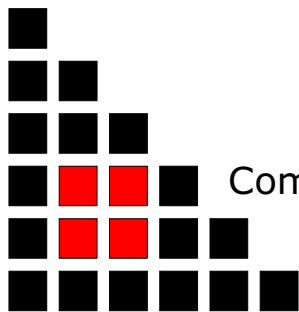


City of Parker HOUSING STUDY

June 2023

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



Community Partners Research, Inc.

Faribault, MN

List of Sections

	<u>Page</u>
Introduction	2
Demographic and Projection Data	4
Existing Housing Data	23
Rental Housing Inventory	31
Regional Housing Data	40
Employment and Local Economic Trends Analysis	47
Findings and Recommendations	52
Summary of Findings/Recommendations	61
Rental Housing Development Recommendations	63
Home Ownership Recommendations	74
New Housing Construction Recommendations	78
Housing Rehabilitation Recommendations	86
Other Housing Initiatives	89
Agencies and Resources	94

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

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

Goals

The multiple goals of the study include:

- ▶ Provide demographic data including the 2020 Census
- ▶ 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 March to May 2023. Data sources included:

- U.S. Census Bureau
- American Community Survey
- Applied Geographical Solutions, Inc., a data reporting service
- Esri, Inc., a data reporting service
- Records and data from the City
- Records and data maintained by Turner County
- Interviews with City officials, housing stakeholders, etc.
- Area housing agencies
- State and Federal housing agencies
- Rental property owner surveys
- Housing condition survey

Limitations

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

This study was prepared by:

Community Partners Research, Inc.
Faribault, MN
(507) 838-5992
cpartners@charter.net

Section Table of Contents

	<u>Page</u>
Demographic Data Overview	5
Population Data and Trends	6
Population by Age Trends: 2010 to 2022	8
Population Projections	10
Household Data and Trends	11
Household by Age Trends: 2010 to 2022	12
Average Household Size	13
Household Projections	14
Household Projections by Age	15
Housing Tenure	17
Median Income Data	18
Income Distribution by Tenure	20
Estimated Income and Housing Costs - Renters	21
Estimated Income and Housing Costs - Owners	22

Demographic Data Overview

Sources of Data

The following pages contain demographic data obtained from a variety of local, state and national sources.

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

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

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

The American Community Survey estimates have an effective date in 2021. The estimates were derived from five-year sampling, obtained between 2017 and 2021.

This Housing Study has also utilized demographic estimates and projections that have been generated by private data providers. The South Dakota Governor's Office of Economic Development contracts with Applied Geographic Solutions (AGS) to provide community profiles for each city in the State.

Prior to using AGS, the State had used Esri, Inc., for community profiles. The analysts have also utilized estimates and projections from Esri. Both of these private data reporting services are widely used by financial and government entities.

Parker is in Turner County, one of the four counties that form the Sioux Falls Metropolitan Statistical Area (MSA). Comparative information has sometimes been provided for Turner County or for the entire MSA. However, it is important to recognize that Parker represented only 0.43% of the total count for all households in the Sioux Falls MSA in 2020.

Population Data and Trends

Table 1 Population Trends - 1990 to 2020						
	1990 Census	2000 Census	% Change 1990-2000	2010 Census	% Change 2000-2010	2020 Census
Parker	984	1,031	4.8%	1,022	-0.9%	1,194
Turner Co.	8,576	8,849	3.2%	8,347	-5.7%	8,673

Source: U.S. Census

- ▶ The release of population totals from the 2020 U.S. Census has established a new benchmark for the number of people residing in each jurisdiction. The Census total had an effective date of April 1, 2020.
- ▶ In 2020, the population for the City of Parker was 1,194 people. When compared back to the 2010 Census, the City had added 172 permanent residents, for a population increase of 16.8%.
- ▶ Although Parker did add a substantial number of permanent residents between 2010 and 2020, the City has not grown consistently in the past. In the 1990s, the City added 47 residents, but between 2000 and 2010, the City’s population decreased by nine people. Over the 30-year period from 1990 to 2020 the City averaged seven additional residents per year.
- ▶ In 2020, the population level for all of Turner County was 8,673, up by 326 people, or 3.9%, from 2010. Like Parker, all of Turner County also had a population loss between 2000 and 2010, before population growth then returned after 2010.
- ▶ Despite limited growth in Turner County over the past 30 years, the Metropolitan Statistical Area (MSA) has grown very rapidly in past decades, with most of this growth specifically located in the City of Sioux Falls or in the immediately surrounding suburbs.
- ▶ There are population estimates available for 2022 which were released after the 2020 Census and reflect the Census reporting.
- ▶ Applied Geographic Solutions (AGS), the data source utilized by the Governor’s Office of Economic Development, estimates that the City of Parker had 1,198 residents in 2022. This estimate was nearly identical to the 2020 Census count of 1,194 people, indicating that the City has not been growing over the past few years.

- ▶ A 2022 estimate from Esri for the City of Parker showed 1,210 residents, slightly above the AGS estimate and above the 2020 Census count of 1,194 people. If accurate, the City added only 16 new residents between 2020 and 2022.
- ▶ A 2022 population estimate for Turner County is also available from AGS. This estimate showed the County's population to be 8,731 people, up slightly from the 2020 Census count of 8,673 people.

Population Characteristics

- ▶ Parker's population is primarily White and non-Hispanic/Latino. At the time of the 2020 Census, more than 91% of the City's residents were identified as White for race. The next largest racial group was "two or more races", which represented 5.6% of the City's residents.
- ▶ Approximately 4.2% of Parker's residents were of Hispanic/Latino ethnic origin in 2020.
- ▶ In 2020, there were no people in Parker living in some form of "group quarters" housing. At the time of the 2000 Census there were group quarters residents in Parker living in a skilled nursing facility, but by 2010 there were no group quarters residents counted in the City.

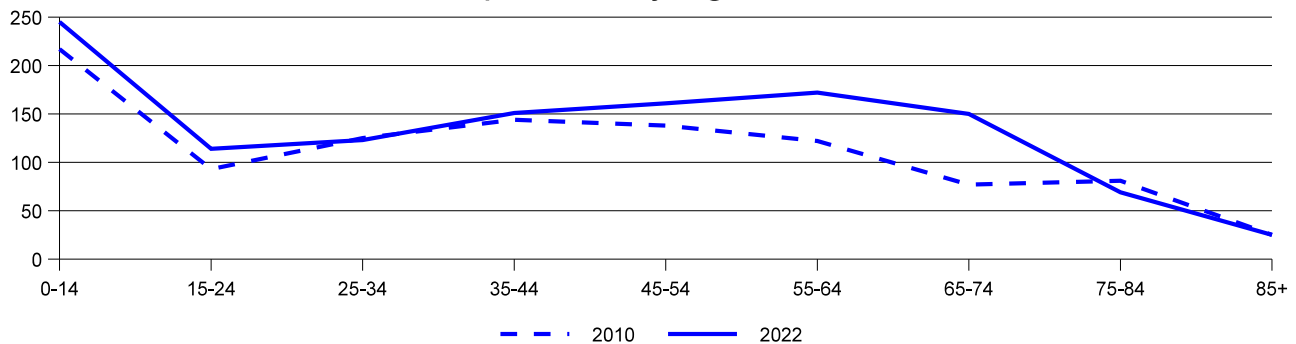
Population by Age Trends: 2010 to 2022

The 2022 population estimate from Esri also includes information on the age distribution of residents. This information can be compared to the age patterns present at the time of the 2010 Census.

Table 2 Population by Age in Parker - 2010 to 2022			
Age	2010	2022	Change
0-14	217	245	28
15-19	56	64	8
20-24	37	50	13
25-34	125	123	-2
35-44	144	151	7
45-54	138	161	23
55-64	122	172	50
65-74	77	150	73
75-84	81	69	-12
85+	25	25	0
Total	1,022	1,210	188

Source: U.S. Census; Esri

Parker Population by Age: 2010 to 2022



- ▶ Esri’s total population estimate for 2022 shows the City adding 188 people after 2010. As a result, most of the defined age groups in Parker increased in size between 2010 and 2022.

- ▶ The largest numeric increase of any age range occurred among senior citizens age 65 to 74 years old. This age group added 73 people between 2010 and 2022. The near-senior age range between 55 and 64 years old added 50 people. The 20-year age group between 55 and 74 years old would largely reflect the movement of the baby boom generation through the aging cycle.
- ▶ Despite the growth in the near-senior and younger senior age groups, Esri's estimates showed a slight decrease in the population in the age range between 75 and 84 years old, and no change among older seniors, age 85 and above.
- ▶ The City did have an increase in the number of children and young adults in the age groups 24 years old and younger between 2010 and 2022.
- ▶ Esri's estimates also show growth within the middle-aged adult ranges, with an estimated increase of 23 people in the 45 to 54 year old range, and a slight increase of seven people in the 35 to 44 year old range. The number of young adults between 25 and 34 years old decreased slightly between 2010 and 2020.
- ▶ If grouped into larger aggregated ranges, the Esri estimates show a net increase of 111 people age 55 and older, and a net increase of 77 people age 54 and younger between 2010 and 2022.

Population Projections

Population projections for the five-year time period spanning the years 2022 through 2027 are available from both AGS and Esri. In addition, Community Partners Research, Inc., has also issued a forecast for Parker based on the City’s projected housing unit construction and growth potential.

Table 3 Population Projections Through 2027				
	2020 Census	2022 Estimate	2027 Projection	Change
Parker - AGS	1,194	1,198	1,187	-11
Parker - Esri	1,194	1,210	1,215	5
Parker - CPR, Inc.	1,194	1,210	1,280	70
Turner Co. - AGS	8,673	8,731	8,644	-87

Source: Applied Geographic Solutions; Esri

- ▶ AGS is projecting a slight decrease in the City’s population level with the loss of 11 people over the 5-year projection period. In the opinion of the analysts, this is an overly conservative forecast as the City has been adding residents in the past and is likely to continue growing in the future.
- ▶ Esri is projecting relative stability in Parker’s population, with an expected increase of five people over the 5-year period. Once again, this appears to be a very conservative forecast. Between 2010 and 2020, Parker experienced average annual growth of approximately 17 people per year, and over the next five years the analysts would expect a higher level of population growth.
- ▶ In the opinion of Community Partners research, Inc., the City does have the potential to exceed the forecasts from AGS and Esri. Given the significant growth that will occur within the larger Sioux Falls region over the next five years, a projection that the City will add up to 70 residents over the 5-year time period would be very achievable.
- ▶ AGS is projecting a small population decrease for all of Turner County. The projection from Applied Geographic Solutions anticipates that the County will have 87 fewer residents at the end of the five-year projection period, or an annual average loss of approximately 17 people per year. In the opinion of the analysts, this is an overly conservative forecast as the County has been adding residents in recent years.

Household Data and Trends

Table 4 Household Trends - 1990 to 2020						
	1990 Census	2000 Census	% Change 1990-2000	2010 Census	% Change 2000-2010	2020 Census
Parker	403	431	6.9%	438	1.6%	470
Turner Co.	3,332	3,510	5.3%	3,452	-1.7%	3,467

Source: U.S. Census

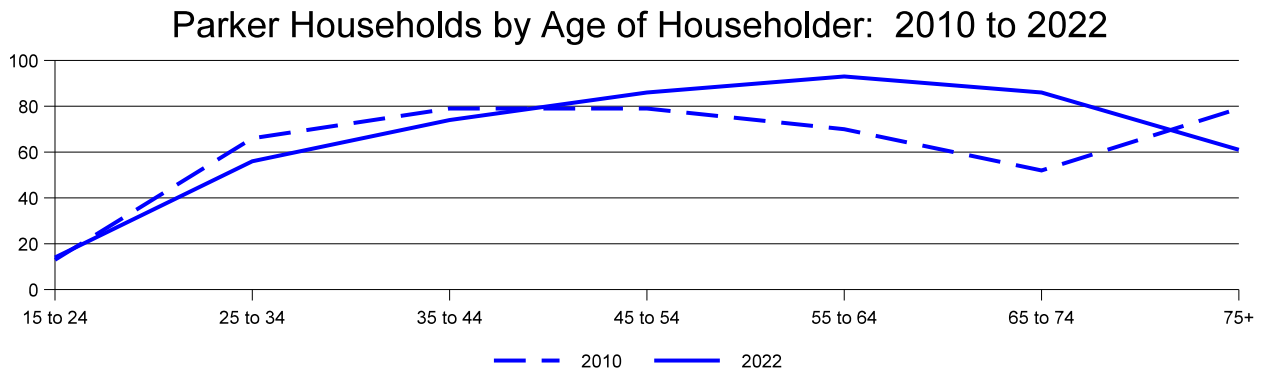
- ▶ According to the 2020 Census, Parker had 470 permanent resident households in 2020, up by 32 households, or 7.3%, from 2010.
- ▶ The numeric and percentage growth in households in Parker between 2010 and 2020 was greater than in prior decades. After adding 28 households in the 1990s, growth then slowed, and Parker added only seven households between 2000 and 2010. However, if viewed over a longer time period dating back to 1990, Parker has averaged just over two additional households per year.
- ▶ Turner County has experienced very limited change, as the entire County added only 15 households between 2010 and 2020. After losing households between 2000 and 2010, modest growth did return after 2010. Longer-term, Turner County has added an average of fewer than five households per year over the past 30 years.
- ▶ Household estimates for 2022 are also available from Applied Geographic Solutions and Esri.
- ▶ According to AGS there were 469 households in Parker in 2022, nearly unchanged from the 2020 Census count of 470 households.
- ▶ Esri estimated that there were 470 households in the City in 2022, unchanged from 2020.
- ▶ AGS estimated that there were 3,494 households in Turner County 2022 compared to 3,467 in the 2020 Census. If accurate, Turner County added 27 households between 2020 and 2022, despite the limited change in Parker.

Household by Age Trends: 2010 to 2022

The following table compares households by age from the 2010 Census and 2022 estimates from Esri. This information is for the City of Parker.

Table 5 Households by Age in Parker - 2010 to 2022			
Age	2010	2022	Change
15-24	13	14	1
25-34	66	56	-10
35-44	79	74	-5
45-54	79	86	7
55-64	70	93	23
65-74	52	86	34
75+	79	61	-18
Total	438	470	32

Source: U.S. Census; Esri



- ▶ The age-based household estimates provided by Esri generally show the advancement of the baby boom generation through the aging cycle between 2010 and 2022. The City added an estimated 57 households in the 20-year range between 55 and 74 years old.
- ▶ Despite the estimated growth in the near-senior and younger senior ranges, the City had an estimated reduction of 18 households in the older senior ranges, age 75 and older.
- ▶ Only limited changes occurred in most of the younger adult ranges. Overall, the City had a net reduction of seven households in the combined age ranges 54 and younger between 2010 and 2022.

Average Household Size

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

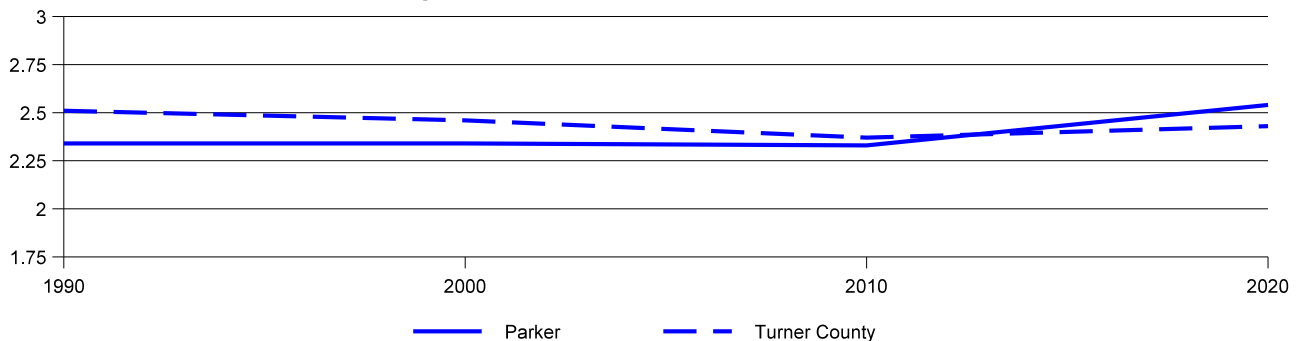
In most jurisdictions there has been a steady decrease in average household size over the past several decades. This has often been caused by household composition changes, such as more single person and single parent families, fewer children per family, and more senior households due to longer life spans.

Table 6 Average Number of Persons Per Household: 1990 to 2020				
	1990 Census	2000 Census	2010 Census	2020 Census
Parker	2.34	2.34	2.33	2.54
Turner Co.	2.51	2.46	2.37	2.43

Source: U.S. Census

- ▶ The City of Parker did not follow the regional and national trends for household size. After maintaining a stable average household size in Parker between 1990 and 2010, the City’s average then increased substantially after 2010 and was at 2.54 persons per household in 2020. As reported by the Census, the City added 172 people but only 32 households over the prior decade. The increase in the average number of people per household is often an indicator of more younger families with children living in the community.

Average Household Size: 1990 to 2020



- ▶ A somewhat similar pattern was recorded for Turner County, where the average household size was decreasing between 1990 and 2010, but after 2010 the average increased and was at 2.43 persons by 2020.

Household Projections

Household projections for the five-year time period spanning the years 2022 through 2027 are available from both AGS and Esri. In addition, Community Partners Research, Inc., has also issued a household forecast for Parker based on the City’s housing unit construction and growth potential. Household growth directly impacts the demand for housing.

Table 7 Household Projections Through 2027				
	2020 Census	2022 Estimate	2027 Projection	Change
Parker - AGS	470	469	455	-14
Parker - Esri	470	470	470	0
Parker - CPR, Inc.	470	475	500	25
Turner Co. - AGS	3,467	3,494	3,397	-97

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

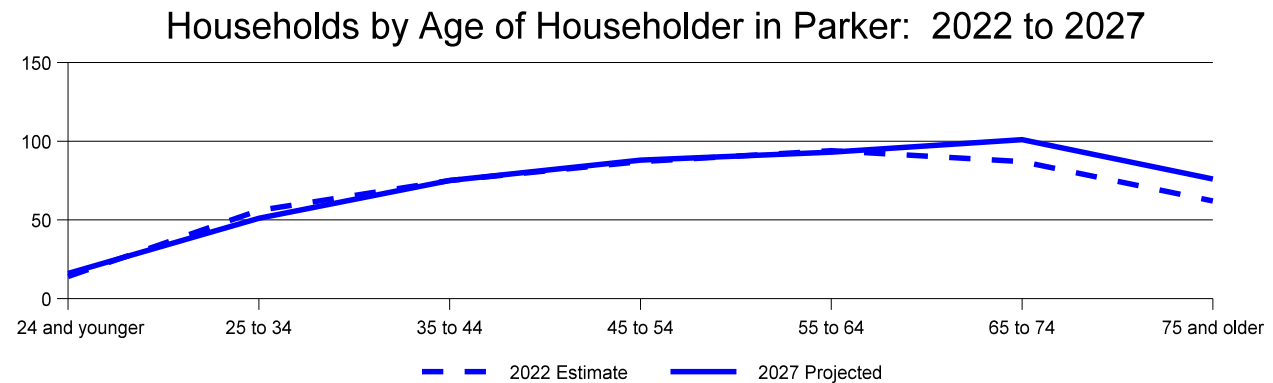
- ▶ Applied Geographic Solutions is projecting that Parker will lose 14 households over the 5-year projection period. In the opinion of the analysts, this is forecast is not reliable.
- ▶ The 2027 projection from Esri expects stability, with no change in the City’s household count over the 5-year projection period. In the opinion of the analysts, this is an overly conservative forecast, especially with the large-scale growth potential that exists in the Sioux Falls region.
- ▶ Community Partners Research, Inc., is projecting that the City of Parker can potentially add four to five households per year going forward, with up to 25 households added over a 5-year projection period.
- ▶ The AGS projection for Turner County expects a potential loss of nearly 100 households between 2022 and 2027, or an annual average of nearly 20 households per year. Although Turner County is part of the Sioux Falls MSA, most of the regions growth has been located in Minnehaha and Lincoln Counties. Once again, in the opinion of the analysts this is an overly conservative forecast as the County has been adding households in recent years.

Parker Household by Age Projections: 2022 to 2027

Esri has generated age-based projections for households to the year 2027. However, in the opinion of the analysts, Esri’s growth forecast for Parker is too low. Community Partners Research, Inc., has adjusted the original Esri data up slightly to better match the probable total household count in Parker in both 2022 and 2027. The 2027 household total has been adjusted upward by approximately 6.4%.

Table 8 Projected Households by Age - 2022 to 2027			
Age Range	2022	2027	Change
15-24	14	16	2
25-34	56	51	-5
35-44	75	75	0
45-54	87	88	1
55-64	94	93	-1
65-74	87	101	14
75+	62	76	14
Total	475	500	25

Source: Esri; Community Partners Research, Inc.



- ▶ The adjusted age-based projections show limited change of five or fewer households in most of the defined age ranges between 2022 and 2027. Only two older age groups, households age 65 to 74, and households age 75 and above are projected to change by more than five households. Each of these senior citizen age groups is expected to add 14 households by 2027.

- ▶ The largest projected reduction would be among households age 25 to 34 years old, with an expected loss of five households by 2027.
- ▶ While the City is projected to add a small number of younger adult households in certain age ranges, overall these projections expect a small net decrease of households age 64 and younger over the next five years.
- ▶ Most of the projected growth should occur within the senior citizen and near-senior age ranges, with a combined total increase of 28 households age 65 and older between 2022 and 2027.

Housing Tenure

Just before the release of this Housing Study, the Census Bureau published additional data tables from the 2020 Census, including housing occupancy tenure. In the following table, the tenure distribution patterns in 2020 have been compared to 2010 to track changes over the prior decade.

Table 9 Household Tenure - 2020						
	Home Owners			Renters		
	2010	2020	Change	2010	2020	Change
Parker	327	383	56	111	87	-24

Source: U.S. Census

- ▶ Between 2010 and 2020, the City of Parker added 56 owner-occupancy households but lost 24 renter households.
- ▶ At the time of the 2020 Census, the home ownership rate in the City of Parker was at 81.5%, up significantly from 74.7% in 2010.
- ▶ The City primarily offers single family housing options for home ownership and the City’s rental tenure rate of 18.5% in 2020 was well below the Statewide rental rate of 33%.

Median Income Data

The American Community Survey provides income estimates for cities and counties. The following table provides 2021 American Community survey data for Parker along with Turner County and the State of South Dakota for comparison.

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

Table 10 Median Household Income - 2010 to 2021			
	2010 Median	2021 Median	% Change
Median Household Income			
Parker	\$50,260	\$79,010	57.2%
Turner County	\$48,068	\$66,199	37.7%
South Dakota	\$46,369	\$63,920	37.9%
Median Family Income			
Parker	\$59,844	\$79,762	33.3%
Turner County	\$57,881	\$78,551	35.7%
South Dakota	\$58,958	\$81,756	38.7%

Source: American Community Survey

- ▶ According to the American Community Survey, the median household income in Parker was relatively high, at \$79,010 in 2021. The City’s median had increased by more than 57% from 2010, and was well above the comparable median household income for Turner County of \$66,199, and the Statewide median household income of \$63,920.
- ▶ The estimated median family income in Parker was \$79,762 in 2021, only slightly higher than the City’s median household income. When compared to 2010, the median family income in Parker had increased by more than 33%. The median family income for the City was slightly higher than the comparable median for Turner County in 2021, but slightly below the Statewide median family income of \$81,756.

- ▶ Median income levels can be used to establish a benchmark for affordable housing thresholds, using the commonly accepted standard that up to 30% of gross income can be applied to housing expenses without experiencing a cost burden
- ▶ A median income household in Parker could afford approximately \$1,975 per month for ownership or rental housing in 2021. However, as will be detailed later in this section, renter households tend to be below the overall median, while owner households tend to be above the overall median level.
- ▶ A median income family in Parker could afford \$1,994 in 2021 for monthly housing costs.

Parker Income Distribution

The 2021 American Community Survey provides income data within specific ranges. Based on other data, it appears that the American Community Survey has not accurately estimated the total number of households in the City, but the percentage distribution is assumed to be accurate.

Table 11 City of Parker Income Distribution by Tenure - 2021			
Household Income	Owner Households	Renter Households	All Households
\$0 - \$14,999	3.8%	25.8%	7.0%
\$15,000 - \$24,999	0.8%	22.6%	3.9%
\$25,000 - \$34,999	8.7%	22.6%	10.7%
\$35,000 - \$49,999	7.9%	4.8%	7.4%
\$50,000 - \$74,999	15.7%	16.1%	15.8%
\$75,000 - \$99,999	19.8%	8.1%	18.1%
\$100,000+	43.4%	0%	37.1%
Total	100%	100%	100%

Source: ACS

- ▶ Income and housing tenure are often linked for most households, with home owners generally having higher annual income levels, and renters having lower incomes.
- ▶ The ACS estimated that approximately 71% of all renter-occupancy households in Parker had an annual income below \$35,000 in 2021.
- ▶ The estimated median income for all renter households was \$30,250 in 2021. At 30% of income, a renter at the median level could afford approximately \$756 per month for housing costs.
- ▶ Conversely, most owner households had a substantially higher income level. More than 63% of all owner households had an annual income of \$75,000 or more in 2021.
- ▶ The estimated median for all owner-occupancy households was \$86,016. At 30% of income, an owner at the median level could afford approximately \$2,150 per month for housing costs.

Estimated Income and Housing Costs - Renters

The American Community Survey collected information on housing costs. The following table provides data on the percentage of renter households that are paying different percentages of their income for housing in Parker. The American Community Survey appears to have over estimated the number of renter households in Parker. As a result, percentage distributions have been used to provide some additional insight on rental costs in the City.

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

Table 12 Gross Rent as a Percentage of Income - City of Parker	
Percent of Income for Housing	Percent of Renter Households
Less than 20%	30.6%
20% to 29.9%	41.9%
30% to 34.9%	0%
35% or more	27.4%
Not Computed	0%
Total	100%

Source: American Community Survey

- ▶ More than 27% of all renter households in Parker reported a cost burden in 2021. All of these households were actually applying 35% or more of income and were in the severe cost burden category.
- ▶ Nearly all of the renter households with a cost burden had an annual income below \$35,000 in 2021. These households would have needed a housing unit with a gross rent of \$875 or less to avoid a rental cost burden.

Estimated Income and Housing Costs - Owners

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

It is important to note that mortgage lending practices generally attempt to keep monthly payments below 30% of household income.

Table 13 Parker Owner Costs as a Percentage of Income: 2021	
Percentage of Income for Housing Costs	Percent of All Owner Households
0% to 19.9%	80.5%
20% to 29.9%	10.8%
30% or more	5.4%
Not Computed	3.3%
Total	100%

Source: American Community Survey

- ▶ A very large majority of owner-occupants in Parker, which would include households with or without a mortgage, reported paying less than 30% of their income for housing. Overall, more than 91% of all home owners reported that they paid less than 30% of their income for housing costs in 2021.
- ▶ Nearly all of the households with an ownership cost burden in 2021 had an annual income below \$35,000.

Building Permit Trends

Parker has experienced some new housing construction activity in recent years. Annual permit information was obtained from the City and the Census Bureau.

Table 14 Parker Housing Unit Construction Activity: 2010 to 2022			
Year	Single Family	Two or More Units	Total Units Constructed
2022	3	9	12
2021	2	4	6
2020	0	2	2
2019	8	0	8
2018	7	0	7
2017	5	0	5
2016	6	0	6
2015	0	0	0
2014	1	0	1
2013	0	0	0
2012	1	0	1
2011	0	2	2
2010	1	0	1
TOTAL	34	17	51

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

- ▶ Over the past 13 years, spanning 2010 through 2022, there were 51 new housing units permitted in Parker, including 34 single family houses and 17 units in structures containing two to four units.
- ▶ While the City averaged nearly four new units per year since 2010, most of the activity has been concentrated in the past seven years. Between 2016 and 2022, Parker was averaging nearly seven units per year.
- ▶ The multifamily construction has represented both owner-occupancy twin home units and small rental structures. Based on City information, an estimated six units were intended for owner-occupancy and 11 units as rental housing.

2020 Census Housing Unit Data

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

Table 15 Housing Units, Occupancy and Vacancy - 2020									
	Total Housing Units			Occupied Units			Vacant Units		
	2010	2020	Change	2010	2020	Change	2010	2020	Change
Parker	489	511	22	438	470	32	51	41	-10

Source: U.S. Census

- ▶ According a reconciliation of decennial Census data, Parker had 22 more housing units in 2020 than were present at the time of the 2010 Census. The City had an increase of 32 occupied units and the number of vacant units decreased by 10 units during the decade.
- ▶ On the previous page, information was presented on building permit issuance. Between 2010 and 2019 there were 31 new housing units built in the City based on available records. With the Census reporting 22 additional units, it would imply that approximately nine older housing units were lost over the decade due to demolition or other causes.

American Community Survey Housing Data

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

Median Year of Construction - Owner-occupancy Housing

For owner-occupancy units in Parker, the estimated median year of construction is 1956. Nearly 52% of all owner-occupancy houses in the City were constructed prior to 1960.

Based on the American Community Survey data, Parker's single family housing stock is older than average for South Dakota. Statewide, the median year of construction for owner-occupancy housing was estimated at 1979.

Median Year of Construction - Renter-occupancy Housing

For renter-occupancy units in Parker, the estimated median year of construction is 1979. Approximately 53% of all renter-occupancy units in the City were constructed prior to 1980.

Statewide, the median year of construction for renter-occupancy housing was estimated at 1983.

Existing Home Sales

This section examines houses that have been sold in Parker from 2018 through 2022.

The information was obtained from the South Dakota Department of Revenue website, based on sales reports submitted by the Turner County Equalization Office. The Equalization Office collects and utilizes information from residential sales for its annual sales ratio study.

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

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

It is important to note that the number of good sales that are recorded each year can vary and may not be an accurate indicator of overall home values in the City. However, this sample does provide some insight into those units that have turned-over during this time period.

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

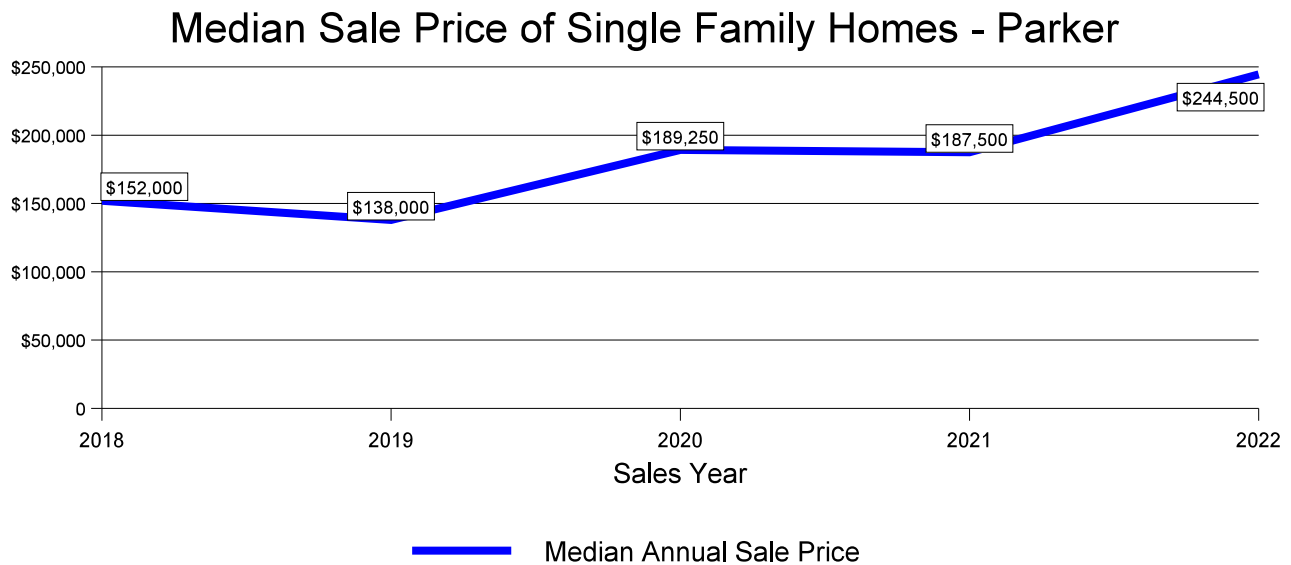
Table 16 Median Value of Recent Residential Sales - 2018 to 2022

Year	Number of Sales	Median Sale Price	Highest Sale	Lowest Sale
2022	33	\$244,500	\$422,500	\$53,500
2021	36	\$187,500*	\$559,500	\$34,000
2020	22	\$189,250*	\$249,000	\$50,000
2019	21	\$138,000	\$402,500	\$49,000
2018	25	\$152,000	\$260,000	\$54,000

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

* Median extrapolated from the two nearest sales

- ▶ Between 2021 and 2022 there was a large increase in the median sale price in Parker. The median price of \$244,500 in 2022 was \$57,000 higher than the calculated median price in 2021.
- ▶ While the large increase in the median price may represent a data flaw, based on limited sales, it could also be an indication of rapidly escalating prices in the community.



- ▶ Although overall prices have been increasing, there are also some lower valued home sales in Parker each year. In each of the years reviewed at least one home was sold for less than \$55,000.
- ▶ There have been some higher valued sales in Parker. In three of the last four years at least one home was sold for more than \$400,000. In 2020, a sale was recorded for nearly \$560,000.
- ▶ An alternate estimate of home values exists in the American Community Survey. In 2021, the estimated median value for all owner-occupied housing in Parker was \$168,600. This estimate was well below the median sale price recorded in 2021 of \$187,500.

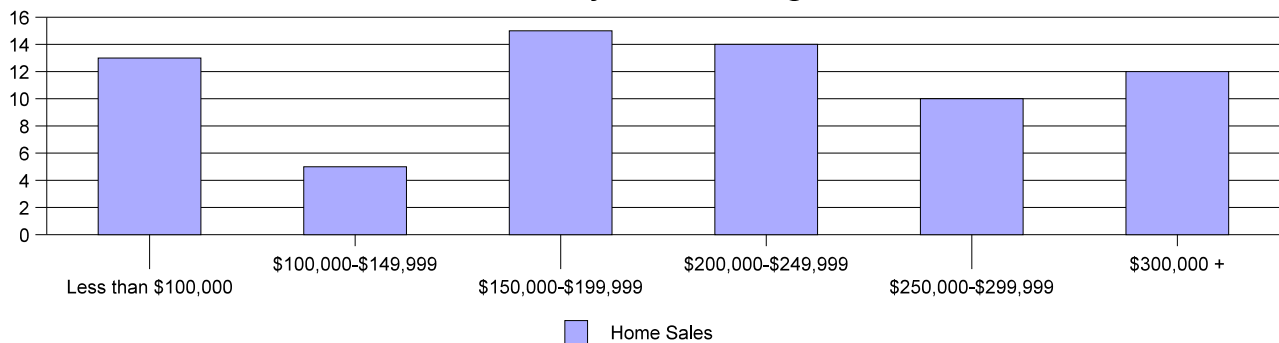
Home Sales by Price Range

The following table looks at single family houses that sold within defined price ranges over a 24-month period spanning the 2021 and 2022 sales years. There were 69 good “arms length” sales over this period.

Table 17 Parker 24-Month Home Sales by Price Range		
Sale Price	Number of Sales	Percent of Sales
Less than \$50,000	4	5.8%
\$50,000 - \$99,999	9	13.0%
\$100,000 - \$149,999	5	7.2%
\$150,000 - \$199,999	15	21.7%
\$200,000 - \$249,999	14	20.3%
\$250,000 - \$299,999	10	14.5%
\$300,000 - \$350,000	4	5.8%
\$350,000 or more	8	11.6%
Total	69	100%

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

Parker Home Sales by Price Range in 2021/2022



- Recent home sales in Parker were widely distributed in different price ranges. However, the majority of homes were sold for \$150,000 to \$299,999. Overall, approximately 26% of the sales were for less than \$150,000, and approximately 17% were for \$300,000 or more.

Parker Housing Condition

Community Partners Research, Inc. representatives conducted a visual 'windshield' survey of 295 single family/duplex in four older neighborhoods in Parker. Houses that appeared to contain three or more residential units were excluded from the survey. The neighborhood boundaries are as follows:

Neighborhood #1	4 th Street on the north; 1 st Street on the south; Pine Avenue on the East; Main Street on the west
Neighborhood #2	4 th Street on the north; 1 st Street on the south; Maple Avenue on the East; Plum Avenue on the west
Neighborhood #3	North side of 4 th Street
Neighborhood #4	4 th Street on the north; Railroad Street on the south; Main Street on the East; Oak Avenue on the west

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

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

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

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

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

Table 18 Parker Windshield Survey Condition Estimate - 2023

Neighborhood	Sound	Minor Repair	Major Repair	Dilapidated	Total
#1	59 (49.5%)	44 (37.0%)	14 (11.8%)	2 (1.7%)	119
#2	7 (33.3%)	10 (47.6%)	3 (14.3%)	1 (4.8%)	21
#3	14 (34.2%)	14 (34.2%)	11 (26.8%)	2 (4.8%)	41
#4	44 (41.8%)	42 (34.3%)	26 (17.9%)	2 (6.0%)	114
Total	124 (42.0%)	110 (37.3%)	54 (18.3%)	7 (2.4%)	295

Source: Community Partners Research, Inc.

- ▶ The visual condition survey found that most of the neighborhoods were in good condition with a majority of the structures were rated in one of the two best condition categories.
- ▶ In Neighborhood #1, nearly 87% of the houses were rated as either Sound or Minor Repair. There were 14 houses rated as Major Repair in this neighborhood and two houses received the lowest rating of Dilapidated.
- ▶ For houses in Neighborhood #2, nearly 81% were in the top two condition categories while the remaining 19% were rated as Major Repair or Dilapidated.
- ▶ In Neighborhood #3, more than 68% of all houses were rated in one of the two best condition categories. There were 11 houses that received the Major Repair rating and two structures were viewed as Dilapidated.
- ▶ In Neighborhood #4, more than 76% of all houses were rated in one of the two best condition categories. There were 26 houses that received the Major Repair rating and two structures were viewed as Dilapidated.
- ▶ With all of the neighborhoods combined, more than 79% of the houses in the City were rated in the top two condition categories. There were 54 houses that needed Major Repair and seven units that were viewed as Dilapidated. Dilapidated structures may not be economically feasible to repair and may need to be demolished.

Rental Housing Data

Census Bureau Rental Inventory - Parker

The 2020 Census released housing occupancy tenure information shortly before the final publication of this document.

According to the 2020 Census, there were 87 occupied rental units and 22 unoccupied rental units in Parker, for a total estimated rental inventory of approximately 109 units. The City's rental tenure rate was 18.5%, based on renter-occupancy households. For comparison, the Statewide rental tenure rate in 2020 was 33.0%.

At the time of the 2010 Census there were 111 occupied rental units and 17 unoccupied rental units in Parker, for a total estimated rental inventory of 128 units. The City's rental tenure rate in 2010 was 25.3%, below the Statewide rental rate of 31.9%.

Between 2010 and 2020, the City lost 24 renter-occupancy households, according to the Census. However, the available rental inventory decreased by only 19 units during this time.

After the 2020 Census was completed, there were some structures with two to four units that were constructed in the City. Any construction in 2020 or later were not reflected in the Census count.

Census Bureau Rental Inventory - Sioux Falls MSA

Parker is part of the Sioux Falls Metropolitan Statistical Area (MSA), with the City of Sioux Falls having the large majority of the region's rental units. According to the 2021 American Community Survey, there were more than 36,150 occupied rental units in the MSA. For the entire MSA the rental tenure rate was above 33%.

When compared to the totals provided in the 2010 Census, the Sioux Falls MSA had added nearly 8,000 total rental units from 2010 to 2021. The rental tenure rate in 2010 was less than 32%, compared to more than 33% in 2021

Parker's Share of Rental Housing in the MSA

At the time of the 2010 Census, the number of renter-occupancy households in Parker represented less than 0.5% of all renter households in the entire MSA. From 2010 to 2021, Parker's overall share of renters probably decreased, as almost no new units were built in the City, while the MSA is estimated to have added nearly 8,000 units.

Pending Rental Projects

Our research identified one 4-unit rental project that is under construction.

Rental Housing Survey

As part of this housing study, a telephone survey was conducted of multifamily projects in the City of Parker. The survey was conducted in April 2023.

Emphasis was placed on contacting properties that have four or more units. For the purposes of planning additional projects in the future, multifamily properties represent the best comparison of market potential. Information was tallied separately for different types of rental housing, including market rate units, subsidized housing and specialized senior housing.

There were 54 rental housing units of all types that were contacted in the survey. The units that were successfully contacted include:

- ▶ 32 conventional market rate units
- ▶ 22 federally subsidized units

The findings of the survey are provided on the following pages.

Market Rate Summary

Information was obtained on 31 rental units in four multifamily projects. The specific properties contacted ranged in size from three units to 12 units.

The inventory of conventional market rate rental units in Parker has increased over time due to both new construction and from the conversion of federally subsidized housing projects to market rate rentals.

Unit Mix

Information on the bedroom mix was obtained from all 32 units that were contacted:

- ▶ one-bedroom 16 (51.6% of total)
- ▶ two-bedroom 15 (48.4%)

Although no conventional market rate units with more than two bedrooms were identified in multifamily projects, Parker also has single family houses that are offered as rentals. Some of these houses contain three or more bedrooms.

Occupancy/Vacancy

At the time of the survey, there were no vacant units identified in Parker and good demand for rental housing was reported, with any turnover units filling quickly.

Rental Rates

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

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

<u>Unit Type</u>	<u>Estimated Gross Rent Range</u>
One-bedroom	\$500-\$570
Two-bedroom	N/A

The owners of the three and four-plexes in Parker that contain the two-bedroom rental options did not disclose their rental rates. Most of these are newer rental buildings that have been constructed in the past few years. The probable gross rents for these units, including tenant-paid utilities, would be at or above \$1,000 per month.

American Community Survey Rent Estimates

The American Community Survey contains an estimate of the median gross rent in Parker. In 2021, the estimated median rent for all units in the City was \$564 per month.

Tax Credit Summary

There are no tax credit units in Parker.

Subsidized Summary

Unit Inventory

The research completed for this Housing Study found one federally subsidized project in Parker in 2023. Turner Village is a 22-unit HUD Public Housing project. Although designated as general occupancy housing, Turner Village does offer an occupancy preference to senior and/or disabled applicants.

The City had previously contained additional subsidized housing projects. Parkridge Apartments, with 12 units, was developed through USDA Rural Development. However, it terminated its subsidy contract and was converted to conventional market rate housing in about 2018.

Another project, known as Parker Rural Housing, was a HUD subsidized project originally developed for senior/disabled tenant occupancy, but it was converted to conventional market rate housing and is now available for general occupancy. Parker Rural Housing has four units.

Bedroom Mix

There are 22 subsidized units in Turner Village, with 18 one-bedroom and four two-bedroom apartments.

Occupancy/Vacancy

At the time of the rental survey there was one open unit in Turner Village, but this was due to recent turnover. The project maintains a waiting list and the unit was in the process of being filled.

Rental Rates

Turner Village is a HUD Public Housing project and all tenants pay rent based on 30% of household income, up to a maximum ceiling rent established for the unit.

Senior Housing with Services

There are no specialized senior housing projects in Parker offering senior housing along with supportive services.

There are senior housing with services options available in other communities in Turner County including Centerville, Viborg and Marion.

Table 19 Parker Multifamily Rental Housing Inventory

Name	Number of Units /Bedroom Mix	Rent	Vacancy/ Wait List	Tenant Mix	Comments
Market Rate					
Groeneweg Four-plexes	<u>11 - 2 bedroom</u> 11 total units	N/A +utilities	No vacant units	Mix of tenants but primarily younger	Three new rental structures with 3 or 4 units each constructed in the past year. Two structures have tuck-under garages and are 2-level and third is 1-level and connected to a gym. Tenants pay all utilities. Units have dishwasher, microwave and in-unit laundry. Most tenants are younger households but 1-level units do have some seniors. Rents not disclosed. Owner reported full occupancy and good demand; another 4-plex will be constructed in 2023.
Lind Four-plex	<u>4 - 2 bedroom</u> 4 total units	N/A +heat, electric	No vacant units	Primarily seniors	Town house-style rental 4-plex constructed in 1998. Rent includes water, sewer and garbage with tenant paying heat and electric. Unit amenities include dishwasher, AC, in-unit laundry, deck and 1-car attached garage. Units have only a few steps for entry and all current tenants are seniors, with most long-term residents. Rental rates not disclosed.
Parker Rural Housing 405 N Cherry	<u>4 - 1 bedroom</u> 4 total units	\$425 +heat, electric	No vacant units	Mix of tenants	Formerly a HUD subsidized rental project that was constructed in the 1970s for senior/disabled tenant occupancy but that was later converted to conventional market rate housing for general occupancy. Tenants pay heat and electricity in addition to rent. Owner reported full occupancy.
Parkridge Apartments 180 W 2 nd	<u>12 - 1 bedroom</u> 12 total units	\$495 +heat, electric	No vacant units	Mix of tenants	Formerly a USDA Rural Development subsidized project that ended its subsidy contract in about 2018 and converted to market rate housing. Eligible tenants at time of conversion were given rent assistance Vouchers and a few remain in occupancy. Building is two-level walkup. Rent includes water, sewer and garbage with tenant paying electric heat and electricity. Manager reported full occupancy on date of survey and good demand in recent years.

Table 19 Parker Multifamily Rental Housing Inventory					
Name	Number of Units /Bedroom Mix	Rent	Vacancy/ Wait List	Tenant Mix	Comments
Subsidized					
Turner Village Apartments 120 S Main	18 - 1 bedroom <u>4 - 2 bedroom</u> 22 total units	30% of income	No vacancy, waiting list	Preference for senior and/or disabled applicants	HUD Public Housing project constructed in the 1970s. Originally constructed for senior/disabled occupancy but a later HUD rule change made it available for general occupancy - occupancy preference given to senior/disabled applicants. Tenants pay rent based on 30% of household income. Manager reported one open unit due to turnover but in the process of being filled from waiting list.

Source: Community Partners Research, Inc.

Net Household Growth in the Sioux Falls MSA

Over the last few decades, the Sioux Falls MSA has grown at a rapid rate. Between the 2010 Census and the 2020 Census there were a substantial number of households that were added in Sioux Falls and in many of the smaller cities in Minnehaha and Lincoln Counties. The following table examines growth in numeric and percentage terms. The listed cities have been ordered by the numeric household growth that occurred over the period.

Table 20 Household Growth by Jurisdiction: 2010 to 2020				
City	2010 Census	2020 Census	Numeric Growth	Percentage Growth
Sioux Falls	61,707	78,405	16,698	27.1%
Harrisburg	1,423	2,268	845	59.4%
Brandon	3,118	3,888	770	24.7%
Tea	1,254	1,897	643	51.3%
Hartford	913	1,218	305	33.4%
Dell Rapids	1,388	1,551	163	11.7%
Baltic	389	458	69	17.7%
Crooks	431	476	45	10.4%
Garretson	449	482	33	7.3%
Parker	438	470	32	7.3%
MSA	83,677	109,218	25,541	30.5%

Source: US Census

Between in 2010 and 2020, the MSA added 25,541 households, for an increase of 30.5%. More than 65% of this growth occurred within Sioux Falls.

The remainder of the region’s household growth was shared between multiple jurisdictions within the 4-County MSA, but Harrisburg, Brandon, Tea and Hartford captured the largest numeric share of household growth outside of Sioux Falls. Together, these four jurisdictions, along with Sioux Falls, accounted for more than 75% of all household growth in the MSA.

The City of Parker added 32 households over the decade, according to the decennial Census. This represented approximately 0.13% of the net growth in the entire MSA over the last decade.

MSA Housing Unit Construction Activity: 2010 to 2022

The U.S. Census Bureau collects building permit issuance information from individual cities, towns and townships. Annual housing construction summary information is available for the combined jurisdictions that form the Sioux Falls MSA. This represents a four-county area of Minnehaha, Lincoln, McCook and Turner Counties. The total unit production for 2022 was identified as “preliminary” at the time of the research for this Housing Study and may change.

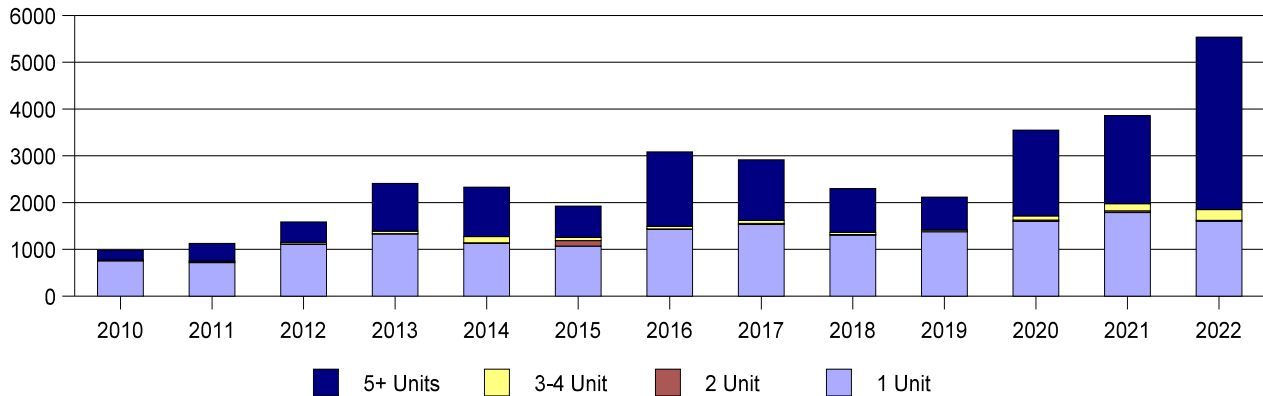
It is important to note that the Census Bureau’s annual totals may differ from other information in this Housing Study, which may be collected directly from individual jurisdictions. However, the Census Bureau reports do provide some perspective on housing construction within the larger MSA. Census Bureau annual totals for the City of Parker are also provided for comparison.

Housing construction activity in Parker has represented a very small share of all activity in the Sioux Falls MSA in recent years. From 2010 through 2022 the City reported that 38 new housing units were built in Parker which represented approximately 0.11% of all MSA activity.

Table 21 Parker and MSA Housing Unit Construction Activity - 2010 to 2022										
Year	City of Parker					Sioux Falls MSA				
	Single Family	Two Family	3 to 4 Family	Multifamily	Total	Single Family	Two Family	3 to 4 Family	Multifamily	Total
2022	3	9	0	0	12	1,600	22	229	3,687	5,538
2021	2	4	0	0	6	1,788	36	153	1,882	3,859
2020	0	2	0	0	2	1,597	30	89	1,834	3,550
2019	8	0	0	0	8	1,376	10	28	705	2,119
2018	7	0	0	0	7	1,306	12	46	938	2,302
2017	5	0	0	0	5	1,533	22	67	1,292	2,914
2016	6	0	0	0	6	1,431	6	58	1,589	3,084
2015	0	0	0	0	0	1,069	120	67	670	1,926
2014	1	0	0	0	1	1,134	8	131	1,057	2,330
2013	0	0	0	0	0	1,330	6	52	1,021	2,409
2012	1	0	0	0	1	1,104	12	36	435	1,587
2011	0	2	0	0	2	716	16	19	378	1,129
2010	1	0	0	0	1	755	8	111	207	1,081
Total	34	17	0	0	51	16,739	308	1,086	15,695	33,828

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

MSA Annual Housing Unit Construction: 2010 to 2022

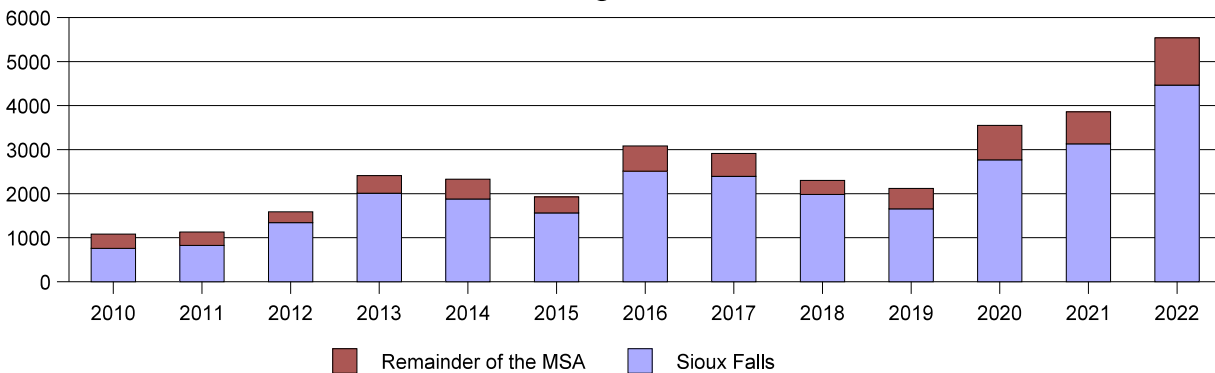


According to Census Bureau reports, the years 2022 and 2021 represented the highest years for new housing unit production in the MSA over the 13-year period reviewed. In 2022, preliminary reports indicated that more than 5,500 total housing units were permitted.

The permitting for 2022 was distributed in all structure types, but the year-to-year increase from 2021 was due to very strong production of multifamily units. Approximately 29% of all permitted units in 2022 were in one unit structures and nearly 67% were in multifamily projects with five or more units per structure. The remaining units were in structures with between two and four residential units.

As the primary jurisdiction in the MSA, the City of Sioux Falls accounts for a large majority of the units constructed annually. While year-to-year variation exists, in recent decades, Sioux Falls has typically represented between 70% or more 86% of the annual MSA construction activity. Based on preliminary reporting for 2022, Sioux Falls represented nearly 81% of the MSA’s construction unit total, according to the Census Bureau.

Sioux Falls/MSA Annual Housing Unit Construction: 2010 to 2022



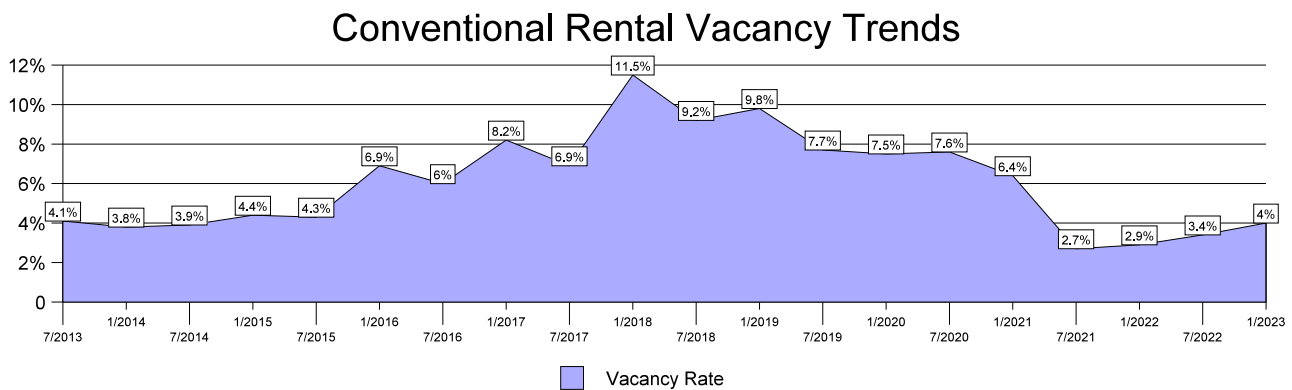
Regional Rental Vacancy Rates

The South Dakota Multi-Housing Association has tracked rental housing vacancy information for the Sioux Falls area for many years through a semiannual survey. This is an excellent source of information that not only provides a current picture of rental housing occupancy, but also a perspective on longer-term trends.

Conventional Market Rate Housing

The most recently completed vacancy survey is from January 2023. This survey found a vacancy rate of 4.0% in conventional market rate housing. The survey included nearly 15,900 conventional units and found just 629 vacancies. Although this was an area-wide survey, including communities that are within a 20-mile radius of Sioux Falls, a very large majority of the reporting units were located within the Sioux Falls zip codes.

The following chart presents the Multi-Housing Association vacancy calculations dating back to the July 2013 to provide a 10-year history for conventional rental housing.



While the most recent survey does show a slight increase in the conventional rental vacancy rate when compared to the prior two surveys, the reported vacancy rate of 4.0% is still relatively low by historic standards. Over the past 20 surveys, the vacancy rate has been below 4% only five times in this market segment.

A big drop in the vacancy rate occurred in 2021, with a 6.4% in January which then moved to only 2.7% by July 2021. Since that time it has been gradually increasing.

A general standard for rental housing vacancy is that a rate up to 5% is considered acceptable. A modest level of vacancy is desirable to allow tenant movement in the market by providing choices for prospective renters. It also allows a community the chance to grow, as new households moving into the area can readily locate a living unit. In Sioux Falls, a vacancy rate above 5% would not be surprising for individual surveys, as large-scale unit construction can occur which can temporarily cause an oversupply of units.

As evident in the previous chart, past history shows that the Sioux Falls market has had the ability to “self-correct”. People interviewed in past studies in the area have cited the cyclical nature of rental production in Sioux Falls. As the vacancy rate has risen, construction activity in subsequent years tends to diminish. As vacancy rates begin to fall, it has been typical to see an above-average level of construction.

Based on the building permit reporting presented previously from the Census Bureau, the number of multifamily units permitted in the MSA was below average in 2018 and 2019, probably in response to very high vacancy rates during those years. Multifamily production then began to increase in 2020 and 2021. The preliminary reporting for 2022 points to the largest production of new multifamily units over the past 13 years. While vacancy rates have been low, the impact of the above-average construction in 2022 may be starting to be reflected as more units enter the market in 2023, and vacancy rates may continue to increase as the next few surveys are completed.

Income-Based Housing Vacancy Rates

The large majority of the units in the Multi-Housing survey are conventional rentals. However, different types of income-restricted housing are also included. These units include moderate rent properties constructed through the federal low income housing tax credit program and federally subsidized low income housing referred to as “HUD units” in the reports.

Since the start of 2018, the vacancy rate in tax credit housing has stayed above 5%, and in many surveys has been above 7%. In the January 2023 survey, tax credit units had a vacancy rate of 6.1%, compared to the conventional housing vacancy rate of 4.0%.

HUD units have tended to maintain a low rate of vacancy over time. In the most recent report, the vacancy rate for HUD units was only 1.4%. With the exception of one survey in January 2020, when the HUD vacancy rate was at 6.6%, this very affordable segment has maintained a vacancy rate below 5%.

Although the Sioux Falls MSA generally performed well during the global health pandemic, presumably the impact had caused some decrease in incomes for some MSA households. This potentially increased demand for income-restricted tax credit and deep subsidy rental housing.

Vacancy Rates Outside of Sioux Falls

The Multi-Housing Survey does collect some rental data from units that are outside of the City of Sioux Falls, but within a certain radius. Information is provided by zip code for communities in the Sioux Falls region. No rental units in Parker were included in the January 2023 survey.

Employment and Local Economic Trends

While many factors influence the need for housing, employment opportunities represent a predominant demand generator. Without jobs and corresponding wages, the means to afford housing is severely limited. Much of the household growth that has occurred in the Sioux Falls MSA in the past decade was the direct result of job opportunities that were available, especially in the City of Sioux Falls. 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.

Major employers in Sioux Falls with more than 1,000 employees include:

- ▶ Sanford Health
- ▶ Avera
- ▶ John Morrell & Company
- ▶ Wells Fargo
- ▶ Sioux Falls School District
- ▶ Citibank
- ▶ Hy-Vee Food Stores
- ▶ Sioux Valley Clinic
- ▶ Evangelical Lutheran Good Samaritan Society
- ▶ Midwest Coast Transport
- ▶ WalMart/Sam's Club
- ▶ First PREMIER Bank/PREMIER Finance Bankcard
- ▶ City of Sioux Falls

Work Force and Unemployment Rates

Employment information is available for the Sioux Falls MSA. Information has been reviewed back to the year 2010. Data in the tables that follow have been obtained from the South Dakota Department of Labor.

Table 22 Sioux Falls MSA Annual Labor Statistics: 2010 to 2022						
Year	Labor Force	Employed	Unemployed	Unemployment Rate - MSA	Unemployment Rate - SD	Unemployment Rate - US
2010	133,585	127,238	6,347	4.8%	5.0%	9.6%
2011	134,281	128,513	5,768	4.3%	4.7%	8.9%
2012	136,615	131,430	5,185	3.8%	4.3%	8.1%
2013	138,817	134,408	4,409	3.2%	3.8%	7.4%
2014	141,705	137,621	4,084	2.9%	3.4%	6.2%
2015	144,400	140,650	3,750	2.6%	3.1%	5.3%
2016	146,949	143,305	3,644	2.5%	3.0%	4.9%
2017	150,020	145,981	4,039	2.7%	3.2%	4.4%
2018	152,316	148,354	3,962	2.6%	3.0%	3.9%
2019	155,468	151,110	4,358	2.8%	3.0%	3.7%
2020	156,605	149,880	6,275	4.3%	4.6%	8.1%
2021	159,995	156,025	3,970	2.5%	2.8%	5.3%
2022	163,101	159,830	3,271	2.0%	2.3%	3.7%

Source: South Dakota Department of Labor

The Sioux Falls MSA continues to be strong for labor force and job growth. Over the time period from 2010 through 2022, the size of the resident labor force increased by more than 29,500 people, or an increase of more than 22%. The employed resident work force increased by more than 32,600 people during this same time, for an increase of nearly 26%.

The MSA’s unemployment rate has generally decreased over this longer time period and pre-pandemic in 2019, was at only 2.8%. The Covid pandemic then impacted statistics for 2020, although the annual employment rate was still only 4.3%. But for 2022, the MSA’s unemployment rate had dropped to only 2%.

Employment and Wages by Industry

The following table shows the annual employment and average annual wages in 2021, the last full year of data. This information is for all of the MSA.

Table 23 MSA Average Annual Wages - 2021		
Industry	Total Employment	Average Weekly Wage
Total All Industry	157,592	\$1,102

Source: South Dakota Department of Labor

The average weekly wage for all industry in 2021 was \$1,102 for the Sioux Falls MSA. At full-time employment this would yield an annual average wage of more than \$57,300.

Commuting Patterns of Parker Residents

Information is available on area workers that commute for employment. The best information is from the American Community Survey, and has been examined for the City of Parker. The first table examines City residents that traveled to work and excludes people that work at home.

Table 24 Commuting Times for Parker Residents - 2021		
Travel Time	Number	Percent
Less than 10 minutes	100	18.6%
10 to 19 minutes	49	9.1%
20 to 29 minutes	100	18.6%
30 minutes +	290	53.8%
Total	539	100%

Source: American Community Survey

- ▶ A large majority of Parker’s residents were driving 20 minutes or more for their primary employment in 2021. Nearly 54% were traveling 30 minutes or more, often consistent with employment in Sioux Falls.

The ACS also identifies travel time by location of employment. For people that worked in Parker the following travel times were identified.

Table 25 Commuting Times for Parker-based Employees - 2021		
Travel Time	Number	Percent
Less than 10 minutes	150	35.7%
10 to 19 minutes	109	26.0%
20 to 29 minutes	95	22.6%
30 minutes +	66	15.7%
Total	420	100%

Source: American Community Survey

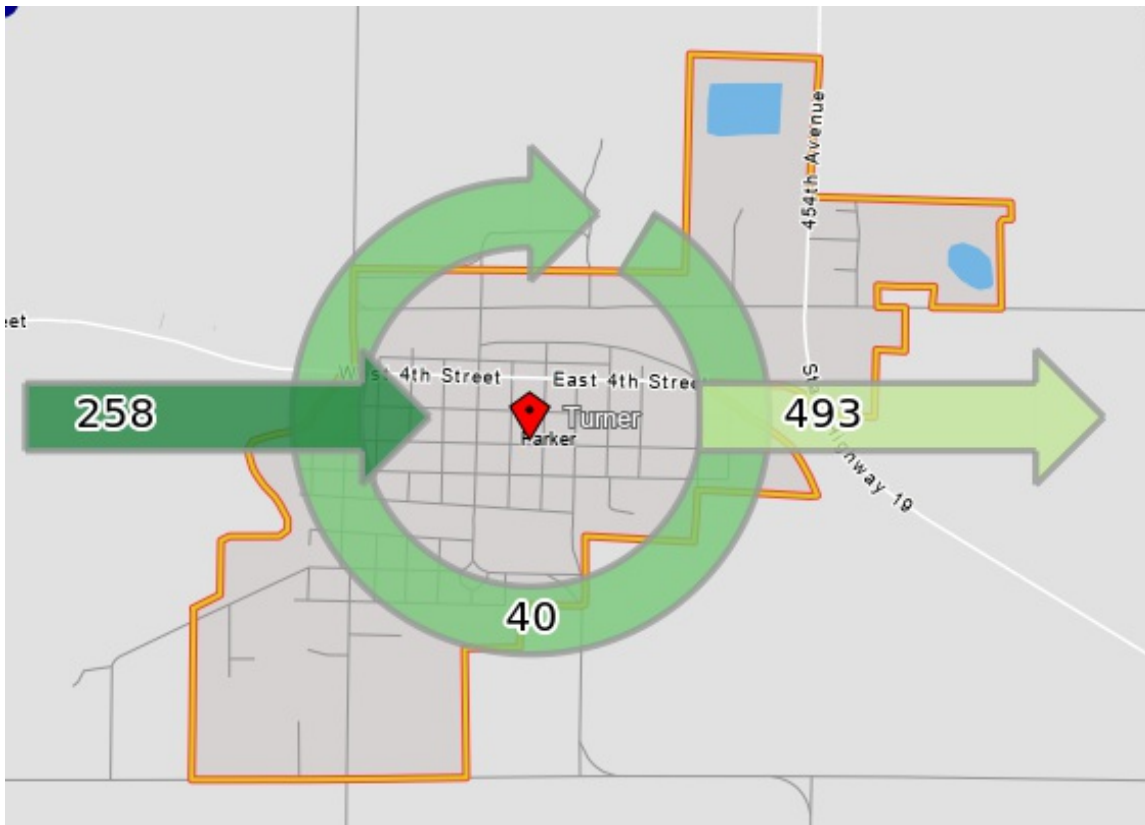
- ▶ Most of the people that worked in Parker traveled 19 minutes less in 2021, with nearly 62% living within the immediate area. However, nearly 16% of the people employed within the City were coming from greater distances, with a travel time of 30 minutes or more.

Census On the Map

The Census Bureau also produces commuter reports through its Center for Economic Studies division. This information is based on reports for the year 2020 but provides a further breakdown of worker movement.

According to the report for Parker, there were 298 people that were employed within the City in 2020. The large majority of these city-based employees did not live in Parker, with 258 people commuting in for their job. The primary jurisdictions supplying workers to Parker were Marion, Sioux Falls, Germantown Township and Marion Township.

On the Map can also be used to track worker outflow patterns from the City. Overall, there were 533 employed Parker residents, but 493 of these people worked outside the community. The primary identified destination for employment was Sioux Falls. Overall, more than 44% of Parker's residents that left the City were commuting to Sioux Falls. Other identified locations included Marion and Freeman.



Findings on Growth Trends

As part of this Study, Community Partners Research, Inc., has examined growth patterns for the City of Parker, as well as Turner County and the entire Sioux Falls MSA. Although Parker is a small community with limited growth over the past few decades, the City's location near a fast-growing metropolitan area gives it some potential for adding population and households in the future.

Based on the 2020 Census, Parker added 172 residents and 32 households between 2010 and 2020. Population growth was significantly greater than the City's household increase and was attributed to more people living in the average household, such as an increase of families with children.

While the City did average more than three additional households per year between 2010 and 2020, past growth has not been as consistent. Between 2000 and 2010 the City averaged less than one new household per year. If the 30-year time period from 1990 to 2020 is examined, Parker had a net gain of 67 total households, or an average of approximately two households per year.

Parker is located in Turner County, the second smallest of the four counties that form the Sioux Falls Metropolitan Statistical Area (MSA). Turner County has had a pattern of very limited growth. Over the 30-year time period from 1990 to 2020, the average annual net household growth in Turner County was less than five households per year.

The entire Sioux Falls MSA added more than 25,500 households between 2010 and 2020. Most of the household growth since 2010 was directly attributable to the Sioux Falls, as more than 65% of the MSA's household increase was within that City. More than 75% of the MSA's household growth was due to the five cities of Sioux Falls, Harrisburg, Brandon, Tea and Hartford.

Findings on Projected Growth

This Study has examined projections from established national sources, including both Applied Geographic Solutions (AGS) and Esri. In the opinion of the analysts, these household projections represent an overly conservative view of the City's growth potential.

In the opinion of the analysts, Parker has the potential to add approximately five households per year over the next five years, for a cumulative total of 25 households by 2027. While this growth forecast could prove to be conservative, if achieved it would be much greater than the level of numeric growth that the City has achieved over the past few decades.

The projection from Applied Geographic Solutions for Turner County point to a modest reduction of households going forward. Once again, this forecast tends to under estimate the impact of growth in the larger Sioux Falls region. Although large-scale growth is less likely in the Turner County portion of the MSA, the Sioux Falls area will add thousands of households and housing units each year through 2027, and some of this growth can potentially be captured by communities in Turner County, including Parker.

Summary of Growth Projections by Age

The Demographic section of this Study presented projection information on anticipated changes by age group from 2022 to 2027 in Parker. The base projections were generated by Esri, but have been adjusted upward slightly by Community Partners Research, Inc., to better reflect some additional growth potential in Parker. These age-based forecasts assume that approximately five households per year will be added in Parker, for an increase of 25 households over the 5-year projection period.

<u>Age Range</u>	<u>Projected Change in Households</u>
	<u>2022 to 2027</u>
15 to 24	2
25 to 34	-5
35 to 44	0
45 to 54	1
55 to 64	-1
65 to 74	14
75 and older	<u>14</u>
Total	25

In general, the movement of the “baby boom” generation through the aging cycle will generate many of the changes within age distribution patterns through the year 2027. If grouped into larger aggregations, these projections expect Parker to have an increasing number of households in the age ranges 65 and older. By the year 2027 nearly all of the large baby boom generation will be age 65 or older, and especially strong growth is being projected within the senior citizen age ranges.

While some of the younger adult age ranges may remain relatively stable or increase slightly in size, other ranges are projected to have fewer households. However, given the City’s location within the Sioux Falls region it may have greater success than projected in attracting younger households.

These projections represent an informed prediction of changes in the near-future for Parker. However, as a single jurisdiction within a large MSA, the actual growth patterns in the City will also be impacted by the larger trends within the MSA.

Findings on Unit Demand by Type of Housing

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

Age 24 and Younger - The projections used for this Housing Study expects the youngest adult age range to remain relatively stable through the year 2027. Past tenure patterns indicate that a majority of the younger households in Parker will rent their housing. No significant change in the number of households in this age range should mean that rental demand from younger households will remain stable during the projection period.

25 to 34 Years Old - The projections show a decrease of five households in this age cohort by 2027. Within this age range households often move from rental to ownership housing. A slight decrease in the number of households within this age range will mean that demand for both first-time home buyer and rental opportunities may decrease somewhat over the next five years.

35 to 44 Years Old - This 10-year age cohort is expected to remain stable between 2022 and 2027 in Parker. Households within this range often represent both first-time buyers and households looking for trade-up housing, selling their starter home for a more expensive house. Stability in this age group should yield growing demand for these housing options.

45 to 54 Years Old - The projections for this age range also show a stable number of households in this age range. This group historically has had a high rate of home ownership, and will often look for trade-up housing opportunities. With no significant change in households in this age group, the demand for trade-up housing from this age range will remain stable.

55 to 64 Years Old - The projections show relative stability in this 10-year age range by the year 2027. This age range has traditionally had a high rate of home ownership in Parker. Age-appropriate housing, such as town house or twin home units, is often well suited to the life-cycle preferences of this age group, as no maintenance/low maintenance housing has become a popular option for empty-nesters. Some households in this age range are also seeking trade-up housing.

65 to 74 Years Old - Household growth is expected in Parker within this age range, with the projections showing an increase of 14 households by the year 2027. While this group will begin moving to life-cycle housing options as they age, the younger seniors are still predominantly home owners. Once again, preferences for age-appropriate units should increase from household growth within this age cohort.

75 Years and Older - A gain of 14 households is projected among older seniors. Households in this age range often seek high quality rental housing or senior housing with services options.

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

Strengths for Housing Development

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

- ▶ **Parker serves as a small regional center** - Parker provides employment opportunities, retail/service options, health and professional services and recreational facilities for a geographical area that surrounds the City.
- ▶ **Median sales price of existing housing stock** - Our analysis shows that the City's median home value based on 2022 sales is approximately \$244,500. The median sales price is high, which make the construction of new housing financially feasible.
- ▶ **The Meadows Subdivision** - The Parker Development Corporation has developed the Meadows Subdivision. There are approximately 19 remaining residential lots that are available for sale in the subdivision.
- ▶ **Population and Household Growth** - Community Partners Research, Inc., is forecasting that Parker will gain population and households over the next five years.
- ▶ **Adequate land for development** - Parker has land available for additional residential and commercial/industrial development. However, some of this land needs to be available for sale, serviced with infrastructure improvements and/or annexed into the City limits. There is land available adjacent to the Meadows for future phases of residential lot development.
- ▶ **Proactive City involvement** - Parker has a track record of being proactive and working with housing agencies and the private sector to develop housing opportunities.
- ▶ **Educational system** - Parker has a pre-K through grade 12 public school.
- ▶ **Infrastructure** - Parker's water and sewer infrastructure can accommodate future expansion.

- ▶ **Commuter** - Approximately 258 Parker employees are commuting into the City daily for work. These commuters are a potential market for future housing construction.
- ▶ **Median household and family incomes** - The City of Parker's household and family incomes are high compared to most South Dakota cities. Therefore, a significant number of households in Parker have the financial resources to purchase new housing.
- ▶ **Commercial development** - Parker's commercial district is adequate to meet most daily needs.
- ▶ **Parker Housing and Redevelopment Commission** - The Parker Housing and Redevelopment Commission (HRC) owns and manages rental housing in Parker.
- ▶ **Parker Development Corporation** - The Parker Development Corporation is active in promoting housing, economic development and employment opportunities in Parker.
- ▶ **Small-town atmosphere** - Parker is a small town with the real and perceived amenities of small communities. This small-town living is attractive to some households.
- ▶ **Parker is located near three regional centers** - Parker is located 30 miles from Sioux Falls, 52 miles from Yankton and 51 miles from Vermillion, all of which are regional centers. These regional centers provide employment opportunities, retail/service options, educational facilities, government services, health and professional services and cultural amenities. Many households prefer to live near, but not in a regional center.
- ▶ **Health Care Facilities** - Parker has a medical clinic and a dental clinic.
- ▶ **Dairy Operations** - Dairy Operations are located in the Parker area, which have an impact on housing needs in Parker.
- ▶ **Sioux Falls MSA** - The City of Parker and Turner County are in the Sioux Falls MSA. An average of approximately 4,000 housing units has been constructed annually in the MSA over the past few years. Parker will capture a portion of this housing development.

Barriers or Limitations to Housing Activities

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

- ▶ **Age and condition of the housing stock** - While the existing stock is affordable, some of the housing is in need of improvements to meet expectations of potential buyers.
- ▶ **Low rent structure** - The area's rent structure is relatively low, which makes it difficult to construct new rental housing.
- ▶ **Communities in the Sioux Falls MSA** - Although it is a strength to be located in the Sioux Falls MSA, it is also a barrier as Parker must compete with other communities in the MSA, which offer attractive residential opportunities and other amenities and services.
- ▶ **Limited commercial options** - The City of Parker has commercial and retail opportunities to meet daily needs, but it has limited other retail and commercial options.
- ▶ **Staff capacity limitations** - Although the City has access to several housing agencies, it is difficult to develop and implement housing initiatives with limited staff resources.
- ▶ **Lower-paying jobs** - Although Parker has job opportunities, some jobs at the lower end of the pay scale and employees with these jobs have limited housing choices.
- ▶ **Lack of new housing construction** - There has been limited new housing construction in Parker over the past several years.

Recommendations, Strategies and Housing Opportunities

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

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

Summary of Findings/Recommendations

The findings/recommendations for the City of Parker have been formulated through the analysis of the information provided in the previous sections and include 19 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 20 to 24 general occupancy market rate rental units
2. Promote the development/conversion of five to six affordable rental units
3. Develop eight to 10 subsidized rental units
4. Senior housing with a level of services recommendation
5. Develop 14 to 16 senior independent/light services market rate units
6. Utilize the Housing Choice Voucher Program
7. Develop a mixed-use commercial/housing project

Home Ownership

8. Utilize and promote all programs that assist with home ownership
9. Develop a purchase/rehabilitation program

Single Family Housing Development

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

Housing Rehabilitation

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

Other Housing Issues

16. Acquire and demolish dilapidated structures
17. Create a plan and a coordinated effort among housing agencies
18. Strategies for downtown redevelopment and commercial development
19. Develop and promote home ownership and new construction programs

Parker - Recommendations Rental Housing Development

Rental Housing Development

Overview

It is difficult to produce new affordable rental units. A number of factors including federal tax policy, state property tax rates, a low rent structure and high construction costs have all contributed to making rental housing difficult, especially in small cities.

Based on available building permit reporting, 11 rental housing units in two 4-plexes and a triplex have been constructed in the City of Parker from 2010 to 2022. Also, a rental 4-plex is under construction in 2023.

Also, some changes in the City's rental stock may have occurred due to tenure conversion, with rental houses changing to owner-occupancy, or vice versa.

Demand for new rental housing in Parker is generated from three factors:

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

Community Partners Research, Inc., household projections for Parker expect household growth. From 2023 to 2027, Community Partners Research, Inc., forecasts that there will be a gain of approximately 25 households in Parker. This is a gain of five households annually. We are projecting that approximately 12 new households will be seeking rental housing.

Demand created by replacement of lost units is more difficult to determine, but the best available evidence suggests that the City will lose approximately six to eight total rental units from 2023 to 2027. In some cases, this unit replacement will be necessary as existing units are removed from the inventory through demolition or conversion. However, in some cases, the unit replacement will be due to single family rental houses converting to owner-occupancy.

Pent-up demand also exists. As part of this study, a rental survey was conducted. There were 53 market rate and subsidized rental units contacted and surveyed. The survey found no vacant units. The rental property owners and managers reported a high demand for rental units.

Based on projected household growth, no vacancies in existing rental projects and the lack of certain rental unit types, we identified pent-up demand for market rate units/moderate rent units, subsidized and senior independent/light services units in Parker.

These three demand generators, after factoring current occupancy rates, show a need for 47 to 56 rental units in Parker over the next five years. Based on the factors stated above, we recommend the development of the following new rental units from 2023 to 2027.

▶ General Occupancy Market Rate	20-24 units
▶ Affordable Conversions	5-6 units
▶ Subsidized	8-10 units
▶ Senior (Independent/Light Services)	<u>14-16 units</u>
Total	47-56 units

For 47 to 56 additional rental units to be developed over the next five years, affordable land and infrastructure must be available for multi-family construction. Additionally, the City of Parker must continue to develop amenities that make it an attractive residential option for households.

1. Develop 20 to 24 general occupancy market rate/moderate rental units

Findings: It is estimated that the entire rental inventory in the City of Parker includes approximately 120 to 125 total units in 2023. Approximately 84% of these rental units can be classified as general occupancy market rate housing. These units are free of any specific occupancy restrictions such as financial status, age, or student enrollment. Market rate housing does not have any form of rent controls, other than those imposed by the competitive marketplace.

Of the 32 market rate rental units we surveyed, we found no vacancies. The rental property owners and managers reported high ongoing occupancy rates and strong demand for market rate housing.

The only three-bedroom and four-bedroom market rate units are in single family homes. There are no three-bedroom or larger units in the City's market rate multifamily rental projects.

Parker is projected to add households over the next five years. Approximately 50% of these households will be seeking rental housing. Also, our interviews and rental survey identified a need for additional market rate rental housing.

Additionally, a significant increase of households is projected for the Sioux City MSA. While this projection is for the overall growth in the MSA, Parker has the potential to capture a share of this growth.

We are also expecting the loss of rental households in Parker and Turner County due to deterioration and demolition. We have identified single family homes in Parker that are dilapidated and beyond repair. We also identified single family homes that need major rehabilitation. Some of these dwellings are rentals and may be demolished or no longer rented because of their condition.

Also, there are dairy operations in the Parker area, which have created additional demand for rental housing.

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

Based on this combination of demand generators, we believe that it is reasonable to plan for production of between 20 and 24 market rate units over the next five years, including luxury, moderate rent and workforce housing.

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

Town home style units or high quality apartment buildings are both options in addressing the need for market rate units. The projects, to be successful, should have 'state of the art' amenities.

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

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

Additionally, the Parker Housing and Redevelopment Commission or the Parker Development Corporation could partner with private developers to construct additional units. However, financial assistance, including the resources listed above, may still be needed.

The units could be added in phases, as demand dictates the need for additional units. In this way the supply could be expanded without saturating the market. Additionally, some of the units should be three-bedroom units as there is a shortage of three-bedroom units in Parker.

In 2023, we are recommending the development of 20 to 24 units and the unit mix and rents should be as follows:

Recommended unit mix, sizes and rents for the Parker Market Rate Housing Project:

<u>Unit Type</u>	<u>No. of Units</u>	<u>Size/Sq. Ft.</u>	<u>Rent</u>
One Bedroom	4-5	650-800	\$700-\$900
Two Bedroom	13-15	850-1,050	\$850-\$1,200
Three Bedroom	<u>3-4</u>	1,100-1,250	\$1,000-\$1,350
Total	20-24		

Note: Rents are quoted in 2023 dollars and include utilities.

It would be advantageous to keep the rent structure at or below the rent limits for the Housing Voucher Program. This would allow renter households to participate in the Housing Voucher Program and expand the number of households that could afford the proposed rents. The 2023 Rent Limits for the Housing Choice Voucher Program are:

- ▶ One Bedroom - \$793
- ▶ Two Bedroom - \$949
- ▶ Three Bedroom - \$1,274

2. Promote the development/conversion of five to six affordable rental units

Findings: The previous recommendation addressed the market potential to develop high quality rental units in Parker. Unfortunately, these units would tend to be beyond the financial capability of many area renters. Approximately 50% of Parker renter households have an annual income below \$30,000. These households would need a rental unit at \$750 per month or less.

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

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

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

It would be difficult to create units through new construction. Instead, it may be more practical to work on building renovation or conversion projects that can create housing. This opportunity may arise in existing buildings or through the purchase and rehabilitation of existing single family homes. According to the U.S. Census, in 2020 there were vacant housing units in Parker. Potentially, some of these units could be renovated to be quality rental units. These units could be developed by a housing agency or by a private developer. A partnership between a housing agency and private developers is another option.

Creating rental units with contract rents below \$750 per month would help to expand the choices available to a majority of the City's renter households.

To obtain an affordable rent structure, financial commitments from other sources such as tax increment financing, property tax abatement or deferment from the City of Parker and other financial resources from funding agencies such as the South Dakota Housing Development Authority may be necessary.

3. Develop eight to 10 subsidized rental units

Findings: In 2023, Parker has only one subsidized rental project. Turner Village is a 22-unit HUD Public Housing Project. Turner Village is a general occupancy project, however, senior or disabled applicants have an occupancy preference. There are 18 one-bedroom and four two-bedroom units. At the time of the rental survey, the units were fully occupied and there is a waiting list.

The City of Parker originally had two additional subsidized projects with a combined total of 16 rental units. However, both of these projects have ended their subsidy contracts and were converted to conventional market rate housing.

Recommendation: Based on the projected growth of renter households in Parker, Turner Village’s high occupancy rate, the loss of 16 subsidized units due to conversion and the demand for affordable rental units, we recommend the development of deep subsidy rental housing for lower income renters. Over the next five years, we recommend the construction of eight to 10 units that achieve a rent level that would be affordable to very low income households earning less than \$35,000 per year.

This recommendation represents a modest goal, however, over the past few decades, very few federal subsidy sources have been available for the construction of “deep subsidy” rental housing. The actual number of units that can be developed will be dependent upon access to financial resources.

In the opinion of the analysts, the highest priority would be to create general occupancy units for families and younger households.

Expanded promotion of Housing Choice Vouchers may also be appropriate. Although Vouchers are tenant-based, and may not remain in the City if the tenant moves, the Voucher can eliminate a severe rent burden by allowing the household to apply only 30% of income for gross rent. However, the Voucher Program has a significant waiting list.

4. Senior housing with a high level of services recommendation

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

Lower-service housing, sometimes referred to as congregate senior housing, generally offers the availability of a daily meal, and services such as weekly light housekeeping.

The City of Parker currently has no senior housing with services projects. However, there are senior housing with services projects in other Turner County cities including Centerville, Viborg and Marion. Also, Sioux Falls has multiple senior housing with services options.

Recommendation: With the senior housing with a high level of services options in the area and with a limited senior population in Parker, we are not recommending the development of senior housing with a high level of services in Parker at this time. However, in the next recommendation we are recommending the development of an independent/light services senior project.

The need for future senior housing that provides a high level of services should continue to be monitored. Potentially, if a senior independent/light services project is developed in Parker, a future phase could potentially include assisted living, which provides a higher level of services.

5. Develop 14 to 16 senior independent/light services market rate units

Findings: To determine the need for senior independent/light services market rate units in Parker, we have analyzed data for the City of Parker and Turner County.

Currently, there are approximately 150 households age 65 or older in Parker. It is projected that the number of households age 65 and older will increase by approximately 28 households by 2027. We are estimating that approximately 5% of senior households age 65 and older in Parker would move into a senior independent/light services rental project. Also, additional senior households would be expected to move into a senior independent/light services project from other cities in Turner County and from locations outside of the County.

Recommendation: We are recommending a 14 to 16-unit independent/light services market rate senior project in the City of Parker. The project should be designed to allow seniors to live in a unit independently and for seniors who need minimal services. The senior project could be a one-level apartment building or town home-style.

The project's amenities and features should include:

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

Apartment features should include:

- ▶ 14 to 16 units
 - ▶ 4 to 5 one-bedroom
 - ▶ 10 to 11 two-bedroom
- ▶ Floor plans that promote accessibility
- ▶ Fully equipped kitchen
- ▶ Large storage area
- ▶ Ample closet space
- ▶ Laundry hookups
- ▶ Open floor plan
- ▶ Private patio
- ▶ Individually controlled heat and AC
- ▶ Raised outlets, lever door handles, lowered kitchen cabinets
- ▶ Expansive windows

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

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

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

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

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

We also recommend monitoring the future demand for a 2nd phase project that includes assisted living units.

6. Utilize the Housing Choice Voucher Program

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

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

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 Turner County by the Lennox Housing and Redevelopment Commission. There currently is a waiting list of approximately 2.5 years to obtain a Housing Choice Voucher.

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

However, the low number of Housing Choice Vouchers available and the length of the waiting list limit the usage of Housing Choice Vouchers by Parker households.

7. Develop a Mixed-Use Commercial/Housing Project

Findings: A mixed-use rental housing/commercial project in Parker would complement the City's efforts to develop additional commercial/retail options in Parker. New mixed-use projects have been developed in several cities comparable to the size of Parker. Some of these projects were developed because of market demand while others were developed to introduce a new product to the market or to serve as a catalyst for commercial development/redevelopment.

Recommendation: We recommend the development of a mixed-use building in Parker. There are several potential sites for a mixed-use commercial/housing project.

Prior to construction, a portion of the commercial space should be leased to an anchor tenant who would complement existing businesses and attract people to the commercial area. Also, there should be sensitivity to the timing of the project and type of commercial tenants the project will have, to assure the project is an asset to the City of Parker.

The rental units should be primarily market rate units, but could be mixed income with some moderate income units. The units should be primarily one and two-bedroom units. Please note that these units are not in addition to the units recommended in the previous recommendations of this section. If a mixed use building was constructed, the number of units recommended previously should be reduced.

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

Parker - Home Ownership Recommendations

Home Ownership

Findings: Expanding home ownership opportunities is one of the primary goals for most cities. High rates of home ownership promote stable communities and strengthen the local tax base. The median owner-occupied home value in Parker is estimated to be approximately \$244,500 based on 2022 sales activity. The home values in Parker provide an excellent opportunity for first time buyers and households seeking moderately priced homes.

Our analysis of Parker’s demographic trends shows a stable ongoing number of households in the traditionally strong home ownership age ranges between 35 and 64 years old. These households represent both first-time home buyers and households seeking to trade-up to a higher-priced home. There will be a significant increase of households in the 65 and older age ranges. These households are often looking for low-maintenance housing or senior housing with services. Some households in these age ranges as well as other age ranges that have not been able to achieve the goal of home ownership may need the assistance of special programs to help them purchase their first home.

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

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

Findings: We believe that affordable home ownership is one of the issues facing Parker 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, gap financing, low interest loans and home ownership counseling and training programs can help to address affordable housing issues. The City of Parker has a supply of houses that are price-eligible for these assistance programs. The home value estimates used in this study indicate that a majority of the existing stock currently is valued under the purchase price limits for the first-time home buyer assistance programs.

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

Recommendation: We recommend that the City of Parker work with area housing agencies, the South Dakota Housing Development Authority and local financial institutions to utilize all available home ownership assistance programs. Private and nonprofit agencies should also be encouraged to provide home ownership opportunities.

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

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

9. Develop a Purchase/Rehabilitation Program

Findings: The City of Parker has a limited stock of older, lower-valued homes, some of which need repairs. Our analysis of recent sales activity indicates that approximately 19% of the homes in Parker are valued less than \$100,000. As some lower valued homes come up for sale, they may not be attractive options for potential home buyers because of the amount of repair work that is required.

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

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

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

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

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

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

Parker - Single Family Housing Development

Single Family Housing Development

Findings: Based on City and U.S. Census Bureau information, Parker has experienced some single family housing development from 2010 to 2022. Over the past 13 years, 40 owner-occupancy single family houses and twin towns have been constructed in or moved into Parker. This is an average of approximately three homes constructed annually in Parker. The attractiveness of the City of Parker, the City’s amenities, available residential lots, and the projected substantial household growth of the Sioux Falls MSA, should result in the construction of owner-occupied housing units over the next five years.

Household growth projections for Parker indicate demand for owner-occupied housing construction. A stable number of households is anticipated over the next five years in Parker in the 45 to 64 age ranges. Households in these age ranges tend to be predominantly home owners, and form a market for higher priced, trade-up housing or town homes/twin homes. There may also be some first-time home buyers in this age range.

Significant growth is projected among senior-headed households age 65 and older. These households represent a market for lower maintenance housing such as twin homes.

Also, strong household growth in all age ranges is projected for the Sioux Falls MSA. Parker has the opportunity to capture some of the MSA’s household growth.

It is our opinion that if the City, the Parker Development Corporation, housing agencies, developers and builders are proactive, and if residential lots are available for all types and prices of housing units, 32 to 42 owner-occupancy housing units can be constructed or moved into Parker over the next six years, from 2023 to 2028.

The breakdown of our projection of 32 to 42 new owner-occupied housing units over the next five years is as follows:

▶ Higher and Medium priced homes (over \$340,000)	12-15
▶ Affordable Homes (under \$340,000)	12-15
▶ Twin homes/Town homes	8-12
	<hr/>
Total	32-42

10. 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 Parker. The Parker Development Corporation has developed 'The Meadows' which is a 33-residential lot subdivision. There are 19 lots still available for sale in the subdivision. There is also land available for future phases of lot development.

The Meadows lots are primarily for entry-level and mid-level homes. The four other residential lot subdivisions that have been developed since 2000 are all fully occupied with the exception of only one remaining lot.

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

Potential sites have been identified for future lot development in addition to the Meadows.

Recommendation: We are projecting that 32 to 42 new owner-occupied housing units will be constructed over the next six years in Parker.

With approximately 19 residential lots available in the Meadows Subdivision, plus a few miscellaneous available lots, Parker will need additional lots over the next six years if the new housing construction that is projected comes to fruition. Therefore, it is our recommendation that an additional 20 to 25 lots be developed in Parker over the next six years. This will provide an adequate number of lots for the six-year projection period and for a few additional years beyond the projection period.

Future lots/subdivision development should include the following:

- ▶ The lots should be primarily for median and high-priced homes as there currently is lot inventory for affordable homes.
- ▶ It may be advantageous to develop the lots in phases.
- ▶ The lots must be as aesthetically acceptable as possible and include high quality amenities and be in prime locations.

- ▶ The subdivision(s) should have covenants that assure high quality development. However, the covenants should not be so restrictive that they eliminate the target market’s ability to construct a home.
- ▶ The subdivision(s) should accommodate a variety of home designs.
- ▶ Employers should be involved in promoting and publicizing the subdivision.
- ▶ Successful subdivisions will need the cooperation of housing agencies, financial institutions, funding agencies, employers, the Parker Development Corporation and the City of Parker. Financial assistance such as tax increment financing, tax abatement, tax deferral, and state and federal funding may be necessary to make the development of lots feasible.
- ▶ The lots should expand the market by providing attractive residential lot options.
- ▶ Some lots should be available for twin home/town home development.
- ▶ The development process should be as user-friendly and streamlined as possible.

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

Findings: Over the past 13 years, approximately 40 owner-occupancy new single family housing units have been constructed in the City of Parker. To construct new single family owner-occupied housing units at an increased rate, we recommend several strategies.

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

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

- ▶ ***Develop momentum*** - The City, the Parker Development Corporation and housing stakeholders should continue to develop a working formula for new home construction. The City should maintain ongoing new construction momentum by assuring that there are an adequate number of developers, builders, residential lots for all types of housing, etc.
- ▶ ***Competitive pricing*** - There are lots available in communities throughout the region. To continue to attract new home construction in Parker, lots should remain competitively priced in comparison to other options in the area.
- ▶ ***User-Friendly*** - The lot purchase and home building process must be 'user friendly.' This includes the construction of spec homes, builders that are readily available to build custom homes and city regulations that are fair and reasonable. The entire process must be as 'user friendly' as possible to encourage home construction.
- ▶ ***Continue to evaluate existing residential lots in the City*** - The existing residential lots should be evaluated on an ongoing basis to determine if the current lots are of the size, type and price, to generate the highest number of housing units.
- ▶ ***Long-term planning*** - The City of Parker, the Parker Development Corporation and private developers should continue long-term development planning to assure lots are available to meet demand for all types and pricing of new housing on an ongoing basis.
- ▶ ***Promote spec home construction*** - Spec houses attract a buyer that is not interested in going through the home building process, but instead wants a turnkey unit. A spec home can also serve as a model, allowing potential home buyers to examine specific floor plans and features in the home before committing to buy.

- ▶ ***Lot availability for twin home/town home development*** - It is our opinion that there will be a demand for twin homes/town homes over the six-year projection period. Lots should be available for a twin home/town home development.
- ▶ ***Range of house prices*** - Lots should be available to as wide a range of home sizes and prices as possible, without compromising the subdivisions. This broadens the lot buyer market. Also, smaller infill lots with fewer amenities could be marketed for affordable homes.
- ▶ ***Marketing*** - The City of Parker will need to continue a comprehensive marketing strategy to sell available lots. All stakeholders including developers, realtors, financial institutions, builders, employers, etc. should to be included in marketing strategies. In addition to marketing the lots, the City of Parker and its amenities should be marketed.
- ▶ ***Covenants*** - New lots in Parker may have covenants that assure quality development. The covenants should assure that they protect the integrity of the subdivision, but are not a barrier to new construction and do not prevent the target markets from constructing homes.
- ▶ ***Lot Availability for affordable homes*** - Lots should be available for affordable homes including modular homes and Governor’s Homes that provide affordable ownership options for moderate income households.
- ▶ ***Incentives*** - Many cities throughout South Dakota are offering incentives to construct new homes, including reduced lot prices, reduced water and sewer hookup fees, tax abatements, tax deferments, cash incentives, etc.
- ▶ ***Infill lot home development*** - Infill lots in existing neighborhoods are often affordable and have existing City services.
- ▶ ***Housing programs*** - The South Dakota Housing Development Authority, USDA Rural Development and other housing agencies may have housing programs available to assist developers, builders and home buyers.

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

Findings: There are several housing agencies and nonprofit groups that may have the capacity to construct new housing in Parker, including the Parker Development Corporation, the Parker Housing and Redevelopment Commission, Grow South Dakota and Interlakes Community Action Partnership.

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

Recommendation: We encourage the City of Parker to actively work with economic development and housing agencies or nonprofit groups to develop affordable housing.

The Parker Housing and Redevelopment Commission and the Parker Development Corporation should consider the construction of affordable homes. The development of a Mutual Self Help Program should also be considered. The development of two to three affordable homes over the next six years would be a realistic goal.

Additionally, the Parker Housing and Redevelopment Commission and the Parker Development Corporation should work with households to move Governors Homes into the Community. The South Eastern Council of Governments assists cities with locating Governors Homes in their communities. In the past, Governors Homes have been moved into Parker, including some units into The Meadows.

13. Promote twin home/town home development

Findings: Attached housing provides desirable alternatives for empty nesters and seniors to move out of their single family homes, thus, making homes available for families. It is important for the community to offer a range of life-cycle housing options. Over the past 13 years from 2010 to 2023, three owner-occupied twinhomes (six units) have been constructed in Parker.

In 2022, there were approximately 243 Parker households in the 55 and older age ranges. The number of empty-nester and senior households should result in some demand for attached single family units. It is likely that demand for attached housing units will also be dependent on the product's ability to gain additional market acceptance among the households in the prime target market, and among other households.

Recommendation: It is our projection that approximately eight to 12 new owner-occupancy housing units can be constructed in twinhomes/townhomes in Parker over the next six years with the potential to develop additional twinhomes/townhomes after the six-year projection period. Our projection is based on the availability of an ideal location for twin home development as well as high quality design and workmanship.

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

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

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

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

Parker - Housing Rehabilitation

Housing Rehabilitation

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

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

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

14. Promote rental housing rehabilitation

Findings: Based on the available data, it is estimated that the City of Parker has approximately 120 to 125 rental units in 2023. These rental buildings are in multi-family projects, small rental buildings, duplexes and single family homes. Approximately 53% of the rental units in Parker are more than 40 years old. Some of these rental structures are in poor condition and could benefit from rehabilitation.

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

15. Promote owner-occupied housing rehabilitation efforts

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

Approximately 52% of the owner-occupied homes in the City of Parker are more than 60 years old. Some of these older homes need rehabilitation to continue to be viable housing options.

In Parker, we also conducted a housing condition survey of 295 single family homes and duplexes in four of the City's oldest neighborhoods. There were 110 homes identified as needing minor repair and 54 homes needing major repair. Without rehabilitation assistance, the affordable housing stock will shrink in Parker.

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

Interlakes Community Action Partnership currently has several housing programs to assist households with the rehabilitation of their homes including the Self Help Rehabilitation Program. Also, the Rural Office of Community Services, Inc., provides Weatherization funds for Parker and Turner County.

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

Parker - Other Housing Initiatives

Other Housing Initiatives

16. Acquire and Demolish Dilapidated Structures

Findings: There are single family houses in the City of Parker that are dilapidated and too deteriorated to rehabilitate. We identified seven homes in Parker’s older neighborhoods that are dilapidated and beyond repair. We also identified 54 single family homes in the neighborhoods as needing major repair and some of these homes may be too dilapidated to rehabilitate. To improve the quality of the housing stock and to maintain the appearance of the City, these structures, when possible, should be demolished. In the past, the City has worked with property owners to demolish several dilapidated structures.

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

We also recommend that the City of Parker maintain an inventory of structures that may be candidates for future acquisition. An inventory of in-fill lots for future development should also be maintained.

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

Findings: The City of Parker will continue to need staff resources in addition to existing City personnel and local volunteers to plan and implement many of the housing recommendations advanced in this Study. The City of Parker has access to the South Eastern Council of Governments, the USDA Rural Development Office, the South Dakota Housing Development Authority, Interlakes Community Action Partnership, the Rural Office of Community Services, the South Eastern Development Foundation, Grow South Dakota and the Lennox Housing and Redevelopment Commission. These agencies all have experience with housing and community development programs.

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

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

18. Strategies for downtown redevelopment and commercial development

Findings: The City of Parker has a limited number of downtown commercial buildings. While some of the buildings have been maintained or improved over time, there are buildings that have not been maintained and are substandard. This recommendation provides an outline of actions that could be taken to continue to redevelop the downtown, to maximize the usage of downtown buildings and to promote new downtown businesses.

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

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

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

- ▶ Identify funding sources
 - ▶ Property owner funds
 - ▶ City of Parker
 - ▶ Federal Home Loan Bank
 - ▶ Special tax districts
 - ▶ Tax increment financing
 - ▶ Tax abatement
 - ▶ Tax deferments
 - ▶ Funds from South Dakota State Agencies
 - ▶ Parker Development Corporation
 - ▶ Parker Housing and Redevelopment Commission

- ▶ Work with stakeholders to identify roles, secure funding, develop and implement programs and projects
 - ▶ Property owners
 - ▶ City of Parker
 - ▶ South Eastern Council of Governments
 - ▶ Parker Development Corporation
 - ▶ Parker Housing and Redevelopment Commission

19. Develop and promote home ownership and new construction programs

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

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

- ▶ Determine the City's strengths and competitive advantages and heavily promote them
- ▶ Continue to create marketing materials that can be distributed regionally (including social media, TV, radio, etc.)
- ▶ Work closely with employers (Parker and the Sioux Falls MSA) to provide employees (especially new employees) with housing opportunities in Parker

- ▶ Work with housing agencies to provide down payment assistance, low interest loans, gap financing, home owner education and home owner counseling programs
- ▶ Continue to work with builders to make lot development and the construction of new homes as user-friendly as possible
- ▶ Continue to work on the creation of jobs and the development of retail, service, medical and recreational opportunities that can make the City a “full service” community
- ▶ Continue to provide attractive lots at an affordable price for a variety of home sizes, styles and price ranges
- ▶ Preserve the quality of existing neighborhoods through the rehabilitation of substandard housing and the demolition of dilapidated structures that are beyond repair
- ▶ Continue to develop new housing choices that serve life-cycle housing needs, such as new rental housing, twin homes, senior housing, etc.
- ▶ Review the City’s policies and fees to assure that they are user-friendly, fair and receptive for developers, builders and households
- ▶ Develop a coordinated housing plan with the private sector and area housing agencies

Agencies and Resources

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

InterLakes Community Action Partnership

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

South Eastern Development Foundation

500 North Western Avenue, Suite 100
Sioux Falls, SD 57104
(605) 367-5390
Contact: Lynne Keller Forbes, Executive Director

South Eastern Council of Governments

500 North Western Avenue, Suite 100
Sioux Falls, SD 57104
(605) 367-5390
Contact: Lynne Keller Forbes, Executive Director

South Dakota Housing Development Authority

P.O. Box 1237
3060 E. Elizabeth Street
Pierre, SD 57501
(605) 773-3181

USDA Rural Development

2408 East Benson Road
Sioux Falls, SD 57104
(605) 996-1564
Contact: Trace Davids

Rural Office of Community Services, Inc.

214 W. Main
P.O. Box 70
Lake Andes, SD 57356
(605) 698-7654
Contact: Deb Cahoy, Executive Director

Lennox Housing and Redevelopment Commission

217 S. Pine Street

P.O. Box 265

Lennox, SD 57039

(605) 647-2140

Contact: Monica Kock, Executive Director