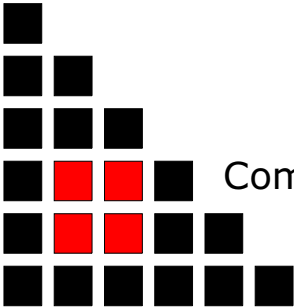


City of Clear Lake HOUSING STUDY

May 2021

An analysis of the overall housing needs
of the City of Clear Lake, SD



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

Community Partners Research, Inc., was hired by the City of Clear Lake to conduct a study of the housing needs and conditions in Clear Lake.

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 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 December 2020 to April 2021. 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 Deuel County
- 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 occurred, which has had immediate and widespread impacts, including on economic, housing and educational conditions. The longer-term impacts 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. The 2010 Census provides much of the base data for population and household trends.

To supplement the decennial Census, the Census Bureau has created the American Community Survey, an annual sampling of households. The American Community Survey provides detailed demographic characteristics. However, the American Community Survey is based on sampling data and there is a margin of error that exists for each estimate. The following tables incorporate the 2019 American Community Survey data, when viewed as reliable.

The frequency of American Community Survey estimates vary depending on the size of the jurisdiction. For most jurisdictions in South Dakota, the 2019 estimates were derived from sampling that was done over a five-year period, between 2015 and 2019.

In addition to the detailed tables in the American Community Survey, the Census Bureau also issues a separate population estimate for cities, towns and counties. However, this is limited to total population, with no additional demographic details. These population estimates are for 2019.

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 Clear Lake, comparative information has often been provided for all of Deuel 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 AGS Estimate
Clear Lake	1,247	1,335	7.1%	1,273	-4.6%	1,224
Deuel County	4,522	4,498	-0.5%	4,364	-3.0%	4,331

Source: U.S. Census; AGS

- ▶ There are three recent population estimates available for the City of Clear Lake. Two estimates show the population level in 2020, and one estimate is for 2019. All three of these estimates show a continued decline in the number of people living in the City.
- ▶ Applied Geographic Solutions (AGS), a private reporting service, showed the City with 1,224 residents in 2020, a decrease of 49 people, or -3.8% from the 2010 Census.
- ▶ Esri, another private data services provider, had a nearly identical estimate. According to Esri, the City had 1,221 residents in 2020, down by 52 people, or -4.1% from the 2010 Census.
- ▶ The Census Bureau also issues an annual population estimate for jurisdictions, although the most recent estimated was for July 1, 2019. According to this source there were 1,262 people living in Clear Lake, down by only 11 people from 2010 to 2019. Although the Census Bureau shows the highest recent estimate for population, the effective date is one year earlier than the other sources.
- ▶ While some differences exist, a loss of population after 2010 would continue a pattern of decreasing population that has been present since the year 2000. Clear Lake did add residents between 1990 and 2000, but by 2020 the estimates show fewer residents than had been counted in the 1990 Census.
- ▶ For all of Deuel County, the population estimate from AGS showed 33 fewer people living in the County from 2010 to 2020, for a decrease of -0.8%.

- ▶ According to Esri, there were 4,529 people living in Deuel County in 2020. If accurate, this source would show that the County's total population level increased by 165 people since 2010. Esri's estimate for Deuel County is substantially higher than the other sources reviewed.
- ▶ The Census Bureau, in their 2019 population estimates, showed a generally similar count to AGS, with 4,351 people in Deuel County in 2019, down by 13 people from 2010.
- ▶ Excluding Esri, the other two estimating sources show some population loss for Deuel County since 2010, but the actual numeric reduction is small. This is consistent with longer-term population patterns which saw the County's population decrease by 0.5% in the 1990s and by 3% between 2000 and 2010.

Group Quarters

- ▶ There were some group quarters residents living in the City of Clear Lake in 2010. There were 49 people living in a skilled nursing home and one person living in some other type of institutional facility.

Race/Ethnic Origin

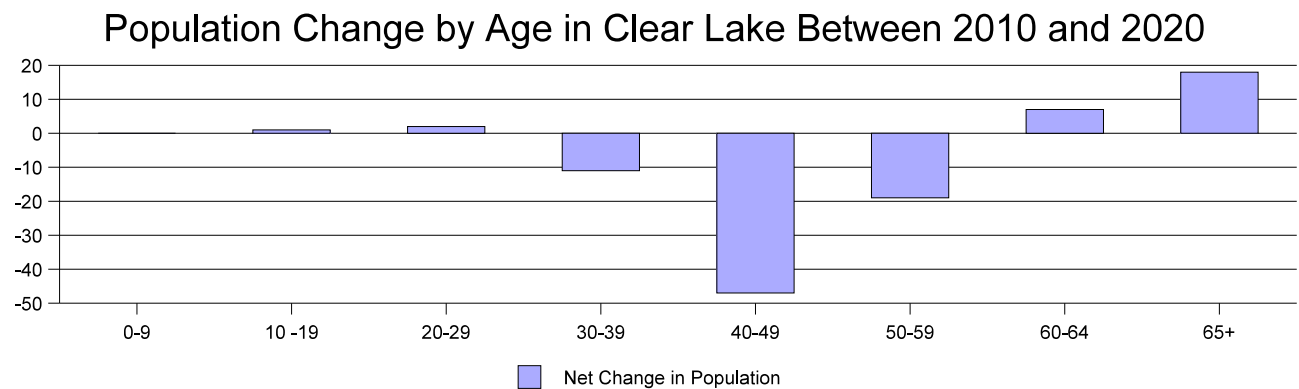
- ▶ According to the estimates from Applied Geographic Solutions, nearly 96% of the residents of Clear Lake were White for race in 2020, and less than 2% were of Hispanic/Latino ethnicity. Due to the small number of racial or ethnic minority populations in the City, no additional demographic information will be provided in this Study.

Population by Age Trends: 2010 to 2020

The 2020 population estimate from Applied Geographic Solutions included information on the age distribution of residents. This information can be compared to the age patterns present at the time of the 2010 Census.

Table 2 Population by Age - 2010 to 2020			
Age	Clear Lake		
	2010	2020	Change
0-9	159	159	0
10-19	144	145	1
20-29	141	143	2
30-39	127	116	-11
40-49	166	119	-47
50-59	151	132	-19
60-64	81	88	7
65+	304	322	18
Total	1,273	1,224	-49

Source: U.S. Census; AGS



The age-based population estimates from Applied Geographic Solutions show some change in the age distribution patterns for the City over the past decade. However, in many of the defined age ranges the numeric change has been very small. Overall, AGS showed a decrease of 49 people living in the City.

It is important to note making estimates in a small community can be difficult, and a margin of error would apply. The 2020 Census count, which will be released in the fall of 2021, will establish a new demographic benchmark for cities and towns.

As estimated by AGS, Clear Lake had a stable number of younger children, under the age of 10. There was also no significant change in the number of children and young adults in the age ranges 10 and 29 years old.

AGS showed a decrease of 11 people in the adult range between 30 and 39 years old. The largest estimated decrease occurred within the 20-year ranges between 40 and 59 years old, with a reduction of 66 people.

There was some estimated growth in the near-senior range between 60 and 64 years old and an increase in the number of senior citizens age 65 and older. In the age ranges 60 and older, the AGS estimates showed growth of 25 people.

Population Projections

Population projections to the year 2025 for the City of Clear Lake and Deuel County exist from both Applied Geographic Solutions and Esri. These projections have been compared to the respective 2020 estimates.

Table 3 Population Projections Through 2025						
	Applied Geographic Solutions			Esri		
	2020 Estimate	2025 Projection	Change	2020 Estimate	2025 Projection	Change
Clear Lake	1,224	1,196	-28	1,221	1,200	-21
Deuel County	4,331	4,456	125	4,529	4,576	47

Source: Applied Geographic Solutions; Esri

- ▶ AGS is projecting a slight decrease in the number of residents in Clear Lake over the next five years. This source shows the City losing 28 people between 2020 and 2025, or approximately 5 to 6 people in an average year. This projection would be very consistent with the recent past, as AGS believes that the City’s population also decreased slightly between 2010 and 2020.
- ▶ Esri is projecting a very similar pattern for Clear Lake, with an expected loss of 21 people over the 5-year period. On an average basis, this would be a loss of approximately 4 residents in an average year. This projection is also very similar to their past estimates, which show the City losing an average of approximately 5 people per year since 2010.
- ▶ There are greater differences in the projections for all of Deuel County.
- ▶ AGS is projecting a net gain of 125 permanent residents between 2020 and 2025. The AGS projection for Countywide growth exists despite their belief that Clear Lake will lose population during this same time period.
- ▶ Esri is also projecting population growth Countywide, despite some expected reduction in Clear Lake.

Household Data and Trends

Table 4 Household Trends - 1990 to 2020						
	1990 Census	2000 Census	% Change 1990-2000	2010 Census	% Change 2000-2010	2020 AGS Estimate
Clear Lake	538	565	5.0%	552	-2.4%	527
Deuel County	1,767	1,843	4.3%	1,819	-1.3%	1,838

Source: U.S. Census; AGS

- ▶ The AGS estimate for Clear Lake in 2020 was 527 households, down by 25 households when compared to the 2010 Census. Over the 10-year period this represents an annual average loss of between 2 and 3 households per year.
- ▶ The Esri estimate showed 535 households in Clear Lake in 2020, down by 17 households from the 2010 Census total.
- ▶ Although there is a small difference between the two recent estimates, both show a gradual loss of households, which dates back to the year 2000. In the 1990s, the City had been adding households, but over the past 20 years, the average annual loss has been approximately 2 to 4 households per year.
- ▶ For all of Deuel County, Applied Geographic Solutions showed some household growth, with the County adding 19 households between 2010 and 2020. This growth occurred despite the estimated loss of households in Clear Lake.
- ▶ The household estimate from Esri for 2020 showed Deuel County with 1,910 households. If accurate, the County would have added 91 households between 2010 and 2020.
- ▶ In recent decades, Deuel County had experienced both upward and downward movement in the number of resident households. After gaining households in the 1990s, the County then lost households between 2000 and 2010. Some level of growth has then occurred between 2010 and 2020.

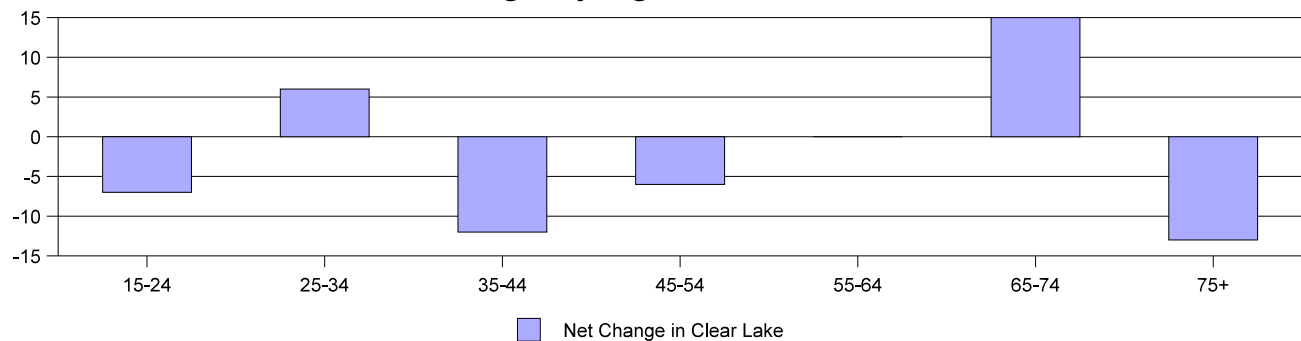
Household by Age Trends: 2010 to 2020

The demographic data profile that is available from AGS does not provide information on households by age. The following table compares households by age from the 2010 Census and 2020 estimates from Esri. This information is for the City of Clear Lake. Esri’s estimate of the total household count in 2020 is slightly higher than the estimate from AGS.

Table 5 Clear Lake Households by Age - 2010 to 2020			
Age	2010	2020	Change
15-24	28	21	-7
25-34	69	75	6
35-44	80	68	-12
45-54	94	88	-6
55-64	99	99	0
65-74	66	81	15
75+	116	103	-13
Total	552	535	-17

Source: U.S. Census; Esri

Household Change by Age Between 2010 and 2020

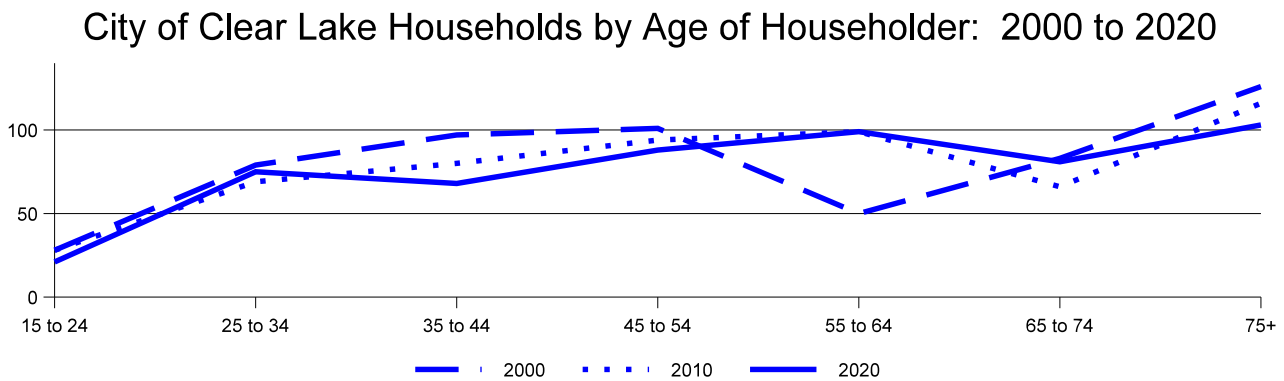


The age-based household estimates provided by Esri show limited change in many of the defined ranges from 2010 through 2020 in the City of Clear Lake.

Overall there was only a minor change in the total number households in Clear Lake, with 17 fewer households between 2020 and 2010. However, within most of the younger adult age ranges there was some reduction in the number households over the decade. If all of these younger adult ranges are aggregated, Esri believes there was a reduction of 19 households age 54 and younger.

Esri did track some growth over the past decade in the 10-year range between 65 and 74 years old, largely reflecting the advancing baby boomer generation. However, this was largely offset by fewer older senior households, age 75 and older. As a result, these estimates show a net gain of only two households age 65 and older in Clear Lake.

It is possible to track the age progression patterns of households back to the year 2000 to view the changes over time.



Average Household Size

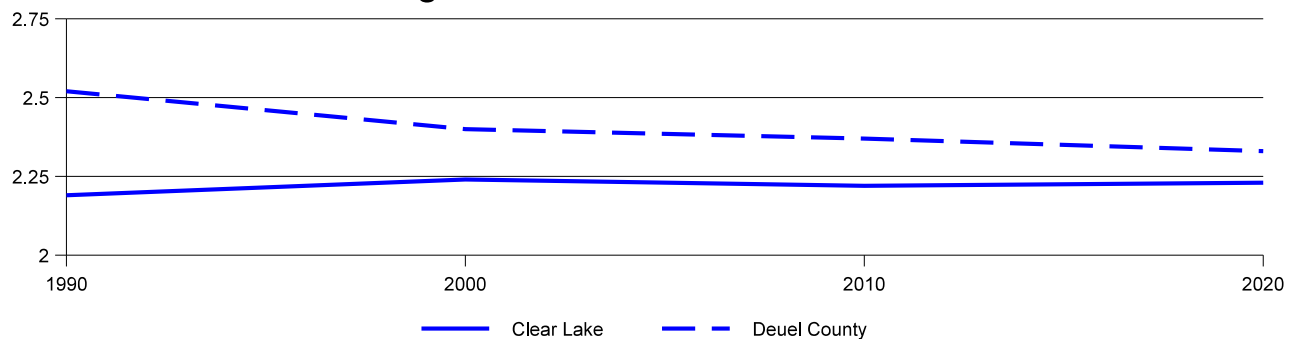
The following table provides decennial Census information on average household size, along with the 2020 estimate from AGS.

Table 6 Average Number of Persons Per Household: 1990 to 2020				
	1990 Census	2000 Census	2010 Census	2020
Clear Lake	2.19	2.24	2.22	2.23
Deuel County	2.52	2.40	2.37	2.33

Source: U.S. Census; AGS

In most jurisdictions there has been a steady decrease in average household size over the past several decades. This has often 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. While this pattern of smaller households has been evident in Deuel County over the past 30 years, the City of Clear Lake has maintained a relatively stable average household size.

Average Household Size: 1990 to 2020



The AGS estimate of 2.23 persons per household in Clear Lake in 2020 is up from 2.19 persons in 1990, but is nearly identical to the averages that existed in 2000 and 2010. An alternate estimate from Esri shows the average household size in 2020 at 2.20 persons, slightly lower than the estimate from AGS.

For Deuel County, the AGS estimate of 2.33 persons per household in 2020 is down slightly from the 2.37 persons recorded by the 2010 Census, and continues a gradual decrease in the average number of people per household dating back to at least 1990. The Esri estimate for Deuel County shows an average household size of 2.35 persons in 2020, similar to the AGS estimate.

Household Projections

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

Table 7 Household Projections Through 2025						
	AGS			Esri		
	2020 Estimate	2025 Projection	Change	2020 Estimate	2025 Projection	Change
Clear Lake	527	483	-44	535	527	-8
Deuel County	1,838	1,771	-67	1,910	1,937	27

Source: AGS, Esri

- ▶ AGS is projecting that Clear Lake will lose 44 households from 2020 to 2025, or an annual average of approximately 8 to 9 households per year over the 5-year period. Annual household losses at this level for Clear Lake would be significantly greater than the recent past, as AGS believes that the City had been losing an average of only 2 to 3 households per year between 2010 and 2020.
- ▶ Esri’s projection for the City of Clear Lake expects relative stability, with the anticipated loss of only 1 to 2 households per year through 2025. This would be consistent with their estimate since 2010 which also shows only a minor decrease in the number of households in Clear Lake.
- ▶ The AGS projection for Deuel County expects the loss of 67 households, or approximately 13 households per year over the 5-year time period. For the County, this annual numeric loss would be much greater than the AGS estimate for the time period from 2010 to 2020, which showed some limited household growth Countywide.
- ▶ Esri is projecting some household growth for Deuel County, with the expected addition of 27 households over the 5-year projection period.
- ▶ In the opinion of the analysts, the projections from Applied Geographic Solutions are overly conservative, as no secondary information points to an accelerating loss of households in the future in Clear Lake or Deuel County. The projections from Esri are viewed as a more accurate prediction of future changes.

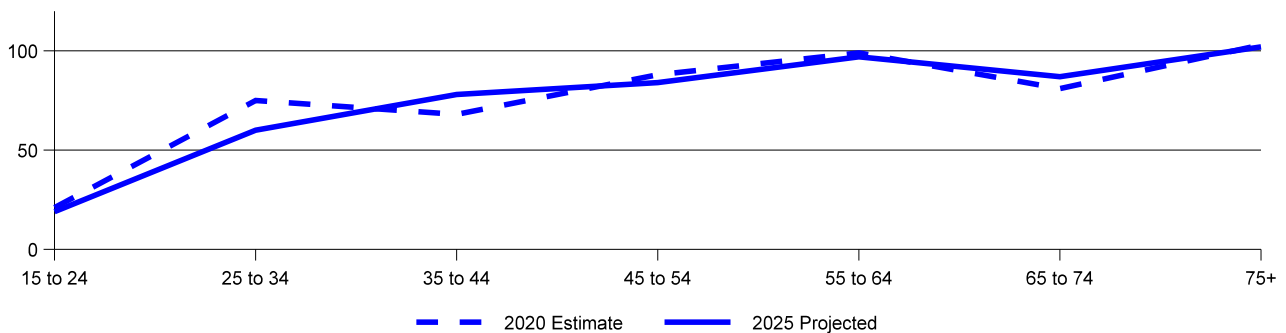
Clear Lake Household by Age Projections: 2020 to 2025

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 estimate to examine the change projected over the next five years. Age-based household forecasts are provided for the City of Clear Lake.

Table 8 Projected Households by Age - 2020 to 2025			
Age Range	2020	2025	Change
15-24	21	19	-2
25-34	75	60	-15
35-44	68	78	10
45-54	88	84	-4
55-64	99	97	-2
65-74	81	87	6
75+	103	102	-1
Total	535	527	-8

Source: Esri

Clear Lake Households by Age of Householder: 2020 to 2025



Esri is projecting very limited change in the age patterns in Clear Lake from 2020 to 2025, with an overall reduction of only 8 total households. Within most of the defined age ranges, relative stability would be expected. There are only three age groups where the expected change is more than five households.

Esri is projecting the greatest movement within some of the younger adult ranges. A reduction of 15 households is projected within the 25 to 34 year old age range. However, an increase of 10 households is projected within the 35 to 44 year old range, as some younger households advance in the aging cycle.

Some growth is also expected within the 65 to 74 year old range, generally reflecting the movement of the “baby boom” generation through the aging cycle.

If the age ranges are aggregated into larger groupings, the Esri projections expect a net reduction of 11 households age 54 and younger, but a net gain of three households age 55 and older between 2020 and 2025.

Households by Type

The American Community Survey contains estimates on household composition. Since these are based on sampling, there is a margin of error that applies, but this information does allow for some comparison of changes that may have occurred since the 2010 Census was completed. The following table looks at household information for the City of Clear Lake.

Table 9 Clear Lake Household Composition - 2010 to 2019			
	2010 Census	2019 ACS	Change
Family Households			
Married Couple with own children	98	102	4
Single Parent with own children	43	37	-6
Married Couple without own children	175	230	55
Family Householder without spouse	22	7	-15
Total Families	338	376	38
Non-Family Households			
Single Person	197	205	8
Two or more persons	17	49	32
Total Non-Families	214	254	40

Source: U.S. Census; American Community Survey

The 2019 American Community Survey appears to have significantly over estimated the number of households in Clear Lake. As a result, this source shows a significant increase, in both family and non-family households in recent years. However, the trends indicated by household change can still be informative.

For family households, the American Community Survey showed the greatest growth among married couples without children.

For non-family households, the greatest growth occurred from unrelated people living together.

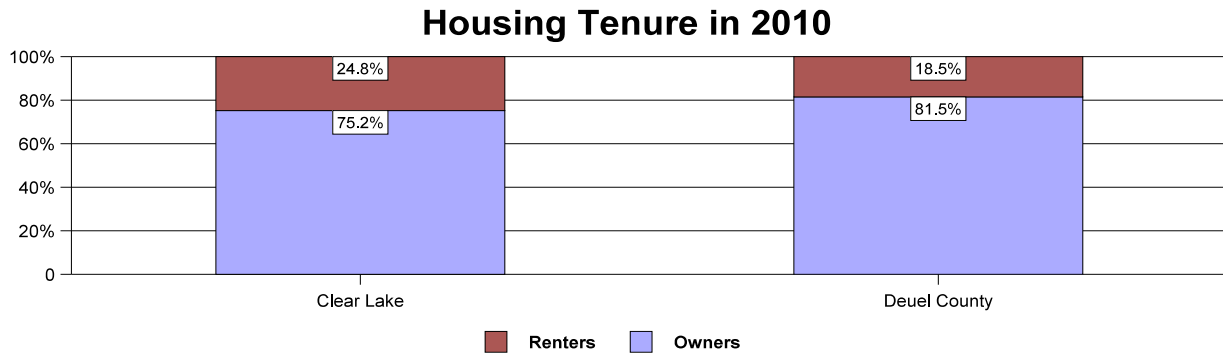
Housing Tenure

There are no reliable intercensal estimates for housing tenure for the City and County. The following table presents the owner and renter household distribution from the 2010 Census. The release of the 2020 Census data within the next year will re-benchmark housing tenure distribution.

Table 10 Household Tenure - 2010				
	Number of Owners	Percent of all Households	Number of Renters	Percent of all Households
Clear Lake	415	75.2%	137	24.8%
Deuel County	1,482	81.5%	337	18.5%

Source: U.S. Census

At the time of the 2010 Census, the rental rate in the City of Clear Lake was nearly 25%. The City is one of the primary rental centers for Deuel County. However, the rental rate in Clear Lake was still below the Statewide renter rate of nearly 32% in 2010.



For all of Deuel County the home ownership rate was above 81% in 2010. In the smaller towns and rural townships in the County the rate of home ownership was high.

2019 Median Income Data

The American Community Survey provides income estimates for cities, towns and counties. The following table provides 2019 American Community survey data for Clear Lake, Deuel County and the State of South Dakota 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 11 Median Household Income - 2010 to 2019			
	2010 Median	2019 Median	% Change
Median Household Income			
Clear Lake	\$47,974	\$64,864	35.2%
Deuel County	\$47,000	\$65,437	39.2%
South Dakota	\$46,369	\$58,275	25.7%
Median Family Income			
Clear Lake	\$56,719	\$77,875	37.3%
Deuel County	\$55,439	\$71,648	29.2%
South Dakota	\$58,958	\$75,168	27.5%

Source: American Community Survey

Information contained in the American Community Survey shows very strong median income levels in the City of Clear Lake. Both the median household income and the median family income in Clear Lake were above the comparable Statewide medians, and had been increasing at faster rates. It is important to note that a margin of error does apply to American Community Survey estimates, but income levels in the community do appear to be relatively high.

Median income levels for all of Deuel County were also relatively high in 2019. The County's estimated median household income was well above the Statewide median, although the median family income was slightly lower than for the State of South Dakota.

Generally, family household incomes tend to be much higher than the overall household median, as families have at least two household members, and potentially more income-earners.

Using the commonly accepted standard that up to 30% of gross income can be applied to housing expenses without experiencing a cost burden, a median income household in Clear Lake could afford approximately \$1,620 per month and a median income family household could afford more than \$1,945 for ownership or rental housing in 2019.

However, there is a difference between the medians for home owner and renter households. In the City of Clear Lake, the estimated median income for all home owners in 2019 was \$68,125 compared to a median of \$38,125 for renters. At 30% of income, a household at the renter median could apply approximately \$955 without incurring a housing cost burden.

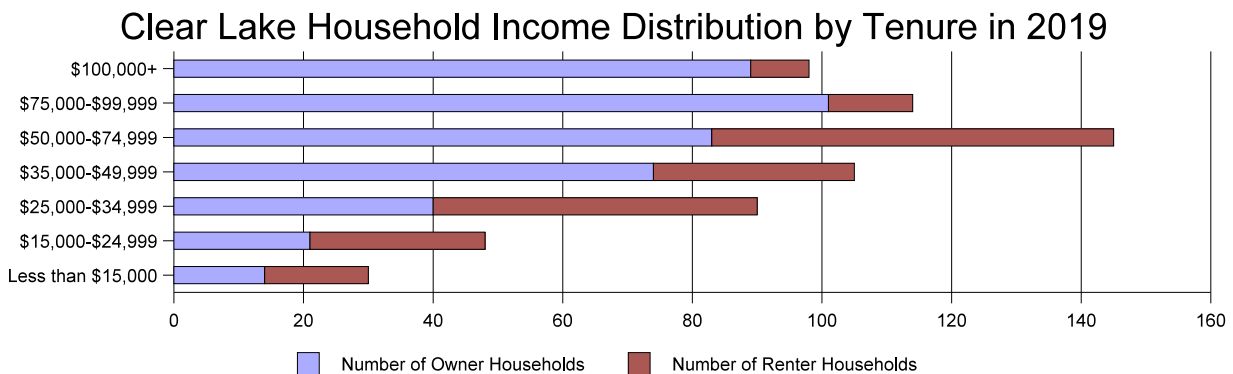
Clear Lake Income Distribution

The 2019 American Community Survey provides income data within specific income ranges. Based on other data, it appears that the American Community Survey has significantly over estimated the total number of households in the City, but the percentage distribution is assumed to be accurate.

Household Income	Owner Households	Renter Households	All Households
\$0 - \$14,999	14 / 46.7%	16 / 53.3%	30
\$15,000 - \$24,999	21 / 43.8%	27 / 56.2%	48
\$25,000 - \$34,999	40 / 44.4%	50 / 55.6%	90
\$35,000 - \$49,999	74 / 70.5%	31 / 29.5%	105
\$50,000 - \$74,999	83 / 57.2%	62 / 42.8%	145
\$75,000 - \$99,999	101 / 88.6%	13 / 11.4%	114
\$100,000+	89 / 90.8%	9 / 9.2%	98
Total	422	208	630

Source: ACS

In 2019, income levels were widely distributed, but in all of the defined ranges above \$35,000, a majority of households were home owners. However, in the income ranges below \$35,000, most households were renting their housing. For all households with an income below \$35,000 the rental tenure rate was above 55%. For all households with an income of \$35,000 or more, the rate of home ownership was above 75%.



2019 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 income for housing in Clear Lake. The American Community Survey appears to have over estimated the number of renter households in Clear Lake, when compared to other data sources, but the percentage for housing costs are viewed as the best available data on this topic.

Table 13 Gross Rent as a Percentage of Income - City of Clear Lake		
Percent of Income for Housing	Number of Households	Percent
Less than 20%	84	40.4%
20% to 29.9%	31	14.9%
30% to 34.9%	7	3.4%
35% or more	33	15.9%
Not Computed	53	25.5%
Total	208	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”.

The American Community Survey estimates for Clear Lake showed a large number of renter households where a percentage of income for housing could not be computed. Excluding this group gives a more reliable look at cost burden statistics.

For renters reporting housing costs, fewer than 26% reported paying 30% or more of their income for gross rent. Most households in Clear Lake were able to find affordable rental housing. However, most of the households with a cost burden were actually applying 35% or more of income, and would be in the severe cost burden category.

The relatively low rate of cost burden is linked in part to the above-average median household income of \$38,125 for renter households in 2019.

2019 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 Clear Lake that are paying different percentages of their gross household income for housing costs. The American Community Survey appears to have over estimated the number of home owners in Clear Lake, when compared to other estimating sources, but the percentage for housing costs are viewed as the best available data on this topic

Table 14 Clear Lake Owner Costs as a Percentage of Income: 2019		
Percentage of Income for Housing Costs	Number of Owner Households	Percent of All Owner Households
0% to 19.9%	322	76.3%
20% to 29.9%	58	13.7%
30% or more	42	10.0%
Not Computed	0	0%
Total	422	100%

Source: American Community Survey

Mortgage lending practices generally attempt to keep monthly payments below 30% of household income. A very large majority of owner-occupants in Clear Lake, which would include households with and without a mortgage, reported paying less than 30% of their income for housing. Only 10% of all home owners reported that they paid more than 30% of their income for housing.

Ownership cost burden often tends to be lower due to higher income levels for most home owners. In 2019, the estimated median income for owner-occupants in Clear Lake was above \$68,000.

Building Permit Trends

Clear Lake has experienced only limited new housing construction activity in recent years. Based on building permit reporting to the U.S. Census Bureau, there have been eight single family houses permitted between 2010 and 2020.

- ▶ 2010 - 1 house
- ▶ 2014 - 1 house
- ▶ 2016 - 2 houses
- ▶ 2017 - 2 houses
- ▶ 2018 - 1 house
- ▶ 2020 - 1 house

No multifamily construction could be identified from building permit reports.

American Community Survey Housing Data

The Census Bureau's American Community Survey includes information on various housing topics. As stated previously, the estimates for small communities are based on limited sampling, which results in a margin of error within the individual data being presented.

Median Year of Construction - Owner-occupancy Housing

For owner-occupancy units in Clear Lake, the estimated median year of construction is 1966. Approximately 57% of all owner-occupancy houses in the City were constructed prior to 1970.

Median Year of Construction - Renter-occupancy Housing

For renter-occupancy units in Clear Lake, the estimated median year of construction is 1973. Nearly 36% of all renter-occupancy units in the City were constructed prior to 1970.

Mobile Homes

According to the American Community Survey estimates there were seven mobile homes in the City of Clear Lake in 2019. All of these were identified as owner-occupancy housing.

The visual housing conditions survey, reported later in this document, identified nine mobile homes in the City.

Existing Home Sales

This section examines houses that have been sold in Clear Lake from 2016 through 2020. 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 Deuel 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. Only the “good” sales have been used in the analysis that follows.

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

Table 15 Median Value of Recent Residential Sales - 2016 to 2020				
Year	Number of Sales	Median Sale Price	Highest Sale	Lowest Sale
2020	31	\$123,400	\$285,000	\$28,000
2019	19	\$92,900	\$184,000	\$40,000
2018	25	\$99,500	\$218,000	\$32,000
2017	18	\$86,000*	\$155,000	\$5,100
2016	24	\$80,000	\$210,000	\$18,000

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

* Median calculated from two nearest sales

With a limited number of sales within any 12-month time period, there has been some variation in the annual median price in Clear Lake since 2016. In 2020, when 31 open market sales were recorded, the median sale price was \$123,400. However, this was the only single year in the previous five years when the median was above \$100,000.

In 2019, the median price was \$92,900, based on 19 sales. In 2018 the median was \$99,500 based on 25 sales.

In each of the years reviewed at least one home has been sold for more than \$150,000. At least one sale occurred annually for \$40,000 or less.

An alternate estimate of home values exists in the American Community Survey. In 2019, the estimated median value for all owner-occupied housing in Clear Lake was \$120,900. This estimate was similar to the median sale price recorded in 2020.

Clear Lake Housing Condition

Community Partners Research, Inc. representatives conducted a visual 'windshield' survey of single family/duplex houses in two defined neighborhoods in the City of Clear Lake. Houses that appeared to contain three or more residential units were excluded from the survey.

The two neighborhoods contain most of the City's older housing stock. The neighborhood boundaries are as follows:

Neighborhood #1: North - 3rd Street North
 South - Lockhart Street West
 East - Railroad Avenue/Prospect Avenue South
 West - 3rd Avenue South

Neighborhood #2: North - 2nd Street West
 South - 6th Street West
 East - 3rd Avenue South
 West - 8th Avenue South

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

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

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

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

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

Table 16 Windshield Survey Condition Estimate - 2020

	Sound	Minor Repair	Major Repair	Dilapidated	Total
Neighborhood #1	32 / 30.2%	44 / 41.5%	21 / 19.8%	9 / 8.5%	106
Neighborhood #2	56 / 41.5%	61 / 45.2%	16 / 11.8%	2 / 1.5%	135
Total	88 / 36.5%	105 / 43.6%	37 / 15.3%	11 / 4.6%	241

Source: Community Partners Research, Inc.

- ▶ In the combined neighborhoods, more than 90% of the houses were rated in the two highest condition categories, with nearly 37% rated as Sound and approximately 44% needing Minor Repair.
- ▶ In Neighborhood #1 there were 21 houses rated in the Major Repair category, and 9 houses that were viewed as Dilapidated, and probably beyond repair.
- ▶ In Neighborhood #2 there were 16 houses rated in the Major Repair category, and 2 houses that were viewed as Dilapidated, and probably beyond repair.
- ▶ With 11 Dilapidate houses in these two neighborhoods, a program to clear severely substandard structures may be needed.

Mobile Home Condition

Community Partners Research, Inc. representatives also viewed and rated nine mobile homes in Clear Lake's mobile home park. The same rating classifications were used as defined on the previous page.

Table 17 Mobile Home Survey Condition Estimate - 2020

	Sound	Minor Repair	Major Repair	Dilapidated	Total
Mobile homes	2 / 22.2%	4 / 44.4%	3 / 33.3%	0 / 0%	9

Source: Community Partners Research, Inc.

- ▶ The mobile homes in Clear Lake are in fair condition. Approximately 44% of the mobile homes need minor repair and 33% need major repair. Approximately 22% are sound, with no required improvements.
- ▶ There were no mobile homes that were rated as dilapidated and beyond repair.

Rental Housing Data

Census Bureau Rental Inventory

According to the 2010 U.S. Census, there were approximately 170 rental units in Clear Lake. The City's rental tenure rate in 2010 was 24.8%, below the Statewide rental rate of 31.9%.

We are not aware of any rental units that have been constructed since the 2010 Census, however, some owner-occupied homes may have converted to rental use, or vice versa. Also, rental units may have been removed from the housing stock due to demolition or their condition.

We are estimating that in 2020, Clear Lake's rental inventory remains at approximately 170 rental units.

Rental Housing Survey

As part of this housing study, a telephone survey was conducted of multifamily projects in Clear Lake. Emphasis was placed on contacting properties that have three or more units. 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 units, subsidized housing and senior housing with services.

There were 126 housing units of all types that were contacted in the survey. In addition to the 126 rental units, the nursing home, which has 40 long-term care beds, was also surveyed.

The units that were successfully contacted include:

- ▶ 77 market rate units
- ▶ 18 federally subsidized units
- ▶ 15 assisted living units
- ▶ 16 senior independent/light services units
- ▶ 40 beds in the nursing home

The findings of the survey are provided below.

Market Rate Summary

Information was obtained on 77 market rate rental units in 10 rental projects. The projects surveyed range from a duplex to a 16-unit building.

Unit Mix

Information on bedroom mix was obtained from all 77 of the market rate units that were surveyed. The breakdown of the bedroom mix is:

- ▶ one-bedroom - 25 (32.5%)
- ▶ two-bedroom - 46 (59.7%)
- ▶ three-bedroom - 6 (7.8%)

Occupancy / Vacancy

There were 18 vacant units in the 77 market rate units that were surveyed. This is a vacancy rate of 23.4%. A healthy vacancy rate is 3% to 5%. Four of the 10 market rate rental projects had no vacancies and one project had one vacancy. Four projects had three vacancies and one project had five vacancies.

Rental Rates

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

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

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

<u>Unit Type</u>	<u>Lowest/Highest Gross Rents</u>
One-bedroom	\$375-\$450
Two-bedroom	\$475-\$780
Three-bedroom	\$550-\$850

Tax Credit Summary

There are no tax credit units in Clear Lake.

Subsidized Summary

The research completed for this Study identified only one subsidized project in Clear Lake that provides rental opportunities for lower income households. Deuel Manor Apartments is an 18-unit general occupancy subsidized HUD Section 8 project. The 18 units are all one-bedroom.

Deuel Manor Apartments tenants pay 30% of their household income up to a maximum market rent.

Occupancy / Vacancy

There were four vacant units in Deuel Manor Apartments at the time of the survey. This is a 22.2% vacancy rate.

Subsidized Housing Gains/Losses

Federal subsidy sources for low income rental housing have been very limited for the past few decades. Deuel Manor Apartments was constructed in 1980. Some of the older projects in the State of South Dakota have completed their compliance requirements and have the opportunity to leave their subsidy program and convert to conventional rental housing.

Senior Housing with Services

Unit Inventory

Clear Lake has three senior with services projects. These projects include:

- ▶ ***Hidewood Estates*** - Hidewood Estates includes 12 one and two-bedroom senior independent/light services units. The units provide housing for seniors that can live relatively independently. The tenants receive a noon meal, continental breakfast and light housekeeping. The Administrator reported no vacancies and a waiting list at the time of the survey.

- ▶ ***Four Seasons Assisted Living*** - Four Seasons Assisted Living is an assisted living facility with 15 units. The full array of assisted living services is provided including meals, bathing, laundry, housekeeping, medication management, social activities, etc. The Administrator reported several vacant beds at the time of the survey.

- ▶ ***Good Samaritan Society*** - The Nursing Home is a licensed 40-bed skilled nursing facility. The facility had several vacant beds at the time of the survey.

Table 18 Clear Lake Multifamily Rental Housing Inventory

Name	Number of Units /Bedroom Mix	Rent	Vacancy/ Wait List	Tenant Mix	Comments
Market Rate					
Apartments on Main	8 - 1 bedroom <u>1 - 2 bedroom</u> 9 total units	Ranges from \$350-\$500	3 vacancies	General occupancy	Apartments on Main includes nine general occupancy market rate units in a downtown building. There are eight one-bedroom units and one two-bedroom unit. Rents range from \$350 to \$500. Tenants also pay electricity. The owner reported three vacancies at the time of the survey.
Cook Apartments	2 - 1 bedroom 2 - 2 bedroom <u>4 - 2 bedroom</u> 4 total units	\$450 to \$550	No vacancies	General occupancy	Cook Apartments includes five general occupancy market rate units. There are two one-bedroom units, two two-bedroom units and one three-bedroom unit. Rent ranges from \$450 to \$550. The rent includes all utilities. The owner reported no vacancies at the time of the survey.
Red Barn Apartments	<u>3 - 3 bedroom</u> 3 total units	Not provided	No vacancies	General occupancy	Red Barn Apartments includes 3 three-bedroom units. The units are approximately 24 years old. The owner did not provide rent information. The owner reported no vacancies at the time of the survey.
Vince Swenson Apartments	1 - 1 bedroom <u>1 - 2 bedroom</u> 2 total units	\$300 \$400	No vacancies	General occupancy	The Vince Swenson Apartments has two general occupancy market rate apartments. There is one one-bedroom unit and one two-bedroom unit. Rent is \$300 for the one-bedroom unit and \$400 for the two-bedroom unit. Tenants also pay heat and electricity. The owner reported no vacancies at the time of the survey.
Paulson Apartments	8 - 1 bedroom <u>8 - 2 bedroom</u> 16 total units	\$375 \$475	5 vacancies	General occupancy	Paulson Apartments is a 16-unit general occupancy market rate project. There are eight one-bedroom and eight two-bedroom units. Rent is \$375 for a one-bedroom unit and \$475 for a two-bedroom unit. The rent includes utilities. The manager reported five vacancies at the time of the survey.

Table 18 Clear Lake Multifamily Rental Housing Inventory

Name	Number of Units/ Bedroom Mix	Rent	Vacancy/ Wait List	Tenant Mix	Comments
Market Rate					
HRC (Krause) Apartments	6 - 2 bedroom <u>2 - 3 bedroom</u> 8 total units	\$525-\$607 \$650	No vacancies	General occupancy	The HRC Apartments include eight general occupancy market rate units. There are six two-bedroom and two three-bedroom units. The units were developed by the Housing and Redevelopment Commission, but have been sold and are currently privately owned. The units are 21 years old. Rent is \$525 to \$607 for a two-bedroom unit and \$650 for a three-bedroom unit. Tenants also pay utilities. The owner reported no vacancies at the time of the survey.
308 5 th St W	<u>8 - 2 bedroom</u> 8 total units	\$475	3 vacancies	General occupancy	The rental project at 308 5 th St. W. has eight general occupancy market rate units. All of the units are two-bedroom. Rent is \$475 and includes utilities. The manager reported three vacancies at the time of the survey.
511 3 rd Ave S	<u>12 - 2 bedroom</u> 12 total units	\$475	3 vacancies	General occupancy	The rental project at 511 3 rd Ave. S. has 12 general occupancy market rate units. All of the units are two-bedroom. Rent is \$475 and includes utilities. The manager reported three vacancies at the time of the survey.
413 7 th Ave S	<u>6 - 1 bedroom</u> 6 total units	\$375	3 vacancies	General occupancy	The rental project at 413 7 th Ave. S. includes six general occupancy market rate units. All of the units are one-bedroom. Rent is \$375 and tenants also pay electricity. The manager reported three vacancies at the time of the survey.
Gantvoort Apartments	<u>8 - 2 bedroom</u> 8 total units	\$450	1 vacancy	General occupancy	Gantvoort Apartments include eight two-bedroom market rate general occupancy units. All of the units are two-bedroom. Rent is \$450 and the tenants also pay all utilities. The manager reported one vacancy at the time of the survey.

Table 18 Clear Lake Multifamily Rental Housing Inventory					
Name	Number of Units/ Bedroom Mix	Rent	Vacancy/ Wait List	Tenant Mix	Comments
Subsidized					
Deuel Manor Apartments	<u>18 - 1 bedroom</u> 18 total units	\$681 max. 30% of income	4 vacancies	General occupancy	Deuel Manor Apartments is a HUD Section 8 general occupancy subsidized project. The project has 18 one-bedroom units. Tenants must meet income limits and pay 30% of their income up to a market rent of \$681. The project received a waiver to rent units to plower plant workers. The workers pay the market rent. The manager reported four vacancies at the time of the survey.
Senior Housing with Services					
Hidewood Estates Good Samaritan Society	1 bedroom <u>2 bedroom</u> 12 total units	Based on type of unit Rent starts at \$1,277	No vacancies and a waiting list	Senior housing with light services	Hidewood Estates is a 12-unit senior independent/light services rental project. There are one and two-bedroom units. Rent is based on the type of unit and starts at \$1,277. The rent includes a noon meal, continental breakfast and light housekeeping. Hidewood Estates is part of the Good Samaritan Society Senior Campus. The Administrator reported no vacancies and a waiting list at the time of the survey.
Four Seasons Assisted Living Good Samaritan Society	15 - Assisted <u>living units</u> 15 total units	Based on level of services	Several vacancies	Assisted Living Center	Four Seasons Assisted Living includes 15 assisted living units. The facility includes the full array of assisted living services including meals, housekeeping, laundry, bathing, medication management, etc. The Administrator reported several vacancies at the time of the survey. Four Seasons Assisted Living is part of the Good Samaritan Society Campus.
Good Samaritan Society Skilled Nursing Care	<u>40 beds</u> 40 total	Based on level of services	Several vacancies	Skilled Nursing Home	The Good Samaritan Society Nursing Home is a 40-bed facility that provides skilled nursing care. The Nursing Home is part of the Good Samaritan Society Senior Campus. The Administrator reported several vacancies at the time of the survey.

Source: Community Partners Research, Inc.

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.

Work Force and Unemployment Rates

Employment information is only available at the county-level, and has been analyzed for Deuel County. The labor force statistics track people by place of residence, rather than place of employment.

Table 19 County Average Annual Labor Force: 2010 to 2020						
Year	Labor Force	Employed	Unemployed	Unemployment Rate - County	Unemployment Rate - SD	Unemployment Rate - US
2010	2,478	2,311	167	6.7%	4.9%	9.6%
2011	2,513	2,360	153	6.1%	4.6%	8.9%
2012	2,479	2,332	147	5.9%	4.1%	8.1%
2013	2,374	2,241	133	5.6%	3.7%	7.4%
2014	2,329	2,203	126	5.4%	3.3%	6.2%
2015	2,307	2,193	114	4.9%	3.0%	5.3%
2016	2,239	2,130	109	4.9%	3.0%	4.9%
2017	2,197	2,093	104	4.7%	3.1%	4.4%
2018	2,167	2,070	97	4.5%	2.9%	3.9%
2019	2,172	2,067	105	4.8%	3.0%	3.7%
2020	2,192	2,053	139	6.3%	4.6%	8.1%

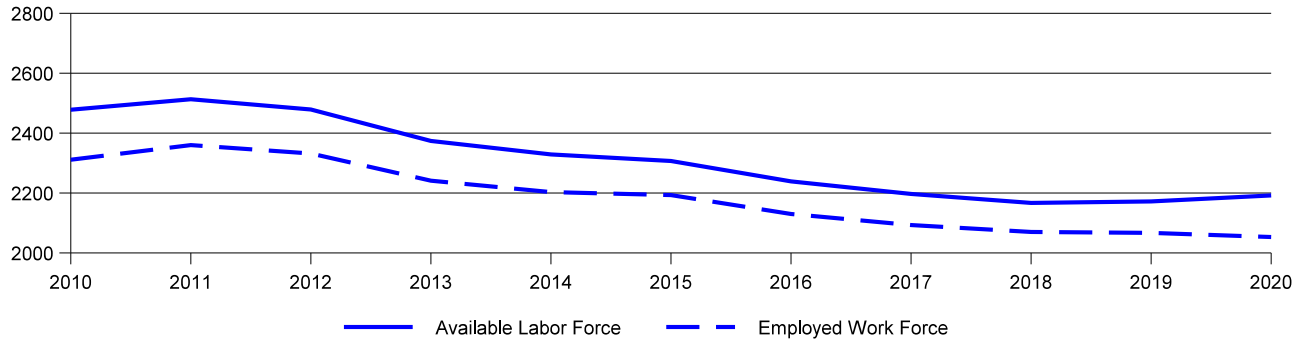
Source: South Dakota Department of Labor

Over the current decade there has been a gradual decrease in the size of the County’s resident labor force. However, since 2016 this pattern appears to have stabilized, with very little change in the local labor force.

Between 2010 and 2020, the County’s labor force decreased by 268 people, or -11.5%. Between 2017 and 2020, the size of the County’s labor force only decreased by five people.

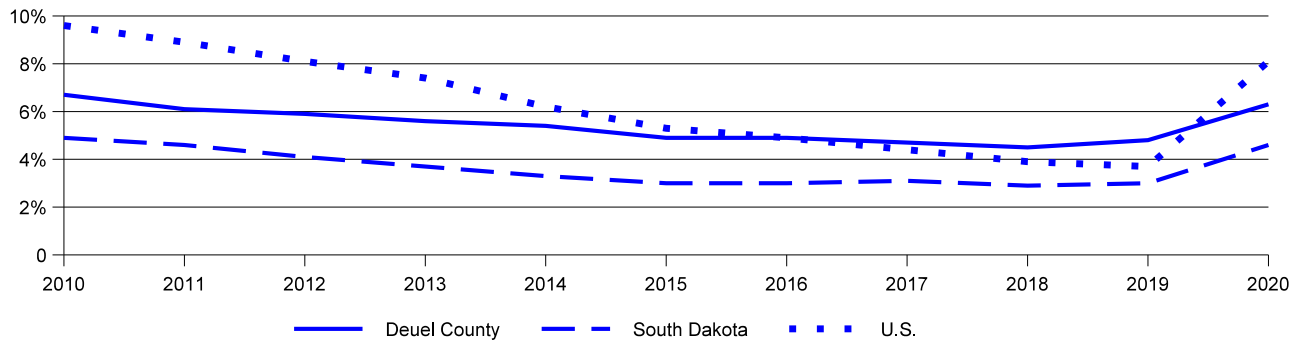
The employed work force has generally followed a somewhat similar pattern. From 2010 to 2020, the number of employed County residents increased by 258 people, or -11.2%. The size of the employed work force does not appear to have been overly impacted by the global health pandemic in 2020.

Deuel County Labor Force and Employed Work Force



With the County’s available labor force and employed workforce declining between 2010 and 2020, there was limited change in the unemployment rate if these two years are compared. However, the unemployment rate had reached a recent low of 4.5% in 2018 before increasing slightly in 2019. The 2020 pandemic did increase the unemployment rate in Deuel County.

Unemployment Rates



Since 2010, the unemployment rate for Deuel County has remained above the Statewide rate, and was above the national rate from 2017 to 2019.

Average Annual Wages by Industry Sector

The following table shows the annual employment and average annual wages by major employment sector in 2019, the last full year of data. It is important to note that the major employment sectors listed do not represent all employment in the County. This information is for all of Deuel County.

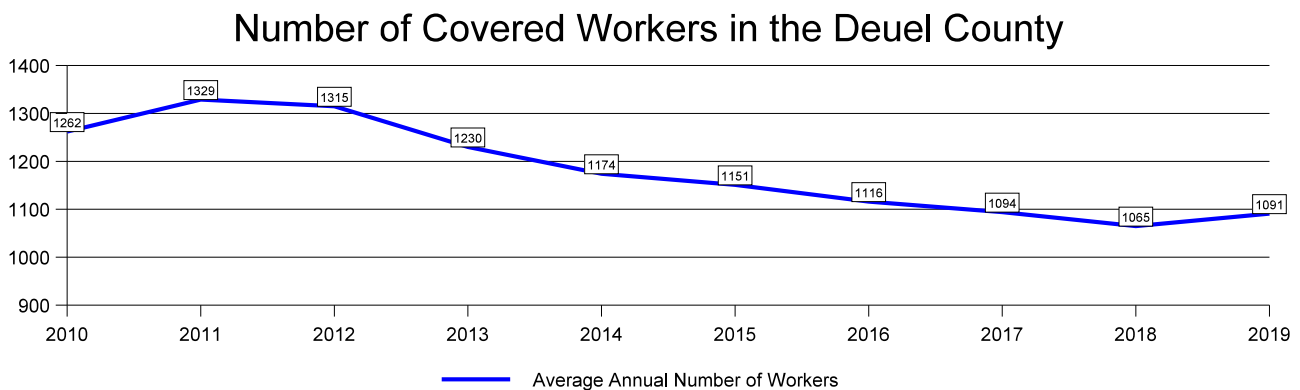
Table 20 County Average Weekly Wage: 2019		
Industry	Employment	Average Weekly Wage
Total All Industry	1,091	\$877

Source: South Dakota Department of Labor

The average weekly wage for all industry in 2019 was \$877. At full-time employment this would equate to an annual wage of approximately \$45,617.

Statewide the average weekly wage in 2019 was \$872, very similar to the average wage in Deuel County.

Using the QCEW it is possible to examine longer-term patterns in the local employment level. The following chart 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 Deuel County had decreased by 171 jobs, or -13.5%. However, the number of covered jobs has largely remained stable since 2017, and there was a small increase between 2018 and 2019.

Commuting Patterns of Area Workers

Information is available on area workers that commute for employment. The best information is from the 2019 American Community Survey, and has been examined for Clear Lake. This table only examines people that commuted, and excludes people that work at home.

Table 21 Commuting Times for Residents - 2019		
Travel Time	Number	Percent
Less than 10 minutes	367	48.9%
10 to 19 minutes	111	14.8%
20 to 29 minutes	79	10.5%
30 minutes +	193	25.7%
Total	750	100%

Source: American Community Survey

Most Clear Lake residents were able to work locally in 2019, with nearly 64% commuting less than 20 minutes to work. However, nearly 26% of the City’s residents were longer-distance commuters and traveling 30 minutes or more.

Travel time by location of employment is also provided. For people that worked in Clear Lake the following travel times were identified.

Table 22 Commuting Times for Clear Lake Employees - 2019		
Travel Time	Number	Percent
Less than 10 minutes	325	50.9%
10 to 19 minutes	160	25.0%
20 to 29 minutes	54	8.5%
30 minutes +	100	15.6%
Total	639	100%

Source: American Community Survey

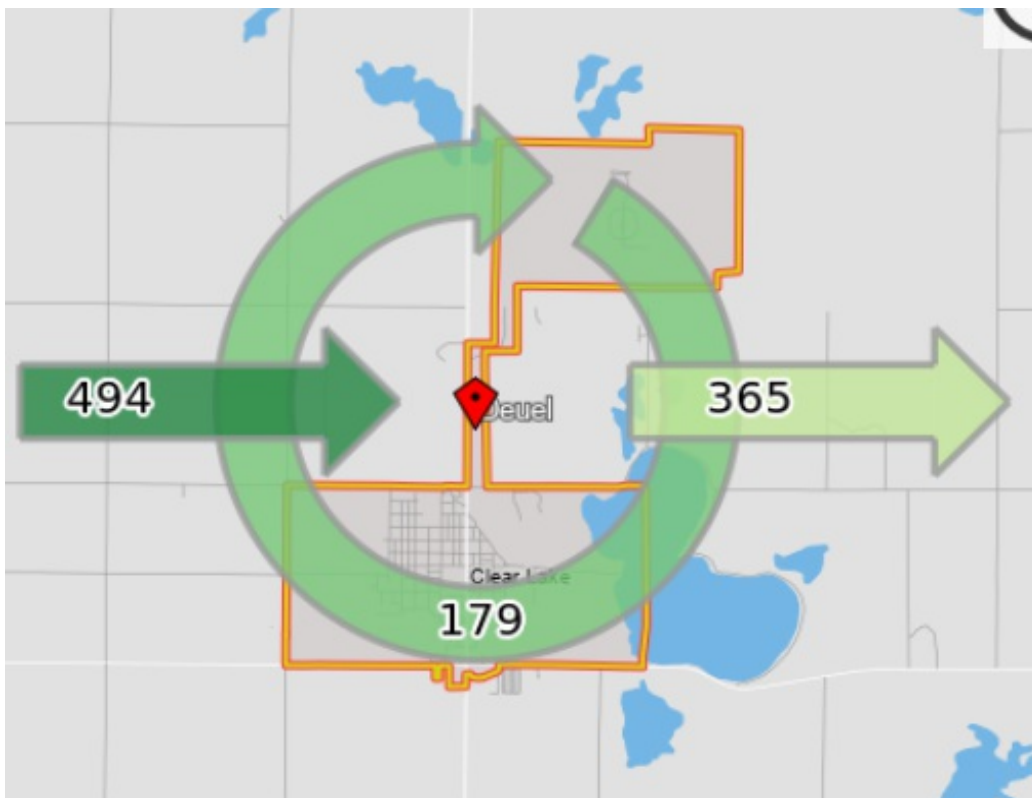
Most of the people that worked in Clear Lake in 2019 lived in the immediate area. Overall, nearly 76% of City-based workers were traveling less than 20 minutes for their primary job. There were more than 150 people traveling 20 minutes or more to their job in the City.

Census On the Map

The Census Bureau also produces commuter reports through its Center for Economic Studies division. This information is based on reports for the year 2018, and provides a further breakdown of worker movement patterns.

According to the report for Clear Lake, there were 673 people that were employed within the city limits in 2018. There were 179 of these Clear Lake-based employees also lived within the City, with 494 employees commuting in to work. The primary identified jurisdictions supplying workers to the City were Watertown, Clear Lake Township, Norden Township, Brookings, Gary and Toronto.

There were 544 people living in Clear Lake that were employed. There were 365 Clear Lake residents that left their home community to work elsewhere, and 179 that both lived and worked in the City. The primary locations listed for outbound commuters were Watertown, Sioux Falls, Brookings, Clear Lake Township and Webster.



Findings on Growth Trends

As part of this Study, Community Partners Research, Inc., has examined growth patterns for Clear Lake and Deuel County over the past few decades. These historic growth trends assist in projecting future demographic changes in the area.

Clear Lake's population increased by 7.1% from 1990 to 2000. The population decreased from 1,247 in 1990 to 1,335 in 2000. From 2000 to 2010, Clear Lake's population decreased by 62 people, which was a population loss of 4.6%.

AGS, a private data services provider, estimates that from 2010 to 2020, the City had a loss of 49 people. Esri estimates that Clear Lake had a loss of 52 people from 2010 to 2020 and the Census Bureau estimates that from 2010 to 2019, Clear Lake had a loss of 11 people.

Deuel County's population decreased from 4,522 in 1990 to 4,498 in 2000, which was a decrease of 0.5%. The population continued to decline in the 2000s from 4,498 in 2000 to 4,364 in 2010, which was a loss of 3.0%.

AGS estimates that Deuel County had a loss of 33 people from 2010 to 2020. The U.S. Census estimate shows a loss of 13 people from 2010 to 2019.

Household levels increased from 1990 to 2000 in Clear Lake and Deuel County. Clear Lake experienced a gain of 27 households from 1990 to 2000 followed by a loss of 13 households from 2000 to 2010. AGS estimates that Clear Lake had a decrease of 25 households from 2010 to 2020. Esri estimates that from 2010 to 2020, Clear Lake had a decrease of 17 households.

Deuel County had a gain of 76 households from 1990 to 2000, and a decrease of 24 households from 2000 to 2010. AGS estimates that from 2010 to 2020, Deuel County increased by 19 households, and Esri estimates that Deuel County had a significant gain of 91 households.

Findings on Projected Growth

This Study has utilized AGS and Esri projections for the City of Clear Lake and Deuel County. Esri forecasts that Clear Lake will lose 21 people and eight households from 2020 to 2025. AGS projects that Clear Lake will lose 28 people and 44 households from 2020 to 2025.

Esri forecasts that Deuel County's population will increase by 47 people and 27 households from 2020 to 2025. AGS forecasts that from 2020 to 2025, Deuel County will gain 125 people, but lose 67 households.

Summary of Clear Lake’s Growth Projections by Age Group

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

Consistent with the age distribution data presented earlier, the movement of the “baby boom” generation through the aging cycle should generate some of the City’s household growth. Age projections expect the City to add approximately six households in the 65 to 74 age range from 2020 to 2025.

The Esri age-based projections also expect a significant increase of 10 households in the 35 to 44 age range.

Clear Lake is projected to lose 17 households in the 15 to 34 age ranges, six households in the 45 to 64 age ranges and one household in the 75 and older age range.

The projections assume that historical patterns will continue into the near-future, especially related to household formation and household size within specific age groups. If Clear Lake adds population at a rate that is faster or slower than past patterns would suggest, traditional age-based forecasts would be altered.

<u>Age Range</u>	<u>Projected Change in Households 2020 to 2025</u>
15 to 24	-2
25 to 34	-15
35 to 44	10
45 to 54	-4
55 to 64	-2
65 to 74	6
75 and older	<u>-1</u>
Total	<u>-8</u>

Findings on Unit Demand by Type of Housing

Based on the household by age projections presented earlier, the changing age composition of Clear Lake's population through the projection period will have an impact on demand for housing.

Age 24 and Younger - The projections used for this Study expect a two household loss in the 15 to 24 age range from 2020 to 2025. Past tenure patterns indicate that a majority of the households in this age range rent their housing. If new housing options become available in Clear Lake, a significant percentage of households in this age range will continue to rent their housing.

25 to 34 Years Old - The projections show a loss of 15 households in this age range by 2025. Within this age range households often move from rental to ownership housing. A loss of 15 households within this age range indicates demand for both first-time home buyer and rental opportunities from this age range will decrease during the projection period.

35 to 44 Years Old - The projections for this 10-year age cohort expect a significant gain of 10 households between 2020 and 2025 in Clear Lake. In the past, this age group has had a high ownership rate in Clear Lake. Households within this range often represent both first-time buyers and households looking for trade-up housing.

45 to 54 Years Old - The projections show a loss of four households in this age range. This age group typically has had a high rate of home ownership in Clear Lake, and will often look for trade-up housing opportunities. A slight decrease in the number of households in this age group indicates that the demand for trade-up housing from this age range will remain relatively stable during the projection period.

55 to 64 Years Old - The projections show a loss of two 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 Clear Lake. 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. Also, households in this age range often seek trade-up housing.

65 to 74 Years Old - A gain of six households is expected by the year 2025 in the 65 to 74 age range. While this group will begin moving to life-cycle housing options as they age, the younger seniors are still predominantly home owners. Once again, preferences for age-appropriate units would increase from household growth within this age cohort.

75 Years and Older - There is a projected loss of one household in Clear Lake in this age range between 2020 and 2025. An expansion of 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.

Findings on Housing Unit Demand and Tenure

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

Demand from Growth - The household projections used for this Study expect the number of households in Clear Lake and Deuel County to remain relatively stable from 2020 to 2025. However, some age ranges will have household growth, which will result in the demand for some housing types.

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

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

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

Strengths for Housing Development

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

- ▶ **Clear Lake serves as a small regional center** - Clear Lake provides employment opportunities, retail/service options, health and professional services and recreational facilities for a geographical area that surrounds the City.
- ▶ **Affordable priced housing stock** - The City of Clear Lake has a stock of affordable, existing houses. Our analysis shows that the City's median home value based on 2020 sales is approximately \$123,400. This existing stock, when available for sale, provides an affordable option for home ownership.
- ▶ **Adequate land for development** - Clear Lake has land available for both residential and commercial/industrial development. However, some of this land needs to be serviced with infrastructure improvements and/or annexed into the City limits.
- ▶ **Educational system** - Clear Lake has a public preschool through grade 12 school system.
- ▶ **Infrastructure** - Clear Lake's water and sewer infrastructure can accommodate future expansion.
- ▶ **Commercial development** - Clear Lake's commercial district is adequate to meet most daily needs and there are ongoing efforts to improve the downtown.
- ▶ **Housing developers** - Clear Lake has housing developers that may be willing to invest in housing development and housing projects in the community.
- ▶ **Available lots and lot development** - The City currently has lots available for new housing construction.
- ▶ **Employers** - Clear Lake has several large employers that provide job opportunities for local and area residents.

- ▶ **Clear Lake Housing and Redevelopment Commission** - The Clear Lake Housing and Redevelopment Commission has constructed rental units in the City.
- ▶ **Deuel Area Development, Inc.** - Deuel Area Development, Inc. is very active in promoting economic development, community development, employment, lot development and housing opportunities for the City of Clear Lake.
- ▶ **Small-town atmosphere** - Clear Lake is a small town with the real and perceived amenities of small communities. This small-town living is attractive to some households.
- ▶ **Health facilities** - Clear Lake has an assisted living facility, a nursing home, a hospital, a medical clinic, and a pharmacy.
- ▶ **Clear Lake is located near two regional centers** - Clear Lake is located 28 miles from Watertown and 36 miles from Brookings, both of which are regional centers. These regional centers provide employment opportunities, retail/service options, educational facilities, government services, health and professional services and cultural amenities. Many households prefer to live near, but not in a regional center.
- ▶ **Commuters** - Nearly 500 people are commuting into Clear Lake daily for employment. These commuters are a potential market for future housing construction.
- ▶ **Governors homes/DakotaPlex Program** - Clear Lake may have an opportunity to utilize South Dakota Housing Development Authority (SDHDA) programs such as the Governors Home and DakotaPlex Programs.

Barriers or Limitations to Housing Activities

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

- ▶ **Staff capacity limitations** - Although the City has access to several housing and economic development agencies, it is difficult to develop and implement housing initiatives with limited staff resources.
- ▶ **Age and condition of the housing stock** - While the existing stock is very affordable, some of the housing is in need of improvements to meet expectations of potential buyers.
- ▶ **Low rent structure** - The area's rent structure is low, which makes it difficult to construct new rental housing.
- ▶ **Value gap deters new owner-occupied construction** - Based on 2020 sales, we estimate that the median priced home in Clear Lake is valued at approximately \$123,400. This is below the comparable cost for new housing construction, which will generally be above \$200,000 for a new home with commonly expected amenities. This creates a value gap between new construction and existing homes. This can be a disincentive for any type of speculative building and can also deter customized construction, unless the owner is willing to accept a potential loss on their investment.
- ▶ **Proximity to Watertown and Brookings** - Although it is a strength to be located near regional centers, it is also a barrier as Clear Lake must compete with the regional centers, which offer attractive residential opportunities and other amenities and services.
- ▶ **Limited commercial options** - Clear Lake has commercial and retail options to meet daily needs, however, it has limited other retail and commercial opportunities.
- ▶ **Population and households** - Clear Lake is not projected to gain population or households over the next several years.
- ▶ **Lack of new housing construction** - New owner-occupied and rental unit housing construction has been limited over the past several years.

Recommendations, Strategies and Housing Opportunities

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

- ▶ **Be realistic in expectations for housing development** - Large-scale residential growth has not occurred in the recent past and is not likely to occur in the near future. The scale of activities proposed for the future should be comparable with the area's potential for growth.
- ▶ **New housing development generally will not occur without proactive community involvement** - To attract new home or apartment construction in Clear Lake, subsidies or some other form of financial assistance will be needed from the City, local and regional housing and economic development agencies and the South Dakota Housing Development Authority.
- ▶ **Protect the existing housing stock** - The future of Clear Lake will be heavily dependent on the City's appeal as a residential location. The condition of the existing housing stock is a major factor in determining the City's long-term viability. The existing housing stock is in good condition and is a major asset, however, continued rehabilitation efforts are needed to preserve this housing.
- ▶ **Protect the existing assets and resources** - Clear Lake has many assets including a preschool through 12 school system, employment opportunities, a Downtown Commercial District, health facilities, employers, etc. These are strong assets that make Clear Lake a desirable community to live in, and are key components to the City's long-term success and viability. These assets must be protected and improved.
- ▶ **Develop a realistic action plan with goals and time lines** - In the past the City has been involved in housing issues. The City should prioritize its housing issues and establish goals and time lines to achieve success in addressing its housing needs.
- ▶ **Access all available resources for housing** - In addition to local efforts, the City has other resources to draw on including USDA Rural Development, the South Dakota Housing Development Authority, the First District Association of Governments, the Inter-Lakes Community Action Agency, the Brookings County Housing and Redevelopment Commission, Grow South Dakota and Dakota Resources. These resources should continue to be accessed as needed, to assist with housing activities.

Summary of Findings/Recommendations

The findings/recommendations for the City of Clear Lake have been formulated through the analysis of the information provided in the previous sections and include 20 recommendations. The findings/recommendations have been developed in the following five categories:

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

The findings/recommendations for each category are as follows:

Rental Housing Development

1. Develop 12 to 16 general occupancy market rate rental units
2. Develop six to eight general occupancy moderate rent/income restricted or subsidized rental units
3. Senior housing with services
4. Develop six to eight senior independent/light services units
5. Promote the development/conversion of three to four affordable rental units
6. Utilize the Housing Choice Voucher Program
7. Develop a downtown mixed-use commercial/housing project

Home Ownership

8. Continue to utilize and promote all programs that assist with home ownership
9. Consider the development and implementation of a purchase/rehabilitation programs

Single Family Housing Development

10. Lot availability and lot development
11. Strategies to encourage residential lot sales and new home construction in Clear Lake
12. Consider the construction of additional spec homes
13. Promote twin home/town home development

Housing Rehabilitation

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

Other Housing Issues

16. Acquire and demolish dilapidated structures
17. Continue to coordinate efforts among housing agencies
18. Encourage employer involvement in housing
19. Strategies for downtown redevelopment
20. Develop home ownership and new construction marketing programs and strategies

Clear Lake - Rental Housing Development

Rental Housing Development

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

From 2000 to 2020, there were eight market rate units in two 4-plexes that were constructed in Clear Lake. The units were developed by the Clear Lake Housing Redevelopment Commission in approximately 2000. Therefore, no rental units have been constructed in Clear Lake over the past 20 years.

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

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

Esri’s household projections for Clear Lake expect no overall household growth from 2020 to 2025. However, Esri forecasts that Clear Lake will add households in the 35 to 44 and 65 to 74 age ranges. Esri also projects that Deuel County will gain 27 households over the next five years. Based on household projections, we are estimating that there will be a demand for approximately 10 additional new rental units due to household growth over the next five years.

Demand created by replacement of lost units is more difficult to determine, but the best available evidence suggests that the City will lose as many as one to two units per year. As a result, approximately five to 10 additional units will be needed over the next five years to replace lost units. In some cases, this unit replacement will be necessary as existing units are removed from the inventory through demolition or conversion. In other cases, this replacement is appropriate due to the deteriorating condition of older, substandard rental housing that should be removed from the occupied stock. Rental units may also be lost due to rental units converting to owner occupancy.

Pent-up demand also exists for some rental housing segments. As part of this study, a rental survey was conducted. We also identified pent-up demand for new market rate units, family subsidized and independent/light services rental units.

As stated earlier, Clear Lake and Deuel County’s number of households are projected to remain relatively stable through 2025. With only limited projected household growth within a few defined age ranges, and the existing vacancy rates, we are recommending several strategies to develop a healthy rental market in Clear Lake. The strategies include:

- ▶ **Increase the population of Clear Lake** - The City of Clear Lake, Deuel Area Development, Inc., and all the stakeholders should continue to implement all strategies possible to increase the City’s population including job creation, marketing the community, assuring a healthy housing stock, etc. These efforts will continue to make the City attractive and viable.
- ▶ **Rehabilitate rental housing** - Much of the rental housing stock in Clear Lake was constructed in the 1960s, 1970s and 1980s. Some of this rental housing stock needs rehabilitation. Rental rehabilitation programs should be created to rehabilitate the rental projects when it is economically feasible.
- ▶ **Demolish dilapidated rental housing** - Rental housing that is substandard and no longer feasible for renovation, should be demolished and eliminated from the rental housing stock.
- ▶ **Develop new rental housing** - New rental housing can achieve several goals which include:
 - ▶ Addresses pent-up demand for certain housing types
 - ▶ Upgrades the overall quality of the rental stock
 - ▶ Increases the City’s rental rates
 - ▶ Addresses gaps in the City’s rental stock
 - ▶ Attracts new households to the City
 - ▶ Retains households in the City

Based on the factors stated above, we recommend the development of 27 to 36 new rental units over the next five years from 2021 to 2025.

▶ General Occupancy Market Rate	12-16 units
▶ Income-restricted/Subsidized	6-8 units
▶ Affordable/Conversions	3-4 units
▶ Senior Independent/Light Services	<u>6-8 units</u>
▶ Total	27-36 units

1. Develop 12 to 16 general occupancy market rate rental units

Findings: Approximately 89% of the rental housing in the City of Clear Lake 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 77 market rate rental units we surveyed, we found 18 vacancies, which is a 23.4% vacancy rate, which is well above the healthy vacancy rate of 3% to 5%. However, the HRC (Krause) 4-plexes, the City's newest rental units, reported strong demand for the units and a waiting list.

Also, there have been a substantial number of power plant and wind farm workers who have been renting units in Clear Lake. These workers are now leaving the City and creating rental unit vacancies. The rental market will absorb some of these units.

There is a variation in rental rates in the market rate segment in the City of Clear Lake. The existing rent range including utilities is \$375 to \$450 for a one-bedroom unit, \$475 to \$780 for a two-bedroom unit and \$550 to \$850 for a three-bedroom unit.

In 2000, eight conventional market rate rental units were constructed by the Housing and Redevelopment Commission. No additional market rate units have been constructed since 2000. However, it is possible that some single family homes converted from owner-occupancy to rental use.

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 production of 12 to 16 market rate rental units over the next five years from 2021 to 2025.

Based on our research, there is a need for all sizes of new rental units, thus, the new units constructed over the next five years should be one, 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 would be advantageous for new units to be constructed in smaller project phases, which allows the new units to be absorbed into the market. Also, some of the units could be designated for seniors.

There are two market rate rental segments in Clear Lake. 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, financial assistance, such as land donations, tax abatement, tax increment financing and other resources may be needed.

The first option to developing market rate housing would be to encourage private developers to undertake the construction of market rate rental housing. If private developers do not proceed, a local or regional housing agency could potentially utilize essential function bonds, or similar funding sources, to construct market rate units. The Clear Lake Housing and Redevelopment Commission has previously constructed eight market rate rental units.

Also, the City, a housing agency or an economic development agency could potentially partner with private developers to construct additional units. The City could assist with land donations, tax increment financing, tax abatement, reduced water and sewer hookup fees, etc. The DakotaPlex Program may be available to assist the City, a housing or an economic development agency, or a private developer with the development of market rate rental housing.

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

<u>Unit Type</u>	<u>No. of Units</u>	<u>Size/Sq. Ft.</u>	<u>Rent</u>
One Bedroom	2-3	650 - 800	\$650 - \$750
Two Bedroom	8-10	850 - 1,000	\$750 - \$950
Three Bedroom	2-3	1,100 - 1,200	\$875 - \$1,050
Total	12-16		

Note: The recommended rents are gross rents including all utilities. The rents are quoted in 2021 dollars.

It may also be possible to utilize Housing Choice Vouchers if some of the tenants meet income requirements and the rents are at or below Payment Standard Rents. The 2021 Payment Standard Rents are \$679 for a one-bedroom unit, \$791 for a two-bedroom unit and \$1,132 for a three-bedroom unit.

2. Develop six to eight general occupancy moderate rent/income restricted or subsidized rental units

Findings: Over the past few decades, resources have not generally been available for new subsidized housing construction. Instead, the primary federal incentive program has been low income housing tax credits, which typically generates moderate rent housing that is income restricted. There are no tax credit projects that currently exist in Clear Lake.

Subsidized housing utilizes federal resources that provide a “deep subsidy”, allowing low income people access to the housing at an affordable price. The research completed for this Study identified one subsidized rental project in Clear Lake. The project is Deuel Manor, which has 18 one-bedroom units.

There are no two or three-bedroom moderate rent/income restricted or subsidized units in Clear Lake.

There are “deep subsidy” resources available to Clear Lake residents through the tenant-based Housing Choice Voucher Program. The Vouchers allow tenants to pay 30% to 40% of their income for housing in suitable private-market rental units. The Voucher Program for Clear Lake and Deuel County is administered by the Brookings County Housing and Redevelopment Commission.

The 2020 American Community survey estimated that approximately 26% of all renters in the City of Clear Lake were paying 30% or more of their income for rent.

Recommendation: Based on the cost burden data contained in the American Community Survey, and the absence of two and three-bedroom subsidized units in Clear Lake, we recommend that the City develop moderate rent or subsidized rental housing for lower income renters. Over the next five years, we would recommend that the City or a local or regional housing agency attempt to construct six to eight units that achieve a rent level that would be affordable to low income households.

This recommendation represents a modest goal, since there are a significant number of low income households in the City with a cost burden. However, over the past few decades, very few federal subsidy sources have been available for the construction of “deep subsidy” rental housing. The actual number of units that can be developed will be dependent upon access to financial resources. In the opinion of the analysts, the highest priority would be to create larger two and three-bedroom subsidized general occupancy units for families and younger households.

3. Senior housing with services

Findings: The City of Clear Lake currently has three senior with services projects. The three projects are:

- ▶ ***Hidewood Estates*** - Hidewood Estates is a 12-unit senior independent/light services rental project. There are one and two-bedroom units. Rent is based on the type of unit and starts at \$1,277. The rent includes a noon meal, continental breakfast and light housekeeping. Hidewood Estates is part of the Good Samaritan Society Senior Campus. The Administrator reported no vacancies and a waiting list at the time of the survey.

- ▶ ***Four Seasons Assisted Living*** - Four Seasons Assisted Living includes 15 assisted living units. The facility includes the full array of assisted living services including meals, housekeeping, laundry, bathing, medication management, etc. The Administrator reported several vacancies at the time of the survey. Four Seasons Assisted Living is part of the Good Samaritan Society Campus.

- ▶ **Good Samaritan Society Nursing Home** - The Good Samaritan Society Nursing Home is a 40-bed facility that provides skilled nursing care. The Nursing Home is part of the Good Samaritan Society Senior Campus. The Administrator reported several vacancies at the time of the survey.

Recommendation: In 2020, Clear Lake had approximately 322 people and 184 households over the age of 65. Clear Lake has 16 assisted living beds in Four Seasons Assisted Living, a 12-unit senior independent/light services project, and 40 skilled nursing beds in the Good Samaritan Nursing Home.

It is our opinion that Clear Lake currently has an adequate number of assisted living and skilled nursing units/beds to address demand over the next five years. However, we are recommending the development of additional independent/light services senior units in the following recommendation to address projected demand.

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

Findings: There currently are 12 senior independent/light services market rate rental units in Hidewood Estates. Hidewood Estates is fully occupied and has a waiting list.

In 2020, there were 184 households age 65 or older in Clear Lake. It is projected that there will be an increase in households age 65 and older in Clear Lake by the year 2025.

Recommendation: We are recommending the construction of an additional six to eight independent/light services senior market rate units in Clear Lake. The project should be designed to allow seniors to live in a unit independently, with only limited services. The senior project could be a one-level apartment building or townhome style. The project will attract tenants from the City of Clear Lake and the area surrounding Clear Lake.

The project's amenities and features should include:

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

Apartment features should include:

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

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

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

The project should be designed for flexibility to allow seniors to live in a unit independently, or to rent a unit and utilize a low level of senior services such as a noon meal and housekeeping. Ideally, the project would allow seniors to age in place and purchase health care services as needed. If possible, the project should be attached to, or in proximity to, an existing senior with services project in Clear Lake, which would allow for the delivery of services, provide shared administration and amenities, etc.

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

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

5. Promote the development/conversion of three to four affordable rental units

Findings: The development of market rate units recommendation addressed the market potential to develop high quality rental units in Clear Lake. Unfortunately, these units would tend to be beyond the financial capability of many area renters. Many of Clear Lake's renter households have an annual income below \$25,000. These households would need a rental unit at \$650 per month or less.

There is evidence that Clear Lake has lost some affordable 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 Clear Lake 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.

However, the South Dakota Housing Development Authority may have programs available to assist with affordable rental housing development.

Recommendation: We encourage the City of Clear Lake to promote the development of more affordable rental units. A goal of three to four units over the next five years would help to replace affordable housing that has been lost and to address pent-up demand.

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. There are several vacant housing units in Clear Lake. Potentially, some housing units could be renovated to be quality rental units. These units could be developed by a housing agency or by a private developer. A partnership between a housing agency and private developers is another option.

Creating rental units with contract rents below \$650 per month would help to expand the choices available to a majority of the City's renter households.

To obtain an affordable rent structure, financial commitments from other sources such as tax increment financing from the City of Clear Lake, property tax deferral and other financial resources from funding agencies such as the South Dakota Housing Development Authority may be necessary. Also, potentially some units could have higher rents if the households have access to the Housing Choice Voucher Program.

6. Utilize the Housing Choice Voucher Program

Findings: The Housing Choice Voucher Program provides portable, tenant-based rent assistance to lower income renter households. The program requires participating households to contribute approximately 30% 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.

Based on the research for this study, it appears that the Housing Choice Voucher Program is an underutilized form of subsidized housing in Clear Lake. Because of the flexibility offered through the program, eligible households often prefer the portable rent assistance to other forms of subsidized housing that are project-based, and can only be accessed by living in a specific rental development.

The Housing Choice Voucher Program is administered in Deuel County by the Brookings County Housing and Redevelopment Commission. There currently is a short waiting list for a Housing Choice Voucher.

Recommendation: The Brookings County Housing and Redevelopment Commission should work with Clear Lake to assure that Clear Lake households are aware of the Housing Choice Voucher Program and have to the opportunity to apply for a voucher.

However, the number of vacant rental units in Clear Lake and Clear Lake's low rent structure may limit the utilization of Housing Choice Vouchers in Clear Lake.

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

Findings: A new mixed-use rental housing/commercial project would be an asset to the City of Clear Lake's downtown redevelopment and revitalization's efforts.

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

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

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

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

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

Clear Lake - Home Ownership

Home Ownership

Findings: Expanding home ownership opportunities is one of the primary goals for most cities. High rates of home ownership promote stable communities and strengthen the local tax base. The median owner-occupied home value in Clear Lake is estimated to be approximately \$123,400 based on 2020 sales activity. The home values in Clear Lake provide an excellent opportunity for first time buyers and households seeking moderately priced homes.

Our analysis of Clear Lake demographic trends shows an increasing number of households over the next five years in the 35 to 44 and 65 to 74 age ranges. Some households in these age ranges as well as other age ranges that have not been able to achieve the goal of home ownership may need the assistance of special programs to help them purchase their first home.

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

8. Continue to utilize and promote all programs that assist with home ownership

Findings: We believe that affordable home ownership is one of the issues facing Clear Lake 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.

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 of Clear Lake 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 financing, 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: Clear Lake should continue to work with area housing agencies, the South Dakota Housing Development Authority and local financial institutions to utilize all available home ownership assistance programs. Private and nonprofit agencies should also be encouraged to provide home ownership opportunities.

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

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

9. Consider the development and implementation of a Purchase/Rehabilitation Program

Findings: The City of Clear Lake has a limited stock of older, lower valued homes, many of which need repairs. Our analysis of recent sales activity indicates that there are a significant number of homes in Clear Lake that are valued at less than \$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 some 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 Clear Lake 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, 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.

Also, some private individuals on a limited basis have purchased homes in Clear Lake, rehabbed the homes and sold the homes. There may be an opportunity for housing agencies to financially assist the private sector with purchasing, rehabilitating and selling the homes. This may increase the inventory of substandard homes that can economically be rehabilitated and sold.

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.

Clear Lake - Single Family Housing Development

Single Family Housing Development

Findings: Based on City and U.S. Census Bureau information, Clear Lake has experienced limited single family housing development from 2010 to 2020. Over the past 11 years, eight single family homes have been constructed in Clear Lake. From 2010 to 2015, only two homes were constructed. However, from 2016 to 2020, six homes were constructed, which is an average of approximately one new home per year.

Household growth projections for Clear Lake indicate some demand for owner-occupied housing construction. Growth is anticipated over the next five years among Clear Lake households in the 35 and 44 and 65 to 74 age ranges. Households in these age ranges tend to be predominantly home owners. Additionally, the 65 and older age ranges, form a market for town homes/twin homes.

Based on income estimates, approximately one-third of all households in Clear Lake have an annual income of \$75,000 or more. These households may have the financial ability to buy/build a newly constructed home. Also, some households in the younger age ranges are first-time home buyers and may be in the market for new affordable houses.

It is our opinion that if the City of Clear Lake, Deuel Area Development, Inc., housing agencies, and builders are proactive, 10 to 14 homes can be constructed or moved into Clear Lake from 2021 to 2025, which is an average of two to three homes annually.

The breakdown of our projection of 10 to 14 new owner-occupied housing units over the next five years is as follows:

▶ Higher and medium priced homes	5-6
▶ Affordable entry level homes	3-4
▶ Twin homes/town homes	<u>2-4</u>
Total	10-14

10. Lot availability and lot development

Findings: As part of this Study, we attempted to identify the inventory of available residential lots for single family housing construction in Clear Lake. Buildable lots are defined as having sewer and water available to the lots. It appears that there are approximately 12 available lots in Wildlife Estates and three lots in the 7th Street West Subdivision for a total of 15 lots.

There are also infill lots that are potentially available throughout the City. Also, there are dilapidated houses throughout the City that could be demolished and some of these lots could be suitable for new construction. Additionally, Deuel Area Development, Inc., has acquired 12 acres for future lot development.

Recommendation: We use a standard that a 2.5-year supply of lots should be available in the marketplace, based on annual lot usage. Using our projections that two to three houses will be constructed or moved in annually, an adequate supply of lots would be five to eight lots. With approximately 15 lots available in the two newer subdivisions and the availability of a few in-fill lots, Clear Lake currently has an adequate number of lots. However, lots should be available for all prices and types of housing. The Wildlife and 7th Street Subdivisions are intended to be for more medium and higher-priced homes.

The City of Clear Lake and/or Deuel Area Development, Inc., have the potential to develop additional lots on a 12-acre parcel currently owned by Deuel Area Development, Inc. We recommend the future development of lots on the parcel for affordable homes, twinhomes/townhomes and multi-family projects. We also recommend that the City of Clear Lake and Deuel Area Development, Inc., continue to identify in-fill lots that are available for purchase and are suitable for a new home.

The City and Deuel Area Development, Inc., should plan for future subdivision and lot development on the 12-acre site. If new construction projections come to fruition, there will be a need in four to five years for more lot development in addition to the new lots in the existing subdivisions. New lot/subdivision development should include the following:

- ▶ If feasible, the lot should be developed in phases as demand dictates.
- ▶ The lots should have covenants that assure quality development. However, the covenants should not be so restrictive that they eliminate the target market's ability to construct a home.

- ▶ The lots should accommodate a variety of home designs and home prices.
- ▶ All stakeholders should be involved in promoting and publicizing the lots.
- ▶ To be successful, the homes must be available to households with as wide an income range as possible.
- ▶ Some lots should be available for twin home/ town home and multi-family housing.
- ▶ Successful lot development will need the cooperation of financial institutions, funding agencies, employers, the City of Clear Lake and Deuel Area Development, Inc. Financial assistance such as tax increment financing, tax abatement, and assistance from area housing agencies and the South Dakota Housing Development Authority may be needed.
- ▶ The lots must be as aesthetically acceptable as possible and include high quality amenities.
- ▶ The City and Deuel Area Development, Inc., should plan on a long absorption time period to sell the lots.
- ▶ If the lots are sold at a reduced price, the lot buyer should be obligated to build a home on the lot within a specified time period.

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

Findings: There are 15 lots available in the City of Clear Lake’s two newer subdivisions. There are also several in-fill lots in the City. Also, as discussed in the previous recommendation, the capacity also exists to develop additional lots on the 12-acre parcel currently owned by the Deuel Area Development, Inc.

Recommendation: We recommend that the City of Clear Lake and the Deuel Area Development, Inc., coordinate efforts with the private sector to promote lot sales and housing development in Clear Lake.

Our recommendations to promote lot sales and housing development include:

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

- ▶ ***Lot availability for twin home/town home development*** - It is our opinion that there will be a demand for twin homes/town homes over the next five years. Lots should be available for twin home/town home development.
- ▶ ***Publicly-owned subdivision*** - Private developers often have little incentive to develop lower-priced lots and houses. A possible approach is to develop a publically-owned subdivision, which could offer lower-priced lots for affordable homes. Currently, Deuel Area Development, Inc., owns the Wildlife Subdivision.
- ▶ ***Marketing*** - The City of Clear Lake and Deuel Area Development, Inc., should develop a marketing strategy to sell available lots. All stakeholders including realtors, financial institutions, builders, employers, etc. should be included in marketing strategies. In addition to marketing the lots, the City of Clear Lake and its amenities should be marketed.
- ▶ ***In-fill lot home development*** - The City of Clear Lake, Deuel Area Development, Inc., and the private sector should develop affordable homes on in-fill lots.
- ▶ ***South Dakota Housing Development Authority (SDHDA) Programs*** - SDHDA has housing programs available to assist developers, builders and home buyers.
- ▶ ***Manufactured, Modular and Governors Homes*** - Manufactured, modular and Governors Homes can provide affordable opportunities for moderate income households.

12. Consider the construction of additional spec homes

Findings: Deuel Area Development, Inc., has constructed one spec home in the Wildlife Subdivision. The spec home sold for \$247,000 and was on the market for approximately 12 months.

Recommendation: It is our recommendation that Deuel Area Development, Inc., continue to construct spec homes. The construction of two or three affordable spec homes over the next five years would be a realistic goal. However, future spec homes will need to be cost effective. The total cost, square footage, design, location, etc., should all be carefully evaluated.

Deuel Area Development, Inc., could also explore the possible use of a Mutual Self Help Program. Moving Governors Homes into the community should also be considered.

13. Promote twin home/town house development

Findings: Attached housing provides desirable alternatives for empty nesters and seniors to move out of their single family homes, thus, making homes available for families. It is important for the community to offer a range of life-cycle housing options.

In many cities the size of Clear Lake, approximately 20% to 25% of the new ownership housing constructed are twinhomes/townhomes. We are not aware of any twinhome/townhome construction in Clear Lake from 2010 to 2020.

In 2020, there were approximately 182 households in Clear Lake and 557 households in Deuel County in the 65 and older age ranges. Empty-nester and senior households should result in some demand for attached single family units. It is likely that demand for attached housing units will also be dependent on the product's ability to gain additional market acceptance among the households in the prime target market, and among other households.

Recommendation: It is our projection that approximately two to four new owner-occupied units in one to two twin homes could be constructed in Clear Lake over the next five years. Our projection is based on the availability of an ideal location for twin home development as well as high quality design and workmanship.

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

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

Clear Lake's role could include assuring that adequate land is available for development and that zoning allows for attached housing construction. The City or Deuel Area Development, Inc., could also provide financial assistance in the form of land donations, tax increment financing, tax abatement, etc.

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

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

Clear Lake - Housing Rehabilitation

Housing Rehabilitation

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

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

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

14. Promote rental housing rehabilitation

Findings: The City of Clear Lake has approximately 170 rental units 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 79% of these rental structures are more than 40 years old and some rental units are in poor condition.

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

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

15. Promote owner-occupied housing rehabilitation efforts

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

Our 2021 housing condition survey of 241 houses in Clear Lake’s two oldest neighborhoods found 105 homes that need minor repairs and 37 homes that need major repairs. Also, according to American Community Survey data, approximately 82% of the owner-occupied housing units in Clear Lake are more than 40 years old. Without rehabilitation assistance, the affordable housing stock will shrink in Clear Lake.

Recommendation: We recommend that the City of Clear Lake seek local, state and federal funds to assist in financing housing rehabilitation. USDA Rural Development, the South Dakota Housing Development Authority, the Federal Home Loan Bank, Interlakes Community Action Partnership and Grow South Dakota are potential funding sources.

Interlakes Community Action Partnership currently has several housing programs to assist households with the rehabilitation of their homes including the Self Help Rehabilitation Program and programs utilizing Home funds. Interlakes Community Action Partnership also provides Weatherization funds for Clear Lake and Deuel County.

Some programs offer households that meet program requirements for a deferred loan to rehabilitate their homes. Deferred loans do not have to be paid back if the household lives in the rehabilitated home for a stipulated amount of time after the rehabilitation is completed. We encourage Clear Lake and Deuel County households to continue to utilize these housing rehabilitation programs.

Clear Lake - Other Housing Initiatives

Other Housing Initiatives

16. Acquire and Demolish Dilapidated Structures

Findings: Our 2021 housing condition survey identified 11 single family houses that are dilapidated and too deteriorated to rehabilitate. We also identified 37 single family houses in Clear Lake as needing major repair and several of these homes may be too dilapidated to rehabilitate. To improve the quality of the housing stock and to maintain the appearance of the City, these structures should be demolished.

The City has a maintenance code officer and the City is actively working to remove dilapidated housing from the City's housing stock.

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

The City of Clear Lake should maintain an inventory of structures for future acquisition and demolition. Additionally, an inventory of in-fill lots should be maintained.

17. Continue to coordinate efforts among housing agencies

Findings: Clear Lake will continue to need resources in addition to the City staff to plan and implement many of the housing recommendations advanced in this Study. The City of Clear Lake has access to the First District Association of Governments, the USDA Rural Development Office, the South Dakota Housing Development Authority, Interlakes Community Action Partnership, Grow South Dakota, the Brookings County Housing and Redevelopment Commission and Dakota Resources. These agencies all have experience with housing and community development programs.

Recommendation: Clear Lake has access to multiple agencies that assist with addressing housing needs. It is our recommendation that the City continue to prioritize the recommendations of this Study and develop a plan to address the identified housing needs. The plan should include strategies, time lines and the responsibilities of each agency. While there has traditionally been a degree of staff interaction between agencies, it will be important that a coordinated approach be used to prioritize and assign responsibility for housing programs.

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

18. Encourage employer involvement in housing

Findings: The City of Clear Lake has several large employers. Also, on an ongoing basis, the City and Deuel Area Development, Inc., have been working with existing employers to expand and for new employers to locate in Clear Lake. 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 most 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 Clear Lake'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 Clear Lake.

19. Strategies for Downtown Redevelopment

Findings: Downtown Clear Lake has buildings that have been renovated and have high quality commercial space. There are also buildings that have not been maintained and are substandard. The City of Clear Lake and downtown property owners have been active in downtown redevelopment including rehabilitation of downtown buildings. This recommendation provides an outline of actions that could be continued or initiated to redevelop the downtown, to maximize the usage of downtown buildings and to promote new downtown businesses.

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

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

- ▶ Interview downtown property owners to develop a database and to determine their future plans (expanding, selling, renovations, etc.)
- ▶ Develop an overall plan for the downtown (potential new businesses, address parking needs, develop an overall theme, art and cultural opportunities, etc.)
- ▶ Develop a mini-plan for each downtown property and each downtown block. This may include:
 - ▶ Commercial building rehab and renovations
 - ▶ Facade work
 - ▶ Building demolition
 - ▶ New construction including a mixed-use commercial/housing project
 - ▶ Recruiting new businesses
 - ▶ Rental unit development and/or rehabilitation

- ▶ Identify funding sources
 - ▶ Property owner funds
 - ▶ City of Clear Lake
 - ▶ Deuel Area Development, Inc.
 - ▶ Federal Home Loan Bank
 - ▶ Special tax districts
 - ▶ Tax increment financing
 - ▶ Tax abatement
 - ▶ Funds from South Dakota State Agencies
 - ▶ First District Association of Governments

- ▶ Work with stakeholders to identify roles, secure funding, develop and implement programs and projects
 - ▶ Property owners
 - ▶ City of Clear Lake
 - ▶ Deuel Area Development, Inc.
 - ▶ First District Association of Governments

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

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

The City of Clear Lake, Deuel County Area Development, Inc., and other housing stakeholders have been active in promoting the City, including housing opportunities.

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

- ▶ Determine the City’s strengths and competitive advantages and heavily promote them
- ▶ Continue to create marketing materials that can be distributed regionally (including internet, TV, radio, etc.)
- ▶ Work closely with employers (Clear Lake and the area) to provide employees (especially new employees) with housing opportunities in Clear Lake
- ▶ Work with housing agencies to provide down payment and closing cost assistance, low interest loans, home owner education and home owner counseling and other housing programs
- ▶ Continue to work on the creation of jobs and the development of retail, service and recreational opportunities that make the City a “full service” community
- ▶ Provide attractive lots at an affordable price for a variety of home sizes, styles and price ranges
- ▶ Continue to preserve the quality of existing neighborhoods through the rehabilitation of substandard housing and the demolition of dilapidated structures that are beyond repair
- ▶ Develop housing choices, such as new single family homes, rental housing, twin homes, senior housing, etc.
- ▶ Review the City’s policies and fees to assure that they are user-friendly, fair and receptive for developers, builders and households.
- ▶ Develop a coordinated housing plan with all the City’s housing stakeholders

Agencies and Resources

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

InterLakes Community Action Partnership

505 North Western Avenue
Sioux Falls, SD 57104
(605) 334-2808
Contact: Dana Whitehouse

First District Association of Governments

121 1st Ave. NW
Watertown, SD 57201
(605) 882-5115

Dakota Resources

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

South Dakota Housing Development Authority

221 South Central Avenue
Pierre, SD 57501
(605) 773-3181
Contact: Lorraine Polak, Executive Director

USDA Rural Development

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

Grow South Dakota

414 3rd Avenue
Sisseton, SD 57262
(605) 698-7654
Contact: Marcia Erickson, Executive Director

Brookings County Housing and Redevelopment Commission

1310 Main Ave. #106
Brookings, SD 57006
(605) 692-1670