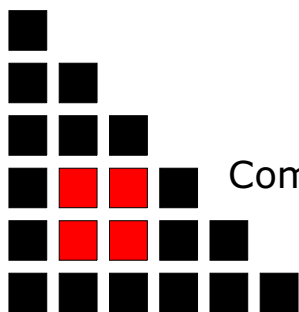


City of Belle Fourche HOUSING STUDY UPDATE

January 2021

An updated analysis of the overall housing needs
of the City of Belle Fourche



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 Belle Fourche and Butte 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.

In 2020, Community Partners Research, Inc., was hired by the City of Belle Fourche to update a 2013 Study that examined the housing needs and conditions in the community. This 2021 Update has reviewed the 2013 findings and recommendations and added the latest demographic and housing data for the City.

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 area can expect to address in the coming years
- ▶ Provide a market analysis for housing development
- ▶ Provide updated 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 November, 2020. Data sources included:

- U.S. Census Bureau
- American Community Survey
- Applied Geographical Solutions, Inc., a data reporting service
- Esri, Inc., a data reporting service
- Records and data from the City
- Records and data maintained by Butte 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

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.

During the course of the research for this project, a global pandemic was occurring, which has had immediate and widespread impacts, including on economic, housing and educational conditions. The longer-term effects of the pandemic cannot be predicted, and the analysts have proceeded with the best information available at the time of the research.

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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 Belle Fourche and Butte County. A primary data source is the U.S. Census Bureau through the decennial census, the annual American Community Survey, and the annual population estimates program.

To supplement the decennial Census, the Census Bureau has created the American Community Survey, an annual sampling of households. This provides detailed demographic characteristics, replacing information once collected by the decennial Census. However, because the American Community Survey is based on sampling data, there is a margin of error that exists for each estimate. Some of the following tables incorporate the 2018 American Community Survey data, when viewed as reliable.

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

In addition to providing demographic information for Belle Fourche, comparative information has often been provided for all of Butte County.

Population Data and Trends

Table 1 Population Trends - 1990 to 2020						
	1990 Census	2000 Census	% Change 1990-2000	2010 Census	% Change 2000-2010	2020 Esri Estimate
Belle Fourche	4,335	4,565	5.3%	5,594	22.5%	5,821
Butte Co.	7,914	9,094	14.9%	10,110	11.2%	10,459

Source: U.S. Census; Esri

- ▶ There are two available population estimates for Belle Fourche in 2020. Esri shows the City with 5,821 residents, an increase of 227 people, or 4.1%, from the 2010 Census.
- ▶ The estimate from Applied Geographic Solutions (AGS) is not reliable. It shows the City with only 5,155 people in 2020, down by 439 people since 2010. There is no indication that the City has been losing residents over the past decade and the AGS estimate appears to be flawed.
- ▶ The Census Bureau has released information through its population estimates program. The most recent estimate for Belle Fourche is effective July 1, 2019, and places the City’s population at 5,702, up by 108 people from 2010 to 2019.
- ▶ Excluding AGS, the other sources show gradual growth in the City’s population over the past decade. If viewed as an annual average, the City has been adding approximately 12 to 23 people per year since 2010.
- ▶ The Esri estimate for Butte County shows 10,459 people in 2020, up by 349 from 2010. Excluding Belle Fourche, the remainder of the County has also been growing, and added 122 people since 2010.
- ▶ The AGS population estimate for Butte County in 2020 is 10,227 residents, up by 117 people from 2010. Although AGS shows a significant population decrease in Belle Fourche, they do show some population growth Countywide. However, with the undercount in Belle Fourche, the overall County estimate is too low.
- ▶ The Census Bureau’s most recent estimate for Butte County is effective July 1, 2019, and showed the County with 10,429 people, up 319 residents from the 2010 Census.

- ▶ Excluding AGS, the other two sources show all of Butte County adding an average of approximately 35 people per year since 2010.
- ▶ For both Belle Fourche and Butte County, the patterns since 2010 continue a longer-term trend of a population growth, which dates back to 1990.
- ▶ Belle Fourche’s population is primarily White and non-Hispanic/Latino. Based on American Community Survey estimates for 2018, nearly 95% of the City’s residents were White for race. Less than 5% of Belle Fourche’s residents were identified as Hispanic/Latino. Due to the small number of minority residents, no additional information is provided in this Update by race/ethnicity.
- ▶ At the time of the 2010 Census, there were 103 people in Belle Fourche living in group quarters housing. More than 94% of the group quarters residents were in skilled nursing homes, and the remaining 6% were living in some type of institutional or noninstitutional group home facilities.

Population Projections

The following table presents population projections to the year 2025. Projections for Belle Fourche and Butte County exist from both Applied Geographic Solutions and Esri, and span the five-year period from 2020 to 2025. Although the current-year estimates from AGS are flawed, their projections have been presented as an indicator of future growth potential.

Table 2 Population Projections Through 2025						
	Applied Geographic Solutions			Esri		
	2020 Estimate	2025 Projection	Change	2020 Estimate	2025 Projection	Change
Belle Fourche	5,155	5,418	263	5,821	5,853	32
Butte Co.	10,227	11,036	809	10,459	10,557	98

Source: Applied Geographic Solutions; Esri

- ▶ Although AGS has estimated that Belle Fourche has been losing residents over the past decade, this source expects population growth going forward. Between 2020 and 2025, AGS is projecting that the City will add 263 residents, or an average of more than 50 people per year.
- ▶ Conversely, Esri shows very limited population growth for the City over the next five years, despite their belief that the City has been growing since 2010.
- ▶ These same patterns apply to the projections for Butte County, with AGS showing strong growth but Esri forecasting limited growth countywide.
- ▶ In the opinion of Community Partners Research, Inc., the projections from Esri are overly conservative, and in the recommendations contained later in this document a higher level of projected growth has been used.

Household Data and Trends

Table 3 Household Trends - 1990 to 2020						
	1990 Census	2000 Census	% Change 1990-2000	2010 Census	% Change 2000-2010	2020 Esri Estimate
Belle Fourche	1,739	1,854	6.6%	2,322	25.2%	2,452
Butte Co.	3,033	3,516	15.9%	4,160	18.3%	4,381

Source: U.S. Census; Esri

- ▶ Esri’s 2020 estimate for Belle Fourche is 2,452 households, an increase of 130 households from the 2010 Census. If accurate, this source shows the City adding an average of 13 households per year.
- ▶ As stated previously, the AGS estimate for Belle Fourche appears to be flawed. In 2020, this source showed 2,261 households in the City, down by 61 households from the 2010 Census. The other research completed for this Study found no supporting evidence for population and household losses in Belle Fourche over the past decade.
- ▶ The 2020 Esri estimate for Butte County shows 4,381 households, up by 221 from the 2010 Census. Excluding Belle Fourche, the remainder of the County added 91 households over the decade.
- ▶ AGS estimates that Butte County had 4,461 households in 2020, up by 301 households from the 2010 Census count. This Countywide increase is estimated despite AGS’s belief that the number of households in Belle Fourche has declined.

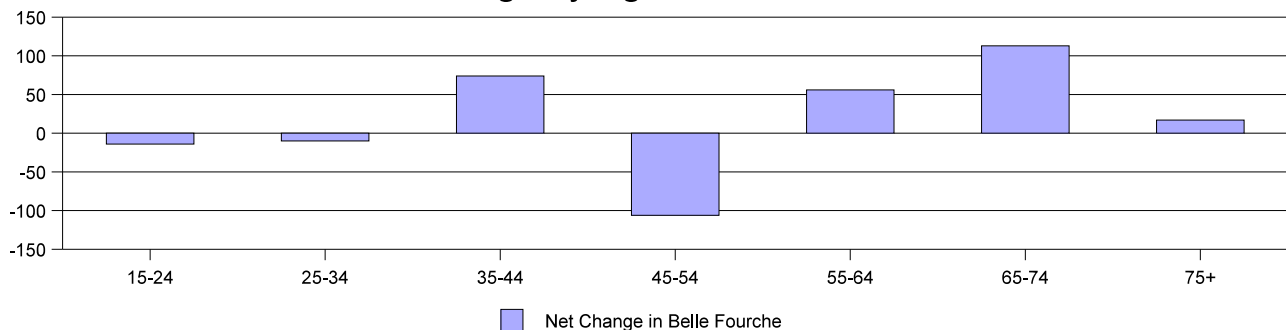
Household by Age Trends: 2010 to 2020

The demographic data profile that is available from AGS does not provide information on households by age. However, age-based estimates are available from Esri. The following table compares households by age in 2010 and 2020, along with the numeric changes.

Table 4 Households by Age - 2010 to 2020						
Age	Belle Fourche			Butte County		
	2010	2020	Change	2010	2020	Change
15-24	162	148	-14	211	195	-16
25-34	419	409	-10	598	643	45
35-44	323	397	74	590	635	45
45-54	451	345	-106	853	636	-217
55-64	410	466	56	881	913	32
65-74	262	375	113	537	795	258
75+	295	312	17	490	564	74
Total	2,322	2,452	130	4,160	4,381	221

Source: U.S. Census; Esri

Household Change by Age Between 2010 and 2020



From 2010 to 2020, Esri shows Belle Fourche adding 130 households. Most of the growth by age groups is attributed to households age 55 and older. According to this source, all but one of the age groups 54 and younger has decreased in size over the past decade.

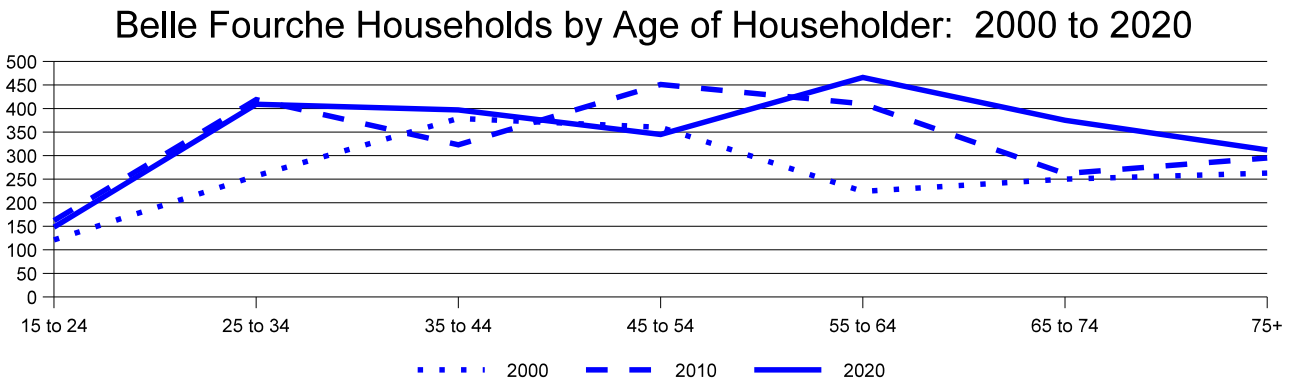
According to Esri, growth has been especially strong in the age range between 65 and 74 years old. This would generally represent the movement of the “baby boom” generation through the aging cycle.

The young adult range between 35 and 44 years old also increased in Belle Fourche according to Esri. But this was the only younger adult range that increased in size in the City over the last decade.

These same patterns were generally evident in Butte County, with especially strong growth in the 65 to 74 year old age group. There was also some increase Countywide in the 25 to 44 year old ranges, which would partly reflect the “millennial” generation.

Although both the City and the County had some increase in the older senior ranges, age 75 and older, the numeric increase was limited.

It is possible to track the advancing “wave” created by the large baby boom generation in Belle Fourche over the past 20 years.



Average Household Size

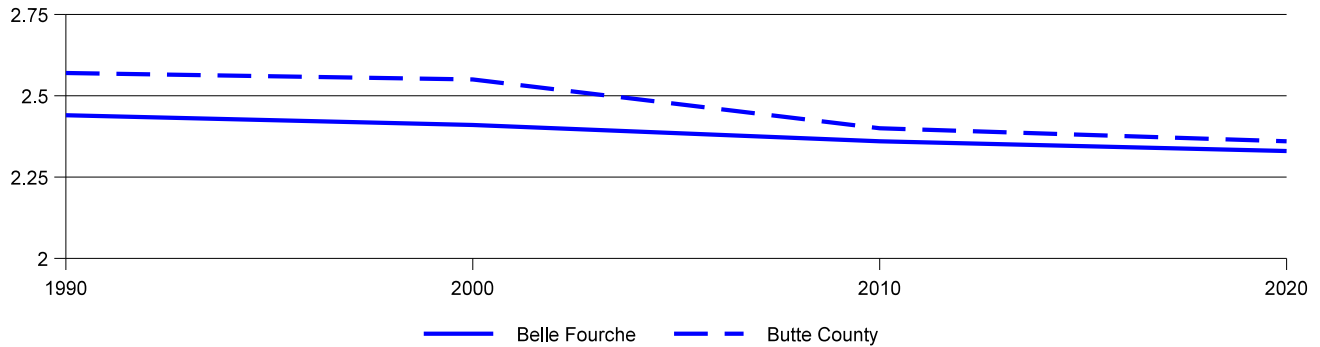
The following table provides decennial Census information on average household size, along with the 2020 estimate from Esri.

Table 5 Average Number of Persons Per Household: 1990 to 2020				
	1990 Census	2000 Census	2010 Census	2020 Esri
Belle Fourche	2.44	2.41	2.36	2.33
Butte Co.	2.57	2.55	2.40	2.36

Source: U.S. Census; Esri

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

Average Household Size: 1980 to 2020



The average household size in Belle Fourche has continued to decrease in recent decades. The 2020 estimate from Esri shows an average household size of 2.33 persons, down slightly from 2.36 persons at the time of the 2010 Census.

The household size for all of Butte County has also continued to decrease. The average for the County, estimated at 2.36 persons in 2020, is slightly larger than the average in Belle Fourche.

Household Projections

Household projections for the five-year time period spanning the years 2020 through 2025 are available from AGS and Esri. Household growth directly impacts the demand for housing.

Table 6 Household Projections Through 2025						
	AGS			Esri		
	2020 Estimate	2025 Projection	Change	2020 Estimate	2025 Projection	Change
Belle Fourche	2,261	2,184	-77	2,452	2,484	32
Butte Co.	4,461	4,423	-38	4,381	4,461	80

Source: AGS, Esri

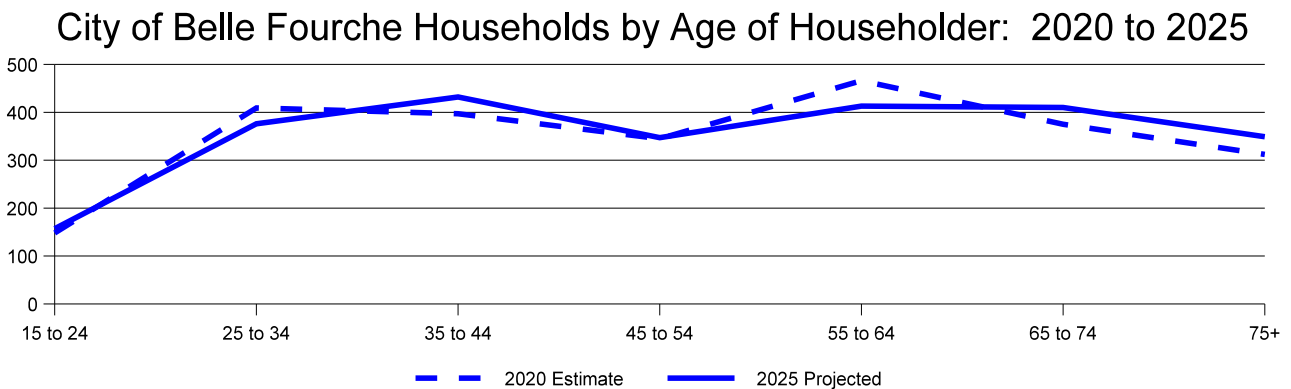
- ▶ The household projections from Esri show very modest growth for the City over the next five years, with an expected increase of only 32 households, or approximately six to seven households per year. Between 2010 and 2020 the City was probably averaging approximately 13 new households per year, nearly double the forecast going forward.
- ▶ Esri is projecting that Butte County will add 80 total households over the 5-year projection period, or an average of 16 households per year. From 2010 to 2020, the County was probably averaging growth of approximately 22 households per year.
- ▶ In the opinion of the analysts, the AGS projections for Belle Fourche and Butte County are flawed. After growing for the past two decades, there is no evidence to indicate that these patterns will reverse and the City and County will see a household reduction.
- ▶ Although the projections from Esri and AGS are presented, Community Partners Research, Inc., has also created its own projections, by trending forward past patterns. These would indicate that the City of Belle Fourche would be expected to add between 60 and 75 households between 2020 and 2025. For all of Butte County, including Belle Fourche, a projection of 110 to 125 households would be indicated over the 5-year period.

Household by Age Projections: 2020 to 2025

In addition to overall household forecasts, Esri has also generated age-based projections for households to the year 2025. These projections can be compared to the data contained in the 2020 Esri estimates to examine the change projected over the next five years. Age-based household forecasts are provided for the City of Belle Fourche. As stated on the previous page, the analysts view these projections as conservative.

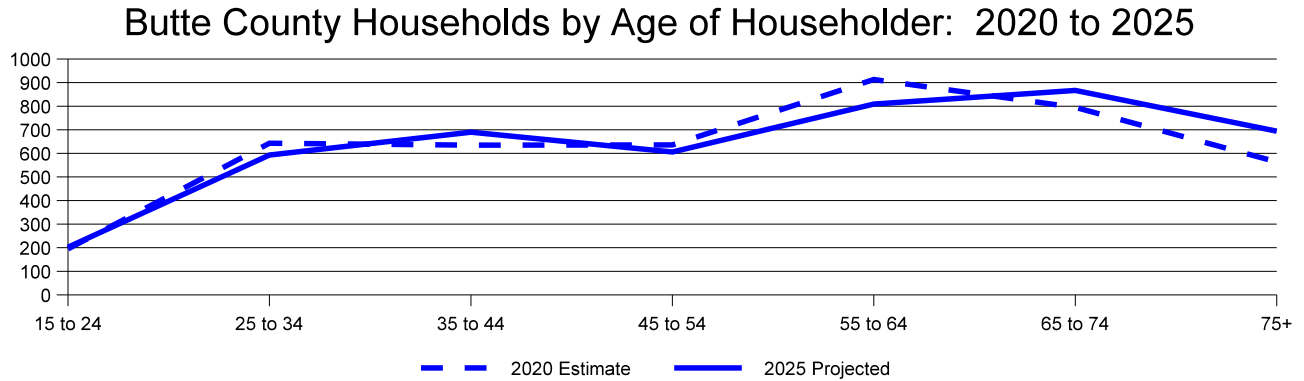
Table 7 Projected Households by Age - 2020 to 2025						
Age	Belle Fourche			Butte County		
	2020	2025	Change	2020	2025	Change
15-24	148	157	9	195	202	7
25-34	409	376	-33	643	593	-50
35-44	397	432	35	635	690	55
45-54	345	347	2	636	606	-30
55-64	466	413	-53	913	809	-104
65-74	375	410	35	795	867	72
75+	312	349	37	564	694	130
Total	2,452	2,484	32	4,381	4,461	80

Source: Esri



Esri projects an overall gain of 32 households in Belle Fourche from 2020 to 2025, with limited change in most of the defined age groups. While some of the younger adult age ranges should increase in size, overall Esri projects fewer households age 64 and younger by the year 2025. However, growth should occur from an increase in households age 65 and older.

The projected patterns for Butte County are generally similar, with an overall decrease of households age 64 and younger, but growth from households age 65 and older. If grouped into these larger ranges, Esri is projecting a net reduction of more than 120 households in the age groups 64 and younger, but a net increase of more than 200 households age 65 and older in the County.



2018 Income Data

The American Community Survey provides income estimates for cities and counties. The following table provides 2018 American Community survey data for Belle Fourche, Butte County and the State of South Dakota. The medians from 2010 are provided for comparison.

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 8 Median Household Income - 2010 to 2018			
	2010 Median	2018 Median	% Change
Median Household Income			
Belle Fourche	\$38,750	\$43,796	13.0%
Butte County	\$39,041	\$44,387	13.7%
South Dakota	\$46,369	\$56,499	21.8%
Median Family Income			
Belle Fourche	\$53,819	\$44,655	-17.0%
Butte County	\$52,829	\$54,983	4.1%
South Dakota	\$58,958	\$72,706	23.3%

Source: American Community Survey

Information contained in the American Community Survey shows that the median household income has been increasing in Belle Fourche from 2010 to 2018, but remains well below the comparable Statewide level. According to this source, the median family income in the City has decreased in recent years, and was more than \$18,000 lower than the median for all of South Dakota.

It is important to note that these estimates can have a large margin of error, based on the limited sampling that is done. However, it is also possible that the City has seen a decrease in the family median, especially if a substantial number of families moved from earned income to fixed retirement income.

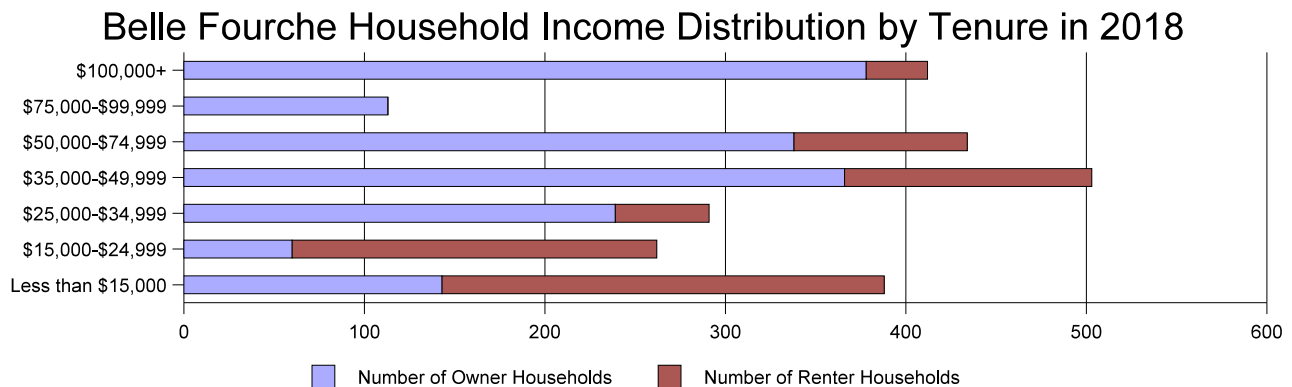
Using the commonly accepted standard that up to 30% of gross income can be applied to housing expenses without experiencing a cost burden, a median income household in Belle Fourche could afford approximately \$1,095 per month and a median income family household could afford \$1,115 for housing in 2018.

Belle Fourche Income Distribution by Housing Tenure

The 2018 American Community Survey provides income data by owner and renter status, However, the American Community Survey appears to have significantly overestimated the number of households in Belle Fourche in 2018, when compared to more reliable sources, but the percentage distribution patterns are still viewed as the best available data on this topic.

Table 9 Belle Fourche Income Distribution by Tenure - 2018			
Household Income	Number of Owner Households	Number of Renter Households	Total Households
\$0 - \$14,999	143 / 36.9%	245 / 63.1%	388
\$15,000 - \$24,999	60 / 22.9%	202 / 77.1%	262
\$25,000 - \$34,999	239 / 82.1%	52 / 17.9%	291
\$35,000 - \$49,999	366 / 72.8%	137 / 27.2%	503
\$50,000 - \$74,999	338 / 77.9%	96 / 22.1%	434
\$75,000 - \$99,999	113 / 100%	0 / 0%	113
\$100,000+	378 / 91.7%	34 / 8.3%	412
Total	1,637	766	2,403

Source: American Community Survey



Income and housing tenure are often linked for most households, with home owners generally having higher annual income levels, and renters having lower incomes.

In 2018, approximately 65% of all renter households in Belle Fourche 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 \$19,366 in 2018. At 30% of income, a renter at the median level could afford only \$484 per month or less for housing costs.

Most owner households had a higher income level than rental households. Approximately 51% of all owner households had an annual income of \$50,000 or more. The estimated median household income for owners in 2018 was \$54,250. At 30% of income, an owner at the median income level could afford approximately \$1,356 per month for housing costs.

2018 Estimated Income and Housing Costs - Renters

The American Community Survey collected information on housing costs. The following table provides data on the number of renter households that are paying different percentages of their gross income for housing in Belle Fourche. The American Community Survey may have over estimated the number of renter households in the City, when compared to other estimating sources, but the percentage for housing costs are viewed as the best available data on this topic.

Table 10 Gross Rent as a Percentage of Household Income - 2018		
Percent of Income for Housing	Number of Households	Percent
Less than 20%	132	17.2%
20% to 29.9%	212	27.7%
30% to 34.9%	70	9.1%
35% or more	328	42.8%
Not Computed	24	3.1%
Total	766	100%

Source: American Community Survey

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".

According to the American Community Survey, a majority of renter households in Belle Fourche in 2018 were paying a large percentage of their income for housing. Nearly 52% of all renters were applying 30% or more of income to housing costs, with most of these paying 35% or more for rent.

2018 Estimated Income and Housing Costs - Owners

The American Community Survey provided housing cost estimates for owner-occupants. The following table examines estimates for the number of households in Belle Fourche that are paying different percentages of their gross household income for housing costs. The American Community Survey may have over estimated the number of owner households in the City, when compared to other estimating sources, but the percentage for housing costs are viewed as the best available data on this topic.

Table 11 Ownership Costs as a Percentage of Income - Belle Fourche		
Percentage of Household Income for Housing Costs	Number of Owner Households 2018	Percent of All Owner Households 2018
0% to 19.9%	1,012	61.8%
20% to 29.9%	352	21.5%
30% to 34.9%	112	6.8%
35% or more	161	9.8%
Not Computed	0	0%
Total	1,637	100%

Source: American Community Survey

Most owner-occupants, which would include households with and without a mortgage, reported paying less than 30% of their income for housing. However, nearly 17% of all home owners reported that they paid more than 30% of their income for housing. Most of these households were paying more than 35% of income for housing costs.

Existing Home Sales

This section examines houses that have been sold in Belle Fourche from 2015 through 2019. It is important to note that the number of houses that sell each year can vary and may not be an accurate indicator of overall home values in the City. However, this sample does provide some insight into those units that have turned-over during this time period.

The information was obtained from the South Dakota Department of Revenue website, based on sales reports submitted by the Butte County Equalization Office. The Equalization Office 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 sorts the residential sales into different groupings, rejecting certain sales. The primary reason that sales are rejected is because the house was not actively listed for sale in the open market.

The County's sale year differs slightly from a calendar year, and begins on November 1st and extends to October 31st.

Table 12 Median Value of Recent Residential Sales - 2015 to 2019

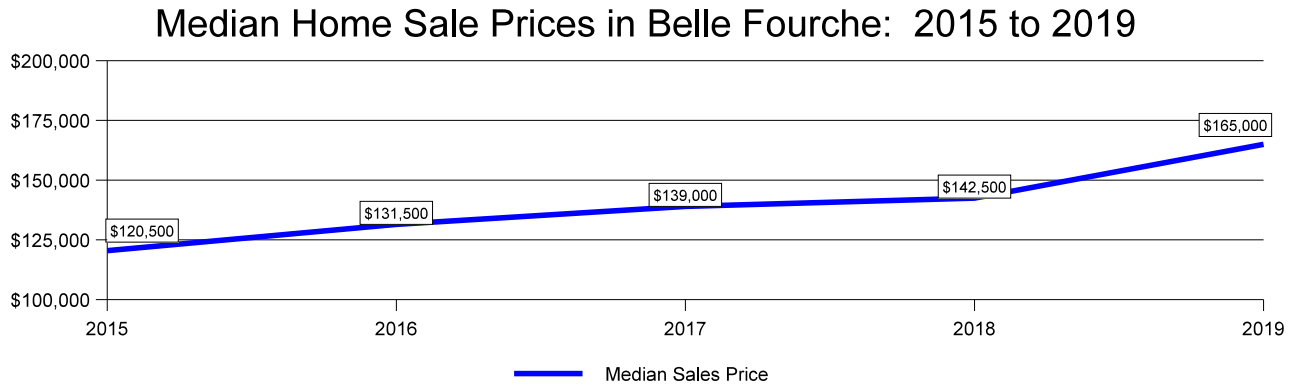
Year	Number of Sales	Median Sale Price	Highest Sale	Lowest Sale
2019	101	\$165,000	\$480,000	\$25,300
2018	125	\$142,500	\$649,000	\$18,000
2017	103	\$139,000	\$415,000	\$14,500
2016	94	\$131,500*	\$520,000	\$12,000
2015	118	\$120,500*	\$437,500	\$6,000

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

* Median calculated from two nearest sales

Based on the annual median sales price, there has been a steady increase in home values in Belle Fourche over the 5-year time period. For the last full year of sales, the median was \$165,000. This was based on 101 good sales. The median price in 2019 was up by \$22,500 from 2018.

In each of the years reviewed, at least one house in the City has sold for less than \$26,000. In all five years there has been at least one house that has sold for \$415,000 or more.



An alternate home value estimate exists in the American Community Survey. In 2018, the estimated median value for owner-occupancy houses in Belle Fourche was \$122,800. This was well below the median sales price in 2018 of \$142,500.

Housing Construction Activity

Belle Fourche has had a significant amount of new housing construction activity in recent years. The following table identifies the units that have been issued a building permit since the year 2010. The previous Housing Study completed for the City had tracked housing construction back to the year 2000.

Table 13 Belle Fourche Housing Unit Construction Activity: 2010 to 2020			
Year	Single Family Detached	Multifamily	Total Units
2020	11	0	11
2019	8	0	8
2018	9	0	9
2017	14	6	20
2016	10	3	13
2015	7	11	18
2014	9	2	11
2013	17	0	17
2012	11	5	16
2011	7	2	9
2010	12	2	14
TOTAL	115	31	146

Source: City of Belle Fourche; Community Partners Research, Inc.

City building permit reports for the years from 2010 to 2020 show that 146 housing units have been constructed in Belle Fourche. This includes 115 single family houses and 31 units in multifamily structures. The multifamily buildings ranged from 2-unit to 6-unit structures.

Since the 2013 Housing Study for Belle Fourche was completed, there have been 89 total units permitted, for an average of approximately 12 to 13 units per year.

According to City staff, there are approximately 111 vacant lots available in eight newer subdivisions for future home construction.

Belle Fourche Housing Condition

Community Partners Research, Inc., representatives conducted a visual 'windshield' survey of 664 single family/duplex houses in four Belle Fourche neighborhoods. The boundaries of the neighborhoods are:

Neighborhood No. 1: South - Belle Fourche River, North - Mt. View St.,
East - 10th Ave., West - 6th Ave.

Neighborhood No. 2: South - Railroad St., North - Edmunds St.,
East - Hwy 85, West - 1st Ave.

Neighborhood No. 3: South - Jackson St., North - Belle Fourche River,
East - 11th Ave., West - Hwy 85

Neighborhood No. 4: South - Summit Ave., North - National St.,
East - 13th Ave., West - Hwy 85

Structures that appeared to contain three or more residential units and mobile homes 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. Dilapidated 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 14 Single Family Home/Duplex Condition Estimate - 2020					
	Sound	Minor Repair	Major Repair	Dilapidated	Total
Neighborhood #1	29 / 19.0%	57 / 37.3%	42 / 27.4%	25 / 16.3%	153
Neighborhood #2	27 / 19.7%	59 / 43.1%	39 / 28.5%	12 / 8.7%	137
Neighborhood #3	6 / 10.9%	22 / 40.0%	21 / 38.2%	6 / 10.9%	55
Neighborhood #4	221 / 69.3%	91 / 28.5%	7 / 2.2%	0 / 0%	319
Total	283 / 42.6%	229 / 34.5%	109 / 16.4%	43 / 6.5%	664

Source: Community Partners Research, Inc.

- ▶ The existing housing stock in Belle Fourche is in fair to good condition. Approximately 35% of the houses in the four targeted neighborhoods need minor repair and more than 16% need major repair. Approximately 43% are sound, with no required improvements.
- ▶ Approximately 43 houses in the four neighborhoods are dilapidated and possibly beyond repair.

Rental Housing Data

Census Bureau Rental Inventory

According to the 2010 U.S. Census, there were 795 occupied rental units and 79 unoccupied rental units in Belle Fourche, for a total estimated rental inventory of 874 units. The City's rental tenure rate was 34.2%, above the Statewide rental rate of 31.9% in 2010.

Since the 2010 U.S. Census, approximately 20 rental units have been constructed in Belle Fourche. Also, over the past 11 years since the 2010 Census, some owner-occupied units have converted to rental units and vice versa. In addition, some rental units have been demolished.

We are estimating that in 2020 there are approximately 900 rental units in Belle Fourche.

Rental Housing Survey

As part of this housing study, a telephone survey was conducted of multifamily projects in the City of Belle Fourche. The survey was primarily conducted during the month of October 2020. Emphasis was placed on contacting properties that have four or more units. However, some smaller rental buildings, duplexes and single family homes were also surveyed. For the purposes of planning additional projects in the future, multifamily properties represent the best comparison of market potential.

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

There were 270 market rate and subsidized rental housing units that were contacted in the survey. We also surveyed three assisted living senior projects with 50 beds and the 83-bed nursing home. Based on our research, all of the subsidized and senior with services rental projects were surveyed. A high percentage of market rate multifamily projects were also contacted.

The units/beds that were successfully contacted include:

- ▶ 117 market rate units
- ▶ 153 federally subsidized units
- ▶ 50 senior with services units/beds
- ▶ 83 nursing home beds

The findings of the survey are provided below.

Market Rate Summary

Information was obtained on 117 market rate rental units. The rental units surveyed are in nine multifamily buildings. We also obtained information on some rental single family homes in Belle Fourche.

Unit Mix

The bedroom mix of the 117 surveyed market rate units is:

- ▶ Studio - 3 (2.6%)
- ▶ One-bedroom - 30 (25.6%)
- ▶ Two-bedroom - 80 (68.4%)
- ▶ Three-bedroom - 2 (1.7%)
- ▶ Four-bedroom - 2 (1.7%)

Occupancy / Vacancy

Within the market rate multifamily segment, the managers and owners reported there were two vacant units in the 117 units included in the occupancy calculation. This represents a vacancy rate of 1.7%. A healthy vacant rate is 3% to 5%. Rental property owners and managers reported a strong demand for market rate rental units.

Rental Rates

Rental units may include the primary utility payments within the contract rent, or the tenant may be required to pay some utilities separately, in addition to the contract rent. In the following summary, Community Partners Research, Inc., has attempted to estimate the gross rents being charged, inclusive of an estimate for tenant-paid utilities.

The following gross rent range has been identified based on information from the telephone survey.

<u>Unit Type</u>	<u>Median Gross Rent Range</u>
Studio	\$550
One-bedroom	\$475-\$795
Two-bedroom	\$650-\$1,050
Three-bedroom	\$850
Four-bedroom	\$1,000-\$1,300

Please note that the studio, three-bedroom and four-bedroom rents are each based on one rental project.

Tax Credit Summary

One rental project in Belle Fourche was constructed utilizing federal low income housing tax credits. Tanglewood Apartments was built in 1996 with USDA Rural Development subsidies and tax credits. Because Tanglewood Apartments also utilized USDA Rural Development subsidies, we have included Tanglewood Apartments in the subsidized section.

Subsidized Summary

The research completed for this Study identified six subsidized projects providing rental opportunities for lower income households. These projects have a combined 153 units. Five of the projects are general occupancy housing with 129 units, and one project is senior/disabled occupancy with 24 units.

Since the 2013 Belle Fourche Housing Study was completed, John Burns Apartments with 28 units has converted from senior/disabled to a family general occupancy project. Also, Valley Drive Apartments with eight units has opted out of its subsidy contract and converted from subsidized to market rate. The subsidized projects were developed in Belle Fourche with USDA Rural Development funds or HUD Section 8 funds.

Rental Rates

The City's 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. A very high percentage of tenants in the subsidized projects pay less than the market rent, as 30% of their income is less than the market rent.

Unit Mix

The bedroom mix breakdown for the 153 subsidized housing units in Belle Fourche is as follows:

- ▶ Studio - 16 (10.5%)
- ▶ One-bedroom - 78 (51.0%)
- ▶ Two-bedroom - 49 (32.0%)
- ▶ Three-bedroom - 10 (6.5%)

Occupancy / Vacancy

The 2020 rental survey found no vacant units in the 153 subsidized units that were identified in the subsidized projects. At the time of the 2013 Belle Fourche Housing Study, there were 13 vacancies and an 8.1% vacancy rate.

The managers of the subsidized projects reported a strong demand for the units and some projects had waiting lists.

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 1960, 1970s and 1980s. Some of these older projects may have completed their compliance requirements and have the opportunity to leave their subsidy program and convert to conventional rental housing. Since the 2013 Belle Fourche Housing Study, one subsidized project, Valley Drive Apartments, with eight units has opted out of its subsidy contract, and has converted from subsidized to market rate.

Housing Choice Vouchers

In addition to subsidized rental projects, Belle Fourche and Butte County households have access to the Housing Choice Voucher Program. The Meade/Butte/Lawrence County Housing and Redevelopment Commission administers the Housing Voucher Program in Belle Fourche and Butte County.

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

Senior Housing with Services

Belle Fourche has three senior with services projects with a total of 50 beds. All three facilities are licensed as an Assisted Living Centers. At the time of the 2013 Belle Fourche Housing Study, there was an additional 16-bed Assisted Living Center, Sunpointe Assisted Living. The Sunpointe Assisted Living beds have been converted to transitional care beds.

At the time of the 2020 survey, there was a total of two vacant beds in the three facilities, for a 4.0% vacancy rate.

The Rolling Hills Health Care Center, an 83-bed nursing home was also surveyed. The nursing home has an approximate 83% occupancy rate.

Table 15 Belle Fourche Multifamily Rental Housing Inventory

Name	Number of Units /Bedroom Mix	Rent	Vacancy/ Wait List	Tenant Mix	Comments
Market Rate					
Coyle Properties	3 - Studio 10 - 1 Bedroom 1 - 2 Bedroom 2 - 3 Bedroom 2 - 4 Bedroom 18 Total Units	\$550 \$550 \$650 \$850 \$1000-\$1300	1 vacancy	General occupancy	Coyle Properties includes 18 general occupancy market rate units. The units include three studio, 10 one-bedroom, one two-bedroom, two three-bedroom and two four-bedroom. Rent ranges from \$550 to \$1,300. The rent includes utilities. The manager reported one vacancy at the time of the survey.
Cozy Rentals	4 - 1 Bedroom 8 - 2 Bedroom 12 Total Units	\$440 \$600	No vacancies	General occupancy	Cozy Rentals includes a 6-plex, 4-plex and a duplex for a total of 12 units. There are four 1-bedroom and eight 2-bedroom units. The 6-plex was constructed in 2015. The rent is \$440 plus electricity for the one-bedroom units and \$600 plus all utilities for the two-bedroom units. The owner reported no vacancies at the time of the survey.
Heritage Apartments	16 - 2 Bedroom 16 Total Units	\$605-\$625	No vacancies	General occupancy	Heritage Apartments is a 16-unit market rate general occupancy project. All of the units are two-bedroom. Rent ranges from \$605 to \$625 plus electricity. The owner reported no vacancies at the time of the survey.
Ponderosa Apartments	10 - 1 Bedroom 10 Total Units	\$375	No vacancies	General occupancy	Ponderosa Apartments is a 10-unit market rate general occupancy project. All of the units are one-bedroom. Rent is \$375 plus heat and electricity. The manager reported no vacancies at the time of the survey.
Real Estate Center Single family properties	2 - 2 Bedroom 2 Total Units	\$550 and \$850	No vacancies	General occupancy	The Real Estate Center manages two two-bedroom single family homes. The rent is \$550 and \$850 plus all utilities. The manager reported that both homes were occupied at the time of the survey.
816 State Street Apartments	12 - 2 Bedroom 12 Total Units	\$575	No vacancies	General occupancy	816 State Street Apartments is a 12-unit market rate project. All of the units are two-bedroom. The rent is \$575 plus heat and electricity. At the time of the survey, the manager reported no vacancies.

Table 15 Belle Fourche Multifamily Rental Housing Inventory

Name	Number of Units /Bedroom Mix	Rent	Vacancy/ Wait List	Tenant Mix	Comments
Market Rate					
Stewart Property Management	Three single family <u>homes and a duplex</u> 5 Total Units	\$595 to \$800	No vacancies	General occupancy	Three single family homes and a duplex that includes 1 one-bedroom unit and 4 two-bedroom units. The rent ranges from \$595 to \$800 plus utilities. The manager reports that all of the units were fully occupied at the time of the survey.
Summit Street Townhouses	<u>3 - 2 Bedroom</u> 3 Total Units	\$750	No vacancies	General occupancy	Summit Street Townhouses includes three two-bedroom units. There is a fourth unit that is managed by another firm. We do not have information on this unit. The rent for the three units is \$750 plus heat. The units were constructed in the late 1990s. The units include garages. The manager reported that the units were fully occupied at the time of the survey.
Summit View Apartments	5 - 1 Bedroom <u>18 - 2 Bedroom</u> 23 Total Units	\$525 \$625	No vacancies	General occupancy	Summit View Apartments is a 23-unit market rate general occupancy project. There are five one-bedroom units and 18 two-bedroom units. Rent is \$525 for a one-bedroom unit and \$625 for a two-bedroom unit. Tenants also pay electricity. The owner reported no vacancies at the time of the survey.
Thunder Canyon Apartments	<u>8 - 2 Bedroom</u> 8 Total Units	\$650	1 vacancy	General occupancy	Thunder Canyon Apartments includes eight two-bedroom units. The apartments are approximately 10 years old. Rent is \$650 plus utilities. The owner reported no vacancies at the time of the survey.
Valley Drive Apartments	<u>8 - 2 Bedroom</u> 8 Total Units	\$650 + utilities	No vacancies	General occupancy	Valley Drive Apartments is an 8-unit market rate general occupancy project. The project was a USDA Rural Development Project, but has opted out of its subsidy contract and has converted to market rate. All of the units are two-bedroom. The rent is \$650 plus all utilities. At the time of the survey, the manager reported no vacancies.

Table 15 Belle Fourche Multifamily Rental Housing Inventory

Name	Number of Units /Bedroom Mix	Rent	Vacancy/ Wait List	Tenant Mix	Comments
Subsidized					
Bella Vista Village	1 - 1 Bedroom 19 - 2 Bedroom <u>4 - 3 Bedroom</u> 24 Total Units	\$676 max. \$725 max. \$768 max. 30% of income	No vacancies, waiting list	General occupancy	Bella Vista Village is a 24-unit HUD Section 8/SDHDA subsidized general occupancy project. The units are two-level townhouse style. The 24 units include one one-bedroom, 19 two-bedroom and four three-bedroom units. Tenants have access to rent assistance that allows tenants to pay 30% of income up to a maximum rent. The project has a waiver to allow non-low income tenants to rent a unit if there are vacancies. However, the manager reported that the units are always fully occupied and there is a waiting list.
Haywood Apartments	4 - 1 Bedroom 9 - 2 Bedroom 13 Total Units	\$972 max. \$982 max. 30% of income	No vacancies	General occupancy	Haywood Apartments is a 13-unit general occupancy USDA Rural Development Project. There are four one-bedroom and nine two-bedroom units. Tenants pay 30% of their income up to the maximum rent. The manager reported no vacancies at the time of the survey.
John Burns Apartments	21 - 1 Bedroom <u>7 - 2 Bedroom</u> 28 Total Units	30% of income	No vacancies	General occupancy	John Burns Apartments is a 28-unit USDA Rural Development General Occupancy project. The units are in an older building that was converted to rental housing. There are 21 one-bedroom units and seven two-bedroom units. The project was a senior/disabled project, but has converted to a general occupancy project. Rent is 30% of the tenant's income up to a maximum rent. At the time of the survey, the manager reported no vacancies.
Meadowlark Apartments	<u>24 - 1 Bedroom</u> 24 Total Units	\$621 max. 30% of income	No vacancies, waiting list	Senior/disabled	Meadowlark Apartments is a three-level 24-unit HUD subsidized senior/disabled project. Tenants pay 30% of their income up to a maximum rent. All of the units are one-bedroom. At the time of the survey, the manager reported no vacancies and a waiting list.

Table 15 Belle Fourche Multifamily Rental Housing Inventory					
Name	Number of Units /Bedroom Mix	Rent	Vacancy/ Wait List	Tenant Mix	Comments
Subsidized					
South Park Apartments	16 - Studio <u>24 - 1 Bedroom</u> 40 Total Units	\$601 max. \$629 max. 30% of income	No vacancies, waiting list	General occupancy	South Park Apartments is a 40-unit HUD Section 8/SDHDA subsidized general occupancy project. There are 16 studio units and 24 one-bedroom units. Tenants pay 30% of their income up to the maximum rent. At the time of the survey, the manager reported no vacancies and a waiting list.
Tanglewood Apartments	4 - 1 Bedroom 14 - 2 Bedroom <u>6 - 3 Bedroom</u> 24 Total Units	\$788-max \$849-max \$929-max 30% of income	No vacancies	General occupancy	Tanglewood Apartments is a 24-unit Rural Development General Occupancy Project constructed in 1996. There are four one-bedroom, 14 two-bedroom and six three-bedroom units. Tenants have access to rent assistance and tenants pay 30% of their income up to the maximum rent. At the time of the survey, the manager reported no vacancies.

Table 15 Belle Fourche Multifamily Rental Housing Inventory					
Name	Number of Units /Bedroom Mix	Rent	Vacancy/ Wait List	Tenant Mix	Comments
Senior with Services					
Belle Estate	Licensed for 20 residents	Based on level of services	No vacancies	Assisted Living Center	Belle Estate, which was previously named Country Place Senior Living, is an Assisted Living Center that is licensed for 20 residents. The facility provides the full array of senior assisted living services including meals, laundry, housekeeping, bathing, medication management, etc. The facility also serves people with dementia. At the time of the survey, there were no vacancies.
High Prairie Retirement Home	Licensed for 10 residents	Based on level of services	1 vacant bed	Assisted Living Center	High Prairie Retirement Home is an Assisted Living Center that is licensed for 10 residents. The facility provides the full array of senior assisted living services including meals, laundry, housekeeping, bathing, medication management, etc. At the time of the survey, the facility had one vacant bed.
Judy's Assisted Living Center	Licensed for 20 residents	Based on level of services	1 vacant bed	Assisted Living Center	Judy's Assisted Living Center is licensed for 20 residents. The facility provides the full array of senior assisted living including meals, housekeeping, bathing, medication management, laundry, etc. At the time of the survey, the facility had one vacant bed.
Rolling Hills Health Care Center	<u>83 Beds</u> 83 Total	Based on level of services	83% occupancy rate	Skilled Nursing Home	The Rolling Hills Health Care Center is an 83-bed skilled nursing care facility. The facility currently has an average 83% occupancy rate.

Source: Community Partners Research

Employment and Local Economic Trends Analysis

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

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

Labor Force and Unemployment

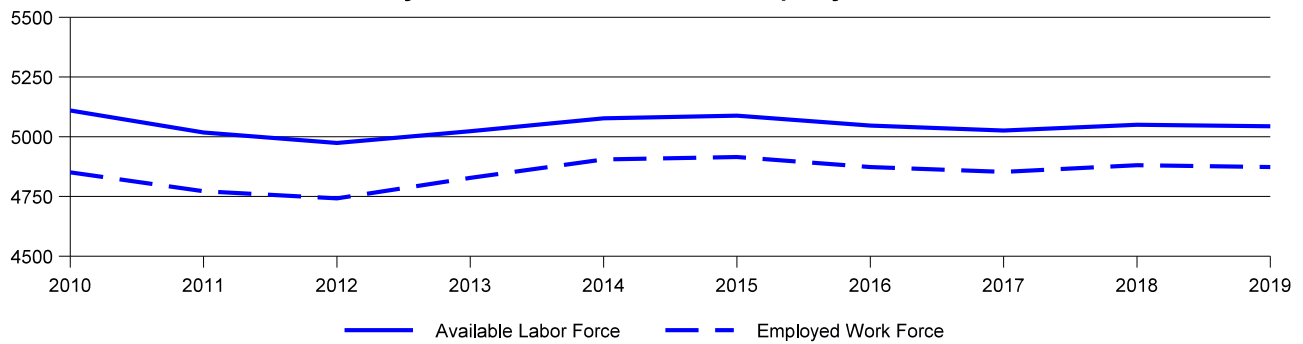
Employment information is available at the County level for Butte County. The labor force statistics track people by place of residence, rather than place of employment.

Table 16 Butte County Average Annual Labor Force: 2010 to 2020*						
Year	Labor Force	Employed	Unemployed	Unemployment Rate - County	Unemployment Rate - SD	Unemployment Rate - US
2010	5,110	4,851	259	5.1%	5.0%	9.6%
2011	5,018	4,772	246	4.9%	4.7%	8.9%
2012	4,974	4,742	232	4.7%	4.3%	8.1%
2013	5,023	4,828	195	3.9%	3.8%	7.4%
2014	5,077	4,905	172	3.4%	3.4%	6.2%
2015	5,088	4,915	173	3.4%	3.1%	5.3%
2016	5,047	4,873	174	3.4%	3.0%	4.9%
2017	5,026	4,853	173	3.4%	3.2%	4.4%
2018	5,050	4,881	169	3.3%	3.0%	3.9%
2019	5,044	4,873	171	3.4%	3.0%	3.7%
2020*	5,120	4,806	314	6.1%	5.6%	8.4%

Source: South Dakota Department of Labor

* 2020 is through November

Butte County Labor Force and Employed Work Force

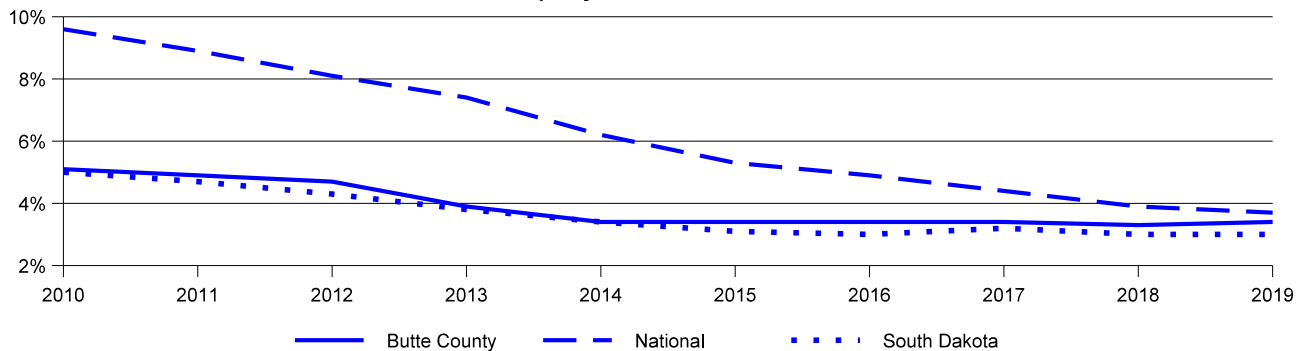


Excluding partial-year information for 2020, there has been limited change in the size of the County’s available labor force. Between 2010 and 2019, the size of the labor force decreased by 66 people, or -1.3%.

Over this same time, the employed work force increased by 22 people, or 0.5%. As a result, the unemployment rate decreased during the decade. In 2010, the County’s unemployment rate was at 5.1%, but was down to 3.4% in 2019.

The impact of the global pandemic has been evident in 2020, with a sudden increase in unemployment through the first nine months of the year. The County’s unemployment rate had nearly doubled when compared to 2019, and was above 6% for the first 11 months of 2020.

Annual Unemployment Rate: 2010 to 2019



Average Annual Employment and Wages

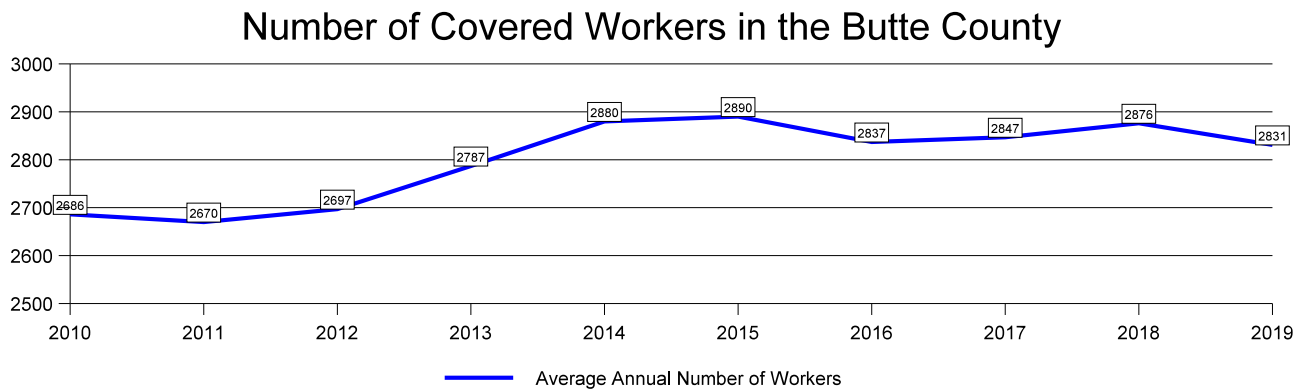
The Quarterly Census of Employment and Wages (QCEW) tracks annual employment and average annual wage data. The QCEW reporting is for unemployment compensation. It is important to note that the reporting does not represent all employment, as some classifications such as self-employed workers are not included.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

Table17 Butte County Average Annual Wages - 2019		
Industry	2019 Employment	Average Annual Wage
Total All Industry	2,831	\$34,216

Source: South Dakota Department of Labor & Regulation

The average weekly wage for all industry in 2019 was \$658. At full-time employment for 52 weeks this equates to an average annual wage of \$34,216.

Using the QCEW 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 from 2010.



If 2019 is compared back to 2010, the number of covered workers in Butte County had increased by 145 jobs, or 5.4%. However, the number of covered jobs had reached its recent peak in 2015, and then decreased slightly through the year 2019.

Commuting Patterns of Workers

Information is available on workers that commute for employment. The best information is from the 2018 American Community Survey, and has been examined for the City of Belle Fourche. The first table only examines travel time for City residents, and excludes people that work at home.

Table 18 Commuting Times for Belle Fourche Residents - 2018		
Travel Time	Number	Percent
Less than 10 minutes	909	33.0%
10 to 19 minutes	666	24.1%
20 to 29 minutes	582	21.1%
30 minutes +	601	21.8%
Total	2,758	100%

Source: American Community Survey

Although most City residents were working locally in 2018, there were also commuters traveling greater distances for their primary job. Approximately 57% of residents had a drive time less than 20 minutes, and were working in the City or the immediate area. Nearly 22% of residents were traveling 30 minutes or more to work.

The ACS also identifies travel time by location of the job. For people that worked in Belle Fourche, the following travel times were listed.

Table 19 Commuting Times for Belle Fourche Employees - 2018		
Travel Time	Number	Percent
Less than 10 minutes	865	45.6%
10 to 19 minutes	495	26.1%
20 to 29 minutes	266	14.0%
30 minutes +	270	14.2%
Total	1,896	100%

Source: American Community Survey

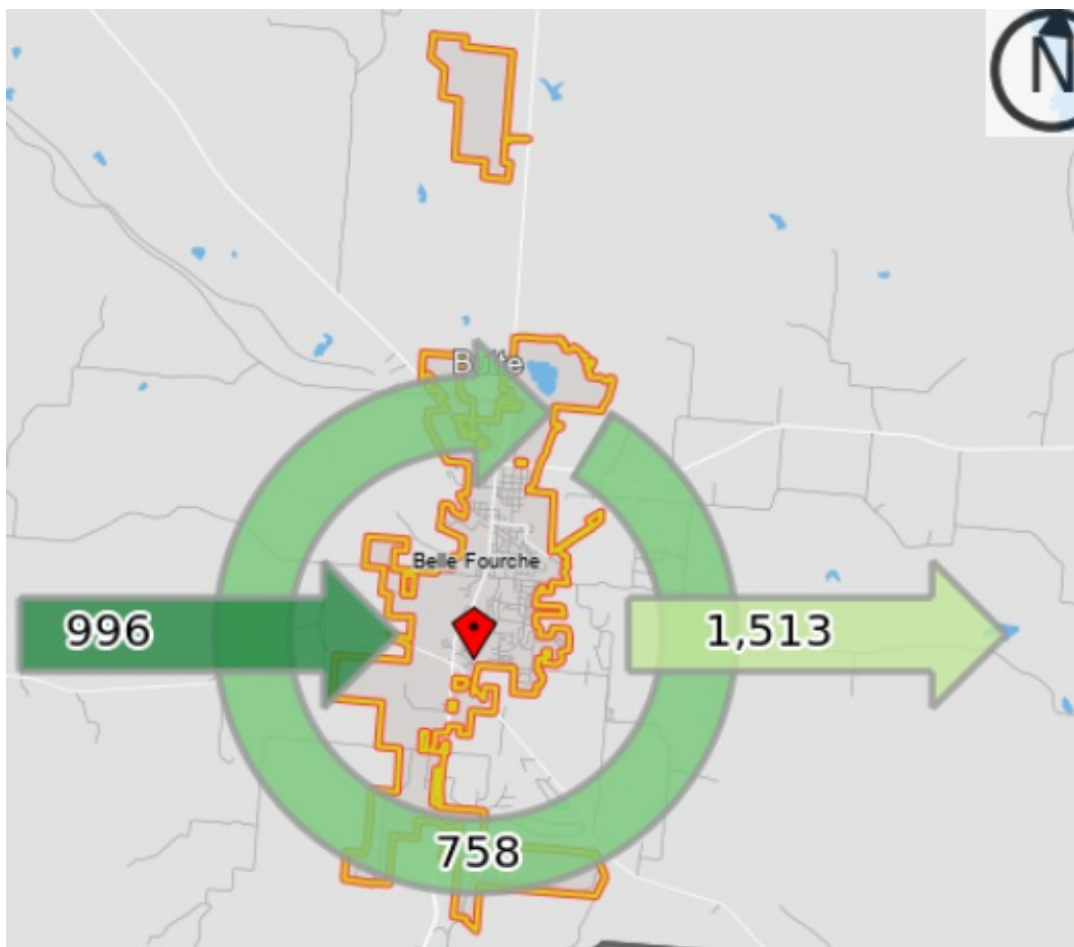
For people that worked in Belle Fourche, nearly 72% traveled less than 20 minutes in 2018. However, more than 530 people traveled from greater distances requiring a drive time of 20 minutes or more.

Census on the Map

The Census Bureau also produces commuter reports through its Center for Economic Studies division. In Belle Fourche, the most recent usable data is from 2016. While dated, it does provide a further breakdown of worker movement patterns.

According to the report for Belle Fourche, there were 1,754 people that were employed within the city limits in 2016. Approximately 43% of these City-based employees also lived in Belle Fourche, with nearly 1,000 employees commuting into the City. The primary identified jurisdictions supplying workers to the City were West Butte UT, Spearfish, North Lawrence UT and Rapid City.

Many Belle Fourche residents left their home community to work elsewhere. In 2016, approximately 1,500 of the City's employed residents worked outside the city limits. The primary locations listed for outbound commuters were Spearfish, Rapid City, West Butte UT, Deadwood and North Lawrence UT.



Findings on Growth Trends

As part of this Study, Community Partners Research, Inc., has examined growth patterns for the Belle Fourche and Butte County over the past few decades. These historic growth trends provide insight into possible future demographic changes in the area.

Belle Fourche and Butte County's population increased significantly from 1990 to 2010. From 1990 to 2000, Belle Fourche's population increased by 230 people and Butte County's population increased by 1,180 people. From 2000 to 2010, Belle Fourche's population increased by 1,029 people and Butte County's population increased by 1,016 people.

The City of Belle Fourche gained 115 households from 1990 to 2000 and gained 468 households from 2000 to 2010. Butte County gained 483 households from 1990 to 2000 and gained 644 households from 2000 to 2010.

The best available estimates for the past decade show that both the City and County have continued to grow. The most reliable information is from Esri, and shows that Belle Fourche has gained 227 people and 130 households from 2010 to 2020. Esri estimates that Butte County added 349 people and 221 households over this same time period.

This Study has also examined housing construction activity in Belle Fourche. Between 2010 and 2020, building permit issuance indicates that 146 new housing units were constructed in the City. This potential growth in the City's housing stock is consistent with Esri's estimate that the City has added 130 households from 2010 through 2020.

Findings on Projected Growth

Although Esri has done the best job of tracking past growth in the City, their projections to the year 2025 are viewed as overly conservative. Esri is projecting that Belle Fourche will only add 32 households and 32 people over the 5-year projection period from 2020 to 2025. This annual level of projected household growth is approximately half of the annual level achieved between 2010 and 2020.

Esri's projections for all of Butte County expect a gain of 98 people and 80 households from 2020 to 2025. On an annual average basis, this projection would expect the County to add approximately 16 households per year. Once again, this is lower than in the past, as the County was averaging growth of approximately 22 households per year over the past decade.

In the opinion of the analysts, growth potential going forward will be generally similar to the patterns of the recent past. For the City of Belle Fourche, annual growth of approximately 12 to 15 households per year is achievable, or approximately 60 to 75 households over the 5-year projection period.

For all of Butte County, including Belle Fourche, average annual growth of approximately 22 to 25 households per year is a realistic expectation, or a total of 110 to 125 total households by 2025.

Findings on Unit Demand by Age of Householder

The Demographic section of this Study presented Esri's projection information on anticipated changes by age group from 2020 to 2025. This information can be informative in determining the housing changes that may be needed due to age patterns within the City.

However, in the opinion of Community Partners Research, Inc., Esri has underestimated the City's overall growth potential. A more realistic expectation is that the City's actual net growth will be at least twice as large as indicated in the Esri projections. However, the age-based changes are representative of the probable demographic changes, even if the actual numeric change is overly conservative.

The changing age composition of Belle Fourche's households through the five-year projection period will have an impact on demand for housing.

Age 24 and Younger - The Esri projections used for this Study expect a modest gain of households from 2020 to 2025. Past tenure patterns indicate that most of these households in Belle Fourche will rent their housing. A slight increase in the number of households in this age range should mean that rental demand from younger households will remain relatively unchanged during the projection period or increase slightly.

25 to 34 Years Old - The Esri projections show a loss of households in this age cohort in Belle Fourche by 2025. Within this age range households often move from rental to ownership housing. A decrease in the number of households within this age range will mean a decrease in the demand for both first-time home buyer and rental opportunities from this younger adult range.

35 to 44 Years Old - This 10-year age cohort is projected to experience moderate growth in the City. In the past, this age group has had a high rate of home ownership in Belle Fourche. Households within this range often represent both first-time buyers and households looking for trade-up housing, selling their starter home for a more expensive house. Increased demand from this age cohort should have a positive impact on overall demand for owner-occupied housing.

45 to 54 Years Old - This age group represents a much smaller segment of the population than the baby boom age group. However, for Belle Fourche, the projections show a stable number of households in this range. This age group historically has had a high rate of home ownership in Belle Fourche and will often look for trade-up housing opportunities. With limited change in this age group, the demand for trade-up housing from this age range will remain stable.

55 to 64 Years Old - The projections show a significant decrease of households in this 10-year age range by the year 2025 in the City. This age range has traditionally had a high rate of home ownership in Belle Fourche, at approximately 79% 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. However, demand will be decreased somewhat by the reduced number of near-senior households.

65 to 74 Years Old - Strong household growth is expected Citywide within this age range by the year 2025. While this group will begin moving to life-cycle housing options as they age, the younger seniors are still predominantly home owners. Preference for age-appropriate units should increase from household growth within this age cohort.

75 and Older - This older senior age group is also projected to add households in Belle Fourche from 2020 and 2025. In the past, households within this 10-year age range have had a relatively high rate of home ownership in Belle Fourche. While this is likely to continue, an expansion of other housing options for seniors, including high quality rental housing and senior housing with services 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.

Belle Fourche - Strengths and Barriers for Housing Development

Strengths for Housing Development

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

- ▶ **Belle Fourche is located near Rapid City, which is the regional center for the area** - Belle Fourche is approximately 45 miles from Rapid City. Rapid City provides employment opportunities, retail/service options, government services, health and professional services, and cultural amenities to a large surrounding trade area. Many households prefer to live near, but not in a regional center.
- ▶ **Increasingly diverse housing stock** - The City has a good mix of housing options, including rental housing units for both lower income and market rate households. The City also has town houses, twin homes, and senior with services facilities.
- ▶ **Median home price** - Belle Fourche's median priced home is approximately \$165,000. This matches well with new homes, which is an incentive for new home construction.
- ▶ **Adequate land for development** - The City has adequate land available for residential, commercial and industrial development.
- ▶ **Population and household growth for the City** - Over the past several decades, the City has sustained strong population and household growth and the City is projected to continue to grow in the future.
- ▶ **Active housing developers in the City** - Belle Fourche has housing developers that are willing to invest in housing projects in the community. Developers have been active in subdivision development, rental housing, attached ownership housing and single family development.
- ▶ **School system** - The City has an excellent public K-12 school system.
- ▶ **Infrastructure** - The City's public utilities and infrastructure can facilitate future expansion.

- ▶ **Health facilities** - Belle Fourche has clinics, senior with services facilities and a nursing home.
- ▶ **Employers** - Belle Fourche has a significant number of employers that provide job opportunities for area residents.
- ▶ **Park/trail system** - The City has developed attractive parks and recreational opportunities that make the community a desirable place to live.
- ▶ **Commercial development** - Belle Fourche's commercial districts are adequate to meet daily needs and new commercial development is ongoing.
- ▶ **Available lots** - The City currently has available lots for housing of all types.
- ▶ **Belle Fourche Development Corporation** - The Belle Fourche Development Corporation is very active in promoting housing, industrial and commercial development.
- ▶ **Black Hills Recreational Area** - Belle Fourche is in the Black Hills Recreational Area, which is a popular vacation destination and has many recreational, commercial, tourism and natural amenities.
- ▶ **Industrial Park and Industrial Development** - The City of Belle Fourche has developed an industrial park.
- ▶ **Small town atmosphere** - Belle Fourche has the real and perceived amenities of a small community. This small town living is attractive to some households.
- ▶ **Housing development** - The City of Belle Fourche has experienced housing development over the past two decades, including rental housing and single family owner-occupied housing.

Barriers or Limitations to Housing Activities

Our research also identified the following barriers or limitations that hinder or prevent certain housing activities in the City of Belle Fourche.

- ▶ **Proximity to Rapid City** - Although it is a strength to be located in proximity to Rapid City, it is also a barrier as Belle Fourche must compete with Rapid City, which offers attractive residential opportunities and other amenities and services.
- ▶ **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.
- ▶ **Staff capacity limitations** - Although the City has access to several housing agencies, it is very difficult to develop and implement housing initiatives with limited staff resources.
- ▶ **Rural development opportunities** - There are numerous housing development opportunities in rural areas that surround the City of Belle Fourche. The City must compete with these rural opportunities.
- ▶ **Low rent structure** - The area's rent structure is relatively low, which makes it difficult to construct new rental housing.
- ▶ **Lower paying jobs** - Although Belle Fourche has a significant number of employers, some jobs are at the lower end of the pay scale and employees with these jobs have limited housing choices.

Belle Fourche - Recommendations and Opportunities

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 Belle Fourche. They are based on the following strategies:

- ▶ **Focus heavily on the preservation, maintenance and improvement of the housing stock that already exists** - While significant housing construction will occur in coming years, most of the housing opportunities will continue to be provided by the housing stock that is already on the ground. This is especially important for affordable housing opportunities, as it will almost always be less expensive to offer an affordable unit through rehabilitation versus new construction. Units that are lost due to deterioration and obsolescence cannot be replaced for a similar price. Evidence suggests that the majority of the existing stock is generally being well maintained, however, a significant percentage of housing needs repair. Emphasis on continued improvement will be important to meet future housing needs.
- ▶ **Develop life cycle housing** - It is vital for a self-contained community to provide housing opportunities for all ages and household types. These housing opportunities enable a community to thrive, and allow households to live in the community throughout their lives.
- ▶ **Promote new construction** - New construction provides housing opportunities, stimulates the economy and upgrades the community's housing stock. Both new owner-occupied single family homes and rental units are needed to provide households in Belle Fourche with housing options and to assure a healthy housing stock into the future.
- ▶ **Promote home ownership** - Home ownership is the preferred option for most households. Home ownership assists in creating community stability and commitment to the community. There are many younger families that are renting their housing. These households may be interested in home ownership, if an affordable opportunity is available.
- ▶ **Prioritize community housing goals** - Many of the recommendations in the Study will require staff-intensive efforts. The City should prioritize its housing goals and establish a plan to achieve its goals.

- ▶ **Protect the City's existing assets and resources** - Belle Fourche has many assets including a K-12 school system, health facilities, employers, a vibrant downtown commercial district, senior housing with services facilities, tourism and recreational opportunities, etc. These are strong assets that make Belle Fourche 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.

It is very difficult to meet all of the objectives as the balance of the objectives are very sensitive. An overly aggressive or overly passive approach to any of the objectives can cause problems in achieving the other objectives. For example, overbuilding new rental housing units could lead to vacancy problems in older, less marketable units in the community, causing these units to deteriorate in quality. The recommendations of this section attempt to provide a balanced approach to addressing the housing needs of Belle Fourche.

Summary of Findings/Recommendations

The findings/recommendations for the City of Belle Fourche have been formulated through the analysis of the information provided in the previous sections and include a total of 24 recommendations divided into the following five categories:

- ▶ **Rental Housing Development**
- ▶ **Home Ownership**
- ▶ **Single Family New Construction**
- ▶ **Housing Rehabilitation**
- ▶ **Other Housing Initiatives**

The findings/recommendations for each category are as follows:

Findings and Recommendations for the City of Belle Fourche	
Rental Housing Development	
1.	Develop 36 to 40 general occupancy market rate rental units
2.	Promote the development/conversion of 8 to 10 affordable market rate rental housing units
3.	Develop 12 to 14 subsidized or moderate rent/income restricted general occupancy rental housing units
4.	Preserve the existing supply of subsidized housing
5.	Develop 22 to 26 senior independent/senior with light services units
6.	Develop a downtown mixed-use commercial/housing project
7.	Continue to utilize the Housing Choice Voucher Program
Home Ownership	
8.	Utilize and promote all programs that assist with home ownership
9.	Develop a purchase/rehabilitation program

Findings and Recommendations for the City of Belle Fourche	
New Construction	
10.	Monitor lot availability and development
11.	Strategies to encourage continued residential lot sales and new home construction in Belle Fourche
12.	Strategies to develop new affordable homes
13.	Promote townhouse and twin home development
14.	Coordinate with agencies/nonprofits that develop affordable housing
Housing Rehabilitation	
15.	Promote rental housing rehabilitation programs
16.	Promote owner-occupied housing rehabilitation programs
17.	Continue neighborhood revitalization efforts
15.	Develop and implement a rental inspection program
Other Housing Initiatives	
19.	Encourage employer involvement in housing programs
20.	Acquire and demolish dilapidated structures
21.	Develop mobile home park improvement programs
22.	Continue to plan housing initiatives and continue coordination among housing agencies
23.	Strategies for Downtown Redevelopment/Development
24.	Develop home ownership and new construction marketing programs

Belle Fourche - Recommendations 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.

Since the 2013 Housing Study, approximately 20 market rate rental housing units have been constructed in Belle Fourche. From 2000 to 2012, based on City of Belle Fourche data, it is estimated that approximately 35 rental units were constructed in Belle Fourche. The 35 units all provide market rate general occupancy housing. Therefore, from 2000 to 2020, approximately 55 rental units have been built in Belle Fourche. In addition to the new rental units, a number of single family homes have been converted from owner-occupied to rental use from 2000 and 2020.

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

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

Our household projections for Belle Fourche expect continued growth. From 2020 to 2025, we are projecting that there will be approximately 60 to 75 total households added in Belle Fourche. Approximately 40% of these households will be rental households, thus, there will be a demand of approximately 24 to 30 additional rental units over the next five years due to household growth.

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 four rental units per year. As a result, approximately 20 additional units will be needed over the next five years to replace lost units. In some cases, this unit replacement will be needed as existing units are removed from the inventory through demolition or conversion. In other cases, this replacement is appropriate due to the deteriorating condition of older, substandard rental housing that should be removed from the occupied stock.

Pent-up demand also exists. The rental survey that was conducted successfully collected information from 270 rental units in 16 multifamily projects. Limited information was also obtained on single family homes. The 2020 rental survey found a 1.7% vacancy rate in the 117 market rate units that were surveyed, and there were no vacancies in the 153 subsidized rental units.

The estimated vacancy rates in 2020 are significantly lower than in the past. In 2013, the rental survey found a 13.9% vacancy rate in general occupancy market rate units and an 8.1% vacancy rate in the subsidized units.

The low vacancy rates in 2020 indicate pent-up demand for market rate rental units, subsidized rental units and senior with light services housing.

These three demand generators, show a need for 78 to 90 rental units over the next five years. Based on the factors stated above, we recommend the development of the following new rental units over the next five years from 2020 to 2025.

▶ General Occupancy Market Rate	36-40 units
▶ Affordable/Conversions	8-10 units
▶ Subsidized/Moderate Rent	12-14 units
▶ Senior with Light Services	<u>22-26 units</u>
Total	78-90 units

1. Develop 36 to 40 general occupancy market rate rental units

Findings: Approximately 80% of the rental housing in the City of Belle Fourche can be classified as general occupancy market rate housing. These units are free of any specific occupancy restrictions such as financial status, age, or student enrollment. Market rate housing does not have any form of rent controls, other than those imposed by the competitive marketplace.

Of the 117 market rate rental units we surveyed, we found only two vacancies, for a vacancy rate of 1.7%. A healthy vacancy rate range is 3% to 5%. The owners and managers of multifamily rental projects and single family home rentals, reported very high occupancy rates and strong demand. At the time of the 2013 Belle Fourche Housing Study, there was a 13.9% vacancy rate.

There is a fairly wide variation in rental rates in the market rate segment in the City of Belle Fourche. The gross rent range is \$475 to \$795 for a one-bedroom unit, \$650 to \$1,050 for a two-bedroom unit, and approximately \$850 for a three-bedroom unit.

From 2013 to 2020, we are aware of approximately 20 rental units that have been constructed in Belle Fourche. These units are in several small rental structures, ranging from two to six units per building. Also, some single family homes have converted from owner-occupancy to rental units.

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

Based on this combination of demand generators, we believe that it is reasonable to plan for the production of between 36 to 40 market rate rental units over the next five years.

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

Town home-style units or high quality apartment buildings are both options in addressing the need for market rate units. The projects, to be successful, should have 'state of the art' amenities. It 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 Belle Fourche. 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 tax credit rental units, but affordability is still an issue.

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

The first option for developing market rate housing would be to encourage private developers to undertake the construction of market rate rental housing.

If the private sector does not develop additional market rate housing, another option would be for the Belle Fourche Development Corporation, or a regional housing agency such as NeighborWorks Dakota Home Resources, to construct market rate units. Funds from the South Dakota Housing Development Authority, local funds, or other available funding sources could be utilized.

The DakotaPlex Program may be available to the City, the Development Corporation or to a private developer to assist with financing a market rate rental project.

Also, the City of Belle Fourche or the Belle Fourche Development Corporation could partner with private developers to construct additional units. The City and/or County could assist with land donations, tax increment financing, tax abatement, reduced water and sewer hookup fees, etc.

**Recommended unit mix, sizes and rents for Belle Fourche
Market Rate Housing Units:**

<u>Unit Type</u>	<u>No. of Units</u>	<u>Size/Sq. Ft.</u>	<u>Rent</u>
One Bedroom	8-9	600 - 800	\$800 - \$950
Two Bedroom	22-24	850 - 1,000	\$900 - \$1,250
Three Bedroom	<u>6-7</u>	1,100 - 1,200	\$1,000 - \$1,400
Total	36-40		

Note: The recommended rents are gross rents including all utilities. The rents are quoted in 2020 dollars. It is assumed that rents will increase later in the five-year projection period. Also, the unit sizes and rents are intended to be a guide and could change based on a number of factors.

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

- ▶ 1 bedroom - \$682
- ▶ 2 bedroom - \$899
- ▶ 3 bedroom - \$1,120

2. Promote the development/conversion of 8 to 10 affordable market rate rental housing units

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

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

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

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

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

The estimated prevailing rent range for older rental units in Belle Fourche is typically between \$450 and \$600 per month. Creating some additional units with contract rents below \$625 per month would help to expand the choices available to a majority of the City's renter households.

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

3. Develop 12 to 14 subsidized or moderate rent/income restricted general occupancy rental housing units

Findings: There are six federally subsidized rental projects in Belle Fourche with a total 153 units. Five projects with 129 units are general occupancy and one project with 24 units is senior/disabled. At the time of the survey, there were no vacancies in any of the projects. Tenants pay 30% of their income for rent, up to a maximum rent.

Based on the 2018 American Community Survey data, approximately 398 renter households reported that 30% or more of their income was required to pay housing costs. This represented approximately 52% of all renters that were surveyed. At that time, most of these households had annual incomes of less than \$25,000, and needed a very affordable unit to avoid a housing cost burden.

Since the 2013 Belle Fourche Housing Study, Valley Drive Apartments, with eight units, has converted from subsidized to market rate. Therefore, eight units have been lost from Belle Fourche subsidized rental housing stock.

Recommendation: We recommend that the City of Belle Fourche and area housing agencies look for opportunities to expand the supply of affordable rental housing. Although the need is greater, a realistic goal would be the construction of 12 to 14 general occupancy subsidized or moderate rent/affordable units over the next five years.

The large subsidized housing production programs of the past are no longer available, and it remains very difficult to produce new units for very low income renters. The best available options are to layer various subsidies together in an attempt to produce some very affordable units.

The Butte-Meade-Lawrence County Housing and Redevelopment Commission (HRC) or NeighborWorks Dakota Home Resources may be a resource for the development of future affordable rental housing. The City of Belle Fourche could assist with land donations, reduced water and sewer hookup fees, etc. Also, the South Dakota Housing Development Authority may have resources to assist with financing affordable rental housing.

4. Preserve the existing supply of subsidized housing

Findings: Belle Fourche has six “deep subsidy” rental housing projects, with a total 153 units, that allows tenants to pay rent based on 30% of income. The projects were constructed when the federal government was actively involved in producing low income housing.

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

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

Since the 2013 Belle Fourche Housing Study, Valley View Apartments, with eight units, has converted from subsidized to market rate.

Recommendation: The South Dakota Housing and Development Authority (SDHDA) tracks subsidized housing in South Dakota that is at risk of being lost. USDA Rural Development would also know of any projects leaving their subsidy program.

Local and regional housing agencies should check with SDHDA and USDA Rural Development and/or subsidized project owners on an ongoing basis to determine if subsidized housing projects are considering the option of opting out of their subsidy contract. In some communities, public or nonprofit agencies have been able to purchase projects that are at risk of being lost, to preserve their affordable housing resources.

5. Develop 22 to 26 independent/senior with services units

Findings: The City of Belle Fourche currently has three senior with services projects, with a total of 50 beds. All three projects are licensed as Assisted Living Centers. Since the 2013 Housing Study, one assisted living facility with 16 beds has converted to a transition care facility for short-term rehab/recovery stays.

At the time of the survey, there are two vacant beds in the three projects that offer senior housing with services, which is a 4.0% vacancy rate.

In addition to the assisted living projects, a skilled nursing home, Rolling Hills Health Center with 83 beds, is located in Belle Fourche. The facility operates at approximately an 85% occupancy rate.

Our research for this Study did not identify any units dedicated for seniors to live independently in a senior project or for seniors that need only light services.

Recommendation: Using 2020 Esri data for Butte County, there are approximately 600 senior citizens age 75 and above that are not currently in a senior with services facility and are part of the potential market for assisted living units.

Based on our previous research in other communities, the 50 current assisted living beds in Belle Fourche are adequate to address Belle Fourche's and Butte County's assisted living needs. However, the need for additional assisted living beds should continue to be monitored, as the number of people in the 75 and older age range will increase over the next five years.

However, there are no independent, senior-designated housing options in Belle Fourche, thus, we are recommending a 22 to 26 unit independent/senior with light services project in Belle Fourche. We also recommended senior independent/light services units in the 2013 Housing Study. 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 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:

- ▶ 22 to 26 units
 - ▶ 8 to 10 one-bedroom
 - ▶ 14 to 16 two-bedroom
- ▶ 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

This project is intended to be senior independent living supplemented with limited services and community support.

The location of the project should be close to services as the project will be primarily occupied by older seniors. If possible the project should be located adjacent to an existing senior with services project that could provide additional senior services as needed by the residents.

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

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

Findings: The City of Belle Fourche has an active downtown area. A mixed-use rental housing/commercial project would complement the City's ongoing efforts to maintain a vibrant downtown. There should be sensitivity to the timing of the project and type of commercial tenants the project will have, to assure the project is an asset to the downtown.

New mixed use projects have been developed in several cities comparable to the size of Belle Fourche. 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 and to serve as a catalyst for downtown redevelopment.

Recommendation: We recommend the development of a mixed-use building in the downtown Belle Fourche area. There are several potential sites in the downtown area for a mixed-use project.

We recommend commercial space on the first floor and up eight to 10 rental units on the upper floors. 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 eight to 10 rental units should be primarily market rate units, but could be mixed income with some moderate income units. The units should be primarily one 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, tax abatement or other local funds, and land at a reduced price.

7. Continue to utilize the Housing Choice Voucher Program

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

Although the federal government provides almost no funding for subsidized housing construction, it has provided new Housing Choice Voucher allocations over the last two decades.

Because of the flexibility offered through the program, eligible households often prefer the portable rent assistance to other forms of subsidized housing that are project-based, and can only be accessed by living in a specific rental development.

Currently, approximately 52% of Belle Fourche households are paying more than 30% of their income for rent.

The Housing Choice Voucher Program is administered in Butte County by the Meade/Butte/Lawrence County Housing and Redevelopment Commission. There is a waiting list to obtain a voucher.

Recommendation: The City of Belle Fourche should work with the Butte-Meade-Lawrence County Housing and Redevelopment Commission to assure that renter households in Belle Fourche are aware of the Housing Choice Program and have an opportunity to apply for a Voucher.

Belle Fourche - Home Ownership Recommendations

Home Ownership Recommendations

Findings: Expanding home ownership opportunities is a goal for most cities. High rates of home ownership promote stable communities and strengthen the local tax base. The median owner-occupied home value in Belle Fourche is estimated to be approximately \$165,000 based on sales activity in 2019. The home values in Belle Fourche provide an excellent market for first time buyers and households seeking moderately priced homes.

Our analysis of Belle Fourche demographic trends shows there will be an increasing number of households from 2020 to 2025 in the 65 and older age ranges. Also, the 35 to 44 year old age range is projected to gain households. Some households in these age ranges as well as the other age ranges that are seeking home ownership may need the assistance of special programs to help them purchase a home.

Based on 2018 American Community Survey data, approximately 68% of the households in Belle Fourche are home owners. This is an average rate of home ownership compared with similar sized cities.

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

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

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

First time home buyer assistance, down payment assistance, low interest loans and home ownership counseling and training programs can help to address affordable housing issues. The City 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: Belle Fourche should continue to work with area housing agencies, the South Dakota Housing Development Authority and local financial institutions to utilize all available home ownership programs that assist households with purchasing a home. Private and nonprofit agencies should also be encouraged to provide home ownership opportunities. The City should also work with housing agencies to assure the City of Belle Fourche is receiving its share of resources that are available in Butte County and the region.

Currently, NeighborWorks Dakota Home Resources is providing home ownership assistance in the region. Since the 2013 Housing Study, NeighborWorks Dakota Home Resources has assisted 23 Belle Fourche households with the purchase of a home, and has provided home buyer education to 70 households.

Funding sources for home ownership programs may include the Department of Housing and Urban Development, USDA Rural Development, the South Dakota Housing Development Authority, NeighborWorks Dakota Home Resources and the Federal Home Loan Bank.

9. Develop a Purchase/Rehabilitation Program

Findings: Belle Fourche has a large stock of older, lower valued homes, many of which need repairs. Our analysis of recent sales activity indicates that there is an inventory of homes in Belle Fourche that are valued under \$100,000. As some lower valued homes come up for sale, they may not be attractive options for potential home buyers because of the amount of repair work that is required.

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

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

Recommendation: We recommend that the City of Belle Fourche work with the South Dakota Housing Development Authority and area housing agencies to consider the development and implementation of a Purchase/Rehabilitation 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 also available.

Because a purchase/rehabilitation program can be expensive and its cost effectiveness in some cases may be marginal, in some cases it may be advantageous to directly assist low and moderate income households with purchasing and rehabilitating homes. Local 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. USDA Rural Development also provides purchase/rehabilitation loans for low and moderate income buyers.

Additionally, there may be an opportunity for local/regional housing agencies to financially assist the private sector with purchasing, rehabilitating and reselling homes.

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.

Belle Fourche - New Housing Construction

New Housing Construction

Findings: Belle Fourche has experienced significant single family owner-occupied housing construction. According to City records, from 2010 to 2020, 125 single family owner-occupancy units were constructed in Belle Fourche, which is an average of 10 to 11 housing units per year.

From 2001 to 2009, 238 single family owner-occupied houses were constructed in Belle Fourche, which is an average of approximately 26 houses annually. The large majority of the owner-occupied units are detached units, however, some additional attached units, such as twin homes or town houses were also built for owner-occupancy, but the exact number of these units cannot be determined from annual reports. Therefore, we have estimated the number of attached units that were constructed for owner occupancy.

The attractiveness of the area, the City's amenities and its job creation, should result in the continued construction of new homes annually. Also, there are many attractive residential lot options available for new home construction.

Overall household projections for Belle Fourche and Butte County indicate good demand for owner-occupied housing construction. Substantial household growth is anticipated in Belle Fourche and Butte County from 2020 to 2025 among households in the 65 and older age ranges. Households in the younger end of these age ranges tend to be predominantly home owners, and form a market for higher priced, trade-up housing, low maintenance housing such as town homes and twin homes, and senior housing with services options.

The number of households in the 35 to 44 year old range is also expected to increase significantly in Belle Fourche and Butte County. Many of the households in this age range are first time home buyers or are looking for trade-up housing.

It is our opinion that if the city, the Belle Fourche Development Corporation, regional housing agencies and developers are proactive, 15 to 20 owner-occupied housing units could be constructed in Belle Fourche annually over the next five years from 2020 to 2025 to address demand. Our projection for single family housing starts includes homes built in new subdivisions and on infill lots, and includes single family attached housing units, such as twin homes and town houses. The breakdown of our projection of 15 to 20 new owner-occupied housing units annually over the next five years is as follows:

▶ Higher & medium priced homes	4-5 homes
▶ Affordable homes	6-7 homes
▶ Homes on infill lots	1-2 homes
▶ Twin homes/town homes	<u>4-6 units</u>
Total	15-20 units

10. Monitor lot availability and development

Findings: As part of this Study, we attempted to identify the inventory of available residential lots for single family housing construction in the City of Belle Fourche. Currently, there are approximately 111 lots available in eight newer subdivisions in Belle Fourche. In addition to these lots, there are approximately 160 infill lots scattered in the City. The actual availability of infill lots for purchase or use is not known.

Also, we are promoting the acquisition and demolition of dilapidated houses. Some of the cleared lots may be sites for new construction. Additionally, there are lots available outside the city limits of the City of Belle Fourche.

Recommendation: We use a standard that a 2 ½ year supply of lots should be available in the marketplace based on annual lot usage. With projections that 15 to 20 new owner-occupied housing units will be constructed per year, the City should have approximately 38 to 50 residential lots available to meet the expected demand. Part of this demand would be for attached unit construction.

With approximately 111 available lots in the eight subdivisions and a substantial number of infill lots, the City currently has an adequate number of lots. However, the City should continue to monitor the number of lots that are available to assure there is an adequate number on an ongoing basis and that lots are available for homes in all price ranges.

11. Strategies to encourage continued residential lot sales and new home construction in Belle Fourche

Findings: Over the past 11 years, from 2010 to 2020, an average of approximately 11 to 12 owner-occupancy single family units have been constructed in Belle Fourche annually. It is our opinion that the number of new owner-occupied homes constructed annually could be increased to 15 to 20 units.

Recommendation: We recommend that the City of Belle Fourche, the Belle Fourche Development Corporation, developers, builders, realtors and other housing stakeholders coordinate efforts to promote lot development, lot sales and housing development.

Our recommendations to continue to promote lots sales and housing development include:

- ▶ **Competitive pricing** - There are lots available in communities throughout the region. To attract new home construction in Belle Fourche, lots should be competitively priced in comparison to other options in the area.
- ▶ **User-Friendly/develop momentum** - The lot purchase and home building process must be 'user friendly.' This includes an inventory of available lots, the construction of spec homes, builders that are readily available to build custom homes and city regulations that are fair and reasonable. The entire process must be as 'user friendly' as possible to encourage home construction. This will create continued momentum for new housing construction.
- ▶ **Long-term planning** - The City of Belle Fourche and Belle Fourche developers should continue long-term development planning to assure lots are available to meet demand for all types of new housing.
- ▶ **Promote spec home construction** - Spec houses attract a buyer that is not interested in going through the home building process, but instead wants a turnkey unit. A spec home can also serve as a model, allowing potential home buyers to examine specific floor plans and features in the home before committing to buy.
- ▶ **Incentives** - Some cities and counties throughout South Dakota are offering incentives to construct new homes, including reduced lot prices, reduced water and sewer hookup fees, reduced permit fees, tax abatements, cash incentives, developer assistance, construction financing assistance, etc. If needed, 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 a twin home/town home development.

- ▶ **Range of house prices** - Lots should be available to as wide a range of home sizes and prices as possible, without compromising the subdivisions. This broadens the lot buyer market. Also, smaller infill lots with fewer amenities could be marketed for affordable homes.
- ▶ **Marketing** - The City of Belle Fourche, the Belle Fourche Development Corporation and all housing stakeholders will need to develop a comprehensive marketing strategy to sell available lots. In addition to marketing the lots, the City of Belle Fourche and its many amenities should continue to be marketed.

12. Strategies to develop new affordable homes

Findings: It is difficult to develop homes that are considered affordable 'under \$225,000.' Land and development costs, the cost of materials and labor, new building requirements, etc. are all factors which make most new homes out of reach for most households.

Often, developers and builders have little incentive to address the affordable home market, as they are busy addressing the higher priced home market which generates higher profits.

Recommendation: We have recommended the construction of six to seven affordable homes in Belle Fourche annually from 2020 to 2025, along with the potential for one to two affordable homes on infill lots per year. To accomplish this, the City of Belle Fourche may have to take an active role in developing new affordable housing by providing tax increment financing, tax abatement, land donations, etc.

Successful affordable home development strategies include:

- ▶ **Available lots** - Lots should be available for affordable homes including Governors Homes, manufactured homes and modular homes.
- ▶ **Governors Homes** - Governors Homes are an affordable option and SDHDA has initiated a program that enables developers to participate in the 'Governor's Home Program.'
- ▶ **Manufactured/modular homes** - Manufactured and modular homes can provide affordable housing opportunities for moderate income households.

- ▶ **Infill lot Home Development** - Infill lots in existing neighborhoods are often affordable and have existing City services. Some housing and nonprofit agencies develop affordable homes on infill lots.
- ▶ **Dakota Land Trust** - The Dakota Land Trust provides an affordable permanent new home option by taking the cost of the land out of the purchase price of the home. The land is placed in the stewardship of Dakota Land Trust and the homeowner leases the land from the Land Trust through a 99-year renewable lease.
- ▶ **South Dakota Housing Development Authority Programs (SDHDA)** - SDHDA has housing programs available to assist developers, builders and home buyers.
- ▶ **Publicly owned subdivision** - Private developers often have little incentive to develop lower-priced lots and houses. A possible approach is to develop a publicly-owned subdivision, which could offer lower-priced lots for affordable homes.

13. Promote townhouse and twin home development

Findings: Belle Fourche has experienced limited owner-occupied attached housing development from 2010 to 2020. Many communities over the past decade have seen attached housing take an increasingly large share of new construction. In cities the size of Belle Fourche, 20% to 30% of the housing starts are typically twin homes/townhomes. Over the past 11 years, less than 10% of the owner-occupied housing units constructed in Belle Fourche have been attached units such as twin homes/townhomes.

Attached housing provides desirable alternatives for empty nesters and seniors to move out of their single family homes, thus, making traditional single family homes available for families. It is estimated that in 2020 there are approximately 759 households in Belle Fourche and 1,561 households in Butte County in the 65 and older age ranges. It is also projected that the 65 and older age ranges will increase significantly in Belle Fourche and Butte County from 2020 to 2025. It is important for the City to offer a range of life-cycle housing options as many of these households will be seeking to downsize into low maintenance housing options.

Recommendation: It is our projection that approximately four to six of Belle Fourche’s new owner single family units per year should be twin homes or town houses over the next five years, which is an approximate total of 20 to 30 units during the five-year projection period.

We recommend a twin home/town home development and for the 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 a significant number of homes which provides security
- ▶ Homes at a price that is acceptable to the market

The public sector’s role in any owner-occupancy attached housing development may be limited, as the private sector can often meet this housing need if a demand exists. The city’s role should include assuring that adequate land is available for development and that zoning allows for attached housing development.

14. Coordinate with agencies/nonprofits that develop affordable housing

Findings: With the difficulty of producing new affordable housing units, it is important to take advantage of opportunities presented by housing agencies, nonprofit groups and organizations. NeighborWorks Home Resources and the Belle Fourche Development Corporation have constructed 15 homes in the City over the past seven years. Other local housing agencies and nonprofits may also have the capacity to construct affordable housing in Belle Fourche. These sources can help generate new homes for families in Belle Fourche.

Recommendation: We recommend that the City continue to coordinate with NeighborWorks Home Resources and the Belle Fourche Development Corporation and other agencies and organizations to produce housing units. The City could contribute through land donations, tax increment financing, tax abatement, grant writing, or project coordination activities.

The City should also work with housing and economic development agencies and area builders to market Governors homes.

NeighborWorks Dakota Home Resources has developed a land trust program that lowers the costs of home ownership by removing the land cost from the purchase transaction.

Belle Fourche - Housing Rehabilitation and Neighborhood Revitalization

Housing Rehabilitation and Neighborhood Revitalization

Findings: Belle Fourche has an asset in its existing housing stock. Existing units, both now and into the future, will represent the 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. Efforts and investment in housing rehabilitation activities will be critical to offering affordable housing opportunities and in preventing the deterioration of existing neighborhoods.

Housing options for households will largely be met by the existing, more affordable housing stock. As this existing stock ages, more maintenance and repair are required. Without rehabilitation assistance, the affordable stock will shrink, creating an even more difficult affordability situation.

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

15. Promote rental housing rehabilitation programs

Findings: Based on 2019 American Community Survey data, the City of Belle Fourche had approximately 900 rental units in 2019. These rental units are in multi-family projects, small rental buildings, duplexes, single family homes and mobile homes. Many of these rental structures could benefit from rehabilitation as approximately 52% of the rental structures are more than 40 years old and some of these rental units are in poor condition.

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

Recommendation: Belle Fourche and area housing agencies should seek funds that can be dedicated to the rehabilitation of rental units. For a rental rehabilitation program to be workable and successful, the funds should to the extent possible, allow for program design flexibility.

Potential funding sources include USDA Rural Development, the Federal Home Loan Bank, NeighborWorks Dakota Home Resources, the South Dakota Housing Development Authority and local funds.

16. Promote owner-occupied housing rehabilitation efforts

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

Our 2020 housing condition survey of the 664 Belle Fourche homes in four neighborhoods found 229 homes that need minor repairs and 109 homes that need major repairs.

Approximately 70% of the owner-occupied homes in Belle Fourche are more than 40 years old. The estimated median year of construction is 1970. Without rehabilitation assistance, this older, affordable housing stock will shrink in Belle Fourche.

Recommendation: We recommend that the City of Belle Fourche seek local, state and federal funds to assist in financing housing rehabilitation. USDA Rural Development, the Butte-Meade-Lawrence County Housing and Redevelopment Commission, the South Dakota Housing Development Authority, the Federal Home Loan Bank, NeighborWorks Dakota Home Resources and the Western South Dakota Community Action Agency are potential funding sources.

NeighborWorks Dakota Home Resources has several housing programs to assist households with the rehabilitation of their homes. Since the 2013 Housing Study, NeighborWorks Dakota Home Resources has rehabilitated 21 owner-occupied homes in Belle Fourche. Also, the Western South Dakota Community Action Agency provides Weatherization funds for Belle Fourche and Butte County.

Some programs offer a deferred loan to households that meet program requirements. 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 Belle Fourche households to utilize these housing rehabilitation programs.

17. Continue a Neighborhood Revitalization Efforts

Findings: The City of Belle Fourche continues to have several neighborhoods that are on the bubble. These neighborhoods have a significant number of homes that need rehabilitation and a significant number of low/moderate income households. These neighborhoods also have vacant and dilapidated homes. The neighborhoods could deteriorate, or could be revitalized to be strong vital neighborhoods.

Recommendation: We recommend that the City of Belle Fourche, area housing agencies, and the private housing sector continue with neighborhood revitalization efforts. Over the years, the City of Belle Fourche has been active in housing and neighborhood revitalization projects, including housing rehabilitation, the demolition of dilapidated structures, the construction of new housing, and public facilities improvements. Redevelopment strategies and opportunities that should be continued or initiated in the neighborhoods include:

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

Neighborhood revitalization programs and projects should include time lines, the identification of a responsible city department or housing agency, funding sources, etc. Programs and projects 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.

18. Develop and implement a Rental Inspection Program

Findings: A Rental Inspection Program can be a valuable tool in improving the quality of the City's rental housing and assuring safe and sanitary housing. We are estimating that in 2020, there are approximately 900 rental units in the City of Belle Fourche, with more than 50% that are more than 40 years old. Neighborhood deterioration, lower property values and unsafe rental units are often prevented when a Rental Inspection Program is successfully implemented. Currently, Belle Fourche enforces codes on a complaint basis, but does not have a uniform inspection policy.

The need for an ongoing Rental Inspection 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 is more than 40 years old.
- ▶ Older housing needs continued rehabilitation and maintenance.
- ▶ Older housing often has difficulty complying with current codes.

Conversions

- ▶ Many of the rental buildings were originally constructed for uses other than rental housing such as owner-occupied single family homes and commercial use buildings. In conversion, owners often do the work themselves and may 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 today's buyers want more amenities and conveniences, and less maintenance, thus, they are less likely to purchase older homes. These issues result in the continuation of converting old homes to rental units and magnify the problem.

Maintenance Efforts

- ▶ A large number of rental property owners are providing standard housing and reinvesting in their rental properties. However, some owners 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 Rental Property Owners

- ▶ Belle Fourche has a significant number of rental property owners. Many of these property owners do an excellent job; however, some absentee owners 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, and such things as 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 Program provides a record of rental units and owners.
- ▶ The program provides a better opportunity for coordination of city programs and codes.
- ▶ The program assures that rental units comply with minimum housing standards.

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

Belle Fourche - Other Housing Initiatives

19. Encourage employer involvement in housing

Findings: The City of Belle Fourche has a significant number of employers, including several large employers. The connection between economic development and housing availability has become an increasingly important issue as low area unemployment rates dictate the need to attract new workers into the community.

Although the jobs being created may have good wages for the area, many 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 Belle Fourche's housing needs. Several funding sources have finance programs that include employers. Additionally, the funding agencies often view funding applications favorably that include employers in the problem solving process.

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

Additionally, employers can continue to support other city projects, such as parks, trails, ball fields, educational facilities, etc. that will have a positive impact on housing in Belle Fourche.

20. Continue to acquire and demolish dilapidated structures

Findings: Our housing condition survey of four neighborhoods identified 43 single family homes that are dilapidated and too deteriorated to rehabilitate. We also identified 109 single family homes as needing major repair and some of these homes may be too dilapidated to rehabilitate upon a more detailed inspection. There also may be homes in other Belle Fourche neighborhoods that may be dilapidated and beyond repair.

The City of Belle Fourche has been working with property owners to eliminate dilapidated housing from the housing stock.

Recommendation: We recommend that Belle Fourche continue to work with property owners to demolish severely dilapidated structures. The City is enhanced when blighted and dilapidated structures are removed. Also, some of the cleared lots can possibly be utilized for the construction of new affordable housing units. Additionally, the demolition of dilapidated rental structures will upgrade the communities' rental housing stock. Also, Belle Fourche should work with Butte County to acquire and demolish tax forfeited properties that are dilapidated and beyond repair.

We also recommend that the City maintain an inventory of structures that may be candidates for future demolition. Also, an inventory of infill lots for future development should be maintained.

21. Develop mobile home improvement programs

Findings: The City of Belle Fourche has a significant inventory of mobile homes. According to the American Community Survey, there were more than 400 mobile homes in the City in 2018, representing more than 16% of the City's total housing stock.

The City currently has an ordinance that mobile homes must be 10 years of age or less to be moved on a private lot.

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

Some communities have established programs that provide for the purchase and removal of substandard mobile home units, provided a newer unit is purchased to replace the acquired dwelling. While this approach can work well in upgrading the stock, it can be expensive, especially if there are a large number of homes in poor condition.

It may be appropriate for the City to initiate programs to improve the quality of mobile homes, even if these programs can only address a few units per year. Some of the innovative programs that have been used in other communities to address mobile home conditions and mobile home park issues include:

- ▶ **Operation Safe Mobile Homes** - Owners of substandard mobile homes are given the option of voluntarily selling their substandard mobile home to the City or a local housing agency for a fixed minimum price. The mobile homes are then removed from the park and demolished/salvaged. The owner can then use the funds from the sale to help purchase a new home. Mobile home dealerships have sometimes participated by buying the salvaged homes.
- ▶ **Time of Sale 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. All identified safety hazards must be corrected before the unit is sold and/or occupied.
- ▶ **Cooperative/Land Trust** - Some mobile home parks have created a cooperative or a land trust which enables the home owners to own the mobile home park land and facilities. This ownership often creates pride which results in a clean, safe park atmosphere.

22. Continue to plan housing initiatives and continue coordination among housing agencies

Findings: Belle Fourche needs staff resources to plan and implement many of the housing recommendations advanced in this Study. Belle Fourche has access to NeighborWorks Dakota Home Resources, the Black Hills Council of Local Governments, the Western South Dakota Community Action Agency, the Butte-Lawrence-Meade County Housing and Redevelopment Commission, USDA Rural Development, Dakota Resources, Grow South Dakota and the South Dakota Housing Development Authority. These agencies all have experience with housing and community development programs.

Recommendation: Belle Fourche is fortunate to have access to several agencies that can address housing needs. It is our recommendation that the City work with the housing agencies to prioritize the recommendations of this Study and to develop a plan to comprehensively address the City's housing needs. The plan should include strategies, timelines and the responsibilities of each agency. While there has traditionally been a degree of staff interaction between these agencies, it will be important that a coordinated approach be used to prioritize and assign responsibility for housing programs. This approach will reduce duplication, provide coordination and cooperation among agencies and will effectively utilize scarce resources.

It will also be important for the City to look for opportunities to work cooperatively with other area cities to address housing issues. With limited staff capacity, 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. Strategies for Downtown Redevelopment/Development

Findings: The City of Belle Fourche has a vibrant downtown commercial district that addresses many of the daily retail/commercial needs of its residents. The majority of Belle Fourche’s buildings have been renovated and have high quality commercial and/or housing space. However, there are also a few buildings that need improvements.

This recommendation provides an outline of actions that could be taken to continue downtown redevelopment, to maximize the usage of downtown buildings, to promote new downtown businesses and to identify and implement building rehabilitation and renovations. The purpose of this recommendation is to continue to build on the City’s successes as the City of Belle Fourche, the Belle Fourche Downtown Business District, the Downtown Revitalization Committee and the Belle Fourche Development Corporation have all been working with building owners on an ongoing basis to improve their buildings.

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

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

- ▶ Interview all commercial district property owners to develop a database and to determine their future plans (expanding, selling, renovations, etc.)
- ▶ Develop an overall plan for the commercial district (potential new businesses, address parking needs, continue to develop an overall Western theme, art and cultural opportunities, etc.)
- ▶ Develop a mini-plan for each property in the commercial district and each commercial district block. This may include:

- ▶ Retention of existing businesses
- ▶ Commercial building rehab and renovations
- ▶ Facade work
- ▶ Building demolition
- ▶ New construction
- ▶ Recruiting new businesses
- ▶ Housing unit development

- ▶ Identify funding sources
 - ▶ Property owners
 - ▶ City of Belle Fourche
 - ▶ Belle Fourche Development Corporation
 - ▶ Federal Home Loan Bank
 - ▶ Special tax districts
 - ▶ Funds from South Dakota State Agencies
 - ▶ Sales Tax
 - ▶ Downtown Revitalization Committee
 - ▶ Belle Fourche Downtown Business District

- ▶ Work with stakeholders to identify roles, to secure funding, to develop and implement programs and projects
 - ▶ Property owners
 - ▶ City of Belle Fourche
 - ▶ Belle Fourche Development Corporation
 - ▶ Downtown Revitalization Committee
 - ▶ Belle Fourche Downtown Business District

24. Develop home ownership and new construction marketing programs

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

Recommendation: The City of Belle Fourche and the Belle Fourche Development Corporation have both been active in promoting and marketing housing and we recommend the continuation or initiation of the following:

- ▶ Determine the City’s strengths and competitive advantages and heavily promote them
- ▶ Continue to create marketing materials that can be distributed regionally (including internet, TV, radio, etc.)
- ▶ Work closely with employers to provide employees (especially new employees) with housing opportunities in Belle Fourche and the Belle Fourche Area
- ▶ Work with housing agencies to provide down payment assistance, low interest loans, home owner education and home owner counseling programs
- ▶ Work with developers and builders to make lot development and the construction of new homes a very user-friendly process
- ▶ 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
- ▶ 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 that serve life-cycle housing needs, such as new rental housing, twin homes, senior with services housing, etc.
- ▶ Review the City’s policies and fees to assure that they are user-friendly, fair and receptive for developers, builders and households
- ▶ Develop a coordinated housing plan with the private sector and area housing agencies
- ▶ Develop new home construction and home purchase incentive programs

Agencies and Resources

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

Belle Fourche Development Corporation

608 5th Ave.
Belle Fourche, SD 57717
(605) 892-5065

Butte-Meade-Lawrence County Housing and Redevelopment Commission

1220 Cedar St. Suite 113
Sturgis, SD 57785
(605) 347-3384

NeighborWorks Dakota Home Resources

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

South Dakota Housing Development Authority

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

USDA Rural Development

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

Western South Dakota Community Action Agency

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

Black Hills Council of Local Governments

730 East Spearfish Street
Suite 102
Rapid City, SD 57701
(605) 394-2681

Dakota Resources

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