional loans require a lower loan-to-value ratio.

There are numerous examples of cities, counties or housing agencies that have created a local fund to assist home owners with a down payment assistance program. Under these programs, the city or county establishes a loan pool. Eligible applicants are provided a "soft second" loan that can be applied to a home purchase.

This down payment/closing cost loan is typically secured against the property, behind the primary mortgage. Repayment can be triggered if the buyer sells the home within a certain period of time, but often the loan is forgiven if the borrower meets the basic program requirements. In other cases, the loan may need to be repaid after a certain period of time, or when the borrower sells or transfers the house in the future. Loans with repayment requirements typically do not accrue interest. The size of the loan is generally \$5,000 or less, but depends upon the resources that are available for the loan pool.

Recommendation: The city of Gettysburg or the Gettysburg-Whitlock Bay Economic Development Corporation may wish to consider the development of a local down payment/closing cost assistance program. A locally-funded program could provide additional assistance or could potentially serve households that do not qualify for SDHDA Down Payment Assistance. Following the collapse of the national housing bubble, and resulting rise in foreclosures, more stringent

lending criteria now apply to many conventional mortgage loans, and a larger borrower contribution may be required.

To promote home ownership within Gettysburg and Potter County, and to make ownership more achievable, a locally-funded program should be explored. Major local employers, the Federal Home Loan Bank and the South Dakota Housing Development Authority may be potential sources to contribute to the fund. In some communities, recaptured grant funds have also been used to create a loan pool.

Single Family Housing Development

Findings: Based on City and U.S. Census Bureau information, Gettysburg has experienced some single family housing development since 2000. Over the past 13 years, approximately 16 single family owner-occupied homes have been constructed or moved into Gettysburg. This is an average of 1.2 homes constructed annually in Gettysburg. Also, several homes have been constructed out of the city limits. Additionally, several homes have been constructed at Whitlock Bay.

Household growth projections for Gettysburg indicate limited demand for owner-occupied housing construction. Growth is anticipated over the next five years among Gettysburg and Potter County households in the 65 and 74 year old age range. Households in these age ranges tend to be predominantly home owners, and form a market for higher priced, and trade-up housing or town homes/twin homes.

Growth projections estimate that households in the 25 to 44 age ranges will remain relatively stable with slight losses from 2010 to 2015. Many 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 and economic development agencies, and builders are proactive, an average of two to three homes can be constructed or moved into Gettysburg annually from 2013 to 2018.

The breakdown of our projection of 11 to 15 new owner occupied housing units over the next five years is as follows:

▶	Higher and Median priced homes	3-4
▶	Affordable Homes	4-5
▶	Twin homes	<u>4-6</u>
	Total	11-15

9. Support the development of an 8 to 10 lot subdivision

Findings: As part of this Study, we attempted to identify the inventory of available residential lots for single family housing construction in Gettysburg. Buildable lots are defined as having sewer and water available to the lots. It appears that the only potentially available lots are in-fill lots throughout the City. We do not know the status of these lots. Also, there are numerous dilapidated houses throughout the City that could be demolished and the lot could be used for new construction.

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 two to three houses will be constructed or moved in annually, an adequate supply of lots would be five to eight lots. These lots only exist if the buyer proactively seeks to purchase a lot that may not be on the market or if the buyer purchases a home for demolition. Although it should be a priority to redevelop neighborhoods by demolishing dilapidated housing and constructing new houses on the cleared lots, households should also have the option to build a new home in a subdivision. Therefore, we are recommending that the City of Gettysburg coordinate with a private developer to plan and develop a new subdivision with eight to 10 lots. The subdivision should also be, if possible, developed on land that has capacity for future phases.

A local developer has developed two subdivisions over the past 25 years. These subdivisions are totally developed and have no available lots. This developer has adjacent land to develop additional lots. There are also other parcels available for lot development in Gettysburg.

The 8 to 10-lot subdivision should include the following:

- ▶ The subdivision should be approximately eight to 10 lots, but the subdivision and infrastructure should be planned and developed to accommodate future phases, if land is available.
- ▶ The subdivision must be as aesthetically acceptable as possible.
- ▶ The subdivision should accommodate a variety of home designs and home prices, but quality should not be compromised.
- ▶ Major employers should be involved in the financing and publicity.
- ▶ To be successful, the homes must be available to as wide an income range as possible.
- ▶ A successful subdivision will need the cooperation of local housing agencies, funding agencies, employers and the City of Gettysburg.

We are recommending that a subdivision is developed immediately, in conjunction with the improving economy and the need for lots. We are estimating a six to seven-year lot absorption timeframe.

It may be necessary for the City of Gettysburg and the Gettysburg-Whitlock Bay Economic Development Corporation to assist a developer or potentially partner with a developer to develop a subdivision. It is very difficult and a risk for a developer to develop a subdivision, especially in a small community.

We also recommend that the City of Gettysburg or the Gettysburg-Whitlock Bay Economic Development Corporation inventory the existing supply of infill lots in the City to determine if they are suitable for home construction and to determine if the owners are willing to sell these lots for development.

10. Develop a City of Gettysburg Housing Incentive Program

Findings: Several cities have developed an Incentive Program 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 higher may qualify for the \$5,000 maximum, homes below \$100,000 will be prorated based on 5% of the purchase price

Recommendation: We recommend that the City of Gettysburg develop an Incentive Program to promote new single family housing development. In addition to a cash payment, other incentives can include:

- ▶ Free water and sewer for a period of time
- ▶ Permit and water and sewer hookup fees waived or discounted
- ▶ Discounts at area businesses
- ▶ Lots at a reduced price

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

Findings: There are several housing agencies and nonprofit groups that may have the capacity to construct new housing, including the Gettysburg-Whitlock Bay Economic Development Corporation, Grow South Dakota and Homes are Possible, Inc. However, due to the downturn in the housing economy, most housing agencies have cut back on new housing production.

Recommendation: We encourage the City of Gettysburg to actively work with economic development and housing agencies or nonprofit groups to develop affordable housing. We are projecting the development of four to five affordable homes over the next five years.

As the housing economy improves and home values increase, an agency or nonprofit may become involved in new affordable home construction production in Gettysburg.

Additionally, the Gettysburg-Whitlock Bay Economic Development Corporation has expressed interest in utilizing the Governors Home Program in Gettysburg.

12. Promote townhouse and twin home development

Findings: From 2000 to 2012, twin homes and town home development has been primarily limited to rental units in Gettysburg. However, attached housing also provides desirable ownership alternatives for empty nesters and seniors to move out of their single family homes, thus, making homes available for families. It is important for the community to offer a range of life-cycle housing options.

In 2010, there were 393 Potter County households in the 55 to 74 year old age ranges and the 65 to 74 age range is expected to increase by 17 to 19 households between 2010 and 2015. Household growth among empty-nester and senior households should result in some demand for attached owner-occupied single family units. It is likely that demand for attached housing units will also be dependent on the product's ability to gain additional market acceptance among the households in the prime target market, and among other households.

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

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

- ▶ Senior friendly home designs
- ▶ Maintenance, lawn care, snow removal, etc. all covered by an Association

- ▶ Cluster development of a significant number of homes which provides security
- ▶ Homes at a price that is acceptable to the market

Gettysburg's role could include assuring that adequate land is available for development and that zoning allows for attached housing construction. The City or Gettysburg-Whitlock Bay Economic Development Corporation could also provide financial assistance in the form of land donations, tax increment financing, 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 or town home to solicit their ideas.

13. Continue to promote housing development at Whitlock Bay

Findings: The three resorts at Whitlock Bay, South Whitlock Resort, Bob's Resort and West Whitlock Resort have a total of 449 mobile homes, most of which are for seasonal use. The three resorts also have 126 campsites and several cabins.

Whitlock Riverview Estates is an 82-lot subdivision at Whitlock Bay. Fifty-seven of the 82 lots have been sold and there are 25 remaining lots for sale. Six homes have been constructed and two homes are currently under construction. Most of the homes are for seasonal use. The subdivision has a covenant that the size of the homes must be at least 1,500 square feet. Lot prices range from \$25,000 to \$45,000.

The West Whitlock Recreation Area is a State Park that includes 100 campsites and two cabins.

Recommendation: Whitlock Bay is a major recreation and vacation destination for the region and has a large impact on the area economy.

We encourage the Gettysburg-Whitlock Bay Economic Development Corporation to continue to work with Whitlock Bay businesses to market Whitlock Bay and to promote expansion opportunities and new commercial development. Also, as the lots in Whitlock Riverview Estates are sold and homes are constructed on the lots, land for future lot development should be pursued.

Housing Rehabilitation

Findings: Gettysburg 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. Efforts and investment in housing rehabilitation activities will be critical to offering affordable housing opportunities.

It is our opinion that Gettysburg and area housing agencies will need to make housing rehabilitation a priority in the future. New housing construction that has occurred is often in a price range that is beyond the affordability level for most Gettysburg 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.

14. Promote rental housing rehabilitation

Findings: Gettysburg has rental properties that need repair. Our condition analysis identified a substantial number of substandard rental units. It is difficult for rental property owners to rehabilitate and maintain their rental properties while keeping the rents affordable for the tenants. The rehabilitation of older rental units can be one of the most effective ways to produce decent, safe and sanitary affordable housing.

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

15. Promote owner-occupied housing rehabilitation efforts

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

Our housing condition survey of the 485 Gettysburg homes, found 106 homes that need minor repairs and 95 homes that need major repairs. Without rehabilitation assistance, the affordable housing stock will shrink in Gettysburg.

Recommendation: We recommend that the City of Gettysburg seek local, state and federal funds to assist in financing housing rehabilitation. USDA Rural Development, the South Dakota Housing Development Authority and the Federal Home Loan Bank are potential funding sources.

Currently, Grow South Dakota and Homes are Possible, Inc., are implementing owner-occupied housing rehabilitation programs in Gettysburg and Potter County. Households that meet program requirements are eligible 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 Gettysburg and Potter County households to continue to utilize these programs.

Other Housing Initiatives

16. Acquire and demolish dilapidated structures

Findings: Our housing condition survey identified 60 single family houses and seven mobile homes in Gettysburg that are dilapidated and too deteriorated to rehabilitate. We also identified 95 single family houses and 10 mobile homes in Gettysburg as needing major repair and several of these homes may be too dilapidated to rehabilitate. To improve the quality of the housing stock and to maintain the appearance of the community, these structures should be demolished. In the past, the City has worked with property owners to demolish several dilapidated structures.

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

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

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

Findings: The City of Gettysburg and the Gettysburg-Whitlock Bay Economic Development Corporation will need staff resources in addition to existing personnel and volunteers to plan and implement many of the housing recommendations advanced in this Study. The City and the Corporation have access to Grow South Dakota, the Northeast Council of Governments, the Mobridge Housing Authority, Homes are Possible, Inc., the USDA Rural Development Office, the South Dakota Housing Development Authority, and the Home Address Program. These agencies all have experience with housing and community development programs.

Recommendation: The City of Gettysburg and the Gettysburg-Whitlock Bay Economic Development Corporation have access to multiple agencies that can assist with addressing housing needs. It is our recommendation that the City and the Corporation prioritize the recommendations of this Study and develop a plan to address the identified housing needs. The Plan should include strategies, time lines and the responsibilities of each agency. While there has

traditionally been a degree of staff interaction between agencies, it will be important that a coordinated approach be used to prioritize and assign responsibility for housing programs. Currently, the Gettysburg-Whitlock Bay Economic Development Corporation is receiving technical assistance from the Home Address Program, sponsored by the Rural Housing Collaborative to develop and implement a housing plan.

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

18. Promote Commercial Rehabilitation and Development

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

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 Gettysburg and the Gettysburg-Whitlock Bay 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 Gettysburg or at Whitlock Bay.

The City of Gettysburg and the Gettysburg-Whitlock Bay Economic Development Corporation should seek funding to assist property owners with rehabilitating their commercial buildings. A goal of two commercial rehab projects annually in Gettysburg would be a realistic goal.

Also, the Gettysburg-Whitlock Bay Economic Development Corporation should continue to work with Whitlock Bay businesses on expansion opportunities. Additionally, new development should be pursued.

Agencies and Resources

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

Grow South Dakota (also known as NESDCAP/NESDEC)

104 Ash Street East
Sisseton, SD 57262
(605) 698-7654
Contact: Marcia Erickson

Homes are Possible, Inc. (HAPI)

318 South Main Street
Aberdeen, SD 57401
(605) 225-4274
Contact: Jeff Mitchell, Executive Director

Mobridge Housing Authority

116 4th Street West, #5
Mobridge, SD 57601
(605) 845-2560

Northeast Council of Governments

P.O. Box 1985, 2201 6th Avenue SE, Suite 2
Aberdeen, SD 57402
(605) 626-2595
Contact: Ted Dickey, Program Coordinator

USDA Rural Development

1717 North Lincoln Avenue
Pierre, SD 57501
(605)224-8870, Ext. 4
Contact: Clark Guthmiller, Area Specialist

South Dakota Housing Development Authority

3060 East Elizabeth Street
Pierre, SD 57501
(605) 773-3181
Contact: Mark Lauseng, Executive Director

Home Address Program

Sponsored by the Rural Housing Collaborative
25795 475th Avenue, Suite 1
Renner, SD 57055
(605) 978-2804
Contact: Mike Knutson