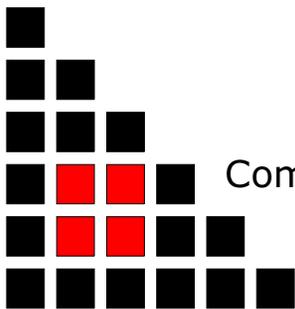


# Kimball COMPREHENSIVE HOUSING STUDY

January 2018

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



Community Partners Research, Inc.

Faribault, MN

507-838-5992

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# Introduction

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

## **Goals**

The multiple goals of the study include:

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

## **Methodology**

A variety of resources were utilized to obtain information for the Housing Study. Community Partners Research, Inc., collected and analyzed data from November 2017 to January 2018. Data sources included:

- U.S. Census Bureau
- American Community Survey
- Esri, a private data company
- Records and data from the City of Kimball
- Records and data maintained by Brule County
- South Dakota State Data Center
- Interviews with City officials, community leaders, housing stakeholders, etc.
- Area housing agencies
- State and Federal housing agencies
- Rental property owner surveys
- Housing condition survey
- Mobile Home Condition Survey

**Limitations**

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

This study was prepared by:

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

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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 Kimball and Brule County.

To supplement the decennial Census, the Census Bureau has created the American Community Survey, an annual sampling of households. The American Community Survey provides detailed demographic characteristics. However, because the American Survey is based on sampling data, there is a margin of error that exists for each estimate. The following tables incorporate the American Community Survey data, when it is viewed as reliable.

The frequency of American Community Survey estimates vary depending on the size of the jurisdiction. For most jurisdictions in South Dakota, the 2016 estimates were derived from sampling that was done over a five-year period, between 2012 and 2016.

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

## Population Data and Trends

<b>Table 1 Population Trends - 1990 to 2017</b>							
	1990 Census	2000 Census	% Change 1990-2000	2010 Census	% Change 2000-2010	2017 Esri Estimates	2016 Census Estimate
Kimball	743	745	0.3%	703	-5.6%	788	679
Brule Co.	5,485	5,364	-2.2%	5,255	-2.0%	5,397	5,238

Source: U.S. Census; Esri

- ▶ The U.S. Census Bureau releases annual population estimates. However, the most recent estimate for Kimball is effective July 1, 2016. According to the Census Bureau, the City’s population in 2016 was 679 people, a decrease of 24 people from 2010 to 2016.
- ▶ An alternate estimate exists from Esri, a private data reporting service. This estimate is for the year 2017. The estimate for the City of Kimball showed 788 people living in the City, an increase of 85 people from 2010 to 2017.
- ▶ There is a difference of more than 100 people between the two available population estimates. In the opinion of Community Partners Research, Inc., there is no other evidence to support the population growth being tracked by Esri between 2010 and 2017. After 2010, only a limited number of new housing units have been constructed in Kimball. For Esri’s estimate to be accurate, a substantial number of housing units that were vacant in 2010, including seasonal use housing, would have needed to be occupied by permanent residents in 2017.
- ▶ Esri’s 2017 estimate for Brule County is 5,397, a gain of 142 people since 2010. The Census Bureau’s 2016 estimate for Brule County was 5,238, a decrease of 17 people from the population reported in the 2010 Census. Once again, it Esri’s belief that Kimball has added a number of people, which has impacted the countywide totals.
- ▶ According to the 2010 U.S. Census, Kimball’s population was 703 people in 2010. When compared to the 2000 Census, the City had a population loss of 42 people from 2000 to 2010. The 42-person loss from 2000 was a population decrease of 5.6%.
- ▶ Brule County’s population was 5,255 in 2010. This was a decrease of 109 people from 2000, for a population loss of 2.0%.

- ▶ Kimball had a slight population gain and Brule County experienced a population loss in the 1990s. Kimball's population increased by two people and Brule County's population decreased by 121 people from 1990 to 2000.
- ▶ Kimball's population is primarily White and non-Hispanic/Latino. According to the 2010 U.S. Census, 95.0% of the City's residents were White, 3.3% were American Indian, 0.3% were Black or African American and 0.3% were Asian. Additionally, 1.1% identified themselves as some other race or two or more races. Also, 1.1% of the population was Hispanic or Latino in 2010.

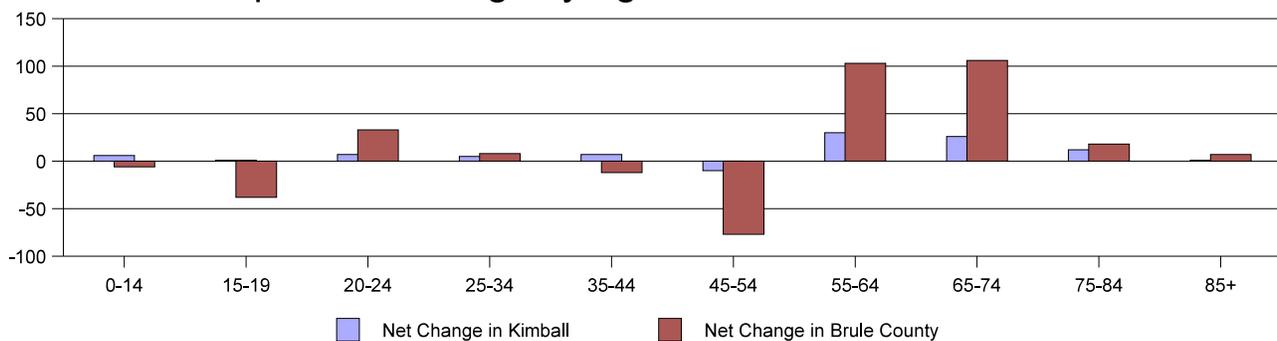
## Population by Age Trends: 2010 to 2017

Although Esri’s population estimates are viewed by the analyst’s as overly optimistic, Esri’s data does allow for some analysis of the changing age patterns for Kimball and Brule County. The following table compares population by age in 2010 and 2017, along with the numeric changes.

<b>Table 2 Population by Age - 2010 to 2017</b>						
Age	Kimball			Brule County		
	2010	2017	Change	2010	2017	Change
0-14	151	157	6	1,088	1,082	-6
15-19	47	48	1	375	337	-38
20-24	26	33	7	223	256	33
25-34	76	81	5	577	585	8
35-44	77	84	7	599	587	-12
45-54	120	110	-10	800	723	-77
55-64	71	101	30	679	782	103
65-74	58	84	26	428	534	106
75-84	44	56	12	302	320	18
85+	33	34	1	184	191	7
<b>Total</b>	<b>703</b>	<b>788</b>	<b>85</b>	<b>5,255</b>	<b>5,397</b>	<b>142</b>

Source: U.S. Census; Esri

### Population Change by Age Between 2010 and 2017



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 Kimball and Brule County.

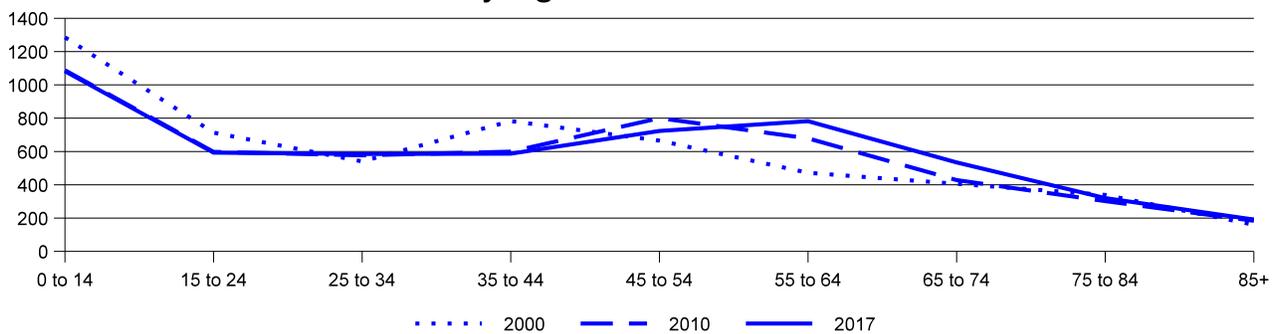
Between 2010 and 2017, Kimball had a gain of 56 people and Brule County had a gain of 209 people in the age ranges between 55 and 74 years old. In 2017, all of the baby boomers were within these age ranges. Although the estimates within these age groups may be high, they do highlight the growth that has been occurring within certain specific age cohorts.

The City of Kimball also had population gains in the 44 and younger age ranges and 75 and older age ranges. Kimball had a population loss in the 45 to 54 age range.

In addition to the 55 to 74 age ranges, Brule County also had population gains in the 20 to 34 and 55 and older age ranges. Brule County had population losses in the 0 to 19 and 35 to 54 age ranges.

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

**Brule County Age Distribution: 2000 to 2017**



## Population Projections

The following table presents population projections using two different sources. Estimates and projections have been obtained from Esri and span the five-year period from 2017 to 2022. The South Dakota State Data Center has issued Brule County population projections for the year 2025.

<b>Table 3 Population Projections Through 2020/2022</b>				
	2010 Census	2017 Esri Estimate	2022 Esri Projection	2025 Projection State Data Center
Kimball	703	788	813	N/A
Brule County	5,255	5,397	5,383	5,286

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

- ▶ Esri’s growth projections expect a population gain of 25 people in Kimball from 2017 to 2022. This is an average gain of five people annually. Although Esri’s growth estimates through the year 2017 appear to be overly high, their projections going forward appear to be much more realistic. To add approximately five people per year would typically require the annual addition of only a few households.
- ▶ Esri’s population projection for Brule County forecasts a loss of 14 people from 2017 to 2022. This projection expects that the jurisdictions outside of Kimball, and possibly Chamberlain, will lose residents over the next five years. This would be consistent with longer-term trends, as rural townships and small cities have generally been losing population over time.
- ▶ The State Data Center projects that Brule County’s population will be 5,286 people in the year 2025. When compared to the County’s population in 2010, this projection expects a gain of only 31 people over this 15-year time period.

## Household Data and Trends

<b>Table 4 Household Trends - 1990 to 2017</b>						
	1990 Households	2000 Households	% Change 1990-2000	2010 Households	% Change 2000-2010	2017 Esri Estimate
Kimball	315	314	-0.3%	310	-1.3%	352
Brule Co.	1,996	1,998	0.1%	2,136	6.9%	2,209

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

- ▶ Esri estimates that Kimball has gained 42 households and Brule County had a gain of 73 households from 2010 to 2017. As stated previously, there is no supporting evidence to justify Esri’s growth estimate. Since 2010, fewer than 10 new housing units have been added within the City, based on building permit issuance. For Kimball to add 42 resident households, nearly all of the units that were vacant at the time of the 2010 Census would have been occupied by 2017. This would include units that were identified as seasonal/recreational use housing in 2010.
- ▶ Although the Census Bureau does not issue annual household estimates for small cities, their 2016 population estimate for Kimball implies that the City had fewer resident households in 2016 than had been present in 2010.
- ▶ According to the 2010 U.S. Census, Kimball had household losses and Brule County had household gains from 2000 to 2010. Kimball had 310 households in 2010, a decrease of four households from 2000, for a household loss of 1.3%. Brule County had 2,136 households in 2010. This was an increase of 138 households from 2000 to 2010, or a household gain of 6.9%. Approximately 71% of the net growth countywide during the 2000s was due to an increase of households in the City of Chamberlain.
- ▶ Kimball had a loss of one household and Brule County had a gain of two households during the 1990s.

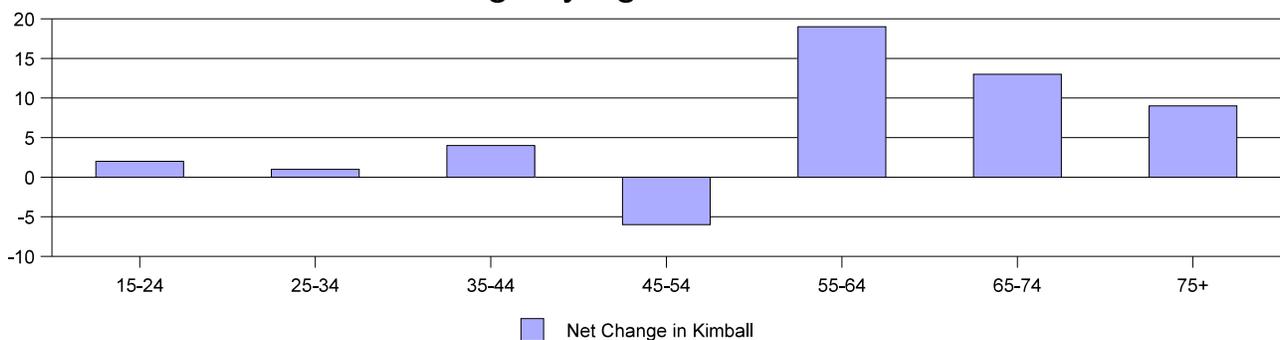
## Household by Age Trends: 2010 to 2017

Although Esri’s household estimate for 2017 is viewed as too high, their age-based estimates for 2017 can be compared to the 2010 Census to track the probable changing age patterns for Kimball.

Table 5 Households by Age - 2010 to 2017			
Age	Kimball		
	2010	2017	Change
15-24	7	9	2
25-34	45	46	1
35-44	44	48	4
45-54	65	59	-6
55-64	45	64	19
65-74	41	54	13
75+	63	72	9
Total	310	352	42

Source: U.S. Census; Esri

Household Change by Age Between 2010 and 2017



Based on Esri estimates, from 2010 to 2017 Kimball added 32 households in the 55 to 74 year old age ranges. Kimball also added seven households in the 15 to 44 age ranges and nine households in the 75 and older age range.

Kimball had a decrease of six households in the 45 to 54 age range.

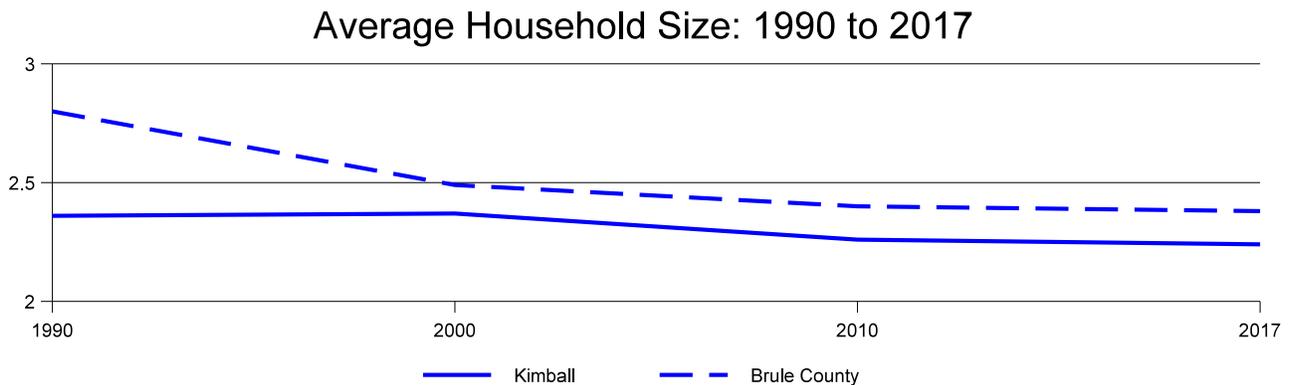
## Average Household Size

The following table provides decennial Census information on average household size. The 2017 estimates from Esri are also included.

<b>Table 6 Average Number of Persons Per Household: 1990 to 2017</b>				
	1990 Census	2000 Census	2010 Census	2017 Esri Estimate
Kimball	2.36	2.37	2.26	2.24
Brule County	2.80	2.49	2.40	2.38
South Dakota	2.59	2.50	2.42	N/A

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

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



In Kimball, the average household size decreased from 2.36 persons per household in 1990 to 2.24 in 2017. Brule County’s average household size decreased from 2.80 in 1990 to 2.38 in 2017. In 2010, Kimball and Brule County’s average household size were below the Statewide average.

## Household Projections

The following table presents Esri’s 2017 household estimates and 2022 household projections for Kimball and Brule County.

<b>Table 7 Household Projections Through 2022</b>			
	2010 Census	2017 Estimate Esri	2022 Projection Esri
Kimball	310	352	365
Brule County	2,136	2,209	2,209

Source: U.S. Census; Esri

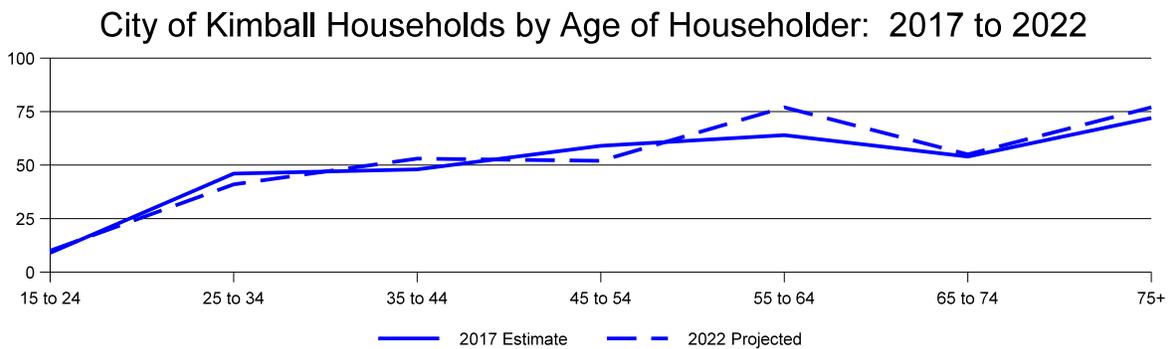
- ▶ The growth projections calculated by Esri expect household gains in Kimball and no change in the number of households in Brule County from 2017 to 2022. Although the Esri growth estimates between 2010 and 2017 are viewed as too high by the analysts, the forecasts for future change are much more limited.
- ▶ Esri estimates that Kimball added 42 households from 2010 to 2017, but projects that the City will only gain 13 households from 2017 to 2022. If reduced to an annual average, this would anticipate the addition between two and three households in a typical year.
- ▶ Esri’s 2017 estimate for Brule County is 2,209 households, an increase of 73 households from 2010. Esri projects that Brule County’s number of households will remain at 2,209 and will not change from 2017 to 2022. Any gains that are achieved in the cities, including Kimball and Chamberlain, are likely to be offset by household reductions in the County’s more rural jurisdictions.

## Kimball Household by Age Projections: 2017 to 2022

Esri has released population by age projections to the year 2022. The following table presents Esri's 2022 household by age projections for Kimball, and the household changes from 2017 to 2022.

Table 8 Kimball Projected Households by Age - 2017 to 2022			
	2017 Estimate	2022 Projection	Change
15-24	9	10	1
25-34	46	41	-5
35-44	48	53	5
45-54	59	52	-7
55-64	64	77	13
65-74	54	55	1
75+	72	77	5
Total	352	365	13

Source: Esri



Consistent with the age distribution data presented earlier, the movement of the “baby boom” generation through the aging cycle should generate household growth in households in the 55 and older age ranges. Esri’s projections expect an increase of 19 households in Kimball from 2017 to 2022 in the 55 and older age ranges. Esri also projects a one-household gain in the 15 to 24 age range and a gain of five households in the 35 to 44 age range. Esri’s projections expect a loss of five households in the 25 to 34 age range and a loss of seven households in the 45 to 54 age range.

## Households by Type

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

<b>Table 9 Kimball Household Composition - 2000 to 2010</b>			
	2000 Census	2010 Census	Change
Family Households			
Married Couple with own children	73	52	-21
Single Parent with own children	21	32	11
Married Couple without own children	91	92	1
Family Householder without spouse	10	13	3
<b>Total Families</b>	<b>195</b>	<b>189</b>	<b>-6</b>
Non-Family Households			
Single Person	111	109	-2
Two or more persons	8	12	4
<b>Total Non-Families</b>	<b>119</b>	<b>121</b>	<b>2</b>

Source: U.S. Census

Between 2000 and 2010, Kimball experienced an overall net decrease of six “family” households. There was a decrease of 21 married couple families with children. The City had an increase of 11 single parent families with children, an increase of one married couple family without children and an increase of three family householder without spouse households.

The City of Kimball had an increase of two “non-family” households. There was a decrease of two one-person households. There was also an increase of four households that had unrelated individuals living together.

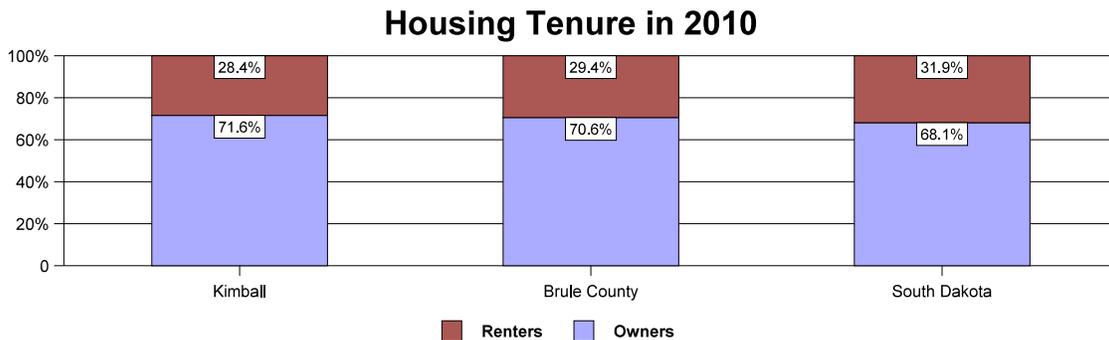
## Housing Tenure

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

<b>Table 10 Household Tenure - 2010</b>				
	Number of Owners	Percent of all Households	Number of Renters	Percent of all Households
Kimball	222	71.6%	88	28.4%
Brule County	1,509	70.6%	627	29.4%
State	-	68.1%	-	31.9%

Source: U.S. Census

According to the 2010 Census, the ownership tenure rate in Kimball was 71.6% and Brule County’s ownership rate was 70.6%. Kimball’s rental tenure rate of 28.4% was below the Statewide rate of 31.9% renter households.



<b>Table 11 Households by Housing Tenure - 2000 to 2010</b>						
Tenure	Kimball			Brule County		
	2000	2010	Change	2000	2010	Change
Owners	233/74.2%	22/71.6%	11	1,423/71.2%	1,509/70.6%	86
Renters	81/25.8%	88/28.4%	-7	575/28.8%	627/29.4%	52
Total	314	310	4	1,998	2,136	138

Source: U.S. Census

The City of Kimball’s ownership tenure rate decreased from 74.2% in 2000 to 71.6% in 2010. For Brule County, the ownership tenure rate decreased from 71.2% in 2000 to 70.6% in 2010.

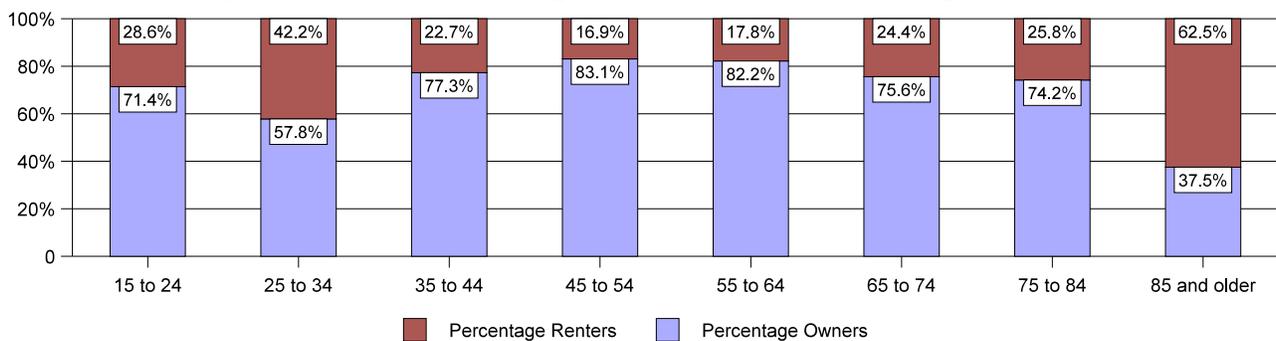
## Tenure by Age of Householder

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

Table 12 Kimball Tenure by Age of Householder - 2010				
Age	Owners		Renters	
	Number	Percent within age	Number	Percent within age
15-24	5	71.4%	2	28.6%
25-34	26	57.8%	19	42.2%
35-44	34	77.3%	10	22.7%
45-54	54	83.1%	11	16.9%
55-64	37	82.2%	8	17.8%
65-74	31	75.6%	10	24.4%
75-84	23	74.2%	8	25.8%
85+	12	37.5%	20	62.5%
Total	222	71.6%	88	28.4%

Source: U.S. Census

City of Kimball Housing Tenure Patterns by Age in 2010



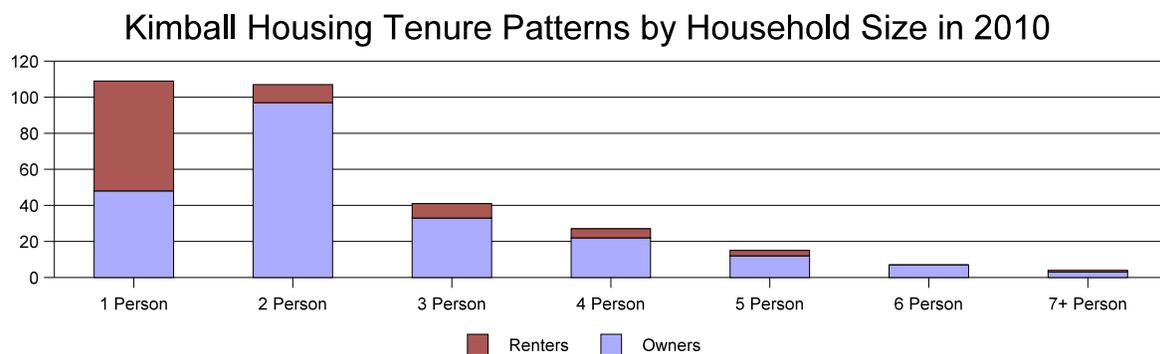
Households at the lowest end and highest end of the age spectrum showed a greater preference for rental housing than the other age ranges. Approximately 29% of households age 15 to 24, 42% of households age 25 to 34, and 63% age 85 and older rented their unit. Home ownership rates for each of the 10-year age cohorts from age 35 to 84 were above 74%.

## Tenure by Household Size

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

Household Size	Owners			Renters		
	2000	2010	Change	2000	2010	Change
1-Person	66	48	-18	45	61	16
2-Person	83	97	14	15	10	-5
3-Person	29	33	4	10	8	-2
4-Person	25	22	-3	6	5	-1
5-Person	20	12	-8	1	3	2
6-Person	6	7	1	3	0	-3
7-Persons+	4	3	-1	1	1	0
Total	233	222	-11	81	88	7

Source: U.S. Census



From 2000 to 2010, there was a decrease in the number of owner households and an increase in the number of renter households in Kimball. There was a decrease of 18 owner households with one household member. There was also a decrease of 11 owner households with four or five household members, and a decrease of one owner household with seven or more household members. There was a gain of 18 two or three-person owner households and a gain of one owner household with six household members.

There was a loss of eight renter households with two to four household members and a loss of three six-person households. There was a gain of 16 renter households with one household member and a gain of two owner households with five household members. Approximately 81% of the renter households in Kimball were one or two person households in 2010.

## 2016 Income Data

The 2010 Census did not collect information on household income. However, annual estimates are available at the city and county level through the American Community Survey. The following table compares median income levels for 2011 and 2016.

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

<b>Table 14 Median Household Income - 2011 to 2016</b>			
	2011 Median	2016 Median	% Change
Median Household Income			
Kimball	\$42,014	\$45,750	8.9%
Brule County	\$48,170	\$50,696	5.2%
South Dakota	\$48,010	\$52,078	8.5%
Median Family Income			
Kimball	\$54,167	\$50,956	-5.9%
Brule County	\$59,771	\$56,750	-5.1%
South Dakota	\$61,412	\$66,825	8.8%

Source: ACS 5-year survey

Information contained in the 2016 American Community Survey shows that the median household incomes have increased from 2011 to 2016 in Kimball and Brule County. However, Kimball and Brule County’s median family income decreased from 2011 to 2016.

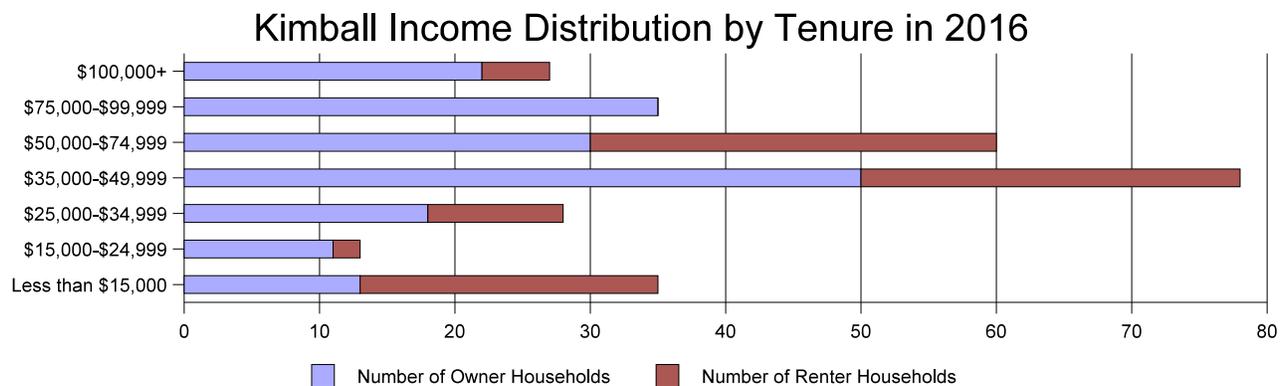
Generally, family household incomes tend to be higher than the overall household median, as families have at least two household members, and potentially more income-earners. Using the commonly accepted standard that up to 30% of gross income can be applied to housing expenses without experiencing a cost burden, a median income household in Kimball could afford approximately \$1,144 per month and a median income family household could afford \$1,419 per month for ownership or rental housing in 2016.

## Kimball Income Distribution by Housing Tenure

The 2016 American Community Survey provides income data by owner and renter status. The following table examines income distribution in Kimball. The 2016 American Community Survey reported income information on 276 households. It is our opinion that the number of households was undercounted and the number of owner and renter households in the following chart were also undercounted. However, it is still a good indicator of household income distribution.

<b>Table 15 Kimball Household Income Distribution by Tenure - 2016</b>			
Household Income	Number of Owner Households	Number of Renter Households	Total Households
\$0 - \$14,999	13/37.1%	22/62.9%	35
\$15,000 - \$24,999	11/84.6%	2/15.4%	13
\$25,000 - \$34,999	18/64.3%	10/35.7%	28
\$35,000 - \$49,999	50/64.1%	28/35.9%	78
\$50,000 - \$74,999	30/50.0%	30/50.0%	60
\$75,000 - \$99,999	35/100%	0/0%	35
\$100,000+	22/81.5%	5/18.5%	27
<b>Total</b>	<b>179</b>	<b>97</b>	<b>276</b>

Source: 2016 American Community Survey



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

In 2016, approximately 35% of all renter households in Kimball 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.

Most owner households had a higher income level than rental households. Approximately 49% of all owner households had an annual income of \$50,000 or more. The estimated median household income for owners in 2016 was approximately \$46,806. At 30% of income, an owner at the median income level could afford approximately \$1,170 per month for housing costs.

## 2016 Estimated Income and Housing Costs - Renters

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

<b>Table 16 Gross Rent as a Percentage of Household Income - 2016</b>			
Percent of Income for Housing	Households Age 65 and Older	Households Age 64 and Younger	Total
Less than 20%	6/25.0%	61/83.5%	67/69.1%
20% to 29.9%	0/0%	7/9.6%	7/7.2%
30% to 34.9%	0/0%	4/5.5%	4/4.1%
35% or more	14/58.3%	1/1.4%	15/15.5%
Not Computed	4/16.7%	0/0%	4/4.1%
<b>Total</b>	<b>24/100%</b>	<b>73/100%</b>	<b>97/100%</b>

Source: 2016 American Community Survey

According to the American Community Survey, approximately 20% of the renters in the City were paying 30% or more of their income for rent. The majority of these renters were actually paying more than 35% of their income for rent. Federal standards for rent subsidy programs generally identify 30% of household income as the maximum household contribution. When more than 30% of income is required, this is often called a “rent burden”. When more than 35% is required, this can be considered a “severe rent burden”.

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

Senior citizen renters (age 65 and older) represented approximately 74% of all households with a rental cost burden. Households in the age ranges between 15 and 64 years old represented approximately 26% of all households with a rental cost burden.

Due to limited sampling in a community as small as Kimball, it is probable that there are some additional renter households with a cost burden.

## 2016 Estimated Income and Housing Costs - Owners

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

<b>Table 17 Ownership Costs as a Percentage of Income - Kimball</b>		
Percentage of Household Income for Housing Costs	Number of Owner Households 2016	Percent of All Owner Households 2016
0% to 19.9%	147	82.1%
20% to 29.9%	20	11.2%
30% to 34.9%	1	0.6%
35% or more	9	5.0%
Not Computed	2	1.1%
<b>Total</b>	<b>179</b>	<b>100%</b>

Source: 2016 American Community Survey

Most owner-occupants in Kimball, which would include households with and without a mortgage, reported paying less than 30% of their income for housing. Only 10 of all home owners in Kimball reported that they paid more than 30% of their income for housing. Nine of these homeowners were actually paying more than 35% of their income for housing.

## Occupancy Status of Housing Units - 2010

<b>Table 18 Occupancy Status of Housing Units - 2010</b>						
	Occupied Units		Vacant Units			
	Owner	Renter	For Rent	For Sale	Seasonal Use	Other Vacant
Kimball	222	88	16	1	12	30
Brule Co.	1,509	627	53	14	89	141

Source: U.S. Census

- ▶ In 2010, according to the U.S. Census, there were 89 seasonal housing units in Brule County including 12 units in Kimball.
- ▶ In addition to the seasonal units in 2010, there were 208 vacant housing units in Brule County, including 47 units in Kimball.

## Existing Home Sales

This section examines houses that have been sold from 2010 to 2017 in the City of Kimball. The information was obtained from the South Dakota Department of Revenue, but reflects information assembled by the Brule County Equalization Office.

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

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

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

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

Only two good sales were listed for the 2017 sales period. It is possible that this information was still being assembled and had not yet been entered into the reporting system.

**Table 19 Kimball Residential Sales Activity - 2010 to 2017**

Sales Year	Number of Sales	Median Sale Price	Highest Sale	Lowest Sale
2017	2	-	\$145,000	\$52,000
2016	7	\$57,000	\$120,000	\$14,000
2015	5	\$37,000	\$113,000	\$7,000
2014	2	-	\$45,000	\$5,800
2013	10	\$42,000*	\$130,000	\$10,000
2012	16	\$22,000*	\$98,000	\$2,600
2011	9	\$5,000	\$88,000	\$2,100
2010	6	\$10,000*	\$84,000	\$4,000

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

\* Calculated median from two nearest sales

In any single 12-month period there can be a very limited number of good sales within the City of Kimball. For 2017, only two open market transactions were recorded, one for \$52,000 and the other for \$145,000. If a 24-month period is reviewed, for all of the 2016 and 2017 sales years, there were nine good sales, and the median price was \$57,000.

There has been a wide range in the volume of annual good sales. In both 2017 and 2014, only two open market transactions were recorded each year, but in 2012 there were 16 recorded sales. In 2012, all of the homes were sold for less than \$100,000, and the calculated median sale price was only \$22,000.

It is possible that the above-average number of sales in 2012 was linked to the low prices. As home values have tended to increase since that time, the annual number of sales has decreased.

Over the entire 8-year time period reviewed, the highest priced sale was for \$145,000, and this sale was recorded in 2017. Only six houses have been sold for more than \$100,000 over this longer period.

## Kimball Home Sales by Price Range

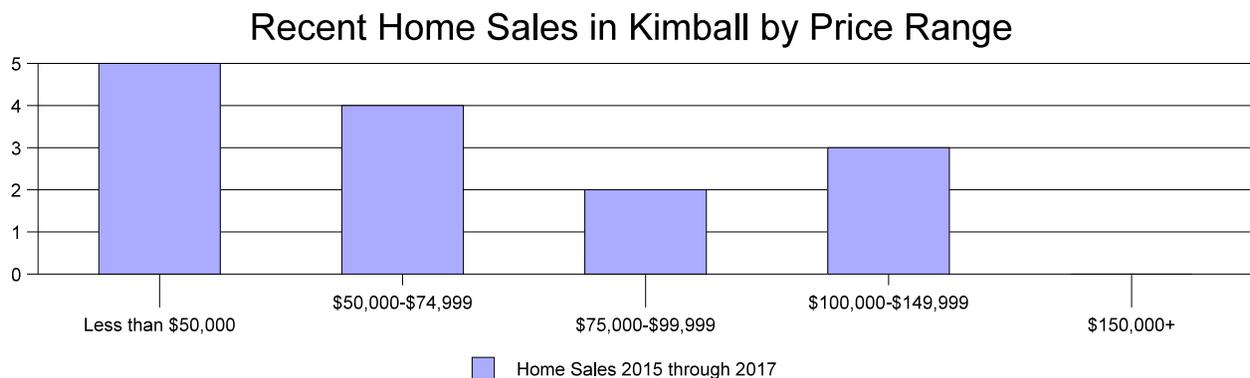
The following table looks at single family houses that sold within defined price ranges over a three-year period from 2015 through 2017. Even over this time, only 14 good sales were recorded.

Table 20 Kimball Home Sales by Price Range		
Sale Price	Number of Sales	Percent of Sales
Less than \$50,000	5	35.7%
\$50,000 - \$74,999	4	28.6%
\$75,000 - \$99,999	2	14.3%
\$100,000 - \$149,999	3	21.4%
\$150,000+	0	0%
Total	14	100%

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

Most of the recent home sales in Kimball have been below \$75,000. More than 64% of recent sales were priced below \$75,000 and nearly 36% sold for less than \$50,000.

Fewer than 22% of the home sales were for \$100,000 or more, and no transactions have been recorded above \$150,000.



## Kimball Housing Condition

Community Partners Research, Inc. representatives conducted a visual 'windshield' survey of the 268 single family/duplex houses in Kimball.

The City of Kimball was divided into two neighborhoods as follows:

- ▶ Neighborhood #1: West of Main Street
- ▶ Neighborhood #2: East of Main 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. These houses need major renovation to become decent, safe and sanitary housing. Some Dilapidated properties may be abandoned and may be candidates for demolition and clearance.

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

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

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

<b>Table 21 Windshield Survey Condition Estimate - 2017</b>					
	Sound	Minor Repair	Major Repair	Dilapidated	Total
Neighborhood #1	37/36.3%	29/28.4%	22/21.6%	14/13.7%	102
Neighborhood #2	70/42.2%	48/28.9%	29/17.5%	19/11.4%	166
Total	107/40.0%	77/28.7%	51/19.0%	33/12.3%	268

Source: Community Partners Research, Inc.

- ▶ Approximately 40% are sound, with no required improvements, but 29% of the houses in Kimball need minor repair and 19% need major repair. Thirty-three houses are dilapidated and possibly beyond repair.

## Kimball Mobile/Manufactured Home Housing Condition

Community Partners Research, Inc. representatives conducted a visual 'windshield' survey of the 28 mobile homes located in miscellaneous locations around the City.

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

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

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

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

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

**Table 22 Windshield Survey Condition Estimate - 2017**

	Sound	Minor Repair	Major Repair	Dilapidated	Total
Mobile Homes	6/21.4%	10/35.7%	7/25.0%	5/17.9%	28

Source: Community Partners Research, Inc.

- ▶ The mobile homes in Kimball are in fair condition. Approximately 36% of the mobile homes need minor repair and 25% need major repair. Approximately 21% are sound, with no required improvements.
- ▶ Five mobile homes were dilapidated and possibly beyond repair.

## Kimball Building Permit Trends

Kimball has experienced limited new housing construction activity in recent years. The following table identifies the units that have been constructed from 2011 to 2017.

<b>Table 23 Kimball Housing Unit Construction Activity: 2011 to 2017</b>			
Year	Single Family	Two or More Units	Total Units Constructed
2017	0	0	0
2016	1	0	1
2015	0	0	0
2014	1	0	1
2013	2	0	2
2012	2	2	4
2011	1	0	1
TOTAL	7	2	9

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

The building permit reports that were obtained included the year that a permit was issued. In some cases, the actual unit construction may extend into the following year.

Over the past seven years from 2011 to 2017, nine new housing units have been constructed in Kimball, based on building permit issuance. Seven units are single family homes and two units are in a twin home.

## **Rental Housing Data**

### **Census Bureau Rental Inventory**

According to the U.S. Census, in 2010 there were 88 occupied rental units and 16 unoccupied rental units in Kimball, for a total estimated rental inventory of 104 units. The City's rental tenure rate in 2010 was 28.4%, below the Statewide rental rate of 31.9%.

At the time of the 2000 Census, Kimball had 81 occupied rental units, and seven vacant rental units, for a total estimated rental inventory of 88 units. The rental tenure rate in 2000 was 25.8%.

Based on a Census comparison, the City had a gain of seven renter-occupancy households, and an increase of approximately 16 rental units from 2000 to 2010.

From 2010 to 2017, two market rate rental units were constructed in Kimball. Also, a number of owner-occupied homes converted to rentals from 2000 to 2017.

### **Rental Housing Survey**

As part of this housing study, a telephone survey was conducted of rental projects in Kimball in January 2018.

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

There were 46 rental housing units of all types that were contacted in the survey.

The units that were successfully contacted include:

- ▶ 18 market rate units
- ▶ 12 federally subsidized units
- ▶ 16 assisted living units/beds

The findings of the survey are provided below.

## Market Rate Summary

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

### Unit Mix

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

- ▶ efficiency - 2 (11.1%)
- ▶ one-bedroom - 3 (16.7%)
- ▶ two-bedroom - 13 (72.2%)
- ▶ three-bedroom - 0 (0%)

There were no three-bedroom units in the market rate projects we surveyed. However, it is assumed that there are some rental single family homes in Kimball that have three bedrooms.

### Occupancy / Vacancy

At the time of the survey, there were no vacancies in the market rate units that were surveyed. There were two unoccupied units in the Old Sears Buildings, however, the owner reported that these units are vacant intentionally as the owner is making improvements to the units. Therefore, we did not include these units in our analysis.

### 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 in the units that were surveyed, inclusive of an estimate for tenant-paid utilities.

<u>Unit Type</u>	<u>Lowest/Highest Gross Rents</u>
Efficiency	\$300
One-bedroom	\$450-\$475
Two-bedroom	\$500-\$800

## **Tax Credit Summary**

There are no tax credit units in Kimball.

## **Subsidized Summary**

The research completed for this Study surveyed the two federally subsidized projects in Kimball that provide rental opportunities for lower income households. These projects have a combined 12 subsidized units. One project with eight units is for general occupancy and the other project with four units is designated as senior/disabled housing. The subsidized projects were developed with USDA Rural Development assistance.

The two subsidized rental projects in Kimball include:

- ▶ **Kimball Building** - The Kimball Building is an eight-unit USDA Rural Development family project constructed in the 1980s. The eight units all have two bedrooms.
- ▶ **Pine Street Apartments** - Pine Street Apartments is a four-unit senior/disabled USDA Rural Development project also constructed in 1980s. The four units all have one bedroom.

## **Rental Rates**

The subsidized units have access to project-based rent assistance. These units charge rent based on 30% of the tenant's household income, up to a maximum market rent amount.

## **Unit Mix**

The bedroom mix breakdown for the 12 subsidized units in Kimball is as follows:

- ▶ One-bedroom - 4 (33.3%)
- ▶ Two-bedroom - 8 (66.7%)
- ▶ Total - 12

## **Occupancy / Vacancy**

There were two vacant units identified in the 12 subsidized units, for a 16.7% vacancy rate. Each subsidized project had one vacancy. The owner reported that having one or two vacant units is relatively common, however, the units are sometimes fully occupied.

## **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 1970s and 1980s. Some of the older projects around the State of South Dakota have completed their compliance requirements and have the opportunity to leave their subsidy program and convert to conventional market rate rental housing.

We are not aware of any rental projects in Kimball that have converted from subsidized to market rate.

## **Senior Housing with Services**

### **Unit Inventory**

There is one senior housing with services project in Kimball:

- ▶ **Prairie View Assisted Living Center** - Prairie View Assisted Living Center is a 16-bed assisted living facility. The facility is 20 years old. The beds are all in private rooms. The facility provides the full array of assisted living services, including meals, laundry, housekeeping, bathing, 24-hour staffing, medication management, etc. At the time of the survey, the facility had two vacant beds.

Chamberlain, also located in Brule County, has three senior with services facilities. The three facilities include a 44-bed nursing home and two assisted living facilities, one facility with 36 beds and one facility with 10 beds.

**Table 24 Kimball Multifamily Rental Housing Inventory**

Name	Number of Units / Bedroom Mix	Rent	Vacancy/ Wait List	Tenant Mix	Comments
<b>Market Rate</b>					
Kimball West Duplexes	<u>4 - 2 bedroom</u> 4 total units	\$600 to \$650	No vacancies	General Occupancy	Kimball West Duplexes includes two duplexes with a total four units. All of the units have two bedrooms. One duplex is five years old and one duplex is 10 years old. The units have washers and dryers and attached garages. Tenants pay heat and electricity in addition to rent. The owner reported no vacancies at the time of the survey.
Overweg Rentals	<u>3 - 2 bedroom</u> 3 total units	\$600 to \$650	No vacancies	General Occupancy	Overweg Rentals include three two-bedroom single family houses. The rents range from \$600 to \$650 plus utilities. The owner reported no vacancies at the time of the survey.
Old Sears Building	<u>2 - efficiency</u> <u>1 - 1 bedroom</u> 3 total units	\$300 \$450	2 vacancies	General Occupancy	The Old Sears Building is a downtown building with two efficiency units and one one-bedroom unit. Rent is \$300 for the efficiencies and \$450 for the one-bedroom unit. Utilities are included in the rent. The owner reports two vacancies, however, the owner is making repairs in the units, thus, they currently aren't available for rent.
Miller Rentals	<u>2 - 1 bedroom</u> <u>6 - 2 bedroom</u> 8 total units	\$350 to \$375	No vacancies	General Occupancy	Miller Rentals includes four units in a downtown apartment building and four single family homes. The downtown apartment building has two one-bedroom and two two-bedroom units. The four single family homes are all two-bedroom. Rent for all of the units is \$350 to \$375. Tenants in the apartment building pay heat and electricity in addition to rent. Tenants in the single family homes pay all utilities. The owner reports that all of the units are fully occupied.

**Table 24 Kimball Multifamily Rental Housing Inventory**

Name	Number of Units /Bedroom Mix	Rent	Vacancy/ Wait List	Tenant Mix	Comments
<b>Subsidized</b>					
Pine Street Apartments	<u>4 - 1 bedroom</u> 4 total units	30% of Income	1 vacancy	Senior/ disabled	Pine Street Apartments is a senior/disabled USDA Rural Development project. The project has four one-bedroom units. Three of the four units have rent assistance. Tenants in units with rent assistance pay 30% of their income up to a market rent. Tenants without rent assistance pay 30% of their income for rent, but not less than a base rent and not more than the market rent. The owner reported one vacancy at the time of the survey.
Kimball Building	<u>8 - 2 bedroom</u> 8 total units	30% of Income	1 vacancy	General occupancy	The Kimball Building is a family USDA Rural Development project. The project has eight two-bedroom units. Seven of the eight units have rent assistance. Tenants in units with rent assistance pay 30% of their income up to a market rent. Tenants without rent assistance pay 30% of their income for rent, but not less than a base rent and not more than the market rent. The owner reported one vacancy at the time of the survey.
<b>Senior with Services</b>					
Prairie View Assisted Living Center	<u>16 units</u> 16 total units	Varies based on the size of the units	2 vacancies	Assisted Living Center	Prairie View is a 16-unit assisted living facility. Prairie View provides the full array of senior services including meals, bathing, laundry, housekeeping, etc. The facility is 20 years old. The fees are based on the size of the unit. The owner reported that there were two vacancies at the time of the survey.

Source: Community Partners Research, Inc.

## Employment and Local Economic Trends

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

### Work Force and Unemployment Rates

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

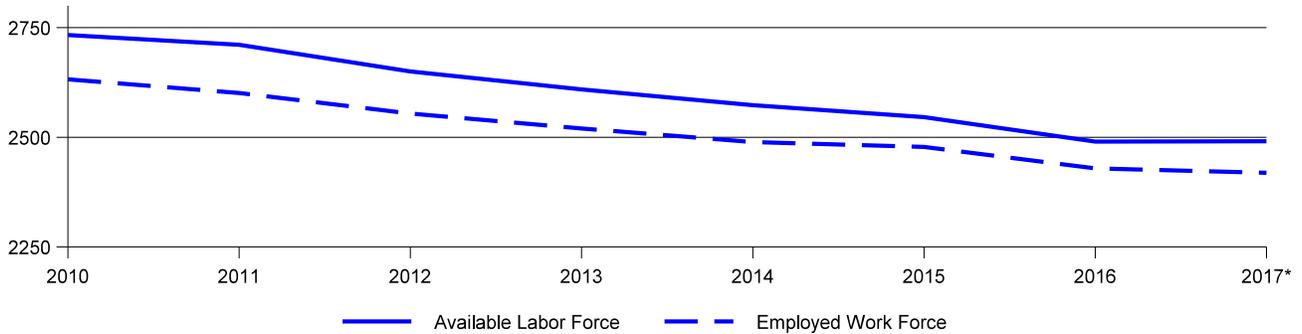
<b>Table 25 Brule County Annual Labor Statistics: 2010 to 2016</b>						
Year	Labor Force	Employed	Unemployed	Unemployment Rate - County	Unemployment Rate - SD	Unemployment Rate - US
2010	2,733	2,632	101	3.7%	5.0%	9.6%
2011	2,711	2,601	110	4.1%	4.7%	8.9%
2012	2,650	2,554	96	3.6%	4.3%	8.1%
2013	2,609	2,520	89	3.4%	3.8%	7.4%
2014	2,573	2,489	84	3.3%	3.4%	6.2%
2015	2,546	2,478	68	2.7%	3.1%	5.3%
2016	2,490	2,429	61	2.4%	2.8%	4.9%
2017*	2,491	2,419	72	2.9%	3.1%	4.4%

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

The statistics on the available labor force track people by their county of residence. When viewed over the entire 8-year period, the size of the County’s resident labor force has decreased by more than 240 people, or nearly 9%. However, only partial-year information is available for 2017, and the annual total may change slightly.

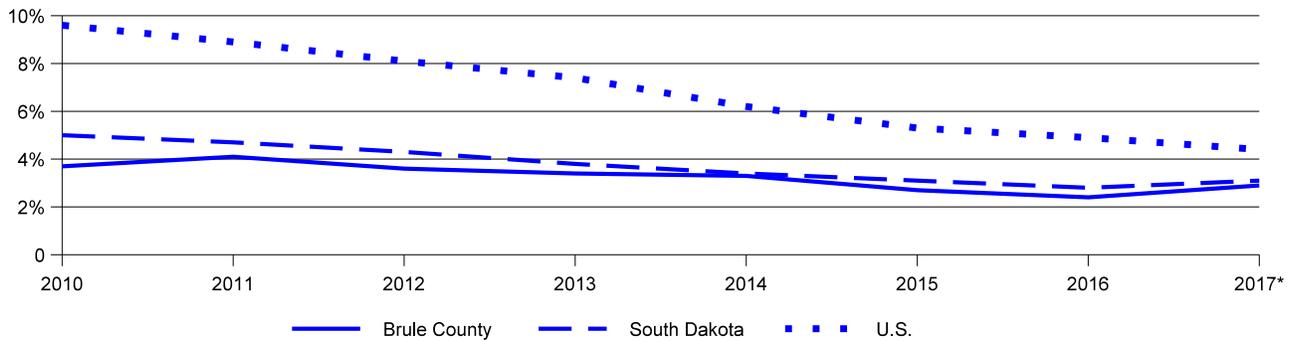
The number of employed County residents has generally followed the same pattern. From 2010 to 2017, the number of employed residents of Brule County decreased by more than 210 people, or approximately 8%.

### Brule County Labor Force and Employed Work Force



With the labor force decreasing at a faster rate than the employed work force, the County's unemployment rate did drop over this time period, from 3.7% in 2010 to 2.9% in 2017 (through November). Throughout the years reviewed, the County's unemployment rate has remained below the Statewide rate, and well below the national unemployment rate.

### Unemployment Rates



## **Employment and Wages**

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

<b>Table 26 Brule County Average Annual Wages - 2016</b>		
Industry	2016 Employment	Average Annual Wage
Total All Industry	1,862	\$30,784

Source: South Dakota Department of Labor & Regulation

The average weekly wage for all industry in 2016 was \$592 in Brule County. At full-time employment, this would yield an annual average wage of \$30,784.

The County's three largest private employment sectors were Trade/Transportation/Utilities, Leisure and Hospitality, and Education and Health Services. The average weekly wage for Trade/Transportation/Utilities was \$606, slightly higher than the average wage for all industries.

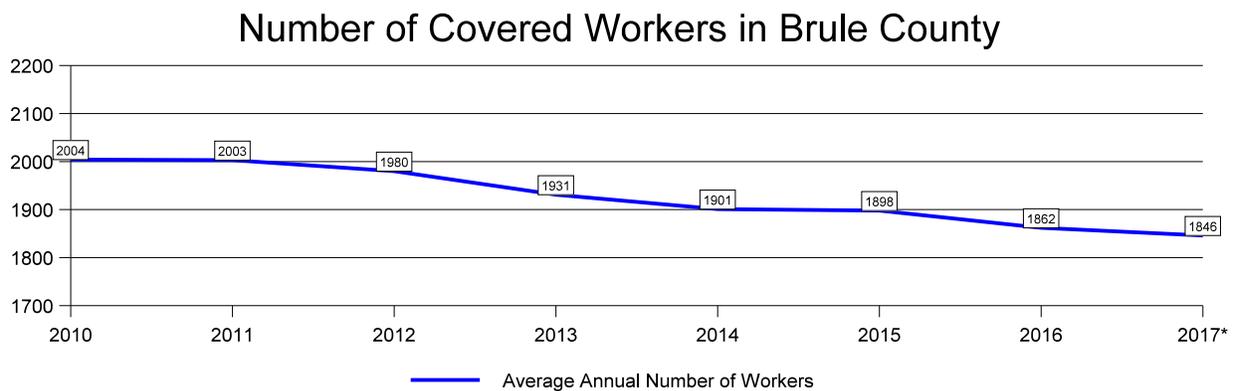
## Annual Covered Employment

Since the Quarterly Census of Covered Workers (QCEW) tracks employees covered by unemployment insurance by location of the worker, it is possible to examine longer-term patterns in the local employment level. The following table displays the total number of workers reported in the County back to the year 2010. Only partial-year information exists for 2017.

<b>Table 27 Brule County Average Annual Employment</b>			
Year	Total Covered Employment	Year	Total Covered Employment
2010	2,004	2014	1,901
2011	2,003	2015	1,898
2012	1,980	2016	1,862
2013	1,931	2017*	1,846

Source: QCEW - SD Department of Labor  
 \*2017 reflects first two quarters only

Over time there has been a gradual decline in the number of employees working in Brule County. If 2016 (the last full year of data) is compared to the year 2010, there has been a decrease of 142 reported workers covered by unemployment insurance.



## Commuting Patterns of Area Workers

Information is available on area workers that commute for employment. The best information is from the 2016 American Community Survey, and has been examined for the City of Kimball. The first table examines City residents that traveled to work and excludes people that work at home.

<b>Table 28 Commuting Times for Kimball Residents - 2016</b>		
Travel Time	Number	Percent
Less than 10 minutes	131	46.5%
10 to 19 minutes	62	22.0%
20 to 29 minutes	55	19.5%
30 minutes +	34	12.1%
Total	282	100%

Source: American Community Survey

A large majority of Kimball’s residents worked locally in 2016, with more than 68% traveling less than 20 minutes for their primary job. However, more than 12% of the City’s residents were commuting 30 minutes or more to work, and half of this group was actually traveling 45 minutes or more.

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

<b>Table 29 Commuting Times for Kimball-based Employees - 2016</b>		
Travel Time	Number	Percent
Less than 10 minutes	111	48.3%
10 to 19 minutes	64	27.8%
20 to 29 minutes	16	7.0%
30 minutes +	39	17.0%
Total	230	100%

Source: American Community Survey

Most of the people that worked in Kimball lived within the immediate area, as approximately 76% traveled 19 minutes or less to the City. This would include people that both lived and worked in Kimball. However, approximately 17% of city-based workers did commute from greater distances, and traveled 30 minutes or more to Kimball.

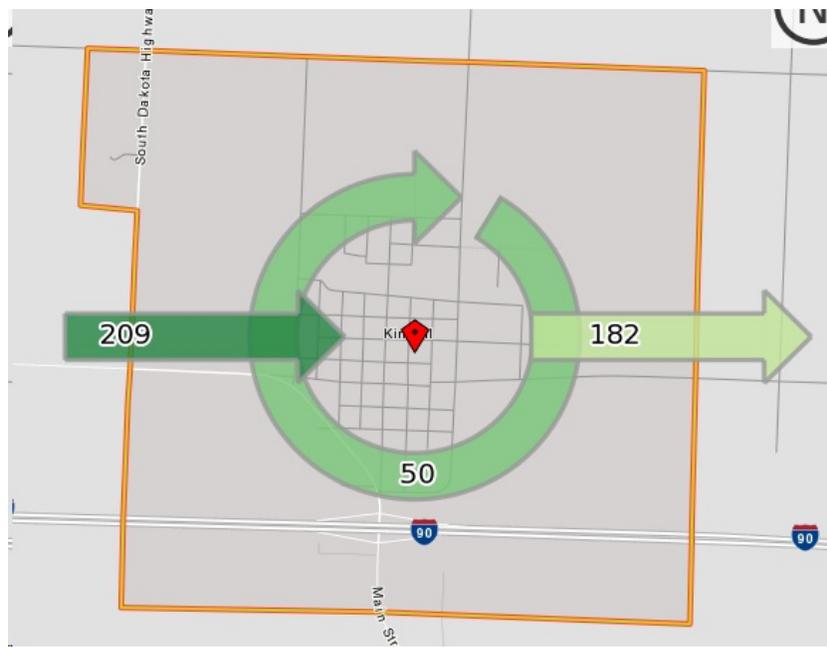
## Census On the Map - Kimball

The Census Bureau also produces commuter reports through its Center for Economic Studies division. This information is based on reports for the year 2015, but provides a further breakdown of worker movement.

According to the report for Kimball, there were 259 people that were employed within the City in 2015. Approximately 19% of these City-based employees also lived in Kimball. The remaining 81% of employees lived outside the City and commuted in for their job.

On the Map can also be used to track worker outflow patterns from the City. Overall, there were 232 Kimball residents that were employed. Most of these City residents worked outside the community, as more than 78% did leave the City for their job.

For Kimball residents that left the City for their employment, the primary destinations were Chamberlain, Mitchell, Sioux Falls and Oacoma. For people that were commuting into Kimball for their job, the primary home locations were Pukwana, Brule Township, Chamberlain, Torrey Lake Township and Highland Township.



## **Findings on Growth Trends**

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

Kimball's population increased slightly by two households from 1990 to 2000. The population increased from 743 in 1990 to 745 in 2000. From 2000 to 2010, Kimball's population decreased by 42 people, which was a population loss of 5.6%.

Brule County's population decreased from 5,485 in 1990 to 5,364 in 2000, which was a decrease of 2.2%. The population decreased in the 2000s from 5,364 in 2000 to 5,255 in 2010, which was a population loss of 2.0%.

Household levels decreased slightly in Kimball and Brule County gained households from 1990 to 2010. Kimball experienced a loss of one household from 1990 to 2000 and a loss of four households from 2000 to 2010. Brule County had an increase of two households from 1990 to 2000 and a gain of 138 households from 2000 to 2010.

Esri estimates that Kimball had a gain of 85 people and 42 households from 2010 to 2017. Esri estimates that Brule County had a gain of 142 people and 73 households from 2010 to 2017. However, the U.S. Census Bureau estimates that from 2010 to 2016, Kimball had a loss of 24 people, and Brule County had a loss of 17 people, which contradict the Esri estimates.

## **Findings on Projected Growth**

This Study has utilized Esri's projections for Kimball and Brule County. Esri projects that Kimball's population will increase by 25 people from 2017 to 2022. The household projections expect a gain of 13 households from 2017 to 2022.

Brule County is expected to lose approximately 14 people from 2017 to 2022. Brule County's household projections expect no change in the number of households from 2017 to 2022.

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

The Demographic section of this Study presented Kimball projection information on anticipated changes by age group from 2017 to 2022. This information can be informative in determining the housing that may be needed due to age patterns of the City’s population.

Consistent with the age distribution data presented earlier, the movement of the “baby boom” generation through the aging cycle should generate much of the City’s growth in households in the age range between 55 and 74 years old. Age projections would expect the City to add approximately 14 households in the 55 to 74 age ranges from 2017 to 2022.

The Esri age-based projections also expect an increase of one household in the 15 to 24 age range, a gain of five households in the 35 to 44 age range and an increase of five households in the 75 and older age range.

Kimball is projected to lose five households in the 25 to 34 age range, and seven households in the 45 to 54 year old age range.

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

<u>Age Range</u>	<u>Projected Change in Households 2017 to 2022</u>
15 to 24	1
25 to 34	-5
35 to 44	5
45 to 54	-7
55 to 64	13
65 to 74	1
75 and older	<u>5</u>
Total	13

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

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

**Age 24 and Younger** - The projections used for this Study expect a gain of one household in the 15 to 24 age range from 2017 to 2022. Past tenure patterns indicate that approximately 29% of these households in Kimball will rent their housing. A minimal increase in the number of households in this age range should mean that rental demand from younger households will remain stable during the projection period.

**25 to 34 Years Old** - The projections show a loss of five households in this age range by 2022. Within this age range, households often move from rental to ownership housing. The ownership rate among these households in Kimball was 58% in 2010. A loss of five households within this age range indicates demand for both first-time home buyer and rental opportunities from this age range will decrease slightly during the projection period.

**35 to 44 Years Old** - The projections for this 10-year age cohort expect a gain of five households between 2017 and 2022 in Kimball. In the past, this age group has had a 77% ownership rate in Kimball. 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 2022, 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 Kimball, the projections show a loss of seven households in this age range. This age group typically has had a high rate of home ownership, approximately 83% in Kimball in 2010, and will often look for trade-up housing opportunities. A minimal loss in the number of households in this age group indicates that the demand for trade-up housing from this age range will decrease slightly during the projection period.

***55 to 64 Years Old*** - The projections show a significant gain of 13 households in this 10-year age range in the City by the year 2022. This age range has traditionally had a high rate of home ownership in Kimball, at approximately 82% in 2010. Age-appropriate housing, such as town house or twin home units, is often well suited to the life-cycle preferences of this age group, as no maintenance/low maintenance housing has become a popular option for empty-nesters.

***65 to 74 Years Old*** - A gain of one household is expected by the year 2022 in the 65 to 74 age range. While this group will begin moving to life-cycle housing options as they age, the younger seniors are still predominantly home owners. At the time of the 2010 Census, approximately 76% of the households in this age range owned their housing in Kimball. Once again, preferences for age-appropriate units would increase from household growth within this age cohort.

***75 Years and Older*** - There is a projected gain of five households in Kimball in this age range between 2017 and 2022. In the past, the older households within this age range have had a relatively low rate of home ownership in Kimball. An expansion of housing options for seniors, including high quality rental housing, should appeal to this age group. In most cases, income levels for senior households have been improving, as people have done better retirement planning. As a result, households in this age range may have fewer cost limitations for housing choices than previous generations of seniors.

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

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

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

***Demand from Growth*** - The household projections used for this Study expect Kimball to gain 13 households from 2017 to 2022. Therefore, there will be a demand for new housing production in Kimball based on household growth.

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

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

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

## **Strengths for Housing Development**

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

- ▶ **Kimball serves the surrounding area** - Kimball provides employment opportunities, retail/service options, health and professional services, governmental services and recreational facilities for a small geographical area that surrounds the City.
- ▶ **Educational system** - Kimball has a public K-12 school system and the school buildings are in excellent condition.
- ▶ **Infrastructure** - Kimball's water and sewer infrastructure is in good condition and can accommodate future expansion.
- ▶ **Commercial development** - Kimball's commercial district is adequate to meet most daily needs. A new truck stop/convenience store is currently in the planning phase.
- ▶ **Employers** - Kimball has employers that provide job opportunities for local residents.
- ▶ **Commuters** - More than 200 employees are commuting into Kimball daily for work. These commuters are a potential market for future housing construction.
- ▶ **Kimball Economic Development Corporation** - The Kimball Economic Development Corporation (KED Corp) is active in addressing Kimball's community, economic and housing needs.
- ▶ **Health facilities** - Kimball has a clinic and an assisted living facility.
- ▶ **Affordable priced housing stock** - The City of Kimball has a stock of affordable existing houses. Our analysis shows that the City's median home value based on recent sales is approximately \$57,000. This existing stock, when available for sale, provides an affordable option for home ownership.

- ▶ **Small town atmosphere** - Kimball has the real and perceived amenities of a small town. Small town living is attractive for some households.
- ▶ **Builders and developers** - Kimball has housing builders and developers that are willing to invest in new housing construction.
- ▶ **Population and household growth** - Kimball is projected to add people and households over the next five years.
- ▶ **Proximity to Mitchell and Chamberlain** - Kimball is located approximately 49 miles from Mitchell and 22 miles from Chamberlain. Mitchell and Chamberlain provide additional employment opportunities, retail/services options, educational opportunities, health care facilities and recreational opportunities for the Region.

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

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

- ▶ **Age and condition of some of the housing stock** - While the existing stock is affordable, some of the housing is in need of improvements to meet expectations of potential buyers. Also, Kimball has some homes that require major improvements, or are potentially dilapidated and beyond repair.
- ▶ **Value gap deters new owner-occupied construction** - Based on market values from recent residential sales, we estimate that the median priced home in Kimball is valued at approximately \$57,000. This is well below the cost for comparable new housing construction, which will generally be above \$200,000 for a stick built home with commonly expected amenities. This creates a value gap between new construction and existing homes. This can be a disincentive for any type of speculative building and can also deter customized construction.
- ▶ **Lower paying jobs** - Although Kimball has job opportunities, some jobs are at the lower end of the pay scale and employees with these jobs have limited housing choices.
- ▶ **Commercial/retail options** - Kimball has a limited number of commercial and retail opportunities compared to regional centers.
- ▶ **Competition from rural building sites** - Households often seek available building sites in rural areas. These building sites compete with available residential lots within the City of Kimball.
- ▶ **Low rent structure** - Kimball's rent structure is relatively low, which makes it difficult to construct new rental housing.
- ▶ **Proximity to Mitchell and Chamberlain** - Although it is a strength to be close to Mitchell and Chamberlain, it is also a barrier as Kimball must compete with Mitchell and Chamberlain, which offer attractive residential opportunities and other amenities and services.

## **Recommendations, Strategies and Housing Market Opportunities**

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

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

## **Summary of Findings/Recommendations**

The findings/recommendations for the City of Kimball have been formulated through the analysis of the information provided in the previous sections and include 24 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 six to eight general occupancy market rate rental units
2. Develop six to eight senior independent market rate rental units
3. Promote the development/conversion of four to five affordable market rate rental housing units
4. Promote the development of three to four additional subsidized rental housing units
5. Monitor the need for additional senior housing with services units/beds
6. Preserve the existing supply of subsidized housing
7. Develop a downtown mixed-use commercial/housing project
8. Utilize the Housing Choice Voucher Program

**Home Ownership**

9. Utilize and promote all programs that assist with home ownership
10. Develop a purchase/rehabilitation program
11. Develop a local down payment assistance program

**Single Family Housing Development**

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

**Housing Rehabilitation**

16. Promote rental housing rehabilitation
17. Promote owner-occupied housing rehabilitation efforts
18. Develop a City of Kimball's Revitalization Program
19. Develop a Rental Inspection and Registration Program

**Other Housing Initiatives**

20. Encourage employer involvement in housing
21. Continue to acquire and demolish dilapidated structures
22. Create a plan and a coordinated effort among housing agencies
23. Strategies for downtown redevelopment
24. Develop home ownership and new construction marketing programs and strategies

# **Kimball - Rental Housing Development**

## **Rental Housing Development**

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

From 2000 to 2017, we are aware of only four rental units in two twin homes that were constructed in Kimball. However, some single family homes were converted from owner-occupied to rental use between 2000 and 2017.

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

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

Our household projections for Kimball expect some household growth over the next five years. From 2017 to 2022, it is projected that there will be a gain of approximately 13 households. It is estimated that seven of these households will be rental households, thus, there will be a demand for approximately seven additional rental units due to household growth over the next five years.

Demand created by replacement of lost units is more difficult to determine, but the best available evidence suggests that the City will lose as many as two units per year. As a result, approximately 10 additional units will be needed over the next five years to replace lost units. In some cases, this unit replacement will be necessary as existing units are removed from the inventory through demolition. In other cases, this replacement is appropriate due to the deteriorating condition of older, substandard rental housing that should be removed from the occupied stock. Rental units may also be lost due to rental units converting to owner-occupancy.

Pent-up demand also exists for some rental housing segments. In Kimball, there is a pent-up demand for high quality market rate rental units, senior independent rental units and subsidized rental units.

These three demand generators, after factoring current vacancy rates, show a need for 19 to 25 rental units over the next five years. Based on the factors stated above, we recommend the development of the following new rental units over the next five years from 2018 to 2023.

▶	General Occupancy Market Rate	6-8 units
▶	Subsidized	3-4 units
▶	Affordable/Conversions	4-5 units
▶	Senior	<u>6-8 units</u>
	Total	19-25 units

We recommend several strategies to develop a healthy rental market in the City of Kimball and to develop the recommended rental units stated above. These strategies include:

- ▶ **Increase the City’s number of households** - The City and all stakeholders should continue to implement all strategies possible to increase the number of households in the City including job creation, marketing the community, assuring a healthy housing stock, etc. These efforts will continue to make the City of Kimball an attractive and viable City.
- ▶ **Rehabilitate rental housing** - A large majority of Kimball’s rental housing stock was constructed in the 1960s, 1970s and 1980s. Many of these rental projects need rehabilitation. Rental rehabilitation programs should be created to rehabilitate rental projects when it is economically feasible.
- ▶ **Demolish dilapidated rental housing** - Rental housing that is substandard and no longer feasible for renovation, should be demolished and eliminated from the rental housing stock.
- ▶ **Develop new rental housing** - New rental housing can achieve several goals which include:
  - Addressing pent-up demand for certain housing types
  - Upgrading the overall quality of the rental stock
  - Increasing the City’s rental rates
  - Addressing gaps in the City’s rental stock
  - Attracting new households to the City

**1. Develop six to eight general occupancy market rate rental units**

**Findings:** Approximately 86% of the rental housing in the City of Kimball can be classified as general occupancy market rate housing. These units are free of any specific occupancy restrictions such as financial status, age, or student enrollment. Market rate rental housing does not have any form of rent controls, other than those imposed by the competitive marketplace.

The majority of these rental units are in single family homes, as there are only a few small market rate rental projects in Kimball. The market rate projects include the Old Sears building with three units, the Downtown Miller Building with four units and Kimball West duplexes with four units.

There is a variation in rental rates in the market rate segment in the City of Kimball. The existing rent, including utilities, is approximately \$450 to \$475 for a one-bedroom unit and \$500 to \$800 for a two-bedroom unit.

From 2000 to 2017, only four market rate rental units were constructed in Kimball. However, some single family homes converted from owner-occupied to rental units partially due to the downturn in the economy in the late 2000s.

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

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

At the time of the rental survey, there were no vacancies in the market rate units that were surveyed. Also, it is important to add new units to the rental market that have 'state of the art' amenities.

Twin or town home-style units, or a high quality apartment building, are options in addressing the need for market rate units. The projects, to be successful, should have 'state of the art' amenities. It may be advantageous for new units to be constructed in smaller project phases, such as twin homes, three-plexes or four-plexes. This strategy allows the new units to be absorbed into the market.

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

Also, KED Corp could partner with private developers to construct units. The City could assist with land donations, tax increment financing, tax abatement, reduced water and sewer hookup fees, etc.

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

<u>Unit Type</u>	<u>No. of Units</u>	<u>Size/Sq. Ft.</u>	<u>Rent</u>
Two Bedroom	5-6	900 - 1,000	\$800 - \$900
Three Bedroom	<u>1-2</u>	1,100 - 1,300	\$950 - \$1,100
Total	6-8		

**Note:** The recommended rents are gross rents including all utilities. The rents are quoted in 2018 dollars.

**2. Develop six to eight senior independent market rate units**

**Findings:** We are not aware of any senior independent market rate rental projects in Kimball.

In 2017, there were approximately 126 households age 65 or older in Kimball and 757 households age 65 or older in Brule County. It is projected that there will be a modest increase in the number of households age 65 and older in Kimball and Brule County over the next five years.

**Recommendation:** We are recommending a six to eight-unit independent market rate senior project in Kimball. The project should be designed to allow seniors to live in a unit independently. The senior project could be a one level apartment building or townhome style.

The project's amenities and features should include:

- A small community room
- 24-hour call system
- A limited access security system
- Smoke alarms
- Enclosed parking
- Spacious corridor with a theme such as a street scape design (apartment design)

Apartment features should include:

- 6 to 8 units
  - 2 to 3 one-bedroom
  - 4 to 5 two-bedroom
- Fully equipped kitchen
- Large storage space
- Ample closet space
- Washer and dryer in each unit
- Open floor plan
- Private patio
- Individually controlled heat and AC
- Raised outlets, lever door handles, lowered kitchen cabinets
- Expansive windows

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

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

Tax increment financing, tax abatement and other subsidies and/or incentives could be utilized to make the project possible.

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

The location of the project should be close to services as the project will be occupied by seniors. If possible, the project should have land available for future project phases. Potential sites may be adjacent to the Prairie View Assisted Living Center, or in the Kimball West subdivision.

### **3. Promote the development/conversion of four to five affordable market rate rental housing units**

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

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

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

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

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

The estimated prevailing rent range for older rental units in Kimball is typically between \$400 and \$550. Creating some additional units with contract rents below \$625 per month would help to expand the choices available to a majority of the City’s renter households.

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

#### **4. Promote the development of three to four subsidized rental housing units**

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

The research completed for this Study found two subsidized projects in Kimball, with a total of 12 units. Pine Street Apartments is a senior/disabled USDA Rural Development Project with four one-bedroom units and the Kimball building is a general occupancy USDA Rural Development project with eight two-bedroom units.

Currently, according to the American Community Survey, 20% of the renter households in Kimball are paying 30% or more of their income for rent.

**Recommendation:** Based on the cost burden rental household data contained in the American Community Survey and the lack of multi-bedroom family subsidized units, we would recommend that the City and KED Corp look to develop deep subsidy rental housing with two and three bedrooms for lower income renter family households. Over the next five years, we would recommend that the City and KED Corp attempt to construct three to four units that achieve a rent level that would be affordable to very low income households earning less than \$25,000 per year.

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

All of the units should have two or three-bedrooms to provide options for larger families.

## **5. Monitor the need for additional senior with services units/beds**

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

Lower-service housing, sometimes referred to as congregate senior housing, generally offers the availability of a daily meal, and services such as weekly light housekeeping.

Kimball has one senior with services project, the Prairie View Assisted Living Center. Prairie View is a 16-unit assisted living facility. Prairie View provides the full array of senior services including meals, bathing, laundry, housekeeping, medication management, 24-hour staffing, etc. This facility is 20 years old. The rent varies based on the size of the unit. The cost of the services package is a fixed fee. The owner reported that there were two vacancies at the time of the survey.

Chamberlain, also located in Brule County, has three senior with services facilities. The three facilities include a 44-bed nursing home and two assisted living facilities, one facility with 36 beds and one facility with 10 beds.

**Recommendation:** Kimball has a 16-unit assisted living facility, the Prairie View Assisted Living Center, which provides the full array of senior services including meals, laundry, housekeeping, bathing, medication management, 24-hour staffing, etc. There is one uniform service fee for all residents. Rent varies by unit size.

Kimball does not have a skilled nursing facility or a secured facility for memory care. However, other cities in the Region including Mitchell and Chamberlain have facilities that address these needs.

Based on the size of Kimball and the size of its market area, we are not recommending the development of additional senior with services facilities in Kimball. We do recommend continued support of the Prairie View Assisted Living Center to assure that it remains a viable asset in the community.

We have also recommended in Recommendation 2., the development of an independent senior housing project in Kimball. This project would have the potential to provide a light level of services.

The purpose of this recommendation is to provide general guidance. If a developer has an interest in developing a senior with services housing project in Kimball, they should have a project-specific study conducted.

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

**Findings:** The City of Kimball has two “deep subsidy” USDA Rural Development rental housing projects that allow tenants to pay rent based on 30% of income. These projects were constructed in the 1980s when the federal government was actively involved in producing low income housing.

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

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

**Recommendation:** Based on the research for this Study, the subsidized projects in Kimball are not currently viewed as being at risk of leaving their subsidy program. However, the City and KED Corp should monitor the status of the federal subsidy projects. If a subsidized project is considering opting out of the subsidy program and converting to market rate, the City and KED Corp should determine if a housing agency should purchase the project and keep it in the subsidy program.

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

**Findings:** A new mixed-use rental housing/commercial project would be an asset to downtown Kimball. New mixed-use projects have been developed in several smaller cities. Some of these projects were developed because of market demand while others were developed to enhance the downtown, to introduce a new product to the market or to serve as a catalyst for downtown redevelopment.

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

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

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

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

## **8. Apply to access the Housing Choice Voucher Program**

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

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

Based on the research for this study, it appears that the Housing Choice Voucher Program is currently not available in Kimball and Brule County.

**Recommendation:** The City of Kimball and the KED Corp should work with the area and regional housing agencies and the South Dakota Housing Development Authority to determine if Kimball and Brule County can obtain access to the Housing Choice Voucher Program.

# **Kimball - Home Ownership**

## **Home Ownership**

**Findings:** Expanding home ownership opportunities is one of the primary goals for most cities. High rates of home ownership promote stable communities and strengthen the local tax base. The median owner-occupied home value in Kimball is estimated to be approximately \$57,000 based on 2016 and 2017 sales activity. The home values in Kimball provide an opportunity for first time buyers and households seeking moderately priced homes.

Esri's analysis of Kimball demographic trends shows an increase in the number of households in the traditionally strong home ownership age ranges between 55 and 74 years old. The number of households in the 35 to 44 age range is also expected to increase. 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 a home.

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

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

**Findings:** We believe that affordable home ownership is one of the issues facing Kimball 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 and closing cost assistance, low interest loans and home ownership counseling and training programs can help to address affordable housing issues. The City of Kimball 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 in Kimball currently is valued under the purchase price limits for the first-time home buyer assistance programs.

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

The City of Kimball and KED Corp 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.

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

**Findings:** Kimball has a stock of older, lower valued homes, many of which need repairs. Our analysis of recent sales activity indicates that approximately 50% of the homes in Kimball are valued less than \$57,000. 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, and economic agency or a housing agency purchases an existing home that needs rehabilitation, rehabilitates the home, sells the home to a low/moderate income family and provides a mortgage with no down payment, no interest and a monthly payment that is affordable for the family.

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

**Recommendation:** We recommend that the City of Kimball, KED Corp, or a housing agency to develop and implement a purchase/rehab program. Attitudinal surveys that we have conducted in other cities have found that purchase/rehabilitation programs are appealing to people who are currently

renting their housing. In some similar sized communities, a large majority of survey respondents who were renters indicated an interest in buying a home in need of repair if rehabilitation assistance was available.

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

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

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

## **11. Develop a local down payment assistance program**

**Findings:** One of the largest 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 if lending institutions have tightened their lending criteria. There are several examples of cities providing down payment assistance to assist home owners with a down payment. For example, the City of Faribault, MN, developed a program that provided a maximum of \$4,000 in local funds to households for down payment assistance. Twenty-four local households utilized this program to purchase a home over a nine-month period.

**Recommendation:** The City of Kimball should consider the development of a local Down Payment Assistance Program.

The City of Kimball, KED Corp, local employers, the Federal Home Loan Bank and SDHDA could potentially contribute to the fund.

# **Kimball - Single Family Housing Development**

## Single Family Housing Development

**Findings:** Based on City and U.S. Census information, seven single family homes were constructed for owner occupancy in Kimball from 2011 to 2017. This is an average of one home per year.

It is our opinion that if the City, KED Corp, housing agencies, and builders are proactive, eight to 12 owner-occupancy housing units can be constructed in Kimball over the next five years, from 2018 to 2023, for an annual average of two to three units. The breakdown of our projection of eight to 12 new owner-occupied housing units over the next five years is as follows:

▶ Higher and medium priced homes	3-4
▶ Affordable homes	3-4
▶ Twin homes/town homes	<u>2-4</u>
Total	8-12

### 12. Lot availability and lot development

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

The Kimball West Subdivision has 18 available residential lots. The average price for a lot is \$20,000. Five single family homes and two twin homes have been constructed in the subdivision.

There are also miscellaneous infill lots scattered around the City. We do not know the availability of these infill lots, if they have enough square footage for new construction, if they are in attractive locations, etc. Also, it is anticipated that in the future some dilapidated homes will be demolished in Kimball. Some of the cleared lots may be potential sites for new construction.

**Recommendation:** We generally use a standard that a 2 ½ year supply of lots should be available in the marketplace, based on annual lot usage. Using the projection that between two and three housing units will be constructed in an average year, the City should have approximately five to eight lots available to meet near-term demand. Part of this demand would exist for the construction of attached single family units.

The City of Kimball, with approximately 18 existing lots remaining in the Kimball West Subdivision, plus some additional infill lots in older neighborhoods, currently has an adequate residential lot supply.

We also recommend that the City research and compile an inventory of all the existing vacant lots and land parcels to determine their availability and viability for new home construction. A lot inventory, based on this research, should be maintained and made available to future home builders.

### **13. Strategies to encourage residential lot sales and new home construction in Kimball**

**Findings:** There is a large inventory of lots available in the City of Kimball. The capacity also exists to develop additional lots.

**Recommendation:** We recommend that the City of Kimball and KED Corp coordinate efforts with the private sector to promote lot sales and housing development in Kimball.

Our recommendations to promote lot sales and housing development include:

- ▶ ***Competitive pricing*** - There are lots that are available in communities throughout the Region. Lot prices in Kimball will need to be as competitive as possible.
- ▶ ***Plan for long-term absorption*** - The research completed for this Study expects limited annual absorption of lots in Kimball over the next five years. It is necessary to view the lot sales and housing development in the Kimball West Subdivision as a long-term plan.
- ▶ ***Generate initial activity*** - Recent construction activity has been limited. To stimulate new construction, proactive efforts, such as the sale of some lots at discounted prices, reduction of hookup and permit fees or other incentives could be provided if the buyer agrees to build a home of a certain quality and style within a specified time period. This will help create some momentum for houses to be built.
- ▶ ***Consider developing an exclusive builder(s) relationship*** - Several lots could be sold to a builder(s). Momentum can be created when a builder has access to several lots. This allows for marketing opportunities and efficiencies in the home building process. The lot owners should require the builder to construct a minimum number of homes per year. Builders are more willing to enter a market when the lots are attractive and very affordable. Several lots available to an exclusive builder or developer should be explored, even if significant price concessions are required.

- ▶ ***User-Friendly*** - The lot purchase and homebuilding process must be 'user-friendly.' This includes builders, who are readily available to build custom homes, information on quality homes that could be moved into the community and City regulations that are fair and reasonable. This entire process should be as user-friendly as possible to encourage new home construction.
- ▶ ***Lot Availability for affordable homes*** - Lots should be available for affordable homes including modular and Governors homes.
- ▶ ***Allow for a range of house prices*** - Lots should be available in Kimball in as wide a range of home sizes and prices as possible. This broadens the lot buyer market.
- ▶ ***Incentives*** - Many cities throughout South Dakota are offering incentives to construct new homes, including reduced lot prices, reduced water and sewer hookup fees, tax abatements, cash incentives, etc. Incentives should be considered to promote new home construction.
- ▶ ***Lot availability for twin home/town home development*** - It is our opinion that there will be a demand for twin homes/town homes over the next five years. Lots should be available for twin home/town home lot development.
- ▶ ***Marketing*** - The City of Kimball, KED Corp, lot owners and all stakeholders should develop a marketing strategy to sell the available lots. Stakeholders including realtors, financial institutions, builders, employers, etc. should all be included in marketing strategies. In addition to marketing the lots, the City of Kimball and its amenities should also be marketed.

- ▶ ***Consider partnerships that share and split financial risk to construct spec homes*** - Spec houses could potentially attract buyers that are not interested in going through the home building process, but instead wants a turnkey unit. A spec home can also serve as a model, allowing potential home buyers to examine specific floor plans and features in the home before committing to buy. In an attempt to spur spec home construction, some communities have formed partnerships with private home builders to share the financial risks. For example, subdivision owners have been willing to defer the payment for the lot until the spec home is sold. Another builder incentive is for the City to waive any water/sewer hookup fees and building permit fees until the home is sold. A more aggressive approach is to become directly involved in helping cover the payments on a home builder's construction loan, if the house does not sell within a reasonable period of time. A community risk pool would need to be established for this type of activity. These types of approaches would somewhat reduce the builder's risk, by lowering the upfront development costs.

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

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

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

As dilapidated homes are demolished, some of the cleared lots may be suitable for new affordable home construction. Existing in-fill lots could also be utilized.

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

**Findings:** Attached housing provides desirable alternatives for empty nesters and seniors to move out of their single family homes, thus, making homes available for families. It is important for the community to offer a range of life-cycle housing options. Two twin homes have been constructed in Kimball over the past decade. However, these homes were constructed for rental occupancy.

In 2017, Kimball had 118 households and Brule County had 544 households in the 55 to 74 age ranges. These age ranges are expected to add 14 households in Kimball and 133 households in Brule County from 2017 to 2022. Household growth among empty-nester and senior households should result in demand for attached single family units. It is likely that demand for attached housing units will also be dependent on the product's ability to gain market acceptance among the households in the prime target market, and among other households.

**Recommendation:** It is our projection that approximately two to four new owner-occupied twin home or town home units could be constructed in Kimball over the next five years from 2018 to 2023.

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

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

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

Kimball's role could include assuring that adequate land continues to be available for development and that zoning allows for attached housing construction. Also, the City may provide tax increment financing, tax abatement or other incentives.

# **Kimball Housing Rehabilitation**

## **Housing Rehabilitation**

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

It is our opinion that Kimball, KED Corp and 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 Kimball 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, it is probable 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.

### **16. Promote rental housing rehabilitation**

**Findings:** Based on the U.S. Census data, the City of Kimball had approximately 104 rental units in 2010. These rental buildings are in a multi-family projects, single family homes, twin homes, mobile homes and mixed-use buildings. Some of these rental structures could benefit from rehabilitation as most of these rental structures are more than 25 years old and some rental units may be in poor condition. Approximately 96% of Kimball's rental units are more than 25 years old.

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

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

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

Our housing condition survey of the homes in Kimball found 77 homes that need minor repairs and 51 homes that need major repairs. Without rehabilitation assistance, the affordable housing stock will shrink in Kimball.

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

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

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

## **18. Develop a Kimball Revitalization Program**

**Findings:** Kimball has older neighborhoods that are on the bubble. These neighborhoods have a significant number of homes and buildings that need rehabilitation or should be demolished. These neighborhoods also have a significant number of low/moderate income households. The neighborhoods could deteriorate or could be revitalized to be strong and stable neighborhoods.

The City of Kimball has recently hired a code compliance officer to enforce codes to 'clean up' the City.

**Recommendation:** Over the years, there has been housing and neighborhood revitalization projects in the neighborhoods including housing rehabilitation, the demolition of dilapidated housing, code enforcement, the development of new housing and public facility improvements. We recommend that the City, KED Corp and the private housing sector continue these efforts, and develop and implement a Revitalization Program.

Redevelopment strategies and opportunities should be identified including:

- ▶ A plan for each parcel in the older neighborhoods (commercial and residential)
- ▶ Owner-occupied rehabilitation
- ▶ Rental housing rehabilitation
- ▶ Commercial rehabilitation
- ▶ Demolition of dilapidated structures
- ▶ Code Compliance
- ▶ Infill new construction including single family homes and attached housing
- ▶ Land pooling for town home and attached housing projects
- ▶ Purchase/Rehabilitation Programs that rehabilitate homes and provide home ownership for low/moderate income households
- ▶ Public projects (streets, utilities, parks, etc.)
- ▶ Consider rezoning, variances and/or replatting to make areas and parcels more desirable for redevelopment
- ▶ Utilize the South Dakota's Bulldoze, Build and Beautify (BBB) Program
- ▶ Other projects identified through the planning process

The Revitalization Program should include time lines, responsible entity to implement the plan, funding sources, etc. The Program should be evaluated on an ongoing basis as opportunities and potential projects may change priorities.

It must be noted that neighborhood revitalization can result in the loss of affordable housing. Redevelopment projects, infill construction and other affordable housing projects in the community should assure that there are overall net gains in the affordable housing stock.

## **19. Develop a Rental Inspection and Registration Program**

**Findings:** A Rental Inspection and Registration Program can be a valuable tool in improving the quality of a City's rental housing. In 2010, there were approximately 104 rental units in Kimball, approximately 96% of which are more than 25 years old. Neighborhood deterioration, lower property values and unsafe rental units are often prevented when a Rental Housing Inspection and Registration program is successfully implemented.

The need for an ongoing Rental Inspection and Registration Program includes the following:

### **Health and Safety**

- ▶ There is a need to provide tenants with safe, sanitary, and standard living conditions and to eliminate life threatening hazards.

### **Age of Housing Stock**

- ▶ Most of the existing rental housing stock in Kimball is more than 25 years old.
- ▶ Older housing needs continued rehabilitation and maintenance.
- ▶ Older housing often has difficulty complying with current codes.

### **Conversions**

- ▶ Some of the rental buildings were originally constructed for other uses, including single family homes converted into multiple units, or commercial buildings converted to residential use. In conversion, owners often do the work themselves and have inadequate or faulty mechanical, electrical, plumbing, and heating systems. Also, constructing an apartment in the basement often results in a lack of natural lighting, ventilation and proper access and egress.

### **Trends of Conversions**

- ▶ Many of Kimball's buyers want more amenities and conveniences, and less maintenance, thus, they are less likely to purchase older homes. The result is the continuation of converting old homes to rental units which magnifies the problem.

### **Maintenance Efforts**

- ▶ Many rental property owners are providing standard housing and reinvesting in their rental properties. However, some rental property owners do not maintain their buildings. Ongoing maintenance is necessary for older housing as buildings with continued deferred maintenance become unsafe and substandard.

### **Neighborhood Stabilization**

- ▶ Rental units need to be maintained to keep the integrity of the neighborhood and stabilize property values. Deferred maintenance, parked junk cars, trash and debris all have a negative impact on residential neighborhoods.

### **Zoning and Codes**

- ▶ Illegal apartments such as inappropriately constructed basement apartments may be unsafe and a violation of zoning regulations.

### **Coordination**

- ▶ A Rental Inspection and Registration Program provides a record of rental units and owners.
- ▶ The program provides a better opportunity for coordination of city programs and codes.

**Recommendation:** We recommend the development and implementation of a Rental Inspection and Registration Program to assure that all rental units in Kimball comply with housing laws and codes. The program assures that Kimball rental units are safe and sanitary, thus, removing blighted and unsafe conditions.

Typically, it is difficult for a small city to implement a Rental Inspection and Registration Program. However, Kimball has hired a Code Enforcement Specialist to enforce the City's nuisance ordinance. Potentially, the code enforcement specialist could inspect the rental units in the City.

# **Kimball - Other Housing Initiatives**

## **Other Housing Initiatives**

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

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

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

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

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

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

**Findings:** Our housing condition survey identified 33 single family houses in Kimball that are dilapidated and too deteriorated to rehabilitate. We also identified 51 single family houses in Kimball as needing major repair and some of these homes may be too dilapidated to rehabilitate. To improve the quality of the housing stock and to maintain the appearance of the City, these structures should be demolished. The Code Compliance Officer and KED Corp have also identified houses that are dilapidated and beyond repair.

In the past, the City of Kimball was active in working with property owners to demolish dilapidated structures. But no structures have been removed over the past few years.

**Recommendation:** We recommend that the City of Kimball and KED Corp work with property owners to demolish dilapidated structures. The appearance of the City is enhanced when blighted and dilapidated structures are removed. Also, some of the cleared lots can be utilized for the construction of new affordable housing units. The City and KED Corp should also continue to pursue the opportunity to utilize the Bulldoze, Build and Beautify (BBB) Program.

The City or KED Corp should continue to maintain an inventory of structures that may be candidates for future acquisition and demolition. Additionally, an inventory of in-fill lots for future development should be maintained.

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

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

Planning and Development District III and Dakota Resources (Home Address Plus) both assist cities with developing plans to address local housing needs.

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

It will also be important for the City of Kimball 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.

### **23. Strategies for Downtown Redevelopment**

**Findings:** Downtown Kimball has buildings that have been renovated and have high quality commercial space. There are also buildings that have not been maintained and are substandard. This recommendation provides an outline of actions that could be taken to continue to redevelop the downtown, to maximize the usage of downtown buildings and to promote new downtown businesses. Several years ago a dilapidated building was demolished in downtown Kimball and a medical clinic was constructed on the site.

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

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

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

- ▶ Work with stakeholders to identify roles, secure funding, develop and implement programs and projects
  - ▶ Property owners
  - ▶ City of Kimball
  - ▶ KED Corp
  - ▶ Planning and Development District III
  - ▶ Dakota Resources

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

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

The City of Kimball, KED Corp, the Chamber of Commerce, other organizations, private builders and developers have been active in promoting the City, including housing opportunities.

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

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

- ▶ Continue to provide attractive lots at an affordable price for a variety of home sizes, styles and price ranges
- ▶ Develop a plan to preserve the quality of existing neighborhoods through the rehabilitation of substandard housing and the demolition of dilapidated structures that are beyond repair
- ▶ Continue to develop new housing choices, such as new single family homes, rental housing, twin homes, senior housing with services, etc.
- ▶ Review the City's policies and fees to assure that they are user-friendly, fair and receptive for developers, builders and households.
- ▶ Enforce local codes which assist with revitalizing neighborhoods and the City
- ▶ Develop a coordinated housing plan with all the City's housing stakeholders

## **Agencies and Resources**

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

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

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

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

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

### **Grow South Dakota**

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

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

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

### **USDA Rural Development**

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

### **Dakota Resources (Home Address Plus)**

2579 475<sup>th</sup> Ave., Suite 1  
Renner, SD 57055  
(605) 978-2804