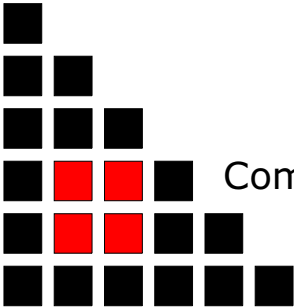


# City of Clark HOUSING STUDY

March 2021

An analysis of the overall housing needs  
of the City of Clark, SD



Community Partners Research, Inc.

Faribault, MN

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## **Introduction**

Local elected and public officials are often held responsible for conditions and circumstances over which they have limited control. This is particularly true of housing. Most of the housing units in Clark and Clark County are privately owned and were constructed with private funds. On an increasing scale, however, the public is demanding that public officials control what happens in this largely private housing market by eliminating blight, protecting individual investments, and generating new housing growth to meet economic development needs.

Community Partners Research, Inc., was hired by Choose Clark County to conduct a study of the housing needs and conditions in the cities and towns in the County. Separate documents have also been prepared for the City of Willow Lake and for the towns in the County.

### **Goals**

The multiple goals of the study include:

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

### **Methodology**

A variety of resources were utilized to obtain information for the Housing Study. Community Partners Research, Inc., collected and analyzed data from October 2020 to February 2021. Data sources included:

- U.S. Census Bureau
- American Community Survey
- Applied Geographical Solutions, Inc., a data reporting service
- Esri, Inc., a data reporting service
- Records and data from the City
- Records and data maintained by Clark County
- Interviews with City officials, community leaders, housing stakeholders

- Area housing agencies
- State and Federal housing agencies
- Rental property owner surveys
- Housing condition survey

### **Limitations**

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

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

This study was prepared by:

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# **Demographic Data Overview**

## **Sources of Data**

The following pages contain demographic data obtained from a variety of local, state and national sources. The 2010 Census provides much of the base data for population and household trends.

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

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

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

The Governor's Office of Economic Development provides demographic profile information for cities, towns and counties supplied by Applied Geographic Solutions (AGS), a private company.

Prior to using AGS, the State had used a similar provider, Esri, Inc., for demographic data. The analysts have examined both of these sources in some of the tables that follow for current-year estimates and future projections.

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

## Population Data and Trends

<b>Table 1 Population Trends - 1990 to 2020</b>						
	1990 Census	2000 Census	% Change 1990-2000	2010 Census	% Change 2000-2010	2020 Esri Estimate
Clark	1,292	1,285	-0.5%	1,139	-11.4%	1,108
Clark County	4,403	4,143	-5.9%	3,691	-10.9%	3,791

Source: U.S. Census; Esri

- ▶ There are two available population estimates for Clark in 2020. Both of these estimates show a continued decline in the number of people living in the City. However, the numeric population loss does differ between these sources.
- ▶ Esri estimated the City’s population at 1,108 people in 2020, down by only 31 people, or -2.7% from the 2010 Census.
- ▶ Applied Geographic Solutions (AGS), a private reporting service, showed the City with 1,029 residents in 2020, a decrease of 110 people, or -9.7% from the 2010 Census.
- ▶ The Census Bureau also issues an annual population estimate for jurisdictions, although the most recent estimated was for July 1, 2019. According to this source there were 1,061 people living in Clark, down by 78 people from 2010 to 2019.
- ▶ While differences exist, all of these sources show a loss of people living in Clark over the past decade, continuing a long-term pattern of decreasing population. After declining by only 7 people in the 1990s, the City’s population then decreased by 146 people from 2000 to 2010.
- ▶ According to Esri, there were 3,791 people living in Clark County in 2020. If accurate, this source would show that the County’s total population level has increased by 100 people since 2010.
- ▶ For all of Clark County, the population estimate from AGS shows that 53 people were added between 2010 and 2020, for an increase of 1.4%.
- ▶ The Census Bureau, in their 2019 population estimates, show a generally similar count for 2019, with 3,736 people in Clark County in 2019, up by 45 people from 2010.

- ▶ All three of the estimating sources show some population growth for Clark County since 2010, reversing a long-term pattern of population loss. However, this growth is primarily being attributed to the rural portions of the County.

### **Group Quarters**

- ▶ There were some group quarters residents living in the City of Clark in 2010. There were 36 people living in a skilled nursing home and there may have been a small group home with four residents.

### **Race/Ethnic Origin**

- ▶ According to the estimates from Applied Geographic Solutions, nearly 95% of the residents of Clark were White for race in 2020, and just over 5% were of Hispanic/Latino ethnicity. Due to the small number of racial or ethnic minority populations in the City, no additional demographic information will be provided in this Study.

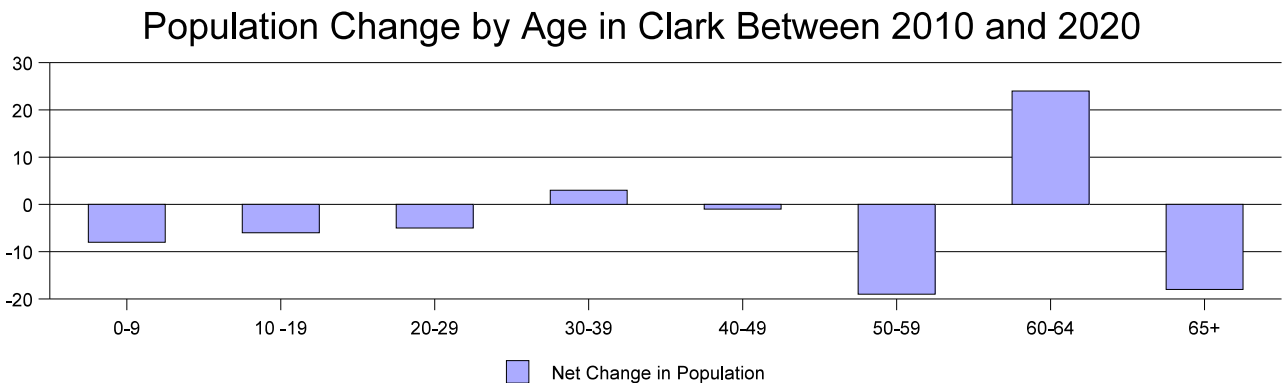


## Population by Age Trends: 2010 to 2020

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

<b>Table 2 Population by Age - 2010 to 2020</b>			
Age	Clark		
	2010	2020	Change
0-9	107	99	-8
10-19	120	114	-6
20-29	82	77	-5
30-39	112	115	3
40-49	128	127	-1
50-59	151	132	-19
60-64	67	91	24
65+	372	353	-19
<b>Total</b>	<b>1,139</b>	<b>1,108</b>	<b>-31</b>

Source: U.S. Census; Esri



The age-based population estimates show some minor changes in the age distribution patterns for the City over the past decade. If accurate, there has been a decrease in many of the defined age ranges in the community, including senior citizens.

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

As estimated by Esri, Clark generally had stability in most of the younger age ranges, although a minor loss of children age 19 and younger may have occurred. Minor losses were also estimated in most of the adult age groups between 20 and 59 years old.

There was some estimated growth in the near-senior range between 60 and 64 years old, but this was then largely offset by a decrease of people age 65 and older. In the combined age ranges 60 years old and older, the Esri estimates show an increase of only six people.

## Population Projections

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

<b>Table 3 Population Projections Through 2025</b>						
	Applied Geographic Solutions			Esri		
	2020 Estimate	2025 Projection	Change	2020 Estimate	2025 Projection	Change
Clark	1,029	1,086	57	1,108	1,082	-26
Clark Co.	3,744	3,929	185	3,791	3,772	-19

Source: Applied Geographic Solutions; Esri

- ▶ AGS is projecting an increase in the number of residents in Clark over the next five years. This source shows the City adding 57 people between 2020 and 2025, or approximately 11 to 12 people in an average year. This projection would differ from the recent past, as AGS believes that the City’s population decreased between 2010 and 2020.
- ▶ Conversely, Esri is projecting a minor population decrease for Clark, with a loss of 26 people over the 5-year period, or approximately five fewer residents in an average year. This projection is generally similar to their past estimates, which show the City losing an average of approximately three people per year since 2010.
- ▶ While these two projections for Clark show different patterns, it is important to note that both sources show an almost identical population level for the City of Clark in 2025. Esri reaches this population total by tracking gradual but consistent loss in Clark, while AGS showed a bigger loss in the past, with some of this recovered in the future.
- ▶ There are greater differences in the projections for all of Clark County. AGS is projecting a net gain of 185 permanent residents between 2020 and 2025. Although communities including Clark and Willow Lake will represent some of this expected growth, most of the County’s population increase is expected in the rural townships.
- ▶ Esri shows a relatively stable population level Countywide, with an average loss of less than four people per year between 2020 and 2025.

## Household Data and Trends

<b>Table 4 Household Trends - 1990 to 2020</b>						
	1990 Census	2000 Census	% Change 1990-2000	2010 Census	% Change 2000-2010	2020 Esri Estimate
Clark	569	558	-1.9%	552	-1.1%	553
Clark County	1,700	1,598	-6.0%	1,445	-9.6%	1,532

Source: U.S. Census; Esri

- ▶ The Esri estimate shows 553 households in Clark in 2020, nearly unchanged from the 2010 Census total.
- ▶ The AGS estimate for Clark in 2020 is 481 households, down by 71 households when compared to the 2010 Census. Over the 10-year period this represents an annual average loss of seven households per year.
- ▶ Since 1990, there has been some reduction in the number of households living in the City of Clark, but the household losses have generally been limited. In the 1990s, the City was averaging a loss of approximately one household per year. In the 2000's, this dropped to less than one household per year. While it is possible that household losses accelerated in the 2010's, as estimated by AGS, the Esri estimate showing very little change would appear to be more consistent with past patterns.
- ▶ The household estimate from Esri for 2020 showed Clark County with 1,532 households. If accurate, the County would have added 87 households between 2010 and 2020.
- ▶ According to AGS, the total household count for Clark County in 2020 was almost unchanged from the level recorded in the 2010 Census.
- ▶ In recent decades, Clark County had been losing households. In the 1990s, the County lost an average of approximately 10 households per year. This annual decrease was even larger from 2000 to 2010, as the County averaged a loss of approximately 15 households per year. If the 2020 estimates are accurate, the annual loss of households has stopped, and based on Esri's estimate, the County has been adding households since 2010.

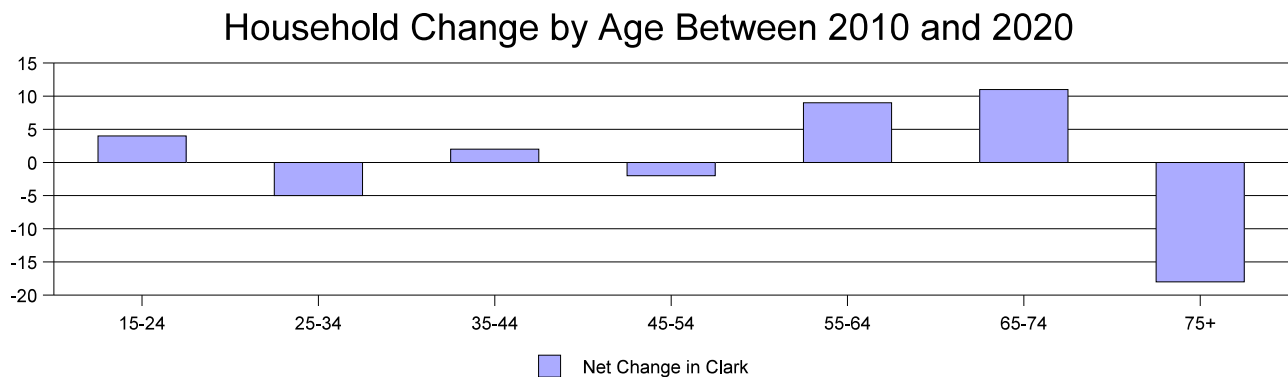
## Household by Age Trends: 2010 to 2020

The following table compares households by age from the 2010 Census and 2020 estimates from Esri. This information is for the City of Clark.

<b>Table 5 Clark Households by Age - 2010 to 2020</b>			
Age	2010	2020	Change
15-24	18	22	4
25-34	59	54	-5
35-44	72	74	2
45-54	77	75	-2
55-64	86	95	9
65-74	74	85	11
75+	166	148	-18
Total	552	553	1

Source: U.S. Census; Esri

The age-based household estimates provided by Esri show limited change in many of the defined ranges from 2010 through 2020 in the City of Clark. The largest numeric changes were in age ranges 55 and older.

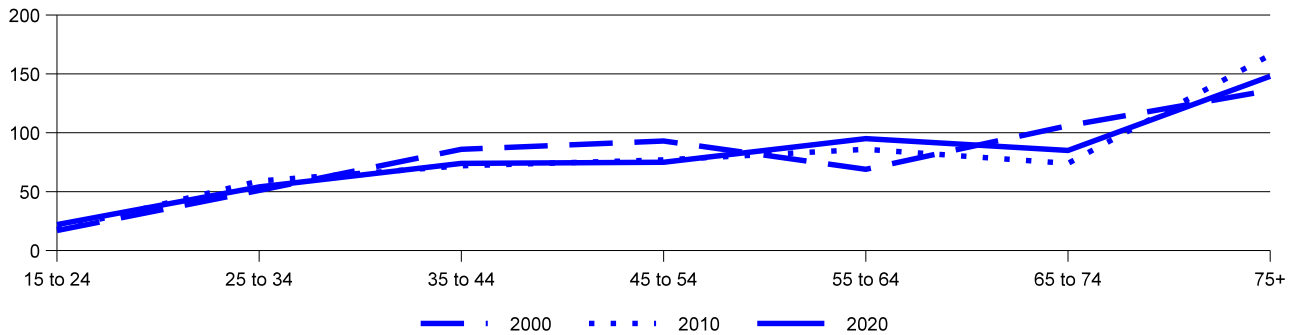


Overall there was only a minor change in the total number households in Clark. In the 10-year age ranges 54 and younger, the numeric change was +/- 5 households or less over the decade. If all of these younger adult ranges are aggregated, Esri believes there was a reduction of only one household age 54 and younger.

Esri did track growth over the past decade in the 20-year range between 55 and 74 years old, largely reflecting the advancing baby boomer generation. However, this was then offset by fewer older senior households, age 75 and older. As a result, these estimates show a net gain of only two households age 55 and older in Clark.

It is possible to track the age progression patterns of households back to the year 2000 to view the changes over time. In Clark, the age distribution of households has remained relatively stable over the past 20 years.

City of Clark Households by Age of Householder: 2000 to 2020



## Average Household Size

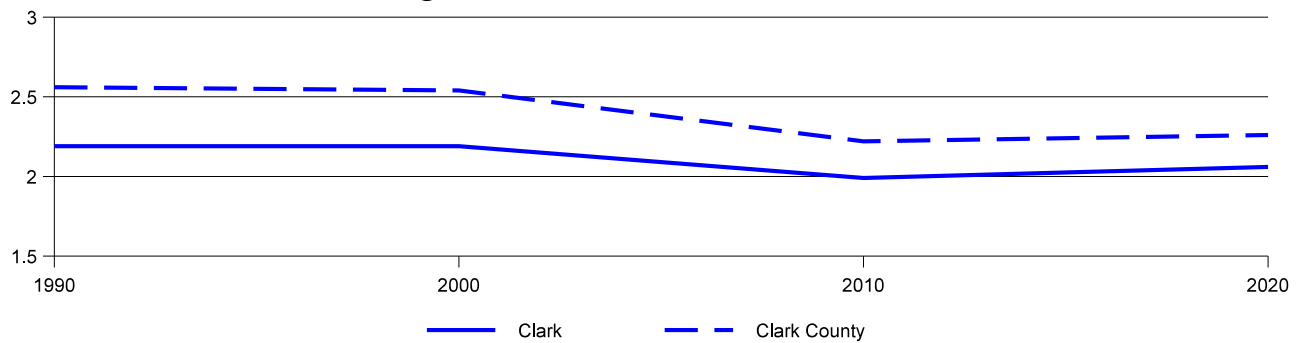
The following table provides decennial Census information on average household size, along with the 2020 estimate from AGS.

<b>Table 6 Average Number of Persons Per Household: 1990 to 2020</b>				
	1990 Census	2000 Census	2010 Census	2020
Clark	2.19	2.19	1.99	2.06
Clark Co.	2.56	2.54	2.22	2.26

Source: U.S. Census; AGS

In most jurisdictions there has been a steady decrease in average household size over the past several decades. This has often been caused by household composition changes, such as more single person and single parent families, fewer children per family, and more senior households due to longer life spans. While this pattern of smaller households was evident in Clark and Clark County between 1990 and 2010, the most recent estimates show a slight reversal, with the average household sizes growing slightly larger.

Average Household Size: 1990 to 2020



The AGS estimate of 2.06 persons per household in Clark in 2020 is up from 1.99 persons in 2010, but is small by comparative standards. An alternate estimate from Esri shows the average household size in 2020 at 1.94 persons, down from 2010.

For Clark County, the AGS estimate of 2.26 persons per household in 2020 is up slightly from the 2.22 persons recorded by the 2010 Census. The Esri estimate for Clark County shows an average household size of 2.16 persons in 2020, down slightly from the 2010 Census level.

## Household Projections

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

<b>Table 7 Household Projections Through 2025</b>						
	AGS			Esri		
	2020 Estimate	2025 Projection	Change	2020 Estimate	2025 Projection	Change
Clark	481	419	-62	553	549	-4
Clark Co.	1,443	1,263	-180	1,532	1,551	19

Source: AGS, Esri

- ▶ Esri’s projection for the City of Clark expects relative stability, with the anticipated loss of less than one household per year through 2025. This would be consistent with their estimate since 2010 which also shows limited change in the number of households in Clark.
- ▶ AGS is projecting that Clark will lose 62 households from 2020 to 2025, or an annual average of approximately 12 households per year over the 5-year period. Annual household losses at this level for Clark would be much larger than the recent past, as AGS believes that the City had an average decrease of seven households per year between 2010 and 2020.
- ▶ The AGS projection for Clark County expects the loss of 180 households, or approximately 36 households per year over the 5-year time period. For the County, this annual numeric loss would be much greater than the AGS estimate for the time period from 2010 to 2020, which showed stability Countywide.
- ▶ Esri is projecting some limited household growth for Clark County, with the expected addition of 19 households over the 5-year projection period.
- ▶ In the opinion of the analysts, the projections from Applied Geographic Solutions are not reliable, as no secondary information points to a large household reduction in the City of Clark or in Clark County. The projections from Esri are viewed as a more accurate prediction of future changes.



### City of Clark Household by Age Projections: 2020 to 2025

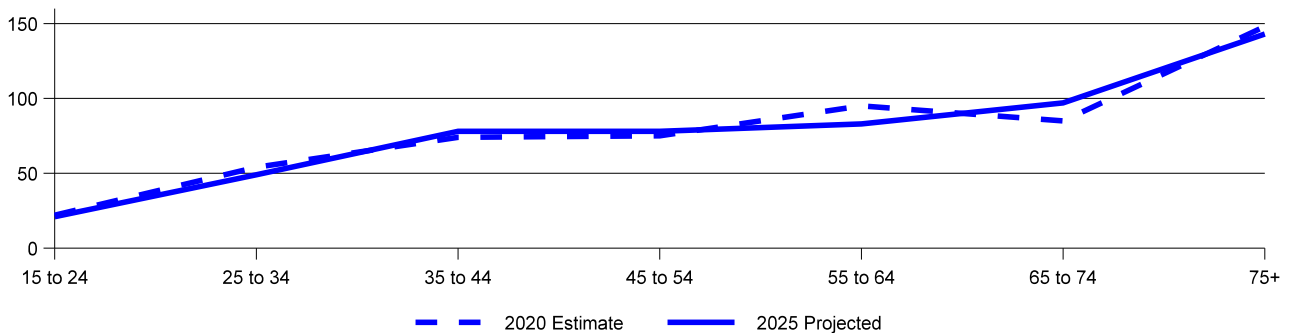
In addition to overall household forecasts, Esri has also generated age-based projections for households to the year 2025. These projections can be compared to the data contained in the 2020 Esri estimate to examine the change projected over the next five years. Age-based household forecasts are provided for the City of Clark.

<b>Table 8 Projected Households by Age - 2020 to 2025</b>			
Age Range	2020	2025	Change
15-24	22	21	-1
25-34	54	49	-5
35-44	74	78	4
45-54	75	78	3
55-64	95	83	-12
65-74	85	97	12
75+	148	143	-5
<b>Total</b>	<b>553</b>	<b>549</b>	<b>-4</b>

Source: Esri

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

City of Clark Households by Age of Householder: 2020 to 2025



Consistent with the age distribution patterns presented earlier, the movement of the “baby boom” generation through the aging cycle should generate the largest changes. Overall, an increase of 12 households is being projected in the age range 65 to 74 years old. But this potential growth will be negated by projected losses in the adjoining age groups.

The Esri projections expect very limited change in the age ranges 54 and younger. If all of the age groups 54 and younger are combined, a net increase of only one household is being projected.

## Households by Type

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

<b>Table 9 Clark Household Composition - 2010 to 2019</b>			
	2010 Census	2019 ACS	Change
Family Households			
Married Couple with own children	67	69	2
Single Parent with own children	35	51	16
Married Couple without own children	189	177	-12
Family Householder without spouse	15	15	0
Total Families	306	312	6
Non-Family Households			
Single Person	224	289	65
Two or more persons	22	64	42
Total Non-Families	246	353	107

Source: U.S. Census; American Community Survey

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

Between 2010 and 2019, the City had a slight increase in the number of families, due primarily to more single parent households with children. There was, however, some decrease in married couple households without children.

The 2019 estimates did show substantial growth in non-family households, with both more people living alone and households with unrelated individuals living together.

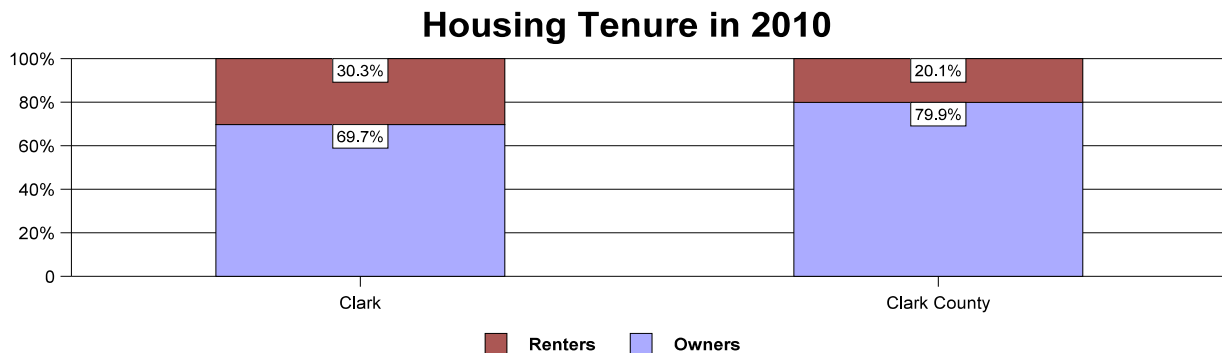
## Housing Tenure

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

<b>Table 10 Household Tenure - 2010</b>				
	Number of Owners	Percent of all Households	Number of Renters	Percent of all Households
Clark	385	69.7%	167	30.3%
Clark County	1,155	79.9%	290	20.1%

Source: U.S. Census

At the time of the 2010 Census, the rental rate in the City of Clark was above 30%. The City is the primary rental center for Clark County. However, the rental rate in Clark was still below the Statewide renter rate of 31.9% in 2010.



For all of Clark County the home ownership rate was nearly 80% in 2010. Outside of Clark and Willow Lake, there are very few multifamily rental structures.

## 2019 Median Income Data

The American Community Survey provides income estimates for cities, towns and counties. The following table provides 2019 American Community survey data for Clark, Clark County and the State of South Dakota for comparison.

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

<b>Table 11 Median Household Income - 2010 to 2019</b>			
	2010 Median	2019 Median	% Change
Median Household Income			
Clark	\$38,625	\$36,979	-4.3%
Clark County	\$43,894	\$48,980	11.6%
South Dakota	\$46,369	\$58,275	25.7%
Median Family Income			
Clark	\$48,239	\$63,333	31.3%
Clark County	\$55,575	\$65,446	17.8%
South Dakota	\$58,958	\$75,168	27.5%

Source: American Community Survey

Information contained in the American Community Survey shows that the median household income in the City of Clark decreased slightly between 2010 and 2019. The City’s median household income of approximately \$37,000 was well below the comparable medians for Clark County and the State of South Dakota.

The estimated median family income increased by more than 31% in Clark from 2010 to 2019. However, it was still lower than the median for all of Clark County, and nearly \$12,000 lower than the South Dakota median.

It is important to note that estimates for a small community can have a margin of error, based on the limited sampling that is completed.

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

Using the commonly accepted standard that up to 30% of gross income can be applied to housing expenses without experiencing a cost burden, a median income household in Clark could afford approximately \$925 per month and a median income family household could afford \$1,585 for ownership or rental housing in 2019.

However, there is a difference between the medians for home owner and renter households. In the City of Clark, the estimated median income for all home owners in 2019 was \$47,188 compared to a median of \$24,181 for renters. At 30% of income, a household at the renter median could apply only \$605 without incurring a housing cost burden.

## Clark Income Distribution

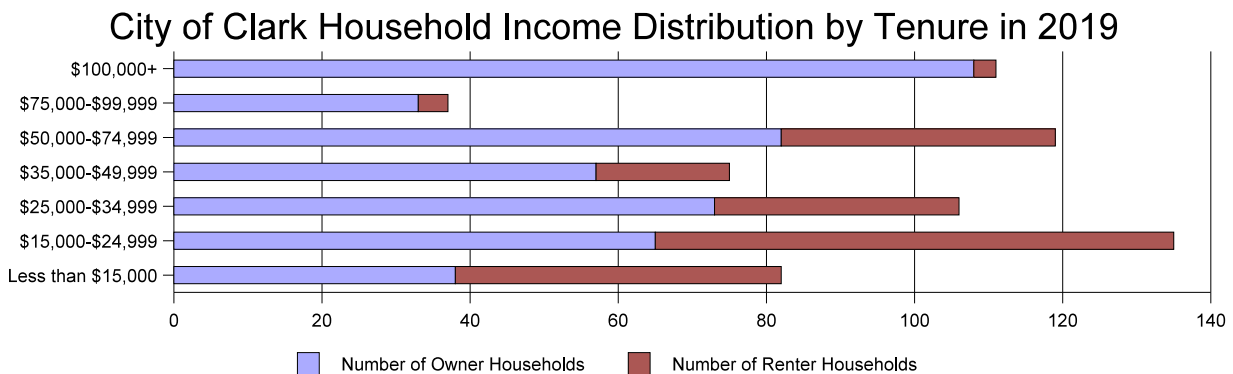
The 2019 American Community Survey provides income data within specific income ranges. Based on other data, it appears that the American Community Survey has significantly over estimated the total number of households in the City, but the percentage distribution is assumed to be accurate.

<b>Table 12 City of Clark Income Distribution by Tenure - 2019</b>			
Household Income	Owner Households	Renter Households	All Households
\$0 - \$14,999	38 / 46.3%	44 / 53.7%	82
\$15,000 - \$24,999	65 / 48.1%	70 / 51.9%	135
\$25,000 - \$34,999	73 / 68.9%	33 / 31.1%	106
\$35,000 - \$49,999	57 / 76.0%	18 / 24.0%	75
\$50,000 - \$74,999	82 / 68.9%	37 / 31.1%	119
\$75,000 - \$99,999	33 / 89.2%	4 / 10.8%	37
\$100,000+	108 / 97.3%	3 / 2.7%	111
Total	456 / 68.6%	209 / 31.4%	665

Source: ACS

In 2019, income levels were widely distributed, but in all of the defined ranges above \$25,000, a majority of households were home owners. However, in the income ranges below \$25,000, most households were renting their housing.

For households with an annual income of \$35,000 or more, the home ownership rate was approximately 69% or higher.



## Clark Estimated Income and Housing Costs - Renters

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

<b>Table 13 Gross Rent as a Percentage of Income - City of Clark</b>			
Percent of Income for Housing	Households Age 64 and Younger	Households Age 65 and Older	Total
Less than 20%	63 / 44.1%	14 / 21.2%	77 / 36.8%
20% to 29.9%	19 / 13.3%	9 / 13.6%	28 / 13.4%
30% to 34.9%	4 / 2.8%	2 / 3.0%	6 / 2.9%
35% or more	45 / 31.5%	33 / 50.0%	78 / 37.3%
Not Computed	12 / 8.4%	8 / 12.1%	20 / 9.6%
<b>Total</b>	<b>143</b>	<b>66</b>	<b>209</b>

Source: American Community Survey

Federal standards for rent subsidy programs generally identify 30% of household income as the maximum household contribution. When more than 30% of income is required, this is often called a “rent burden”. When more than 35% is required, this can be considered a “severe rent burden”.

According to the American Community Survey, more than 40% of all renters were applying 30% or more of income to housing costs in 2019. Most of these households were spending 35% or more of their income for housing, and these households were in the severe rent burden category.

Much of the rental housing cost burden can be linked to lower household income levels. In 2019, the estimated median income for all renter households in Clark was only \$24,181.



## Clark Estimated Income and Housing Costs - Owners

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

<b>Table 14 Clark Ownership Costs as a Percentage of Income: 2019</b>		
Percentage of Income for Housing Costs	Number of Owner Households	Percent of All Owner Households
0% to 19.9%	312	68.4%
20% to 29.9%	53	11.6%
30% or more	91	20.0%
Not Computed	0	0%
Total	456	100%

Source: American Community Survey

Mortgage lending practices generally attempt to keep monthly payments below this level of household income. A very large majority of owner-occupants in Clark, which would include households with and without a mortgage, reported paying less than 30% of their income for housing. Only 20% of all home owners reported that they paid more than 30% of their income for housing.

Ownership cost burden often tends to be lower due to higher income levels for most home owners. In 2019, the estimated median income for owner-occupants in Clark was \$47,188.

## **Building Permit Trends**

Clark has experienced only limited new housing construction activity in recent years. Based on building permit reporting to the U.S. Census Bureau, there have been four single family houses permitted between 2010 and 2019. There were two permits issued in 2018, and one each in 2017 and 2011.

## **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 also result in a margin of error within the individual data being presented.

### **Median Year of Construction - Owner-occupancy Housing**

For owner-occupancy units in Clark, the estimated median year of construction is 1947.

For all of Clark County, including the rural townships, the estimated year of construction is 1946.

### **Median Year of Construction - Renter-occupancy Housing**

For renter-occupancy units in Clark, the estimated median year of construction is 1971.

For all of Clark County, including the rural townships, the estimated year of construction for rental housing is 1970.

### **Mobile Homes**

According to the American Community Survey estimates there were 22 mobile homes in the City of Clark. All of these were identified as owner-occupancy housing. However, a visual housing condition survey did not identify that many mobile homes in the City, and the American Community Survey may have overestimated the inventory of units.

According to the American Community Survey, all of the mobile homes in Clark were built prior to the year 2000.

## Existing Home Sales

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

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

The County also sorts the residential sales into different groupings, rejecting certain sales. The primary reason that sales are rejected is because the house was not actively listed for sale in the open market. Only the “good” sales have been used in the analysis that follows.

The County’s sale year differs slightly from a calendar year, and begins on November 1<sup>st</sup> and extends to October 31<sup>st</sup>. No information is yet available for the 2020 sales year.

**Table 15 Median Value of Recent Residential Sales - 2015 to 2019**

Year	Number of Sales	Median Sale Price	Highest Sale	Lowest Sale
2019	20	\$55,375*	\$240,000	\$22,500
2018	13	\$40,000	\$135,000	\$14,000
2017	23	\$59,900	\$200,000	\$8,500
2016	17	\$33,000	\$239,000	\$4,000
2015	14	\$56,500*	\$210,000	\$5,000

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

\* Median calculated from two nearest sales

With the limited number of sales within any 12-month time period, there has been variation in the annual median price in Clark since 2015. Over the five-year period the midpoint sale price ranged from a low of \$33,000 to a high of \$59,900.

In 2019, the median price was \$55,375, based on 20 sales. If the 33 sales are aggregated in the 24-month period between 2018 and 2019, the median would be \$51,000.

From 2015 through 2019, there were only four houses that sold for \$200,000 or more. In each of the years there was at least one sale annually for less than \$23,000.

An alternate estimate of home values exists in the American Community Survey. In 2018, the estimated median value for all owner-occupied housing in Clark was \$53,900. This estimate was similar to the median sale price over the past two years.

## **Clark Housing Condition**

Community Partners Research, Inc. representatives conducted a visual 'windshield' survey of 292 single family/duplex houses in two defined neighborhoods in the City of Clark. Houses that appeared to contain three or more residential units were excluded from the survey.

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

Neighborhood #1:       North - 4<sup>th</sup> Avenue  
                              South - 1<sup>st</sup> Avenue East  
                              East - North Kansas Street  
                              West - North Clinton Street

Neighborhood #2:       North - 1<sup>st</sup> Avenue  
                              South - 7<sup>th</sup> Avenue SE  
                              East - South Kansas Street/South Cloud Street  
                              West - South Smith Street/South Idaho Street

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

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

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

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

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

**Table 16 Windshield Survey Condition Estimate - 2020**

	Sound	Minor Repair	Major Repair	Dilapidated	Total
Neighborhood #1	61 / 47.6%	50 / 39.1%	11 / 8.6%	6 / 4.7%	128
Neighborhood #2	64 / 39.0%	63 / 38.4%	31 / 18.9%	6 / 3.7%	164
Total	125 / 42.8%	113 / 38.7%	42 / 14.4%	12 / 4.1%	292

Source: Community Partners Research, Inc.

- ▶ In the combined neighborhoods, nearly 82% of the houses were rated in the two highest condition categories, with nearly 43% rated as Sound and approximately 39% needing Minor Repair.
- ▶ In Neighborhood #1 there were 11 houses rated in the Major Repair category, and 6 houses that were viewed as Dilapidated, and probably beyond repair.
- ▶ In Neighborhood #2 there were 31 houses rated in the Major Repair category, and 6 houses that were viewed as Dilapidated, and probably beyond repair.
- ▶ With 12 Dilapidate houses in these two neighborhoods, a program to clear severely substandard structures may be needed.

## **Rental Housing Data**

### **Census Bureau Rental Inventory**

According to the 2010 Census, there were 167 occupied rental units in Clark and at least 18 unoccupied units, for a total rental inventory of 185 units. Based on occupied housing, the City's rental tenure rate was 30.3%, below the Statewide rental rate of 31.9% in 2010.

After 2010, there has been no identified development of additional rental units in Clark. Any changes in the number of rental units would be due to conversions from renter to owner housing or vice versa. However, no reliable estimates exist since the 2010 Census. Therefore, in 2021 we are estimating that approximately 185 rental units still exist in the City of Clark.

### **Rental Housing Survey**

As part of this housing study, a telephone survey was conducted of multifamily projects in Clark. Emphasis was placed on contacting properties that have four or more units. For the purposes of planning additional projects in the future, multifamily properties represent the best comparison of market potential.

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

There were 135 housing units/beds of all types that were contacted in the survey. This included 82 general occupancy market rate rental units, 8 senior/independent/light services units and 45 units/beds in assisted living facilities. In addition to the 135 rental units/beds, the skilled nursing home, which has 35 beds, was also surveyed.

The units that were successfully contacted include:

- ▶ 82 market rate units
- ▶ 8 senior independent/light services units
- ▶ 45 senior assisted living units/beds
- ▶ 35 beds in the skilled nursing home

The findings of the survey are provided below.



## Market Rate Summary

Information was obtained on 82 market rate rental units in eight multi-family projects.

### Unit Mix

We obtained the bedroom mix on the 82 market rate units. The bedroom mix of the units is:

- ▶ one-bedroom - 36 (43.9%)
- ▶ two-bedroom - 45 (54.9%)
- ▶ three-bedroom - 1 (1.2%)

### Occupancy / Vacancy

At the time of the survey, there were six vacancies in the 82 market rate units that were included in the occupancy survey. This is a vacancy rate of 7.3%.

The owners of the projects reported that the number of vacancies varies from fully occupied to a few vacancies.

### Rental Rates

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

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

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

<u>Unit Type</u>	<u>Lowest/Highest Gross Rents</u>
One-bedroom	\$340-\$780
Two-bedroom	\$490-\$785
Three-bedroom	\$900

Please note that the three-bedroom unit rent was based on only one unit.

## **Tax Credit Summary**

There are no tax credit units in Clark.

## **Subsidized Summary**

There are no subsidized rental projects in Clark. However, there had once been six USDA Rural Development subsidized projects with a total 68 units located in Clark. In recent years, all six of these projects converted from subsidized to market rate rental projects.

The formerly subsidized projects that have converted to market rate housing include Garden Grove Apartments, Colonial Apartments, City View Apartments, Willow Creek Apartments, Griffin Apartments and Dakota Manor I and II.

## **Senior Housing with Services**

### **Unit Inventory**

Clark has four senior with services projects. These projects include:

- ▶ **Fay Wookey Memorial Center Apartments** - Fay Wookey Memorial Center Apartments includes eight units. There are four one-bedroom and four two-bedroom units. The units provide housing for seniors that can live relatively independently. The tenants receive a noon meal and light housekeeping. The tenants can purchase additional services as needed. The Director reported no vacancies and a waiting list at the time of the survey.
- ▶ **Fay Wookey Assisted Living Center** - The Fay Wookey Assisted Living Center is an assisted living facility licensed for 30 residents. The project provides the full array of assisted living services include meals, bathing, medication management, laundry, housekeeping, etc. The Director reported no vacant beds at the time of the survey.
- ▶ **Roetell Senior Assisted Living** - Roetell Senior Living is an assisted living facility licensed for 15 residents. The full array of assisted living services is provided including meals, bathing, laundry, housekeeping, medication management, social activities, etc. The Director reported two vacant beds at the time of the survey.
- ▶ **Avantura Clark Nursing Home** - Avantura Clark is a licensed 35-bed skilled nursing facility. The facility had several vacant beds at the time of the survey.

**Table 17 Clark Multifamily Rental Housing Inventory**

Name	Number of Units /Bedroom Mix	Rent	Vacancy/ Wait List	Tenant Mix	Comments
<b>Market Rate</b>					
City View Apartments	2 - 1 Bedroom <u>14 - 2 Bedroom</u> 16 Total Units	\$525 \$550 +electric	1 vacancy	General occupancy	City View Apartments is a 16-unit market rate general occupancy project. There are two one-bedroom units and 14 two-bedroom units. The project was a USDA Rural Development project, but has converted to market rate. Rent is \$525 for the one-bedroom units and \$550 for the two-bedroom units. Tenants also pay electricity. The manager reported one vacancy at the time of the survey.
Clark Housing Authority Twinhomes	4 - 1 Bedroom <u>6 - 2 Bedroom</u> 10 Total Units	\$630 \$660 +utilities	No vacancies	General occupancy	The Clark HRC Twinhomes include 10 units in five twinhomes. Four twinhomes are on Pebble Beach Road and one twinhome is on 2 <sup>nd</sup> Ave. NE. There are four one-bedroom units and six two-bedroom units. The units were constructed in 2004 and are owned by the Clark Housing Authority. Rent is \$630 for a one-bedroom unit and \$660 for a two-bedroom unit. Tenants also pay utilities. The manager reported no vacancies at the time of the survey.
Colonial Apartments	1 -1 Bedroom <u>7 - 2 Bedroom</u> 8 Total Units	\$525 \$550-\$600 +electric	1 vacancy	General occupancy	Colonial Apartments is an eight-unit market rate general occupancy project. There is one one-bedroom unit and seven two-bedroom units. The project was a USDA Rural Development project, but has converted to market rate. Rent is \$525 for the one-bedroom unit and \$550 to \$600 for the two-bedroom units. Tenants also pay electricity. The manager reported one vacancy at the time of the survey.
Dakota Manor I & II	<u>8 - 1 Bedroom</u> 8 Total Units	\$525 +electricity	1 vacancy	General occupancy	Dakota Manor I & II is an eight-unit market rate general occupancy project. All of the units have one bedroom. The project was a USDA Rural Development project, but has converted to market rate. Rent is \$525 plus electricity. The manager reported one vacancy at the time of the survey.

**Table 17 Clark Multifamily Rental Housing Inventory**

Name	Number of Units /Bedroom Mix	Rent	Vacancy/ Wait List	Tenant Mix	Comments
<b>Market Rate</b>					
728 1 <sup>st</sup> Ave. E.	3 - 1 Bedroom <u>1 - 3 Bedroom</u> 4 Total Units	\$575 \$900	2 vacancies	General occupancy	This project is a former motel that has been converted into four units. There are three two-bedroom units and one three-bedroom unit. The rent is \$575 for the one-bedroom units and \$900 for the three-bedroom unit. All utilities are included in the rent. The owner reported two vacancies at the time of the survey.
Garden Grove Apartments	10 - Bedroom <u>10 - Bedroom</u> 20 Total Units	\$340 \$490	No vacancies, waiting list	General occupancy	Garden Grove Apartments is a 20-unit market rate general occupancy project. There are 10 one-bedroom units and 10 two-bedroom units. The units are in six one-level buildings. The project was a USDA Rural Development project, but has converted to market rate. Rent is \$340 for a one-bedroom unit and \$490 for a two-bedroom unit. The rent includes utilities. At the time of the survey, there were no vacancies and the project has a waiting list.
Griffin Apartments	<u>8 - 2 Bedroom</u> 8 Total Units	\$550 +electric	1 vacancy	General occupancy	Griffin Apartments is an eight-unit market rate general occupancy project. The project was previously a USDA Rural Development subsidized project, but converted to market rate. Rent is \$550 plus electricity. All of the units have two bedrooms. The manager reported one vacancy at the time of the survey.
Willow Creek Apartments	<u>8 - 1 Bedroom</u> 8 Total Units	\$575 +heat, electric	No vacancies	General occupancy	Willow Creek Apartments is a market rate eight-unit general occupancy project. The project was previously named Viking Apartments and was a subsidized USDA Rural Development project. The project has converted from subsidized to market rate. The project has eight one-bedroom units. The rent is \$575 plus heat and electricity. The owner reported no vacancies at the time of the survey.

<b>Table 17 Clark Multifamily Rental Housing Inventory</b>					
<b>Name</b>	<b>Number of Units /Bedroom Mix</b>	<b>Rent</b>	<b>Vacancy/ Wait List</b>	<b>Housing Type</b>	<b>Comments</b>
<b>Senior Housing with Services</b>					
Fay Wookey Memorial Center Apartments	4 - 1 Bedroom 4 - 2 Bedroom 8 Total Units	Based on size of unit and services	No vacancies, waiting list	Residential Living Center	The Fay Wookey Memorial Center residential living includes four one-bedroom and four two-bedroom units. The tenants receive light services including a noon meal and light housekeeping. The tenants can purchase additional meals. The units were constructed in 1998 and 2002. At the time of the survey, there were no vacancies and there is a waiting list.
Fay Wookey Assisted Living Center	Licensed for 30 residents	Based on type of unit	No vacancies	Assisted Living Center	The Fay Wookey Assisted Living Center includes assisted living suites for up to 30 residents. The facility provides assisted living services including meals, housekeeping, laundry, bathing, medication management, etc. The facility was constructed in 1998 and additional units were constructed in 2002. At the time of the survey, there were no vacancies.
Roetell Senior Housing	Licensed for 15 residents	Based on level of services	2 vacancies	Assisted Living Center	Roetell Senior Housing is an assisted living facility licensed for 15 residents. The facility provides the full array of assisted living services including meals, laundry, housekeeping, bathing, medication management, etc. There were two vacant beds at the time of the survey. The facility accepts medicaid residents.
Avantara Clark	Licensed for 35 beds	Based on level of services	Several vacancies	Skilled Nursing Home	Avantara Clark is a skilled nursing facility licensed for 35 beds. The administrator reported that the occupancy rate varies, but there are currently a few vacant beds.

Source: Community Partners Research, Inc.

## Employment and Local Economic Trends

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

### Work Force and Unemployment Rates

Employment information is available at the County level. Data in the table that follows is for all of Clark County and was obtained from the South Dakota Department of Labor. These statistics are reported based on the location of the worker, not the location of the job.

<b>Table 18 Clark County Annual Labor Statistics: 2010 to 2020</b>						
Year	Labor Force	Employed	Unemployed	Unemployment Rate - County	Unemployment Rate - SD	Unemployment Rate - US
2010	1,976	1,874	102	5.2%	5.0%	9.6%
2011	1,944	1,851	93	4.8%	4.7%	8.9%
2012	1,921	1,838	83	4.3%	4.3%	8.1%
2013	1,972	1,895	77	3.9%	3.8%	7.4%
2014	1,984	1,907	77	3.9%	3.4%	6.2%
2015	1,963	1,892	71	3.6%	3.1%	5.3%
2016	1,920	1,845	75	3.9%	3.0%	4.9%
2017	1,885	1,801	84	4.5%	3.2%	4.4%
2018	1,909	1,833	76	4.0%	3.0%	3.9%
2019	1,913	1,836	77	4.0%	3.0%	3.7%
2020*	1,913	1,806	107	5.6%	5.6%	8.4%

Source: South Dakota Dept. of Labor

Note: Not Seasonally Adjusted

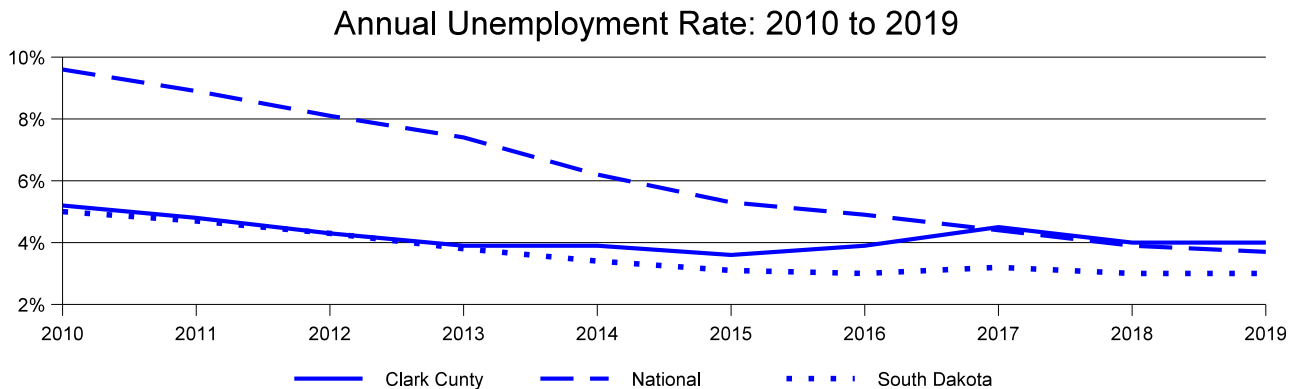
\*2020 is through October

Clark County experienced a slight decline in the size of the available civilian labor force over the past decade. Between 2010 and 2019, the number of County residents in the labor force decreased by 63 people, or -3.2%.

However, the County’s labor force actually reached its lowest level in 2017 and has increased somewhat since that time.

The employed work force has also had a slight decline. Between 2010 and 2019 the number of County residents that are employed decreased by 38 people, or -2.0%.

With the employed work force decreasing at a slightly slower rate than the total labor force, the County’s unemployment rate has generally grown smaller over time. The County’s unemployment rate in 2019 was 4.0%. Although the County has maintained a relatively low unemployment rate throughout the past decade, it has been above the Statewide rate since 2010.





## Average Annual Employment and Wages

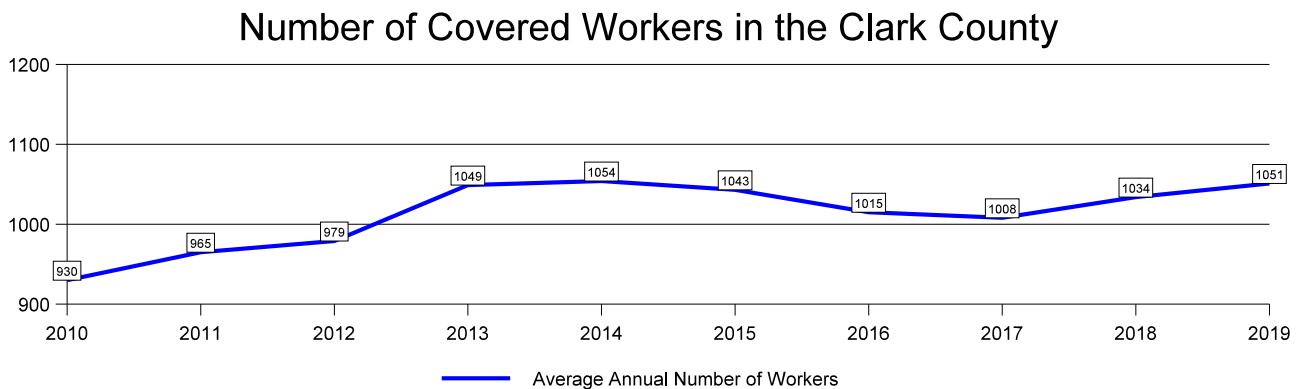
The Quarterly Census of Employment and Wages (QCEW) tracks annual employment and average annual wage data. The QCEW reporting is for unemployment compensation. It is important to note that the reporting does not represent all employment, as some classifications such as self-employed workers are not included.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

<b>Table 19 Clark County Average Annual Wages - 2019</b>		
Industry	2019 Employment	Average Annual Wage
Total All Industry	1,051	\$34,424

Source: South Dakota Department of Labor & Regulation

The average weekly wage for all industry in 2019 was \$662. At full-time employment for 52 weeks this equates to an average annual wage of \$34,424.

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



If 2019 is compared back to 2010, the number of covered workers in Clark County had increased by 121 jobs, or 13%. However, the number of covered jobs has largely remained stable since 2013.

## Commuting Patterns of Workers

Information is available on workers that commute for employment. The best information is from the 2019 American Community Survey, and has been examined for residents of Clark. This table examines travel time for City residents, and excludes people that work at home.

<b>Table 20 Commuting Times for Clark Residents - 2019</b>		
Travel Time	Number	Percent
Less than 10 minutes	315	51.5%
10 to 19 minutes	97	15.8%
20 to 29 minutes	28	4.6%
30 minutes +	172	28.1%
Total	612	100%

Source: American Community Survey

Most City residents were working locally in 2019. More than 67% of residents had a drive time less than 20 minutes, and were working in the immediate area. However, approximately 28% of residents were traveling 30 minutes or more to work.

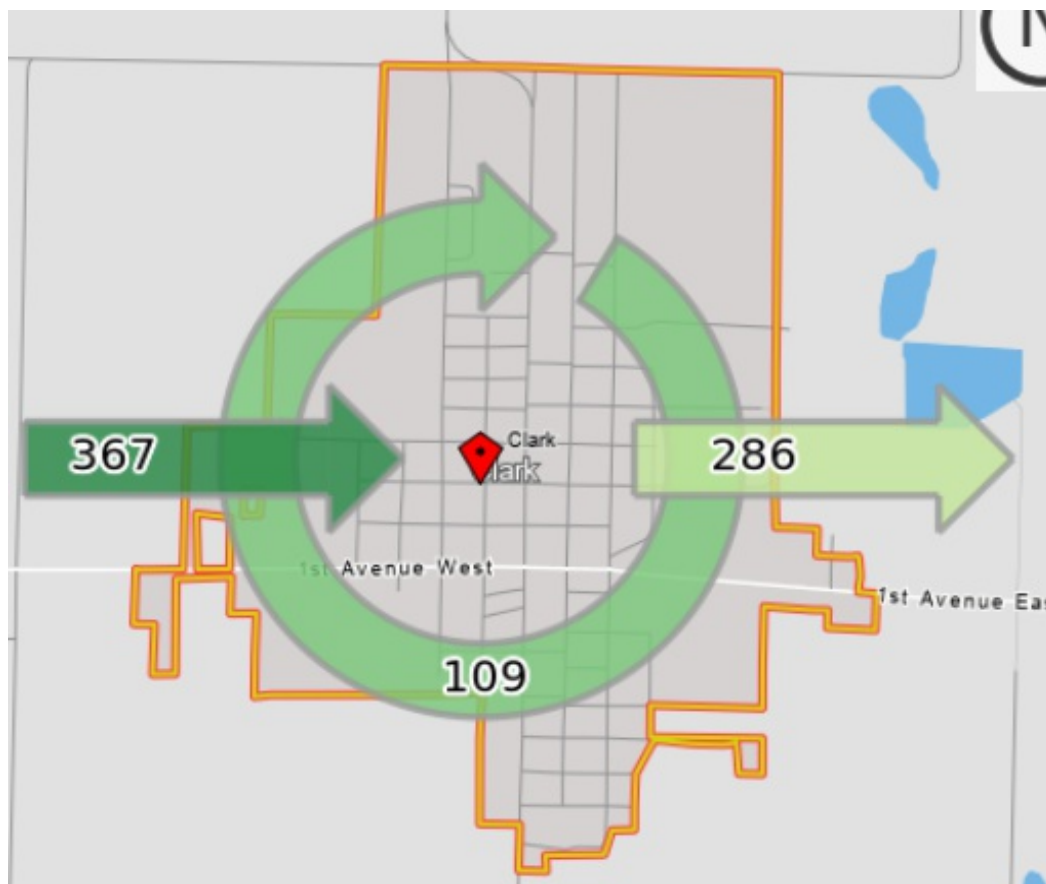
The ACS did not provide travel time information for people that worked in Clark.

## Census On the Map

The Census Bureau also produces commuter reports through its Center for Economic Studies division. This information is based on reports for the year 2016, and provides a further breakdown of worker movement patterns.

According to the report for Clark, there were 476 people that were employed within the city limits in 2016. Fewer than 23% of these Clark-based employees also lived within the City, with more than 365 employees commuting in to work. The primary identified jurisdictions supplying workers to the City were Mount Pleasant Township, Willow Lake, Watertown, Pleasant Township and Collins Township.

Most Clark residents left their home community to work elsewhere. The primary locations listed for outbound commuters were Watertown, Sioux Falls, Willow Lake and Huron.



## Findings on Growth Trends

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

Clark's population decreased by 0.5% from 1990 to 2000. The population decreased from 1,292 in 1990 to 1,285 in 2000. From 2000 to 2010, Clark's population decreased by 146 people, which was a population loss of 11.4%.

Esri, a private data services provider, estimates that from 2010 to 2020, the City had a loss of only 31 people. However, Applied Geographic Solutions estimates that Clark had a loss of 110 people from 2010 to 2020 and the Census Bureau estimates that from 2010 to 2019, Clark had a loss of 78 people.

Clark County's population decreased from 4,403 in 1990 to 4,143 in 2000, which was a decrease of 5.9%. The population continued to decline in the 2000s from 4,143 in 2000 to 3,691 in 2010, which was a loss of 10.9%.

Esri estimates that Clark County had a gain of 100 people from 2010 to 2020. AGS estimates that from 2010 to 2020, Clark County gained 53 people, an increase of 1.4%. The U.S. Census estimate shows a gain of 45 people from 2010 to 2019.

Household levels also decreased from 1990 to 2000 in Clark and Clark County. Clark experienced a loss of 11 households from 1990 to 2000, followed by a loss of six households from 2000 to 2010. Esri estimates that Clark had an increase of one household. AGS estimates that from 2010 to 2020, Clark had a decrease of 71 households, although this estimate is not supported by other data sources reviewed for this Study.

Clark County had a loss of 102 households from 1990 to 2000, and a decrease of 153 households from 2000 to 2010. AGS estimates that from 2010 to 2020, Clark County decreased by only two households, and Esri estimates that Clark County had a substantial gain of 87 households.

## **Findings on Projected Growth**

This Study has utilized AGS and Esri projections for the City of Clark and Clark County. Esri forecasts that Clark will lose 26 people and four households from 2020 to 2025. AGS projects that Clark will gain 57 people, but lose 62 households from 2020 to 2025.

Esri forecasts that Clark County's population will decrease by 19 people, but will gain 19 households from 2020 to 2025. AGS forecasts that from 2020 to 2025, Clark County will gain 185 people, but lose 180 households.

## **Summary of the City of Clark’s Growth Projections by Age Group**

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

Esri projects a loss of four households in Clark from 2020 to 2025. Consistent with the age distribution data presented earlier, the movement of the “baby boom” generation through the aging cycle should generate much of the City’s growth in households in the 65 to 74 age range. Age projections expect the City to add approximately 12 households in the 65 to 74 age range. The 35 to 54 year old ranges are also expected to show growth with an increase of seven households.

Esri projects that from 2020 to 2025, the City of Clark will lose six households in the 15 to 34 age ranges, 12 households in the 55 to 64 age range and five households in the 75 and older age range.

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

<u>Age Range</u>	<u>Projected Change in Households 2020 to 2025</u>
15 to 24	-1
25 to 34	-5
35 to 44	4
45 to 54	3
55 to 64	-12
65 to 74	12
75 and Older	-5
Total	-4

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

Based on the household by age projections presented earlier, the changing age composition of the City of Clark's population through the five-year projection period will have an impact on demand for housing.

**Age 24 and Younger** - The projections used for this Study expect a one-household loss in the 15 to 24 age range through the year 2025. Past tenure patterns indicate that a majority of these households in Clark will rent their housing. A minimal change in the number of households in this age range should mean that rental demand from younger households will remain stable during the projection period.

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

**35 to 44 Years Old** - The projections for this 10-year age cohort expect a gain of four households between 2020 and 2025 in the City. In the past, this age group has had a high rate of home ownership. Households within this range often represent both first-time buyers and households looking for trade-up housing, selling their starter home for a more expensive house.

**45 to 54 Years Old** - For the City of Clark, the projections show a gain of three households in this age range. These households will often look for trade-up housing opportunities. A small increase in the number of households in this age group indicates that the demand for trade-up housing will increase minimally from this age range during the projection period.

**55 to 64 Years Old** - Esri's projections show a decrease of 12 households in this 10-year age range by the year 2025 in the City. This age range has traditionally a high rate of home ownership in Clark. Age-appropriate housing, such as town house or twin home units, is often well suited to the life-cycle preferences of this age group, as no maintenance/low maintenance housing has become a popular option for empty-nesters. Households in this age range will also look for trade-up housing opportunities.

***65 to 74 Years Old*** - A gain of 12 households is expected by the year 2025 in the 65 to 74 age range, as all of the households in this age range are part of the baby boom generation. 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 will increase from household growth within this age cohort.

***75 Years and Older*** - There is a projected decrease of five households in the City in this age range between 2020 and 2025. An expansion of other housing options for seniors, including high quality rental housing and senior housing with services, should appeal to this age group. In most cases, income levels for senior households have been improving, as people have done better retirement planning. As a result, households in this age range may have fewer cost limitations for housing choices than previous generations of seniors.

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



## **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*** - Esri's household projections used for this Study expect Clark to lose approximately four households from 2020 to 2025, while all of Clark County is projected to add 19 households over this 5-year period. These projections will yield limited demand for new housing production due to expected growth.

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

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

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

## **Strengths for Housing Development**

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

- ▶ **Clark serves as a small regional center** - Clark provides employment opportunities, retail/service options, health and professional services, governmental services and recreational facilities for a geographical area that surrounds the City.
- ▶ **Affordable priced housing stock** - The City of Clark has a stock of affordable, existing houses. Our analysis based on 2019 residential sales shows that the City's median home value is approximately \$55,375. This existing stock, when available for sale, provides an affordable option for home ownership.
- ▶ **Adequate land for development** - Clark has land available for both residential and commercial/industrial development. However, some of this land needs to be serviced with infrastructure improvements and/or annexed into the City limits.
- ▶ **Educational system** - Clark has a public pre-school-12 school system.
- ▶ **Health facilities** - Clark has a medical clinic, assisted living facilities and a nursing home.
- ▶ **Infrastructure** - Clark's water and sewer infrastructure is in good condition and can accommodate future expansion.
- ▶ **Commercial development** - Clark's commercial district is adequate to meet most daily needs.
- ▶ **Choose Clark County** - Choose Clark County is active in promoting economic development, industrial development, commercial development and housing in Clark and Clark County.
- ▶ **Clark Housing and Redevelopment Commission** - The Clark HRC owns and manages rental housing in the community.
- ▶ **Small City Atmosphere** - Clark has the real and perceived amenities of a small city. Small city living is attractive for some households.

- ▶ **Clark is located near regional centers** - Clark is located 61 miles from Huron and 31 miles from Watertown. These cities provide employment opportunities, retail/service options, educational opportunities, health care facilities and cultural amenities. Some households prefer to live within commuting distance, but not in a large regional center.
- ▶ **Employers** - Clark has several employers that provide job opportunities for local residents.
- ▶ **Commuters** - Approximately 367 employees are commuting into Clark daily for work. These commuters are a potential market for future housing construction.
- ▶ **Tourism and recreational opportunities** - There are tourism and recreational opportunities in the Clark area including hunting, fishing, golf, etc.
- ▶ **Dairy and hog farms** - Dairy and hog farms are locating and/or expanding in the Clark area, which creates employment and strengthens the local economy.
- ▶ **Governors Homes/DakotaPlex Program** - Clark may have the opportunity to utilize South Dakota Housing Development Authority (SDHDA) programs such as the Governors Home and DakotaPlex Programs.
- ▶ **City amenities** - City amenities include a community pool, a golf course, city parks, an industrial park, etc.

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

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

- ▶ **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 difficult to construct new rental housing.
- ▶ **Value-gap deters new owner-occupied construction** - Based on market values from 2019 residential sales, we estimate that the median priced home in Clark is valued at approximately \$55,375. This is below the comparable cost for new housing construction, which will generally be above \$200,000 for a stick built home with commonly expected amenities. This creates a value gap between new construction and existing homes.
- ▶ **Lower paying jobs** - Although Clark has several large employers, some jobs are at the lower end of the pay scale and employees with these jobs have limited housing choices.
- ▶ **Limited commercial options** - Clark has commercial and retail options to meet daily needs, however, it has limited other retail and commercial opportunities.
- ▶ **Population and households** - Clark is not projected to have significant population and household gains over the next several years.
- ▶ **Lack of buildable lots** - The City of Clark only has a few in-fill lots available for new housing construction.
- ▶ **Lack of new housing construction** - New housing construction has been limited over the past several years.

## **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 Clark. 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 Clark if there is proactive support from the City, local and regional housing and economic development agencies and the South Dakota Housing Development Authority.
- ▶ **Protect the existing housing stock** - The future of Clark will be heavily dependent on the City's appeal as a residential location. The condition of the existing housing stock is a major factor in determining the City's long-term viability. The existing housing stock is in good condition and is a major asset, however, rehabilitation efforts are needed to preserve the housing stock.
- ▶ **Protect the existing assets and resources** - Clark has many assets including a pre-school-12 school, employers, a downtown commercial district, medical and senior facilities, recreational opportunities, etc. These are strong assets that make Clark a desirable community to live in, and are key components to the City's long-term success and viability. These assets must be protected and improved.
- ▶ **Develop a realistic action plan with goals and time lines** - In the past the City has been involved in housing issues. The City should prioritize its housing issues and establish goals and time lines to achieve success in addressing its housing needs.
- ▶ **Access all available resources for housing** - In addition to the local efforts, the City has other resources to draw on including USDA Rural Development, the South Dakota Housing Development Authority, the First District Association of Governments, Inter-Lakes Community Action Partnership, Grow South Dakota, Dakota Resources and the Watertown Housing Authority. These resources should be accessed as needed to assist with housing activities.

## **Summary of Findings/Recommendations**

The findings/recommendations for the City of Clark 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 10 to 12 general occupancy market rate rental units
2. Develop eight to ten general occupancy moderate rent/income restricted or subsidized rental housing units
3. Senior housing with services
4. Consider the development of eight to 10 senior independent/light services units
5. Promote the development/conversion of four to six affordable market rate rental housing units
6. Develop a downtown mixed-use commercial/housing project
7. Continue to utilize the Housing Choice Voucher Program

### **Home Ownership**

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

**Single Family Housing Development**

10. Lot availability and lot development
11. Strategies to encourage continued residential lot sales and new home construction in Clark
12. Coordinate with economic development agencies, housing agencies and nonprofit groups to construct affordable housing
13. Promote twin home/townhome development

**Housing Rehabilitation**

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

**Other Housing Issues**

16. Continue to acquire and demolish dilapidated structures
17. Create a plan and a coordinated effort among housing agencies
18. Encourage employer involvement in housing
19. Strategies for Downtown Redevelopment/Development
20. Develop home ownership and new construction marketing programs

# **Clark - Recommendations Rental Housing Development**



## **Rental Housing Development**

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

From 2010 to 2020, we are not aware of any rental units that have been constructed in Clark. However, some single family homes may have been converted from owner-occupied to rental use over the past decade.

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

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

Esri’s household projections for Clark from 2020 to 2025 forecast a slight loss of households and limited household growth in Clark County. However, it is projected that there will be a 12-household gain in Clark in 65 to 74 age range. Also, a gain of seven households is forecast in the 35 to 54 age range in Clark. With household growth from the 65 to 74 and 35 to 54 age ranges, we are expecting a demand of approximately nine to 11 additional rental units due to household growth over the next five years in Clark.

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

As part of this study, a rental survey was conducted. The survey found six vacancies in the 82 general occupancy market rate units. Although there were vacancies in the market rate units, the newest rental units in the City, the Clark HRC Twinhomes, are almost always occupied and have a waiting list.

No vacancies were reported in the Fay Wookey facilities and Roetell Senior Housing reported two vacancies. The skilled nursing home reported several vacant beds.

We identified pent-up demand for high quality market rate rental units, subsidized units and senior independent/light services units.

Clark and Clark County's number of households are projected to remain relatively stable through 2025. With limited household growth projected and the existing vacancy rates, we are recommending several strategies to develop a healthy rental market in Clark. The strategies include:

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

Based on the factors stated above, we recommend the development of 30 to 38 new rental units over the next five years from 2021 to 2025.

▶ General Occupancy Market Rate	10-12 units
▶ Income-restricted/Subsidized	8-10 units
▶ Affordable/Conversions	4-6 units
▶ Senior Independent/Light Services	<u>8-10 units</u>
Total	30-38 units

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

**Findings:** More than 95% of the rental housing in the City of Clark 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 82 market rate rental units we surveyed, we found six vacancies, a 7.3% vacancy rate, which is above the healthy vacancy rate of 3% to 5%. However, the Clark Housing and Redevelopment Commission (HRC) Twinhomes, the City’s newest rental units, reported strong demand for the units and a waiting list.

There is a variation in rental rates in the market rate segment in the City of Clark. The existing rent range including utilities is \$340 to \$780 for a one-bedroom unit and \$490 to \$785 for a two-bedroom unit.

In 2004, 10 conventional market rate rental units were constructed by the Clark HRC. No additional market rate units have been constructed after 2004. It is possible that some single family homes have converted from owner-occupancy to rental use.

There were also six subsidized rental projects that ended their subsidy contracts and converted to conventional market rate housing. In total, 68 units were converted, resulting in a gain of 68 conventional market rate units in Clark.

**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. Also, in addition to these factors, rental demand is projected to be generated by employers/employees moving into the Clark County area.

Based on this combination of demand generators, we believe that it is reasonable to plan for production of 10 to 12 market rate rental units over the next five years from 2021 to 2025.

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

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

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

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

The first option to developing market rate housing would be to encourage private developers to undertake the construction of market rate rental housing. If private developers do not proceed, the Clark Housing and Redevelopment Commission (HRC) or Choose Clark County could potentially utilize essential function bonds, or similar funding sources, to construct market rate units. The Clark Housing Authority has previously constructed 10 market rate rental units.

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

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

<u>Unit Type</u>	<u>No. of Units</u>	<u>Size/Sq. Ft.</u>	<u>Rent</u>
Two Bedroom	8-9	850 - 1,000	\$750 - \$950
Three Bedroom	2-3	1,100 - 1,200	\$875 - \$1,000
Total	10-12		

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

It may be possible to utilize Housing Choice Vouchers if some of the tenants meet income requirements and the rents are at or below Fair Market Rents (FMRs). The 2020 FMRs are \$719 for a two-bedroom unit and \$894 for a three-bedroom unit.

**2. Develop eight to 10 additional general occupancy moderate rent/income restricted or subsidized rental units**

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

Subsidized housing utilizes federal resources that provide a “deep subsidy”, allowing very low income people access to the housing at an affordable price. The research completed for this Study identified that there are no subsidized rental projects in Clark.

In the past, Clark had six subsidized rental projects with a total of 68 units. These six projects have converted from subsidized to market rate. As a result, Clark lost 68 units of subsidized housing.

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

The 2019 American Community survey estimated that approximately 40% of all renters in the City of Clark were paying 30% or more of their income for rent.

**Recommendation:** Based on the cost burden data contained in the American Community Survey, and the loss of 68 subsidized units due to contract termination and conversion to market rate, we recommend that the City develop deep subsidy rental housing for lower income renters. Over the next five years, we would recommend that the City, the Clark HRC or nan area housing agency attempt to construct eight to 10 units that achieve a rent level that would be affordable to very low income households earning less than \$25,000 per year.

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

### **3. Senior housing with services**

**Findings:** The City of Clark currently has four senior with services projects. The four projects are:

- ▶ **Fay Wookey Memorial Center Apartments** - Fay Wookey Memorial Center Apartments includes eight units. There are four one-bedroom and four two-bedroom units. The units provide housing for seniors that can live relatively independently. The tenants receive a noon meal and light housekeeping. The tenants can purchase additional services as needed. The Director reported no vacancies and a waiting list at the time of the survey.
- ▶ **Fay Wookey Assisted Living Center** - The Fay Wookey Assisted Living Center is an assisted living facility licensed for 30 residents. The project provides the full array of assisted living services include meals, bathing, medication management, laundry, housekeeping, etc. The Director reported no vacant beds at the time of the survey.

- ▶ **Roetell Senior Assisted Living** - Roetell Senior Living is an assisted living facility licensed for 15 residents. The full array of assisted living services is provided including meals, bathing, laundry, housekeeping, medication management, social activities, etc. The Director reported two vacant beds at the time of the survey.
- ▶ **Avantura Clark Nursing Home** - Avantura Clark is a licensed 35-bed skilled nursing facility. The facility had several vacant beds at the time of the survey.

**Recommendation:** In 2020, Clark had approximately 354 people and 233 households over the age of 65. Clark County had approximately 820 people and approximately 600 households over the age of 65. Clark has 32 assisted living beds in two projects and a 47-bed skilled nursing facility, but does not have a senior independent/light services project.

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

#### **4. Develop eight to 10 senior independent/light services market rate units**

**Findings:** There currently are eight senior independent/light services market rate rental units in Clark in the Fay Wookey Memorial Center Apartments.

In 2020, there were 233 households age 65 or older in Clark and approximately 600 households 65 and older in Clark County. It is projected that there will be a net increase in households age 65 and older in Clark and Clark County by the year 2025.

**Recommendation:** We are recommending an eight to 10-unit independent/light services senior project in Clark. The project should be designed to allow seniors to live in a unit independently. The senior project could be a one-level apartment building or townhome style. The project will attract tenants from the City of Clark and the area surrounding Clark.

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:

- ▶ 8 to 10 units
  - ▶ 4 to 5 one-bedroom
  - ▶ 4 to 5 two-bedroom
- ▶ Floor plans that promote accessibility
- ▶ Fully equipped kitchen
- ▶ Large storage area
- ▶ Ample closet space
- ▶ Laundry hookups
- ▶ Open floor plan
- ▶ Private patio
- ▶ Individually controlled heat and AC
- ▶ Raised outlets, lever door handles, lowered kitchen cabinets
- ▶ Expansive windows

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

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

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



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

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

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.

**5. Promote the development/conversion of four to six affordable market rate rental housing units**

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

There is evidence that Clark has lost rental housing over the years due to redevelopment, conversion to home ownership or due to deterioration and demolition. Part of the need for additional rental units in Clark 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.

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

It would be difficult to create affordable 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 existing commercial buildings, or through the purchase and rehabilitation of existing single family homes. Several single family homes have been rehabilitated for rental housing by local individuals.

The estimated prevailing rent range for older rental units in Clark is typically between \$490 and \$650 per month. Creating some additional units with contract rents below \$650 per month would help to expand the choices available to a majority of the City's renter households.

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

## **6. Develop a downtown mixed-use commercial/housing project**

**Findings:** A mixed-use rental housing/commercial project in the Downtown area would complement the City of Clark's ongoing efforts to maintain a vibrant downtown.

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

**Recommendation:** We recommend the development of a mixed-use building in downtown Clark. 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 and be an asset 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 one-bedroom and two-bedroom units. Please note that these units are not in addition to the units recommended in the first and second recommendations of this section. If a mixed use building was constructed, the number of units recommended previously should be reduced.

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

## **7. Continue to Utilize the Housing Choice Voucher Program**

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

Although the federal government provides almost no funding for subsidized housing construction, it has provided new Housing Choice Voucher allocations over the last two decades. Because of the flexibility offered through the program, eligible households often prefer the portable rent assistance to other forms of subsidized housing that are project-based, and can only be accessed by living in a specific rental development.

The Housing Choice Voucher Program is administered in Clark and Clark County by the Watertown Housing Authority. There currently is a three to five-month waiting list to obtain a Voucher. Several Clark renter households are utilizing the Housing Choice Voucher Program or have utilized the program in the past.

**Recommendation:** The Watertown Housing Authority should continue to work with rental property owners/managers and Clark renter households to assure that renters are aware of the Housing Choice Voucher Program and have to the opportunity to apply for assistance.

# **Clark - Home Ownership Recommendations**

## **Home Ownership**

**Findings:** Expanding home ownership opportunities is one of the primary goals for most cities. High rates of home ownership promote stable communities and strengthen the local tax base. The median owner-occupied home value in Clark is estimated to be approximately \$55,375 based on 2019 residential sales activity. The home values in Clark provide a good opportunity for first time buyers and households seeking moderately priced homes.

Some households in all age ranges that have not been able to achieve the goal of home ownership may need the assistance of housing programs to help them purchase a home.

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

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

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

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

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

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

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

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

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

**Findings:** The City of Clark has a limited stock of older, lower valued homes, many of which need repairs. Our analysis of recent sales activity indicates that there are a significant number of homes in Clark that are valued at less than \$75,000. As some lower valued homes come up for sale, they may not be attractive options for potential home buyers because of the amount of repair work that is required.

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

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

**Recommendation:** We recommend that the City of Clark work with the South Dakota Housing Development Authority and area housing agencies to consider the development and implementation of a Purchase/Rehabilitation Program. Attitudinal surveys that we have conducted in other cities have found that purchase/rehabilitation programs are appealing to people who are currently renting their housing. In some similar sized communities, a large majority of survey respondents who were renters indicated an interest in buying a home in need of repair if rehabilitation assistance was also available.

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

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

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

# **Clark - New Housing Construction**



## Single Family Housing Development

**Findings:** Clark has experienced limited single family owner-occupied housing construction from 2010 to 2020. According to Census Bureau records, over the past 10 years there were four single family owner-occupancy units constructed in Clark. Three of the four homes were constructed in 2017 and 2018.

The City’s amenities and employment opportunities should result in the construction of new homes over the next five years.

Overall household projections for Clark indicate some demand for owner-occupancy housing construction. Clark is projected to add households in the 65 to 74 year old age range over the next five years. Households in these age ranges tend to be predominantly home owners, and form a market for higher priced, trade-up housing and low maintenance housing such as town homes and twin homes.

The 35 to 54 age ranges are also expected to add some households through 2025. Some of the households in these age ranges are first time home buyers or are looking for trade-up housing. It is our opinion that if the City, Choose Clark County, housing agencies, employers and builders are proactive, seven to ten owner-occupancy homes can be constructed in Clark from 2021 to 2025.

This projection is based on the ongoing availability of lots for single family homes and twin homes/town homes at all price ranges.

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

- |                               |                  |
|-------------------------------|------------------|
| ▶ Higher & medium price homes | 2 homes          |
| ▶ Affordable homes            | 3-4 homes        |
| ▶ Twin homes/town homes       | <u>2-4 units</u> |
| Total                         | 7-10 homes/units |

## **10. Lot availability and lot development**

**Findings:** As part of this Study, we attempted to identify the inventory of available residential lots for single family housing construction in Clark. Buildable lots are defined as having sewer and water available to the lots. Based on our interviews, it appears that there may be several buildable infill parcels in Clark. We do not know the status of these parcels.

Also, there are dilapidated houses throughout the City that could be demolished and some of these lots could be suitable for new construction. However, there is not a new lot subdivision in Clark with available buildable lots.

**Recommendation:** Using our projections that seven to ten owner-occupancy housing units will be constructed in Clark over the next five years and with only a few in-fill lots potentially available in Clark, there will be a need for additional lots in the future.

The City of Clark and Choose Clark County should plan for future subdivision and lot development. If new construction projections come to fruition, there will be a need for additional lots over the next several years. Therefore, we recommend the development of 10 to 12 lots. New lot/subdivision development should include the following:

- ▶ If feasible, the lots should be developed in phases as demand dictates.
- ▶ A site(s) for lot development, if possible, should have current access to existing utilities.
- ▶ The lots should have covenants that assure quality development. However, the covenants should not be so restrictive that they eliminate the target market's ability to construct a home.
- ▶ The lots should accommodate a variety of home designs and home prices.
- ▶ All stakeholders should be involved in promoting and publicizing the lots.
- ▶ To be successful, the homes must be available to households with as wide an income range as possible.

- ▶ Some lots should be available for twin home/ town home development.
- ▶ Successful lot development will need the cooperation of financial institutions, funding agencies, employers, the City of Clark and Choose Clark County. Financial assistance such as tax increment financing, tax abatement, and assistance from area housing agencies and the South Dakota Housing Development Authority may be needed.
- ▶ The lots must be as aesthetically acceptable as possible and include high quality amenities.
- ▶ The City and Choose Clark County should plan on a long absorption time period to sell the lots.
- ▶ If the lots are sold at a reduced price, the lot buyer should be obligated to build a home on the lot within a specified time period.

Additionally, an inventory of existing infill lots that are buildable and for sale, should be maintained and available to future buyers.

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

**Findings:** From 2010 to 2020, four owner-occupancy single family houses have been constructed in Clark. We are projecting that an additional seven to ten homes will be constructed over the next five years.

**Recommendation:** We recommend that the City of Clark, Choose Clark County, developers, builders, realtors and other housing stakeholders coordinate efforts to promote lot development, lot sales and housing development.

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

- ▶ ***Competitive pricing*** - There are lots available in communities throughout the region. To attract new home construction in Clark, lots should be available and competitively-priced compared to other options in the region.

- ▶ ***User-Friendly*** - The lot purchase and home building process must continue to be 'user friendly.' This includes an inventory of available lots, the construction of spec homes, builders that are readily available to build custom homes and city regulations that are fair and reasonable. The entire process must be as 'user friendly' as possible to encourage home construction.
- ▶ ***Long-term planning*** - The City of Clark and Choose Clark County should conduct long-term development planning to assure lots are available on an ongoing basis to meet demand for all types of new housing.
- ▶ ***Incentives*** - Some cities and counties throughout South Dakota are offering incentives to construct new homes, including reduced lot prices, reduced water and sewer hookup fees, cash incentives, etc. Incentives should be considered to promote new home construction in Clark.
- ▶ ***Lot availability for twin home/town home development*** - It is our opinion that there will be a demand for twin homes/town homes over the next five years. Lots should be available for a twin home/town home development.
- ▶ ***Range of house prices*** - Lots should be available to as wide a range of home sizes and prices as possible. This broadens the lot buyer market. Also, smaller infill lots should be marketed for affordable homes.
- ▶ ***Marketing*** - The City of Clark and all housing stakeholders will need to continue marketing the sale of available lots and new home construction. Developers, realtors, financial institutions, builders, employers and Choose Clark County, should all be involved in developing marketing strategies. In addition to marketing the lots, the City of Clark and its amenities should continue to be marketed.
- ▶ ***Governors Homes*** - Governors Homes are an affordable option and SDHDA has initiated a program that enables developers to participate in the 'Governor's Home Program.'
- ▶ ***Manufactured/modular homes*** - Manufactured and modular homes can provide affordable housing opportunities for moderate income households.

- ▶ ***In-fill lot Home Development*** - In-fill lots in existing neighborhoods are often affordable and have existing City services. Some housing agencies and nonprofits develop affordable homes on in-fill lots.
- ▶ ***South Dakota Housing Development Authority (SDHDA)*** - SDHDA may have housing programs available to assist developers, builders and home buyers.

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

**Findings:** There are several housing agencies and nonprofit groups that many have the capacity to construct new housing in Clark, including the Clark HRC, Choose Clark County, Grow South Dakota and Interlakes Community Action Partnership.

**Recommendation:** We encourage the City of Clark to actively work with economic development and housing agencies and nonprofit groups to develop affordable housing. Some of the affordable housing could be developed on in-fill lots.

Interlakes Community Action Partnership administers the Mutual Self Help Program. The Mutual Self Help Program works with three or more households to construct new homes. The households work together to construct the homes. The development of the Mutual Self Help Program should be considered.

Also, households should be encouraged to utilize the Governor’s Program.

### **13. Promote twin home/townhome 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 Clark, approximately 20% to 25% of the new ownership housing constructed are twinhomes/townhomes. In Clark, twinhome/townhome construction has been very limited over the past 20 years.

In 2020, Clark had 233 households and Clark County had approximately 600 households in the 65 and older age ranges. Household growth among 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 two to four new owner-occupied twin home or townhome units could be constructed in Clark over the next five years. Our projection is based on the availability of an ideal location for twin home development as well as high quality design and workmanship.

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

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

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

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

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

# **Clark - Housing Rehabilitation**

## **Housing Rehabilitation**

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

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

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

### **14. Promote rental housing rehabilitation**

**Findings:** Based on 2010 U.S. Census and City of Clark data, the City of Clark has approximately 185 rental units in 2020. These rental buildings are in multi-family projects, small rental buildings, twinhomes, mobile homes and single family homes. Many of these rental structures are more than 40 years old and could benefit from rehabilitation as some of these rental structures are in need of renovation.

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



**Recommendation:** The City of Clark and Choose Clark County should work with rental property owners and 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, InterLakes Community Action Partnership, the South Dakota Housing Development Authority and the Federal Home Loan Bank.

Some communities have also established rental housing inspection programs that require periodic inspections to assure that rental units meet applicable codes and standards.

### **15. Promote owner-occupied housing rehabilitation efforts**

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

Our housing condition survey of 292 homes in three of Clark’s two oldest neighborhoods found 113 homes that need minor repairs and 42 homes that need major repairs. Without rehabilitation assistance, the affordable housing stock will shrink in Clark.

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

Interlakes Community Action Partnership currently has several housing programs to assist households with the rehabilitation of their homes including the Self Help Rehabilitation Program and programs utilizing HOME funds.

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 Clark households to utilize these housing rehabilitation programs.

# **Clark - Other Housing Initiatives**

## **Other Housing Initiatives**

### **16. Continue to acquire and demolish dilapidated structures**

**Findings:** Our housing condition survey identified 12 single family houses in Clark that are dilapidated and too deteriorated to rehabilitate. We also identified 42 single family houses in Clark as needing major repair and some of these homes may be too dilapidated to rehabilitate. To improve the quality of the housing stock and to maintain the appearance of the City, dilapidated structures should be demolished.

**Recommendation:** The City of Clark should continue to work with property owners on an ongoing basis to demolish dilapidated homes. The appearance of the City is enhanced when blighted and dilapidated structures are removed. Also, some of the cleared lots can be utilized for the construction of new housing units or for homes to be moved onto the cleared lots.

Additionally, we recommend that the City maintain an inventory of structures that may be candidates for future demolition. Also, an inventory of in-fill lots for future development should be maintained.

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

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

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

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

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

**Findings:** The City of Clark has several large employers. Also, on an ongoing basis, the City and Choose Clark County have been working with existing employers to expand and for new employers to locate in Clark. The connection between economic development and housing availability has become an increasingly important issue as low area unemployment rates dictate the need to attract new workers into the community.

Although the jobs being created may have good wages for the area, many jobs do not pay wages sufficient for workers to buy or improve their housing. Housing for new employees is a concern for most employers. It may be advantageous for employers to become involved in housing.

**Recommendation:** We recommend an ongoing effort to involve employers as partners in addressing Clark's housing needs. Several funding sources have finance programs that include employers. Additionally, the funding agencies often view funding applications favorably that include employers in the problem solving process.

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

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

## **19. Strategies for Downtown Redevelopment/Development**

**Findings:** Clark has a commercial district that addresses many of the daily retail/commercial needs of its residents. Clark has buildings that have been renovated and have high quality commercial and/or housing space. There are also buildings that have not been maintained and are substandard.

This recommendation provides an outline of actions that could be taken to continue downtown redevelopment, to maximize the usage of downtown buildings, to promote new downtown businesses and to identify and implement building rehabilitation and renovations. The purpose of this recommendation is to continue to build on the City's successes.

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

**Recommendation:** We are recommending the following actions for downtown Clark:

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

- ▶ Identify funding sources
  - ▶ Property owner funds
  - ▶ City funds
  - ▶ Choose Clark County
  - ▶ Federal Home Loan Bank
  - ▶ Special tax districts
  - ▶ Funds from South Dakota State Agencies
  - ▶ Sales Tax Funds
  
- ▶ Work with stakeholders to identify roles, to secure funding, to develop and implement programs and projects
  - ▶ Property owners
  - ▶ City of Clark
  - ▶ Choose Clark County
  - ▶ First District Association of Governments

## **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:** The City of Clark, the Clark Housing and Redevelopment Commission and Choose Clark County, have all been active in promoting and marketing housing and we recommend the continuation or initiation of the following:

- ▶ Determine the City's strengths and competitive advantages and heavily promote them
- ▶ Continue to create marketing materials that can be distributed regionally (including internet, TV, radio, etc.)
- ▶ Work closely with employers to provide employees (especially new employees) with housing opportunities in Clark and the Clark County area
- ▶ Work with housing agencies to provide down payment assistance, low interest loans, home owner education and home owner counseling programs
- ▶ Work with developers and builders to make lot development and the construction of new homes a very user-friendly process
- ▶ Continue to work on the creation of jobs and the development of retail, service and recreational opportunities that make the City a "full service" community
- ▶ Provide attractive lots at an affordable price for a variety of home sizes, styles and price ranges
- ▶ Preserve the quality of the City's existing neighborhoods through the rehabilitation of substandard housing and the demolition of dilapidated structures that are beyond repair
- ▶ Continue to develop new housing choices that serve life-cycle housing needs, such as new rental housing, twin homes, senior with services housing, etc.
- ▶ Review the City's policies and fees to assure that they are user-friendly, fair and receptive for developers, builders and households
- ▶ Develop a coordinated housing plan with the private sector and area housing agencies

## **Agencies and Resources**

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

### **InterLakes Community Action Partnership**

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

### **First District Association of Governments**

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

### **Dakota Resources**

25795 475<sup>th</sup> Ave.  
Renner, SD 57055  
(605) 978-2804

### **South Dakota Housing Development Authority**

1720 4<sup>th</sup> St. NE Suite 2  
Watertown, SD 57201  
(605) 886-8202

### **USDA Rural Development**

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

### **Watertown Housing Authority**

24 W. Kemp Ave.  
Watertown, SD 57201  
(605) 886-7731

### **Grow South Dakota**

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