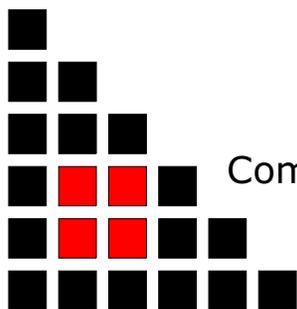


Tyndall/Tabor HOUSING STUDY

February 2019

An analysis of the overall housing needs of the
Cities of Tyndall and Tabor



Community Partners Research, Inc.
Faribault, MN

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Introduction

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

Goals

The multiple goals of the study include:

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

Methodology

A variety of resources were utilized to obtain information for the Housing Study. Community Partners Research, Inc., collected and analyzed data from November 2018 to January 2019. Data sources included:

- U.S. Census Bureau
- American Community Survey
- Esri, a private data company
- Records and data from the communities
- Records and data maintained by Bon Homme County
- South Dakota State Data Center
- Interviews with local officials, community leaders, housing stakeholders, etc.
- Area housing agencies
- State and Federal housing agencies
- Rental property owner surveys
- Housing condition surveys

Limitations

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

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Demographic Data Overview

Sources of Data

The following pages contain demographic data obtained from a variety of local, state and national sources for the City of Tyndall, the Town of Tabor and Bon Homme County. The 2010 Census provides much of the base data for population and household trends. However, the 2010 Census was more limited in scope than in the past. As a result, some of the demographic variables, such as income and housing cost information, were not collected.

To supplement the decennial Census, the Census Bureau has created the American Community Survey, an annual sampling of households. The American Community Survey provides detailed demographic characteristics, replacing information once collected by the decennial Census. The latest American Community survey data is for the year 2017. The 2017 data was released in December 2018. However, because the American Community Survey is based on sampling data, there is a margin of error that exists for each estimate. The following tables incorporate the 2010 Census data, when available, or the American Community Survey data.

The frequency of American Community Survey estimates vary depending on the size of the jurisdiction. For most jurisdictions in South Dakota, the 2017 estimates were derived from sampling that was done over a five-year period, between 2012 and 2017.

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

Population Data and Trends

Table 1 Population Trends - 1990 to 2018						
	1990 Census	2000 Census	% Change 1990-2000	2010 Census	% Change 2000-2010	2018 Esri Estimates
Tyndall	1,201	1,239	3.2%	1,067	-13.9%	1,104
Tabor	403	417	3.5%	423	1.4%	435
Bon Homme Co.	7,089	7,260	2.4%	7,070	-2.6%	7,072

Source: U.S. Census; Esri

- ▶ Two sources, Esri and the American Community Survey, have estimated each jurisdiction’s population since the 2010 U.S. Census. The American Community Survey’s estimates are for 2017 and the Esri estimate is for 2018.
- ▶ The American Community Survey estimates that in 2017, Tyndall’s population was 1,044, a loss of 23 people since 2010, and Tabor’s population was estimated to be 409, a loss of 14 people since 2010. Bon Homme County’s population was estimated to be 6,984 in 2017, a loss of 86 people since 2010.
- ▶ Esri’s estimates are for the year 2018 and are more optimistic than the American Community Survey estimates. Esri estimates that all of the jurisdictions had population increases from 2010 to 2018. Esri estimated that Tyndall’s population in 2018 was 1,104, a gain of 37 people from 2010. Tabor’s population was estimated to be 435 people in 2018, a gain of 12 people since 2010. Esri estimated that Bon Homme County’s population was 7,072 in 2018, a gain of two people since 2010.
- ▶ According to the 2010 U.S. Census, Tabor gained population while Tyndall and Bon Homme County had population losses from 2000 to 2010.
- ▶ Tyndall’s population was 1,067 people in 2010. The 172-person decrease from 2000 was a population loss of 13.9%.
- ▶ Tabor’s population was 423 people in 2010. The six-person increase from 2000 was a population gain of 1.4%.

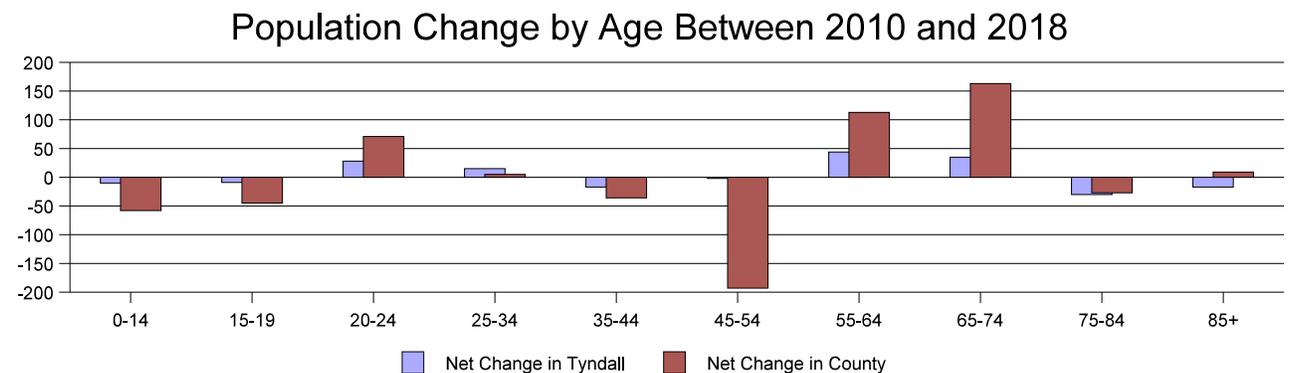
- ▶ Bon Homme County's population was 7,070 in 2010. This was a decrease of 190 people from 2000, for a population loss of 2.6%.
- ▶ Tyndall, Tabor and all of Bon Homme County experienced population increases in the 1990s. Tyndall's population increased by 38 people and Tabor's population increased by 14 people. Bon Homme County's population increased by 171 people from 1990 to 2000.
- ▶ In 2010, 97.9% of Tyndall's population identified their race as White, 0.7% identified themselves as American Indian, 0.1% identified themselves as Black/African American and 1.3% identified themselves as some other race or two or more races. In Tabor, 94.8% of the population identified their race as White, 0.2% identified themselves as Asian and 5.0% identified themselves as some other race or two or more races. For all of Bon Homme County, 89.8% of the population identified their race as White, 7.1% identified themselves as American Indian, 1.0% identified themselves as Black/African American, 0.1% identified themselves as Asian and 2.0% identified themselves as some other race or two or more races.
- ▶ In 2010, 1.6% of Tyndall's population, 3.5% of Tabor's population and 1.8% of Bon Homme County's population identified themselves as Hispanic or Latino.

Population by Age Trends in Tyndall: 2010 to 2018

The release of age-based demographic information from Esri allows for some analysis of the changing age patterns for Tyndall and Bon Homme County. The following table compares population by age in 2010 and 2018, along with the numeric changes.

Table 2 Population by Age - 2010 to 2018						
Age	Tyndall			Bon Homme County		
	2010	2018	Change	2010	2018	Change
0-14	187	177	-10	1,106	1,048	-58
15-19	62	53	-9	406	361	-45
20-24	23	51	28	404	475	71
25-34	78	93	15	903	908	5
35-44	122	105	-17	893	857	-36
45-54	152	150	-2	1,122	929	-193
55-64	142	186	44	889	1,002	113
65-74	107	142	35	579	742	163
75-84	111	81	-30	491	464	-27
85+	83	66	-17	277	286	9
Total	1,067	1,104	37	7,070	7,072	2

Source: U.S. Census; Esri



For many years, demographic analysts have been talking about the impact that is occurring as the large “baby boom” generation moves through the aging cycle. This trend has been evident in Tyndall and Bon Homme County.

Between 2010 and 2018, Tyndall had a gain of 79 people and the Bon Homme County had a gain of 276 people in the age ranges between 55 and 74 years old. In 2018, all of the baby boomers were within these age ranges.

The City of Tyndall also had a gain of 43 people in the 20 to 34 age ranges. Tyndall had a loss of 19 people in the 0 to 19 age ranges, a loss of 19 people in the 35 to 54 age ranges and a loss of 47 people in the 75 and older age ranges.

In addition to the 55 to 74 age ranges, Bon Homme County also had a gain of 76 people in the 20 to 34 age ranges and a gain of nine people in the 85 and older age ranges from 2010 to 2018. Bon Homme County had a loss of 103 people in the 0 to 19 age ranges, a loss of 229 people in the 35 to 54 age ranges and a loss of 27 people in the 75 to 84 age range.

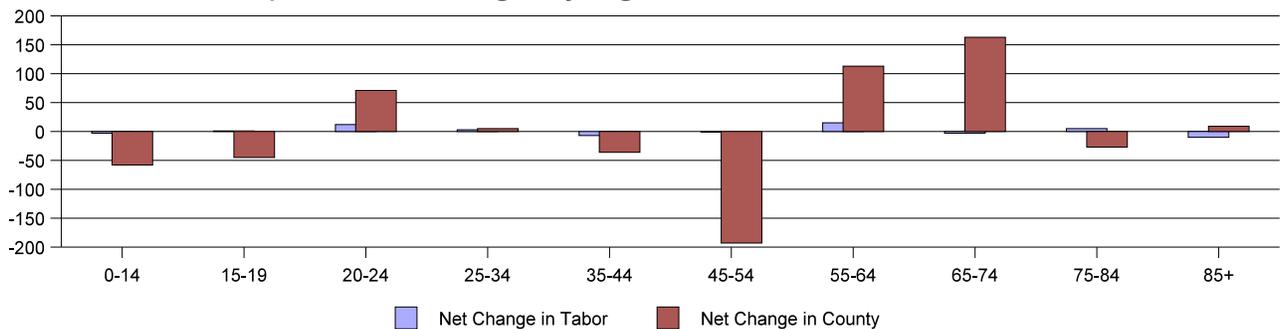
Population by Age Trends in Tabor: 2010 to 2018

The release of age-based demographic information from Esri allows for some analysis of the changing age patterns for Tabor and Bon Homme County. The following table compares population by age in 2010 and 2018, along with the numeric changes.

Table 3 Population by Age - 2010 to 2018						
Age	Tabor			Bon Homme County		
	2010	2018	Change	2010	2018	Change
0-14	98	95	-3	1,106	1,048	-58
15-19	30	31	1	406	361	-45
20-24	12	24	12	404	475	71
25-34	40	43	3	903	908	5
35-44	53	46	-7	893	857	-36
45-54	53	52	-1	1,122	929	-193
55-64	50	65	15	889	1,002	113
65-74	49	46	-3	579	742	163
75-84	20	25	5	491	464	-27
85+	18	8	-10	277	286	9
Total	423	435	12	7,070	7,072	2

Source: U.S. Census; Esri

Population Change by Age Between 2010 and 2018



For many years, demographic analysts have been talking about the impact that is occurring as the large “baby boom” generation moves through the aging cycle. This trend has been evident in Tabor and Bon Homme County.

Between 2010 and 2018, Tabor had a net gain of 12 people and the Bon Homme County had a gain of 276 people in the age ranges between 55 and 74 years old. In 2018, all of the baby boomers were within these age ranges.

The Town of Tabor also had a gain of 16 people in the 15 to 34 age ranges and a gain of five people in the 75 to 84 age range. Tabor had a loss of three people in the 0 to 14 age range, a loss of eight people in the 35 to 54 age ranges, a loss of three people in the 65 to 74 age range and a loss of 10 people in the 85 and older age range.

In addition to the 55 to 74 age ranges, Bon Homme County also had a gain of 76 people in the 20 to 34 age ranges and a gain of nine people in the 85 and older age range from 2010 to 2018. Bon Homme County had a loss of 103 people in the 0 to 19 age ranges, a loss of 229 people in the 35 to 54 age ranges and a loss of 27 people in the 75 to 84 year old age range.

Population Projections

The following table presents population projections using two different sources. Estimates and projections have been obtained from Esri and span the five-year period from 2018 to 2023. The South Dakota State Data Center has issued Bon Homme County population projections for the year 2025.

Table 4 Population Projections Through 2023/25				
	2010 US Census	2018 Estimate Esri	2023 Projection Esri	2025 Projection State Data Center
Tyndall	1,067	1,104	1,121	-
Tabor	423	435	439	-
Bon Homme Co.	7,070	7,072	7,074	6,781

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

- ▶ Esri’s growth projections expect a gain of 17 people in Tyndall, a gain of four people in Tabor and a gain of two people in Bon Homme County from 2018 to 2023.
- ▶ The State Data Center projects that Bon Homme County’s population will be 6,781 in 2025, 293 people less than Esri’s 2023 projection. When compared to the 2010 Census, the State Data Center expects that Bon Homme County will see a decrease of 289 people by the year 2025.

Household Data and Trends

Table 5 Household Trends - 1990 to 2018						
	1990 Households	2000 Households	% Change 1990-2000	2010 Households	% Change 2000-2010	2018 Esri Estimate
Tyndall	519	524	1.0%	471	-10.1%	493
Tabor	168	188	11.9%	172	-8.5%	179
Bon Homme Co.	2,647	2,635	-0.5%	2,457	-6.8%	2,479

Source: U.S. Census; Esri

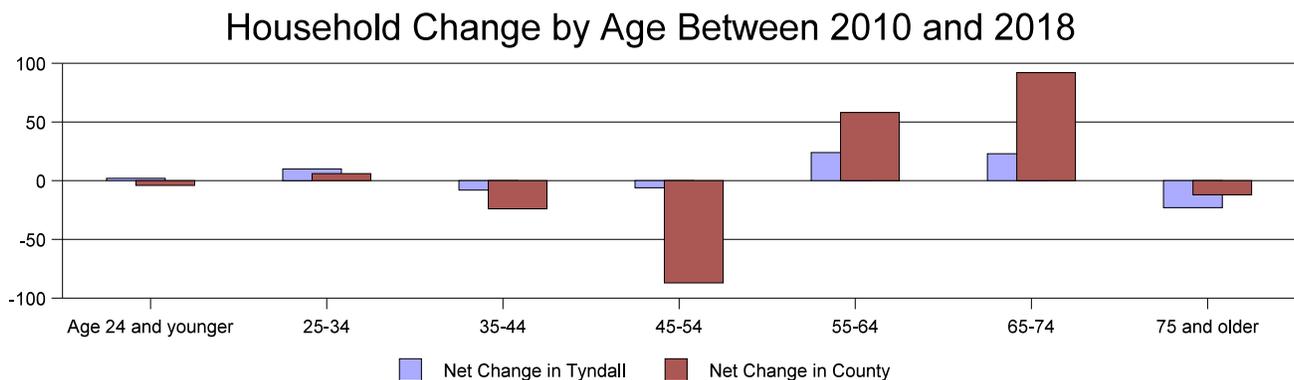
- ▶ Esri’s estimates for 2018 show that Tyndall has had a gain of 22 households since 2010, while Tabor has gained seven households in the current decade. Bon Homme County gained 22 households from 2010 to 2018, which would largely be attributed to the changes in Tyndall and Tabor.
- ▶ According to the 2010 Census, all of the jurisdictions had household losses from 2000 to 2010.
- ▶ Tyndall had a loss of 53 households (-10.1%) from 2000 to 2010.
- ▶ Tabor had a loss of 16 households (-8.5%) from 2000 to 2010.
- ▶ Bon Homme County had 2,457 households in 2010. This was a decrease of 178 households, or a household loss of 6.8% from 2000 to 2010.
- ▶ During the 1990s, Tyndall had a gain of five households, Tabor had a gain of 20 households, and Bon Homme County had a loss of 12 households.

Household by Age Trends in Tyndall: 2010 to 2018

The age-based estimates from Esri allow for some analysis of Tyndall and Bon Homme County’s changing age patterns. The following table compares households by age of householder in 2010 and 2018, along with the numeric changes.

Table 6 Households by Age - 2010 to 2018						
Age	Tyndall			Bon Homme County		
	2010	2018	Change	2010	2018	Change
15-24	9	11	2	67	63	-4
25-34	34	44	10	249	255	6
35-44	66	58	-8	306	282	-24
45-54	96	90	-6	507	419	-87
55-64	90	114	24	476	532	58
65-74	68	91	23	342	432	92
75+	108	85	-23	510	496	-12
Total	471	493	22	2,457	2,479	29

Source: U.S. Census; Esri



Tyndall added 12 households in the 15 to 34 year old age ranges and 47 households in the 55 to 74 age ranges. Tyndall had a decrease of 14 households in the 35 to 54 age ranges, and a loss of 23 households in the 75 and older age ranges.

Bon Homme County added six households in the 25 to 34 age range and 150 households in the 55 to 74 age ranges from 2010 to 2018. Bon Homme County had a decrease of four households in the 15 to 24 age range, a loss of 111 households in the 35 to 54 age ranges and a loss of 12 households in the 75 and older age range.

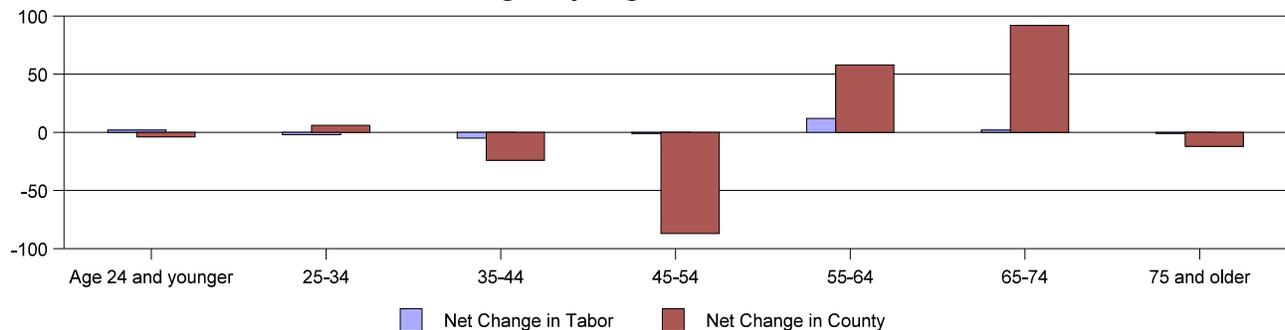
Household by Age Trends in Tabor: 2010 to 2018

The age-based estimates from Esri allow for some analysis of Tabor and Bon Homme County’s changing age patterns. The following table compares households by age of householder in 2010 and 2018, along with the numeric changes.

Table 7 Households by Age - 2010 to 2018						
Age	Tabor			Bon Homme County		
	2010	2018	Change	2010	2018	Change
15-24	5	7	2	67	63	-4
25-34	23	21	-2	249	255	6
35-44	27	22	-5	306	282	-24
45-54	33	32	-1	507	419	-88
55-64	27	39	12	476	532	56
65-74	29	31	2	342	432	90
75+	28	27	-1	510	496	-14
Total	172	179	7	2,457	2,479	22

Source: U.S. Census; Esri

Household Change by Age Between 2010 and 2018



Tabor had a gain of two households in the 15 to 24 age range and a gain of 14 households in the 55 to 74 age ranges. Tabor had a loss of eight households in the 25 to 54 age ranges and a loss of one household in the 75 and older age range.

Bon Homme County added six households in the 25 to 34 age range and 150 households in the 55 to 74 age ranges from 2010 to 2018. Bon Homme County had a decrease of four households in the 15 to 24 age range, a loss of 111 households in the 35 to 54 age ranges and a loss of 12 households in the 75 and older age range.

Average Household Size

The following table provides decennial Census information on average household size, and a 2018 estimate from Esri.

Table 8 Average Number of Persons Per Household: 1990 to 2018				
	1990 Census	2000 Census	2010 Census	2018 Esri Estimate
Tyndall	2.17	2.22	2.12	2.13
Tabor	2.40	2.22	2.46	2.02
Bon Homme County	2.44	2.38	2.24	2.23
South Dakota	2.59	2.50	2.42	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.

The average household size in Tyndall, Tabor, and Bon Homme County has decreased from 1990 to 2018. However, the average household size has fluctuated in Tyndall and Tabor over the decades. Tyndall’s average household size decreased from 2.17 in 1990 to 2.13 in 2018, however, Tyndall’s average household size increased from 1990 to 2000 and increased slightly from 2010 to 2018. Tabor’s average household size decreased from 2.40 in 1990 to 2.02 in 2018, however, Tabor’s average household size increased substantially from 2000 to 2010 followed by a significant decrease from 2010 to 2018. Bon Homme County’s average household size decreased from 2.44 in 1990 to 2.23 in 2018.

Household Projections

The following table presents Esri’s 2018 household estimates and 2023 household projections for the two communities and Bon Homme County.

Table 9 Household Projections Through 2023				
	2010 Census	2018 Estimate Esri	2023 Projection Esri	Change 2018 to 2023
Tyndall	471	493	502	9
Tabor	172	179	182	3
Bon Homme Co.	2,457	2,479	2,486	7

Source: U.S. Census; Esri

- ▶ The household estimates from 2010 to 2018 and the household projections from 2018 to 2023 for Tyndall, Tabor and Bon Homme County show household gains. These estimates and projections counter the household losses these jurisdictions experienced from 2000 to 2010.
- ▶ Esri estimates that Tyndall increased by 22 households from 2010 to 2018 and is projected to increase by an additional nine households from 2018 to 2023.
- ▶ Esri estimates that Tabor had a gain of five households from 2010 to 2018 and is projected to gain another three households from 2018 to 2023.
- ▶ Esri’s 2018 estimate for Bon Homme County shows a gain of 22 households from 2010 to 2018. Esri projects that Bon Homme County will gain an additional seven households from 2018 to 2023.

Tyndall Household by Age Projections: 2018 to 2023

Esri has released population by age projections to the year 2023. The following table presents Esri’s 2023 household by age projections for Tyndall, and the household changes from 2018 to 2023.

Table 10 Tyndall Projected Households by Age - 2018 to 2023			
	2018 Estimate	2023 Projection	Change from 2018
15-24	11	9	-2
25-34	44	47	3
35-44	58	57	-1
45-54	90	73	-17
55-64	114	120	6
65-74	91	101	10
75+	85	95	10
Total	493	502	9

Source: Esri

Consistent with the age distribution data presented earlier, the movement of the “baby boom” generation through the aging cycle should generate most of the City of Tyndall’s household growth in the age ranges between 55 and 74 years old. Esri projections expect a gain of 16 households in this 20-year age group in Tyndall from 2018 to 2023.

Esri is also projecting a gain of three households in the 25 to 34 age range and a gain of 10 households in the 75 and older age range. Esri is projecting a loss of two households in the 15 to 24 age range and a loss of 18 households in the 35 to 54 age ranges.

Tabor Household by Age Projections: 2018 to 2023

Esri has released population by age projections to the year 2023. The following table presents Esri’s 2023 household by age projections for Tabor, and the household changes from 2018 to 2023.

Table 11 Tabor Projected Households by Age - 2018 to 2023			
	2018 Estimate	2023 Projection	Change from 2018
15-24	7	6	-1
25-34	21	21	0
35-44	22	20	-2
45-54	32	31	-1
55-64	39	35	-4
65-74	31	36	5
75+	27	33	6
Total	179	182	3

Source: Esri

Esri projections expect Tabor to gain 11 households in the 65 and older age ranges from 2018 to 2023.

Esri is projecting a loss of eight households in the 64 and younger age ranges from 2018 to 2023.

Bon Homme County Household by Age Projections: 2018 to 2023

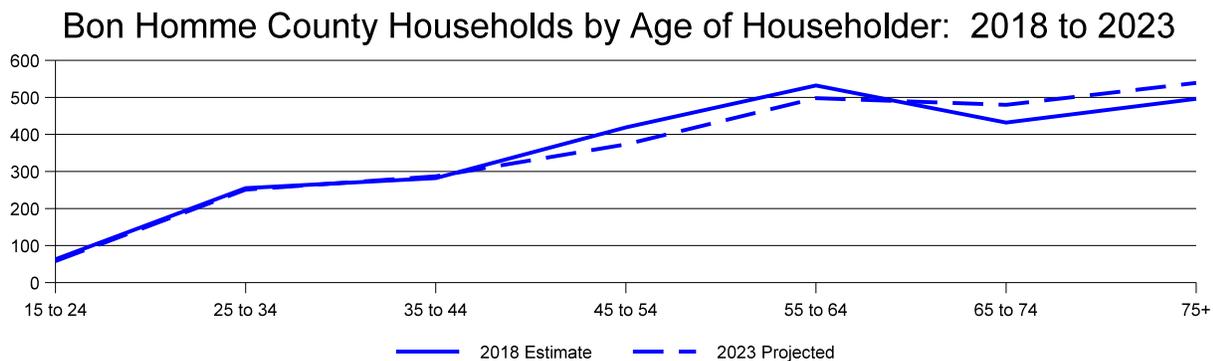
Esri has released population by age projections to the year 2023. The following table presents Esri’s 2023 household by age projections for Bon Homme County, and the household changes from 2018 to 2023.

Table 12 Bon Homme County Projected Households by Age - 2018 to 2023			
	2018 Estimate	2023 Projection	Change from 2018
15-24	63	58	-5
25-34	255	251	-4
35-44	282	287	5
45-54	419	373	-46
55-64	532	498	-34
65-74	432	480	48
75+	496	539	43
Total	2,479	2,486	7

Source: Esri

Esri projections for Bon Homme County expect a gain of five households in the 35 to 44 age range, and a gain of 91 households in the 65 and older age ranges.

Esri is projecting a loss of nine households in the 15 to 34 age ranges and a loss of 80 households in the 45 to 64 age ranges.



Households by Type - Tyndall

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

Table 13 Tyndall Household Composition - 2000 to 2010			
	2000 Census	2010 Census	Change
Family Households			
Married Couple with own children	102	74	-28
Single Parent with own children	26	21	-5
Married Couple without own children	160	144	-16
Family Householder without spouse	24	29	5
Total Families	312	268	-44
Non-Family Households			
Single Person	193	188	-5
Two or more persons	19	15	-4
Total Non-Families	212	203	-9

Source: U.S. Census

Between 2000 and 2010, Tyndall experienced an overall net decrease of 44 “family” households. The City had an increase of five family householder without spouse households. There was a decrease of 28 married couples with their own children, a decrease of 16 married couples without children and a decrease of five single parent households with children.

Tyndall had a decrease of nine “non-family” households. There was a decrease of five one-person households and a decrease of four households that had unrelated individuals living together.

Households by Type - Tabor

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

Table 14 Tabor Household Composition - 2000 to 2010			
	2000 Census	2010 Census	Change
Family Households			
Married Couple with own children	41	41	0
Single Parent with own children	6	10	4
Married Couple without own children	75	59	-16
Family Householder without spouse	2	5	3
Total Families	124	115	-9
Non-Family Households			
Single Person	60	51	-9
Two or more persons	4	6	2
Total Non-Families	64	57	-7

Source: U.S. Census

Between 2000 and 2010, Tabor had a net loss of nine “family” households. There was no change in the number of married couples with children and a significant decrease of 16 married couples without children. There was an increase of four single parent households that had their own children and a decrease of three family households without spouses.

Tabor had a decrease of seven “non-family” households. There was a decrease of nine one-person households and an increase of two households that had unrelated individuals living together.

Households by Type - Bon Homme County

The 2010 Census can be compared to statistics from 2000 to examine changes in household composition. The following table looks at household trends within Bon Homme County.

Table 15 Bon Homme County Household Composition - 2000 to 2010			
	2000 Census	2010 Census	Change
Family Households			
Married Couple with own children	632	458	-174
Single Parent with own children	123	136	13
Married Couple without own children	945	910	-35
Family Householder without spouse	86	68	-18
Total Families	1,786	1,572	-214
Non-Family Households			
Single Person	777	806	29
Two or more persons	72	79	7
Total Non-Families	849	885	36

Source: U.S. Census

Between 2000 and 2010, Bon Homme County had an overall decrease of 214 “family” households. There was a decrease of 174 married couples with children, a decrease of 35 married couples without children households and a decrease of 18 family householder without spouse households. There was an increase of 13 single parents with children households.

Bon Homme County had an increase of 36 “non-family” households. There was an increase of 29 one-person households and an increase of seven households with two or more person households.

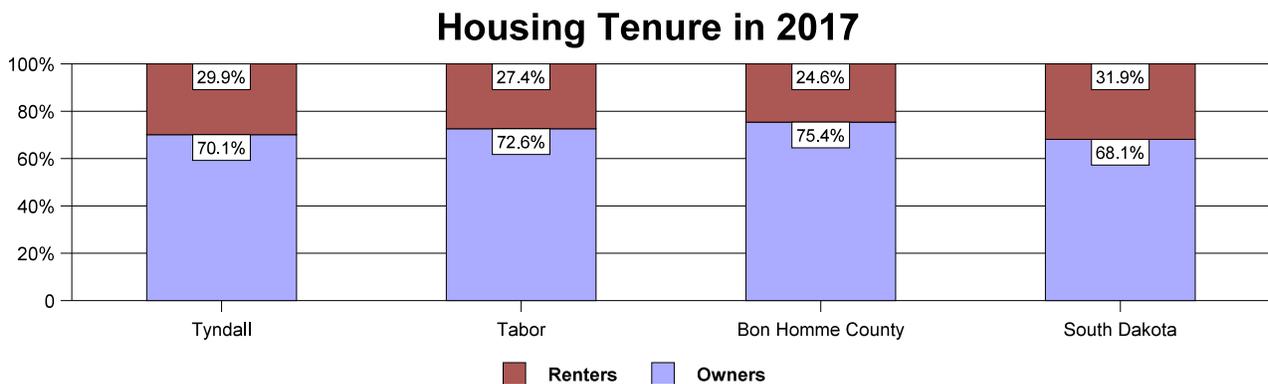
Housing Tenure

The 2017 American Community Survey provided information on housing tenure patterns. The American Community Survey may have overcounted the number of households in the three jurisdictions, however, it is still a good indicator of tenure rates. The following tables examine tenure rates, along with changes that have occurred.

Table 16 Household Tenure - 2017				
	Number of Owners	Percent of all Households	Number of Renters	Percent of all Households
Tyndall	361	70.1%	154	29.9%
Tabor	138	72.6%	52	27.4%
Bon Homme Co.	1,926	75.4%	628	24.6%
State	-	68.1%	-	31.9%

Source: U.S. Census

According to the 2017 American Community Survey, the ownership tenure rate in the City of Tyndall was 70.1%, Tabor’s ownership rate was 72.6%, and Bon Homme County’s ownership rate was 75.4%. The rental tenure rates for all three jurisdictions were below South Dakota’s rental rates.



Tenure patterns based on the 2010 Census and the 2017 American Community Survey can be compared to see changes that have been occurring within each community.

Table 17 Households by Housing Tenure - 2010 to 2017						
Tenure	Owners			Renters		
	2010	2017	Change	2010	2017	Change
Tyndall	74.1%	70.1%	-4.0%	25.9%	29.9%	4.0%
Tabor	77.9%	72.6%	-5.3%	22.1%	27.4%	5.3%
Bon Homme Co.	77.5%	75.4%	-2.1%	22.5%	24.6%	2.1%

Source: U.S. Census

Tyndall, Tabor, and Bon Homme County all had a decrease in the percentage of owner households between 2010 and 2017.

2017 Income Data

The 2010 Census did not collect information on household income. However, estimates are available at the city and county level through the American Community Survey. Estimates from 2010 and 2017 can be compared to track recent changes.

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 18 Median Household Income - 2010 to 2017			
	2010 Median	2017 Median	% Change
Tyndall	\$42,708	\$49,107	15.0%
Tabor	\$55,000	\$47,500	-13.6%
Bon Homme County	\$41,107	\$52,923	28.7%
South Dakota	\$46,369	\$54,126	16.7%

Source: ACS 5-year survey

Table 19 Median Family Income - 2010 to 2017			
	2010 Median	2017 Median	% Change
Tyndall	\$55,455	\$57,262	3.3%
Tabor	\$61,625	\$63,000	2.2%
Bon Homme County	\$51,910	\$67,065	20.9%
South Dakota	\$58,958	\$69,425	17.8%

Source: ACS 5-year survey

It is important to note that the American Community Survey is based on household sampling, and a margin of error exists within each estimate. For very small communities, the number of completed surveys may be very limited, and the 2017 estimate may not be an accurate reflection of actual median income levels. However, this source still represents the best current information on income levels in these jurisdictions.

Information contained in the 2017 American Community Survey shows that the median household and family incomes in Tyndall and Bon Homme County increased from 2010 to 2017. Tabor's median household income decreased, but the Town's median family income level increased during the time reviewed. The two communities and Bon Homme County's median family and household incomes are below the comparable statewide medians.

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 Tyndall could afford approximately \$1,228 per month and a median income family household could afford \$1,432 per month for ownership or rental housing in 2017.

A median income household in Tabor could afford approximately \$1,187 per month and a median income family household could afford \$1,575 per month for ownership or rental housing in 2017.

Household Income Distribution

The 2017 American Community Survey provides household income distribution estimates for the three jurisdictions.

Table 20 Household Income Distribution - 2017			
Household Income	Tyndall	Tabor	Bon Homme County
\$0 - \$14,999	102	10	336
\$15,000 - \$24,999	53	12	264
\$25,000 - \$34,999	45	34	290
\$35,000 - \$49,999	60	46	335
\$50,000 - \$74,999	128	36	561
\$75,000 - \$99,999	57	25	306
\$100,000+	70	27	462
Total	515	190	2,554

Source: ACS

- ▶ In 2017, approximately 50% of Tyndall’s households, 54% of Tabor’s households, and 48% of Bon Homme County’s households had annual incomes less than \$50,000.
- ▶ In 2017, approximately 50% of Tyndall’s households, 46% of Tabor’s households, and 52% of Bon Homme County’s households had annual incomes more than \$50,000.
- ▶ Approximately 23% of the total households in Bon Homme County had annual incomes less than \$25,000.

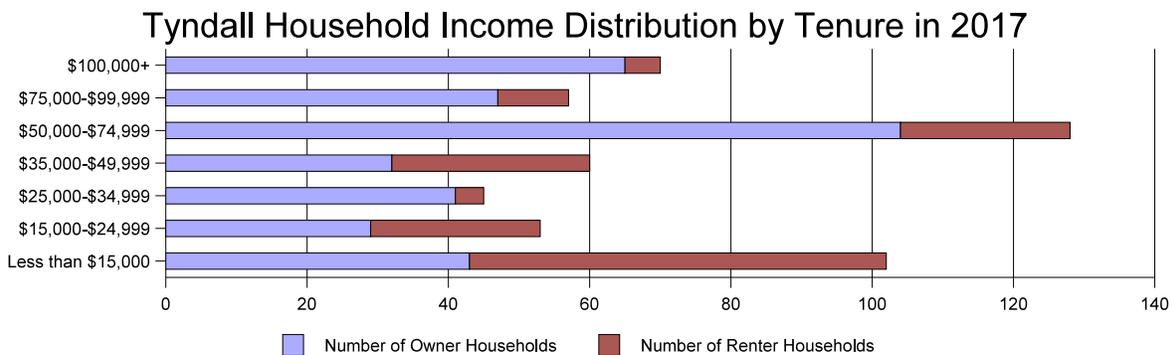
Tyndall Income Distribution by Housing Tenure

The 2017 American Community Survey provides income data by owner and renter status. The following table examines income distribution in Tyndall.

The American Community Survey is an estimate, based on limited sampling data. It appears that the American Community Survey may have slightly overcounted the number of Tyndall households in 2017. However, it is still a good indicator of household income distribution in Tyndall.

Household Income	Number of Owner Households	Number of Renter Households	Total Households
\$0 - \$14,999	43/42.2%	59/57.8%	102
\$15,000 - \$24,999	29/54.7%	24/45.3%	53
\$25,000 - \$34,999	41/91.1%	4/8.9%	45
\$35,000 - \$49,999	32/53.3%	28/46.7%	60
\$50,000 - \$74,999	104/81.3%	24/18.7%	128
\$75,000 - \$99,999	47/82.6%	10/17.5%	57
\$100,000+	65/92.9%	5/7.1%	70
Total	361	154	515

Source: 2017 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 56% of all renter households in Tyndall had an annual income below \$35,000. At 30% of income, these households would have \$875, or less, that could be applied to monthly housing costs. The median income for all renter households was approximately \$23,333 in 2017. At 30% of income, a renter at the median level could afford approximately \$583 per month or less for housing costs.

Most owner households had a higher income level than rental households. Approximately 60% of all owner households had an annual income of \$50,000 or more. The estimated median household income for owners in 2017 was approximately \$56,458. At 30% of income, an owner at the median income level could afford approximately \$1,411 per month for housing costs.

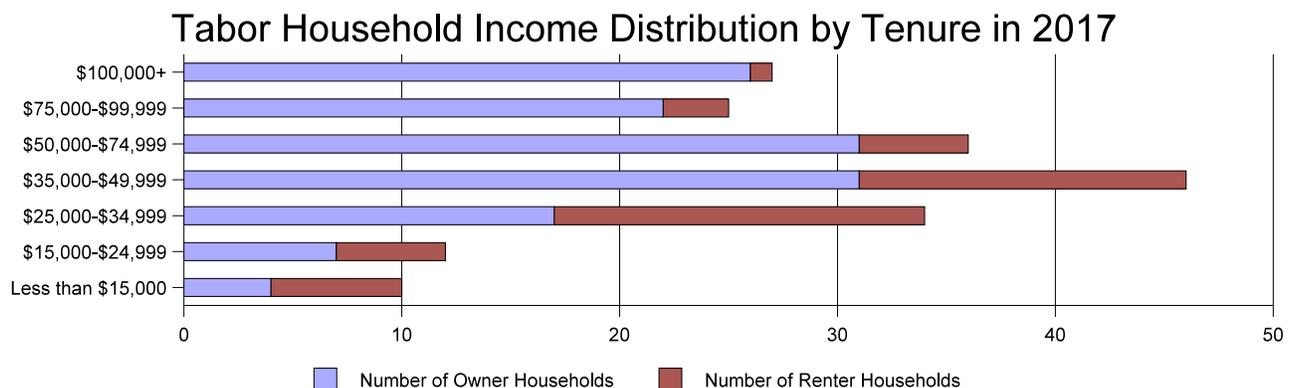
Tabor Income Distribution by Housing Tenure

The 2017 American Community Survey provides income data by owner and renter status. The following table examines income distribution in Tabor.

The American Community Survey is an estimate, based on limited sampling data. It appears that the American Community Survey may have slightly overcounted the number of Tyndall households in 2017. However, it is still a good indicator of household income distribution in Tabor.

Table 22 Tabor Household Income Distribution by Tenure - 2017			
Household Income	Number of Owner Households	Number of Renter Households	Total Households
\$0 - \$14,999	4/40.0%	6/60.0%	10
\$15,000 - \$24,999	7/58.3%	5/41.7%	12
\$25,000 - \$34,999	17/50.0%	17/50.0%	34
\$35,000 - \$49,999	31/67.4%	15/32.6%	46
\$50,000 - \$74,999	31/86.1%	5/13.9%	36
\$75,000 - \$99,999	22/88.0%	3/12.0%	25
\$100,000+	26/96.3%	1/3.7%	27
Total	138	52	190

Source: 2017 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 54% of all renter households in Tyndall had an annual income below \$35,000. At 30% of income, these households would have \$875, or less, that could be applied to monthly housing costs. The median income for all renter households was approximately \$31,250 in 2017. At 30% of income, a renter at the median level could afford approximately \$781 per month or less for housing costs.

Most owner households had a higher income level than rental households. Approximately 57% of all owner households had an annual income of \$50,000 or more. The estimated median household income for owners in 2017 was approximately \$60,833. At 30% of income, an owner at the median income level could afford approximately \$1,521 per month for housing costs.

2017 Income and Renter Housing Costs - City of Tyndall

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

Table 23 Gross Rent as a Percentage of Income - Tyndall			
Percent of 2015 Income for Housing	Households Age 64 and Younger	Households Age 65 and Older	Total
Less than 20%	49/55.7%	30/45.5%	79/51.3%
20% to 29.9%	24/27.3%	10/15.1%	34/22.1%
30% to 34.9%	3/3.4%	6/9.1%	9/5.8%
35% or more	0/0%	12/18.2%	12/7.8%
Not Computed	12/13.6%	8/12.1%	20/13.0%
Total	88/100%	66/100%	154/100%

Source: 2017 American Community Survey

According to the American Community Survey, approximately 14% of all renters in the City were paying 30% or more 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”.

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

Senior citizen renters (age 65 and older) represented approximately 86% of all households with a rental cost burden. Households in the age ranges between 15 and 64 years old represented approximately 14% of all households with a rental cost burden.

2017 Income and Renter Housing Costs - Town of Tabor

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

Table 24 Gross Rent as a Percentage of Income - Tabor			
Percent of 2015 Income for Housing	Households Age 64 and Younger	Households Age 65 and Older	Total
Less than 20%	21/55.3%	5/35.7%	26/50.0%
20% to 29.9%	11/28.9%	2/14.3%	13/25.0%
30% to 34.9%	0/0%	0/0%	0/0%
35% or more	3/7.9%	5/35.7%	8/15.4%
Not Computed	3/7.9%	2/14.3%	5/9.6%
Total	38/100%	14/100%	52/100%

Source: 2017 American Community Survey

According to the American Community Survey, approximately 15% of all renters in the Town were paying 30% or more of their income for rent. All of these households were actually paying 35% or more of their income for housing. Federal standards for rent subsidy programs generally identify 30% of household income as the maximum household contribution. When more than 30% of income is required, this is often called a “rent burden”. When more than 35% is required, this can be considered a “severe rent burden”.

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

Senior citizen renters (age 65 and older) represented approximately 63% of all households with a rental cost burden. Households in the age ranges between 15 and 64 years old represented approximately 37% of all households with a rental cost burden.

2017 Income and Renter Housing Costs - Bon Homme County

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 Bon Homme County.

Table 25 Gross Rent as a Percentage of Income - Bon Homme County			
Percent of 2015 Income for Housing	Households Age 64 and Younger	Households Age 65 and Older	Total
Less than 20%	214/48.0%	57/31.1%	271/43.1%
20% to 29.9%	74/16.6%	38/20.8%	112/17.8%
30% to 34.9%	5/1.1%	19/10.4%	24/3.8%
35% or more	80/17.9%	40/21.9%	120/19.1%
Not Computed	73/16.4%	29/15.8%	102/16.2%
Total	446/100%	183/100%	629/100%

Source: 2017 American Community Survey

According to the American Community Survey, approximately 23% of all renters in the County were paying 30% or more of their income for rent. A significant majority of these households were actually paying 35% or more of their income for housing. Federal standards for rent subsidy programs generally identify 30% of household income as the maximum household contribution. When more than 30% of income is required, this is often called a “rent burden”. When more than 35% is required, this can be considered a “severe rent burden”.

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

Senior citizen renters (age 65 and older) represented approximately 41% of all households with a rental cost burden. Households in the age ranges between 15 and 64 years old represented approximately 59% of all households with a rental cost burden.

2017 Income and Owner Housing Costs - City of Tyndall

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

Table 26 Ownership Costs as a Percentage of Income - Tyndall		
Percentage of Household Income for Housing Costs	Number of Owner Households 2017	Percent of All Owner Households 2017
0% to 19.9%	219	60.7%
20% to 29.9%	88	24.4%
30% to 34.9%	5	1.4%
35% or more	49	13.5%
Not Computed	0	0%
Total	361	100%

Source: 2017 ACS

Most owner-occupants, which would include households with and without a mortgage, reported paying less than 30% of their income for housing. However, approximately 15% of all home owners reported that they paid more than 30% of their income for housing. The large majority of these households were paying more than 35% of income for housing costs.

2017 Income and Owner Housing Costs - Town of Tabor

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

Table 27 Ownership Costs as a Percentage of Income - Tabor		
Percentage of Household Income for Housing Costs	Number of Owner Households 2017	Percent of All Owner Households 2017
0% to 19.9%	99	71.7%
20% to 29.9%	22	16.0%
30% to 34.9%	12	8.7%
35% or more	5	3.6%
Not Computed	0	0%
Total	138	100%

Source: 2017 ACS

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

2017 Income and Owner Housing Costs - Bon Homme County

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

Table 28 Ownership Costs as a Percentage of Income - Tabor		
Percentage of Household Income for Housing Costs	Number of Owner Households 2017	Percent of All Owner Households 2017
0% to 19.9%	1,367	71.0%
20% to 29.9%	287	14.9%
30% to 34.9%	94	4.9%
35% or more	160	8.3%
Not Computed	17	0.9%
Total	1,925	100%

Source: 2017 ACS

Most owner-occupants, which would include households with and without a mortgage, reported paying less than 30% of their income for housing. However, approximately 13% of all home owners reported that they paid more than 30% of their income for housing. A majority of these households were paying more than 35% of income for housing costs.

Existing Home Sales

This section examines houses that have been sold from 2014 to 2018 in Tyndall and Tabor. The information was obtained from the South Dakota Department of Revenue and reflects information assembled by the Bon Homme 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. However, the sales data obtained from the Department of Revenue did not identify any rejected 150% rule sales in Tyndall or Tabor.

The County's sales ratio year differs slightly from the calendar year. It begins on November 1st and ends the following October 31st. The five-year sample that has been analyzed therefore represents the period starting November 1, 2013 through October 31, 2018.

Home Sales - Tyndall

Table 29 Tyndall Residential Sales Activity - 2014 to 2018				
Sales Year	Number of Sales	Median Sale Price	Highest Sale	Lowest Sale
2018	15	\$63,000	\$231,000	\$12,500
2017	15	\$59,000	\$250,000	\$4,000
2016	0	-	-	-
2015	3	\$36,000	\$44,950	\$30,000
2014	4	\$40,500*	\$235,000	\$23,000

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

* Median calculated from two nearest sales

Over the past five years there has been a wide variation in the number of home sales that are viewed as "open market" transactions. According to the records on the State website, 15 good sales were recorded in both 2018 and 2017 in Tyndall, but only seven good sales occurred in the combined three-year period spanning 2014 through 2016. This included no good sales for the 2016 sales year.

Given the significant improvement in home sales activity in the City over the past two years, the median home sale price based on the 30 most recent sales would be \$59,500. Over this two-year time period, the highest valued sale was \$250,000, and the lowest sale was for \$4,000.

An alternate home value estimate exists in the American Community Survey. In 2017, this estimate placed the median value for owner-occupied houses in Tyndall at \$83,200. This value was higher than the median sale price of \$59,500, based on actual sales.

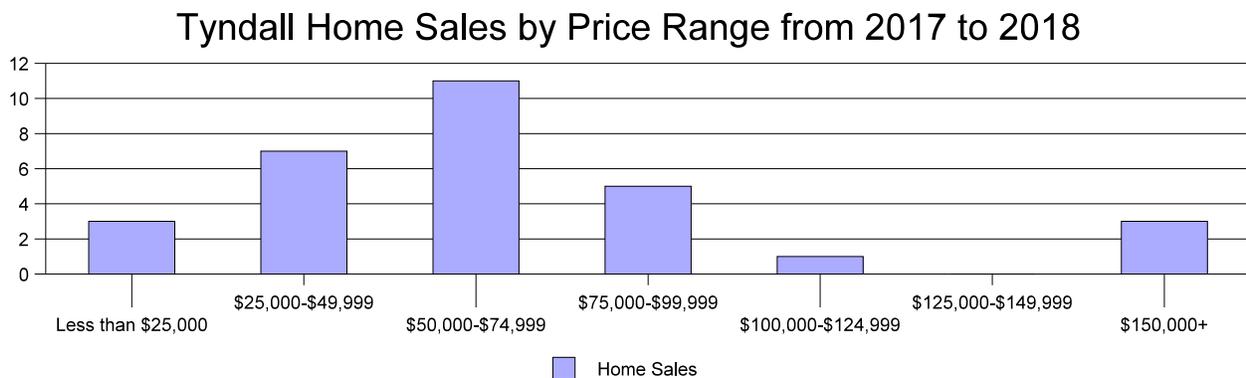
Home Sales by Price Range - Tyndall

The following table looks at single family houses that sold within defined price ranges in the combined two-year time period from 2017 through 2018. There were 30 good “open market” sales over this period.

Table 30 Tyndall 2-Year Home Sales by Price Range		
Sale Price	Number of Sales	Percent of Sales
Less than \$25,000	3	10.0%
\$25,000 - \$49,999	7	23.3%
\$50,000 - \$74,999	11	36.7%
\$75,000 - \$99,999	5	16.7%
\$100,000 - \$124,999	1	3.3%
\$125,000 - \$149,999	0	0%
\$150,000 - \$199,999	1	3.3%
\$200,000+	2	6.7%
Total	30	100%

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

Recent home sales in Tyndall have been distributed in different price ranges, but only three houses have sold for \$150,000 or more. Most of the recent sales were within a range between \$25,000 and \$74,999. Overall, 60% of the sales were within this range.



Home Sales - Tabor

Table 31 Tabor Residential Sales Activity - 2014 to 2018				
Sales Year	Number of Sales	Median Sale Price	Highest Sale	Lowest Sale
2018	10	\$91,750*	\$155,000	\$25,000
2017	4	\$36,000*	\$134,000	\$20,000
2016	0	-	-	-
2015	-	-	-	-
2014	1	\$66,000	-	-

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

Over the past five years there has been a wide variation in the number of home sales that are viewed as “open market” transactions. According to the records on the State website, only one good sale occurred in Tabor between 2014 and 2016. But 14 good sales were then recorded in 2017 and 2018.

Given the limited number of sales in a 12-month time period, the sample over the entire five years has been aggregated to determine the median home sale price. Of the 15 good sales, the median price was \$66,300. Over this time, the highest valued sale was \$155,000, and the lowest sale was for \$20,000.

An alternate home value estimate exists in the American Community Survey. In 2017, this estimate placed the median value for owner-occupied houses in Tabor at \$74,500. This value was generally similar to the median sale price of \$66,300, based on actual sales.

Home Sales by Price Range - Tabor

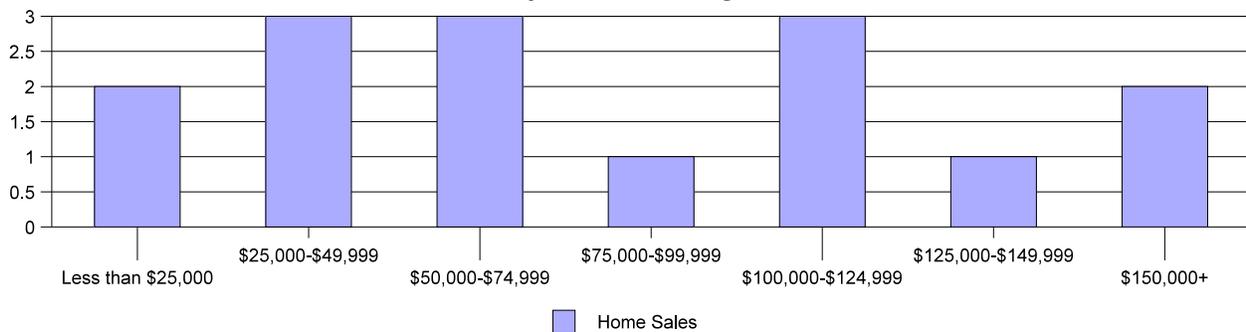
The following table looks at single family houses that sold within defined price ranges from 2014 through 2018. There were 15 good "open market" sales over this period.

Table 32 Tabor 5-Year Home Sales by Price Range		
Sale Price	Number of Sales	Percent of Sales
Less than \$25,000	2	13.3%
\$25,000 - \$49,999	3	20.0%
\$50,000 - \$74,999	3	20.0%
\$75,000 - \$99,999	1	6.7%
\$100,000 - \$124,999	3	20.0%
\$125,000 - \$149,999	1	6.7%
\$150,000+	2	13.3%
Total	15	100%

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

Recent home sales in Tabor have been distributed in different price ranges, but no house has sold for more than \$155,000. However, most of the recent sales have been for less than \$100,000. Overall, 60% of the sales were at \$99,999 or less.

Tabor Home Sales by Price Range from 2014 to 2018



Housing Condition

Community Partners Research, Inc. representatives conducted a visual 'windshield' survey of 602 single family/duplex houses in Tyndall and Tabor. The number of houses surveyed in each community was:

- ▶ Tyndall - 426
- ▶ Tabor - 176

A total of 426 single family homes and duplexes were surveyed in Tyndall. The City was divided into two neighborhoods, east of Main St. and west of Main St.

A total of 176 single family homes were surveyed in Tabor. Tabor also was divided into two neighborhoods, east of Main St. and west of Main St.

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

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

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

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

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

Table 33 Windshield Survey Housing Condition Estimate - 2018

	Sound	Minor Repair	Major Repair	Dilapidated	Total
Tyndall East of Main St.	55/35.9%	50/32.7%	35/22.9%	13/8.5%	153
Tyndall West of Main St.	118/43.2%	91/33.3%	43/15.8%	21/7.7%	273
Tyndall Total	173/40.6%	141/33.1%	78/18.3%	34/8.0%	426
Tabor East of Main St.	22/36.7%	21/35.0%	13/21.7%	4/6.6%	60
Tabor West of Main St.	57/49.1%	37/31.9%	15/13.0%	7/6.0%	116
Tabor Total	79/44.9%	58/33.0%	28/15.9%	11/6.2%	176

Source: Community Partners Research, Inc.

- ▶ Based on the Tyndall survey, approximately 33% of the houses need minor repair, 18% need major repair and 41% are sound. Thirty-four homes were rated as dilapidated and possibly beyond repair.
- ▶ Based on the Tabor survey, approximately 33% of the houses need minor repair, 16% need major repair and 45% are sound. Eleven homes were rated as dilapidated and possibly beyond repair.

New Home Construction in Tyndall and Tabor

Based on information provided by the City of Tyndall, six single family homes were constructed or moved into Tyndall from 2010 to 2018.

Based on information provided by the Town of Tabor, three homes have been constructed in Tabor from 2010 to 2018.

No rental units have been constructed in Tyndall or Tabor from 2010 to 2018.

Employment and Local Economic Trends

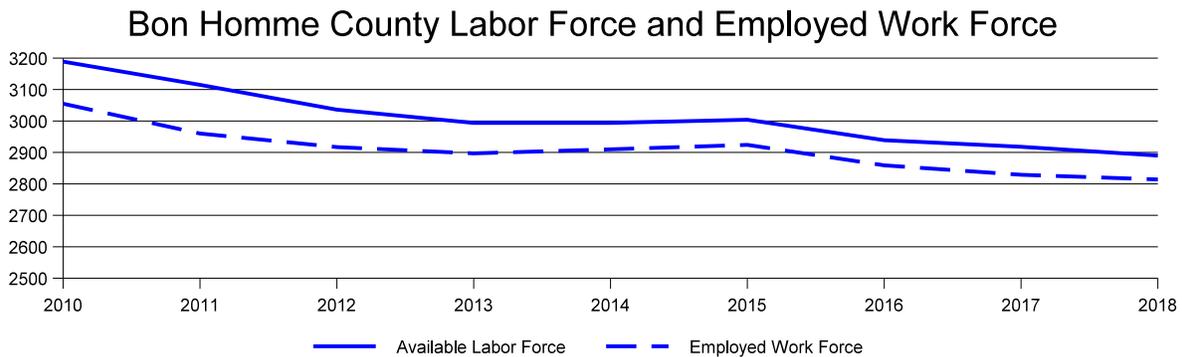
While many factors influence the need for housing, employment opportunities represent a predominant demand generator. Without jobs and corresponding wages, the means to afford housing is severely limited. The type of employment, wage level, and working conditions will each influence the kind of housing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

Work Force and Unemployment Rates

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

Table 34 Bon Homme County Annual Labor Statistics: 2010 to 2018						
Year	Labor Force	Employed	Unemployed	Unemployment Rate - County	Unemployment Rate - SD	Unemployment Rate - US
2010	3,189	3,055	134	4.2%	5.0%	9.6%
2011	3,115	2,960	155	5.0%	4.7%	8.9%
2012	3,036	2,917	119	3.9%	4.3%	8.1%
2013	2,994	2,897	97	3.2%	3.8%	7.4%
2014	2,994	2,910	84	2.8%	3.4%	6.2%
2015	3,004	2,924	80	2.7%	3.1%	5.3%
2016	2,939	2,859	80	2.7%	3.0%	4.9%
2017	2,918	2,829	89	3.1%	3.3%	4.4%
2018	2,890	2,814	76	2.6%	3.1%	3.9%

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

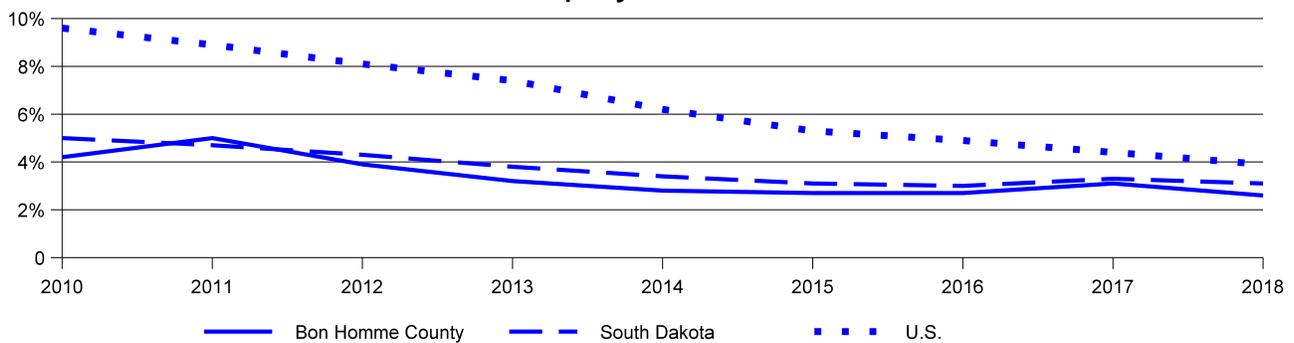


The statistics on the available labor force track people by their county of residence. When viewed over the entire 9-year period, the size of the County's resident labor force has decreased. Between 2010 and 2018 there were 299 fewer people in the labor force, a decrease of nearly 9.4%.

The number of employed County residents has followed the same basic pattern. From 2010 to 2018, the number of employed residents of Bon Homme County decreased by 241 people, or 7.9%.

With the labor force decreasing at a slightly faster rate than the employed work force, the County's unemployment rate dropped over this time period, from 4.2% in 2010 to 2.6% in 2018. For all but one of the years reviewed, the County's unemployment rate has been lower than the Statewide rate, and has been well below the national unemployment rate for every year this decade.

Unemployment Rates



Employment and Wages

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

Table 35 Bon Homme County Average Annual Wages - 2017		
Industry	2017 Employment	Average Annual Wage
Total All Industry	1,753	\$33,852

Source: South Dakota Department of Labor & Regulation

The average weekly wage for all industry in 2017 was \$651 in Bon Homme County. At full-time employment, this would yield an annual average wage of approximately \$33,850. The County’s two largest employment sectors were Trade, Transportation and Utilities and Education and Health Services.

Annual Covered Employment

Since the Quarterly Census of Covered Workers (QCEW) tracks employees covered by unemployment insurance by location of the worker, it is possible to examine longer-term patterns in the local employment level. The following table displays the total number of workers reported in the County back to the year 2010. Only partial-year information exists for 2018.

Table 36 Bon Homme County Average Annual Employment			
Year	Total Covered Employment	Year	Total Covered Employment
2010	1,858	2015	1,811
2011	1,783	2016	1,762
2012	1,774	2017	1,753
2013	1,772	2018*	1,733
2014	1,798	-	

Source: QCEW - SD Department of Labor
 * 2018 is through June

There has been some fluctuation in the number of employees working in Bon Homme County, but the longer-term pattern has been a decrease in covered employment. If 2017 is compared to the year 2010, there has been a reduction of 125 reported workers covered by unemployment insurance.

Commuting Patterns of Area Workers

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

Table 37 Commuting Times for Tyndall Residents - 2017		
Travel Time	Number	Percent
Less than 10 minutes	264	48.6%
10 to 19 minutes	40	7.4%
20 to 29 minutes	34	6.3%
30 minutes +	205	37.8%
Total	543	100%

Source: American Community Survey

While a majority of Tyndall’s residents worked locally, more than 44% were traveling 20 minutes or more for their primary job in 2017. The remaining 56% of the City’s residents were commuting fewer than 20 minutes to work.

The American Community Survey also identifies travel time for people that worked in Tyndall, and the following travel times were identified.

Table 38 Commuting Times for Tyndall-based Employees - 2017		
Travel Time	Number	Percent
Less than 10 minutes	238	50.6%
10 to 19 minutes	163	34.7%
20 to 29 minutes	41	8.7%
30 minutes +	28	6.0%
Total	470	100%

Source: American Community Survey

Most of the people that worked in Tyndall lived within the immediate area, as more than 85% traveled 19 minutes or less to the City. This would include people that both lived and worked in Tyndall. Only 6% of city-based workers were commuting from greater distances, and traveled 30 minutes or more to Tyndall.

Information also exists for the Town of Tabor.

Table 39 Commuting Times for Tabor Residents - 2017		
Travel Time	Number	Percent
Less than 10 minutes	43	21.2%
10 to 19 minutes	51	25.1%
20 to 29 minutes	73	36.0%
30 minutes +	36	17.7%
Total	203	100%

Source: American Community Survey

A majority of Tabor’s residents were traveling 20 minutes or more for employment in 2017. Only 21% of residents had a drive time of less than 10 minutes, and only 46% were traveling 19 minutes or less.

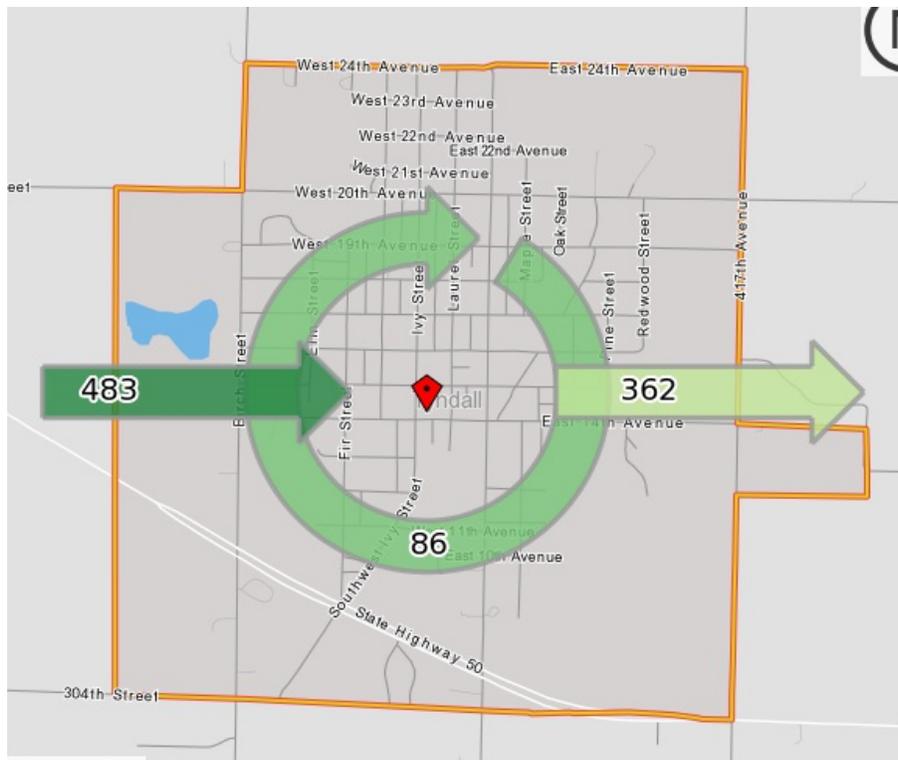
The American Community Survey did not provide any information for commuting patterns for employees working in Tabor.

Census On the Map - Tyndall

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

According to the report for Tyndall, there were 569 people that were employed within the City in 2015. Approximately 15% of these city-based employees also lived in Tyndall. The remaining 85% of employees lived outside the City and commuted in for their job. The primary jurisdictions identified as supplying workers to the City are Scotland, SE Bon Homme UT, NE Bon Homme UT, Yankton and Springfield.

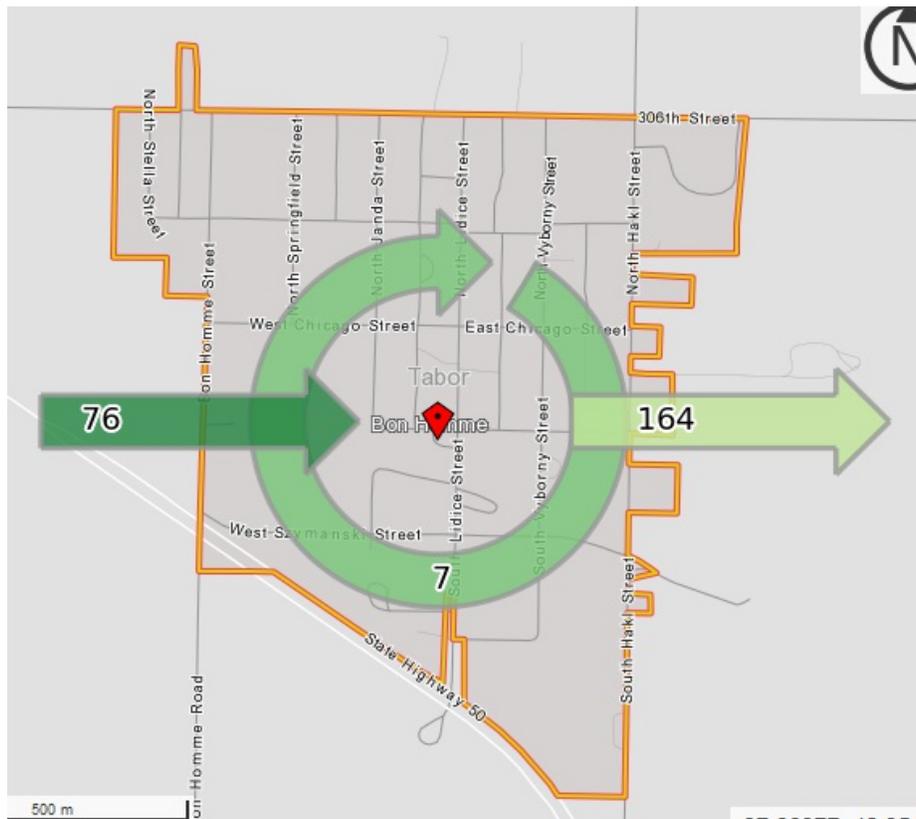
On the Map can also be used to track worker outflow patterns from the City. Overall, there were 448 Tyndall residents that were employed. Most of these City residents worked outside the community, as approximately 81% left the City for their job. Only 19% of City residents also worked within their home community. Primary destinations for outbound workers were listed as Yankton, Scotland, Sioux Falls, Mitchell and Tabor.



Census On the Map - Tabor

According to the report for Tabor, there were 83 people that were employed within the Town in 2015. Only 8% of these locally-based employees also lived in Tabor. The remaining 92% of employees lived outside the Town and commuted in for their job. The primary jurisdictions supply workers for Tabor-based jobs were Tyndall, Scotland and Yankton.

On the Map can also be used to track worker outflow patterns from the Town. Overall, there were 171 Tabor residents that were employed. Most of these Town residents worked outside the community, as approximately 96% left the Town for their job. For Tabor residents that left the Town for their employment, the primary destinations were Yankton, Scotland, Tyndall and Sioux Falls.



Rental Housing Data

Census Bureau Rental Inventory

According to the 2010 U.S. Census, there were 122 occupied rental units and 15 unoccupied rental units in Tyndall, for a total estimated rental inventory of 137 units. The City's rental tenure rate in 2010 was 25.9%, below the Statewide rental rate of 31.9%.

At the time of the 2000 Census, Tyndall had 154 occupied rental units, and 14 vacant rental units, for a total estimated rental inventory of 168 units. The rental tenure rate in 2000 was 29.4%.

Based on a Census comparison, the City had a loss of 32 renter-occupancy households, and a decrease of approximately 31 rental units from 2000 to 2010.

From 2000 to 2018, we are not aware of any rental units that were constructed in Tyndall.

Rental Housing Survey

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

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

There were 80 housing units of all types that were contacted in the survey. In addition to the 80 rental units, the nursing home in Tyndall, which has 71 beds, was also surveyed.

The units that were successfully contacted include:

- ▶ 34 market rate units
- ▶ 34 federally subsidized units
- ▶ 12 senior light services
- ▶ 71 nursing home beds

The findings of the survey are provided below.

Market Rate Summary

Information was obtained on 34 market rate rental units in two 8-plexes, one 6-plex, one 5-plex and seven single family homes.

Unit Mix

We obtained the bedroom mix on the 34 market rate units in the multi-family projects and single family homes. The bedroom mix of the units is:

- ▶ one-bedroom - 13 (38.2%)
- ▶ two-bedroom - 17 (50.0%)
- ▶ three-bedroom - 3 (8.8%)
- ▶ four-bedroom - 1 (3.0%)

Occupancy / Vacancy

At the time of the survey, there were three vacancies in the 34 market rate units that were surveyed, which is a vacancy rate of 8.8%. Although three vacancies were reported, all of the owners and managers reported that their units were usually fully occupied and there is a strong demand for rental units.

Rental Rates

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

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

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

<u>Unit Type</u>	<u>Lowest/Highest Gross Rents</u>
One-bedroom	\$375-\$475
Two-bedroom	\$425-\$625
Three-bedroom	\$600-\$725
Four-bedroom	\$750

Please note that the four-bedroom rent that is reported is from only one single family home.

Tax Credit Summary

There are no tax credit units in Tyndall.

Subsidized Summary

The research completed for this Study surveyed the only income-restricted projects providing rental opportunities for lower income households, Lidi Apartments I & II. Lidi Apartments I & II are senior/disabled HUD Section 8 projects with a combined 34 one-bedroom units. Lidi I was constructed in the late 1970s and Lidi II was constructed in the late 1980s. Lidi Apartments I & II are owned and managed by the Tyndall Housing and Redevelopment Commission.

Rental Rates

Rent is based on 30% of the tenant's household income. The subsidized projects have a market rent and tenants do not pay more than the market rent. The market rent for Lidi I units is \$478 and the market rate for Lidi II units is \$641.

Unit Mix

All of the 34 units in Lidi I & II are one-bedroom units.

Occupancy / Vacancy

At the time of the survey, there were no vacant units in Lidi Apartments I & II. However, the manager reported that there typically are a few vacancies.

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.

It is not anticipated that Lidi Apartments I & II will convert from subsidized to market rate, as the project is owned by the Tyndall Housing and Redevelopment Commission.

However, Pine Tree Apartments and Ashwood Apartments were both eight-unit USDA Rural Development subsidized projects. Several years ago both projects converted from subsidized to market rate, thus, 16 subsidized units were lost from Tyndall's subsidized rental inventory.

Senior Housing with Services

Unit Inventory

There are two senior with services projects in Tyndall. These projects include:

- ▶ **Tyndall Nursing Home - Good Samaritan Society** - The Tyndall Nursing Home is a 71-bed skilled nursing facility. The facility is part of a campus that includes North Point Apartments. The facility serves permanent residents and individuals that are in the facility for rehab. The facility averages a 90% occupancy rate.
- ▶ **North Point Apartments** - North Point Apartments is a 12-unit congregate/light services project constructed in 1999. Tenants receive a daily noon meal and light housekeeping. Tenants can buy additional services. The project has 10 one-bedroom and two two-bedroom units. Rent is \$950 for a one-bedroom unit and \$1,150 for a two-bedroom unit. At the time of the survey, there were no vacancies. North Point Apartments is part of a campus that includes the Tyndall Nursing Home.

Occupancy / Vacancy

At the time of the survey, the Director of the Tyndall Nursing Home reported that the facility averages a 90% occupancy rate. The North Point Apartments was fully occupied at the time of the survey.

Table 40 Multifamily Rental Housing Inventory					
Name	Number of Units / Bedroom Mix	Rent	Vacancy / Wait List	Tenant Mix	Comments
Tyndall - Market Rate					
Matney Apartments	<u>5 - 1 bedroom</u> 5 total units	\$400	1 vacancy	General occupancy	Matney Apartments includes five one-bedroom units. Rent is \$400 and includes all utilities. The units are partially furnished. The owner reported one vacancy at the time of the survey.
Pine Tree Apartments	<u>1 - 1 bedroom</u> <u>7 - 2 bedroom</u> 8 total units	\$325 \$350	1 vacancy	General occupancy	Pine Tree Apartments is an eight-unit market rate project constructed in the 1970s. The project includes one one-bedroom unit and seven two-bedroom units. The project was a USDA Rural Development Project that converted to market rate. Tenants pay heat and electricity in addition to rent. The owner reported one vacancy at the time of the survey, however, the owner reported that the units are usually fully occupied and the owner maintains a waiting list.
Ashwood Apartments	<u>1 - 1 bedroom</u> <u>7 - 2 bedroom</u> 8 total units	\$350 \$395	No vacancies	General occupancy	Ashwood Apartments is an eight-unit market rate project constructed in the 1980s. The project includes one one-bedroom unit and seven two-bedroom units. The project was a USDA Rural Development subsidized project, but converted to market rate several years ago. The tenants pay utilities which are estimated to be approximately \$60 per month. The owner reported no vacancies at the time of the survey.
Burke Apartments	<u>6 - 1 bedroom</u> 6 total units	\$300 to \$400	1 vacancy	General occupancy	Burke Apartments is a 6-plex constructed in the 1960s. All of the units are one-bedroom. Rent ranges from \$300 to \$400 based on the size of the unit. Tenants also pay heat and electricity. The owner reported on vacancy at the time of the survey, however, the owner reported that the units are usually fully occupied.
Tyndall HRC single family homes	<u>2 - 2 bedroom</u> 2 total units	\$470 + utilities	No vacancies	General occupancy	Tyndall single family homes include two two-bedroom single family homes. The homes are governors home models. The homes are approximately 15 years old. The rent is \$470 plus utilities. The manager reported no vacancies at the time of the survey.

Table 42 Multifamily Rental Housing Inventory					
Name	Number of Units / Bedroom Mix	Rent	Vacancy/ Wait List	Tenant Mix	Comments
Tyndall - Market Rate					
Simek single family homes	1 - 2 bedroom 3 - 3 bedroom <u>1 - 1 bedroom</u> 5 total units	\$350 to \$550	No vacancies	General occupancy	Simek single family homes include five homes, one two-bedroom, three three-bedroom and one four-bedroom. Rent ranges from \$350 to \$550 plus utilities. The owner reported no vacancies.
Tyndall - Subsidized					
Lidi Apartments I & II	<u>34 - 1 bedroom</u> 34 total units	\$478-\$641 30% of income	No vacancies	Senior/ disabled occupancy	Lidi Apartments I & II is a HUD Section 8 senior/disabled project that includes 34 one-bedroom units. Lidi I was constructed in the late 1970s and Lidi II was constructed in the late 1980s. Rent is 30% of income up to a maximum rent of \$478 for Lidi I units and \$641 for Lidi II units. At the time of the survey, five tenants were paying the maximum rent. Lidi Apartments is owned and managed by the Tyndall Housing and Redevelopment Commission. The manager reported no vacancies at the time of the survey, however, there typically are a few vacancies. The HRC has made ongoing improvements to the units and buildings.

Table 42 Multifamily Rental Housing Inventory					
Name	Number of Units / Bedroom Mix	Rent	Vacancy/ Wait List	Tenant Mix	Comments
Tyndall - Senior with Services					
Tyndall Nursing Home - Good Samaritan Society	<u>71 beds</u> 71 total	Based on level of services	Average 90% occupancy rate	Skilled nursing home	The Tyndall Nursing Home is a 71-bed skilled nursing facility. The facility is part of a campus that includes North Point Apartments. The beds serve permanent residents and individuals that are in the facility for rehab. The facility averages a 90% occupancy rate.
North Point Apartments	10 - 1 bedroom <u>2 - 2 bedroom</u> 12 total units	\$950 \$1,150	No vacancies	Seniors	North Point Apartments is a 12-unit congregate/light services project constructed in 1999. Tenants receive a daily noon meal and light housekeeping. Tenants can buy additional services. The project has 10 one-bedroom and two two-bedroom units. Rent is \$950 for a one-bedroom unit and \$1,150 for a two-bedroom unit. At the time of the survey, there were no vacancies. North Point Apartments is part of a campus that includes the Tyndall Nursing Home.

Source: Community Partners Research, Inc.

Findings on Growth Trends

As part of this Study, Community Partners Research, Inc., has examined growth patterns for Tyndall and Bon Homme County over the past few decades. These historic growth trends have then been used as a basis for projecting future demographic changes.

Tyndall's population increased by 3.2% from 1990 to 2000. The population increased from 1,201 in 1990 to 1,239 in 2000. From 2000 to 2010, Tyndall's population decreased by 172 people, which was a population loss of 13.9%.

Bon Homme County's population increased from 7,089 in 1990 to 7,260 in 2000, which was an increase of 2.4%. The population decreased in the 2000s from 7,260 in 2000 to 7,070 in 2010, which was a population loss of 2.6%.

Household levels in Tyndall increased, but decreased in Bon Homme County from 1990 to 2000. Tyndall experienced a gain of five households from 1990 to 2000. However, Tyndall had a decrease of 53 households from 2000 to 2010. Bon Homme County had a decrease of 12 households from 1990 to 2000 and a loss of 178 households from 2000 to 2010.

Esri estimates that Tyndall and Bon Homme County have reversed the population and household losses from 2000 to 2010 and have gained population and households from 2010 to 2018. Esri estimates that Tyndall gained 37 people and 22 households and Bon Homme County gained two people and 22 households from 2010 to 2018.

Findings on Projected Growth

This Study has utilized Esri's projections for Tyndall and Bon Homme County, which show continued growth patterns established over the past eight years. Esri projects that Tyndall's population will increase by 17 people from 2018 to 2023. The household projections also expect a gain of nine households from 2018 to 2023.

Bon Homme County is expected to gain two people from 2018 to 2023. Bon Homme County's household projections expect a gain of seven households from 2018 to 2023.

Summary of Tyndall’s Growth Projections by Age Group

The Demographic section of this Study presented Tyndall projection information on anticipated changes by age group from 2018 to 2023. This information can be informative in determining the housing that may be needed due to age patterns of the City’s population.

Consistent with the age distribution data presented earlier, the movement of the “baby boom” generation through the aging cycle should generate much of the City’s growth in households in the age range between 55 and 74 years old. Age projections would expect the City to add approximately 16 households in the 55 to 74 age range from 2018 to 2023.

The Esri age-based projections also expect an increase of three households in the 25 to 34 age range and a gain of 10 households in the 75 and older age range.

Tyndall is projected to lose two households in the 15 to 24 age range and 18 households in the 35 to 54 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 Tyndall 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 2018 to 2023</u>
15 to 24	-2
25 to 34	3
35 to 44	-1
45 to 54	-17
55 to 64	6
65 to 74	10
75 and older	<u>10</u>
Total	9

Findings on Unit Demand by Type of Housing

Based on the household by age projections presented earlier, the changing age composition of Tyndall'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 loss of two households in the 15 to 24 age range from 2018 to 2023. Past tenure patterns indicate that approximately 78% of these households in Tyndall will rent their housing. A minimal decrease in the number of households in this age range should mean that rental demand from younger households will remain relatively stable during the projection period.

25 to 34 Years Old - The projections show an increase of three households in this age range by 2023. Within this age range households often move from rental to ownership housing. The ownership rate among these households in Tyndall in the past was approximately 77%. A minimal increase in the households within this age range indicates demand for both first-time home buyer and rental opportunities from this age range will slightly increase during the projection period.

35 to 44 Years Old - The projections for this 10-year age cohort expect a loss of one household between 2018 and 2023 in Tyndall. In the past, this age group has had a high rate of home ownership in Tyndall, at approximately 79%. Households within this range often represent both first-time buyers and households looking to trade-up in housing, selling their starter home for a more expensive house.

45 to 54 Years Old - By 2023, this age cohort will represent the front-end of the "baby bust" generation that followed behind the baby boomers. This age group represents a much smaller segment of the population than the baby boom age group. For Tyndall, the projections show a loss of 17 households in this age range. This age group historically has had a high rate of home ownership at approximately 83% in Tyndall. A significant loss of households in this age group indicates that the demand for trade-up housing from this age range will decrease during the projection period.

55 to 64 Years Old - This age range is part of the baby boom generation. The projections show an increase of six households in this 10-year age range by the year 2023 in the City. This age range has traditionally a relatively high rate of home ownership in Tyndall, at approximately 69%. Age-appropriate housing, such as town house or twin home units, is often well suited to the life-cycle preferences of this age group, as no maintenance/low maintenance housing has become a popular option for empty-nesters.

65 to 74 Years Old - A gain of 10 households is expected by the year 2023 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. Historically, approximately 77% of the households in this age range owned their housing in Tyndall. Once again, preferences for age-appropriate units would increase from household growth within this age cohort.

75 Years and Older - There is a projected increase of 10 households in Tyndall in this age range between 2018 and 2023. In the past, the older households within this age range have had a relatively low rate of home ownership in Tyndall. 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 Tyndall to gain nine households and Bon Homme County will gain seven households from 2018 to 2023. Household growth in Tyndall and Bon Homme County will yield some demand for new housing production in Tyndall.

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 Tyndall, some dilapidated housing has 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. Household growth and shifting age patterns have created demand for certain types of age-appropriate housing in Tyndall. 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 Tyndall were identified through statistical data, local interviews, research and on-site review of the local housing stock.

- ▶ **Tyndall serves as a small regional center** - Tyndall provides educational opportunities employment opportunities, retail/service options, health and professional services, governmental services and recreational facilities for a geographical area that surrounds the City.
- ▶ **Affordable priced housing stock** - The City of Tyndall has a stock of affordable, existing houses. Our analysis shows that the City's median home value, based on 2018 sales, is approximately \$63,000. This existing stock, when available for sale, provides an affordable option for home ownership.
- ▶ **Educational system** - Tyndall has a public K-12 school system.
- ▶ **Commercial development** - Tyndall's commercial district is adequate to meet daily needs and several commercial buildings have been constructed in recent years.
- ▶ **Employers** - Tyndall has employers that provide job opportunities for local residents.
- ▶ **Commuters** - As many as 400 employees are commuting into Tyndall daily for work. These commuters are a potential market for future housing construction.
- ▶ **Tyndall Development Corporation** - The Tyndall Development Corporation has been active in developing and expanding business opportunities and residential development.
- ▶ **Tyndall Housing and Redevelopment Commission** - The Tyndall Housing and Redevelopment Commission owns and manages Lidi Apartments I & II which is rental housing for seniors and disabled tenants.
- ▶ **Tyndall Community Foundation** - The Tyndall Community Foundation promotes community projects in Tyndall.

- ▶ **Tyndall Chamber of Commerce** - The Tyndall Chamber of Commerce is active in promoting Tyndall and its businesses and amenities.
- ▶ **Population and household growth** - Tyndall and Bon Homme County are projected to add people and households over the next five years.
- ▶ **Health facilities** - Tyndall has excellent health facilities including a hospital, a medical clinic, and a nursing home.
- ▶ **Small town atmosphere** - Tyndall has the real and perceived amenities of a small town. Small town living is attractive for some households.
- ▶ **Land for residential lot development** - The Tyndall Development Corporation has land available for lot development and new housing construction.
- ▶ **Desirable location for seniors and retirees** - Tyndall is an attractive option for seniors as a retirement location. As a provider of health, retail and governmental services, the City has amenities that are attractive for seniors as they age.
- ▶ **Proactive city involvement** - The City and the Tyndall Development Corporation have a track record of being proactive in developing commercial and housing opportunities in Tyndall.
- ▶ **Distance from a regional center** - Tyndall is located approximately 28 miles from Yankton. Many households desire to live in or near a regional center because of its health care, jobs or other amenities.
- ▶ **Recreation and leisure activities** - Tyndall is located in close proximity to many leisure/recreational opportunities including lakes, State Parks, resorts, golf courses, etc.

Barriers or Limitations to Housing Activities

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

- ▶ **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. Tyndall also has a number of dilapidated homes.
- ▶ **Low rent structure** - The area's rent structure is relatively low, which makes it difficult to construct new rental housing.
- ▶ **Value gap deters new owner-occupied construction** - Based on market values from 2018 residential sales, we estimate that the median priced home in Tyndall is valued at approximately \$63,000. This is below the comparable cost for new housing construction, which will generally be above \$175,000 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 Tyndall 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** - Tyndall has a limited number of commercial and retail opportunities compared to larger regional centers.
- ▶ **Infrastructure** - According to a recent engineering report, Tyndall's water and sewer infrastructure needs improvement. The current capacity will not prevent smaller-scale residential development but the City is assessing the improvements needed for longer-term viability.

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 Tyndall. They are based on the following strategies.

- ▶ **Be realistic in expectations for housing development** - Large-scale residential growth has not occurred in the recent past and is not likely to occur in the near future. The scale of activities proposed for the future should be comparable with the area's potential for growth.
- ▶ **Proactive community involvement** - New home and apartment construction will more likely occur in Tyndall 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 Tyndall will be heavily dependent on the City's appeal as a residential location. The condition of the existing housing stock is a major factor in determining the City's long-term viability. The existing housing stock is in good condition and is a major asset, however, rehabilitation efforts are needed to preserve the housing stock.
- ▶ **Protect the existing assets and resources** - Tyndall has several assets including a K-12 school, a Downtown Commercial District, recreational opportunities, health facilities including a clinic, hospital, and skilled nursing home, etc. These are strong assets that make Tyndall a desirable community to live in, and are key components to the City's long-term success and viability. These assets must be protected and improved.
- ▶ **Develop a realistic action plan with goals and time lines** - In the past, the City has been involved in housing issues. The City should prioritize its housing issues and establish goals and time lines to achieve success in addressing its housing needs.
- ▶ **Access all available resources for housing** - In addition to the local efforts, the City has other resources to draw on including USDA Rural Development, the South Dakota Housing Development Authority, Planning and Development District III, the Rural Office of Community Services, Inc., 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 Tyndall have been formulated through the analysis of the information provided in the previous sections and include 21 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 10 to 12 general occupancy market rate rental units
2. Promote the development/conversion of four to six 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. Consider the development of five to six additional 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 Tyndall
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 Tyndall 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
21. Develop home ownership and new construction marketing programs and strategies

Tyndall - 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 2018, we are not aware of any rental units that were constructed in Tyndall.

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 Tyndall expect some limited household growth over the five-year projection period. From 2018 to 2023, it is projected that there will be a gain of approximately nine households. It is estimated that approximately 55% of these households will be rental households, thus, there will be a demand for approximately five 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 five to 10 additional units will be needed over the next five years to replace lost units. In some cases, this unit replacement will be necessary as existing units are removed from the inventory through demolition 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 three vacant units in the general occupancy market rate units that were surveyed and the rental housing owner/managers reported high occupancy rates.

We identified pent-up demand for high quality and affordable market rate rental units and additional senior with services units/beds.

These three demand generators, after factoring current vacancy rates, show a need for 19 to 24 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 2019 to 2024.

▶ General Occupancy Market Rate	10-12 units
▶ Subsidized	0 units
▶ Affordable/Conversions	4-6 units
▶ <u>Senior with Services (Independent/Light Services)</u>	<u>5-6 units</u>
Total	19-24 units

1. Develop 10 to 12 general occupancy market rate rental units

Findings: Approximately 66% of the rental housing in the City of Tyndall 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 34 market rate rental units that were surveyed, we found only three vacancies. 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 Tyndall. The existing rent range, including utilities, is approximately \$375 to \$475 for a one-bedroom unit, \$425 to \$625 for a two-bedroom unit and \$600 to \$725 for a three-bedroom unit.

From 2000 to 2018, we are not aware of any market rate rental units that were constructed in Tyndall. However, two subsidized rental buildings with a total of 16 units have converted from subsidized housing to market rate housing, thus adding 16 units to this market segment.

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 10 to 12 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 projects, to be successful, should have 'state of the art' amenities. It may be advantageous for new units to be constructed in smaller project phases. This strategy allows the new units to be absorbed into the market. One of the phases could be designated for seniors.

The first option to developing market rate housing would be to encourage private developers to undertake the construction of market rate rental housing. An individual in Tyndall is in the initial planning phase of developing new rental housing units in the City. If private developers do not proceed, the Tyndall Development Corporation or a regional housing agency could potentially utilize essential function bonds, or similar funding sources, to construct market rate units. Also, the Tyndall 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.

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

<u>Unit Type</u>	<u>No. of Units</u>	<u>Size/Sq. Ft.</u>	<u>Rent</u>
One Bedroom	2	700 - 800	\$600 - \$700
Two Bedroom	7-8	900 - 1,000	\$750 - \$850
Three Bedroom	<u>1-2</u>	1,100 - 1,200	\$900 - \$1000
Total	10-12		

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

It would be advantageous to have the rents for some of the units at or less than the Fair Market Rents for the Housing Choice Voucher Program, thus, the units would be affordable for more households. The Fair Market Rents currently are:

- ▶ 1 bedroom - \$563
- ▶ 2 bedroom - \$700
- ▶ 3 bedroom - \$1,012

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

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

Tyndall has lost some rental housing over the years due to deterioration and demolition. Part of the need for additional rental units in Tyndall 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 Tyndall to promote the development/conversion of more affordable rental units. A goal of four to six 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. Several single family homes have been rehabilitated for rental housing by local individuals.

The estimated prevailing rent range for older rental units in Tyndall 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 Tyndall, Lidi Apartments I & II, with a total of 34 units. The tenants in this project pay 30% of their income up to a maximum rent. At the time of the survey, the manager reported no vacancies, 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 21 renters in Tyndall were paying 30% or more of their income for rent.

Two rental projects in Tyndall, Pine Tree Apartments and Ashwood Apartments, each with eight units, were USDA Rural Development projects, but have converted to market rate. Therefore, 16 subsidized units were lost from Tyndall’s subsidized rental inventory.

Recommendation: We do not recommend the development of additional subsidized rental housing at this time. There currently are 34 subsidized rental units in Tyndall and Tyndall households can apply for a Housing Choice Voucher. The rent structure of market rate units in Tyndall is low, which provides affordable housing for low income households. Additionally, it is difficult to obtain funding for subsidized rental housing.

We have recommended the construction of 10 to 12 market rate units. We also recommended four to six affordable/conversion market rate units. We also recommend that the City monitor the need for the production of subsidized housing in the future.

Also, if the subsidized project has vacancies in the future, it may be advantageous to convert two one-bedroom units into two-bedroom units. The two-bedroom units would provide rental housing for families.

4. Preserve the existing supply of subsidized housing

Findings: The City of Tyndall has one “deep subsidy” rental housing project that allows tenants to pay rent based on 30% of income. Subsidized projects were typically constructed in the 1970s and 1908s when the federal government was actively involved in producing low income housing.

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

In some communities, 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.

In Tyndall, Pine Tree Apartments and Ashwood Apartments were both eight-unit USDA Rural Development subsidized projects. Several years ago both projects converted from subsidized to market rate, thus, 16 units were lost from Tyndall’s subsidized housing stock.

Recommendation: Based on the research for this Study, the subsidized project in Tyndall, Lidi Apartments I & II, is currently viewed as not being at risk of leaving their subsidy program because the project is owned by the Tyndall HRC.

5. Consider the development of senior with housing services units/beds

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

Lower-service housing, sometimes referred to as congregate senior housing, generally offers the availability of a daily meal, and services such as weekly light housekeeping. Tyndall has two senior with services projects. These senior with services projects include:

- ▶ **Tyndall Nursing Home - Good Samaritan Society** - The Tyndall Nursing Home is a 71-bed skilled nursing facility. The facility is part of a campus that includes North Point Apartments. The beds serve permanent residents and individuals that are in the facility for rehab. The facility averages a 90% occupancy rate.
- ▶ **North Point Apartments** - North Point Apartments is a 12-unit congregate/light services project constructed in 1999. Tenants receive a daily noon meal and light housekeeping. Tenants can buy additional services. The project has 10 one-bedroom and two two-bedroom units. Rent is \$950 for a one-bedroom unit and \$1,150 for a two-bedroom unit. At the time of the survey, there were no vacancies. North Point Apartments is part of a campus that includes the Tyndall Nursing Home.

Recommendation: In 2018, the City of Tyndall had 147 people over the age of 75. The growth projections for 2018 to 2023 show an expected increase of 18 seniors over the age of 75 in Tyndall.

- ▶ **Skilled Nursing Home** - The research for this Study points to a decreasing reliance on nursing homes as a long-term residency option for older senior citizens. Over time, the nursing homes have tended to use more beds for rehab/recovery stays, or other specialized uses. There has also been a long-standing State moratorium that limits expansion in most cases. The Tyndall Nursing Home operates at an average 90% capacity and is addressing the skilled nursing bed demand for the Tyndall Market Area.
- ▶ **Memory Care Housing** - There are no designated memory care beds in a secured facility in Tyndall. However, the nursing home serves residents that have memory loss issues. Also, Yankton has memory care facilities. Therefore, we are not recommending the development of memory care beds in Tyndall at this time.
- ▶ **Assisted Living** - There are no assisted living beds in Tyndall, however, North Point Apartments does allow its tenants to purchase services from the Nursing Home. Based on this option, and the number of assisted living facilities in the region, we are not recommending the development of assisted living beds in Tyndall at this time.

- ▶ ***Independent/Light Service Housing*** - Currently, there is one independent/light service project in Tyndall. North Point Apartments has 12 units. Tenants receive weekly housekeeping and a noon meal. Tenants can also purchase additional services from the Nursing Home. With no assisted living beds in Tyndall and with North Point Apartments at full occupancy, we recommend the development of an additional five to six independent/light services units over the next five years. These units could be flexible and serve independent seniors as well as people that need more extensive services.

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

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

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

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.

The Tyndall Development Corporation is considering the development of a commercial building in Tyndall.

Recommendation: We recommend the development of a mixed-use building in the downtown Tyndall 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 three to four rental units on the second floor. Prior to construction, a portion of the commercial space should be leased to an anchor tenant who would complement existing downtown businesses and attract people to downtown.

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

If the Tyndall Development Corporation continues to consider the construction of a commercial building, we recommend that the Corporation determine the feasibility of adding housing to the project to develop a mixed-use building. The City may have a role in the project by providing tax increment financing, tax abatement, land at a reduced price or other local funds.

7. Utilize the Housing Choice Voucher Program

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

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

The Housing Choice Voucher Program is administered in Tyndall, Tabor and Bon Homme County by the Yankton Housing and Redevelopment Commission. The Yankton Housing and Redevelopment Commission administers approximately 140 vouchers in a multi-county area. Currently, eight Bon Homme County households are utilizing the Housing Choice Voucher Program including three Tabor households. No Tyndall households are utilizing a Voucher. There is a waiting list to obtain a voucher.

Recommendation: The City of Tyndall and the Town of Tabor should work with the Yankton Housing and Redevelopment Commission to assure that renter households in Tyndall and Tabor are aware of the Housing Choice Voucher Program and have an opportunity to apply for assistance.

Tyndall - 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 Tyndall is estimated to be approximately \$63,000 based on 2018 sales activity. The home values in Tyndall provide a good opportunity for first time buyers and households seeking moderately priced homes.

Our analysis of Tyndall’s demographic trends shows a substantial increase in the number of households in the traditionally strong home ownership in the 55 and older age ranges over the next five years. The 25 to 34 age range will also have a slight 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 Tyndall 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 Tyndall 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: Tyndall 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 Tyndall 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: Tyndall 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 Tyndall are valued less than \$63,000. As some lower valued homes come up for sale, they may not be attractive options for potential home buyers because of the amount of repair work that is required.

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

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

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

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

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

Also, 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.

Tyndall - Single Family Housing Development

Single Family Housing Development

Findings: Based on City information, it is estimated that six single family homes were constructed or moved into Tyndall from 2010 to 2018. This is an average of approximately one new home annually.

It is our opinion that if the City, the Tyndall Development Corporation, housing agencies, and builders are proactive, eight to 12 homes can be constructed in Tyndall from 2019 to 2024. This would be an average of two to three houses annually.

The breakdown of our projection of eight to 12 new owner-occupied housing units over the next five years is as follows:

▶ Higher and medium priced homes	2-3
▶ Affordable homes	4-5
▶ Twin homes/town homes	<u>2-4</u>
Total	8-12

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 Tyndall.

It appears that there are only a few miscellaneous infill lots scattered around the City. We do not know the availability of these infill lots, if they have enough square footage for new construction, if they are in attractive locations, etc. Also, dilapidated homes are being demolished in Tyndall. Some of the cleared lots may be potential sites for new construction.

The Tyndall Development Corporation has purchased a 20-acre parcel and has a plan to develop 14 residential lots on the parcel. The plan includes the installation of public infrastructure (streets, water, sewer).

Recommendation: With projections that eight to 12 new owner-occupied housing units could be constructed in Tyndall over the next five years, the City appears to not have an adequate number of residential lots available to meet the expected demand. Part of this demand would be for attached unit construction.

We recommend that a three-year supply of lots is available on an ongoing basis to address the projected demand. Therefore, if expected demand comes to fruition, it may be necessary to develop additional residential lots in Tyndall. The residential lot subdivision that is currently in the planning phase would address the City's need for additional lots.

To achieve the level of new home construction potential that has been identified, we would recommend the development of the proposed subdivision based on the following:

- ▶ 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, home builders, the City of Tyndall, the Tyndall Development Corporation, the Commercial Community Foundation, the Chamber of Commerce and the Tyndall HRC. 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.
- ▶ Based on the development of 14 lots, the Tyndall Development Corporation should plan on a six to nine-year absorption time period to sell the lots.
- ▶ If the lots are sold at a reduced price, the lot owner should be obligated to build a home on the lot within a specified time period.

We also recommend that the City research all of the vacant lots and parcels in the City to determine their availability and viability for new construction. Also, additional lots could become available through the demolition and clearance of dilapidated structures. A lot inventory, based on the research, should be maintained and available for future buyers. This lot inventory would be especially important if the proposed new subdivision does not proceed.

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

Findings: There are some infill lots available in the City of Tyndall. The capacity also exists to develop additional lots in a new subdivision.

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

Our recommendations to promote lot sales and housing development include:

- ▶ **Competitive pricing** - There are lots available in communities throughout the region. Lot prices in Tyndall will need to be competitive.
- ▶ **Plan for long-term absorption** - The research completed for this Study expects limited annual absorption of lots in Tyndall over the next five years. It is necessary to view the lot sales and housing development in a new subdivision as a long-term plan.
- ▶ **Generate initial activity** - Recent construction activity has been limited. To stimulate new construction, proactive efforts, such as the sale of some lots at discounted prices, reduction of hookup and permit fees or other incentives 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 seller 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 Tyndall 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 over the next five years. Lots should be available for twin home/town home lot development.
- ▶ ***Marketing*** - The City of Tyndall, the Tyndall Development Corporation and the Chamber of Commerce 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 Tyndall 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.'
- ▶ ***In-fill lot Home Development*** - In-fill lots in existing neighborhoods are often affordable and have existing City services. Some housing agencies and nonprofits develop affordable homes on in-fill lots.
- ▶ ***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, subdivision owners have been willing to defer the payment for the lot until the spec home is sold. Another builder incentive is for the City to waive any water/sewer 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 Tyndall. These sources can help generate new homes for moderate income families in Tyndall.

Recommendation: We recommend that the City of Tyndall and the Tyndall Development Corporation 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.

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

13. Promote town house and twin home development

Findings: Tyndall has not experienced any attached housing development from 2000 to 2018. 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 Tyndall, 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 2018, based on Esri estimates, there were approximately 290 households in Tyndall 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 26 households from 2018 to 2023.

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 two or four twin home or town house units could be constructed over the next five years with the potential to develop additional units 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
- ▶ 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 may be limited, as the private sector can often meet this housing need if a demand exists. The City's role should include assuring that adequate land is available for development and that zoning allows for attached housing development.

Tyndall - Housing Rehabilitation

Housing Rehabilitation

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

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

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

14. Promote rental housing rehabilitation

Findings: Based on the U.S. Census data, the City of Tyndall has approximately 137 rental units in 2018. These rental units are in multi-family projects, single family homes, mobile homes and mixed-use buildings. Many of these rental structures could benefit from rehabilitation as approximately 84% of these rental structures are more than 40 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 Tyndall 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 Tyndall will continue to be an attraction for families that are seeking housing in Tyndall. Investment in owner-occupied housing rehabilitation activities will be critical to offering affordable housing opportunities. Approximately 69% of the owner-occupied housing units in Tyndall are more than 40 years old. Some of these units need rehabilitation.

Our housing condition survey of 426 homes in Tyndall found 141 homes that need minor repairs and 78 homes that need major repairs. Without rehabilitation assistance, the affordable housing stock will shrink in Tyndall.

Recommendation: We recommend that the City of Tyndall, the Tyndall Development Corporation and the Tyndall HRC 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 Bon Homme 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 Tyndall households to utilize these housing rehabilitation programs.

16. Develop a City of Tyndall Revitalization Program

Findings: Tyndall 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, the development of new housing and public facility improvements. We recommend that the City of Tyndall, the Tyndall Development Corporation, area housing agencies and the private housing sector continue these efforts, and develop and implement a Revitalization Program for the City's older neighborhoods.

Redevelopment strategies and opportunities should be identified including:

- ▶ A plan for each parcel in the older neighborhoods (commercial and residential)
- ▶ Owner-occupied rehabilitation
- ▶ Rental housing rehabilitation
- ▶ Commercial rehabilitation
- ▶ Demolition of dilapidated structures
- ▶ 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.

Tyndall - Other Housing Initiatives

Other Housing Initiatives

17. Encourage employer involvement in housing

Findings: The City of Tyndall has several large 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 Tyndall's housing needs. Several funding sources have finance programs that include employers. The funding agencies often view applications favorably that include employers in the problem solving process.

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

18. Continue to acquire and demolish dilapidated structures

Findings: Our housing condition survey identified 34 single family houses in Tyndall that are dilapidated and too deteriorated to rehabilitate. This is more than 8% of the City's single family housing stock. We also identified 78 single family houses in Tyndall as needing major repair and some of these homes may be too dilapidated to rehabilitate. To improve the quality of the housing stock and to maintain the appearance of the City, these structures should be demolished.

The City of Tyndall annually allocates funds for housing demolition and has been active in working with property owners to demolish dilapidated structures.

Recommendation: We recommend that the City of Tyndall continue to work with property owners and provide funding for the demolition of 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 Tyndall 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: Tyndall 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 Tyndall has access to the Planning and Development District III, 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: Tyndall 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 Tyndall 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 Tyndall 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 following actions for downtown Tyndall:

- ▶ 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 Tyndall
 - ▶ Federal Home Loan Bank
 - ▶ Special tax districts
 - ▶ Tax increment financing
 - ▶ Tax abatement
 - ▶ Funds from South Dakota State Agencies
 - ▶ Tyndall Development Corporation

- ▶ Work with stakeholders to identify roles, secure funding, develop and implement programs and projects
 - ▶ Property owners
 - ▶ City of Tyndall
 - ▶ Tyndall Chamber of Commerce
 - ▶ Tyndall Development Corporation
 - ▶ Planning and Development District III

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 Tyndall, the Tyndall Development Corporation, the Tyndall HRC, the Chamber of Commerce, the Tyndall Community Foundation, other organizations, and private builders and developers have been active in promoting the City, including housing opportunities.

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

- ▶ Determine the City’s strengths and competitive advantages and heavily promote them
- ▶ Continue to create marketing materials that can be distributed regionally (including internet, TV, radio, etc.)
- ▶ Work closely with employers (Tyndall and the area) to provide employees (especially new employees) with housing opportunities in Tyndall
- ▶ 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
- ▶ Continue to develop new housing choices, such as new single family homes, rental housing, twin homes, senior with services, etc.
- ▶ Review the City's policies and fees to assure that they are user-friendly, fair and receptive for developers, builders and households.
- ▶ Develop a coordinated housing plan with all the City's housing stakeholders

Rental Housing Data

Census Bureau Rental Inventory

According to the 2010 U.S. Census, there were 38 occupied rental units and eight unoccupied rental units in Tabor, for a total estimated rental inventory of 46 units. The Town's rental tenure rate in 2010 was 22.1%, below the Statewide rental rate of 31.9%.

At the time of the 2000 Census, Tabor had 42 occupied rental units, and five vacant rental units, for a total estimated rental inventory of 47 units. The rental tenure rate in 2000 was 22.3%.

Based on a Census comparison, the Town had a loss of four renter-occupancy households, and a decrease of approximately one rental unit from 2000 to 2010.

From 2000 to 2018, four rental units were constructed in Tabor. This four-plex was constructed in approximately 2000. Also, some owner-occupancy homes may have converted to rental use from 2000 to 2018.

Rental Housing Survey

As part of this housing study, a telephone survey was conducted of multifamily projects in Tabor. Emphasis was placed on contacting properties that have four or more units. For the purposes of planning additional projects in the future, multifamily properties represent the best comparison of market potential.

Information is typically tallied separately for different types of rental housing, including market rate units, subsidized housing and senior housing with services. In Tabor, we only identified market rate rental projects. We did not identify any subsidized or senior with services housing.

There were 23 market rate rental housing units contacted in the survey. The findings of the survey are provided below.

Market Rate Summary

Information was obtained on 23 market rate rental units in three multi-family projects including a four-plex, an eight-plex and an 11-unit building.

Unit Mix

We obtained the bedroom mix on the 23 market rate units in the multi-family projects and single family homes. The bedroom mix of the units is:

- ▶ one-bedroom - 13 (56.5%)
- ▶ two-bedroom - 10 (43.5%)

There are no three or four-bedroom units in the three rental projects, however, there are rental single family homes in Tabor that have three or more bedrooms.

Occupancy / Vacancy

At the time of the survey, there were no vacancies in the 23 market rate units that were surveyed. The owners of the rental projects reported that their units were usually fully occupied and there is a strong demand for rental units.

Rental Rates

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

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

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

<u>Unit Type</u>	<u>Lowest/Highest Gross Rents</u>
One-bedroom	\$375-\$500
Two-bedroom	\$425-\$700

Tax Credit Summary

There are no tax credit units in Tabor.

Subsidized Summary

There are no subsidized rental units in Tabor. However, Czech Point Apartments with eight units and Tabor Manor with 11 units were subsidized rental projects, but have converted to market rate.

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.

Tabor Housing with eight units and Tabor Manor with 11 units were subsidized rental housing projects, but have converted to market rate.

Senior Housing with Services

There are no senior with services housing projects in Tabor. However, Tabor is located 12 miles from Tyndall, which has a 71-bed skilled nursing facility and a 12-unit congregate/light services project. Also, Yankton, which is located 16 miles from Tabor, has several senior housing with services options.

Table 41 Multifamily Rental Housing Inventory					
Name	Number of Units / Bedroom Mix	Rent	Vacancy/ Wait List	Tenant Mix	Comments
Tabor - Market Rate					
Tabor Housing	<u>4 - 2 bedroom</u> 4 total units	\$550 plus utilities	No vacancies, waiting list	General occupancy	Tabor Housing is a market rate project that includes two twinhomes (total four units). All of the units have two bedrooms and an attached garage. The units were constructed in approximately 2000. The units are owned by Kokes Properties. Rent is \$550 plus utilities. The owner reported no vacancies and a short waiting list at the time of the survey.
Czech Point Apartments	<u>4 - 1 bedroom</u> <u>4 - 2 bedroom</u> 8 total units	\$400 \$475	No vacancies	General occupancy	Czech Point Apartments is an eight-unit market rate rental project constructed in 1980. The project was a USDA Rural Development Project, but has converted to market rate. The project is owned and managed by the Kokes Properties. The project has four one-bedroom and four two-bedroom units. Rent is \$400 for a one-bedroom and \$475 for a two-bedroom unit. Tenants also pay heat and electricity. The owner reported no vacancies at the time of the survey.
Tabor Manor	<u>9 - 1 bedroom</u> <u>2 - 2 bedroom</u> 11 total units	\$375 \$425	No vacancies	General occupancy	Tabor Manor is an 11-unit general occupancy project that was constructed in the 1970s. The project is owned by the Tabor Housing Board. The project was originally a subsidized project, but has converted to market rate. Rent is \$375 for a one-bedroom unit and \$425 for a two-bedroom unit. Rent includes utilities. At the time of the survey, there were no vacancies.

Source: Community Partners Research, Inc.

Findings on Growth Trends

As part of this Study, Community Partners Research, Inc., has examined growth patterns for Tabor and Bon Homme County over the past few decades. These historic growth trends have then been used as a basis for projecting future demographic changes.

Tabor's population increased by 3.5% from 1990 to 2000. The population increased from 403 in 1990 to 417 in 2000. From 2000 to 2010, Tabor's population increased by six people, which was a population gain of 1.4%.

Bon Homme County's population increased from 7,089 in 1990 to 7,260 in 2000, which was an increase of 2.4%. The population decreased in the 2000s from 7,260 in 2000 to 7,070 in 2010, which was a population loss of 2.6%.

Household levels in Tabor increased, but decreased in Bon Homme County from 1990 to 2000. Tabor experienced a gain of 20 households from 1990 to 2000. However, Tabor had a decrease of 16 households from 2000 to 2010. Bon Homme County had a decrease of 12 households from 1990 to 2000 and a loss of 178 households from 2000 to 2010.

Esri estimates that Tabor and Bon Homme County have reversed the population and household losses from 2000 to 2010 and have gained population and households from 2010 to 2018. Esri estimates that Tabor gained 12 people and seven households and Bon Homme County gained two people and 22 households from 2010 to 2018.

Findings on Projected Growth

This Study has utilized Esri's projections for Tabor and Bon Homme County, which show continued growth patterns established over the past eight years. Esri projects that Tabor's population will increase by four people from 2018 to 2023. The household projections also expect a gain of three households from 2018 to 2023.

Bon Homme County is expected to gain two people from 2018 to 2023. Bon Homme County's household projections expect a gain of seven households from 2018 to 2023.

Summary of Tabor’s Growth Projections by Age Group

The Demographic section of this Study presented Tabor projection information on anticipated changes by age group from 2018 to 2023. This information can be informative in determining the housing that may be needed due to age patterns of the Town’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 Town’s growth in households in the 65 and older age ranges. Age projections would expect the Town to add approximately 11 households in the 65 and older age ranges from 2018 to 2023.

Tabor is projected to lose one household in the 15 to 24 age range and seven 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 Tabor 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 2018 to 2023</u>
15 to 24	-1
25 to 34	0
35 to 44	-2
45 to 54	-1
55 to 64	-4
65 to 74	5
75 and older	<u>6</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 Tabor'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 loss of one household in the 15 to 24 age range from 2018 to 2023. Past tenure patterns indicate that approximately 59% of these households in Tabor will rent their housing. A minimal decrease in the number of households in this age range should mean that rental demand from younger households will remain relatively stable during the projection period.

25 to 34 Years Old - The projections show no change in the number of households in this age range by 2023. Within this age range households often move from rental to ownership housing. The ownership rate among these households in Tabor in 2017 was approximately 88%. No change in the households within this age range indicates demand for both first-time home buyer and rental opportunities from this age range will not change increase during the projection period.

35 to 44 Years Old - The projections for this 10-year age cohort expect a loss of two households between 2018 and 2023 in Tabor. In 2017, this age group has had a high rate of home ownership in Tabor, at approximately 77%. Households within this range often represent both first-time buyers and households looking to trade-up in housing, selling their starter home for a more expensive house.

45 to 54 Years Old - By 2023, this age cohort will represent the front-end of the "baby bust" generation that followed behind the baby boomers. This age group represents a much smaller segment of the population than the baby boom age group. For Tabor, the projections show a loss of one household in this age range. This age group historically has had a rate of home ownership at approximately 68% in Tabor. A loss of one household 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 - This age range is part of the baby boom generation. The projections show a decrease of four households in this 10-year age range by the year 2023 in the Town. This age range has traditionally a relatively high rate of home ownership in Tabor, at approximately 84%. Age-appropriate housing, such as town house or twin home units, is often well suited to the life-cycle preferences of this age group, as no maintenance/low maintenance housing has become a popular option for empty-nesters.

65 to 74 Years Old - A gain of five households is expected by the year 2023 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. Historically, approximately 90% of the households in this age range owned their housing in Tabor. Once again, preferences for age-appropriate units would increase from household growth within this age cohort.

75 Years and Older - There is a projected increase of six households in Tabor in this age range between 2018 and 2023. In the past, the older households within this age range have had a relatively low rate of home ownership in Tabor. 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 Tabor to gain three households and Bon Homme County will gain seven households from 2018 to 2023. Household growth in Tabor and Bon Homme County will yield some demand for new housing production in Tabor.

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 Tabor, some dilapidated housing has 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. Household growth and shifting age patterns have created demand for certain types of age-appropriate housing in Tabor. 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 Town of Tabor were identified through statistical data, local interviews, research and on-site review of the local housing stock.

- ▶ **Tabor serves the surrounding area** - Tabor provides residential options, educational opportunities, employment opportunities, retail/service options, governmental services and recreational opportunities for a small geographical area that surrounds the Town.
- ▶ **Affordable priced housing stock** - The Town of Tabor has a stock of affordable, existing houses. Our analysis shows that the Town's median home value based on sales over the past five years is approximately \$66,300. This existing stock, when available for sale, provides an affordable option for home ownership.
- ▶ **Elementary School** - Tabor has a public K-5 school.
- ▶ **Infrastructure** - Tabor's water and sewer infrastructure can accommodate future expansion and infrastructure improvements are ongoing.
- ▶ **Employers** - Tabor has several employers that provide job opportunities for local residents.
- ▶ **Commuters** - As many as 70 employees are commuting into Tabor daily for work. These commuters are a potential market for future housing construction.
- ▶ **Tabor Development Corporation** - The Tabor Development Corporation has been active in developing and expanding business and residential opportunities in Tabor.
- ▶ **Tabor Chamber of Commerce** - The Tabor Chamber of Commerce is active in promoting Tabor and its businesses and amenities.
- ▶ **Population and household growth** - Tabor and Bon Homme County are projected to add people and households over the next five years.

- ▶ **Small town atmosphere** - Tabor has the real and perceived amenities of a small town. Small town living is attractive for some households.
- ▶ **Proactive Town involvement** - The Town and the Tabor Development Corporation have a track record of being proactive in developing commercial and housing opportunities in Tabor.
- ▶ **Distance from a regional center** - Tabor is located approximately 16 miles from Yankton. Many households desire to live in or near a regional center because of its health care, jobs or other amenities.
- ▶ **Recreation and leisure activities** - Tyndall is located in close proximity to many leisure/recreational opportunities including lakes, State Parks, resorts, golf courses, etc.

Barriers or Limitations to Housing Activities

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

- ▶ **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. Tabor also has a number of dilapidated homes.
- ▶ **Low rent structure** - The area's rent structure is relatively low, which makes it difficult to construct new rental housing.
- ▶ **Value gap deters new owner-occupied construction** - Based on market values from recent residential sales over the past five years, we estimate that the median priced home in Tabor is valued at approximately \$66,300. This is below the comparable cost for new housing construction, which will generally be above \$175,000 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 Tabor 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** - Tabor has a limited number of commercial and retail opportunities compared to larger cities.
- ▶ **Flood Plain** - Some of the land in the Town of Tabor is in the flood plain.
- ▶ **Lack of developable land** - Available land for subdivision development and new housing construction is limited.
- ▶ **Available lots** - There are a limited number of available residential lots in the Town.
- ▶ **Proximity to Yankton** - Although it is positive for Tabor to be in close proximity to Yankton, it is also a barrier as Tabor has to compete with Yankton for new housing construction, jobs, etc.

Recommendations, Strategies and Housing Market Opportunities

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

- ▶ **Be realistic in expectations for housing development** - Large-scale residential growth has not occurred in the recent past and is not likely to occur in the near future. The scale of activities proposed for the future should be comparable with the area's potential for growth.
- ▶ **Proactive community involvement** - New home and apartment construction will more likely occur in Tabor if there is proactive support from the Town, local and regional housing and economic development agencies and the South Dakota Housing Development Authority.
- ▶ **Protect the existing housing stock** - The future of Tabor will be heavily dependent on the Town's appeal as a residential location. The condition of the existing housing stock is a major factor in determining the Town's long-term viability. The existing housing stock is in good condition and is a major asset, however, rehabilitation efforts are needed to preserve the housing stock.
- ▶ **Protect the existing assets and resources** - Tabor has several assets including a K-5 school, a Downtown Commercial District, recreational opportunities, etc. These are assets that make Tabor a desirable community to live in, and are key components to the Town's long-term success and viability. These assets must be protected and improved.
- ▶ **Develop a realistic action plan with goals and time lines** - In the past, the Town has been involved in housing issues. The Town 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 Town has other resources to draw on including USDA Rural Development, the South Dakota Housing Development Authority, Planning and Development District III, the Rural Office of Community Services, Inc. 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 Town of Tabor have been formulated through the analysis of the information provided in the previous sections and include 18 recommendations. The findings/recommendations have been developed in the following five categories:

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

The findings/recommendations for each category are as follows:

Rental Housing Development

1. Develop four to six general occupancy market rate rental units
2. Promote the development/conversion of two to three affordable market rate rental housing units
3. Monitor the need for subsidized rental housing units
4. Monitor the need for senior with services housing units
5. Develop a downtown mixed-use commercial/housing project
6. Utilize the Housing Choice Voucher Program

Home Ownership

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

Single Family Housing Development

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

Housing Rehabilitation

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

Other Housing Initiatives

15. Continue to acquire and demolish dilapidated structures
16. Create a plan and a coordinated effort among housing agencies
17. Strategies for downtown redevelopment
18. Develop home ownership and new construction marketing programs and strategies

Tabor - 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.

Over the past 10 years, we are not aware of any rental units that were constructed in Tabor. But some single family homes may have converted from owner-occupancy to rental use over the past 10 years. However, four market rate rental units were constructed approximately in approximately the year 2000.

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 Tabor expect some limited household growth over the five-year projection period. From 2018 to 2023, it is projected that there will be a gain of approximately three households. It is estimated that two of these will be rental households, thus, there will be a demand for approximately two 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 Town will lose approximately three to four rental units over the next five years. As a result, approximately three to four 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 no vacant units in the general occupancy market rate units that were surveyed and the rental housing owners reported high occupancy rates.

We identified pent-up demand for high quality and affordable market rate rental units in Tabor.

These three demand generators, after factoring current vacancy rates, show a need for six to nine 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 2019 to 2024.

▶ General Occupancy Market Rate	4-6 units
▶ Subsidized	0 units
▶ Affordable/Conversions	2-3 units
▶ <u>Senior with Services (Independent/Light Services)</u>	<u>0 units</u>
Total	6-9 units

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

Findings: As a result of the conversion of the two subsidized projects to market rate, all of the rental housing in the Town of Tabor 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 23 market rate rental units were surveyed, we found no vacancies. The rental property owners reported high occupancy rates and an ongoing demand for market rate rental housing.

The rental rates are low in the Town of Tabor. The existing rent range, including utilities, is approximately \$375 to \$500 for a one-bedroom unit and \$425 to \$700 for a two-bedroom unit.

Over the past 10 years, we are not aware of any market rate rental units that were constructed in Tabor. However, four market rate units were constructed in approximately 2000. Also, 19 rental units have been added to Tabor’s rental inventory due to the conversion of the Town’s two subsidized projects from subsidized to market rate.

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 projects, to be successful, should have 'state of the art' amenities. It may be advantageous for new units to be constructed in smaller project phases. This strategy allows the new units to be absorbed into the market.

The first option to developing market rate housing would be to encourage private developers to undertake the construction of market rate rental housing. Private developers are currently in the preliminary planning phase of constructing a market rate rental four-plex in Tabor. If private developers do not proceed, the Tabor Development Corporation or a regional housing agency could potentially utilize essential function bonds, or similar funding sources, to construct market rate units. Also, the Tabor Development Corporation could partner with private developers to construct units. The Town could assist rental development with land donations, tax increment financing, tax abatement, reduced water and sewer hookup fees, etc. Also, the South Dakota Housing Development Authority has programs and financing available for rental housing.

**Recommended unit mix, sizes and rents for the Tabor
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 - \$700
Two Bedroom	<u>3-5</u>	900 - 1,000	\$750 - \$850
Total	4-6		

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

It would be advantageous to have the rents for some of the units at or less than the Fair Market Rent standards for the Housing Choice Voucher Program, thus, the units would be affordable for more households. The Fair Market Rents currently are:

- ▶ 1 bedroom - \$563
- ▶ 2 bedroom - \$700
- ▶ 3 bedroom - \$1,012

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

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

Tabor has lost some rental housing over the years due to deterioration and demolition. Part of the need for additional rental units in Tabor 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 encourage the Town of Tabor to promote the development/conversion of more affordable rental units. A goal of two to three 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. Several single family homes have been rehabilitated for rental housing by local individuals.

The estimated prevailing rent range for older rental units in Tabor is typically between \$375 and \$700. Creating some additional units with contract rents below \$625 per month would help to expand the choices available to a majority of the Town'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 Town 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 no subsidized projects in Tabor. Two rental projects in Tabor, Tabor Housing with eight units and Tabor Manor with 11 units, were subsidized projects, but have converted to market rate. Therefore, 19 subsidized units were lost from Tabor’s subsidized rental inventory.

According to the American Community Survey, the 2017 American Community survey estimated that approximately eight renter households in Tabor were paying 30% or more of their income for rent.

Recommendation: We do not recommend the development of additional subsidized rental housing at this time. Tabor households can apply for a Housing Choice Voucher. Also, the rent structure of market rate units in Tabor is low, which provides affordable housing for low income households. Additionally, it is difficult to obtain funding for subsidized rental housing.

We have recommended the construction of four to six market rate units. We also recommended two to three affordable/conversion market rate units. Additionally, the Town monitor the need for the production of subsidized housing in the future.

4. Monitor the need for senior with services housing units

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

Lower-service housing, sometimes referred to as congregate senior housing, generally offers the availability of a daily meal, and services such as weekly light housekeeping. Currently, there are no senior with services projects in Tabor. However, there are two senior with services projects in Tyndall which include:

- ▶ **Tyndall Nursing Home - Good Samaritan Society** - The Tyndall Nursing Home is a 71-bed skilled nursing facility. The facility is part of a campus that includes North Point Apartments. The beds serve permanent residents and individuals that are in the facility for rehab. The facility averages a 90% occupancy rate.
- ▶ **North Point Apartments** - North Point Apartments is a 12-unit congregate/light services project constructed in 1999. Tenants receive a daily noon meal and light housekeeping. Tenants can buy additional services. The project has 10 one-bedroom and two two-bedroom units. Rent is \$950 for a one-bedroom unit and \$1,150 for a two-bedroom unit. At the time of the survey, there were no vacancies. North Point Apartments is part of a campus that includes the Tyndall Nursing Home.

Recommendation: In 2018, the Town of Tabor had 33 people over the age of 75. The growth projections for 2018 to 2023 show an expected increase of seven seniors over the age of 75 in Tabor.

With the limited senior population in Tabor and the senior housing with services options available in Yankton and Tyndall, we are not recommending the development of senior housing with services in Tabor over the next five years from 2019 to 2024.

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

Findings: A new mixed-use rental housing/commercial project would be an asset to Downtown Tabor. Currently, there are several vacant and substandard buildings in Downtown Tabor.

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 Tabor 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. A developer is in the planning phase of purchasing two downtown buildings with the intent to demolish them, providing a site for future development.

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

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

6. Utilize the Housing Choice Voucher Program

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

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

The Housing Choice Voucher Program is administered in Tyndall, Tabor and Bon Homme County by the Yankton Housing and Redevelopment Commission. The Yankton Housing and Redevelopment Commission administers approximately 140 vouchers in a multi-county area. Currently, eight Bon Homme County households are utilizing the Housing Choice Voucher Program including three Tabor households. No Tyndall households are utilizing a Voucher. There is a waiting list to obtain a voucher.

Recommendation: The City of Tyndall and the Town of Tabor should work with the Yankton Housing and Redevelopment Commission to assure that renter households in Tyndall and Tabor are aware of the Housing Choice Voucher Program and have an opportunity to apply for assistance.

Tabor - 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 Tabor is estimated to be approximately \$66,300 based on sales activity over the past five years. The home values in Tabor provide a good opportunity for first time buyers and households seeking moderately priced homes.

Our analysis of Tabor’s demographic trends shows a significant increase in the number of households in the traditionally strong home ownership in the 65 and older age ranges over the next five years. Also, the younger age ranges will have a relatively stable population and number of households over the next five years. 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:

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

Findings: We believe that affordable home ownership is one of the issues facing Tabor 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 Town of Tabor 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: Tabor 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 Town of Tabor 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.

8. Develop a Purchase/Rehabilitation Program

Findings: Tabor has a stock of older, lower valued homes, many of which need repairs. Our analysis of sales activity over the past five years indicates that approximately 50% of the homes in Tabor are valued less than \$66,300. 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 Town 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 Town of Tabor or the Tabor Development Corporation 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 Town's older housing a more attractive option for potential home buyers. Also, USDA Rural Development provides purchase/rehabilitation loans to low and moderate income buyers.

Also, 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.

Tabor - Single Family Housing Development

Single Family Housing Development

Findings: Based on Town information, it is estimated that three single family owner-occupied homes were constructed or moved into Tabor from 2010 to 2018.

It is our opinion that if the Town of Tabor, the Tabor Development Corporation, housing agencies, and builders are proactive, five to six homes can be constructed in Tabor from 2019 to 2024.

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

9. 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 Town of Tabor.

It appears that there are only a few miscellaneous infill lots scattered around the Town. We do not know the availability of these infill lots, if they have enough square footage for new construction, if they are in attractive locations, etc. Also, dilapidated homes are being demolished in Tabor. 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 Tabor over the next five years, the Town may have an adequate number of residential lots available to meet the expected demand. Part of this demand would be for attached unit construction.

We recommend that the Town research all of the vacant lots and parcels in the community to determine their availability, viability for new construction, size and price. A lot inventory, based on the research, should be maintained and available for future buyers. If there appears to not be an adequate supply of lots available, the Town and Tabor Development Corporation should work with owners of parcels in Town to determine if they can be made available for new home construction. Also, lots may become available if additional dilapidated homes are demolished.

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

Findings: There is a limited inventory of lots available in the Town of Tabor.

Recommendation: We recommend that the Town of Tabor and the Tabor Development Corporation coordinate efforts with the private sector to promote lot sales and housing development in Tabor.

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 Tabor will need to be competitive.
- ▶ **Plan for long-term absorption** - The research completed for this Study expects limited annual absorption of lots in Tabor over the next five years. It is necessary to view the lot sales and housing development as a long-term plan.
- ▶ **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 Town 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 Tabor 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** - Lots should be available for twin home/town home lot development.

- ▶ **Marketing** - The Town of Tabor, the Tabor Development Corporation and the Chamber of Commerce 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 Town of Tabor 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.'
- ▶ **Manufactured and modular homes** - Manufactured and modular homes can provide affordable housing opportunities for moderate income households.
- ▶ **In-fill lot Home Development** - In-fill lots in existing neighborhoods are often affordable and have existing Town services and may be the only lots available in the community.
- ▶ **South Dakota Housing Development Authority Programs (SDHDA)** - SDHDA has housing programs available to assist developers, builders and home buyers.
- ▶ **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 Town 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.

11. 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, nonprofit groups and private developers. These sources can help generate new homes for moderate income families in Tabor.

Recommendation: We recommend that the Town of Tabor and the Tabor Development Corporation coordinate with housing agencies, nonprofit groups and private sector builders to produce housing units for moderate income ownership. The Town 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.

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

12. Promote town house and twin home development

Findings: Tabor has not experienced any attached housing development from 2010 to 2018. 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 Tabor, 10% to 15% 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 2018, based on Esri estimates, there were approximately 97 households in Tabor 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 approximately seven households from 2018 to 2023.

It is important for the Town 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 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
- ▶ 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 may be limited, as the private sector can often meet this housing need if a demand exists. The Town's role should include assuring that adequate land is available for development and that zoning allows for attached housing development.

Tabor - Housing Rehabilitation

Housing Rehabilitation

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

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

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

13. Promote rental housing rehabilitation

Findings: Based on the U.S. Census data, the Town of Tabor has approximately 52 rental units in 2018. These rental units are primarily in multi-family projects and single family homes. Many of these rental structures could benefit from rehabilitation as more than 85% of these rental structures are more than 40 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 Town of Tabor 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.

14. Promote owner-occupied housing rehabilitation efforts

Findings: The affordability and quality of the existing housing stock in Tabor will continue to be an attraction for families that are seeking housing in Tabor. Investment in owner-occupied housing rehabilitation activities will be critical to offering affordable housing opportunities. Approximately 78% of the owner-occupied housing units in Tabor are more than 40 years old. Some of these units need rehabilitation.

Our housing condition survey of 176 homes in Tabor found 58 homes that need minor repairs and 28 homes that need major repairs. Without rehabilitation assistance, the affordable housing stock will shrink in Tabor.

Recommendation: We recommend that the Town of Tabor and the Tabor Development Corporation seek local, state and federal funds to assist in financing housing rehabilitation. USDA Rural Development, the South Dakota Housing Development Authority, the Federal Home Loan Bank, 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 Bon Homme 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 Tabor households to utilize these housing rehabilitation programs.

Tabor - Other Housing Initiatives

Other Housing Initiatives

15. Continue to acquire and demolish dilapidated structures

Findings: Our housing condition survey identified 11 single family houses in Tabor that are dilapidated and too deteriorated to rehabilitate. This is over 6% of the Town's single family housing stock. We also identified 28 single family houses in Tabor 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 Town, these structures should be demolished.

Several dilapidated homes have been demolished in Tabor.

Recommendation: We recommend that the Town of Tabor continue to work with property owners to demolish dilapidated structures. The appearance of the Town 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 Town of Tabor 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.

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

Findings: Tabor will continue to need staff resources in addition to existing Town staff to plan and implement many of the housing recommendations advanced in this Study. The Town of Tabor has access to the Planning and Development District III, 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: Tabor has access to multiple agencies that can assist with addressing housing needs. It is our recommendation that the Town 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 Town of Tabor 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 local and county levels, cooperative efforts may be the only way to accomplish certain projects. Cooperative efforts will not only make housing projects more practical, but they will often be more cost-effective and competitive.

17. Strategies for Downtown Redevelopment

Findings: Downtown Tabor 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 community to purchase a home in, they often determine if the community's commercial sector is sufficient to serve their daily needs. A viable commercial district is an important factor in their decision making process.

Recommendation: We are recommending the following actions for downtown Tabor:

- ▶ 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
 - ▶ Town of Tabor
 - ▶ Federal Home Loan Bank
 - ▶ Special tax districts
 - ▶ Tax increment financing
 - ▶ Tax abatement
 - ▶ Funds from South Dakota State Agencies
 - ▶ Tabor Development Corporation

- ▶ Work with stakeholders to identify roles, secure funding, develop and implement programs and projects
 - ▶ Property owners
 - ▶ Town of Tabor
 - ▶ Tabor Chamber of Commerce
 - ▶ Planning and Development District III
 - ▶ Tabor Development Corporation

18. 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 Town of Tabor, the Tabor Development Corporation, and the Chamber of Commerce have been active in promoting the community.

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

- ▶ Determine the Towns'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 (Tabor and the area) to provide employees (especially new employees) with housing opportunities in Tabor
- ▶ 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 Town 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
- ▶ Continue to develop new housing choices, such as new single family homes, rental housing, twin homes, etc.
- ▶ Review the Town'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 Town'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