

SECTION 2 - HOUSING

Housing Needs (91.205)

*Please also refer to the Housing Needs Table in the Needs.xls workbook

Rapid City made good progress on addressing affordable housing needs identified in the 2003-2007 Consolidated Plan, however for the next five years there will continue to be a need for affordable workforce housing at all income levels for both owner-occupied and rental units. Housing stock over forty (40) years old continues to increase in numbers, increasing the need for housing improvements and rehabilitation to existing aged housing stock and for the replacement of deteriorated, obsolete housing.

The regulations for preparation of the Consolidated Plan require that the housing data included in this portion of the Consolidated Plan shall be based on U.S. Census data, as provided by HUD, as updated by any properly conducted study, or any other reliable source that the jurisdiction clearly identifies. The most comprehensive data base that reports on households needs by tenure, by income, by age, by size, by race and by Hispanic households is the Comprehensive Housing Affordability Strategy (CHAS) Database prepared by the U.S. Census with data from the 2000 Census and Census updates. The Housing Needs Assessment contained in this Part of the Rapid City Consolidated Plan uses the CHAS Database, and is supplemented by the U.S. 2000 Census Report, the Black Hills Region Homeless Coalition's 2005 Housing Needs Assessment, the Rapid City 2006 Community Needs Assessment conducted by the Institute for Education and Learning Evaluation, and the 2007 South Dakota Statewide Homeless Point-In-Time Count. All information in this Part of the Consolidated Plan is for Rapid City, South Dakota.

See Table 22 for itemized list of needs and goals.

CATEGORIES OF PERSONS AFFECTED

All Households

The CHAS Database reports that of all owners with income below 80 percent of MHI 3,323 (49.8 percent) owners have housing problems. Small owner households with incomes below 80 percent of MHI have the highest percentage of housing problems at 64.0 percent with large families close behind with 56.4 percent. Households with income below 30 percent of MHI have the highest percentage of housing problems by income at 73.6 percent. This is not unexpected with the high property taxes and housing costs in this area. Eight percent of households with incomes above 80 percent of MHI also have housing problems.

There are 5,096 combined renter and owner households in Rapid City with incomes below 80 percent of MHI who are experiencing a housing problem. The problems are primarily cost burdens.

Housing Needs of Extremely Low, Low and Moderated Income Households

TABLE 37						
Households by Income and Housing Problems – 2000						
Income Category of Resident	Total	With Any Housing Problems	% of Total	Cost Burden >30% income	Extreme Cost Burden >50% income	
Renters						
Extremely Low MHI (0-30%)	2,116	1,441	68.1	66.5	50.3	
Very Low MHI (31-50%)	1,796	1,215	67.7	65.5	17.2	
Low (51-80% MHI)	2,491	792	31.8	24.9	1.8	
Middle & Above (81+ MHI)	3,380	236	7.0	3.3	0.5	
Total Renters	9,783	3,684	38.0	3,314	1,435	
Owners						
Extremely Low MHI (0-30%)	389	285	73.5	72.5	56.0	
Very Low MHI (31-50%)	793	468	59.1	57.9	20.7	
Low (51-80% MHI)	2,141	897	41.9	40.9	9.5	
Middle & Above (81+ MHI)	10,865	880	8.1	7.0	1.0	
Total Owners	14,188	2,530	18.0	2,378	694	
All Households, all incomes	23,971	6,214	25.9	23.8	8.9	
Source: SOCDS CHAS 2000						

As shown in Table 37, the CHAS Database reports 23,971 households in Rapid City consisting of 9,783 renters (41 percent) and 14,188 owners (59 percent). The CHAS Database reports that 63.9 percent of households in Rapid City have housing problems, an increase of 5.1 percent over the past 7 years. Housing problems can include over crowding, cost burden, and substandard housing conditions. In addition, almost a third of all households, 32.7 percent, are cost burdened, paying more than 30 percent of their income for housing. 8.9 percent are at risk, paying more than 50 percent of their income for housing. Of the households with housing problems, 22 percent are low income, with incomes below 80 percent of the HUD Median Household Income (MHI) for the family size.

Renter households make up 60 percent of the households with a housing problem in Rapid City and 94 percent of the renters have incomes below 80 percent of the MHI. Renters with a cost burden greater than 50 percent MHI total 1,435.

Low-income homeowners make up 14 percent of all households and 24 percent of all homeowner households. A total of 1,650 owners have housing problems, with 2,378 of them being cost burdened paying over 30 percent of their income for housing. Homeowners cost burdened at over 50 percent of their income total 694. The majority of the owners who are cost burdened have incomes below 80 percent of MHI.

There are 3,380 renters and 10,865 owners with incomes above 80% MHI with 7 percent of the renters and 8.1 percent of the owners having housing problems. Of those with incomes above 80 percent MHI, 10.3 percent are cost burdened paying more than 30 percent of the MHI and 1.5 percent paying more than 50 percent of the MHI.

The CHAS Database records information regarding households in overcrowded housing units in Rapid City by income category. Overcrowding is defined as room occupants exceeding 1.01. Of the 23,971 households reported by the CHAS Database, 3.1 percent of the homes are overcrowded. Two percent have rooms occupied with 1.01 to 1.5 persons and 1.1 percent have 1.51 person or more per room, which amounts to 722 units, per the U.S. Bureau of the Census, 2000, Table DP-4, Profile of Selected Housing Characteristics – 2000. Overcrowding conditions occur at higher percentages in Census Tracts 102 (7.5 percent) and 103 (3.5 percent), which are areas of higher low-income household concentrations. The 2000 Census does not report on overcrowding by income.

In addition to overcrowding, lack of essential household systems is an issue for some households. The 2000 Census reports that in Rapid City:

- 63 homes (0.3 percent) lack complete plumbing facilities; and
- 130 homes (0.5 percent) lack complete kitchen facilities.

The CHAS Database indicates that 284 (62.7 percent) of the overcrowded households have incomes at or below 80 percent of Median Household Income. The CHAS Data base reports that 332 (76.3 percent) of the overcrowded households are renters. The 2000 Census reports on housing units by tenure by occupants per room, including those with more than one person per room. The 2000 Census does not report household income by occupants per room.

The 2000 Census does not distinguish between rentals and owner occupied homes for the selected characteristics listed.

Housing Needs of Renter and Owners

The 2000 Census reports on owner and renter costs as a percentage of annual household income. Applying the HUD determined 2008 Median Household Incomes for a four-person household in Pennington County, which is \$49,300, it is possible to estimate cost burdened households in Rapid City by income category and tenure. The 2000 Census reports 5,411 cost burdened households in Rapid City, which is 25 percent of the total households. Four thousand nine hundred fifty-four (4,954) (91.6 percent) of the cost burdened households are low-income with annual household income at or below 80 percent of area median household income (MHI).

Of the 4,954 low income cost burdened households in Rapid City, 3,450 (69.6 percent) are renters. Table 38 shows cost burdened households in Rapid City by

TABLE 38
Cost Burden by Household Income and Tenure – 2000

Income Category	Renter Households			Owner Households		
	Total	Cost Burdened	% of Total	Total	Cost Burdened	% of Total
Extremely Low (0-30% MHI)	3,052	2,004	65.7	519	398	76.7
Very Low (31-50% MHI)	2,176	1,020	46.9	1,233	469	38.0
Low (51-80%MHI)	2,395	426	17.8	2,322	637	27.4
Middle (81-95% MHI)	712	44	6.2	1,287	132	10.3
Above (96% + MHI)	1,445	0	0.0	6,501	281	4.3
Total	9,780	3,494	35.8	11,862	1,917	16.2
Source: U.S. Bureau of the Census						

income category and tenure.

TABLE 39
Renter Households w/Incomes <= 80% of MHI Having Any Housing Problems

Household Type	0-30% MHI		31-50% MHI		51-80% MHI		0-80% MHI		% with a Housing Problem
	Households	With a Housing Problem	Households	With a Housing Problem	Households	With a Housing Problem	Households	With a Housing Problem	
Elderly	523	306	450	265	397	152	1,369	723	52.8
Small	660	475	608	383	725	190	1,993	1,048	52.6
Large	174	134	99	59	195	145	468	338	72.2
Other	760	525	639	506	1,174	304	2,573	1,335	51.9
Total	2,116	1,440	1,796	1,213	2,491	791	6,403	3,444	53.8
Sources: CHAS Database, US Census Bureau, 2000									

The CHAS Database reports information for extremely low-, very low- and low-income owner households by household size in Rapid City as shown in the following table. Table 39 shows that among 6,403 renters with household incomes below 80% of median income in Rapid City, 3,444 (53.8 percent) have a housing problem. The largest percentage of households reporting housing problems are large households in all income levels, at 72.2 percent. There are almost equal numbers of elderly (52.8 percent), small (52.6 percent) and other (51.9 percent) households experiencing housing problems.

Sixty-eight (68) percent of renter households making less than 30 percent of MHI experience housing problems, and 68 percent of households making between 31 and 50 percent of MHI also experience housing problems.

Over half of the renter households in each category experience some type of housing problem.

TABLE 40
Owner Households w/Incomes <= 80% of MHI Having Any Housing Problems

Household Type	0-30% MHI		31-50% MHI		51-80% MHI		0-80% MHI		% with a Housing Problem
	Households	With a Housing Problem	Households	With a Housing Problem	Households	With a Housing Problem	Households	With a Housing Problem	
Elderly	177	133	490	255	907	242	1,574	630	40.1
Small	85	85	165	120	639	364	889	569	64.0
Large	22	8	33	29	156	82	211	119	56.4
Other	105	60	105	65	439	209	649	334	51.5
Total	389	286	793	469	2,141	897	3,323	1,652	49.8

Sources: CHAS Database, US Census Bureau, 2000

Housing Needs of Elderly, Small Family, Large Family, and Other Households

Housing needs vary based on factors such as size of household, age of householders, and type of household. Elderly households are defined as having one or two persons with the head of household age 65 or over. Small family households consist of one to four related individuals. Large family households have five or more related individuals. Households that do not fall into one of the three categories are identified as other.

The 2000 Census does not report on housing problems by household size, tenure and income category. Table 39 shows that of the 6,403 renter households in Rapid City between 0 and 80 percent of Median Household Income, 3,444 (53.8 percent) have a housing problem. Household numbers increased by 1,534 units and the number of households experiencing any housing problem increased by 391 since 1990. However, the total percentage of people with a problem decreased by 8.9%. The decrease can likely be attributed to the increases in median household incomes over the same period. Among low income renter households, small households report the greatest number of housing problems, while large households report the largest percentage of housing problems. Other households also have a large number of housing problems.

Over half of all elderly households, small and large related households and other households making less than 80% of the median household income have a housing problem. Large related households have the highest rate of housing problems at 72.2 percent.

Over half of all small, large and other Owner households making less than 80% of median household income have a housing problem, with small households at the highest percentage of 64 percent.

Disproportionate Needs – Elderly, Small Related, Large Related, Other

The Elderly, small related, large related and other households all have disproportionate needs.

Minority Households

As defined by HUD, a disproportionately greater need among any racial group or ethnicity exists when a particular racial or ethnic group is at least ten percentage points higher than the percentage of persons in the category as a whole. Using the CHAS Database, Table 41 shows that 77.0 percent of all renter households and 23 percent of owner households below 80 percent of MHI in Rapid City have a housing problem. This is an increase of 14.3 percent over that reported in 1990.

TABLE 41
Households with Incomes < 80% of MHI with Any Housing Problem by Race of Household 2000

Household by Type, Income, & Housing Problem	Renters				Owners				Total Households (I)
	Elderly 1 & 2 Member Households (A)	Family Households (B)	All Other Households (C)	Total Renters (D)	Elderly 1 & 2 Member Households (E)	Family Households (F)	All Other Households (G)	Total Owners (H)	
White Non-Hispanic	432	424	562	1,418	152	66	80	298	1,716
Black Non-Hispanic	10	38	48	96	24	42	0	66	162
Asian Non-Hispanic	N/A	N/A	N/A	119	N/A	N/A	N/A	50	169
Native American (N-H)	N/A	N/A	N/A	1,184	N/A	N/A	N/A	295	1,479
Pacific Islanders (N-H)	N/A	N/A	N/A	18	N/A	N/A	N/A	10	28
Hispanic	20	104	89	213	28	153	12	193	406
All	462	566	699	3,048	204	261	92	912	3,960
Percentage	15.0	19.0	23.0	77.0	22.4	28.6	10.0	23.0	

Source: HUD CHAS Database, US Census Bureau, 2000

TABLE 42
Renter Households w/Incomes <= 80% of MHI Having Any Housing Problems
By Race of Household – 2000

Household Type	0-30% MHI		31-50% MHI		51-80% MHI		>80% MHI		% with a Housing Problem
	Households	With a Housing Problem	Households	With a Housing Problem	Households	With a Housing Problem	Households	With a Housing Problem	
White Non-Hispanic	1,418	69.2	1,320	70.0	2,021	30.9	2,973	6.0	35.0
Black Non-Hispanic	24	83.3	14	71.4	29	34.5	29	34.5	52.1
Asian Non-Hispanic	18	77.8	34	70.6	14	0.0	53	7.5	35.3
Native American (N-H)	511	67.1	305	55.1	225	49.3	143	7.0	53.4
Pacific Islanders (N-H)	0	N/A	0	N/A	0	N/A	18	0.0	0.0
Hispanic	36	33.3	44	100.0	38	21.1	95	18.9	38.5
All	2,007	33.2	1,717	28.4	2,327	38.5	3,311	35.4	

Source: HUD CHAS Database, US Census Bureau, 2000

TABLE 43
Owner Households w/Incomes <= 80% of MHI Having Any Housing Problems
By Race of Household – 2000

Household Type	0-30% MHI		31-50% MHI		51-80% MHI		>80% MHI		% with a Housing Problem
	Households	With a Housing Problem	Households	With a Housing Problem	Households	With a Housing Problem	Households	With a Housing Problem	
White Non-Hispanic	298	73.8	686	58.0	1,993	43.0	10,320	7.7	17.0
Black Non-Hispanic	0	0.0	8	50.0	10	100.0	48	20.8	36.4
Asian Non-Hispanic	0	0	20	100.0	0	0.0	30	0.0	40.0
Native American (N-H)	42	66.7	34	29.4	48	41.7	171	18.7	30.5
Pacific Islanders (N-H)	0	N/A	0	N/A	0	N/A	10	0.0	0.0
Hispanic	10	100.0	14	100.0	48	8.3	121	3.3	16.6
All	350		762		2,099		10,700		

Source: HUD CHAS Database, US Census Bureau, 2000

The 2000 Census reports on gross rent and owner costs as a percentage of household income by tenure, race, and Hispanic households. The 2000 Census also reports on persons per room by race and Hispanic household and plumbing facilities by race and Hispanic households. The 2000 Census does not report the information by household income. The 2000 Census can be used to look at housing problems based on household race and Hispanic households, however, it can not be cross references with household income. Therefore, disproportionate unmet housing needs based on the 2000 Census can not take into consideration differences based on differences in household income.

Table 44 shows that the 2000 Census reports 3,494 renter households in Rapid City are cost burdened, which is 35.7 percent of the renter households. Using the HUD standard of a ten (10%) percent difference as representing disproportionate need among any racial or ethnic group it is seen that there is a disproportionate need among American Indian, Alaska Native renters, Black renters, and renters of some other race.

TABLE 44
Cost Burden by Tenure and Race of Household and
Hispanic Households – 2000

	Renter Households				Owner Households			
	Total	Cost Burdened			Total	Cost Burdened		
		30%	50%	% of Total		30%	50%	% of Total
White	7,900	1,601	1,108	34.3	14,802	1,340	495	12.4
Black	105	18	33	48.6	53	12	7	35.8
American Indian, Alaska Native	1,228	294	264	45.4	299	26	0	8.7
Asian, Pacific Islander	154	17	2	12.3	52	0	8	15.4
Some Other Race	75	36	0	48.0	39	8	0	20.5
Two or More Races	318	57	64	38.1	124	6	15	16.9
All Households	9,780	2,023	1,471	35.7	11,862	1,392	525	16.2
Hispanic Origin	299	43	23	22.1	191	26	13	20.4
Source: U.S. Bureau of the Census 2000								

Table 44 also shows that the 2000 Census reports 1,917 owner households in Rapid City are cost burdened, which is 16.2 percent of the owner households. There is a disproportionate need among black owners.

Using the 2000 Census, Table 45 shows overcrowding and lack of complete plumbing in Rapid City by race and Hispanic households.

TABLE 45
Overcrowding Lack of Complete Plumbing
By Race of Householder and Hispanic Households – 2000

	Households	Overcrowded		Lack Complete Plumbing	
		Total	Percent of Total	Total	Percent of Total
White	21,473	378	1.8	53	0.24
Black	171	8	4.7	0	0.00
American Indian/Alaska Native	1,578	280	17.7	10	0.60
Asian/Pacific Islander	222	39	17.6	0	0.00
Some Other Race	116	0	0.0	0	0.00
Two or More Races	452	17	3.8	0	0.00
All Households	24,012	722	3.0	63	0.30
Hispanic Origin	430	37	8.6	0	0.00
Source: US Bureau of the Census					

The table shows that 722 (3.0 percent) households in Rapid City are overcrowded. There is a disproportionate overcrowding among American Indian, Alaska Native households and Asian, Pacific Islander households. The following table shows that 63 (0.3 percent) households in Rapid City lack complete plumbing. There is no disproportionate lack of complete plumbing among households by race or Hispanic households in Rapid City.

Native American, black, and Hispanic households in Rapid City own their own homes at a disproportionate rate to white households. In 2000, 63.4 percent of white households owned their homes. Among black households, 24.5 percent owned their homes, 46.7 percent of Hispanic households owned their homes, and 20.9 percent of Native American households owned their homes. Native Americans make up 74% of the minority population

DISPROPORTIONATE RACIAL NEED

Using the HUD standard and information from the CHAS 2000 Data base, the following groups of renter households at or below 80 percent of MHI have a disproportionately greater need:

White Households:

- White families making less than 30% of MHI (80.2%)

Black Households:

- Black elderly 1 & 2 member households making less than 30% of MHI (100%)
- Black families making between 30% and 50% of MHI (100%)
- Black families making between 50% and 80% of MHI (71.4%)

Hispanic Households:

- Hispanic families making less than 30% of MHI (44.4%)
- Hispanic All Other households making less than 30% of MHI (50%)

The following groups of owner households at or below 80 percent of MHI have a disproportionately greater need:

White Households:

- White families making less than 30% of MHI (93.9%)
- White families making between 30% and 50% of MHI (87.5%)
- White families making between 50% and 80% of MHI (60.6%)

Black Households:

- Black elderly 1 & 2 member households making between 30% and 50% of MHI (100%)

There are no records for 2000 for Native Americans, Asians or Pacific Islanders. However, Tables 42 and 43 above show Native American renters and owners with cost burdens for all income categories ranging from 41% to 67.1%. It is likely that Native Americans with earnings below 30% of MHI also have a disproportionately greater need also.

It should also be noted that households with earnings above 80 percent of MHI also have housing problems.

RECOMMENDED ACTIONS TO ADDRESS NEEDS

The City of Rapid City will continue to:

- encourage the pursuit of private dollars to provide additional rental subsidy;
- provide the Neighborhood Restoration Loan program for rehabilitation of owner occupied existing housing stock;
- encourage the provision of safe, decent affordable housing for low-income and special needs residents;

- promote programs to provide or improve job skills and asset building for low-income people; and
- encourage developers to provide more housing for large families.

Priority Housing Needs (91.215 (b))

CHARACTERISTICS OF THE HOUSING MARKET

General Housing Characteristics

The following narrative describes the particular housing characteristics and conditions of Rapid City. Charts and tables are also presented to assist with the description of the condition of the housing stock. Information is generally reported for the entire City of Rapid City, with the term "City" referring to the corporate limits of the City of Rapid City. Census tract information is also provided.

Rapid City's housing stock primarily consists of owner-occupied, single family units. According to the 2000 Census, Rapid City reported a total of 25,227 housing units, of which 24,012 (95.6 percent) were occupied. From January 2000 to July 2007 the City has issued permits for 4,138 dwelling units. Of this number, 2,226 are single family units; 1,589 are two-family or greater densities; mobile/modular home installations have been 433; and there have been 110 substandard dwelling units demolished.

The 2000 Census states that Rapid City has a higher rate of renter-occupied housing than Pennington County or the State of South Dakota. The lower rate of homeownership in Rapid City may be attributed to the slightly younger and diverse population residing in Rapid City.

TABLE 46
Housing Tenure – 2000

	Occupied Units	Owner Occupied	% Owner Occupied	Renter Occupied	% Renter Occupied
Rapid City	24,012	14,206	59.2	9,806	40.8
Pennington County	34,641	22,931	66.2	11,710	33.8
South Dakota	290,245	197,907	68.2	92,338	31.8

Source: U.S. Bureau of the Census 2000

Housing Condition

The condition of the housing stock in Rapid City can be identified through the use of variables available through the U.S. Census chosen to indicate housing deficiency. The age of a structure is used to show the time the units have been in the inventory and the duration of time for which poor treatment can potentially take

place. The age of a structure is used to show the time the units have been in the inventory and the duration of time for which poor treatment can potentially take place. The age threshold commonly used to signal a potential deficiency is represented by units that are over 40 years old. Table 47 below illustrates the quantity of units built in ten year increments.

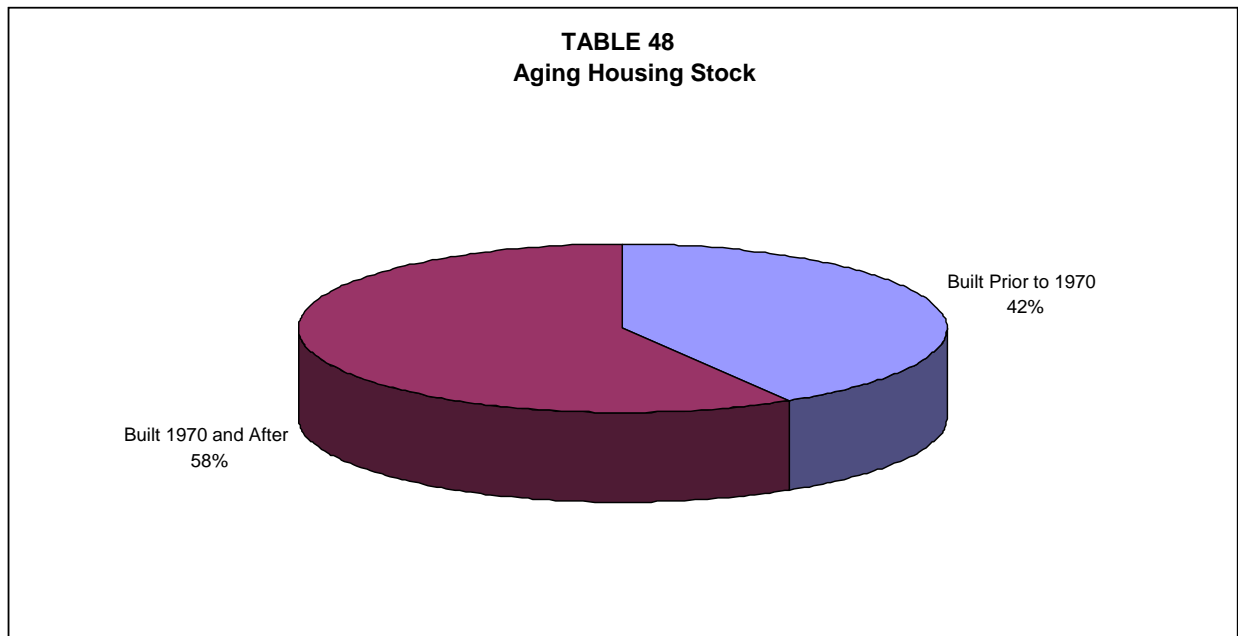
**TABLE 47
Year Structures Built – 2000**

Year Structure Built	Units	Percent of Units
2000 – 2007	3,585	12.5
1990 – 1999	3,549	12.4
1980 – 1989	3,489	12.2
1970 – 1979	5,936	20.7
1960 – 1969	3,420	11.9
1950 – 1959	5,146	17.9
1940 – 1949	1,605	5.5
1939 and earlier	1,982	6.9
Total Units	28,712	100.0
Units prior to 1970	12,153	42.3

Source: U.S. Bureau of the Census 2000; Growth Management, Permits, City of Rapid City

As reported by the 2000 Census, 12,153 housing units, representing 42.3 percent of Rapid City's housing stock, were completed prior to 1970 and will be over 40 years old within the next year. Within the next 10 years, over half of the housing in Rapid City will be over 40 years old and could be at risk of potential structural deficiencies or major repairs, such as roofing, siding, decks, and heating systems.

**TABLE 48
Aging Housing Stock**



Crowding is another variable used to identify housing condition. Crowding is directly related to the wear and tear sustained by the structure. Generally, the value of more than one person per room (1.01) is used as the threshold for defining living conditions as substandard. Crowding, represented by housing units with more than one person per room, represents only 3 percent of the total housing units in Rapid City. The 2000 Census reported that 145 owner-occupied and 577 renter occupied housing units contained more than one person per room, indicating overcrowding. Finally, units without complete plumbing facilities generally indicate substandard housing, as well. Complete plumbing facilities is defined by the Census Bureau as hot and cold piped water, a bathtub or shower, and a flush toilet. In 2000 63 units (0.3 percent) lacked complete plumbing in Rapid City. There was little change between number of units that lack complete plumbing in 1990 and 2000.

TABLE 49
Housing Characteristics by Census Tract – 2000

	Total Housing Units	Total Occupied Units	Owner Occupied		Renter Occupied		Vacant		Median Value (\$)	Median Contract Rent (\$)
			Total	% of Occupied	Total	% of Occupied	Total	% of Total Units		
Rapid City	25,085	24,012	14,206	59.2	9,806	40.8	1,127	4.4	85,500	436
102	2,280	2,140	778	36.4	1,362	63.6	140	6.5	63,900	389
103	1,279	1,234	402	32.6	832	67.4	45	3.6	79,200	382
104	1,711	1,347	923	56.0	724	44.0	64	3.9	68,800	458
105	1,435	1,315	464	35.3	851	64.7	120	9.1	63,500	383
106	1,295	1,270	817	64.3	453	35.7	25	2.0	62,800	380
107	1,890	1,768	1,091	61.7	677	38.3	122	96.9	69,200	441
108	1,874	1,781	935	52.5	846	47.5	93	5.2	92,700	370
109.01 pt	2,938	2,862	1,810	63.2	1,052	36.8	76	2.7	107,000	603
109.02 pt	758	740	612	82.7	128	17.3	45	6.1	113,900	398
110.01	1,055	1,034	789	76.3	245	23.7	21	2.0	92,400	396
110.02	2,209	2,043	1,578	77.2	465	22.8	166	8.1	149,900	823
110.03 pt	841	821	698	85.0	123	15.0	20	2.4	150,200	488
111 pt	1,404	1,340	598	44.6	742	55.4	64	4.8	82,300	523
112	1,356	1,317	834	63.3	483	36.7	39	3.0	83,200	484
113 pt	1,777	1,721	1,259	73.2	462	26.8	56	3.3	104,400	531
114 pt	978	969	613	63.3	356	36.7	9	0.9	72,800	303
116	10	10	5	50.0	5	50.0	0	0.0	0	425

Source: U.S. Bureau of the Census

The 2000 Census reported that 62.2 percent (15,632 units) of Rapid City's housing stock consisted of single-family units, 30.3 percent (7,620 units) were multi-family, and 7.5 percent (1,875 units) were mobile homes.

Table 50 describes the housing characteristics for Rapid City by census tract. Census tracts 102, 103, 104, 105, 108, 111, and 116 each had a higher percentage of renter-occupied units than the rate City-wide of 40.8 percent. Census tract 105 had the greatest percentage of vacant units with 9.1 percent.

TABLE 50
Vacant "For Sale" Units Affordable to Households
by Median Household Income for Rapid City – 2000

Household Income	# Bedrooms 0 – 1	# Bedrooms 2	# Bedrooms 3 or more	Total Vacant Units for Sale
<=30% of Median Income	N/A	N/A	N/A	N/A
<= 50% of Median Income	0	10	27	37
>50 to <=80% of Median Income	0	29	19	48
>80% of Median Income	4	19	71	94
Total Units	4	58	117	179

Source: CHAS Database, U.S. Census Bureau 2000

The CHAS database reported on vacant housing units. There were 1,113 vacant housing units in Rapid City and 195 of them were for sale units and 578 of them were for rent. The balance of the units (139) were vacant seasonal units or vacant for other reasons (201). The median price asked for the vacant "for sale" housing units in Rapid City in 2000 was \$104,200. Table 50 reports on the units that are potentially affordable to low-income households, using the above listed assumptions and the HUD income limits shown in Table 6.

The table above shows 179 vacant units for sale in Rapid City. The table shows:

- 0.0 percent of the units are affordable to households with incomes below 30 percent of the median income;
- 20.6 percent of the units are affordable to households with incomes below 50 percent of the median income;
- 26.8 percent of the units are affordable to households with incomes between 50 and 80 percent of the median income; and
- 52.5 percent of the units are affordable to households making more than 80 percent of the median income.

It is important to note that while the CHAS Database identifies vacant units for sale that are affordable to low-income households, the CHAS Database does not indicate the quality of the units nor their location. It is not possible to determine from this information if the units have major structural defects that would make their repair unaffordable, or whether their location is convenient to jobs and services. The

following provides an update on units that are affordable by household income based on information from the 2000 Census. Information regarding housing rent and value by bedroom size of the units was not available from the 2000 Census. Therefore the update of housing affordability based on the 2000 Census does not consider affordability by number of bedrooms.

TABLE 51
Owner Units Affordable as a Percent of MHI – 2003

Units	Median Price Asked/ Value (\$)	30% of MHI		50% of MHI		80% of MHI		100% of MHI	
		Total	% of Vacant for Sale Units	Total	% of Vacant for Sale Units	Total	% of Vacant for Sale Units	Total	% of Vacant for Sale Units
<i>Vacant for Sale Units</i>									
117	\$104,200	16	13.6	54	46.2	96	82.1	114	97.4
<i>Owner-Occupied Units</i>									
14,206	\$85,500	2,657	18.7	8,046	56.6	12,021	84.6	13,007	91.6
Source: Mullin & Lonergan Associates, Inc.									

Table 51 above shows that of the 117 vacant for sale units reported in Rapid City by the 2000 Census:

- 13.6 percent (16) are affordable to households with income at 30 percent of MHI;
- 46.2 percent (54) are affordable to households with incomes at 50 percent of MHI;
- 82.1 percent (96) are affordable to households with incomes at 80 percent of MHI.

Because the number of units that are vacant for sale in Rapid City reported by the 2000 Census is small, it is difficult to ascertain by this measure alone, how many of the units were affordable to various income levels. Therefore, information regarding how many owner-occupied units are affordable by household income is also presented in Table 51, providing a more comprehensive review of housing affordability. Based on the assumptions regarding housing affordability in combination with use of the HUD income limits, the following was found regarding the owner-occupied units that are affordable in Rapid City by household income.

- 18.7 percent (2,657) of the total owner-occupied units are affordable to households at 30 percent of MHI;
- 56.6 percent (8,046) are affordable to households at 50 percent of MHI; and
- 84.6 percent (12,021) are affordable to households 80 percent of MHI.

In addition to the 2000 Census information, Rapid City contacted the Black Hills Area Multiple Listing Service for information on houses sold during 2006 and 2007.

This information provides a point in time picture of the affordability of houses available to low income residents.

Single-family residential housing units sold in the Rapid City area in 2006 were as follows:

Price Thresholds	# of Units	Median Price
< \$80,000	59	\$67,617
\$80,000 to \$100,000	94	\$95,210
\$100,001 to \$130,000	239	\$116,970
> \$130,000	531	\$178,780

Single-family residential housing units sold in the Rapid City area in 2007, using the same price thresholds were:

Price Thresholds	# of Units	Median Price
< \$80,000	139	\$60,000
\$80,000 to \$100,000	107	\$93,000
\$100,001 to \$130,000	385	\$119,000
> \$130,000	1,351	\$180,000

Using the 2008 income limits prepared by HUD for a four-person household, the following table shows the area median income ranges for Rapid City, as well as the maximum qualifying incomes for the various low-income ranges. The table also shows how much households could afford per month for housing based on a household income to housing expense ratio of 30 percent.

TABLE 52
Rapid City Income Levels and Housing Affordability Range
2008 – Four Person Household

Income Category	2008 Annual Household Income (\$) Family of 4	Monthly Income (\$)	Maximum Affordable Monthly Housing Expense for Rent or Home Purchase (PITI***) (\$) at 30% of GMI*
Extremely Low Income (<= 30% MHI**)	17,200	1,433	430
Very Low Income (>30% and <50% MHI)	28,700	2,391	717
Low Income (>50% and <80% MHI)	45,900	3,825	1,147
Median Household Income	57,400	4,783	1,434

*GMI = Gross monthly income **MHI = Median Household Income *** PITI = Principal, Interest, Taxes & Insurance
Source: HUD Median Income and Rapid City Community Development Division

The following table shows the affordability range for a single person household.

TABLE 53
Rapid City Income Levels and Housing Affordability Range
2008 – One Person Household

Income Category	2008 Annual Household Income (\$) Family of 1	Monthly Income (\$)	Maximum Affordable Monthly Housing Expense for Rent or Home Purchase (PITI) (\$) at 30% of GMI*
Extremely Low Income (<=30% MHI**)	12,050	1,004	301
Very Low Income (>30% and <50% MHI)	20,100	1,675	502
Low Income (>50% and <80% MHI)	32,150	2,679	803
*GMI = Gross monthly income **MHI = Median Household Income *** PITI = Principal, Interest, Taxes & Insurance Source: HUD Median Income and Rapid City Community Development Division			

The maximum affordable monthly housing expense is applicable for either a monthly rent or house payment.

In order to determine the approximate price house a household could afford to buy with the maximum monthly housing expense payments listed above, the following assumptions were made:

- A housing expense ratio of 30 percent of the gross monthly income;
- 3 percent of the value of the unit was added to account for borrower closing costs, taxes and insurance; and
- 3 percent minimum down payment for a mortgage loan-to-value of 97 percent;
- Interest rate of 6.0 percent on a 30 year loan;
- Estimated property taxes \$80 per month < \$80,000; \$100 per month <= \$100,000 and \$150 per month \$100,000 +;
- Estimated homeowners insurance \$60 per month
- Estimated Mortgage Insurance \$33 < \$80,000; \$42 < \$100,000; and \$55 > \$100,000.

Using the assumptions above, the following calculations demonstrate the approximate maximum purchase price a single person or for a family of four with incomes within the extremely low, very low and low-income ranges. The qualifying ranges show buyers in all but the low-income four member household, qualify for purchase prices below \$101,000. There are very few homes for sale under \$100,000.

TABLE 54
Affordable Mortgage Purchase Price by Low-Income Ranges – 2008

	Extremely Low Income <=30% MHI	Very Low Income >30% and <50% MHI	Low Income >50% and <80% MHI
Single Person Household			
Maximum Income	\$12,050	\$20,100	\$32,150
Maximum Monthly Payment (PITI) @ 30% Gross Income	\$301	\$502	\$803
<i>Less Taxes</i>	(\$80)	(\$80)	(\$100)
<i>Less Insurance</i>	(\$60)	(\$60)	(\$60)
<i>Less Mortgage Insurance</i>	(\$33)	(\$33)	(\$55)
Maximum Principal & Int.	\$128	\$329	\$588
Estimated Maximum Loan Amount	N/A	\$54,875	\$98,075
Estimated Maximum Purchase Price	N/A	\$56,000	\$101,000
Four Member Household			
Maximum Income	\$17,200	\$28,700	\$45,900
Maximum Monthly Payment (PITI) @ 30% Gross Income	\$430	\$717	\$1,147
<i>Less Taxes</i>	(\$80)	(\$100)	(\$150)
<i>Less Insurance</i>	(\$60)	(\$60)	(\$60)
<i>Less Mortgage Insurance</i>	(\$33)	(\$42)	(\$55)
Maximum Principal & Int.	\$257	\$515	\$882
Estimated Maximum Loan Amount	\$42,865	\$85,900	\$147,110
Estimated Maximum Purchase Price	\$44,200	\$88,500	\$152,000
Source: Community Development Division, City of Rapid City – HUD 2008 Income Limits			

The Federal Financial Institutions Examination Council Summary Census Housing Information Report for 2007 shows that the total number of housing units available has increased by 9,688 since 2000. Rental units increased by 1,416 units and 7,434 new owner occupied units were added. The number of vacant units increased by 784 units.

The increase in vacant units could be attributed to the fact that many of the new rental apartments built were targeted to low-income clients, many of whom qualify for Section 8 rental assistance. Tenants with Section 8 vouchers were able to move from older apartments to new units that include more amenities for effectively the same rental cost.

TABLE 55
New Housing Units Built from 2000 to 2007

Type of Units	Number of Units
Total Housing Units	9,688
Rental Units	1,416
Owner occupied units	7,434
Vacant Units	784

In February 2008 the Black Hills Association of Realtors reported that there were 869 homes on the market in the Rapid City area and that the average price of homes in the Rapid City Area was up by 11 percent over 2006 to \$187,096. The chart below shows the increases in the average and median prices of homes from 2006 to 2007.

TABLE 56
Average and Median Values of Homes Sold
2006 & 2007

	2006	2007	% Change
<i>Average Value</i>			
Single Family	\$164,826	\$194,494	+ 18 %
New Construction	\$203,465	\$209,058	+ 3%
Manufactured home-MF w/land	\$ 55,822	\$ 78,351	+41%
Townhouse/Condo	\$155,594	\$159,362	+ 3%
<i>Median Value</i>			
Single Family	\$143,000	\$155,000	+ 9%
New Construction	\$184,900	\$186,000	+ 1%
Manufactured home-MF w/land	\$34,000	\$62,000	+83%
Townhouse/Condo	\$142,450	\$152,000	+ 7%

The median price for a home in Rapid City has increased significantly since 2000, from \$104,200 to \$138,750, a 33 percent increase. Wages have not kept pace with the rising housing costs, creating a gap in affordability for low-income households.

The review of the affordability of the owner-occupied housing provided in the 2000 HUD CHAS report shows that there is were only 85 vacant "For Sale" housing units in Rapid City affordable to low income households. There are virtually no homes for purchase that are affordable to extremely low income households and very few for people in the very low and moderate income ranges. Most of the vacant "for sale" homes that are in the very low and low income ranges are mobile homes or homes

in need of major repairs or have structural issues too costly for low-income households to accomplish.

AFFORDABLE RENTAL UNITS

Contract rent, as reported by the Census, is the monthly rent agreed to regardless of any furnishings, utilities or services that are included in the fee. The 2000 Census reported that the median monthly contract rent charged for rental units in Rapid City was \$436. The State-wide median contract rent was lower at \$359 per month. The 2000 Census reported that 32 percent of all renters in Rapid City were cost burdened, paying more than 30 percent of their income for rent. Slightly less than 40 percent of the cost burdened renter households had annual incomes of less than \$10,000, while 90 percent reported annual incomes less than \$20,000. The 2000 renter vacancy rate in Rapid City was 8 percent. A survey of the rental management companies in Rapid City by the Community Development Division in August 2007 showed an average vacancy rate of 5 percent.

Using the CHAS Database, Table 57 lists the number of vacant housing units for rent in Rapid City that are affordable to households by various income groups.

TABLE 57
Vacant "For Rent" Units by Household Income – 2000

Unit Size	Vacant for Rent Units	Number Affordable to Households with Incomes:		
		0-30% of MHI	31-50% of MHI	51-80% of MHI
0-1 Bedroom	228	30	71	127
2 Bedrooms	181	10	66	105
3 + Bedrooms	65	15	26	24
Total	384	55	163	256

Source: HUD CHAS 2000 U.S. Census

The number of vacant "for rent" units in Rapid City has decreased by 52% since 1993 when there were a total of 746 vacant "for rent" units available. The chart above shows that:

- 14.3 percent (55) of the units are affordable for households with income from 0 to 30 percent of the median income;
- 42.4 percent (163) of the units are affordable for households with income between 30 and 50 percent of the median income; and
- 66.7 percent (256) of the units are affordable for households with income between 50 and 80 percent of the median income.

A survey of rental costs and vacancies conducted in August 2007 by the Community Development Division of the City of Rapid City shows the rental ranges for apartments to be:

TABLE 58
Rental Units Affordable as a Percent of MHI – 2000

Units	Median Rent Asked/Charged	Number Affordable to Households with Incomes:					
		0-30% of MHI		31-50% of MHI		51-80% of MHI	
		Total	% of Vacant for Rent	Total	% of Vacant for Rent	Total	% of Vacant for Rent
Vacant for Rent							
602	\$496	55	9.1	163	27.1	256	42.5
Renter Units Paying Cash Rent							
9,780	\$436	2,732	27.9	4,705	48.1	1,600	16.3
Source: HUD CHAS 2000 U.S. Census							

Table 58 shows 602 vacant for rent units in Rapid City in 2000. A survey by the City of Rapid City shows that in August of 2007 there were 29 vacant units among 42 rental projects representing 2,321 units. This represents a 1.2% vacancy rate.

Table 59 also provides a review of the affordability of the 9,780 units in Rapid City in 2000 for which a household paid cash rent. The table shows the following:

- 27.9 percent (2,732 units) are affordable to households at or below 30 percent of MHI;
- 48.1 percent (4,705 units) are affordable to households between 30 and 50 percent of MHI; and
- 16.3 percent (1,600 units) are affordable to households between 50 and 80 percent of MHI.

The vacancies consisted of primarily 1 bedroom units. The rental costs for the one bedroom units showing vacant are more than a single person with a minimum wage job or social security income could afford. At \$5.85 per hour, rents would need to be below \$305 to be affordable to a minimum wage earner.

TABLE 59
Vacant Apartments – August 2007
Rent Range by Bedroom Size

Rent Range	0 Bedroom	1 Bedroom	2 Bedroom	3 Bedroom
300 – 400	1	0	0	0
401 – 500	8	14	1	0
501 – 600	0	11	0	0
601 – 700	0	15	3	1
701 – 800	0	0	0	1

The monthly contract rents have a direct correlation to the age of the complexes and the additional amenities provided.

The 2008 Fair Market Rents (FMRs) by unit bedrooms is:

Final FY 2008 Fair Market Rents By Unit Bedrooms					
	<u>Efficiency</u>	<u>One-Bedroom</u>	<u>Two-Bedroom</u>	<u>Three-Bedroom</u>	<u>Four-Bedroom</u>
Final FY 2008 FMR	\$477	\$556	\$700	\$927	\$953

The Fair Market Rents (FMR) for unit sizes larger than four bedrooms are calculated by adding 15 percent to the four-bedroom FMR, for each extra bedroom. For example, the FMR for a five bedroom unit is 1.15 times the four-bedroom FMR, and the FMR for a six bedroom unit is 1.30 times the four-bedroom FMR. FMRs for single-room occupancy units are 0.75 times the zero-bedroom (efficiency) FMR. Fair Market Rents increased by 2% from 2007 to 2008.

County Code	Tract Code	Tract Income Level	2004 MSA/MD Statewide non-MSA/MD Median Household Income	2007 HUD Est. MSA/MD non-MSA/MD Median Household Income	% Below Poverty Line	Tract Median Household Income %	2000 Tract Median Household Income	2007 Est. Tract Median Household Income	2000 Tract Median Household Income
103	102	Moderate	\$43,702	\$53,500	21.59	72.19	\$31,550	\$38,622	\$24,058
103	103	Moderate	\$43,702	\$53,500	35.56	52.09	\$22,763	\$27,868	\$21,419
103	104	Moderate	\$43,702	\$53,500	22.29	66.18	\$28,920	\$35,406	\$25,430
103	105	Moderate	\$43,702	\$53,500	23.74	62.87	\$27,474	\$33,635	\$22,790
103	106	Moderate	\$43,702	\$53,500	17.6	76.93	\$33,618	\$41,158	\$28,750
103	107	Middle	\$43,702	\$53,500	12.04	97.46	\$42,592	\$52,141	\$32,846
103	108	Middle	\$43,702	\$53,500	12.24	109.54	\$47,870	\$58,604	\$31,461
103	109.01	Upper	\$43,702	\$53,500	3.9	129.99	\$56,808	\$69,545	\$48,641
103	109.02	Middle	\$43,702	\$53,500	11.75	96.98	\$42,382	\$51,884	\$37,602
103	109.03	Middle	\$43,702	\$53,500	9.63	97.25	\$42,500	\$52,029	\$38,878
103	110.01	Middle	\$43,702	\$53,500	4.07	113.07	\$49,414	\$60,492	\$41,222
103	110.02	Upper	\$43,702	\$53,500	3.93	151.8	\$66,338	\$81,213	\$57,522
103	110.03	Upper	\$43,702	\$53,500	4.21	159.1	\$69,531	\$85,119	\$59,464
103	111	Middle	\$43,702	\$53,500	9.09	98.56	\$43,074	\$52,730	\$36,487
103	112	Middle	\$43,702	\$53,500	8.12	99.43	\$43,451	\$53,195	\$38,995
103	113	Upper	\$43,702	\$53,500	5.93	120.13	\$52,500	\$64,270	\$45,290
103	114	Moderate	\$43,702	\$53,500	17.38	79.2	\$34,614	\$42,372	\$32,639
103	115	Moderate	\$43,702	\$53,500	19.35	60.88	\$26,607	\$32,571	\$25,625
103	116	Middle	\$43,702	\$53,500	9.71	92.71	\$40,518	\$49,600	\$35,313

"FFIEC's 2007 Census File prepared for HMDA and CRA data. 2007 data reflects the Office of Management and Budget's (OMB) new geographic classifications that were released in June 2003 and updated in December 2003, which significantly changed the way metropolitan areas are defined. FFEIC.gov Maintained by the FFIEC. Last Modified: 05/15/2007 4:21 PM" U.S. Census Bureau 2000 and 2007 Census

The 2000 Census reports that the median value of a housing unit in Rapid City was \$85,500. The highest median value was reported in census tract 110.03 at \$150,200, and the lowest median value was reported in census tract 106 at \$62,800. While census tract 110.02 had the second highest median value, it also had the highest median contract rent of \$823 per month. Census tract 110 is located in the higher income areas of Rapid City. Development has exploded in that census tract as developers seek desirable land to complete subdivisions. The median contract rent in census tract 110.02 was \$387 greater than the City-wide median value of \$436 per month. The lowest median rent was reported in census tract 114 at \$303 per month.

PRIORITY HOUSING NEEDS

Table 60, the Housing Needs Table below, shows the quantitative housing needs identified using information from the 2000 Census and the priority levels assigned. Priority housing needs were determined for 2008 through 2012. Low wage jobs and rapidly rising housing prices have created affordability gaps and cost burdens for renters and owners alike.

The CHAS and Census records do not break down housing problems by income level, household status (elderly, small related, large related, and other) and minority, so it is not possible to determine disproportionate housing needs by income level in relation to housing status for minorities.

All activities meeting a high priority need and CDBG guidelines will be considered for funding under the CDBG program, as funding allows. It is difficult to accurately estimate the number of people in each goal category that will be helped at this time, as funding sources are limited and it is not possible to accurately predict which agencies will be awarded the additional funds needed for an activity, or when that funding will be secured.

Census information regarding lead hazards does not include income ranges or house values, so it is difficult to accurately estimate the number of households with lead hazards. However, it is reasonable to assume that the majority of the oldest housing stock makes up a large portion of the affordable housing stock and is occupied by lower income people. Therefore the projections in Table 46 assume that all of the housing occupied by these low income groups is at risk of lead hazards.

The housing market analysis shows that the rapidly rising costs of homeownership have created an affordability gap for both renters and home buyers. Without a housing voucher for the affordability gaps, many households cannot afford to purchase a home or rent an apartment. Table 54 illustrates that low-income single people making less than 50% of the HUD Median Household Income can only afford a home under \$56,000. The median value of a home in Rapid City is \$155,000. While there are some homes listed for sale under \$56,000, the majority are substandard or in need of major repairs not affordable for a low-income person.

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TABLE 60

Housing Needs Table			Grantee: Rapid City																Priority Need?	Plan to Fund?	Fund Source	Households with a Disabled Member		Disproportionate Racial/ Ethnic Need?	# of Households in lead- Hazard Housing	Total Low Income HIV/AIDS Population
			Only complete blue sections. Do NOT type in sections other than blue.		3-5 Year Quantities																	% HSHLD	# HSHLD			
			Current % of House-holds	Current Number of House-holds	Year 1		Year 2		Year 3		Year 4*		Year 5*		Multi-Year		% of Goal									
Goal	Actual	Goal			Actual	Goal	Actual	Goal	Actual	Goal	Actual	Goal	Actual													
Household Income <=30% MFI	Elderly	NUMBER OF HOUSEHOLDS	100%	523																100%	2392	Y	876	2		
		With Any Housing Problems	58.5	306	1		1		1		5		1		0	##	H	C	31.2	746						
		Cost Burden > 30%	57.7	302	2				2				2		0	##	H	C								
		Cost Burden >50%	32.3	169	5				5				5		0	##	L									
	Renter	Small Related	NUMBER OF HOUSEHOLDS	100%	654																	Y				
			With Any Housing Problems	71.3	466	1		5		5		5		5		0	##	H	C							
		Cost Burden > 30%	67.9	444			5		5		5		5		0	##	H	C								
		Cost Burden >50%	55	360			3		3		3		3		0	##	M									
	Large Related	NUMBER OF HOUSEHOLDS	100%	171																		Y				
		With Any Housing Problems	77.2	132	5		5		5		5		5		0	##	H	C								
			Cost Burden > 30%	74.9	128					2		2		2		0	##	H	C							

														##											
														##		H		C							
		Cost Burden >50%	51.5	88			1		1		1		1		0	##	##	H		C					
All other hsholds	NUMBER OF HOUSEHOLDS	100%	721																				Y		
	With Any Housing Problems	69.2	499	5		5		5		5		5		0	##	##	H		C						
	Cost Burden > 30%	69.2	499			1		1		1		1		0	##	##	H		C						
	Cost Burden >50%	57.3	413			2		2		2		2		0	##	##	H		C						
	With Any Housing Problems																								
Elderly	NUMBER OF HOUSEHOLDS	100%	142																						
	With Any Housing Problems	74.6	106	5		5		5		5		5		0	##	##	H		C						
	Cost Burden > 30%	74.6	106			1		1		1		1		0	##	##	H		C						
	Cost Burden >50%	53.5	76	1				1		1		1		0	##	##	H		C						
Small Related	NUMBER OF HOUSEHOLDS	100%	78																			Y			
	With Any Housing Problems	100	78	5		5		5		5		5		0	##	##	H		C						
	Cost Burden > 30%	100	78																						
	Cost Burden >50%	82.1	64	10		10		10		10		10		0	##	##	H		C						
Large Related	NUMBER OF HOUSEHOLDS	100%	22																			N			
	With Any Housing Problems	36.4	8											0	##	L									
	Cost Burden > 30%	18.2	4	1				1				1		0	##	##	L								
	Cost Burden >50%	18.2	4					1		1		1		0	##	##	L								
All other hsholds	NUMBER OF HOUSEHOLDS	100%	81																		Y				
With Any Housing	56.8	46												0	##	M									

Household Income > 30 to < = 50% MFI	Renter	Problems	Data Columns 4-14											M	C	L	%	Total	Y	Other															
			4	5	6	7	8	9	10	11	12	13	14																						
			15	16	17	18	19	20	21	22	23	24	25								26	27	28	29	30	31	32								
		Problems													##																				
		Cost Burden > 30%	56.8	46	1			1				1			0	##	M																		
		Cost Burden >50%	44.4	36		5		5		5		5			0	##	M																		
		NUMBER OF HOUSEHOLDS	100%	423																				100%	2378	Y					2378				
	Elderly	With Any Housing Problems	56.5	239		1			1			1			0	##	H		C					28.9	687										
	Elderly	Cost Burden > 30%	56.5	239		2			2			2			0	##	H		C																
	Elderly	Cost Burden >50%	25.1	106		2			2			2			0	##	L																		
		NUMBER OF HOUSEHOLDS	100%	563																							Y								
	Small Related	With Any Housing Problems	62.3	351	5	5	5	5	5	5					0	##	H		C																
	Small Related	Cost Burden > 30%	60.2	339	3	2	1	2	3						0	##	H		C																
	Small Related	Cost Burden >50%	9.8	55											0	##	L																		
		NUMBER OF HOUSEHOLDS	100%	92																							Y								
	Large Related	With Any Housing Problems	57.6	53											0	##	H		C																
	Large Related	Cost Burden > 30%	48.9	45		2	2	1							0	##	M																		
	Large Related	Cost Burden >50%	0	0											0	##	L																		
		NUMBER OF HOUSEHOLDS	100%	607																							Y								
	All other Insholds	With Any Housing Problems	80.1	486	5	5	5	5	5	5					0	##	H		C																
	All other Insholds	Cost Burden > 30%	78.4	476		3	3	3	3	3					0	##	H		C																
	All other Insholds	Cost Burden >50%	20.6	125		2	2	2	2	2					0	##	L																		

Small Related	NUMBER OF HOUSEHOLDS	100%	674																N		
	With Any Housing Problems	24.6	166									0	##	##	L						
	Cost Burden > 30%	16.9	114									0	##	##	L						
	Cost Burden >50%	0	0									0	##	##	L						
Large Related	NUMBER OF HOUSEHOLDS	100%	166																Y		
	With Any Housing Problems	74.7	124	2		2		2		2		2	0	##	##	H		C			
	Cost Burden > 30%	24.1	40	1		1		1		1		1	0	##	##	L					
	Cost Burden >50%	0	0										0	##	##	L					
All other Insholds	NUMBER OF HOUSEHOLDS	100%	1,159																N		
	With Any Housing Problems	25.1	291										0	##	##	L					
	Cost Burden > 30%	24.4	283										0	##	##	L					
	Cost Burden >50%	1.6	18										0	##	##	L					
Owner	Elderly	NUMBER OF HOUSEHOLDS	100%	870															N		
		With Any Housing Problems	26.1	227									0	##	##	L					
		Cost Burden > 30%	25.6	223										0	##	##	L				
		Cost Burden >50%	6	52										0	##	##	L				
	Small Related	NUMBER OF HOUSEHOLDS	100%	616															Y		
With Any Housing Problems	55.5	342	1		1		1		1		1	0	##	##	H		C				
Cost Burden > 30%	54.2	334	1		1		1		1		1	0	##	##	H		C				

		Cost Burden >50%	14.4	89	1	1	1	1	1	1	0	##	L								
												##									
	Large Related	NUMBER OF HOUSEHOLDS	100%	154																Y	
		With Any Housing Problems	52.6	81	2	2	2	2	2	2	0	##	H		C						
		Cost Burden > 30%	50	77	2	2	2	2	2	2	0	##	H		C						
		Cost Burden >50%	2.6	4							0	##	L								
	All other hsholds	NUMBER OF HOUSEHOLDS	100%	409																Y	
		With Any Housing Problems	47.4	194							0	##	M								
		Cost Burden > 30%	46.5	190							0	##	M								
		Cost Burden >50%	10	41							0	##	L								
		Total Any Housing Problem			47	0	52	0	50	0	57	0	54	0	0	0	Total Disabled		2177		
		Total 215 Renter													0		Tot. Elderly	1205		Total Lead Hazard	6365
		Total 215 Owner													0		Tot. Sm. Related	3558		Total Renters	7630
		Total 215			0	0	0	0	0	0	0	0	0	0	0		Tot. Lg. Related	838		Total Owners	3448

OBSTACLES TO MEETING THE UNDERSERVED NEEDS

The major barrier to affordable housing in Rapid City is low-incomes. As documented through the use of data from the 2000 census there are 5,411 households in Rapid City that are cost burdened, paying more than 30 percent of their income for housing expenses. About 92 percent of the cost burdened households in Rapid City have annual incomes at or below 80 percent of the median income. Nearly half of the cost burdened households in Rapid City are extremely low-income. Lack of job skills and/or education poses another barrier to affordable housing, preventing lower income workers from obtaining higher paying jobs that would allow them to find decent safe housing. The South Dakota Department of Labor reported in early 2002 that approximately one-third of the persons employed in the Rapid City MSA were employed in the service sector and another fourth were employed in the retail sector. The retail sector continues to experience rapid growth, with the addition of several new strip malls that will add hundreds of new retail jobs. Two new shopping malls are expected to be completed in the 2008-2009 timeframe. However, it was also reported that the service sector has the lowest wages while the retail sector has the third lowest wages. Additional job training, adult education classes and on-the-job training is beneficial to increasing incomes for low-income residents. Adult basic education classes are available annually through the Rapid City School District and are held in the evenings. The Career Learning Center also provides job skills training and computer classes for low-income residents entering the job market.

Rapidly rising land and development costs continue to be a major barrier to affordable housing. It has become extremely difficult to purchase buildable lots at a price that allows for the development of affordable housing, given the low wage scales of our area. Identified options for overcoming this issue include requiring developers to dedicate a percentage of lots within a subdivision for affordable housing. This option would take a change in the development code, which can be political for elected officials. Tax increment financing (TIF) is another mechanism that could be used to assist in writing down the development costs on a subdivision, which in turn can reduce lot costs. TIF's have been used for various projects involving public improvements and are a viable alternative for writing down development costs, which in turn allows lot costs to be reduced. City required permits may be a barrier to developing that affordable property. These fees are set by the City Council who has the ability to grant exceptions to fees if they determine it necessary or worthwhile.

The City of Rapid City completed an Analysis of Impediments to Fair Housing Choice in August 2002 that provided actions to be addressed primarily by Rapid City, and a target time period for implementation. The City is completing a new Analysis of Impediments to Fair Housing for 2008 that will include findings from the recent housing assessments, listening sessions and public comment periods. The City will conduct public meetings to discuss the report, the conclusions and recommendations, and will accept input and recommendations from interested parties. The report will be submitted to City Council in July 2008 for consideration.

Three additional needs assessments have been conducted in the past two years in preparation for developing this new Five-Year Consolidated Plan and updating the Fair Housing Impediments report for 2008. The Black Hills Region Homeless Coalition conducted a Housing Needs Assessment in September 2005 and a Homeless Point-in-Time Count and Needs Assessment in August 2006. In addition, the United Way, in partnership with the City and other interested non-profit agencies in Rapid City and the Black Hills Area, conducted a Community Needs Assessment that was published in January 2007. The assessment provided important updated information regarding housing issues and impediments to choice for affordable housing, which are included in the following list.

Impediments to obtaining affordable housing include:

1. Housing development costs and fees;
2. Neighborhood objections (the "Not in My Back Yard syndrome-NIMBY);
3. Enforcement of 1994 UBC accessibility requirements rather than Fair Housing Act standards;
4. Shortage of emergency shelter units;
5. Lack of assistance vouchers for rental units for very low and low-income households for single parents, families with children, seniors and persons with disabilities, and people who can't qualify for public housing assistance due to credit issues or criminal records;
6. Low-income and wage levels/lack of good paying jobs/lack of job opportunities;
7. Housing discrimination;
8. Lack of affordable apartments for larger households or more than five people;
9. Long waiting lists for subsidized housing or Section VIII vouchers;
10. Alcohol use/abuse;
11. Drug use/abuse;
12. Unemployment/underemployment;
13. Lack of housing for parolees; and
14. Lack of transitional housing.

The City has identified the following priorities for funding housing requests for this Consolidated Plan:

**TABLE 61
FIVE YEAR CONSOLIDATED PLAN PRIORITIES AND GOALS - 2008 - 2012**

					EST. \$ AVAILABLE
PROGRAM ADMINISTRATION					\$465,200
HOUSING				\$26,850,000	\$500,000
DESCRIPTION	NEED	DOLLARS NEEDED	PRIORITY	5 YEAR GOAL	DOLLARS NEEDED
Owner Occupied Housing - Rehab				30 Homes	
Extremely low income (<30% Med Income)	233 Households		HIGH	30 units	
Very low income (<50% Med Income)	162 Households	\$4,200,000			
Low income home owners and mobile home owners (<80% Med. Income)	100 Households				
Home Ownership - Acquisition				10 Homes	
Extremely low income (<30% Med Income)	25 Households		HIGH	10 units	
Very low income (<50% Med Income)	25 Households	\$3,000,000			
Low income (<80% Med. Income)	50 Households				
Home Ownership - Acquisition Cost Assistance				40 units	
Low income (<80% Med. Income)	50 Households	\$1,000,000	HIGH	40	
Home Ownership - Land Purchase for Scattered Site Land Trust				50 units	
Low income (<80% Med. Income)	400	\$12,000,000	HIGH	50 units	
Home Ownership - Acquisition Rehab				3 units	
Extremely low income (<30% Med Income)	10		HIGH	3 units	
Very low income (<50% Med Income)	20	\$1,250,000			
Low income (<80% Med. Income)	20				
Special Populations - Handicap Accessibility Modifications				40 units	
Handicap accessibility modifications - Owner occupied homes	35 units	\$375,000	HIGH	20 units	
Handicap accessibility modifications - Rental Units	40 units			20 units	
Rental Units - Subsidized Apartments				46 Units	
Low Income Rentals for Single Persons - Efficiency Apartments	20 units	\$3,150,000	HIGH	20 units	

Low Income Rentals for Single Persons - One Bedroom Apartments	30 units				
Grants for Construction, Acquisition or Rehab costs	300 units				
Small Related -					
Extremely low income (<30% Med Income)	12 units	\$918,000	HIGH	10 units	
Very low income (<60% Med Income)	22 units				
Large Related -					
Extremely low income (<30% Med Income)	8 units	\$432,000	HIGH	8 units	
Very low income (<60% Med Income)	8 units				
Elderly -					
Extremely low income (<30% Med Income)			HIGH		
Very low income (<60% Med Income)					
Other/Special -					
Extremely low income (<30% Med Income)	35 units	\$525,000	HIGH	8 units	
Very low income (<60% Med Income)					
Low Income (<80% Med Income)					
Housing - Rehab Affordable Rental Units					
Small Related -					
Extremely low income (<30% Med Income)			LOW		
Very low income (<60% Med Income)					
Large Related -					
Extremely low income (<30% Med Income)			LOW		
Very low income (<60% Med Income)					
Elderly -					
Extremely low income (<30% Med Income)			LOW		
Very low income (<60% Med Income)					
Other/Special -					
Extremely low income (<30% Med Income)			LOW		
Very low income (<60% Med Income)					
Low Income (<80% Med Income)					

Basis for assigning priorities

Priority needs were assigned based on the findings from public listening sessions, public comment periods, stakeholder input, and housing needs assessments. Information on the numbers of cost burdened, numbers living in substandard conditions and the gaps in affordability were also used to determine level of need. Recommendations of the Housing Task Force were also included.

Obstacles

Lack of funding for projects, staff and operations are all obstacles to meeting the needs outlined here in addition to the shortage of affordable lots within the city limits, and rapidly increasing building costs.

Housing Market Analysis (91.210)

Rapid City's housing stock primarily consists of owner-occupied, single family units. The 2000 Census reports that Rapid City has a total of 25,217 housing units, of which 24,012 (95.6%) were occupied.

From January 1, 2000 to December 31, 2007 the City issued a total of 3,975 new permits for dwelling units consisting of:

- 2,356 single family units; and
- 1,619 two-family or greater densities.

In addition there were 488 installations of mobile/modular homes. However, the number of installations of mobile homes can not be considered to be all new units, as mobile homes are often moved from one park to another. Current records do not distinguish between the two.

Permits for residential additions or alterations from January 1, 2000 to December 31, 2007 included:

- 3,631 residential additions or alterations; and
- 707 residential additions for garages and carports.

Over the same period of time the following demolition permits were issued as a result of code enforcement efforts on the part of the City Inspections and the Code Enforcement Department or for new build projects:

- 93 single-family substandard dwelling units;
- 3 duplexes;
- 2 tri-plexes or 4 plexes; and
- 3 five or more unit buildings.

There are very few remaining abandoned/vacant buildings or rental units in Rapid City.

The new units less the number of units demolished, brings the housing total to 29,071, which is a 15 percent increase in the number of total housing units, not taking into account any new mobile homes.

There are no specific housing units set aside for persons with HIV/AIDS and their families. Funding for assistance with housing for persons with HIV/AIDS and their families is provided through Tri State Help.

The Census shows that Rapid City has a higher rate of renter-occupied housing than Pennington County or the State of South Dakota. The lower rate of homeownership

in Rapid City may be attributed to the slightly younger and diverse population residing in Rapid City, as well as the higher number of transients moving back and forth from the reservations and Rapid City and people with incomes below the poverty level and higher priced homes.

Housing values have increased 59.6% in the past ten years.¹

Housing stock available to persons with disabilities (physical and mental) includes:

TABLE 62
Housing Stock Available for Physical, Mental and Developmentally Disabled

Housing Project	Number of Units	P – Physical Handicap M – Mental Disability D – Developmentally Disabled
Accent Apartments	1	M
Black Fox Manor	2	P
Choice Apartments	11	P and/or M
Estes Apartments	7	P
Galaxy Apartments	24	P
Harney View Apartments	1	P
Lakota Community Homes	40	P
Maplewood Elderly Apartments	2	P
Prairie Tree II	1	P
Quincy Apartments	1 7	P and/or M
St. Cloud Apartments	15	P M
West Park Apartments	8	P
Various Complexes community wide	11	P (in 7 different complexes)
Public Housing		
Valley View & Jackson Heights	10	P
River Ridge	7	P
Edwards Manor	37	D
Total Units Available City-wide	54	
Sources: Pennington County Housing and Redevelopment Commission; SDHDA Catalog of Affordable Rental Housing		

¹ Black Hills Association of Realtors and/or its Multiple Listing Service for all areas. May not include all real estate activity in the market.

Specific Housing Objectives (91.215 (b))

Rapid City's overall housing goal is to:

- achieve a continuum of safe, decent and affordable housing for all households and income groups in the community with an emphasis on the extremely low to moderate income groups;
- affirmatively further fair housing choice.
- support provision of services that promote household stability; and
- provide life-skills and job training programs to promote financial advancement through asset building;

High priority needs have been assigned to meet the needs of extremely low to moderate income renters and owners of all household types. Expanding homeownership, housing rehabilitation, and the creation of new housing are the primary tools for meeting housing needs.

Each housing project is designed to meet one of three major objectives: Decent Housing; Suitable Living Environment; or Economic Opportunity and for accomplishments to contribute to one or more of the categories of outcomes: improved Availability or accessibility; increased affordability; and/or increased sustainability. The following summarizes the City's housing objectives.

TABLE 63
HOUSING OBJECTIVES AND OUTCOMES
2008 through 2012

Program	Objective	Outcomes Categories		
		Availability/ Accessibility	Affordability	Sustainability
Homeowner Rehabilitation	Decent Housing			X
Homeownership Acquisition Rehabilitation	Decent Housing	X	X	X
Homeownership Development	Decent Housing	X	X	
Homeownership Acquisition Cost Assistance	Decent Housing	X	X	
Homeownership Land Trust	Decent Housing	X	X	X
Handicap Accessibility – Owner occupied	Decent Housing	X		
Handicap Accessibility– rental properties	Decent Housing	X		
Rental Housing – Production	Decent Housing	X	X	

GOAL: Achieve a continuum of safe, decent and affordable housing for all households and income groups in the community with an emphasis on the extremely low-to-moderate income groups.

Strategy A. Preserve existing housing stock through rehabilitation

Basis for Priority

Preserving existing housing stock through rehabilitation is the primary activity proposed for extremely low to moderate income owner households. As reported by the CHAS Database, among extremely low income owner households 82.7 percent have a housing problem; 64.6 percent of very low income owner households have a housing problem; and 39.4 percent of low income owner households have a housing problem. The 2000 Census shows that much of the housing problem is related to cost burden with high incidence of cost burden among low income households. Rehabilitation of owner occupied housing allows the households to avoid deferring maintenance of the unit because of the high costs of ownership. About 38 percent of Rapid City's housing stock was built before 1960. Over the next 10 years a major portion of the housing stock will be over 40 years old, and reaching the age when major systems need to be replaced, such as roofs, siding, heating systems, etc. Additionally, the 2000 Census reports that the population of persons age 60 and over increased by 21 percent from 1990, which was more than double the rate of the increase in the City's entire population. The elderly population in Rapid City will continue to increase at a greater rate than the population overall. The combination of an aging population and an aging housing stock increases the risk of significant areas of deterioration in the housing stock. About 38 percent (2,958) of the persons age 65 and over reported that they had a long-lasting disability (six months or more). Many of the older housing units were designed without consideration of mobility problems of an aging population and person with disabilities. In addition to the age of housing, the potential for lead-based paint hazards threatens many of the housing units in Rapid City.

Maintenance of the housing stock through rehabilitation is the primary means available to Rapid City to ensure safe and decent housing in the community to owner households. While there are units in Rapid City that are not feasible for rehabilitation, much of the housing stock can be maintained and made habitable through rehabilitation. Rehabilitation allows long time residents to remain in the community and supports their efforts to improve the City's living environment. Housing rehabilitation stabilizes neighborhoods, eliminates blighting influences, and preserves the tax base. Maintaining the housing stock supports the recycling of the units from older households that are downsizing to smaller units, to younger households that want to settle and grow in the community. It is important to maintain existing smaller units for affordability of housing for smaller families.

Rapid City provides an on-going housing rehabilitation program as follows:

Rapid City Neighborhood Restoration Program - The Community Development Department provides financial assistance to low income homeowners residing within

the city limits of Rapid City through its Neighborhood Restoration Program. Eligible improvements include those that address structural, safety, energy efficiency and accessibility issues. Two loan programs are offered. The first is a deferred payment ten-year forgivable 0% interest loan for those making less than 50 percent of the HUD Median Household Income for family size. Up to \$7,000 may be borrowed. The second is a 3% interest loan with a term up to 15 years, depending on the amount borrowed and the person's ability to pay. The maximum amount that may be borrowed is \$12,000. For qualifying borrowers, both programs may be combined to yield a maximum of \$12,000 from the two loans. The housing rehabilitation loan program provides much needed emergency loan funds to households who are not able to access traditional sources of funds.

Recommended Actions:

1. Provide programs to rehabilitate existing low-to-moderate income owner occupied homes.
2. Encourage contractors to obtain certification for lead-based paint safe practices and abatement.
3. Encourage emergency assistance programs for delinquent utilities and rent/mortgage payments for low-to-moderate income people.

Obstacles To Meeting The Priority

- Demand for housing rehabilitation funding exceeds the resources available;
- The cost of lead-based paint abatement initiatives, which may increase the total cost of rehabilitation per unit, decreasing the number of housing units that are rehabilitated on an annual basis.

Strategy B. Encourage the provision of safe, decent, affordable workforce housing for all residents, with emphasis on very low to moderate income residents.

Basis for Priority

Tenure and occupancy characteristics of Rapid City indicate a majority of households are owners. The 2000 Census reports that 59.2 percent of the occupied units are owner occupied. The rate of home ownership increased in Rapid City from 1990 when the Census reported that 57.3 percent of the occupied units were owner-occupied. The rate of home ownership in Rapid City, however, is significantly below the State-wide rate of 68.2 percent and the nation-wide rate of 66.2 percent.

Home ownership establishes permanence and fosters a sense of pride in the community. Home ownership in Rapid City expands investment in the community. Opportunities for home ownership enhance the sales potential of older dwellings occupied by over housed elderly households and support turnover of the dwellings to younger families who may be better able to maintain the housing stock in Rapid City.

The CHAS Database identifies housing units for sale in Rapid City that are affordable by low income households. Of 139 vacant for sale units in Rapid City, 29

percent are affordable to households with less than 30 percent of median income; 47.5 percent are affordable to households with incomes between 30 percent to 50 percent of median income; and 78.4 percent are affordable to households with incomes between 51 percent and 80 percent of median. The ability, however, of low income households to save money for down payments, closing costs, and costs for improvements to the vacant for sale units given rental obligations and other economic factors, limits the ability of potential low income home buyers to enter the housing market in Rapid City. Other factors also impede home ownership by low income households in Rapid City including high land costs and costs of providing infrastructure. Non-profit housing agencies developing affordable housing in Rapid City, report that the high cost of building lots has resulted in a significant increase in the cost of producing housing for low income households in the community with housing demand in excess of supply.

Home ownership is a strategy that may provide relief from overcrowding for larger families that rent their housing unit. The majority of the affordable for sale units reported by the CHAS Database contain three or more bedrooms. As was previously noted, the rate of overcrowding in Rapid City is highest among very low income large renter households.

Recommended Actions:

To support expanded home ownership by low income households, Rapid City will consider funding opportunities as follows:

1. Creation of Home Owner Housing

Rapid City will consider supporting funding or write-downs of activities that support creation of home owner housing. Funding may include purchase of vacant land for development of owner-occupied housing, acquisition/rehabilitation of existing units for resale, and financing of infrastructure. Funding will be available by way of grants or loans.

2. Homebuyer assistance programs

Rapid City will consider supporting home buyers assistance programs which provide eligible households with down payment and closing cost assistance. Assistance likely will be available in the form of a loan for all or some portion of the down payment and closing costs with a maximum amount available per homebuyer. As part of a first time home buyers program, Rapid City will require households seeking assistance to complete a pre-purchase counseling program. The pre-purchase counseling program will educate and prepare low-income home buyers on how to work with a realtor, manage a budget, and overcome the obstacle of not having enough cash for down payment and closing costs.

Expanded home ownership in Rapid City will also be supported by the Pennington County Housing and Redevelopment Commission, which has a Section 8 home ownership program. Participants in the home ownership program must have received assistance from the PCHRC for at least one year prior to eligibility. Currently, participation is limited to 25 households.

3. Acquisition Rehabilitation

Rapid City will consider supporting acquisition rehabilitation programs designed to maintain the current housing stock for low-income homebuyers. Assistance in the form of loans or grants may be for acquisition of properties and/or rehabilitation.

4. Land Acquisition for Land Trust

Rapid City will consider supporting the acquisition of land or existing properties for placement in a land trust to secure permanent affordability for low-income or work force households.

Obstacles To Meeting The Priority

- the lack of housing in the community that is affordable to low-income households;
- rapidly increasing cost of building materials;
- high cost of land and development of infrastructure;
- poor or unacceptable credit histories of applicants;
- lack of funding to meet the demand; and
- poor records of employment among applicants.

Strategy C. Create new affordable rental housing

Basis for Priority

As reported by the CHAS Database, in Rapid City 71.5 percent of extremely low-income renter households have a housing problem, 70.5 percent of very low-income renter households have a housing problem, and 48.7 percent of the low-income renter households have a housing problem.

Additionally the 2000 Census reports that 45 percent of the low-income renter households in Rapid City are cost burdened, including 66 percent of all extremely low-income households. This Plan identifies that PCHRC owns and manages 462 public housing units. PCHRC has 1,193 Section 8 vouchers authorized. As of August 2008 PCHRC reports that there are 393 households on the waiting list for a public housing unit or Section 8 voucher. The minimum wait is one to three months for either an elderly one bedroom apartment or a three bedroom family apartment. The wait for a two-bedroom family unit, which is the most requested type of unit, is four to six months for a family. There was no wait time for an elderly apartment. PCHRC reports that as of August 2008 there are 218 households on the waiting list for Section 8 assistance, an 11% increase over 2003. The minimum wait for Section 8 vouchers is 13 months for an efficiency apartment. The average combined wait time for all apartment sizes is 26 months. (See Table 26)

Black Hills Workshop, who addresses the needs of persons with severe multiple developmental disabilities, cooperates with the PCHRC in the provision of Section 8 vouchers to persons with disabilities. Black Hills Workshop reports that more vouchers are needed, as does Cornerstone Rescue Mission. Many homeless individuals are not eligible for Section 8 vouchers due to felony records, previous

housing debts or problems. There is a need for private funds rental assistance vouchers that will service the needs of those not eligible for Section 8.

PCHRC is a major provider of housing for extremely low-, very low- and low-income renter households in Rapid City, providing housing units and a Section 8 program. PCHRC's housing programs deal directly with cost burden, which is the major problem of low-income renter households in Rapid City. The mission of PCHRC public housing and Section 8 programs is directed primarily to extremely low-income renter households consisting of those with incomes between 0 to 30 percent of median income. PCHRC public housing and Section 8 programs will continue to serve as the major housing program for extremely low income households in Rapid City. Rapid City will continue to support efforts by PCHRC to improve its units.

Among renter households, housing problems are greatest among small family households. As the population in Rapid City ages there will be the need for affordable rental housing for the elderly. Decent affordable rental housing will continue to be a need in Rapid City. The cost of infrastructure adds considerably to the cost of developing affordable rental housing in Rapid City. Developers must factor the cost of infrastructure into their products.

Recommended Actions:

To further address the need of lower income renters, over the next five years Rapid City will preserve and expand housing opportunities for renter households as follows:

1. Development of Rental Housing

Development of rental housing for low-income households may involve new construction or the rehabilitation of existing buildings. Rapid City may also fund write-downs of activities that support creation of rental housing including purchase of vacant land or the development of infrastructure. The HUD CHAS Database indicates that in Rapid City among extremely low-income renters, the need is greater among family households than among the elderly. The majority of households on PCHRC's waiting list for public housing units have requested a two-bedroom unit indicating need by small households. Rental housing is also needed by persons with special needs such as the physically and developmentally disabled and persons with HIV and AIDS, all of who can live independently, but lack resources to rent or purchase safe decent housing. There is a need for rental housing throughout Rapid City ensuring equal choice by persons at all income groups in where to live. Housing rehabilitation for renter households is also a strategy for providing accessible housing for persons with disabilities and permanent housing for the homeless.

2. Special Populations - Handicap Accessibility Modifications

Rapid City will encourage and consider support for projects that provide modifications for handicap accessibility to ensure that all people have access to affordable housing.

Obstacles to meeting the Priority

- High cost of land, buildings, rehabilitation, development of infrastructure, and construction requiring a disproportionate need for subsidy of scarce resources;
- Limited resources to meet the competing demands;
- A shortage of lead-based paint certified contractors for housing rehabilitation; and
- The high cost of lead abatement with limited funds available per project.

FUNDING SOURCES AVAILABLE

The City will encourage and support agencies' applications for all other funding sources that might be available for programs that meet the needs of the community. Community Development Block Grant funds and City subsidy funds may be leveraged with the following funding sources that are available to agencies to address the high priority issues outlined in this plan:

Federal, State, Local and Private Funding Sources

Community Mental Health Services Block Grant	LIRS Grants
Child Protection Services	Local Donations
Citibank Low Income Housing Tax Credits	Local Funds - 2012 Funds
DASA - Domestic Abuse Sexual Assault	LWCF Grant
Dept HUD	Medicaid
Dept. of Agriculture Funds	Pennington County Grants
Dept. of Education	Private Payments
Dept. of Health & Human Services	Public/Private grants
Dept. of Justice Funds	Rapid City Subsidy Funding
Dept. of State Bureau of Population Refugees & Migration Funds	SD Housing Development Authority
DSS/DOC	State Grants
ESG - Emergency Shelter Grant	Title XIX
Federal Grant- Rural Outreach	Supportive Housing Grant
Federal Home Loan Bank	United Way
FEMA	VAWA - Stop Violence Against Women Act
FVPA - Family Violence Prevention Act	VEI - Victims Enforcement Implementation Task Force
Grants - Government agencies	VOCA - Victims of Crime Act
HOME Mortgage	Vucurevich Foundation
Lemley/Rasmussen Trusts	

Needs of Public Housing (91.210 (b))

The Pennington County Housing and Redevelopment Commission (PCHRC) owns and manages public housing in Pennington County, including Rapid City. Ten of PCHRC's units were demolished in 2006 due to major structural issues and plans are for them to be rebuilt. Of the remaining 490 housing units owned and managed

by the PCHRC, 462 are located in Rapid City with the remaining 28 units located outside of the City in the communities of Wall and Hill City. The PCHRC plays an important role in developing and managing housing for low-income households in Rapid City. Their mission is directed primarily to low-income rental households consisting of those with incomes between 0 and 80 percent of median income. The housing program serves as a major activity for extremely low-income households in Rapid City. The PCHRC's Board is appointed by the Pennington County Commissioners.

PCHRC has provided information regarding its inventory in Rapid City for completion of this portion of the Consolidated Plan. Their inventory consists of housing units as described in Tables 64 and 65

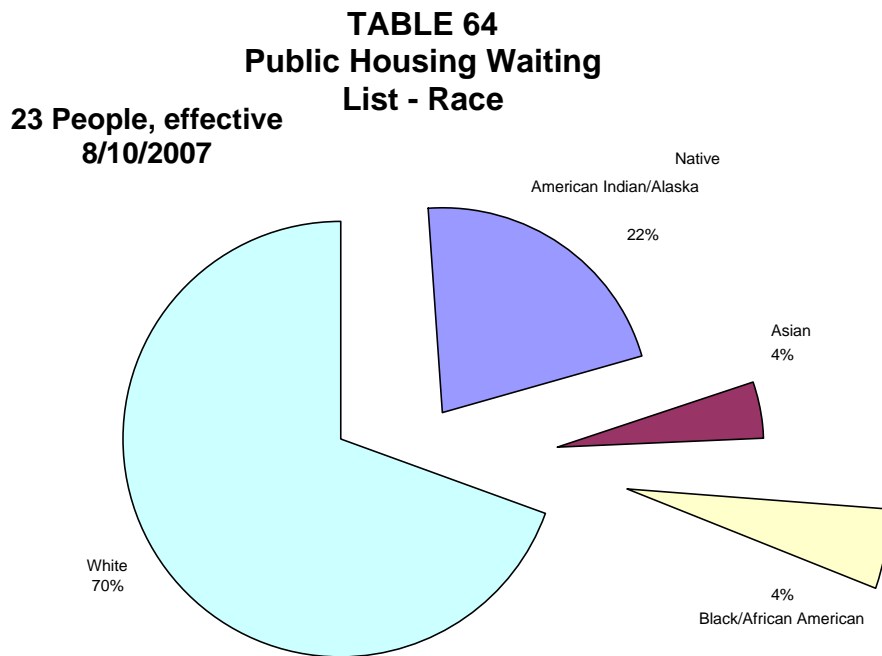
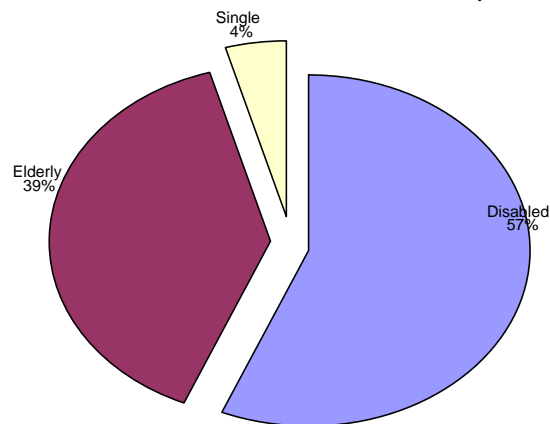


TABLE 65
Public Housing Waiting List – Family Composition
 23 People, effective 8/10/2007



All of the public housing units in Rapid City were completed after 1972, and receive continuous maintenance and upkeep to ensure the provision of decent housing.

Public Housing Strategy (91.210)

The PCHRC administers a Section 8 Housing Choice Voucher program. The PCHRC has been authorized 1193 Section 8 vouchers by HUD for use in Pennington County. The PCHRC reports that as of August 2007, 1184 Section 8 vouchers are being used.

As of August 2007 the PCHRC reports that there are 218 households on the Section 8 waiting list. Sixty-eight percent (68%) of these households are extremely low income, and the remaining thirty-two percent (32%) are identified as very low income. Of the applicants on the waiting list twelve percent (12%) have a member with a disability. The wait for Section 8 assistance is greatest for two and three bedroom units, and that is estimated at approximately three to five months.

In addition to the public housing and Section 8 units, the PCHRC administers Shelter Plus Care funds that are used for scattered site permanent housing units for dually diagnosed homeless people. This project is a collaborative effort of PCHRC and Behavior Management Systems and members of the Black Hills Region Homeless Coalition, who provide in-kind supportive services to the tenants. Twenty-five units were funded and have full occupancy.

Strategy for Improving the Management, Operation and Living Environment of Public Housing.

In addition to performing routine maintenance, the Pennington County Housing and Redevelopment Commission continues to make capital improvements to its buildings and grounds using Capital Fund Program funds provided by HUD. The PCHRC implements and coordinates various programs and services to benefit families, including the elderly. To encourage public housing residents to become more involved in management PCHRC has established an authority-wide Resident Advisory Board. The Resident Advisory Board assists and makes recommendations to the PCHRC in both long range strategic planning and implementation of many policies and procedures specified in the Agency Plan. Additionally, a public housing resident is a member of the public housing authority governing board, which further provides resident input into management. The PCHRC works closely with local law enforcement agencies to provide crime prevention activities at the public housing developments in Rapid City.

In support of Home ownership, the PCHRC has a Section 8 home ownership program. Participants in the homeownership program must have received assistance from Pennington County Housing and Redevelopment Commission for at least one year prior to eligibility. Participation is limited to 25 households at this time.

Section 504 Strategy

A Section 504 strategy addressing accessibility has been implemented. About thirty (30) percent of the elderly public housing units are occupied by non-elderly disabled persons. Pennington County Housing and Redevelopment Commission indicates that combining the elderly with non-elderly disabled is not a good tenant mix, and there is a need to create housing for persons with disabilities.

The Public Housing Agency is not designated as “troubled” by HUD, or otherwise performing poorly.

Barriers to Affordable Housing (91.210 (e) and 91.215 (f))

The US Census in 2000 reported that the median value of a single family housing unit in Rapid City was \$85,500. According to the Black Hills Association of REALTORS’ Multiple Listing Service, the median price of a single family home sold in Rapid City as of December 31, 2007 was \$143,000, a 67% appreciation in value over seven years. That is an average increase of 9.57% per year. Over the same time period, the population of Rapid City has increased by 13.15% from 59,607 in 2000 to 67,447 in 2007. Low interest rates in the 3-5% range made homeownership possible for many people and rapid growth in the area increased the demand for homes, which has in turn driven up land costs. National disasters over the past five years have been a major factor in increases in building materials

for homes. These issues have had a more dramatic affect on home prices than local public policies.

Rapid City has very little suitable land within the corporate limits available for “in-fill” projects, so developers must look outside the corporate limits for land on which to construct affordable homes. However, Community Development Block Grant funds can not be used outside the corporate limits, thereby restricting the City’s ability to provide funding that would help lower project costs for the buyers. Infrastructure costs and finding affordable land to develop are the two main obstacles to providing affordable housing.

Public comments received from developers of affordable housing point out that development fees can also add as much as \$3,000 to the cost of a new home and that low density requirements also contribute to higher sale prices as the land costs continue to climb.

Enforcement of 1994 UBC accessibility requirements rather than Fair Housing Act Standards was an impediment but the City adopted the 2006 International Residential Building Codes the end of 2007 and follows the ICC/ANSI A117.1-2003 American National Standard for Accessible and Usable Buildings and Facilities.

Although no reductions in housing development costs or fees have been granted for any housing projects, the City Council has the ability to grant exceptions to fees if they determine it necessary or worthwhile.

Higher densities for low-income housing may be considered to keep building costs down. Projects may be considered individually on a case by case basis by the Planning Commission and City Council for exceptions to the existing ordinance requirements. In addition, a Tax Increment Financing District may be considered for infrastructure costs for an affordable housing project.

City CDBG and Vision 2012 sales tax funds have been used for housing projects that benefit homeless and low-income households to cover costs of infrastructure, land acquisition, construction, and down payment and closing costs. The City supports the use of the Dakota Land Trust as an important tool in maintaining permanent affordability of housing stock for low-income households. The City continues to try to identify other funding sources to help reduce the costs for affordable housing and bridge the affordability gap.

An Americans with Disabilities Act Compliance Committee meets as needed to survey issues of ADA compliance in regards to City owned buildings and to advise developers on ADA issues. A member of the committee, an Outreach and Advocacy Coordinator for Western Resources for dis-Abled Independence, reviews building plans submitted to the Planning Department and makes recommendations for accessibility.