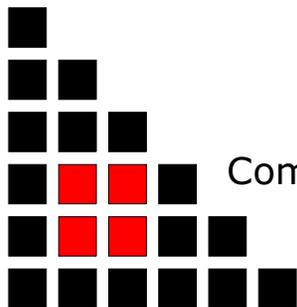


Winner HOUSING STUDY

October 2017

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



Community Partners Research, Inc.
Faribault, MN

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Introduction

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

Goals

The multiple goals of the study include:

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

Methodology

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

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

Limitations

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

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Demographic Data Overview

Sources of Data

The following pages contain demographic data obtained from a variety of local, state and national sources for the City of Winner and Tripp County.

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

The frequency of American Community Survey estimates vary depending on the size of the jurisdiction. For most jurisdictions in South Dakota, the 2015 estimates were derived from sampling that was done over a five-year period, between 2011 and 2015.

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

Population Data and Trends

Table 1 Population Trends - 1990 to 2017						
	1990 Census	2000 Census	% Change 1990-2000	2010 Census	% Change 2000-2010	2017 Esri Estimates
Winner	3,354	3,137	-6.5%	2,897	-7.7%	2,881
Tripp Co.	6,924	6,430	-7.1%	5,644	-12.2%	5,474

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

- ▶ Esri, a private data reporting service, has released 2017 population estimates. The estimate for the City of Winner is 2,881, a decrease of 16 people from 2010 to 2017.
- ▶ The U.S. Census Bureau also releases annual population estimates. The most recent estimate for Winner is effective July 1, 2016. According to the Census Bureau, the City's population in 2016 was 2,861 people, a decrease of 36 people from 2010 to 2016.
- ▶ Esri's 2017 estimate for Tripp County is 5,474, a loss of 170 people since 2010. The Census Bureau's 2016 estimate for Tripp County was 5,492, a decrease of 152 people from the population reported in the 2010 Census.
- ▶ According to the 2010 U.S. Census, Winner's population was 2,897 people in 2010. When compared to the 2000 Census, the City had a population loss of 240 people from 2000 to 2010. The 240-person loss from 2000 was a population decrease of 7.7%.
- ▶ Tripp County's population was 5,644 in 2010. This was a decrease of 786 people from 2000, for a population loss of 12.2%.
- ▶ Winner and Tripp County also experienced population decreases in the 1990s. Winner's population decreased by 217 people and Tripp County's population decreased by 494 people from 1990 to 2000.
- ▶ Winner's population is primarily White and non-Hispanic/Latino, however, the City has a significant Native American population. According to the 2016 American Community Survey estimates, approximately 79.4% of the City's residents were White, and 17.1% Native American. Additionally, 0.8% identified themselves as Black or African American and 2.5% identified themselves as two or more races.

Population Projections

The following table presents population projections using two different sources. Estimates and projections have been obtained from Esri and span the five-year period from 2017 to 2022. The South Dakota State Data Center has issued Tripp County population projections for the year 2020.

Table 2 Population Projections Through 2020/2022				
	2010 US Census	2017 Esri Estimate	2022 Esri Projection	2020 Projection State Data Center
Winner	2,897	2,881	2,842	N/A
Tripp County	5,644	5,474	5,353	5,158

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

- ▶ Esri’s growth projections expect a population loss of 39 people in Winner from 2017 to 2022.
- ▶ Esri’s population projection for Tripp County forecasts a loss of 121 people from 2017 to 2022.
- ▶ The State Data Center projects that Tripp County’s population will be 5,158 people in 2020. When compared to the County’s population in 2010, this projection expects a loss of nearly 500 people during the current decade. The rate of loss indicated by the State Data Center forecast is much greater than the projected loss from Esri.

Household Data and Trends

Table 3 Household Trends - 1990 to 2017						
	1990 Households	2000 Households	% Change 1990-2000	2010 Households	% Change 2000-2010	2017 Esri Estimate
Winner	1,369	1,359	-0.7%	1,328	-2.3%	1,337
Tripp Co.	2,573	2,550	-0.9%	2,419	-5.1%	2,380

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

- ▶ Esri estimates that Winner has gained nine households and Tripp County had a loss of 39 households from 2010 to 2017.
- ▶ According to the 2010 U.S. Census, Winner and Tripp County both had household losses from 2000 to 2010. Winner had 1,328 households in 2010, a decrease of 31 households from 2000, for a household loss of 2.3%. Tripp County had 2,419 households in 2010. This was a decrease of 131 households, or a household loss of 5.1%.
- ▶ Winner had a loss of 10 households and Tripp County had a loss of 23 households during the 1990s.

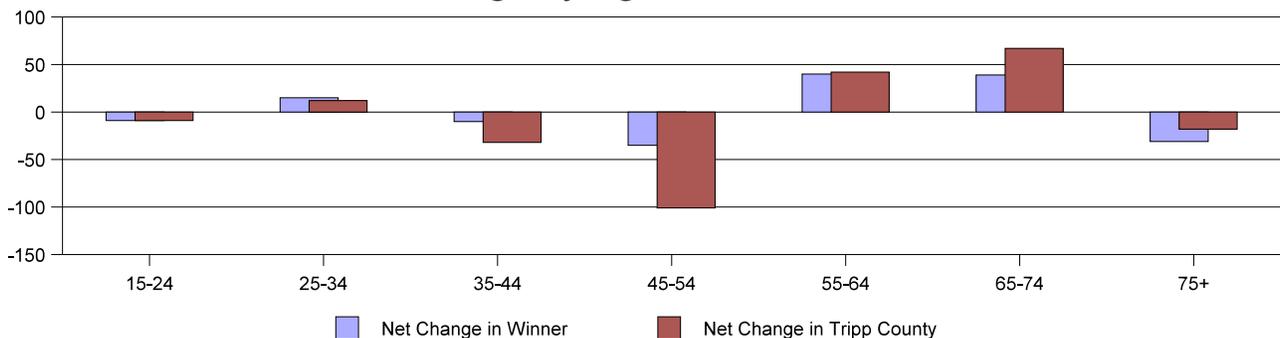
Household by Age Trends: 2010 to 2017

Esri has also produced household estimates for 2017 by age of householder which can be compared to the 2010 Census to track the changing age patterns for Winner and Tripp County.

Table 4 Households by Age - 2010 to 2017						
Age	Winner			Tripp County		
	2010	2017	Change	2010	2017	Change
15-24	68	59	-9	95	86	-9
25-34	147	162	15	252	264	12
35-44	157	147	-10	294	262	-32
45-54	264	229	-35	518	417	-101
55-64	207	247	40	446	488	42
65-74	173	212	39	348	415	67
75+	312	281	-31	466	448	-18
Total	1,328	1,337	9	2,419	2,380	-39

Source: U.S. Census; Esri

Household Change by Age Between 2010 and 2017

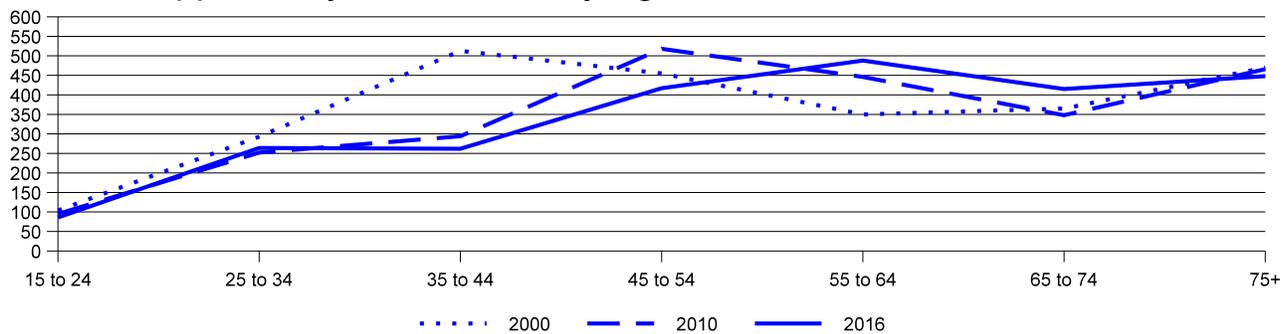


Based on Esri estimates, from 2010 to 2017, Winner added 79 households in the 55 to 74 year old age ranges. Winner also added 15 households in the 25 to 34 age range.

Winner had a decrease of nine households in the 15 to 24 age range, a loss of 45 households in the 35 to 54 age ranges, and a loss of 31 households in the 75 and older age ranges.

Tripp County experienced a gain of 109 households in the 55 to 74 age ranges and a gain of 12 households in the 25 to 34 age range. Tripp County had a loss of nine households in the 15 to 24 age range, a loss of 133 households in the 35 to 54 age ranges and a decrease of 18 households in the 75 and older age range.

Tripp County Households by Age of Householder: 2000 to 2017



It is possible to track the “wave” progression of the baby boomer households over time in Tripp County using information for households by the age of householder.

Average Household Size

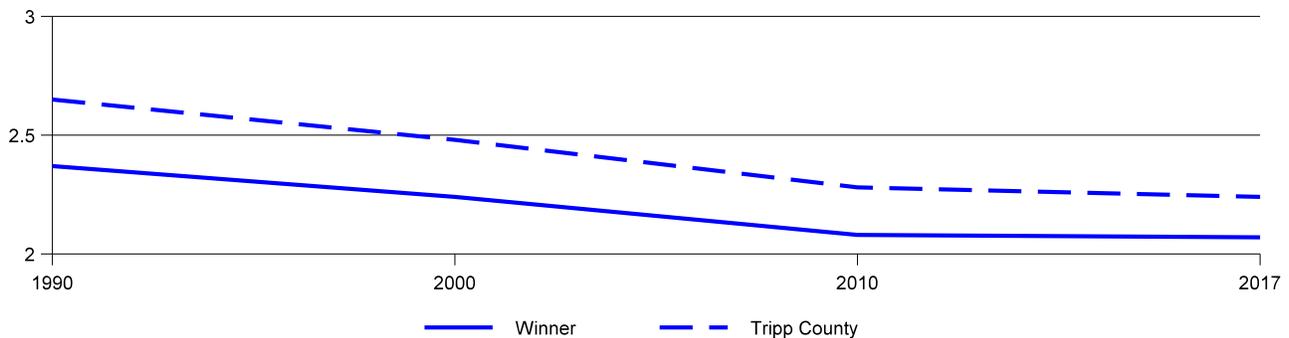
The following table provides decennial Census information on average household size. The 2017 estimates from Esri are also provided.

Table 5 Average Number of Persons Per Household: 1990 to 2017				
	1990 Census	2000 Census	2010 Census	2016 Esri Estimate
Winner	2.37	2.24	2.08	2.07
Tripp County	2.65	2.48	2.28	2.24
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 Winner, the average household size decreased from 2.37 persons per household in 1990 to 2.07 in 2017. Tripp County’s average household size decreased from 2.65 in 1990 to 2.24 in 2017. In 2010, Winner and Tripp County’s average household size were significantly below the Statewide average.

Household Projections

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

Table 6 Household Projections Through 2022			
	2010 Census	2017 Estimate Esri	2022 Projection Esri
Winner	1,328	1,337	1,324
Tripp County	2,419	2,380	2,341

Source: U.S. Census; Esri

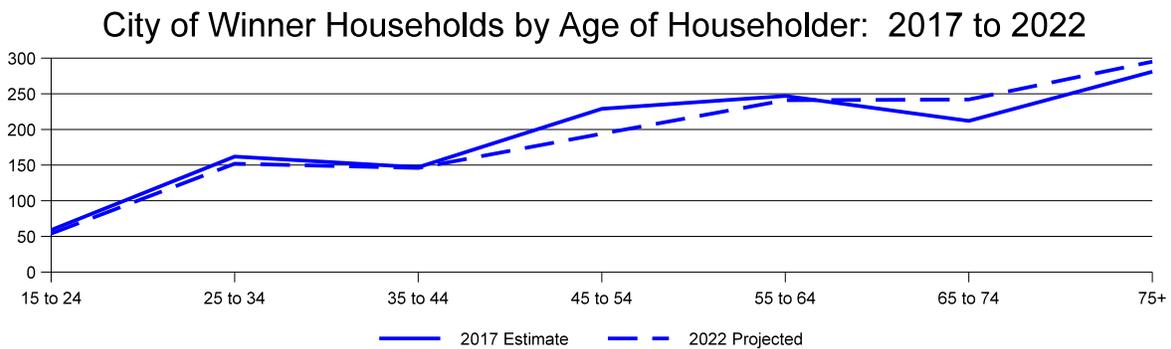
- ▶ The growth projections calculated by Esri expect household losses in Winner and Tripp County from 2017 to 2022.
- ▶ Esri estimates that Winner added nine households from 2010 to 2017, but projects that the City will lose 13 households from 2017 to 2022.
- ▶ Esri’s 2017 estimate for Tripp County is 2,380 households, a decrease of 39 households from 2010. Esri projects that Tripp County will lose an additional 39 households from 2017 to 2022.

Winner Household by Age Projections: 2017 to 2022

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

Table 7 Winner Projected Households by Age - 2017 to 2022			
	2017 Estimate	2022 Projection	Change
15-24	59	54	-5
25-34	162	152	-10
35-44	147	146	-11
45-54	229	194	-35
55-64	247	241	-6
65-74	212	242	30
75+	281	295	14
Total	1,337	1,324	-13

Source: U.S. Census; Esri



Consistent with the age distribution data presented earlier, the movement of the “baby boom” generation through the aging cycle should generate household growth in households in the 65 and older age ranges. These projections expect an increase of 44 households in Winner from 2017 to 2022 in the 65 and older age ranges. Esri’s projections expect a loss in all of the households age 64 and younger including a loss of five households in the 15 to 24 age range, a loss of 21 households in the 25 to 44 age ranges and a loss of 41 households in the 45 to 64 age ranges.

Households by Type

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

Table 8 Winner Household Composition - 2000 to 2010			
	2000 Census	2010 Census	Change
Family Households			
Married Couple with own children	267	173	-94
Single Parent with own children	90	124	34
Married Couple without own children	383	352	-31
Family Householder without spouse	63	68	5
Total Families	803	717	-86
Non-Family Households			
Single Person	502	565	63
Two or more persons	54	46	-8
Total Non-Families	556	611	55

Source: U.S. Census

Between 2000 and 2010, Winner experienced an overall net decrease of 86 “family” households. There was a decrease of 94 married couple families with children and a loss of 31 married couple families without children. The City had an increase of 34 single parent families with children and an increase of five family householder without spouse households.

The City of Winner had a net increase of 55 “non-family” households. There was an increase of 63 one-person households. There was a decrease of eight households that had unrelated individuals living together.

Housing Tenure

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

Table 9 Household Tenure - 2010				
	Number of Owners	Percent of all Households	Number of Renters	Percent of all Households
Winner	864	65.1%	464	34.9%
Tripp County	1,728	71.4%	691	28.6%
State	-	68.1%	-	31.9%

Source: U.S. Census

According to the 2010 Census, the ownership tenure rate in Winner was 65.1% and Tripp County’s ownership rate was 71.4%. Winner’s rental tenure rate of 34.9% was above the Statewide rate of 31.9% renter households.

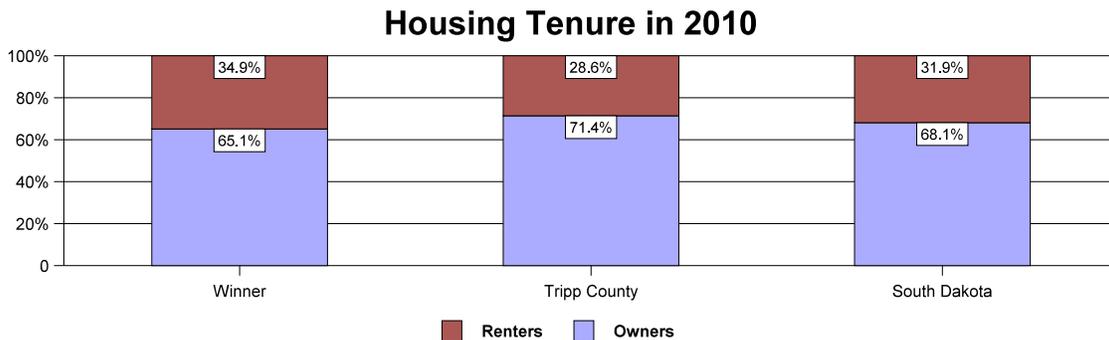


Table 10 Households by Housing Tenure - 2000 to 2010						
Tenure	Winner			Tripp County		
	2000	2010	Change	2000	2010	Change
Owners	949/69.8%	864/65.1%	-85	1,905/74.7%	1,728/71.4%	-177
Renters	410/30.2%	464/34.9%	54	645/25.3%	697/28.6%	46
Total	1,359	1,328	-31	2,550	2,419	-131

Source: U.S. Census

The City of Winner’s ownership tenure rate decreased from 69.8% in 2000 to 65.1% in 2010. For Tripp County, the ownership tenure rate decreased from 74.7% in 2000 to 71.4% in 2010.

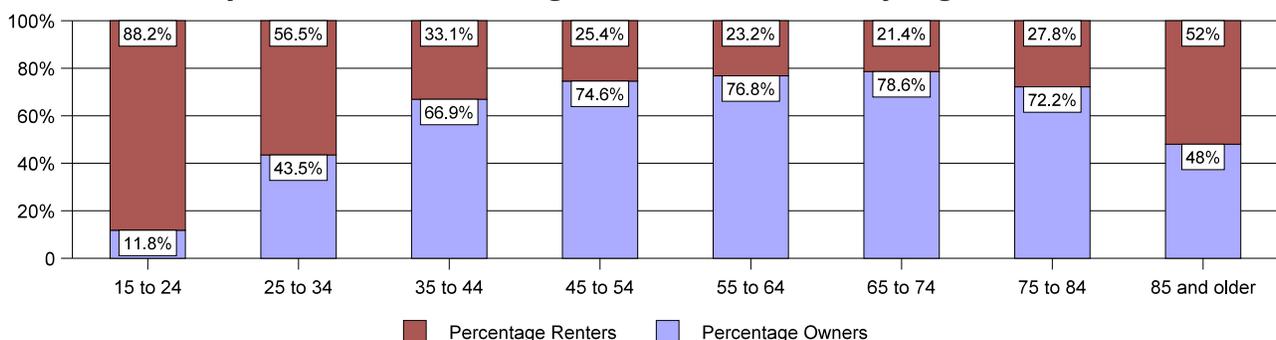
Tenure by Age of Householder

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

Table 11 Winner Tenure by Age of Householder - 2010				
Age	Owners		Renters	
	Number	Percent within age	Number	Percent within age
15-24	8	11.8%	60	88.2%
25-34	64	43.5%	83	56.5%
35-44	105	66.9%	52	33.1%
45-54	197	74.6%	67	25.4%
55-64	159	76.8%	48	23.2%
65-74	136	78.6%	37	21.4%
75-84	135	72.2%	52	27.8%
85+	60	48.0%	65	52.0%
Total	864	65.1%	464	34.9%

Source: U.S. Census

City of Winner Housing Tenure Patterns by Age in 2010



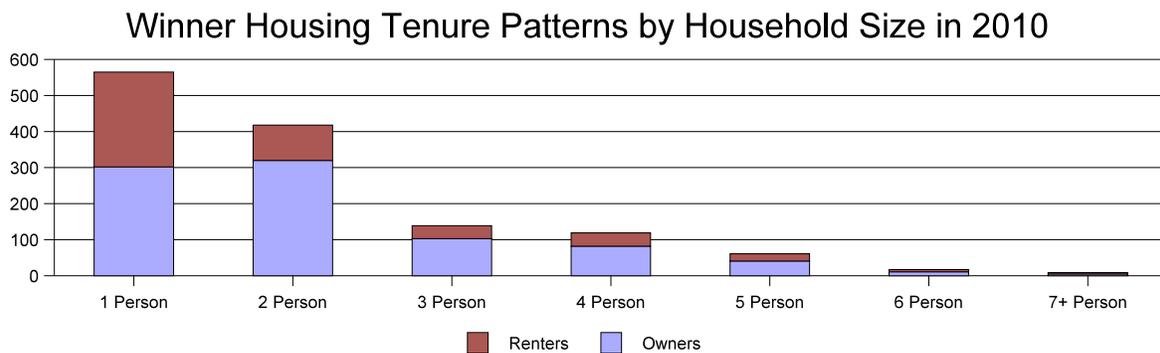
Households at the lowest end and highest end of the age spectrum showed a greater preference for rental housing. Approximately 88% of households age 15 to 24, 57% of households age 25 to 34, and 52% age 85 and older rented their unit. Home ownership rates for each of the 10-year age cohorts from age 35 to 84 were above 66%.

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 Winner.

Table 12 Winner Tenure by Household Size - 2000 to 2010						
Household Size	Owners			Renters		
	2000	2010	Change	2000	2010	Change
1-Person	285	302	17	217	263	46
2-Person	360	320	-40	90	98	8
3-Person	116	103	-13	49	36	-13
4-Person	106	82	-24	29	37	8
5-Person	56	41	-15	10	20	10
6-Person	21	11	-10	8	6	-2
7-Persons+	5	5	0	7	4	-3
Total	949	864	-85	410	464	54

Source: U.S. Census



From 2000 to 2010, there was a decrease in the number of owner households and an increase in the number of renter households in Winner. There was a decrease of 77 owner households with two to four household members and a decrease of 25 owner households with five to six household members. There was a gain of 17 one-person owner households. There was no change in the number of households with seven or more members.

There was a loss of 13 renter households with three household members and a loss of five households with six or more household members. There was a gain of 54 owner households with one or two household members and a gain of 18 owner households with four or five household members. Approximately 78% of the renter households in Winner were one or two person households in 2010.

2015 Income Data

The 2010 Census did not collect information on household income. However, annual estimates are available at the city and county level through the American Community Survey. The following table compares median income levels for 2010 and 2015.

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

Table 13 Median Household Income - 2010 to 2015			
	2010 Median	2015 Median	% Change
Median Household Income			
Winner	\$39,250	\$34,331	-12.5%
Tripp County	\$40,221	\$37,153	-7.6%
South Dakota	\$46,369	\$50,957	9.9%
Median Family Income			
Winner	\$49,570	\$55,304	11.2%
Tripp County	\$44,737	\$52,836	18.1%
South Dakota	\$58,958	\$65,237	10.6%

Source: ACS 5-year survey

Information contained in the 2015 American Community Survey shows that the median family incomes have increased from 2010 to 2015 in Winner and Tripp County, however, the median household incomes have decreased. Winner and Tripp County’s family and household incomes were both significantly below the statewide medians.

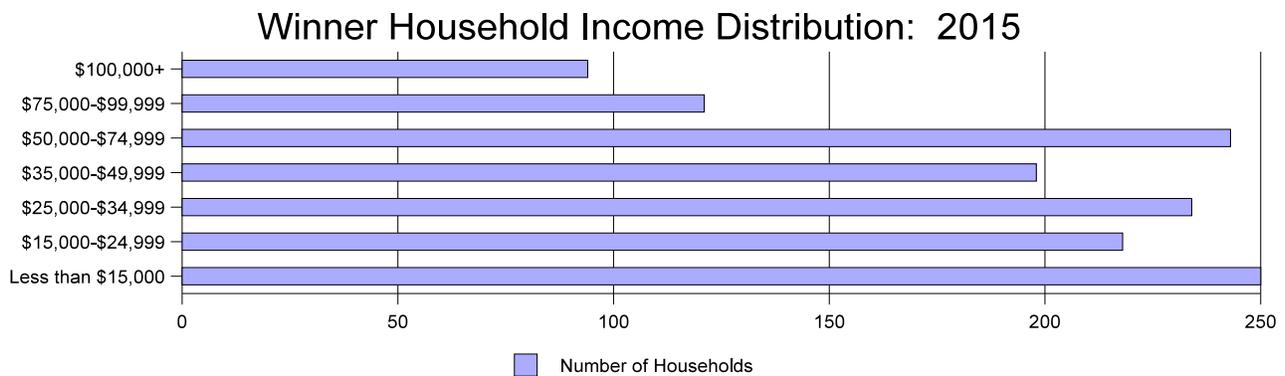
Generally, family household incomes tend to be higher than the overall household median, as families have at least two household members, and potentially more income-earners. Using the commonly accepted standard that up to 30% of gross income can be applied to housing expenses without experiencing a cost burden, a median income household in Winner could afford approximately \$858 per month and a median income family household could afford \$1,383 per month for ownership or rental housing in 2015.

Winner Household Income Distribution

The 2015 American Community Survey household income estimates for Winner can be compared to the same distribution information from 2010 to examine changes that have occurred over the past decade.

Table 14 Winner Household Income Distribution - 2010 to 2015			
Household Income	Number of Households 2010	Number of Households in 2015	Change 2010 to 2015
\$0 - \$14,999	249	250	1
\$15,000 - \$24,999	191	218	27
\$25,000 - \$34,999	130	234	104
\$35,000 - \$49,999	312	198	-114
\$50,000 - \$74,999	262	243	-19
\$75,000 - \$99,999	180	121	-59
\$100,000+	41	94	53
Total	1,365	1,358	-7

Source: ACS



The 2015 American Community Survey estimated that there were 1,358 households in Winner. Esri estimated that in 2017 there were 1,337 households in Winner. Therefore, there may be a slight overcount of households in this table. However, it is still a good indicator of household income distribution.

According to income estimates contained in the 2015 American Community Survey, household incomes generally have not improved in Winner. When compared to 2010 estimates, the number of households with an income of \$35,000, or more, has decreased by 139 households. Conversely, there was an increase of 132 households with annual incomes less than \$35,000. There were 468 households in Winner with an annual income below \$25,000 in 2015, which represented 34.5% of all households in Winner. There was an increase of 53 households with an annual income above \$100,000.

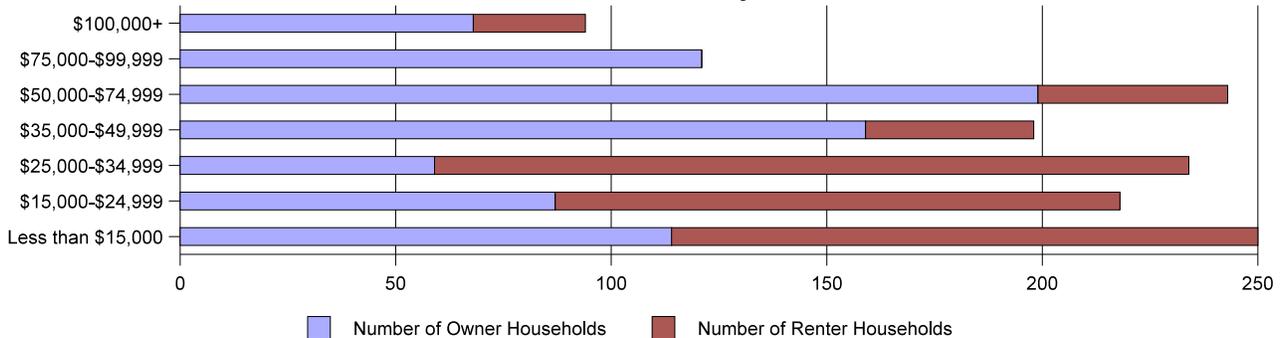
Winner Income Distribution by Housing Tenure

The 2015 American Community Survey provides income data by owner and renter status. The following table examines income distribution in Winner. The American Community Survey is an estimate, based on limited sampling data, and there are some minor differences when compared to the 2016 Esri estimate. The 2015 American Community Survey reported income information on 647 households and Esri reported that there were 619 households in Winner in 2016.

Table 15 Winner Household Income Distribution by Tenure - 2015			
Household Income	Number of Owner Households	Number of Renter Households	Total Households
\$0 - \$14,999	114/45.6%	136/54.4%	250
\$15,000 - \$24,999	87/39.9%	131/60.1%	218
\$25,000 - \$34,999	59/25.2%	175/74.8%	234
\$35,000 - \$49,999	159/80.3%	39/19.7%	198
\$50,000 - \$74,999	199/81.9%	44/18.1%	243
\$75,000 - \$99,999	121/100%	0/0%	121
\$100,000+	68/72.3%	26/27.7%	94
Total	807	551	1,358

Source: 2015 American Community Survey

Winner Income Distribution by Tenure in 2015



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 2015, approximately 80% of all renter households in Winner 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 \$24,851 in 2015. At 30% of income, a renter at the median level could afford approximately \$621 per month or less for housing costs.

Most owner households had a higher income level than rental households. Approximately 48% of all owner households had an annual income of \$50,000 or more. The estimated median household income for owners in 2015 was approximately \$49,983. At 30% of income, an owner at the median income level could afford approximately \$1,250 per month for housing costs.

2015 Estimated Income and Housing Costs - Renters

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

Table 16 Gross Rent as a Percentage of Household Income - 2015			
Percent of Income for Housing	Households Age 64 and Younger	Households Age 65 and Older	Total
Less than 20%	125/28.9%	26/22.0%	151/27.4%
20% to 29.9%	79/18.3%	9/7.6%	88/16.0%
30% to 34.9%	59/13.6%	0/0%	59/10.7%
35% or more	133/30.7%	70/59.3%	203/36.8%
Not Computed	37/8.5%	13/11.1%	50/9.1%
Total	433/100%	118/100%	551/100%

Source: 2015 American Community Survey

According to the American Community Survey, approximately 48% of the renters in the City were paying 30% or more of their income for rent. The majority of these renters were actually paying more than 35% of their income for rent. Federal standards for rent subsidy programs generally identify 30% of household income as the maximum household contribution. When more than 30% of income is required, this is often called a “rent burden”. When more than 35% is required, this can be considered a “severe rent burden”.

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

Senior citizen renters (age 65 and older) represented approximately 27% of all households with a rental cost burden. Households in the age ranges between 15 and 64 years old represented approximately 73% of all households with a rental cost burden.

2015 Estimated Income and Housing Costs - Owners

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

Table 17 Ownership Costs as a Percentage of Income - Winner		
Percentage of Household Income for Housing Costs	Number of Owner Households 2015	Percent of All Owner Households 2015
0% to 19.9%	428	53.0%
20% to 29.9%	198	24.6%
30% to 34.9%	35	4.3%
35% or more	141	17.5%
Not Computed	5	0.6%
Total	807	100%

Source: 2015 ACS

Most owner-occupants in Winner, which would include households with and without a mortgage, reported paying less than 30% of their income for housing. However, approximately 22% of all home owners reported that they paid more than 30% of their income for housing.

Occupancy Status of Housing Units - 2010

Table 18 Occupancy Status of Housing Units - 2010						
	Occupied Units		Vacant Units			
	Owner	Renter	For Rent	For Sale	Seasonal Use	Other Vacant
Winner	864	464	57	13	32	117
Tripp Co.	1,728	691	89	20	155	389

Source: U.S. Census

- ▶ In 2010, according to the U.S. Census, there were 155 seasonal housing units in Tripp County including 32 units in Winner.
- ▶ In addition to the seasonal units in 2010, there were 498 vacant housing units in Tripp County, including 187 units in Winner.

Existing Home Sales

This section examines houses that have been sold from 2010 to 2017 (partial-year) in the City of Winner. The information was obtained from the South Dakota Department of Revenue, but reflects information assembled by the Tripp County Equalization Office.

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

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

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

The County's sales ratio year differs slightly from the calendar year. It begins on November 1st and ends the following October 31st. For 2017, the sales activity reflected transactions through June.

Table 19 Winner Residential Sales Activity - 2007 to 2017*

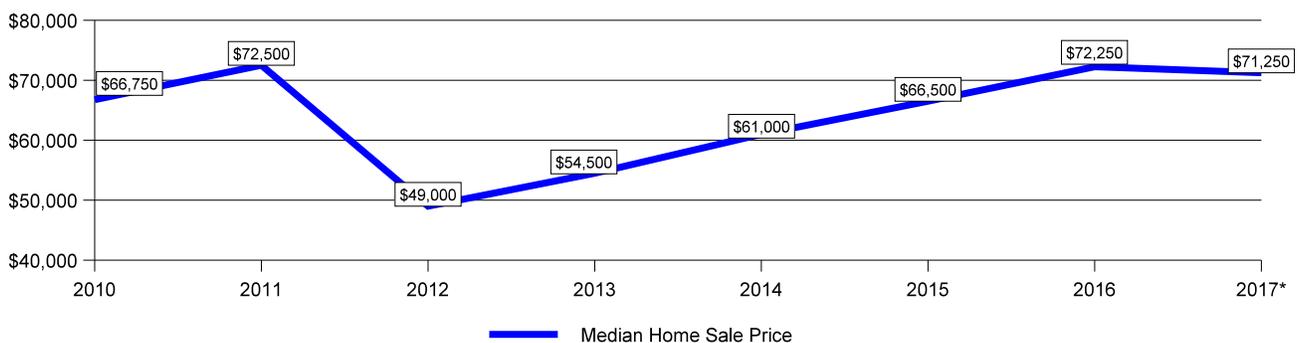
Sales Year	Number of Sales	Median Sale Price	Highest Sale	Lowest Sale
2017*	34	\$71,250	\$199,900	\$6,000
2016	56	\$72,250	\$308,000	\$5,000
2015	51	\$66,500	\$305,000	\$3,500
2014	51	\$61,000	\$310,000	\$4,000
2013	46	\$54,500	\$245,000	\$5,000
2012	45	\$49,000	\$250,000	\$1,500
2011	29	\$72,500	\$235,000	\$10,000
2010	48	\$66,750	\$181,000	\$4,000

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

* 2017 sales are through June

Over the past 8 years the median home sale price in Winner has ranged from a low of \$49,000 in 2012, to a high of \$72,500 in 2011. Over the past two years (2017 partial), the median sale price has been above \$70,000.

In each of the years reviewed there was at least one house that sold for \$10,000 or less, and at least one sale for \$181,000 or more.

Median Home Sale Price: 2010 to 2017

An alternate home value estimate exists in the American Community Survey. In 2015, this estimate placed the median value for owner-occupied houses at \$75,000. This value was higher than the median sale price for that year of \$66,500, but is generally similar to recent sales medians in other years.

Home Sales by Price Range

The following table looks at single family houses that sold within defined price ranges in 2016 and partial-year 2017, the most recent 20-month sales period.

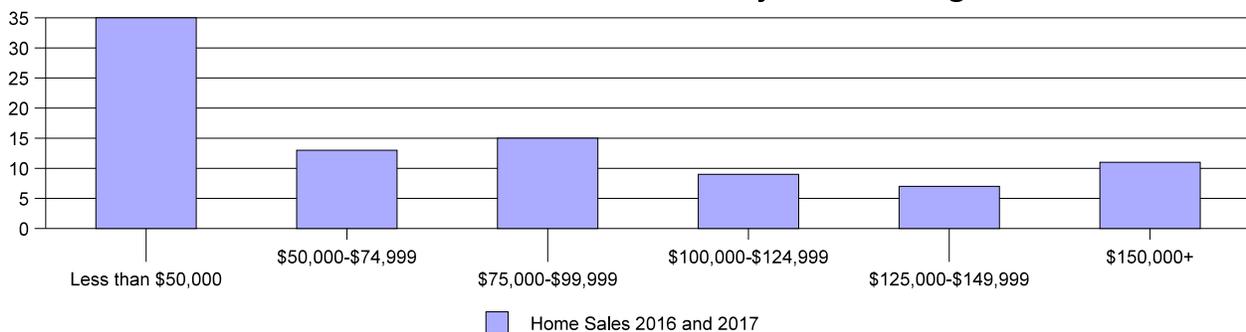
Table 20 Winner 24-Month Home Sales by Price Range 2016-2017*		
Sale Price	Number of Sales	Percent of Sales
Less than \$50,000	35	38.9%
\$50,000 - \$74,999	13	14.4%
\$75,000 - \$99,999	15	16.7%
\$100,000 - \$124,999	9	10.0%
\$125,000 - \$149,999	7	7.8%
\$150,000 +	11	12.2%
Total	90	100%

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

* 2017 is through June

Recent home sales in Winner have been widely distributed in different price ranges. However, most of the recent sales have been for less than \$100,000. Nearly 39% of recent sales were for less than \$50,000, and 70% were priced below \$100,000. Only 12.2% of recent sales were priced at \$150,000 or more.

Recent Winner Home Sales by Price Range



Winner Housing Condition

Community Partners Research, Inc. representatives conducted a visual 'windshield' survey of 506 single family/duplex houses in three of Winner's oldest neighborhoods.

The boundaries of the three neighborhoods are as follows:

- ▶ Neighborhood #1: North - E. 2nd St.
South - E. 6th St.
East - Wilson St.
West - Main St.

- ▶ Neighborhood #2: North - W. 2nd St.
South - W. 6th St.
East - Main St.
West - South County Rd.

- ▶ Neighborhood #3: North - Dakota St.
South - 2nd St.
East - Jefferson St.
West - Hwy 18

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

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

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

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

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

Table 21 Windshield Survey Condition Estimate - 2017					
	Sound	Minor Repair	Major Repair	Dilapidated	Total
Neighborhood #1	44/24.7%	64/36.0%	49/27.5%	21/11.8%	178
Neighborhood #2	77/28.3%	102/37.5%	69/25.4%	24/8.8%	272
Neighborhood #3	7/12.5%	18/32.1%	15/26.8%	16/28.6%	56
Total	128/25.3%	184/36.4%	133/26.3%	61/12.0%	506

Source: Community Partners Research, Inc.

- ▶ Approximately 36% of the houses in three of the City of Winner's oldest neighborhoods need minor repair and 26% need major repair. Approximately 25% are sound, with no required improvements. Sixty-one houses are dilapidated and possibly beyond repair.

Winner Mobile Home Housing Condition

Community Partners Research, Inc. representatives conducted a visual 'windshield' survey of 116 mobile homes located in West Haven and Wagon Wheel mobile home parks, and mobile homes in miscellaneous locations in the City.

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

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

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

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

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

Table 22 Windshield Survey Condition Estimate - 2017					
	Sound	Minor Repair	Major Repair	Dilapidated	Total
West Haven	6/14.3%	9/21.4%	12/28.6%	15/35.7%	42
Wagon Wheel	9/16.0%	15/26.8%	16/28.6%	16/28.6%	56
Misc. Locations	6/33.3%	3/16.7%	6/33.3%	3/16.7%	18
Total	21/18.1%	27/23.3%	34/29.3%	34/29.3%	116

Source: Community Partners Research, Inc.

- ▶ The mobile homes in Winner are in fair condition. Approximately 23% of the mobile homes need minor repair and 29% need major repair. Approximately 18% are sound, with no required improvements.
- ▶ Thirty-four mobile homes were dilapidated and possibly beyond repair.

Winner Building Permit Trends

Winner has experienced limited new housing construction activity in recent years. The following table identifies the units that have been constructed from 2007 to 2017 (partial-year).

Table 23 Winner Housing Unit Construction Activity: 2007 to 2017*			
Year	Single Family	Two or More Units	Total Units Constructed
2017*	0	0	0
2016	0	0	0
2015	3	10	13
2014	0	6	6
2013	1	0	1
2012	0	0	0
2011	3	0	3
2010	0	0	0
2009	2	0	2
2008	1	0	1
2007	3	0	3
TOTAL	13	16	29

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

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

Over the past 11 years from 2007 to 2017 (partial), 29 new housing units have been constructed in Winner, based on building permit issuance and U.S. Census information. Thirteen units are single family homes, 10 units are in twinhomes/townhomes and six units are in two rental tri-plexes.

Rental Housing Data

Census Bureau Rental Inventory

According to the 2010 U.S. Census, there were 464 occupied rental units and 59 unoccupied rental units in Winner, for a total estimated rental inventory of 523 units. The City's rental tenure rate in 2010 was 34.9%, above the Statewide rental rate of 31.9%.

At the time of the 2000 Census, Winner had 410 occupied rental units, and 69 vacant rental units, for a total estimated rental inventory of 479 units. The rental tenure rate in 2000 was 30.2%.

Based on a Census comparison, the City had a gain of 54 renter-occupancy households, and an increase of approximately 44 rental units from 2000 to 2010.

From 2000 to 2017, six rental units were constructed in Winner. Also, a significant number of owner-occupied homes converted to rentals from 2000 to 2017.

Rental Housing Survey

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

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

There were 304 rental housing units of all types that were contacted in the survey. In addition to the 304 rental units, the nursing home in Winner, which has 80 beds, was also surveyed. Also, the assisted living units/beds that were surveyed include 14 beds located in Colome.

The units that were successfully contacted include:

- ▶ 110 market rate units
- ▶ 70 federally subsidized units
- ▶ 23 moderate rent/income-restricted units
- ▶ 98 assisted living units/beds
- ▶ 80 nursing home beds

The findings of the survey are provided below.

Market Rate Summary

Information was obtained on 110 market rate rental units in 13 rental buildings, 11 single family homes and four mobile homes.

Unit Mix

We obtained the bedroom mix on 105 market rate units in the multi-family projects and single family homes. The bedroom mix of the units is:

- ▶ efficiency - 24 (22.8%)
- ▶ one-bedroom - 22 (21.0%)
- ▶ two-bedroom - 50 (47.6%)
- ▶ three-bedroom - 9 (8.6%)

Occupancy / Vacancy

At the time of the survey, there were nine vacancies in the 110 market rate units that were surveyed, which is an 8.2% vacancy rate. No project had more than three vacancies. Six market rate projects had no vacancies.

Rental Rates

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

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

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

<u>Unit Type</u>	<u>Lowest/Highest Gross Rents</u>
Efficiency	\$425
One-bedroom	\$325-\$550
Two-bedroom	\$450-\$800
Three-bedroom	\$650-\$765

Please note that the efficiency apartment rents that are reported are from only one rental project.

Tax Credit Summary

There are no tax credit units in Winner.

Subsidized and Moderate Rent/Income-Restricted Summary

The research completed for this Study surveyed the four subsidized/income-restricted projects in Winner that provide rental opportunities for low and moderate income households. These projects have a combined 96 income-restricted units. Four projects with 71 units are general occupancy and one project with 25 units is senior/disabled housing. The subsidized projects were developed with HUD Section 8, SDHDA or USDA Rural Development assistance. The moderate rent project utilized HUD HOME funds.

The subsidized/moderate rent-income restricted rental projects in Winner include:

- ▶ **Homestead Townhomes** - Homestead Townhomes is a 24-unit USDA Rural Development General Occupancy project constructed in 1980. The 24 units include 16 two-bedroom and eight three-bedroom units.
- ▶ **Lamro Apartments** - Lamro Apartments is a 25-unit HUD/Section 8 senior/disabled project constructed in 1979. The 25 units are all one-bedroom.

- ▶ **Frontier Apartments** - Frontier Apartments is a 24-unit USDA Rural Development general occupancy project constructed in 1977. The 24 units include three one-bedroom and 21 two-bedroom units.
- ▶ **Lewis Apartments** - Lewis Apartments is a 32-unit moderate rent income-restricted general occupancy rental project that was developed in three phases using HUD HOME funds. Twenty-three of the units are moderate rent/income-restricted and nine units are market rate. The 23 income-restricted units include eight one-bedroom, 12 two-bedroom and three three-bedroom units. HOME funds require that assisted units have income limits at 80% or 60% of median income.

Rental Rates

The subsidized units have access to project-based rent assistance. These units charge rent based on 30% of the tenant's household income. The subsidized projects have a market rent and tenants do not pay more than the market rent.

Lewis Apartments, the moderate rent-income restricted project, has established moderate rents.

Unit Mix

The bedroom mix breakdown for the 96 subsidized and moderate rent-income restricted housing in Winner is as follows:

- ▶ One-bedroom - 36 (37.5%)
- ▶ Two-bedroom - 49 (51.0%)
- ▶ Three-bedroom - 11 (11.5%)
- ▶ Total - 96

Occupancy / Vacancy

There were 10 vacant units identified in the 96 subsidized and income-restricted units, for a 10.4% vacancy rate. At the time of the survey, Lamro Apartments had two vacancies, Frontier Apartments had three vacancies, Lewis Apartments had five vacancies, and Homestead Townhomes was fully occupied.

Subsidized Housing Gains/Losses

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

Presidential Square Apartments with 36 units, converted from subsidized housing to market rate many years ago.

Senior Housing with Services

Unit Inventory

There are four senior housing with services projects in Tripp County, which include:

- ▶ **Golden Prairie Manor** - Golden Prairie Manor is a senior assisted living project with 39 units and 49 beds, with some units used for double-occupancy. The facility was constructed in 1996. Currently, 21 rooms are providing assisted living and 18 rooms are used for independent living. The facility actually licenses 40 beds for assisted living use, but actual utilization tends to be lower. Assisted living residents receive the full array of senior assisted living services. The independent living residents receive three daily meals and laundry services. At the time of the survey, there were four vacant rooms, however, the facility had a waiting list. The facility had memory care beds in the past, but has converted to wander-guard bands, cameras and alarms.
- ▶ **Winner Regional Nursing Home** - The Winner Regional Nursing Home has 69 skilled nursing beds and 11 memory care beds in a secured area of the facility. The facility has an average 95% occupancy rate, however, the memory care units are always fully occupied.
- ▶ **Elder Inn** - Elder Inn is a 45-bed assisted living facility. The facility is in the former nursing home that was renovated into an assisted living facility. The beds are in single and double rooms. The facility provides the full array of assisted living services. The staff reported several vacancies at the time of the survey.
- ▶ **Rose Manor-Colome** - Rose Manor is a 14-bed assisted living located in Colome. The beds are in 12 single rooms and one double room. The facility provides the full array of assisted living services. Residents can purchase services as needed. At the time of the survey, there were eight vacant beds.

Occupancy / Vacancy

At the time of the survey, Golden Prairie Manor reported four vacant beds and Elder Inn reported several vacant beds. Rose Manor located in Colome reported eight vacant beds. The Winner Regional Nursing Home averages a 95% occupancy rate.

Table 24 Winner Multifamily Rental Housing Inventory

Name	Number of Units / Bedroom Mix	Rent	Vacancy/ Wait List	Tenant Mix	Comments
Market Rate					
Mathis Tri-plexes	<u>6 - 2 bedroom</u> 6 total units	\$700 + utilities	2 vacancies	General occupancy	The Mathis tri-plexes includes six units in two tri-plexes and were constructed in 2014 and 2015. The units all have one-bedroom and two bathes and have 600 sq. ft. The rent is \$700 plus utilities. At the time of the survey, the owner reported two vacancies, but the units are usually fully occupied.
Whetham Properties	10 two and three-bedroom single family homes 10 total homes	\$350-\$500 + utilities	No vacancies	General occupancy	Whetham Properties include 10 two and three-bedroom single family homes. Rents range from \$350 to \$500 plus utilities. The owner reports no vacancies and a high demand for single family home rentals.
116 W 3 rd St	<u>5 - 1 bedroom</u> <u>7 - 2 bedroom</u> 12 total units	\$300 \$400	3 vacancies	General occupancy	This property is a 12-plex with five one-bedroom and seven two-bedroom units. Tenants pay all utilities except water. The owner reported three vacancies at the time of the survey.
518 Circle Drive	<u>4 - 2 bedroom</u> 4 total units	\$375	No vacancies	General Occupancy	This property is a 4-plex. All of the units have two bedrooms. The tenants pay all utilities except water. The owner reported no vacancies at the time of the survey.
1409 Sunset Drive	<u>4 - 2 bedroom</u> 4 total units	\$375-\$450	No vacancies	General Occupancy	This property is a 4-plex. All of the units have two bedrooms. Tenants pay all utilities except water. Owner reported no vacancies, however, two units are unoccupied because they are being renovated.
Burns Rentals	<u>1 - 1 bedroom</u> <u>15 - 2 bedroom</u> 16 total units	\$325- \$465	No vacancies	General Occupancy	Burns Rentals includes 15 units in three 4-plexes and a tri-plex. The 15 units include 14 two-bedroom units and one one-bedroom unit. Rent is \$325 for the one-bedroom unit and \$465 for the two-bedroom units. Tenant paid utilities varies by project. The owner reported no vacancies at the time of the survey.

Table 24 Winner Multifamily Rental Housing Inventory

Name	Number of Units / Bedroom Mix	Rent	Vacancy / Wait List	Tenant Mix	Comments
Market Rate					
Moore Rentals	tri-plex with 1 - 1 bedroom 2 - 2 bedroom 4 - mobile homes <u>1 - duplex mh</u> 8 total units	\$400 for tri-plex \$350-\$450 for mobile homes	1 vacancy in mobile home duplex	General Occupancy	Moore Rentals includes a tri-plex and five mobile home units. Tenants pay utilities in addition to rent. Owner reports one vacancy in the mobile home duplex.
Presidential Square Apartments	24 - efficiency <u>12 - 1 bedroom</u> 36 total units	\$350 \$450	1 one-bedroom vacancy	General Occupancy	Presidential Square Apartments is a market rate general occupancy project constructed in 1973. The project includes 24 efficiency and 12 one-bedroom units. The project was originally a HUD subsidized senior/disabled project, but converted to market rate many years ago. Tenants do have access to the Housing Choice Voucher Program. Tenants pay heat and electricity in addition to rent. The manager does reserve some units for seasonal hunters and also has rented to traveling nurses. The manager reported one vacancy at the time of the survey.
Single family on Wilson	<u>1 - 3 bedroom</u> 1 total unit	\$500	No vacancies	General Occupancy	Three-bedroom single family home. Tenant pay utilities. Home has three bedrooms.
Circle Apartments	<u>4 - 2 bedroom</u> 4 total units	\$650	No vacancies	General Occupancy	Circle Apartments is a 4-plex constructed in 1995. All of the units have two bedrooms. Tenants pay heat and electricity. The owner reported no vacancies and a strong demand for the units.

Table 24 Winner Multifamily Rental Housing Inventory

Name	Number of Units / Bedroom Mix	Rent	Vacancy / Wait List	Tenant Mix	Comments
Subsidized					
Homestead Townhomes	16 - 2 bedroom <u>8 - 3 bedroom</u> 24 total units	30% of income	No vacancies	Family	Homestead Townhomes is a 24-unit family Rural Development Project constructed in 1980. There are 16 two-bedroom and eight three-bedroom units. Tenants pay 30% of their income for rent. The manager reported no vacancies, however, there usually are vacant units.
Lamro Apartments	<u>25 -1 bedroom</u> 25 total units	\$554 30% of income	2 vacancies	Senior/ disabled	Lamro Apartments is a 25-unit HUD Section 8 senior/disabled project constructed in 1979. All 25 units have one bedroom. Tenants pay 30% of their income up to the market rent of \$554. The project has had on-going improvements. The manager reported two vacancies, but in the past the units have usually been fully occupied.
Frontier Apartments	3 - 1 bedroom <u>21 - 2 bedroom</u> 24 total units	30% of income	2 vacancies	Family	Frontier Apartments is a 24-unit family USDA Rural Development Project constructed in 1977. Three units have one bedroom and 21 units have two bedrooms. Twenty-one units have rent assistance and tenants pay 30% of their income up to a market rent. Tenants in units without rental assistance pay 30% of their income, but not less than the established base rent and not more than the market rent. The manager reported two vacancies at the time of the survey.

Table 24 Winner Multifamily Rental Housing Inventory

Name	Number of Units / Bedroom Mix	Rent	Vacancy/ Wait List	Tenant Mix	Comments
Moderate Rent/Income Restricted					
Lewis Apartments	11 - 1 bedroom 15 - 2 bedroom <u>6 - 3 bedroom</u> 32 total units	\$286-\$396 \$384-\$499 \$561-\$664	7 vacancies 5 income restricted and 2 market rate	General Occupancy with units at 80% or 60% of median income	Lewis Apartments is a 32-unit Home Project that includes 26 income restricted and nine market rate units. HUD HOME funds were used which places income limits at 80% or 60% of median for 26 units. Rents listed show income restricted and market rate rents. The project was developed in three phases. Phase I was 12 units and Phase II and III were each 10 units. At the time of the survey, the manager reported seven vacancies. Five vacancies were in income restricted units and two vacancies were in market rate units.

Table 24 Winner Multifamily Rental Housing Inventory

Name	Number of Units / Bedroom Mix	Rent	Vacancy/ Wait List	Tenant Mix	Comments
Senior with Services					
Golden Prairie Manor	29 - 1 bedroom <u>10 - 2 bedroom</u> 39 total units	Varies based on level of services & room type	4 vacant units	Assisted Living Housing with Services	Golden Prairie Manor is a senior assisted living project with 39 units and 49 beds. The facility was constructed in 1996. Currently, 21 rooms are assisted living and 18 rooms are independent living. The facility is licensed for more assisted living beds but actual utilization tends to be lower. Assisted living residents receive the full array of senior assisted living services. The independent living residents receive three daily meals and laundry services. At the time of the survey, there were four vacant rooms, however, the facility had a waiting list. The facility had memory care beds in the past, but has converted to wander-guard bands, cameras and alarms.
Winner Regional Nursing Home	69 skilled nursing <u>11 memory care</u> 80 total beds	Varies based on level of services	Average 95% occupancy rate	Skilled nursing home, Memory care	The Winner Regional Nursing Home has 69 skilled nursing beds and 11 memory care beds in a secured area of the facility. The facility has an average 95% occupancy rate, however, the memory care units are always fully occupied.
Elder Inn	45 beds in single and double rooms 45 licensed assisted living beds	Based on type of room and services	Several vacancies at time of survey	Assisted Living	Elder Inn is a 45-bed assisted living facility. It is in the former nursing home that was renovated and converted to assisted living. The beds are in single and double rooms. The facility provides the fully array of assisted living services. The staff reported several vacancies at the time of the survey.
Rose Manor Colome	14 beds 14 licensed assisted living beds	Based on level of services	8 vacancies	Assisted Living	Rose Manor is a 14-bed assisted living located in Colome. The beds are in 12 single rooms and one double room. The facility provides the full array of assisted living services and residents can purchase services as needed. At the time of the survey, there were eight vacant beds.

Source: Community Partners Research, Inc.

Employment and Local Economic Trends

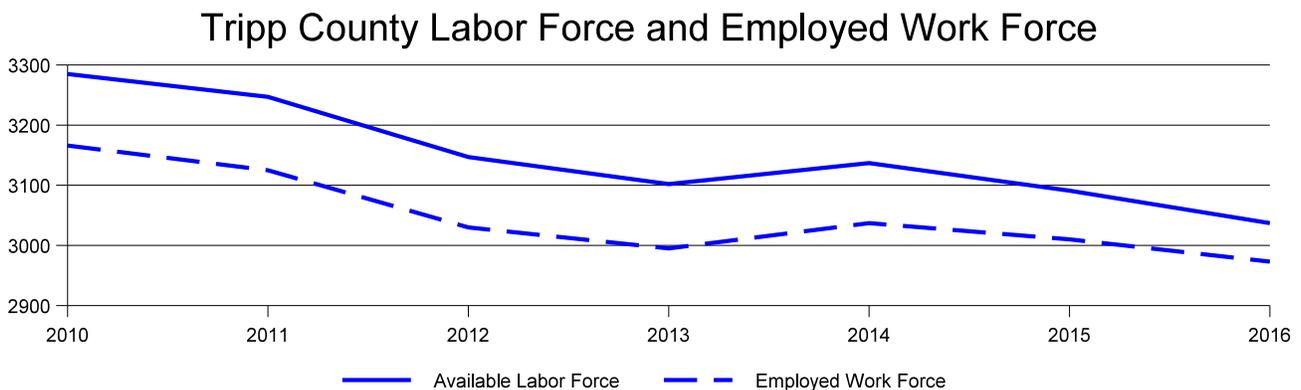
While many factors influence the need for housing, employment opportunities represent a predominant demand generator. Without jobs and corresponding wages, the means to afford housing is severely limited. The type of employment, wage level, and working conditions will each influence the kind of housing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

Work Force and Unemployment Rates

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

Table 25 Tripp County Annual Labor Statistics: 2010 to 2016						
Year	Labor Force	Employed	Unemployed	Unemployment Rate - County	Unemployment Rate - SD	Unemployment Rate - US
2010	3,285	3,166	119	3.6%	5.0%	9.6%
2011	3,247	3,125	122	3.8%	4.7%	8.9%
2012	3,147	3,030	117	3.7%	4.3%	8.1%
2013	3,102	2,995	107	3.4%	3.8%	7.4%
2014	3,137	3,037	100	3.2%	3.4%	6.2%
2015	3,091	3,010	81	2.6%	3.1%	5.3%
2016	3,037	2,973	64	2.1%	2.8%	4.9%

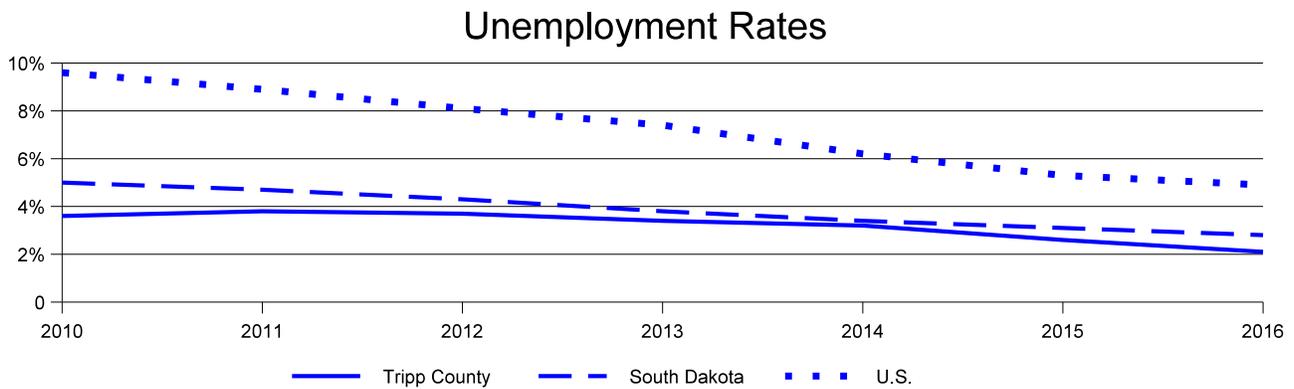
Source: South Dakota Department of Labor & Regulation; Community Partners Research, Inc.



The statistics on the available labor force track people by their county of residence. When viewed over the entire 7-year period, the size of the County's resident labor force has decreased. Between 2010 and 2016 there were nearly 250 fewer people in the labor force, a decrease of 7.6%.

The number of employed County residents has generally followed the same pattern. From 2010 to 2016, the number of employed residents of Tripp County decreased by 193 people, or 6.1%.

With the labor force decreasing at a faster rate than the employed work force, the County's unemployment rate dropped over this time period, from 3.6% in 2010 to 2.1% in 2016. Throughout the years reviewed, the County's unemployment rate has been below the Statewide rate, and well below the national unemployment rate.



Employment and Wages

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

Table 26 Tripp County Average Annual Wages - 2016		
Industry	2016 Employment	Average Annual Wage
Total All Industry	2,125	\$32,916

Source: South Dakota Department of Labor & Regulation

The average weekly wage for all industry in 2016 was \$633 in Tripp County. At full-time employment, this would yield an annual average wage of just over \$32,900. The County's two largest employment sectors were Trade, Transportation and Utilities and Education and Health Services.

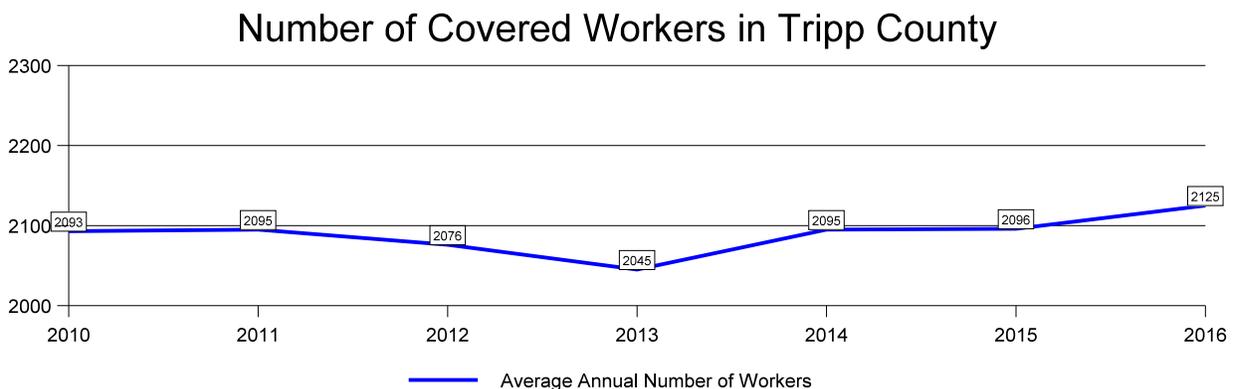
Annual Covered Employment

Since the Quarterly Census of Covered Workers (QCEW) tracks employees covered by unemployment insurance by location of the worker, it is possible to examine longer-term patterns in the local employment level. The following table displays the total number of workers reported in the County back to the year 2010. No partial-year information exists for 2017.

Table 27 Tripp County Average Annual Employment			
Year	Total Covered Employment	Year	Total Covered Employment
2010	2,093	2014	2,095
2011	2,095	2015	2,096
2012	2,076	2016	2,125
2013	2,045	2017	-

Source: QCEW - SD Department of Labor

There has been some growth in the number of employees working in Tripp County. If 2016 is compared to the year 2010, there has been an increase of 32 reported workers covered by unemployment insurance, or an increase of 1.5%. The employment level that was reached in 2016 was the highest for the time period reviewed.



Commuting Patterns of Area Workers

Information is available on area workers that commute for employment. The best information is from the 2015 American Community Survey, and has been examined for the City of Winner, the largest city in the County. The first table examines City residents that traveled to work and excludes people that work at home.

Table 28 Commuting Times for Winner Residents - 2015		
Travel Time	Number	Percent
Less than 10 minutes	904	63.7%
10 to 19 minutes	193	13.6%
20 to 29 minutes	33	2.3%
30 minutes +	289	20.4%
Total	1,419	100%

Source: American Community Survey

A large majority of Winner’s residents worked locally in 2015, with more than 77% traveling less than 20 minutes for their primary job. However, more than 20% of the City’s residents were commuting 30 minutes or more to work, and most of this group were actually traveling 45 minutes or more.

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

Table 29 Commuting Times for Winner-based Employees - 2015		
Travel Time	Number	Percent
Less than 10 minutes	944	58.6%
10 to 19 minutes	251	15.6%
20 to 29 minutes	199	12.3%
30 minutes +	218	13.5%
Total	1,612	100%

Source: American Community Survey

Most of the people that worked in Winner lived within the immediate area, as more than 74% traveled 19 minutes or less to the City. This would include people that both lived and worked in Winner. However, more than 13% of city-based workers did commute from greater distances, and traveled 30 minutes or more to Winner.

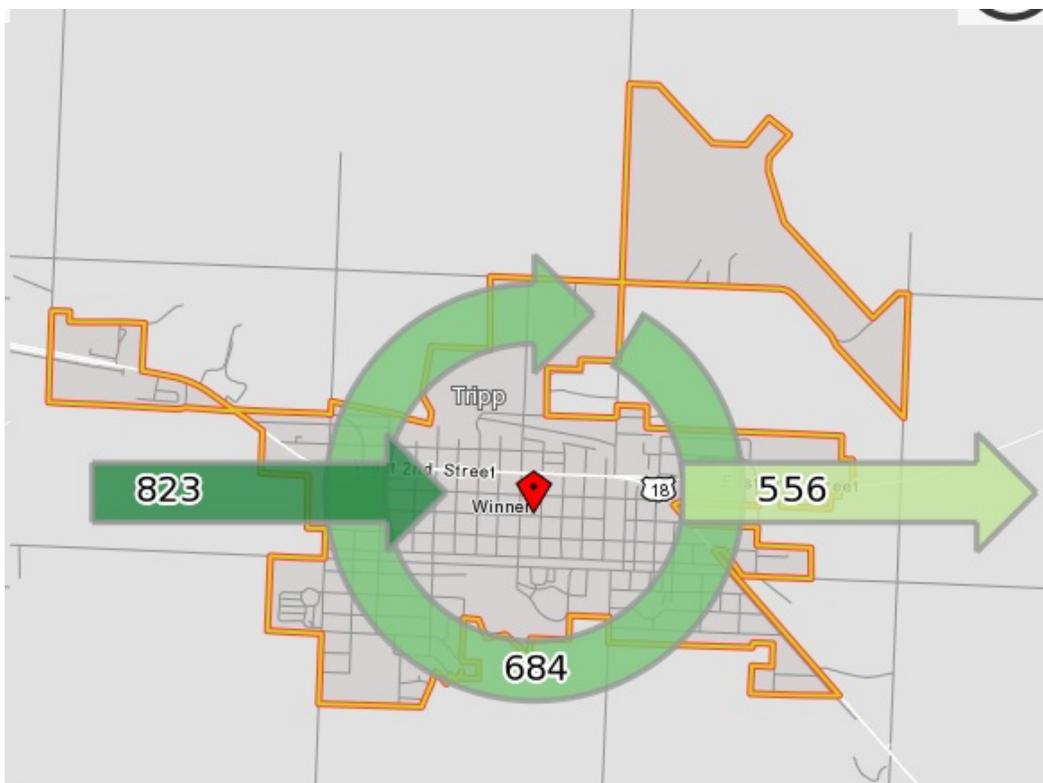
Census On the Map - Winner

The Census Bureau also produces commuter reports through its Center for Economic Studies division. This information is based on reports for the year 2014, but provides a further breakdown of worker movement.

According to the report for Winner, there were 1,507 people that were employed within the City in 2014. Approximately 45% of these City-based employees also lived in Winner. The remaining 55% of employees lived outside the City and commuted in for their job.

On the Map can also be used to track worker outflow patterns from the City. Overall, there were 1,240 Winner residents that were employed. Most of these City residents also worked inside the community, but approximately 45% did leave the City for their job.

For Winner residents that left the City for their employment, the primary destinations were Sioux Falls, Pierre and Mission. For people that were commuting into Winner for their job, the primary home locations were Colome, Gregory, Sioux Falls and Pierre.



Findings on Growth Trends

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

Winner's population decreased by 6.5% from 1990 to 2000. The population decreased from 3,354 in 1990 to 3,137 in 2000. From 2000 to 2010, Winner's population decreased by 240 people, which was a population loss of 7.7%.

Tripp County's population decreased from 6,924 in 1990 to 6,430 in 2000, which was a decrease of 7.1%. The population decreased in the 2000s from 6,430 in 2000 to 5,644 in 2010, which was a population loss of 12.2%.

Household levels in Winner and Tripp County also decreased from 1990 to 2010. Winner experienced a loss of 10 households from 1990 to 2000 and a loss of 31 households from 2000 to 2010. Tripp County had a decrease of 23 households from 1990 to 2000 and a loss of 131 households from 2000 to 2010.

Esri estimates that Winner had a loss of 16 people from 2010 to 2017, but gained nine households. Esri estimates that Tripp County had a loss of 170 people and a loss of 39 households from 2010 to 2017.

Findings on Projected Growth

This Study has utilized Esri's projections for Winner and Tripp County. Esri projects that Winner's population will decrease by 39 people from 2017 to 2022. The household projections expect a loss of 13 households from 2017 to 2022.

Tripp County is expected to lose approximately 121 people from 2017 to 2022. Tripp County's household projections expect a loss of 39 households from 2017 to 2022.

Summary of Winner’s Growth Projections by Age Group

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

Consistent with the age distribution data presented earlier, the movement of the “baby boom” generation through the aging cycle should generate much of the City’s growth in households in the age range between 65 and 74 years old. Age projections would expect the City to add approximately 30 households in the 65 to 74 age range from 2017 to 2022.

The Esri age-based projections also expect an increase of 14 households in the 75 and older age range.

Winner is projected to lose 15 households in the 15 to 34 age ranges. Winner is also expected to lose 52 households in the 35 to 64 ages.

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 Winner adds population at a rate that is faster or slower than past patterns would suggest, traditional age-based forecasts would be altered.

<u>Age Range</u>	<u>Projected Change in Households 2017 to 2022</u>
15 to 24	-5
25 to 34	-10
35 to 44	-11
45 to 54	-35
55 to 64	-6
65 to 74	30
75 and older	<u>14</u>
Total	-13

Findings on Unit Demand by Type of Housing

Based on the household by age projections presented earlier, the changing age composition of Winner'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 five households in the 15 to 24 age range from 2017 to 2022. Past tenure patterns indicate that approximately 88% of these households in Winner will rent their housing. A minimal decrease in the number of households in this age range should mean that rental demand from younger households will remain relatively stable during the projection period.

25 to 34 Years Old - The projections show a loss of 10 households in this age range by 2022. Within this age range households often move from rental to ownership housing. The ownership rate among these households in Winner was approximately 44% in 2010. A loss of 10 households within this age range indicates demand for both first-time home buyer and rental opportunities from this age range will decrease slightly during the projection period.

35 to 44 Years Old - The projections for this 10-year age cohort expect a loss of 11 households between 2017 and 2022 in Winner. In the past, this age group has had a 67% ownership rate in Winner. Households within this range often represent both first-time buyers and households looking to trade-up in housing, selling their starter home for a more expensive house.

45 to 54 Years Old - By 2022, this age cohort will represent the front-end of the "baby bust" generation that followed behind the baby boomers. This age group represents a much smaller segment of the population than the baby boom age group. For Winner, the projections show a loss of 35 households in this age range. This age group historically has had a high rate of home ownership, approximately 75% in Winner in 2010, and will often look for trade-up housing opportunities. A loss in the number of households in this age group indicates that the demand for trade-up housing from this age range will decrease during the projection period.

55 to 64 Years Old - This age range is part of the baby boom generation. The projections show a decrease of six households in this 10-year age range by the year 2022 in the City. This age range has traditionally had a high rate of home ownership in Winner, at approximately 77% 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 significant gain of 30 households is expected by the year 2022 in the 65 to 74 age range. While this group will begin moving to life-cycle housing options as they age, the younger seniors are still predominantly home owners. At the time of the 2010 Census, approximately 79% of the households in this age range owned their housing in Winner. Once again, preferences for age-appropriate units would increase from household growth within this age cohort.

75 Years and Older - There is a projected gain of 14 households in Winner in this age range between 2017 and 2022. In the past, the older households within this age range have had a relatively low rate of home ownership in Winner. An expansion of housing options for seniors, including high quality rental housing, should appeal to this age group. In most cases, income levels for senior households have been improving, as people have done better retirement planning. As a result, households in this age range may have fewer cost limitations for housing choices than previous generations of seniors.

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

Findings on Housing Unit Demand and Tenure

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

Demand from Growth - The household projections used for this Study expect Winner to lose 13 households and Tripp County will lose 39 households from 2017 to 2022. Therefore, there will be no demand for new housing production in Winner based on household growth.

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

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

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

Strengths for Housing Development

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

- ▶ **Winner serves as a regional center** - Winner provides employment opportunities, retail/service options, health and professional services, governmental services and recreational facilities for a geographical area that surrounds the City.
- ▶ **Affordable priced housing stock** - The City of Winner has a stock of affordable existing houses. Our analysis shows that the City's median home value based on recent sales is approximately \$72,000. This existing stock, when available for sale, provides an affordable option for home ownership.
- ▶ **Educational system** - Winner has a public K-12 school system.
- ▶ **Infrastructure** - Although improvements are ongoing, Winner's water and sewer infrastructure can accommodate future expansion and infrastructure improvements are ongoing.
- ▶ **Commercial development** - Winner's commercial district is adequate to meet most daily needs.
- ▶ **Employers** - Winner has employers that provide job opportunities for local residents.
- ▶ **Commuters** - More than 800 employees are commuting into Winner daily for work. These commuters are a potential market for future housing construction.
- ▶ **South Central Development Corporation** - The South Central Development Corporation has been active in developing and expanding business opportunities and residential development.
- ▶ **Health facilities** - Winner has excellent health facilities including a hospital, clinics, assisted living facilities and a nursing home.

- ▶ **Small town atmosphere** - Winner has the real and perceived amenities of a small town. Small town living is attractive for some households.
- ▶ **Active builders and developers** - Winner has active housing builders that are willing to invest in new housing construction.
- ▶ **Desirable location for seniors and retirees** - Winner is an attractive option for seniors as a retirement location. As a provider of health, retail and governmental services, the City has amenities that are attractive for seniors as they age.
- ▶ **Land for development** - The Community has land available for residential, commercial and industrial development, however, some of the land needs to be serviced with infrastructure improvements and/or annexed into the City.

Barriers or Limitations to Housing Activities

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

- ▶ **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. Winner has a significant number of homes that require major improvements, or are potentially dilapidated and beyond repair.
- ▶ **Low rent structure** - The area's rent structure is low, which makes it difficult to construct new rental housing.
- ▶ **Value gap deters new owner-occupied construction** - Based on market values from recent residential sales, we estimate that the median priced home in Winner is valued at approximately \$72,000. This is well below the cost for comparable new housing construction, which will generally be above \$175,000 for a stick built home with commonly expected amenities. This creates a value gap between new construction and existing homes. This can be a disincentive for any type of speculative building and can also deter customized construction.
- ▶ **Lower paying jobs** - Although Winner has job opportunities, some jobs are at the lower end of the pay scale and employees with these jobs have limited housing choices.
- ▶ **Commercial/retail options** - Winner has a limited number of commercial and retail opportunities compared to larger regional centers.
- ▶ **Distance from a major regional center** - Many households desire to or need to be near a major regional center because of healthcare, jobs or other amenities. Winner is 147 miles from Yankton, 92 miles from Pierre, 118 miles from Mitchell and 169 miles from Sioux Falls.
- ▶ **Competition from rural building sites** - Households often seek available building sites in rural areas surrounding Winner and in Tripp County. These building sites compete with available residential lots within the City of Winner.
- ▶ **Available residential lots** - The City has a lack of residential lot options for some sizes and prices of homes.

Recommendations, Strategies and Housing Market Opportunities

Based on the research contained in this study, and the housing strengths and barriers identified above, we believe that the following recommendations are realistic options for Winner. 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 Winner if there is proactive support from the City, local and regional housing and economic development agencies and the South Dakota Housing Development Authority.
- ▶ **Protect the existing housing stock** - The future of Winner will be heavily dependent on the City's appeal as a residential location. The condition of the existing housing stock is a major factor in determining the City's long-term viability. The existing housing stock is affordable and is a major asset, however, rehabilitation efforts are needed to preserve the housing stock.
- ▶ **Protect the existing assets and resources** - Winner has several assets including a K-12 school, a Downtown Commercial District, recreational opportunities, health facilities including clinics and a hospital, etc. These are strong assets that make Winner a desirable community to live in, and are key components to the City's long-term success and viability. These assets must be protected and improved.
- ▶ **Develop a realistic action plan with goals and time lines** - In the past, the City has been involved in housing issues. The City should prioritize its housing issues and establish goals and time lines to achieve success in addressing its housing needs.
- ▶ **Access all available resources for housing** - In addition to the local efforts, the City has other resources to draw on including USDA Rural Development, the South Dakota Housing Development Authority, Planning and Development District III and the Rural Office of Community Services, Inc. These resources should continue to be accessed as needed to assist with housing activities.

Summary of Findings/Recommendations

The findings/recommendations for the City of Winner have been formulated through the analysis of the information provided in the previous sections and include 25 recommendations. The findings/recommendations have been developed in the following five categories:

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

The findings/recommendations for each category are as follows:

Rental Housing Development

1. Develop 16 to 20 general occupancy market rate rental units
2. Promote the development/conversion of eight to 10 affordable market rate rental housing units
3. Monitor the need for additional subsidized rental housing units
4. Preserve the existing supply of subsidized housing
5. Consider the development of additional senior housing with services beds
6. Consider the development of eight to 10 senior independent units
7. Develop a downtown mixed-use commercial/housing project
8. Utilize the Housing Choice Voucher Program

Home Ownership

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

Single Family Housing Development

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

Housing Rehabilitation

16. Promote rental housing rehabilitation
17. Promote owner-occupied housing rehabilitation efforts
18. Develop a City of Winner Revitalization Program
19. Consider the development and implementation of a Rental Inspection Program

Other Housing Initiatives

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

Winner - Rental Housing Development

Rental Housing Development

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

From 2000 to 2017, six rental units in two tri-plexes were constructed in Winner. These units were constructed by a private developer. Also, some single family homes were converted from owner-occupied to rental use between 2000 and 2017.

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

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

Household projections for Winner expect some limited household losses over the next five years. From 2017 to 2022, it is projected that there will be a loss of approximately 13 households. Therefore, there will be no demand for rental units due to household growth over the next five years.

Demand created by replacement of lost units is more difficult to determine, but the best available evidence suggests that the City will lose as many as three to four units per year. As a result, approximately 15 to 20 additional units will be needed over the next five years to replace lost units. In some cases, this unit replacement will be necessary as existing units are removed from the inventory through demolition. In other cases, this replacement is appropriate due to the deteriorating condition of older, substandard rental housing that should be removed from the occupied stock. Rental units may also be lost due to rental units converting to owner occupancy.

Pent-up demand also exists for some rental housing segments. As part of this study, a rental survey was conducted. We identified pent-up demand for high quality rental housing, affordable market rate rental units, independent senior rental units, and specialized memory care housing.

These three demand generators, after factoring current vacancy rates, show a need for 37 to 46 rental units over the next five years. Based on the factors stated above, we recommend the development of the following new rental units/beds over the next five years from 2018 to 2023.

▶	General Occupancy Market Rate	16-20 units
▶	Subsidized	0 units
▶	Affordable/Conversions	8-10 units
▶	Senior (Memory care)	5-6 beds
▶	Senior Independent	<u>8-10 units</u>
	Total	37-46 units

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

Findings: Approximately 79% of the rental housing in the City of Winner can be classified as general occupancy market rate housing. These units are free of any specific occupancy restrictions such as financial status, age, or student enrollment. Market rate housing does not have any form of rent controls, other than those imposed by the competitive marketplace.

In the 110 market rate rental units were surveyed, we found nine vacancies, which is an 8.2% vacancy rate. However, most of the market rate rental projects had no vacancies or only one or two vacancies. The property managers and owners reported a high demand for units. Also, many individuals that were interviewed reported that the need for quality market rate rental housing was a major need in Winner.

From 2000 to 2017, only six market rate rental units were constructed in Winner. The units were constructed by a private developer. Also, some single family homes converted from owner-occupied to rental units partially due to the downturn in the economy in the late 2000s.

There is a variation in rental rates in the market rate segment in the City of Winner. The existing rent range, including utilities, is approximately \$425 for an efficiency, \$325 to \$550 for a one-bedroom unit, \$450 to \$800 for a two-bedroom unit and \$650 to \$765 for a three-bedroom unit.

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 16 to 20 market rate rental units over the next five years. The new units should include one, two and three-bedroom units.

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

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

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

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

Also, the South Central Development Corporation or a regional housing agency could partner with private developers to construct units. The City 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 Winner
Market Rate Housing Units:**

<u>Unit Type</u>	<u>No. of Units</u>	<u>Size/Sq. Ft.</u>	<u>Rent</u>
One Bedroom	3-4	600 - 800	\$600 - \$800
Two Bedroom	10-12	800 - 1,000	\$750 - \$950
Three Bedroom	3-4	1,000 - 1,200	\$875 - \$1,100
Total	16-20		

Note: The recommended rents are gross rents including all utilities. The rents are quoted in 2017 dollars.

It would be advantageous to have the rents for some of the units at or less than the payment standards for the Housing Choice Voucher Program, thus, the units would be affordable for more households. The 2017 Payment Standards for Winner and Tripp County are:

- ▶ efficiency - \$476
- ▶ 1 bedroom - \$534
- ▶ 2 bedroom - \$710
- ▶ 3 bedroom - \$975

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

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

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

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

Recommendation: We would encourage the City of Winner to promote the development/conversion of more affordable rental units. A goal of eight to 10 units over the next five years would help to replace affordable housing that has been lost.

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

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

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

3. Monitor the need for additional subsidized rental housing units

Findings: The term subsidized rental housing, as used in this Study, refers to rental units that have been constructed to serve low and moderate income people. In most 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 four subsidized or moderate rent/income restricted projects in Winner with a total of 96 units. The majority of the tenants in these projects pay 30% of their income up to a maximum rent. Also, 14 rental households in Winner have a Housing Choice Voucher, which subsidizes the rent and allows the rental household to pay 30% of their income for rent. Therefore, approximately 110 rental households have access to subsidized or moderate rent housing. This is approximately 21% of the rental households in Winner. At the time of the survey, there were 10 vacant units in the subsidized projects, which is a 10.4% vacancy rate.

Although there are 96 subsidized/moderate rent rental units in Winner, the 2015 American Community survey estimated that 48% of the renter households in Winner were paying 30% or more of their income for rent.

Recommendation: We do not recommend the development of additional subsidized rental housing at this time. When the rental survey was conducted, there were 10 vacancies in the four subsidized projects. Ninety-six units of subsidized/moderate rent housing is a significant number of units for a city of Winner's size. Also, the rent structure for market rate units in Winner 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 16 to 20 market rate units. We also recommended eight to 10 affordable/conversion market rate units. We do recommend that the City monitor the need for the production of subsidized housing in the future. Also, the subsidized and income-restricted moderate rent projects should continue building and unit renovations. Three of the projects are more than 35 years old.

4. Preserve the existing supply of subsidized housing

Findings: The City of Winner has three “deep subsidy” rental housing projects that allow tenants to pay rent based on 30% of income. These projects were constructed in the 1970s and 1980s when the federal government was actively involved in producing low income housing. The City also has a moderate rent/income-restricted rental project. In Winner, Presidential Square Apartments was a 36-unit HUD subsidized senior/disabled project, but converted to market rate many years ago.

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

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

Recommendation: Based on the research for this Study, the subsidized/moderate rent projects in Winner could be at risk of leaving their subsidy program. All four projects are privately owned. The City should monitor the status of federal subsidy programs. If a subsidized project is considering opting out of the subsidy program and converting to market rate, the City could research the feasibility of preserving the units by having a housing agency purchase the project and keep it in the subsidy program.

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

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

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

- ▶ **Golden Prairie Manor** - Golden Prairie Manor is a senior assisted living project with 39 units and 49 beds, with some units used for double-occupancy. The facility was constructed in 1996. Currently, 21 rooms are providing assisted living and 18 rooms are used for independent living. The facility actually licenses 40 beds for assisted living use, but actual utilization tends to be lower. Assisted living residents receive the full array of senior assisted living services. The independent living residents receive three daily meals and laundry services. At the time of the survey, there were four vacant rooms, however, the facility had a waiting list. The facility had memory care beds in the past, but has converted to wander-guard bands, cameras and alarms.
- ▶ **Winner Regional Nursing Home** - The Winner Regional Nursing Home has 69 skilled nursing beds and 11 memory care beds in a secured area of the facility. The facility has an average 95% occupancy rate, however, the memory care units are always fully occupied.
- ▶ **Elder Inn** - Elder Inn is a 45-bed assisted living facility. The facility is in the former nursing home that was renovated into an assisted living facility. The beds are in single and double rooms. The facility provides the full array of assisted living services. The staff reported several vacancies at the time of the survey.
- ▶ **Rose Manor-Colome** - Rose Manor is a 14-bed assisted living located in Colome. The beds are in 12 single rooms and one double room. The facility provides the full array of assisted living services. Residents can purchase services as needed. At the time of the survey, there were eight vacant beds.

Recommendation: In 2016, Tripp County had 637 people between the age of 65 and 74 and 643 people over the age of 75. The growth projections for 2016 to 2021 show an expected increase of 116 seniors age 65 to 74 and an increase of 58 seniors over the age of 75.

- ▶ ***Skilled Nursing Home*** - The research for this Study points to a decreasing reliance on nursing homes as a long-term residency option for older senior citizens. Over time, the nursing homes have tended to use more beds for rehab/recovery stays, or other specialized uses. There has also been a long-standing State moratorium that limits expansion in most cases. The Winner Regional Nursing Home located in Winner has 80 beds including 69 skilled nursing beds and 11 memory care beds. The skilled nursing beds have an average 95% occupancy rate. It is our opinion that Tripp County has an adequate number of skilled nursing beds at this time.
- ▶ ***Memory Care Housing*** - There are 11 designated memory care beds in a secured facility in Tripp County. These beds are in the Winner Regional Nursing Home. The beds are always fully occupied. The assisted living facilities can also serve residents that have memory loss issues. Golden Prairie Manor provides a wander-guard bracelet for residents with memory loss which prevents the residents from leaving the facility unattended. Local providers do report some unmet demand for this type of specialized memory care housing. Based on the demand for the beds, unmet need and the growing senior population, we recommend the development of an additional five to six beds in a secure facility dedicated for memory care over the next five years. It would be advantageous for these beds to be part of an existing senior with services facility in Tripp County.
- ▶ ***Assisted Living*** - Tripp County has three assisted living projects. Golden Prairie Manor, located in Winner has 21 units currently used for assisted living, although they are licensed for up to 40 beds. Elder Inn, also located in Winner has 45 licensed beds and Rose Manor in Colome has 14 licensed beds. The three facilities all reported vacant beds at the time of the survey. For all licensed assisted living beds to be fully occupied, a 15.4% capture rate would be needed among Tripp County's older seniors (over age 75). Based on industry standards, this is a very high capture rate. The three facilities do, however, have residents coming to their facilities from outside of Tripp County. Based on the current number of assisted living beds in Tripp County, we do not recommend additional assisted living beds at this time. However, the need for additional beds should continue to be monitored.

- ▶ ***Independent/Light Service Housing*** - Currently, there is one independent/light service project in Tripp County. Golden Prairie Manor is located in Winner and in addition to its assisted living units, it currently has 18 units being used for independent/light services housing. Tenants receive weekly housekeeping and receive three meals a day. If a 3% to 5% capture rate could be achieved among senior-headed households (age 75) in Tripp County, approximately 13 to 22 units of independent/lighter services housing could be supported. With 18 units at Golden Prairie Manor, it appears to be addressing the near-term need for independent/light services housing in Tripp County. However, is still some potential demand for independent senior apartments that have their own kitchens and other amenities that cater to younger seniors, thus, we are recommending eight to 10 independent living senior apartments as described in the next recommendation.

The supply and demand overview presented above indicates potential demand for six to eight memory care beds, and for some independent senior apartments that will be discussed in the following recommendation. It would probably be most cost effective for the recommended memory care units/beds to be added to an existing Tripp County senior with services facility.

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

6. Consider the development of eight to 10 senior independent units

Findings: In 2017, there were 242 households in the 65 to 74 age range and 295 households age 75 or older in Winner. These age ranges will increase by approximately 44 households by 2022. Tripp County had 415 households in the 65 to 74 age range and 448 households in the 75 and older age range. These Tripp County age ranges will increase by approximately 94 households by the year 2022.

Recommendation: We are recommending an eight to 10-unit independent senior project in Winner. 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:

- ▶ Eight to 10 units
 - ▶ two to three one-bedroom units
 - ▶ six to seven 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 eight to 10 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	2-3	650-750	\$950-\$1,050
Two Bedroom	6-7	850-950	\$1,100-\$1,200
Total	8-10		

Note: Rents are quoted in 2017 dollars and include utilities.

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

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

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

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

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

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

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

8. 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 Winner and Tripp County by the Yankton Housing and Redevelopment Commission. The Yankton Housing and Redevelopment Commission currently administers approximately 135 vouchers in a multi-county area. Currently, 14 Winner households are utilizing the Housing Choice Voucher Program. There is a waiting time of approximately one year to obtain a voucher.

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

Winner - 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 Winner is estimated to be approximately \$72,000 based on recent sales activity. The home values in Winner provide a good opportunity for first time buyers and households seeking moderately priced homes.

Many households in Winner have not been able to achieve the goal of home ownership and may need the assistance of special programs to help them purchase a home.

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

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

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

First time home buyer assistance, down payment and closing cost assistance, low interest loans and home ownership counseling and training programs can help to address affordable housing issues. The City of Winner 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: Winner should work with area housing agencies, the South Dakota Housing Development Authority, USDA Rural Development, and local financial institutions to utilize all available home ownership assistance programs. Private and nonprofit agencies should also be encouraged to provide home ownership opportunities.

The City of Winner should also work with housing agencies to assure that they are receiving their share of resources that are available in the region.

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

10. Develop a Purchase/Rehabilitation Program

Findings: Winner 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 Winner are valued less than \$72,000. As some lower valued homes come up for sale, they may not be attractive options for potential home buyers because of the amount of repair work that is required.

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

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

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

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

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

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

11. Develop a local down payment assistance program

Findings: One of the largest identifiable barriers preventing low and moderate income households from owning a home is the inability to save money for down payment and closing costs. This is especially true if lending institutions have tightened their lending criteria. There are several examples of cities providing down payment assistance to assist home owners with a down payment. For example, the City of Faribault, MN, developed a program that provided a maximum of \$4,000 in local funds to households for down payment assistance. Twenty-four local households utilized this program to purchase a home over a nine-month period.

Recommendation: The City of Winner and the South Central Development Corporation should consider the development of a local Down Payment Assistance Program.

The City of Winner, the South Central Development Corporation, major local employers, the Federal Home Loan Bank and SDHDA funds may be sources that could potentially contribute to the fund.

Winner - Single Family Housing Development

Single Family Housing Development

Findings: Based on City information, 23 single family owner-occupied housing units were constructed in Winner from 2007 to 2017. From 2007 to 2012, nine units were constructed, for an average of one to two homes per year. From 2012 to 2017, 14 units were constructed, for an average of two to three houses per year. Ten of the 14 units constructed from 2012 to 2017 were twinhomes and townhomes.

It is our opinion that if the City, the South Central Development Corporation, housing agencies, and builders are proactive, 16 to 20 homes can be constructed in Winner from 2018 to 2023, for an annual average of three to four units. The breakdown of our projection of 16 to 20 new owner-occupied housing units over the next five years is as follows:

▶ Higher and medium priced homes	3-4
▶ Affordable homes	7-8
▶ Twin homes/town homes	<u>6-8</u>
Total	16-20

12. Lot availability and lot development

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

Approximately seven lots were identified as for sale and buildable in the Mathis Subdivision. Additionally, there are miscellaneous infill lots and parcels scattered around Winner. We do not know the availability of these infill lots, if they have enough square footage for new construction, if they are in attractive locations, etc. Also, dilapidated homes are being demolished in Winner. Some of the cleared lots may be potential sites for new construction.

Recommendation: With projections that 16 to 20 new owner-occupied housing units could be constructed in Winner over the next five years, the City does not have an adequate supply of residential lots available to meet the expected demand. Therefore, if expected new housing construction comes to fruition, it will be necessary to develop additional residential lots over the next five years, including some lots for attached single family unit construction.

There are sites in Winner which may be conducive to lot development. Several individuals have expressed interest in developing lots in Winner. The potential lot development should include lots for higher valued homes as well as lots for affordable homes including modular homes/Governors homes.

In addition to new lot development, future demolition activity 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, as was done to create lots for the twin home/town house development.

To achieve the level of new home construction potential that has been identified, we would recommend the development of new residential lots. The number of lots should be based on demand and we recommend an ongoing 2.5-year supply of lots. Future lot development should be based on the following:

- ▶ If possible, the site(s) for lot development 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.
- ▶ Lots should be developed in phases based on demand.
- ▶ 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.
- ▶ Lots should be developed to 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 modular homes/Governors homes.
- ▶ 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 City of Winner and the South Central Development Corporation. Financial assistance such as tax increment financing, tax abatement and land donations or writedowns, may be necessary to make the development of lots feasible.

We also recommend that the City research all of the vacant lots and parcels in the City to determine their availability and viability for new construction. A lot inventory, based on the research, should be maintained and available for future buyers.

An infill lot inventory, along with the development of new lots, should address lot demand for the next five years.

13. Strategies to encourage residential lot sales and new home construction in Winner

Findings: There is a small inventory of lots available in the City of Winner. However, the capacity exists to develop additional lots, and in the previous recommendation, we have supported additional lot development.

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

Our recommendations to promote lot sales and housing development include:

- ▶ **Competitive pricing** - There are lots that are available in communities throughout the Region. Lot prices in Winner will need to be competitive.
- ▶ **Plan for long-term absorption** - The research completed for this Study expects limited annual absorption of lots in Winner over the next five years. It is necessary to view the lot sales and housing development as a long-term plan.
- ▶ **Generate initial activity** - Recent construction activity has been limited. To stimulate new construction, proactive efforts, such as the sale of some lots at discounted prices, reduction of hookup and permit fees or other incentives should be provided if the buyer agrees to build a home of a certain quality and style within a specified time period. This will help create some momentum for houses to be built.

- ▶ ***Consider developing an exclusive builder(s) relationship*** - Several lots could be sold to a builder(s). Momentum can be created when a builder has access to several lots. This allows for marketing opportunities and efficiencies in the home building process. The lot owners should require the builder to construct a minimum number of homes per year. Builders are more willing to enter a market when the lots are attractive and very affordable. Several lots available to an exclusive builder or developer should be explored, even if price concessions are required.
- ▶ ***User-Friendly*** - The lot purchase and homebuilding process must be 'user-friendly.' This includes builders, who are readily available to build custom homes, information on quality homes that could be moved into the community and City regulations that are fair and reasonable. This entire process should be as user-friendly as possible to encourage new home construction.
- ▶ ***Lot Availability for affordable homes*** - Lots should be available for affordable homes including modular homes/Governors homes.
- ▶ ***Allow for a range of house prices*** - Lots should be available in Winner in as wide a range of home sizes and prices as possible. This would broaden the lot buyer market.
- ▶ ***Incentives*** - Many cities throughout South Dakota are offering incentives to construct new homes, including reduced lot prices, reduced water and sewer hookup fees, tax abatements, cash incentives, etc. Incentives should be considered to promote new home construction.
- ▶ ***Lot availability for twin home/town home development*** - It is our opinion that there will be a demand for twin homes/town homes over the next five years. Lots should be available for twin home/town home lot development.
- ▶ ***Marketing*** - The City of Winner, the South Central Development Corporation and the Chamber of Commerce should develop a marketing strategy to sell the available lots. All stakeholders including realtors, financial institutions, builders, employers, etc. should be included in marketing strategies. In addition to marketing the lots, the City of Winner and its amenities should be marketed.

- ▶ ***Consider partnerships that share and split financial risk to construct spec homes*** - Spec houses could potentially attract buyers that are not interested in going through the home building process, but instead wants a turnkey unit. A spec home can also serve as a model, allowing potential home buyers to examine specific floor plans and features in the home before committing to buy. In an attempt to spur spec home construction, some communities have formed partnerships with private home builders to share the financial risks. For example, subdivision owners have been willing to defer the payment for the lot until the spec home is sold. Another builder incentive is for the City to waive any water/sewer 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.

14. Coordinate with agencies/nonprofits that develop affordable housing

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

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

It is our understanding that the South Central Development Corporation may move a Governor's House into the community. Several development corporations and housing commissions have undertaken Governor's House Programs that have been successful. They have moved in Governor's homes on affordable lots and have created momentum, and in some cases moved multiple homes into the community.

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

15. Promote twin home/town home development

Findings: Attached housing provides desirable alternatives for empty nesters and seniors to move out of their single family homes, thus, making homes available for families. It is important for the community to offer a range of life-cycle housing options. In Winner, 10 twin home/town house units have been constructed over the past three years. These units were built on lots in older neighborhoods that previously had dilapidated housing. Therefore, in addition to adding new housing units to the housing stock, there was neighborhood redevelopment.

In 2017, Winner had 483 households in the 55 to 74 age ranges. These age ranges are expected to add a net 24 households from 2017 to 2022. Household growth among empty-nester and senior households should result in continued demand for attached single family units. It is likely that demand for attached housing units will also be dependent on the product's ability to gain additional market acceptance among the households in the prime target market, and among other households.

Recommendation: It is our projection that approximately six to eight new owner-occupied twin home or town home units could be constructed in Winner over the next five years.

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

- ▶ Senior friendly home designs
- ▶ Maintenance, lawn care, snow removal, etc. all covered by an Association
- ▶ Cluster development of homes, which provides security

- ▶ Homes at a price that is acceptable to the market
- ▶ The units should have high quality designs and workmanship
- ▶ Continue to assess the twinhomes/townhouses that were constructed recently to refine designs, prices, square footage, etc.

Winner's role could include assuring that adequate land continues to be available for development and that zoning allows for attached housing construction. Also, the City should continue to assist developers and builders with their neighborhood redevelopment efforts.

Winner - Housing Rehabilitation

Housing Rehabilitation

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

It is our opinion that Winner 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 Winner households. Housing options for households at or below the median income level will largely be met by the existing, more affordable housing stock. As this existing stock ages, more maintenance and repair will be required. Without rehabilitation assistance, there is a chance that this affordable stock could shrink, creating an even more difficult affordability situation.

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

16. Promote rental housing rehabilitation

Findings: Based on the U.S. Census data, the City of Winner had approximately 523 rental units in 2010. These rental buildings are in multi-family projects, single family homes, mobile homes and mixed-use buildings. Some of these rental structures could benefit from rehabilitation as most of Winner's rental buildings are more than 30 years old and some units are in poor condition.

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

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

17. Promote owner-occupied housing rehabilitation efforts

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

Our housing condition survey of 506 homes in Winner’s older neighborhoods found 184 homes that need minor repairs and 133 homes that need major repairs. Without rehabilitation assistance, the affordable housing stock will shrink in Winner.

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

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

18. Develop a City of Winner Revitalization Program

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

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

Redevelopment strategies and opportunities should be identified including:

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

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

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

19. Develop a Rental Inspection and Registration Program

Findings: A Rental Inspection and Registration Program can be a valuable tool in improving the quality of the City's rental housing. It is estimated that there are approximately 523 rental units in the City of Winner, most of which are more than 30 years old. There are also a significant number of single family homes that have converted from owner-occupied to rentals. Neighborhood deterioration, lower property values and unsafe rental units are often prevented when a Rental Housing Inspection and Registration program is successfully implemented. Also, our housing condition survey identified substandard rental units.

Currently, housing units are inspected in Winner after they are vacant and utilities are shut off.

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

Health and Safety

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

Age of Housing Stock

- ▶ Much of the existing rental housing stock in Winner is more than 30 years old.
- ▶ Older housing needs continued rehabilitation and maintenance.
- ▶ Older housing often has difficulty complying with current codes.

Conversions

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

Trends of Conversions

- ▶ Many of Winner's buyers want more amenities and conveniences, and less maintenance, thus, they are less likely to purchase older homes. Also, there was an increase in foreclosures during the recession. These issues result in the conversion of older homes to rental units which magnify the problem.

Maintenance Efforts

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

High Number of Landlords

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

Neighborhood Stabilization

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

Zoning and Codes

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

Coordination

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

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

Winner - Other Housing Initiatives

Other Housing Initiatives

20. Encourage employer involvement in housing

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

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

21. Continue to demolish dilapidated structures

Findings: Our housing condition survey of 506 single family houses in three of Winner's older neighborhoods identified 61 single family houses in the neighborhoods that are dilapidated and too deteriorated to rehabilitate. We also identified 133 single family houses in the neighborhoods as needing major repair and some of these homes may be too dilapidated to rehabilitate. To improve the quality of the housing stock and to maintain the appearance of the City, these structures should be demolished.

The City of Winner has implemented a 'Spruce Up Program' to demolish dilapidated homes. When utilizing the 'Spruce Up Program,' the property owner pays to have the dilapidated home demolished and the City of Winner hauls away the debris and fills the hole. Approximately 40 dilapidated homes have been demolished over the past several years.

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

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

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

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

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

Additionally, Home Address Plus is a statewide organization that assists cities in developing plans to address local housing needs.

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

23. Winner Mobile Home Recommendations

Findings: Winner has approximately 116 mobile homes located in three mobile home parks and on miscellaneous lots in the City. Of the 116 mobile homes surveyed, 21 were sound with no required improvements, 27 needed minor rehabilitation and 34 needed major rehabilitation. Thirty-four mobile homes were determined to be dilapidated and beyond repair.

Recommendation: It may be appropriate for the community and the mobile home park's owner/residents to initiate programs to improve the quality and to encourage the location of more mobile homes in the park. There are some empty lots in the mobile home parks. A mobile home is an affordable housing option for many households.

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 City 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 mobile home. Mobile home dealerships have sometimes participated by buying the salvaged homes.
- ▶ ***Time of Sale 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 City*** - Some cities have implemented an ordinance which stipulates that a mobile home must have been manufactured after a designated year to be moved into the City. This prevents older units from being moved into the City.

24. Strategies for Downtown Redevelopment

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

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

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

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

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

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

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

The City of Winner, the South Central Development Corporation, the Chamber of Commerce, other organizations, and private builders and developers have been active in promoting the City, including housing opportunities.

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

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

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

Agencies and Resources

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

Planning and Development District III

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

Rural Office of Community Services, Inc.

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

Grow South Dakota

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

South Dakota Housing Development Authority

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

USDA Rural Development

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