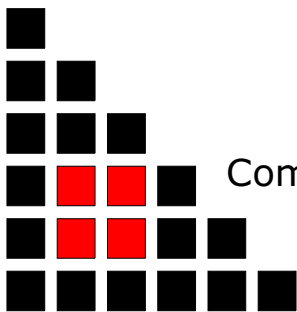


Chamberlain/Oacoma HOUSING STUDY

October 2022

An analysis of the overall housing needs
of Chamberlain and Oacoma



Community Partners Research, Inc.
Faribault, MN

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Introduction

Community Partners Research, Inc., was hired by the Lake Francis Case Development Corporation to conduct a study of the housing needs and conditions in the City of Chamberlain and the Town of Oacoma.

Goals

The multiple goals of the study include:

- ▶ Provide demographic data including the 2020 Census
- ▶ Provide an analysis of the existing 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 based on the research

Methodology

A variety of resources were utilized to obtain information for the Housing Study. Community Partners Research, Inc., collected and analyzed data from May to August, 2022. Data sources included:

- U.S. Census Bureau
- American Community Survey
- Applied Geographic Solutions, a private demographic data service
- Esri, a private demographic data service
- Records and data from the Cities
- Records and data maintained by Brule and Lyman Counties
- Multiple Listing Service
- Interviews with City officials, community leaders, housing stakeholders, etc.
- Area housing agencies
- State and Federal housing agencies
- Rental property owner survey
- Housing conditions survey

Limitations

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

During the course of the research for this project, a global pandemic was still underway, which has had 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 for the City Chamberlain, the Town of Oacoma and a Two-County Area including Brule and Lyman Counties.

At the time that research was completed for this Study, the Census Bureau had released initial information from the 2020 decennial Census. However, some of the more detailed tables on demographic and housing characteristics are on a delayed release schedule and will not be available until 2023.

The global pandemic had not only impacted the Census release schedule, but it also affected the data collection in 2020. As a result, there are some questions about the accuracy of 2020 Census data, but in the opinion of the analysts it still represents the best demographic information available.

With the absence of some data from the 2020 Census, this Study has proceeded with the best available estimates from secondary sources, including the Census Bureau's American Community Survey, an annual sampling of households. However, because the American Survey is an estimate, based on sampling data, there is a margin of error that exists for each estimate.

The American Community Survey estimates have an effective date in 2020, so a data-lag exists. The estimates were derived from five-year sampling, obtained between 2016 and 2020.

This Study has also utilized demographic estimates and projections that have been generated by private data providers. The South Dakota Governor's Office of Economic Development contracts with Applied Geographic Solutions (AGS) to provide community profiles for each city in the State. However, it is important to note that the demographic estimates and projections from AGS were generated before any of the 2020 Census data were released. The company will probably be modifying their data based on the new Census benchmark, but this will not occur until the next set of information is released later in 2022.

Prior to using AGS, the State had used Esri, Inc., for community profiles. The analysts have also utilized estimates and projections from Esri. The Esri estimates are for 2022 and were generated following the 2020 Census release.

Population Data and Trends

Table 1 Population Trends - 1990 to 2020						
	1990 Census	2000 Census	% Change 1990-2000	2010 Census	% Change 2000-2010	2020 Census
Chamberlain	2,347	2,338	-0.4%	2,387	2.1%	2,473
Oacoma	367	390	6.3%	451	15.6%	386
Two-County Area	9,123	9,259	1.5%	9,010	-2.7%	8,965

Source: U.S. Census

- ▶ The release of population totals from the 2020 U.S. Census has established a new benchmark for the number of people residing in each jurisdiction. The Census total had an effective date of April 1, 2020.
- ▶ In 2020, the population for the **City of Chamberlain** was 2,473 people. When compared back to the 2010 Census, the City had added 86 permanent residents, for a population growth of 3.6%.
- ▶ There has been some upward and downward movement in the number of people living in **Chamberlain** in recent decades. The City experienced a small population decrease in the 1990s, but then added residents between 2000 and 2010. Although population growth then occurred after 2010, the City's total population level in 2020 was only up by 126 people over the past 30 years.
- ▶ In 2020, the population for the **Town of Oacoma** was 386 people. When compared back to the 2010 Census, the City had lost 65 permanent residents, for a population decrease of 14.4%.
- ▶ The population reduction between 2010 and 2020 in **Oacoma** is a change in longer term patterns. The City had added residents in the 1990s and between 2000 and 2010. However, with the population loss in the past decade, the Town's population level in 2020 was slightly lower than counted in the 2000 Census.
- ▶ In 2020, the combined population level for **Brule and Lyman Counties** was 8,965, down by 45 people from 2010.

- ▶ Longer term, the **Two-County Area** did add some residents in the 1990s, but has been gradually losing population since the year 2000.
- ▶ There are more recent population estimates available from Applied Geographic Solutions and Esri.
- ▶ Applied Geographic Solutions (AGS), the data source utilized by the Governor’s Office of Economic Development, estimates that the **City of Chamberlain** had 2,296 permanent residents in 2021. This estimate was well below the 2020 Census count of 2,473 people. As stated previously, AGS had produced this estimate prior to any 2020 Census information being available, and this estimate appears to be inaccurate.
- ▶ The 2022 estimate from Esri for the **Chamberlain** showed 2,513 residents, above the 2020 Census count of 2,473 people, although there was a two-year difference in the effective date.
- ▶ The AGS estimate for **Oacoma** showed 460 permanent residents in 2021, well above the 2020 Census count of 386 residents. This estimate appears to be inaccurate.
- ▶ The 2022 estimate from Esri for the **Oacoma** showed 385 residents, almost identical to the 2020 Census count of 386 people, although there was a two-year difference in the effective date.
- ▶ The AGS estimate for the **Two-County Area** showed 9,004 residents in 2021, compared to 8,965 counted by the 2020 Census. With an adjustment for the one-year time difference, the AGS estimate is very similar to the Census total.
- ▶ Esri’s estimate for the **Two-County Area** showed 8,872 residents in 2022, compared to 8,965 counted by the 2020 Census. Based on this estimate Esri believes that the area has had a minor loss of residents over the past two years.

Population by Race/Ethnicity

- ▶ In 2020, nearly 73% of **Chamberlain’s** residents were identified as White for race. The next largest racial designation was for Native Americans, which represented more than 17% of the City’s population. People listing “Two or more races” accounted for nearly 7% of the City’s population.

- ▶ Only 3.2% of **Chamberlain's** residents were identified for being of Hispanic/Latino ethnicity.
- ▶ In **Oacoma** in 2020, nearly 82% of residents were identified as White for race. The next largest racial designation was for Native Americans, which represented more than 9% of the City's population. People listing "Two or more races" also accounted for approximately 9% of the City's population.
- ▶ Only 1% of **Oacoma's** residents were identified for being of Hispanic/Latino ethnicity.

Group Quarters

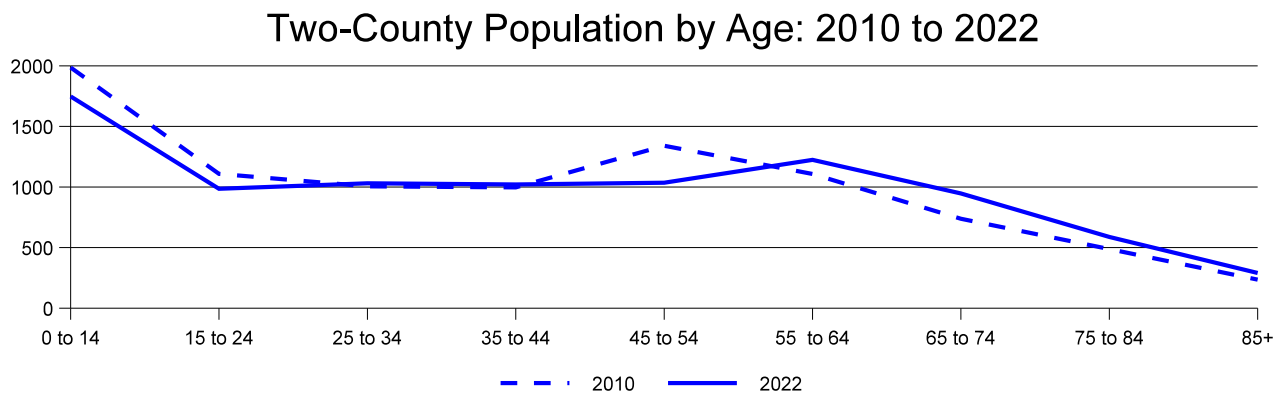
- ▶ In 2020, there were 197 people in **Chamberlain** living in group quarters housing. This included 130 people in skilled nursing facilities and 67 people in some form of noninstitutional housing, presumably St. Joseph's Indian School.
- ▶ The 2020 Census did not record any people living in group quarters housing in **Oacoma**.

Two-County Area Population by Age Trends: 2010 to 2022

The 2020 Census has not yet released population by age details, but estimates for 2022 exist from Esri. The following table compares population by age in 2010 and 2022 to track changes over time.

Table 2 Two-County Population by Age - 2010 to 2022			
Age	2010	2022	Change
0-14	1,987	1,748	-239
15-24	1,109	986	-123
25-34	1,006	1,031	25
35-44	997	1,021	24
45-54	1,341	1,036	-305
55-64	1,108	1,224	116
65-74	738	947	209
75-84	488	588	100
85+	236	291	55
Total	9,010	8,872	-138

Source: U.S. Census; Esri



- ▶ The age-based estimates from Esri show an overall loss of 138 people living in the **Two-County Area** between 2010 and 2022. As estimated there were changes in the population level in each of the defined age ranges.

- ▶ In general, the population of ***Brule and Lyman Counties*** has been growing older. As estimated by Esri, the largest gain in population occurred in the 65 to 74 year old age range, which added 209 people. This would largely reflect the advancement of the large baby boom generation through the aging cycle.
- ▶ The ***Two-County Area*** added population in all of the age ranges 55 and older. If aggregated, the area added 480 people age 55 and above between 2010 and 2022.
- ▶ Most of the age groups 54 years old and younger decreased in size. The age range 24 and younger had an estimated decrease of 362 people, while the age range from 45 to 54 had an estimated reduction of 305 people. However, some limited growth occurred in the number of residents between 25 and 44 years old.
- ▶ If all of the age groups 54 and younger are combined, the ***Two-County Area*** had a net reduction of more than 600 people between 2010 and 2022.

Population Projections

The following table presents population projections from Applied Geographic Solutions and Esri. The AGS projections span the time period between 2021 and 2026, while the Esri forecasts cover the 5-year period from 2022 to 2027. In the following table, the 2020 Census totals are provided for comparison.

Table 3 Population Projections Through 2026/27				
	2020 Census	2021/22 Estimate	2026/27 Projection	Change
Chamberlain - AGS	2,473	2,417	2,738	321
Chamberlain - Esri	2,473	2,513	2,494	-19
Oacoma - AGS	386	440	443	3
Oacoma - Esri	386	385	384	-1
Two-County - AGS	8,965	8,874	9,073	199
Two-County - Esri	8,965	8,872	8,791	-81

Source: U.S. Census; AGS; Esri

- ▶ Based on the 2020 Census, AGS has probably underestimated the population level for **Chamberlain** in 2021. However, this source expects the City to add 321 residents over the 5-year projection period, for an annual average gain of approximately 64 people per year. In the opinion of the analysts, this forecast is not reliable as the City added an average of fewer than nine people per year over the prior decade.
- ▶ The projection from Esri for **Chamberlain** expects a relatively stable population level by 2027 with a reduction of only 19 residents, or less than four people per year. However, the City has been gradually adding residents in the recent past and this projection appears to be overly conservative.
- ▶ AGS has overestimated the population level for **Oacoma** in 2021. However, this source expects the City to remain relatively stable over the 5-year projection period, with the addition of three residents, or less than one person per year.
- ▶ Esri is also projecting a stable population level for **Oacoma**, with the loss of only one resident over the next five years.

- ▶ Based on the 2020 Census, AGS had a reasonably accurate estimate for the population of the ***Two-County Area*** in 2021. Going forward, this source projects that the area will add 199 residents over the 5-year projection period, or an annual average of approximately 40 people per year. Growth at this level would be a change from past patterns as the Two-County Area has been gradually losing population over the past two decades.
- ▶ Esri is projecting that the ***Two-County Area*** will lose 81 permanent residents over the 5-year projection period, or approximately 16 people per year. This would be generally consistent with the loss patterns that have been present since the year 2000.

Household Data and Trends

Table 4 Household Trends - 1990 to 2020						
	1990 Census	2000 Census	% Change 1990-2000	2010 Census	% Change 2000-2010	2020 Census
Chamberlain	937	942	0.5%	1,040	10.4%	1,011
Oacoma	126	169	34.1%	205	21.3%	174
Two-County Area	3,264	3,398	4.1%	3,528	3.8%	3,327

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

- ▶ According to the Census, **Chamberlain** had 1,011 permanent resident households in 2020, down by 29 households, or -2.8% from 2010.
- ▶ **Chamberlain** had added only five households in the 1990s, but then grew rapidly by adding 98 households between 2000 and 2010. However, this pattern of growth reversed over the most recent decade as the City saw a decreased household count after 2010. Despite the recent loss, the City still had 74 more households in 2020 than were present in 1990.
- ▶ In 2020, **Oacoma** had 174 permanent resident households, down by 31 households, or -15.1% from 2010.
- ▶ Longer-term, **Oacoma** had been growing, adding 43 households in the 1990s, followed by 36 households between 2000 and 2010. However, with the household loss after 2010 the Town had only five more households in 2020 than had been present in the year 2000.
- ▶ The **Two-County Area** had 3,327 permanent resident households in 2020. This was a significant decrease of 201 households from 2010, or -5.7%.
- ▶ The most recent decade represented a change in patterns for the **Two-County Area**, as there had been a gradual increase in the number of households in the prior two decades. With the reduction after 2010 the Two-County Area had only 63 more households in 2020 than had been present in 1990.
- ▶ More recent household estimates are available from AGS and Esri, although AGS's estimates were generated prior to the release of 2020 Census data.

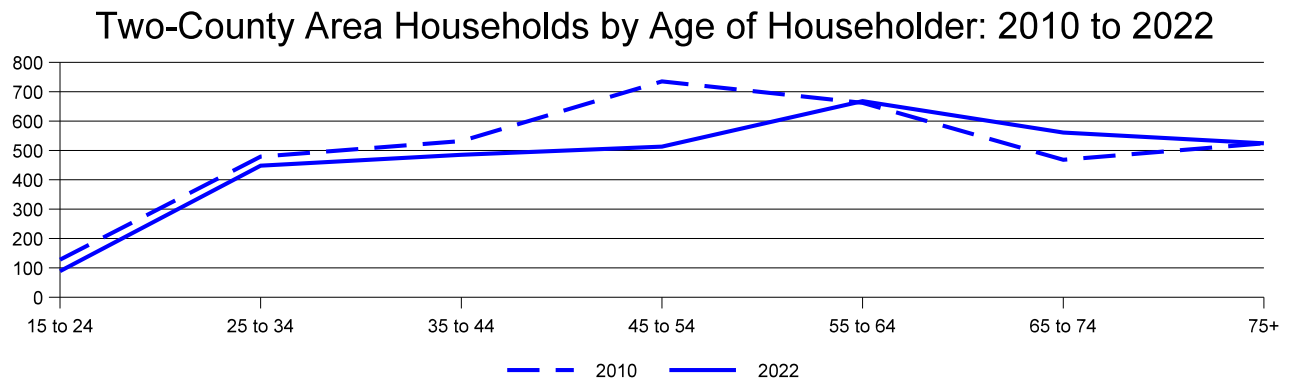
- ▶ AGS estimates that **Chamberlain** had 1,026 households in 2021, slightly above the 2020 Census count of 1,011 households but with a one-year difference in effective dates.
- ▶ Esri's household estimate for **Chamberlain** in 2022 shows 1,010 resident households, very similar to the 2020 Census total.
- ▶ AGS estimates that **Oacoma** had 181 permanent households, above the 2020 Census count of 174 households but with a one-year difference in effective dates.
- ▶ Esri's household estimate for **Oacoma** in 2022 shows 172 resident households, very similar to the 2020 Census total.
- ▶ AGS estimates that the **Two-County Area** had 3,290 permanent households in 2021, below the 2020 Census count of 3,327 households but with a one-year difference in effective dates.
- ▶ Esri's estimate for 2022 shows 3,288 households in the **Two-County Area**, down from the 2020 Census count of 3,327 households. If accurate, the combined Counties have been losing households over the past two years.

Household by Age Trends: 2010 to 2022

Esri provides age-based household estimates for the year 2022 which can be compared to the 2010 Census to track aging patterns. This is for the entire Two-County Area.

Table 5 Two-County Households by Age - 2010 to 2022			
Age	2010	2022	Change
15-24	128	89	-39
25-34	479	448	-31
35-44	532	485	-47
45-54	735	513	-222
55-64	662	668	6
65-74	468	561	93
75+	524	524	0
Total	3,528	3,288	-240

Source: U.S. Census; Esri



- ▶ Between 2010 and 2022, Esri estimates that the **Two-County Area**, representing Brule and Lyman Counties, experienced an overall reduction of 240 households. As a result, many of the defined 10-year age ranges also decreased in size.
- ▶ Based on Esri’s estimates, the largest numeric gain occurred in the age range between 65 and 74 years old, as the area added 93 households in this younger senior age group. This would largely represent the movement of the large “baby boom” generation through the aging cycle. However, no change was estimated among seniors age 75 and older.

- ▶ According to Esri, the age range 55 to 64 years added six households. Combined, the Two-County Area added nearly 100 households age 55 and older.
- ▶ Esri's estimates show a reduction of households in each of the age ranges 54 and younger, with an especially large loss in the 45 to 54 year old range. The demographic cohort trailing behind the baby boom generation was much smaller in size and did not replace the aging baby boomers.
- ▶ If all of the age ranges 54 and younger are combined, the Esri estimates show a reduction of approximately 340 households in the Two-County Area between 2010 and 2022.

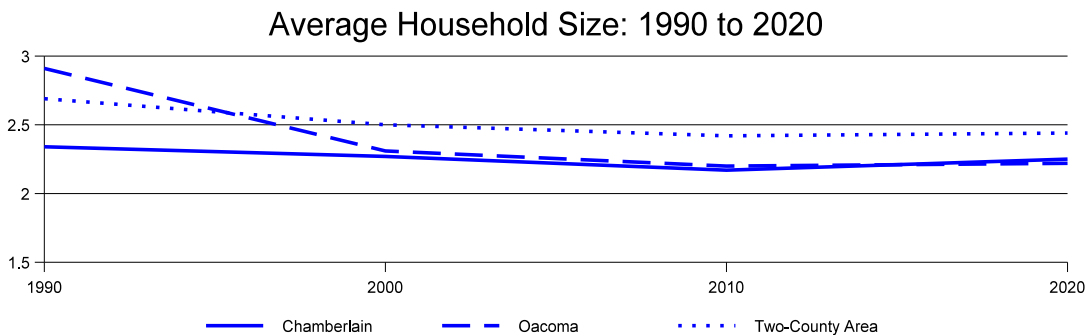
Average Household Size

The following table provides decennial Census information on average household size.

Table 6 Average Number of Persons Per Household: 1990 to 2020				
	1990 Census	2000 Census	2010 Census	2020 Census
Chamberlain	2.34	2.27	2.17	2.25
Oacoma	2.91	2.31	2.20	2.22
Two-County Area	2.69	2.61	2.51	2.55
South Dakota	2.59	2.50	2.42	2.44

Source: U.S. Census

- ▶ Household formation has generally been occurring at a different rate than population change in recent decades due to a decrease in average household size. This has typically 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.



- ▶ After decreasing steadily between 1990 and 2010, the average household size in **Chamberlain** then increased between 2010 and 2020, and was at 2.25 persons. However, the City’s average household size was still below the average for the State of South Dakota.
- ▶ The average household size in **Oacoma** has followed a similar pattern. Despite increasing from 2.20 persons in 2010 to 2.22 persons per household in 2020, the Town’s average household size was much smaller than the 2.91 person average in 1990.
- ▶ The average household size for the **Two-County Area**, at 2.55 persons, was substantially larger than the averages in Chamberlain or Oacoma.

Household Projections from AGS/Esri

Household projections are available to the year 2026 from Applied Geographic Solutions and to 2027 from Esri. The 2010 Census count has been provided for comparison.

Table 7 Household Projections Through 2026/27				
	2020 Census	2021/22 Estimate	2026/27 Projection	Change
Chamberlain - AGS	1,011	1,026	1,269	243
Chamberlain - Esri	1,011	1,010	1,009	-1
Oacoma - AGS	174	181	216	35
Oacoma - Esri	174	172	169	-3
Two-County - AGS	3,327	3,290	3,809	519
Two-County - Esri	3,327	3,288	3,252	-36

Source: U.S. Census; AGS; Esri

- ▶ Applied Geographic Solutions had a relatively accurate estimate for the 2021 household level for **Chamberlain**, when compared to the 2020 Census count. However, going forward this source expects that the City will add 243 households over the 5-year projection period, or an annual average of approximately 49 households per year. In the opinion of the analysts, this is not a reliable forecast for the City, as Chamberlain has not experienced large-scale growth over the past 30 years.
- ▶ The projection from Esri expects **Chamberlain** to remain stable with a reduction of only household over the 5-year projection period. While this may be viewed as a conservative forecast, it is consistent with the patterns for household change over the past decade as the City lost households between 2010 and 2020.
- ▶ Applied Geographic Solutions is projecting that **Oacoma** will add 35 households over the 5-year projection period, or seven households per year. While growth at this level may be achievable, it would be significantly greater than the level achieved in the recent past. Between 2010 and 2020, Oacoma lost households.

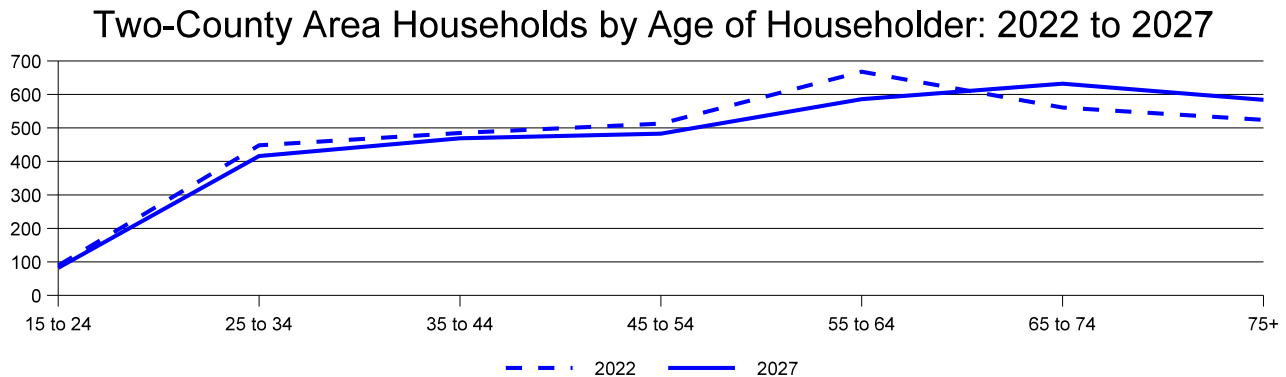
- ▶ The projection from Esri expects **Oacoma** to lose three households over the 5-year projection period, for an annual average of less than one household per year. While this may be viewed as a conservative forecast, it is consistent with the patterns for household change over the past decade.
- ▶ For the larger **Two-County Area**, AGS is projecting an increase of 519 households between 2021 and 2026, or an annual average of 104 households per year. In the opinion of the analysts, this is not a reliable forecast for Brule and Lyman Counties, which have not experienced large-scale growth over the past 30 years.
- ▶ The projection from Esri expects the **Two-County Area** to lose 36 households over the 5-year projection period, or an annual average of approximately seven fewer households per year. This would be consistent with recent patterns as the area lost households between 2010 and 2020.
- ▶ As evidenced in the data above, the projection sources reviewed show a range of possible changes in the number of households going forward. But in the opinion of the analysts the AGS forecasts are too high. While the Esri forecasts are consistent with past patterns, the analysts believe that greater growth potential does exist, especially in **Chamberlain** and **Oacoma**.

Household by Age Projections: 2022 to 2027

Although Esri has a somewhat conservative projection for future growth in the Two-County Area through 2027, the age-based forecasts from this source have been reviewed as an indicator of age progression patterns over the next five years.

Table 8 Two-County Projected Households by Age - 2022 to 2027			
Age Range	2022 Estimate	2027 Projection	Change
15-24	89	82	-7
25-34	448	416	-32
35-44	485	469	-16
45-54	513	483	-30
55-64	668	586	-82
65-74	561	632	71
75+	524	584	60
Total	3,288	3,252	-36

Source: Esri



- ▶ The age-based projections from Esri show limited changes in many of the defined age ranges. In broader terms, Esri is projecting an overall increase in households age 65 and older, but a decrease in the number of households age 64 and younger between 2022 and 2027.
- ▶ The Two-County Area is projected to add 131 households age 65 and older between 2022 and 2027.

- ▶ Although all of the defined age ranges 64 and younger are projected to decrease in size, the largest projected decrease is expected in the age range between 55 and 64 years old, with 82 fewer households by 2027. This would largely reflect the age progression of the baby boom generation. By 2027, nearly all of the baby boomers will be age 65 or older. The demographic cohort trailing behind the baby boom was much smaller in size and will not replace the advancing age group.
- ▶ More limited changes are projected among younger households, with a projected decrease of 85 households age 54 and younger.

Housing Tenure

The 2020 Census has not yet released information on housing tenure patterns. However, estimates exist in the 2020 American Community Survey and in the following table have been compared to the 2010 Census data.

Table 9 Households by Tenure - 2010 and 2020				
	2010 Census		2020 ACS	
	Percent Owned	Percent Rented	Percent Owned	Percent Rented
Chamberlain	60.1%	39.9%	52.9%	47.1%
Oacoma	76.1%	23.9%	78.2%	21.8%
Two-County Area	69.8%	30.2%	64.0%	36.0%

Source: U.S. Census; ACS

- ▶ According to the most recent American Community Survey estimates, the home ownership tenure rate in **Chamberlain** decreased over the past decade, from 60.1% in 2010 to 52.9% in 2020. While a majority of the City's households own their housing unit, the City does have an above-average rental rate.
- ▶ In the opinion of the analysts, it is doubtful that the home ownership rate in **Chamberlain** has dropped as much as indicated in the American Community Survey estimate. When the 2020 Census tables are released it is probable that the City's home ownership rate will be closer to 60%.
- ▶ In **Oacoma**, the home ownership rate increased slightly over the decade, from 76.1% in 2010 to 78.2% in 2020. A large majority of the Town's households own their housing unit.
- ▶ The City of Chamberlain is the largest single jurisdiction within the **Two-County Area**, composed of Brule and Lyman Counties. The estimated increase in renter-occupancy housing in Chamberlain also impacted the tenure rates for the combined Counties, with 64% of all households owning their housing in 2020, compared to nearly 70% of households in 2010. Once again, it is likely that the home ownership rate has not decreased as much as estimated, and the American Community Survey probably has a sampling margin of error for housing tenure.

Median Income Data

Income estimates are available through the American Community Survey. 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. Estimates for 2020 have been compared to 2010 to track changes over time.

Table 10 Median Household Income - 2010 to 2020			
	2010 Median	2020 Median	% Change
Chamberlain	\$46,136	\$50,461	9.4%
Oacoma	\$42,188	\$65,714	55.8%
Brule County	\$48,277	\$57,181	18.4%
Lyman County	\$36,323	\$54,484	50.0%
South Dakota	\$45,904	\$59,896	30.5%

Source: ACS

- ▶ According to the American Community Survey, the median household income in the **City of Chamberlain** increased by 9.4% between 2010 and 2020, and was at \$50,461 in 2020. The City’s median household income was below the comparable Statewide median and lower than the median for all of **Brule County**, at \$57,181.
- ▶ The median household income for in **Oacoma** was substantially higher, at \$65,714 in 2020. The Town’s median had also been increasing rapidly, up by nearly 56% from 2010. Based on these estimates, Oacoma’s median household income was above the Statewide median, and well above the median for all of **Lyman County**, at \$54,484 in 2020.

Table 11 Median Family Income - 2010 to 2020			
	2010 Median	2020 Median	% Change
Chamberlain	\$58,265	\$69,167	18.7%
Oacoma	\$50,972	\$70,833	39.0%
Brule County	\$58,363	\$71,103	21.8%
Lyman County	\$45,045	\$54,938	22.0%
South Dakota	\$59,987	\$77,042	28.4%

Source: ACS

- ▶ The median family income in **Chamberlain** was \$69,167 in 2020, and had increased by nearly 19% from 2010. While the City's median was lower than the Statewide level for families, it was less than \$2,000 below the median for all of **Brule County**, at \$71,103 in 2020.
- ▶ In **Oacoma**, the median family income in 2020 was estimated at \$70,833, up by 39% from 2010. The median for the Town was lower than the comparable Statewide level but was well above the median family income for all of **Lyman County** of \$54,938 in 2020.
- ▶ Family household incomes tend to be higher than the overall household median, as families have at least two household members, and potentially more income-earners, while non-family households may have only one household member.
- ▶ Median income levels can also be used to establish a benchmark for affordable housing thresholds using the commonly accepted standard that up to 30% of gross income can be applied to housing expenses without experiencing a cost burden.
- ▶ In 2020, a median income household in **Chamberlain** could afford approximately \$1,262 per month for ownership or rental housing, and a median income family could afford \$1,729.
- ▶ A median income household in **Oacoma** could afford approximately \$1,643 per month for ownership or rental housing in 2020, and a median income family could afford \$1,771.
- ▶ However, as will be detailed later in this section, renter households tend to be below the overall median, while owner households tend to be above the overall median level.

Household Income Distribution by Tenure

The American Community Survey household income estimates are provided by housing occupancy tenure. The following tables examine income distribution patterns for 2020 for the Two-County Area.

Based on the 2020 Census, the American Community Survey over estimated the total number of households in the Two-County Area. In the following table, the percentage distributions have been presented as the best available information on income distribution.

Table 12 Two-County Household Income Distribution - 2020			
Household Income	Owner Households	Renter Households	Total
\$0 - \$14,999	5.6%	18.3%	10.2%
\$15,000 - \$24,999	6.0%	15.1%	9.2%
\$25,000 - \$34,999	6.8%	11.3%	8.4%
\$35,000 - \$49,999	16.8%	12.1%	15.1%
\$50,000 - \$74,999	25.7%	18.6%	23.1%
\$75,000 - \$99,999	14.9%	9.7%	13.0%
\$100,000+	24.2%	15.0%	20.9%
Total	100%	100%	100%

Source: ACS

- ▶ Household income and housing tenure are often linked for most households, with home owners generally having higher annual income levels and renters having lower incomes.
- ▶ In 2020, nearly 57% of renter households in the **Two-County Area** had an annual income below \$50,000. For home owners, nearly 65% had an annual income of \$50,000 or more.
- ▶ Since the Two-County Area is an aggregated area, there is no estimate available for median income levels. For **Brule County**, the median income for renter households was \$42,083 in 2020, and \$37,969 in **Lyman County**. For home owners, the median income in Brule County was \$64,676 in 2020, and \$61,065 in Lyman County.

Estimated Income and Housing Costs - Renters

The American Community Survey also collected information on housing costs. The following table provides data on the percentage of renter households that are paying different percentages of their gross household income for housing in both Chamberlain and Oacoma.

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”.

Percent of Income for Housing	Renter Households Chamberlain	Renter Households Oacoma	Total
Less than 20%	43.9%	31.6%	43.0%
20% to 29.9%	24.0%	52.6%	26.1%
30% to 34.9%	15.4%	0%	14.3%
35% or more	16.4%	15.8%	16.4%
Not Computed	0.2%	0%	0.2%
Total	100%	100%	100%

Source: American Community Survey

- ▶ According to the 2020 American Community Survey, approximately 32% of all renters in **Chamberlain** were paying 30% or more of their income for rent, and would have a housing cost burden. Most than half of these households were actually paying 35% or more of income and had a severe cost burden.
- ▶ Nearly 16% of the renter households in **Oacoma** reported a cost burden in 2020. All of these households were paying more than 35% of their income for gross rent.

Estimated Income and Housing Costs - Owners

The American Community Survey also provided housing cost estimates for owner-occupants. The following table provides estimates of the percentage of households in Chamberlain and Oacoma that were paying different percentages of their gross household income for housing costs.

It is important to note that mortgage lending practices also tend to limit the amount of monthly income that can be used for mortgage repayment to less than 30%.

Table 14 Home Ownership Costs as a Percentage of Income - 2020			
Percentage of Household Income for Housing Costs	Owner Households Chamberlain	Owner Households Oacoma	Total
0% to 19.9%	58.9%	84.6%	63.9%
20% to 29.9%	19.5%	8.8%	17.4%
30% or more	21.6%	6.6%	18.7%
Not Computed	0%	0%	0%
Total	100%	100%	100%

Source: ACS

- ▶ More than 78% of owner-occupants in **Chamberlain**, which would include households with and without a mortgage, reported paying less than 30% of their income for housing in 2020. Nearly 22% of all home owners reported that they paid more than 30% of their income for housing. Most of the households applying 30% or more of their income also had a mortgage on the home.
- ▶ More than 93% of owner-occupants in **Oacoma**, which would include households with and without a mortgage, reported paying less than 30% of their income for housing in 2020. Fewer than 7% of all home owners reported that they paid more than 30% of their income for housing. Most of the households applying 30% or more of their income also had a mortgage on the home.

Chamberlain Annual Building Permits

Chamberlain has experienced new housing construction activity in recent years. The following table identifies the units that have been constructed from 2010 through 2022 (partial-year).

Table 15 Chamberlain Housing Unit Construction Activity: 2010 to 2022*			
Year	Single Family	Two or More Units	Total Units Constructed
2022*	6	0	6
2021	4	5	9
2020	2	0	2
2019	8	0	8
2018	0	6	6
2017	0	10	10
2016	0	7	7
2015	0	6	6
2014	12	0	12
2013	12	0	12
2012	6	8	14
2011	2	0	2
2010	2	0	2
Total	54	42	96

Source: Census Bureau; Community Partners Research, Inc.

* 2022 is through August

- ▶ Over the 12-year from 2010 through 2021, 90 new housing units have been constructed in Chamberlain, based on building permit information obtained from the Census Bureau. Forty-eight units are single family homes and 42 units are in structures with two or more units.
- ▶ Year-to-date in 2022, Chamberlain has issued permits for six new single family houses.

Oacoma Annual Building Permits

Based on available reporting, Oacoma has experienced limited new housing construction activity in recent years. The following table displays annual reporting totals for the years 2010 through 2022 (partial-year).

Table 16 Oacoma Housing Unit Construction Activity: 2010 to 2022*			
Year	Single Family	Two or More Units	Total Units Constructed
2022*	0	0	0
2021	1	0	1
2020	1	0	1
2019	2	0	2
2018	2	0	2
2017	2	0	2
2016	1	0	1
2015	0	0	0
2014	1	0	1
2013	3	0	3
2012	0	0	0
2011	0	0	0
2010	2	0	2
Total	15	0	15

Source: Census Bureau; Community Partners Research, Inc.

* 2022 is through August

- ▶ Over the 12-year period from 2010 through 2021, 15 new housing units have been constructed in Oacoma, based on building permit information obtained from the Census Bureau. All of these are single family homes. No multifamily construction has been identified in Oacoma.
- ▶ Year-to-date in 2022 no new construction housing permits have been issued in Oacoma.

2020 Census Housing Unit Data

The first housing counts released from the 2020 Census included information on occupancy and vacancy. The following table compares information from 2010 and 2020 to track changes over the decade as reported by the Census.

Table 17 Housing Units, Occupancy and Vacancy - 2020									
	Total Housing Units			Occupied Units			Vacant Units		
	2010	2020	Change	2010	2020	Change	2010	2020	Change
Chamberlain	1,142	1,169	27	1,040	1,011	-29	102	158	56
Oacoma	236	222	-14	205	174	-31	31	48	17

Source: U.S. Census

- ▶ According a reconciliation of decennial Census data, there was limited change in the overall housing inventory in **Chamberlain** between 2010 and 2020. In total, the City added 27 housing units.
- ▶ On a previous page, information was presented on building permit issuance. From 2010 to 2019, permits were issued for 79 new housing units in **Chamberlain**. If the Census count was accurate, Chamberlain lost more than 50 older housing units over the decade, resulting in a net gain that was less the level of new construction.
- ▶ In addition to seeing a decrease of housing that was occupied by permanent residents between 2010 and 2020, **Chamberlain** experienced an increase in the number of vacant/unoccupied units. Although vacancy details are not yet available for 2020, it is possible that the increase in unoccupied units reflects some conversion of permanent resident housing into seasonal/recreational use housing.
- ▶ In **Oacoma**, the Census showed an overall decrease of 14 units from the housing inventory between 2010 and 2020. Annual building permit reports indicate that 13 new houses were built in the Town between 2010 and 2019, so it appears that 27 units were also removed from the usable housing stock during this same time period.
- ▶ Like Chamberlain, **Oacoma** experienced a decrease of housing occupied by permanent resident households while seeing an increase in vacant/unoccupied housing. This may also represent some increased use of houses as seasonal/recreational properties.

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 can result in a margin of error within the individual data being presented.

Median Year of Construction - Owner-occupancy Housing

For owner-occupancy units an estimated median year of construction is provided. In **Chamberlain**, the estimated median year of construction was 1963. Nearly 48% of the owner-occupied houses were constructed before 1960.

For **Oacoma**, the estimated median year of construction for owner-occupied houses was 1986. Fewer than 9% of the Town’s owner-occupied houses were built before 1960.

Median Year of Construction - Renter-occupancy Housing

For renter-occupancy units in **Chamberlain**, the estimated median year of construction was 1979. More than 54% of all rental units were built before 1980.

For **Oacoma**, the estimated median year of construction for renter-occupied units was 1978. Approximately 58% of all rental units were built before 1980.

Existing Home Sales - Chamberlain

This section examines houses that have been sold from 2017 to 2021 in Chamberlain. The information was obtained from the South Dakota Department of Revenue and reflects information assembled by the Brule County Equalization Office.

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

The County also attempts to sort the residential sales into different groupings, primarily based on whether or not the house was actively listed for sale in the open market. Only houses that were offered for sale in the public market have been used in the analyses that follow.

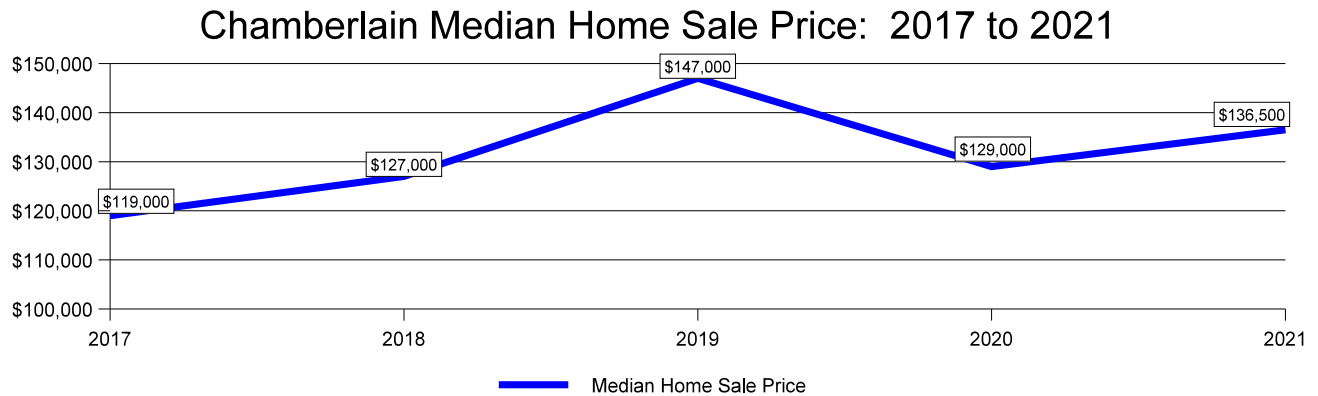
The County's sales ratio year differs slightly from the calendar year. It begins on November 1st and ends the following October 31st.

Table 18 Chamberlain Residential Sales Activity - 2017 to 2021				
Sales Year	Number of Sales	Median Sale Price	Highest Sale	Lowest Sale
2021	25	\$136,500	\$700,000	\$45,000
2020	27	\$129,000	\$272,000	\$32,500
2019	27	\$147,000	\$390,000	\$35,000
2018	15	\$127,000	\$235,000	\$44,000
2017	23	\$119,000	\$299,000	\$40,000

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

- ▶ With a limited number of sales within any 12-month sales period, there has been some year to year variation in the median sale price. However, in each of the five years reviewed the annual median has been \$119,000 or higher.

- ▶ The median price in 2021 was \$136,500, based on 25 open market sales. While lower than the median of \$147,000 recorded in 2019, the median for 2021 was the second highest annual median for the years reviewed.
- ▶ The annual volume of good sales ranged from a low of only 15 sales in 2018, to a high of 27 sales in 2019 and 2020.
- ▶ In each of the years reviewed there was at least one house was sold for \$235,000 or more.
- ▶ In each of the years reviewed at least one home was sold for \$45,000 or less.
- ▶ An alternate home value estimate exists in the American Community Survey. In 2020, this estimate placed the median value for owner-occupied houses at \$153,600. This value was well above the median sale price of \$129,000 for the year 2020, based on actual sales.



Existing Home Sales - Oacoma

This section examines houses that have been sold from 2017 to 2021 in Oacoma. The information was obtained from the South Dakota Department of Revenue and reflects information assembled by the Lyman County Equalization Office.

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

The County also attempts to sort the residential sales into different groupings, primarily based on whether or not the house was actively listed for sale in the open market. Only houses that were offered for sale in the public market have been used in the analyses that follow.

The County's sales ratio year differs slightly from the calendar year. It begins on November 1st and ends the following October 31st.

Table 19 Oacoma Residential Sales Activity - 2017 to 2021				
Sales Year	Number of Sales	Median Sale Price	Highest Sale	Lowest Sale
2021	10	\$154,250*	\$405,000	\$34,000
2020	4	\$124,000*	\$240,000	\$40,000
2019	6	\$117,500*	\$392,500	\$23,000
2018	3	\$85,000	\$195,840	\$75,000
2017	4	\$76,500*	\$152,000	\$36,750

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

* Median extrapolated from nearest sales

- ▶ With a limited number of sales within any 12-month sales period, there has been significant year to year variation in the median sale price. However, it does appear that there has been a rapid increase in the median sale price over the past five years.

- ▶ The extrapolated median price in 2021 was \$154,250, based on 10 open market sales. This was the highest annual median price for the five years that were reviewed, and the 10 good sales in 2021 were the largest number within any recent 12-month sales period.
- ▶ If all five years are combined, the 27 good sales over this period had a median sale price of \$140,000.
- ▶ In each of the past three years at least one house has been sold for \$240,000 or more.
- ▶ In four of the five of the years reviewed at least one home was sold for \$40,000 or less.
- ▶ An alternate home value estimate exists in the American Community Survey. In 2020, this estimate placed the median value for owner-occupied houses at \$138,000. This value was very similar to the median sale price of \$140,000 calculated from actual sales over the past five years.

Chamberlain Housing Condition

Community Partners Research, Inc. representatives updated a visual 'windshield' survey of single family/duplex/mobile homes in three of the older neighborhoods in Chamberlain. The neighborhoods are as follows:

Neighborhood #1 - Grace Street on the north; Sanborn Street on the south; East King Street on the east; Mott Avenue on the west

Neighborhood #2 - J Street on the north; K Avenue/1st Street on the south; Club Street on the east; Martin Street on the west

Neighborhood #3 - Main Street on the north; Merrill Street on the south; King Street on the east; 10th Avenue on the west

Houses that appeared to contain three or more residential units were excluded from the survey. Neighborhood #2 contained a mix of single family homes and mobile homes, which were rated and reported separately.

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

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

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

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

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

Table 20 Chamberlain Windshield Survey Condition Estimate - 2022

	Sound	Minor Repair	Major Repair	Dilapidated	Total
#1	46 (36.8%)	51 (40.8%)	20 (16.0%)	8 (6.4%)	125
#2 Single family	4 (28.6%)	3 (21.4%)	3 (21.4%)	4 (28.6%)	14
#2 Mobile homes	4 (9.1%)	12 (27.3%)	8 (18.2%)	20 (45.4%)	44
#3	28 (41.8%)	23 (34.3%)	12 (17.9%)	4 (6.0%)	67
Total	82 (32.8%)	89 (35.6%)	43 (17.2%)	36 (14.4%)	250

Source: Community Partners Research, Inc.

- ▶ The visual condition survey found that most of the neighborhoods were in good to fair condition. Except for Neighborhood #2, a majority of the structures were rated in one of the two best condition categories.
- ▶ In Neighborhood #1 more than 77% of the houses were rated as either Sound or Minor Repair. However, there were 20 houses rated as Major Repair in this neighborhood and eight houses received the lowest rating of Dilapidated.
- ▶ For the single family houses in Neighborhood #2, 50% of the houses were in the top two condition categories while the remaining 50% were rated as Major Repair or Dilapidated.
- ▶ Most of the structures in Neighborhood #2 are mobile homes and fewer than 10% of these were given the highest rating of Sound. There were eight mobile homes rated in the Major Repair category and 20 units were rated as Dilapidated and probably beyond the point of economic repair.
- ▶ In Neighborhood #3 more than 76% of all houses were rated in one of the two best condition categories. Only 20 houses received the Major Repair rating and four structures were viewed as Dilapidated.
- ▶ If all three neighborhoods are combined, there are 43 houses/mobile homes that need Major Repair and 36 units that are viewed as Dilapidated. Dilapidated structures may not be economically feasible to repair and may need to be demolished.

Oacoma Housing Condition

Community Partners Research, Inc. representatives updated a visual 'windshield' survey of single family/duplex houses in Oacoma. Structures that appeared to contain three or more residential units were excluded from the survey. There were 107 houses that were viewed and rated.

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

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

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

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

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

Table 21 Oacoma Windshield Survey Condition Estimate - 2022

	Sound	Minor Repair	Major Repair	Dilapidated	Total
Oacoma	40 (37.4%)	42 (39.2%)	17 (15.9%)	8 (7.5%)	107

Source: Community Partners Research, Inc.

- ▶ The condition survey found that most of the houses Oacoma are generally in good condition with more than 37% rated as Sound, the highest rating used, and more than 39% rated in the Minor Repair category.
- ▶ Nearly 16% of the houses in Oacoma were rated as needing Major Repair. There were eight houses rated as Dilapidated, the lowest rating used.

Rental Housing Data

Census Bureau Rental Inventory - Chamberlain

The 2020 Census has not yet released the more detailed tables on housing occupancy patterns, including owner versus renter status. Estimates for 2020 do exist in the American Community Survey.

According to the American Community Survey, there were 499 occupied rental units in Chamberlain 2020. There were no vacant or unoccupied units in the City for a total estimated inventory of 499 units.

At the time of the 2010 U.S. Census, there were 415 occupied rental units in Chamberlain and at least 34 vacant or unoccupied rental units, for a total estimated rental inventory of 449 units.

Based on the available estimates, the City may have added 50 rental housing units between 2010 and 2020. The number of occupied rental units has increased over time while vacancies have dropped.

The City's rental tenure rate in 2010 was 39.9%, above the Statewide rental rate in 2010 of 31.9%. Based on the American Community Survey, the rental tenure rate in 2020 was at 47.1%, up from 2010. However, it is likely that the American Community Survey has over estimated the housing tenure change in the City.

Census Bureau Rental Inventory - Oacoma

According to the American Community Survey, there were 38 occupied rental units in Oacoma in 2020. There were no vacant or unoccupied units in the Town for a total estimated inventory of 38 units.

At the time of the 2010 U.S. Census, there were 49 occupied rental units in Oacoma and at least one vacant or unoccupied rental unit, for a total estimated rental inventory of 50 units.

Based on the available estimates, the Town may have lost 12 rental housing units between 2010 and 2020. The number of occupied rental units also decreased over this time.

The Town's rental tenure rate in 2010 was 23.9%, below the Statewide rental rate in 2010 of 31.9%. Based on the American Community Survey, the rental tenure rate in 2020 was at 21.8%, down from 2010.

Recent Rental Construction

In Chamberlain, an estimated 42 rental units were constructed in Chamberlain between 2010 and 2021. We are not aware of any rental units constructed in Oacoma during this time period.

Rental Housing Survey

As part of this housing study, a telephone survey of multifamily projects was conducted in Chamberlain and Oacoma. Emphasis was placed on contacting properties that have six 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 units and senior housing with services units.

There were 347 housing units/beds that were contacted in the survey.

The units that were successfully contacted include:

- ▶ 148 market rate units
- ▶ 119 federally subsidized units
- ▶ 80 senior with services units/beds

Market Rate Summary

Information was obtained on 148 market rate rental units, including 112 units in Chamberlain and 36 units in Oacoma. Ten of the 148 units are designated for tenants age 50 and older.

Unit Mix

We obtained the bedroom mix on the 148 market rate units in the multi-family projects. The bedroom mix of the units is:

- ▶ efficiency - 21 (14.2%)
- ▶ one-bedroom - 7 (4.7%)
- ▶ two-bedroom - 119 (80.4%)
- ▶ three-bedroom - 1 (0.7%)

Occupancy / Vacancy

At the time of the survey, there were no vacancies in the 148 market rate units. All of the rental managers and property owners reported very high occupancy rates and excellent demand for market rate rental units. Several rental projects have waiting lists.

Rental Rates

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

In the following summary, Community Partners Research, Inc., has attempted to estimate the gross rents being charged in the multi-family projects, inclusive of an estimate for tenant-paid utilities. The lowest and highest gross rents have been identified, as reported in the telephone survey.

<u>Unit Type</u>	<u>Lowest/Highest Gross Rents</u>
Efficiency	\$500-\$800
One-bedroom	\$550-\$800
Two-bedroom	\$625-\$1700
Three-bedroom+	\$1050

The rent for the three-bedroom units is based on only one unit and may not be an accurate representation of prevailing rents. There are three and four-bedroom rental homes in Chamberlain/Oacoma that we did not survey.

Tax Credit Summary

There are no tax credit projects in Chamberlain/Oacoma.

Subsidized Summary

The research completed for this Study identified six subsidized projects in Chamberlain that provide rental opportunities for lower income households. There are no subsidized rental projects in Oacoma. These projects have a combined 119 units. Four projects, with 79 units, are general occupancy projects and two projects, with 40 units, are senior projects.

The six subsidized rental projects in Chamberlain include:

- ▶ **Calypso Court** - Calypso Court is a 16-unit HUD Section 8/HOME senior project. There are 12 two-bedroom and four three-bedroom units.
- ▶ **Grandview Apartments** - Grandview Apartments is a 12-unit HUD Section 8 general occupancy project. All of the units have two-bedrooms.
- ▶ **River Buttes Apartments** - River Buttes Apartments is a 15-unit USDA Rural Development senior project. The project has 11 two-bedroom and four three-bedroom units.
- ▶ **Lake Terrace Apartments** - Lake Terrace Apartments is a HUD Section 8/Home general occupancy project with 36 units. There are 24 efficiency and 12 one-bedroom units.
- ▶ **Riverview Manor** - Riverview Manor is a 24-unit USDA Rural Development senior project. There are 21 one-bedroom and three two-bedroom units.
- ▶ **Riverview Plaza** - Riverview Plaza is a 16-unit general occupancy USDA Rural Development project. There are 13 one-bedroom units and three two-bedroom units.

The majority of the subsidized units have access to project-based rent assistance. These units can charge rent based on 30% of the tenant's household income up to a maximum contract rent.

Unit Mix

The bedroom mix breakdown of the 119 subsidized housing units in Chamberlain are as follows:

- ▶ efficiency 24 (20.2%)
- ▶ one-bedroom 46 (38.7%)
- ▶ two-bedroom 41 (34.4%)
- ▶ three-bedroom 8 (6.7%)

Occupancy / Vacancy

Twelve vacancies were identified in the 119 subsidized units, which is a 10.1% vacancy rate. Several managers reported that there are ongoing vacancies in their rental projects.

Senior Housing with Services

Unit Inventory

There are two senior housing with services projects in Chamberlain.

- ▶ **Sanford Care Center** - The Sanford Care Center is licensed for 36 skilled nursing beds.
- ▶ **Regency Retirement Living** - Regency Retirement Living is a 36-bed assisted living facility. Regency Retirement Living provides the full array of assisted living services, including meals, medication distribution, laundry, housekeeping, bathing, etc.

Table 22 Chamberlain/Oacoma Multifamily Rental Housing Inventory					
Name	Number of Units /Bedroom Mix	Rent	Vacancy/ Wait List	Tenant Mix	Comments
Market Rate - Chamberlain					
Alderwood Properties	<u>34 - 2 bedroom</u> 34 total units	\$825 to \$1,550	No vacancies	24 units are general occupancy 10 units 50 and older	Alderwood Properties include 34 two-bedroom market rate units in three 8-plexes, one 6-plex, and a 4-plex. The three 8-plexes are general occupancy and the rent is \$850. The 6-plex and 4-plex are designated for tenants age 50 and older. The 6-plex rent is \$1,050 and the 4-plex rent is \$1,550. The rent for all of the units includes water, sewer and garbage. The 6-plex and 4-plex units have garages. The owner reported no vacancies at the time of the survey.
Cedar Heights Apartments	<u>6 - 2 bedroom</u> 6 total units	\$700	No vacancies	General occupancy	Cedar Heights Apartments is a six-unit market rate project. All of the units are two-bedroom. Rent is \$700, which includes water, sewer and garbage. The manager reported no vacancies at the time of the survey.
Cedar Heights Townhomes	<u>8 - 2 bedroom</u> 8 total units	\$700	No vacancies	General occupancy	Cedar Heights Townhomes is an eight-unit market rate project. All of the units are two-bedroom. Rent is \$700, which includes water, sewer and garbage. The manager reported no vacancies at the time of the survey.
Cedar Heights Townhomes II	<u>12 - 2 bedroom</u> 12 total units	\$650	No vacancies	General occupancy	Cedar Heights Townhomes II is a 12-unit market rate project. All of the units are two-bedroom. Rent is \$650, which includes water, sewer and garbage. The manager reported no vacancies at the time of the survey.

Table 22 Chamberlain/Oacoma Multifamily Rental Housing Inventory					
Name	Number of Units /Bedroom Mix	Rent	Vacancy/ Wait List	Tenant Mix	Comments
Market Rate - Chamberlain					
Cherry Lane Apartments	<u>6 - 2 bedroom</u> 6 total units	\$700	No vacancies	General occupancy	Cherry Lane Apartments is a six-unit market rate project. All of the units are two-bedroom. Rent is \$700, which includes water, sewer and garbage. The manager reported no vacancies at the time of the survey.
High Point Apartments	7 - 1 bedroom 1 - 2 bedroom <u>1 - 3 bedroom</u> 9 total units	Range of \$450 to \$900	No vacancies	General occupancy	High Point Apartments is a nine-unit general occupancy project. There are seven one-bedroom units, one two-bedroom unit and one three-bedroom unit. Rent ranges from \$450 to \$900 and includes water, sewer and garbage.
Motel Efficiency Units	<u>21 - efficiency</u> 21 total units	Range from \$500 to \$800	No vacancies	General occupancy	There are 21 efficiency units located in three Chamberlain motels. Rents range from \$500 to \$800. The rent includes utilities and the units are furnished. The manager reported no vacancies at the time of the survey.
River Street Apartments	<u>8 - 2 bedroom</u> 8 total units	Range from \$550 to \$700	No vacancies	General occupancy	River Street Apartments is an eight-unit general occupancy market rate project. All of the units are two-bedroom. Rent is \$550 to \$700, which includes water, sewer and garbage. The owner reported no vacancies at the time of the survey.
Rockford Apartments	<u>8 - 2 bedroom</u> 8 total units	\$625	No vacancies	General occupancy	Rockford Apartments is an eight-unit market rate general occupancy project. All of the units have two bedrooms. Rent is \$625 and includes water, sewer and garbage. The manager reported no vacancies at the time of the survey.

Table 22 Chamberlain/Oacoma Multifamily Rental Housing Inventory					
Name	Number of Units /Bedroom Mix	Rent	Vacancy/ Wait List	Tenant Mix	Comments
Market Rate - Oacoma					
105,106 & 107 Seaman Ave. Oacoma	<u>24 - 2 bedroom</u> 24 total units	\$725	No vacancies	General occupancy	This project includes 24 market rate general occupancy units in Oacoma. All of the units have two bedrooms. The rents are \$725 and include water, sewer and garbage. The owner reported no vacancies at the time of the survey.
6-plexes Main Ave. Oacoma	<u>12 - 2 bedroom</u> 12 total units	\$500	No vacancies	General occupancy	This project includes two general occupancy market rate 6-plexes. Rents are \$500 and include water, sewer and garbage. The owner reported no vacancies at the time of the survey.
Subsidized - Chamberlain					
Calypso Court	<u>12 - 2 bedroom</u> <u>4 - 3 bedroom</u> 16 total units	\$782 \$1,013	No vacancies	General occupancy	Calypso Court is a 16-unit general occupancy HUD Section 8 and HOME project. There are 12 two-bedroom and four three-bedroom units. Tenants pay 30% of their income for rent up to the market rent. The manager reported no vacancies at the time of the survey.
Grandview Apartments	<u>12 - 2 bedroom</u> 12 total units	\$632 30% of income	1 vacancy	General occupancy	Grandview Apartments is a 12-unit general occupancy HUD Section 8 Project. All of the units have two bedrooms. Tenants pay 30% of their income for rent up to the market rent. The manager reported one vacancy at the time of the survey.
Lakeview Terrace Apartments	24 - efficiency <u>12 - 1 bedroom</u> 36 total units	\$691 \$795 30% of income	2 vacancies	General occupancy	Lakeview Terrace Apartments is a 36-unit general occupancy HUD Section 8 and HOME project. There are 24 efficiency and 12 one-bedroom units. Tenants pay 30% of their income for rent up to the market rent. The manager reported two vacancies at the time of the survey.

Table 22 Chamberlain/Oacoma Multifamily Rental Housing Inventory					
Name	Number of Units /Bedroom Mix	Rent	Vacancy/ Wait List	Tenant Mix	Comments
Subsidized - Chamberlain					
River Buttes Apartments	11 - 2 bedroom 4 - 3 bedroom 15 total units	\$828 \$898 30% of income	4 vacancies	General occupancy	River Buttes Apartments is a 15-unit general occupancy USDA Rural Development Project. There are 11 two-bedroom and four three-bedroom units. Tenants pay 30% of their income for rent up to the market rent. The manager reported four vacancies at the time of the survey.
Riverview Manor	21 - 1 bedroom 3 -2 bedroom 24 total units	\$575 \$635 30% of income	4 vacancies	Senior/ disabled occupancy	Riverview Plaza is a 24-unit senior USDA Rural Development Project. There are 21 one-bedroom and three two-bedroom units. Tenants pay 30% of their income for rent up to the market rent. The manager reported four vacancies at the time of the survey.
Riverview Plaza	13 - 1 bedroom 3 -2 bedroom 16 total units	\$635 30% of income	1 vacancy	Senior/ disabled occupancy	Riverview Plaza is a 16-unit senior USDA Rural Development Project. There are 13 one-bedroom and three two-bedroom units. The tenants pay 30% of their income for rent up to the market rent. The manager reported one vacancy at the time of the survey.
Senior Housing with Services - Chamberlain					
Regency Retirement Living	36 beds	Based on level of services and room size	N/A	Seniors	Regency Retirement Living is a 36-bed assisted living facility. The facility provides the full array of assisted living services including meals, bathing, medication management, housekeeping, etc.
Sanford Care Center	44 beds	Based on level of services	N/A	Seniors	Sanford Care Center is a 44-bed skilled nursing facility.

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.

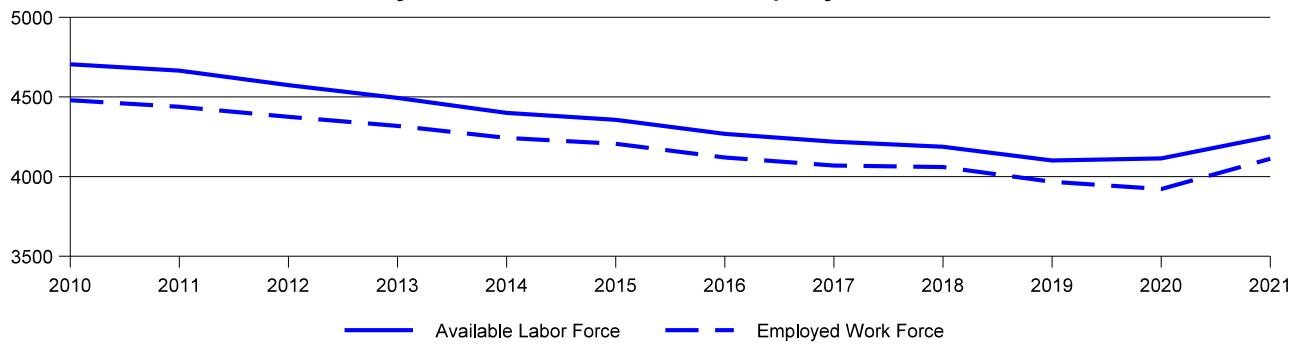
Labor Force and Unemployment

Employment information is available at the County level. The labor force statistics track people by place of residence, rather than place of employment. The following table provides information for Brule and Lyman Counties.

Year	Labor Force	Employed	Unemployed	Unemployment Rate: Counties	Unemployment Rate: SD	Unemployment Rate: US
2010	4,705	4,479	226	4.8%	5.0%	9.6%
2011	4,665	4,438	227	4.9%	4.6%	8.9%
2012	4,574	4,375	199	4.4%	4.1%	8.1%
2013	4,494	4,318	176	3.9%	3.7%	7.4%
2014	4,400	4,243	157	3.6%	3.3%	6.2%
2015	4,356	4,206	150	3.4%	3.0%	5.3%
2016	4,268	4,120	148	3.5%	3.0%	4.9%
2017	4,219	4,069	150	3.6%	3.1%	4.4%
2018	4,187	4,060	127	3.0%	2.9%	3.9%
2019	4,101	3,967	134	3.3%	3.0%	3.7%
2020	4,114	3,922	192	4.7%	4.6%	8.1%
2021	4,251	4,112	139	3.3%	2.8%	5.3%

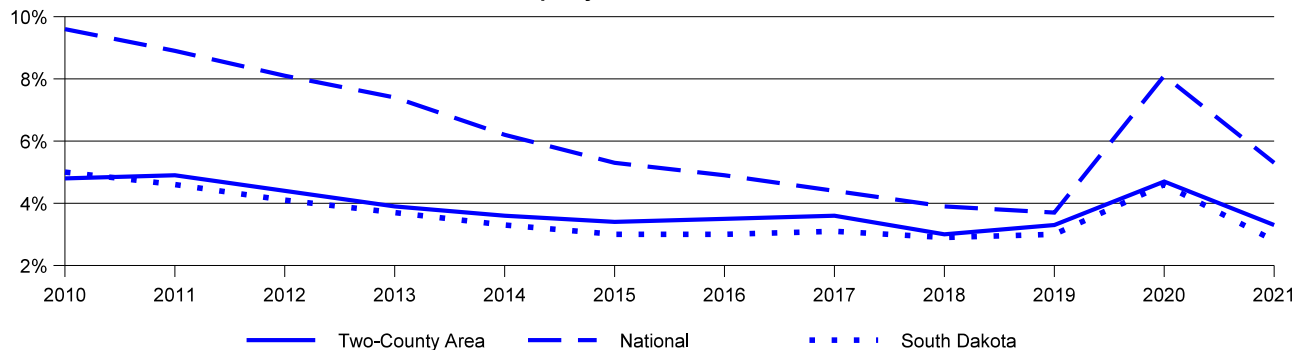
Source: South Dakota Department of Labor

Two-County Labor Force and Employed Work Force



- ▶ Over the past 12 years there has been both up and down movement in the size of the County’s resident labor force. If 2019 (pre-pandemic) is compared back to 2010, the labor force decreased by 604 people, or -12.8%.
- ▶ However, after moving lower in 2020, probably due to the pandemic, the Two-County labor force then increased in 2021 and was at its highest level since 2016.
- ▶ The employed resident work force in the Two-County area has also experienced some up and down movement. If 2019 is compared to 2010, there were 512 fewer employed residents in the County. Once again there was some further decrease in 2020, but the number of employed residents then increased in 2021.

Annual Unemployment Rate: 2010 to 2021



- ▶ Throughout the time period reviewed, the unemployment rate in the Two-County Area has generally been similar to the rate for South Dakota, and has remained below the national unemployment rate.

Average Annual Employment and Wages

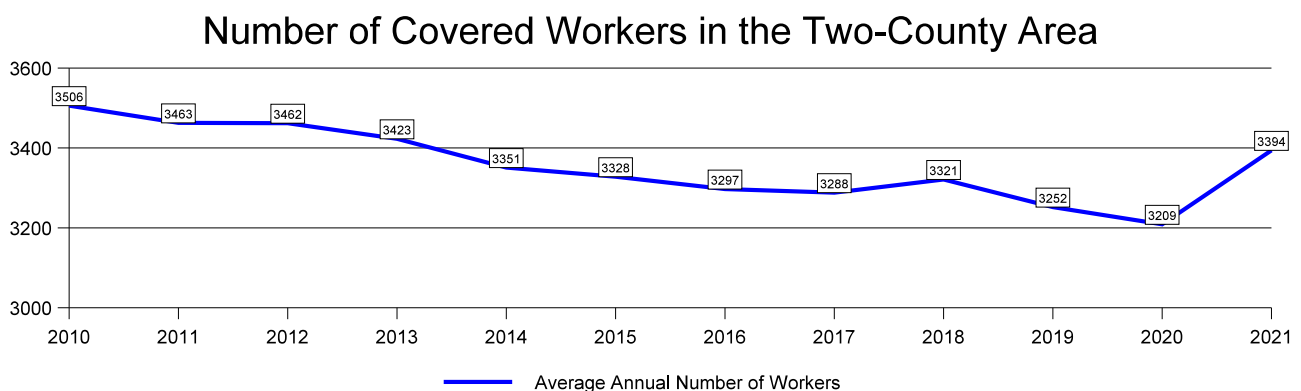
The Quarterly Census of Employment and Wages (QCEW) tracks annual employment and average annual wage data. It is important to note that the reporting does not represent all employment, as some classifications such as self-employed workers are not included. This information is for the Two-County area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

Table 24 County Average Annual Wages - 2021		
Industry	2021 Employment	Average Weekly Wage
Total All Industry - Brule County	2,019	\$782
Total All Industry - Lyman County	1,375	\$685

Source: South Dakota Department of Labor & Regulation

- ▶ The average weekly wage for all industry in Brule County in 2021 was \$782. At full-time employment for 52 weeks this equates to an average annual wage of \$40,664. The average weekly wage for all industry in Lyman County in 2021 was \$685. At full-time employment for 52 weeks this equates to an average annual wage of \$35,620.

Using the QCEW it is possible to examine longer-term patterns in the local employment level. The following table displays the total number of workers reported in the Two-County Area from 2010.



- ▶ From 2010 through 2020 there was a general decrease in the number of covered workers employed in Brule and Lyman Counties. However, a rebound then occurred in 2021 and the number of workers covered by unemployment insurance was at its highest level since 2013.

Commuting Patterns of Workers: Chamberlain

Information is available on workers that commute for employment. The best information is from the 2020 American Community Survey, and has been examined for the City of Chamberlain. The first table only examines travel time for City residents, and excludes people that work at home.

Table 25 Commuting Times for Chamberlain Residents - 2020		
Travel Time	Number	Percent
Less than 10 minutes	889	64.6%
10 to 19 minutes	356	25.9%
20 to 29 minutes	27	2.0%
30 minutes +	105	7.6%
Total	1,377	100%

Source: American Community Survey

- ▶ Most Chamberlain residents were working locally in 2020, with more than 90% of all residents traveling less than 20 minutes to their job.
- ▶ Nearly 8% of the City’s residents were traveling greater distances for their primary job, with a drive time of 30 minutes or more.

The ACS also identifies travel time by location of the job. For people working in Chamberlain the following travel times were identified in 2020.

Table 26 Commuting Times for Chamberlain-based Employees - 2020		
Travel Time	Number	Percent
Less than 10 minutes	854	45.2%
10 to 19 minutes	605	32.0%
20 to 29 minutes	150	7.9%
30 minutes +	282	14.9%
Total	1,891	100%

Source: American Community Survey

- ▶ The large majority of workers in Chamberlain lived locally, with more than 77% having a travel time of less than 20 minutes.

Commuting Patterns of Workers: Oacoma

Information is available on workers that commute for employment. The best information is from the 2020 American Community Survey, and has been examined for the Town of Oacoma. The table only examines travel time for Town residents, and excludes people that work at home.

Table 27 Commuting Times for Oacoma Residents - 2020		
Travel Time	Number	Percent
Less than 10 minutes	63	32.8%
10 to 19 minutes	93	48.4%
20 to 29 minutes	6	3.1%
30 minutes +	30	15.6%
Total	192	100%

Source: American Community Survey

- ▶ Most Oacoma residents were working locally in 2020, with more than 81% of all residents traveling less than 20 minutes to their job.
- ▶ Nearly 16% of the City’s residents were traveling greater distances for their primary job, with a drive time of 30 minutes or more.

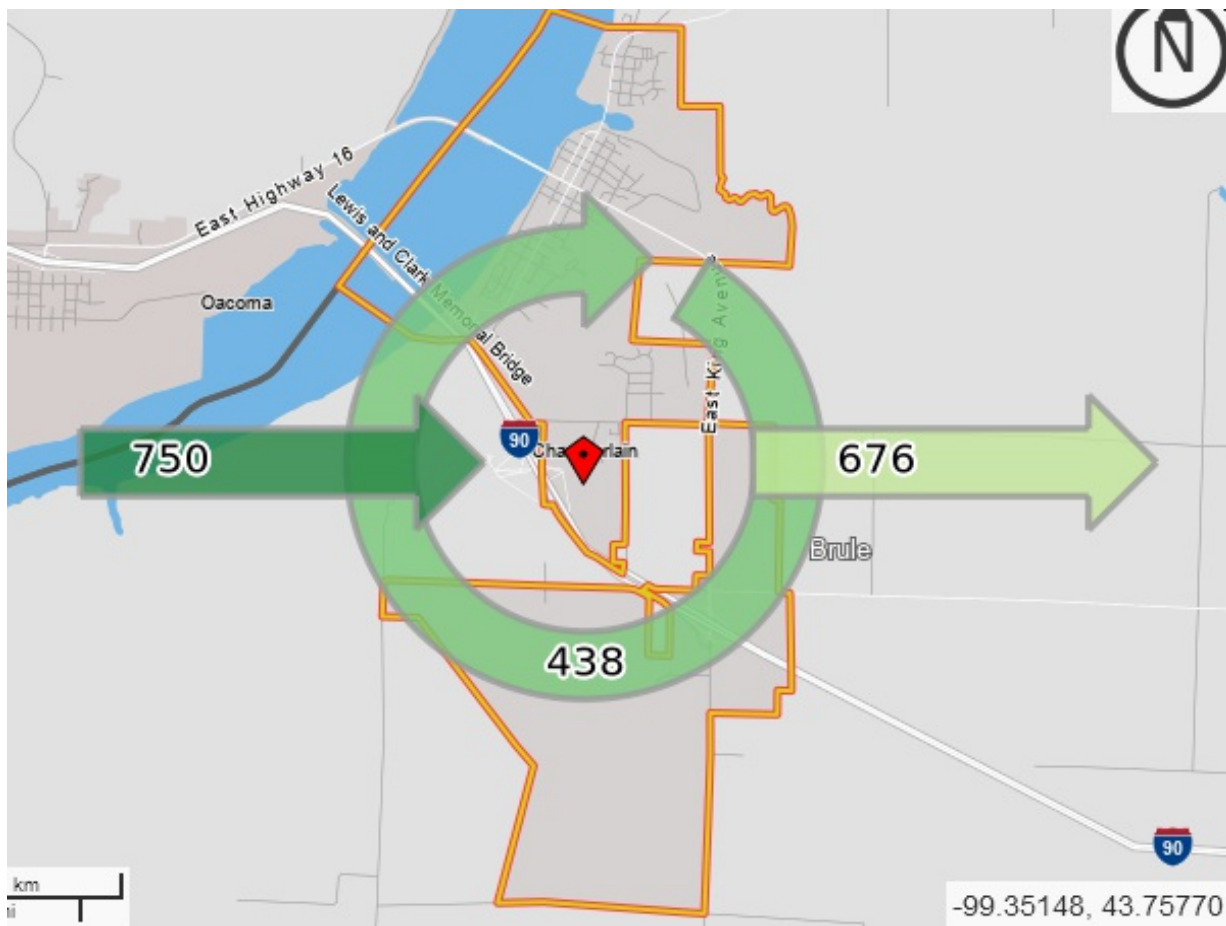
The ACS also identifies travel time by location of the job. However, no estimate was provided in 2020 for Oacoma.

Census on the Map: Chamberlain

The Census Bureau also produces commuter reports through its Center for Economic Studies division. In Chamberlain, the most recent usable data is from 2019. While dated, it does provide a further breakdown of worker movement patterns.

According to the report for Chamberlain, there were 1,188 people that were employed within the city limits in 2019. There were 438 city-based employees that also lived in Chamberlain, with 750 employees commuting into the community. The primary identified jurisdictions supplying workers to the City were Kimball, Chamberlain Township, Mitchell and Pukwana.

Most Chamberlain residents left their home community to work elsewhere. In 2019, there were an estimated 676 employed City residents that worked outside the city limits. The primary locations listed for outbound commuters were Sioux Falls, Oacoma, Crow Creek UT, Lower Brule UT and Presho.

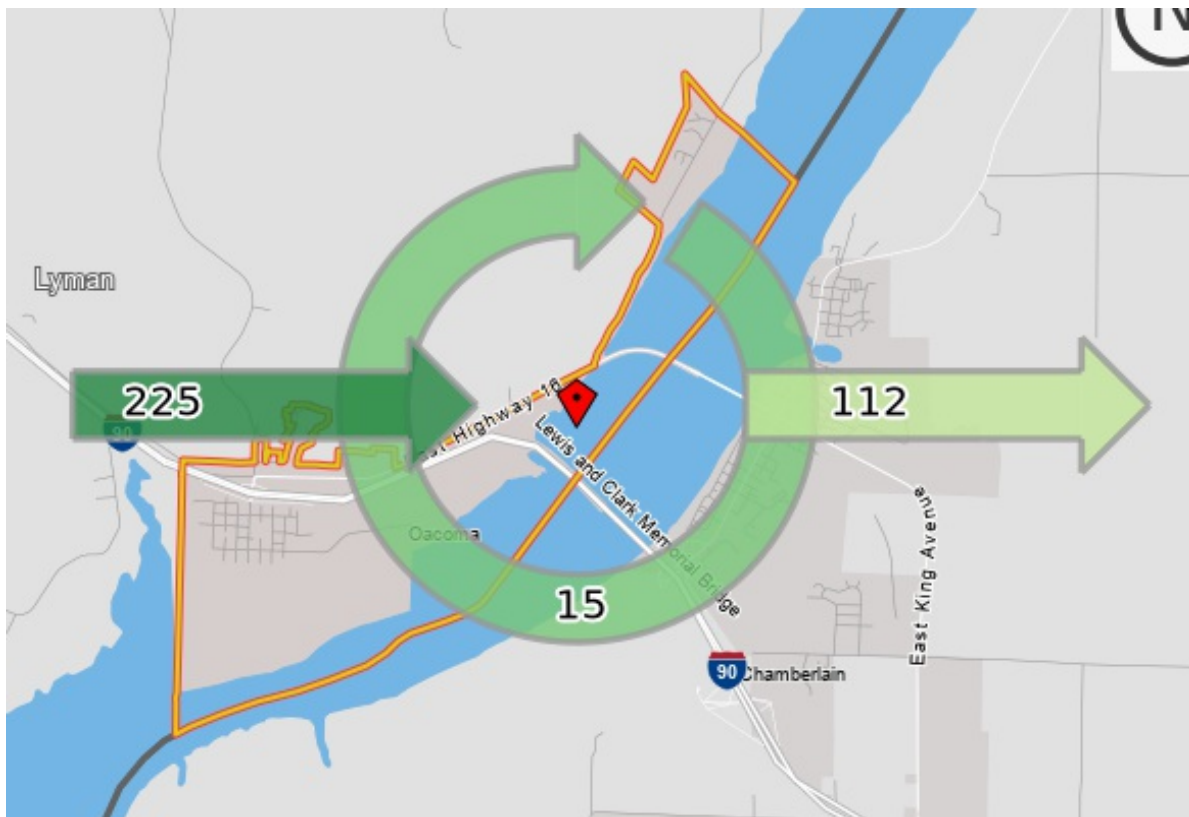


Census on the Map: Oacoma

The Census Bureau also produces commuter reports through its Center for Economic Studies division. In Oacoma, the most recent usable data is from 2019. While dated, it does provide a further breakdown of worker movement patterns.

According to the report for Oacoma, there were 240 people that were employed within the town limits in 2019. Only 6.2% of these Town-based employees also lived in Oacoma, with 225 employees commuting into the community. The primary identified jurisdictions supplying workers to the City were Chamberlain, Presho and West Lyman UT.

Most Oacoma residents left their home community to work elsewhere. In 2019, there were an estimated 112 employed Town residents that worked outside the corporate limits. The primary locations listed for outbound commuters were Presho, Chamberlain, Pierre and Sioux Falls.



Findings on Growth Trends

The release of the 2020 U.S. Census provided a new benchmark for demographic data. For the **City of Chamberlain**, the 2020 results showed an increase in the City's permanent resident population but a decrease in the number of resident households. When compared to 2010, Chamberlain had lost 29 households but added 86 people. During the decade, the City's average household size increased.

In **Oacoma**, there was a loss of both population and households between 2010 and 2020, with 65 fewer people and 31 fewer permanent households.

For both of these communities, the past decade represented a change in demographic patterns. Between 2000 and 2010, **Chamberlain** had averaged annual household growth of nearly 10 households per year. Growth had been slower in Chamberlain in the 1990s, but the City did add some households.

Between 2000 and 2010, **Oacoma** averaged between three and four additional households per year. In the 1990s the Town had averaged growth of more than four households per year.

The demographic patterns in these two communities are evident in statistics for Brule and Lyman Counties. The **Two-County Area** had a reduction of 201 households between 2010 and 2020. While the combined Counties had added households between 2000 and 2010, the reduction over the most recent decade has resulted in fewer resident households in 2020 than had been present in 2000.

Findings on Projected Growth

This Study has examined projections from established national sources, including both Applied Geographic Solutions (AGS) and Esri. In general, these sources are not viewed as reliable by the analysts.

Despite the recent reduction of resident households in **Chamberlain**, in the opinion of the analysts the City does have growth potential going forward, especially if adequate housing options exist. A realistic projection is that the City will add approximately 10 households per year through 2027. This pace of growth would be similar to the rate achieved between 2000 and 2010. Over the 5-year projection period this would indicate that at least 50 housing units will be needed to address growth-generated demand.

Oacoma also had a longer-term pattern of averaging approximately four households per year, before the reduction experienced between 2010 and 2020. Like Chamberlain, the analysts believe that growth potential does exist in Oacoma, provided housing options are created. A forecast of approximately four additional households per year in Oacoma appears very achievable for the community. Over the 5-year projection period this would indicate that at least 20 housing units will be needed to address growth-generated demand.

It is possible that household losses may occur in the combined **Two-County Area**. Rural townships and small communities have been gradually losing population and households in recent decades in South Dakota. As rural residents age, there may be a desire to move into the larger cities and towns, where services and medical care are available.

It is important to state that the projections used for Chamberlain and Oacoma may prove to be conservative. Past growth has probably been limited by a shortage of available housing. Planned construction of new housing projects within the next few years should result in above-average household growth.

Summary of Growth Projections by Age Group

The Demographic section of this Study presented projection information on anticipated changes by age group over the next few years. This information can be informative in determining the housing changes that may be needed due to age patterns of the area population. The age-based changes have been reviewed for the entire Two-County Area, which includes Brule and Lyman Counties.

The age-based household projections were generated by Esri, and span the expected changes in the number of households over a 5-year period from 2022 to 2027. In total, Esri believes that the Two-County Area will have a reduction of 36 households during this time.

While this projection may prove to be overly conservative, the age-based changes expected are informative when anticipating future demand for housing.

<u>Age Range</u>	<u>Projected Change in Households 2022 to 2027</u>
15 to 24	-7
25 to 34	-32
35 to 44	-16
45 to 54	-30
55 to 64	-82
65 to 74	+71
75 and older	+60
Total	-36

In general, Esri’s forecast expects that the trends of the recent past to continue into the near-future, as existing residents of the area progress through the aging cycle. By 2027, nearly all of the large baby boom generation will be age 65 or older. The Esri projections forecast an increase of more than 130 households age in the senior citizen age ranges.

Conversely, all of the non-senior age groups are projected to decrease in size, although this reduction in households is often small. If accurate, these projections indicate that the Two-County Area will have 167 fewer households in the age ranges 64 years old and younger by the year 2027.

Findings on Unit Demand by Type of Housing

Based on the household by age projections presented earlier, the changing age composition of Two-County Area'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 minimal loss of seven households in the 15 to 24 age range through the year 2027. Past tenure patterns indicate that a significant percentage of these households will rent their housing. Relative stability in the number of households in this age range should mean that rental demand from younger households will also remain stable during the projection period.

25 to 34 Years Old - The projections show a loss of 32 households in this age range by 2027. Within this age range households often move from rental to ownership housing. Relative stability within this age range indicates demand for both first-time home buyer and rental opportunities from this age range will decrease slightly during the projection period.

35 to 44 Years Old - The projections for this 10-year age cohort expect a minimal loss of 16 households through 2027 in the Two-County Area. In the past, this age group has had a high home ownership rate. Households within this range often represent both first-time buyers and households looking to trade-up, selling their starter home for a more expensive house.

45 to 54 Years Old - The projections show a loss of 30 households in this age range by 2027. This age group historically has had a high rate of home ownership, and will often look for trade-up housing opportunities. Relative stability within this age range indicates demand for trade-up housing will remain stable or potentially decrease slightly during the projection period.

55 to 64 Years Old - By 2027, this age cohort will include part of the "baby bust" generation that followed behind the baby boomers. This age group tends represents a much smaller segment of the population than the baby boom age group. For the Two-County Area, the projections show a loss of 82 households in this age range. This age group has traditionally a high rate of home ownership. Age-appropriate housing, such as town house or twin home units, will be 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. Additionally, this age range will also seek trade-up housing opportunities.

65 to 74 Years Old - A strong gain of 71 households is expected by the year 2027 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 also strong growth projected, with 60 households added in the Two-County Area in this age range by 2027. An expansion of housing options for seniors, including senior housing with services and high quality rental housing, should appeal to this age group. In most cases, income levels for senior households have been improving, as people have done better retirement planning. As a result, households in this age range may have fewer cost limitations for housing choices than previous generations of seniors.

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

Findings on Housing Unit Demand and Tenure

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

Demand from Growth - The household projections used for this Study expect Chamberlain to gain up to 50 households and Oacoma will gain up to 20 households from 2022 to 2027. Household growth will yield demand for new housing production in Chamberlain/Oacoma.

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 Chamberlain/Oacoma, some dilapidated housing has been demolished, and more units will be removed in the future. As a result, we have included an allowance for unit replacement in the recommendations that follow.

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

Pent-Up Demand - The third primary demand-generator for new housing is caused by unmet need among existing households, or pent-up demand. Household growth and shifting age patterns have created demand for certain types of age-appropriate housing in Chamberlain/Oacoma. 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 Chamberlain/Oacoma were identified through statistical data, local interviews, research and on-site review of the local housing stock.

- ▶ **Chamberlain/Oacoma serves as a small regional center** - Chamberlain/Oacoma provides employment opportunities, retail/service options, health and professional services, governmental services and recreational facilities for a small geographical area that surrounds the Cities.
- ▶ **Affordable priced housing stock** - Chamberlain and Oacoma have a stock of affordable, existing houses. Our analysis shows that the median home value based on recent sales is approximately \$136,500 in Chamberlain and \$154,250 in Oacoma. This existing stock, when available for sale, provides an affordable option for home ownership.
- ▶ **Adequate land for development** - Chamberlain/Oacoma have 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 systems** - Chamberlain has an excellent public K-12 school system. Also, the St. Joseph's Indian School is located in Chamberlain.
- ▶ **Health facilities** - Chamberlain has excellent health facilities including a hospital, medical clinic and senior housing with services facilities.
- ▶ **Infrastructure** - Chamberlain/Oacoma's water and sewer infrastructure can accommodate future expansion.
- ▶ **Commercial development** - Chamberlain's commercial district is adequate to meet most daily needs.
- ▶ **Lake Francis Case Development Corporation** - The Lake Francis Case Development Corporation is active in promoting economic and industrial development and job creation.
- ▶ **Employers** - Chamberlain/Oacoma has employers that provide job opportunities for local residents.

- ▶ **Commuters** - Approximately 750 Chamberlain and 225 Oacoma employees are commuting into the jurisdictions daily for work. These commuters are a potential market for future housing construction.
- ▶ **Desirable location of seniors and retirees** - Chamberlain/Oacoma are attractive communities for seniors as a retirement location. As the providers for the area's health, retail and government services and recreational opportunities, the two communities have amenities that are attractive for seniors as they age.
- ▶ **Recreational and tourism opportunities** - Chamberlain/Oacoma are located on the Missouri River and are in an area that provides excellent fishing, hunting, boating and other recreational and tourism opportunities.
- ▶ **New housing subdivision** - The City of Chamberlain is developing a new subdivision that will provide residential and multi-family lot opportunities.
- ▶ **Population and households** - Based on our projections, Chamberlain/Oacoma will add population and households over the next five years.
- ▶ **Developers and builders** - Chamberlain/Oacoma has developers and builders that have a track record of building single family homes and multi-family rental projects in Chamberlain/Oacoma.

Barriers or Limitations to Housing Activities

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

- ▶ **Age and condition of the housing stock** - While the existing stock is affordable, some of the housing is in need of improvements to meet expectations of potential buyers.
- ▶ **Low rent structure** - The area's rent structure is relatively low, which makes it more difficult to construct new rental housing.
- ▶ **Value gap deters new owner-occupied construction** - Based on market values from recent residential sales, we estimate that the median priced home in Chamberlain is valued at approximately \$136,500 and \$154,250 in Oacoma. This is below the comparable cost for new housing construction, which will generally be above \$275,000 for a stick built home with commonly expected amenities. This creates a value gap between new construction and existing homes. This can be a disincentive for any type of speculative building and can also deter customized construction, unless the owner is willing to accept a potential loss on their investment.
- ▶ **Distance from a larger regional center** - Some households need or desire to be close to a larger regional center, which offers additional health services, retail/commercial opportunities, recreational and cultural options, etc. The nearest large regional center is Mitchell, which is 70 miles from Chamberlain/Oacoma.
- ▶ **Lower paying jobs** - Although Chamberlain/Oacoma have job opportunities, some jobs are at the lower end of the pay scale and employees with these jobs have limited housing choices.
- ▶ **Commercial/retail options** - Chamberlain/Oacoma have a limited number of commercial and retail opportunities compared to larger regional centers.

Recommendations, Strategies and Housing Market Opportunities

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

- ▶ **Be realistic in expectations for housing development** - Large-scale residential growth has not occurred in the recent past and is not likely to occur in the near future. The scale of activities proposed for the future should be comparable with the area's potential for growth.
- ▶ **Proactive community involvement** - New home and apartment construction will more likely occur in Chamberlain/Oacoma if there is proactive support from the City, regional housing and economic development agencies and the South Dakota Housing Development Authority.
- ▶ **Protect the existing housing stock** - The future of Chamberlain/Oacoma will be heavily dependent on their appeal as residential locations. The condition of the existing housing stock is a major factor in determining each community's long-term viability. The existing housing stock is in good condition and is a major asset, however, rehabilitation efforts are needed to preserve the housing stock.
- ▶ **Protect the existing assets and resources** - Chamberlain/Oacoma have many assets including a K-12 school, employers, commercial districts, health facilities, recreational opportunities, etc. These are strong assets that make Chamberlain/Oacoma desirable communities to live in, and are key components to their 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, Chamberlain/Oacoma have been involved in housing issues. The communities should prioritize its housing issues and establish goals and time lines to achieve success in addressing its housing needs.
- ▶ **Access all available resources for housing** - In addition to the local efforts, Chamberlain/Oacoma have other resources to draw on including USDA Rural Development, the South Dakota Housing Development Authority, Rural Office of Community Services, Inc., 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 Chamberlain and Oacoma 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 48 to 52 general occupancy market rate and moderate rent rental units
2. Promote the development/conversion of six to eight affordable market rate rental housing units
3. Monitor the need for additional subsidized rental housing units
4. Preserve the existing subsidized housing
5. Senior with services recommendation
6. Develop 16 to 18 senior independent/light services market rate units
7. Develop a downtown mixed-use commercial/housing project
8. Develop a Housing Choice Voucher Program

Home Ownership

9. Continue to utilize and promote all programs that assist with home ownership
10. Develop a purchase/rehabilitation program

Single Family Housing Development

11. Lot availability and development
12. Strategies to encourage residential lot sales and new home construction in Chamberlain/Oacoma
13. Coordinate with economic development agencies, housing agencies and nonprofit groups to construct affordable housing
14. Promote twin home/town home development

Housing Rehabilitation

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

Other Housing Initiatives

17. Acquire and demolish dilapidated structures
18. Develop mobile/manufactured home improvement programs
19. Strategies for downtown redevelopment
20. Develop home ownership and new construction marketing programs

Chamberlain - 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. However, approximately 42 rental units were constructed in Chamberlain from 2010 to 2021.

Based on 2020 American Community Survey data, in 2020, there were approximately 499 rental units in Chamberlain. It is also estimated that there are approximately 50 rental units in Oacoma.

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

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

Our household projections for Chamberlain expect some household growth over the next five years. From 2022 to 2027, Community Partners Research, Inc., is projecting that there will be a gain of up to 50 households in Chamberlain and a gain of up to 20 households in Oacoma. It is projected that approximately 50% of these households will be rental households, thus, there will be a demand for up to 35 additional rental units due to household growth over the next five years.

Demand created by replacement of lost units is more difficult to determine, but the best available evidence suggests that the two cities will lose as many as four to five units per year. As a result, approximately 20 to 25 additional units will be needed over the next five years to replace lost units. In some cases, this unit replacement will be necessary as existing units are removed from the inventory through demolition or conversion. In other cases, this replacement is appropriate due to the deteriorating condition of older, substandard rental housing that should be removed from the occupied stock. Rental units will also be lost due to rental units converting to owner-occupancy.

Pent-up demand also exists. As part of this study, a rental survey was conducted. The survey found no vacancies in conventional general occupancy market rate units in the two communities and the owners and managers reported high ongoing occupancy rates. However, there were 12 vacancies reported in Chamberlain’s 119 subsidized units, which is a 10.1% vacancy rate.

We identified pent-up demand for market rate rental units, including workforce units and senior independent/light services units.

These three demand generators, after factoring current occupancy rates, show a need for 70 to 78 rental units in Chamberlain/Oacoma over the next five years. Based on the factors stated above, we recommend the development of the following new rental units over the next five years from 2022 to 2027.

▶ General Occupancy Market Rate	48-52 units
▶ Affordable/Conversions	6-8 units
▶ Senior Independent/Light Services	<u>16-18 units</u>
Total	70-78 units

It is important to recognize that this is the potential demand within the various market segments, including some need for unit replacement. If this level of unit production is achieved, the total household growth within the community would exceed the expected growth projection presented earlier in this Study. The analysts recognize that production of all of these units may not actually occur at the recommended level.

1. Develop 48 to 52 general occupancy market rate and moderate rent (workforce housing) rental units

Findings: Approximately 72% of the rental housing in the City of Chamberlain and all of the rental housing in Oacoma 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 148 market rate rental units we surveyed in Chamberlain/Oacoma, we found no vacancies. The owners and managers of rental properties reported very high ongoing occupancy rates and strong demand for rental housing. Also, several market rate projects had waiting lists.

There is a wide variation in rental rates in the market rate segment in Chamberlain/Oacoma. The existing rent range including utilities ranges from \$500 to \$1,700 based on the quality and size of the units.

From 2010 to 2021, approximately 42 market rate rental units were constructed in Chamberlain. These units were constructed in small rental projects. No rental units were constructed in Oacoma. Also, some single family homes have converted from owner-occupied to rental units and vice versa. A 38-unit rental project in Chamberlain is in the preliminary planning phase.

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 between 48 to 52 market rate rental units over the next five years, including luxury, moderate rent and workforce housing. A large majority of these units should be constructed in Chamberlain.

Based on our research, there is a lack of one and three-bedroom rental units, thus, some of the new units constructed over the next five years should be one and three-bedroom units. However, the majority of the new units should continue to be two-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.

There are two market rate rental segments in Chamberlain/Oacoma. 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 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 may be needed, such as land donations, tax abatement, tax deferment, tax increment financing, SDHDA Programs such as the DakotaPlex Program, GOED funds, etc.

The first option to developing market rate housing would be to encourage private developers to undertake the construction of market rate rental housing. Developers have successfully constructed rental housing projects in the two communities in the past. Also, the construction of a 38-unit market rate rental project in Chamberlain is in the preliminary planning phase.

Also, the Lake Francis Case Development Corporation or a regional housing agency could partner with private developers to construct additional units. Additionally, the City could assist with land donations, tax increment financing, tax abatement, reduced water and sewer hookup fees, SDHDA funds, GOED funds, etc.

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

<u>Unit Type</u>	<u>No. of Units</u>	<u>Size/Sq. Ft.</u>	<u>Rent</u>
One Bedroom	8-9	650 - 800	\$625 - \$975
Two Bedroom	28-30	850 - 1,050	\$750 - \$1,700
Three Bedroom	12-13	1,100 - 1,250	\$900 - \$1,800
Total	48-52		

Note: The recommended rents are gross rents including all utilities. The rents are quoted in 2022 dollars.

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

Findings: The previous recommendation addressed the market potential to develop high quality rental units in Chamberlain/Oacoma. Unfortunately, these units would tend to be beyond the financial capability of many area renters. A majority of the renter households have an annual income below \$30,000. These households would need a rental unit at \$650 per month or less.

There is evidence that the two communities have lost rental housing over the years due to redevelopment or due to deterioration and demolition. Part of the need for additional rental units in Chamberlain/Oacoma is to provide for unit replacement. Unfortunately, most of the lost units are probably very affordable, and new construction will not replace these units in a similar price range.

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

Recommendation: We encourage Chamberlain/Oacoma to promote the development/conversion of more affordable rental units. We continue to recommend a goal of six to eight units over the next five years would help to replace affordable housing that has been lost.

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

The estimated prevailing rent range for older rental units in the two cities is typically between \$500 and \$700 per month. Creating some additional units with contract rents below \$700 per month would help to expand the choices available to a majority of the area's renter households.

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

3. Monitor the need for additional subsidized rental housing units

Findings: The term subsidized rental housing, as used in this Study, refers to rental units that have been constructed to serve low and moderate income people. In nearly all cases, subsidized housing has utilized federal resources that provide a "deep subsidy", allowing very low income people access to housing at an affordable price.

The research completed for this Study found six subsidized projects in Chamberlain, which have a combined 119 units. There are no subsidized rental projects in Oacoma. Two projects, with 40 units, are designated for senior/disabled occupancy, and four projects, with 79 units, are for general occupancy. The 119 subsidized units in the City of Chamberlain represents approximately 18% of all rental options in the City of Chamberlain. This is an average percentage of subsidized rental housing compared to other similar sized cities.

A summary of the six subsidized projects is as follows:

- ▶ **Calypso Court** - Calypso Court is a 16-unit HUD Section 8/HOME senior project. There are 12 two-bedroom and four three-bedroom units.
- ▶ **Grandview Apartments** - Grandview Apartments is a 12-unit HUD Section 8 general occupancy project. All of the units are two-bedroom.
- ▶ **River Buttes Apartments** - River Buttes Apartments is a 15-unit USDA Rural Development senior project. The project has 11 two-bedroom and four three-bedroom units.
- ▶ **Lake Terrace Apartments** - Lake Terrace Apartments is a HUD Section 8/Home general occupancy project with 36 units. There are 24 efficiency and 12 one-bedroom units.
- ▶ **Riverview Manor** - Riverview Manor is a 24-unit USDA Rural Development senior project. There are 21 one-bedroom and three two-bedroom units.
- ▶ **Riverview Plaza** - Riverview Plaza is a 16-unit general occupancy USDA Rural Development project. There are 13 one-bedroom units and three two-bedroom units.

Twelve vacancies were identified in the subsidized projects, which is a 10.1% vacancy rate. Several managers reported that their projects have ongoing vacancies.

Of the 119 subsidized units in Chamberlain, 24 are efficiencies, 46 are one-bedroom, 41 units have two bedrooms and eight units have three bedrooms.

The 2020 American Community survey estimated that approximately 32% of all renter households in the City of Chamberlain and 16% of the renter households in Oacoma were paying 30% or more of their income for rent. The majority of these households were actually paying 35% or more of their income for housing. Most of the households with a severe rent burden had low annual incomes, and would be under the income limits for subsidized housing.

Recommendation: With the number of existing subsidized rental projects and rental units in Oacoma and the ongoing unit vacancies, we are not recommending the development of additional subsidized rental units at this time.

Also, over the past few decades, very few federal subsidy sources have been available for the construction of “deep subsidy” rental housing. We do, however, recommend that Chamberlain/Oacoma and the Lake Francis Case Development Corporation monitor the need for additional subsidized units in the future.

Also, in the previous recommendations, we are recommending the development of affordable market rate units.

4. Preserve the existing supply of subsidized housing

Findings: The City of Chamberlain has six “deep subsidy” rental housing projects with a total 119 units, which allows tenants to pay rent based on 30% of income. The majority of these projects are more than 30 years old and were constructed when the federal government was actively involved in producing low income housing.

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

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

Recommendation: The South Dakota Housing and Development Authority (SDHDA) tracks subsidized housing in South Dakota that is at risk of being lost. SDHDA administers subsidy programs statewide and would therefore be aware of subsidized housing that is in the process of ending its subsidy contract. USDA Rural Development would know of any projects leaving their subsidy program.

In some communities, public or nonprofit agencies have been able to purchase projects that are at-risk of being lost, to preserve their affordable housing resources.

5. Senior housing with services recommendation

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

Lower-service housing, sometimes referred to as congregate senior housing, generally offers the availability of a daily meal, and services such as weekly light housekeeping. Chamberlain has two specialized projects that provide housing with supportive services for an elderly population. These senior housing with services projects include:

- ▶ **Sanford Care Center** - The Sanford Care Center is licensed for 36 skilled nursing beds.
- ▶ **Regency Retirement Living** - Regency Retirement Living is a 36-bed assisted living facility. Regency Retirement Living provides the full array of assisted living services, including meals, medication distribution, laundry, housekeeping, bathing, etc.

Recommendation: It is our opinion that the Sanford Care Center and Regency Retirement Living are adequately addressing the demand for senior housing with services that provides a high level of services. However, in the next recommendation we are recommending the development of an independent/light services senior housing project.

Also, the need for future additional senior housing with services should continue to be monitored.

6. Develop 16 to 18 senior independent/light services market rate units

Findings: To determine the need for senior independent/light services market rate units in Chamberlain/Oacoma, we have analyzed data for the Two-County Area that includes Brule and Lyman Counties.

Currently, there were approximately 524 households age 75 or older in the Two-County Area. We are estimating that 3.0% to 3.5% of senior households age 75 and older in the Two-County Area would move into a senior independent/light services rental project. Also, additional senior households would be expected to move into a senior independent/light services housing project from locations outside of the Two-County Area.

Recommendation: We are recommending a 16 to 18-unit independent/light services market rate senior project in Chamberlain. The project should be designed to allow seniors to live in a unit independently and for seniors who need minimal services. The senior project could be a one-level apartment building or town home-style.

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:

- ▶ 16 to 18 units
 - ▶ 3 to 4 one-bedroom
 - ▶ 13 to 14 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

Tax increment financing, tax abatement, tax deferments, 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 two to three additional units will be rented each following month for an absorption period of four to five months.

The location of the project should be close to services as the project will be occupied by seniors. A high amenity location would be ideal for a senior project. If possible, the project should have land available for future project phases.

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

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

New mixed use projects have been developed in several cities comparable to the size of Chamberlain. 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 Chamberlain area. There are several potential sites in the downtown area for a mixed-use project.

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 rental units should be primarily market rate units, but could be mixed income with some moderate income units. 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 previous recommendations of this section. If a mixed-use building was constructed, the number of units recommended previously should be reduced.

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

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

Currently, the Housing Choice Voucher Program is not available in the Two-County Area.

Recommendation: We recommend that Chamberlain/Oacoma and the Development Corporation work with area housing agencies and SDHDA to determine the feasibility of developing a Housing Choice Voucher Program in the Two-County Area.

Chamberlain/Oacoma - 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 is estimated to be approximately \$136,500 in Chamberlain and \$154,250 in Oacoma based on sales activity from 2021. The home values in Chamberlain/Oacoma provide a good opportunity for first time buyers and households seeking moderately priced homes.

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

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

9. 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 Chamberlain/Oacoma in the future. Home ownership is generally the preferred housing option for most households and most communities. There are a number of strategies and programs that can be used to promote home ownership programs, and can assist with this effort.

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

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

Recommendation: We recommend that Chamberlain/Oacoma and the Lake Francis Case Development Corporation should work with area housing agencies, the South Dakota Housing Development Authority, USDA Rural Development and local financial institutions to utilize all available home ownership assistance programs. Private and nonprofit agencies should also be encouraged to provide home ownership opportunities.

Chamberlain/Oacoma and the Lake Francis Case Development Corporation should also work with housing agencies to assure that Chamberlain and Oacoma residents 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.

10. Develop a Purchase/Rehabilitation Program

Findings: Chamberlain/Oacoma have a stock of older, lower valued homes, some of which need repairs. 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, a low interest rate and a monthly payment that is affordable for the family.

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

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

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

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

Also, there are private individuals purchasing homes in Chamberlain/Oacoma, rehabilitating and selling the homes. There may be an opportunity for local housing agencies to financially assist the private sector with purchasing, rehabilitating and selling homes. This may increase the inventory of substandard homes that economically can be rehabilitated and sold.

Chamberlain/Oacoma - Single Family Housing Development

Single Family Housing Development

Findings: Based on local and Census Bureau reports, Chamberlain/Oacoma have experienced some single family housing development from 2010 to 2021. Over the past 12 years, 48 single family owner-occupancy units have been constructed in Chamberlain and 15 units have been constructed in Oacoma. This is an average of four owner-occupancy units constructed annually in Chamberlain and one to two homes constructed annually in Oacoma.

In 2022, Chamberlain has issued six building permits for new single family homes.

It is our opinion that if Chamberlain/Oacoma, the Lake Francis Case Development Corporation, housing agencies, builders and developers are proactive, 7 to 9 homes can be constructed or moved into Chamberlain/Oacoma annually from 2022 to 2027. This is a total of 35 to 45 new units over the next five years.

It is projected that a significant majority of these homes will be constructed in Chamberlain.

The breakdown of our projection of 7 to 9 new owner-occupied housing units annually over the next five years is as follows:

▶ Higher and Median priced homes (over \$300,000)	3-4
▶ Affordable Homes (under \$300,000)	2-3
▶ Twin homes/Town homes	<u>2</u>
Total	7-9

11. Lot availability and development

Findings: As part of this Study, we attempted to identify the inventory of available residential lots for single family housing construction in Chamberlain/Oacoma. Currently, there are 11 lots in the City of Chamberlain’s newest subdivision, Smokey Groves, that are serviced with infrastructure and utilities. These lots have been purchased and new housing construction has begun or will begin in the near future on the majority of these lots. There are plans to develop an additional 30 residential lots in the Smokey Groves Subdivision.

There are also miscellaneous infill lots scattered around the two communities that we did not attempt to count. We do not know the availability of some of these infill lots. Also, additional dilapidated houses may be acquired and demolished over the next five years. Some of the cleared lots may be sites for new construction.

Recommendation: With projections that 7 to 9 new owner-occupied housing units will be constructed per year, Chamberlain/Oacoma should have approximately 35 to 45 residential lots available to meet the five-year expected demand.

With only a few miscellaneous available lots, Chamberlain/Oacoma will need additional lots, if the new housing construction that is projected comes to fruition. Therefore, it is our recommendation that an additional 35 to 45 lots be developed in Chamberlain/Oacoma. In 2022, there are lots in the planning phase, which will add a significant number of lots to address expected demand.

Future lots/subdivision development should include the following:

- ▶ The lots must be as aesthetically acceptable as possible and include high quality amenities.
- ▶ The subdivision(s) should have covenants that assure high quality development. However, the covenants should not be so restrictive that they eliminate the target market's ability to construct a home.
- ▶ The subdivision(s) should accommodate a variety of home designs and home prices.
- ▶ Employers should be involved in promoting and publicizing the subdivision.
- ▶ To be successful, the homes must be available to households with as wide an income range as possible.
- ▶ Successful subdivisions will need the cooperation of housing agencies, financial institutions, funding agencies, employers, the Lake Francis Case Development Corporation and Chamberlain/Oacoma. Financial assistance such as tax increment financing, tax deferral, and state and federal funding may be necessary to make the development of lots feasible.
- ▶ The lots should expand the market by providing an attractive, affordable product.
- ▶ Some lots should be available for twin home/town home development.
- ▶ The development process should be as user-friendly and streamlined as possible.

12. Strategies to encourage residential lot sales and new home construction in Chamberlain/Oacoma

Findings: Over the past 12 years from 2010 to 2021, 48 single family homes have been constructed in Chamberlain and 15 homes have been constructed in Oacoma.

Recommendation: We recommend that Chamberlain/Oacoma, employers, the Lake Francis Case Development Corporation, housing agencies, builders and developers coordinate efforts to promote lot sales and housing development in Chamberlain/Oacoma.

Our recommendations to promote lot sales and housing development include:

- ▶ ***Continue competitive pricing*** - The current lot prices in Chamberlain/Oacoma are competitive. To encourage new home construction, lots must remain competitively priced.
- ▶ ***Plan for long-term absorption*** - The research completed for this Study expects limited annual absorption of lots in Chamberlain/Oacoma. We are projecting the construction of 7 to 9 new units per year. It is therefore necessary to view the construction of homes on the developed lots 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 or other incentives could be provided if the buyer agrees to build a home of a certain quality and style within a stipulated time frame. This creates momentum for more houses to be built. The 11 existing lots in the Smokey Groves Subdivision were sold at no cost which has generated momentum.
- ▶ ***Consider developing an exclusive builder(s) relationship*** - A block of lots could be sold to a builder or builders. Momentum can be created when a builder has access to several lots. This allows for marketing opportunities and efficiencies in the home building process. The subdivision owners, however, should assure that the builder is obligated to constructing a minimum number of homes per year. Builders are more willing to enter a market when the lots are attractive and very affordable. A block of lots available to an exclusive builder or developer should be explored, even if price concessions are required.

- ▶ ***User-Friendly*** - The lot purchase and homebuilding process must be 'user-friendly.' This includes the construction of spec homes, and the availability of builders to build custom homes.
- ▶ ***Spec home development*** - Spec houses can attract a buyer that is not interested in going through the home building process, but instead wants a turnkey unit. A spec home can also serve as a model, allowing potential home buyers to examine specific floor plans and features in the home before committing to buy. In an attempt to spur spec home construction, some communities have formed partnerships with private home builders to share the financial risks. For example, some developers have been willing to defer the payment for the lot until the spec home is sold. Another builder incentive is to waive any water/sewer hookup fees and building permit fees until the home is sold. A more aggressive approach is to become directly involved in helping cover the payments on a home builder's construction loan, if the house does not sell within a reasonable period of time. A community risk pool would need to be established for this type of activity. These types of approaches would somewhat reduce the builder's risk, by lowering the upfront development costs.
- ▶ ***Range of house prices*** - Lots should be available to as wide a range of home sizes and prices as possible, without compromising the subdivision(s). This broadens the lot buyer market.
- ▶ ***Incentives*** - Many cities throughout South Dakota are offering incentives to construct homes including reduced lot prices, reduced water and sewer hookup fees, tax abatement, tax deferment, cash incentives, etc. Incentives should be considered to promote new home construction.
- ▶ ***Lot availability for twin home/town home development*** - It is our opinion that there will be a demand for twin homes/town homes over the next five years. Lots should be available for twin home/town home lot development.
- ▶ ***Marketing*** - Chamberlain/Oacoma, the Lake Francis Case Development Corporation, employers, builders and developers should create a comprehensive marketing strategy to sell the available lots. In addition to marketing the lots, Chamberlain/Oacoma and their amenities should continue to be promoted.
- ▶ ***Covenants*** - Subdivisions often have covenants that assure quality development. The covenants should assure that they protect the integrity of the subdivision, but are not a barrier to new construction.

- ▶ ***Lot Availability for affordable homes*** - Lots should be available for affordable homes including modular homes and governor's homes.
- ▶ ***Infill lot Home Development*** - Infill lots in existing neighborhoods are often affordable and have existing City services.
- ▶ ***Housing Programs*** - The South Dakota Housing Development Authority, USDA Rural Development and other housing agencies may have housing programs available to assist developers, builders and home buyers. Also, the Governors Office of Economic Development may have funds available for subdivision development.

13. Coordinate with economic development agencies, housing agencies and nonprofit groups to construct affordable housing

Findings: There are several housing agencies and nonprofit groups that may have the capacity to construct new housing in Chamberlain/Oacoma.

Recommendation: We encourage Chamberlain/Oacoma to actively work with economic development and housing agencies, nonprofit groups and the private sector to develop affordable housing.

Also, in the past, Governor's and modular homes have been moved into Chamberlain/Oacoma. These represent an affordable housing option that should be encouraged and supported.

14. Promote twin home/town home development

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

In many cities the size of Chamberlain/Oacoma, approximately 20% to 25% of the new ownership housing constructed are twin homes/town homes. From 2010 to 2021, we are not aware of any owner-occupied twin homes or town homes that were constructed in Chamberlain/Oacoma.

In 2022, the Two-County Area has approximately 1,085 households in the 65 and older age ranges. These age ranges are expected to have an increase of approximately 131 households in the Two-County Area from 2022 to 2027. Household growth from empty-nester and senior households should result in increased 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 one new owner-occupied twin homes (two units) could be constructed in Chamberlain/Oacoma annually over the next five years for a total of 10 units. Our projection is based on the availability of an ideal location for twin home/town home development as well as high quality design and workmanship.

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

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

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

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

Chamberlain/Oacoma - Housing Rehabilitation

Housing Rehabilitation

Findings: Chamberlain/Oacoma have 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 Chamberlain/Oacoma 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 Chamberlain/Oacoma 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.

15. Promote rental housing rehabilitation

Findings: Based on the 2020 American Community Survey data, the City of Chamberlain had approximately 499 rental units in 2020. It is estimated that there were approximately 50 rental units in Oacoma. These rental buildings are in multi-family projects, small rental buildings, duplexes, single family homes and mixed-use buildings. Many of these rental structures could benefit from rehabilitation as some of the rental units in the communities are more than 40 years old and some are in need of improvements.

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

16. Promote owner-occupied housing rehabilitation efforts

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

According to the American Community Survey, a significant number of the owner-occupancy houses in each community are more than 50 years old. Some of the homes in Chamberlain and Oacoma's older neighborhoods need minor or major repair. In Chamberlain, we conducted a housing condition survey of 206 homes in three of Chamberlain's oldest neighborhoods. There were 77 homes identified as needing minor repair and 35 homes need major repair. In Oacoma, 107 homes were surveyed. Forty-two homes need minor repair and 17 homes need major repair. Without rehabilitation assistance, the affordable housing stock will shrink in Chamberlain/Oacoma.

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

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

Chamberlain - Other Housing Initiatives

Other Housing Initiatives

17. Acquire and demolish dilapidated structures

Findings: There are single family houses in each communities' oldest neighborhoods that are dilapidated and too deteriorated to rehabilitate. In Chamberlain's three oldest neighborhoods, we identified 16 homes and in Oacoma we identified eight homes that are dilapidated and beyond repair. There are also 35 single family houses in three of Chamberlain's oldest neighborhoods and 17 homes in Oacoma as needing major repair and some of these homes may be too dilapidated to rehabilitate. To improve the quality of the housing stock and to maintain the appearance of the communities, dilapidated structures should be demolished, when feasible.

Recommendation: We recommend that Chamberlain/Oacoma work with property owners on an ongoing basis to demolish dilapidated homes. The appearance of the communities 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.

Also, we recommend that Chamberlain/Oacoma maintain a lot inventory of structures that may be candidates for future acquisition and demolition. Additionally, an inventory of in-fill lots for future development should continue to be maintained.

18. Develop mobile/manufactured home improvement programs

Findings: Chamberlain/Oacoma have manufactured homes in mobile home parks and also in neighborhoods. Some of the mobile/manufactured homes need minor rehabilitation, major rehabilitation or are dilapidated beyond repair.

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

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

It may be appropriate for the communities to initiate programs to repair mobile/manufactured homes, even if these programs can only address a few units per year.

It is recognized, however, that manufactured/mobile homes in Chamberlain/Oacoma provide housing for a significant number of low and moderate income households and a loss of units would be a burden for some households in locating affordable housing.

Some of the innovative programs that have been used in other communities to address mobile/manufactured home conditions and mobile home park issues include:

- ▶ ***Operation Safe Mobile Home Park*** - Owners of substandard mobile/manufactured homes are given the option of voluntarily selling their substandard mobile/manufactured home to the city, town or an area housing agency for a fixed minimum price. The homes are then removed and demolished/salvaged. The owner can then use the funds from the sale to help purchase a new home. Mobile home dealerships have sometimes participated by buying the salvaged homes.
- ▶ ***Time of Sale/Rent Inspection Program*** - This inspection program is designed to provide safe living conditions through the identification and elimination of basic life/safety hazards in older mobile/manufactured homes. Mobile/manufactured homes are subject to inspection prior to their sale/rent. All identified safety hazards must be corrected before the unit is sold, rented or occupied.
- ▶ ***Regulation on the age of mobile/manufactured homes*** - Some cities have adopted regulations that mobile/manufactured homes older than a designated age cannot be moved into the City.

Please note that any manufactured/mobile home programs and projects initiated in Chamberlain/Oacoma should not result in the loss of affordable housing. The loss of substandard manufactured/mobile home units should be offset with higher quality manufactured/mobile homes or other types of affordable housing.

19. Strategies for downtown redevelopment and commercial development

Findings: The City of Chamberlain’s downtown has buildings that have been renovated and have high quality commercial space. There are also buildings that need renovation. This recommendation provides an outline of actions that could be taken to complement the ongoing renovation and redevelopment initiatives that are ongoing to renovate 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 downtown commercial district is an important factor in their decision making process.

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

- ▶ Interview all downtown property owners and tenants to develop a database and to determine their future plans (expanding, selling, renovations, etc.)
- ▶ Develop an overall plan for the downtown (potential new businesses, address parking needs, develop an overall theme, art and cultural opportunities, etc.)
- ▶ Develop a mini-plan for each downtown property and each downtown block. This may include:
 - ▶ Commercial building rehab and renovations
 - ▶ Facade work
 - ▶ Building demolition
 - ▶ New construction
 - ▶ Recruiting new businesses
 - ▶ Housing development
 - ▶ Upper floor renovations

- ▶ Identify funding sources
 - ▶ Property owner funds
 - ▶ City of Chamberlain
 - ▶ Lake Francis Case Development Corporation
 - ▶ Federal Home Loan Bank
 - ▶ Special tax districts
 - ▶ Tax increment financing
 - ▶ Tax abatement and deferment
 - ▶ Funds from South Dakota State Agencies
 - ▶ Funds from the Governors Office of Economic Development

- ▶ Work with stakeholders to identify roles, secure funding, develop and implement programs and projects
 - ▶ Property owners
 - ▶ City of Chamberlain
 - ▶ Lake Francis Development Corporation

20. Develop home ownership and new construction marketing programs

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

Recommendation: Chamberlain/Oacoma, the Lake Francis Case Development Corporation and other stakeholders have been active in promoting and marketing housing in the communities. We recommend the continuation or consideration of the following:

- ▶ Determine each community'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 (Chamberlain/Oacoma and the entire region) to provide employees with housing opportunities
- ▶ Work with housing agencies to provide down payment assistance, low interest loans, gap financing, home owner education and home owner counseling programs
- ▶ Consider an annual Housing Fair that provides information on lots, builders, finance programs, etc. Developers, builders, lenders, realtors, public agencies and local businesses could participate
- ▶ Work with builders and developers to make the construction of new homes or rental units a very user friendly process
- ▶ Continue to develop new home construction and home purchase incentive programs
- ▶ Continue to work on the creation of jobs and the development of retail, service and recreational opportunities that make each jurisdiction a "full service" community
- ▶ Continue to provide attractive lots at an affordable price for a variety of home sizes, styles and price ranges
- ▶ Preserve the quality of existing neighborhoods through the rehabilitation of substandard housing and the demolition of dilapidated structures that are beyond repair
- ▶ Continue to develop new housing choices that serve life-cycle housing needs, such as new rental housing, twin homes, senior with services housing, etc.
- ▶ Review the local policies and fees to assure that they are user-friendly, fair and receptive for developers, builders and households
- ▶ Develop a coordinated housing plan with the private sector and area housing agencies

Agencies and Resources

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

Grow South Dakota

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

Rural Office of Community Services, Inc.

214 W. Main
P.O. Box 70
Lake Andes, SD 57356
(605) 487-7634

South Dakota Housing Development Authority

South Dakota Housing Development Authority
PO Box 1237
3060 E. Elizabeth Street
Pierre, SD 57501
(605) 773-3181

USDA Rural Development

810 10th Ave. SE
Watertown, SD 57201
(605) 886-8202

Dakota Resources

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

First District of Local Governments

418 18th Ave. NE
P.O. Box 1207
Watertown, SD 57201
(605) 882-5115