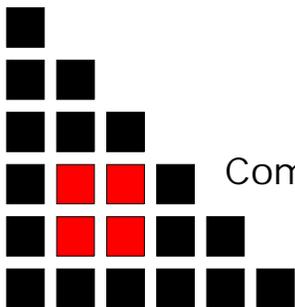


Huron HOUSING STUDY

March 2013

An analysis of the overall housing needs
of the City of Huron and the Town of Alpena



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Introduction

Overview

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

Community Partners Research, Inc., was hired by the Huron Housing and Redevelopment Authority to conduct a study of the housing needs and conditions in the City of Huron and the Town of Alpena.

Goals

The multiple goals of the study include:

- ▶ Provide updated demographic data including the 2010 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 December 2012 through February 2013. Data sources included:

- U.S. Census Bureau and the American Community Survey
- Records and data from the City of Huron and Beadle County
- South Dakota State Data Center
- Interviews with City officials, community leaders, housing stakeholders, etc.
- Area housing agencies
- State and Federal housing agencies
- Rental property owner surveys
- Housing condition surveys

Limitations

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

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Demographic Data Overview

Sources of Data

The following pages contain demographic data obtained from a variety of local, state and national sources for Huron, Alpena and Beadle County. At the time research was completed for this Study, the 2010 Census information was available. However, the 2010 Census was more limited in scope than in the past. As a result, some of the demographic variables, such as income and housing cost information, were not available.

To supplement the decennial Census, the Census Bureau has created the American Community Survey, an annual sampling of households. The American Community Survey provides detailed demographic characteristics, replacing information once collected by the decennial Census. However, because the American Community Survey is based on sampling data, there is a margin of error that exists for each estimate. The following tables incorporate the 2010 Census data, when available, or the 2011 American Community Survey data.

The frequency of American Community Survey estimates varies depending on the size of the jurisdiction. For most jurisdictions in South Dakota, the 2011 estimates were derived from sampling that was done over a five-year period, between 2007 and 2011. Unless otherwise noted, the American Community Survey estimates are based on the five-year survey data.

Population Data and Trends

Table 1 Population Trends - 1980 to 2010						
	1980 Population	1990 Population	2000 Population	% Change 1990-2000	2010 Population	% Change 2000-2010
Huron	13,000	12,448	11,893	-4.5%	12,592	5.9%
Alpena	288	251	265	5.6%	286	7.9%
Beadle County	19,125	18,253	17,023	-6.7%	17,398	2.2%

Source: U.S. Census

- ▶ The 2010 U.S. Census Bureau's population data was released in March 2011. Huron, Alpena and Beadle County all gained population from 2000 to 2010.
- ▶ Huron's population was 12,592 in 2010. This is a 699-person increase since 2000, which is a population gain of 5.9%.
- ▶ Beadle County's population was 17,398 in 2010. This is a 375-person increase since 2000, which is a population gain of 2.2%.
- ▶ Alpena's population was 286 in 2010. This is a 21-person increase since 2000, which is a population gain of 7.9%.
- ▶ Huron and Beadle County experienced population decreases in the 1990s. Huron's population decreased by 555 people and Beadle County's population decreased by 1,230 people. Alpena's population increased by 14 people from 1990 to 2000.
- ▶ Huron's population is primarily White and non-Hispanic. At the time of the 2010 Census, approximately 89% of the City's residents identified their race White, however, approximately 5% were Asian, 2% were Black or African American, 2% were American Indian and 4.4% were in the Other Race category. Approximately 10% of Huron's population is Hispanic or Latino.
- ▶ Approximately 24% of Alpena's population is Hispanic or Latino.
- ▶ According to the Census Bureau, 317 Huron residents live in group quarters.

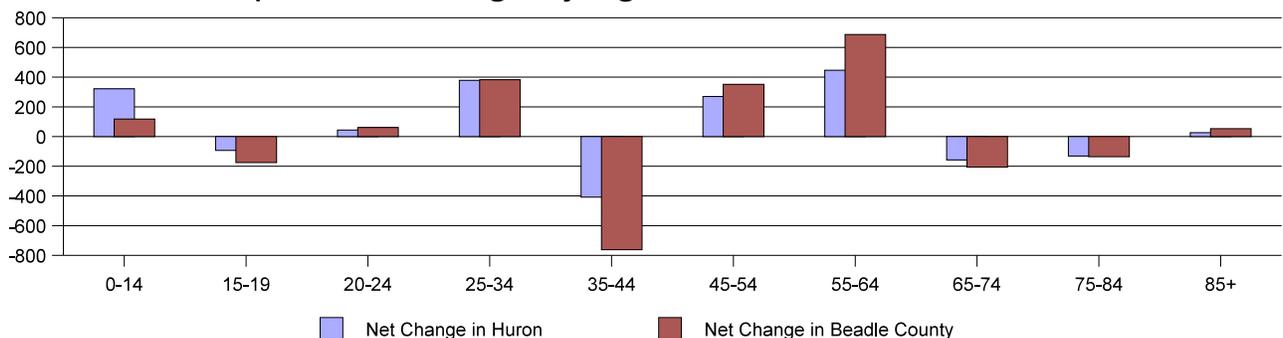
Population by Age Trends: 2000 to 2010

The release of demographic information from the 2010 Census allows for some analysis of the changing age patterns for Huron and Beadle County. The following table compares population by age in 2000 and 2010, along with the numeric changes.

Table 2 Population by Age - 2000 to 2010						
Age	Huron			Beadle County		
	2000	2010	Change	2000	2010	Change
0-14	2,218	2,540	322	3,349	3,467	118
15-19	892	799	-93	1,322	1,147	-175
20-24	759	803	44	936	997	61
25-34	1,182	1,561	379	1,630	2,013	383
35-44	1,722	1,314	-408	2,575	1,813	-762
45-54	1,568	1,838	270	2,353	2,705	352
55-64	1,054	1,501	447	1,563	2,250	687
65-74	1,086	929	-157	1,555	1,349	-206
75-84	962	831	-131	1,238	1,102	-136
85+	450	476	26	502	555	53
Total	11,893	12,592	699	17,023	17,398	375

Source: U.S. Census

Population Change by Age Between 2000 and 2010

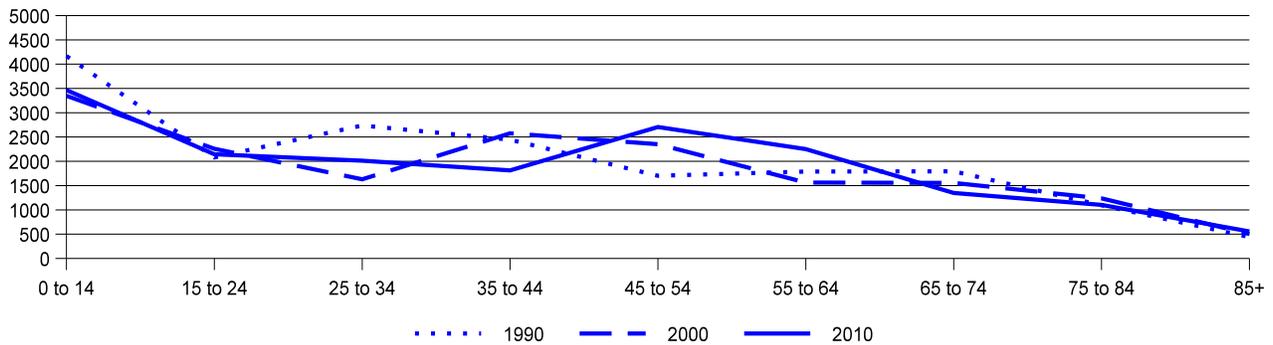


For many years, demographic analysts have been talking about the impact that is occurring as the large “baby boom” generation moves through the aging cycle. This trend has been evident in Huron and Beadle County.

Between 2000 and 2010, Huron had a net gain of 717 people and Beadle County had a gain of 1,039 people in the age ranges between 45 and 64 years old. In 2010, nearly all of the baby boomers were within these age ranges. The aging of the baby boomers, as reflected in the numeric net gain in the 55 to 64 year old age group, was the largest change within any of the defined age cohorts.

The City and County also had an increase of older senior citizens, age 85 and older. There was a gain of 26 people in Huron and a gain of 53 people in Beadle County in the age 85 or older age range. However, Huron and Beadle County had population losses in the 65 to 84 age ranges. There was a loss of 288 people in Huron and a loss of 342 people in Beadle County in the 65 to 84 age ranges.

County Age Distribution: 1990 to 2010



The aging trends present in Huron in 2010 can be traced back over the previous decades to see the movement of the baby boom generation over the last 20 years in Beadle County.

Population Projections

The following table presents population projections using two different sources.

The South Dakota State Data Center has issued preliminary population projections to the year 2030 for Beadle County. The following table shows the Data Center projection for 2015.

The other set of projections has been calculated by Community Partners Research, Inc., and these are based on past patterns of population change. The 20-year growth trend is based on the rate of change between 1990 and 2010, using the 1990 and 2010 Census. The 10-year growth trend uses the same methodology, but calculates an annual growth rate from 2000 to 2010.

Table 3 Population Projections Through 2015				
	2010 Population Census	2015 Projection from 10-year trend	2015 Projection from 20-year trend	2015 Projection State Data Center
Huron	12,592	12,962	12,665	N/A
Alpena	286	297	296	N/A
Beadle County	17,398	17,590	17,194	17,584

Source: Community Partners Research, Inc.; U.S. Census; State Data Center

- ▶ The growth projections based on 10-year and 20-year growth trends show population gains from 2010 to 2015 for Huron and Alpena. The State Data Center also projects population gains for Beadle County.
- ▶ The 10-year and 20-year growth trend population projections for Huron estimate an increase of 73 and 370 people by 2015. The population projections for Alpena estimate an increase of 10 to 11 people from 2010 to 2015.
- ▶ Beadle County's population based on the 10-year growth trend estimates a gain of 192 people. However, the population based on the 20-year growth trend estimates a loss of 204 people. The State Data Center projects a gain of 186 people from 2010 to 2015. The discrepancy in the 10-year and 20-year growth trend projections is the result of the substantial population loss Beadle County experienced in the 1990s.

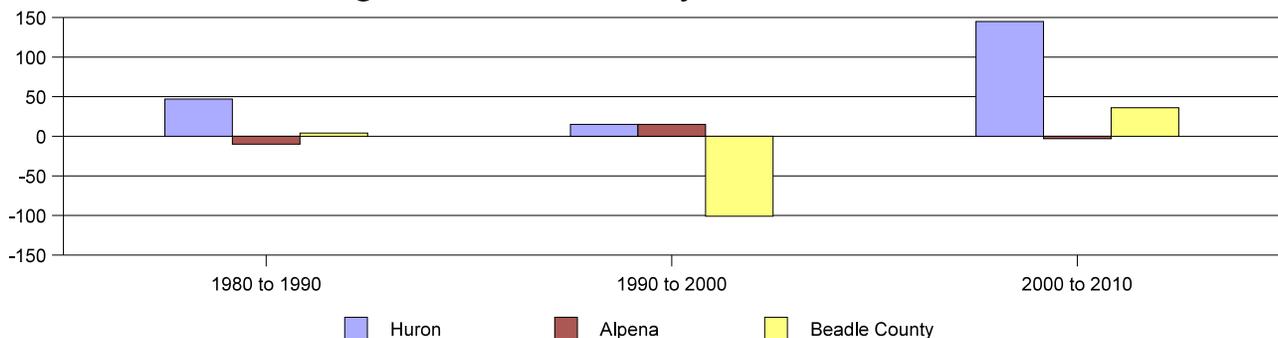
Household Data and Trends

Table 4 Household Trends - 1980 to 2010						
	1980 Households	1990 Households	2000 Households	% Change 1990-2000	2010 Households	% Change 2000-2010
Huron	5,211	5,258	5,273	0.3%	5,418	2.7%
Alpena	108	98	113	15.3%	110	-2.7%
Beadle County	7,337	7,341	7,240	-1.4%	7,276	0.5%

Source: U.S. Census

- ▶ The 2010 U.S. Census Bureau household data was released in March 2011. Huron and Beadle County gained households and Alpena had a slight loss in households from 2000 to 2010.
- ▶ Huron had 5,418 households in 2010. This is an increase of 145 households since 2000, which is a household gain of 2.7%.
- ▶ Alpena had 110 households in 2010. This is a loss of three households, which is a household decrease of 2.7%.
- ▶ Beadle County had 7,276 households in 2010. This is a gain of 36 households, which is a household increase of 0.5%.
- ▶ Huron and Alpena experienced household gains during the 1990s. Both Huron and Alpena had an increase of 15 households from 1990 to 2000. Beadle County experienced a loss of 101 households from 1990 to 2000.

Net Change in Households by Decade: 1980 to 2010



Household by Age Trends: 2000 to 2010 in Huron and Beadle County

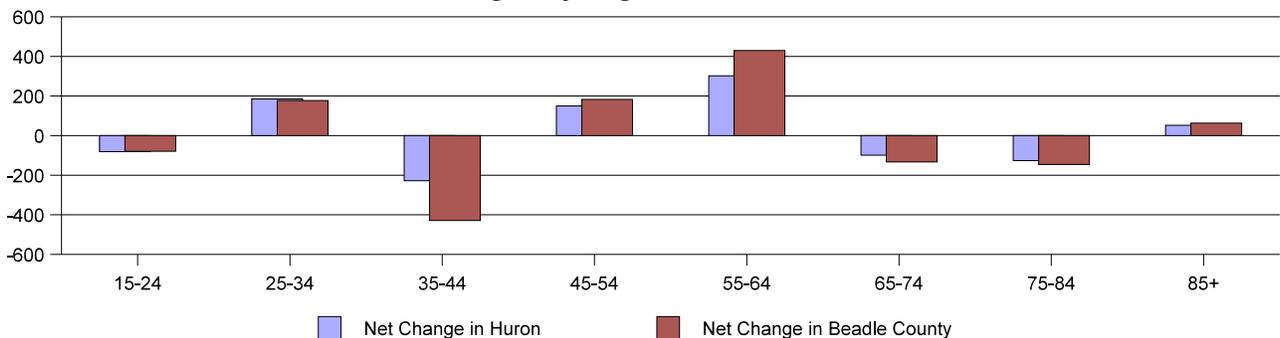
The 2010 Census allows for some analysis of Huron and Beadle County's changing age patterns. The following table compares households by age of householder in 2000 and 2010, along with the numeric changes.

Table 5 Households by Age - 2000 - 2010						
Age	Huron			Beadle County		
	2000	2010	Change	2000	2010	Change
15-24	446	365	-81	494	415	-79
25-34	643	828	185	848	1,025	177
35-44	967	739	-228	1,421	992	-429
45-54	940	1,090	150	1,360	1,543	183
55-64	628	930	302	922	1,352	430
65-74	697	598	-99	979	846	-133
75-84	689	563	-126	888	742	-146
85+	253	305	52	298	361	63
Total	5,263	5,418	155	7,210	7,276	66

Source: U.S. Census

Consistent with the population by age data presented earlier, the household patterns show most of the net change occurring in the baby boomer age groups. For both Huron and Beadle County, the largest net growth in households occurred in the 10-year age group between 55 and 64 years old. For Huron there was an increase of 302 households in the 55 to 64 year age range and Beadle County had an increase of 430 households.

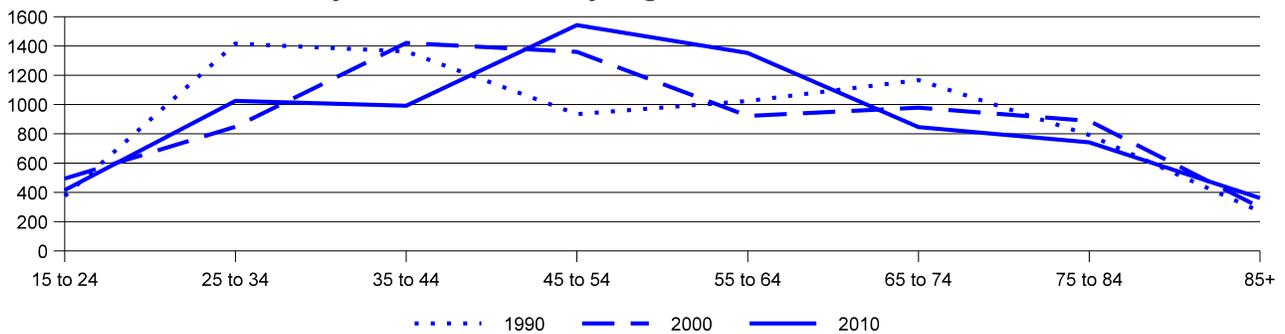
Household Change by Age Between 2000 and 2010



Huron and Beadle County had an overall decrease in the number of households age 44 and younger. In 2010, Huron had 124 fewer households and Beadle County had 331 fewer households in the age groups less than 45 years old, than in the year 2000.

For Huron and Beadle County there was an overall increase in the number of older senior-headed households. From 2000 to 2010, Huron gained 52 households and Beadle County gained 63 households, age 85 and older. However, Huron had a household decrease of 225 households and Beadle County had a 279 household decrease in the 65 to 84 age ranges from 2000 to 2010.

Beadle County Households by Age of Householder: 1990 to 2010



As with the longer-term patterns for population, it is possible to track the progression of the baby boomer households over the past 30 years in Beadle County, using Census information for households by the age of householder.

Household by Age Trends: 2000 to 2010 - Alpena

The 2010 Census allows for some analysis of Alpena's changing age patterns. The following table compares households by age of householder in 2000 and 2010, along with the numeric changes.

Table 6 Households by Age - 2000 - 2010			
Age	Alpena		
	2000	2010	Change
15-24	8	4	-4
25-34	12	22	10
35-44	23	15	-8
45-54	22	22	0
55-64	20	22	2
65-74	13	13	0
75-84	13	9	-4
85+	2	3	1
Total	113	110	-3

Source: U.S. Census

- ▶ Alpena gained 10 households in the 25 to 34 age range and only two households in the 45 to 64 baby boomer age ranges from 2000 to 2010.
- ▶ Alpena had a loss of four households in the 15 to 24 and 75 to 84 age ranges, and a loss of eight households in the 35 to 44 age range.

Average Household Size

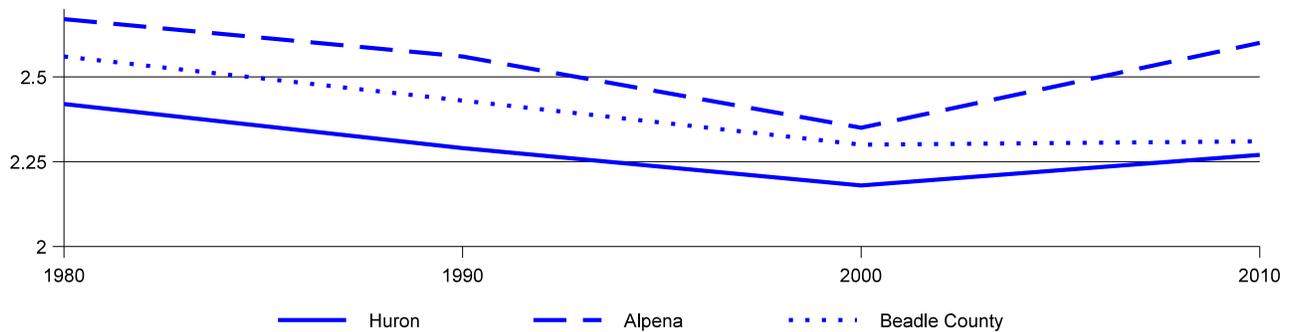
The following table provides decennial Census information on average household size.

Table 7 Average Number of Persons Per Household: 1980 to 2010				
	1980 Census	1990 Census	2000 Census	2010 Census
Huron	2.42	2.29	2.18	2.27
Alpena	2.67	2.56	2.35	2.60
Beadle County	2.56	2.43	2.30	2.31

Source: U.S. Census

From 1980 to 2000, household formation had been occurring at a different rate than population change in recent decades due to a steady decrease in average household size. This was 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. However, from 2000 to 2010, Huron, Alpena and Beadle County reversed the trend and had an increase in average household size.

Average Household Size: 1980 to 2010



In Huron, the average household size increased from 2.18 persons per household in 2000 to 2.27 persons in 2010, and Alpena’s household size increased from 2.35 to 2.60 persons.

Beadle County’s average household size increased slightly from 2.30 in 2000 to 2.31 in 2010.

Household Projections

The following table presents household projections for Huron, Alpena and Beadle County using two different calculation methods. Both of these calculations have been generated by Community Partners Research, Inc., and are based on the rate of change that was present between 2000 and 2010, and between 1990 and 2010.

Table 8 Household Projections Through 2015			
	2010 Census	2015 Projection from 10-year trend	2015 Projection from 20-year trend
Huron	5,418	5,492	5,458
Alpena	110	109	113
Beadle County	7,276	7,294	7,260

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

- ▶ Based on 10-year and 20-year growth trends, Huron is expected to increase by 40 to 74 households.
- ▶ Alpena's household projections range from a loss of one household to a gain of three households from 2010 to 2015.
- ▶ Beadle County household projections based on 10-year and 20-year growth trends estimate a range of a loss of 16 households to a gain of 18 households from 2010 to 2015.

Household by Age Projections: 2010 to 2015

With the release of the 2010 Census, a new benchmark has been established for Beadle County age-related statistics. In the following table, Community Partners Research, Inc., has generated age-based household projections for Beadle County to the year 2015.

The first set of age-based projections has been extrapolated from preliminary population forecasts that have just been issued by the South Dakota State Data Center. They have been converted into households using past calculations on the average household size that has existed within specific age ranges.

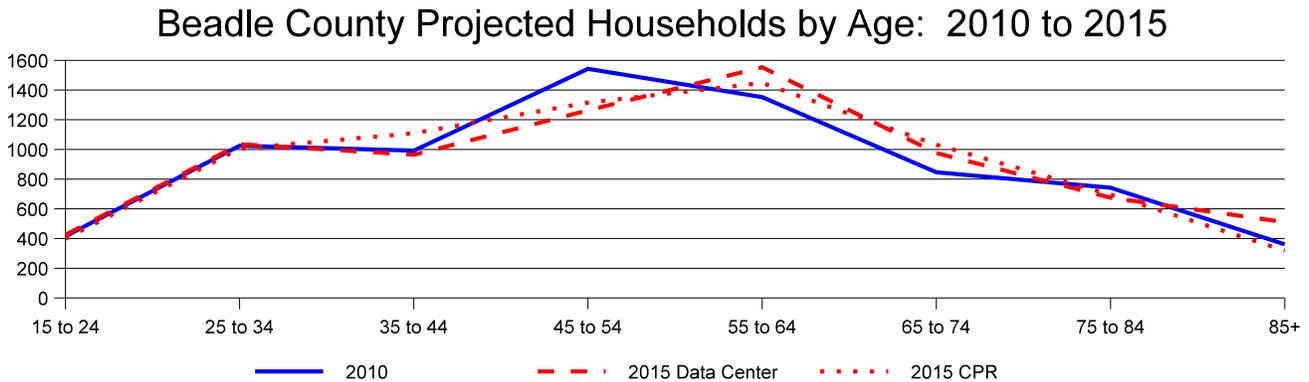
The second set of projections was created by Community Partners Research, Inc., by trending forward past retention rates within defined age cohorts, and assuming that these past patterns are reasonable predictors of future age-based population changes.

Both sets of projections assume that historical patterns will continue into the near-future, especially related to household formation and household size within specific age groups. If the County's population changes at a rate that is different than past patterns would suggest, traditional age-based forecasts could be altered.

Table 9 Beadle County Projected Households by Age - 2010 to 2015					
Age Range	2010 Census	Extrapolated from State Data Center		Community Partner Research	
		2015 Projection	Change from 2010	2015 Projection	Change from 2010
15-24	415	424	9	398	-17
25-34	1,025	1,035	10	1,005	-20
35-44	992	964	-28	1,109	117
45-54	1,543	1,263	-280	1,315	-228
55-64	1,352	1,554	202	1,448	96
65-74	846	976	130	1,032	186
75-84	742	675	-67	696	-46
85+	361	511	150	319	-42
Total	7,276	7,402	126	7,322	46

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

While the two projection methods do yield some differences for the age-based forecasts, in general terms they offer a somewhat similar expectation through the year 2015. The relative similarity becomes more evident when viewed as a line chart showing the progression from 2010 to 2015.



The projections from the State Data Center tend to be more optimistic for the number of younger households age 15 to 24. The extrapolation from the State Data Center indicates a probable gain of nine households within this younger adult group while Community Partners Research, Inc., projects a loss of 17 households.

The two projection methods are reasonably similar in the 45 to 84 age ranges. The Community Partners Research, Inc. projection shows a net loss of 15 households in the age ranges between 45 and 84 years old, while the Data Center extrapolation shows a net gain of eight households.

The extrapolated projections from the Data Center show strong growth among households age 85 and older, with a probable gain of 150 households, compared to a loss of 42 households under the Community Partners Research, Inc., projection. It is the analysts' opinion that to achieve the growth in older seniors that the Data Center projects, Beadle County would need to attract older people from outside the immediate area.

Community Partners Research, Inc., is more optimistic in the 35 to 44 age range. Community Partners Research, Inc., projects a gain of 117 households and the Data Center projects a loss of 28 households.

Households by Type

The 2010 Census can be compared to statistics from 2000 to examine changes in household composition. The following table looks at household trends within the City of Huron.

Table 10 Huron Household Composition - 2000 to 2010			
	2000 Census	2010 Census	Change
Family Households			
Married Couple with own children	995	888	-107
Single Parent with own children	395	533	138
Married Couple without own children	1,456	1,520	64
Family Householder without spouse	203	238	35
Total Families	3,049	3,179	130
Non-Family Households			
Single Person	1,962	1,957	-5
Two or more persons	252	282	30
Total Non-Families	2,214	2,239	25

Source: U.S. Census

Between 2000 and 2010, Huron experienced gains in the total number of family households. The family household gains were due to a net increase in the number of married couples without children, single parent families with children and family householders without a spouse. The City did have a net decrease in married couples with children.

The City also had a net increase in “non-family” households. This was due to an increase in two or more person households. There was a decrease in single person households.

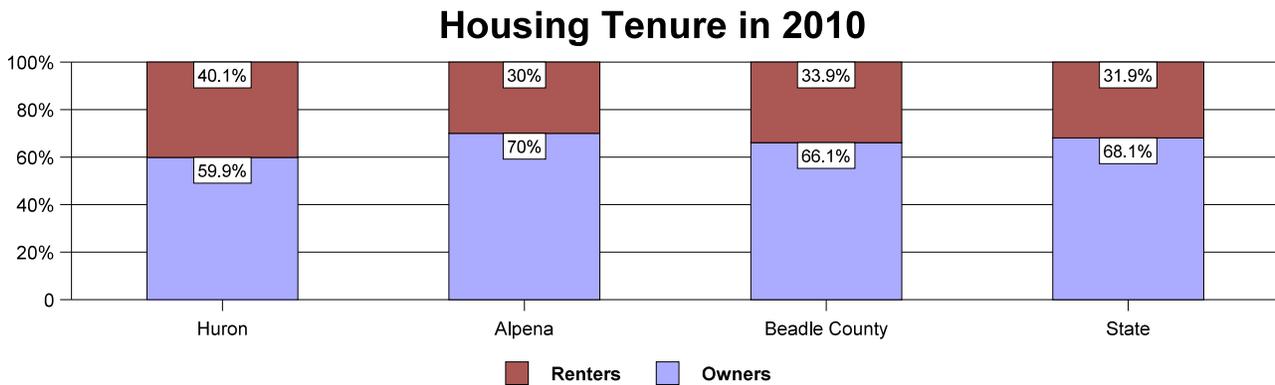
Housing Tenure

The 2010 Census provided an updated look at housing tenure patterns. The following tables examine overall tenure rates, along with the changes that have occurred since 2000.

Table 11 Household Tenure - 2010				
	Number of Owners	Percent of all Households	Number of Renters	Percent of all Households
Huron	3,248	59.9%	2,170	40.1%
Alpena	77	70.0%	33	30.0%
Beadle County	4,813	66.1%	2,463	33.9%
State	-	68.1%	-	31.9%

Source: U.S. Census

According to the 2010 Census, the ownership tenure rate in the two cities and Beadle County was above 59%. Beadle County's ownership rate was 66.1% in 2010, Huron's was 59.9% and Alpena's ownership rate was 70.0%



Household Changes by Housing Tenure

Table 12 Households by Housing Tenure - 2000 to 2010						
Tenure	Huron			Beadle County		
	2000	2010	Change	2000	2010	Change
Owners	3,311/62.9%	3,248/59.9%	-63	4,891/67.8%	4,813/66.1%	-78
Renters	1,952/37.1%	2,170/40.1%	218	2,319/32.2%	2,463/33.9%	144
Total	5,263/100%	5,418/100%	155	7,210/100%	7,276/100%	66

Source: U.S. Census

Huron's ownership tenure rate decreased over the last decade, from 62.9% in 2000 to 59.9% in 2010.

For Beadle County, there was also a decrease in the rate of owner households between 2000 and 2010. The ownership tenure rate decreased from 67.8% in 2000 to 66.1% in 2010.

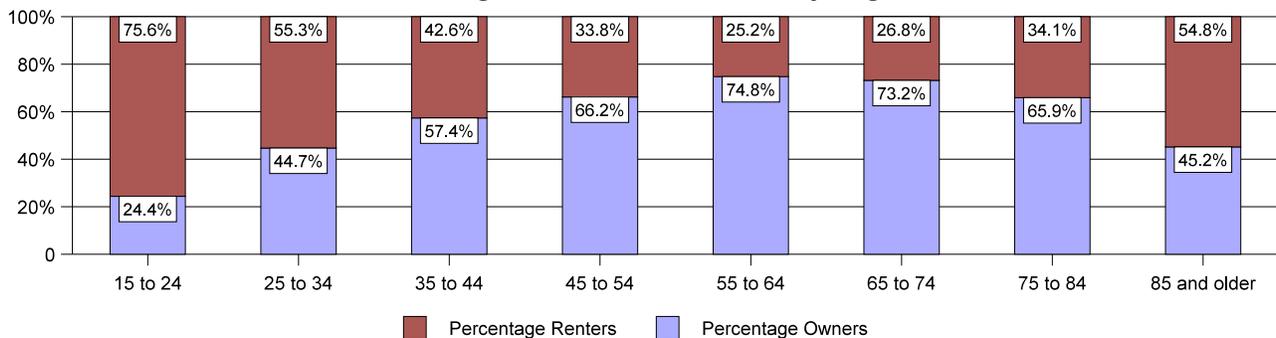
Tenure by Age of Householder

The 2010 Census provided information on the tenure distribution of households within each defined age range. The following table examines the number and percentage of renters and owners in each age group in the City of Huron.

Table 13 Huron Tenure by Age of Householder - 2010				
Age	Owners		Renters	
	Number	Percent within age	Number	Percent within age
15-24	89	24.4%	276	75.6%
25-34	370	44.7%	458	55.3%
35-44	424	57.4%	315	42.6%
45-54	722	66.2%	368	33.8%
55-64	696	74.8%	234	25.2%
65-74	438	73.2%	160	26.8%
75-84	371	65.9%	192	34.1%
85+	138	45.2%	167	54.8%
Total	3,248	59.9%	2,170	40.1%

Source: U.S. Census

Huron Housing Tenure Patterns by Age in 2010



Within the defined age ranges, typical tenure patterns were present, with households at the lowest and highest ends of the age spectrum showing greater preference for rental housing, while middle-aged adult households were primarily home owners. Over 75% of the households age 24 and younger rented their unit, and approximately 55% of households age 85 and older were renters. Home ownership rates for each of the 10-year age cohorts between 35 and 84 years old were above 57%.

Tenure by Household Size

The 2010 Census did provide information on housing tenure by household size. This can be compared to 2000 Census information to better understand trends for housing unit needs. The following table provides information for Huron.

Table 14 Huron Tenure by Household Size - 2000 to 2010						
Household Size	Owners			Renters		
	2000	2010	Change	2000	2010	Change
1-Person	816	867	51	1,146	1,090	-56
2-Person	1,366	1,367	1	417	448	31
3-Person	451	422	-29	181	254	73
4-Person	451	331	-120	115	181	66
5-Person	167	168	1	62	111	49
6-Person	41	63	22	17	42	25
7-Persons+	19	30	11	14	44	30
Total	3,311	3,248	-63	1,952	2,170	218

Source: U.S. Census

- ▶ From 2000 to 2010, there was a decrease in the number of owner households and an increase in the number of renter households in Huron. There was an increase of 51 owner households with one household member, and a decrease of 149 owner households with three or four household members. There was an increase of 35 owner households with five or more people.
- ▶ There was a decrease of 56 renter households with one person. There was a gain of 170 households with four or more people.
- ▶ Approximately 71% of the renter households in Huron are one or two person households.

2011 Income Data

The 2010 Census did not collect information on household income. However, estimates are available at the city and county level through the 2011 American Community Survey.

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

Table 15 Median Household Income - 2000 to 2011			
	2000 Median	2011 Median	% Change
Huron	\$29,097	\$37,940	30.4%
Alpena	\$35,455	\$44,286	24.9%
Beadle County	\$30,510	\$40,455	32.6%
South Dakota	\$35,271	\$46,369	31.5%

Source: U.S. Census; 2011 ACS 5-year survey

Table 16 Median Family Income - 2000 to 2011			
	2000 Median	2011 Median	% Change
Huron	\$40,234	\$57,899	43.1%
Alpena	\$38,000	\$43,929	15.6%
Beadle County	\$40,596	\$57,909	42.6%
South Dakota	\$43,237	\$58,958	36.4%

Source: U.S. Census; 2011 ACS 5-year survey

The American Community Survey shows income information for Huron, Alpena and Beadle County. Both the median household incomes and the median family incomes for all three jurisdictions were below the respective medians for the State of South Dakota. The rate of income growth for Alpena lagged behind the Statewide growth rate over the last decade. However, Huron and Beadle County's family income grew at a faster rate than the State's growth rate.

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. However, Alpena's household income was actually higher than its family income in 2011.

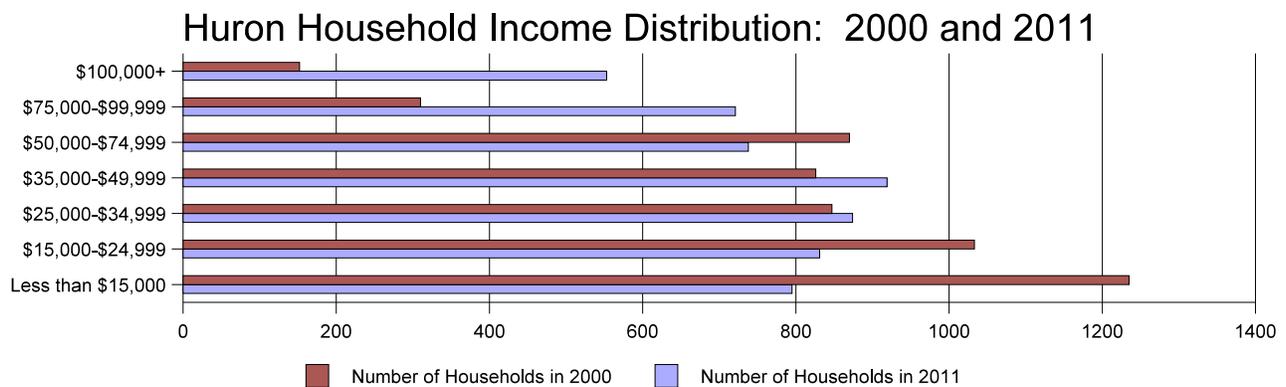
Using the commonly accepted standard that up to 30% of gross income can be applied to housing expenses without experiencing a cost burden, a median income household in Huron could afford approximately \$948 per month for ownership or rental housing in 2011. However, renter households tend to be below the overall median, while owner households tend to be above the overall median level.

Huron Household Income Distribution

The 2011 American Community Survey household income estimates for the City of Huron can be compared to the same distribution information from 2000 to examine changes that have occurred over the past decade.

Table 17 Huron Household Income Distribution - 2000 to 2011			
Household Income	Number of Households 2000	Number of Households in 2011	Change 2000 to 2011
\$0 - \$14,999	1,235	795	-440
\$15,000 - \$24,999	1,033	831	-202
\$25,000 - \$34,999	847	874	27
\$35,000 - \$49,999	826	919	93
\$50,000 - \$74,999	870	738	-132
\$75,000 - \$99,999	310	721	411
\$100,000+	152	553	401
Total	5,273	5,431	158

Source: 2000 Census; 2011 ACS



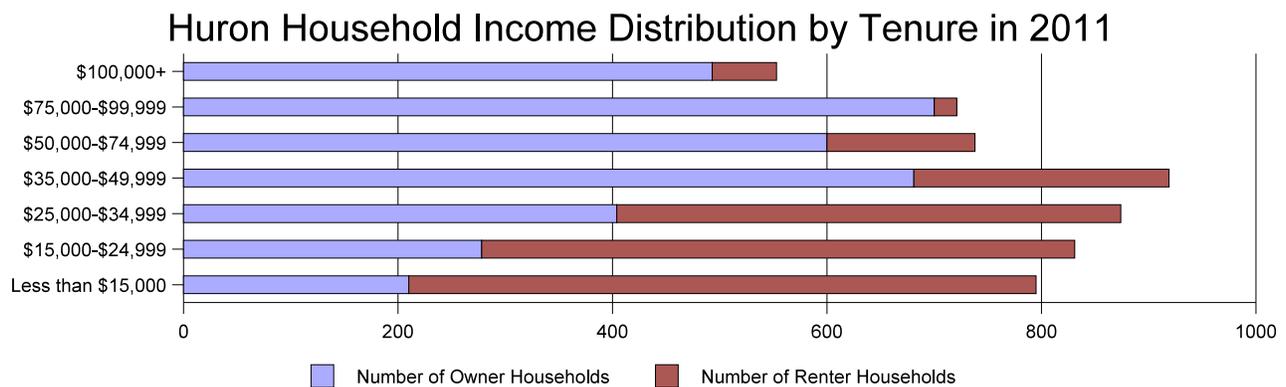
According to income estimates contained in the 2011 American Community Survey, household incomes have improved in Huron. When compared to the 2000 Census (1999 income), the number of households with an income of \$75,000, or more, increased by 812 households. Conversely, there was a decrease of 642 households with an income less than \$25,000.

Huron Income Distribution by Housing Tenure

The 2011 American Community Survey provides income estimates by owner and renter status. The following table examines income distribution within the City of Huron. The American Community Survey is an estimate, based on limited sampling data, and there are some differences when compared to the 2010 Census. For total households, the American Community Survey reported 113 more households than the Census. The American Community Survey estimated 118 more owner households than the Census, and five fewer renter households. Since owner households tend to have higher incomes than renters, the over-weighting of owners in the estimate probably results in some higher totals in the higher income ranges.

Table 18 Huron Household Income Distribution by Tenure - 2011			
Household Income	Number of Owner Households	Number of Renter Households	Total Households
\$0 - \$14,999	210/26.4%	585/73.6%	795
\$15,000 - \$24,999	278/33.5%	553/66.5%	831
\$25,000 - \$34,999	404/46.2%	470/53.8%	874
\$35,000 - \$49,999	681/74.1%	238/25.9%	919
\$50,000 - \$74,999	600/81.3%	138/18.7%	738
\$75,000 - \$99,999	700/97.1%	21/2.9%	721
\$100,000+	493/89.2%	60/10.8%	553
Total	3,366/62.0%	2,065/38.0%	5,431

Source: 2011 American Community Survey



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

In 2011, approximately 78% of all renter households in Huron had an annual income below \$35,000. At 30% of income, these households would have \$875, or less, that could be applied to monthly housing costs.

Conversely, most owner households had a substantially higher income level. Approximately 53% of all owner households had an annual income of \$50,000 or more. At 30% of income, an owner could afford \$1,364 or more per month for housing costs.

2011 Estimated Income and Housing Costs - Renters

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

Table 19 Gross Rent as a Percentage of Household Income - Huron		
Percentage of Household Income for Housing Costs	Number of Renter Households 2011	Percent of All Renter Households 2011
0% to 19.9%	748	36.2%
20% to 29.9%	594	28.8%
30% to 34.9%	123	6.0%
35% or more	517	25.0%
Not Computed	83	4.0%
Total	2,065	100%

Source: 2011 American Community Survey

Based on the more recently released tenure information from the 2010 Census, the 2011 American Community Survey did underestimate the number of renter households in Huron by 4.8%. However, the estimates on housing cost burden are the best available information on income and expenses for housing.

According to the American Community Survey, approximately 31% of all renters in the City were paying 30% or more of their income for rent. The large majority of these households were actually paying 35% or more of their income for housing. Federal standards for rent subsidy programs generally identify 30% of income as the maximum household contribution. When more than 30% of income is required, this is often called a "rent burden". When more than 35% is required, this can be considered a "severe rent burden".

Many of the renter households with a housing cost burden had an annual household income below \$20,000. To avoid a cost burden, these lower income households would have needed a unit with a gross month rent of \$500 or less.

2011 Estimated Income and Housing Costs - Owners

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

Table 20 Ownership Costs as a Percentage of Income - Huron		
Percentage of Household Income for Housing Costs	Number of Owner Households 2011	Percent of All Owner Households 2011
0% to 19.9%	2,258	67.1%
20% to 29.9%	718	21.3%
30% to 34.9%	94	2.8%
35% or more	282	8.4%
Not Computed	14	0.4%
Total	3,366	100%

Source: 2011 ACS

The 2010 American Community Survey overestimated the number of owner households in the City by approximately 3.6%. However, this source still represents the best available information on income compared to housing costs.

Most owner-occupants, which would include households with and without a mortgage, reported paying less than 20% of their income for housing. However, more than 11% of all home owners reported that they paid more than 30% of their income for housing. Most of these households were paying more than 35% of income for housing costs.

Racial and Ethnic Population Data

The following table compares racial and ethnic minority populations in Huron from 2000 to 2010. The data was obtained from the decennial U.S. Census.

Table 21 Racial/Ethnic Population Trends - 2000 to 2010			
	2000 Population	2010 Population	% Change
Race			
White	11,408	10,937	-4.1%
Black/African American	114	132	15.8%
Native American	153	153	0%
Asian/Pacific Islander	53	635	1098.1%
Other Race/Two or More Races	165	735	345.5%
Total All Races	11,893	12,592	5.9%
Ethnicity			
Hispanic/Latino	143	1,234	769.2%
Not Hispanic/Latino	11,750	11,358	-3.3%
Total Ethnicity	11,893	12,592	5.9%

Source: U.S. Census

- ▶ Over the last decade, the City's White population decreased in size by 4.1%. However, growth in racial and ethnic minority populations resulted in overall population growth for the City.
- ▶ The largest increase by race occurred among people identifying themselves as Asian. This group increased from only 53 people in the year 2000, to 635 people by the year 2010. Presumably, many of the Karen immigrants would identify themselves as Asian for race. Since the 2010 Census, it is estimated that as many as 20 to 30 Karen immigrants have moved to Huron monthly. It is estimated that 1,600 to 1,800 Karen immigrants are currently living in Huron.
- ▶ There was also a large increase in people identifying themselves as "other race", or "two or more races" on the Census form. Combined, these groups increased in size by more than 345%.
- ▶ The City's Hispanic/Latino population also increased substantially, from 143 people in the year 2000, to 1,234 people in 2010.

Minority Households by Race/Ethnicity

Over the last decade, Huron has increasingly attracted minority residents, some of whom are international immigrants. The following table provides some basic information from the 2000 and 2010 Census about households by race and by ethnicity.

Table 22 Households by Race/Ethnicity - 2000 to 2010			
	2000 Households	2010 Households	% Change 2000 to 2010
Race			
White	5,111	4,985	-2.5%
Black/African American	45	47	4.4%
Native American/Alaskan	37	56	51.4%
Asian/Pacific Islander	25	138	452.0%
Other Race/Two or More Races	45	192	326.7%
Total	5,263	5,418	2.9%
Ethnicity			
Hispanic/Latino	49	375	665.3%
Non-Hispanic/Latino	5,214	5,043	-3.3%
Total	5,263	5,418	2.9%

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

- ▶ Although the large majority of Huron's households are White, and not Hispanic/Latino for ethnicity, the number of White households has been decreasing. Conversely, household growth from racial and ethnic minority groups has been occurring over the last decade.
- ▶ On a percentage basis, Asian/Pacific Islander households represented the fastest growth among racial groups, up by 452% between 2000 and 2010. Substantial growth also occurred among households defining themselves as "other race" or "two or more races" on the Census form.
- ▶ The City also added 326 Hispanic/Latino households, an increase of more than 665% between 2000 and 2010.

Household Tenure by Race/Ethnicity

The following table presents minority household tenure information for the City of Huron from the 2010 Census.

Table 23 Household Tenure by Race/Ethnicity - Huron - 2010				
Race/Ethnicity	Owner Households		Renter Households	
	Number	Percent	Number	Percent
Race				
White	3,176	63.7%	1,809	36.3%
Black/African American	12	25.5%	35	74.5%
Native American/Alaskan	7	12.5%	49	87.5%
Asian/Pacific Islander	16	11.6%	122	88.4%
Other Race/Two or More Races	37	19.3%	155	80.7%
Total	3,248	59.9%	2,170	40.1%
Ethnicity				
Hispanic/Latino, any race	68	18.1%	307	81.9%

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

- ▶ Home ownership rates among some of the racial/ethnic minority groups are relatively low when compared to White households.
- ▶ The lowest rate of home ownership was in the Asian/Pacific Islander community, with an ownership rate of less than 12%. Many of these households may be recent Karen immigrants.
- ▶ The home ownership rate for Hispanic/Latino households was below 19% in 2010.

Occupancy Status of Housing Units - 2010

Table 24 Occupancy Status of Housing Units - 2010						
	Occupied Units		Vacant Units			
	Owner	Renter	For Rent	For Sale	Seasonal Use	Other Vacant
Huron	3,248	2,170	298	64	16	227
Alpena	77	33	2	3	4	5
Beadle Co.	4,813	2,463	337	82	206	403

Source: U.S. Census

- ▶ In 2010, according to the U.S. Census, there were 206 seasonal housing units in Beadle County, including 16 units in Huron.
- ▶ There were 822 vacant housing units in Beadle County in 2010 in addition to the seasonal units, including 589 units in Huron.
- ▶ There were 10 vacant housing units and four seasonal units in Alpena in 2010 according to the U.S. Census.

Existing Home Sales - Huron

This section examines houses that have been sold in Huron in 2010, 2011 and 2012. It is important to note that although a large number of houses have sold, it is a small percentage of all houses in Huron, 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 are turning-over in a given year.

This table primarily reflects existing home sales. New construction sales activity would generally not be recorded in the data that was used for this analysis.

Table 25 Huron Median Value of Residential Sales - 2010 to 2012		
Calendar Year	Number of Good Sales	Median Sale Price
2010	203	\$82,000
2011	219	\$83,000
2012	169	\$90,000

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

- ▶ From 2010 to 2012, there were 591 residential sales of single family houses in Huron that were considered to be “arms length” transactions, according to the County’s Director of Equalization. Sales that are not “arms length” include, but are not limited to, sales between relatives, forced sales and foreclosures, and estate transfers that are not available on the open market. Only the “arms length” transactions have been reviewed for this study.
- ▶ In 2010, there were 203 residential sales in Huron. The median sales price was \$82,000. The highest valued sale was for \$445,000 and the lowest valued sale was for \$10,900.
- ▶ In 2011, there were 219 residential sales in Huron. The median sales price was \$83,000. The highest valued sale was for \$253,000 and the lowest valued sale was for \$5,000.
- ▶ In 2012, there were 169 residential sales in Huron. The median sales price was \$90,000. The highest valued sale was for \$425,000 and the lowest valued sale was for \$6,000.

Existing Home Sales - Alpena

This section examines houses that have been sold in Alpena from 2010 through 2012. It is important to note that the number of houses that have sold is limited, 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 are turning-over in a given year.

This table primarily reflects existing home sales. New construction sales activity would generally not be recorded in the data that was used for this analysis.

Table 26 Median Value of Residential Sales - 2010, 2011 and 2012			
	Number of Good Sales	Median Sale Price	Average Sale Price
Alpena	11	\$26,000	\$32,700

Source: County Assessor; Community Partners Research, Inc.

- ▶ For the three-year sales period from 2010 through 2012, there were 11 improved residential sales of single family houses in Alpena that were considered to be “arms length” transactions, according to the County’s Director of Equalization. Sales that are not “arms length” include, but are not limited to, sales between relatives, forced sales and foreclosures, and estate transfers that are not available on the open market. Only the “arms length” transactions have been reviewed for this study.
- ▶ The median sales price for the residential sales in Alpena was \$26,000 and the average sales price was \$32,700.
- ▶ The highest valued sale in Alpena for 2010 through 2012 was for \$79,500 and the lowest valued sale was for \$7,000.

Huron Housing Condition

Community Partners Research, Inc. representatives conducted a visual 'windshield' survey of 776 single family/duplex houses in four Huron neighborhoods. These neighborhoods were surveyed because they contain some of the oldest houses in the City, a high percentage of rental units, and a significant number of houses judged to be substandard and dilapidated.

The boundaries of the two neighborhoods are:

Neighborhood No. 1: South - 3rd St., North - Market St.,
East - Illinois Ave., West - Wyoming Ave.

Neighborhood No. 2: South - 3rd St. SE, North - Market St.,
East - Simmons Ave., West - Dakota Ave.

Neighborhood No. 3: South - 9th St. SE, North - 3rd St. SE,
East - Lawnridge Ave., West - Idaho Ave.

Neighborhood No. 4: South - 3rd St. SW, North - Old Hwy 14,
East - Lincoln Ave., West - Rushmore Ave.

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

Dilapidated was the lowest rating used. 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 27 Windshield Survey Condition Estimate - 2012					
	Sound	Minor Repair	Major Repair	Dilapidated	Total
Neighborhood No. 1	13/8.5%	42/27.4%	72/47.1%	26/17.0%	153
Neighborhood No. 2	4/6.0%	16/24.3%	31/47.0%	15/22.7%	66
Neighborhood No. 3	75/18.8%	137/34.4%	130/32.7%	56/14.1%	398
Neighborhood No. 4	32/20.1%	45/28.3%	59/37.1%	23/14.5%	159
Total	124/16.0%	240/30.9%	292/37.6%	120/15.5%	776

Source: Community Partners Research, Inc.

- ▶ The existing housing stock in the four designated Huron neighborhoods is in fair condition. Approximately 31% of the houses in the four neighborhoods need minor repair and 38% need major repair. Approximately 16% are sound, with no required improvements.
- ▶ Approximately 120 houses in the four neighborhoods are dilapidated and possibly beyond repair.

Alpena Home Condition

Community Partners Research, Inc. representatives conducted a visual 'windshield' survey of the 111 single family/duplex houses and eight mobile homes in Alpena.

Houses that appeared to contain three or more residential units were excluded from the survey. Houses and mobile homes 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 and mobile homes 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 or mobile home needing multiple major improvements such as roof, windows, sidings, structural/foundation, etc. Houses and mobile homes in this condition category may or may not be economically feasible to rehabilitate.

Minor Repair houses and mobile homes are judged to be generally in good condition and require less extensive repair, such as one major improvement. Houses and mobile homes 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 and mobile homes are judged to be in good, 'move-in' condition. Sound houses and mobile homes may contain minor code violations and still be considered Sound.

Table 28 Windshield Survey Condition Estimate - 2012					
	Sound	Minor Repair	Major Repair	Dilapidated	Total
Single family homes/ duplexes	22/19.8%	29/26.1%	35/31.6%	25/22.5%	111
Mobile homes	2/25%	3/37.5%	3/37.5%	0/0%	8
Total	24/20.2%	32/26.9%	38/31.9%	25/21.0%	119

Source: Community Partners Research, Inc.

- ▶ The existing housing stock in Alpena is in fair condition. Approximately 27% of the houses and mobile homes in the City need minor repair and 32% need major repair. Approximately 20% are sound, with no required improvements.
- ▶ Twenty-five houses were rated as dilapidated and possibly beyond repair.

Building Permit Trends

The following table identifies the units that have been issued a building permit from 1999 to 2012. This information was obtained from the City of Huron.

Table 29 Huron Housing Unit Construction Activity: 2000 to 2012					
Year	Single Family	Two-unit Structures	Three/Four-unit Structures	5+ unit Structures	Total Units
2012	12	8	4	0	24
2011	14	2	0	38	54
2010	20	0	0	0	20
2009	17	8	0	0	25
2008	12	2	0	46	60
2007	13	2	0	0	15
2006	20	2	0	0	22
2005	31	4	4	0	39
2004	15	6	0	26	47
2003	9	0	0	0	9
2002	22	0	0	0	22
2001	17	0	0	10	27
2000	17	0	0	0	17
1999	17	0	36	32	85
TOTAL	236	34	44	152	466

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

- ▶ Based on City and Census Bureau reports, 466 units were constructed in Huron from 1999 to 2012. This included 236 single family homes, 34 units in duplexes, 36 units in 4-plexes and 152 units in multifamily buildings. According to the Huron building official, approximately five housing units are demolished annually.
- ▶ New single family home construction has been relatively stable over the 13-year period. The largest number of homes constructed was in 2005 when 31 single family homes were built, followed by 2002 when 22 homes were built.

- ▶ Pheasant Run Apartments, a 38-unit tax credit project was constructed in 2011.
- ▶ Lampe Estates, a 40-unit market rate project, was constructed in 2009.
- ▶ Manor Apartments, a 26-unit supportive housing project was constructed in 2004.
- ▶ The Center for Independence constructed a 10-bed congregate living facility for people with developmental disabilities in 2001.
- ▶ In 1999, Field Estates, a 48-unit market rate project and Donnie Wahl Apartments, a 20-unit supportive housing project, were constructed.

Rental Housing Data

Census Bureau Rental Inventory

According to the 2010 U.S. Census, there were 2,170 occupied rental units and 307 unoccupied rental units in Huron, for a total estimated rental inventory of 2,477 units. The City's rental tenure rate was 40.1%, above the Statewide rental rate of 31.9% in 2010.

At the time of the 2000 Census, Huron had 1,952 occupied rental units, and at least 368 vacant rental units, for a total estimated rental inventory of 2,320 units. The rental tenure rate in 2000 was 37.1%.

Based on a Census comparison, the City gained 218 renter-occupancy households, and approximately 157 rental units during the last decade.

In 2010, Alpena had 33 occupied rental units and two unoccupied rental units, for a total estimated rental inventory of 35 rental units. In 2000, Alpena had 23 occupied rental units and two unoccupied rental units for a total of 25 rental units. Alpena gained 10 renter-occupancy households and 10 rental units from 2000 to 2010.

Rental Housing Survey

As part of this housing study, a telephone survey was conducted of multifamily projects in the City of Huron. The survey was primarily conducted during the months of January and February 2013. There are no multifamily rental projects in Alpena, thus, no rental survey was conducted in Alpena. 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, senior housing with services and housing for people with disabilities.

There were 1,175 housing units of all types that were contacted in the survey. This total would represent more than 47% of the City's total rental housing units. Based on our research, all of the subsidized, tax credit and senior with services rental projects were surveyed. A high percentage of market rate multifamily projects were also contacted. We also surveyed facilities for people with developmental disabilities that have a congregate living environment.

The units that were successfully contacted include:

- ▶ 568 market rate units
- ▶ 407 federally subsidized units
- ▶ 68 senior with services units
- ▶ 38 tax credit units
- ▶ 144 units/beds for renters with special needs

The findings of the survey are provided below.

Market Rate Summary

Information was obtained on 568 market rate rental units. A total of 373 rental units surveyed are in 13 multifamily buildings. A total of 195 rental units surveyed are in single family homes, duplexes and small apartment buildings.

Unit Mix

The bedroom mix of surveyed units in the market rate multifamily projects is:

- ▶ Efficiency - 24 (6.4%)
- ▶ One-bedroom - 174 (46.6%)
- ▶ Two-bedroom - 133 (35.7%)
- ▶ Three-bedroom - 42 (11.3%)
- ▶ Four-bedroom - 0 (0%)

The larger multifamily market rate projects have no four-bedroom units, however, there are rental single family homes and duplexes that have four-bedroom units, although, the number of four-bedroom units is minimal.

Occupancy / Vacancy

Within the market rate multifamily segment there were 36 vacant units of the 550 units used in the occupancy calculation. Approximately 81% of the vacancies were in efficiency or one-bedroom units. This represents a vacancy rate of 7.7%. Eight of the vacancies were in Fairlane Apartments, which recently converted from subsidized to market rate rental housing. The owner of Townhouse Apartments reported 15 vacancies in March, although as recently as February 1st, these units were occupied. Lampe Estates, which is the newest market rate rental project in the City of Huron, reported six vacancies. Nine of the 13 market rate rental projects reported no vacancies.

Rental Rates

Rental units may include the primary utility payments within the contract rent, or the tenant may be required to pay some utilities separately, in addition to the contract rent. In the following summary, Community Partners Research, Inc., has attempted to estimate the gross rents being charged, inclusive of an estimate for tenant-paid utilities.

The lowest and highest gross rents have been identified, as reported in the telephone survey. Since the highest and lowest ends of the rent range do not vary greatly, they also tend to represent the prevailing rents for the community.

<u>Unit Type</u>	<u>Identified Gross Rent Range</u>
Efficiency	\$350-\$400
One-bedroom	\$380-\$650
Two-bedroom	\$470-\$925
Three-bedroom	\$900-\$960

There are efficiency units in only one multifamily market rate project that we surveyed. The only multifamily rental projects that we surveyed with three-bedroom units are Field Estates, Lampe Estates and Townhouse Apartments. No multifamily projects that we surveyed have four-bedroom units.

Tax Credit Summary

There are two tax credit projects in the City of Huron.

Pheasant Run Apartments was constructed in 2012 and opened for occupancy in May 2012. Pheasant Run Apartments has 19 two-bedroom and 19 three-bedroom units for a total of 38 units.

Rents range from \$411 to \$620 for a two-bedroom unit and \$466 to \$690 for a three-bedroom unit. Rents vary based on the tenant's income. Tenants must be below 60% of median income to qualify to rent a unit. Rental rates are structured based on 40%, 50% or 60% of median income. It should be noted that income guidelines for the tax credit program may be different from those used for federal subsidized housing programs.

The manager reported that the units usually are fully occupied, but recently there were three vacancies. However, the manager is in the process of leasing the vacant units, thus, the project will again be fully occupied.

The second tax credit project is Riverstone Townhomes. Riverstone Townhomes was previously Southgate Apartments and was originally developed through the USDA Rural Development Program.

In 2012, Riverstone Townhomes was renovated utilizing the Tax Credit Program. Tenants pay 30% of income for rent. The manager reports two vacancies, a two-bedroom and a three-bedroom unit. Because Riverstone Townhomes is also a Rural Development Project, we have included this project with the subsidized rental projects.

Subsidized Summary

The research completed for this Study identified 12 subsidized projects providing rental opportunities for lower income households. These projects have a combined 407 units. Six of the projects are general occupancy housing with 250 units and six projects are senior/disabled occupancy with 157 units. The subsidized projects were developed in Huron with USDA Rural Development funds or HUD Section 8 funds.

Rental Rates

The City's subsidized units have access to project-based rent assistance. These units charge rent based on 30% of the tenant's household income. The subsidized projects have a market rent. Tenants do not pay more than the market rent. However, a very high percentage of tenants in the subsidized projects pay less than the market rent as 30% of their income is less than the market rent.

Unit Mix

The bedroom mix breakdown for subsidized housing in Huron is as follows:

- ▶ 12 efficiencies (2.9%)
- ▶ 237 one-bedroom (58.3%)
- ▶ 112 two-bedroom (27.5%)
- ▶ 46 three-bedroom (11.3%)

There are no four-bedroom units in the 12 subsidized projects.

Occupancy / Vacancy

There were 29 unoccupied units that were identified in the subsidized projects, which is a 7.1% vacancy rate. Five of the vacancies were in efficiency units, 16 of the vacancies were in one-bedroom units, six were in two-bedroom units and two vacancies were in three-bedroom units.

All but one of the 12 subsidized projects reported vacancies. Bluebird Apartments, an eight-unit senior project, reported no vacancies.

Subsidized Housing Gains/Losses

Federal subsidy sources for low income rental housing have been very limited for the past few decades. Most subsidized projects were constructed in the 1960, 1970s and 1980s. Some of these older projects may have completed their compliance requirements and have the opportunity to leave their subsidy program and convert to conventional rental housing.

At this time, we are not aware of any projects that are considering opting out of their subsidy programs. However, Fairlane Apartments was a 48-unit senior/disabled HUD/SDHDA rental project, with 24 efficiency and 24 one-bedroom units. The project's contract expired May 31, 2012, and the project left the subsidy program to become a market rate project.

Housing Choice Vouchers

In addition to subsidized rental projects, Huron and Beadle County households have access to the Housing Choice Voucher Program. The Huron Housing and Redevelopment Authority administers the Housing Voucher Program and has authorization for approximately 251 Vouchers, but actual utilization has typically been around 214 households.

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

Senior Housing with Services

Huron has two senior with services projects with a total of 68 beds. One facility is State licensed as an Assisted Living Center, and the other is registered as a Residential Living Center.

Stone Brooke Suites has 49 licensed assisted living beds in single and double suites. The facility offers meals, laundry, bathing, medication supervision, housekeeping, etc. Rent and fees vary based on the level of services. Currently, the facility has no vacancies and there is a waiting list.

Countryview Estates is registered as a Residential Living Center and has 19 beds in single and double suites. The facility has no vacancies and maintains a waiting list. Rent and fees for services are based on the level of services and the size of the suite.

Supportive Housing for People with Mental Illness and/or Developmental Disabilities

Huron has four rental projects for people with special needs. There is a total of 76 units in the four projects.

Danny Wahl Apartments and Manor Apartments are supportive housing units for individuals with mental illness. Danny Wahl Apartments has 14 one-bedroom and six two-bedroom units. Manor Apartments has 26 one-bedroom units. There are no vacancies in either project. Tenants pay 30% of their income in both projects.

Community Counseling Services has a 23-unit rental project with one efficiency and 22 one-bedroom units, for individuals with mental illness. The project was developed with USDA Rural Development funds. The project has no vacancies.

The Center for Independence owns and manages eight rental facilities for people with developmental disabilities. The eight facilities include congregate style living facilities and apartment buildings. There is a total of 67 units/beds in the eight facilities. Currently, there are no vacancies and there is a waiting list. Tenants pay rent based on their income.

Table 30 Huron Multifamily Rental Housing Inventory

Name	Number of Units /Bedroom Mix	Rent	Vacancy/ Wait List	Tenant Mix	Comments
Market Rate					
Regency Apartments	<u>12 - 2 bedroom</u> 12 total units	\$750 + utilities	No vacancies	Mix of tenants	Market rate 12-unit project. Manager reports no vacancies and excellent occupancy. Rent is \$750 plus utilities.
Huron Arms Apartments	4 - 1 bedroom <u>14 - 2 bedroom</u> 18 total units	\$370 \$530-\$550	No vacancies	Mix of tenants	Market rate 18-unit project constructed in 1972. Rent includes water, sewer, heat and garbage. Manager reports no vacancies.
Fairlane Apartments	24 - efficiencies <u>24 - 1 bedroom</u> 48 total units	\$400 \$485	8 vacancies	Mix of tenants	Fairlane Apartments was previously a subsidized project, but is currently market rate. Rent includes all utilities. Manager reports eight vacancies.
Buehls Apartments	N/A	N/A	N/A	N/A	Would not participate in survey.
Field Estates	28 - 2 bed/1 bath 4 - 2 bed/2 bath 8 - 3 bed/1 story <u>8 - 3 bed/2 story</u> 48 total units	\$762 \$782 \$832 \$812	No vacancies	Mix of tenants	Field Estates is a 49-unit market essential function bond project owned and managed by the Huron Housing and Redevelopment Authority. The project was constructed in two phases in 1997 and 1998. Project is townhome style units. Units have attached garages. All 3-bedrooms have 2 bathrooms. Tenants pay all utilities. The project is fully occupied.
Lampe Estates	20 - 2 bedroom <u>20 - 3 bedroom</u> 40 total units	\$690 \$760	Six vacancies	Mix of tenants	Lampe Estates is a 40-unit market rate essential function bond project owned and managed by the Huron Housing and Redevelopment Authority. The 40 units are in eight five-unit buildings. Tenants pay all utilities. Currently, there are six vacancies.
Cloverleaf Apartments	<u>16 - 1 bedroom</u> 16 total units	\$475	2 one-bdrm vacancies	Mostly singles	Older market rate apartment building with 16 one-bedroom units. Rent includes all utilities and cable. Manager reports two vacancies

Table 30 Huron Multifamily Rental Housing Inventory

Name	Number of Units /Bedroom Mix	Rent	Vacancy/ Wait List	Tenant Mix	Comments
Market Rate					
Revere & Admiral Apartments	<u>22 - 2 bedroom</u> 22 total units	\$420-\$450	No vacancies	Mix of tenants	Revere and Admiral Apartments are two 11-unit buildings built in the 1950s. Rent includes heat, water, sewer and garbage. Manager reports no vacancies and the units are usually fully occupied.
Woodrow Wilson Apartments	11 - 1 bedroom <u>5 - 2 bedroom</u> 16 total units	\$485-\$550 \$600-\$720	No vacancies	Mix of tenants	Woodrow Wilson Apartments has 16 units and is approximately 15 years old. Currently, there are no vacancies. Rent includes water, sewer and garbage.
J & J Rentals	<u>6 - 1 bedroom</u> 6 total units	\$280	No vacancies	Mix of tenants	J & K is a six-unit project. Manager reports no vacancies.
Wilcox Properties	Approx. 100 units of all sizes in single family, duplexes, 3 and <u>4-plexes, etc.</u> 100 units	Varies based on size and type of units	Two vacancies	Mix of tenants	Manager reports that Wilcox Properties includes a large variety of units in a variety of building types. There is also a wide range of rents. Manager reports that the units have very high occupancy rates and there is a high demand for rental units.
Townhouse Apartments	74 - 1 bedroom <u>6 - 3 bedroom</u> 80 total units	\$350-\$480 N/A	15 vacant units	Mix of tenants	Project includes 80 rental units in 11 buildings. Owner reported that no vacancies existed on Feb. 1 st , but 15 vacancies existed in early March. Twenty-nine current tenants have rent assistance Vouchers. Rent includes utilities.
Belmont Estates	<u>24 - 1 and 2 bed.</u> 24 total units	Varies	No vacancies	Mix of tenants	Belmont Estates is a 24-unit market rate project with one- and two-bedroom units. Currently, there are no vacancies.
Dakota Rentals	Approx. 95 units - almost all single <u>family homes</u> 95 total units	Varies	3 two- bdrm vacancies	Mix of tenants	Dakota Rentals manages approximately 95 units, most of which are single family homes. Manager reports three vacant two-bedroom units.

Table 30 Huron Multifamily Rental Housing Inventory

Name	Number of Units /Bedroom Mix	Rent	Vacancy/ Wait List	Tenant Mix	Comments
Market Rate					
Huron Towers Apartments	17 - 1 bedroom <u>3 - 2 bedroom</u> 20 total units	\$525 \$625	No vacancies	Mix of tenants	Huron Tower Apartments are the renovated upper floors of a building owned by the hospital. The renovation was undertaken in 1986. Currently, there are no vacancies. Rent includes all utilities.
Nightingale Apartments	10 - 1 bedroom <u>13 - 2 bedroom</u> 23 total units	\$490 \$540	No vacancies and a waiting list	Primarily seniors, but also several younger people	Twenty-three units in seven buildings including five 4-plexes, one duplex and one single family home. Units were constructed in the early 1990s. Rent includes utilities. Owner reports no vacancies and a waiting list.
Subsidized					
Tamarac Apartments	55 - 1 bedroom 8 - 2 bedroom <u>4 - 3 bedroom</u> 67 total units	\$522 max. \$649 max. \$820 max. 30% of income	1 two-bdrm vacancy	General occupancy	HUD Section 8 project. Two buildings with a total of 67 units. Currently, there is one two-bedroom vacancy. Manager reports much higher occupancy rate than in the past. No tenants are paying market rent at this time, all tenants are paying 30% of income.
Courtyard Apartments I & II	40 - 1 bedroom <u>2 - 2 bedroom</u> 42 total units	\$627 max. \$722 max. 30% of income	4 one-bdrm vacancies	Senior/ Disabled	Rural Development Senior/Disabled Project with 42 units. Tax credit units were also utilized to construct the project. Project includes two buildings constructed in 1991 and 1995. Rent includes water, sewer and trash. Manager reports four one-bedroom vacancies. There have been a few vacancies for several months.
Huron Apartments	15 - 1 bedroom <u>44 - 2 bedroom</u> 59 total units	\$432 max. \$464 max. 30% of income	2 two-bdrm vacancies	General occupancy	Rural Development general occupancy with 59 units. Rent includes water, sewer and trash. Manager reports two vacancies and the project has had ongoing vacancies.
Campus Apartments	12 - Efficiency <u>10 - 1 bedroom</u> 22 total units	\$660 max. \$701 max. 30% of income	5 Efficiency & 1 one-bdrm vacancy	Senior/ Disabled	Rural Development senior disabled project with 12 efficiency and 10 one-bedroom units. Units are in the Senior Center Building. Manager reports six vacancies.

Table 30 Huron Multifamily Rental Housing Inventory

Name	Number of Units /Bedroom Mix	Rent	Vacancy/ Wait List	Tenant Mix	Comments
Subsidized					
Lincoln Square Apartments	12 - 1 bedroom <u>8 - 2 bedroom</u> 20 total units	\$518 max. \$548 max. 30% of income	1 one-bdrm vacancy	General occupancy	Rural Development general occupancy project with 20 units. Manager reports one vacant one-bedroom unit. Tenants pay 30% of income with a maximum rent of \$518 for a two-bedroom unit.
Riverstone Townhomes	16 - 2 bedroom <u>8 - 3 bedroom</u> 24 total units	\$586 max. \$820 max. 30% of income	1 two-bdrm & 1 three-bdrm vacancy	General occupancy	Riverstone Townhomes was constructed in 1978 and was renovated in 2012 utilizing tax credits. Was previously Southgate Apartments, but name was changed to Riverstone Townhomes. Manager reports one vacant two-bedroom and one vacant three-bedroom unit.
Granda Courts	<u>18 - 1 bedroom</u> 18 total units	\$518 max. 30% of income	1 one-bedroom vacancy	Senior/ Disabled	Granda Courts is an 18-unit Section 8 project constructed in 1976. Manager reports one vacant unit. Maximum rent is \$518.
Dakota Plaza Apartments	40 - 1 bedroom <u>11 - 2 bedroom</u> 51 total units	\$430 max. \$465 max. 30% of income	1 one-bdrm & 1 two-bdrm vacancy	Senior/ Disabled	Rural Development project with 51 units. Manager reports two vacancies, but the project is usually fully occupied. Base rent is \$430 for a one-bedroom unit and \$465 for a two-bedroom unit.
Colonial Apartments	17 - 1 bedroom 17 - 2 bedroom <u>16 - 3 bedroom</u> 50 total units	\$527 max. \$618 max. \$769 max. 30% of income	5 one-bdrm & 1 two-bdrm vacancies	General occupancy	Section 8 subsidized project constructed in 1973. Currently, there are five vacant one-bedroom units and one vacant two-bedroom unit. Manager reports that four tenants have moved out in the past two weeks.
Park Square Apartments	10 - 1 bedroom 2 -2 bedroom <u>18 - 3 bedroom</u> 30 total units	\$557 max. \$577 max. \$622 max. 30% of income	1 three-bdrm vacancy	General occupancy	Rural Development general occupancy project with 30 units including 10 one-bedroom, two two-bedroom and 18 three-bedroom units. Manager reports one three-bedroom vacancy.

Table 30 Huron Multifamily Rental Housing Inventory

Name	Number of Units /Bedroom Mix	Rent	Vacancy/ Wait List	Tenant Mix	Comments
Subsidized					
Ohio Estates	12 - 1 bedroom <u>4 - 2 bedroom</u> 16 total units	\$685 max. \$710 max. 30% of income	3 one-bdrm vacancies	Senior/ Disabled	Rural Development USDA/Section 8 project constructed in 1984. Manager reports three vacancies, but the units are usually fully occupied. Rent includes utilities.
Bluebird Apartments	<u>8 - 1 bedroom</u> 8 total units	\$658-\$865 30% of income	No vacancies	Seniors	Bluebird Apartments is a Rural Development 515 Senior Project. Tenants without rent assistance would not pay less than basic or more than market rents listed. Manager reports no vacancies.
Tax Credit					
Pleasant Run Apartments	19 - 2 bedroom <u>19 - 3 bedroom</u> 38 total units	\$411-\$620 \$466-\$690	No vacancies	Mix of tenants	Pheasant Run is a 38-unit tax credit project that opened for occupancy in May. Tenants must be at 60% of median income or less. Rents vary based on if tenant is 40%, 50% or 60% of median income. Units include two baths. Units were all full, but recently had three vacancies, but manager is in the process of leasing the vacant units, thus, there will be no vacancies.

Table 30 Huron Multifamily Rental Housing Inventory

Name	Number of Units /Bedroom Mix	Rent	Vacancy/ Wait List	Tenant Mix	Comments
Senior Housing with Services					
Stoney Brooke Suites	49 beds in single and double occupancy suites	Varies based on services	No vacancies, waiting list	Seniors	Stoney Brooke Suites is a 49-bed Assisted Living Center. Facility provides meals, housekeeping, bathing, activities, etc. Rent and fees are based on level of services. Staff reports no vacancies and a waiting list.
Countryview Estates	49 beds in single and double occupancy suites	Varies based on services	No vacancies, waiting list	Seniors	Countryview Estates is a 19-bed Residential Living Center. The facility can provide meals, housekeeping, bathing, activities, etc. Rent and fees are based on level of services. Staff reports no vacancies and a waiting list.

Table 30 Huron Multifamily Rental Housing Inventory

Name	Number of Units /Bedroom Mix	Rent	Vacancy/ Wait List	Tenant Mix	Comments
Special Needs Housing					
Community Counseling Services	1 - Efficiency <u>22 - 1 bedroom</u> 23 total units	N/A	No vacancies	Special needs	Rural Development project with 23 units.
Danny Wahl Apartments	14 - 1 bedroom <u>6 - 2 bedroom</u> 20 total units	30% of income	No vacancies	Supportive housing	Danny Wahl Apartments is a 20-unit supportive housing project. Manager reports full occupancy. Tenants utilized housing Vouchers, thus, rent is 30% of income.
Manor Apartments	<u>26 - 1 bedroom</u> 26 total units	30% of income	No vacancies	Supportive housing	Manor Apartments is a supportive housing project with 26 one-bedroom units. Manager reports no vacancies. Tenants utilize housing Vouchers, thus, rent is 30% of income.
Center for Independence * Eight homes & apt. buildings - 1820 & 1895 Meadowlark Ln - 1450 & 1600 Lincoln Ave SW - 109 7 th St NW - 1010, 1030 & 1070 15 th St SW	* 49 bedrooms in homes that have congregate living * 18 one-bedroom units and one two-bedroom unit in buildings that have <u>rental units</u> 67 total units/beds	Rent is based on the tenant's income	No vacancies and an eight-person waiting list	People with developmental disabilities	The Center for Independence has constructed, owns and manages eight rental facilities for people with developmental disabilities. The rental facilities were constructed from 1980 to 2004. Five facilities are residential homes that have congregate style housing. The homes have bedrooms with shared common areas. There are a total of 41 bedrooms in the five residential homes. Two facilities are apartment buildings. One building has eight one-bedroom units and one building has six one-bedroom units and one two-bedroom unit. One facility has eight bedrooms and congregate style housing on the first floor and four one-bedroom apartments on the second floor. Two of the residential facilities are USDA Rural Development projects and two facilities are Section 8 projects. Tenants pay a percentage of their income for rent. Some of the tenants have a Housing Choice Voucher. The facilities are all fully occupied and there is an eight-person waiting list.

Source: Community Partners Research, Inc.

Employment and Local Economic Trends Analysis

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

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

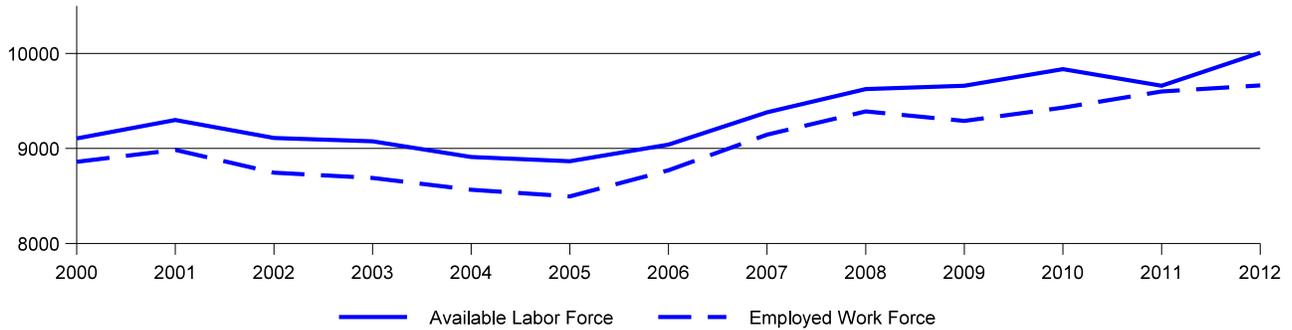
The City of Huron has experienced significant job growth in recent years and continues to pursue economic development opportunities. While working on attracting new businesses, the City has also concentrated on existing businesses and has tried to facilitate job expansion in the community.

Employment information for Huron is available at the County level and the following table displays data for all of Beadle County.

Table 31 County Average Annual Labor Force: 2000 to 2012						
Year	Labor Force	Employed	Unemployed	Unemployment Rate - County	Unemployment Rate - SD	Unemployment Rate - US
2000	9,105	8,860	245	2.7%	2.7%	4.0%
2001	9,300	8,985	315	3.4%	3.1%	4.7%
2002	9,110	8,745	365	4.0%	3.3%	5.8%
2003	9,075	8,690	385	4.2%	3.5%	6.0%
2004	8,910	8,565	345	3.9%	3.7%	5.6%
2005	8,865	8,495	370	4.2%	3.7%	5.1%
2006	9,040	8,770	270	3.0%	3.1%	4.6%
2007	9,380	9,145	235	2.5%	2.9%	4.6%
2008	9,625	9,390	235	2.5%	3.1%	5.8%
2009	9,660	9,290	370	3.8%	4.8%	9.3%
2010	9,835	9,430	405	4.1%	4.6%	9.6%
2011	9,660	9,600	360	3.6%	4.6%	8.9%
2012	10,007	9,663	344	3.4%	4.4%	8.1%

Source: South Dakota Department of Labor

Beadle County Labor Force and Employed Work Force



Beadle County has experienced some fluctuations in labor statistics, but over a longer time period, there has been growth in the size of the labor force. Between 2000 and 2012, the labor force increased by 902 people, or 9.9%.

While the County appears to have been impacted by the national recession, this impact has been minor. In 2010, the unemployment rate did reach 4.1%, but by 2012, it was back down to only 3.4%. The year 2012 represented a new high for the size of the labor force and the size of the employed work force.

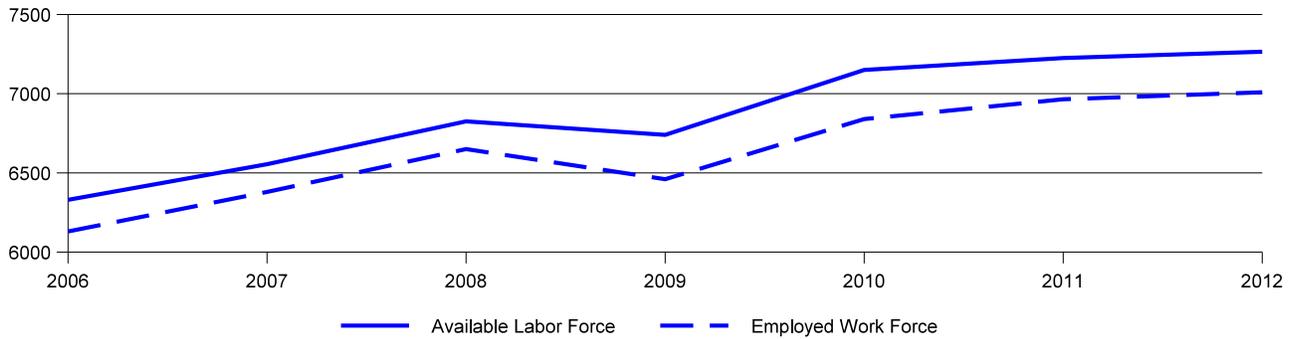
Throughout the time period reviewed, the unemployment rate in the County has stayed low, and has been below the Statewide rate for each year since 2006. The Statewide unemployment rate has consistently remained well below the national average.

Labor market information is also available at the City level, but only from 2006 forward. In 2012, approximately 73% of the available labor force and the employed workforce in the County are based in the City of Huron.

Table 32 Huron Average Annual Labor Force: 2006 to 2012						
Year	Labor Force	Employed	Unemployed	Unemployment Rate - City	Unemployment Rate - SD	Unemployment Rate - US
2006	6,330	6,130	200	3.1%	3.1%	4.6%
2007	6,555	6,380	175	2.7%	2.9%	4.6%
2008	6,825	6,650	175	2.5%	3.1%	5.8%
2009	6,740	6,460	280	4.2%	4.8%	9.3%
2010	7,150	6,840	310	4.3%	4.6%	9.6%
2011	7,225	6,965	260	3.6%	4.6%	8.9%
2012	7,265	7,009	256	3.5%	4.4%	8.1%

Source: South Dakota Department of Labor

Huron Labor Force and Employed Work Force



Between 2006 and 2012, the available labor force in Huron increased by 935 people, or 14.8%. During this same time, the employed work force grew by 879 people, or 14.3%. With the available labor force growing at a slightly faster rate than the employed work force, Huron has seen a gradual rise in the unemployment rate, from 3.1% in 2006, to 3.5% in 2012, but the City’s rate still remains very low by comparative standards.

The year 2012 represented a highpoint for employment statistics in Huron. The available labor force and the employed resident work force both reached their highest levels for the time period reviewed.

Average Annual Wages by Industry Sector

The following table shows the annual employment and average annual wages by major employment sector in 2011, the last full year of data. It is important to note that the major employment sectors listed do not represent all employment in the County. This information is for all of Beadle County.

Table 33 Beadle County Average Annual Wages by Industry Detail: 2011		
Industry	2011 Employment	2011 Average Annual Wage
Total All Industry	8,374	\$32,917
Natural Resources, Mining	163	\$39,034
Construction	331	\$38,813
Manufacturing	1,798	\$35,360
Trade, Transportation, Utilities	1,860	\$33,267
Information	101	\$23,194
Financial Activities	427	\$40,485
Professional and Business Services	301	\$35,885
Education and Health Services	1,239	\$31,649
Leisure and Hospitality	722	\$10,502
Other Services	193	\$24,783
Government	1,239	\$39,527

Source: South Dakota Department of Labor

The average weekly wage for all industry in 2011 was \$32,917, up 3.1% from the average annual wage in 2010. The highest paying wage sectors were Financial Activities, and Government, with average annual wages of \$40,485, and \$39,527, respectively. The lowest paying wage sector was Leisure and Hospitality, with an average annual wage of only \$10,502.

Major Huron Employers

The South Dakota Department of Labor provided the following list of the largest employers in Huron. All of these are believed to employ more than 100 people.

- ▶ Dakota Provisions Processing Plant
- ▶ U.S. Government
- ▶ Huron Public Schools
- ▶ Huron Regional Medical Center
- ▶ Center for Independence
- ▶ Wal-Mart
- ▶ Sunquest Healthcare
- ▶ Terex Manufacturing
- ▶ Trussbilt, Inc.
- ▶ SD State Government
- ▶ Coborn's Superstore
- ▶ City of Huron
- ▶ Northwestern Corporation
- ▶ Our Home, Inc.

Source: Labor Market Information Center

There may be additional large employers in the community that are not listed on the State website.

Commuting Patterns of Area Workers

Only limited information is available on area workers that commute for employment. The best information is from the 2011 American Community Survey, and has been examined for Huron. This table only examines people that commuted, and excludes people that work at home.

Table 34 Commuting Times for Residents - 2011	
Travel Time	Number/Percent
Less than 10 minutes	3,338 / 54.8%
10 to 19 minutes	1,832 / 30.1%
20 to 29 minutes	461 / 7.6%
30 minutes +	462 / 7.6%
Total	6,093

Source: 2011 American Community Survey 5-year estimates

The large majority of Huron residents were commuting less than 20 minutes to work in 2011. Overall, nearly 85% of residents commuted 19 minutes or less to work. However, nearly 8% did commute 30 minutes or more.

Findings on Growth Trends

As part of this Study, Community Partners Research, Inc., has examined growth patterns for the City of Huron, the Town of Alpena and Beadle County over the past few decades. These historic growth trends have then been used as a basis for projecting future demographic changes in the area.

Huron and Beadle County's population decreased in the 1990s, but gained population from 2000 to 2010. From 1990 to 2000, Huron's population decreased by 555 people and Beadle County's population decreased by 1,230 people. From 2000 to 2010, Huron's population increased by 699 people and Beadle County's population increased by 375 people.

The City of Huron gained 15 households from 1990 to 2000 and gained 145 households from 2000 to 2010. Beadle County lost 101 households from 1990 to 2000 and gained 36 households from 2000 to 2010.

The Town of Alpena gained 14 people and 15 households from 1990 to 2000. From 2000 to 2010, Alpena added 21 people and lost three households.

Findings on Projected Growth

The projections for Huron, Alpena and Beadle County calculated by Community Partners Research, Inc., from past growth trends reflect the patterns of recent decades. Using the past trends to form a range, Community Partners Research, Inc., projects that Huron's population will increase by 73 to 370 people between 2010 and 2015. The household projection expects a gain of 40 to 74 households from 2010 to 2015.

Alpena is expected to add 10 to 11 people and Alpena's household count is projected to remain stable with a range of a loss of one household to a gain of three households.

The 20-year trend projections for all of Beadle County expect a loss of 204 people from 2010 to 2015, however, the 10-year trend projections estimate a gain of 192 people from 2010 to 2015. The forecasts used for this Study expect a range of a loss of 16 households to a gain of 18 households in Beadle County from 2010 to 2015. It is our opinion, that the 10-year trend projections, which estimate population and household growth, are the most realistic.

Summary of Beadle County Growth Projections by Age

The Demographic section of this Study presented Beadle County projection information on anticipated changes by age group over the next few years. This information can be informative in determining the housing changes that may be needed due to age patterns of the area population.

The following approximate ranges show the expected net change in the number of Beadle County households in each 10-year age cohort between 2010 and 2015. The first column shows the projections based on State Data Center data and the second column shows projections based on Community Partners, Inc. calculations.

In general terms, most of the projected net growth to the year 2015 will occur among people in the 55 to 74 age ranges. This would largely reflect the aging “baby boomers”, nearly all of whom will be age 55 or older by the year 2015. From 2010 to 2015, Beadle County is projected to gain 232 to 282 households in the 55 to 74 year old age ranges.

There is a difference in the State Data Center and Community Partners Research, Inc. projections for the 15 to 34 and 85 and over age ranges. The State Data Center projects household increases for these age ranges and Community Partners Research, Inc., is projecting losses. Also, Community Partners Research, Inc., is projecting a 117 household gain in the 35 to 44 age range but the State Data Center is projecting a loss of 28 households.

While projections can be informative in planning for change, it is important to note that they may be altered in the future. To the extent that Huron and Beadle County can continue to attract in-migration, the demographic profile of future residents may not always match historical patterns, and it is possible that more young adults will move to the area.

<u>Age Range</u>	<u>Projected Change in Households</u>
	<u>2010 to 2015</u>
15 to 24	9 to -17
25 to 34	10 to -20
35 to 44	-28 to 117
45 to 54	-280 to -228
55 to 64	202 to 96
65 to 74	130 to 186
75 to 84	-67 to -46
85 and Older	150 to -42

Findings on Unit Demand by Type of Housing

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

Age 24 and Younger - The projections used for this Study expect a range of a small loss of 17 households to a gain of nine households in the 15 to 24 age range through the year 2015. Past tenure patterns indicate that as many as 73% of these households in Beadle County will rent their housing. A relatively stable number of households in this age range should mean that rental demand from younger households will remain relatively unchanged during the projection period.

25 to 34 Years Old - The projections show a range in this age cohort Countywide, from a loss of 20 households to a gain of 10 households by 2015. Within this age range households often move from rental to ownership housing. The ownership rate among these households in Beadle County was nearly 52% in 2010. A stable number of households within this age range will mean no change in demand for both first-time home buyer and rental opportunities.

35 to 44 Years Old - This 10-year age cohort has a projected range of a gain of 117 households to a loss of 28 households between 2010 and 2015 in Beadle County. In the past, this age group has had a high rate of home ownership in Beadle County, at approximately 74%. Households within this range often represent both first-time buyers and households looking to trade-up in housing, selling their starter home for a more expensive house. Demand from this age cohort would have some impact on overall demand for owner-occupied housing.

45 to 54 Years Old - By 2015, this age cohort will represent the front-end of the "baby bust" generation that followed behind the baby boomers. This age group represents a much smaller segment of the population than the baby boom age group. For Beadle County, the projections show a loss of 228 to 280 households in this range. This age group historically has had a high rate of home ownership, approximately 70% in Beadle County in 2010, and will often look for trade-up housing opportunities. With a household decrease in this age group, there will be a decrease in the demand for trade-up housing.

55 to 64 Years Old - This age range is part of the baby boom generation. The projections show an expected increase of 96 to 202 additional households in this 10-year age range by the year 2015 in the County. This age range has traditionally had a high rate of home ownership in Beadle County, at

approximately 80% in 2010. 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.

65 to 74 Years Old - Relatively strong household growth is expected Countywide within this age range, with the projections showing an increase of 130 to 186 households by the year 2015. While this group will begin moving to life-cycle housing options as they age, the younger seniors are still predominantly home owners. At the time of the 2010 Census, approximately 79% of households in this age range owned their housing in Beadle County. Once again, preferences for age-appropriate units should increase from household growth within this age cohort.

75 to 84 Years Old - There is a projected loss of 46 to 67 households in Beadle County in this age range between 2010 and 2015. In the past, households within this 10-year age range have had a relatively high rate of home ownership, at approximately 71% in Beadle County. While this is likely to continue, an expansion of other housing options for seniors, including high quality rental housing, should appeal to this age group. In most cases, income levels for senior households have been improving, as people have done better retirement planning. As a result, households in this age range may have fewer cost limitations for housing choices than previous generations of seniors.

85 Years and Older - A wide range of the loss of 42 households to the gain of 150 households is projected from the State Data Center and Community Partners Research, Inc. among older seniors. Historic home ownership rates in this age group in Beadle County have been relatively low, at approximately 51% in 2010. Seniors in this age range often seek senior housing with services options.

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

Huron - Strengths and Barriers for Housing Development

Strengths for Housing Development

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

- ▶ **Huron is the regional center for the area** - Huron is the regional center serving Beadle County and portions of surrounding counties. The City provides employment opportunities, retail/service options, government services, health and professional services, and cultural amenities to a large surrounding trade area. Huron's role as a regional center has resulted in population and household growth over the last decade.
- ▶ **Affordable housing stock** - The City has a large stock of affordable, existing houses. Our analysis shows that the City's median home value is approximately \$90,000. This existing stock, when available for sale, provides an affordable option for home ownership.
- ▶ **Increasingly diverse housing stock** - The City has a good mix of housing options, including a large number of rental housing units for both lower income and market rate households. The City also has town houses, twin homes, condominium units and several senior with services options.
- ▶ **Adequate land for development** - The City has adequate land available for residential development.
- ▶ **Household growth for the City** - Over the past decade, the City has sustained household growth and the City is projected to continue to grow in the future.
- ▶ **Diverse economy** - The City of Huron has a diverse economy with industries, agriculture, etc. The City also has several large employers. The Greater Huron Development Corporation continues to promote economic diversity.
- ▶ **Desirable location for seniors and retirees** - Huron is an attraction for seniors as a retirement location. As the provider for the region's health, retail and government services, the City has amenities that are attractive for seniors as they age.

- ▶ **Active housing developers in the City** - Huron has housing developers that are willing to invest in housing projects in the community. Developers have been active in subdivision development, rental housing, attached ownership housing and single family development.
- ▶ **Housing agencies** - The Huron Housing and Redevelopment Authority and James Valley Housing, Inc., have been very active in housing and have developed an excellent reputation in the housing field.
- ▶ **State, federal, nonprofit funds** - The City and local housing agencies have leveraged local funds for housing activities over the years with other resources including state, federal and nonprofit funds. This experience in obtaining funds, and the City's track record in appropriately utilizing the funds, will continue to serve the City well when seeking funds in the future.
- ▶ **School system** - The City has an excellent public K-12 school system.
- ▶ **Ethnic and cultural diversity** - Over the past several decades, the City has become very diversified with many immigrants locating in Huron.
- ▶ **Infrastructure** - The City's public utilities and infrastructure are in good condition and can facilitate future expansion.
- ▶ **Commercial development** - Huron's commercial districts are adequate to meet daily needs and new commercial development is ongoing.
- ▶ **Health facilities** - The City has excellent health care systems that serve the region.
- ▶ **Available lots** - The City currently has available lots for housing of all types.
- ▶ **Recreational Opportunities** - Huron has many recreational opportunities. Currently, the City is creating a multimillion dollar 'state of the art' water park.

Barriers or Limitations to Housing Activities

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

- ▶ **Age and condition of the housing stock** - While the existing stock is very affordable, some of the housing is in need of improvements to meet expectations of potential buyers. Also, there are a large number of vacant and/or dilapidated homes in Huron.
- ▶ **Low rent structure** - The City's rent structure is low, which makes it difficult to construct new rental housing.
- ▶ **Value gap deters new owner-occupied construction** - Based on market values for 2012 residential sales, we estimate that the median priced home in Huron is valued at approximately \$90,000. This is below the comparable cost for new housing construction, which will generally be above \$150,000 for a stick built home with commonly expected amenities. This creates a value gap between new construction and existing homes. This can be a disincentive for any type of speculative building and can also deter customized construction.
- ▶ **Low paying jobs** - Although Huron has a strong, diverse economy, some jobs are at the lower end of the pay scale and the employees with these jobs have very limited housing choices.
- ▶ **Staff capacity limitations** - Although the City has access to several housing agencies, it is very difficult to develop and implement housing initiatives with limited staff resources.
- ▶ **Subdivision Financial Stability** - Two new subdivisions in Huron have had financial problems, which has made it difficult to fully develop the subdivisions with infrastructure, to sell lots and to build homes or rental units in these subdivisions.

Huron - Recommendations and Opportunities

Recommendations, Strategies and Housing Market Opportunities

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

- ▶ **Focus heavily on the preservation, maintenance and improvement of the housing stock that already exists** - While some housing construction will occur in coming years, most of the housing opportunities will continue to be provided by the housing stock that is already on the ground. This is especially important for affordable housing opportunities, as it will almost always be less expensive to offer an affordable unit through rehabilitation versus new construction. Units that are lost due to deterioration and obsolescence cannot be replaced for a similar Price. Evidence suggests that the majority of the existing stock is generally being well maintained, however, a significant percentage of housing needs repair. Emphasis on continued improvement will be important to meet future housing needs.
- ▶ **Develop life cycle housing** - It is vital for a community that serves as a regional center to provide housing opportunities for all ages and household types. These housing opportunities enable a community to thrive, and allow households to live in the community throughout their lives.
- ▶ **Promote new construction** - New construction provides housing opportunities, stimulates the economy and upgrades the community's housing stock. Both new owner-occupied single family homes and rental units are needed to provide households in Huron with housing options and to assure a healthy housing stock into the future.
- ▶ **Promote home ownership** - Home ownership is the preferred option for most households. Home ownership assists in creating community stability and commitment to the community. There are many younger families that are renting their housing. These households may be interested in home ownership, if an affordable opportunity is available.
- ▶ **Prioritize community housing goals** - Many of the recommendations in the Study will require staff-intensive efforts. The City and housing agencies should prioritize its housing goals and establish a plan to achieve its goals.

It is very difficult to meet all of the objectives as the balance of the objectives are very sensitive. An overly aggressive or overly passive approach to any of the objectives can cause problems in achieving the other objectives. For example, overbuilding new rental housing units could lead to vacancy problems in older, less marketable units in the community, causing these units to deteriorate in quality. The recommendations of this section attempt to provide a balanced approach to addressing the housing needs of Huron.

Summary of Findings/Recommendations

The findings/recommendations for the City of Huron and the Town of Alpena have been formulated through the analysis of the information provided in the previous sections and include a total of 23 recommendations divided into the following five categories:

- ▶ **Rental Housing Development**
- ▶ **Home Ownership**
- ▶ **Single Family New Construction**
- ▶ **Housing Rehabilitation**
- ▶ **Other Housing Initiatives**

The findings/recommendations for each category are as follows:

Findings and Recommendations for the City of Huron	
Rental Housing Development	
1.	Develop 77 to 82 general occupancy market rate rental units
2.	Develop 36 to 40 subsidized/tax credit rental units
3.	Support the development of 38 to 47 senior housing with services units
4.	Develop a mixed-use downtown commercial/housing project
5.	Continue to utilize the Housing Choice Voucher Program
Home Ownership	
6.	Utilize and promote all programs that assist with home ownership
7.	Develop a local down payment assistance program
New Construction	
8.	Monitor lot availability and development
9.	Develop a 14 to 16 lot affordable subdivision
10.	Promote townhouse and twin home development
11.	Coordinate with agencies/nonprofits that develop affordable housing
12.	Develop home ownership and new construction marketing programs

Findings and Recommendations for the City of Huron	
Housing Rehabilitation	
13.	Promote rental housing rehabilitation programs
14.	Promote owner-occupied housing rehabilitation programs
15.	Develop a neighborhood revitalization program
16.	Develop and implement a Rental Inspection Program
17.	Develop a Purchase/Rehabilitation Program
Other Housing Initiatives	
18.	Continue employer involvement in housing programs
19.	Acquire and demolish dilapidated structures
20.	Develop a City of Huron New Construction Incentive Program
21.	Develop mobile home programs
22.	Create a plan and continue coordination among housing agencies
23.	Address racial and ethnic minority housing issues

Huron - Recommendations Rental Housing Development

Rental Housing Development

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

From 1999 to 2012, based on City of Huron data, approximately 158 rental units were constructed in Huron. The 158 rental units include market rate general occupancy, tax credit and units for special need’s populations. In addition to the new rental units, it is estimated that approximately 70 single family homes were converted from owner-occupied to rental use between 1999 and 2012.

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

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

Our household projections for Huron expect continued household growth, although some of this growth will result in demand for owner-occupied housing. From 2010 to 2015, it is projected that there will be a 74-household gain in Huron. Approximately 40% of these households will be rental households, thus, there will be a demand of approximately 30 additional rental units over the next five years.

Demand created by replacement of lost units is more difficult to determine, but the best available evidence suggests that the City will lose as many as seven units per year. As a result, approximately 35 additional units will be needed over the next five years to replace lost units. In some cases, this unit replacement will be necessary as existing units are removed from the inventory through demolition or conversion. In other cases, this replacement is appropriate due to the deteriorating condition of older, substandard rental housing that should be removed from the occupied stock.

Pent-up demand also exists. As part of this study, a rental survey was conducted. A total of 1,175 rental units in 37 multifamily buildings were contacted. Information was also obtained on single family homes, duplexes and small rental buildings. The survey found a 7.7% vacancy rate in general occupancy market rate units, a 7.1% vacancy rate in subsidized units, a 0% vacancy rate in tax credit units and a 0% vacancy rate in the senior with services projects.

Based on this information and interviews with stakeholders, we are estimating that there is a demand for approximately 16 to 20 additional subsidized/tax credit rental units, 32 to 37 market rate units and 38 to 47 senior with services units in Huron over the next five years.

These three demand factors show a need for 151 to 169 rental units over the next five years. Based on the factors stated above, we recommend the development of the following new rental units over the next five years from 2013 to 2018. With limited exceptions, Huron would be the preferred location for these future projects.

▶ General Occupancy Market Rate	77-82 units
▶ Subsidized/Tax Credit	36-40 units
▶ Senior with Services	<u>38-47 units</u>
Total	151-169 units

1. Develop 77 to 82 general occupancy market rate rental units

Findings: Approximately 76% of the rental housing in the City of Huron 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.

The entire rental inventory in the City includes approximately 2,477 total units in 2010. We believe that approximately 1,891 of these units are best described as market rate rental housing.

As part of the research for this Study, we contacted 550 market rate units. We found 36 vacant units for a vacancy rate of 7.7%, which is above a healthy market range of 3% to 5%. Twenty-nine of the 36 vacancies were in three rental projects. Nine of the 13 market rate rental projects surveyed had no vacancies. Also, 29 of the 36 vacant units were in efficiency or one-bedroom rentals. A Housing Study was conducted in 2009 and the vacancy rate for market rate units was reported to be 0.8%.

There is a fairly wide variation in rental rates in the market rate segment in the City of Huron. The prevailing rent range for an efficiency apartment is \$350 to \$400 and up to \$900 to \$960 for a three-bedroom unit.

From 2000 to 2012, only one market rate rental project was constructed. The Huron Housing and Redevelopment Authority constructed a 40-unit project in 2009. Also, it is estimated that approximately 70 single family homes have

converted from owner-occupied to rental units partially due to the downturn in the economy.

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 77 to 82 market rate rental units over the next five years. This includes the market rate rental projects that may be in the planning phase.

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

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

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

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

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

<u>Unit Type</u>	<u>No. of Units</u>	<u>Size/Sq. Ft.</u>	<u>Rent</u>
One Bedroom	10-11	800 - 900	\$600 - \$800
Two Bedroom	38-40	1,000 - 1,100	\$650 - \$975
Three Bedroom	21-22	1,150 - 1,250	\$700 - \$1,050
Four Bedroom	8-9	1,350 - 1,500	\$900 - \$1,200
Total	77-82		

Note: The recommended rents are gross rents including all utilities. The rents are quoted in 2013 dollars.

2. Develop 36 to 40 Subsidized/Tax Credit Rental Housing Units

Findings: Huron has a good supply of subsidized multifamily rental units and a limited supply of tax credit units. The supply of subsidized units is adequate to address Huron's needs, however, we are projecting a need for 36 to 40 tax credit units over the next five years. The City of Huron has 13 project-based subsidized/tax credit developments with a combined 445 units. Subsidies have been provided by USDA Rural Development, the Department of Housing and Urban Development (HUD) and through the South Dakota Housing Development Authority. The breakdown of the 13 rental projects is as follows:

- ▶ Six subsidized general occupancy projects with 250 units
- ▶ Six subsidized senior/disabled projects with 157 units
- ▶ One general occupancy tax credit project with 38 units

All of the city's subsidized units serve low income people and charge rent based on 30% of the tenant's household income. In some cases, tenant households pay 30% of income, but not less than a basic rent level established for the unit. In these cases, it is possible that a very low income household pays more than 30% of income, if the basic rent was higher. There is also a market rent and tenants don't pay more than the market rent.

The rents for the tax credit project are \$411 to \$620 for a two-bedroom unit and \$466 to \$690 for a three-bedroom unit.

In addition to these subsidized projects, Beadle County has funding authorization for approximately 251 Housing Choice Vouchers. Voucher assistance is issued to income-eligible households for use in suitable, private market rental housing units. With the assistance, a household pays approximately 30% of their income for rent, with the program subsidy paying any additional rent amounts. Most of the Vouchers are being utilized within the City of Huron.

Despite the existing supply of subsidized units in Huron, the 2010 Census still identified that approximately 640 renter households in Huron reported a housing cost burden, with 30% or more of their income going to housing costs. A majority of these households were actually paying 35% or more of their income for housing, which is defined as a severe cost burden.

Our rental survey found 29 vacancies in the subsidized projects, which represented a vacancy rate of 7.1%. All but one of the subsidized projects had vacancies. The 38-unit tax project reported no vacancies.

The greatest need for tax credit units is for three and four-bedroom units. The City of Huron has 378 renter households with four or more people. This is an increase of 170 households from 2000 and 2010. This number is high when compared with other cities. Many of these households are renter households and need three or four-bedroom units. Currently, there are only 54 subsidized/tax credit three-bedroom units and no four-bedroom units in Huron.

Recommendation: We recommend the development of 36 to 40 tax credit rental housing units for moderate income households.

Tax credit projects utilize the federal low income housing tax credit program. Tax credits alone do not produce 'deep subsidy' rental units that can serve very low income households, but tax credits do provide a 'shallow subsidy' that allows for the construction of units that can serve households at or below 60% of the median income established for the County. When other resources are combined with tax credits, even lower income households can be served.

If tax credit units are constructed, we strongly recommend that the rents are at or below the fair market rents for Housing Vouchers, thus, a low income household in a tax credit unit can apply for a Housing Voucher, which will enable the household to pay 30% of their income for their unit.

We recommend that at least 75% of the tax credit units constructed over the next five years should have three-bedrooms or four-bedrooms and be constructed as town home style units.

The City of Huron should work with a private developer or area housing agency to apply for tax credits and to develop a tax credit project. The City could assist with lowering rents by providing Tax Increment Financing and/or land at a reduced cost.

3. Support the development of 38 to 47 additional senior with services units

Findings: The City of Huron currently has two senior with services projects with a total of 68 beds. One project, Stoney Brooke Estates, has 49 units and is licensed as an Assisted Living Center. The other project, Countryview Estates, has 19 beds and is registered as a Residential Living Center.

The research for this Study did not identify any dedicated beds/units in Huron for people needing specialized memory care housing. However, both nursing homes do house people with memory loss issues, and it is probable that other senior housing facilities also have some residents with less severe memory loss issues.

Currently, there are no vacancies in the two projects that offer senior housing with services, and both facilities have a waiting list. Stoney Brook Estates is planning a small expansion of approximately eight assisted living beds.

Recommendation: Using 2010 Census data for Beadle County, there are 1,637 senior citizens age 75 and above that are not currently in a nursing home and are part of the potential market for senior with services units. Based on our previous research in other communities, approximately 6.5% to 7% of seniors over the age of 75 will need senior with services housing, thus, there is potential demand for 106 to 115 senior with services beds in Beadle County.

Currently, there are 68 beds in Huron providing senior housing with some level of services, therefore, there is potential demand for 38 to 47 additional beds. This could include a mix of assisted living, lighter services housing and specialized memory care units. This recommendation is intended to provide general guidance and to identify the need for additional senior with services beds/units in Huron and Beadle County.

We support the current expansion of assisted living that is being proposed. We also recommend that prior to developing additional senior with services beds/units that a comprehensive analysis is undertaken to determine the appropriate mix of light services, assisted living and memory care units/beds that are needed at the time the development is proposed.

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

Findings: The City of Huron has an active downtown area. A mixed-use rental housing/commercial project could complement the City's ongoing efforts to maintain a vibrant downtown. 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 downtown.

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

Recommendation: We recommend the development of a mixed-use building in the downtown Huron area. There are several potential sites in the downtown area for a mixed-use project.

We recommend commercial space on the first floor and 20 to 24 rental units on the second and third floors. Prior to construction, a portion of the commercial space should be leased to an anchor tenant who would complement existing downtown businesses and attract people to downtown.

The 20 to 24 rental units should be primarily market rate units, but could be mixed income with some moderate income units. The units should be primarily two-bedroom units. Please note that these units are not in addition to the units recommended in the first and second recommendations of this section. If a mixed use building was constructed, the number of units recommended previously should be reduced.

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

5. Continue to utilize the Housing Choice Voucher Program

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

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

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

The Housing Choice Voucher Program is administered in Beadle County by the Huron Housing and Redevelopment Authority. Based on available funding, the Huron HRA has the ability to issue approximately 251 Vouchers. Currently, the majority of the Vouchers are being utilized in the City of Huron.

Recommendation: From a practical standpoint, the Housing Choice Voucher Program is the single best way that Huron and Beadle County can provide affordable housing. Although current funding for this program is very limited and it is difficult to even fund currently allocated Vouchers, we encourage the Huron Housing and Redevelopment Authority to apply for Vouchers when available and as needed.

Huron - Home Ownership Recommendations

Home Ownership Recommendations

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 Huron is estimated to be \$90,000. In Alpena the median home value is estimated to be \$26,000. With approximately 50% of the homes in Huron and almost all of the homes in Alpena valued less than \$90,000, Huron and Alpena have a good market for first time home buyers and households seeking moderately priced homes.

Our analysis of Huron demographic trends shows strong population growth over the next five years in the 55 to 74 age ranges. While most households in these age ranges already own their housing, this group represents a strong potential market for 'trade-up' housing. Increasingly, the older age ranges within this group look for lower maintenance housing options, such as twin homes or town house developments. The strong growth in the 55 to 74 age range, however, is offset somewhat by expected household losses in the 45 to 54 age range.

The number of households in the 35 to 44 age range is expected to increase in Huron and Beadle County. While some of these households already own their housing, those households that have not been able to achieve the goal of home ownership, may need the assistance of special programs to help them purchase their first home and will be seeking affordable homes.

The 25 to 34 age range is projected to remain relatively stable from 2010 to 2015. Households in this age range are typically first-time home buyers.

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

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

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

First time home buyer assistance, down payment assistance, low interest loans and home ownership counseling and training programs can help to address affordable housing issues. The Cities have a supply of houses that are price-

eligible for these assistance programs. The home value estimates used in this study indicate that a large majority of the existing stock currently is valued under the purchase price limits for the first-time home buyer assistance programs.

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

James Valley Housing, Inc., has been working with regional housing agencies and the South Dakota Housing Development Authority to implement first time home buyer and down payment assistance programs.

Recommendation: James Valley Housing, Inc., and local financial institutions should continue to work with regional housing agencies and the South Dakota Housing Development Authority to utilize all available home ownership assistance programs. Private and nonprofit agencies should also be encouraged to provide home ownership opportunities.

Funding sources for home ownership programs may include USDA Rural Development, the South Dakota Housing Development Authority, and the Federal Home Loan Bank.

7. Develop a local down payment assistance program

Findings: One of the identifiable barriers preventing low and moderate income households from owning a home is the inability to save money for down payment and closing costs. This is especially true now that lending institutions have tightened their lending criteria and some conventional loans require a lower loan-to-value ratio.

There are numerous examples of cities and counties that have created a local fund to assist home owners with a down payment assistance program. Under these programs the city or county establishes a loan pool. Eligible applicants are provided a “soft second” loan that can be applied to a home purchase.

This down payment/closing cost loan is typically secured against the property, behind the primary mortgage. Repayment can be triggered if the buyer sells the home within a certain period of time, but often the loan is forgiven if the

borrower meets the basic program requirements. In other cases, the loan may need to be repaid after a certain period of time, or when the borrower sells or transfers the house in the future. Loans with repayment requirements typically do not accrue interest. The size of the loan is generally \$5,000 or less, but depends upon the resources that are available for the loan pool.

Recommendation: Local housing agencies may wish to consider the development of a local down payment/closing cost assistance program. A locally-funded program could provide additional assistance or could potentially serve households that do not qualify for SDHDA Down Payment Assistance. Following the collapse of the national housing bubble, and resulting rise in foreclosures, more stringent lending criteria now apply to many conventional mortgage loans, and a larger borrower contribution may be required.

To promote home ownership within Huron and Alpena, and to make ownership more achievable, a locally-funded program should be explored.

Major local employers, the Federal Home Loan Bank and the South Dakota Housing Development Authority may be potential sources to contribute to the fund. In some communities, recaptured grant funds have also been used to create a loan pool.

Huron - New Housing Construction

New Housing Construction

Findings: Huron has experienced significant single family owner-occupied housing construction. According to City records, from 1999 to 2012, 236 single family were constructed in Huron, which is an average of nearly 17 housing units per year. The peak years for new construction were 2005 when 31 houses were constructed and in 2005 when 22 units were constructed. Although there were peak years, new single family construction has been relatively stable over the past 14 years in Huron. Some additional attached units, such as twin homes or town houses were also built for owner-occupancy but the exact number of these units cannot be determined from annual reports.

The attractiveness of the area, the City's status as a regional center, the City's amenities and its job creation, should result in the continued construction of new homes annually. Also, there are many attractive residential lot options available for new home construction.

Overall household projections for Huron and Beadle County indicate good demand for owner-occupied housing construction. Substantial household growth is anticipated through 2015 among households in the age ranges between 55 and 74 years old. Beadle County is projected to gain 282 to 332 households in the 55 to 74 age ranges from 2010 to 2015. Households in these age ranges tend to be predominantly home owners, and form a market for higher priced, trade-up housing and low maintenance housing such as town homes and twin homes. The number of households in the 35 to 44 year old ranges is also expected to grow through 2015. Many of the households in these age ranges are first time home buyers. However, there is projected to be a loss of 228 to 280 households in the 45 to 54 age range.

It is our opinion that if the city, local housing agencies and developers are proactive, 30 to 35 owner-occupied housing units should be constructed in Huron annually over the next five years from 2013 to 2018 to address demand. Our projection for single family housing starts includes homes built in new subdivisions and on infill lots, and includes single family attached housing units, such as twin homes and town houses. The breakdown of our projection of 30 to 35 new owner-occupied housing units annually over the next five years is as follows:

▶ Higher & median price homes	12-13 homes
▶ Affordable homes	8-9 homes
▶ Homes on infill lots	4-5 homes
▶ Twin homes/town homes	<u>6-8 units</u>
Total	30-35 units

8. Monitor 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 the City of Huron. Currently, there are approximately 180 lots available in newer subdivisions in Huron. The available inventory includes lots that are currently buildable, as well as lots in the advanced planning stages that could be available for the next construction season. Two subdivisions have had financial problems, which currently limits the availability of lots in these subdivisions. However, we are assuming the financial and legal issues will be resolved and these lots will be available.

There are also several miscellaneous infill lots scattered around the city that we did not attempt to count. We also do not know the availability of some of these infill lots. Also, we are promoting the acquisition and demolition of dilapidated houses. Some of the cleared lots may be sites for new construction.

Recommendation: We use a standard that a 2 ½ year supply of lots should be available in the marketplace based on annual lot usage. With projections that 30 to 35 new owner-occupied housing units will be constructed per year, the City should have approximately 75 to 88 residential lots available to meet the expected demand. Part of this demand would be for attached unit construction.

With approximately 180 available lots, plus infill lots, the City currently has an adequate number of lots. However, the City should continue to monitor the number of lots that are available to assure there is an adequate number on an ongoing basis and that lots are available for homes in all price ranges.

9. Develop a 14-lot to 16-lot affordable subdivision

Findings: Although there is an adequate number of lots available for new home construction over the next several years, lots for new affordable housing are limited. A cluster of lots for governors homes, modular homes and modest stick-built homes does not exist in Huron.

We are estimating a demand for the construction of eight to nine affordable homes annually in Huron.

James Valley Housing, Inc., has constructed 15 homes over the past three years and has a goal to construct 10 affordable homes annually.

Recommendation: We are recommending the development of a 14-lot to 16-lot affordable subdivision. The subdivision should include the following:

- ▶ The subdivision and infrastructure should be planned and developed to accommodate future phases, if land is available.
- ▶ Total prices should be affordable for low and moderate income households.
- ▶ The subdivision must be as aesthetically acceptable as possible.
- ▶ The subdivision should accommodate a variety of home designs.
- ▶ Financing programs for households should be provided, such as down payment assistance and low interest mortgage programs.
- ▶ Major employers should be involved in the financing and publicity.
- ▶ To be successful, the homes must be available to as wide an income range as possible.
- ▶ A successful subdivision will need the cooperation of local housing agencies, funding agencies, and the City of Huron.

We are recommending that a subdivision is developed immediately, in conjunction with the improving economy and the need for lots. We are estimating a four to five-year lot absorption time frame.

It may be necessary for the City of Huron, James Valley Housing, Inc., or the Greater Huron Development Corporation to assist a developer, partner with a developer, or to be the developer of a subdivision. Also, if a cluster of lots is available in an existing subdivision for affordable homes, that would be an alternative option to developing a new subdivision.

10. Promote townhouse and twin home development

Findings: Huron has experienced limited owner-occupied attached housing development from 1999 to 2012. Many communities over the past decade have seen attached housing take an increasingly large share of new construction. In cities the size of Huron, 30% to 40% of the housing starts are typically twin homes/townhomes. Over the past 14 years, approximately 13% of the owner-occupied housing units constructed in Huron have been attached units such as twin homes/townhomes.

Attached housing provides desirable alternatives for empty nesters and seniors to move out of their single family homes, thus, making traditional single family homes available for families. It is estimated that the 55 to 74 age ranges will increase by 282 to 332 households in Beadle County from 2010 to 2015. It is important for the City to offer a range of life-cycle housing options as many of these households will be seeking to downsize into low maintenance housing options.

Recommendation: It is our projection that approximately six to eight of Huron's new owner single family units per year should be twin homes or town houses over the next five years, which is an approximate total of 30 to 40 units during the five-year period. It should be noted that twin home/town home development has been impacted by the downturn in the housing economy, and full recovery of this segment of the market may not occur until later in the five-year time period.

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

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

The public sector's role in any owner-occupancy attached housing development may be limited, as the private sector can often meet this housing need if a demand exists. The city's role should include assuring that adequate land is available for development and that zoning allows for attached housing development.

11. Coordinate with agencies/nonprofits that develop affordable housing

Findings: With the difficulty of producing new housing units that are affordable to lower income people, it is important to take advantage of opportunities presented by housing agencies, nonprofit groups and organizations. James Valley Housing, Inc., has constructed 15 affordable homes in Huron over the past three years. There is also a Habitat for Humanity Chapter in Huron. Other local and regional housing agencies and nonprofits may also have the capacity to construct affordable housing in Huron. These sources can help generate new homes for lower income families in Huron.

Recommendation: We recommend that the City continue its cooperation with housing agencies and nonprofit organizations that help to produce housing units for lower income ownership. The City may be able to contribute to the project through land donations, TIF, grant writing, or project coordination activities.

Additionally, the City should work with James Valley Housing, Inc., other housing agencies and area builders to market Governors homes.

12. Develop home ownership and new construction marketing programs

Findings: With the downturn in the housing economy, the competition among cities for households looking to buy or build a home has been greater than past years. Also, some cities have an excess inventory of residential lots, homes for sale, vacant homes and homes in foreclosure. Additionally, households are evaluating the appropriate timing to buy or build a home.

As the economy improves, 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, lots on the market, local builders, etc. This is especially evident for new households moving into the area. The home buying/home building process can be very intimidating for first-time buyers and builders. It is important for the home buying or home building process to be user-friendly.

Recommendation: We recommend the creation of additional marketing materials that describe housing opportunities and financing/assistance programs that are available in Huron. Buying a lot, selecting a builder, obtaining financing and constructing or purchasing a home can be an intimidating process. Often households have not been through this process and

do not know where to begin or how to proceed. Pertinent and up-to-date information will encourage and assist households with constructing a home or finding a suitable move-up home. It is recommended that this information be shared with area employers. Human Resources Departments are often willing to provide this information to new hires and as part of recruitment materials.

Another possibility for promoting ownership options is to organize a Housing Fair that educates and informs the public on lots, builders, finance programs, etc. The Housing Fair should include developers, builders, lenders, realtors, public agencies, local businesses, etc. Local employers should be contacted to assess their interest and possible participation in the event.

These marketing programs do not have to be "city" projects but could possibly be developed by a local civic organization, or the private sector.

Huron - Housing Rehabilitation

Housing Rehabilitation

Findings: Huron and Alpena each have an asset in their existing housing stock. Existing units, both now and into the future, will represent the majority of the affordable housing opportunities. Existing units generally sell at a discount to their replacement value. Units that are not maintained and improved may slip into disrepair and be lost from the housing stock. Efforts and investment in housing rehabilitation activities will be critical to offering affordable housing opportunities and in preventing the deterioration of existing neighborhoods.

Housing options for households will largely be met by the existing, more affordable housing stock. As this existing stock ages, more maintenance and repair are required. Without rehabilitation assistance, the affordable stock will shrink, creating an even more difficult affordability situation.

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

13. Promote rental housing rehabilitation programs

Findings: Based on 2010 U.S. Census data, the City of Huron currently has approximately 2,477 rental units and the City of Alpena has 35 rental units. These rental units are in multi-family projects, small rental buildings, duplexes, single family homes and mobile homes. Many of these rental structures could benefit from rehabilitation as many of the rental structures are more than 30 years old and some rental units are in poor condition.

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

Recommendation: Huron, Alpena and local housing agencies should seek funds that can be dedicated to the rehabilitation of rental units. For a rental rehabilitation program to be workable and successful, the funds should to the extent possible, allow for program design flexibility.

Potential funding sources include USDA Rural Development, the Federal Home Loan Bank, the South Dakota Housing Development Authority, and local funds.

14. Promote owner-occupied housing rehabilitation programs

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

Our Huron housing condition survey rated the 776 single family homes in four of the city's oldest neighborhoods. Our survey found that 240 homes need minor repairs and 292 homes need major repairs. Our Alpena housing condition survey of the 111 single family homes identified 29 homes that need minor repair and 35 homes that need major repairs. Without rehabilitation assistance, there is the potential that the affordable housing stock will shrink in Huron and Alpena.

James Valley Housing, Inc., is currently accessing housing rehabilitation programs to assist area households with the rehabilitation of their homes. Grow South Dakota is currently administering the Weatherization Program in the Huron area.

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

Currently, Grow South Dakota and Homes are Possible, Inc., are working with James Valley Housing, Inc., to implement owner-occupied housing rehabilitation programs. Households that meet program requirements are eligible for a deferred loan to rehabilitate their homes. Deferred loans do not have to be paid back if the household lives in the rehabilitated home for a stipulated amount of time after the rehabilitation is completed. We encourage Huron area households to continue to utilize these programs.

15. Develop a Neighborhood Revitalization Program

Findings: The City of Huron has several neighborhoods that are on the bubble. These neighborhoods have a significant number of homes that need rehabilitation and a significant number of low/moderate income households. These neighborhoods also have vacant and dilapidated homes. The neighborhoods could deteriorate, or could be revitalized to be strong vital neighborhoods.

Recommendation: We recommend that the City of Huron, local housing agencies, and the private housing sector select a neighborhood and develop and implement a Neighborhood Revitalization Program. Redevelopment strategies and opportunities should be identified for the Neighborhood including:

- ▶ A plan for each parcel in the neighborhood
- ▶ Owner-occupied rehabilitation
- ▶ Rental Rehabilitation
- ▶ Demolition of dilapidated structures
- ▶ Infill new construction including single family homes and attached housing
- ▶ Land pooling for larger town home and attached housing projects
- ▶ Purchase/Rehabilitation Programs that rehabilitate homes and provide home ownership for low/moderate income households
- ▶ Public projects (streets, utilities, parks, etc.)
- ▶ Possible rezoning, variances and/or replatting to make areas and parcels more desirable for redevelopment
- ▶ Programs that encourage energy conservation
- ▶ Other projects identified through the planning process

The Neighborhood Revitalization Plan should include time lines, the identification of a responsible city department or housing agency, funding sources, etc. The program should be evaluated on an ongoing basis as opportunities and potential projects may change priorities.

It must be noted that neighborhood revitalization can result in the loss of affordable housing. Redevelopment projects, infill construction and other affordable housing projects in the community should assure that there are overall net gains in the affordable housing stock.

After a neighborhood is revitalized, a new neighborhood can be selected for future targeted efforts.

16. Develop and implement a Rental Inspection Program

Findings: A Rental Inspection Program can be a valuable tool in improving the quality of the City's rental housing and assuring safe and sanitary housing. In 2010, there were 2,477 licensed rental units in the City of Huron, many that are more than 25 years old. Neighborhood deterioration, lower property values and unsafe rental units are often prevented when a Rental Inspection Program is successfully implemented. It is our understanding that the City of Huron is currently considering the implementation of a Rental Inspection Program.

The need for an ongoing Rental Inspection Program includes the following:

Health and Safety

- ▶ There is a need to provide tenants with safe, sanitary, and standard living conditions and to eliminate life threatening hazards.

Age of Housing Stock

- ▶ Much of the existing rental housing stock is more than 25 years old.
- ▶ Older housing needs continued rehabilitation and maintenance.
- ▶ Older housing often has difficulty complying with current codes.

Conversions

- ▶ Many of the rental buildings were originally constructed for uses other than rental housing such as owner-occupied single family homes and commercial use buildings. In conversion, owners often do the work themselves and may have inadequate or faulty mechanical, electrical, plumbing, and heating systems. Also, constructing an apartment in the basement often results in a lack of natural lighting, ventilation and proper access and egress.

Trends of Conversions

- ▶ Many of today's buyers want more amenities and conveniences, and less maintenance, thus, they are less likely to purchase older homes. Also, there has been an increase in foreclosures. These issues result in the continuation of converting old homes to rental units and magnify the problem.

Maintenance Efforts

- ▶ A large number of landlords are providing standard housing and reinvesting in their rental properties. However, some landlords do not maintain their buildings. Ongoing maintenance is necessary for older housing as buildings with continued deferred maintenance become unsafe and substandard.

High Number of Landlords

- ▶ Huron has a significant number of rental property owners. Many of these landlords do an excellent job; however, some absentee landlords do not reinvest in their properties, and create a need for the program.

Neighborhood Stabilization

- ▶ Rental units need to be maintained to keep the integrity of the neighborhood and stabilize property values. Deferred maintenance, and such things as parked junk cars, trash and debris all have a negative impact on residential neighborhoods.

Zoning and Codes

- ▶ Illegal apartments such as inappropriately constructed basement apartments may be unsafe and a violation of zoning regulations.

Coordination

- ▶ A Rental Inspection Program provides a record of rental units and owners.
- ▶ The program provides a better opportunity for coordination of city programs and codes.
- ▶ The program assures that rental units comply with minimum housing standards.

Recommendation: We recommend the development and implementation of a Rental Inspection Program to assure that all rental units in Huron comply with housing laws and codes. The Program assures that Huron rental units are safe and sanitary, thus, removing blighted and unsafe conditions.

17. Develop a Purchase/Rehabilitation Program

Findings: Huron and Alpena have a large stock of older, lower valued homes, many of which need repairs. Our analysis of recent sales activity indicates that many of the homes in Huron and nearly all of the homes in Alpena are valued under \$75,000. As some lower valued homes come up for sale, they may not be attractive options for potential home buyers because of the amount of repair work that is required.

Some communities with a stock of older homes that need rehabilitation have developed a purchase/rehabilitation program. Under a purchase/rehabilitation program, the City or a housing agency purchases an existing home that needs rehabilitation, rehabilitates the home, sells the home to a low/moderate income family and provides a mortgage with no down payment, 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 recommend that Huron and Alpena work with a housing agency to develop and implement a purchase/rehab program. Attitudinal surveys that we have conducted in other cities have found that purchase/rehabilitation programs are appealing to people who are currently

renting their housing. In some similar sized communities, a large majority of survey respondents who were renters indicated an interest in buying a home in need of repair if rehabilitation assistance was available.

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

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

Huron - Other Housing Initiatives

18. Continue employer involvement in housing programs

Findings: The City of Huron has several large employers and Alpena has one large employer. The connection between economic development and housing availability has become an increasingly important issue as low area unemployment rates dictate the need to attract new workers into the community, many of whom are immigrants from other countries.

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

Dakota Provisions has been very active in housing activities. The company was instrumental in the creation of James Valley Housing, Inc., and in the development of the Pheasant Run tax credit rental housing project.

The South Dakota Housing Development Authority has developed an employer participation program, known as the Employer Mortgage Assistance Program (EMAP). There are a number of participating employers around the State. This program can assist employees of participating companies with home ownership assistance.

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

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

19. Acquire and demolish dilapidated structures

Findings: Our housing condition survey of four Huron neighborhoods identified 120 homes that are dilapidated and too deteriorated to rehabilitate. We also identified 292 homes as needing major repair (several of these homes may be too dilapidated to rehabilitate upon a more detailed inspection). There are also homes in other Huron neighborhoods that are dilapidated and beyond repair. Additionally, according to the 2010 U.S. Census, there were approximately 589 homes were vacant in Huron in 2010. There is the threat that these homes may deteriorate to the point of being beyond repair.

We identified 25 homes in Alpena that are dilapidated and 35 homes that need major repairs. There were also 10 vacant homes in Alpena at the time of the 2010 Census.

Recommendation: We recommend that Huron and Alpena continue to demolish severely dilapidated structures. The communities are enhanced when blighted and dilapidated structures are removed. Also, some of the cleared lots can possibly be utilized for the construction of new affordable housing units. Additionally, the demolition of dilapidated rental structures will upgrade the communities' rental housing stock.

Huron, Alpena and local housing agencies should work with Beadle County to acquire and demolish tax forfeited properties that are dilapidated and beyond repair.

20. Develop a City of Huron New Construction Housing Incentive Program

Findings: Several cities have developed an incentive program to promote new single family housing development. The City of Huron has residential lots available for new home construction. An incentive program may encourage households to construct a home in Huron.

Recommendation: We recommend that the City consider a New Construction Incentive Program to promote new housing construction. Incentives to households that construct a home could include:

- ▶ Reduced lot prices (offsets provided by the City/HRA/James Valley Housing, Inc.)
- ▶ Free water and sewer for a period of time
- ▶ Real estate tax abatement
- ▶ Permit fee waived
- ▶ Discounts at area businesses

21. Develop mobile home park improvement programs

Findings: The City of Huron has a significant inventory of mobile homes and manufactured housing. According to the American Community Survey estimates there were 230 mobile homes in the City in 2011. This represented nearly 4% of all housing options in Huron, and 5.5% of the single family housing options in the community. The American Community Survey also estimated that more than 70 of the City's mobile homes were constructed before 1980, and are more than 30 years old.

The analysts do recognize that there can be significant variation in the quality and condition between individual mobile home parks. Some of the manufactured home neighborhoods may contain newer units that are in good condition.

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

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

With a concentration of mobile home units in several mobile home parks in the community, it may be appropriate for the City to initiate additional programs to improve the quality of mobile homes, even if these programs can only address a few units per year.

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

- ▶ **Operation Safe Mobile Home Park** - Owners of substandard mobile homes are given the option of voluntarily selling their substandard mobile home to the City or a local housing agency for a fixed minimum price. The mobile homes are then removed from the park and demolished/salvaged. The owner can then use the funds from the sale to help purchase a new home. Mobile home dealerships have sometimes participated by buying the salvaged homes.

- ▶ **Time of Sale Inspection Program** - This inspection program is designed to provide safe living conditions through the identification and elimination of basic life/safety hazards in older mobile homes. Mobile homes are subject to inspection prior to their sale. All identified safety hazards must be corrected before the unit is sold and/or occupied. It is our understanding that Huron does inspect mobile homes prior to a sale.
- ▶ **Cooperative/Land Trust** - Some mobile home parks have created a cooperative or a land trust which enables the home owners to own the mobile home park land and facilities. This ownership often creates pride which results in a clean, safe park atmosphere.
- ▶ **Acquisition of the Mobile Home Park** - In some cases, a mobile home park may have a significant number of mobile homes that are vacant or dilapidated and/or have a high percentage of vacant pads. In these situations, it may be advantageous to purchase the park and relocate the remaining tenants. Also, the park may be on land that has a better use.

22. Create a plan and continue coordination among housing agencies

Findings: Huron and Alpena need staff resources to plan and implement many of the housing recommendations advanced in this Study. The communities have access to the Huron Housing and Redevelopment Authority, James Valley Housing, Inc., Homes are Possible, Inc., Grow South Dakota, USDA Rural Development and the South Dakota Housing Development Authority. These agencies all have experience with housing and community development programs.

Recommendation: Huron and Alpena are fortunate to have access to several agencies that can address housing needs. It is our recommendation that the communities work with the housing agencies to prioritize the recommendations of this Study and to develop a plan to comprehensively address the communities' housing needs. The plan should include strategies, time lines and the responsibilities of each agency. While there has traditionally been a degree of staff interaction between these agencies, it will be important that a coordinated approach be used to prioritize and assign responsibility for housing programs. This approach will reduce duplication, provide coordination and cooperation among agencies and will effectively utilize scarce resources.

It will also be important for the communities to look for opportunities to work cooperatively with other area cities to address housing issues. With limited staff capacity, 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.

23. Address Racial and Ethnic Minority Population Housing Issues

Introduction: These findings and recommendations provide updated information on the housing needs of Huron's and Alpena's racial and ethnic minority population. Huron's racial and ethnic minority populations have continued to increase at a substantial rate and there are concerns regarding the racial and ethnic minority population's ability to obtain affordable, safe and sanitary housing.

Findings: The following information is provided in this Section:

- ▶ Population and household data, school enrollment, employment
- ▶ Driving forces behind the growth of the minority population
- ▶ Problems and barriers in securing housing
- ▶ Strategies in securing housing

Population and household data - The City of Huron's racial and ethnic minority population has grown significantly from 2000 to 2010. The largest racial and ethnic minority populations in Huron are the Asian/Pacific Islander population, the Hispanic/Latino population and the population identified as Other Race/Two or More Races. The population and household growth of these racial and ethnic populations from 2000 to 2010 are as follows:

	<u>2000</u>	<u>2010</u>	<u>% Change 2000-2010</u>
Population			
Asian/Pacific Islander	53	635	1,098.1%
Latino/Hispanic	143	1,234	769.2%
Other Race/Two or More Races	165	735	345.5%
Households			
Asian/Pacific Islander	25	138	452.0%
Latino/Hispanic	49	375	665.3%
Other Race/Two or More Races	45	192	326.7%

Local agencies and employers estimate that in 2013, there are approximately 1,600 to 1,800 Karens in the Huron area.

School Enrollment - In 2012, the Huron Public School total enrollment was 2,236. Of this total, there were 321 Hispanic/Latino students and 496 Asian students. The Hispanic/Latino students and the Asian students represented approximately 36% of the total school enrollment.

Employment - Dakota Provisions and Jack Links Beef Jerky are the largest employers of racial and ethnic minority individuals. However, the minority population continues to diversify and are working for several major employers in the Huron area.

Additionally, data indicates that racial and ethnic minority individuals are working in the service industry (clerks, waiters, etc.).

Also, several minority-owned businesses have opened in the Huron area over the past several years.

Driving Forces Behind the Growth of the Racial and Ethnic Minority Population

We identified the major reasons for the continued growth of the racial and ethnic minority population in the Huron area. These reasons include:

- ▶ **Jobs** - Jobs continue to be the major reason why racial and ethnic minority individuals locate in the Huron area. Dakota Provisions and Jack Links Beef Jerky are the major employers of minority individuals, however, minority individuals are employed throughout the community and in surrounding communities.
- ▶ **Housing Availability** - Although the supply of affordable housing is a problem, the Huron area does have a supply of affordable rental units and affordable housing opportunities do exist.
- ▶ **Existing racial and ethnic minority populations** - There are significant Hispanic/Latino and Asian populations in the Huron area. Refugee, immigrant and minority individuals and families are more comfortable locating in a community that already has minority populations as the existing residents provide a support system, information, services, etc.
- ▶ **Embracing diversity/support services** - Although some problems exist, Huron and Alpena and their major employers have embraced diversity. Also, Huron has support services and organizations that assist racial and ethnic minority populations.

Housing Problems and Barriers

Housing barriers were identified that impact racial and ethnic minority households. These barriers include:

- ▶ **Same barriers as other low income households** - A significant percentage of racial/ethnic minority households are low income and experience the same barriers as many non-minority households, in finding affordable, standard housing.
- ▶ **Communication** - Some racial/ethnic minority individuals cannot speak English which causes communication problems when searching for housing.
- ▶ **Cultural differences** - The racial/ethnic minority households have cultural differences, which can conflict with generally accepted standards. For example, the number of people per unit may be acceptable to a minority household, but is considered overcrowding by city housing codes.
- ▶ **Transportation** - Transportation is a problem because some racial/ethnic minority individuals do not have vehicles or a driver's license.
- ▶ **Deposit/Down payment** - Many racial/ethnic minority individuals do not have the savings to pay a rent deposit or to make a down payment.
- ▶ **Discrimination** - In some cities, there are isolated cases of discrimination by landlords against minority households. Although discrimination does exist, minority households are also denied housing for legitimate reasons such as no credit, no references, etc.
- ▶ **Screening process** - Some landlords have a screening process that includes credit checks, criminal background checks, reference requirements, employment requirements, etc. Ethnic and racial minority households often have additional hurdles in that some minority households have no established credit, have no references, may not have proper documentation to be in the country, etc.
- ▶ **Lack of large apartments** - Some ethnic/racial minority households have large families that require three, four or five bedroom units. Large apartments are in short supply and are not meeting the demand.

- ▶ **Overcrowding** - With the lack of affordable housing and some racial/ethnic minority households that are 'Hard to House' for the reasons stated in this section, some households are forced to double-up which causes an overcrowded, often unhealthy living environment.
- ▶ **Rent Burden** - According to the 2010 Census, approximately 31% of the renter households in Huron are paying more than 30% of their income for housing. This is considered a rent burden. It is assumed that some of the households are minority households.
- ▶ **Low rates of home ownership** - According to the Census, home ownership rates among racial and ethnic minority households are lower than white households. The home ownership rates in 2010 were:

White -	63.7%
Black -	25.5%
Hispanic -	18.1%
Asian -	37.7%
Native American -	12.5%
Other Races/Two or More Races -	19.3%

Strategies in Securing Housing

Listed below is information on strategies that have been identified to address the housing needs of the racial and ethnic minority population.

- ▶ **Recognizing the impact the ethnic and racial minority population has on the housing market** - To address the needs of the ethnic and racial minority population, it must be recognized the impact the minority population has on the overall needs of the communities. Often the minority population is low income, younger in age, need larger units based on family size and are often refugees or immigrants from distant locations.
- ▶ **Employer Involvement** - Employer involvement in housing continues to be essential. Dakota Provisions has been very active in housing issues. Employers should continue to be encouraged to take an active role in housing initiatives that address the housing needs of the minority population.
- ▶ **Homeowner and Renter Education Programs** - One of the major barriers for the racial and ethnic minority population is the lack of information on how to purchase or rent a home. Currently, Lutheran Social Services is offering renter classes and James Valley Housing, Inc., is offering home ownership classes.
- ▶ **Financial institutions** - The financial institutions play a vital role in the ethnic and racial minority population's opportunity to own a home. Financial institutions should be encouraged to continue to hire minority employees to assist the minority population.
- ▶ **Enforce housing and anti-discrimination laws** - Anti-discrimination laws assure that minority populations are protected from discrimination.
- ▶ **Develop three, four and five-bedroom rental units** - Large minority households have difficulty finding a rental unit large enough for their families. The need exists to develop rental units with three, four and five bedrooms. The Pheasant Run rental project was recently developed, which has 19 three-bedroom units.
- ▶ **Community education** - The City of Huron, housing agencies, schools, the media and employers should continue to educate the community at every opportunity about diversity and the ethnic and racial minority populations. Education usually results in more tolerance and understanding. Conversely, the minority population must continue to

educate themselves about the Huron area and continue to integrate into the community.

- ▶ **English-speaking classes** - English-speaking classes are offered and ethnic and racial minority individuals should continue to take advantage of these classes.
- ▶ **Training & Education** - Employers should continue to provide training and minority individuals should take advantage of this training and also seek other education. Training and education usually results in a better job which means a higher income. A higher income can solve many problems including housing needs.
- ▶ **Work with landlords that provide housing for the minority populations** - A number of landlords are providing housing for the ethnic and racial minority populations. The City or local housing agency should meet and communicate with these landlords to address their concerns and determine how the City can work with the landlords to better address the minority population's housing needs.
- ▶ **Study Recommendations** - Finally, it should be noted that all of the recommendations included in this study also pertain to the minority populations.

Agencies and Resources

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

Huron Housing and Redevelopment Authority

PO Box 283
255 Iowa Avenue SE
Huron, SD 57350
(605) 352-1520
Contact: Barbara Cook

James Valley Housing, Inc.

145 3rd Street SW
Huron, SD 57350
(605) 554-0181
Contact: Larry Koral

Greater Huron Development Corporation

1705 Dakota Avenue South
Huron, SD 57350
(605) 352-0363
Contact: Barry Cranston

Grow South Dakota (also known as NESDCAP/NESDEC)

104 Ash Street East
Sisseton, SD 57262
(605) 698-7654
Contact: Marcia Erickson

Homes are Possible, Inc. (HAPI)

318 South Main Street
Aberdeen, SD 57401
(605) 225-4274
Contact: Jeff Mitchell, Executive Director

USDA Rural Development

1717 North Lincoln Avenue
Pierre, SD 57501
(605)224-8870, Ext. 4
Contact: Clark Guthmiller, Area Specialist

South Dakota Housing Development Authority

3060 East Elizabeth Street
Pierre, SD 57501
(605) 773-3181
Contact: Mark Lauseng, Executive Director