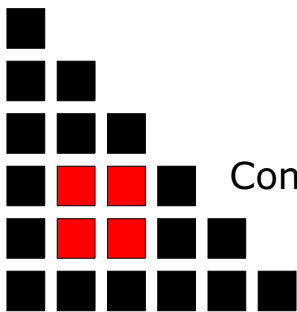


City of Tripp COMPREHENSIVE HOUSING STUDY

October 2019

An analysis of the overall housing needs
of the City of Tripp, SD



Community Partners Research, Inc.

Faribault, MN 55021

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Introduction

Overview

Local elected and public officials are often held responsible for conditions and circumstances over which they have limited control. This is particularly true of housing. Most of the housing units in Tripp 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 Tripp to conduct a study of the housing needs and conditions in the City. Matching funds for the project are being provided by the South Dakota Housing Development Authority.

Goals

The multiple goals of the study include:

- ▶ Provide updated demographic data
- ▶ 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 May to September, 2019. Data sources included:

- U.S. Census Bureau
- American Community Survey
- Applied Geographic Solutions, Inc., a private data reporting service
- Esri, Inc., a private data reporting service
- Records and data from the City
- Records and data maintained by Hutchinson County
- South Dakota State Data Center

- Interviews with City officials and staff
- Area and State housing agencies
- Interviews with housing stakeholders
- Rental property surveys
- Housing condition survey

Limitations

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

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Demographic Data Overview

Sources of Data

The following pages contain demographic data obtained from a variety of local, state and national sources for the City of Tripp and Hutchinson County. A primary data source is the U.S. Census Bureau, through the decennial census, the annual American Community Survey, and the annual population estimates program.

To supplement the decennial Census, the Census Bureau has created the American Community Survey, an annual sampling of households. This 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. Some of the following tables incorporate the 2017 American Community Survey data, when viewed as reliable.

The Governor's Office of Economic Development provides demographic profile information for cities and counties supplied by Applied Geographic Solutions (AGS), a private company. Prior to using AGS, the State had used a similar provider, Esri, Inc., for demographic data. The analysts have examined both of these sources in some of the tables that follow for current-year estimates and future projections.

In addition to providing demographic information for Tripp, comparative information has often been provided for all of Hutchinson County.

Population Data and Trends

Table 1 Population Trends - 1990 to 2019						
	1990 Census	2000 Census	% Change 1990-2000	2010 Census	% Change 2000-2010	2019 AGS Estimate
Tripp	664	711	7.1%	647	-9.0%	671
Hutchinson Co.	8,262	8,075	-2.3%	7,343	-9.1%	7,343

Source: U.S. Census; Applied Geographic Solutions

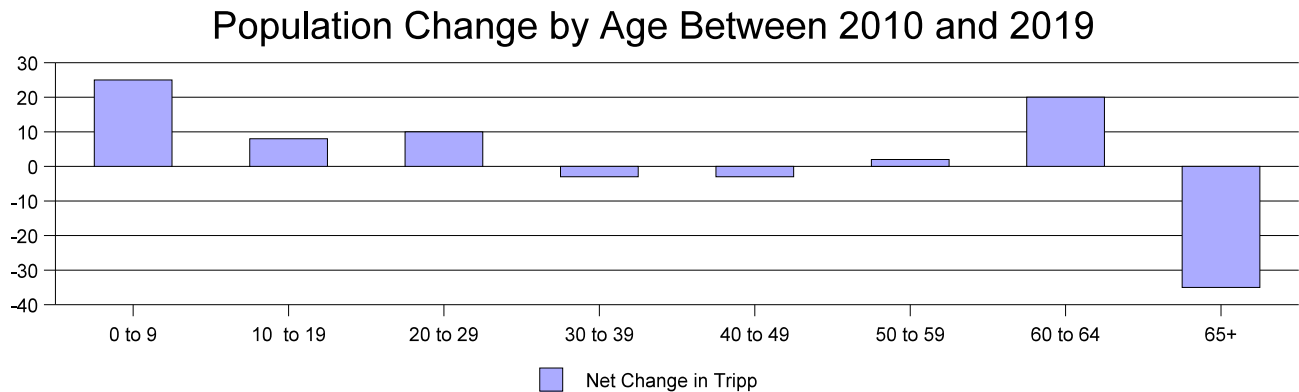
- ▶ Two estimates exist for population levels in Tripp in 2019. According to Applied Geographic Solutions, the City’s population was at 671 people. According to Esri, Tripp had 655 people in 2019. Both estimates show the City gaining population from 2010 to 2019. The estimate range is a gain of eight to 24 people from 2010 to 2019.
- ▶ An estimate for 2018 is available from the Census Bureau’s annual population estimates program. According to this source, there were 632 people living in Tripp in 2018. The Census Bureau’s estimate is less than the AGS and Esri estimates and shows a loss of 15 people in Tripp from 2010 to 2018.
- ▶ From 2000 to 2010, Tripp’s population decreased by 64 people. In the 1990s, Tripp had a loss of 47 people.
- ▶ According to Applied Geographic Solutions, Hutchinson County’s population was 7,343 people in 2019. Based on this estimate, the County’s population did not change from 2010 to 2019.
- ▶ At the County-level, Census Bureau estimates exist for 2018. For all of Hutchinson County, the Census Bureau estimates that the County’s population was 7,380 in 2018, 37 people higher than the AGS estimate.
- ▶ In 2019, there were no group quarters residents in Tripp.
- ▶ Tripp’s population is primarily White and non-Hispanic/Latino. According to the 2010 U.S. Census, approximately 98.5% of the City’s residents were White, 0.6% were American Indian and 0.2% were Asian. Additionally, 0.8% of the Tripp population identified themselves as some other race or two or more races. Also, 1.7% of the population identified themselves as Hispanic or Latino.

Population by Age Trends: 2010 to 2019

The 2019 population estimates from Applied Geographic Solutions include information on the age distribution of residents. However, this source uses broad age ranges, including grouping all senior citizens age 65 and older into a single group. This information can be compared to the population by age in the 2010 Census. The following table shows these changes for Tripp and Hutchinson County.

Table 2 Population by Age - 2010 to 2019						
Age	Tripp			Hutchinson County		
	2010	2019	Change	2010	2019	Change
0-9	54	79	25	867	1,129	262
10-19	59	67	8	1,007	890	-117
20-29	35	45	10	555	770	215
30-39	65	62	-3	707	712	5
40-49	73	70	-3	889	760	-129
50-59	80	82	2	1,063	890	-173
60-64	40	60	20	417	525	108
65+	241	206	-35	1,838	1,667	-171
Total	647	671	24	7,343	7,343	0

Source: U.S. Census; AGS



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 very evident in Tripp and Hutchinson County.

Between 2010 and 2019, Tripp had a gain of 22 people in the 50 to 64 age ranges. Tripp also had a significant population gain of 43 people in the 29 and younger age ranges, according to the Applied Geographic Solutions estimates. Conversely, from 2010 to 2019, Tripp had a loss of six people in the 30 to 49 age ranges and a loss of 35 people in the 65 and older age range.

From 2010 to 2019, Hutchinson County had a significant gain of 262 people in the 0 to 9 age range, a gain of 220 people in the 20 to 39 age ranges and a gain of 108 people in the 60 to 64 age range. Hutchinson County had a loss of 117 people in the 10 to 19 age range, a loss of 302 people in the 40 to 59 age ranges and a loss of 171 people in the 65 and older age range.

Population Projections

The following table presents population projections to the year 2024. Projections for Tripp and Hutchinson County exist from both Applied Geographic Solutions and Esri, and span the five-year period from 2019 to 2024.

Table 3 Population Projections Through 2024						
	Applied Geographic Solutions			Esri		
	2019 Estimate	2024 Projection	Change and 2019-2024	2019 Estimate	2024 Projection	Change 2019-2024
Tripp	671	758	87	655	655	0
Hutchinson Co.	7,343	7,466	123	N/A	N/A	N/A

Source: Applied Geographic Solutions; Esri

- ▶ The Applied Geographic Solutions projection expects the City to add 87 people by 2024, or an annual average of approximately 17 people per year.
- ▶ The Esri projection for Tripp is forecasting no change in the number of residents between 2019 and 2024.
- ▶ Applied Geographic Solutions expects all of Hutchinson County will add 123 people over the five-year time period from 2019 to 2024.
- ▶ No Countywide projections were obtained from Esri.
- ▶ The State Data Center has also issued projections at the county level, but these are for the year 2025. The State believes that Hutchinson County will have 6,708 people by the year 2025. This projection is well below the Applied Geographic Solutions forecast. The State Data Center has not issued projections at the City level.

Household Data and Trends

Table 4 Household Trends - 1990 to 2019						
	1990 Census	2000 Census	% Change 1990-2000	2010 Census	% Change 2000-2010	2019 AGS
Tripp	315	321	1.9%	290	-9.7%	296
Hutchinson Co.	3,221	3,190	-1.0%	2,930	-8.2%	2,896

Source: U.S. Census; AGS

- ▶ Household estimates for Tripp in 2019 exist from both Applied Geographic Solutions and Esri. The Census Bureau does not issue annual household estimates.
- ▶ The AGS and Esri estimates both showed 296 resident households in Tripp in 2019, up six households from the level reported in the 2010 Census.
- ▶ The City lost 31 households from 2000 to 2010, however, the City had an increase of six households from 1990 to 2000.
- ▶ For all of Hutchinson County, AGS showed a decrease of 34 households since 2010, or a loss of 1.2%.
- ▶ The household losses since 2010 in Hutchinson County is a continuation of a long-term pattern of household losses from 1990 to 2010.

Tripp Household by Age Trends: 2010 to 2019

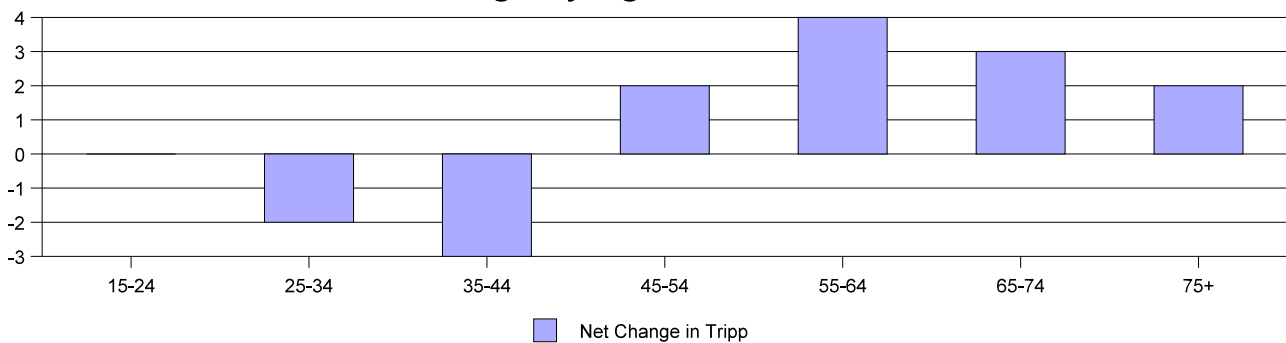
The demographic data profile that is available from AGS does not provide information on households by age. However, age-based estimates are available from Esri. The following table compares households by age in 2010 and 2019, along with the numeric changes. Information is only provided for the City of Tripp.

Table 5 Tripp Households by Age - 2010 to 2019			
Age	Tripp		
	2010	2019	Change
15-24	4	4	0
25-34	19	17	-2
35-44	39	36	-3
45-54	38	40	2
55-64	48	52	4
65-74	55	58	3
75+	87	89	2
Total	290	296	6

Source: U.S. Census; Esri

Consistent with the population by age data presented earlier, the household patterns show much of the change occurring in the baby boomer age groups. For Tripp, there was an increase of seven households in the 55 to 74 year age ranges between 2010 and 2019. There was also an increase of two households in the 45 to 54 age range and a gain of two households in the 75 and older age range. There was a decrease of five households age 44 and younger.

Household Change by Age Between 2010 and 2019



Average Household Size

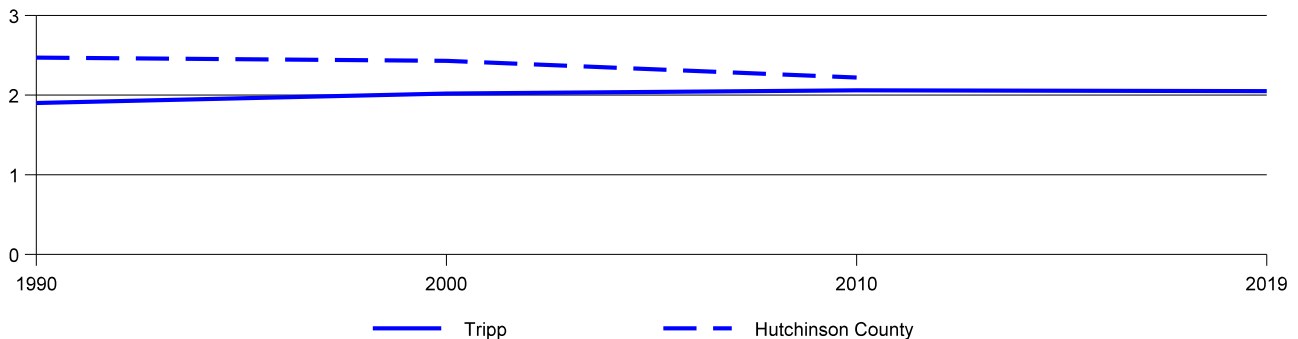
The following table provides decennial Census information on average household size, along with the 2019 estimate from Esri.

Table 6 Average Number of Persons Per Household: 1990 to 2019				
	1990 Census	2000 Census	2010 Census	2019 Esri
Tripp	1.90	2.02	2.06	2.05
Hutchinson Co.	2.47	2.43	2.22	N/A

Source: U.S. Census; Esri

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

Average Household Size: 1990 to 2019



The City of Tripp’s average household size has actually increased from 1.90 in 1990 to 2.05 in 2019. Despite some increase in recent decades, the City’s average household size is very small when compared to other cities.

Hutchinson County’s average household size has continued to decrease, from 2.47 in 1990 to 2.22 in 2010. However, in 2010 the County’s average household size was still larger than the average household size in the City of Tripp.

Household Projections

Household projections for the five-year time period spanning the years 2019 through 2024 are available from both AGS and Esri. Household projections directly impact the demand for housing.

Table 7 Household Projections Through 2024						
	AGS			Esri		
	2019 Estimate	2024 Projection	Change	2019 Estimate	2024 Projection	Change
Tripp	296	319	23	296	299	3
Hutchinson Co.	2,896	2,853	-43	N/A	N/A	N/A

Source: AGS, Esri

- ▶ As detailed earlier in this section, the current-year population estimates for Tripp from the two primary sources are identical. However, there is a variation for household forecasts over the next five years.
- ▶ For Tripp, AGS is expecting growth of 23 households over the five-year projection period while Esri is forecasting that only three households will be added. If viewed as an annual average, a range of less than one household to approximately five households per year is projected.
- ▶ For all of Hutchinson County, the AGS projection expects a loss of 43 households, or approximately eight households in a typical year. No Countywide projection was obtained from Esri.

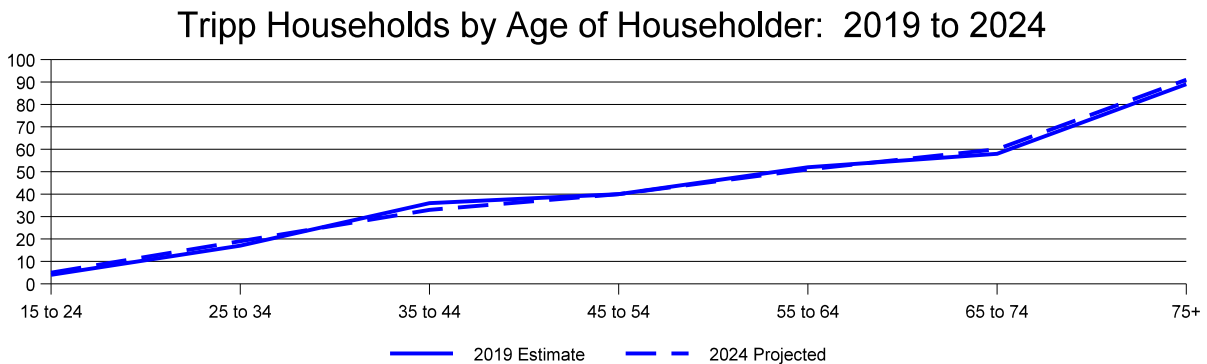
Household by Age Projections: 2019 to 2024

In addition to overall household forecasts, Esri has also generated age-based projections for households to the year 2024. These projections can be compared to the data contained in the 2019 Esri estimate to examine the change projected over the next few years. Age-based forecasts are provided for the City of Tripp. Age-based forecasts are not available from Applied Geographic Solutions and it is important to note that Esri has a much more conservative growth forecast for Tripp.

Table 8 Projected Households by Age - 2019 to 2024			
Age	Tripp		
	2019	2024	Change
15-24	4	5	1
25-34	17	19	2
35-44	36	33	-3
45-54	40	40	0
55-64	52	51	-1
65-74	58	60	2
75+	89	91	2
Total	296	299	3

Source: Esri

In Tripp, from 2019 to 2024, a gain of three households in the 15 to 34 age ranges and a gain of four households is projected in the 65 and older age ranges. A loss of four households is projected in the 35 to 64 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 Tripp.

Table 9 Tripp Household Composition - 2000 to 2010			
	2000 Census	2010 Census	Change
Family Households			
Married Couple with own children	51	34	-17
Single Parent with own children	17	18	1
Married Couple without own children	106	100	-6
Family Householder without spouse	10	15	5
Total Families	184	167	-17
Non-Family Households			
Single Person	126	112	-14
Two or more persons	11	11	0
Total Non-Families	137	123	-14

Source: U.S. Census

Between 2000 and 2010, Tripp experienced an overall net decrease of 17 “family” households. There was a decrease of 17 married couples with children and a decrease of six married couple households without children. The City had an increase of one single parent household with children and an increase of five family without spouse households.

Tripp had a decrease of 14 “non-family” households due to a decrease of 14 one-person households.

Housing Tenure

The 2017 American Community Survey Census provided data on housing tenure patterns. The following tables examine tenure rates, along with changes that have occurred.

Table 10 Household Tenure - 2017				
	Number of Owners	Percent of all Households	Number of Renters	Percent of all Households
Tripp	236	87.1%	35	12.9%
Hutchinson Co.	2,200	76.4%	681	23.6%
State	230,657	67.9%	108,801	32.1%

Source: U.S. Census

According to the 2017 American Community Survey, the ownership tenure rate in Tripp was 87.1% and Hutchinson County’s ownership rate was 76.4%. Tripp’s rental tenure rate of 12.9% was significantly below the Statewide rate of 32.1% renter households.

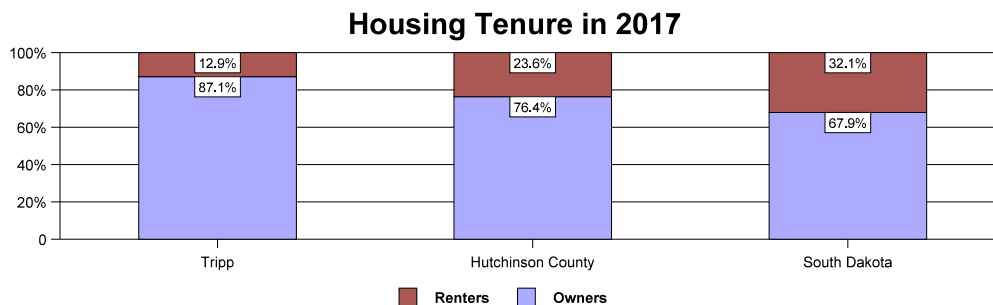


Table 11 Households by Housing Tenure - 2010 to 2017						
Tenure	Tripp			Hutchinson County		
	2010	2017	Change	2010	2017	Change
Owners	237/81.7%	236/87.1	-1	2,320/79.2%	2,200/76.4%	-120
Renters	53/18.3%	35/12.9%	-18	610/20.8%	681/23.6%	71
Total	290/100%	271/100%	-19	2,930/100%	2,881/100%	-49

Source: U.S. Census

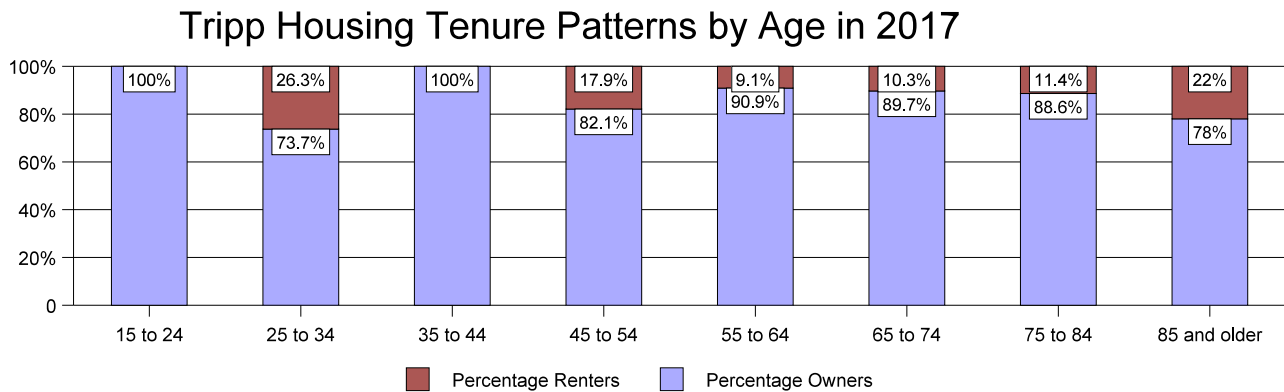
Tripp’s ownership tenure rate increased from 81.7% in 2010 to 87.1% in 2017. For Hutchinson County, the ownership tenure rate decreased from 79.2% in 2010 to 76.4% in 2017.

Tenure by Age of Householder

The 2017 American Community Survey provided information on the tenure distribution of Tripp households within each defined age range. The following table examines the number and percentage of renters and owners in each age group in Tripp.

Table 12 Tripp Tenure by Age of Householder - 2017				
Age	Owners		Renters	
	Number	Percent within age	Number	Percent within age
15-24	9	100%	0	0%
25-34	14	73.7%	5	26.3%
35-44	35	100%	0	0%
45-54	32	82.1%	7	17.9%
55-64	50	90.9%	5	9.1%
65-74	26	89.7%	3	10.3%
75-84	31	88.6%	4	11.4%
85+	39	78.0%	11	22.0%
Total	236	87.1%	35	12.9%

Source: U.S. Census



All of the household ranges had an ownership rate of 73% or higher in 2017.

2017 Income Data

Annual household income estimates are available at the city, county and state levels through the American Community Survey. The following table compares median income levels for 2010 and 2017.

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 13 Median Household Income - 2010 to 2017			
	2010 Median	2017 Median	% Change
Median Household Income			
Tripp	\$30,078	\$37,589	25.0%
Hutchinson County	\$39,310	\$49,583	26.1%
South Dakota	\$46,369	\$54,126	16.7%
Median Family Income			
Tripp	\$39,219	\$48,750	24.3%
Hutchinson County	\$52,390	\$65,273	24.6%
South Dakota	\$58,958	\$69,425	17.8%

Source: ACS 5-year survey

Information contained in the American Community Survey shows that the median household and family incomes have increased significantly from 2010 to 2017 in Tripp, Hutchinson County and the State of South Dakota.

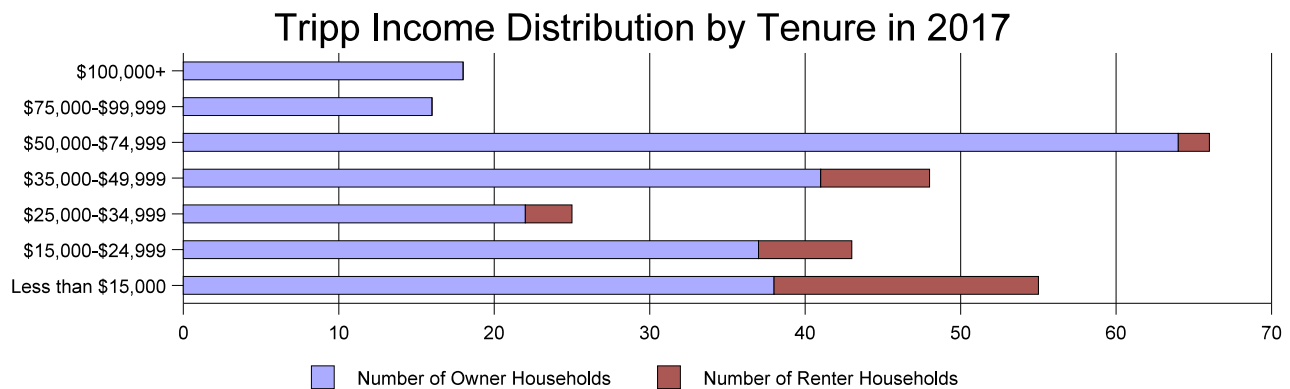
Generally, family household incomes tend to be higher than the overall household median, as families have at least two household members, and potentially more income-earners. Using the commonly accepted standard that up to 30% of gross income can be applied to housing expenses without experiencing a cost burden, a median income household in Tripp could afford approximately \$940 per month and a median income family household could afford \$1,219 per month for ownership or rental housing in 2017.

Tripp Income Distribution by Housing Tenure

The American Community Survey provides income data by owner and renter status. The following table examines income distribution in Tripp. The American Community Survey is an estimate, based on limited sampling data, and there are some differences when compared to the 2019 AGS and Esri estimates. The 2017 American Community Survey reported income information on 271 households, AGS and Esri both reported that there were 296 households in Tripp in 2019. Therefore, the American Community Survey appears to have undercounted the number of households in Tripp. However, this information is still a good indicator of household income distribution by tenure.

Table 14 Tripp Household Income Distribution by Tenure - 2017			
Household Income	Number of Owner Households	Number of Renter Households	Total Households
\$0 - \$14,999	38/69.1%	17/30.9%	55
\$15,000 - \$24,999	37/86.0%	6/14.0%	43
\$25,000 - \$34,999	22/88.0%	3/12.0%	25
\$35,000 - \$49,999	41/85.4%	7/14.6%	48
\$50,000 - \$74,999	64/97.0%	2/3.0%	66
\$75,000 - \$99,999	16/100%	0/0%	16
\$100,000+	18/100%	0/0%	18
Total	236	35	271

Source: 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 2017, approximately 72% of all renter households in Tripp 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 in Tripp was approximately \$20,550 in 2017. At 30% of income, a renter at the median level could afford approximately \$514 per month or less for housing costs.

Most owner households had a higher income level than rental households. Approximately 59% of all owner households had an annual income of \$35,000 or more. The estimated median household income for Tripp owner households in 2017 was approximately \$40,833. At 30% of income, an owner at the median income level could afford approximately \$1,081 per month for housing costs.

2017 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 Tripp.

Table 15 Gross Rent as a Percentage of Household Income - 2017			
Percent of Income for Housing	Households Age 64 and Younger	Households Age 65 and Older	Total
Less than 20%	0/0%	2/11.1%	2/5.7%
20% to 29.9%	10/58.8%	5/27.8%	15/42.9%
30% to 34.9%	0/0%	0/0%	0/0%
35% or more	5/29.4%	11/61.1%	16/45.7%
Not Computed	2/11.8%	0/0%	2/5.7%
Total	17/100%	18/100%	35/100%

Source: American Community Survey

According to the American Community Survey, approximately 46% of the renters in the City were paying 30% or more of their income for rent. All of these renters were actually paying more than 35% of their income for rent. Federal standards for rent subsidy programs generally identify 30% of household income as the maximum household contribution. When more than 30% of income is required, this is often called a “rent burden”. When more than 35% is required, this can be considered a “severe rent burden”.

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

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

Estimated Income and Ownership Housing Costs

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

Table 16 Ownership Costs as a Percentage of Income - 2017		
Percentage of Household Income for Housing Costs	Number of Owner Households 2017	Percent of All Owner Households 2017
0% to 19.9%	167	70.8%
20% to 29.9%	25	10.6%
30% to 34.9%	13	5.5%
35% or more	31	13.1%
Not Computed	0	0%
Total	236	100%

Source: American Community Survey

Most owner-occupants, which would include households with and without a mortgage, reported paying less than 30% of their income for housing. However, approximately 19% of all home owners reported that they paid more than 30% of their income for housing. The majority of these households were paying more than 35% of income for housing costs.

As would be expected, most of the cost-burdened home owners had a mortgage on their home.

Existing Home Sales

This section examines houses that have been sold from 2010 to 2019 in Tripp. The information was obtained from the South Dakota Department of Revenue and reflects information assembled by the Hutchinson County Equalization Office.

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

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

The County and State reject sales that show significant variation from the assessed value. Known as the "150% rule" these sales may be open market transactions but are not useful in the County's sales ratio analysis. The sales data obtained from the Department of Revenue did identify some rejected 150% rule sales in Tripp and these were added back into the sales sample and included in the tables that follow.

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

For Tripp, some of the 12-month sales periods had a limited number of recorded sales. As a result, the annual median may not always be representative of overall home values.

Table 17 Tripp Residential Sales Activity - 2010 to 2018				
Sales Year	Number of Sales	Median Sale Price	Highest Sale	Lowest Sale
2018	10	\$41,750*	\$75,000	\$14,300
2017	17	\$31,000	\$87,000	\$1,000
2016	19	\$30,000	\$107,000	\$3,000
2015	19	\$26,500	\$175,000	\$3,500
2014	12	\$24,000*	\$76,000	\$2,000
2013	20	\$20,000	\$135,000	\$5,000
2012	11	\$26,500	\$89,000	\$4,000
2011	13	\$15,000	\$54,000	\$3,500
2010	12	\$23,250*	\$90,000	\$5,000

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

Although only a limited number of sales have occurred within any 12-month time period, the annual median sale price has stayed in a very moderate range in recent years. Since 2014, the median has ranged from a low of \$24,000 to a high of \$41,250.

The highest valued home sale since 2010 was for \$175,000. This was the only sale for more than \$150,000. In each of the years reviewed, at least one house appeared to sell for \$5,000 or less.

An alternate home value estimate exists in the American Community Survey. In 2017, this estimate placed the median value for owner-occupied houses at \$42,300. This value was higher than the sales median for 2017, but similar to the median sale price in 2018.

Home Sales by Price Range

The following table looks at single family houses that sold within defined price ranges over a 24-month period covering 2017 and 2018.

Table 18 Tripp Home Sales by Price Range: 2017 and 2018		
Sale Price	Number of Sales	Percent of Sales
Less than \$25,000	9	33.3%
\$25,000 - \$49,999	10	37.0%
\$50,000 - \$74,999	6	22.2%
\$75,000+	2	7.4%
Total	27	100%

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

Recent home sales in Tripp have been distributed in very moderate price ranges. More than 70% of the sales in the past two years were for less than \$50,000.

In 2017 and 2018, only two homes in Tripp were sold for more than \$75,000, and the highest price was \$87,000.

Tripp Housing Condition

Community Partners Research, Inc. representatives conducted a visual 'windshield' survey of 316 single family/duplex houses in the City of Tripp.

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 19 Windshield Survey Condition Estimate - 2019					
	Sound	Minor Repair	Major Repair	Dilapidated	Total
East of Main St.	56/29.8%	76/40.4%	42/22.3%	14/7.5%	188
West of Main St.	28/21.9%	37/28.9%	40/31.2%	23/18.0%	128
Total	84/26.6%	113/35.8%	82/25.9%	37/11.7%	316

Source: Community Partners Research, Inc.

- ▶ Approximately 36% of the houses in the City of Tripp need minor repair and 26% need major repair. Approximately 27% are sound, with no required improvements. Thirty-seven houses are dilapidated and possibly beyond repair.

New Home Construction in Tripp

Based on information provided by the City of Tripp, no new single family houses have constructed in Tripp from 2010 to 2019. Also, no rental units have been constructed in Tripp from 2010 to 2019.

The Census Bureau's American Community Survey includes an estimate for the year of construction for housing units in the City. This source also shows that no new housing units were constructed between 2000 and 2009. However, this is an estimate, with a margin of error, but it does indicate that any new housing construction has been very limited in recent decades.

Rental Housing Data

Census Bureau Rental Inventory

According to the American Community Survey, there were approximately 35 occupied rental units in Tripp in 2017.

From 2017 to 2019, we are not aware of any rental units that were constructed in Tripp. However, some owner-occupied homes may have converted to rental use from 2017 to 2019. Also, some rental units may have been demolished or vacated due to their condition.

Rental Housing Survey

As part of this housing study, a telephone survey was conducted of multifamily projects in Tripp. Information was tallied separately for different types of rental housing, including market rate and subsidized rental housing.

There were 23 rental housing units contacted in the survey. The survey was conducted in July 2019.

The units that were successfully contacted include:

- ▶ 7 market rate units
- ▶ 16 federally subsidized units

There are no tax credit or senior with services rental housing units in Tripp.

The findings of the survey are provided below.

Market Rate Summary

Information was obtained on seven market rate rental units in one four-plex and three single family homes.

Unit Mix

We obtained the bedroom mix on the seven market rate units. The seven units include five one-bedroom units, one two-bedroom unit and one four-bedroom unit.

Occupancy / Vacancy

At the time of the survey, there was one vacancy in the four-plex, New Life Style Apartments.

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.

Community Partners Research, Inc., has attempted to estimate the gross rents being charged, which includes an estimate for tenant-paid utilities. Gross rents for the rental units that were surveyed, ranged from \$450 for a one-bedroom unit to \$650 for a four-bedroom unit.

Tax Credit Summary

There are no tax credit rental projects in Tripp.

Subsidized Summary

There is one federally subsidized project in Tripp, Morningside Apartments. Morningside Apartments is a 16-unit General Occupancy USDA Rural Development Project. The 16 units include nine one-bedroom and seven two-bedroom units. These units are in two eight-plex buildings. The project was constructed in the 1970s.

Rental Rates

Tenants in Morningside Apartments pay rent based on 30% of their household income. The project has a market rent and tenants do not pay more than the market rent.

Occupancy / Vacancy

There was one vacant unit identified in the 16 subsidized units at the time of the survey. The owner reported that there is typically more than one vacancy in the project.

Subsidized Housing Gains/Losses

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

In Tripp, Morningside Apartments, a 16-unit General Occupancy Rural Development general occupancy project is the only subsidized rental project in Tripp. Morningside Apartments is privately owned.

Senior Housing with Services

There are no senior housing with services rental projects in Tripp. However, there was a 38-bed nursing home in Tripp until 2017, at which time the nursing home closed.

Table 20 Tripp Multifamily Rental Housing Inventory

Name	Number of Units / Bedroom Mix	Rent	Vacancy / Wait List	Tenant Mix	Comments
Market Rate					
Miller Homes	1 - 1 bedroom 1 - 2 bedroom <u>1 - 4 bedroom</u> 3 total units	\$475 to \$550 + heat, electricity	No vacancies	General Occupancy	Miller homes include three single family homes. The homes are fully occupied. Rent ranges from approximately \$475 to \$550. The owner pays water, sewer and garbage.
New Life Style Apartments	<u>4 - 1 bedroom</u> 4 total units	\$350 + heat, electricity	1 vacancy	Mostly singles	New Life Style Apartments is a four-plex. All four units are one-bedroom. Rent is \$350 plus heat and electricity. The owner pays water, sewer and garbage. At the time of the survey, the owner reported one vacancy.
Subsidized					
Morningside Apartments	9 - 1 bedroom <u>7 - 2 bedroom</u> 16 total units	\$484 - max \$434 - max 30% of income	1 vacancy	General Occupancy	Morningside Apartments is a USDA Rural Development project that includes 16 units in two eight-unit buildings. There are nine one-bedroom units and seven two-bedroom units. One building was constructed in 1973 and one building was constructed in approximately 1982. One building operates with HUD regulations and one building operates with Rural Development guidelines. Eight one-bedroom units are in the HUD building and the maximum rent for the one-bedroom units is higher than the maximum rent for the two-bedroom units. Tenants pay 30% of their income up to the maximum rent. At the time of the survey, the owner reported one vacant unit.

Source: Community Partners Research, Inc.

Employment and Local Economic Trends

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

Work Force and Unemployment Rates

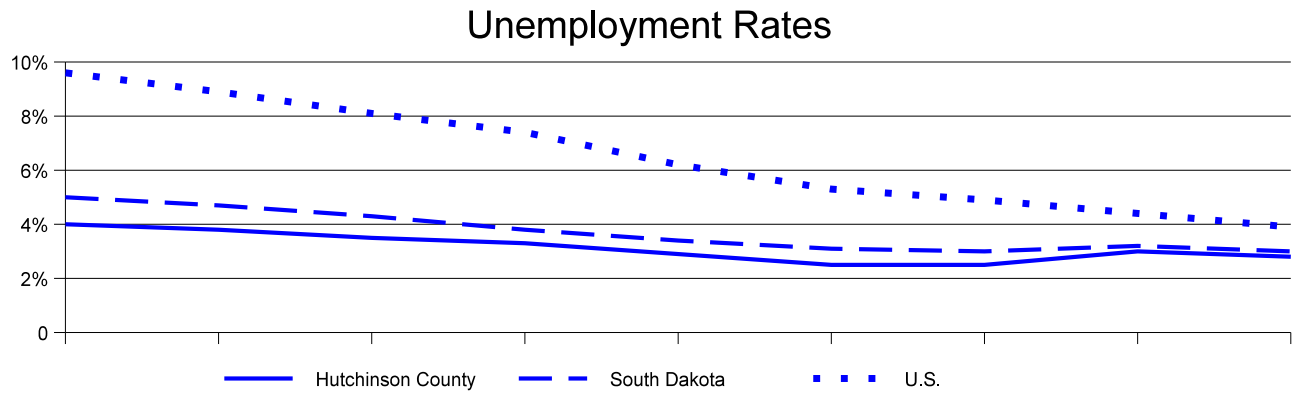
Employment information is only available at the county-level, and has been analyzed for Hutchinson County in this section of the Study. Data in the tables that follow have been obtained from the SD Department of Labor and Regulation.

Table 21 Hutchinson County Annual Labor Statistics: 2010 to 2018						
Year	Labor Force	Employed	Unemployed	Unemployment Rate - County	Unemployment Rate - SD	Unemployment Rate - US
2010	3,804	3,652	152	4.0%	5.0%	9.6%
2011	3,779	3,634	145	3.8%	4.7%	8.9%
2012	3,712	3,583	129	3.5%	4.3%	8.1%
2013	3,654	3,535	119	3.3%	3.8%	7.4%
2014	3,650	3,545	105	2.9%	3.4%	6.2%
2015	3,670	3,579	91	2.5%	3.1%	5.3%
2016	3,650	3,557	93	2.5%	3.0%	4.9%
2017	3,611	3,504	107	3.0%	3.2%	4.4%
2018	3,580	3,478	102	2.8%	3.0%	3.9%

Source: South Dakota Department of Labor & Regulation

The statistics on the available labor force track people by their county of residence, regardless of where they are employed. When viewed over the entire nine-year period, the size of the County’s resident labor force has decreased by 224 people, or -5.9%.

The number of employed County residents has generally followed the same pattern. From 2010 to 2018, the number of employed residents of Hutchinson County decreased by 174 people, or -4.8%.



The County’s unemployment rate has generally been dropping over this time period, from 4.0% in 2010 to 2.8% in 2018. Throughout the years reviewed, the County’s unemployment rate has been slightly below the Statewide rate, and well below the national unemployment rate.

Employment and Wages

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

Table 22 Hutchinson County Average Annual Wages - 2018		
Industry	2018 Employment	Average Annual Wage
Total All Industry	2,609	\$36,816

Source: South Dakota Department of Labor & Regulation

The average weekly gross wage for all industry in 2018 was \$708 in Hutchinson County. At full-time employment, this would yield an annual average wage of \$36,816.

Commuting Patterns of Area Workers

Information is available on workers that commute for employment. The best information is from the 2017 American Community Survey, and has been examined for Tripp. The first table examines City residents that traveled to work from Tripp and excludes people that work at home.

Table 23 Commuting Times for Tripp Residents - 2017		
Travel Time	Number	Percent
Less than 10 minutes	105	42.2%
10 to 19 minutes	73	29.3%
20 to 29 minutes	25	10.0%
30 minutes +	46	18.5%
Total	249	100%

Source: American Community Survey

A majority of Tripp’s residents worked locally in 2017, with nearly 72% traveling less than 20 minutes for their primary job. However, nearly 19% of the City’s residents were commuting 30 minutes or more to work.

The American Community Survey also provides travel time by job location. However, no information was available for Tripp in 2017, presumably due to the limited number of jobs that exist within the community.

Findings on Growth Trends

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

Tripp's population increased by 7.1% from 1990 to 2000. The population increased from 664 in 1990 to 711 in 2000. From 2000 to 2010, Tripp's population decreased by 64 people, which was a population loss of 9.0%.

Hutchinson County's population decreased from 8,262 in 1990 to 8,075 in 2000, which was a decrease of 2.3%. The population continued to decrease in the 2000s from 8,075 in 2000 to 7,343 in 2010, which was a population loss of 9.1%.

Tripp experienced a gain of six households from 1990 to 2000 and a loss of 31 households from 2000 to 2010. Hutchinson County had a decrease of 31 households from 1990 to 2000 and a loss of 260 households from 2000 to 2010.

Applied Geographic Solutions estimates that Tripp had a gain of 24 people and six households and Esri estimates that Tripp had a gain of eight people and six households from 2010 to 2019. The AGS estimates show that Hutchinson County's population did not change, but there was a loss of 34 households from 2010 to 2019.

The U.S. Census also releases population estimates. The most recent estimates for Tripp and Hutchinson County are from 2010 to 2018. The U.S. Census estimates that Tripp had a loss of 15 people and Hutchinson County gained 37 people during this time period.

Findings on Projected Growth

This Study has utilized projections from both AGS and Esri for Tripp and Hutchinson County. AGS projects that Tripp will gain 87 people and Esri projects that Tripp's population will not change from 2019 to 2024. AGS expects Tripp to gain 23 households and Esri projects Tripp will gain three households from 2019 to 2024.

AGS projects that Hutchinson County is expected to gain approximately 123 people from 2019 to 2024, but will lose 43 households during this time.

Summary of Tripp’s Growth Projections by Age Group

The Demographic section of this Study presented Tripp projection information on anticipated changes by age group from 2019 to 2024. 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 65 and older age ranges. Age projections would expect the City to add approximately four households in the 65 and older age ranges from 2019 to 2024.

The Esri age-based projections also expect an increase of three households in the 15 to 34 age ranges.

Tripp is projected to lose four households in the 35 to 64 age ranges.

The projections assume that historical patterns will continue into the near-future, especially related to household formation and household size within specific age groups. If Tripp 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>2019 to 2024</u>
15 to 24	1
25 to 34	2
35 to 44	-3
45 to 54	0
55 to 64	-1
65 to 74	2
75 and older	<u>2</u>
Total	3

Findings on Unit Demand by Type of Housing

Based on the household by age projections presented earlier, the changing age composition of Tripp'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 one household gain in the 15 to 24 age range from 2019 to 2024. Past tenure patterns indicate that all of the households in this age range in Tripp own their housing. However, if new housing options become available in Tripp, it is estimated that a significant percentage of households in this age range will rent their housing.

25 to 34 Years Old - The projections show a gain of two households in this age range by 2024. Within this age range households often move from rental to ownership housing. The ownership rate among these households in Tripp is approximately 74%. A gain of only two households within this age range indicates demand for both first-time home buyer and rental opportunities from this age range will remain relatively stable during the projection period.

35 to 44 Years Old - The projections for this 10-year age cohort expect a loss of three households between 2019 and 2024 in Tripp. In the past, this age group has had a 100% ownership rate in Tripp. 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 - This age group represents a smaller segment of the population than the baby boom age group. For Tripp, the projections show no change in the number of households in this age range. This age group typically has had a rate of home ownership of approximately 82% in Tripp, and will often look for trade-up housing opportunities. No change in the number of households in this age group indicates that the demand for trade-up housing from this age range will remain stable during the projection period.

55 to 64 Years Old - The projections show an increase of one household in this 10-year age range by the year 2024 in the City. This age range has traditionally had a high rate of home ownership in Tripp, at approximately 91% in 2017. Age-appropriate housing, such as City house or twin home units, is often well suited to the life-cycle preferences of this age group, as no maintenance/low maintenance housing has become a popular option for empty-nesters.

65 to 74 Years Old - A gain of two households is expected by the year 2024 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. Approximately 90% of the households in this age range owned their housing in Tripp. Once again, preferences for age-appropriate units would increase from household growth within this age cohort.

75 Years and Older - There is a projected gain of two households in Tripp in this age range between 2019 and 2024. In the past, the older households within this age range have had a relatively high rate of home ownership in Tripp. An expansion of housing options for seniors, including high quality rental housing, should appeal to this age group. In most cases, income levels for senior households have been improving, as people have done better retirement planning. As a result, households in this age range may have fewer cost limitations for housing choices than previous generations of seniors.

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

Findings on Housing Unit Demand and Tenure

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

Demand from Growth - The household projections used for this Study expect Tripp to gain up to 23 households from 2019 to 2024. Therefore, there will be a demand for new housing production in Tripp based on household growth.

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

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

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

Strengths for Housing Development

The following strengths for the City of Tripp were identified through statistical data, local interviews, research and onsite review of the local housing stock.

- ▶ **Tripp serves the surrounding area** - Tripp provides employment opportunities, retail/service options, health services, professional services, governmental services and recreational facilities for a small geographical area that surrounds the City.
- ▶ **Educational system** - Tripp has a public K-12 school system.
- ▶ **Infrastructure** - Tripp's water and sewer infrastructure can accommodate future expansion.
- ▶ **Commercial development** - Tripp's commercial district is adequate to meet most daily needs and there are several new businesses that have located in the community.
- ▶ **Employers** - Tripp has employers that provide job opportunities for local residents.
- ▶ **Commuters** - Some employees are commuting into Tripp daily for work. These commuters form a potential market for future housing construction.
- ▶ **Tripp Development Corporation** - The Tripp Development Corporation has been active in commercial development and also in developing and expanding business opportunities.
- ▶ **Tripp Community Foundation** - The Tripp Community Foundation is active in promoting and funding community projects.
- ▶ **Small City atmosphere** - Tripp has the real and perceived amenities of a small city. Small city living is attractive for some households.
- ▶ **Main Street Improvements** - Improvements have been made to the City's Main St. infrastructure.

- ▶ **Affordable Housing Stock** - The City of Tripp has a stock of affordable existing homes. Our analysis shows that the City's median home value based on sales in 2018 would be \$41,750. This existing housing stock, when available for sale, provides an affordable option for home ownership.
- ▶ **Land for residential lot development** - Several parcels of land are available for lot development.
- ▶ **Proactive community development** - The City, the Tripp Development Corporation and the Community Foundation are actively involved in improving the community.

Barriers or Limitations to Housing Activities

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

- ▶ **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. Tripp also has a number of dilapidated homes.
- ▶ **Low rent structure** - The area's rent structure is low, which makes it difficult to construct new rental housing.
- ▶ **Value gap deters new owner-occupied construction** - Based on market values from recent residential sales, we estimate that the median priced home in Tripp is valued at approximately \$41,750. This is below the comparable cost for new housing construction, which will generally be above \$200,000 for a stick built home with commonly expected amenities. This creates a value gap between new construction and existing homes. This can be a disincentive for any type of speculative building and can also deter customized construction.
- ▶ **Lower paying jobs** - Although Tripp has job opportunities, some jobs are at the lower end of the pay scale and employees with these jobs have limited housing choices.
- ▶ **Commercial/retail options** - Tripp has a limited number of commercial and retail opportunities compared to larger regional centers.
- ▶ **Proximity to a large regional center** - The nearest larger regional center is Mitchell, which is approximately 35 miles from Tripp. Some households desire or need to be in close proximity to a large regional center for health care, job opportunities, recreational facilities, etc.
- ▶ **Lack of new construction** - No owner-occupied homes or rental units have been constructed in Tripp for many years.

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 Tripp. They are based on the following strategies.

- ▶ **Be realistic in expectations for housing development** - Large-scale residential growth has not occurred in the 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 Tripp 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 Tripp will be heavily dependent on the City's appeal as a residential location. The condition of the existing housing stock is a major factor in determining the City's long-term viability. The existing housing stock is a major asset, however, rehabilitation efforts are needed to continue to preserve the housing stock.
- ▶ **Protect the existing assets and resources** - Tripp has several assets including a K-12 school, a commercial district, a clinic, etc. These are assets that make Tripp a desirable community to live in, and are key components to the City's long-term success and viability. These assets must be protected and improved.
- ▶ **Develop a realistic action plan with goals and time lines** - The City of Tripp should prioritize its housing issues and establish goals and time lines to achieve success in addressing its housing needs.
- ▶ **Access all available resources for housing** - In addition to the local efforts, the City has other resources to draw on including USDA Rural Development, the South Dakota Housing Development Authority, Planning and Development District III, Dakota Resources, and Grow South Dakota. These resources should continue to be accessed as needed to assist with housing activities.

Summary of Findings/Recommendations

The findings/recommendations for the City of Tripp have been formulated through the analysis of the information provided in the previous sections and include 22 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 four to six general occupancy market rate rental units
2. Promote the development/conversion of three to four affordable market rate rental housing units
3. Monitor the need for additional subsidized rental housing units
4. Preserve the existing supply of subsidized housing
5. Develop six to eight senior independent/light services units
6. Develop a downtown mixed-use commercial/housing project
7. Utilize the Housing Choice Voucher Program

Home Ownership

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

Single Family Housing Development

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

Housing Rehabilitation

14. Promote rental housing rehabilitation
15. Promote owner-occupied housing rehabilitation efforts
16. Develop a City of Tripp Revitalization Program

Other Housing Initiatives

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

Tripp - 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 2019, we are not aware of any rental units that were constructed in Tripp.

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 Tripp expect some limited household growth over the five-year projection period. From 2019 to 2024, based on AGS and Esri projections, we are estimating there will be a gain of up to 23 households. It is estimated that approximately 40% of these households will be renters, thus, there will be a demand for approximately nine 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 one to two units per year. As a result, approximately four to six 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 may also be lost due to rental units converting to owner occupancy.

Pent-up demand also exists for some rental housing segments. As part of this study, a rental survey was conducted. The survey found only one vacant unit in the general occupancy market rate units that were surveyed and the rental housing owner/managers reported high occupancy rates. The rental subsidized project also had only one vacant unit.

We identified pent-up demand for affordable market rate rental units and senior independent/light services projects.

These three demand generators, after factoring current vacancy rates, show a need for 13 to 18 rental units over the next five years. Based on the factors stated above, we recommend the development of the following new rental units/beds over the next five years from 2020 to 2025.

▶ General Occupancy Market Rate	4-6 units
▶ Subsidized	0 units
▶ Affordable/Conversions	3-4 units
▶ <u>Senior (Independent/Light Services)</u>	<u>6-8 units</u>
Total	13-18 units

1. Develop four to six general occupancy market rate rental units

Findings: Based on American Community Survey data, approximately 55% of the rental housing in the City of Tripp 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.

In the market rate rental units were surveyed, we found one vacancy. The rental property owners and managers reported high occupancy rates and an ongoing demand for market rate rental housing.

The rental rates are low in the City of Tripp. The existing rent range, based on the size of the unit, including utilities, is approximately \$450 to \$650.

Over the past 20 years, we are not aware of any market rate rental units that were constructed in Tripp.

In 2017, 12.9% of the occupied housing units in Tripp were rental units. This is a very low percentage of rental units.

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

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

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

The first option to developing market rate housing would be to encourage private developers to undertake the construction of market rate rental housing. If private developers do not proceed, the Tripp Development Corporation or a regional housing agency could potentially utilize essential function bonds, or similar funding sources, to construct market rate units. Also, the Tripp Development Corporation could partner with private developers to construct units. The City could assist rental development with land donations, tax increment financing, tax abatement, reduced water and sewer hookup fees, etc.

Additionally, South Dakota Housing Development Authority may have programs that will assist Tripp with rental housing development.

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

<u>Unit Type</u>	<u>No. of Units</u>	<u>Size/Sq. Ft.</u>	<u>Rent</u>
One Bedroom	1	700 - 800	\$600 - \$650
Two Bedroom	2-4	900 - 1,000	\$700 - \$750
Three Bedroom	<u>1</u>	1,100 - 1,200	\$800 - \$850
Total	4-6		

Note: The recommended rents are gross rents including all utilities. The rents are quoted in 2019 dollars.

2. Promote the development/conversion of three to four market rate rental housing units

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

Tripp has lost some rental housing over the years due to deterioration and demolition. Part of the need for additional rental units in Tripp 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 Tripp to promote the development/conversion of more affordable rental units. A goal of three to four units over the next five years would help to replace affordable housing that has been lost.

It would be difficult to create units through new construction. Instead, it may be more practical to work on building renovation or conversion projects that can create housing. This opportunity may arise in commercial buildings, or through the purchase and rehabilitation of existing single family homes. The skilled nursing home, which closed and is currently privately owned could potentially be converted to rental housing in the future. Several single family homes have been rehabilitated for rental housing by local individuals.

The estimated prevailing rent range for older rental units in Tripp is typically between \$450 and \$650. Creating some additional units with contract rents below \$625 per month would help to expand the choices available to a majority of the City's renter households.

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

3. Monitor the need for additional 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 one subsidized project in Tripp, Morningside Apartments, with a total of 16 units. The tenants in these projects pay 30% of their income up to a maximum rent. At the time of the survey, the manager reported one vacancy, however, the manager reported that the project typically has a few vacancies.

According to the American Community Survey, the 2017 American Community survey estimated that approximately 16 renters in Tripp were paying 35% or more of their income for rent.

Recommendation: We do not recommend the development of additional subsidized rental housing at this time. There currently are 16 subsidized rental units in Tripp. The rent structure of market rate units in Tripp is low, which provides affordable housing for low income households. Additionally, it is currently difficult to obtain funding for subsidized rental housing.

We have recommended the construction of four to six market rate units, and three to four affordable/conversion market rate units. We also recommend that the City monitor the need for the production of subsidized housing in the future.

4. Preserve the existing supply of subsidized housing

Findings: Tripp has one “deep subsidy” rental housing project, Morningside Apartments, that allows tenants to pay rent based on 30% of income. This project is more than 30 years old and was constructed when the federal government was actively involved in producing low income housing.

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

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

Recommendation: The South Dakota Housing and Development Authority (SDHDA) tracks subsidized housing in South Dakota that is at risk of being lost. SDHDA administers subsidy programs statewide and would therefore be aware of subsidized housing that is in the process of ending its subsidy contract. Also, USDA Rural Development would know of any projects leaving their subsidy program.

Local and regional housing agencies should check with SDHDA, USDA Rural Development, and the owner of Morningside Apartments on an ongoing basis to determine if Morningside Apartments is considering the option of dropping its subsidy contract. In some communities, public or nonprofit agencies have been able to purchase projects that are at-risk of being lost, to preserve their affordable housing resources.

5. Develop six to eight senior independent/light services market rate units

Findings: There are no senior independent/light services market rate rental projects in Tripp.

In 2019, there were approximately 147 households age 65 or older in Tripp. It is projected that there will be an additional four households age 65 and older in Tripp by the year 2024.

We are estimating that 4.5% to 5.5% of senior households age 65 and older in Tripp would move into a senior independent/light services rental project. Also, the project would attract tenants from the area surrounding Tripp.

A 37-bed skilled nursing home was located in Tripp, however, the facility closed in 2017.

Recommendation: We are recommending a six to eight-unit independent/light services senior project in Tripp. The project should be designed to allow seniors to live in a unit independently. The senior project could be a one-level apartment building or town home-style.

The project's amenities and features should include:

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

Unit features should include:

- ▶ 6 to 8 units
 - ▶ 2 to 3 one-bedroom
 - ▶ 4 to 5 two-bedroom
- ▶ Floor plans that promote accessibility
- ▶ Fully equipped kitchen
- ▶ Large storage area
- ▶ Ample closet space
- ▶ Laundry hookups
- ▶ Open floor plan
- ▶ Private patio
- ▶ Individually controlled heat and AC
- ▶ Raised outlets, lever door handles, lowered kitchen cabinets
- ▶ Expansive windows

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

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

Tax increment financing, tax abatement, land donations, low interest loans and/or other subsidies and incentives could be utilized to make the project financially feasible.

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

The location of the project should be close to services as the project will be occupied by seniors. A high amenity location would be ideal for a senior project. If possible, the project should have land available for future project phases.

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

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

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

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

We recommend commercial space on the first floor and two to three rental units on the second floor. Prior to construction, a portion of the commercial space should be leased to an anchor tenant who would complement existing downtown businesses and attract people to downtown. The main floor space could also be a governmental space such as city office or a library or nonprofit space such as a senior or community center.

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.

The City, the Tripp Development Corporation and the Tripp Community Foundation may have a role in the project by providing tax increment financing, tax abatement, land at a reduced price or other local funds.

7. Secure access to 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.

Currently, Tripp and Hutchinson County does not have access to the Housing Choice Voucher Program as it is not being administered by the City or County. Most cities and counties in South Dakota are utilizing the Housing Choice Voucher Program.

Recommendation: The City of Tripp and Hutchinson County should work with the South Dakota Housing Development Authority to identify a housing agency that will administer the Housing Choice Voucher Program in Tripp and Hutchinson County. If the City and County obtain access to the Housing Choice Voucher Program, households in Tripp should be informed of the Housing Choice Voucher Program and have an opportunity to apply for assistance.

Tripp - 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 Tripp is estimated to be approximately \$41,750 based on sales activity in 2018. The home values in Tripp provide a good opportunity for first time buyers and households seeking moderately priced homes.

Our analysis of Tripp’s demographic trends shows an increase in the number of households in the traditionally strong home ownership in the 65 and older age ranges over the next five years. The 25 to 34 age range will also have an increase in the number of households. Some households in these age ranges as well as other age ranges that have not been able to achieve the goal of home ownership may need the assistance of special programs to help them purchase a home.

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

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

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

First time home buyer assistance, down payment and closing cost assistance, low interest loans and home ownership counseling and training programs can help to address affordable housing issues. The City of Tripp 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 funds, 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: Tripp should 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 Tripp should also work with housing agencies to assure that they are receiving their share of resources that are available in the region.

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

9. Develop a Purchase/Rehabilitation Program

Findings: Tripp has a stock of older, lower valued homes, many of which need repairs. Our analysis of 2018 sales activity indicates that approximately 50% of the homes in Tripp are valued less than \$41,750. 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 the City of Tripp, the Tripp Development Corporation or the Tripp Community Foundation 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.

Additionally, there may be an opportunity for local and regional 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.

Tripp - Single Family Housing Development

Single Family Housing Development

Findings: Based on City information, no single family owner-occupied houses have been constructed in Tripp in the past 20 years.

It is our opinion that if the City, the Tripp Development Corporation, the Tripp Community Foundation, housing agencies, and builders are proactive, five to six owner-occupied housing units can be constructed or moved into Tripp from 2020 to 2025.

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

▶ Higher and medium priced homes	1
▶ Affordable homes	2-3
▶ Twin homes/town homes	<u>2</u>
Total	5-6

10. Lot availability and lot development

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

Based on interviews with City officials, there are several residential parcels in the city that could be utilized for housing development. The parcels are privately owned or owned by the Tripp Development Corporation. Also, dilapidated homes are being demolished in Tripp. Some of the cleared lots may be potential sites for new construction.

Recommendation: With projections that five to six new owner-occupied housing units could be constructed in Tripp over the next five years, the City appears to have an adequate number of residential lots available to meet the expected demand. Part of this demand would be for attached unit construction.

To achieve the level of new home construction potential that has been identified, we would recommend the following:

- ▶ The City should determine the availability and viability of all vacant lots for new residential construction and parcels in the City.

- ▶ A lot inventory should be maintained and available for future buyers.
- ▶ The lots should have covenants that assure quality development. However, the covenants should not be so restrictive that they eliminate the target market's ability to construct a home.
- ▶ The lots should accommodate a variety of home designs and home prices.
- ▶ All stakeholders should be involved in promoting and publicizing the lots.
- ▶ To be successful, the homes must be available to households with as wide an income range as possible.
- ▶ Some lots should be available for twin home/ town home development.
- ▶ Successful lot development will need the cooperation of financial institutions, funding agencies, employers, the City of Tripp, the Tripp Development Corporation, and the Commercial Community Foundation. Financial assistance such as tax increment financing and tax abatement, may be necessary to make the development of lots feasible.
- ▶ The lots must be as aesthetically acceptable as possible and include high quality amenities.
- ▶ If the lots are sold at a reduced price, the lot buyer should be obligated to build a home on the lot within a specified time period.

11. Strategies to encourage residential lot sales and new home construction in Tripp

Findings: There are some lots and parcels available in the City of Tripp that are available for new residential construction.

Recommendation: We recommend that the City of Tripp, the Tripp Development Corporation and the Tripp Community Foundation coordinate efforts with the private sector to promote lot sales and housing development in Tripp.

Our recommendations to promote lot sales and housing development include:

- ▶ **Competitive pricing** - There are lots that are available in communities throughout the Region. Lot prices in Tripp will need to be competitive.
- ▶ **Plan for long-term absorption** - The research completed for this Study expects limited annual absorption of lots in Tripp over the next five years. It is necessary to view the lot sales and housing development as a long-term plan.
- ▶ **Generate initial activity** - To stimulate new construction, proactive efforts, such as the sale of some lots at discounted prices, reduction of hookup and permit fees or other incentives should be provided if the buyer agrees to build a home of a certain quality and style within a specified time period. This will help create some momentum for houses to be built.
- ▶ **Consider developing an exclusive builder(s) relationship** - Several lots could be sold to a builder(s). Momentum can be created when a builder has access to several lots. This allows for marketing opportunities and efficiencies in the home building process. The lot owners should require the builder to construct a minimum number of homes per year. Builders are more willing to enter a market when the lots are attractive and very affordable. Several lots available to an exclusive builder or developer should be explored, even if significant price concessions are required.
- ▶ **User-Friendly** - The lot purchase and homebuilding process must be 'user-friendly.' This includes builders, who are readily available to build custom homes, information on quality homes that could be moved into the community and City regulations that are fair and reasonable. This entire process should be as user-friendly as possible to encourage new home construction.
- ▶ **Lot Availability for affordable homes** - Lots should be available for affordable homes including modular homes.
- ▶ **Allow for a range of house prices** - Lots should be available in Tripp in as wide a range of home sizes and prices as possible. This would broaden the lot buyer market.

- ▶ ***Incentives*** - Many cities throughout South Dakota are offering incentives to construct new homes, including reduced lot prices, reduced water and sewer hookup fees, tax abatements, cash incentives, etc. Incentives should be considered to promote new home construction.
- ▶ ***Lot availability for twin home/town home development*** - It is our opinion that there will be a demand for twin homes/town homes. Lots should be available for twin home/town home lot development.
- ▶ ***Marketing*** - The City of Tripp, the Tripp Development Corporation and the Tripp Community Foundation should develop a marketing strategy to sell the available lots. All stakeholders including realtors, financial institutions, builders, employers, etc. should be included in marketing strategies. In addition to marketing the lots, the City of Tripp and its amenities should be marketed.
- ▶ ***Governors Homes*** - Governors Homes are an affordable option and SDHDA has initiated a program that enables developers to participate in the 'Governor's Home Program.'
- ▶ ***South Dakota Housing Development Authority Programs (SDHDA)*** - SDHDA has housing programs available to assist developers, builders and home buyers.
- ▶ ***Manufactured and Modular Homes*** - Manufactured and modular homes can provide affordable opportunities for moderate income households.
- ▶ ***Consider partnerships that share and split financial risk to construct spec homes*** - Spec houses could potentially attract buyers that are not interested in going through the home building process, but instead wants a turnkey unit. A spec home can also serve as a model, allowing potential home buyers to examine specific floor plans and features in the home before committing to buy. In an attempt to spur spec home construction, some communities have formed partnerships with private home builders to share the financial risks. For example, lot owners have been willing to defer the payment for the lot until the spec home is sold. Another builder incentive is for the City to waive any water/sewer hook up fees, special assessment payments and building permit fees until the home is sold. A more aggressive approach is to become directly involved in helping cover the payments on a home builder's construction loan, if the house does not sell within a reasonable period of time. A community risk pool would need to be established for this type of activity. These types of approaches would somewhat reduce the builder's risk, by lowering the upfront development costs.

12. Coordinate with agencies/nonprofits that develop affordable housing

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

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

There have been initial discussions in Tripp, to create a corporation of local individuals, who could construct or move affordable single family owner-occupied housing in Tripp.

13. Promote town house, twin home and condominium development

Findings: Tripp has not experienced any attached housing development over the past 20 years. Many communities over the past two decades have seen attached housing take an increasingly large share of new construction for owner-occupants. In cities the size of Tripp, 20% to 25% of the housing starts are typically twin homes/town homes.

Attached housing provides desirable alternatives for empty nesters and seniors to move out of their single family homes, thus, making traditional single family homes available for families. Attached housing may also be an affordable option for younger households. In 2019, based on Esri estimates, there were approximately 199 households in Tripp with a head of household in the 55 and older age ranges, and it is estimated that the 55 and older age ranges will increase by three households from 2019 to 2024.

It is important for the City to offer a range of life-cycle housing options as many of these households will be seeking to downsize into low maintenance housing options.

Recommendation: It is our projection that one twin home (two units) could be constructed over the next five years with the potential to develop additional twin homes after the five-year projection period.

We recommend twin home/town home construction, and to be successful, the following should be considered:

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

The public sector's role in any owner-occupancy attached housing development should include assuring that adequate land is available for development and that zoning allows for attached housing development. The City, the Tripp Development Corporation and the Tripp Community Foundation could also provide tax increment financing, tax abatement or other financial incentives.

Tripp - Housing Rehabilitation and Neighborhood Revitalization

Housing Rehabilitation and Neighborhood Revitalization

Findings: Tripp has an asset in its existing housing stock. Existing units, both now and into the future, will represent the large majority of its 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 Tripp and area housing agencies will need to make housing rehabilitation a priority in the future. Housing options for households at or below the median income level will largely be met by the existing, more affordable housing stock. As this existing stock ages, more maintenance and repair will be required. Without rehabilitation assistance, there is a chance that this affordable stock could shrink, creating an even more difficult affordability situation.

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

14. Promote rental housing rehabilitation

Findings: Based on 2017 American Community Survey data, the City of Tripp has approximately 35 rental units in 2017. These rental units are in a multi-family project, single family homes, mobile homes and mixed-use buildings. Many of these rental structures could benefit from rehabilitation as over 86% of these rental structures are more than 30 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 Tripp should work with housing agencies to seek funds that allow for program design flexibility that make a rental rehabilitation program workable. Potential funding sources may include USDA Rural Development, Grow South Dakota, the South Dakota Housing Development Authority and the Federal Home Loan Bank.

15. Promote owner-occupied housing rehabilitation efforts

Findings: The affordability and quality of the existing housing stock in Tripp will continue to be an attraction for families that are seeking housing in Tripp. Investment in owner-occupied housing rehabilitation activities will be critical to offering affordable housing opportunities. According to 2017 American Community Survey data, over 90% of the owner-occupied housing units in Tripp are more than 30 years old. Some of these units need rehabilitation.

Our housing condition survey of 316 homes in Tripp found 113 homes that need minor repairs and 82 homes that need major repairs. Without rehabilitation assistance, the affordable housing stock will shrink in Tripp.

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

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

16. Develop a City of Tripp Revitalization Program

Findings: Tripp has older neighborhoods that have a significant number of homes and buildings that need rehabilitation or are dilapidated and should be demolished. These neighborhoods also have a significant number of low/moderate income households. The neighborhoods could continue to deteriorate or could be revitalized to be strong viable neighborhoods.

Recommendation: Over the years, there has been housing and neighborhood revitalization projects in the neighborhoods including housing rehabilitation, the demolition of dilapidated housing, land pooling and public facility improvements. We recommend that the City of Tripp, the Tripp Development Corporation, the Tripp Community Foundation, area housing agencies and the private housing sector continue these efforts, and develop and implement a Revitalization Program for the City's neighborhoods.

Redevelopment strategies and opportunities should be identified including:

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

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

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

Tripp - Other Housing Initiatives

Other Housing Initiatives

17. Encourage employer involvement in housing

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

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

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

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

18. Continue to acquire and demolish dilapidated structures

Findings: Our housing condition survey identified 37 single family houses in Tripp that are dilapidated and too deteriorated to rehabilitate. This is approximately 12% of the City's single family housing stock. We also identified 82 single family houses in Tripp as needing major repair and some of these homes may be too dilapidated to rehabilitate. To improve the quality of the housing stock and to maintain the appearance of the City, dilapidated structures should be demolished.

Over the past 10 years, approximately seven dilapidated homes have been demolished in Tripp.

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

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

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

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

Recommendation: Tripp 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 Tripp 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.

20. Strategies for Downtown Redevelopment

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

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

Recommendation: We are recommending the initiation or continuation of the following actions for downtown Tripp:

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

- ▶ Work with stakeholders to identify roles, secure funding, develop and implement programs and projects
 - ▶ Property owners
 - ▶ City of Tripp
 - ▶ Tripp Development Corporation
 - ▶ Planning and Development District III
 - ▶ Tripp Community Foundation
 - ▶ Dakota Resources

21. Develop home ownership and new construction marketing programs and strategies

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

The City of Tripp, the Tripp Development Corporation, the Tripp Community Foundation, other organizations, and the private sector have been active in promoting the City, including housing opportunities.

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

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

- ▶ Provide attractive lots at an affordable price for a variety of home sizes, styles and price ranges
- ▶ Continue to 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, such as new single family homes, rental housing, twin homes, senior housing, etc.
- ▶ Review the City's policies and fees to assure that they are user-friendly, fair and receptive for developers, builders and households.
- ▶ Develop a coordinated housing plan with all the City's housing stakeholders

Agencies and Resources

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

Planning and Development District III

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

Rural Office of Community Services, Inc.

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

Grow South Dakota

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

South Dakota Housing Development Authority

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

USDA Rural Development

2914 Broadway
Yankton, SD 57078
(605) 665-2662

Dakota Resources

25795 475th Ave., Suite 1
Renner, SD 57055
(605) 978-2804