Elk Point
HOUSING STUDY

May 2015

An analysis of the overall housing needs
of the City of Elk Point

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Introduction

Local elected and public officials are often held responsible for conditions and circumstances over which they have limited control. This is particularly true of housing. Most of the housing units in Elk Point and Union 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 Elk Point Housing and Redevelopment Commission to conduct a study of the housing needs and conditions in the City of Elk Point.

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, 2014, to April, 2015. Data sources included:

- U.S. Census Bureau
- American Community Survey
- ESRI, a private data company
- Records and data from the City
- Records and data maintained by Union 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 and mobile home surveys

Limitations

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

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Demographic Data Overview

Sources of Data

The following pages contain demographic data obtained from a variety of local, state and national sources for the City of Elk Point and Union County. Some data is also included for the Sioux City Metropolitan Statistical Area (MSA), which includes Union County, SD, Woodbury County, IA, Plymouth County, IA, Dakota County, NE, and Dixon County, NE. At the time that the 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 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 American Community Survey data.

The frequency of American Community Survey estimates vary depending on the size of the jurisdiction. For most jurisdictions in South Dakota, the 2013 estimates were derived from sampling that was done over a five-year period, between 2008 and 2013. Unless otherwise noted, the American Community Survey estimates are based on the five-year survey data.

Additionally, Community Partners Research, Inc., has obtained information from ESRI, a private company based in California that generates demographic and projection data. ESRI estimates and projections are included in this demographic data section.

Population Data and Trends

Table 1 Population Trends - 1980 to 2014						
	1990 Census	2000 Census	% Change 1990-2000	2010 Census	% Change 2000-2010	2014 ESRI Estimates
Elk Point	1,423	1,714	20.4%	1,963	14.5%	2,082
Sioux City MSA	N/A	168,563	N/A	168,825	1.6%	170,853
Union County	10,189	12,584	23.5%	14,399	14.4%	15,143

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

- According to the 2010 U.S. Census, Elk Point's population was 1,963 people in 2010. When compared to the 2000 Census, the City had a population gain of 249 people from 2000 to 2010. The 249-person increase from 2000 was a population gain of 14.5%.

- Union County's population was 14,399 in 2010. This was an increase of 1,815 people from 2000, for a population gain of 14.4%.

- The Sioux City MSA's population was 168,825 in 2010. This was an increase of 262 people from 2000, which is a gain of 1.6%

- Union County and Elk Point also experienced significant population increases in the 1990s. Elk Point's population increased by 291 people and Union County's population increased by 2,395 people from 1990 to 2000.

- ESRI, a private data reporting service, has released 2014 population estimates. The estimate for the City of Elk Point is 2,082, an increase of 119 people from 2010 to 2014. ESRI's 2014 estimate for Union County is 15,143, a gain of 744 people since 2010. ESRI's 2014 estimate for the Sioux City MSA is 170,853, a gain of 2,028 people since 2010.

- The Census Bureau has released population estimates. The most recent estimate for Elk Point is effective July 1, 2013, and shows the City's population at 1,963, no change from 2010 to 2013. The Census Bureau's population estimates for Union County and the Sioux City MSA are effective July 1, 2014. The 2014 estimate for Union County is 15,029 and shows the County up 630 people after the 2010 Census. The 2014 Census estimate for the Sioux City MSA is 168,806, which is down 19 people from 2010.

- Elk Point's population is primarily White and non-Hispanic/Latino. At the time of the 2010 Census, approximately 97% of the City's residents were White, 0.3% were Black or African American, 0.6% were American Indian and 0.2% were Asian. Additionally, 0.8% of the population identified themselves as some other race and 1.2% of the population identified themselves as two or more races. Approximately 1.5% of the City's population was identified as Hispanic/Latino.

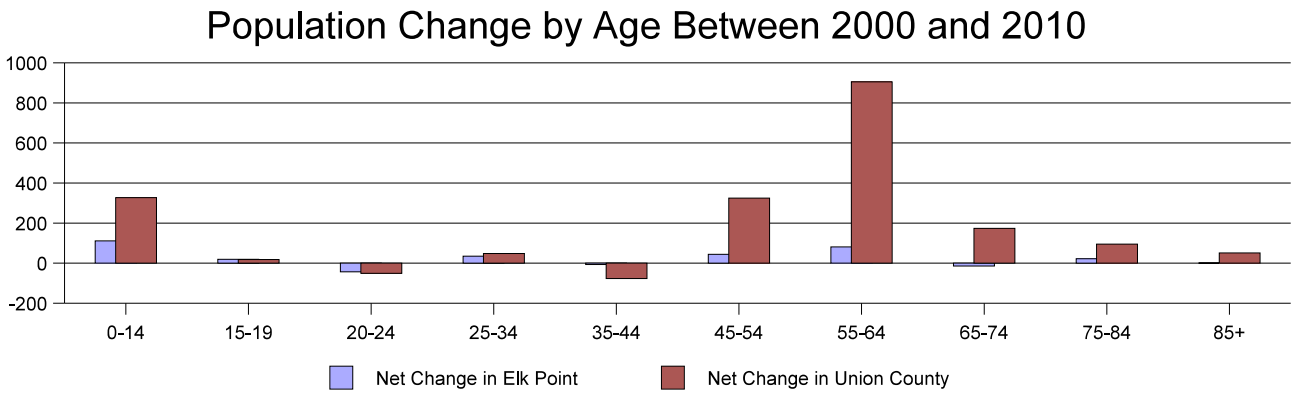
Population by Age Trends: 2000 to 2010

The release of demographic information from the 2010 Census allows for some analysis of the changing age patterns for Elk Point and Union 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	Elk Point			Union County		
	2000	2010	Change	2000	2010	Change
0-14	386	497	111	2,790	3,117	327
15-19	111	130	19	922	940	18
20-24	109	66	-43	604	553	-51
25-34	215	250	35	1,601	1,649	48
35-44	261	254	-7	1,979	1,902	-77
45-54	222	266	44	1,889	2,214	325
55-64	144	225	81	1,097	2,002	905
65-74	119	105	-14	856	1,030	174
75-84	91	113	22	622	717	95
85+	56	57	1	224	275	51
Total	1,714	1,963	249	12,584	14,399	1,815

Source: U.S. Census



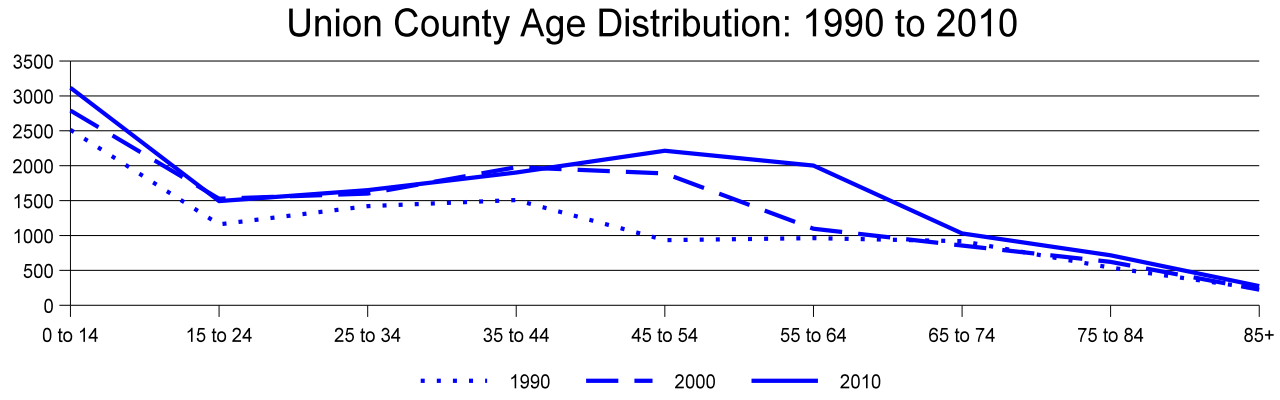
For many years, demographic analysts have been talking about the impact that is occurring as the large "baby boom" generation moves through the aging cycle. This trend has been evident in Elk Point and Union County. Between 2000 and 2010, Elk Point had a gain of 125 people and Union County had a gain of 1,230 people in the age ranges between 45 and 64 years old. In 2010, nearly all of the baby boomers were within these age ranges.

Union County also had growth in the 0 to 19 age ranges, which had a gain of 345 people, the 25 to 34 age range, which had a gain of 48 people, and the 65 and older age ranges, which had a gain of 320 people. Union County had a loss of 51 people in the 20 to 24 age range, and a loss of 77 people in the 35 to 44 age range.

In addition to the gains in the 45 to 64 age ranges, Elk Point had a gain of 130 people in the 0 to 19 age ranges, a gain of 35 people in the 25 to 34 age range and a gain of 23 people in the 75 and older age ranges.

Elk Point experienced a population loss of 43 people in the 20 to 24 age range, a loss of seven people in the 35 to 44 age ranges and a loss of 14 people in the 65 to 74 age range.

The aging trends present in Union County can be traced back over the previous decades to see the advancing movement of the baby boom generation.



Population Projections

The following table presents population projections using two different sources. The South Dakota State Data Center has issued Union County population projections for the year 2020. The other set of projections has been created by ESRI, and span the five-year period from 2014 to 2019.

Table 3 Population Projections Through 2019

	2010 US Census	2014 ESRI Estimate	2019 ESRI Estimate	2020 Projection State Data Center
Elk Point	1,963	2,082	2,209	N/A
Sioux City MSA	168,825	170,853	173,513	N/A
Union County	14,399	15,143	15,986	16,659

Source: U.S. Census; ESRI; State Data Center

- ESRI's growth projections show a population gain of 127 people in Elk Point from 2014 to 2019.
- ESRI's population projection for Union County forecasts a gain of 843 people from 2014 to 2019.
- ESRI's population projection for the Sioux City MSA forecasts a gain of 2,660 people from 2014 to 2019.
- The State Data Center projects that Union County's population will be 16,659 in 2020. When compared to the County's population in 2010, this projection assumes an increase of 2,260 people during the current decade.
- ESRI also projects a countywide gain of residents from 2010 to 2019. ESRI's projection of 15,986 people in 2019 is below the State Data Center's projection for 2020.

Household Data and Trends

Table 4 Household Trends - 1980 to 2014						
	1990 Census	2000 Census	% Change 1990-2000	2010 Census	% Change 2000-2010	2014 ESRI Estimate
Elk Point	563	682	21.1%	770	12.9%	823
Sioux City MSA	N/A	62,958	N/A	64,271	2.1%	65,407
Union Co.	3,859	4,927	27.7%	5,756	16.8%	6,095

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

- According to the 2010 U.S. Census, Elk Point, Union County and the Sioux City MSA gained of households from 2000 to 2010. Elk Point had 770 households in 2010, an increase of 88 households from 2000, for a household gain of 12.9%.

- Union County had 5,756 households in 2010. This was an increase of 829 households between 2000 and 2010, or a household gain of 16.8%.

- The Sioux City MSA had 64,271 households in 2010. This was an increase of 1,313 households from 2000 to 2010, or a household gain of 2.1%.

- Elk Point had a gain of 119 households and Union County had a gain of 1,068 households during the 1990s.

- ESRI estimates that Elk Point has gained 53 households, Union County has gained 339 households and the Sioux City MSA has gained 1,136 households from 2010 to 2014.

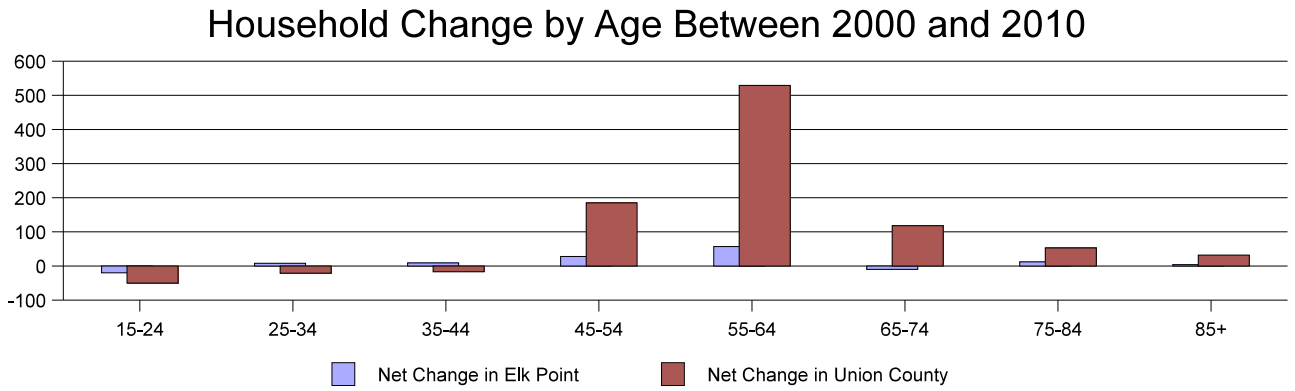
Household by Age Trends: 2000 to 2010

The 2010 Census allows for some analysis of Elk Point and Union 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 to 2010

Age	Elk Point			Union County		
	2000	2010	Change	2000	2010	Change
15-24	43	23	-20	220	170	-50
25-34	113	121	8	834	813	-21
35-44	140	149	9	1,047	1,030	-17
45-54	129	157	28	1,076	1,261	185
55-64	80	137	57	633	1,162	529
65-74	77	67	-10	522	640	118
75-84	67	79	12	436	489	53
85+	33	37	4	159	191	32
Total	682	770	88	4,927	5,756	829

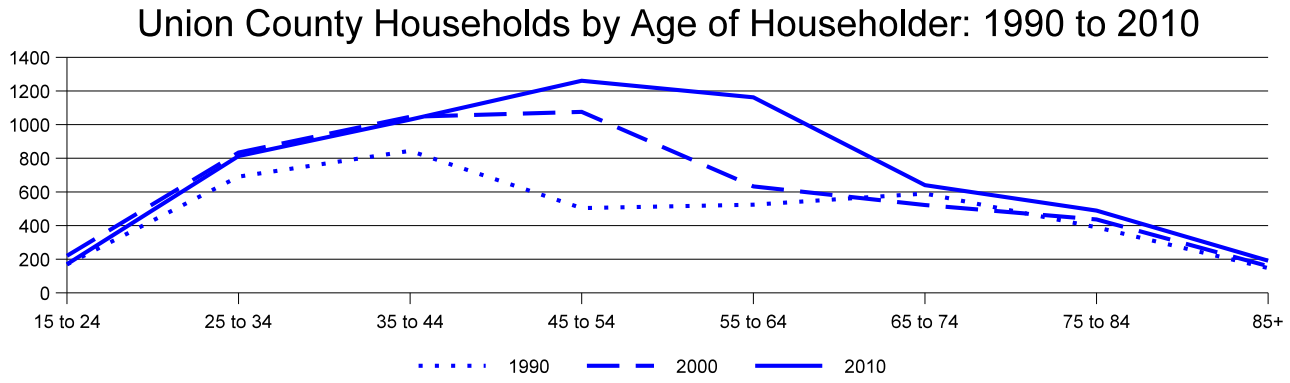
Source: U.S. Census



Elk Point had a decrease of 20 households in the 15 to 24 age range, and a loss of 10 households in the 65 to 74 age range. Elk Point had a gain of 102 households in the 25 to 64 age ranges and a gain of 16 households in the 75 and older age ranges.

Union County experienced a gain of 917 households in the 45 and older age ranges and a decrease of 88 households in the 44 and younger age ranges.

As with the longer-term patterns for population, it is possible to track the progression of the baby boomer households over the past 20 years in Union County using Census information for households by the age of householder.



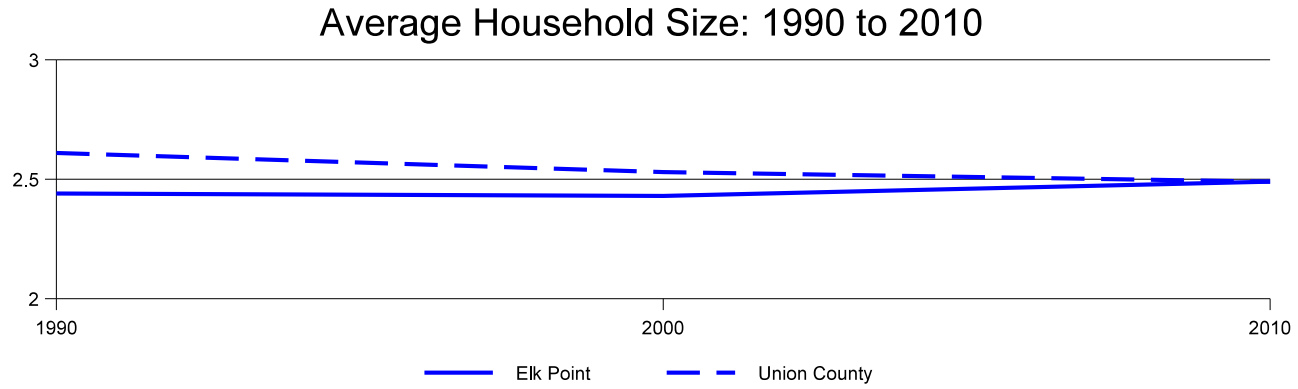
Average Household Size

The following table provides decennial Census information on average household size. The 2014 estimates from ESRI are also provided.

Table 6 Average Number of Persons Per Household: 1990 to 2014				
	1990 Census	2000 Census	2010 Census	2014 ESRI Estimate
Elk Point	2.44	2.43	2.49	2.47
Union County	2.61	2.53	2.49	2.48
South Dakota	2.59	2.50	2.42	N/A

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

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



However, in Elk Point, the average household size increased from 2.44 persons per household in 1990 to 2.49 in 2010. Elk Point's increase in household size indicates an increase in households with children from 2000 to 2010. Union County's average household size decreased from 2.61 in 1990 to 2.49 in 2010.

In 2010, Elk Point and Union County's average household size was higher than the Statewide average.

ESRI estimates that Elk Point and Union County's average household size has decreased from 2010 to 2014.

Household Projections

The following table presents ESRI's 2014 household estimates and 2019 household projections for Elk Point and Union County.

Table 7 Household Projections Through 2019			
	2010 Census	2014 Estimate ESRI	2019 Projection ESRI
Elk Point	770	823	877
Sioux City MSA	64,271	65,407	66,594
Union County	5,756	6,095	6,450

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

- The growth projections calculated by ESRI expect household growth in Elk Point, Union County and the Sioux City MSA from 2010 to 2019.
- ESRI estimates that Elk Point has added 53 households from 2010 to 2014 and projects that the City will add 54 more households from 2014 to 2019.
- ESRI's 2014 estimate for Union County is 6,095 households, an increase of 339 households from 2010. ESRI projects that Union County will add an additional 355 households from 2014 to 2019.
- ESRI's 2014 estimate for the Sioux City MSA is 65,407 households, an increase of 1,136 households from 2010. ESRI projects that the Sioux City MSA will add an additional 1,187 households from 2014 to 2019.

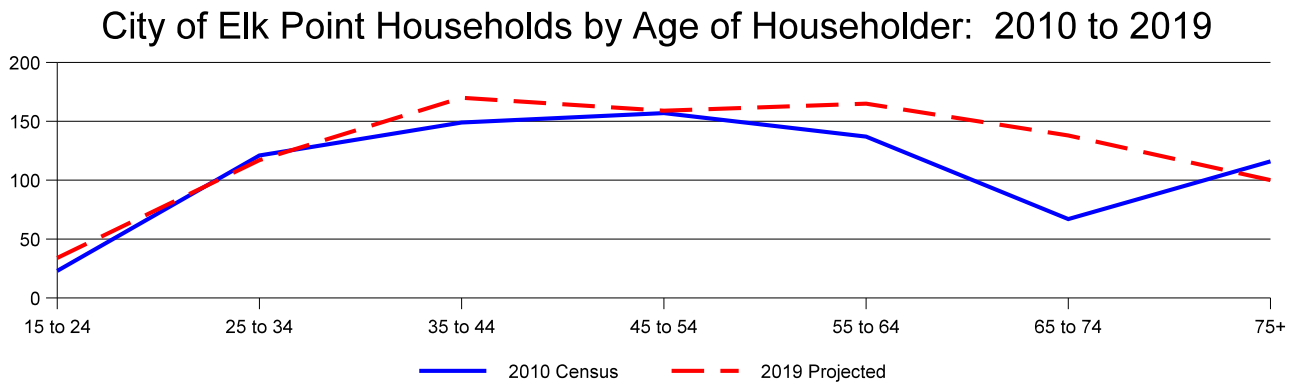
Elk Point Household by Age Projections: 2010 to 2019

ESRI has released population by age projections to the year 2019. The following table presents ESRI's 2019 households by age projections for Elk Point, and the household changes from 2010 to 2019.

Table 8 Elk Point Projected Households by Age - 2010 to 2019

Age Range	2010 Census	ESRI	
		2019 Projection	Change from 2010
15-24	23	34	11
25-34	121	117	-4
35-44	149	170	21
45-54	157	159	2
55-64	137	165	28
65-74	67	138	71
75+	116	100	-16
Total	770	883	113

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



Consistent with the age distribution data presented earlier, the movement of the "baby boom" generation through the aging cycle should generate most of the City's growth in households in the age ranges between 55 and 74 years old. These projections expect an increase of 99 households in Elk Point from 2010 to 2019 in the 20-year age group between 55 and 74 years old.

Growth of 11 households is also expected in the 15 to 24 age range. There is also a projected gain of 23 households in the 35 to 54 age ranges.

ESRI's projections expect a loss of four households in the 25 to 34 age range and a loss of 16 households in the 75 and older age ranges.

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 Elk Point.

Table 9 Elk Point Household Composition - 2000 to 2010			
	2000 Census	2010 Census	Change
Family Households			
Married Couple with own children	175	207	32
Single Parent with own children	54	75	21
Married Couple without own children	208	193	-15
Family Householder without spouse	23	30	7
Total Families	460	505	45
Non-Family Households			
Single Person	195	237	42
Two or more persons	27	28	1
Total Non-Families	222	265	43

Source: U.S. Census

Between 2000 and 2010, Elk Point experienced an overall net increase of 45 "family" households. There was an increase of 32 married couple families with children, an increase of 21 single parent families with children and an increase of seven family householder without spouse households. There was a decrease of 15 married couples without children.

The City of Elk Point had an increase of 43 "non-family" households. There was an increase of 42 one-person households and an increase of one household that had unrelated individuals living together.

Housing Tenure

The 2010 Census provided data on housing tenure patterns. The following tables examine tenure rates, along with changes that have occurred.

Table 10 Household Tenure - 2010				
	Number of Owners	Percent of all Households	Number of Renters	Percent of all Households
Elk Point	564	73.2%	206	26.8%
Union County	4,285	74.4%	1,471	25.6%
State	-	68.1%	-	31.9%

Source: U.S. Census

According to the 2010 Census, the ownership tenure rate in Elk Point was 73.2% and Union County's ownership rate was 74.4%. Elk Point's rental tenure rate of 26.8% was below the Statewide rate of 31.9% renter households.

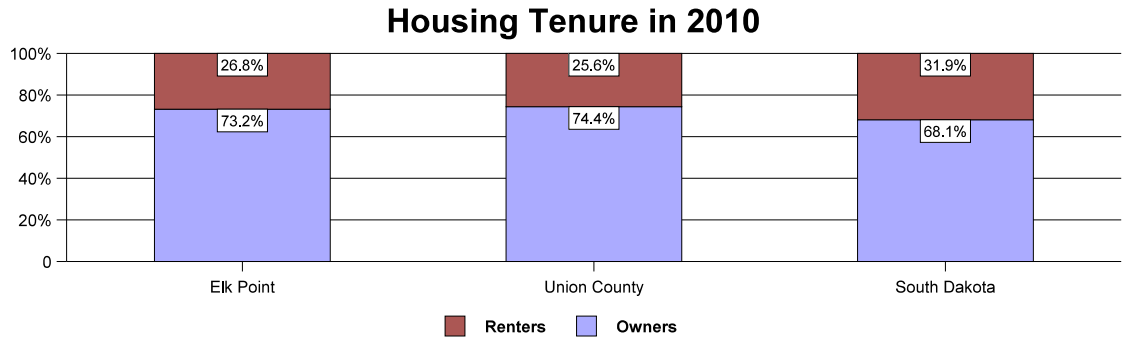


Table 11 Households by Housing Tenure - 2000 to 2010						
Tenure	Elk Point			Union County		
	2000	2010	Change	2000	2010	Change
Owners	507/74.3%	564/73.2%	57	3,665/74.4%	4,285/74.4%	620
Renters	175/25.7%	206/26.8%	31	1,262/25.6%	1,471/25.6%	209
Total	682/100%	770/100%	88	4,927/100%	5,756/100%	829

Source: U.S. Census

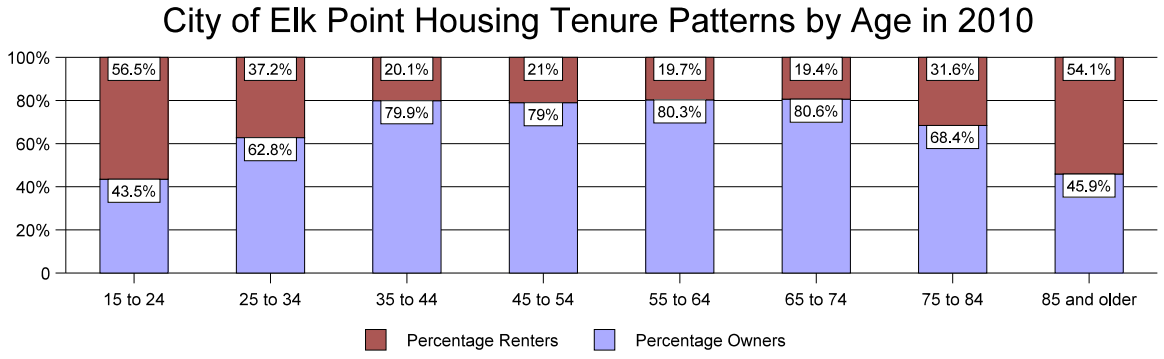
The City of Elk Point's ownership tenure decreased slightly from 74.3% in 2000 to 73.2% in 2010. For Union County, the ownership tenure rate did not change from 2000 to 2010.

Tenure by Age of Householder

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

Table 12 Elk Point Tenure by Age of Householder - 2010				
Age	Owners		Renters	
	Number	Percent within age	Number	Percent within age
15-24	10	43.5%	13	56.5%
25-34	76	62.8%	45	37.2%
35-44	119	79.9%	30	20.1%
45-54	124	79.0%	33	21.0%
55-64	110	80.3%	27	19.7%
65-74	54	80.6%	13	19.4%
75-84	54	68.4%	25	31.6%
85+	17	45.9%	20	54.1%
Total	564	73.2%	206	26.8%

Source: U.S. Census



Within the defined age ranges, typical tenure patterns were present. Households at the lowest and highest ends of the age spectrum showed greater preference for rented housing, while middle-aged adult households were primarily homeowners. Approximately 57% of households age 24 and younger rented their unit, and approximately 54% of households age 85 and older were renters. Home ownership rates for each of the 10-year age cohorts between 35 and 74 years old were 79% or higher.

Tenure by Household Size

The 2010 Census provided 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 Elk Point.

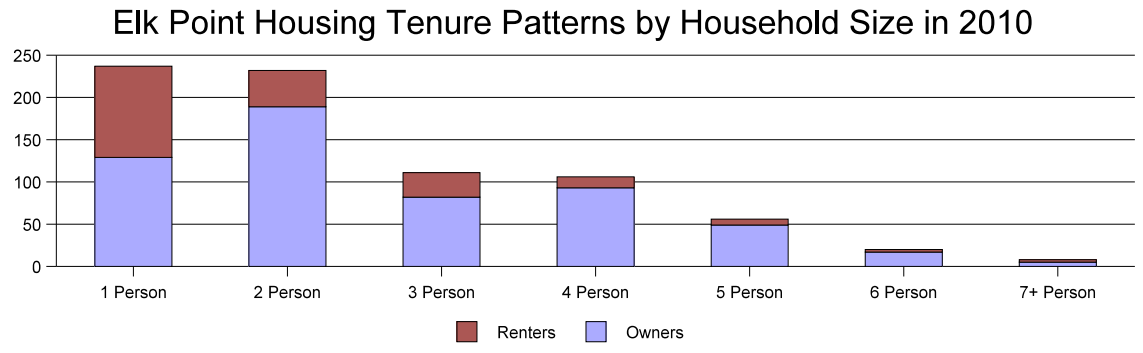
Table 13 Elk Point Tenure by Household Size - 2000 to 2010

Household Size	Owners			Renters		
	2000	2010	Change	2000	2010	Change
1-Person	103	129	26	92	108	16
2-Person	183	189	6	52	43	-9
3-Person	84	82	-2	12	29	17
4-Person	86	93	7	13	13	0
5-Person	33	49	16	4	7	3
6-Person	15	17	2	2	3	1
7-Persons+	3	5	2	0	3	3
Total	507	564	57	175	206	31

Source: U.S. Census

From 2000 to 2010, there were increases in the number of owner and renter households in Elk Point. There was an increase of 32 owner households with one or two household members. There was a net increase of 25 households with three or more household members.

There was a gain of 16 households with one household member and a loss of nine households with two household members. There was a gain of 24 households with three or more people. Approximately 73% of the renter households in Elk Point were one or two person households in 2010.



2013 Income Data

The 2010 Census did not collect information on household income. However, estimates are available at the city and county level through the 2013 American Community Survey.

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

Table 14 Median Household Income - 2000 to 2013			
	2000 Median	2013 Median	% Change
Elk Point	$41,157	$53,512	30.0%
Union County	$44,790	$63,468	41.7%
South Dakota	$35,271	$49,495	40.3%

Source: U.S. Census; 2013 ACS 5-year survey

Table 15 Median Family Income - 2000 to 2013			
	2000 Median	2013 Median	% Change
Elk Point	$48,056	$74,148	54.3%
Union County	$51,227	$74,758	40.1%
South Dakota	$43,237	$63,195	46.2%

Source: U.S. Census; 2013 ACS 5-year survey

Information contained in the 2013 American Community Survey shows that the median household and family incomes have increased significantly from 2000 to 2013 in Elk Point and Union County. Elk Point and Union County's median family and household incomes were well above statewide medians.

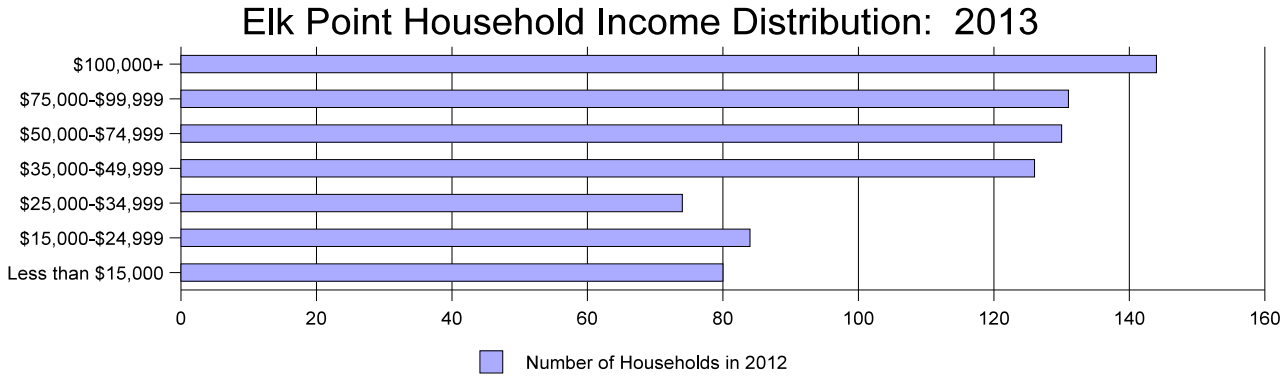
Generally, family household incomes tend to be much higher than the overall household median, as families have at least two household members, and potentially more income-earners. Using the commonly accepted standard that up to 30% of gross income can be applied to housing expenses without experiencing a cost burden, a median income household in Elk Point could afford approximately $1,338 per month and a median income family household could afford $1,854 per month for ownership or rental housing in 2013.

Elk Point Household Income Distribution

The 2013 American Community Survey household income estimates for Elk Point can be compared to the same distribution information from 2000 to examine changes that have occurred over the past decade.

Table 16 Elk Point Household Income Distribution - 2000 to 2013			
Household Income	Number of Households 2000	Number of Households in 2013	Change 2000 to 2013
$0 - $14,999	101/15.4%	80/10.4%	-21
$15,000 - $24,999	82/12.5%	84/10.9%	2
$25,000 - $34,999	83/12.6%	74/9.6%	-9
$35,000 - $49,999	135/20.5%	126/16.4%	-9
$50,000 - $74,999	162/24.7%	130/16.9%	-32
$75,000 - $99,999	61/9.3%	131/17.0%	70
$100,000+	33/5.0%	144/18.8%	111
Total	657	769	112

Source: 2000 Census; 2013 ACS



According to income estimates contained in the 2013 American Community Survey, household incomes have improved in Elk Point in the highest income ranges. When compared to the 2000 Census (1999 income), there was a net increase of 149 households with an income of $50,000 or more. Conversely, there was a net decrease of 37 households with annual incomes under $50,000. Although there was a decrease in the number of households in the lower income ranges, there were still 164 households with an annual income below $25,000 in 2013, which represented 21.3% of all households in Elk Point.

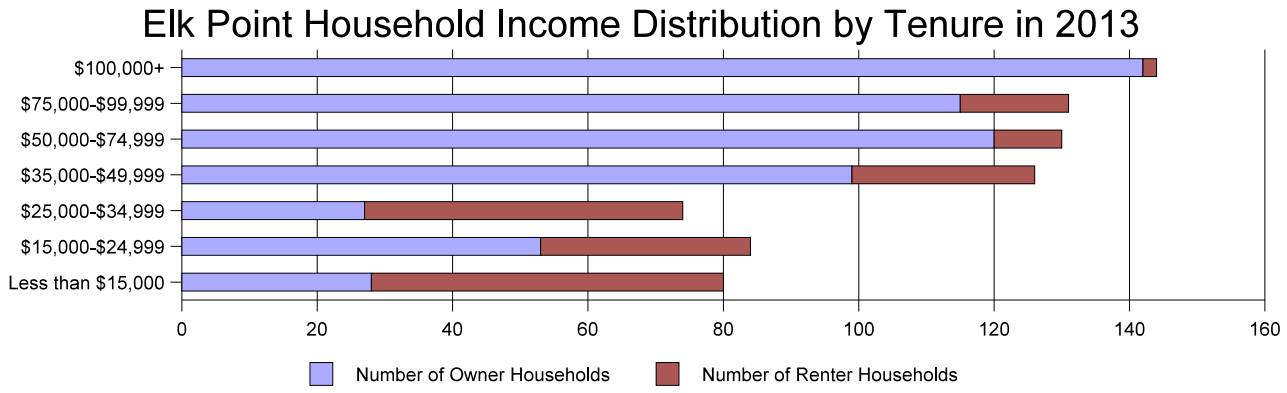
Elk Point Income Distribution by Housing Tenure

The 2013 American Community Survey provides income data by owner and renter status. The following table examines income distribution in Elk Point. The American Community Survey is an estimate, based on limited sampling data, and there are some minor differences when compared to the 2010 Census. The 2013 American Community Survey appears to have overcounted the number of owner households and undercounted the number of renter households.

Table 17 Elk Point Household Income Distribution by Tenure - 2013

Household Income	Number of Owner Households	Number of Renter Households	Total Households
$0 - $14,999	28/35.0%	52/65.0%	80
$15,000 - $24,999	53/63.1%	31/36.9%	84
$25,000 - $34,999	27/36.5%	47/63.5%	74
$35,000 - $49,999	99/78.6%	27/21.4%	126
$50,000 - $74,999	120/92.3%	10/7.7%	130
$75,000 - $99,999	115/87.8%	16/12.2%	131
$100,000+	142/98.6%	2/1.4%	144
Total	584	185	769

Source: 2013 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 2013, approximately 72% of all renter households in Elk Point 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. The median income for all renter households was approximately $27,127 in 2013. At 30% of income, a renter at the median level could afford approximately $678 per month or less for housing costs.

Most owner households had a higher income level than rental households. Approximately 65% of all owner households had an annual income of $50,000 or more. The estimated median household income for owners in 2013 was approximately $67,707. At 30% of income, an owner at the median income level could afford approximately $1,693 per month for housing costs.

2013 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 Elk Point.

Table 18 Gross Rent as a Percentage of Household Income - 2013			
Percent of Income for Housing	Households Age 64 and Younger	Households Age 65 and Older	Total
Less than 20%	32/23.9%	21/41.2%	53/28.6%
20% to 29.9%	55/41.1%	3/5.9%	58/31.4%
30% to 34.9%	35/26.1%	11/21.5%	46/24.9%
35% or more	9/6.7%	13/25.5%	22/11.9%
Not Computed	3/2.2%	3/5.9%	6/3.2%
Total	134	51	185

Source: 2013 American Community Survey

According to the American Community Survey, approximately 37% of all renters in the City were paying 30% or more of their income for rent. Federal standards for rent subsidy programs generally identify 30% of household income as the maximum household contribution. When more than 30% of income is required, this is often called a "rent burden". When more than 35% is required, this can be considered a "severe rent burden".

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

Senior citizen renters (age 65 and older) represented approximately 35% of all households with a rental cost burden. Households in the age ranges between 15 and 64 years old represented approximately 65% of all households with a rental cost burden.

2013 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 Elk Point that are paying different percentages of their gross household income for housing costs.

Table 19 Ownership Costs as a Percentage of Income - Elk Point

Percentage of Household Income for Housing Costs	Number of Owner Households 2013	Percent of All Owner Households 2013
0% to 19.9%	357	61.1%
20% to 29.9%	151	25.9%
30% to 34.9%	8	1.4%
35% or more	63	10.8%
Not Computed	5	0.8%
Total	584	100%

Source: 2013 ACS

Most owner-occupants in Elk Point, which would include households with and without a mortgage, reported paying less than 30% of their income for housing. However, approximately 12% of all home owners reported that they paid more than 30% of their income for housing. A majority of these households were paying more than 35% of income for housing costs.

Occupancy Status of Housing Units - 2010

Table 20 Occupancy Status of Housing Units - 2010						
	Occupied Units		Vacant Units			
	Owner	Renter	For Rent	For Sale	Seasonal Use	Other Vacant
Elk Point	564	206	23	10	6	21
Union Co.	4,285	1,471	155	76	100	193

Source: U.S. Census

- In 2010, according to the U.S. Census, there were 100 seasonal housing units in Union County including six units in Elk Point.
- In addition to the seasonal units in 2010, there were 424 vacant housing units in Union County, including 54 units in Elk Point.

Existing Home Sales

This section examines houses that have been sold since 2009 in the City of Elk Point. The information was obtained from the South Dakota Department of Revenue, but reflects information assembled by the Union County Equalization Office.

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

The County also attempts to sort the residential sales into different groupings, primarily based on whether or not the house was actively listed for sale in the open market. As a result, some sales in the County's sample may have been sales that could be considered distressed, such as houses that were previously bank-owned, but were sold by the bank back into private ownership. While it can be argued that sales of bank-owned properties acquired through foreclosure are not fair market transactions, they may be included in the County data if the bank openly placed them for sale in the public market.

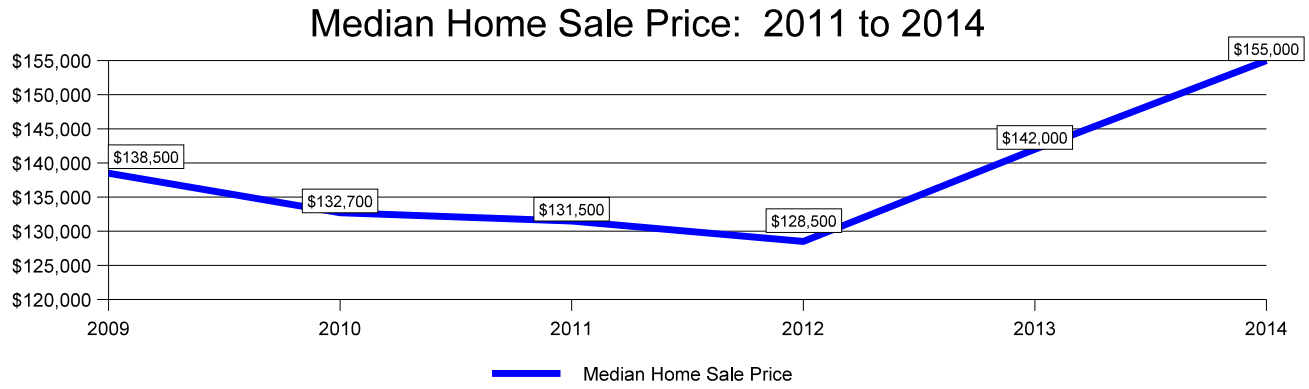
The County and State reject sales that show significant variation from the assessed value. Known as the "150% rule" these sales may be open market transactions but are not useful in the County's sales ratio analysis. The sales data obtained from the Department of Revenue identified the 150% rule sales. In the sales sample that follows, 150% rule sales have been included when they were open market transfers.

The County's time period for analyzing annual sales differs slightly from the calendar year. It begins on November 1st and ends on October 31st of each year. No information was yet available for sales that have occurred after October 31, 2014.

Table 24 Elk Point Residential Sales Activity - 2009 through 2014				
Sales Year	Number of Sales	Median Sale Price	Highest Sale	Lowest Sale
2014	32	$155,000	$325,000	$30,000
2013	36	$142,000	$220,000	$38,000
2012	21	$128,500	$207,900	$30,000
2011	18	$131,500	$240,000	$31,000
2010	28	$132,700	$256,000	$25,000
2009	26	$138,500	$232,000	$12,600

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

Over the last six years the median home sale price in Elk Point has ranged from a low of $128,500 in 2012, to a high of $155,000 in 2014.



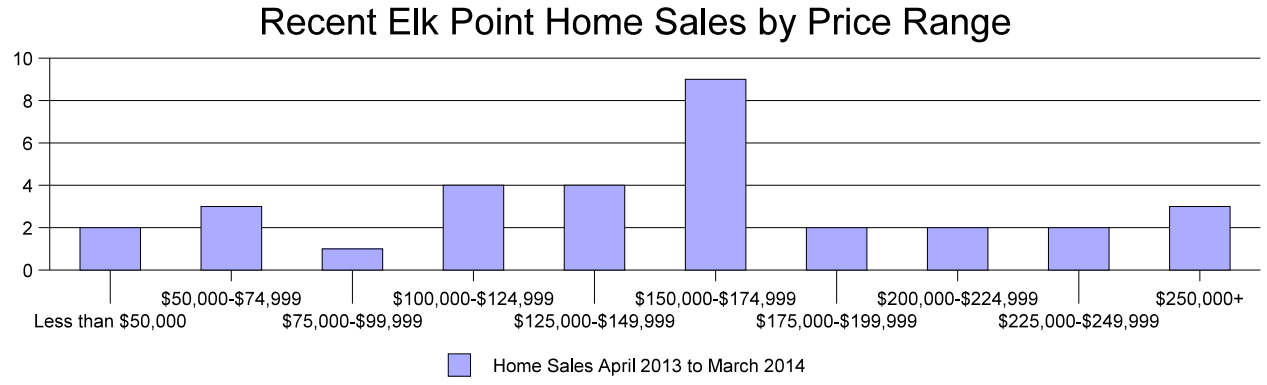
In each of the years there was at least one house that sold for less than $40,000, and at least one sale for $200,000 or more. Over the entire six years reviewed, the highest valued sale was for $325,000.

Home Sales by Price Range

The following table looks at single family houses that sold within defined price ranges in a 12-month period, starting in November 2013 and ending in October 2014, the most recent 12-month sales sample available to the analysts.

Table 25 Elk Point 12-Month Home Sales by Price Range		
Sale Price	Number of Sales	Percent of Sales
Less than $50,000	2	6.3%
$50,000 - $74,999	3	9.4%
$75,000 - $99,999	1	3.1%
$100,000 - $124,999	4	12.5%
$125,000 - $149,999	4	12.5%
$150,000 - $174,999	9	28.1%
$175,000 - $199,999	2	6.3%
$200,000 - $224,999	2	6.3%
$225,000-$249,999	2	6.3%
$250,000+	3	9.4%
Total	32	100%

Source: SD Dept. of Revenue; Community Partners Research, Inc.
* 12-month period from Nov. 1, 2013 to Oct. 31, 2014



Recent home sales in Elk Point have been widely distributed in different price ranges, but approximately 53% of recent sales were priced between $100,000 and $174,999. Fewer than 10% of existing homes sold for $250,000 or more, and less than 16% of all sales were priced below $75,000.

Elk Point Housing Condition

Community Partners Research, Inc., representatives conducted a visual 'windshield' survey of 329 single family/duplex houses in two of Elk Point's oldest neighborhoods.

The boundaries of the two neighborhoods are as follows:

- Neighborhood #1: All houses south of Main Street
- Neighborhood #2: North - Jefferson Street
  South - Main Street
  East - Elm Street
  West - Harrison Street

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

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

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

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

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

Table 23 Windshield Survey Condition Estimate - 2015					
	Sound	Minor Repair	Major Repair	Dilapidated	Total
Neighborhood #1	55/41.0%	41/30.6%	27/20.2%	11/8.2%	134
Neighborhood #2	100/51.3%	59/30.3%	32/16.4%	4/2.0%	195
Total	155/47.1%	100/30.4%	59/17.9%	15/4.6%	329

Source: Community Partners Research, Inc.

- Approximately 30% of the houses in the City's two oldest neighborhoods need minor repair and 18% need major repair. Approximately 47% are sound, with no required improvements. Fifteen houses are dilapidated and possibly beyond repair.

Elk Point Mobile Home Housing Condition

Community Partners Research, Inc. representatives conducted a visual 'windshield' survey of 35 mobile homes located in Elk Point's two mobile home parks.

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 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 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 mobile homes are judged to be generally in good condition and require less extensive repair, such as one major improvement. Mobile homes in this condition category may be good candidates for rehabilitation programs because they are in a salable price range and are economically feasible to repair.

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

Table 24 Windshield Survey Condition Estimate - 2015

	Sound	Minor Repair	Major Repair	Dilapidated	Total
Mobile homes	6/17.1%	7/20.0%	12/34.3%	10/28.6%	35

Source: Community Partners Research, Inc.

- The mobile homes in Elk Point are in fair to poor condition. Approximately 20% of the mobile homes need minor repair and 34% need major repair. Approximately 17% are sound, with no required improvements.
- Ten mobile homes were dilapidated and possibly beyond repair.

Elk Point Building Permit Trends

Elk Point has experienced new housing construction activity in recent years. The following table identifies construction from 1998 to 2014.

Table 25 Elk Point Housing Unit Construction Activity: 1998 to 2014			
Year	Single Family	Two or More Units	Total Units Constructed
2014	4	0	4
2013	1	0	1
2012	2	0	2
2011	2	0	2
2010	4	0	4
2009	5	4	9
2008	5	16	21
2007	21	4	25
2006	14	0	14
2005	13	0	13
2004	4	0	4
2003	15	0	15
2002	13	0	13
2001	26	2	28
2000	14	0	14
1999	17	2	19
1998	14	2	16
TOTAL	174	30	204

Source: City of Elk Point; Community Partners Research, Inc.

Over the past 17 years, from 1998 to 2014, 204 new housing units have been constructed in Elk Point, based on building permit issuance and U.S. Census information. Of the total 204 units, 174 of these units are single family homes and 30 units are in multi-family buildings including duplexes.

From 1998 to 2007, the City averaged 15 to 16 new housing units per year. The City has averaged three to four new units per year from 2008 to 2014.

Rental Housing Data

Census Bureau Rental Inventory

According to the 2010 U.S. Census, there were 206 occupied rental units and 23 unoccupied rental units in Elk Point, for a total estimated rental inventory of 229 units. The City's rental tenure rate in 2010 was 26.8%, below the Statewide rental rate of 31.9%.

At the time of the 2000 Census, Elk Point had 175 occupied rental units, and 37 vacant rental units, for a total estimated rental inventory of 212 units. The rental tenure rate in 2000 was 25.6%.

Based on a Census comparison, the City had a gain of 31 renter-occupancy households, and an increase of approximately 17 rental units from 2000 to 2010.

Rental Housing Survey

As part of this housing study, a telephone survey was conducted of multifamily projects in Elk Point. Emphasis was placed on contacting properties that have six or more units. For the purposes of planning additional projects in the future, multifamily properties represent the best comparison of market potential. However, we also obtained some information on small rental projects, duplexes, single family homes and mobile homes.

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

There were 185 housing units of all types that were contacted in the survey. In addition to the 185 rental units, the nursing home, which has 37 beds, was also surveyed. Twenty-eight of the units surveyed were assisted living units located in Dakota Dunes.

The units that were successfully contacted include:

- 55 market rate units
- 68 federally subsidized units
- 62 senior independent/assisted living units
- 37 beds in the nursing home

The findings of the survey are provided below.

Market Rate Summary

Information was obtained on 55 market rate rental units. The units surveyed included a 16-unit project, a four-plex, duplexes, single family homes and mobile homes.

Unit Mix

We obtained the bedroom mix on 35 market rate units. The bedroom mix of the units is:

- one-bedroom - 0 (0%)
- two-bedroom - 25 (71.4%)
- three-bedroom - 10 (28.6%)

None of the surveyed units had fewer than two bedrooms.

Occupancy / Vacancy

At the time of the survey, there was one vacancy in the 55 market rate units that were surveyed. This is a vacancy rate of 1.8%. The vacancy was a mobile home. All of the rental managers and property owners reported very high occupancy rates and a high demand for market rate rental units.

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.

Unit Type	Lowest/Highest Gross Rents
Two-bedroom	$525-$1,020
Three-bedroom	$750-$1,200

It is important to recognize that the rental units include units in single family homes, duplexes, mobile homes and multi-family buildings.

Tax Credit Summary

There are no tax credit units in Elk Point.

Subsidized Summary

The research completed for this Study identified four subsidized projects providing rental opportunities for lower income households. These projects have a combined 68 units. Three projects with a total 48 units are family rental housing, and one project with 20 units is a senior/disabled project.

The four subsidized rental projects in Elk Point include:

- **Village Square Apartments** - Village Square Apartments is a 20-unit senior/disabled Rural Development/HUD Section 8 subsidized project. The project includes 16 one-bedroom and four two-bedroom units. The project was constructed in approximately 1977.

- **Walnut Apartments** - Walnut Apartments is a 24-unit USDA Rural Development family project. The 24 units include six one-bedroom and 18 two-bedroom units. The project was constructed in 1993.

- **Elk Point I/Jefferson** - Elk Point I/Jefferson is a USDA Rural Development family project. There are 16 units in two eight-plexes in two different locations. The 16 units include two one-bedroom and 14 two-bedroom units. The project was constructed in approximately 1971.

- **Elk Point II** - Elk Point II is an eight-unit USDA Rural Development family project. The project includes one one-bedroom unit and seven two-bedroom units. The project was constructed in approximately 1980.

Most of the City's subsidized units have access to project-based rent assistance. These units can charge rent based on 30% of the tenant's household income up to a maximum rent. Tenants that rent units without project-based rent assistance pay the market rent.

Unit Mix

The bedroom mix breakdown for the 68 subsidized housing units in Elk Point is as follows:

- 25 one-bedroom (36.8%)
- 43 two-bedroom (63.2%)
- 0 three-bedroom (0%)

Occupancy / Vacancy

Six vacancies were identified in the subsidized projects, which is an 8.8% vacancy rate. All six vacancies were in Elk Point I/Jefferson. The other three subsidized rental projects are fully occupied and the managers report that the units have a high annual occupancy rate.

Subsidized Housing Gains/Losses

Federal subsidy sources for low income rental housing have been very limited for the past few decades. Many subsidized projects in South Dakota were constructed in the 1960s, 1970s and 1980s. Some of these older projects 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 have recently left or are planning to leave the subsidy program and convert to market rate.

Senior Housing with Services

Unit Inventory

Union County has three senior with services projects. Elk Point has two senior with services projects and Dakota Dunes has one project. These projects include:

- **Prairie Estates Care Center** - Prairie Estates Care Center includes 34 skilled nursing beds and three assisted living beds, with a total 37 licensed beds. The facility was constructed in the 1960s.

- **Welcor Assisted Living** - Welcor Assisted Living includes 34 units. The project is approximately 15 years old. The 34 units include four one-bedroom and 30 studio units. The facility provides the full array of assisted living services including meals, housekeeping, medication management, assistance with personal care, etc.

- **StoneyBrook Suites Assisted Living** - StoneyBrook Suites Assisted Living is a 22-unit assisted living facility located in Dakota Dunes. The 22 units include studio and parlor units. The facility is six years old. The facility provides the full array of assisted living services including meals, laundry, 24-hour staffing, housekeeping, medication management, bathing, etc.

Occupancy / Vacancy

At the time of the survey, all three facilities reported that they had vacant units or beds.

Table 26 Elk Point Multifamily Rental Housing Inventory					
Name	**Number of Units /Bedroom Mix**	**Rent**	**Vacancy/ Wait List**	**Tenant Mix**	**Comments**
Market Rate					
Eagle Estates Townhomes	10 - 2 bedroom 6 - 3 bedroom 16 total units	$775-865 $940	No vacancies	General occupancy	Eagle Estates Townhomes is a 16-unit market rate rental project owned and managed by the Elk Point Housing and Redevelopment Commission. The project was constructed in 2008. The 16 units are in four four-unit townhome buildings. There are 10 two-bedroom and six three-bedroom units. Six two-bedroom units have two-care garages and four two-bedroom units have one-car garages. All three bedroom units have two-car garages. Rents are $775 to $865 for a two-bedroom unit and $940 for a three-bedroom unit. The manager reports no vacancies and the units are usually fully occupied.
Huber Rentals	17 total units - primarily 2 & 3 bedroom	$700 to $900	No vacancies	General occupancy	Huber Rentals include single family homes, duplexes and one four-plex. Most of the units are two or three bedroom. Some units are older and have been renovated and some units are newer units. Rents range from $700 to $900 plus utilities. The owner reports no vacancies and he receives numerous calls from people seeking rental housing.
Rubida Rentals	4 - 2 bedroom 4 total units	$600	No vacancies	General occupancy	Rubida Rentals include four single family homes. The homes all have two bedrooms. Rent averages $600 plus utilities. The owner reports no vacancies.
McAdoo Rentals	1 - 2 bedroom 1 - 3 bedroom 2 total units	$550 $575	No vacancies	General occupancy	McAdoo Rentals includes one two-bedroom home with a loft and one three-bedroom home. Rent is $550 for the two-bedroom and $575 for the three-bedroom plus utilities. The owner reports that both homes are occupied.
Curry Rentals	10 - 2 bedroom 6 - 3 bedroom 16 total units	$375 to $750	1 vacancy	General occupancy	Curry Rentals includes four houses and 12 mobile homes. The 16 homes include approximately 10 two-bedroom and six three-bedroom units. Rents range from $375 to $750 plus utilities. At the time of the survey, the owner reported one vacancy.

Table 26 Elk Point Multifamily Rental Housing Inventory					
Name	**Number of Units /Bedroom Mix**	**Rent**	**Vacancy/ Wait List**	**Tenant Mix**	**Comments**
Subsidized					
Village Square Apartments	16 - 1 bedroom 4 - 2 bedroom 20 total units	$689 $760	No vacancies	Senior/ disabled occupancy	Village Square Apartments is a 20-unit Rural Development/HUD Section 8 senior/disabled project. The project is approximately 39 years old. The 20 units include 16 one-bedroom and four two-bedroom units. Tenants pay 30% of income up to the maximum rent. Tenants must be seniors or disabled. At the time of the survey, there were no vacancies.
Walnut Apartments	6 - 1 bedroom 18 - 2 bedroom 24 total units	$710 $760	No vacancies	General occupancy	Walnut Apartments is a 24-unit family Rural Development/Tax Credit project. The project was constructed in 1993. There are six one-bedroom and 18 two-bedroom units. Tenants pay 30% of their income up to the maximum rent. The manger reports no vacancies and the units are always fully occupied.
Elk Point I/ Jefferson	2 - 1 bedroom 14 - 2 bedroom 16 total units	$523 max. $563 max. 30% of income	6 vacant units 6 - 2 Bdrm	General occupancy	Elk Point I/Jefferson is a Rural Development family project with two eight-plexes in two locations. The two eight-plexes are approximately 44 years old. The total 16 units include two one-bedroom and 14 two-bedroom units. Tenants with rent assistance pay 30% of their income up to the maximum rent. There is rent assistance available for 10 units. The project has a waiver that allows non-low income tenants to rent a unit and pay the market rent. At the time of the survey, there were six vacant two-bedroom units.
Elk Point II	1 - 1 bedroom 7 - 2 bedroom 8 total units	$527 max. $557 max. 30% of income	No vacancies	General occupancy	Elk Point II is an eight-unit family Rural Development Project. The project is approximately 35 years old. The eight units include one one-bedroom and seven two-bedroom units. Tenants with rent assistance pay 30% of their income up to the maximum rent. There is rent assistance available for seven units. The project has a waiver, which allows non-low income tenants to rent a unit and pay the market rent. At the time of the survey, there were no vacancies.

Table 26 Elk Point Multifamily Rental Housing Inventory					
Name	**Number of Units /Bedroom Mix**	**Rent**	**Vacancy/ Wait List**	**Tenant Mix**	**Comments**
Senior with Services					
Welcor Assisted Living	34 units - 1 bedroom, studio deluxe & studio	Based on level of services		Assisted Living Center	Welcor Assisted Living is a 34-unit assisted living facility constructed in _____. The units include one-bedroom, studio deluxe and studio units. The facility provides the full array of assisted living units including meals, housekeeping, medication management, assistance with personal care, activities, etc. At the time of the survey, there were _____ vacant units.
StoneyBrook Suites Assisted Living - Dakota Dunes	28 units - studio & parlor units	Based on level of services	Currently has vacancies	Assisted Living Center	StoneyBrook Suites Assisted Living is a 28-unit facility located in Dakota Dunes. The facility is six years old. The 28 units include studio and parlor units. The facility provides the full array of assisted living services. The staff reports that there are vacant units in the facility.
Prairie Estates Care Center	34 -Skilled Nursing 3 - Assisted Living 37 total units	Based on level of services	Several ongoing vacancies	Skilled nursing home	Prairie Estates Care Center is a 37-bed nursing home constructed in the 1960s. The beds include 34 skilled nursing and three assisted living beds. Some of the residents have dementia, however, there are no lockdown beds in the facility. There are typically several vacant beds in the facility.

Source: Community Partners Research, Inc.

Employment and Local Economic Trends

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

The City of Elk Point is part of the Sioux City MSA and much of the household growth that has occurred in Elk Point in the past decades was the direct result of job opportunities that were available in the region. The type of employment, wage level, and working conditions will each influence the kind of housing that is needed and at what level of affordability.

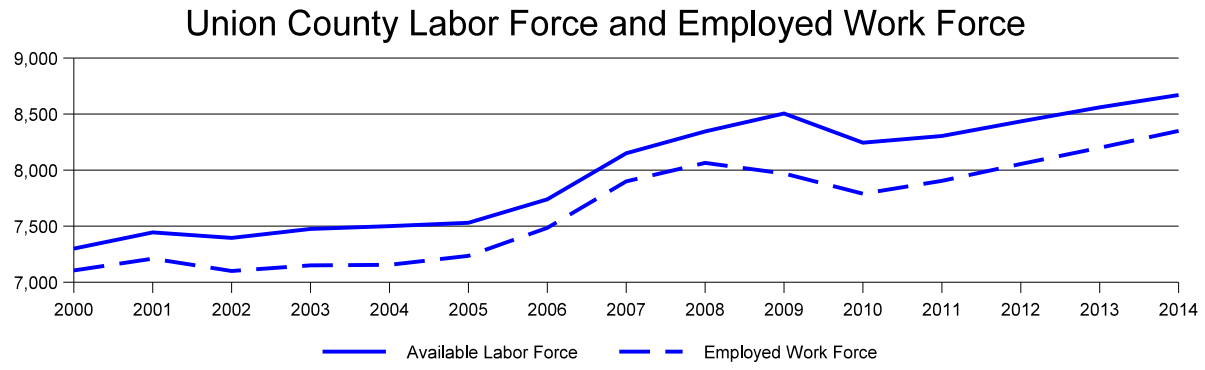
Labor Force and Unemployment

Employment information is available at the County level. The table presents information based on place of residence, not by the location of employment.

Table 28 Union County Average Annual Labor Force: 2000 to 2014

Year	Labor Force	Employed	Unemployed	Unemployment Rate - County	Unemployment Rate - SD	Unemployment Rate - US
2000	7,300	7,105	195	2.7%	2.7%	4.0%
2001	7,445	7,210	235	3.1%	3.1%	4.7%
2002	7,395	7,100	295	4.0%	3.3%	5.8%
2003	7,475	7,150	325	4.3%	3.5%	6.0%
2004	7,500	7,155	345	4.6%	3.7%	5.6%
2005	7,530	7,235	295	3.9%	3.7%	5.1%
2006	7,740	7,485	255	3.3%	3.1%	4.6%
2007	8,150	7,900	250	3.1%	2.9%	4.6%
2008	8,345	8,065	280	3.4%	3.0%	5.8%
2009	8,505	7,970	535	6.3%	5.2%	9.3%
2010	8,245	7,790	455	5.5%	5.1%	9.6%
2011	8,305	7,905	400	4.8%	4.7%	8.9%
2012	8,435	8,055	380	4.5%	4.2%	8.1%
2013	8,560	8,200	360	4.2%	3.8%	7.4%
2014	8,670	8,350	320	3.7%	3.6%	6.2%

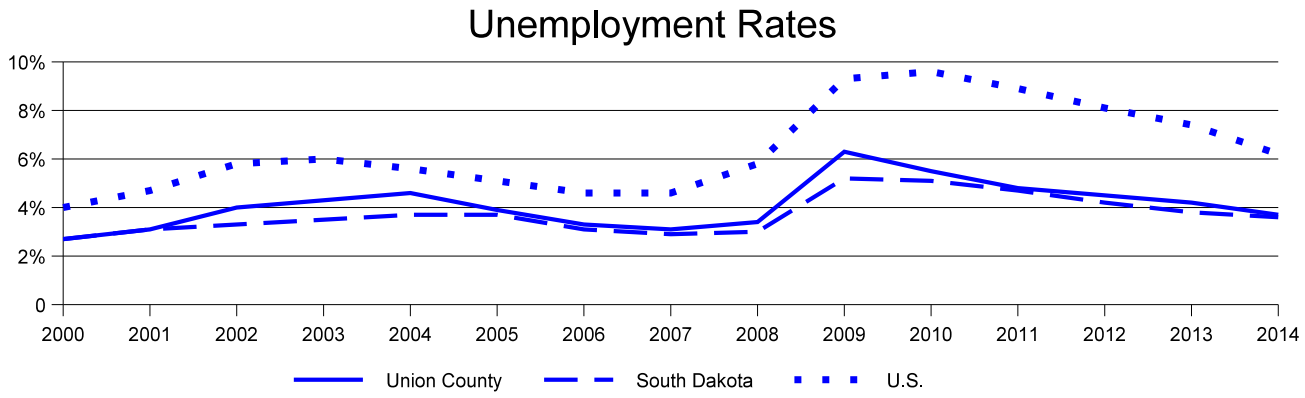
Source: South Dakota Department of Labor



Although there have been some downward changes in the County's labor statistics from year to year, the long-term trend shows solid growth in both the available resident labor force and employed work force. From 2000 to 2014, the size of the resident labor force increased by 1,370 people, or 18.8%. The employed work force increased by 1,245 people, or 17.5% during this same time period.

After experiencing some decrease in the labor statistics between 2009 and 2010, the County has fully recovered, and 2014 represented the peak year for both the size of the available resident labor force and the employed work force.

Throughout the entire time period reviewed, the unemployment rate in Union County has stayed well below the national rate. However, the County's unemployment rate has remained slightly above the Statewide since 2002.



Average Annual Wages by Industry Sector

The following table shows the annual employment and average annual wages by major employment sector in 2013, the last full year of data. It is important to note that the major employment sectors listed do not represent all employment in Union County.

Table 29 Union County Average Annual Wages by Industry Detail: 2013		
Industry	2013 Employment	2011 Average Annual Wage
Total All Industry	9,068	$46,022
Natural Resources, Mining	42	$40,488
Construction	196	$40,227
Manufacturing	1,654	$44,082
Trade, Transportation, Utilities	1,255	$43,353
Information	92	$44,463
Financial Activities	941	$40,554
Professional and Business Services	2,074	$69,535
Education and Health Services	1,050	$53,385
Leisure and Hospitality	820	$13,421
Other Services	157	$22,166
Government	786	$29,788

Source: South Dakota Department of Labor

The average annual wage for all industry in 2013 was $46,022. The highest paying wage sectors were Professional and Business Services, and Education and Health Services, which were also the largest and fourth largest industry sectors, respectively, for total employment.

The lowest paying wage sector was Leisure and Hospitality, with an average annual wage of only $13,421.

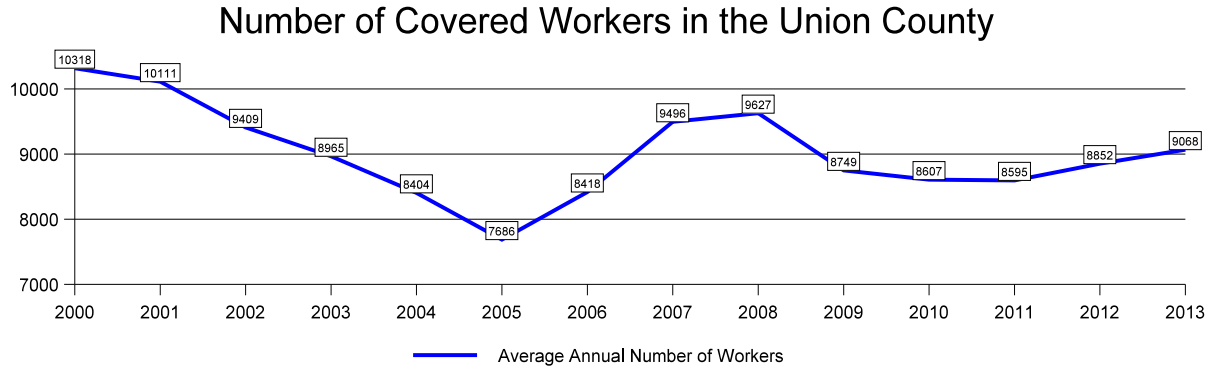
Annual Covered Employment

Since the Quarterly Census of Covered Workers (QCEW) tracks employees covered by unemployment insurance by location of the worker, it is possible to examine longer-term patterns in the local employment level. The following table displays the total number of workers reported in the County back to the year 2000.

Table 30 Union County Average Annual Employment

Year	Total Covered Employment	Year	Total Covered Employment
2000	10,318	2007	9,496
2001	10,111	2008	9,627
2002	9,409	2009	8,749
2003	8,965	2010	8,607
2004	8,404	2011	8,595
2005	7,686	2012	8,852
2006	8,418	2013	9,068

Source: QCEW - SD Department of Labor



When viewed over a longer-term there has been downward movement in the number of employees working in Union County. If 2013 is compared to the year 2000, there has been a decrease of 1,250 reported workers covered by unemployment insurance, or a reduction 12.1%. However, much of this net loss occurred between 2000 and 2005, and then again after 2008. Since 2011, there has been a gradual increase in the number of covered workers. Although the specific causes are not directly known, some of the reductions are probably tied to employment changes at Gateway, once located in North Sioux City.

Commuting Patterns of Area Workers

Some information is available on area workers that commute for employment. The best information is from the 2013 American Community Survey, and has been examined for the City of Elk Point. The first table examines City residents that traveled to work and excludes people that work at home.

Table 32 Commuting Times for Elk Point Residents - 2013		
Travel Time	Number	Percent
Less than 10 minutes	377	42.6%
10 to 19 minutes	81	9.2%
20 to 29 minutes	281	31.8%
30 minutes +	146	16.5%
Total	885	100%

Source: 2013 American Community Survey

The majority of Elk Point residents were commuting 10 minutes or more to work in 2013, and were apparently employed outside of the city limits. Overall, more than 57% of residents commuted 10 minutes or more to work. Most of these commuters actually traveled 20 minutes or more, consistent with employment in the Sioux City area.

The American Community Survey also identifies travel time by location of employment. For people that worked in Elk Point, the following travel times were identified.

Table 33 Commuting Times for Elk Point-based Employees - 2013		
Travel Time	Number	Percent
Less than 10 minutes	451	53.7%
10 to 19 minutes	138	16.4%
20 to 29 minutes	140	16.7%
30 minutes +	111	13.2%
Total	840	100%

Source: 2013 American Community Survey

Most of the people that worked in Elk Point lived within the immediate area, as approximately 70% traveled 19 minutes or less to the City. However, approximately 30% of city-based workers did commute from greater distances, and traveled 20 minutes or more to Elk Point.

Census On the Map

The Census Bureau also produces commuter reports through its Center for Economic Studies division. This information is based on reports for the year 2011, but provides a further breakdown of worker movement.

According to the report for Elk Point, there were 550 people that were employed within the City in 2011. Approximately 33.5% of these City-based employees also lived in Elk Point. The remaining 66.5% of employees lived outside the City and commuted in for their job.

On the Map can also be used to track worker outflow patterns from the City. Overall, there were 923 Elk Point residents that were employed. Most of these City residents worked outside the community, as nearly 82% left the City for their job. Only 18.3% of City residents also worked within their home community.

Findings on Growth Trends

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

Elk Point's population increased by 20.4% from 1990 to 2000. The population increased from 1,423 in 1990 to 1,714 in 2000. From 2000 to 2010, Elk Point's population increased by 249 people, which was a population gain of 14.5%.

Union County's population increased from 10,189 in 1990 to 12,584 in 2000, which was an increase of 23.5%. The population continued to increase in the 2000s from 12,584 in 2000 to 14,399 in 2010, which was a gain of 14.4%.

The Sioux City MSA's population increased from 168,563 in 2000 to 168,825 in 2010, which is a gain of 1.6%.

Household levels in Elk Point and Union County also increased from 1990 to 2010. Elk Point experienced a gain of 119 households from 1990 to 2000 and a gain of 88 households from 2000 to 2010. Union County had an increase of 1,068 households from 1990 to 2000 and a gain of 829 households from 2000 to 2010. The Sioux City MSA had a gain of 1,313 households from 2000 to 2010.

ESRI estimates that Elk Point, Union County and the Sioux City MSA all gained population and households from 2010 to 2014. ESRI estimates that Elk Point gained 119 people and 53 households, Union County gained 744 people and 339 households and the Sioux City MSA gained 2,028 people and 1,136 households from 2010 to 2014.

Findings on Projected Growth

This Study has utilized ESRI's projections for Elk Point, Union County and the Sioux City MSA, which show continued growth patterns established over the past four years. ESRI projects that Elk Point's population will increase by 127 people from 2014 and 2019. The household projections expect a gain of 54 households from 2014 to 2019, which is approximately 10 to 11 households per year.

Union County is expected to gain approximately 843 people from 2014 to 2019. Union County's household projections expect a gain of 355 households from 2014 to 2019.

The Sioux City MSA is expected to gain approximately 2,660 people from 2014 to 2019. The Sioux City MSA household projections expect a gain of 1,187 households from 2014 to 2019.

Summary of Elk Point's Growth Projections by Age Group

The Demographic section of this Study presented Elk Point projection information on anticipated changes by age group from 2010 to 2019. This information can be informative in determining the housing that may be needed due to age patterns of the City's population.

Consistent with the age distribution data presented earlier, the movement of the "baby boom" generation through the aging cycle should generate much of the City's growth in households in the age ranges between 55 and 74 years old. Age projections would expect the City to add approximately 99 households in the 55 to 74 age ranges from 2010 to 2019.

The ESRI age-based projections also expect an increase of 11 households in the 15 to 24 age range and a gain of 23 households in the 35 to 54 age ranges.

Elk Point is projected to lose four households in the 25 to 34 age range and 16 households in the 75 and older age range.

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

Age Range	Projected Change in Households 2010 to 2019
15 to 24	11
25 to 34	-4
35 to 44	21
45 to 54	2
55 to 64	28
65 to 74	71
75 and older	-16
Total	113

Findings on Unit Demand by Type of Housing

Based on the household by age projections presented earlier, the changing age composition of Elk Point's population through the projection period will have an impact on demand for housing.

Age 24 and Younger - The projections used for this Study expect a gain of 11 households in the 15 to 24 age range through the year 2019. Past tenure patterns indicate that approximately 57% of these households in Elk Point will rent their housing. An increase in the number of households in this age range should mean that rental demand from younger households will increase slightly during the projection period.

25 to 34 Years Old - The projections show a loss of four households in this age range by 2019. Within this age range households often move from rental to ownership housing. The ownership rate among these households in Elk Point was approximately 63% in 2010. A household decrease of four households within this age range indicates demand for both first-time home buyer and rental opportunities from this age range will decrease slightly during the projection period.

35 to 44 Years Old - The projections for this 10-year age cohort expect a gain of 21 households between 2010 and 2019 in Elk Point. In the past, this age group has had a high rate of home ownership in Elk Point, at approximately 80%. 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.

45 to 54 Years Old - By 2019, 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 Elk Point, the projections show a gain of two households in this range. This age group historically has had a high rate of home ownership, approximately 79% in Elk Point in 2010, and will often look for trade-up housing opportunities. A slight gain of two households in this age group indicates that the demand for trade-up housing will not change during the projection period.

55 to 64 Years Old - This age range is part of the baby boom generation. The projections show an increase of 28 households in this 10-year age range by the year 2019 in the City. This age range has traditionally a high rate of home ownership in Elk Point, 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 - A strong gain of 71 households is expected by the year 2019 in the 65 to 74 age range. While this group will begin moving to life-cycle housing options as they age, the younger seniors are still predominantly home owners. At the time of the 2010 Census, approximately 81% of the households in this age range owned their housing in Elk Point. Once again, preferences for age-appropriate units would increase from household growth within this age cohort.

75 Years and Older - There is a projected loss of 16 households in Elk Point in this age range between 2010 and 2019. In the past, households within this 10-year age range have had a relatively low rate of home ownership in Elk Point. An expansion of 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.

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

Findings on Housing Unit Demand and Tenure

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

Demand from Growth - The household projections used for this Study expect Elk Point to gain 54 households, Union County to gain 355 households and the Sioux City MSA to gain 1,187 households from 2014 to 2019. Household growth in Elk Point, Union County and the Sioux City MSA will yield some demand for new housing production in Elk Point.

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

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

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

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 Elk Point. They are based on the following strategies.

- **Be realistic in expectations for housing development** - Large-scale residential growth has not occurred in the recent past and is not likely to occur in the near future. The scale of activities proposed for the future should be comparable with the area's potential for growth.

- **Proactive community involvement** - New home and apartment construction will more likely occur in Elk Point if there is proactive support from the City, local and regional housing and economic development agencies, the private sector, employers and the South Dakota Housing Development Authority.

- **Protect the existing housing stock** - The future of Elk Point will be heavily dependent on the City's appeal as a residential location. The condition of the existing housing stock is a major factor in determining the City's long-term viability. The existing housing stock is in good condition and is a major asset, however, rehabilitation efforts are needed to preserve the housing stock.

- **Protect the existing assets and resources** - Elk Point has many assets including a K-12 school, large employers, a Downtown Commercial District, recreational opportunities, etc. These are strong assets that make Elk Point a desirable community to live in, and are key components to the City's long-term success and viability. These assets must be protected and improved.

- **Develop a realistic action plan with goals and time lines** - In the past the City has been involved in housing issues. The City should prioritize its housing issues and establish goals and time lines to achieve success in addressing its housing needs.

- **Access all available resources for housing** - In addition to the local efforts, the City has other resources to draw on including the South Eastern Council of Governments, the South Eastern Development Foundation, USDA Rural Development, the South Dakota Housing Development Authority and Grow South Dakota. These resources should continue to be accessed as needed to assist with housing activities.

Strengths for Housing Development

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

- **Elk Point serves as a small regional center** - Elk Point provides employment opportunities, retail/service options, health and professional services, governmental services and recreational facilities for a small geographical area that surrounds the City.

- **Affordable priced housing stock** - The City of Elk Point has a stock of affordable, existing houses. This existing stock, when available for sale, provides an affordable option for home ownership.

- **Adequate land for development** - Elk Point has adequate land available for both residential and commercial/industrial development. However, some of this land needs to be serviced with infrastructure improvements and/or annexed into the City limits.

- **Educational system** - Elk Point has an excellent public K-12 school system.

- **Infrastructure** - Elk Point's water and sewer infrastructure can accommodate future expansion.

- **Commercial development** - Elk Point's commercial district is adequate to meet most daily needs.

- **Median sales price of existing homes** - The median sales price of existing homes in Elk Point was $155,000, based on sales activity in 2014. This median sales price is relatively high and will promote new housing construction in the City.

- **Elk Point Housing and Redevelopment Commission** - The Elk Point Housing and Redevelopment Commission is active in addressing Elk Point's housing needs.

- **Employers** - Elk Point has several large employers that provide job opportunities for local residents.

- **Elk Point Economic Development Corporation** - The Elk Point Economic Development Corporation is active in promoting commercial and industrial development in the City, including the creation of a business park.

- **Commuters** - Approximately 365 employees are commuting into Elk Point daily for work. These commuters are a potential market for future housing construction.

- **Desirable location for families** - Elk Point is an attractive community for families. The City has an excellent school system, is within commuting distance of large regional centers and has housing options. Desirable lots for new housing construction are also available.

- **Population and household growth** - Population and household projections expect population and household growth in Elk Point over the next five years.

- **Available lots** - Elk Point has many lots available for the construction of homes in all price ranges.

- **Proximity to Sioux City, Vermillion and Sioux Falls** - Sioux City is located 17 miles from Sioux City, 15 miles from Vermillion and 65 miles from Sioux Falls. Sioux City, Vermillion and Sioux Falls provide employment opportunities, retail/service options, educational opportunities, health care facilities and cultural amenities. Some households prefer to live near, but not in a large regional center.

Barriers or Limitations to Housing Activities

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

- **Age and condition of the housing stock** - While the existing stock is affordable, some of the housing is in need of improvements to meet expectations of potential buyers.

- **Lower paying jobs** - Although Elk Point has job opportunities, some jobs are at the lower end of the pay scale and employees with these jobs have limited housing choices.

- **Commercial/retail option** - Elk Point has a limited number of commercial and retail opportunities compared to larger regional centers.

- **Proximity to Sioux City, Vermillion and Sioux Falls** - Although it is a strength to be located in close proximity to Sioux City, Vermillion and Sioux Falls, it is also a barrier as Elk Point must compete with these regional centers, who offer attractive residential opportunities and other amenities and services.

- **Promoting the Community** - Elk Point has limited resources to promote Elk Point and its housing opportunities and amenities. Therefore, Elk Point's potential for new housing development is limited.

Summary of Findings/Recommendations

The findings/recommendations for the City of Elk Point have been formulated through the analysis of the information provided in the previous sections and include 23 recommendations. The findings/recommendations have been developed in the following five categories:

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

The findings/recommendations for each category are as follows:

Rental Housing Development

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

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

3. Promote the development of eight to 10 general occupancy subsidized rental housing units

4. Consider the development of 27 to 34 senior with services units

5. Develop a downtown mixed-use commercial/housing project

6. Apply to access the Housing Choice Voucher Program

7. Preserve the existing supply of subsidized housing

Home Ownership

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

9. Develop a purchase/rehabilitation program

Single Family Housing Development

10. Monitor lot availability and development

11. Strategies to encourage residential lot sales and new home construction in Elk Point

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

13. Promote twin home/town home development

Housing Rehabilitation

14. Promote rental housing rehabilitation

15. Promote owner-occupied housing rehabilitation efforts

16. Develop a neighborhood revitalization program

Other Housing Initiatives

17 Continue to acquire and demolish dilapidated structures

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

19. Encourage employer involvement in housing

20. Promote commercial rehabilitation and development

21. Develop home ownership and new construction marketing programs

22. Competition with other jurisdictions

23. Consider the implementation of a Time of Sale Mobile Home Program

Elk Point -
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 2000 to 2014, it is estimated that 24 rental units were constructed in Elk Point. The Elk Point Housing and Redevelopment Authority constructed 16 rental units in 2008. Also, a four-plex and two duplexes were constructed over the past 15 years.

In addition to the 24 new rental units, some single family homes were converted from owner-occupied to rental use between 2000 and 2014.

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 Elk Point expect some household growth over the next five years. From 2014 to 2019, it is projected that there will be a gain of 54 households, which is a 10 to 11 household annual average increase in Elk Point. It is projected that approximately 40% of these households will be rental households, thus, there will be a demand of approximately 22 additional rental units due to household growth over the next five years. It is also possible that Elk Point could capture additional households from the growth that is projected in Union County and the Sioux City MSA.

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 three to four units per year. As a result, approximately 15 to 20 additional units will be needed over the next five years to replace lost units. In some cases, this unit replacement will be necessary as existing units are removed from the inventory through demolition or conversion. In other cases, this replacement is appropriate due to the deteriorating condition of older, substandard rental housing that should be removed from the occupied stock. Rental units will also be lost due to rental units converting to owner occupancy.

Pent-up demand also exists. As part of this study, a rental survey was conducted. The survey found only one vacancy in general occupancy market rate units. Also, there are no three-bedroom subsidized units in Elk Point. Additionally, there are no designated memory care units or senior with light services units in Elk Point. Therefore, we identified pent-up demand for high quality market rate rental units, family subsidized rental units, and senior light services and memory care units.

These three demand generators, after factoring current vacancy rates, show a need for 61 to 76 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 2015 to 2020.

General Occupancy Market Rate	20-24 units
Subsidized	8-10 units
Affordable/Conversions	6-8 units
Senior With Services	27-34 units
Total	61-76 units

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

Findings: Approximately 70% of the rental housing in the City of Elk Point can be classified as general occupancy market rate housing. These units are free of any specific occupancy restrictions such as financial status, age, or student enrollment. Market rate housing does not have any form of rent controls, other than those imposed by the competitive marketplace.

Of the 55 market rate rental units we surveyed, we found one vacancy, which is a 1.8% vacancy rate. The owners and managers of rental properties reported very high occupancy rates and strong demand for rental housing. Also, all of the rental units we surveyed were two or three-bedroom units. Therefore, it is assumed that there is a limited number of one-bedroom rental units in the City.

There is a variation in rental rates in the market rate segment in the City of Elk Point. The existing rent range including utilities based on the survey is $525 to $1,020 for a two-bedroom unit and $750 to $1,200 for a three-bedroom unit.

From 2000 to 2014, only 24 market rate rental units were constructed. However, some 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 20 to 24 market rate rental units over the next five years.

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

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

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

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

The first option to developing market rate housing would be to encourage private developers to undertake the construction of market rate rental housing. During the interview process, several rental property owners expressed interest in constructing rental housing in Elk Point if it was economically feasible. Some of these rental property owners have land available for additional rental units. If private developers do not proceed, the Elk Point Housing and Redevelopment Commission could potentially utilize essential function bonds, or similar funding sources, to construct market rate units. The Elk Point Housing and Redevelopment Commission has previously constructed 16 rental town homes in 2008.

Also, the Elk Point Housing and Redevelopment Commission could partner with private developers to construct additional units. Additionally, the City could assist with land donations, tax increment financing, reduced water and sewer hook up fees, etc.

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

Unit Type	No. of Units	Size/Sq. Ft.	Rent
One Bedroom	8-9	750 - 850	$650 - $800
Two Bedroom	8-9	900 - 1,000	$750 - $1,050
Three Bedroom	4-6	1,100 - 1,200	$875 - $1,200
Total	20-24		

Note: The recommended rents are gross rents including all utilities. The rents are quoted in 2015 dollars.

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

Findings: The previous recommendation had addressed the market potential to develop high quality rental units in Elk Point. Unfortunately, these units would tend to be beyond the financial capability of many area renters. A majority of Elk Point's renter households have an annual income below $25,000. These households would need a rental unit at $650 per month or less.

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

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

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

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

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

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

3. Promote the development of eight to 10 general occupancy subsidized rental housing units

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

The research completed for this Study found four subsidized projects, which have a combined 68 units. Three projects are family rental housing and one project is a senior/disabled project. The 68 units represent 30% of the total rental inventory in Elk Point. This is an average percentage of subsidized rental housing compared to other similar sized cities.

A summary of the four subsidized projects in Elk Point is as follows:

- **Village Square Apartments** - Village Square Apartments is a 20-unit senior/disabled Rural Development/HUD Section 8 subsidized project. The project includes 16 one-bedroom and four two-bedroom units. The project was constructed in approximately 1977.

- **Walnut Apartments** - Walnut Apartments is a 24-unit USDA Rural Development family project. The 24 units include six one-bedroom and 18 two-bedroom units. The project was constructed in 1993.

- **Elk Point I/Jefferson** - Elk Point I/Jefferson is a USDA Rural Development family project. There are 16 units in two eight-plexes in two different locations. The 16 units include two one-bedroom and 14 two-bedroom units. The project was constructed in approximately 1971.

- **Elk Point II** - Elk Point II is an eight-unit USDA Rural Development family project. The project includes one one-bedroom unit and seven two-bedroom units. The project was constructed in approximately 1980.

At the time of the survey, there were six vacancies in Elk Point's subsidized projects. All of the vacancies were in Elk Point I/Jefferson. The other three projects were fully occupied and had no vacancies.

Of the 68 subsidized units in Elk Point, 25 are one-bedroom and 43 units have two bedrooms. There are no three-bedroom subsidized units in Elk Point.

Most cities have access to additional "deep subsidy" resources available to their residents through the tenant-based Housing Choice Voucher Program. The Vouchers allow tenants to pay 30% of income for housing in suitable private-market rental units. Elk Point is one of the few cities in South Dakota that does not have access to the Housing Choice Voucher Program.

The 2013 American Community survey estimated that approximately 37% of all renter households in the City of Elk Point were paying 30% or more of their income for rent. Most of the households with a severe rent burden had low annual incomes, and would be under the income limits for subsidized housing.

Recommendation: Based on the cost burden data contained in the American Community Survey, the age of the subsidized rental housing in Elk Point and the lack of three-bedroom units, we would recommend that the City look to expand the supply of deep subsidy rental housing for lower income renters. Over the next five years, we would recommend that the City attempt to construct eight to 10 units that achieve a rent level that would be affordable to very low income households earning less than $25,000 per year.

This recommendation represents a modest goal, since substantially more low income households exist in the City with a cost burden. However, over the past few decades, very few federal subsidy sources have been available for the construction of "deep subsidy" rental housing. The actual number of units that can be developed will be dependent upon access to financial resources.

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

4. Consider the development of 27 to 34 senior with services units

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

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

- **Prairie Estates Care Center** - Prairie Estates Care Center is located in Elk Point and includes 34 skilled nursing beds and three assisted living beds. The facility was constructed in the 1960s.

- **Welcor Assisted Living** - Welcor Assisted Living is located in Elk Point and includes 34 units. The project is approximately 15 years old. The 34 units include one-bedroom and 30 studio units. The facility provides the full array of assisted living services including meals, housekeeping, medication management, assistance with personal care, etc.

- **StoneyBrook Suites Assisted Living** - StoneyBrook Suites Assisted Living is a 28-unit assisted living facility located in Dakota Dunes. The 28 units include studio and parlor units. The facility is six years old. The facility provides the full array of assisted living services including meals, laundry, 24-hour staffing, housekeeping, medication management, bathing, etc.

To determine future senior with services housing demand in Elk Point, we determined that Elk Point's market for senior with services housing includes all of Union County. Also, the administrators of the senior with services housing facilities reported that they do have residents from surrounding communities that are outside of Union County.

Recommendation: In 2010, Union County had 1,030 people between the age of 65 and 74 and 992 people over the age of 75. The growth projections show some continued growth in the County's senior population over the next five years.

- ***Skilled Nursing Home*** - The research for this Study points to a decreasing reliance on nursing homes as a long-term residency option for older senior citizens. Over time, the nursing homes have tended to use more beds for rehab/recovery stays, or other specialized uses. There has also been a long-standing State moratorium that limits expansion in most cases. No recommendations are offered for this type of specialized housing. Elk Point has a well-established provider, Prairie Estates Care Center, that serves this segment of the market.

- ***Memory Care Housing*** - There are no designated facilities specifically for memory care in Union County. However, the senior with services facilities in the County do serve residents with memory loss. Some local providers do report unmet demand for this type of specialized housing. If a capture rate of 1.5% to 2% of the older senior population is applied, Union County would need 15 to 19 memory care beds by 2020. Based on the demand for the beds and unmet need, we recommend the development of 15 to 19 beds dedicated for memory care over the next five years.

- ***Assisted Living*** - Currently, Welcor Assisted Living has 34 units, StoneyBrook Suites Assisted Living has 28 units and Prairie Estates Care Center has three assisted living beds. It is our opinion that based on Union County's older population, the existing number of assisted living units/beds in the three facilities, based on historic vacancy rates, is adequate to address demand. However, we recommend that the need for assisted living beds should continue to be monitored.

- ***Independent/Light Service Housing*** - We did not identify any independent/light service senior projects in Union County. If a 1.5% capture rate could be achieved among older senior households, approximately 15 units of market rate independent lighter services housing could be supported. More units could be justified if a higher capture rate is achieved within the primary target market. Therefore, we recommend the development of 12 to 15 independent/senior units in Elk Point over the next five years.

The supply and demand overview presented above indicates potential demand for 27 to 34 additional units/beds of housing with services for seniors. These recommendations presented have looked at overall demand, not competitive positioning for individual projects. We view Elk Point as a good location for specialized senior housing in Union County. It is very likely that more units could be successfully constructed in Elk Point than we have recommended. However, this would probably reduce occupancy rates in existing projects. It is also possible that a developer will view a larger market area for units in Elk Point, which would create a higher demand.

The purpose of this recommendation is to provide general guidance to potential developers. A developer or existing senior with services facility planning a specific project should have a project-specific study conducted.

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

Findings: A new mixed-use rental housing/commercial project would be an asset to Downtown Elk Point. Currently, there are several mixed-use buildings downtown.

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

We recommend commercial space on the first floor and six to 10 rental units on the second floor. Prior to construction, a portion of the commercial space should be leased to an anchor tenant who would complement existing downtown businesses and attract people to downtown.

The six to 10 rental units should be primarily market rate units, but could be mixed income with some moderate income units. The units should be primarily one-bedroom and two-bedroom units. Please note that these units are not in addition to the units recommended in the previous recommendations of this section. If a mixed use building was constructed, the number of units recommended previously should be reduced.

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

6. Apply to access 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.

Based on research for this study, it appears that the Housing Choice Voucher Program is not available in Elk Point or Union County. It is one of the few areas in South Dakota that does not have the Housing Choice Voucher Program available for its residents.

Recommendation: The Elk Point Housing and Redevelopment Commission should work with area and regional housing agencies, the South Eastern Council of Governments, and the South Dakota Housing Development Authority to determine if Elk Point can obtain access to the Housing Choice Voucher Program.

7. Preserve the existing supply of subsidized housing

Findings: Elk Point has four "deep subsidy" rental housing projects that allow tenants to pay rent based on 30% of income. Several of these projects were constructed in the 1970s or early 1980s when the federal government was actively involved in producing low income housing.

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

The subsidized stock is privately owned. In some communities, privately owned subsidized housing has been lost as owners have the ability to opt-out of subsidy contracts after their original obligations have been met. Subsidized housing that is lost cannot be cost-effectively replaced with the low income housing production resources that are available today.

Recommendation: At the time of this Study, we are not aware of any subsidized projects in Elk Point that are planning to convert to market rate housing.

The Elk Point Housing and Redevelopment Commission should check on an ongoing basis to determine if any Elk Point subsidized housing projects are considering the option to drop their subsidy contract. In some communities, public or nonprofit agencies have been able to purchase projects that are at risk of being lost to preserve the affordable housing resources.

Elk Point - Home Ownership

Home Ownership

Findings: Expanding home ownership opportunities is one of the primary goals for most cities. High rates of home ownership promote stable communities and strengthen the local tax base. The median owner-occupied home value in Elk Point is estimated to be approximately $155,000 based on sales activity from 2014. Although the home values in Elk Point are relatively high, there is some opportunity for first time buyers and households seeking moderately priced homes.

Our analysis of Elk Point demographic trends shows a substantial increase in the number of households in the traditionally strong home ownership age ranges between 35 and 74 years old over the next five years. Some households in these age ranges as well as other age ranges that have not been able to achieve the goal of home ownership may need the assistance of special programs to help them purchase their first home.

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

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

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

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

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

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

The City of Elk Point and the Elk Point Housing and Redevelopment Commission should also work with housing agencies to assure that they are receiving their share of resources that are available in the region.

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

9. Develop a Purchase/Rehabilitation Program

Findings: Elk Point has a stock of older, lower valued homes, some of which need repairs. Our analysis of recent sales activity indicates that approximately 16% of the homes in Elk Point are valued less than $75,000. As some lower valued homes come up for sale, they may not be attractive options for potential home buyers because of the amount of repair work that is required.

Some communities with a stock of older homes that need rehabilitation have developed a purchase/rehabilitation program. Under a purchase/rehabilitation program, the City or a housing agency purchases an existing home that needs rehabilitation, rehabilitates the home, sells the home to a low/moderate income family and provides a mortgage with no down payment, 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 Elk Point work with a housing agency to develop and implement a purchase/rehab program. Attitudinal surveys that we have conducted in other cities have found that purchase/rehabilitation programs are appealing to people who are currently renting their housing. In some similar sized communities, a large majority of survey respondents who were renters indicated an interest in buying a home in need of repair if rehabilitation assistance was available.

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

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

Also, based on our interviews, some private individuals are purchasing homes in Elk Point, rehabbing the homes and selling the homes. There may be an opportunity for local housing agencies to financially assist the private sector with purchasing, rehabilitating and selling homes. This may increase the inventory of substandard homes that economically can be rehabilitated and sold.

Elk Point - Single Family Housing Development

Single Family Housing Development

Findings: Based on Census Bureau and City information, Elk Point has experienced significant single family housing development from 1998 to 2014. Over the past 17 years, approximately 174 single family owner-occupied units have been constructed in Elk Point. This is an average of approximately 10 owner-occupied units constructed annually in the City. The new home construction has been inconsistent over the past 17 years, with a high of 26 homes constructed in 2001 and a low of one home constructed in 2013. There has also been a significant number of homes constructed in Union County over the past 17 years.

Over the past 10 years, 2.5% of the owner-occupied single family homes in the Sioux City MSA were constructed in Elk Point. In 2007, approximately 9.5% of the homes constructed in the MSA were constructed in Elk Point, representing the highest single-year percentage achieved over the 10-year period reviewed. The lowest percentage achieved was in 2013, when only 0.4% of the homes constructed in the MSA were constructed in Elk Point.

It is our opinion that if the City, housing agencies, economic development agencies, and builders are proactive, nine to 12 homes can be constructed or moved into Elk Point annually from 2015 to 2020. This is 3% to 4% of the projected home construction in the MSA, over the next five years.

The breakdown of the nine to 12 new owner-occupied housing units constructed annually over the next five years is as follows:

▸ Higher and Median priced homes	3-4
▸ Affordable Homes	3-4
▸ Twin homes/Town homes	3-4
Total	9-12

10. 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 Elk Point. Currently, there are more than 100 lots available in Elk Point, primarily in the Country Club Estates Subdivision. Prices range from $18,000 to $39,500.

There are also miscellaneous infill lots scattered around the city that we did not attempt to count. We do not know the availability of some of these infill lots.

Also, additional dilapidated houses will be acquired and demolished over the next five years. 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 nine to 12 new owner-occupied housing units will be constructed per year, the City should have approximately 23 to 30 residential lots available to meet the expected demand. Part of this demand would be for attached unit construction.

With more than 100 available lots, plus infill lots, the City currently has an excess number of lots.

11. Strategies to encourage residential lot sales and new home construction in Elk Point

Findings: There is a large inventory of more than 100 lots in subdivisions plus infill lots available in the City of Elk Point. Lots are available for new homes in all price ranges. In addition to a local market for lots, Elk Point is in the Sioux City MSA, which has a population of approximately 170,000 people.

Recommendation: We recommend that the City of Elk Point, the Elk Point Development Corporation, the Elk Point Housing and Redevelopment Commission, private developers/builders and Realtors coordinate efforts to promote lot sales and housing development in Elk Point.

Our recommendations to promote lot sales and housing development include:

- ***Continue competitive pricing*** - There are lots that are available in communities throughout the region. Lot prices in Elk Point will need to remain competitive with other lot options in the surrounding region.

- ***Plan for long-term absorption*** - The research completed for this Study expects limited annual absorption of lots in Elk Point. We are projecting the construction of nine to 12 new units per year. It is therefore necessary to view the development of the subdivisions and in-fill lots as a long-term plan.

- ***Generate activity -*** Recent construction activity has been limited in Elk Point. To stimulate new construction, proactive efforts, such as the sale of some lots at discounted prices, reduction of hookup and permit fees or other incentives should be provided if the buyer agrees to build a home of a certain quality and style within one year. This will help create momentum for more houses to be built.

- **Past Success** - From 1998 to 2007 an average of 15 to 16 single family houses were being constructed annually. This was partially due to the momentum that was created by competitive pricing for lots and houses, and the system that was developed which made the home building process user-friendly in Elk Point. Replicating this past success may not be easy, but proactive efforts to generate new momentum is encouraged.

- ***Consider developing an exclusive builder(s) relationship*** - A block of lots could be sold to a builder or builders. Momentum can be created when a builder has access to several lots. This allows for marketing opportunities and efficiencies in the home building process. The subdivision owners, however, obligate the builder to constructing a minimum number of homes per year. Builders are more willing to enter a market when the lots are attractive and very affordable. A block of lots available to an exclusive builder or developer should be explored, even if significant price concessions are required.

- ***User-Friendly*** - The lot purchase and homebuilding process must be 'user-friendly.' This includes the construction of spec homes, and builders that are readily available to build custom homes.

- ***Spec home development*** - Although spec home construction is a risk, there are also financial risks associated with holding unsold lots. Also, spec houses could potentially attract a buyer that is not interested in going through the home building process, but instead wants a turnkey unit. A spec home can also serve as a model, allowing potential home buyers to examine specific floor plans and features in the home before committing to buy. In an attempt to spur additional spec home construction, some communities have formed partnerships with private home builders to share the financial risks. For example, some developers have been willing to defer the payment for the lot until the spec home is sold. Another builder incentive is to waive any water/sewer hook up fees and building permit fees until the home is sold. A more aggressive approach is to become directly involved in helping cover the payments on a home builder's construction loan, if the house does not sell within a reasonable period of time. A community risk pool would need to be established for this type of activity. These types of approaches would somewhat reduce the builder's risk, by lowering the upfront development costs.

- ***Continue to allow for a range of house prices*** - The lots should continue to be available to as wide a range of home sizes and prices as possible, without compromising the subdivision. This broadens the lot buyer market. It appears that there are lots currently available in Elk Point for homes in all price ranges.

- ***Incentives*** - Many cities throughout South Dakota are offering incentives to construct new homes including reduced lot prices, reduced water and sewer hookup fees, tax abatement, cash incentives, etc. Incentives should be considered to promote new home construction.

- ***Lot availability for twin home/town home development*** - It is our opinion that there will be a demand for twin homes/town homes over the next five years. Lots should be available for twin home/town home lot development.

- ***Marketing*** - The City of Elk Point and private developers should develop a comprehensive marketing strategy to sell the available lots. All stakeholders including realtors, financial institutions, builders, employers, etc. should be included in marketing strategies. In addition to marketing the lots, the City of Elk Point and its amenities should be marketed.

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

Findings: There are several housing agencies and nonprofit groups that have the capacity to construct new housing in Elk Point. However, due to the downturn in the housing economy, some agencies have cut back on new housing production over the past few years.

Recommendation: We encourage the City of Elk Point and th Elk Point Housing and Redevelopment Commission to actively work with economic development and housing agencies, nonprofit groups and the private sector to develop affordable housing.

As the housing economy continues to improve and home values increase, new affordable home construction production in Elk Point will continue to be more feasible.

Also, over the past several years, several Governor's homes have been moved into Elk Point. Governor's homes are an affordable new housing option that should be encouraged and supported.

13. Promote twin home/town home development

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

In many cities the size of Elk Point, approximately 20% to 25% of the new ownership housing constructed are twin homes/town homes. In Elk Point, since 2000, almost no new ownership housing has been twin homes/town homes.

In 2010, Elk Point had 204 households and Union County had 1,802 households in the 55 to 74 age ranges. These age ranges are expected to increase by 99 households in Elk Point and 689 households in Union County from 2010 to 2019. Household growth among empty-nester and senior households should result in increased demand for attached single family units. It is likely that demand for attached housing units will also be dependent on the product's ability to gain additional market acceptance among the households in the prime target market, and among other households.

Recommendation: It is our projection that approximately three to four new owner-occupied twin homes or town homes could be constructed in Elk Point annually over the next five years. Our projection is based on the availability of an ideal locations for twin home/town home development as well as high quality design and workmanship.

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

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

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

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

Elk Point - Housing Rehabilitation

Housing Rehabilitation

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

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

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

14. Promote rental housing rehabilitation

Findings: Based on the U.S. Census data, the City of Elk Point had approximately 229 rental units in 2010. These rental buildings are in multi-family projects, small rental buildings, duplexes, single family homes, mixed-use buildings and mobile homes. Many of these rental structures could benefit from rehabilitation as most of these rental structures are more than 25 years old and some rental units are in poor condition.

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

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

15. Promote owner-occupied housing rehabilitation efforts

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

Our housing condition survey of 329 homes in two of Elk Point's older neighborhoods found 100 homes that need minor repairs and 59 homes that need major repairs. Without rehabilitation assistance, the affordable housing stock will shrink in Elk Point.

Recommendation: We recommend that the City of Elk Point and the Elk Point Housing and Redevelopment Commission seek local, state and federal funds to assist in financing housing rehabilitation. USDA Rural Development, the South Dakota Housing Development Authority, the Federal Home Loan Bank, and Grow South Dakota are potential funding sources.

Grow South Dakota currently has several housing programs to assist households with the rehabilitation of their homes. Also, the Rural Office of Community Services, Inc., provides Weatherization funds for Elk Point and Union County.

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

16. Develop a Neighborhood Revitalization Program

Findings: The City of Elk Point has several neighborhoods that are on the bubble. These neighborhoods have a significant number of homes that need rehabilitation or should be demolished. These neighborhoods also have a significant number of low/moderate income households. The neighborhoods could deteriorate or could be revitalized to continue to be strong vital neighborhoods.

Recommendation: We recommend that the City of Elk Point, area housing agencies and the private sector develop and implement a Neighborhood Revitalization Program.

Redevelopment strategies and opportunities should be identified 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.)
- Consider 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, 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.

Elk Point - Other Housing Initiatives

Other Housing Initiatives

17. Continue to acquire and demolish dilapidated structures

Findings: Our housing condition survey identified 15 single family houses in two of the City's oldest neighborhoods that are dilapidated and too deteriorated to rehabilitate. We also identified 59 single family houses in Elk Point as needing major repair and some of these homes may be too dilapidated to rehabilitate. To improve the quality of the housing stock and to maintain the appearance of the City, these structures should be demolished.

The City of Elk Point has been active over the past several years in demolishing dilapidated structures.

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

Also, the City of Elk Point or the Elk Point Housing and Redevelopment Commission should maintain a lot inventory of structures that may be candidates for future acquisition. Additionally, an inventory of in-fill lots for future development should be maintained.

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

Findings: Elk Point will continue to need staff resources in addition to existing staff to plan and implement many of the housing recommendations advanced in this Study. The City of Elk Point has access to the South Eastern Council of Governments, the South Eastern Development Foundation, the Rural Office of Community Services, Inc., the South Dakota Housing Development Authority, GROW South Dakota and USDA Rural Development. These agencies all have experience with housing and community development programs.

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

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

19. Encourage employer involvement in housing

Findings: 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. Housing for new employees is a concern for employers, thus, it may be advantageous for employers to become involved in housing.

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

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

20. Promote Commercial Rehabilitation and Development

Findings: The City of Elk Point's commercial district is in good condition, and several commercial buildings have been renovated, however, there are several substandard and vacant commercial buildings in Elk Point.

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

Recommendation: We recommend that the City of Elk Point and the Elk Point Economic Development Corporation continue to work with commercial property and business owners to rehabilitate their buildings. Also, new businesses should continue to be encouraged to locate in Elk Point.

The City of Elk Point and the Elk Point Economic Development Corporation should seek funding to assist property owners with rehabilitating their commercial buildings. A goal of one to two commercial rehab projects annually in Elk Point would be a realistic goal.

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

Recommendation: The City of Elk Point, the Elk Point Development Corporation and the Chamber of Commerce have been active in promoting and marketing housing. We recommend the continuation or consideration of the following:

- Identify the City's strengths and competitive advantages and heavily promote them
- Continue to create marketing materials that can be distributed regionally (including internet, TV, radio, etc.)
- Work closely with employers (Elk Point and the entire region) to provide employees with housing opportunities in Elk Point
- Work with housing agencies to provide down payment assistance, low interest loans, home owner education and home owner counseling programs
- Consider an annual Housing Fair that provides information on lots, builders, finance programs, etc. Developers, builders, lenders, realtors, public agencies and local businesses could participate
- Work with builders and developers to make the construction of new homes or rental units a very user friendly process
- Continue to develop new home construction and home purchase incentive programs.

22. Competition with Other Jurisdictions

Findings: During the interview process, several individuals expressed concern regarding the City of Elk Point's ability to compete for new development in the region.

Recommendation: The City of Elk Point can enhance its position as a viable location for new households. We recommend the following:

- Review the City's policies to assure that the City's process for working with developers and builders is user friendly, fair and receptive.

- Continue to work on the creation of jobs and the development of retail, service and recreational opportunities that make the City a "full service" community

- Continue to provide attractive lots at an affordable price for a variety of home sizes, styles and price ranges

- Provide financing mechanisms for households to build new homes, purchase existing homes and to rehabilitate older homes

- Preserve the quality of existing neighborhoods through the rehabilitation of substandard housing and the demolition of dilapidated structures that are beyond repair

- Develop incentives to encourage new home construction
- Develop new housing choices that serve life-cycle housing needs, such as new rental housing, twin homes, senior housing, etc.
- Publicize and market Elk Point throughout the region and among the employers and employees in Elk Point and the region
- Develop a coordinated housing plan with area housing agencies

23. Consider the implementation of a Time of Sale/Rent Mobile Home Program

Findings: Based on our mobile home survey, there are approximately 35 mobile homes in the City of Elk Point mobile home parks. Approximately 20% of the mobile homes need minor repair and 34% need major repair. Ten homes (28%) were dilapidated and possibly beyond repair.

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

We recommend that the City of Elk Point consider implementation of a Time of Sale/Rent Inspection Program. This inspection program is designed to provide safe living conditions through the identification and elimination of basic life/safety hazards in older mobile homes. Mobile homes are subject to inspection prior to their rent or sale. All identified safety hazards must be corrected before the mobile home is sold or rented.

Agencies and Resources

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

South Eastern Council of Governments
500 North Western Avenue, Suite 100
Sioux Falls, SD 57104
(605) 367-5390

South Eastern Development Foundation
500 North Western Avenue, Suite 100
Sioux Falls, SD 57104
(605) 367-5390

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

The Rural Office of Community Services, Inc.
214 West Main
PO Box 70
Lake Andes, SD 57356
(605) 487-7634

South Dakota Housing Development Authority
221 South Central Avenue
Pierre, SD 57501
(605) 773-3181

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