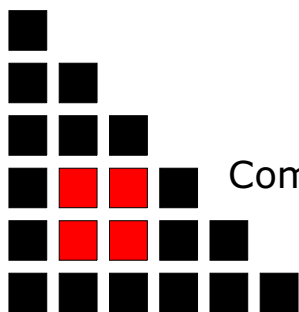


Day County HOUSING STUDY UPDATE

August 2020

An updated analysis of the overall housing needs of the
Cities of Bristol and Waubay and the Town of Butler



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 Bristol, Butler, Waubay and Day 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 initially hired by Day County Housing Development in 2014 to conduct a study of the housing needs and conditions in Bristol, Butler and Waubay. In 2019, Community Partners Research, Inc., was hired to update an original Housing Study document.

Goals

The multiple goals of the study include:

- ▶ Provide updated 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 November 2019 to May 2020. Data sources included:

- U.S. Census Bureau
- American Community Survey
- Applied Geographic Solutions, Inc., a private reporting service
- ESRI, a private data company
- Records and data from the Towns
- Records and data maintained by Day County
- South Dakota State Data Center
- Interviews with housing stakeholders

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

Limitations

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

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Demographic Data Overview

Sources of Data

The following pages contain demographic data obtained from a variety of local, state and national sources for the Towns of Bristol, Butler, Waubay and Day County. 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, because the American Community Survey is based on sampling data, there is a margin of error that exists for each estimate. The following tables incorporate the 2018 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 2018 estimates were derived from sampling that was done over a five-year period, between 2014 and 2018.

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 South Dakota Governor's Office of Economic Development provides demographic profile information for cities, towns and counties supplied by Applied Geographic Solutions (AGS, private company). Prior to using AGS, the State has utilized a similar provider, Esri, Inc., for demographic data.

In addition to providing demographic information for Bristol, Butler and Waubay, comparative information has often been provided for all of Day County.

Population Data and Trends

Table 1 Population Trends - 1990 to 2019						
	1990 Census	2000 Census	% Change 1990-2000	2010 Census	% Change 2000-2010	2019 AGS Estimate
Bristol	419	377	-10.0%	341	-9.5%	301
Butler	17	17	0%	17	0%	18
Waubay	647	662	2.3%	576	-13.0%	573
Day County	6,978	6,267	-10.2%	5,710	-8.9%	5,466

Source: U.S. Census; AGS

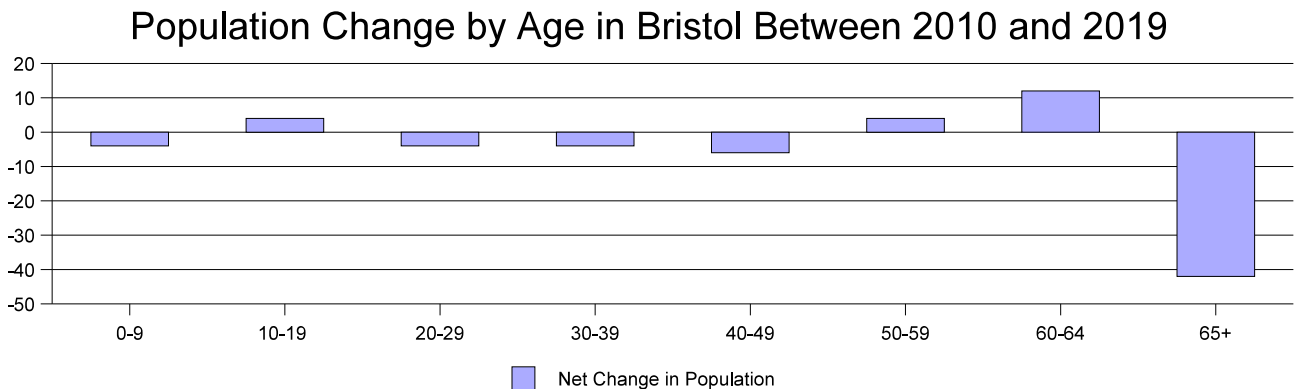
- ▶ AGS estimates that Bristol’s population was 301 people in 2019. The 40-person decrease from 2010 was a population loss of 11.7%. The Census Bureau estimates that in 2019, Bristol had 308 people, a loss of 33 people from 2010 to 2019.
- ▶ AGS estimates that Butler’s population was 18 people in 2019, which was a gain of one person from 2010. The Census Bureau’s 2019 estimate for Butler showed 17 people, which was unchanged from 2010.
- ▶ AGS estimates that Waubay’s 2019 population of 573 people, a three-person (-0.5%) loss from 2010. The Census Bureau’s 2019 estimate for Waubay was 560 people, a loss of 16 people from 2010 to 2019.
- ▶ Day County’s population was 5,466 in 2019, according to AGS. This was a decrease of 244 people from 2010, for a population loss of 4.3%. The U.S. Census estimates that in 2019, Day County’s population was 5,424, down by 286 people from 2010, for a decrease of 5%.
- ▶ A 2019 population estimate for Day County was also obtained from Esri. This source showed 5,716 people living in the County, a gain of six people from 2010 to 2019. The Esri estimate contradicts both the AGS and Census Bureau estimates, which show that Day County has been losing residents since 2010.
- ▶ Bristol, Waubay and Day County experienced population decreases from 2000 to 2010. Butler’s population did not change from 2000 to 2010.

Population by Age Trends in Bristol: 2010 to 2019

The population by age demographic data from the 2010 Census and the 2019 AGS estimates allow for some analysis of the changing age patterns for Bristol and Day County. The following table compares population by age in 2010 and 2019, along with the numeric changes.

Table 2 Population by Age - 2010 to 2019						
Age	Bristol			Day County		
	2010	2019	Change	2010	2019	Change
0-9	30	26	-4	692	670	-22
10-19	26	30	4	646	676	30
20-29	34	30	-4	507	513	6
30-39	34	30	-4	498	542	44
40-49	39	33	-6	702	519	-183
50-59	38	42	4	940	697	-243
60-64	16	28	12	416	444	28
65+	124	82	-42	1,309	1,405	96
Total	341	301	-40	5,710	5,466	-244

Source: U.S. Census; AGS

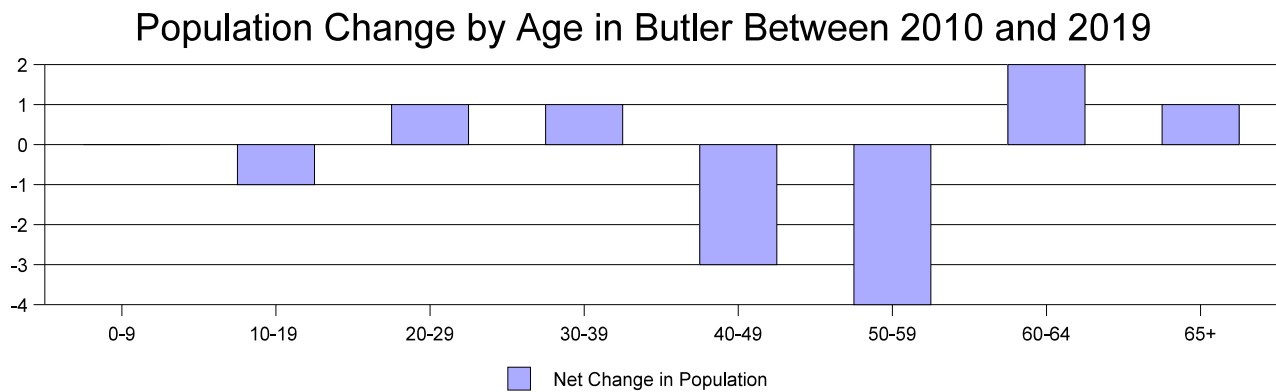


Population by Age Trends in Butler: 2010 to 2019

The population by age demographic data from the 2010 Census and the 2019 AGS estimates allow for some analysis of the changing age patterns for Butler and Day County. The following table compares population by age in 2010 and 2019, along with the numeric changes.

Table 3 Population by Age - 2010 to 2019						
Age	Butler			Day County		
	2010	2019	Change	2010	2019	Change
0-9	0	0	0	692	670	-22
10-19	1	0	-1	646	676	30
20-29	1	2	1	507	513	6
30-39	1	2	1	498	542	44
40-49	3	0	-3	702	519	-183
50-59	7	3	-4	940	697	-243
60-64	0	2	2	416	444	28
65+	4	5	1	1,309	1,405	96
Total	17	18	1	5,710	5,466	-244

Source: U.S. Census; AGS

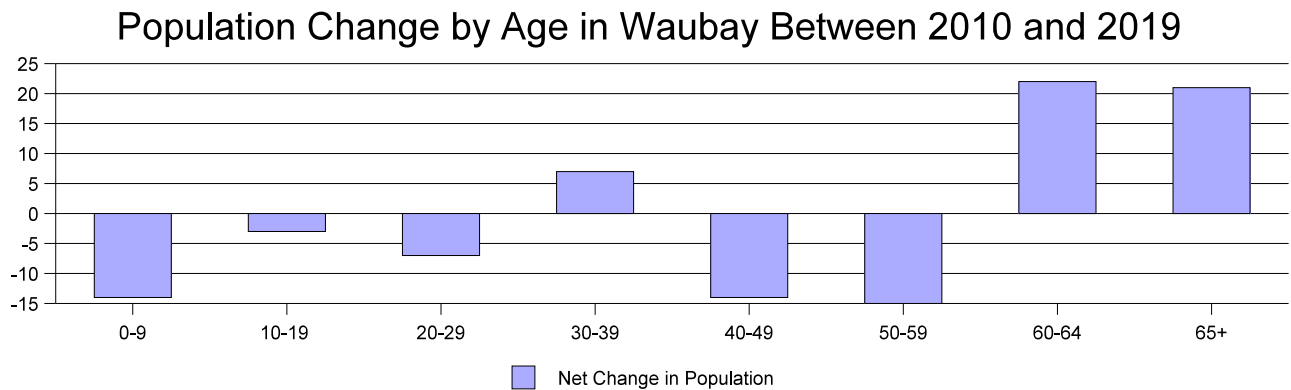


Population by Age Trends in Waubay: 2010 to 2019

The population by age demographic data from the 2010 Census and the 2019 AGS estimates allow for some analysis of the changing age patterns for Waubay and Day County. The following table compares population by age in 2010 and 2019, along with the numeric changes.

Table 4 Population by Age - 2010 to 2019						
Age	Waubay			Day County		
	2010	2019	Change	2010	2019	Change
0-9	88	74	-14	692	670	-22
10-19	80	77	-3	646	676	30
20-29	56	49	-7	507	513	6
30-39	48	55	7	498	542	44
40-49	68	54	-14	702	519	-183
50-59	93	78	-15	940	697	-243
60-64	25	47	22	416	444	28
65+	118	139	21	1,309	1,405	96
Total	576	573	-3	5,710	5,466	-244

Source: U.S. Census; AGS



For many years, demographic analysts have been talking about the impact that is occurring as the large “baby boom” generation moves through the aging cycle. This trend has been evident in Day County as the older age ranges have gained people. Day County gained 124 people in the 60 and older age ranges. Day County also had a growth of 80 people in the 10 to 39 age range. Day County had a loss of 22 people in the 0 to 9 age range and a loss of 426 people in the 40 to 59 age ranges.

Bristol had a gain of four people in the 10 to 19 age range and an increase of 16 people in the 50 to 64 older age ranges. Bristol experienced a population loss of four people in the 0 to 9 age range, a loss of 14 people in the 20 to 49 age ranges and a loss of 42 people in the 65 and older age range.

Butler gained two people in the 20 to 39 age ranges and three people in the 60 and older age ranges. Butler had a one-person loss in the 10 to 19 age range and a loss of seven people in the 40 to 59 age ranges.

Waubay gained seven people in the 20 to 29 age range and had a gain of 43 people in the 60 and older age ranges. Waubay had a loss of 24 people in the 0 to 29 age ranges and a loss of 29 people in the 40 to 59 age ranges.

Population Projections

The following table presents AGS’s population projections for Bristol, Butler, Waubay and Day County from 2019 to 2024.

Table 5 Population Projections - 2019 to 2024			
	2019 Estimate AGS	2024 Projection AGS	Projected Change
Bristol	301	307	6
Butler	18	18	0
Waubay	573	595	22
Day County	5,466	5,570	104

Source: AGS

- ▶ AGS’s growth projections from 2019 to 2024 expect a gain of six people in Bristol, a gain of 22 people in Waubay and no change in Butler.
- ▶ AGS’s population projections for Day County forecast an increase of 104 people from 2019 to 2024.

Household Data and Trends

Table 6 Household Trends - 1990 to 2019						
	1990 Households	2000 Households	% Change 1990-2000	2010 Households	% Change 2000-2010	2019 AGS Estimate
Bristol	171	165	-3.5%	150	-9.1%	145
Butler	5	6	20.0%	9	50.0%	8
Waubay	264	275	4.2%	242	-12.0%	265
Day Co.	2,732	2,586	-5.3%	2,504	-3.2%	2,551

Source: U.S. Census; AGS

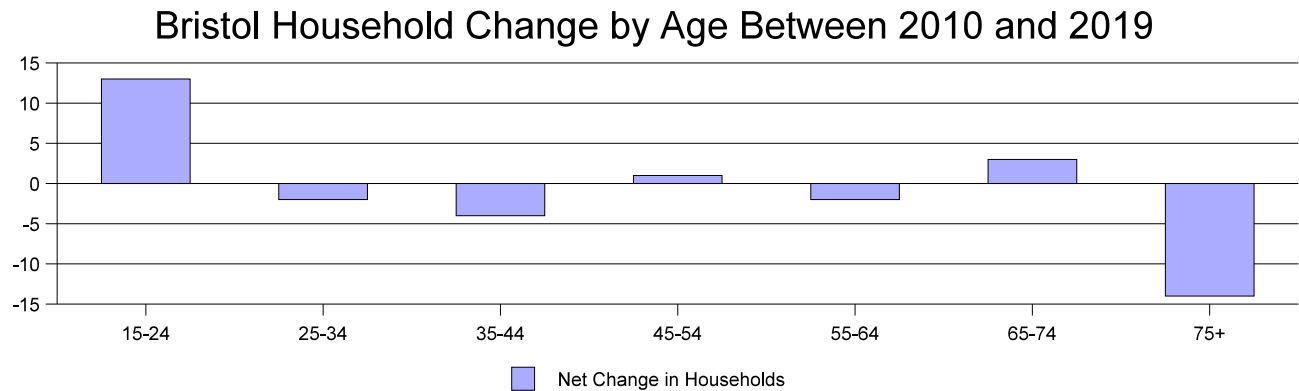
- ▶ According to AGS, Bristol, Butler and Day County had household losses from 2010 to 2019, but Waubay added households during this time.
- ▶ Bristol had a five household loss (-3.3%) from 2010 to 2019.
- ▶ Butler had a one-household loss (-11.1%) from 2010 to 2019.
- ▶ Waubay had a gain of 23 households (9.5%) from 2010 to 2019.
- ▶ Day County had 2,551 households in 2019. This was an increase of 47 households, or a household growth of 1.9%, from 2010 to 2019.
- ▶ A 2019 household estimate was also obtained from Esri which showed Day County with 2,537 households, a generally similar household count to the one from AGS.
- ▶ From 2000 to 2010, Bristol had a loss of 15 households, Butler had a gain of three households and Waubay had a loss of 33 households. Day County had a loss of 82 households from 2000 to 2010.

Household by Age Trends in Bristol: 2010 to 2019

Age-based estimates for households in Day County for 2019 are available from Esri, and have been presented in the following table. These estimates have been compared to the 2010 Census to track changes over the decade. Reliable age-based estimates for the individual towns were not available, but have been estimated by Community Partners Research, Inc., after examining data on population by age from AGS and the American Community survey.

Table 7 Households by Age - 2010 to 2019						
Age	Bristol			Day County		
	2010	2019	Change	2010	2019	Change
15-24	5	18	13	68	59	-9
25-34	18	16	-2	276	279	3
35-44	22	18	-4	294	279	-15
45-54	21	22	1	495	375	-120
55-64	27	25	-2	532	572	40
65-74	23	26	3	373	494	121
75-84	34	20	-14	466	479	13
Total	150	145	-5	2,504	2,537	33

Source: U.S. Census; Community Partners Research, Inc.; Esri



From 2010 to 2019, Bristol added 13 households in the 15 to 24 year old age range, one household in the 45 to 54 age range and three households in the 65 to 74 age range. Bristol had a six-household decrease in the 25 to 44 age ranges, a loss of two households in the 55 to 64 age range and a loss of 14 households in the 75 and older age ranges.

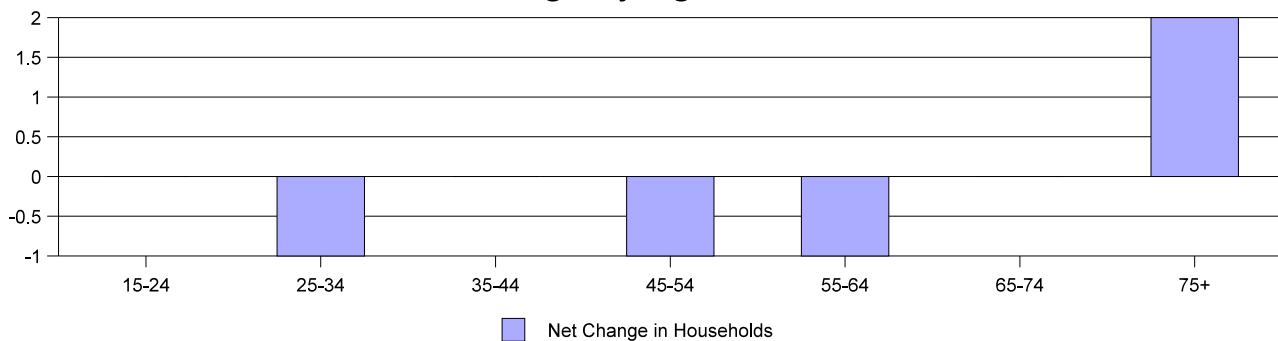
Household by Age Trends in Butler: 2010 to 2019

Age-based estimates for households in Day County for 2019 are available from Esri, and have been presented in the following table. These estimates have been compared to the 2010 Census to track changes over the decade. Reliable age-based estimates for the individual towns were not available, but have been estimated by Community Partners Research, Inc., after examining data on population by age from AGS and the American Community survey.

Table 8 Households by Age - 2010 to 2019						
Age	Butler			Day County		
	2010	2019	Change	2010	2019	Change
15-24	0	0	0	68	59	-9
25-34	1	0	-1	276	279	3
35-44	1	1	0	294	279	-15
45-54	2	1	-1	495	375	-120
55-64	3	2	-1	532	572	40
65-74	2	2	0	373	494	121
75-84	0	2	2	466	479	13
Total	9	8	-1	2,504	2,537	33

Source: U.S. Census; Community Partners Research, Inc.; Esri

Butler Household Change by Age Between 2010 and 2019



From 2010 to 2019, Butler had a gain of two households in the 75 to 84 age range. Butler had a one-household in the 25 to 34, 45 to 54 and 55 to 64 age ranges.

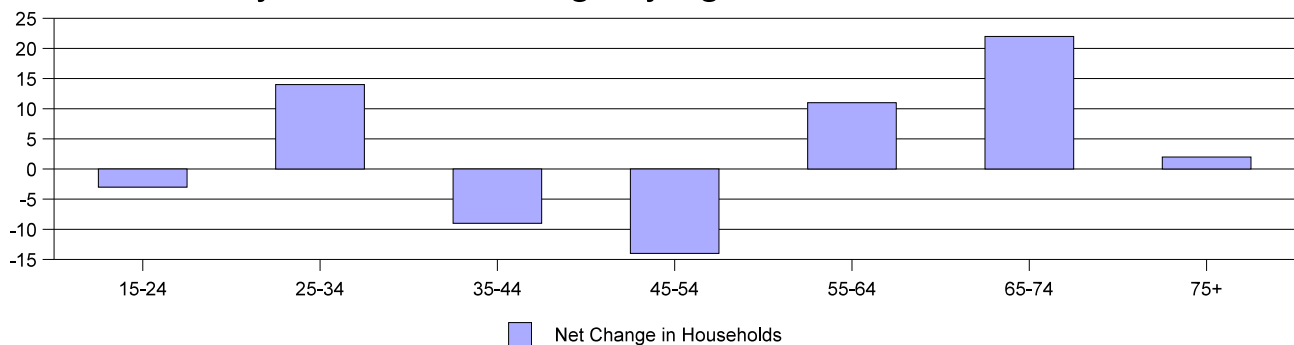
Household by Age Trends in Waubay: 2010 to 2019

Age-based estimates for households in Day County for 2019 are available from Esri, and have been presented in the following table. These estimates have been compared to the 2010 Census to track changes over the decade. Reliable age-based estimates for the individual towns were not available, but have been estimated by Community Partners Research, Inc., after examining data on population by age from AGS and the American Community survey.

Table 9 Households by Age - 2010 to 2019						
Age	Waubay			Day County		
	2010	2019	Change	2010	2019	Change
15-24	9	6	-3	68	59	-9
25-34	31	45	14	276	279	3
35-44	29	20	-9	294	279	-15
45-54	39	25	-14	495	375	-120
55-64	49	60	11	532	572	40
65-74	40	62	22	373	494	121
75-84	45	47	2	466	479	13
Total	242	265	13	2,504	2,537	33

U.S. Census; Community Partners Research, Inc.; Esri

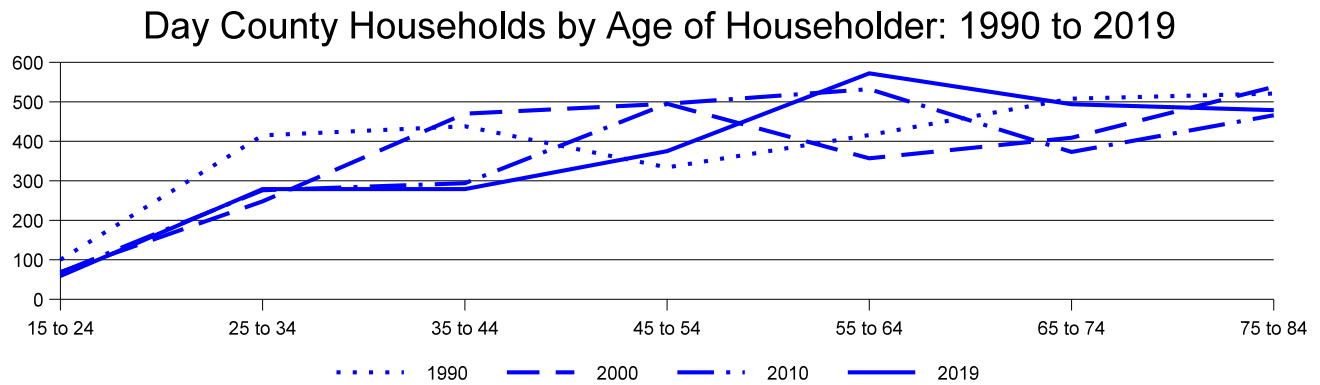
Waubay Household Change by Age Between 2010 and 2019



From 2010 to 2019, Waubay had an increase of 14 households in the 25 to 34 age range, a gain of 33 households in the 55 to 74 age ranges, and a gain of two households in the age ranges 75 and older. Waubay had a decrease of three households in the 15 to 24 age range, and a loss of 23 households in the 35 to 54 age ranges.

Day County experienced a gain of three households in the 25 to 34 age range and a gain of 174 households in the 55 and older age ranges. Day County had a loss of nine households in the 15 to 24 age range and a loss of 135 households in the 35 to 54 age ranges.

It is possible to track the “wave” progression of the baby boomer households over the past 30 years in Day County using information for households by the age of householder.



Average Household Size

The following table provides decennial Census information on average household size, and a 2019 estimate from AGS.

Table 10 Average Number of Persons Per Household: 1990 to 2019				
	1990 Census	2000 Census	2010 Census	2019 AGS Estimate
Bristol	2.24	2.01	1.95	1.80
Butler	3.40	2.83	1.89	2.25
Waubay	2.42	2.38	2.38	2.16
Day County	2.50	2.36	2.22	2.20
South Dakota	2.59	2.50	2.42	N/A

Source: U.S. Census; AGS

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

The average household size in Bristol, Butler, Waubay and Day County decreased from 1990 to 2019, based on AGS estimates.

In Bristol, the average household size decreased from 2.24 persons per household in 1990 to 1.80 in 2019. Butler’s average household size decreased from 3.40 to 2.25 persons, and Waubay’s average household size decreased from 2.42 to 2.16 persons from 1990 to 2019.

Day County’s average household size decreased from 2.50 in 1990 to 2.20 in 2019.

Household Projections

The following table presents AGS’s 2019 household estimates and 2024 household projections for Bristol, Butler, Waubay and Day County.

Table 11 Household Projections Through 2024			
	2019 Estimate AGS	2024 Projection AGS	Projected Change
Bristol	145	146	1
Butler	8	8	0
Waubay	265	267	2
Day County	2,551	2,536	-15

Source: AGS

- ▶ AGS estimates that Bristol decreased by four households from 2010 to 2019 and is projected to gain one household from 2019 to 2024.
- ▶ AGS estimates that Butler had a one-household loss from 2010 to 2019 and will have no change in the number of household from 2019 to 2024.
- ▶ AGS estimates that Waubay had gain of 25 households from 2010 to 2019 and will have a gain of two households from 2019 to 2024.
- ▶ AGS estimates that Day County had a gain 47 households from 2010 to 2019. AGS projects that Day County will lose 15 households from 2019 to 2024.
- ▶ The Day County household projection from Esri expects a loss of only three households between 2019 and 2024.

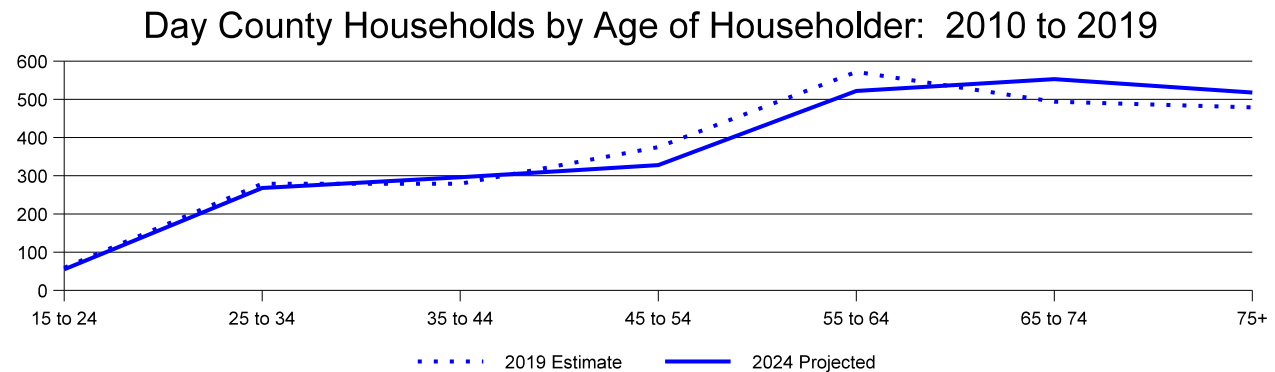
Day County Household by Age Projections: 2019 to 2024

Applied Geographic Solutions does not provide projections by age of householder. However, the analysts have acquired age-based forecasts from Esri. These projections can be compared to the data contained in the 2019 Esri estimates to examine the change projected from 2019 to 2024. Age-based forecasts are provided for all of Day County.

	2019 Estimate	2024 Projection	Projected Change
15-24	59	55	-4
25-34	279	268	-11
35-44	279	296	17
45-54	375	328	-47
55-64	572	522	-50
65-74	494	553	59
75+	479	518	39
Total	2,537	2,540	-3

Source: Esri

Consistent with the age distribution data presented earlier, the movement of the “baby boom” generation through the aging cycle should generate most of the County’s growth in households in the age ranges in the 65 and older age ranges. Esri’s projections expect a gain of 98 households in these age ranges in Day County from 2019 to 2024.



Esri is also projecting an increase of 17 households in the 35 to 44 age range.

Esri is projecting a loss of 15 households in the 15 to 34 age ranges and a significant loss of 97 households in the 45 to 64 age ranges.

When viewed as larger age groupings, these projections expect a net decrease of 95 households age 64 and younger and an increase of 98 households age 65 and older through the year 2024.

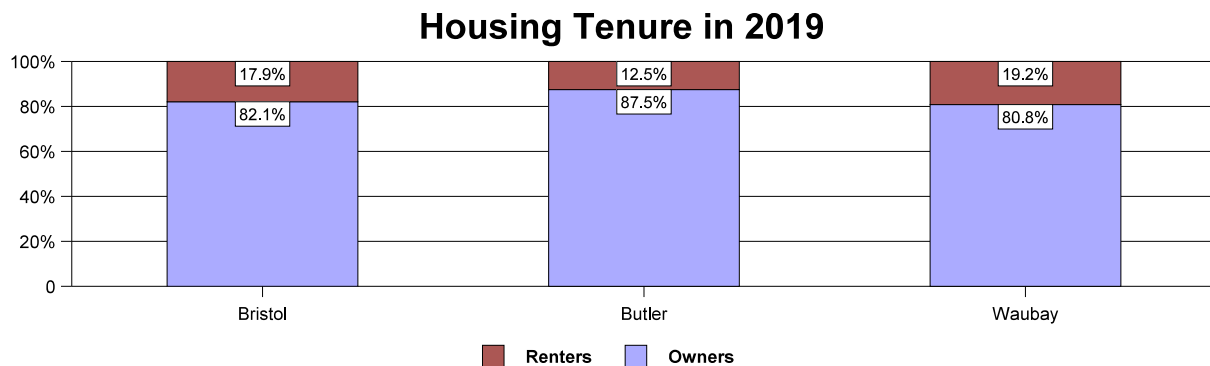
Housing Tenure

Applied Geographic Solutions has provided 2019 information on housing tenure patterns. The following tables examine tenure rates for the jurisdictions.

Table 13 Household Tenure - 2019				
	Number of Owners	Percent of all Households	Number of Renters	Percent of all Households
Bristol	119	82.1%	26	17.9%
Butler	7	87.5%	1	12.5%
Waubay	214	80.8%	51	19.2%

Source: AGS

According to AGS, the ownership tenure rate in Bristol, Butler and Waubay was above 80%. All of the jurisdictions had below-average rental tenure rates when compared to the Statewide average.



2018 Median Income Data

Income estimates are available at the city, town and county level through the American Community Survey.

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

Table 14 Median Household Income - 2010 to 2018			
	2012 Median	2018 Median	% Change
Bristol	\$33,125	\$41,875	26.4%
Butler	\$41,250	\$28,125	-31.8%
Waubay	\$29,167	\$40,313	38.2%
Day County	\$40,095	\$44,145	10.1%
South Dakota	\$46,369	\$56,499	21.8%

Source: ACS

Table 15 Median Family Income - 2010 to 2018			
	2012 Median	2018 Median	% Change
Bristol	\$41,458	\$70,417	69.9%
Butler	\$41,250	N/A	N/A
Waubay	\$40,040	\$45,781	14.3%
Day County	\$49,135	\$58,606	19.3%
South Dakota	\$58,958	\$72,706	23.3%

Source: ACS

It is important to note that the American Community Survey is based on household sampling, and a margin of error exists within each estimate. For very small communities, the number of completed surveys may be very limited, and the 2018 estimate has a margin of error. Also, based on the size of the sample, the family median income was not reported for Butler.

Information contained in the 2018 American Community Survey shows that the median household and family incomes have increased from 2010 to 2018 in Bristol and Waubay and in all of Day County. However, the Cities' and Day County's median family and household incomes are below the comparable statewide medians. Butler's household income decreased substantially from 2010 to 2018, however, there is a high margin of error due to the small size of the Town.

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 Day County could afford approximately \$1,104 per month and a median income family household could afford \$1,465 per month for ownership or rental housing in 2018.

Household Income Distribution

The 2018 American Community Survey provides household income distribution estimates for Bristol, Butler and Waubay.

Table 16 Household Income Distribution - 2018			
Household Income	Bristol	Butler	Waubay
\$0 - \$14,999	11	0	21
\$15,000 - \$24,999	37	3	45
\$25,000 - \$34,999	13	2	47
\$35,000 - \$49,999	27	1	44
\$50,000 - \$74,999	24	0	57
\$75,000 - \$99,999	20	1	25
\$100,000+	13	1	26
Total	145	8	265

Source: ACS

- ▶ In 2018, approximately 61% of Bristol’s households, 75% of Butler’s households and 59% of Waubay’s households had annual incomes less than \$50,000.
- ▶ In 2018, approximately 39% of Bristol’s households, 25% of Butler’s households and 40% of Waubay’s households had annual incomes more than \$50,000.
- ▶ Approximately 28% of the total households in the three jurisdictions have annual incomes less than \$25,000.

Day County Income Distribution by Housing Tenure

The 2018 American Community Survey provides income data by owner and renter status. The following table examines income distribution in Day County. Readers should note that the American Community Survey appears to have overestimated the number of renter households, and under estimated the number of home owners. Despite these flaws, this still reflects the best available information on income distribution.

Household Income	Number of Owner Households	Number of Renter Households	Total Households
\$0 - \$14,999	174/45.7%	207/54.3%	381
\$15,000 - \$24,999	200/54.5%	167/45.5%	367
\$25,000 - \$34,999	199/67.7%	95/32.3%	294
\$35,000 - \$49,999	280/72.9%	104/27.1%	384
\$50,000 - \$74,999	387/82.9%	80/17.1%	467
\$75,000 - \$99,999	282/97.2%	8/2.8%	290
\$100,000+	385/92.5%	31/7.5%	416
Total	1,907	692	2,599

Source: American Community Survey

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



In 2018, approximately 68% of all renter households in Day County had an annual income below \$35,000. At 30% of income, these households would have \$875, or less, that could be applied to monthly housing costs.

Most owner households had a higher income level than rental households. Approximately 55% of all owner households had an annual income of \$50,000 or more.

2018 Estimated Income and Housing Costs - Day County Renters

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

Table 18 Gross Rent as a Percentage of Income - Day County			
Percent of Income for Housing	Households Age 64 and Younger	Households Age 65 and Older	Total
Less than 20%	184/34.3%	35/22.6%	219/31.7%
20% to 29.9%	144/26.8%	30/19.3%	174/25.1%
30% to 34.9%	4/0.7%	13/8.4%	17/2.5%
35% or more	140/26.1%	35/22.6%	175/25.3%
Not Computed	65/12.1%	42/27.1%	107/15.4%
Total	537/100%	155/100%	692/100%

Source: American Community Survey

According to the American Community Survey, approximately 28% of all renters in the County were paying 30% or more of their income for rent. The large majority of these households were actually paying 35% or more of their income for housing. Federal standards for rent subsidy programs generally identify 30% of 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”.

Although a housing cost burden could be caused by either high housing costs or low household income, in Day County it was primarily due to low income levels for renters. A majority of the renter households with a housing cost burden had an annual household income below \$20,000. To avoid a cost burden, these lower income households would have needed a unit with a gross monthly rent of \$500 or less.

Senior citizen renters (age 65 and older) represented approximately 25% of all households with a rental cost burden. Households in the age ranges between 15 and 64 years old represented approximately 75% of all households with a rental cost burden.

2018 Estimated Income and Housing Costs - Day County Home Owners

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

Table 19 Ownership Costs as a Percentage of Income - Day County		
Percentage of Income for Housing Costs	Number of Owner Households	Percent of All Owner Households
0% to 19.9%	1,260	66.1%
20% to 29.9%	308	16.2%
30% to 34.9%	58	3.0%
35% or more	273	14.3%
Not Computed	8	0.4%
Total	1,907	100%

Source: ACS

Approximately 82% of owner-occupants, which would include households with and without a mortgage, reported paying less than 30% of their income for housing. However, approximately 17% of all home owners reported that they paid more than 30% of their income for housing. The large majority of these households were paying more than 35% of income for housing costs.

Existing Home Sales

This section examines houses that have been sold in Bristol, Butler and Waubay in recent years. In these small communities, very few sales occur within any single year. As a result, all of the recorded sales from 2012 through 2019 have been used.

New construction sales would generally not be recorded in the data that was used for this analysis.

Only the “good market value” transactions have been reviewed for this study. Sales that are not “good market value” include, but are not limited to, sales between relatives, forced sales and foreclosures, and estate transfers that are not available on the open market.

Table 20 Median Value of Recent Residential Sales		
	Number of Good Sales	Median Sales Price
Bristol	49	\$32,500
Butler	0	-
Waubay	48	\$51,000

Source: Day County Assessor; Community Partners Research, Inc.

- ▶ Over the 8-year time period reviewed, there were 49 residential sales of single family houses in **Bristol** that were considered to be “open market” transactions. The median sales price was \$32,500. The highest valued sale was for \$110,000 and lowest valued sale was for \$7,500.
- ▶ No open market residential sales were recorded in **Butler** between 2012 and 2019.
- ▶ There were 48 residential sales of single family houses in **Waubay** from 2012 through 2019 that were considered to be “open market” transactions. The median sales price was \$51,000. The highest valued sale was for \$300,000 and lowest valued sale was for \$3,500.

Housing Condition

Community Partners Research, Inc. representatives conducted a visual 'windshield' survey of the single family/duplex houses in each community. The number of houses surveyed in Bristol, Waubay and Butler was:

- ▶ Bristol - 147
- ▶ Waubay - 162 (in two neighborhoods)
- ▶ Butler - 14

All of the homes were surveyed in Bristol and Butler. The two oldest neighborhoods in Waubay were surveyed. The boundaries of the two neighborhoods are:

- ▶ Neighborhood #1: North - Summit Ave.
South - Railroad tracks
East - City limits
West - Main Street
- ▶ Neighborhood #2: North - Hwy 12
South - Railroad Ave.
East - Main Street
West - City limits

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

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

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

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

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

Table 21 Windshield Survey Housing Condition Estimate - 2020					
	Sound	Minor Repair	Major Repair	Dilapidated	Total
Bristol	47/32.0%	56/38.1%	30/20.4%	14/9.5%	147
Butler	0/0%	2/14.3%	3/21.4%	9/64.3%	14
Waubay #1	34/46.0%	22/29.7%	10/13.5%	8/10.8%	74
Waubay #2	31/35.2%	29/33.0%	13/14.8%	15/17.0%	88
Total	112/34.7%	109/33.8%	56/17.3%	46/14.2%	323

Source: Community Partners Research, Inc.

- ▶ Approximately 34% of the houses in the three communities need minor repair and 17% need major repair. Approximately 35% are sound, with no required improvements. Forty-six houses are dilapidated and possibly beyond repair.
- ▶ In Bristol, approximately 30% of all rated houses were in one of the two lowest condition categories, including 14 houses that received the lowest rating of dilapidated.
- ▶ In Butler, approximately 86% of all houses were in one of the two lowest condition categories, including nine houses that received the lowest rating of dilapidated.
- ▶ In Waubay, approximately 28% of all rated houses in the two neighborhoods were in one of the two lowest condition categories, including 23 houses that received the lowest rating of dilapidated.

New Housing Construction

Since the 2015 Day County Housing Study, it appears that one new home was constructed and one home was moved into Bristol. No new homes were constructed or moved into Butler. The new housing data for Waubay is on the following page.

No multifamily rental housing has been constructed in any of the three communities since the 2015 Housing Study.

Waubay Building Permit Trends

Waubay has experienced a significant amount of new housing construction activity in recent years. The following table identifies the units that have been constructed from 2000 to 2019.

Table 22 Waubay Housing Unit Construction Activity: 2000 to 2019			
Year	Single Family	Two or More Units	Total Units Constructed
2019	2	0	2
2018	1	0	1
2017	0	0	0
2016	0	0	0
2015	0	0	0
2014	3	0	3
2013	1	0	1
2012	9	0	9
2011	3	0	3
2010	1	0	1
2009	0	2	2
2008	4	0	4
2007	4	0	4
2006	5	0	5
2005	2	0	2
2004	1	0	1
2003	4	0	4
2002	1	0	1
2001	6	0	6
2000	1	0	1
Total	48	2	50

Source: Census Bureau; City of Waubay; Community Partners Research, Inc.

Over the past 20 years, 50 new housing units have been constructed in Waubay, based on City of Waubay and U.S. Census information. The units include 48 single family homes and one duplex.

During the seven-year period from 2000 to 2006, the City averaged 2.87 new housing units per year. From 2007 to 2014, Waubay averaged 3.13 new housing units per year. From 2015 to 2019, only three housing units were constructed or moved into Waubay.

Employment and Local Economic Trends Analysis

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

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

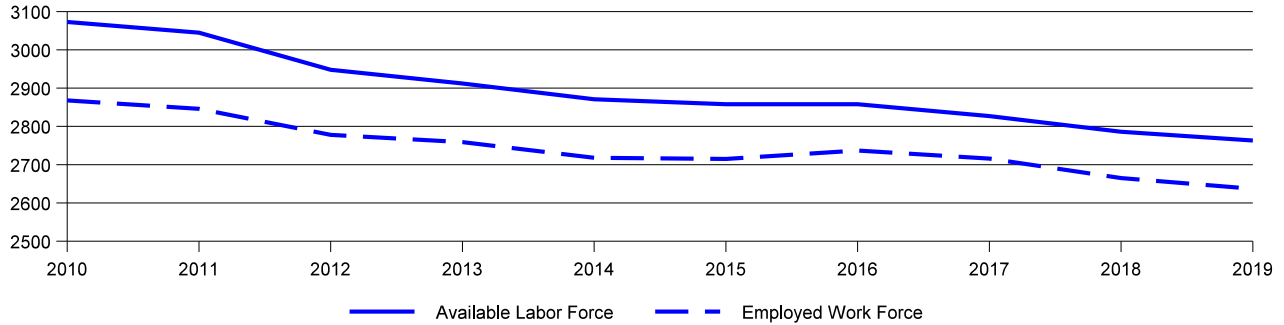
Employment information is available at the county level. The labor force statistics in the table below tracks people by place of residence, rather than place of employment.

Table 23 Day County Annual Labor Statistics: 2010 to 2019						
Year	Labor Force	Employed	Unemployed	Unemployment Rate - County	Unemployment Rate - SD	Unemployment Rate - US
2010	3,073	2,868	205	6.7%	5.0%	9.6%
2011	3,045	2,846	199	6.5%	4.7%	8.9%
2012	2,948	2,778	170	5.8%	4.3%	8.1%
2013	2,912	2,759	153	5.3%	3.8%	7.4%
2014	2,871	2,718	153	5.3%	3.4%	6.2%
2015	2,858	2,715	143	5.0%	3.1%	5.3%
2016	2,858	2,737	121	4.2%	3.0%	4.9%
2017	2,827	2,716	111	3.9%	3.2%	4.4%
2018	2,786	2,665	121	4.3%	3.1%	3.9%
2019	2,763	2,637	126	4.6%	3.3%	3.7%

Source: South Dakota Department of Labor

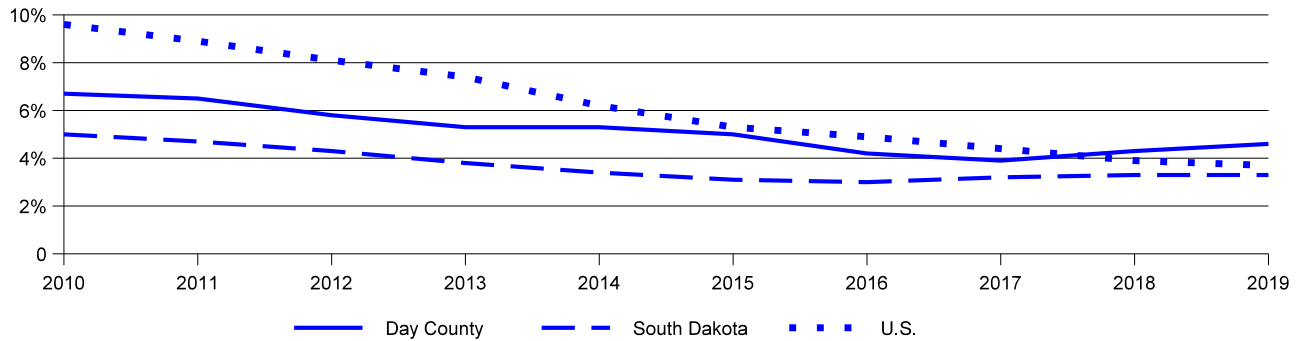
When viewed over a longer time period, there has been a gradual decrease in the County’s labor force and employed work force. From 2010 and 2019, the size of the resident labor force decreased by 310 people, or 10.1%. The employed work force followed a similar pattern, decreasing by 231 people over that same time period.

Day County Labor Force and Employed Work Force



Since the available labor force has been dropping at a faster rate than the employed work force, the County’s unemployment rate has decreased throughout the decade. Although the County’s unemployment rate has remained above the Statewide rate since 2010, it has generally been below the national rate. However, for 2018 and 2019, the County’s rate has been higher than the national rate.

Unemployment Rates



Average Annual Wages by Industry

The following table shows the annual employment and average annual wages by major employment sector in 2018, the last full year of data. It is important to note that the major employment sectors listed do not represent all employment in the County. This information is for all of Day County.

Table 24 County Average Weekly Wage: 2018		
Industry	Employment	Average Weekly Wage
Total All Industry	1,897	\$647

Source: South Dakota Department of Labor

The average weekly wage for all industry in 2018 was \$647. At full-time employment this would equate to an annual wage of approximately \$33,644.

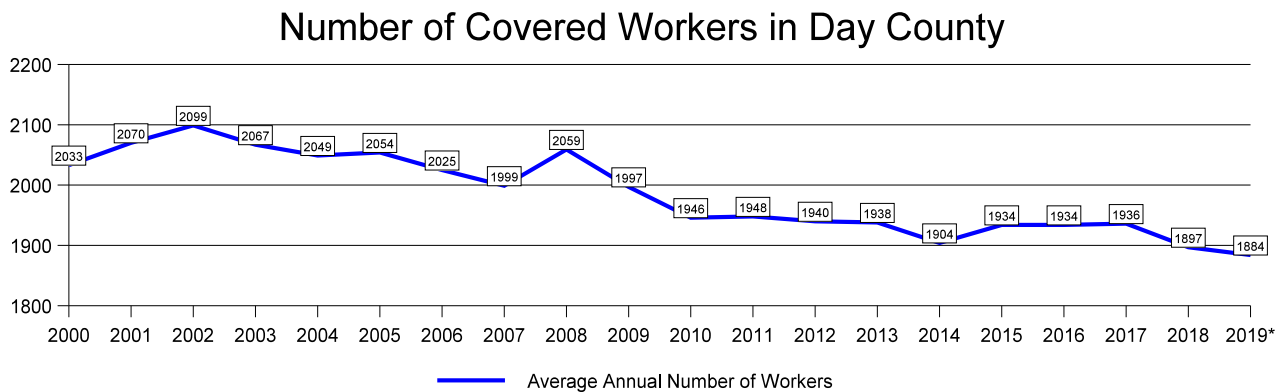
Statewide the average weekly wage in 2018 was \$840, for an annual wage of approximately \$43,700.

Annual Covered Employment

Since the Quarterly Census of Covered Workers (QCEW) tracks employees covered by unemployment insurance by location of the worker, it is possible to examine longer-term patterns in the local employment level. The following table displays the total number of workers reported in Day County back to the year 2010.

Table 25 Day County Average Annual Employment			
Year	Total Covered Employment	Year	Total Covered Employment
2010	1,946	2015	1,934
2011	1,948	2016	1,934
2012	1,940	2017	1,936
2013	1,938	2018	1,897
2014	1,904	2019*	1,884

Source: QCEW - SD Department of Labor
 * 2019 is through September



The long-term pattern for Day County shows a decrease in the number of workers covered by unemployment insurance. From 2010 to 2018 (the last full year of data), the number of workers decreased by 49 people. However, when compared to the year 2000, there were 136 fewer covered jobs countywide.

Commuting Patterns of Area Workers

Some information is available on area workers that commute for employment. The best information is from the 2018 American Community Survey, and has been examined for the Towns of Bristol, Butler and Waubay. The table only examines travel time for Town residents, and excludes people that work at home.

Table 26 Commuting Times for Residents - 2018					
Town	Less than 10 minutes	10 to 19 minutes	20 to 29 minutes	30 minutes +	Total
Bristol	41	73	36	17	167
Butler	0	0	2	0	2
Waubay	65	70	25	31	191

Source: American Community Survey

The large majority of residents in all three communities were driving more than 10 minutes to work in 2018. However, in both Bristol and Waubay, more than 68% were traveling less than 20 minutes for their primary employment. Only two people were reported in Butler.

City of Bristol

Introduction

Bristol is a small town located in Day County approximately 12 miles from Webster, 39 miles from Aberdeen and 56 miles from Watertown.

Key Statistics: Bristol	
<i>Demographic</i>	
Population:	301 people in 2019
Households:	145 households in 2019
Household Size:	1.80 persons per household in 2019
Population Trend:	Down 40 people from 2010
Household Trend:	Down 5 households from 2010
Household Projection:	A one-household gain from 2019 and 2024
<i>Income</i>	
Median Household Income:	\$41,875 in 2018
Median Family Income:	\$70,417 in 2018
<i>Housing</i>	
Home Ownership Rate:	82% home owners
Rental Rate:	18% renters
Median Home Value:	\$32,500 based on recent sales
New Construction:	2 houses from 2014 to 2019 (one moved in)
<i>Housing Condition</i>	
Condition Rating:	Sound - 47 homes Minor Rehab - 56 homes Major Rehab - 30 homes Dilapidated - 14 homes

Findings on Growth Trends

Applied Geographic Solutions (AGS) estimates that Bristol's population was 301 in 2019, which is a loss of 40 people from 2010. Bristol had a loss of 36 people from 2000 to 2010. Bristol had 145 households in 2019, which is a loss of five households from 2010. Bristol had a loss of 15 households from 2000 to 2010.

AGS estimates that from 2010 to 2019, Day County had a decrease of 244 people, but an increase of 47 households. Another data source reviewed, Esri, showed the County adding 33 households between 2010 and 2019.

From 2000 to 2010, Day County had a loss of 557 people and 82 households.

Findings on Growth Projections

This Study has focused on the future change in households when examining demand for housing. AGS is projecting that the number of households in Bristol will remain relatively stable through the year 2024, with the addition of only one household.

For all of Day County, the projection sources also show limited change. AGS is projecting a small decrease of 15 households countywide between 2019 and 2024. Esri is projecting an increase of three households over this same time period.

Rental Housing Data

According to Applied Geographic Solutions (AGS), there were 26 occupied rental units in Bristol in 2019. Bristol's rental tenure rate, was 17.9%, which was above the Statewide rate for rental housing.

At the time of the 2010 Census, Bristol had 33 occupied rental units.

From 2010 to 2019, it is estimated that Bristol had a loss of seven rental units.

Rental Survey

As part of the research for this Study, Community Partners Research, Inc., attempted to contact owners or managers of multifamily buildings with six or more units.

Bristol has two multi-family market rate rental projects and two senior with services projects. Bristol Apartments is an eight-unit general occupancy project with eight two-bedroom units. Sher-Mar Apartments is an eight-unit general occupancy project with 1 one-bedroom and seven two-bedroom units. Both projects were USDA Rural Development subsidized projects, but opted out of the subsidy program and converted to market rate rental housing.

The rent in both projects is \$415 plus heat and electricity. Each project does have one unit with a rent of \$650, however, the rent includes all utilities and these two units are furnished. Each project had one vacancy at the time of the survey.

Sun Dial Manor is a 37-bed nursing home located in Bristol. The facility was constructed in 1968. At the time of the survey, there were two vacant beds.

Johnson Assisted Living Center is a 13-room assisted living project located in Bristol. The rooms include 10 single rooms and three double rooms. The facility provides the full array of senior assisted living services. There was one vacant bed at the time of the survey.

Table 27 Bristol Multifamily Rental Housing Inventory

Name	Number of Units / Bedroom Mix	Rent	Vacancy/ Wait List	Tenant Mix	Comments
Market Rate					
Bristol Apartments	<u>8 - 2 Bedroom</u> 8 total units	\$415 +heat, electricity	1 vacancy	General occupancy	Bristol Apartments is an eight-unit project with eight two-bedroom units. The project was a subsidized Rural Development project, but opted out of the subsidy program and converted to general occupancy. The rent is \$415 plus heat and electricity for seven units. One unit has a \$650 rent, which includes utilities and the units is furnished. At the time of the survey, the manager reported one vacancy.
Sher-Mar	<u>1 - 1 Bedroom</u> <u>7 - 2 Bedroom</u> 8 total units	\$415 +heat, electricity	1 vacancy	General occupancy	Sher-Mar Apartments is an eight-unit project with 1 one-bedroom and seven two-bedroom units. The project was a subsidized Rural Development project, but opted out of the subsidy program and converted to general occupancy. The project was recently sold to new owners. The rent is \$415 plus heat and electricity for seven units. One unit has a \$650 rent, which includes utilities and the units is furnished. At the time of the survey, the manager reported one vacancy.
Senior with Services					
Sun Dial Manor	37 beds	Based on services	2 vacancies	Skilled nursing home	Sun Dial Manor is a 37-bed nursing home that was constructed in 1968. At the time of the survey, the facility currently had two vacancies. The staff reports that the facility operates at a high occupancy rate. Sun Dial Manor is not a licensed memory care facility, however, there are residents with memory loss.
Johnson Assisted Living Center	10 - private rooms <u>3 - double rooms</u> 13 total	\$2950 \$3750/single \$5600/couple	1 vacant bed	Assisted Living Center	The Johnson Assisted Living Center is part of the Sun Dial Manor Campus. The facility has 13 rooms, which includes 10 single and three double rooms. The facility provides all assisted living services including meals, laundry, medication assistance, 24-hour staffing, bathing, etc. The staff reported one vacant bed at the time of the survey.

Source: Community Partners Research, Inc.

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 Bristol. 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 City's potential for growth.
- ▶ **New housing development and housing rehabilitation generally will not occur without proactive community involvement** - To attract new home construction or housing rehabilitation in Bristol, subsidies or some other form of financial assistance will be needed from Bristol, regional housing agencies and the South Dakota Housing Development Authority.
- ▶ **Protect the City's existing housing stock** - The future of Bristol 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 fair condition and the City's major asset, however, rehabilitation efforts are needed to preserve the housing stock.
- ▶ **Develop a realistic action plan with goals and time lines** - The City should prioritize its housing issues and establish goals and time lines to achieve success in addressing its housing needs.
- ▶ **Access all available resources for housing** - In addition to local efforts, the City has other resources to draw on including the Day County Housing Development, Grow South Dakota, Homes are Possible, Inc., USDA Rural Development and the South Dakota Housing Development Authority. These resources should be accessed as needed to assist with housing activities.

Summary of Findings/Recommendations

The findings/recommendations for Bristol have been formulated through the analysis of the information provided in the previous sections and include 10 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. Monitor the need to develop new market rate or subsidized housing
2. Utilize vacant homes for rental housing
3. Utilize the Housing Choice Voucher Program

Home Ownership

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

Single Family Housing Development

5. Lot Availability

Housing Rehabilitation

6. Promote rental housing rehabilitation
7. Promote owner-occupied housing rehabilitation efforts

Other Housing Issues

8. Acquire and demolish dilapidated structures
9. Create a plan and a coordinated effort among housing agencies
10. Promote commercial rehabilitation and development

Rental Housing Development

Findings: Applied Geographic Solutions reported that there were 26 rental households in Bristol. Bristol has two eight-unit market rate rental projects. It is also assumed that some renter households are also renting single family homes.

AGS forecasts that Bristol is expected to add one household. Limited change is also being projected countywide.

Based on limited demand for rental housing from household growth and limited pent-up demand, we are not recommending new rental housing construction in Bristol over the next five years. However, we are recommending the development of additional rental housing utilizing existing homes in Bristol.

1. Monitor the need to develop new market rate or subsidized rental housing

Findings: Bristol has approximately 26 market rate units. From 2019 to 2024, Bristol's population is projected to add six people and one household.

Bristol has two market rate rental projects that have a total of 16 units. The projects were previously USDA Rural Development Projects, but have converted to market rate. At the time of the survey, the 16 units had two vacancies.

Bristol generally lacks amenities typically needed to attract rental housing construction, such as employment, health care, retail and service opportunities.

Recommendation: We do not recommend the construction of market rate or subsidized rental housing at this time. We do recommend that Bristol monitor the need for the production of market rate or subsidized housing in the future.

2. Utilize vacant homes for rental housing

Findings: We are not recommending the construction of new rental housing, based on the lack of demand from household growth. However, we do believe there is limited demand for affordable rental housing. Bristol is located in close proximity to Webster and is within commuting distance of Aberdeen and Watertown. These cities have employment opportunities. As vacant homes, seasonal homes and affordable homes become available in Bristol they could potentially be utilized for affordable rental housing.

Recommendation: We recommend that Bristol coordinate with private rental property owners and local/regional housing agencies to acquire vacant and/or seasonal homes for rental housing. Private rental property owners could purchase the homes and utilize funding from housing agencies to rehabilitate the homes. Potential funding sources include USDA Rural Development, the South Dakota Housing Development Authority and the Federal Home Loan Bank. Grow South Dakota and HAPI, Inc. are regional housing agencies that could potentially assist with this project.

Additionally, housing vouchers may be available to assist the eligible rental households with the rent.

3. 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 Day County by the Aberdeen Housing Authority. The Aberdeen Housing Authority has the funding to issue approximately 420 Vouchers in a five-county area. However, the Housing Choice Voucher Program has an 8-to-10 month waiting list.

Recommendation: The Aberdeen Housing Authority should work with Bristol households to assure that they are aware of the program and have an opportunity to apply for assistance.

Home Ownership

Findings: Expanding home ownership opportunities is a primary goal for most cities. High rates of home ownership promote stable communities and strengthen the local tax base. The median owner-occupied home value in Bristol is estimated to be \$32,500 based on recent sales activity. The home values in Bristol provide an excellent market for first time buyers and households seeking moderately priced homes.

Our analysis of Day County demographic trends shows an increasing number of households in the traditionally strong home ownership age range between 35 and 44 years old from 2019 to 2024. Households in this age range tend to be predominantly first-time home buyers or in the market for trade-up housing. The number of households in the 65 and older age ranges is expected to increase in Day County over the next five years. These households often prefer no maintenance housing or housing that provides senior services. The other age ranges are projected to lose households or will remain relatively stable. Households that have not been able to achieve the goal of home ownership may need the assistance of special programs to help them purchase their first home. To assist in promoting the goal of home ownership, the following activities are recommended:

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

Findings: We believe that affordable home ownership is one of the issues facing Bristol 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. Bristol 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: Bristol should work with area housing agencies, the South Dakota Housing Development Authority and local financial institutions to utilize all available home ownership assistance programs. Private and nonprofit agencies should be encouraged to provide home ownership opportunities.

Bristol should also work with housing agencies to assure that Bristol is receiving its share of resources that are available in Day County and the region.

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

Single Family Housing Development

Findings: Since the 2015 Day County Housing Study from 2015 to 2020, one single family home has been constructed and one home has been moved into Bristol.

AGS projections for Bristol expect a one-household gain from 2019 to 2024, thus, there is limited demand for owner-occupied housing construction. Growth is anticipated over the next five years among Day County households in the 35 and 44 year old age range. Households in this age range tend to be first-time home buyers or in the market for trade-up housing.

AGS also forecasts that Day County's number of households in the 65 and older will increase significantly over the next five years. Many households in these age ranges are seeking higher-priced, trade-up housing and low/no maintenance housing.

It is our opinion that new housing construction will be limited over the next five years in Bristol. This is due to multiple factors including the small size of the community, limited household gains, the current low property values, the lack of communities amenities, and a history of limited housing construction over the past 20 years. It is our projection that one to two homes may be constructed or moved into Bristol over the next five years from 2020 to 2025.

5. Lot Availability

Findings: As part of this Study, we attempted to identify the inventory of available residential lots for single family housing construction in Bristol. There are no new lots in subdivisions in Bristol, however, there are several in fill lots that may be available throughout the community.

Recommendation: Using our projections that one to two houses will be constructed or moved in over the next five years, there currently appears to be an adequate supply of in fill lots in Bristol and these lots can meet demand.

We recommend that Bristol inventory lots in the City to determine their availability, price, etc. Therefore, if there is a household that has an interest in building a home in Bristol or moving a home into Bristol, an inventory of lots will be available.

Housing Rehabilitation

Findings: Bristol 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. Efforts and investment in housing rehabilitation activities will be critical to offering affordable housing opportunities.

It is our opinion that Bristol and area housing agencies will need to make housing rehabilitation a priority in the future. 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.

6. Promote rental housing rehabilitation

Findings: Bristol has rental properties that need repair. Our condition analysis identified several substandard rental units. It is difficult for rental property owners to rehabilitate and maintain their rental properties while keeping the rents affordable for the tenants. The rehabilitation of older rental units can be one of the most effective ways to produce decent, safe and sanitary affordable housing.

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

7. Promote owner-occupied housing rehabilitation efforts

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

Our 2020 housing condition survey of 147 Bristol homes found 56 homes that need minor repairs and 30 homes that need major repairs. Without rehabilitation assistance, there is the potential that the affordable housing stock will shrink in Bristol.

Recommendation: We continue to recommend that Bristol and area housing agencies seek local, state and federal funds to assist in financing housing rehabilitation. USDA Rural Development, the South Dakota Housing Development Authority and the Federal Home Loan Bank, are all potential funding sources.

Currently, Grow South Dakota and Homes are Possible, Inc., administers owner-occupied housing rehabilitation programs in Day County. Households that meet eligibility requirements are eligible for a deferred loan to rehabilitate their homes. Deferred loans do not have to be paid back if the household lives in the rehabilitated home for a stipulated amount of time after the rehabilitation is completed. We encourage Bristol and Day County households to utilize these programs.

Other Housing Initiatives

8. Acquire and demolish dilapidated structures

Findings: Our housing condition survey identified that of the 147 homes in Bristol, 14 homes are dilapidated and too deteriorated to rehabilitate. We also identified 30 homes as needing major repair and several of these homes may be too dilapidated to rehabilitate. To improve the quality of Bristol's housing stock and to maintain the appearance of the community, dilapidated structures should be demolished.

Recommendation: Bristol should continue to work with property owners to demolish severely dilapidated structures. Bristol is enhanced when blighted and dilapidated structures are removed. Also, some of the cleared lots can be utilized for the construction of new affordable housing units. Some cities are adopting ordinances that give cities more authority to require property owners to demolish vacant and dilapidated homes.

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

Findings: Bristol will need staff resources in addition to existing City personnel and volunteers to plan and implement many of the housing recommendations advanced in this Study. Bristol has access to Day County Housing Development, Grow South Dakota, Homes are Possible, Inc., the USDA Rural Development Office and the South Dakota Housing Development Authority. These agencies all have experience with housing and community development programs.

Recommendation: Bristol has access to multiple agencies that can assist with addressing housing needs. It is our recommendation that Bristol work with the housing agencies to prioritize the recommendations of this Study. This could include the development of a plan in coordination with Day County Housing Development and the other Day County cities and towns to address 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 these agencies, it will be important that a coordinated approach be used to prioritize and assign responsibility for housing programs.

It will also be important for Bristol to look for opportunities to work cooperatively with other area towns and cities to address housing issues. With the number of small towns and cities in the County, and limited staff capacity at the town 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.

10. Promote commercial rehabilitation and development

Findings: Bristol's commercial district is in fair condition, however, there are several vacant and substandard commercial buildings.

When households are selecting a town to purchase a home in, they often determine if the town'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 recommend that Bristol work with commercial property owners to rehabilitate their buildings and to demolish the buildings that are beyond repair. Also, new businesses should, to the extent that it is feasible, be encouraged to locate in Bristol.

City of Waubay

Introduction

Waubay is a small city located in Day County approximately 12 miles from Webster, 61 miles from Aberdeen and 45 miles from Watertown.

Key Statistics: Waubay	
Demographic	
Population:	573 people in 2019
Households:	265 households in 2019
Household Size:	2.16 persons per household in 2019
Population Trend:	Loss of 3 people since 2010
Household Trend:	Gain of 23 households since 2010
Household Projection:	A gain of 2 households between 2019 and 2024
Income	
Median Household Income:	\$40,313 in 2018
Median Family Income:	\$45,781 in 2018
Housing	
Home Ownership Rate:	80.8% home owners
Rental Rate:	19.2% renters
Median Home Value:	\$51,000 based on recent sales
New Construction:	20 units from 2010 to 2019 (includes seasonal)
Housing Condition (two defined neighborhoods)	
Condition Rating:	Sound - 65 homes Minor Rehab - 51 homes Major Rehab - 23 homes Dilapidated - 23 homes

Findings on Growth Trends

Applied Geographic Solutions (AGS) estimates that Waubay's population was 573 in 2019, which is a loss of three people from 2010. Waubay had a loss of 86 people from 2000 to 2010. AGS estimates that Waubay had 265 households in 2019, which is a gain of 23 households from 2010. Waubay had a loss of 33 households from 2000 to 2010.

AGS estimates that from 2010 to 2019, Day County had a decrease of 244 people, but an increase of 47 households. Another data source reviewed, Esri, showed the County adding 33 households between 2010 and 2019.

From 2000 to 2010, Day County had a loss of 557 people and 82 households.

Findings on Growth Projections

This Study has focused on the future change in households when examining demand for housing. AGS is projecting that the number of households in Waubay will remain relatively stable through the year 2024, with the addition of only two households.

For all of Day County, the projection sources also show limited change. AGS is projecting a small decrease of 15 households countywide between 2019 and 2024. Esri is projecting an increase of three households over this same time period.

Rental Housing Data

According to Applied Geographic Solutions, there were 51 occupied rental units in Bristol in 2019. Waubay's rental tenure rate was 19.2%, based on renter-occupancy households, which is below the Statewide rate.

At the time of the 2010 Census, Waubay had 61 occupied rental units. The rental tenure rate in 2010 was 25.2%. From 2010 to 2019, it is estimated that Waubay had a decrease of 10 renter-occupied households.

Rental Survey

As part of the research for this Study, Community Partners Research, Inc., attempted to contact owners or managers of the multifamily buildings with six or more units.

Waubay has 16 USDA Rural Development General Occupancy units in two four-plexes and one eight-plex. The four-plexes were constructed in the 1970s and the eight-plex was constructed in 1982. There were no vacancies at the time of the survey. One unit is unoccupied due to needed repairs.

Waubay also had 16 units of tribal housing that was removed from the housing stock due to flooding.

Table 28 Waubay Multifamily Rental Housing Inventory

Name	Number of Units / Bedroom Mix	Rent	Vacancy/ Wait List	Tenant Mix	Comments
Subsidized					
Waubay Housing, Inc.	2 - 1 Bedroom <u>14 - 2 Bedroom</u> 16 total units	\$429-\$455 \$459-\$485 30% of income	No vacancies	General Occupancy	Waubay Housing is a USDA Rural Development general occupancy project that includes 16 units in two four-plexes and one eight-plex. The four-plexes were constructed in the early 1970s and the eight-plex was constructed in 1982. Tenants pay 30% of income up to a maximum rent. The manager reported one vacancy at the time of the survey, however, the unit was vacant due to needed repairs and once the repairs are completed the unit will be occupied.

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 Waubay. 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 City's potential for growth.
- ▶ **New housing development and housing rehabilitation generally will not occur without proactive community involvement** - To attract new home construction or housing rehabilitation in Waubay, subsidies or some other form of financial assistance will be needed from Waubay, regional housing agencies and the South Dakota Housing Development Authority.
- ▶ **Protect the City's existing housing stock** - The future of Waubay 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 fair condition and the City's major asset, however, rehabilitation efforts are needed to preserve the housing stock.
- ▶ **Develop a realistic action plan with goals and time lines** - 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 the Day County Housing Development, Grow South Dakota, Homes are Possible, Inc., the Sisseton Wahpeton Housing Authority, USDA Rural Development and the South Dakota Housing Development Authority. These resources should be accessed as needed to assist with housing activities.

Summary of Findings/Recommendations

The findings/recommendations for Waubay have been formulated through the analysis of the information provided in the previous sections and include 10 recommendations. The findings/recommendations have been developed in the following five categories:

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

The findings/recommendations for each category are as follows:

Rental Housing Development

1. Develop 16 to 20 affordable senior and general occupancy housing units
2. Utilize vacant homes for rental housing
3. Utilize the Housing Choice Voucher Program

Home Ownership

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

Single Family Housing Development

5. Lot Availability and Development

Housing Rehabilitation

6. Promote rental housing rehabilitation
7. Promote owner-occupied housing rehabilitation efforts

Other Housing Issues

8. Acquire and demolish dilapidated structures
9. Create a plan and a coordinated effort among housing agencies
10. Promote commercial rehabilitation and development

Rental Housing Development

Findings: Applied Geographic Solutions reported that there were 51 renter households in Waubay in 2019. Only one larger multifamily project, with 16 subsidized units, was identified in the community. The remaining rental units are assumed to exist in smaller rental structures, including single family homes.

Our projections indicate that Waubay is expected to increase by two households from 2019 to 2024. Limited household losses are also being projected Countywide.

1. **Develop 16 to 20 affordable senior and general occupancy rental units**

Findings: Waubay has a limited number of market rate units, all of which are in single family homes and duplexes. Waubay also has 16 subsidized units in two four-plexes and an eight-plex, in various locations in the City.

In the past, Waubay has lost approximately 25 to 30 rental units due to a flood mitigation program. Sixteen of these units were tribal housing. Also, additional rental units may be lost in the next several years due to flood mitigation efforts.

There is also pent-up demand for high quality rental units as there are no market rate multifamily options in Waubay.

Recommendation: Rental housing demand is based on household growth, pent-up demand and replacement of housing units that have been demolished or converted.

Based on this combination of demand generators, we believe that it is reasonable to plan for production of 16 to 20 affordable market rate rental units over the next five years. We also recommended the construction of 16 to 20 units in the 2015 Housing Study. No units have been constructed since the 2015 Housing Study.

Based on our research, there is a need for general occupancy rental units and senior units, thus, approximately 50% of the units should be general occupancy and 50% of the units should be senior units. Town home-style units or high quality apartment buildings are both options in addressing the need for market rate units. To be successful, the projects should have 'state of the art' amenities. It may be advantageous for new units to be constructed in smaller phases. This strategy allows the new units to be absorbed into the market.

There are two market rate rental segments in Waubay. One segment is seeking a high quality unit and can afford a higher rent. The second segment is lower income and seeking more modest rent. This segment may not qualify for subsidized rental units, but affordability is still an issue.

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

The first option to developing rental housing would be to encourage private developers to construct rental housing. If private developers do not proceed, a public housing agency or economic development agency could potentially utilize essential function bonds or similar funding sources to construct workforce and high-quality new rental housing.

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

<u>Unit Type</u>	<u>No. of Units</u>	<u>Size/Sq. Ft.</u>	<u>Rent</u>
One Bedroom	6-7	650 - 800	\$700 - \$850
Two Bedroom	7-9	850 - 1,000	\$750 - \$950
Three Bedroom	3-4	1,100 - 1,200	\$875 - \$1,100
Total	16-20		

Note: The recommended rents are gross rents including all utilities. The rents are quoted in 2020 dollars.

It would be advantageous to have the rents for some of the units at or below the fair market rents for the Housing Choice Voucher Program, thus, the units would be affordable for more households. Also, a set-aside of project-based Housing Choice Vouchers for these units should be pursued. The 2020 Payment Standards currently are:

- ▶ 1 bedroom - \$560
- ▶ 2 bedroom - \$667
- ▶ 3 bedroom - \$959

Other sources of funding should also be pursued to further reduce the rents to make the units more affordable for the tenants.

The parcel owned in Waubay by Day County Housing Development is an ideally located potential site for rental housing.

2. Utilize vacant homes for rental housing

Findings: In addition to the new rental housing recommendation, we are recommending the utilization of vacant homes for rental housing as we believe there is demand for affordable rental housing. Waubay is located in close proximity to Webster and is within commuting distance of Aberdeen and Watertown. These cities have employment opportunities. As vacant homes, seasonal homes and affordable homes become available in Waubay, they could potentially be utilized for affordable rental housing.

Recommendation: We recommend that Waubay coordinate with private property owners and regional housing agencies to acquire vacant and/or seasonal homes for rental housing. Private rental property owners could purchase the homes and utilize funding from housing agencies to rehabilitate the homes. Potential funding sources include USDA Rural Development, the South Dakota Housing Development Authority and the Federal Home Loan Bank. Grow South Dakota and HAPI, Inc. are regional housing agencies that could potentially assist with this project.

Additionally, housing vouchers may be available to assist the eligible rental households with the rent.

3. 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 Day County by the Aberdeen Housing Authority. The Aberdeen Housing Authority has the funding to issue approximately 420 vouchers in a five-county area. However, the Housing Choice Voucher Program has an eight-to-10-month waiting list.

Recommendation: The Aberdeen Housing Authority should work with Waubay households to assure that they are aware of the program and have an opportunity to apply for assistance.

Home Ownership

Findings: Expanding home ownership opportunities is a primary goal for most cities. High rates of home ownership promote stable communities and strengthen the local tax base. The median owner-occupied home value in Waubay is estimated to be \$51,000 based on recent sales activity. The home values in Waubay provide an excellent market for first time buyers and households seeking moderately priced homes.

Our analysis of Day County demographic trends shows an increasing number of households in the traditionally strong home ownership age range between 35 and 44 years old. Households in this age range tend to be first-time home buyers or in the market for trade-up housing. The number of households in the 65 and older age ranges also is expected to increase in Day County over the next five years. These households often prefer no maintenance housing or housing that provides senior services. The other age ranges are projected to lose households or will remain relatively stable. Households that have not been able to achieve the goal of home ownership may need the assistance of special programs to help them purchase their first home. To assist in promoting the goal of home ownership, the following activities are recommended:

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

Findings: We believe that affordable home ownership is one of the issues facing Waubay 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. Waubay 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: Waubay should work with area housing agencies, the South Dakota Housing Development Authority and local financial institutions to utilize all available home ownership assistance programs. Private and nonprofit agencies should be encouraged to provide home ownership opportunities.

Waubay should also work with housing agencies to assure that Waubay is receiving its share of resources that are available in Day County and the region.

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

Single Family Housing Development

Findings: Over the past 20 years, from 2000 to 2019, approximately 50 single family housing units have been constructed in Waubay. This is an average of two to three new housing units annually. Many of these new homes are lake and recreational homes. Although a significant number of homes were constructed in Waubay over the past 20 years, the City has had a net loss of households due to the loss of more than 50 housing units due to flooding. Also, additional homes are expected to be lost in the future.

Growth is anticipated over the next five years among Day County households in 35 to 44 and 65 and older age ranges. Households in these age ranges form a market for starter homes, trade-up housing and no maintenance housing.

It is our opinion that new housing construction will continue over the next five years. However, lots must be available for new housing development. It is our projection that eight to 10 homes could be constructed or moved into Waubay annually over the next five years from 2020 to 2025.

The breakdown of our projection that eight to 10 new owner-occupied homes will be constructed or moved into Waubay over the next five years is as follows:

- ▶ Higher and median priced homes - 2-3 homes
 - ▶ Affordable homes - 4-5 homes
 - ▶ Twinhomes/townhomes - 2 homes
- Total 8-10 homes

5. Lot Availability and Development

Findings: As part of this Study, we attempted to identify the inventory of available residential lots for single family housing construction in Waubay. Buildable lots are defined as having sewer and water available to the lots. Currently, there are several in fill lots throughout the community that are potentially available for housing development.

Recommendation: Using our projections that two houses will be constructed or moved in annually over the next five years, there currently is not an adequate supply of lots in Waubay to meet projected demand.

We recommend the development of eight to 10 lots in Waubay. Currently, several sites are available including a parcel owned by Day County Housing Development.

For the lots to be successfully marketed and for new homes to be constructed, we recommend the following:

- ▶ Lots should be available for attached and detached housing
- ▶ Competitively priced lots
- ▶ Consider incentives to builders and home buyers
- ▶ Develop relationships with builders
- ▶ Allow for a range of house prices
- ▶ Develop a marketing strategy to market the lots
- ▶ Lots available for twinhomes/townhomes
- ▶ Lots available for affordable homes such as governors homes and modular homes

Housing Rehabilitation

Findings: Waubay 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. Efforts and investment in housing rehabilitation activities will be critical to offering affordable housing opportunities.

It is our opinion that Waubay and area housing agencies will need to make housing rehabilitation a priority in the future. 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.

6. Promote rental housing rehabilitation

Findings: Waubay has rental properties that need repair. Our condition analysis identified several substandard rental units. It is difficult for rental property owners to rehabilitate and maintain their rental properties while keeping the rents affordable for the tenants. The rehabilitation of older rental units can be one of the most effective ways to produce decent, safe and sanitary affordable housing.

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

7. Promote owner-occupied housing rehabilitation efforts

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

Our 2020 housing condition survey of 162 Waubay homes in the City's two oldest neighborhoods found 51 homes that need minor repairs and 23 homes that need major repairs. Without rehabilitation assistance, there is the potential that the affordable housing stock will shrink in Waubay.

Recommendation: We continue to recommend that Waubay and area housing agencies seek local, state and federal funds to assist in financing housing rehabilitation. USDA Rural Development, the South Dakota Housing Development Authority and the Federal Home Loan Bank, are all potential funding sources.

Currently, Grow South Dakota and Homes are Possible, Inc., are administering owner-occupied housing rehabilitation programs in Day County. Households that meet eligibility requirements are eligible for a deferred loan to rehabilitate their homes. Deferred loans do not have to be paid back if the household lives in the rehabilitated home for a stipulated amount of time after the rehabilitation is completed. We encourage Waubay and Day County households to utilize these programs.

Other Housing Initiatives

8. Acquire and demolish dilapidated structures

Findings: Our housing condition survey identified that of the 162 homes in two Waubay neighborhoods, 23 homes are dilapidated and too deteriorated to rehabilitate. We also identified 23 homes as needing major repair and several of these homes may be too dilapidated to rehabilitate. To improve the quality of Waubay's housing stock and to maintain the appearance of the community, dilapidated structures should be demolished.

Recommendation: Waubay should continue to work with property owners to demolish severely dilapidated structures. Waubay is enhanced when blighted and dilapidated structures are removed. Also, some of the cleared lots can be utilized for the construction of new affordable housing units. Some cities are adopting ordinances that give cities more authority to require property owners to demolish vacant dilapidated homes.

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

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

Findings: Waubay will need staff resources in addition to existing City personnel and volunteers to plan and implement many of the housing recommendations advanced in this Study. Waubay has access to Day County Housing Development, Grow South Dakota, Homes are Possible, Inc., the Sisseton Wahpeton Housing Authority, the USDA Rural Development Office and the South Dakota Housing Development Authority. These agencies all have experience with housing and community development programs.

Recommendation: Waubay has access to multiple agencies that can assist with addressing housing needs. It is our recommendation that Waubay work with the housing agencies to prioritize the recommendations of this Study. This could include the development of a plan in coordination with Day County Housing Development and the other Day County cities and towns to address 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 these agencies, it will be important that a coordinated approach be used to prioritize and assign responsibility for housing programs.

It will also be important for Waubay to look for opportunities to work cooperatively with other area towns and cities to address housing issues. With the number of small towns and cities in the County, and limited staff capacity at the town 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.

10. Promote Commercial Rehabilitation and Development

Findings: Waubay's commercial district is in fair condition, however, there are several vacant and substandard commercial buildings.

When households are selecting a town to purchase a home in, they often determine if the town'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 recommend that Waubay work with commercial property owners to rehabilitate their buildings and to demolish the buildings that are beyond repair. Also, new businesses should, to the extent that it is feasible, be encouraged to locate in Waubay.

Town of Butler

Introduction

Butler is a small town located in Day County approximately 16 miles from Webster, 47 miles from Aberdeen and 70 miles from Watertown.

Key Statistics: Butler	
<i>Demographic</i>	
Population:	18 people in 2019
Households:	8 households in 2019
Household Size:	2.25 persons per household in 2019
Population Trend:	Up 1 person from 2010
Household Trend:	Down 1 household from 2010
Household Projection:	No change in the number of households from 2019 to 2024
<i>Income</i>	
Median Household Income:	\$28,125
Median Family Income:	N/A
<i>Housing</i>	
Home Ownership Rate:	87.5% home owners
Rental Rate:	12.5% renters
Median Home Value:	No recent sales
New Construction:	No houses from 2000 to 2019
<i>Housing Condition</i>	
Condition Rating:	Sound - 0 homes Minor Rehab - 2 homes Major Rehab - 3 homes Dilapidated - 9 homes

Findings on Growth Trends

Applied Geographic Solutions (AGS) estimates that Butler's population was 18 people in 2019, which was a gain of one person since 2010. Butler's population did not change from 2000 to 2010. AGS estimates that Butler had eight households in 2019, which was a loss of one household from 2010. Butler had a gain of three households from 2000 to 2010.

AGS estimates that from 2010 to 2019, Day County had a decrease of 244 people, but an increase of 47 households. Another data source reviewed, Esri, showed the County adding 33 households between 2010 and 2019.

From 2000 to 2010, Day County had a loss of 557 people and 82 households.

Findings on Growth Projections

This Study has focused on the future change in households when examining demand for housing. AGS is projecting that the number of households in Butler will remain stable through the year 2024, with no change in the number of households.

For all of Day County, the projection sources also show limited change. AGS is projecting a small decrease of 15 households countywide between 2019 and 2024. Esri is projecting an increase of three households over this same time period.

Rental Housing Data

According to 2019 Applied Geographic Solutions data, there was one occupied rental unit in Butler. At the time of the 2010 Census, Butler had no rental units. From 2010 to 2019, it is estimated that Butler added one renter-occupied household.

Rental Survey

As part of the research for this Study, Community Partners Research, Inc., attempted to contact owners or managers of multifamily buildings with four or more units. There are no multi-family rental projects in Butler, thus, no survey was completed.

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 Butler. They are based on the following strategies.

- ▶ **Be realistic in expectations for housing development** - Residential growth has not occurred in the recent past and is not likely to occur in the near future.
- ▶ **Protect the Town's existing housing stock** - The condition of the existing housing stock is a major factor in determining the Town's long-term viability. Rehabilitation efforts are needed to preserve the housing stock.
- ▶ **Access all available resources for housing** - In addition to the local efforts, the Town has other resources to draw on including Day County Housing Development, Grow South Dakota, Homes are Possible, Inc., USDA Rural Development and the South Dakota Housing Development Authority. These resources should be accessed as needed to assist with housing activities.

Summary of Findings/Recommendations

The findings/recommendations for Butler have been formulated through the analysis of the information provided in the previous sections and include six 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. No demand for new market rate or subsidized housing

Home Ownership

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

Single Family Housing Development

3. Lot Availability

Housing Rehabilitation

4. Promote owner-occupied housing rehabilitation efforts
5. Utilize vacant homes for rental or owner occupied housing

Other Housing Issues

6. Acquire and demolish dilapidated structures

Rental Housing Development

1. Monitor the need to develop new market rate or subsidized rental housing

Findings: There is no demand for rental housing from household growth and no pent-up demand, thus, we are not recommending new rental housing construction in Butler.

Butler generally lacks amenities typically needed to attract rental housing construction, such as employment, health care, retail and service opportunities.

Recommendation: We do not recommend the construction of market rate or subsidized rental housing in Butler.

Home Ownership

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

Findings: 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. Butler has a limited 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: Butler should work with area housing agencies, the South Dakota Housing Development Authority and local financial institutions to utilize all available home ownership assistance programs. Private and nonprofit agencies should be encouraged to provide home ownership opportunities.

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

Single Family Housing Development

Findings: Over the past 20 years, from 2000 to 2019, no single family homes have been constructed in Butler.

It is our opinion that new housing construction will be limited over the next five years. This is due to multiple factors including the small size of the community, the lack of amenities, the current low property values and a history of no housing construction over the past 20 years. It is our projection that one home could be constructed or moved into Butler over the next five years from 2020 to 2025.

The construction of a new home or the move of a home into Butler would not be based on demand, but based on available land at an affordable price and/or the desire of a home owner to live in a low density location.

3. Lot Availability

Findings: As part of this Study, we attempted to identify the inventory of available residential lots for single family housing construction in Butler. There are no new lots in subdivisions in Butler, however, there are several in fill lots that may be available throughout the community.

Recommendation: We recommend that Butler inventory lots in the Town to determine their availability, price, etc. Therefore, if there is a household that has an interest in building a home in Butler or moving a home into Butler, an inventory of lots will be available.

Housing Rehabilitation

Findings: It is our opinion that Butler and area housing agencies will need to make housing rehabilitation a priority in the future. 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.

4. Promote owner-occupied housing rehabilitation efforts

Findings: Our 2020 housing condition survey of 14 Butler homes found two homes that need minor repairs and three homes that need major repairs. Several of these homes are vacant.

Recommendation: We recommend that Butler and area housing agencies seek local, state and federal funds to assist in financing housing rehabilitation. USDA Rural Development, the South Dakota Housing Development Authority and the Federal Home Loan Bank, are all potential funding sources.

Currently, Grow South Dakota and Homes are Possible, Inc., are implementing owner-occupied housing rehabilitation programs in Day County. Households that meet eligibility requirements are eligible for a deferred loan to rehabilitate their homes. Deferred loans do not have to be paid back if the household lives in the rehabilitated home for a stipulated amount of time after the rehabilitation is completed. We encourage Butler and Day County households to utilize these programs.

5. Utilize vacant homes for renter or owner-occupancy housing

Findings: Butler has several vacant homes. Some of these homes could potentially be rehabilitated for rental occupancy or home ownership.

Recommendation: We recommend that Butler coordinate with private property owners and regional housing agencies to acquire vacant and/or seasonal homes for rental or owner occupied housing. Potential funding sources include USDA Rural Development, The South Dakota Housing Development Authority and the Federal Home Loan Bank. Grow South Dakota and HAPI, Inc., are regional housing agencies that could potentially assist with this project.

Additionally, housing vouchers may be available to assist the eligible rental households with the rent.

Other Housing Initiatives

6. Acquire and demolish dilapidated structures

Findings: Our housing condition survey identified that of the 14 homes in Butler, nine homes are dilapidated and too deteriorated to rehabilitate. We also identified three homes as needing major repair and these homes may be too dilapidated to rehabilitate. To improve the quality of Butler’s housing stock and to maintain the appearance of the town, dilapidated structures should be demolished.

Recommendation: Butler should work with property owners to demolish severely dilapidated structures. Butler is enhanced when blighted and dilapidated structures are removed.

Agencies and Resources

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

Grow South Dakota

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

Homes Are Possible, Inc.

318 S. Main
Aberdeen, SD 57401
(605) 225-4274

South Dakota Housing Development Authority

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

USDA Rural Development

524 Enterprise Street South
Aberdeen, SD 57401
(605) 226-3360

Aberdeen Housing Authority

310 Roosevelt Street
Aberdeen, SD 57401
(605)226-2321

Dakota Resources

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