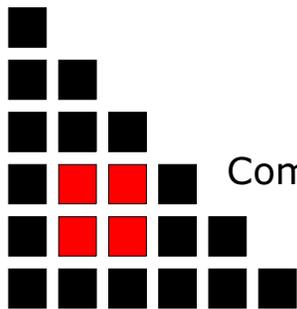


# Town of Wall HOUSING STUDY

September 2016

An analysis of the overall housing needs  
of the Town of Wall



Community Partners Research, Inc.

Faribault, MN 55021

## **List of Sections**

	<u>Page</u>
Introduction	2
Demographic and Projection Data	4
Existing Housing Data	30
Rental Housing Inventory	37
Employment and Local Economic Trends Analysis	45
Findings and Recommendations	49
Agencies and Resources	93

# 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 Town of Wall and Pennington County are privately owned and were constructed with private funds. On an increasing scale, however, the public is demanding that public officials control what happens in this largely private housing market by eliminating blight, protecting individual investments, and generating new housing growth to meet economic development needs.

Community Partners Research, Inc., was hired by the Wall Economic Development Corporation to conduct a study of the housing needs and conditions in the Town of Wall.

## Goals

The multiple goals of the study include:

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

## Methodology

A variety of resources were utilized to obtain information for the Housing Study. Community Partners Research, Inc., collected and analyzed data from April to August, 2016. Data sources included:

- U.S. Census Bureau
- American Community Survey
- Esri, a private data company
- Records and data from the Town of Wall
- Records and data maintained by Pennington County
- South Dakota State Data Center
- Interviews with Town officials, community leaders, housing stakeholders, etc.
- Area housing agencies
- State and Federal housing agencies
- Rental property owner survey
- Housing and mobile home 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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## Section Table of Contents

	<u>Page</u>
Demographic Data Overview	5
Population Data and Trends	6
Population by Age Trends: 2000 to 2010	7
Population Projections	9
Household Data and Trends	10
Household by Age Trends: 2000 to 2010	11
Average Household Size	13
Household Projections	14
Household Projections by Age	15
Households by Type	17
Housing Tenure	18
Tenure by Age	19
Tenure by Household Size	20
2014 Income Data	22
Household Income Distribution	24
Income Distribution by Tenure	26
2014 Estimated Income and Housing Costs - Renters	28
2014 Estimated Income and Housing Costs - Owners	29

## **Demographic Data Overview**

### **Sources of Data**

The following pages contain demographic data obtained from a variety of local, state and national sources for the Town of Wall and Pennington County. For some demographic variables, the 2010 Census represents the most reliable information. However, the 2010 Census was more limited in scope than in the past, and some data, such as income and housing cost information, were not available.

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

The frequency of American Community Survey estimates vary depending on the size of the jurisdiction. For most jurisdictions in South Dakota, the 2014 estimates were derived from sampling that was done over a five-year period, between 2010 and 2014. Unless otherwise noted, the American Community Survey estimates are based on the five-year survey data.

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

## Population Data and Trends

<b>Table 1 Population Trends - 1990 to 2015</b>						
	1990 Census	2000 Census	% Change 1990-2000	2010 Census	% Change 2000-2010	2015 Estimate Esri
Wall	834	818	-1.9%	766	-6.4%	786
Pennington Co.	81,343	88,565	8.9%	100,948	14.0%	106,190

Source: U.S. Census Bureau; Esri

- ▶ According to the 2010 U.S. Census, Wall’s population was 766 people in 2010. When compared to the 2000 Census, the Town had a population loss of 52 people from 2000 to 2010. The 52-person loss from 2000 was a population decrease of 6.4%.
- ▶ Pennington County’s population was 100,948 in 2010. This was an increase of 12,383 people from 2000, for a population gain of 14.0%.
- ▶ Wall had a population loss and Pennington County experienced a population increase in the 1990s. Wall’s population decreased by 16 people and Pennington County’s population increased by 7,222 people from 1990 to 2000.
- ▶ Esri, a private data reporting service, has released 2015 population estimates. The estimate for the Town of Wall is 786, an increase of 20 people from 2010 to 2015. Esri’s 2015 estimate for Pennington County is 106,190, a gain of 5,242 people since 2010.
- ▶ The Census Bureau has also released population estimates. The most recent estimate for Wall is effective July 1, 2015, and shows the Town’s population at 877, a gain of 11 people from 2010 to 2015. The 2015 estimate for Pennington County is 108,702 and shows the County up 7,754 people after the 2010 Census.
- ▶ Wall’s population is primarily White and non-Hispanic/Latino. At the time of the 2010 Census, 88.9% of the Town’s residents were White, 7.0% were American Indian, 0.1% were Asian and 0.1% were Black/African American. Additionally, 3.8% of the population identified themselves as two or more races. Approximately 1.0% of the Town’s residents were identified as Hispanic/Latino.

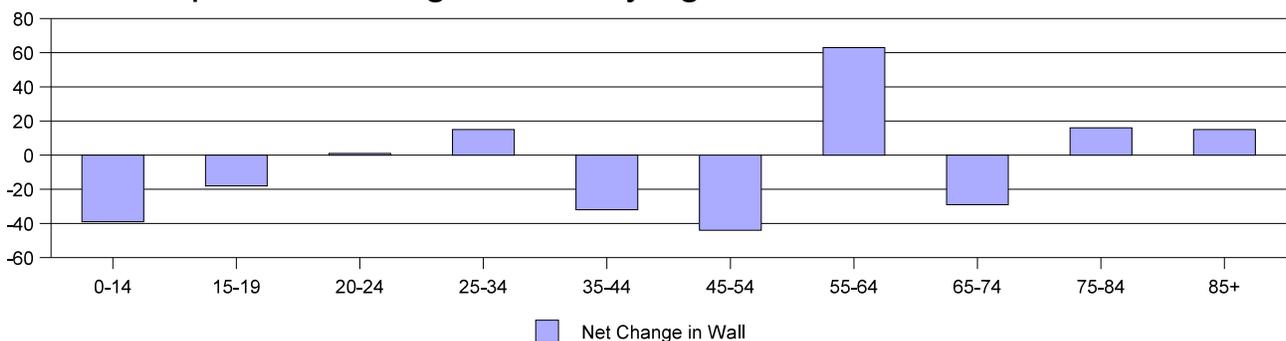
## Population by Age Trends: 2000 to 2010

The release of demographic information from the 2010 Census allows for some analysis of the changing age patterns for Wall and Pennington County. The following table compares population by age in 2000 and 2010, along with the numeric changes.

<b>Table 2 Population by Age - 2000 to 2010</b>						
Age	Wall			Pennington County		
	2000	2010	Change	2000	2010	Change
0-14	175	136	-39	19,450	20,870	1,420
15-19	58	40	-18	6,904	6,575	-329
20-24	44	45	1	6,525	7,026	501
25-34	77	92	15	11,416	13,933	2,517
35-44	91	59	-32	14,440	11,730	-2,710
45-54	152	108	-44	12,127	14,704	2,577
55-64	73	136	63	7,252	12,493	5,241
65-74	86	57	-29	5,666	7,141	1,475
75-84	50	66	16	3,532	4,602	1,070
85+	12	27	15	1,253	1,874	621
Total	818	766	-52	88,565	100,948	12,383

Source: U.S. Census

**Population Change in Wall by Age Between 2000 and 2010**



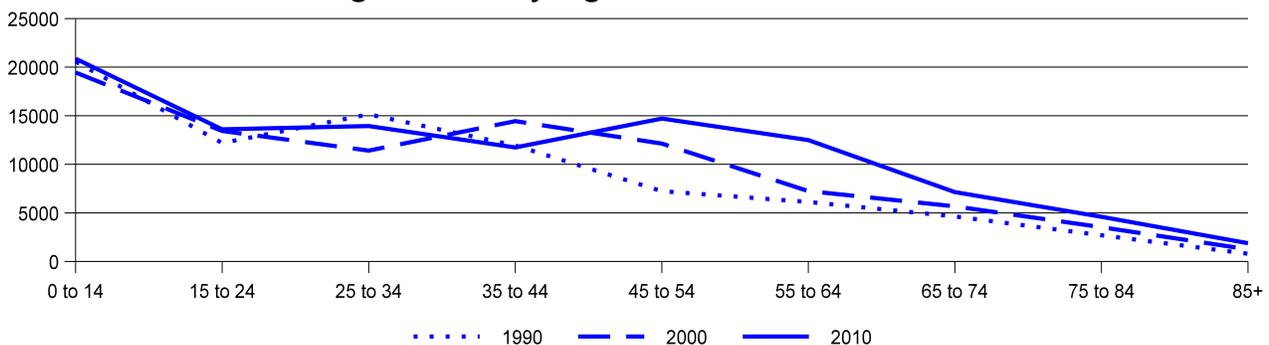
For many years, demographic analysts have been talking about the impact that is occurring as the large “baby boom” generation moves through the aging cycle. This trend has been evident in Wall and Pennington County from 2000 to 2010. Between 2000 and 2010, Pennington County had a gain of 7,818 people in the age ranges between 45 and 64 years old. In 2010, nearly all of the baby boomers were within these age ranges. The County also had a gain of 1,420 people in the 0 to 14 age range, a gain of 3,018 people in the 20 to 34 age ranges and a gain of 3,166 people in the 65 and older age ranges.

Pennington County had a loss of 329 people in the 15 to 19 age range and a loss of 2,710 people in the 35 to 44 age range.

Wall had a gain of 63 people in the 55 to 64 age range, a gain of 16 people in the 20 to 34 age ranges and a gain of 31 people in the 75 and older age ranges.

Wall experienced a population loss of 57 people in the 0 to 19 age ranges, a loss of 76 people in the 35 to 54 age ranges and a loss of 29 people in the 65 to 74 age range.

**Pennington County Age Distribution: 1990 to 2010**



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

## Population Projections

The following table presents population projections using two different sources. The first set of projections has been created by Esri, and span the five-year period from 2015 to 2020. The South Dakota State Data Center has issued a Pennington County population projection for the year 2020.

<b>Table 3 Population Projections Through 2020</b>				
	2010 Census	2015 Esri Estimate	2020 Esri Estimate	2020 Projection State Data Center
Wall	766	786	813	N/A
Pennington Co.	100,948	106,190	113,465	114,161

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

- ▶ Esri’s growth projections show a population gain of 27 people in Wall from 2015 to 2020.
- ▶ Esri’s population projection for Pennington County forecasts a gain of 7,275 people from 2015 to 2020.
- ▶ The State Data Center projects that Pennington County’s population will be 114,161 in 2020. When compared to the County’s population in 2010, this projection assumes a gain of more than 13,000 people during the current decade.
- ▶ Esri’s Pennington County projection of 113,465 people in 2020 is 696 people lower than the State Data Center’s projection for 2020 of 114,161 people.

## Household Data and Trends

<b>Table 4 Household Trends - 1990 to 2015</b>						
	1990 Households	2000 Households	% Change 1990-2000	2010 Households	% Change 2000-2010	2015 Esri Estimate
Wall	351	349	-0.6%	359	2.9%	372
Pennington Co.	30,553	34,641	13.4%	41,251	19.1%	44,013

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

- ▶ According to the U.S. Census, Wall gained households from 2000 to 2010. Wall had 359 households in 2010, an increase of 10 households from 2000, for a household gain of 2.9%.
- ▶ Pennington County had 41,251 households in 2010. This was an increase of 6,610 households, or a household gain of 19.1%.
- ▶ Wall had a loss of two households and Pennington County had a gain of 4,088 households during the 1990s.
- ▶ Esri estimates that Wall has gained 13 households and Pennington County has gained 2,762 households from 2010 to 2015.

## Household by Age Trends: 2000 to 2010

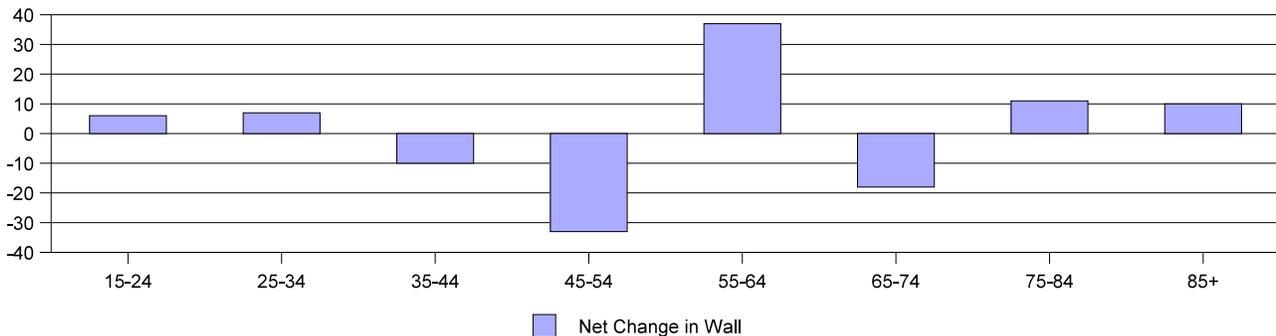
The 2010 Census allows for some analysis of Wall and Pennington County’s changing age patterns. The following table compares households by age of householder in 2000 and 2010, along with the numeric changes.

<b>Table 5 Households by Age - 2000 to 2010</b>						
Age	Wall			Pennington County		
	2000	2010	Change	2000	2010	Change
15-24	14	20	6	2,620	2,746	126
25-34	44	51	7	5,887	7,167	1,280
35-44	46	36	-10	8,053	6,391	-1,662
45-54	88	55	-33	7,053	8,518	1,465
55-64	49	86	37	4,290	7,500	3,210
65-74	58	40	-18	3,617	4,505	888
75-84	39	50	11	2,388	3,183	795
85+	11	21	10	733	1,241	508
Total	349	359	10	34,641	41,251	6,610

Source: U.S. Census

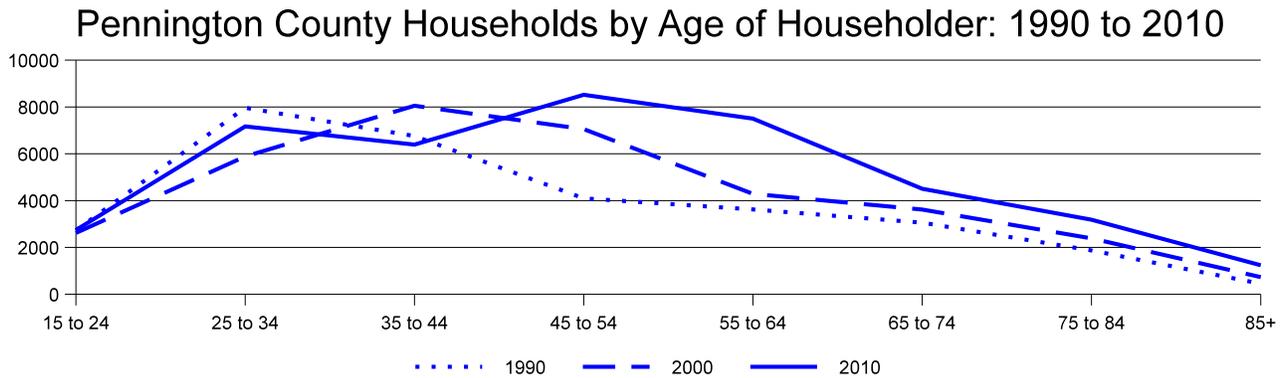
From 2000 to 2010, the major household gains in Wall and Pennington County were in the ‘baby boom’ age ranges. Wall added 37 households in the 55 to 64 age range. Wall also added 13 households in the 15 to 34 age ranges and 21 households in the 75 and older age ranges.

Wall Household Change by Age Between 2000 and 2010



Wall had a decrease of 43 households in the 35 to 54 age ranges and a loss of 18 households in the 65 to 74 age range.

Pennington County experienced a gain of 4,675 households in the 45 to 64 age ranges, a gain of 1,406 households in the 15 to 34 age ranges, and a gain of 2,191 households in the 65 and older age ranges. Pennington County had a loss of 1,662 households in the 35 to 44 age range.



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

## Average Household Size

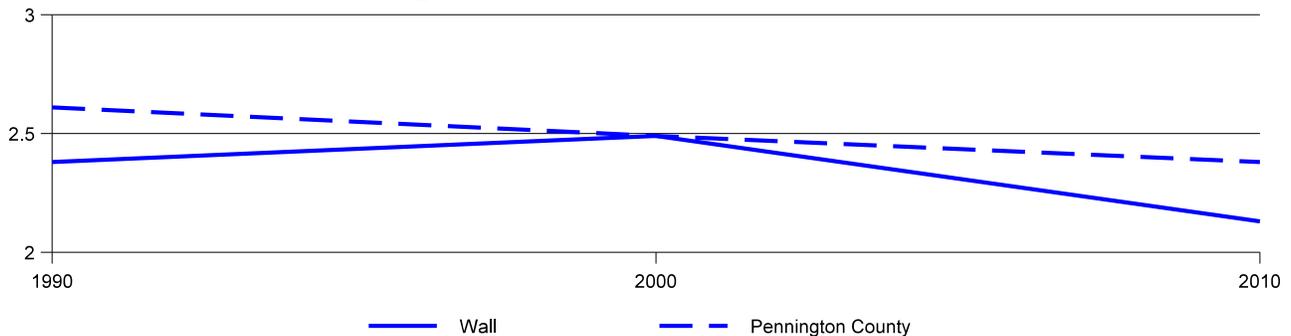
The following table provides decennial Census information on average household size. The 2015 estimates from Esri are also provided.

<b>Table 6 Average Number of Persons Per Household: 1990 to 2015</b>				
	1990 Census	2000 Census	2010 Census	2015 Esri Estimate
Wall	2.38	2.49	2.13	2.11
Pennington County	2.61	2.49	2.38	2.34
South Dakota	2.59	2.50	2.42	N/A

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

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

**Average Household Size: 1990 to 2010**



In Wall, the average household size increased from 2.38 persons per household in 1990 to 2.49 in 2000. However, over the past 15 years from 2000 to 2015, Wall’s average household size decreased from 2.49 in 2000 to 2.11 in 2015. In 2010, Wall’s average household size was significantly below the Statewide average.

Pennington County’s average household size decreased from 2.61 in 1990 to 2.34 in 2015. Pennington County’s average household size was below the Statewide average in 2010.

## Household Projections

The following table presents Esri’s 2015 household estimates and 2020 household projections for Wall and Pennington County.

<b>Table 7 Household Projections Through 2020</b>			
	2010 Census	2015 Estimate Esri	2020 Projection Esri
Wall	359	372	387
Pennington County	41,251	44,013	47,364

Source: U.S. Census; Esri

- ▶ The growth projections calculated by Esri expect household growth in Wall and Pennington County from 2010 to 2020.
- ▶ Esri estimates that Wall has added 13 households from 2010 to 2015 and projects that the Town will add 15 households from 2015 to 2020.
- ▶ Esri’s 2015 estimate for Pennington County is 44,013 households, an increase of 2,762 households from 2010. Esri projects that Pennington County will add an additional 3,351 households from 2015 to 2020.

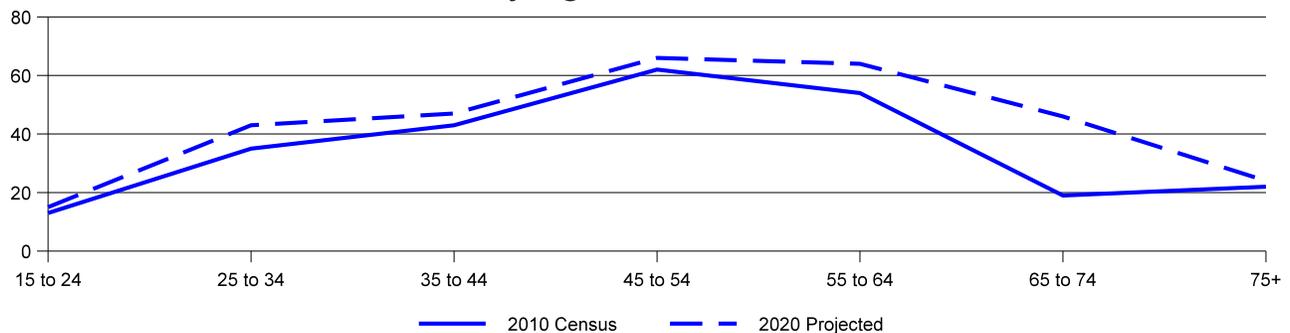
## Wall Household by Age Projections: 2010 to 2020

Esri has released population by age projections to the year 2020. The following table presents Esri's 2020 household by age projections for Wall, and the household changes from 2010 to 2020.

<b>Table 8 Wall Projected Households by Age - 2010 to 2020</b>			
Age Range	2010 Census	Esri	
		2020 Projection	Change from 2010
15-24	20	14	-6
25-34	51	51	0
35-44	36	42	6
45-54	55	55	0
55-64	86	90	4
65-74	40	65	25
75+	71	70	-1
<b>Total</b>	<b>359</b>	<b>387</b>	<b>28</b>

Source: U.S. Census; Esri

Wall Households by Age of Householder: 2010 to 2020



Consistent with the age distribution data presented earlier, the movement of the “baby boom” generation through the aging cycle should generate most of the Town’s growth in households in the age ranges between 55 and 74 years old. These projections expect an increase of 29 households in Wall from 2010 to 2020 in the 20-year age group between 55 and 74 years old. Growth of six households is also expected in the 35 to 44 age range.

Esri projects that Wall will lose six households in the 15 to 24 age range and one household in the 75 and older age range.

No change is projected from 2010 to 2020 in the number of households in the 25 to 34 and 45 to 54 age ranges.

## Households by Type

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

<b>Table 9 Wall Household Composition - 2000 to 2010</b>			
	2000 Census	2010 Census	Change
Family Households			
Married Couple with own children	76	50	-26
Single Parent with own children	22	22	0
Married Couple without own children	103	128	25
Family Householder without spouse	12	12	0
<b>Total Families</b>	<b>213</b>	<b>212</b>	<b>-1</b>
Non-Family Households			
Single Person	122	142	20
Two or more persons	14	5	-9
<b>Total Non-Families</b>	<b>136</b>	<b>147</b>	<b>11</b>

Source: U.S. Census

Between 2000 and 2010, Wall experienced an overall decrease of one “family” household. The Town had a decrease of 26 married couple families with children and a gain of 25 married couple without children households. The number of single parent households with children and the number of family householder without spouse households did not change in Wall from 2000 to 2010.

The Town of Wall had a net increase of 11 “non-family” households. There was an increase of 20 one-person households and a loss of nine households that had two or more unrelated individuals living together.

## Housing Tenure

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

Table 10 Household Tenure - 2010				
	Number of Owners	Percent of all Households	Number of Renters	Percent of all Households
Wall	253	70.5%	106	29.5%
Pennington Co.	26,792	64.9%	14,459	35.1%
State	-	68.1%	-	31.9%

Source: U.S. Census

According to the 2010 Census, the ownership tenure rate in Wall was 70.5% and Pennington County's ownership rate was 64.9%. Wall's rental tenure rate of 29.5% was below the Statewide rate of 31.9% renter households.

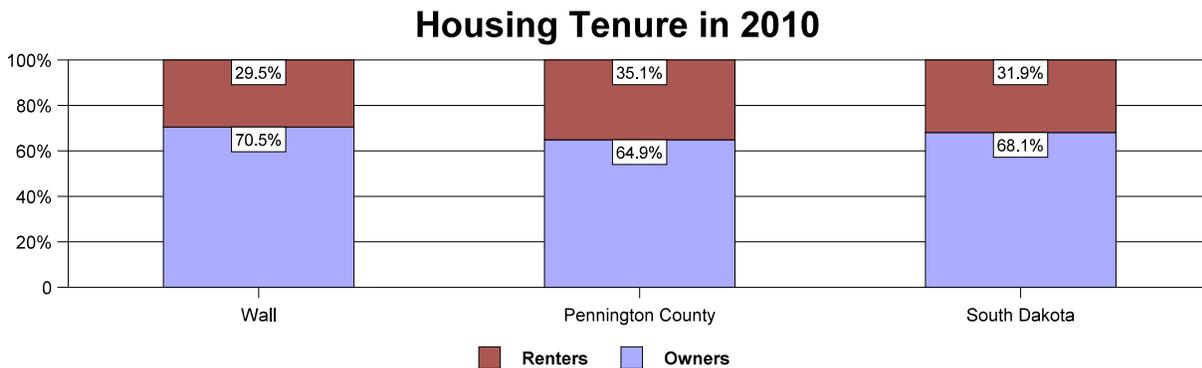


Table 11 Households by Housing Tenure - 2000 to 2010						
Tenure	Wall			Pennington County		
	2000	2010	Change	2000	2010	Change
Owners	263/75.4%	253/70.5%	-10	22,930/66.2%	26,792/64.9%	3,862
Renters	86/24.6%	106/29.5%	20	11,711/33.8%	14,459/35.1%	2,748
Total	349	359	10	34,641	41,251	6,610

Source: U.S. Census

The Town of Wall's ownership tenure rate decreased from 75.4% in 2000 to 70.5% in 2010. For Pennington County, the ownership tenure rate decreased from 66.2% in 2000 to 64.9% in 2010.

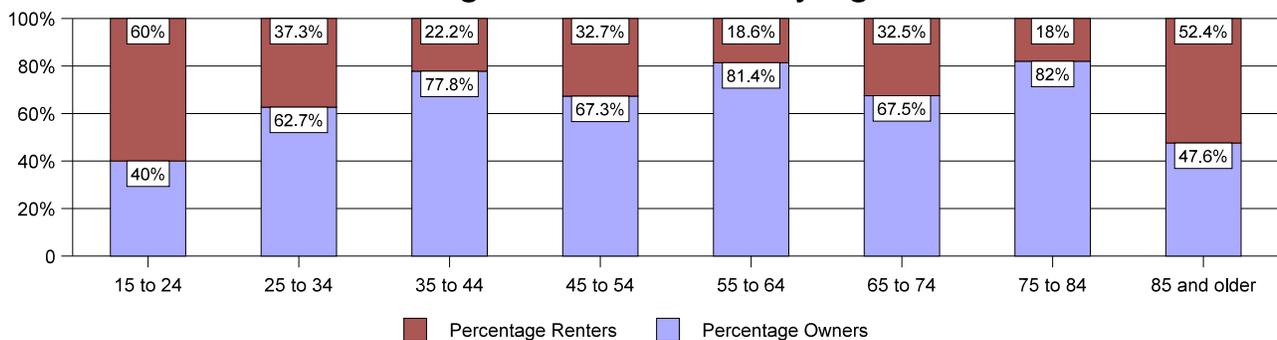
## Tenure by Age of Householder

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

<b>Table 12 Wall Tenure by Age of Householder - 2010</b>				
Age	Owners		Renters	
	Number	Percent within age	Number	Percent within age
15-24	8	40.0%	12	60.0%
25-34	32	62.7%	19	37.3%
35-44	28	77.8%	8	22.2%
45-54	37	67.3%	18	32.7%
55-64	70	81.4%	16	18.6%
65-74	27	67.5%	13	32.5%
75-84	41	82.0%	9	18.0%
85+	10	47.6%	11	52.4%
Total	253	70.5%	106	29.5%

Source: U.S. Census

**Wall Housing Tenure Patterns by Age in 2010**



Households at the lowest and highest end of the age spectrum showed a greater preference for rented housing. Approximately 60% of households age 24 and younger and 52% of the households age 85 and older rented their unit. Home ownership rates for each of the 10-year cohorts between the ages of 25 and 84 were above 62%.

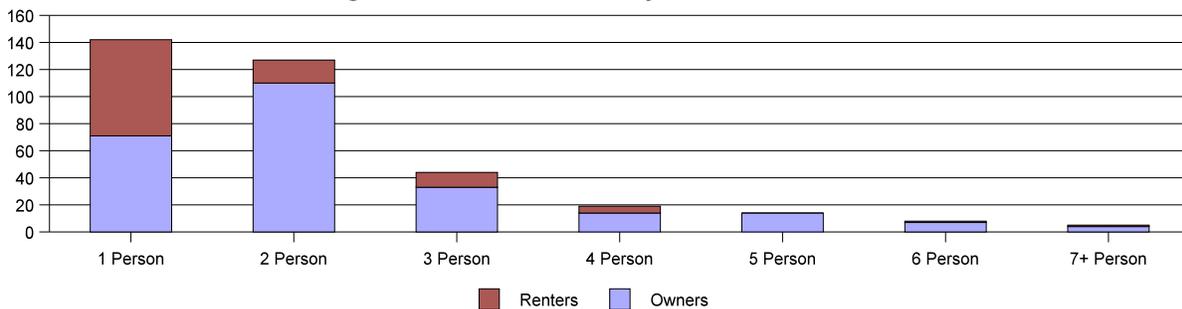
## Tenure by Household Size

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

Table 13 Wall Tenure by Household Size - 2000 to 2010						
Household Size	Owners			Renters		
	2000	2010	Change	2000	2010	Change
1-Person	77	71	-6	45	71	26
2-Person	93	110	17	23	17	-6
3-Person	37	33	-4	6	11	5
4-Person	34	14	-20	5	5	0
5-Person	11	14	3	4	0	-4
6-Person	7	7	0	1	1	0
7-Persons+	4	4	0	2	1	-1
Total	263	253	-10	86	106	20

Source: U.S. Census

Wall Housing Tenure Patterns by Household Size in 2010



From 2000 to 2010, there was a decrease of 10 owner households and an increase of 20 renter households in Wall. There was an increase of 17 owner households with two household members and an increase of three households with five household members. There was a decrease of six households with one household member and a decrease of 24 households with three or four household members. There was no change in the number of households with six or more household members.

There was a loss of six renter households with two household members, a loss of four renter households with five household members and a loss of one renter household with seven or more household members. There was a gain of 26 renter households with one person and a gain of five households with three household members. There was no change in the number of four person and six person renter households from 2000 to 2010.

Approximately 83% of the renter households in Wall were one or two person households in 2010.

## 2014 Income Data

The 2010 Census did not collect information on household income. However, estimates are available at the town and county level through the American Community Survey. The following table compares income information from 2000 and 2014.

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

<b>Table 14 Median Household Income - 2000 to 2014</b>			
	2000 Median	2014 Median	% Change
Wall	\$36,563	\$45,781	25.2%
Pennington County	\$37,485	\$50,564	34.7%
South Dakota	\$35,271	\$52,535	48.9%

Source: U.S. Census; 2014 ACS 5-year survey

<b>Table 15 Median Family Income - 2000 to 2014</b>			
	2000 Median	2014 Median	% Change
Wall	\$45,417	\$61,042	34.4%
Pennington County	\$44,796	\$64,448	43.9%
South Dakota	\$43,237	\$66,936	54.8%

Source: U.S. Census; 2014 ACS 5-year survey

Information contained in the 2014 American Community Survey shows that the median household and family incomes have increased from 2000 to 2014 in Wall and Pennington County. Wall's median household income increased by 25.2% and the Town's median family income increased by 34.4%. Pennington County's median household income increased by 34.7% and the County's median family income increased by 43.9%.

Wall and Pennington County's median household and family income levels were 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.

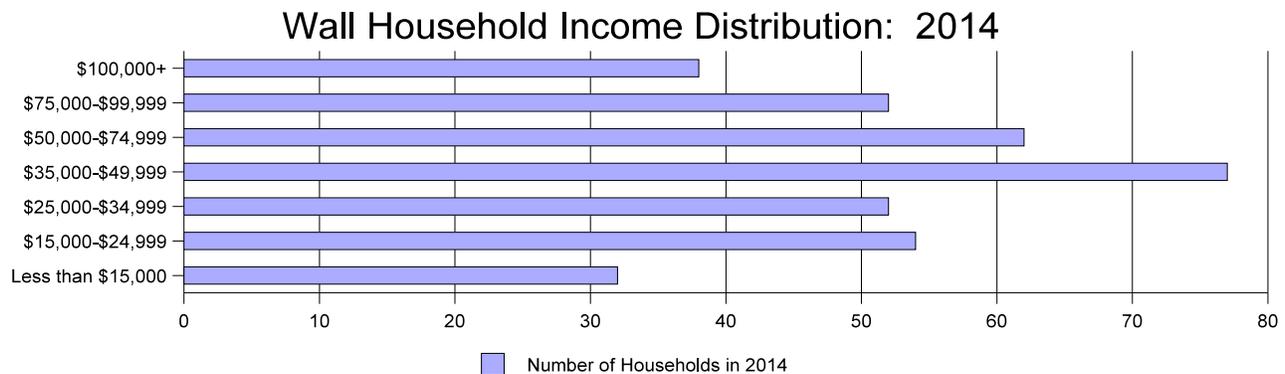
Using the commonly accepted standard that up to 30% of gross income can be applied to housing expenses without experiencing a cost burden, a median income household in Wall could afford approximately \$1,145 per month and a median income family household could afford \$1,526 per month for ownership or rental housing in 2014.

## Wall Household Income Distribution

The 2014 American Community Survey household income estimates for Wall can be compared to the same distribution information from 2000 to examine changes that have occurred in the past few years.

Table 16 Wall Income Distribution - 2000 to 2014			
Household Income	Number of Households 2000	Number of Households in 2014	Change 2000 to 2014
\$0 - \$14,999	62	32	-30
\$15,000 - \$24,999	70	54	-16
\$25,000 - \$34,999	33	52	19
\$35,000 - \$49,999	72	77	5
\$50,000 - \$74,999	59	62	3
\$75,000 - \$99,999	25	52	27
\$100,000+	29	38	9
Total	350	367	17

Source: 2000 Census; 2014 ACS



The 2014 American Community Survey estimated that there were 367 households in Wall. Esri estimated that in 2015 there were 372 households in Wall. Therefore, the 2014 American Community Survey is consistent with the Esri 2015 estimate and it is a good indicator of household income distribution.

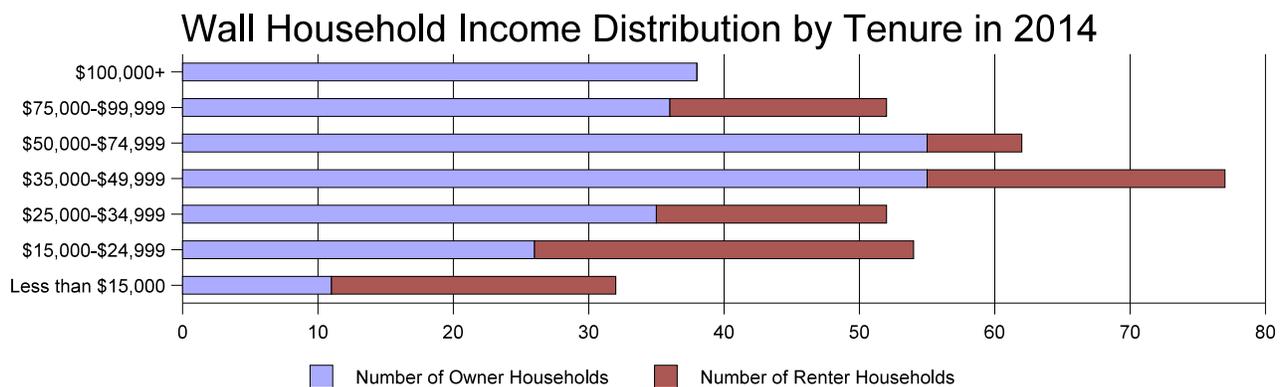
According to income estimates contained in the 2014 American Community Survey, household incomes have improved in Wall in the highest income ranges. When compared to the 2000 estimates, the number of households with an income of \$50,000, or more, had an increase of 39 households. Conversely, there was a net decrease of 22 households with annual incomes under \$50,000. Although there was a decrease in the number of households in the lower income ranges, there were still 86 households with an annual income below \$25,000 in 2014, which represented 23.4% of all households in Wall.

## Wall Income Distribution by Housing Tenure

The 2014 American Community Survey provides income data by owner and renter status. The following table examines income distribution in Wall. The American Community Survey is an estimate, based on limited sampling data. The American Community Survey reported income information on 367 households including 256 owner households and 111 renter households. The U.S. 2010 Census reported that there were 359 households in Wall including 253 owner households and 106 renter households. Therefore, it appears that the number of owner and renter households in Wall reported by the American Community Survey is reasonably accurate.

Table 17 Wall Income Distribution by Tenure - 2014			
Household Income	Number of Owner Households	Number of Renter Households	Total Households
\$0 - \$14,999	11/34.4%	21/65.6%	32
\$15,000 - \$24,999	26/48.1%	28/51.9%	54
\$25,000 - \$34,999	35/67.3%	17/32.7%	52
\$35,000 - \$49,999	55/71.4%	22/28.6%	77
\$50,000 - \$74,999	55/88.7%	7/11.3%	62
\$75,000 - \$99,999	36/69.2%	16/30.8%	52
\$100,000+	38/100%	0/0%	37
Total	256	111	367

Source: 2014 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 2014, approximately 59% of all renter households in Wall 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 \$26,477 in 2014. At 30% of income, a renter at the median level could afford approximately \$662 per month or less for housing costs.

Most owner households had a higher income level than rental households. Approximately 50% of all owner households had an annual income of \$50,000 or more. The estimated median household income for owners in 2014 was approximately \$50,192. At 30% of income, an owner at the median income level could afford approximately \$1,255 per month for housing costs.

## 2014 Estimated Income and Housing Costs - Renters

The American Community Survey also collected information on housing costs. The following table provides data on the number of renter households that are paying different percentages of their gross household income for housing in the Town of Wall. In 2014, the American Community Survey identified 111 renter households. In 2010, based on U.S. Census data, there were 106 renter households in Wall. Therefore, it appears that the American Community Survey renter household estimate for Wall is reasonably accurate.

<b>Table 18 Gross Rent as a Percentage of Household Income - 2014</b>			
Percent of Income for Housing	Households Age 64 and Younger	Households Age 65 and Older	Total
Less than 20%	2/10.0%	55/60.4%	57/51.4%
20% to 29.9%	12/60.0%	10/11.0%	22/19.8%
30% to 34.9%	0/0%	7/7.7%	7/6.3%
35% or more	4/20.0%	6/6.6%	10/9.0%
Not Computed	2/10.0%	13/14.3%	15/13.5%
<b>Total</b>	<b>20/100%</b>	<b>91/100%</b>	<b>111/100%</b>

Source: 2014 American Community Survey

According to the American Community Survey, approximately 15% of the renters in Wall 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”.

## 2014 Estimated Income and Housing Costs - Owners

The American Community Survey also provided housing cost estimates for owner-occupants. The following table provides estimates of the number of owner households in Wall that are paying different percentages of their gross household income for housing costs. The American Community Survey reported income information on 256 owner households. The U.S. 2010 Census reported that there were 253 owner households in Wall in 2014. Therefore, it appears that the American Community Survey owner household estimate for Wall is reasonably accurate.

<b>Table 19 Ownership Costs as a Percentage of Income - Wall</b>		
Percentage of Household Income for Housing Costs	Number of Owner Households 2014	Percent of All Owner Households 2014
0% to 19.9%	149	58.2%
20% to 29.9%	74	28.9%
30% to 34.9%	17	6.6%
35% or more	16	6.3%
Not Computed	0	0%
Total	256	100%

Source: 2014 ACS

Most owner-occupants in Wall, 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.

## Wall Building Permit Trends

Wall has experienced limited new housing construction activity in recent years. The following table identifies the units that have been constructed since 2000.

<b>Table 20 Wall Housing Unit Construction Activity: 2000 to 2016</b>			
Year	Single Family	Two or More Units	Total Units Constructed
2016	3	0	3
2015	1	0	1
2014	1	0	1
2013	1	0	1
2012	0	0	0
2011	2	0	2
2010	3	0	3
2009	1	0	1
2008	2	0	2
2007	1	0	1
2006	1	0	1
2005	1	0	1
2004	4	0	4
2003	3	0	3
2002	4	0	4
2001	3	0	3
2000	1	0	1
<b>Total</b>	<b>32</b>	<b>0</b>	<b>32</b>

Source: Town of Wall; Community Partners Research, Inc.

Over the past 17 years, from 2000 to 2016, 32 new housing units have been constructed in Wall based on building permit information obtained from the Town of Wall. All 32 units are single family homes.

From 2000 to 2008, 20 owner-occupancy single family homes were constructed, which is an average of two to three homes per year. From 2009 to 2016, 12 owner-occupancy single family homes were constructed, which is an average of one to two homes annually.

## Occupancy Status of Housing Units - 2010

Table 21 Occupancy Status of Housing Units - 2010						
	Occupied Units		Vacant Units			
	Owner	Renter	For Rent	For Sale	Seasonal Use	Other Vacant
Wall	253	106	23	2	40	12
Pennington Co.	26,792	14,459	1,005	554	1,306	833

Source: U.S. Census

- ▶ In 2010, according to the U.S. Census, there were 1,306 seasonal housing units in Pennington County including 40 units in Wall.
- ▶ In addition to the seasonal units in 2010, there were 2,392 vacant housing units in Pennington County, including 37 units in Wall.

## **Existing Home Sales**

This section examines houses that have been sold from 2010 to 2015 in the Town of Wall. The information was obtained from the South Dakota Department of Revenue website, using information compiled by the Pennington 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 sales in the County's sample may have been transfers that could be considered distressed, such as houses that were previously bank-owned, but were sold by the bank back into private ownership. While it can be argued that sales of bank-owned properties acquired through foreclosure are not fair market transactions, they may be included in the County data if the bank openly placed them for sale in the public market.

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

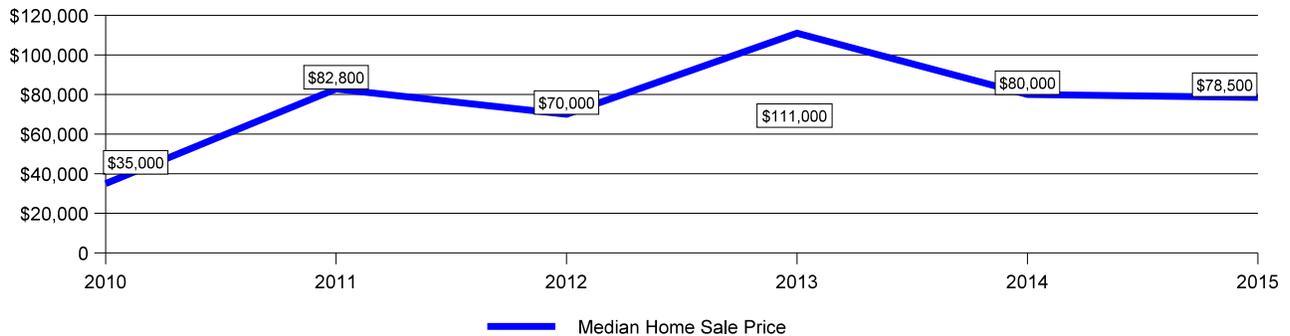
The County's time period for analyzing annual sales differs slightly from the calendar year. No sales data was available for 2016 as of June 12, 2016.

**Table 22 Wall Residential Sales Activity - 2010 to 2015**

Sales Year	Number of Sales	Median Sale Price	Highest Sale	Lowest Sale
2015	16	\$78,500	\$189,500	\$8,500
2014	14	\$80,000	\$190,000	\$13,000
2013	12	\$111,000	\$190,000	\$10,000
2012	9	\$70,000	\$120,000	\$31,000
2011	12	\$82,800	\$159,000	\$28,000
2010	9	\$35,000	\$175,000	\$25,000

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

Over the time period from 2010 to 2015, the median home sale price in Wall has shown significant variation from year to year. Over the years reviewed, the median price has ranged from a low of \$35,000 in 2010, to a high of \$111,000 in 2013. With only a limited number of open market transactions in a single 12-month period, the annual sales sample may not accurately reflect overall home values.

**Median Home Sale Price: 2010 to 2015**

If all of the good sales over the six-year period are aggregated, the median sale price was \$80,000. If only 2014 and 2015 are aggregated, the median value was also \$80,000.

The highest priced sale over the last six years was for \$190,000. In all six years, at least one house sold for \$31,000 or less, and in five of the six years there was at least one sale for \$159,000 or more.

An alternate estimate of home values exists in the 2014 American Community Survey. This source placed the median value at \$86,800, approximately \$6,800 higher than the median home sale price over the last six years.

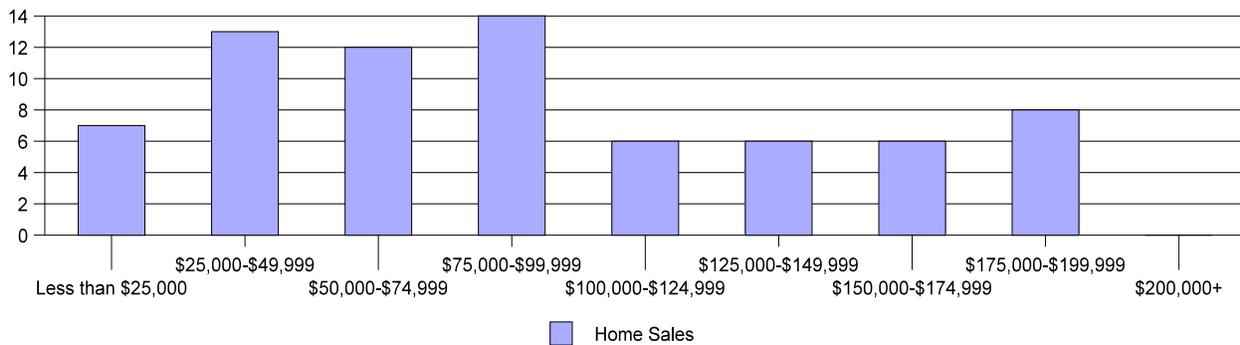
## Home Sales by Price Range

The following table looks at single family houses that sold within defined price ranges in the six-year period from 2010 through 2015.

<b>Table 23 Home Sales by Price Range: 2010 through 2015</b>		
Sale Price	Number of Sales	Percent of Sales
Less than \$25,000	7	9.7%
\$25,000 - \$49,999	13	18.1%
\$50,000 - \$74,999	12	16.7%
\$75,000 - \$99,999	14	19.5%
\$100,000 - \$124,999	6	8.3%
\$125,000 - \$149,999	6	8.3%
\$150,000 - \$174,999	6	8.3%
\$175,000 - \$199,999	8	11.1%
\$200,000+	0	0%
<b>Total</b>	<b>72</b>	<b>100%</b>

SD Dept. of Revenue; Pennington County Equalization; Community Partners Research, Inc.

### Wall Home Sales by Price Range



Recent home sales in Wall have been primarily distributed in the low to moderate price ranges, with approximately 64% of all sales priced below \$100,000, and 17% of all sales priced between \$100,000 and \$150,000. Approximately 19% of the sales were for more than \$150,000.

## Wall Housing Condition

Community Partners Research, Inc. representatives conducted a visual 'windshield' survey of the 273 single family/duplex houses in the Town of Wall. The Town was divided into three neighborhoods. The boundaries of the neighborhoods are as follows:

- ▶ Neighborhood #1: East of Glenn Street/North of Interstate 90
- ▶ Neighborhood #2: West of Glenn Street/North of Interstate 90
- ▶ Neighborhood #3: South of Interstate 90

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

Dilapidated was the lowest rating used. These houses need major renovation to become decent, safe and sanitary housing. Some Dilapidated properties may be abandoned and may be candidates for demolition and clearance. Major Rehabilitation is defined as a house needing multiple major improvements such as roof, windows, sidings, structural/foundation, etc. Houses in this condition category may or may not be economically feasible to rehabilitate.

Minor Repair houses are judged to be generally in good condition and require less extensive repair, such as one major improvement. Houses in this condition category will generally be good candidates for rehabilitation programs because they are in a salable price range and are economically feasible to repair. Sound houses are judged to be in good, 'move-in' condition. Sound houses may contain minor code violations and still be considered Sound.

<b>Table 24 Windshield Survey Condition Estimate - 2016</b>					
	Sound	Minor Repair	Major Repair	Dilapidated	Total
East of Glenn Ave	67/54.9%	29/23.8%	14/11.5%	12/9.8%	122
West of Glenn Ave	34/34.3%	39/39.4%	18/18.2%	8/8.1%	99
South of I90	44/84.6%	7/13.5%	1/1.9%	0/0%	52
Total	145/53.1%	75/27.5%	33/12.1%	20/7.3%	273

Source: Community Partners Research, Inc.

- ▶ Approximately 28% of the houses in Wall need minor repair and 12% need major repair. Approximately 53% are sound, with no required improvements. Twenty houses are dilapidated and possibly beyond repair.

## Wall Mobile Home Housing Condition

Community Partners Research, Inc. representatives conducted a visual 'windshield' survey of 61 mobile homes located in the Town of Wall.

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

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

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

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

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

<b>Table 25 Windshield Survey Condition Estimate - 2016</b>					
	Sound	Minor Repair	Major Repair	Dilapidated	Total
Mobile Homes	21/34.4%	20/32.8%	16/26.2%	4/6.6%	61

Source: Community Partners Research, Inc.

- ▶ The mobile homes in Wall are in fair condition. Approximately 33% of the mobile homes need minor repair and 26% need major repair. Approximately 34% are sound, with no required improvements.
- ▶ Four mobile homes were dilapidated and possibly beyond repair.

## **Rental Housing Data**

### **Census Bureau Rental Inventory**

According to the 2010 U.S. Census, there were 106 occupied rental units and 25 unoccupied rental units in Wall, for a total estimated rental inventory of 131 units. The Town's rental tenure rate was 29.5% in 2010, below the Statewide rental rate of 31.9%.

At the time of the 2000 Census, Wall had 86 occupied rental units, and 38 vacant rental units, for a total estimated rental inventory of 124 units. The rental tenure rate in 2000 was 24.6%.

Based on a Census comparison, the Town gained 20 renter-occupancy households, and approximately seven rental units from 2000 to 2010. The rental tenure rate increased from 24.6% in 2000 to 29.5% in 2010. Based on Town data, no rental units were constructed from 2000 to 2015, however, some single family homes converted from owner-occupancy to rental over the past 15 years.

### **Rental Housing Survey**

As part of this housing study, a telephone survey was conducted of multifamily projects in the Town of Wall. The survey was conducted in June 2016. Emphasis was placed on contacting properties that have four or more units, although some single family homes were also surveyed. For the purposes of planning additional projects in the future, multifamily properties represent the best comparison of market potential.

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

There were 60 market rate and subsidized housing units contacted in the survey. The two income-based subsidized and the one market rate multifamily project in Wall were surveyed. We also surveyed 16 market rate single family homes. Additionally, we surveyed the nursing home, Philip Nursing Home, which has 30 beds and Silver Leaf Assisted Living with 16 units, both of which are in Philip.

The units that were successfully contacted include:

- ▶ 24 market rate units
- ▶ 36 federally subsidized units
- ▶ 46 senior with services units/beds in Philip

The findings of the survey are provided below.

## **Market Rate Summary**

Information was obtained on 24 market rate rental units. The 24 units are in an eight-unit project and 16 single family homes.

### **Unit Mix**

We obtained bedroom mix information on all 24 market rate units. The bedroom mix of these units is:

- ▶ One-bedroom - 4 (16.7%)
- ▶ Two-bedroom - 15 (62.5%)
- ▶ Three-bedroom - 4 (16.7%)
- ▶ Four-bedroom - 1 (4.1%)
- ▶ Total - 24

### **Occupancy / Vacancy**

Within the market rate multifamily segment, the managers and owners reported that there no vacancies in the 24 units surveyed. This represents a vacancy rate of 0%. The managers and owners reported high demand for market rate rental units.

### **Rental Rates**

The rental rates of the market rate units we surveyed in Wall ranged from \$325 to \$625 plus utilities. The rents in the Foothill Properties are \$500 plus heat and electricity for the one-bedroom unit and \$550 to \$625 for the two-bedroom units plus heat and electricity. The rents for the 16 single family homes surveyed range from \$325 to \$600 plus utilities and are based on the size and quality of the homes.

## Market Rate Rental Construction from 2000 to 2016

We are aware of no market rate units that were constructed from 2000 to 2016 in Wall. However, some houses were converted from owner to renter occupancy over the past 17 years.

## Subsidized Summary

The research completed for this Study surveyed the two income-restricted projects providing rental opportunities for lower income households in Wall. The two projects are:

- ▶ **Prairie Village** - Prairie Village is a General Occupancy HUD Public Housing project with 27 one-bedroom units and one two-bedroom unit. The project was constructed in 1974.
- ▶ **Wall Ridge** - Wall Ridge Apartments is an eight-unit USDA Rural Development subsidized project for general occupancy with one one-bedroom and seven two-bedroom units. The project was constructed in 1978.

## Rental Rates

A majority of the subsidized units have access to project-based rent assistance. These units charge rent 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.

## Unit Mix

The bedroom mix breakdown for the two subsidized housing projects in Wall are as follows:

▶ One-bedroom -	28 (77.8%)
▶ Two-bedroom -	8 (22.2%)
▶ Three or more bedrooms -	<u>0 (0%)</u>
▶ Total -	36

## **Occupancy / Vacancy**

There were two vacant units identified in the subsidized projects, which is a 5.5% vacancy rate. Each project had a vacant two-bedroom unit.

## **Subsidized Housing Gains/Losses**

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

In 2009, one eight-unit USDA Rural Development Project, Foothills Properties (previously Wall Ridge Apartments - North) opted out of the subsidy program and converted to market rate.

## **Housing Choice Vouchers**

The Housing Choice Voucher Program provides portable, tenant-based rent assistance to lower income 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.

The Housing Choice Voucher Program in Wall and Pennington County is administered by the Pennington County Housing and Redevelopment Commission. The Pennington County Housing and Redevelopment Commission has the ability to issue approximately 1,329 vouchers in Pennington County. Currently, no Wall households are utilizing the Housing Choice Voucher Program. There is a 2 ½ to 3-year waiting list to obtain a voucher.

## **Senior Housing with Services**

Wall does not have any senior with services facilities, however, Philip, which is approximately 30 miles from Wall, has two senior with services facilities. These facilities include:

- ▶ **Silver Leaf Assisted Living** - Silver Leaf Assisted Living has 16 one-bedroom units. Services include 24-hour staffing, meals, laundry services, housekeeping, medication management, etc. Tenants can move in independently requiring minimal services or move in requiring the full array of senior assisted living services.
- ▶ **Philip Nursing Home** - Philip Nursing Home is a nursing home with 30 skilled nursing beds. The facility was constructed in the 1970s.

<b>Table 26 Wall Multifamily Rental Housing Inventory</b>					
<b>Name</b>	<b>Number of Units / Bedroom Mix</b>	<b>Rent</b>	<b>Vacancy/ Wait List</b>	<b>Tenant Mix</b>	<b>Comments</b>
<b>Market Rate</b>					
Foothills Properties	1 - 1 bedroom <u>7 - 2 bedroom</u> 8 total units	\$500 \$550-\$625	No vacancies	General occupancy	Foothills Properties is an eight-unit market rate project that was constructed in 1978. The project was a subsidized Rural Development Project, but converted to market rate in 2009. The manager reported that units are being renovated. The rents are \$500 for the one-bedroom unit and the rents range from \$550 to \$625 for a two-bedroom unit. The renovated unit is \$625. Tenants also pay heat and electricity. The manager reports no vacancies.
16 Single Family Homes	3 - 2 bedroom 8 - 2 bedroom 4 - 3 bedroom <u>1 - 4 bedroom</u> 16 total units	Range from \$325 to \$600 plus utilities	No vacancies	General occupancy	Information was obtained on 16 single family home rentals in Wall. The homes included one one-bedroom, four two-bedroom, five three-bedroom and one four-bedroom. The rents of the homes surveyed range from \$325 to \$600 and are based on the size and quality of the home. Tenants also pay utilities. All of the homes were occupied, however, one home may be available August 1 and one owner reported that he was renovating a home to rent in the future, but he has multiple people requesting to rent the home.

**Table 26 Wall Multifamily Rental Housing Inventory**

Name	Number of Units /Bedroom Mix	Rent	Vacancy/ Wait List	Tenant Mix	Comments
<b>Subsidized</b>					
Prairie Village	27 - 1 bedroom <u>1 - 2 bedroom</u> 28 total units	\$500 max. \$670 max. 30% of income	1 vacant 2-bedroom	General occupancy	Prairie Village is a 28-unit General Occupancy Public Housing Project constructed in 1974. Prairie Village is owned and managed by the Pennington County Housing and Redevelopment Commission. The 28 units include 27 one-bedroom and one two-bedroom unit. Tenants must meet income guidelines and pay 30% of their income up to a maximum rent. The manager reports that the two-bedroom unit is currently vacant, but the units are usually fully occupied.
Wall Ridge Apartments South	1 - 1 bedroom <u>7 - 2 bedroom</u> 8 total units	\$645-\$681 \$665-\$701 30% of income	1 vacant 2-bedroom	General occupancy	Wall Ridge Apartments is a General Occupancy Rural Development Project constructed in 1978. Five tenants have rent assistance that allows the tenant to pay 30% of income up to a maximum rent. The remaining tenants pay 30% of income, but not less than the basic rent or more than the market rent listed. The manager reported one two-bedroom vacancy. The manager also reported that the units with no rent assistance are more difficult to keep rented.

**Table 26 Wall Multifamily Rental Housing Inventory**

Name	Number of Units / Bedroom Mix	Rent	Vacancy/ Wait List	Tenant Mix	Comments
<b>Senior with Services</b>					
Silver Leaf Assisted Living Philip	16 - 1 bedroom 16 total units	Varies based on level of services	N/A	Seniors	The Silver Leaf is a 16-unit assisted living project constructed in 1998. Units are one room with an attached bathroom. Services include three meals, weekly housekeeping, medication assistance, laundry, etc. Some services are included in the rent and other services can be purchased for an additional fee. Approximately 50% of Silver Leaf's residents receive light services and 50% require a higher level of services.
Philip Nursing Home Philip	30 beds	Varies based on level of services	N/A	Seniors	The Philip Nursing Home is part of Philip Health Care, which includes a hospital, nursing home, clinic and assisted living.

Source: Community Partners Research, Inc.

## **Employment and Local Economic Trends**

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

The Town of Wall is part of the Rapid City Metropolitan Statistical Area (MSA), which includes all of Pennington and Meade Counties. Much of the household growth that has occurred in the MSA in past decades was the direct result of job opportunities that were available, especially in Rapid City. The type of employment, wage level, and working conditions will each influence the kind of housing that is needed and at what level of affordability.

## Work Force and Unemployment Rates

Employment information is available for the Rapid City MSA. Information has been reviewed back to the year 2010. Data in the tables that follow have been obtained from the South Dakota Department of Labor.

<b>Table 27 Rapid City MSA Annual Labor Statistics: 2010 to 2015</b>						
Year	Labor Force	Employed	Unemployed	Unemployment Rate - MSA	Unemployment Rate - SD	Unemployment Rate - US
2010	70,045	66,360	3,685	5.3%	5.0%	9.6%
2011	70,090	66,665	3,425	4.9%	4.7%	8.9%
2012	70,440	67,310	3,130	4.4%	4.3%	8.1%
2013	70,930	68,135	2,795	3.9%	3.8%	7.4%
2014	71,365	68,925	2,440	3.4%	3.4%	6.2%
2015	72,304	69,758	2,546	3.5%	3.4%	5.3%

Source: South Dakota Department of Labor; Community Partners Research, Inc.  
Not seasonally adjusted

The unemployment rate for the Rapid City MSA has generally been on a downward trend since 2010. The unemployment rate did increase slightly between 2014 and 2015, but the increase was only 0.1%. In comparison to national patterns, the unemployment rate in the area has remained low.

In terms of the employment level, 2015 represented the highest employment count of the six years reviewed. The size of the available labor force also reached a peak in 2015.

## Employment and Wages by Industry

The following table shows the annual employment and average annual wages by major employment sector in 2014, the last full year of data. It is important to note that the major employment sectors listed do not represent all employment, as some classifications, such as self-employed workers, are not included. This information is for all of the Rapid City MSA.

<b>Table 28 MSA Average Annual Wages by Industry Detail - 2014</b>		
Industry	2014 Employment	Average Annual Wage
Total All Industry	64,557	\$37,187
Natural Resources, Mining	237	\$34,813
Construction	4,510	\$41,635
Manufacturing	2,955	\$41,430
Trade, Transportation, Utilities	13,293	\$33,252
Information	928	\$42,168
Financial Activities	4,130	\$43,382
Professional and Business Services	5,123	\$48,724
Education and Health Services	10,404	\$46,527
Leisure and Hospitality	9,865	\$16,137
Other Services	2,309	\$27,907
Government	10,800	\$42,978

Source: South Dakota Department of Labor

The average annual wage for all industry in 2014 was \$37,187 for the Rapid City MSA. The highest wage sector was Professional and Business Services, with an annual wage of \$48,724. The lowest average wage was paid in the Leisure and Hospitality sector, at \$16,137.

In terms of actual employment, the largest single sector was Trade, Transportation and Utilities, with 13,293 people. This is a broad sector, with a wide variation in annual wages for sub-sectors. The Retail Trade sub-sector, which accounted for more than 70% of all employment within this sector, had an average annual wage of only \$26,108.

## Commuting Patterns of Area Workers

Information is available on workers that commute for employment. The 2014 American Community Survey has been examined for the Town of Wall. The first table only examines people living in Wall that traveled to work and excludes people that work at home.

<b>Table 29 Travel Times for Wall Residents - 2014</b>		
Travel Time	Number	Percent
Less than 10 minutes	259	64.4%
10 to 19 minutes	38	9.5%
20 to 29 minutes	16	4.0%
30 minutes or more	89	22.1%
Total	402	100%

Source: 2014 American Community Survey 5-year estimates

According to the American Community Survey, approximately 64% of Wall residents were commuting 10 minutes or less for employment in 2014. However, more than 26% commuted 20 minutes or more to work.

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

<b>Table 30 Commuting Times for Wall-based Employees - 2014</b>		
Travel Time	Number	Percent
Less than 10 minutes	307	53.8%
10 to 19 minutes	138	24.2%
20 to 29 minutes	63	11.0%
30 minutes +	63	11.0%
Total	571	100%

Source: 2014 American Community Survey 5-year estimates

The American Community Survey estimated that approximately 78% of employees that work in Wall commuted less than 20 minutes to work. Approximately 22% commuted more than 20 minutes to work in Wall.

## **Findings on Growth Trends**

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

Wall's population decreased by 1.9% from 1990 to 2000. The population decreased from 834 in 1990 to 818 in 2000. From 2000 to 2010, Wall's population decreased by 52 people, from 818 to 766 people, which was a population loss of 6.4%.

Pennington County's population increased from 81,343 in 1990 to 88,565 in 2000, which was an increase of 8.9%. The population increased in the 2000s from 88,565 in 2000 to 100,948 in 2010, which was a population gain of 14.0%.

Wall had a slight decrease of two households from 1990 to 2000. Wall experienced a gain of 10 households from 2000 to 2010. Pennington County had an increase of 4,088 households from 1990 to 2000 and a gain of 6,610 households from 2000 to 2010.

Esri estimates that Wall and Pennington County gained population and households from 2010 to 2015. Esri estimates that Wall gained 20 people and 13 households from 2010 to 2015. Esri estimates that Pennington County gained 5,242 people and 2,762 households from 2010 to 2015.

The U.S. Census estimates that from 2010 to 2015, Wall gained 11 people and Pennington County gained 7,754 people.

## **Findings on Projected Growth**

Esri projects that Wall's population will increase by 27 people and 15 households from 2015 to 2020.

Esri projects that Pennington County will gain approximately 7,275 people and 3,351 households from 2015 to 2020.

## Summary of Wall’s Growth Projections by Age Group

The Demographic section of this Study presented Wall projection information on anticipated changes by age group from 2010 to 2020. 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 age ranges between 55 and 74 years old. Age projections would expect the Town to add approximately 29 households in the 55 to 74 age ranges from 2010 to 2020.

The Esri age-based projections also expect an increase of six households in the 35 to 44 age range.

Esri projects that Wall will lose six households in the 15 to 24 age range and one household in the 75 and older age range from 2010 to 2020. Esri projects that there will be no change from 2010 to 2020 in the 25 to 34 and 45 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 Wall adds population at a rate that is faster or slower than past patterns would suggest, traditional age-based forecasts would be altered.

<u>Age Range</u>	<u>Projected Change in Households</u>
	<u>2010 to 2020</u>
15 to 24	-6
25 to 34	0
35 to 44	6
45 to 54	0
55 to 64	4
65 to 74	25
75 and older	-1
Total	28

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

Based on the household by age projections presented earlier, the changing age composition of Wall'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 six households in the 15 to 24 age range through the year 2020. Past tenure patterns indicate that most of the households in Wall in this age range will rent their housing. A decrease in the number of households in this age range should mean that rental demand from younger households will decrease slightly during the projection period.

***25 to 34 Years Old*** - The projections show no change in the number of households in this age range from 2010 to 2020. Within this age range households often move from rental to ownership housing. The ownership rate among these households in Wall was approximately 63% in 2010. No change in the number of households within this age range indicates demand for both first-time home buyer and rental opportunities will remain stable during the projection period.

***35 to 44 Years Old*** - The projections for this 10-year age cohort expect a gain of six households between 2010 and 2020 in Wall. In the past, this age group has had a high rate of home ownership in Wall, at approximately 78%. 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 2020, 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 Wall, the projections show no change in the number of households in this range. The rate of home ownership was approximately 67% in Wall in 2010. Households in this age range will often look for trade-up housing opportunities. No change in the number of households in this age group, indicates that the demand for trade-up housing will remain relatively stable 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 four households in this 10-year age range by the year 2020 in the Town. This age range has traditionally a high rate of home ownership in Wall, at approximately 81% in 2010. Age-appropriate housing, such as town house or twin home units, is often well suited to the life-cycle preferences of this age group, as no maintenance/low maintenance housing has become a popular option for empty-nesters.

***65 to 74 Years Old*** - A large gain of 25 households is expected by the year 2020 in the 65 to 74 age range. While this group will begin moving to life-cycle housing options as they age, the younger seniors are still predominantly home owners. At the time of the 2010 Census, approximately 68% of the households in this age range owned their housing in Wall. Once again, preferences for age-appropriate units would increase from household growth within this age cohort.

***75 Years and Older*** - There is a projected loss of one household in Wall in this age range between 2010 and 2020. In the past, younger households age 75 to 84 in this age range had a high rate of ownership at approximately 82%. The older seniors in this age range that were over the age of 85, had a relatively low ownership rate of approximately 48%. 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 Esri household projections used for this Study expect Wall to gain 15 households and Pennington County to gain 3,351 households from 2015 to 2020. Household growth in Wall and Pennington County will yield some demand for new housing production in Wall.

***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 Wall, 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 Wall. 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 Wall were identified through statistical data, local interviews, research and on-site review of the local housing stock.

- ▶ **Wall serves as a small regional center** - Wall provides employment opportunities, retail/service options, governmental services and recreational facilities for a small geographical area that surrounds the Town.
- ▶ **Tourism** - Wall Drug is located in Wall and Wall is the Gateway to the Badlands National Park. Wall Drug and the Badlands are two major well-known tourism destinations.
- ▶ **Affordable priced housing stock** - The Town of Wall has a stock of affordable, existing houses. Our analysis shows that the Town's median home value based on home sales in 2014 and 2015 was approximately \$80,000. This existing stock, when available for sale, provides an affordable option for home ownership.
- ▶ **Adequate land for development** - Wall has adequate land available for both residential and commercial/industrial development. However, some of this land is not for sale, needs to be serviced with infrastructure improvements and/or needs to be annexed into the Town limits.
- ▶ **Educational system** - Wall has an excellent public K-12 school system. A new school was constructed in 2005.
- ▶ **Infrastructure** - Wall's water and sewer infrastructure can accommodate future expansion.
- ▶ **Wall Economic Development Corporation** - The Wall Economic Development Corporation is very active in promoting economic development and housing in Wall.
- ▶ **Employers** - Wall has several large employers that provide job opportunities for local residents including Wall Drug, West River Electric, Wall School District 51-5 and Golden West Telecommunications.

- ▶ **Proximity to Rapid City and the Black Hills** - Wall is located approximately 50 miles from Rapid City and the Black Hills. Rapid City provides employment opportunities, retail/service options, educational opportunities, health care facilities and cultural amenities. Some households prefer to live near, but not in a large regional center. Also, the Black Hills provides many tourism and recreational opportunities.
- ▶ **Interstate 90** - Wall is located on Interstate 90, which provides excellent access to the Town.
- ▶ **Sales Tax Revenue** - Wall receives a substantial amount of revenue annually from sales tax revenue.
- ▶ **Small town atmosphere** - Although Wall is a major tourism destination, Wall still has the real and perceived amenities of a small town. This small town living is attractive to some households.
- ▶ **Commuters** - Approximately 264 of the Wall-based employees are commuting into the Town daily for work. These commuters are a potential market for future housing construction.

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

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

- ▶ **Age and condition of the housing stock** - While the existing stock is affordable, some of the housing is in need of improvements to meet expectations of potential buyers.
- ▶ **Low rent structure** - The Town's rent structure is low, which makes it difficult to construct new rental housing.
- ▶ **Value-gap deters new owner-occupied construction** - Based on market values from 2014 and 2015 homes sales, we estimate that the median priced home in Wall is valued at approximately \$80,000. 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, unless the owner is willing to accept a potential loss on their investment.
- ▶ **Commercial/retail options** - Although Wall Drug and other tourist orientated retail stores are located in Wall, the Town has a limited number of commercial and retail opportunities in comparison to a regional center.
- ▶ **Proximity to Rapid City** - Although it is a strength to be located in approximately 50 miles from Rapid City, some households desire to need to be closer to a regional center for employment, medical services, etc.
- ▶ **Lot Availability** - Currently, there is a limited number of lots available for new residential development.

## **Recommendations, Strategies and Housing 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 Wall. 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 Wall if there is continued proactive support from the Town of Wall, local and regional housing agencies, economic development agencies and the South Dakota Housing Development Authority.
- ▶ **Protect the existing housing stock** - The future of Wall 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** - Wall has several assets including a K-12 school, major tourism attractions, an affordable housing stock, recreational opportunities, several employers, etc. These are strong assets that make Wall 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, the Western South Dakota Community Action Agency, the Pennington County Housing and Redevelopment Commission, the Black Hills Council of Local Governments, NeighborWorks Dakota Home Resources and Grow South Dakota. These resources should continue to be accessed as needed to assist with housing activities.

## **Summary of Findings/Recommendations**

The findings/recommendations for the Town of Wall have been formulated through the analysis of the information provided in the previous sections and include 23 recommendations. The findings/recommendations have been developed in the following five categories:

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

The findings/recommendations for each category are as follows:

### **Rental Housing Development**

1. Develop 10 to 12 general occupancy market rate rental units
2. Promote the development/conversion of six to eight affordable market rate 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 six to eight senior independent/light services units
6. Consider the development of a 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 lot development
11. Strategies to encourage residential lot sales and new home construction in Wall
12. Promote twin home/townhome development
13. Coordinate with agencies/nonprofits that develop affordable housing

**Housing Rehabilitation**

14. Promote rental housing rehabilitation
15. Promote owner-occupied housing rehabilitation efforts
16. Develop a Town of Wall 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. Continue to promote commercial rehabilitation and development
21. Develop mobile home programs and policies
22. Develop home ownership and new construction marketing programs
23. Competition with other jurisdictions

# **Wall - 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 2015, no rental units were constructed in Wall. However, some single family homes were converted from owner-occupied to rental use. Also, some modular and mobile homes have been moved into Wall that are being used as rentals.

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

Esri projects that Wall will gain 15 households from 2015 to 2020. It is estimated that approximately 30% of these households will be rental households, thus, there will be a demand of 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 Wall will lose as many as five to six units over the next five years. As a result, approximately five to six additional units will be needed over the next five years to replace lost units. In some cases, this unit replacement will be necessary as existing units are removed from the inventory through demolition or conversion. In other cases, this replacement is appropriate due to the deteriorating condition of older, substandard rental housing that should be removed from the occupied stock. Rental units will also be lost due to rental units converting to owner occupancy. Additionally, some rental units used for year-round rental housing may be converted to seasonal rental use.

Pent-up demand also exists. As part of this study, a rental survey was conducted. The survey found no vacancies in general occupancy market rate units and two vacancies in the subsidized projects. There are no senior with services rental projects in Wall. Based on the high occupancy rates in existing housing, and a limited supply of rental options, we have identified pent-up demand for market rate and senior with services rental units.

These three demand generators show a need for 22 to 28 rental units over the next five years. Based on the factors stated above, we recommend the development of the following new rental units over the next five years from 2016 to 2021.

▶ General Occupancy Market Rate	10-12 units
▶ Subsidized	0 units
▶ Affordable/Conversions	6-8 units
▶ Senior Independent/Light Services	<u>6-8 units</u>
Total	22-28 units

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

**Findings:** Approximately 72% of the rental housing units in the Town of Wall 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.

Wall has only one multi-family rental project, Foothill Properties, which is an eight-unit project that converted from a subsidized project to market rate. The project was constructed in 1978. The remaining market rate units in Wall are single family homes and mobile homes.

In the market rate rental units we surveyed, we found no vacancies. The owners of rental properties reported very high occupancy rates and strong demand for rental housing.

There is a variation in rental rates in the market rate segment in the Town of Wall. The existing rents including utilities for a two-bedroom unit range from \$300 to \$725.

From 2000 to 2015, no market rate rental units were constructed in Wall, although some single family homes converted from owner-occupancy to rental since 2000. Additionally, Wall has a unique situation in that it has a large seasonal employee population. Therefore, single family homes and mobile homes that would be in the rental market are utilized for seasonal housing. Approximately 19 mobile homes and 14 single family homes are being utilized for employee seasonal rental housing.

**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 majority of the new units constructed over the next five years should be two-bedroom units.

Town house-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.

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

Also, the Wall Economic Development Corporation could partner with private developers to construct units. Additionally, the Town of Wall could assist with land donations, tax increment financing, tax abatement, reduced water and sewer hook up fees, etc.

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

<u>Unit Type</u>	<u>No. of Units</u>	<u>Size/Sq. Ft.</u>	<u>Rent</u>
One Bedroom	2-3	750 - 850	\$650 - \$700
Two Bedroom	6-7	900 - 1,000	\$750 - \$850
Three Bedroom	<u>2</u>	1,100 - 1,200	\$900 - \$1,000
Total	10-12		

**Note:** The recommended rents are gross rents including all utilities. The rents are quoted in 2016 dollars.

It would be advantageous to have rents for some of the units at or less than the payment standards for the Housing Choice Voucher Program, thus, making the units more affordable for more households. The 2016 payment standards are:

- ▶ 1 bedroom - \$635
- ▶ 2 bedroom - \$780
- ▶ 3 bedroom - \$1,016

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

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

There is evidence that Wall has lost rental housing over the years due to deterioration and demolition and rental single family homes converting to owner-occupied homes or seasonal employee housing. Part of the need for additional rental units in Wall 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 Town of Wall to promote the development/conversion of more affordable rental units. A goal of six to eight units over the next five years would help to replace affordable housing that has been lost.

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

The estimated prevailing rent range for older rental units in Wall is typically between \$350 and \$600 per month. Creating some additional units with contract rents below \$625 per month including utilities 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 of Wall 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 two subsidized projects in Wall, Wall Ridge Apartments, which is an eight-unit USDA Rural Development General Occupancy project and Prairie Village, which is a 28-unit General Occupancy Public Housing project. The tenants with rent assistance pay 30% of their income up to a maximum rent. Each project reported one vacancy. Three of the eight units in Wall Ridge Apartments do not have rent assistance, thus, tenants in these units pay at least the basic rent of \$665 for a two-bedroom unit. The manager reported that these units are typically more difficult to rent because of the higher rent.

The 2014 American Community survey estimated that 17 renters in the Town of Wall were paying 30% or more of their income for rent.

The Town of Wall had eight additional subsidized Rural Development rental units, however, the owner opted out of the subsidy program in 2009 and converted the units to market rate.

**Recommendation:** We do not recommend the development of additional subsidized rental housing at this time. When the rental survey was conducted, there were two vacancies in the two subsidized projects. Thirty-six units of subsidized housing is a significant number of units for a Town of Wall’s size. Also, the rent structure in Wall is relatively 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 six to eight affordable/conversion market rate units. We do recommend that the Town monitor the need for the production of subsidized housing in the future.

Also, if Prairie Village 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 Town of Wall has two “deep subsidy” rental housing projects that allow tenants to pay rent based on 30% of income. These projects were constructed in the 1970s 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.

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

**Recommendation:** The South Dakota Housing Development Authority (SDHDA) may know of subsidized housing in South Dakota that is at risk of being lost. SDHDA administers some of the rent assistance programs Statewide and would be aware of subsidized projects that are considering the option to drop their subsidy contract. USDA Rural Development would know of projects in the process of leaving their subsidy programs.

The Town of Wall and the Wall Economic Development Corporation should check with SDHDA, USDA Rural Development and/or the subsidized project owners on an ongoing basis to determine if a project is considering the option to drop its subsidy contract. In some communities, public or nonprofit agencies have been able to purchase projects that are at risk of being lost, to preserve their affordable housing resources.

#### **5. Consider the development of six to eight senior independent/light services units**

**Findings:** The Town of Wall has no senior with services facilities. There is an assisted living project with 16 units and a 30-bed nursing home in Philip.

In 2015, there were 63 households age 75 or older in the Town of Wall. It is projected that there will be 70 households age 75 and older by 2020.

**Recommendation:** We are recommending a six to eight-unit independent/senior with light services project in Wall. The project should be designed to allow seniors to live in a unit independently or to rent a unit and utilize a low level of senior services such as noon meal and housekeeping.

The project's amenities and features should include:

- ▶ A small community room including a community dining room and kitchen
- ▶ 24-hour call system
- ▶ A limited access security system
- ▶ Smoke alarms
- ▶ Enclosed parking
- ▶ Spacious corridor with a theme such as a street scape design

Apartment features should include:

- ▶ Six to eight units
  - ▶ one to two one-bedroom units
  - ▶ five to six two-bedroom units
- ▶ Fully equipped kitchen
- ▶ Large storage room
- ▶ Ample closet space
- ▶ Laundry hookups
- ▶ Open floor plan
- ▶ Private patio
- ▶ Individually controlled heat and AC
- ▶ Raised outlets, lever door handles, lowered kitchen cabinets
- ▶ Expansive windows

Optional services should include:

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

The recommended rents are \$950 to \$1,050 for a one-bedroom unit and \$1,100 to \$1,200 for a two-bedroom unit. Subsidies and/or incentives could be utilized to lower rents, expand the available senior market and to make the project possible.

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

For the six to eight units, we recommend the following unit type, number of units, size and rent structure:

**Senior Market Rate Units:**

<u>Unit Type</u>	<u>No. of Units</u>	<u>Size/Sq. Ft.</u>	<u>Rent</u>
One Bedroom	1-2	650-750	\$950-\$1,050
Two Bedroom	5-6	850-950	\$1,100-\$1,200
Total	6-8		

Note: Rents are quoted in 2016 dollars and include utilities.

**6. Consider the Development of a Mixed-Use Commercial/Housing Project**

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

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 or to introduce a new product to the market.

**Recommendation:** We recommend the development of a mixed-use building in Wall’s commercial district. There are several potential sites for a mixed-use project.

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, which will complement the existing downtown businesses.

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

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

## **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 Wall and Pennington County by the Pennington County Housing and Redevelopment Commission. The Pennington County Housing and Redevelopment Commission has the ability to issue approximately 1,329 vouchers in Pennington County. Currently, no Wall households are utilizing the Housing Choice Voucher Program. There is a 2½ to 3-year waiting list to obtain a Voucher.

**Recommendation:** The Town of Wall should work with the Pennington County Housing and Redevelopment Commission to assure that renter households in Wall are aware of the Housing Choice Voucher Program and have an opportunity to apply for assistance.

# Wall - 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 Wall is estimated to be approximately \$80,000 based on sales activity in 2014 and 2015. The home values in Wall provide a good opportunity for first time buyers and households seeking moderately priced homes.

Our analysis of Wall demographic trends shows an increase in the number of households in the traditionally strong home ownership age ranges between 55 and 74 years old, from 2010 to 2020. The 35 to 44 age range is also expected to add 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 Wall in the future. Home ownership is generally the preferred housing option for most households and most communities. There are a number of strategies and programs that can be used to promote home ownership programs, and can assist with this effort.

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

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

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

The Town and the Wall Economic Development Corporation 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, NeighborWorks Dakota Home Resources and Grow South Dakota utilize several funding sources to provide home ownership programs.

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

**Findings:** Wall has a stock of older, lower valued homes, many of which need repairs. Our analysis of recent sales activity indicates that approximately 50% of the homes in Wall are valued less than \$80,000. 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 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 Wall 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.

Additionally, private individuals have purchased homes in Wall, and rehabed and then re-sold the homes. There may be an opportunity for local housing agencies to financially assist the private sector with purchasing, rehabilitating and selling homes. This may increase the inventory of substandard homes that economically can be rehabilitated and sold.

# **Wall - Single Family Housing Development**

## **Single Family Housing Development**

**Findings:** Based on information from the Town of Wall, Wall has experienced some single family housing development from 2000 to 2016. Over the past 17 years, 32 single family owner-occupied homes have been constructed in Wall. Twenty single family homes were constructed from 2000 to 2008, which is an average of two to three homes annually. Twelve homes were constructed from 2009 to 2016, which is an average of one to two homes annually. Most of the new houses were constructed in three subdivisions located in Wall south of Interstate 90.

It is our opinion that if the Town, housing agencies, the Economic Development Corporation, employers, community leaders, builders and developers are proactive, 20 to 24 homes can be constructed or moved into Wall from 2016 to 2021.

The breakdown of our projection of 20 to 24 new owner-occupied housing units over the next five years is as follows:

▶ High and medium priced homes	11-12
▶ Affordable homes	5-6
▶ Twin homes/Town homes	<u>4-6</u>
Total	20-24

### **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 Town of Wall.

The Echo Valley Subdivision has approximately 11 lots available for immediate new construction or that can be available for new construction in a short time period. The size of the lots range from 1.5 to 2.5 acres. The price of the smaller lots is \$29,000 and the larger lots are priced at \$39,000. The Echo Valley Subdivision lots have water, but not sewer, thus, septic systems are required.

There are also a few miscellaneous infill lots scattered around Wall that we did not attempt to count. We also do not know the availability of some of these infill lots. Also, dilapidated homes and buildings are being demolished in Wall. Some of the cleared lots may be potential sites for new construction.

**Recommendation:** With projections that 20 to 24 new owner-occupied housing units could be constructed in Wall over the next five years, the Town should have residential lots available to meet the expected demand. Part of this demand would be for attached unit construction.

With only 11 lots in the Echo Valley Subdivision and a few miscellaneous lots available, the Town currently does not have an adequate supply of lots to address the projected demand. Therefore, if expected demand comes to fruition, it will be necessary to develop additional residential lots.

The Echo Valley Subdivision has land available for two additional phases, which would provide approximately 22 lots. There may be other potential sites in Wall, which may be conducive to lot development. Also, several in-fill lots may be available and future demolition may provide additional in-fill lots. Additionally, it is possible that several adjacent dilapidated homes or buildings could be demolished to create a larger parcel of land for development.

If the Town achieves the level of new home construction potential that has been identified, we would recommend the future development of 12 to 16 new lots for construction based on the following:

- ▶ If possible, the site(s) should have land available for future lot development phases.
- ▶ To keep development costs as low as possible, sites with easy access to existing infrastructure should be considered.
- ▶ The lots must be as aesthetically acceptable as possible and include high quality amenities.
- ▶ 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, developers, the Town of Wall, and the Economic Development Corporation. Financial assistance such as tax increment financing and tax abatement may be necessary to make the development of lots feasible.

## **11. Strategies to encourage residential lot sales and new home construction in Wall**

**Findings:** There are lots available in Echo Valley and there is a small inventory of infill lots available in the Town of Wall. Also, we have recommended the development of additional lots.

**Recommendation:** We recommend that the Town of Wall, the Economic Development Corporation and developers coordinate efforts to promote lot sales and housing development in Wall.

Our recommendations to promote lot sales and housing development include:

- ▶ ***Competitive pricing*** - There are lots available in communities throughout the Region. Lot prices in Wall will need to be competitive.
- ▶ ***Plan for long-term absorption*** - The research completed for this Study expects limited annual absorption of lots in Wall over the next five years. If new subdivision lots are developed, it is necessary to view the lot sales and development as a long-term plan.
- ▶ ***Generate initial activity*** - To stimulate new construction in a new area or on in-fill lots, 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 momentum for more houses to be built.

- ▶ ***Consider developing an exclusive builder(s) relationship*** - Several lots could be sold to a builder or builders. Momentum can be created when a builder has access to several lots. This allows for marketing opportunities and efficiencies in the home building process. The subdivision owner, however, should stipulate that the builder is obligated to construct a minimum number of homes over a specified time period. Builders are more willing to enter a market when the lots are attractive and very affordable. Several lots available to an exclusive builder should be explored, even if 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, and information on quality homes that can be purchased and moved into the community.
- ▶ ***Allow for a range of house prices*** - Lots should be available in Wall in as wide a range of home sizes and prices as possible. This will 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 construction.
- ▶ ***Marketing*** - The Town of Wall, the Economic Development Corporation and the Chamber of Commerce should develop a marketing strategy to sell available lots. All stakeholders including realtors, financial institutions, builders, developers, employers, etc. should be included in marketing strategies. In addition to marketing the lots, the Town of Wall and its amenities should also be promoted as part of the overall sales strategy.

- ▶ ***Consider partnerships that share and split financial risk to construct spec homes*** - Spec houses could potentially attract a buyer that is not interested in going through the home building process, but instead wants a turnkey unit. A spec home can also serve as a model, allowing potential home buyers to examine specific floor plans and features in the home before committing to buy. 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 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.

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

**Findings:** Attached housing provides desirable alternatives for empty nesters and seniors to move out of their single family homes, thus, making homes available for families. Also, it is important for the community to offer a range of life-cycle housing options. In Wall, since 2000, no new ownership housing has been twin homes/town homes.

In 2010, Wall had 126 households in the 55 to 74 age ranges. The number of households in Wall in the 55 to 74 age ranges is expected to increase by approximately 29 households from 2010 to 2020 to 145 households. Household growth among empty-nester and senior households should result in demand for attached single family units. It is likely that demand for attached housing units will be dependent on the product's ability to gain additional market acceptance among the households in the prime target market.

**Recommendation:** It is our projection that four to six new owner-occupied twin home or town home units could be constructed in Wall over the next five years. Our projection is based on the availability of an ideal location for twin home/town home development as well as high quality design and workmanship. We recommend that for twin home/town home development to be successful, the following should be considered:

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

Wall's role could include assuring that adequate land continues to be available for development and that zoning allows for attached housing construction.

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

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

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

**Findings:** With the difficulty of producing new housing units that are affordable to moderate income people, it is important to take advantage of opportunities presented by housing and development agencies, nonprofit groups and the private sector that may have the capacity to construct new affordable housing. These sources can help generate new homes for moderate income families in Wall.

NeighborWorks Home Resources constructed a home on an in-fill lot several years ago. The home did not sell for an extended period of time. This project should be analyzed to determine what impact the location, design, price, etc. had on the sale of property. This information will assist with successful future affordable home development.

**Recommendation:** We recommend that the Town coordinate with housing agencies, nonprofit groups and private sector builders to produce housing units for lower income ownership. The Town may be able to contribute to the project through land donations, tax increment financing, tax abatement, or project coordination activities.

There are several vacant in-fill lots in Wall and some of these lots may be good sites for new construction activity. Also, additional dilapidated homes will be demolished and some of the cleared lots may be suitable for redevelopment.

Also, the Town should work with housing agencies and builders to utilize the Governor's Home Program. Potentially a partnership could be created between the Town or Development Corporation and a contractor to move Governors Homes into the Town at an affordable price. Several Governors Homes have been moved into Wall since 2000.

# **Wall - Housing Rehabilitation**

## **Housing Rehabilitation**

**Findings:** Wall 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 options. 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 will be critical to offering affordable housing opportunities.

It is our opinion that Wall 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 Wall households. Housing for households at or below the median income level will largely be met by the existing, more affordable stock. As this existing housing 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 Town of Wall had approximately 131 rental units in 2010. These rental units are in a multi-family project, small rental buildings, single family homes and mobile homes. Many of these rental structures could benefit from rehabilitation as most of these rental structures are more than 30 years old and some rental units are in poor condition.

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

**Recommendation:** The Town of Wall and the Wall Economic Development Corporation should work with housing agencies to seek funds that allow for program design flexibility that make a rental rehabilitation program workable. Potential funding sources may include USDA Rural Development, the Western South Dakota Community Action Agency, NeighborWorks Dakota Home Resources, 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 Wall will continue to be an attraction for families that are seeking housing in Wall. Investment in owner-occupied housing rehabilitation activities will be critical to offering affordable housing opportunities.

Our housing condition survey of the 273 homes in Wall found 75 homes that need minor repairs and 33 homes that need major repairs. Without rehabilitation assistance, the affordable housing stock will shrink in Wall.

**Recommendation:** We recommend that the Town of Wall and the Wall Economic 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, NeighborWorks Dakota Home Resources, the Western South Dakota Community Action Agency and Grow South Dakota are potential funding sources.

NeighborWorks Dakota Home Resources and Grow South Dakota have several housing programs to assist households with housing rehabilitation. The Western South Dakota Community Action Agency administers the Weatherization Program in Wall and Pennington 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 Wall households to utilize these housing rehabilitation programs.

## **16. Develop a Town of Wall Revitalization Program**

**Findings:** Wall has older neighborhoods that are on the bubble. These neighborhoods have a significant number of homes and buildings that need rehabilitation or should be demolished. These neighborhoods also have a significant number of low/moderate income households. The neighborhoods could deteriorate or could be revitalized to be strong vital 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 Wall, area housing agencies and the private housing sector continue these efforts, and develop and implement a Revitalization Program.

Redevelopment strategies and opportunities should be identified including:

- ▶ A plan for each parcel in the older neighborhoods (commercial and residential)
- ▶ Owner-occupied rehabilitation
- ▶ Rental and seasonal 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
- ▶ Converting/renovating older motels/cabins into seasonal or rental housing
- ▶ Other projects identified through the planning process

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

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

# **Wall - Other Housing Initiatives**

## **Other Housing Initiatives**

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

**Findings:** The Town of Wall 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 Wall'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 20 single family houses in Wall that are dilapidated and too deteriorated to rehabilitate. We also identified 33 single family houses in Wall 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, dilapidated structures should be demolished.

The Town of Wall has been active in demolishing dilapidated structures and will waive the fees associated with demolition. The Town currently has sent several letters to owners of dilapidated properties encouraging them to demolish their properties.

**Recommendation:** We recommend that the Town of Wall continue to identify dilapidated structures and work with the 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 Wall should maintain an inventory of structures that may be candidates for future acquisition. An inventory of in-fill lots for future development should also be maintained.

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

**Findings:** Wall will continue to need staff resources in addition to existing Town and Economic Development Corporation staff to plan and implement many of the housing recommendations advanced in this Study. The Town of Wall has access to the Pennington County Housing and Redevelopment Commission, NeighborWorks Dakota Home Resources, the Western South Dakota Community Action Agency, Grow South Dakota, the South Dakota Housing Development Authority, USDA Rural Development and the Black Hills Council of Local Governments. These agencies all have experience with housing and community development programs.

**Recommendation:** The Town of Wall 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.

## **20. Continue to Promote Commercial Rehabilitation and Development**

**Findings:** The Town of Wall's Downtown Commercial District is a major asset. Wall Drug and other tourist orientated downtown businesses are a major attraction. The majority of commercial/retail buildings in the commercial district in Wall are in good condition and occupied by viable businesses, however, some buildings are substandard and/or vacant.

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

Currently, a developer is renovating the Wall Mall, which has been vacant, for commercial/retail businesses.

**Recommendation:** We recommend that the Town of Wall, the Wall Economic Development Corporation and the Chamber of Commerce continue to work with commercial property and business owners to rehabilitate their buildings. Also, new businesses that complement the tourism industry and/or address the daily commercial/retail needs of the community should continue to be encouraged to locate in Wall.

Additionally, the Town of Wall, the Wall Economic Development Corporation and the Chamber of Commerce, should seek funding to assist property owners with rehabilitating their commercial buildings.

## **21. Develop mobile home programs and policies**

**Findings:** Wall has approximately 61 mobile homes. There are also approximately 30 vacant pads/lots available for mobile or modular homes in the community.

Mobile homes are an affordable option for many households and Wall is an excellent location for households seeking a modular or mobile home as a housing option.

**Recommendation:** It may be appropriate for the community to initiate programs to encourage households to locate a mobile or modular home in Wall. Some of the innovative programs that have been used in other communities to address mobile home conditions and mobile home park issues include:

- ▶ ***Down Payment Assistance Program*** - Develop a Down Payment Assistance Program that assists households with the purchase of a mobile home.
- ▶ ***Operation Safe Mobile Home Park*** - Owners of substandard mobile homes are given the option of voluntarily selling their substandard mobile home to the Town or an area housing agency for a fixed minimum price. The mobile homes are then removed from the park and demolished/salvaged. The owner can then use the funds from the sale to help purchase a new home. Mobile home dealerships have sometimes participated by buying the salvaged homes.
- ▶ ***Time of Sale/Rent Inspection Program*** - This inspection program is designed to provide safe living conditions through the identification and elimination of basic life/safety hazards in older mobile homes. Mobile homes are subject to inspection prior to their sale or rental. All identified safety hazards must be corrected before the unit is sold, rented and/or occupied.
- ▶ ***Age of Mobile Homes Moved into the Town*** - Some towns have implemented an ordinance which stipulates that a mobile home must have been manufactured after a designated year to be moved into the Town. This prevents older units from being moved into the Town. The owner of the Mobile Home Park currently has a policy that mobile homes more than 10 years old cannot be moved into the Park.

## **22. Develop home ownership and new construction marketing programs**

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

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

**Recommendation:** We recommend that the Town of Wall, the Wall Economic Development Corporation and the Chamber of Commerce consider the following:

- ▶ Determine the Town's strengths and competitive advantages and continue to heavily promote them
- ▶ Continue to create marketing materials that can be distributed regionally (including internet, TV, radio, etc.)
- ▶ Work closely with employers (Wall and the entire region) to provide employees with housing opportunities in Wall
- ▶ Work with housing agencies to provide down payment assistance, low interest loans, home owner education and home owner counseling programs
- ▶ Work with builders to make the construction of new homes or rental units a very user friendly process
- ▶ Develop new home construction and home purchase incentive programs.
- ▶ Continue to promote Wall as a major tourist attraction and destination

### **23. Competition with Other Jurisdictions**

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

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

- ▶ Review the Town's policies to assure that the Town's process for working with developers and builders is user-friendly, fair and receptive.
- ▶ Continue to work on the creation of jobs and the development of retail, service and recreational opportunities that make the Town a "full service" community
- ▶ Provide attractive lots at an affordable price for a variety of home sizes, styles and price ranges
- ▶ Provide financing mechanisms for households to build new homes, purchase existing homes and to rehabilitate older homes
- ▶ Preserve the quality of the existing housing stock through the rehabilitation of substandard housing and the demolition of dilapidated structures that are beyond repair
- ▶ Develop new housing choices that serve housing needs, such as new rental housing, twin homes/town homes and senior housing
- ▶ Continue to publicize and market Wall throughout the Region and among the employers and employees in Wall and the Region
- ▶ Develop a coordinated housing plan

## **Agencies and Resources**

The following regional and state agencies administer programs or provide funds for housing programs and projects in Wall and Pennington County:

### **Pennington County Housing and Redevelopment Commission**

1805 W. Fulton St., Suite 101  
Rapid City, SD 57702  
(605) 394-5350

### **NeighborWorks Dakota Home Resources (Main Office)**

795 Main St.  
Deadwood, SD 57732  
(605) 578-1405

\* NeighborWorks also has offices in Box Elder and Wall.

### **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**

414 East Stumer Road, Suite 200  
Rapid City, SD 57701  
(605) 342-0301

### **Western South Dakota Community Action Agency**

1844 Lombardy Drive  
Rapid City, SD 57703  
(605) 348-1460