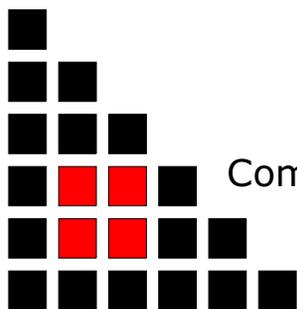


Redfield HOUSING STUDY

December 2014

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



Community Partners Research, Inc.

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Introduction

Local elected and public officials are often held responsible for conditions and circumstances over which they have limited control. This is particularly true of housing. Most of the housing units in Redfield and Spink County are privately owned and were constructed with private funds. On an increasing scale, however, the public is demanding that public officials control what happens in this largely private housing market by eliminating blight, protecting individual investments, and generating new housing growth to meet economic development needs.

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

Goals

The multiple goals of the study include:

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

Methodology

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

- U.S. Census Bureau
- American Community Survey
- ESRI, a private data company
- Records and data from the City of Redfield
- Records and data maintained by Spink 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 and mobile home surveys

Limitations

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

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Demographic Data Overview

Sources of Data

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

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

The frequency of American Community Survey estimates vary depending on the size of the jurisdiction. For most jurisdictions in South Dakota, the 2013 estimates were derived from sampling that was done over a five-year period, between 2009 and 2013. Unless otherwise noted, the American Community Survey estimates are based on the five-year survey data.

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

Population Data and Trends

Table 1 Population Trends - 1980 to 2014						
	1990 Census	2000 Census	% Change 1990-2000	2010 Census	% Change 2000-2010	2014 ESRI Estimates
Redfield	2,770	2,518*	-9.1%	2,333	-7.3%	2,364
Spink Co.	7,981	7,454	-6.6%	6,415	-13.9%	6,475

Source: U.S. Census; ESRI, Inc. * Revised after corrections made

- ▶ According to the 2010 U.S. Census, Redfield’s population was at 2,333 people in 2010. When compared to the 2000 Census, the City experienced a population decrease of 185 people from 2000 to 2010, for a population loss of 7.3%. The City has been losing population in recent decades, and decreased by more than 9% in the 1990s.
- ▶ Population estimates are also available from ESRI, a private data reporting service. ESRI’s 2014 estimate shows Redfield with 2,364 residents, a gain of 31 people from 2010 to 2014.
- ▶ Despite the loss of population in previous decades, the most recent estimates show some recent change, with the City adding residents after 2010. The Census Bureau releases an annual estimate, which shows the City’s population at 2,385 people on July 1, 2013, a gain of 52 people from 2010 to 2013.
- ▶ Spink County’s population was 6,415 people in 2010. This was a decrease of 1,039 people from 2000, for a population loss of 13.9%. Spink County also experienced population decreases in the 1990s, down by 527 people from 1990 to 2000.
- ▶ Like Redfield, the most recent estimates for Spink County show some reversal in the long-term population decline. The Census Bureau’s 2013 estimate for Spink County was 6,610 people, up by 195 from the 2010 Census. ESRI’s 2014 population estimate for Spink County is 6,475 people, a gain of 60 people since 2010.
- ▶ Redfield’s population is primarily White and non-Hispanic/Latino. At the time of the 2010 Census, approximately 97% of the City’s residents were White. The largest racial minority was Native American, at 0.9% of the City’s population. Approximately 1.4% of the City’s population was identified as Hispanic/Latino.

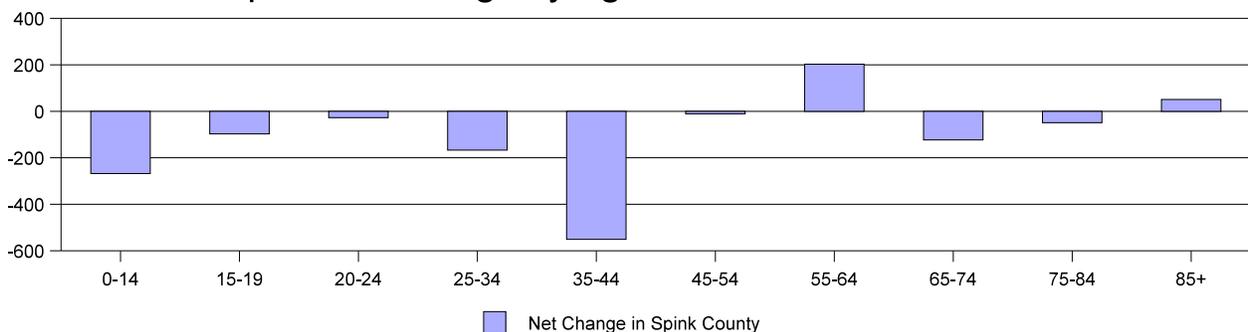
Population by Age Trends: 2000 to 2010

The 2000 Census had contained a reporting error for Redfield, and had included some group quarters residents actually living in Redfield Township as part of the City. Although the population totals were later corrected, other data tables, including the age distribution for City residents, were not revised. With an error in the 2000 information, it is not possible to compare the changing age patterns within the City of Redfield. However, a Countywide comparison can be made showing the population by age in 2000 and 2010, along with the numeric changes.

Table 2 Population by Age - 2000 to 2010			
Age	Spink County		
	2000	2010	Change
0-14	1,527	1,259	-268
15-19	575	478	-97
20-24	304	277	-27
25-34	769	602	-167
35-44	1,179	628	-551
45-54	1,009	998	-11
55-64	679	882	203
65-74	705	582	-123
75-84	525	476	-49
85+	182	233	51
Total	7,454	6,415	-1,039

Source: U.S. Census

Population Change by Age Between 2000 and 2010

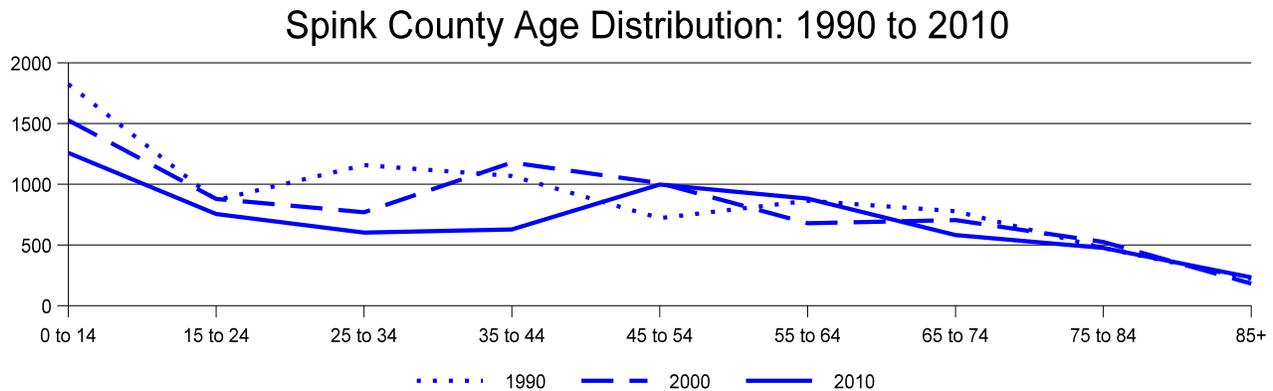


For many years, demographic analysts have been talking about the impact that is occurring as the large “baby boom” generation moves through the aging cycle. This trend has been evident in Spink County. Between 2000 and 2010, Spink County had a net gain of 192 people in the age ranges between 45 and 64 years old. In 2010, nearly all of the baby boomers were within these age ranges. Spink County also had growth in the 85 and older age range, which had a gain of 51 people.

However, Spink County had a loss of 365 people in the 0 to 19 age ranges, a loss of 745 people in the 20 to 44 age ranges and a loss of 172 people in the 65 to 84 age ranges.

Overall, Spink County had a net gain of 82 people, age 55 and older from 2000 to 2010, but a net loss of 1,121 people age 54 and younger.

The aging trends present in Spink County can be traced back over the previous decades. One pattern that is evident is the movement of the baby boom generation over each successive decade.



Although the baby boom generation has created a “wave” in Spink County as they have advanced through the aging cycle, this wave has grown progressively smaller, especially between 2000 and 2010, as the County experienced a significant overall loss of population.

Population Projections

The following table presents population projections using two different sources. The South Dakota State Data Center has issued Spink County population projections for the year 2020. The other set of projections has been created by ESRI, and span the five-year period from 2014 to 2019.

Table 3 Population Projections Through 2019				
	2010 US Census	2014 ESRI Estimate	2019 ESRI Estimate	2020 Projection State Data Center
Redfield	2,333	2,364	2,411	N/A
Spink County	6,415	6,475	6,587	5,937

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

- ▶ ESRI’s growth projections show a population gain of 47 people in Redfield from 2014 to 2019.
- ▶ ESRI’s population projection for Spink County forecasts a gain of 112 people from 2014 to 2019.
- ▶ The State Data Center projects that Spink County’s population will be 5,937 in 2020. When compared to the County’s population in 2010, this projection assumes a reduction of 478 people during the current decade.
- ▶ ESRI projects a countywide gain of residents from 2010 to 2019. ESRI’s projection of 6,587 people in 2019 is well above the State Data Center’s projection for 2020.

Household Data and Trends

Note: The population data error that existed in the 2000 Census did not affect household totals, as the error only impacted group quarters residents.

Table 4 Household Trends - 1980 to 2014						
	1990 Households	2000 Households	% Change 1990-2000	2010 Households	% Change 2000-2010	2014 ESRI Estimate
Redfield	1,214	1,123	-7.5%	1,057	-5.9%	1,084
Spink Co.	3,022	2,847	-5.8%	2,608	-8.4%	2,741

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

- ▶ According to the 2010 U.S. Census, Redfield and Spink County had a loss of households from 2000 to 2010. Redfield had 1,057 households in 2010, a decrease of 66 households from 2000, for a household loss of 5.9%.
- ▶ Spink County had 2,608 households in 2010. This was a decrease of 239 households, for a household loss of 8.4%.
- ▶ Redfield had a loss of 91 households and Spink County had a loss of 175 households during the 1990s.
- ▶ ESRI estimates that Redfield has gained 27 households and Spink County has gained 133 households from 2010 to 2014. Although no annual household estimates exist from the Census Bureau, the fact that the Census Bureau is showing recent population growth for both Redfield and Spink County also points to probable growth in the number of households since 2010.

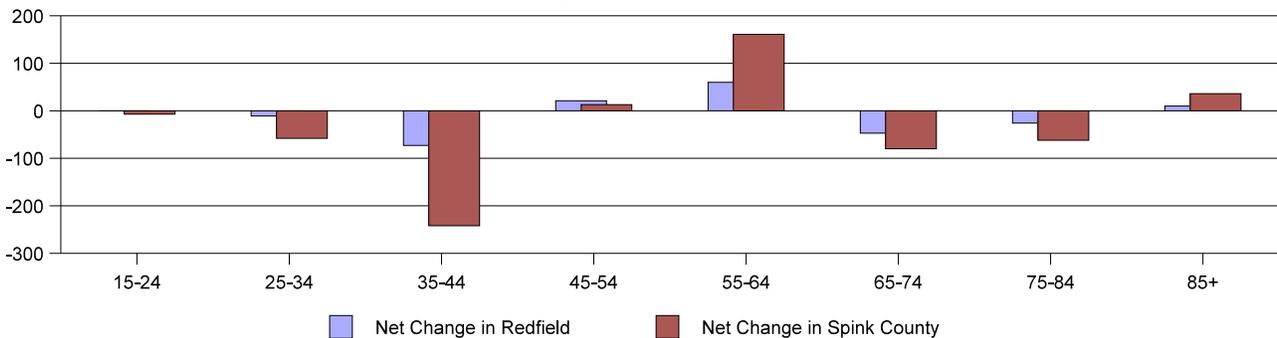
Household by Age Trends: 2000 to 2010

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

Table 5 Households by Age - 2000 to 2010						
Age	Redfield			Spink County		
	2000	2010	Change	2000	2010	Change
15-24	44	44	0	94	87	-7
25-34	136	125	-11	344	286	-58
35-44	200	127	-73	575	333	-242
45-54	180	201	21	536	549	13
55-64	120	180	60	368	529	161
65-74	176	129	-47	426	346	-80
75-84	182	156	-26	380	318	-62
85+	85	95	10	124	160	36
Total	1,123	1,057	-66	2,847	2,608	-239

Source: U.S. Census

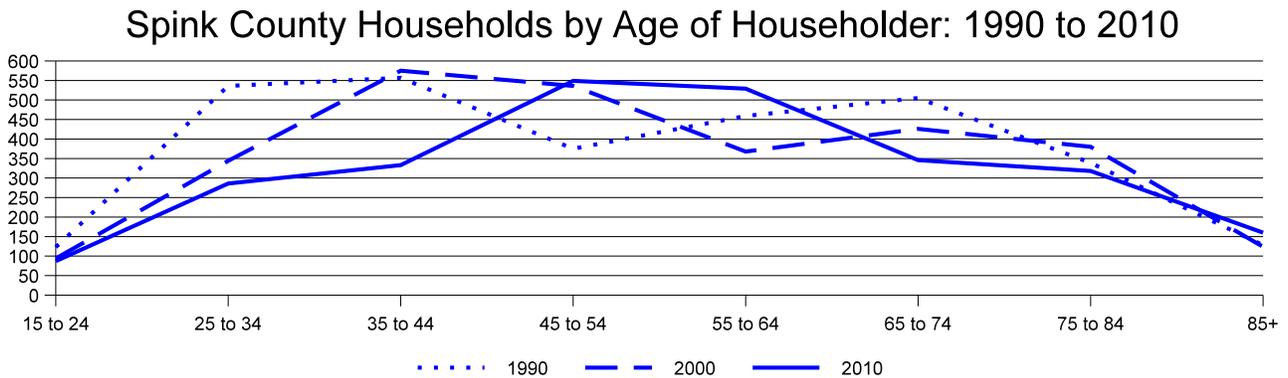
Household Change by Age Between 2000 and 2010



Redfield added 81 households in the 45 to 64 year old age ranges, and 10 households in the age 85 and older age range.

Redfield had a decrease of 84 households in the 15 to 44 age ranges, and a loss of 73 households in the 65 to 84 age ranges.

Spink County experienced a gain of 174 households in the 45 to 64 age range and a gain of 36 households in the 85 and older age range. Spink County had a loss of 307 households in the 15 to 44 age ranges, and a decrease of 142 households in the 65 to 84 age ranges.



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

Average Household Size

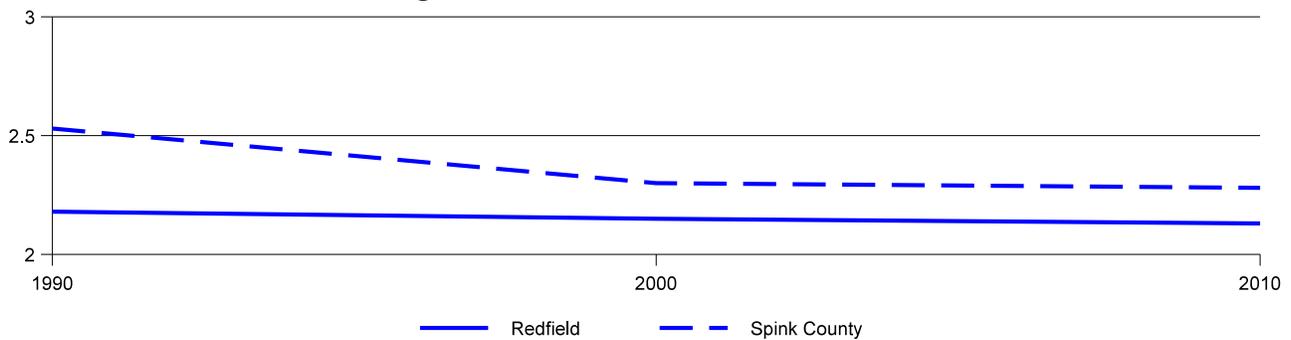
The following table provides decennial Census information on average household size. The 2014 estimates from ESRI are also provided.

Table 6 Average Number of Persons Per Household: 1990 to 2014				
	1990 Census	2000 Census	2010 Census	2014 ESRI
Redfield	2.19	2.15	2.13	1.99
Spink County	2.53	2.45	2.30	2.28
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.

Average Household Size: 1990 to 2010



The average household size in Redfield and Spink County has decreased from 1990 and 2010. In Redfield, the average household size decreased from 2.19 persons per household in 1990 to 2.13 in 2010. Spink County's average household size decreased from 2.53 in 1990 to 2.30 in 2010. In 2010, Redfield's and Spink County's average household size was substantially smaller than the Statewide average.

ESRI estimates that Redfield and Spink County's average household size has continued to decrease from 2010 to 2014.

Household Projections

The following table presents ESRI’s 2014 household estimates and 2019 household projections for Redfield and Spink County.

Table 7 Household Projections Through 2019			
	2010 Census	2014 Estimate ESRI	2019 Projection ESRI
Redfield	1,057	1,084	1,116
Spink County	2,608	2,668	2,741

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

- ▶ The growth projections calculated by ESRI expect household growth in Redfield and Spink County from 2010 to 2019.
- ▶ ESRI estimates that Redfield has added 27 households from 2010 to 2014 and projects that the City will add 32 more households from 2014 to 2019.
- ▶ ESRI’s 2014 estimate for Spink County is 2,668 households, an increase of 60 households from 2010. ESRI projects that Spink County will add an additional 73 households from 2014 to 2019.

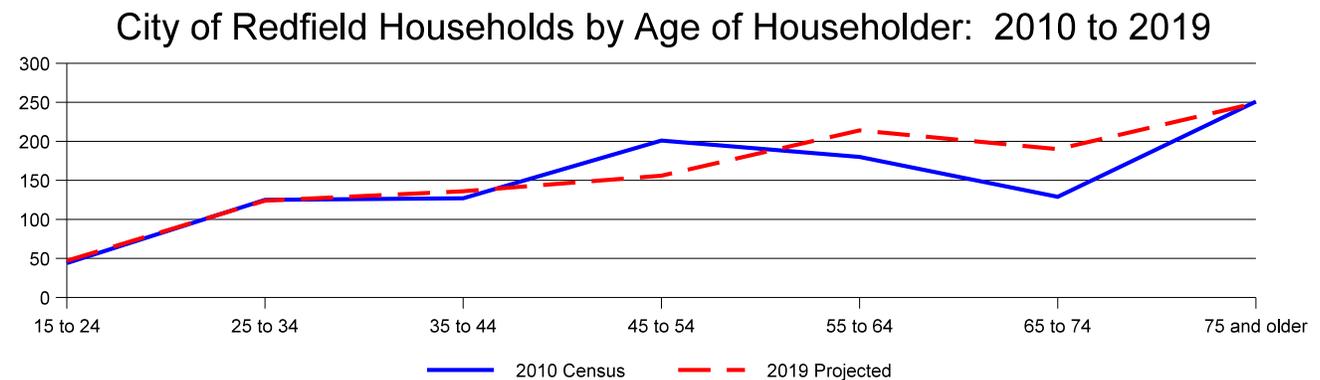
Redfield Household by Age Projections: 2010 to 2019

ESRI has generated household by age projections to the year 2019. In the following table these projections are compared to the household levels present at the time of the 2010 Census.

Table 8 Redfield Projected Households by Age - 2010 to 2019			
Age Range	2010 Census	ESRI	
		2019 Projection	Change from 2010
15-24	44	47	3
25-34	125	124	-1
35-44	127	136	9
45-54	201	156	-45
55-64	180	214	34
65-74	129	190	61
75+	251	249	-2
Total	1,057	1,116	59

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

Consistent with the age distribution data presented earlier, the movement of the “baby boom” generation through the aging cycle should generate most of the City’s growth in households in the age ranges between 55 and 74 years old. These projections expect an increase of 95 households in Redfield from 2010 to 2019 in the 20-year age group between 55 and 74 years old.



Slight growth is also expected in the younger adult age groups, with a projected net increase of 11 households in the 15 to 44 age ranges.

ESRI's projections expect a loss of 45 households in the 45 to 54 age range and a loss of two households in the 75 and older age ranges.

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 Redfield.

Table 9 Redfield Household Composition - 2000 to 2010			
	2000 Census	2010 Census	Change
Family Households			
Married Couple with own children	196	163	-33
Single Parent with own children	98	93	-5
Married Couple without own children	331	295	-36
Family Householder without spouse	32	42	10
Total Families	657	593	-64
Non-Family Households			
Single Person	434	417	-17
Two or more persons	32	47	15
Total Non-Families	466	464	-2

Source: U.S. Census

Between 2000 and 2010, Redfield experienced an overall net decrease of 64 “family” households. There was a decrease of 33 married couples with children, a decrease of five single parent families with children and a loss of 36 married couples without children. The City had an increase of 10 family households without a spouse.

The City of Redfield had a decrease of two “non-family” households. There was a decrease of 17 one-person households, but an increase of 15 households that had unrelated individuals living together.

Housing Tenure

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

Table 10 Household Tenure - 2010				
	Number of Owners	Percent of all Households	Number of Renters	Percent of all Households
Redfield	653	61.8%	404	38.2%
Spink County	1,957	75.0%	651	25.0%
State	-	68.1%	-	31.9%

Source: U.S. Census

According to the 2010 Census, the ownership tenure rate in Redfield was 61.8% and Spink County’s ownership rate was 75.0%. Redfield’s rental tenure rate of 38.2% was above the Statewide rate of 31.9% renter households.

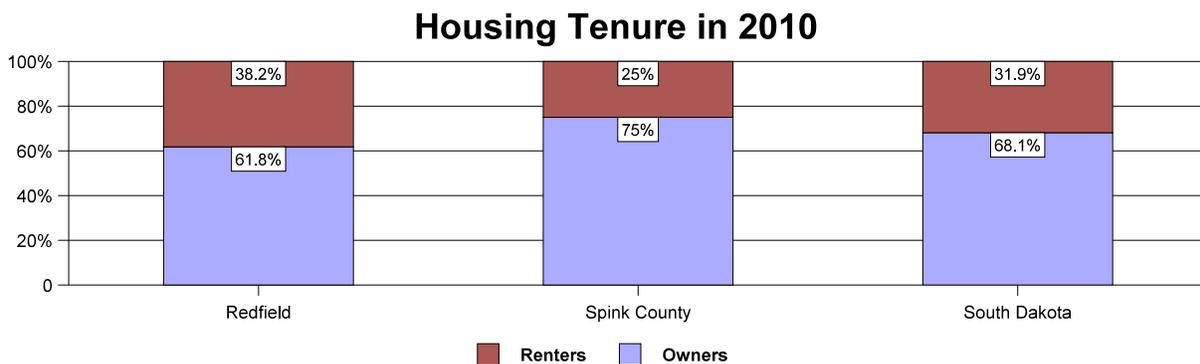


Table 11 Households by Housing Tenure - 2000 to 2010						
Tenure	Redfield			Spink County		
	2000	2010	Change	2000	2010	Change
Owners	694/61.8%	653/61.8%	-41	2,102/73.8%	1,957/75.0%	-145
Renters	429/38.2%	404/38.2%	-25	745/26.2%	651/25.0%	-94
Total	1,123	1,057	-66	2,847	2,608	-239

Source: U.S. Census

The City of Redfield’s ownership tenure rate did not change from 2000 to 2010. For Spink County, the ownership tenure rate increased from 73.8% in 2000 to 75.0% in 2010.

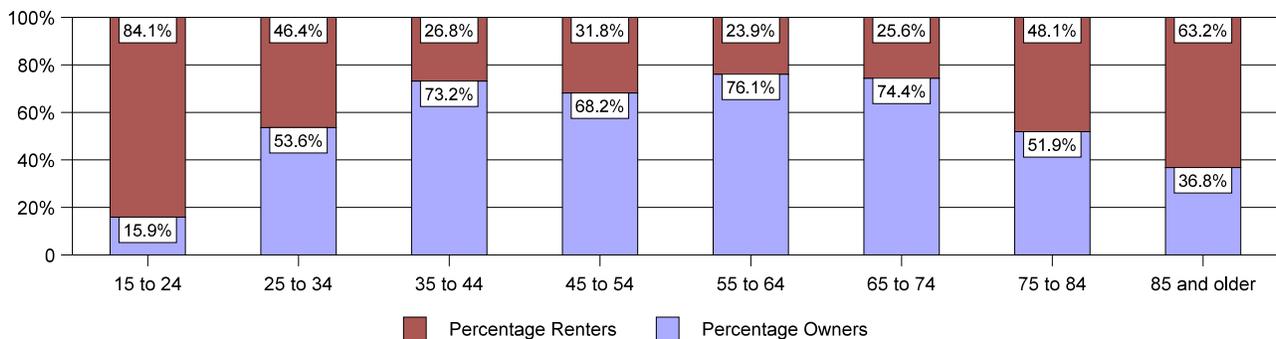
Tenure by Age of Householder

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

Table 12 Redfield Tenure by Age of Householder - 2010				
Age	Owners		Renters	
	Number	Percent within age	Number	Percent within age
15-24	7	15.9%	37	84.1%
25-34	67	53.6%	58	46.4%
35-44	93	73.2%	34	26.8%
45-54	137	68.2%	64	31.8%
55-64	137	76.1%	43	23.9%
65-74	96	74.4%	33	25.6%
75-84	81	51.9%	75	48.1%
85+	35	36.8%	60	63.2%
Total	653	61.8%	404	38.2%

Source: U.S. Census

City of Redfield Housing Tenure Patterns by Age in 2010



Within the defined age ranges, typical tenure patterns were present. Households at the lowest and highest ends of the age spectrum showed greater preference for rented housing, while middle-aged adult households were primarily homeowners. Approximately 84% of households age 24 and younger rented their unit, and approximately 63% of households age 85 and older were renters. Home ownership rates for each of the 10-year age cohorts between 35 and 74 years old were above 68%.

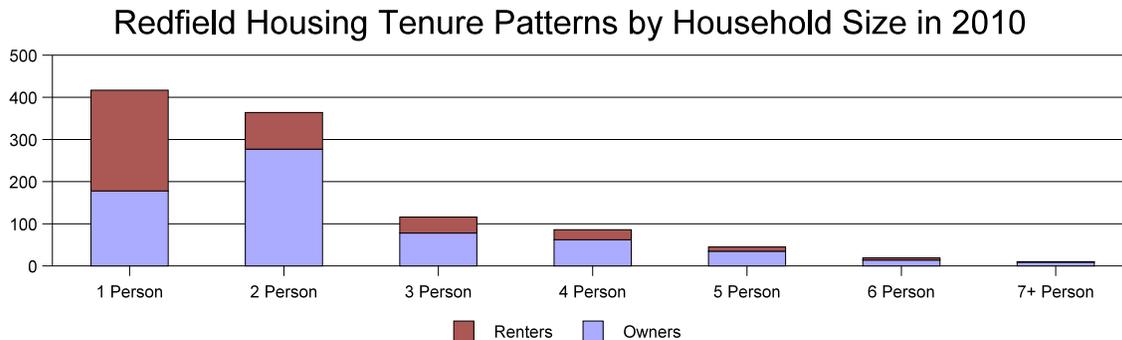
Tenure by Household Size

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 Redfield.

Table 13 Redfield Tenure by Household Size - 2000 to 2010						
Household Size	Owners			Renters		
	2000	2010	Change	2000	2010	Change
1-Person	174	178	4	260	239	-21
2-Person	292	277	-15	97	87	-10
3-Person	90	78	-12	37	38	1
4-Person	77	62	-15	18	24	6
5-Person	42	35	-7	7	10	3
6-Person	13	14	1	4	5	1
7-Persons+	6	9	3	6	1	-5
Total	694	653	-41	429	404	-25

Source: U.S. Census

From 2000 to 2010, there were overall decreases in the number of owner and renter households in Redfield. There was an increase of four owner households with one household member, and an increase of four owner households with six or more household members. However, there was a decrease of 49 households with two to five household members. There was a loss of 31 renter households with one to two household members and a loss of five households with seven or more household members. There was a gain of 11 renter households with three to six people.



Approximately 81% of the renter households and nearly 70% of owner households in Redfield had only one or two household members in 2010.

2013 Income Data

The 2010 Census did not collect information on household income. However, estimates are available at the city and county level through the 2013 American Community Survey.

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

Table 14 Median Household Income - 2000 to 2013			
	2000 Median	2013 Median	% Change
Redfield	\$27,743	\$35,000	26.2%
Spink County	\$31,717	\$48,911	54.2%
South Dakota	\$35,271	\$49,495	40.3%

Source: U.S. Census; 2013 ACS 5-year survey

Table 15 Median Family Income - 2000 to 2013			
	2000 Median	2013 Median	% Change
Redfield	\$37,500	\$44,850	19.6%
Spink County	\$37,114	\$61,063	64.5%
South Dakota	\$43,237	\$63,195	46.2%

Source: U.S. Census; 2013 ACS 5-year survey

Information contained in the 2013 American Community Survey shows that the median household and family incomes have increased from 2000 to 2013 in Redfield and Spink County. Redfield’s median family and household incomes were well below statewide medians and Spink County’s family and household incomes were slightly lower than the statewide medians.

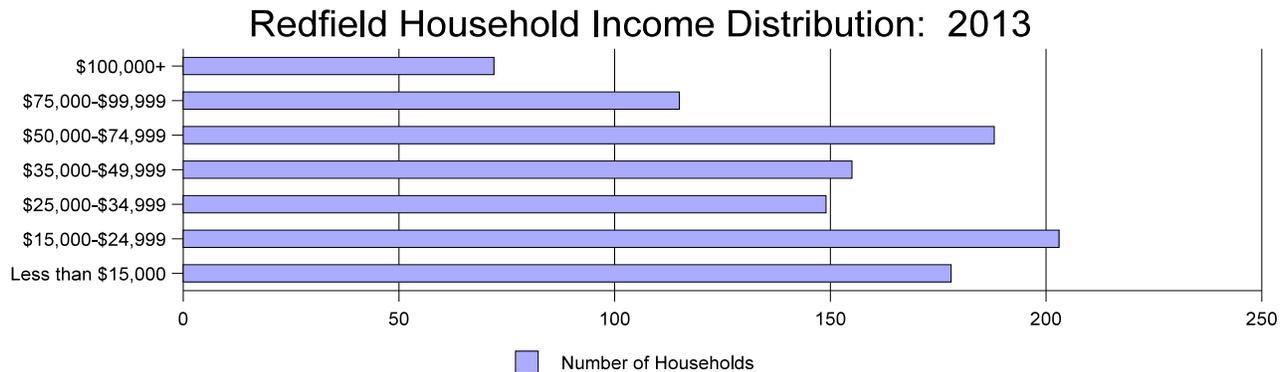
Generally, family household incomes tend to be much higher than the overall household median, as families have at least two household members, and potentially more income-earners. Using the commonly accepted standard that up to 30% of gross income can be applied to housing expenses without experiencing a cost burden, a median income household in Redfield could afford approximately \$875 per month and a median income family household could afford \$1,121 per month for ownership or rental housing in 2013.

Redfield Household Income Distribution

The 2013 American Community Survey household income estimates for Redfield can be compared to the same distribution information from 2000 to examine changes that have occurred from 2000 through 2013.

Table 16 Redfield Household Income Distribution - 2000 to 2013			
Household Income	Number of Households 2000	Number of Households in 2013	Change 2000 to 2013
\$0 - \$14,999	294	178	-116
\$15,000 - \$24,999	220	203	-17
\$25,000 - \$34,999	170	149	-21
\$35,000 - \$49,999	194	155	-39
\$50,000 - \$74,999	133	188	55
\$75,000 - \$99,999	60	115	55
\$100,000+	46	72	26
Total	1,117	1,060	-57

Source: 2000 Census; 2013 ACS



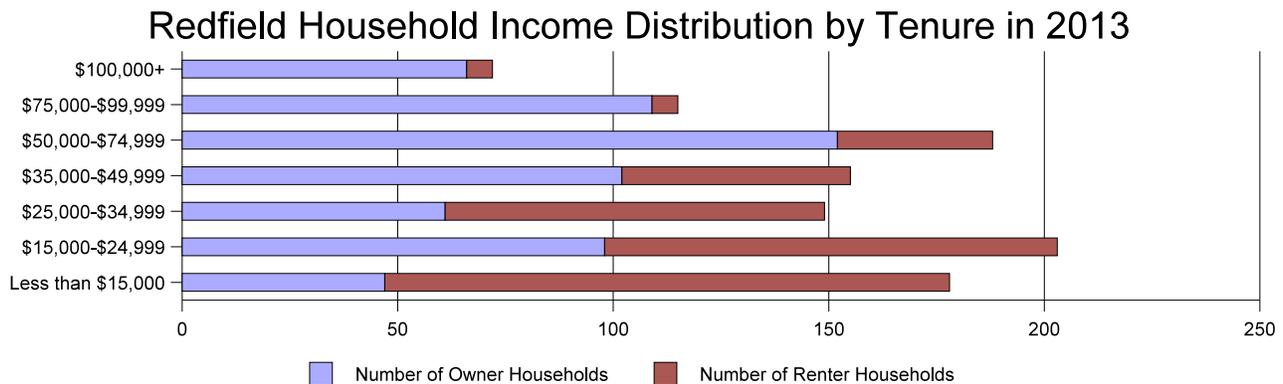
According to income estimates contained in the 2013 American Community Survey, household incomes have improved in Redfield in the highest income ranges. When compared to the 2000 Census (1999 income), the number of households with an income of \$50,000, or more, increased by 136 households. Conversely, there was a decrease of 193 households with annual incomes under \$50,000. Although there was a decrease in the number of households in the lower income ranges, there were still 381 households with an annual income below \$25,000 in 2013, which represented 35.9% of all households in Redfield.

Redfield Income Distribution by Housing Tenure

The 2013 American Community Survey provides income data by owner and renter status. The following table examines income distribution in Redfield. The American Community Survey is an estimate, based on limited sampling data, and there are some minor differences when compared to the 2010 Census. The American Community Survey reported income information on 1,060 households and the U.S. 2010 Census reported that there were 1,057 households in Redfield.

Household Income	Number of Owner Households	Number of Renter Households	Total Households
\$0 - \$14,999	47/26.4%	131/73.6%	178
\$15,000 - \$24,999	98/48.3%	105/51.7%	203
\$25,000 - \$34,999	61/40.9%	88/59.1%	149
\$35,000 - \$49,999	102/65.8%	53/34.2%	155
\$50,000 - \$74,999	152/80.9%	36/19.1%	188
\$75,000 - \$99,999	109/94.8%	6/5.2%	115
\$100,000+	66/91.7%	6/8.3%	72
Total	635	425	1,060

Source: 2013 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 2013, approximately 76% of all renter households in Redfield had an annual income below \$35,000. At 30% of income, these households would have \$875, or less, that could be applied to monthly housing costs. The median income for all renter households was approximately \$21,857 in 2013. At 30% of income, a renter at the median level could afford approximately \$546 per month or less for housing costs.

Most owner households had a higher income level than rental households. Approximately 51% of all owner households had an annual income of \$50,000 or more. The estimated median household income for owners in 2013 was approximately \$51,480. At 30% of income, an owner at the median income level could afford approximately \$1,287 per month for housing costs.

2013 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 Redfield.

Table 18 Gross Rent as a Percentage of Household Income - 2013			
Percent of Income for Housing	Households Age 64 and Younger	Households Age 65 and Older	Total
Less than 20%	110/34.8%	33/30.3%	143/33.7%
20% to 29.9%	23/7.3%	44/40.3%	67/15.8%
30% to 34.9%	24/7.6%	0/0%	24/5.6%
35% or more	113/35.8%	27/24.8%	140/32.9%
Not Computed	46/14.5%	5/4.6%	51/12.0%
Total	316/100%	109/100%	425/100%

Source: 2013 American Community Survey

According to the American Community Survey, approximately 39% of all renters in the City were paying 30% or more of their income for rent. The large majority of these households were actually paying 35% or more of their income for housing. Federal standards for rent subsidy programs generally identify 30% of household income as the maximum household contribution. When more than 30% of income is required, this is often called a “rent burden”. When more than 35% is required, this can be considered a “severe rent burden”.

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

Senior citizen renters (age 65 and older) represented approximately 16% of all households with a rental cost burden. Households in the age ranges between 15 and 64 years old represented approximately 84% of all households with a rental cost burden.

2013 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 Redfield that are paying different percentages of their gross household income for housing costs.

Table 19 Ownership Costs as a Percentage of Income - Redfield		
Percentage of Household Income for Housing Costs	Number of Owner Households 2013	Percent of All Owner Households 2013
0% to 19.9%	422	66.5%
20% to 29.9%	136	21.4%
30% to 34.9%	22	3.4%
35% or more	55	8.7%
Not Computed	0	0%
Total	635	100%

Source: 2013 ACS

Most owner-occupants in Redfield, which would include households with and without a mortgage, reported paying less than 30% of their income for housing. However, approximately 12% of all home owners reported that they paid more than 30% of their income for housing. A majority of these households were paying more than 35% of income for housing costs.

Occupancy Status of Housing Units - 2010

Table 20 Occupancy Status of Housing Units - 2010						
	Occupied Units		Vacant Units			
	Owner	Renter	For Rent	For Sale	Seasonal Use	Other Vacant
Redfield	653	404	52	11	9	58
Spink Co.	1,957	651	76	26	197	232

Source: U.S. Census

- ▶ In 2010, according to the U.S. Census, there were 197 seasonal housing units in Spink County including nine units in Redfield.
- ▶ When compared to the 2000 Census, the number of seasonal use units increased over the previous decade. Countywide there was ongoing housing unit construction between 2000 and 2010, and some of this may have represented seasonal/recreational units.
- ▶ In addition to the seasonal units in 2010, there were 334 vacant housing units in Spink County, including 121 units in Redfield.

Existing Home Sales

Home sale information exists from Spink County and from reports that the County files with the South Dakota Department of Revenue. The County collects and utilizes information from residential sales for its annual sales ratio study. This listing of residential sales is then provided to the Department of Revenue, which makes the reports available on its website.

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 sales each year are rejected because they were not viewed as open market transactions.

The County also rejects sales if the price exceeds 150% of the taxable market value, even when these sales are open market transactions. However, when these sales are also open market transactions they can be identified, and Community Partners Research, Inc., has included these higher-ratio sales in the analysis that follows.

The County's time period for analyzing annual sales differs slightly from the calendar year. It begins on November 1st and ends on October 31st of each year. Information was analyzed beginning with year 2009 (starting November 1, 2008) and extending through October 31, 2014. The sales activity for 2014 had not been audited by the State at the time of the research for this Study.

It is important to note that the number of houses sold in any 12-month period can be limited and may not be an accurate indicator of overall home values in the community. However, this sample does provide some insight into those units that have turned-over during this time period. By looking at a multi-year grouping of sales, it is also possible to analyze more reliable data.

Table 21 Redfield Residential Sales Activity - 2009 through 2014				
Sales Year	Number of Sales	Median Sale Price	Highest Sale	Lowest Sale
2014	23	\$50,000	\$185,000	\$1,000
2013	39	\$55,480	\$222,500	\$5,300
2012	43	\$62,000	\$154,500	\$3,000
2011	37	\$49,500	\$275,000	\$5,000
2010	37	\$45,000	\$139,000	\$3,500
2009	22	\$31,500	\$100,450	\$3,000
Six-year	201	\$51,000	\$275,000	\$1,000

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

- ▶ Over the six-year time period reviewed, the number of annual sales ranged from a low of 22 sales in 2009 to a high of 43 sales in 2012. For the most recent year there were 23 good sales recorded in Redfield.
- ▶ In 2014, the median sale price was \$50,000. This was very similar to the median recorded over the entire six-year period, of \$51,000.
- ▶ In each of the six years reviewed, at least one house in Redfield was sold for more than \$100,000.
- ▶ In each of the six years reviewed, at least one residential sale occurred for less than \$6,000.

Distressed Sales

- ▶ A separate sales search was completed looking for residential foreclosures or Sheriff's Sale activity in Redfield. There were 20 residential transactions in Redfield that were coded by the County's Equalization Office as forced sales, foreclosures or Sheriff's Sales from 2009 to 2014.
- ▶ The largest volume of distressed sales was in 2011 when six transactions occurred. In 2014, there were four distressed sales recorded.

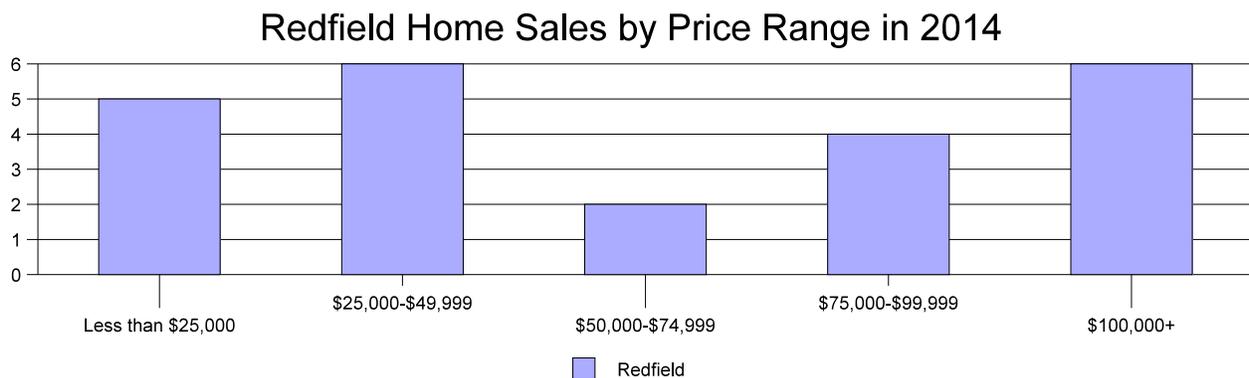
Home Sales by Price Range

The following table looks at single family houses that sold within defined price ranges in Redfield over the 12-month period from November 1, 2013, to October 31, 2014.

Table 22 Redfield Home Sales by Price Range: 2014		
Sale Price	Number of Sales	Percentage of All Sales
Less than \$25,000	5	21.7%
\$25,000 - \$49,999	6	26.1%
\$50,000 - \$74,999	2	8.7%
\$75,000 - \$99,999	4	17.4%
\$100,000 or more	6	26.1%
Total	23	100%

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

- ▶ Recent home sales have been primarily in the lower price ranges. Approximately 57% of the sales were for less than \$75,000.
- ▶ Over the 12 month period reviewed, 10 houses in Redfield were sold for more than \$75,000, including six sales for \$100,000 or more. The highest-priced sale during this time was for \$185,000.



Redfield Housing Condition

Community Partners Research, Inc. representatives conducted a visual 'windshield' survey of 281 single family/duplex houses in four of Redfield's oldest neighborhoods.

The boundaries of the four neighborhoods are as follows:

- ▶ Neighborhood #1: North - South Dakota Development Center property
South - 4th Avenue West
East - 3rd Street West
West - 6th Street West
- ▶ Neighborhood #2: North - 7th Avenue
South - 9th and 10th Avenue
East - 9th Street East
West - Railroad tracks
- ▶ Neighborhood #3: North - 4th Avenue
South - 7th Avenue
East - 8th Street East
West - 3rd Street
- ▶ Neighborhood #4: North - 5th Avenue
South - 7th Avenue
East - 1st Street West
West - 3rd Street West

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

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

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

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

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

Table 23 Windshield Survey Condition Estimate - 2014					
	Sound	Minor Repair	Major Repair	Dilapidated	Total
Neighborhood #1	22/29.0%	25/32.8%	22/29.0%	7/9.2%	76
Neighborhood #2	20/30.3%	15/22.7%	18/27.3%	13/19.7%	66
Neighborhood #3	34/32.7%	35/33.7%	28/26.9%	7/6.7%	104
Neighborhood #4	7/20.0%	10/28.6%	10/28.6%	8/22.8%	35
Total	83/29.5%	85/30.2%	78/27.8%	35/12.5%	281

Source: Community Partners Research, Inc.

- ▶ Approximately 30% of the houses in the City's four oldest neighborhoods need minor repair and 28% need major repair.
- ▶ Approximately 30% are sound, with no required improvements.
- ▶ Thirty-five houses are dilapidated and possibly beyond repair. There are some dilapidated houses within each of the surveyed neighborhoods.

Redfield Mobile Home Housing Condition

Community Partners Research, Inc. representatives conducted a visual 'windshield' survey of 46 mobile homes located in Redfield's four oldest neighborhoods. Forty-three mobile homes were located in the mobile home parks and three mobile homes were located in the older neighborhoods that were surveyed.

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

Dilapidated was the lowest rating used. Dilapidated mobile homes need major renovation to become decent, safe and sanitary housing. Some Dilapidated properties may be abandoned and may be candidates for 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 salable 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 24 Windshield Survey Condition Estimate - 2014					
	Sound	Minor Repair	Major Repair	Dilapidated	Total
Mobile homes	7/15.2%	8/17.4%	18/39.1%	13/28.3%	46

Source: Community Partners Research, Inc.

- ▶ The mobile homes in Redfield are in fair to poor condition. Approximately 17% of the mobile homes need minor repair and 39% need major repair. Approximately 15% are sound, with no required improvements.
- ▶ Thirteen mobile homes were dilapidated and possibly beyond repair.

Redfield Building Permit Trends

Redfield has experienced some new housing construction activity in recent years. The following table identifies the units that have been constructed from 2000 to 2013.

Table 25 Redfield Housing Unit Construction Activity: 2000 to 2013			
Year	Single Family	Two or More Units	Total Units Constructed
2013	3	0	3
2012	3	0	3
2011	3	0	3
2010	2	12	14
2009	2	0	2
2008	10	0	10
2007	1	4	5
2006	5	4	9
2005	2	2	4
2004	4	8	12
2003	3	0	3
2002	0	0	0
2001	0	0	0
2000	2	0	2
TOTAL	40	30	70

Source: City of Redfield; US Census Bureau; Community Partners Research, Inc.

Over the past 14 years from 2000 to 2013, 70 new housing units have been constructed in Redfield, based on building permit issuance and U.S. Census Bureau information. Forty of these units are single family homes, 18 units are in three four-plexes and three duplexes, and 12 apartment units were constructed in the Eastern Star senior facility.

From 2000 and 2006, the City averaged four to five new housing units per year. After 2006, the City has averaged four new units per year from 2007 to 2013, excluding the specialized senior apartments. Many cities in South Dakota had a significant reduction in new housing construction after 2006, however, Redfield's new housing construction has remained relatively consistent.

Spink County Building Permit Trends

Spink County has experienced ongoing new housing construction activity in recent years. The following table identifies the units that have been constructed from 2000 to 2013.

Table 26 Spink County Housing Unit Construction Activity: 2000 to 2013			
Year	Single Family	Two or More Units	Total Units Constructed
2013	12	2	14
2012	18	9	27
2011	20	0	20
2010	22	0	22
2009	12	0	12
2008	25	3	28
2007	19	10	29
2006	13	4	17
2005	11	2	13
2004	15	8	23
2003	3	0	3
2002	2	0	2
2001	0	0	0
2000	2	0	2
TOTAL	174	38	212

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

Over the past 14 years, 212 new housing units have been constructed in Spink County, based on building permit issuance and U.S. Census information. The units include 174 single family homes and 38 units in three four-plexes, one tri-plex, one six-plex, one five-plex and four duplexes. As stated previously, there was an increase in the number of seasonal/recreational use housing units in the County between 2000 and 2010, and some of the past construction activity may have represented seasonal units. From 2000 to 2006, the County averaged approximately eight to nine new housing units per year. After 2006, housing construction activity increased and the County has averaged 21 to 22 new units per year from 2006 to 2013.

Rental Housing Data

Census Bureau Rental Inventory

According to the 2010 U.S. Census, there were 404 occupied rental units and 54 unoccupied rental units in Redfield, for a total estimated rental inventory of 458 units. The City's rental tenure rate in 2010 was 38.2%, above the Statewide rental rate of 31.9%.

At the time of the 2000 Census, Redfield had 429 occupied rental units, and 69 vacant rental units, for a total estimated rental inventory of 498 units. The rental tenure rate in 2000 was also 38.2%.

Based on a Census comparison, the City had a loss of 25 renter-occupancy households, and a decrease of approximately 40 rental units from 2000 to 2010.

Rental Housing Survey

As part of this housing study, a telephone survey was conducted of multifamily projects in Redfield. Emphasis was placed on contacting properties that have six or more units. For the purposes of planning additional projects in the future, multifamily properties represent the best comparison of market potential. However, we also obtained some information on small rental projects and single family homes.

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

There were 289 housing units of all types that were contacted in the survey. In addition to the 289 rental units, the nursing homes, which have 92 beds, were surveyed.

The units that were successfully contacted include:

- ▶ 183 market rate units
- ▶ 55 federally subsidized units
- ▶ 51 senior independent/assisted living units
- ▶ 92 beds in the nursing homes

The findings of the survey are provided below.

Market Rate Summary

Information was obtained on 173 rental units in 13 multifamily projects. We also obtained information on 10 single family homes.

Unit Mix

We obtained the bedroom mix on 183 market rate units. The bedroom mix of the units is:

- ▶ efficiency - 5 (2.7%)
- ▶ one-bedroom - 54 (29.5%)
- ▶ two-bedroom - 118 (64.5%)
- ▶ three-bedroom - 6 (3.3%)

Occupancy / Vacancy

At the time of the survey, there were two vacancies in the 183 market rate units that were surveyed. This is a vacancy rate of 1.1%. Both vacancies were in the Village project. All of the rental managers and property owners reported very high occupancy rates and a high demand for market rate rental units. Several market rate projects had waiting lists.

Rental Rates

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

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

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

<u>Unit Type</u>	<u>Lowest/Highest Gross Rents</u>
Efficiency	\$225-\$275
One-bedroom	\$200-\$495
Two-bedroom	\$290-\$810
Three-bedroom	\$650-\$920

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

Tax Credit Summary

There are no tax credit units in Redfield.

Subsidized Summary

The research completed for this Study identified three subsidized projects providing rental opportunities for lower income households. These projects have a combined 55 units. Two projects with a total 39 units are senior/disabled rental housing, and one project with 16 units is for general occupancy.

The three subsidized rental projects in Redfield include:

- ▶ **Circle Drive Apartments** - Circle Drive Apartments is a 15-unit senior/disabled HUD-subsidized project. The project includes 10 one-bedroom, 2 two-bedroom and 3 three-bedroom units. The project was constructed in 1977.
- ▶ **Heartland Apartments** - Heartland Apartments is a 24-unit USDA Rural Development/HUD senior/disabled project. The 24 units are all one-bedroom units. The project was constructed in 1980.
- ▶ **Arthur Court Apartments** - Arthur Court Apartments is an SDHDA Section 8 general occupancy project. Arthur Court Apartments has 16 units including 12 two-bedroom and four three-bedroom units. The project was constructed in 1980.

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

Unit Mix

The bedroom mix breakdown for the 55 subsidized housing units in Redfield is as follows:

- ▶ 34 one-bedroom (61.8%)
- ▶ 14 two-bedroom (25.5%)
- ▶ 7 three-bedroom (12.7%)

Occupancy / Vacancy

Six vacancies were identified in the subsidized projects, which is a 10.9% vacancy rate. Five vacancies were in Arthur Court Apartments and one vacancy was in Heartland Apartments. Heartland Apartments reported that their occupancy rate varies, Arthur Court Apartments reported ongoing vacancies and Circle Drive Apartments reported a very high occupancy rate and a waiting list.

Subsidized Housing Gains/Losses

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

In Redfield, The Village, a 32-unit project with 12 one-bedroom and 20 two-bedroom units, converted from subsidized to market rate. Therefore, the City of Redfield's subsidized inventory has decreased by 32 units due to the conversion.

Senior Housing with Services

Unit Inventory

Redfield has four senior with services projects which include:

- ▶ **Golden Living Center** - The Golden Living Center includes 31 skilled nursing beds, 26 memory care beds and five assisted living beds. The memory care beds are in a secured part of the facility. The assisted living beds are not in a separate wing, but are included with the nursing home beds.
- ▶ **Eastern Star Independent and Assisted Living** - Eastern Star Independent and Assisted Living includes 10 one-bedroom and 19 two-bedroom units for a total of 29 units. The units were constructed in 1975, 1977 and 2010. The newest units have two bedrooms, two bathrooms and a garage. The facility is licensed for 24 assisted living residents. Currently, there are approximately 19 assisted living residents and the remaining tenants live independently. Tenants who move in independently receive housekeeping and can purchase meals and offer services as needed. Assisted Living residents receive the full array of senior services.
- ▶ **Eastern Star Nursing Home** - The Eastern Star Nursing Home is a 30-bed facility constructed in 1975.
- ▶ **Lakeside Assisted Living** - Lakeside Assisted Living is a 22-room assisted living facility. The facility is 15 years old. The facility provides the full array of assisted living services including meals, laundry, 24-hour staffing, housekeeping, medication management, bathing, etc.

Occupancy / Vacancy

At the time of the survey, Eastern Star Independent and Assisted Living was fully occupied and there was a 62-name waiting list. The Eastern Star Nursing Home was also fully occupied.

Lakeside Assisted Living also reported no vacancies and a very high occupancy rate. The Golden Living Center reported that there are typically a few vacancies, usually in the skilled nursing beds. There is a high demand for the memory care beds.

Table 27 Redfield Multifamily Rental Housing Inventory

Name	Number of Units / Bedroom Mix	Rent	Vacancy/ Wait List	Tenant Mix	Comments
Market Rate					
Zeloc Apartments	2 - efficiency 5 - 1 bedroom <u>7 - 2 bedroom</u> 14 total units	\$210 \$355 \$435	No vacancies	General occupancy	Zeloc Apartments is a 14-unit market rate project with two efficiency, five one-bedroom and seven two-bedroom units. The project was constructed in 1965. Rent is \$210 for an efficiency, \$355 for a one-bedroom, and \$435 for a two-bedroom. Rent includes heat, water and garbage. Manager reports no vacancies, however, one unit is vacant due to maintenance.
Nicholson Apartments	2 - Efficiency 7 - 1 bedroom <u>3 - 2 bedroom</u> 12 total units	\$275 \$330 \$450	No vacancies	General occupancy	Nicholson Apartments is a 12-unit market rate project with two efficiencies, seven one-bedroom and three two-bedroom units. Rent is \$275 for an efficiency, \$330 for a one-bedroom and \$450 for a two-bedroom unit. Rent includes utilities. Nicholson Apartments was constructed in 1912. The manager reports no vacancies.
Baldwin Apartments	3 - 1 bedroom <u>4 - 2 bedroom</u> 7 total units	\$275 \$300	No vacancies	General occupancy	Baldwin Apartments is a seven-unit market rate project constructed in the 1890s. The seven units include three one-bedroom and four two-bedroom units. Rent is \$275 for a one-bedroom and \$300 for a two-bedroom. Rent includes water and garbage. The manager reports no vacancies.
3 rd Street Apartments	15 - 1 bedroom <u>9 - 2 bedroom</u> 24 total units	\$430 \$455	No vacancies, waiting list	55 and older	Twenty-four unit market rate 55 and older project constructed in 1979. Twenty-four units include 15 one-bedroom and nine two-bedroom units. Rent is \$430 for a one-bedroom unit and \$455 for a two-bedroom unit. Tenants also pay heat and electricity. Twelve tenants currently have a Housing Voucher. Manager reports no vacancies and a waiting list.

Table 27 Redfield Multifamily Rental Housing Inventory

Name	Number of Units / Bedroom Mix	Rent	Vacancy/ Wait List	Tenant Mix	Comments
Market Rate					
Lakeview Apartments	3 - 1 bedroom <u>15 - 2 bedroom</u> 18 total units	\$325-\$350 \$415-\$515	No vacancies, waiting list	General occupancy	Market rate 18-unit project constructed in 1973. Eighteen units include three one-bedroom and 15 two-bedroom units. Rent is \$325 to \$350 for a one-bedroom unit and \$415 to \$515 for a two-bedroom unit. The units with \$515 rents have balconies. Tenants also pay electricity. Tenants are approximately 50% seniors and 50% younger people. Manager reports that they are always fully occupied and she has a waiting list.
Redfield Housing Authority	10 - 2 bedroom <u>2 - 3 bedroom</u> 12 total units	\$710-\$760 \$820 + utilities	No vacancies, waiting list	General occupancy	The Redfield Housing Authority units include three four-plexes. All of the units have two bedrooms. Eight units were constructed in 2004 and four units were constructed in 2008. All of the units are owned and managed by the Redfield Housing Authority. Rent is \$720 to \$760 for a two-bedroom unit and \$820 for a three-bedroom unit. Tenants also pay utilities that average approximately \$100 per month. The manager reports no vacancies, a very high occupancy rate and a waiting list.
Midrise Apartments	<u>20 - 2 bedroom</u> 20 total units	\$635 to \$650	No vacancies, waiting list	55 and older	Market rate 20-unit 55 and older project constructed in 1987. Twenty units all have two bedrooms. Rents are \$635 to \$650. Units with higher rents have two bathrooms. Tenants also pay electricity. Manager reports no vacancies and a 32-name waiting list.
Tara Court Apartments	<u>8 - 2 bedroom</u> 8 total units	\$350	No vacancies	General occupancy	Tara Court Apartments includes eight units in two four-plexes. Tara Court Apartments was constructed in 1977. All eight units are two-bedroom. Rent is \$350 plus heat and electricity. Owner reports no vacancies.

Table 27 Redfield Multifamily Rental Housing Inventory

Name	Number of Units / Bedroom Mix	Rent	Vacancy/ Wait List	Tenant Mix	Comments
Market Rate					
Sagebrush Apartments	<u>4 - 2 bedroom</u> 4 total units	\$350	No vacancies	General occupancy	Sagebrush Apartments is a 4-plex constructed in 1977. All four units have two bedrooms. Rent is \$350 plus heat and electricity. Owner reports no vacancies.
The Village	<u>12 - 1 bedroom</u> <u>20 - 2 bedroom</u> 32 total units	\$495 \$640	2 vacancies, 1 - 1 bdrm 1 - 2 bdrm	General occupancy	The Village is a 32-unit market rate general occupancy project. The Village was previously a subsidized HUD Project, but the owner opted out of the subsidized program and converted to market rate. The 32 units include 12 one-bedroom and 20 two-bedroom units. Rents are \$495 for a one-bedroom unit and \$640 for a two-bedroom unit. Rent includes all utilities. Manager reports two vacancies and there will be more vacancies at the end of December. However, manager reports that the units are usually fully occupied.
Gillette Apartments	1 - efficiency <u>5 - 1 bedroom</u> <u>1 - 2 bedroom</u> 7 total units	\$175 \$225 \$235	No vacancies	General occupancy	The Gillette Apartments are in a downtown mixed-use building. The seven units include one efficiency, five one-bedroom and one two-bedroom. Rents are \$175 for the efficiency, \$225 for a one-bedroom and \$235 fro a two-bedroom. Tenants also pay heat and electricity. Manager reports no vacancies and a very high occupancy rate.
West 7 th St. 4-plexes	<u>8 - 2 bedroom</u> 8 total units	\$450	No vacancies	General occupancy	Two 4-plexes on West 7 th Street. All eight units have two bedrooms. Rent is \$450. Rent includes utilities. Manager reports no vacancies.

Table 27 Redfield Multifamily Rental Housing Inventory

Name	Number of Units /Bedroom Mix	Rent	Vacancy/ Wait List	Tenant Mix	Comments
Market Rate					
10 single family homes	1 - 1 bedroom 2 bedroom <u>3 bedroom</u> 10 total	\$350 \$450-\$475 \$525-\$550	No vacancies	General occupancy	Ten single family homes include 1 one-bedroom home and nine two and three-bedroom homes. Rent ranges from \$350 to \$550. Tenants pay all utilities. Manager reports no vacancies.
Ace Hardware Apartments	3 - 1 bedroom <u>4 - 2 bedroom</u> 7 total units	\$200-\$275 \$400	No vacancies	General occupancy	The Ace Hardware Apartments are in a downtown mixed-use building. There are three one-bedroom and four two-bedroom units. Rent is \$200 to \$275 for a one-bedroom unit and \$400 for a two-bedroom unit. Rent includes all utilities. Manager reports no vacancies and the units have a very high occupancy rate.
Subsidized					
Heartland Apartments	<u>24 - 1 bedroom</u> 24 total units	\$604 max. 30% of income	1 vacancy	Senior/ disabled	Heartland is a senior/disabled Rural Development HUD Project constructed in 1980. Heartland Apartments includes 24 one-bedroom units. Tenants pay 30% of their income up to a maximum rent of \$604. A couple tenants are paying the maximum rent. Manager reports one vacancy, but the vacancy rate does vary.
Circle Drive Apartments	10 - 1 bedroom 2 - 2 bedroom <u>3 - 3 bedroom</u> 15 total units	30% of income up to a maximum rent	No vacancies, waiting list	Senior/ disabled	Circle Drive Apartments is a senior/disabled HUD Section 8 project constructed in 1977. The project has 15 units and includes 10 one-bedroom, two two-bedroom and 3 three-bedroom units. The project had 18 units, however, several smaller units were converted to larger units. Tenants pay 30% of their income up to a maximum rent. Currently, no tenants are paying maximum rent. Manager reports no vacancies with a waiting list.

Table 27 Redfield Multifamily Rental Housing Inventory

Name	Number of Units /Bedroom Mix	Rent	Vacancy/ Wait List	Tenant Mix	Comments
Subsidized					
Arthur Court Apartments	12 - 2 bedroom <u>4 - 3 bedroom</u> 16 total units	\$705 max. \$876 max. 30% of income	5 vacancies	General Occupancy	<p>Arthur Court Apartments is a 16-unit General Occupancy Subsidized SDHDA Section 8 Project. The project has 12 two-bedroom and four three-bedroom units for a total of 16 units. The project was constructed in 1980. Tenants pay 30% of income up to a maximum rent. Manager reports five vacancies and there have been ongoing vacancies for many months. The manager reports that the project has had a waiver which allows non-low income tenants to rent a unit.</p>

Table 27 Redfield Multifamily Rental Housing Inventory

Name	Number of Units /Bedroom Mix	Rent	Vacancy/ Wait List	Tenant Mix	Comments
Senior with Services					
Eastern Star Nursing Home	30 beds	Based on level of services	No vacancies	Skilled nursing home	Eastern Star Nursing Home is a 30-bed nursing home constructed in 1975. Administrator reports a very high occupancy rate.
Eastern Star Independent & Assisted Living	10 - 1 bedroom <u>19 - 2 bedroom</u> 29 total units	Based on level of services	No vacancies, long waiting list	Senior housing with services including assisted living	Eastern Star Independent and Assisted Living includes 29 units. Ten units are one-bedroom and 19 units are two-bedroom. The units were constructed in 1975, 1977 and 2010. The newest units have two bedrooms, two bathrooms and garages. The facility is licensed for 24 assisted living residents. Currently, there are approximately 19 assisted living residents and the remaining tenants live independently. Tenants who move in independently receive housekeeping and can purchase meals and other services as needed. Assisted living residents receive the full array of services including meals, bathing, housekeeping, transportation, med management, etc. Administration reports a 62-name waiting list for the independent units and a seven to eight-name waiting list for assisted living.
Golden Living Center	31 - Nursing beds 26 - Memory care <u>5 - Assisted living</u> 62 total units	Based on level of services	Typically a few vacancies	Senior housing with services including assisted living	The Golden Living Center includes 31 nursing home beds, 26 memory care beds and five assisted living beds. The memory care beds are in a secured party of the facility. Staff reports that there typically are a few vacancies in the facility, however, there is a high demand for memory care beds. Assisted living beds are not a separate wing, but included with the nursing home beds. Rent and fees are based on the level of services.
Lakeside Assisted Living	<u>22 rooms</u> 22 total units	Based on level of services	No vacancies	Assisted Living Center	Lakeside Assisted Living is an assisted living facility with 22 beds/rooms. The facility is 15 years old. The facility provides the full array of assisted living services including meals, laundry, housekeeping, 24-hour staffing, medication management, bathing, etc. The administrator reports no vacancies and a high occupancy rate.

Source: Community Partners Research, Inc.

Employment and Local Economic Trends Analysis

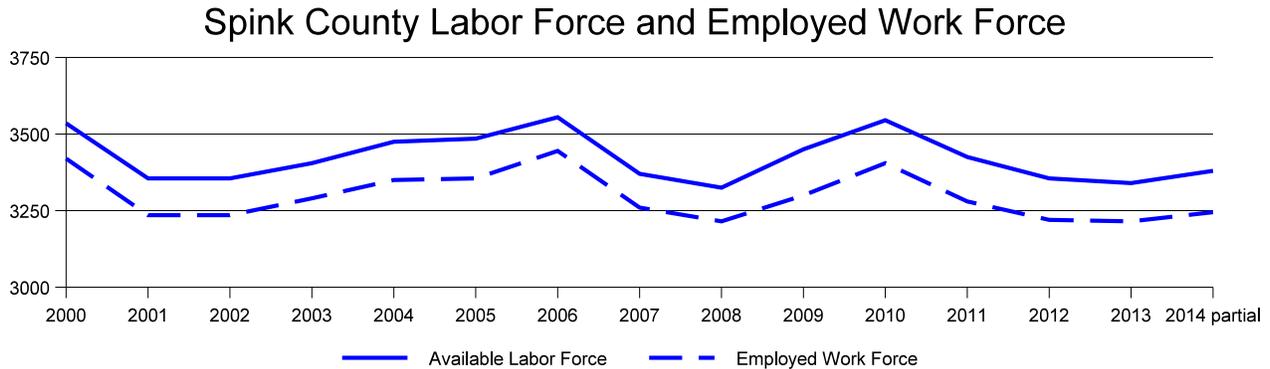
While many factors influence the need for housing, employment opportunities represent a predominant demand generator. Without jobs and corresponding wages, the means to pay for housing is severely limited.

Employment opportunities may be provided by a broad range of private and public business sectors. Jobs may be available in manufacturing, commercial services, agriculture, public administration, and other industries. The type of employment, wage level, and working conditions will each influence the kind of housing that is needed and at what level of affordability.

Employment information is available at the county level. The labor force statistics in the table below tracks people by place of residence, rather than place of employment.

Table 28 Spink County Annual Labor Statistics: 2000 to 2014*						
Year	Labor Force	Employed	Unemployed	Unemployment Rate - County	Unemployment Rate - SD	Unemployment Rate - US
2000	3,535	3,420	115	3.3%	2.7%	4.0%
2001	3,355	3,235	120	3.6%	3.1%	4.7%
2002	3,355	3,235	120	3.6%	3.3%	5.8%
2003	3,405	3,290	150	3.4%	3.5%	6.0%
2004	3,475	3,350	125	3.6%	3.7%	5.6%
2005	3,485	3,355	130	3.8%	3.7%	5.1%
2006	3,555	3,445	110	3.1%	3.1%	4.6%
2007	3,370	3,260	110	3.2%	2.9%	4.6%
2008	3,325	3,215	110	3.3%	3.0%	5.8%
2009	3,450	3,300	150	4.4%	5.2%	9.3%
2010	3,545	3,405	140	3.9%	5.1%	9.6%
2011	3,425	3,280	145	4.2%	4.7%	8.9%
2012	3,355	3,220	135	4.1%	4.2%	8.1%
2013	3,340	3,215	125	3.7%	3.8%	7.4%
2014*	3,380	3,245	135	4.0%	3.7%	6.5%

Source: South Dakota Department of Labor * 2014 information is for January through October



When viewed over a longer time period, there has been no real growth in the area’s labor force or employed work force, despite some up and down movement from year to year. Between 2000 and 2013, the last full year of information, the size of the resident labor force decreased by 195 people, or 5.5%. The employed work force decreased by 205 people over that same time period, or 6%.

The size of the County’s resident employed work force reached its recent peak in 2006, at 3,445 people. However, the number of employed County residents then declined the following year, before reaching its second highest level in 2010. After 2010, the number of employed residents dropped again and reached its lowest level in 2013. Partial-year information for 2014 indicates that the level in the current year may be slightly higher than 2013, but this cannot be fully determined until the final two months of the year are included.

Although there has been up and down movement in the size of the labor force and the employed work force, unemployment levels for Spink County have remained relatively low. Throughout the time period reviewed, the County’s unemployment rate has remained well below the national average. Excluding partial-year data for 2014, the County’s unemployment rate has been lower than the Statewide rate since 2009.

Average Annual Wages by Industry Sector

The following table shows the annual employment and average annual wages by major employment sector in 2013, the last full year of data. It is important to note that the major employment sectors listed do not represent all employment in the County.

This information is for all of Spink County. Covered employment and wages are based on the location of the job, not the residency of the worker.

Table 29 Spink County Average Wages by Industry Detail: 2013		
Industry	2013 Employment	2013 Average Annual Wage
Total All Industry	2,351	\$32,232
Natural Resources, Mining	146	\$39,008
Construction	97	\$37,663
Manufacturing	82	\$45,187
Trade, Transportation, Utilities	468	\$39,896
Information	4	\$33,759
Financial Activities	132	\$38,127
Professional and Business Services	53	\$36,070
Education and Health Services	186	\$21,889
Leisure and Hospitality	160	\$11,032
Other Services	35	\$31,759
Government	988	\$30,393

Source: South Dakota Department of Labor

The average annual wage for all industry in 2013 was \$32,232. The highest paying wage sectors were Manufacturing and Trade, Transportation and Utilities, with an annual average wage of \$45,187 and \$39,896, respectively. Trade, Transportation and Utilities was also the second largest industry sector for number of employees.

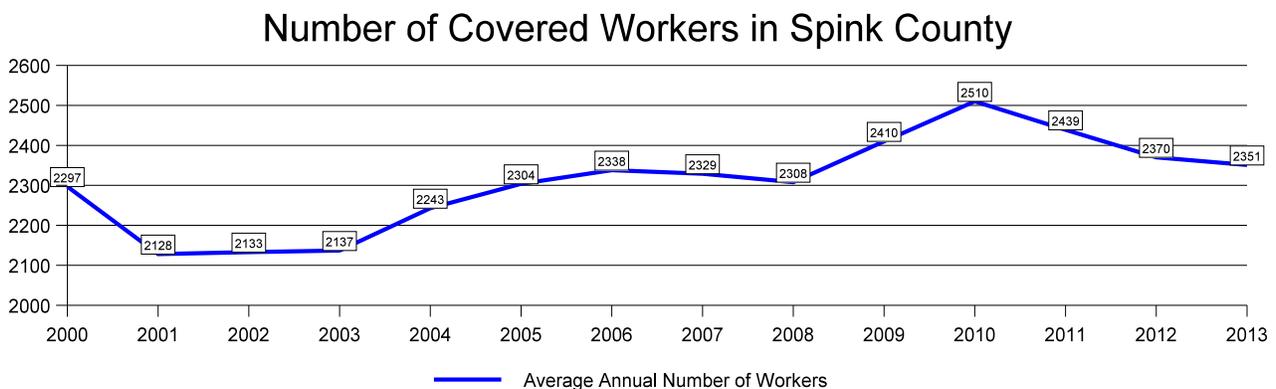
The lowest paying wage sector was Leisure and Hospitality, with an average annual wage of approximately \$11,000.

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 Spink County back to the year 2000.

Table 30 Spink County Average Annual Employment			
Year	Total Covered Employment	Year	Total Covered Employment
2000	2,297	2007	2,329
2001	2,128	2008	2,308
2002	2,133	2009	2,410
2003	2,137	2010	2,510
2004	2,243	2011	2,439
2005	2,304	2012	2,370
2006	2,338	2013	2,351

Source: QCEW - SD Department of Labor



Over time there has been both upward and downward movement in the number of employees working in Spink County. If 2013 is compared to the year 2000, there has been some slight increase in the number of workers covered by unemployment insurance. Over this time, the number of workers increased by 54 people, or 2.4%. The highest number of workers was reached in 2010, but then has decreased through the end of 2013.

Regional Unemployment and Wage Rates

Spink County has a concern about maintaining an adequate labor force. As existing businesses look to expand, or new businesses look to locate into the area, potential worker shortages could become an issue. In addition to labor force and employment information for Spink County, information has also been collected for the larger region, including the State’s larger cities. Information is presented for 2013, the last full year of available data. Unemployment numbers are at the city level, while annual wage information is for the entire county.

Table 31 Regional and State Unemployment Data - 2013			
Area	Number of Unemployed - 2013	Unemployment Rate - 2013	2013 Average Annual Wage all Industry County Wage
Spink County	125	3.7%	\$32,232
Huron	260	3.6%	\$34,306
Aberdeen	535	3.5%	\$36,673
Watertown	465	3.6%	\$34,854
Brookings	440	3.3%	\$37,526
Mitchell	295	3.2%	\$34,361
Pierre	255	3.1%	\$37,901
Yankton	290	3.8%	\$35,823
Sioux Falls	3,200	3.5%	\$41,627
South Dakota	-	3.8%	\$37,226
North Dakota	-	2.9%	\$47,788
Minnesota	-	5.1%	\$50,128

Source: Various sources including State Departments of Labor and the Federal Bureau of Labor Statistics

For calendar year 2013, the national unemployment rate was at 7.4%. All of the regional entities reviewed had an unemployment rate that was well below the national average. The State of Minnesota, with an unemployment rate of 5.1%, was the highest of the jurisdictions examined.

The average annual wage data is from the Quarterly Census of Employment and Wages (QCEW) and represents the average pay for all employed workers within the jurisdiction. It does not represent any estimate of the pay that is being offered for available jobs. However, it does provide some perspective on the overall wage conditions that exist.

The average annual wage in Spink County in 2013 was below the Statewide average by approximately \$5,000 annually. It was also \$2,000 or more below the large communities in the area, including Huron, Watertown and Aberdeen.

The average annual wage in South Dakota was the lowest of the three States examined. The highest average annual wage in 2013 was in the State of Minnesota. Both North Dakota and Minnesota had statewide average wages that were more than \$15,000 higher than the average wage in Spink County.

Commuting Patterns of Area Workers

Some information is available on area workers that commute for employment. The best information is from the 2013 American Community Survey, and has been examined for the City of Redfield, the largest city in Spink County. The first table only examines travel time for Redfield residents, and excludes people that work at home.

Table 32 Commuting Times for Redfield Residents - 2013		
Travel Time	Number	Percent
Less than 10 minutes	695	65.2%
10 to 19 minutes	222	20.8%
20 to 29 minutes	60	5.6%
30 minutes +	89	8.3%
Total	1,066	100%

Source: 2013 American Community Survey 5-year estimates

The majority of Redfield residents were driving less than 10 minutes to work in 2013. Overall, more than 65% of residents traveling less than 10 minutes, and approximately 86% were traveling less than 20 minutes to work. Fewer than 9% of the City’s residents did commute a half hour or more for employment.

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

Table 33 Commuting Times for Redfield Employees - 2013		
Travel Time	Number	Percent
Less than 10 minutes	614	50.9%
10 to 19 minutes	318	26.3%
20 to 29 minutes	163	13.5%
30 minutes +	112	9.3%
Total	1,207	100%

Source: 2013 American Community Survey 5-year estimates

For people that worked in Redfield, approximately 49% traveled 10 minutes or more, and presumably lived outside the city limits. However, most workers lived within the immediate vicinity, with fewer than 23% of all employees traveling 20 minutes or more to Redfield.

Census On the Map

The Census Bureau also produces commuter reports through its Center for Economic Studies division. This information is based on reports for the year 2011, but provides a further breakdown of worker movement.

According to the report for Redfield, there were 1,049 people that were employed within the City in 2011. Approximately 42% of these City-based employees also lived in Redfield. The remaining 58% of employees lived outside the City and commuted in.

The On the Map reporting service can also be used to track worker outflow patterns from the City. Overall, there were 1,057 Redfield residents that were employed. Most of these City residents actually worked outside the community, as more than 58% traveled to other locations. Only 42% of City residents also worked within Redfield.

Findings on Growth Trends

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

Redfield's population decreased by 9.1% from 1990 to 2000. The population decreased from 2,770 in 1990 to 2,518 in 2000. From 2000 to 2010, Redfield's population decreased by another 185 people, which was a population loss of 7.3%.

Spink County's population decreased from 7,981 in 1990 to 7,454 in 2000, which was a decrease of 6.6%. The population continued to decrease in the 2000s from 7,454 in 2000 to 6,415 in 2010, which was a loss of 13.9%.

Household levels in Redfield and Spink County decreased from 1990 to 2010. Redfield experienced a loss of 91 households from 1990 to 2000 and a loss of 66 households from 2000 to 2010. Spink County had a decrease of 175 households from 1990 to 2000 and a loss of 239 households from 2000 to 2010.

Although Redfield and all of Spink County had population and household losses from 1990 to 2010, ESRI estimates that Redfield and Spink County gained population and households from 2010 to 2014. ESRI estimates that Redfield gained 31 people and 27 households and Spink County gained 60 people and 133 households from 2010 to 2014.

Findings on Projected Growth

This Study has utilized ESRI's projections for Redfield and Spink County, which show continued growth patterns established over the past four years. ESRI projects that Redfield's population will increase by 47 people from 2014 and 2019. The household projections expect a gain of 32 households from 2014 to 2019, which is approximately six to seven households per year.

Spink County is expected to gain approximately 112 people from 2014 to 2019. Spink County's household projections expect a gain of 73 households from 2014 to 2019.

Summary of Redfield’s Growth Projections by Age Group

The Demographic section of this Study presented Redfield projection information on anticipated changes by age group from 2010 to 2019. 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 ranges between 55 and 74 years old. Age projections would expect the City to add approximately 95 households in the 55 to 74 age ranges from 2010 to 2019.

The ESRI age-based projections also expect an increase of three households in the 15 to 24 age range and a gain of nine households in the 35 to 44 age range.

Redfield is projected to lose one household in the 25 to 34 age range, 45 households in the 45 to 54 and older age range, and two households in the 75 and older 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 Redfield 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</u> <u>2010 to 2019</u>
15 to 24	3
25 to 34	-1
35 to 44	9
45 to 54	-45
55 to 64	34
65 to 74	61
75 and older	-2
Total	59

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 Redfield to gain 32 households and Spink County will gain 73 households from 2014 to 2019. Household growth in Redfield and Spink County will yield some demand for new housing production in Redfield.

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 Redfield, a significant number of dilapidated houses 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 an allowance for unit replacement in the recommendations that follow.

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

Findings on Unit Demand by Type of Housing

Based on the household by age projections presented earlier, the changing age composition of Redfield'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 three households in the 15 to 24 age range through the year 2019. Past tenure patterns indicate that approximately 84% of these households in Redfield will rent their housing. A slight increase in the number of households in this age range should mean that rental demand from younger households will increase slightly during the projection period.

25 to 34 Years Old - The projections show a loss of one household in this age range by 2019. Within this age range households often move from rental to ownership housing. The ownership rate among these households in Redfield was approximately 54% in 2010. A household decrease of one household within this age range indicates demand for both first-time home buyer and rental opportunities from this age range will not change during the projection period.

35 to 44 Years Old - The projections for this 10-year age cohort expect a gain of nine households between 2010 and 2019 in Redfield. In the past, this age group has had a high rate of home ownership in Redfield, at approximately 73%. 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 2019, 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 Redfield, the projections show a loss of 45 households in this range. This age group historically has had a high rate of home ownership, approximately 68% in Redfield in 2010, and will often look for trade-up housing opportunities. A significant loss in the number of households in this age group, indicates that the demand for trade-up housing will decrease during the projection period.

55 to 64 Years Old - This age range is part of the baby boom generation. The projections show an increase of 34 households in this 10-year age range by the year 2019 in the City. This age range has traditionally a high rate of home ownership in Redfield, at approximately 76% 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 strong gain of 61 households is expected by the year 2019 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 74% of the households in this age range owned their housing in Redfield. Once again, preferences for age-appropriate units would increase from household growth within this age cohort.

75 Years and Older - There is a projected loss of two households in Redfield in this age range between 2010 and 2019. In the past, households within this 10-year age range have had a relatively low rate of home ownership in Redfield. 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.

Strengths for Housing Development

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

- ▶ **Redfield serves as a small regional center** - Redfield provides employment opportunities, retail/service options, health and professional services, governmental services and recreational facilities for a small geographical area that surrounds the City.
- ▶ **State, federal and nonprofit funds** - The City, Grow Spink, Inc., the Redfield Area Development Corporation and the Redfield Housing Authority have successfully leveraged local funds for housing activities over the years with other resources, including state, federal and nonprofit funds. This experience in obtaining funds and the City's track record in appropriately utilizing the funds, will continue to serve the City well when seeking funds in the future.
- ▶ **Affordable priced housing stock** - The City of Redfield has a stock of affordable, existing houses. Our analysis shows that the City's median home value based on recent sales is approximately \$50,000. This existing stock, when available for sale, provides an affordable option for home ownership.
- ▶ **Adequate land for development** - Redfield has adequate land available for both residential and commercial/industrial development. However, some of this land needs to be serviced with infrastructure improvements and/or annexed into the City limits.
- ▶ **Educational system** - Redfield has an excellent public K-12 school system.
- ▶ **Health facilities** - Redfield has excellent health facilities including a hospital, medical clinic and senior with services facilities.
- ▶ **Infrastructure** - Redfield's water and sewer infrastructure can accommodate future expansion.
- ▶ **Commercial development** - Redfield's commercial district is adequate to meet most daily needs.

- ▶ **Redfield Area Development Corporation, Grow Spink, Inc., and the Redfield Housing Authority** - The Redfield Area Development Corporation, the Redfield Housing Authority and Grow Spink, Inc., are all active in addressing Redfield and Spink County's housing needs.
- ▶ **Employers** - Redfield has several large employers that provide job opportunities for local residents.
- ▶ **Commuters** - Approximately 600 employees are commuting into Redfield daily for work. These commuters are a potential market for future housing construction.
- ▶ **Desirable location of seniors and retirees** - Redfield is an attractive community for seniors as a retirement location. As the providers for the area's health, retail and government services, the City has amenities that are attractive for seniors as they age.
- ▶ **Recreational and tourism opportunities** - Redfield is in an area that provides excellent hunting and other recreational and tourism opportunities.

Barriers or Limitations to Housing Activities

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

- ▶ **Age and condition of the housing stock** - While the existing stock is affordable, some of the housing is in need of improvements to meet expectations of potential buyers.
- ▶ **Low rent structure** - The area's rent structure is relatively low, which makes it difficult to construct new rental housing.
- ▶ **Value-gap deters new owner-occupied construction** - Based on market values from recent residential sales, we estimate that the median priced home in Redfield is valued at approximately \$50,000. This is below the comparable cost for new housing construction, which will generally be above \$160,000 for a stick built home with commonly expected amenities. This creates a value gap between new construction and existing homes. This can be a disincentive for any type of speculative building and can also deter customized construction, unless the owner is willing to accept a potential loss on their investment.
- ▶ **Distance from a larger regional center** - Some households need or desire to be close to a regional center, which offers additional health services, retail/commercial opportunities, recreational and cultural options, etc. The nearest regional centers to Redfield are Aberdeen, which is 45 miles from Redfield, and Huron, which is 49 miles from Redfield.
- ▶ **Lower paying jobs** - Although Redfield has job opportunities, some jobs are at the lower end of the pay scale and employees with these jobs have limited housing choices.
- ▶ **Population and household growth** - Historical data indicates that the City is not expected to add a significant number of households over the next several years.
- ▶ **Commercial/retail option** - Redfield has a limited number of commercial and retail opportunities compared to larger regional centers.

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 Redfield. 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 Redfield 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 Redfield will be heavily dependent on the City's appeal as a residential location. The condition of the existing housing stock is a major factor in determining the City's long-term viability. The existing housing stock is in good condition and is a major asset, however, rehabilitation efforts are needed to preserve the housing stock.
- ▶ **Protect the existing assets and resources** - Redfield has many assets including a K-12 school, large employers, a Downtown Commercial District, health facilities, recreational opportunities, etc. These are strong assets that make Redfield 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 the local efforts, the City has other resources to draw on including USDA Rural Development, the South Dakota Housing Development Authority, Grow South Dakota and Homes Are Possible, Inc. 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 Redfield have been formulated through the analysis of the information provided in the previous sections and include 23 recommendations. The findings/recommendations have been developed in the following five categories:

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

The findings/recommendations for each category are as follows:

Rental Housing Development

1. Develop 16 to 20 general occupancy market rate rental units
2. Promote the development/conversion of eight to 10 affordable market rate rental housing units
3. Promote the development of 10 to 12 general occupancy subsidized rental housing units
4. Consider the development of 27 to 31 senior housing with services units in various market segments
5. Develop a downtown mixed-use commercial/housing project
6. Continue to utilize the Housing Choice Voucher Program

Home Ownership

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

Single Family Housing Development

9. Monitor lot availability and development
10. Strategies to encourage residential lot sales and new home construction in Redfield
11. Coordinate with economic development agencies, housing agencies and nonprofit groups to construct affordable housing
12. Promote twin home/town home development

Housing Rehabilitation

13. Promote rental housing rehabilitation
14. Promote owner-occupied housing rehabilitation efforts
15. Develop a neighborhood revitalization program
16. Develop a rental inspection and registration program

Other Housing Initiatives

17. Continue to acquire and demolish dilapidated structures
18. Create a plan and a coordinated effort among housing agencies
19. Encourage employer involvement in housing
20. Promote commercial rehabilitation and development
21. Develop home ownership and new construction marketing programs
22. Competition with other jurisdictions
23. Consider the implementation of a Time of Sale Mobile Home Program

Redfield - 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 2014, 12 rental units were constructed in Redfield. The Redfield Housing Authority constructed eight rental units in 2004 and four rental units in 2008.

In addition to the 12 new rental units, some single family homes were converted from owner-occupied to rental use between 2000 and 2014.

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 Redfield expect limited household growth over the next five years. From 2014 to 2019, it is projected that there will be a gain of 32 households, which is a six to seven-household increase annually in Redfield. It is projected that approximately 40% of these households will be rental households, thus, there will be a demand of approximately 13 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 six to seven units per year. As a result, approximately 30 to 35 additional units will be needed over the next five years to replace lost units. In some cases, this unit replacement will be necessary as existing units are removed from the inventory through demolition or conversion. In other cases, this replacement is appropriate due to the deteriorating condition of older, substandard rental housing that should be removed from the occupied stock. Rental units will also be lost due to rental units converting to owner occupancy.

Pent-up demand also exists. As part of this study, a rental survey was conducted. The survey found a 1.1% vacancy rate in general occupancy market rate units, a 10.9% vacancy rate in subsidized units and a very high occupancy rate in senior with services units.

We identified pent-up demand for high quality market rate rental units, subsidized rental units and senior independent living and memory care units.

These three demand generators, after factoring current vacancy rates, show a need for 61 to 73 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 2015 to 2020.

▶ General Occupancy Market Rate	16-20 units
▶ Subsidized	10-12 units
▶ Affordable/Conversions	8-10 units
▶ Senior Independent/Light Services	<u>27-31 units</u>
Total	61-73 units

1. Develop 16 to 20 general occupancy market rate rental units

Findings: Approximately 77% of the rental housing in the City of Redfield can be classified as general occupancy market rate housing. These units are free of any specific occupancy restrictions such as financial status, age, or student enrollment. Market rate housing does not have any form of rent controls, other than those imposed by the competitive marketplace.

Of the 183 market rate rental units we surveyed, we found three vacancies, which is a 1.1% vacancy rate. The owners and managers of rental properties reported very high occupancy rates and strong demand for rental housing. Also, several market rate projects had waiting lists.

There is a wide variation in rental rates in the market rate segment in the City of Redfield. The existing rent range, including utilities, is \$225 to \$275 for an efficiency unit, \$200 to \$495 for a one-bedroom unit, \$290 to \$810 for a two-bedroom unit, and \$650 to \$920 for a three-bedroom unit.

From 2000 to 2014, only 12 market rate rental units were constructed. However, some single family homes have converted from owner-occupied to rental units partially due to the downturn in the economy.

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 production of between 16 to 20 market rate rental units over the next five years.

Based on our research, there is a lack of larger rental units, thus, the majority of the new units constructed over the next five years should be two and three-bedroom units.

Town home-style units or high quality apartment buildings are both options in addressing the need for market rate units. The projects, to be successful, should have 'state of the art' amenities. It would be advantageous for new units to be constructed in smaller project phases. This strategy allows the new units to be absorbed into the market.

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

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

The first option to developing market rate housing would be to encourage private developers to undertake the construction of market rate rental housing. During the interview process, several rental property owners expressed interest in constructing rental housing in Redfield if it was economically feasible. If private developers do not proceed, the Redfield Housing Authority, the Redfield Area Development Corporation, or Grow Spink, Inc., could potentially utilize essential function bonds, or similar funding sources, to construct market rate units. The Redfield Housing Authority has previously constructed 12 rental town homes.

Also, the Redfield Housing Authority, the Redfield Area Development Corporation, or Grow Spink, Inc., could partner with private developers to construct additional units. Additionally, the City could assist with land donations, tax increment financing, reduced water and sewer hook up fees, etc.

It may also be possible to utilize Housing Choice Vouchers if some of the new units meet income requirements and the rents are at or below Fair Market Rents (FMRs). The 2014 FMRs are \$831 for a two-bedroom and \$908 for a three-bedroom unit.

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

<u>Unit Type</u>	<u>No. of Units</u>	<u>Size/Sq. Ft.</u>	<u>Rent</u>
One Bedroom	2-3	750 - 850	\$625 - \$775
Two Bedroom	10-11	900 - 1,000	\$675 - \$925
Three Bedroom	4-6	1,100 - 1,200	\$825 - \$1,100
Total	16-20		

Note: The recommended rents are gross rents including all utilities. The rents are quoted in 2014 dollars.

2. Promote the development/conversion of eight to 10 affordable market rate rental housing units

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

There is evidence that Redfield has lost rental housing over the years due to redevelopment or due to deterioration and demolition. Part of the need for additional rental units in Redfield 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 Redfield to promote the development/conversion of more affordable rental units. A goal of eight to 10 units over the next five years would help to replace affordable housing that has been lost.

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

The estimated prevailing rent range for older rental units in Redfield is typically between \$300 and \$600 per month. Creating some additional units with contract rents below \$625 per month would help to expand the choices available to a majority of the City's renter households.

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

3. Promote the development of 10 to 12 general occupancy subsidized rental housing units

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

The research completed for this Study found three subsidized projects, which have a combined 55 units. Two projects are senior/disabled rental housing and one project is for general occupancy. The 55 units represent 12% of the total rental units Redfield. This is a low percentage of subsidized rental housing compared to other similar sized cities.

- ▶ **Circle Drive Apartments** - Circle Drive Apartments is a 15-unit senior/disabled HUD-subsidized project. The project includes 10 one-bedroom, 2 two-bedroom and 3 three-bedroom units. The project was constructed in 1977.
- ▶ **Heartland Apartments** - Heartland Apartments is a 24-unit USDA Rural Development/HUD senior/disabled project. The 24 units are all one-bedroom units. The project was constructed in 1980.

- ▶ **Arthur Court Apartments** - Arthur Court Apartments is an SDHDA Section 8 general occupancy project. Arthur Court Apartments has 16 units including 12 two-bedroom and four three-bedroom units. The project was constructed in 1980.

Circle Apartments and Heartland Apartment reported high occupancy rates, however, Arthur Court Apartments reported ongoing vacancies.

Of the 55 subsidized units in Redfield, 34 are one-bedroom, 14 units have two bedrooms and seven units have three bedrooms.

The Village, which has 32 units, was previously part of Circle Drive Apartments and converted from a subsidized project to a market rate project. Therefore, 32 units were lost from the subsidized housing stock.

There are additional “deep subsidy” resources available to Redfield residents through the tenant-based Housing Choice Voucher Program. The Vouchers allow tenants to pay 30% of income for housing in suitable private-market rental units. The Voucher Program for Redfield is administered by the Redfield Housing Authority. Approximately 51 Redfield households were using a Voucher in November of 2014.

The 2013 American Community survey estimated that approximately 39% of all renters in the City of Redfield were paying 30% or more of their income for rent, and the low percentage of subsidized rental housing in Redfield. The large majority of these households were actually paying 35% or more of their income for housing. Most of the households with a severe rent burden had low annual incomes, and would be under the income limits for subsidized housing.

Recommendation: Based on the cost burden data contained in the American Community Survey, the age of the subsidized rental housing in Redfield, the loss of 32 subsidized units due to conversion to market rate, and the low percentage of subsidized rental housing in Redfield, we would recommend that the City look to expand the supply of deep subsidy rental housing for lower income renters. Over the next five years, we would recommend that the City attempt to construct 10 to 12 units that achieve a rent level that would be affordable to very low income households earning less than \$20,000 per year.

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

In the opinion of the analysts, the highest priority would be to create general occupancy units for families and younger households.

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

4. Consider the development of 27 to 31 senior housing with services units in various market segments

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

Lower-service housing, sometimes referred to as congregate senior housing, generally offers the availability of a daily meal, and services such as weekly light housekeeping. Spink County has four specialized projects that provide housing with supportive services for an elderly population. These senior with services projects include:

- ▶ **Golden Living Center** - The Golden Living Center includes 31 skilled nursing beds, 26 memory care beds and five assisted living beds. The memory care beds are in a secured part of the facility. The assisted living beds are not a separate wing, but are included with the nursing home beds.
- ▶ **Eastern Star Independent and Assisted Living** - Eastern Star Independent and Assisted Living includes 10 one-bedroom and 19 two-bedroom units for a total 29 units. The units were constructed in 1975, 1977 and 2010. The newest units have two bedrooms, two bathrooms and a garage. The facility is licensed for up to 24 assisted living residents. Currently, there are approximately 19 assisted living residents and the remaining tenants live independently. Tenants who move in independently receive housekeeping and can purchase meals and other services as needed. Assisted Living residents receive the full array of senior services.
- ▶ **Eastern Star Nursing Home** - The Eastern Star Nursing Home is a 30-bed facility constructed in 1975.
- ▶ **Lakeside Assisted Living** - Lakeside Assisted Living is a 22-room assisted living facility. The facility is 15 years old. The facility provides the full array of assisted living services including meals, laundry, 24-hour staffing, housekeeping, medication management, bathing, etc.

To determine future senior with services housing demand in Redfield, we determined that Redfield's market for senior with services housing includes all of Spink County.

Recommendation: In 2010, Spink County had 582 people between the age of 65 and 74 and 702 people over the age of 75. The growth projections show some continued growth in the area's senior population over the next few years.

- ▶ ***Skilled Nursing Home*** - The research for this Study points to a decreasing reliance on nursing homes as a long-term residency option for older senior citizens. Over time, the nursing homes have tended to use more beds for rehab/recovery stays, or other specialized uses. There has also been a long-standing State moratorium that limits expansion in most cases. No recommendations are offered for this type of specialized housing. Spink County has two well-established providers that serve this segment of the market.
- ▶ ***Memory Care Housing*** - There are 26 designated memory care beds in Spink County. The 26 memory care beds are in the Golden Living Center in a secured part of the facility. The beds are fully occupied and these beds have a very high occupancy rate. Local providers do report some unmet demand for this type of specialized housing. It is our opinion that the number of memory care beds should be sufficient based on the number of older seniors in the County. However, based on the demand for the beds and evidence of unmet need, it may be necessary to develop eight to 10 additional beds dedicated for memory care over the next five years.
- ▶ ***Assisted Living*** - Currently, the Golden Living Center has five assisted living beds, Lakeside Assisted Living has 22 beds, and Eastern Star is licensed for 24 assisted living residents. Eastern Star Independent and Assisted Living has 29 units that have the flexibility to be utilized for assisted living or independent living. Currently, approximately 19 units have assisted living residents. It is our opinion that based on Spink County's older population, the existing number of assisted living beds in the three facilities is adequate to address demand. However, we recommend that the need for assisted living beds should continue to be monitored.
- ▶ ***Independent/Light Service Housing*** - Currently, there is one independent/light service project in Spink County. Eastern Star Independent and Assisted Living is located in Redfield and has 29 units. However, approximately 19 units are occupied by assisted living residents and 10 units have tenants that live independently. Currently, there is a 62-person waiting list for an independent unit. If a 5% capture rate could be achieved among older senior households, approximately 35 units of market rate independent lighter services housing could be supported.

More units could be justified if a higher capture rate is achieved within the primary target market. With 29 units in Eastern Star and with an average that 50% of the units are occupied by assisted living residents, Eastern Star typically has 14 to 16 units available for more independent seniors. Therefore, Spink County has a need for 19 to 21 additional independent senior housing units.

The supply and demand overview presented above indicates potential demand for 27 to 31 additional units/beds of housing with services for seniors. These recommendations presented have looked at overall demand, not competitive positioning for individual projects. We view Redfield as the best possible location for specialized senior housing in Spink County. It is very likely that more units could be successfully constructed in Redfield than we have recommended. However, this would probably reduce occupancy rates in existing projects. It is also possible that a developer will view a larger market area as creating a potential demand for units in Redfield.

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

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

Findings: A new mixed-use rental housing/commercial project would be an asset to Downtown Redfield. Currently, there are several mixed-use buildings downtown.

New mixed use projects have been developed in several cities comparable to the size of Redfield. 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 Redfield area. There are several potential sites in the downtown area for a mixed-use project.

We recommend commercial space on the first floor and six to 10 rental units on the second floor. Prior to construction, a portion of the commercial space should be leased to an anchor tenant who would complement existing downtown businesses and attract people to downtown.

The six to 10 rental units should be primarily market rate units, but could be mixed income with some moderate income units. 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 may have a role in the project by providing tax increment financing, tax abatement, or other local funds and land at a reduced price.

6. Continue to Utilize the Housing Choice Voucher Program

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

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

The Housing Choice Voucher Program is administered in Spink County by the Redfield Housing Authority. There currently is a 15 to 20 household waiting list to obtain a Housing Choice Voucher, however, there are preferences for seniors and people with disabilities. The Redfield Housing Authority has the ability to issue approximately 54 Vouchers in Spink County and Faulk County east of Highway 45. At the time of the research for this Study, 51 of the 54 Vouchers were being utilized by Redfield households.

Recommendation: The Redfield Housing Authority, should continue to work with Redfield rental property owners to assure that renter households are aware of the Housing Choice Voucher Program and have to the opportunity to apply for a Voucher.

Redfield - 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 Redfield is estimated to be approximately \$50,000 based on sales activity from 2014. The home values in Redfield provide a good opportunity for first time buyers and households seeking moderately priced homes.

Many Redfield and Spink County have not been able to achieve the goal of home ownership and may need the assistance of special programs to help them purchase their first home. To assist in promoting the goal of home ownership, the following activities are recommended:

7. Continue to utilize and promote all programs that assist with home ownership

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

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

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

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

The City of Redfield, Grow Spink, Inc., the Redfield Area Development Corporation and the Redfield Housing Authority 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 and HAPI, Inc., utilize several funding sources to provide home ownership programs.

8. Develop a Purchase/Rehabilitation Program

Findings: Redfield 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 Redfield are valued less than \$50,000. As some lower valued homes come up for sale, they may not be attractive options for potential home buyers because of the amount of repair work that is required.

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

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

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

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

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

Also, based on our interviews, private individuals are purchasing homes in Redfield, rehabilitating the units and then re-selling the houses. There may be an opportunity for local housing agencies to financially assist the private sector with purchasing, rehabilitating and selling homes. This may increase the inventory of substandard homes that economically can be rehabilitated and sold.

Redfield - Single Family Housing Development

Single Family Housing Development

Findings: Based on City information, Redfield has experienced some single family housing development from 2000 to 2013. Over the past 14 years, approximately 40 single family owner-occupied units have been constructed in Redfield. This is an average of approximately three owner-occupied units constructed annually in Redfield. There has also been a significant number of homes constructed in Spink County over the past 14 years.

The new home construction has been relatively consistent over the past 14 years, with the exception of 2008, when 10 single family homes were constructed, which was the peak construction year.

It is our opinion that if the City, housing agencies, economic development agencies, and builders are proactive, six to nine homes can be constructed or moved into Redfield annually from 2015 to 2020.

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

▶ Higher and Median priced homes	2-3
▶ Affordable Homes	2-3
▶ Twin homes/Town homes	<u>2-3</u>
Total	6-9

9. Monitor lot availability and 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 Redfield. Currently, there are approximately 30 lots available in the Prairie Winds Subdivision and there will be approximately 11 lots available in the Packard Subdivision. Prairie Winds lot prices range from \$11,500 to \$21,500 and lots in the Packard Subdivision will sell for \$10,000.

There are also miscellaneous infill lots scattered around the city that we did not attempt to count. We do not know the availability of some of these infill lots. Also, additional dilapidated houses will be acquired and demolished over the next five years. Some of the cleared lots may be sites for new construction.

Recommendation: We use a standard that a 2 ½ year supply of lots should be available in the marketplace based on annual lot usage. With projections that six to nine new owner-occupied housing units will be constructed per year, the City should have approximately 15 to 23 residential lots available to meet the expected demand. Part of this demand would be for attached unit construction.

With approximately 41 available lots, plus infill lots, the City currently has an adequate number of lots.

10. Strategies to encourage residential lot sales and new home construction in Redfield

Findings: The Redfield Area Development Corporation (RADC) has developed the Sunrise Addition, which has 10 new homes and is fully occupied. The RADC also developed Prairie Winds, which has 52 lots. Twenty-two lots have been sold and approximately 30 lots are for sale. Some of the 22 lots that have been sold do not yet have houses constructed on them.

The RADC has also purchased a mobile home park site. The site, known as Packard Subdivision, will accommodate approximately eleven lots. The RADC is currently constructing two spec homes on two lots in the Packard Subdivision.

Therefore, there is a large inventory of approximately 41 lots plus infill lots available in the City of Redfield.

The RADC is also purchasing dilapidated structures around the City, which provides lots for in-fill development.

Recommendation: We recommend that the City of Redfield and the RADC continue to coordinate efforts to promote lot sales and housing development in Redfield.

Our recommendations to promote lot sales and housing development include:

- ▶ ***Continue competitive pricing*** - There are lots that are available in communities through the Region, some lots have changed ownership due to tax forfeiture or financial distress. Some of these lots are being offered for substantially less than their original asking price. Lot prices in Redfield will need to remain competitive. The current lot prices for Prairie Winds lots of \$11,500 to \$21,500 are competitive, and the proposed lot price of \$10,000 for the Packard Subdivision is also competitive.

- ▶ ***Plan for long-term absorption*** - The research completed for this Study expects limited annual absorption of lots in Redfield. We are projecting the construction of six to nine new units per year. It is therefore necessary to view the development of the subdivisions and in-fill lots as a long-term plan.
- ▶ ***Generate initial activity*** - Although there are houses already existing in the Prairie Winds Subdivision and two spec homes are being constructed in the Packard Subdivision, recent construction activity has been limited. To stimulate new construction, proactive efforts, such as the sale of some lots at even greater 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 one year. This will help create some momentum for more houses to be built.
- ▶ ***Consider developing an exclusive builder(s) relationship*** - A block of lots could be sold to a builder or builders. Momentum can be created when a builder has access to several lots. This allows for marketing opportunities and efficiencies in the home building process. However, the builder should be obligated 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. A block of 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 the construction of spec homes, and builders that are readily available to build custom homes.
- ▶ ***Continue spec home development*** - Although spec home construction is a risk, there are also financial risks associated with holding unsold lots. Also, spec houses could potentially attract a buyer that is 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. The RADC has taken the initiative to construct two spec homes in the Packard Subdivision. In an attempt to spur additional spec home construction, some communities have formed partnerships with private home builders to share the financial risks. For example, cities have been willing to defer the payment for the lot until the spec home is sold. Another builder incentive is 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 up-front development costs.

- ▶ ***Continue to allow for a range of house prices*** - The lots should be available to as wide a range of home sizes and prices as possible, without compromising the subdivision. This would broaden the lot buyer market. It appears that there will be lots available for homes in all price ranges with Prairie Woods lots available for mid to higher-priced homes and Packard Subdivision and in-fill lots available for more affordable homes.
- ▶ ***Continue incentives*** - The RADC currently is selling the lots in two subdivisions at a very competitive price. Also, the City of Redfield has implemented a program, which enables new home owners to not pay the full property tax rate for up to six years. These incentives should be continued and additional incentives should be added, if necessary.
- ▶ ***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. The City and RADC should assure that lots are available for twin home/town home lot development.
- ▶ ***Marketing*** - The City of Redfield, the RADC and the Redfield Chamber of Commerce should develop a comprehensive marketing strategy to sell the available lots. All stakeholders including Realtors, financial institutions, builders, employers, etc. should be included in marketing strategies. In addition to marketing the lots, the City of Redfield and its amenities should be marketed.

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

Findings: There are several housing agencies and nonprofit groups that have the capacity to construct new housing in Redfield, including the RADC, Redfield Housing Authority, Grow South Dakota and HAPI, Inc. However, due to the downturn in the housing economy, some agencies have cut back on new housing production over the past few years.

Currently, the RADC is constructing two affordable spec homes in the Packard Subdivision.

Recommendation: We encourage the City of Redfield to continue to actively work with economic development and housing agencies, nonprofit groups and the private sector to develop affordable housing.

As the housing economy continues to improve and home values increase, new affordable home construction production in Redfield will continue to be more feasible.

12. Promote twin home/town home development

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

In many cities the size of Redfield, approximately 20% to 25% of the new ownership housing constructed are twin homes/town homes. In Redfield, since 2000, almost no new ownership housing has been twin homes/town homes.

In 2010, Redfield had 309 households and Spink County had 875 households in the 55 to 74 age ranges. These age ranges are expected to have a net increase of 95 households in Redfield and 238 households in Spink County from 2010 to 2019. Household growth among empty-nester and senior households should result in increased demand for attached single family units. It is likely that demand for attached housing units will also be dependent on the product's ability to gain additional market acceptance among the households in the prime target market, and among other households.

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

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

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

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

Redfield's role could include assuring that adequate land continues to be available for development and that zoning allows for attached housing construction. RADC's role could be to assist with identifying and acquiring sites, and if necessary, actually constructing units.

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

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

Redfield - Housing Rehabilitation

Housing Rehabilitation

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

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

13. Promote rental housing rehabilitation

Findings: Based on the U.S. Census data, the City of Redfield had approximately 458 rental units in 2010. These rental buildings are in multi-family projects, small rental buildings, duplexes, single family homes, mixed-use buildings and mobile homes. Many of these rental structures could benefit from rehabilitation as most of these rental structures are more than 25 years old and some rental units are in poor condition.

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

Recommendation: The City of Redfield should continue to 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, HAPI, Inc., the South Dakota Housing Development Authority and the Federal Home Loan Bank.

Some communities have also established rental housing inspection and registration programs that require periodic inspections to assure that housing meets applicable codes and standards.

14. Promote owner-occupied housing rehabilitation efforts

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

Our housing condition survey of 281 homes in four of Redfield's older neighborhoods found 85 homes that need minor repairs and 78 homes that need major repairs. Without rehabilitation assistance, the affordable housing stock will shrink in Redfield.

Recommendation: We recommend that the City of Redfield, Grow Spink, Inc., RADC, and the Redfield Housing Authority should continue 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, Grow South Dakota and HAPI, Inc., are potential funding sources.

Grow South Dakota and HAPI, Inc., currently have several housing programs to assist households with the rehabilitation of their homes. Also, Grow South Dakota provides Weatherization funds for Redfield and Spink 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 Redfield households to utilize these housing rehabilitation programs.

The RADC and Grow Spink, Inc., both have an excellent track record in accessing housing rehabilitation funds.

15. Develop a Neighborhood Revitalization Program

Findings: The City of Redfield has several neighborhoods that are on the bubble. These neighborhoods have a significant number of homes 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 continue to be strong vital neighborhoods.

Recommendation: Over the years, the City of Redfield has been active in housing and neighborhood revitalization projects including housing rehabilitation, the demolition of dilapidated housing, the development of new housing and public facility improvements. We recommend that the City of Redfield, area housing agencies, and the private housing sector continue these efforts and select a neighborhood and develop and implement a Neighborhood Revitalization Program. Potentially, the neighborhood could be a consolidation of all or parts of the four neighborhoods that were surveyed.

Redevelopment strategies and opportunities should be identified including:

- ▶ A plan for each parcel in the neighborhood
- ▶ Owner-occupied rehabilitation
- ▶ Rental Rehabilitation
- ▶ Demolition of dilapidated structures
- ▶ Infill new construction including single family homes and attached housing
- ▶ Land pooling for larger 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
- ▶ Programs that encourage energy conservation
- ▶ Other projects identified through the planning process

The Neighborhood Revitalization Plan should include timelines, responsible City Department or Housing Agency, funding sources, etc. The Program should be evaluated on an ongoing basis as opportunities and potential projects may change priorities. As a neighborhood is revitalized, a new neighborhood can be selected for revitalization.

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.

16. Develop a Rental Inspection and Registration Program

Findings: A Rental Inspection and Registration Program can be a valuable tool in improving the quality of the City's rental housing. It is estimated that there are approximately 458 rental units in the City of Redfield, most of which are more than 25 years old. There are also a significant number of single family homes that have converted from owner-occupied to rentals. Neighborhood deterioration, lower property values and unsafe rental units are often prevented when a Rental Housing Inspection and Registration program is successfully implemented. Also, our housing condition survey identified substandard rental units.

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

- Much of the existing rental housing stock in Redfield 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 Redfield's buyers want more amenities and conveniences, and less maintenance, thus, they are less likely to purchase older homes. Also, there was an increase in foreclosures during the recession. These issues result in the continuation of converting old homes to rental units and magnify the problem.

Maintenance Efforts

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

High Number of Landlords

- ▶ Redfield has a significant number of rental property owners. Many of these landlords do an excellent job; however, some absentee landlords do not reinvest in their properties, and create a need for the program.

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 the Rental Inspection and Registration Program to assure that all rental units in Redfield comply with housing laws and codes. The Program assures that Redfield rental units are safe and sanitary, thus, removing blighted and unsafe conditions.

Redfield - Other Housing Initiatives

Other Housing Initiatives

17. Continue to acquire and demolish dilapidated structures

Findings: Our housing condition survey identified 35 single family houses in four of the City's oldest neighborhoods that are dilapidated and too deteriorated to rehabilitate. We also identified 78 single family houses in Redfield 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 City of Redfield and Grow Spink, Inc., have been very active in demolishing dilapidated structures. Approximately 82 structures have been demolished over the past several years. The City of Redfield and Grow Spink, Inc., have an agreement to coordinate efforts to demolish six structures annually.

Recommendation: Redfield and Grow Spink, Inc., are working with property owners on an ongoing basis to demolish dilapidated homes. The appearance of the City is enhanced when blighted and dilapidated structures are removed. Also, some of the cleared lots can be utilized for the construction of new affordable housing units.

We recommend that the City of Redfield and Grow Spink, Inc., continue to work together to demolish dilapidated structures. Also, Grow Spink, Inc., should continue to maintain a lot inventory of structures that may be candidates for future acquisition. Additionally, an inventory of in-fill lots for future development should continue to be maintained.

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

Findings: Redfield will continue to need staff resources in addition to existing City, Grow Spink, Inc., RADC, and Redfield Housing Authority staff to plan and implement many of the housing recommendations advanced in this Study. The City of Redfield has access to Grow South Dakota, HAPI, Inc., the South Dakota Housing Development Authority and USDA Rural Development. These agencies all have experience with housing and community development programs.

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

It should be noted that the City of Redfield, Grow Spink, Inc., RADC and the Redfield Housing Authority are more advanced than similar sized cities in utilizing resources available to them and in developing a coordinated approach to its housing needs.

19. Encourage employer involvement in housing

Findings: The connection between economic development and housing availability has become an increasingly important issue as low area unemployment rates dictate the need to attract new workers into the community. Housing for new employees is a concern for employers, thus, it may be advantageous for employers to become involved in housing.

The South Dakota Housing Development Authority has developed an employer participation program, known as the Employer Mortgage Assistance Program (EMAP). There are a number of participating employers around the State. This program can assist employees of participating companies with home ownership assistance.

Recommendation: We recommend an ongoing effort to involve employers as partners in addressing Redfield's housing needs. Several funding sources have finance programs that include employers. Additionally, the funding agencies often view funding 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 an affordable lot subdivision or a rental project.

20. Promote Commercial Rehabilitation and Development

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

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

Recommendation: We recommend that the City of Redfield, Grow Spink, Inc., and RADC continue to work with commercial property and business owners to rehabilitate their buildings. Also, new businesses should continue to be encouraged to locate in Redfield.

The City of Redfield, Grow Spink, Inc., and RADC should continue to seek funding to assist property owners with rehabilitating their commercial buildings. A goal of two commercial rehab projects annually in Redfield would be a realistic goal.

21. Develop home ownership and new construction marketing programs

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

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

Recommendation: The City of Redfield, Grow Spink, Inc., RADC, and the Redfield Housing Authority, have been active in promoting and marketing housing. We recommend the continuation or consideration of the following:

- ▶ 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 (Redfield and the entire region) to provide employees with housing opportunities in Redfield
- ▶ Work with housing agencies to provide down payment assistance, low interest loans, home owner education and home owner counseling programs
- ▶ Consider an annual Housing Fair that provides information on lots, builders, finance programs, etc. Developers, builders, lenders, Realtors, public agencies and local businesses could participate
- ▶ Work with builders and developers to make the construction of new homes or rental units a very user friendly process
- ▶ Continue to develop new home construction and home purchase incentive programs.

22. Competition with Other Jurisdictions

Findings: During the interview process, several individuals expressed concern regarding the City of Redfield's ability to compete for new development in the region.

Recommendation: The City of Redfield can enhance its position as a viable location for new households. We recommend the following:

- ▶ Review the City's policies to assure that the City's process for working with developers and builders is user-friendly, fair and receptive.
- ▶ Continue to work on the creation of jobs and the development of retail, service and recreational opportunities that make the City a "full service" community
- ▶ Continue to provide attractive lots at an affordable price for a variety of home sizes, styles and price ranges
- ▶ Provide financing mechanisms for households to build new homes, purchase existing homes and to rehabilitate older homes
- ▶ Preserve the quality of existing neighborhoods through the rehabilitation of substandard housing and the demolition of dilapidated structures that are beyond repair

- ▶ Develop new housing choices that serve life-cycle housing needs, such as new rental housing, twin homes, senior housing, etc.
- ▶ Publicize and market Redfield throughout the Region and among the employers and employees in Redfield and the Region
- ▶ Develop a coordinated housing plan with area housing agencies

23. Consider the implementation of a Time of Sale/Rent Mobile Home Program

Findings: Based on our mobile home survey, there are approximately 46 mobile homes in the City of Redfield. Approximately 17% of the mobile homes need minor repair and 39% need major repair. Thirteen homes (28%) were dilapidated and possibly beyond repair.

Recommendation: Addressing the issues created by substandard mobile homes is not easily solved. Some communities have rehabilitated older units, but this is difficult to accomplish because of the type of construction of mobile homes, and it is rarely cost effective.

We recommend that the City of Redfield consider implementation of a Time of Sale/Rent Inspection Program. This inspection program is designed to provide safe living conditions through the identification and elimination of basic life/safety hazards in older mobile homes. Mobile homes are subject to inspection prior to their rent or sale. All identified safety hazards must be corrected before the mobile home is sold or rented.

Agencies and Resources

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

Grow South Dakota

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

Homes Are Possible, Inc.

318 S. Main
Aberdeen, SD 57401
(605) 225-4274

South Dakota Housing Development Authority

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

USDA Rural Development

524 Enterprise Street South
Aberdeen, SD 57401
(605) 226-3360