

HOUSING MARKET ANALYSIS

MA-05 OVERVIEW

Housing Market Analysis Overview:

The Housing Market Analysis will provide a baseline for the City to use in measuring progress of the Consolidated Plan over the next five years. It will also help identify the areas where Community Development Block Grant funds and local resources should be directed to address the highest priority needs.

The 2010 American Community Survey 1-Year Report estimates that Rapid City has a total of 31,904 housing units, with 94.3% of them being occupied and 5.7% of them vacant houses.

The housing is primarily 1-unit detached (58.3%) homes and rental units that are fairly evenly 20 or more unit developments (10.3%). Homeowners occupy 57.5% of the housing and renters 42.5%.

From January 1, 2010 to December 31, 2012 the City issued building permits for 5,047 new residential dwelling units consisting of: 3,072 single family units and 1,975 units in multi-family properties of 2 or more.

Median home values have risen 64% and median rent has risen 31% since 2000. There is a need for more affordable housing in all areas of town for low- and very low-income residents. Rental housing currently available is not affordable to the low- and very low-income residents, even though the rents are at fair market rent level. Over 16% of the residents in Rapid City have incomes below the Poverty level. The majority of homeless persons and at-risk-of-homeless households make less than \$1,000 per month and need rent levels to be half of what the fair market rent levels are to not be cost burdened.

The homebuyers market is still slow due to tighter loan underwriting conditions and higher required buyer investment. The downturn in the economy and rising prices for gas, food, and utility bills makes it difficult for lower income people to save the funds needed to purchase a home and difficult for current homeowners to maintain their homes. Currently, there are approximately 70 foreclosures or bankruptcy homes in Rapid City.

Low-wage jobs and high rental rates create a housing cost burden that is putting more households at risk of homelessness.

The Tables below show the wage differences between the minimum wage, poverty wage and a living wage, based on family size and make-up.

2012 Living Wage Calculations - Rapid City, SD

Hourly Wages	1 Adult	1 Adult, 1 Child	1 Adult, 2 Children	1 Adult, 3 Children	2 Adults	2 Adults, 1 Child	2 Adults, 2 Children	2 Adults, 3 Children
Living Wage	\$7.96	\$17.14	\$21.06	\$26.32	\$13.25	\$16.33	\$17.67	\$20.76
Poverty Wage	\$5.21	\$7.00	\$8.80	\$10.60	\$7.00	\$8.80	\$10.60	\$12.40
Minimum Wage	\$7.25	\$7.25	\$7.25	\$7.25	\$7.25	\$7.25	\$7.25	\$7.25

Poverty in America Living Wage Calculator

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Annual Wage Conversion

Annual Wages	1 Adult	1 Adult, 1 Child	1 Adult, 2 Children	1 Adult, 3 Children	2 Adults	2 Adults, 1 Child	2 Adults, 2 Children	2 Adults, 3 Children
Living Wage	\$16,557	\$35,651	\$43,805	\$54,746	\$27,560	\$33,967	\$36,754	\$43,181
Poverty Wage	\$10,837	\$14,560	\$18,304	\$22,048	\$14,560	\$18,304	\$22,048	\$25,792
**Minimum Wage	\$15,080	\$15,080	\$15,080	\$15,080	\$15,080	\$15,080	\$15,080	\$15,080

* Living wage is shown as hourly rate for person working full-time (2080 hours per year); Amount needed increases with number of people in household.

**NOTE: Minimum wage earnings are the same regardless of number of people in household.

***Wages that are less than the living wage are shown shaded grey.

Monthly Expenses	1 Adult	1 Adult, 1 Child	1 Adult, 2 Children	1 Adult, 3 Children	2 Adults	2 Adults, 1 Child	2 Adults, 2 Children	2 Adults, 3 Children
Food	\$242	\$357	\$536	\$749	\$444	\$553	\$713	\$904
Child Care	\$0	\$408	\$679	\$950	\$0	\$0	\$0	\$0
Medical	\$120	\$404	\$425	\$406	\$309	\$400	\$377	\$387
Housing	\$498	\$732	\$732	\$969	\$581	\$732	\$732	\$969
Transportation	\$306	\$595	\$686	\$736	\$595	\$686	\$736	\$748
Other	\$65	\$155	\$200	\$262	\$120	\$155	\$176	\$204
Required monthly income after taxes	\$1,231	\$2,651	\$3,258	\$4,072	\$2,049	\$2,526	\$2,734	\$3,212
Required annual income after taxes	\$14,772	\$31,812	\$39,096	\$48,864	\$24,588	\$30,312	\$32,808	\$38,544
Annual taxes	\$1,779	\$3,841	\$4,705	\$5,891	\$2,969	\$3,657	\$3,946	\$4,641
Required annual income before taxes	\$16,551	\$35,653	\$43,801	\$54,755	\$27,557	\$33,969	\$36,754	\$43,185

Poverty in America Living Wage Calculator

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MA-10 NUMBER OF HOUSING UNITS

Introduction

The population of Rapid City is 67,956, per the 2010 Census, and is comprised of 29,675 households. The total number of housing units reported for Rapid City varies widely between the 2010 Census (30,254), the 2010 American Community Survey – 1 Year Estimates (31,904), the 2005-2009 ACS Data report (37,761), and the 2007-2011 American Community Survey 5-Year Estimates (29,675) due to the estimate methods used.

The 2007-2011 ACS 5 Year Estimates numbers more closely reflect the total number of housing units that match the 2000 Census number plus the new construction units built from 2000 to 2012. The All Residential Properties by Number of Units table shown below reflects the Rapid City housing totals as of December 31, 2011.

The 2011 American Community Survey 5-Year Estimates of 29,675 total housing units represent an 18.1% increase since 2000. The housing stock in Rapid City is predominately single-family units (63.4%), with a fairly equal mix of 2-4 unit, 5-19 unit and 20+ unit complexes. Mobile homes make up a little over 5% of the housing inventory.

According to the 2007-2011 ACS 5 Year Estimate a little over half of the households (52.6%) own their own homes. Low interest mortgage rates and homebuyer assistance programs helped more people attain homeownership, which often provided a lower monthly payment than renting.

All residential properties by number of units

Property Type	Number	%
1-unit detached structure	17,473	59%
1-unit, attached structure	1,340	5%
2-4 units	3,020	10%
5-19 units	2,776	9%
20 or more units	3,318	11%
Mobile Home, boat, RV, van, etc	1,748	6%
Total	29,675	100%

Table 28 – Residential Properties by Unit Number

Alternate Data Source Name:
2007-2011 American Community Survey 5-Yr Estimates

Data Source Comments:

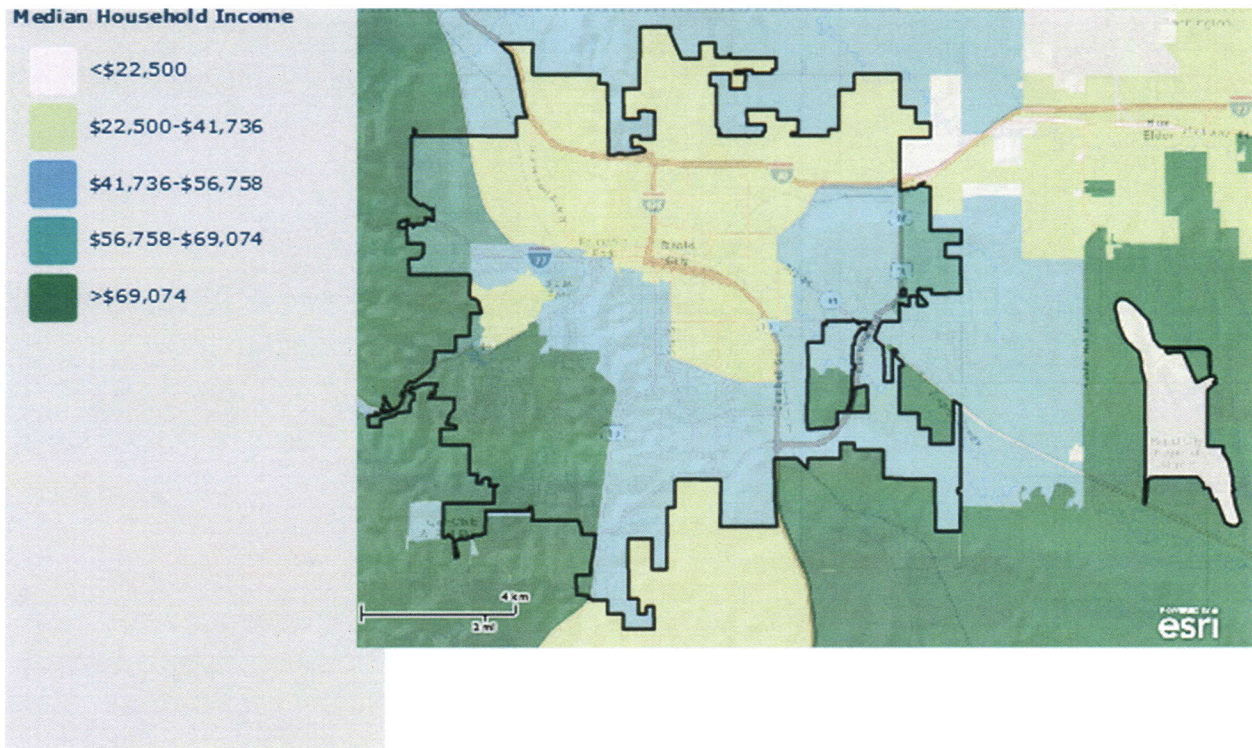
Unit Size by Tenure

	Owners		Renters	
	Number	%	Number	%
No bedroom	0	0%	533	5%
1 bedroom	221	1%	2,530	24%
2 bedrooms	3,729	24%	4,587	44%
3 or more bedrooms	11,661	75%	2,863	27%
Total	15,611	100%	10,513	100%

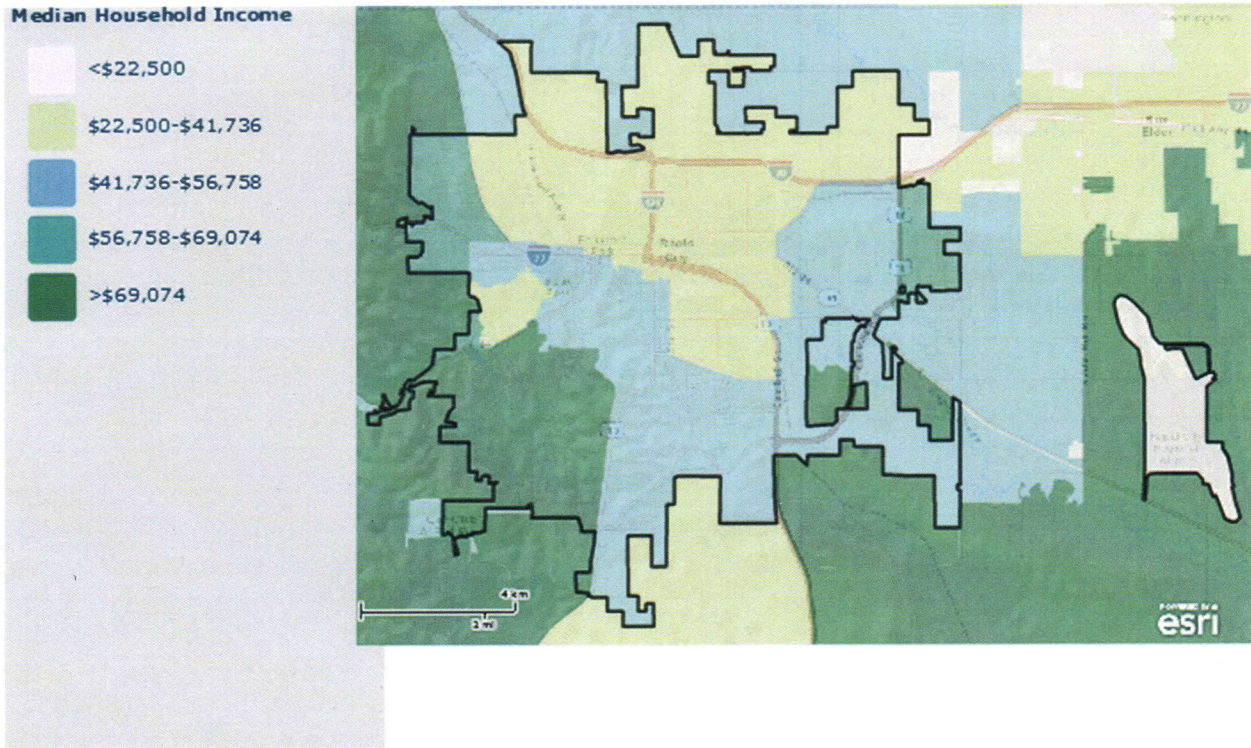
Table 29 – Unit Size by Tenure

2005-2009 ACS Data

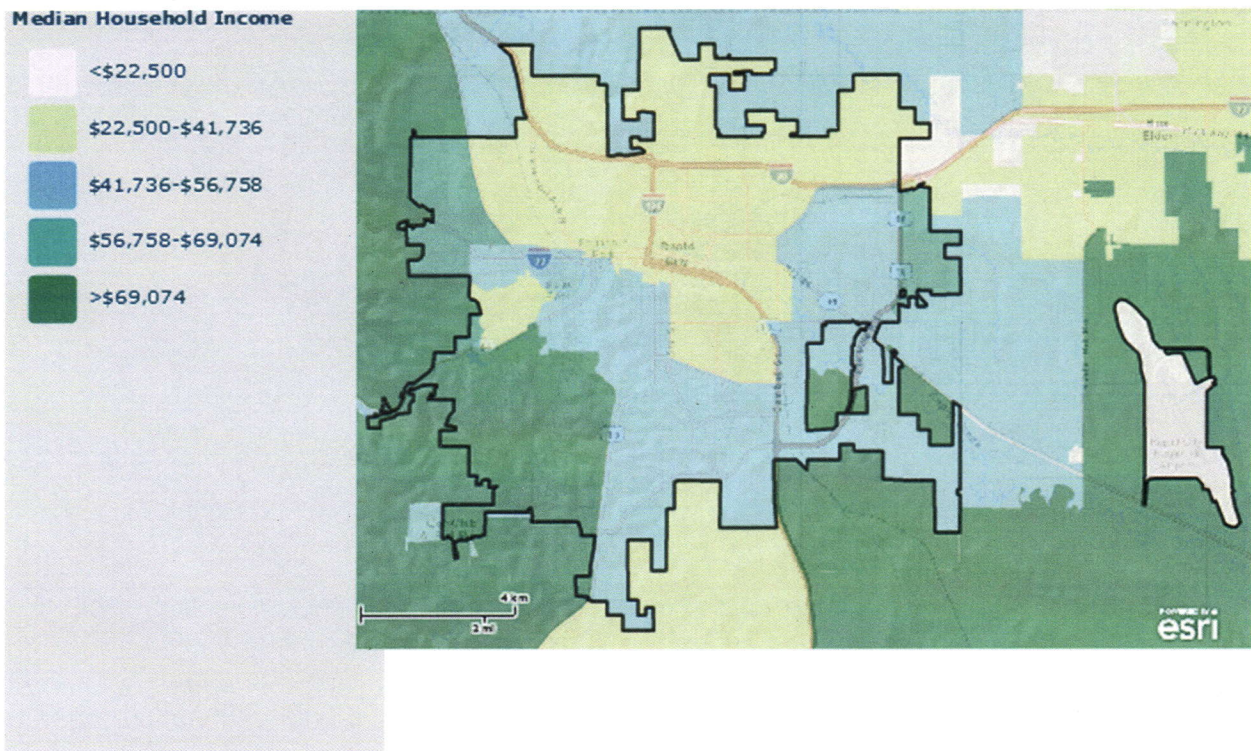
Data
Source:



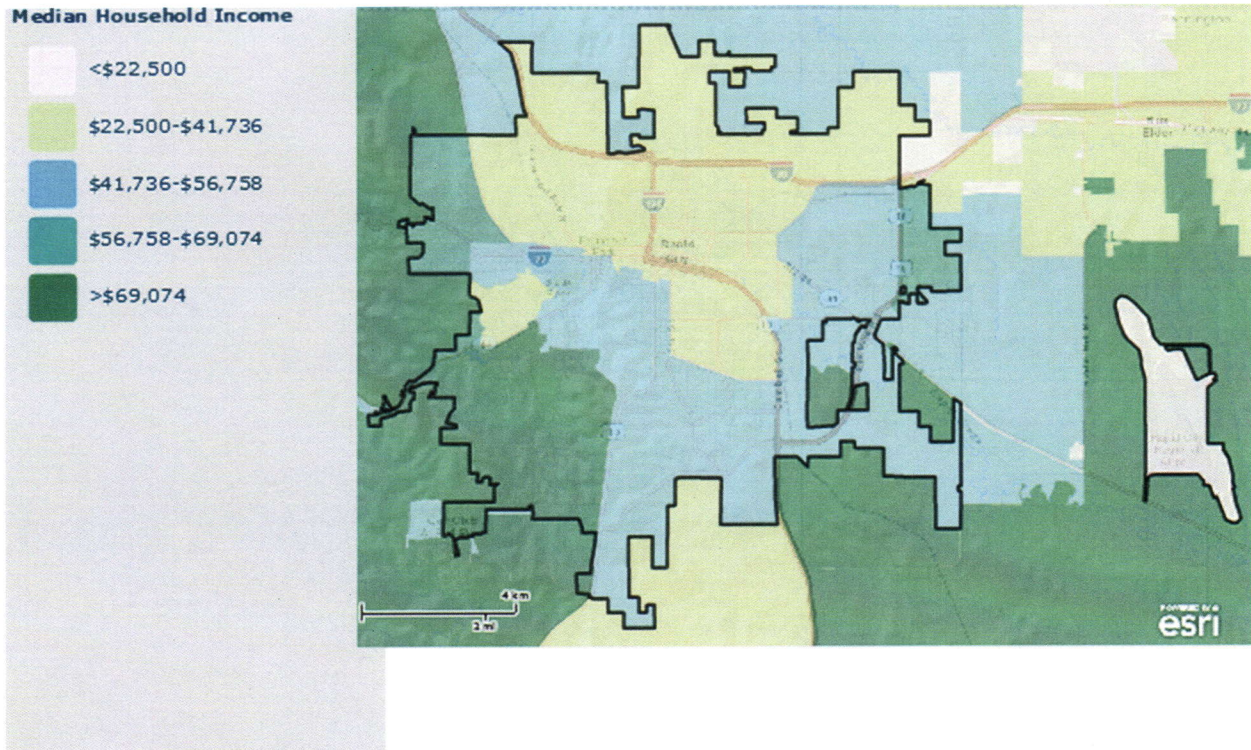
Percent Renter Occupied Housing - Rapid City



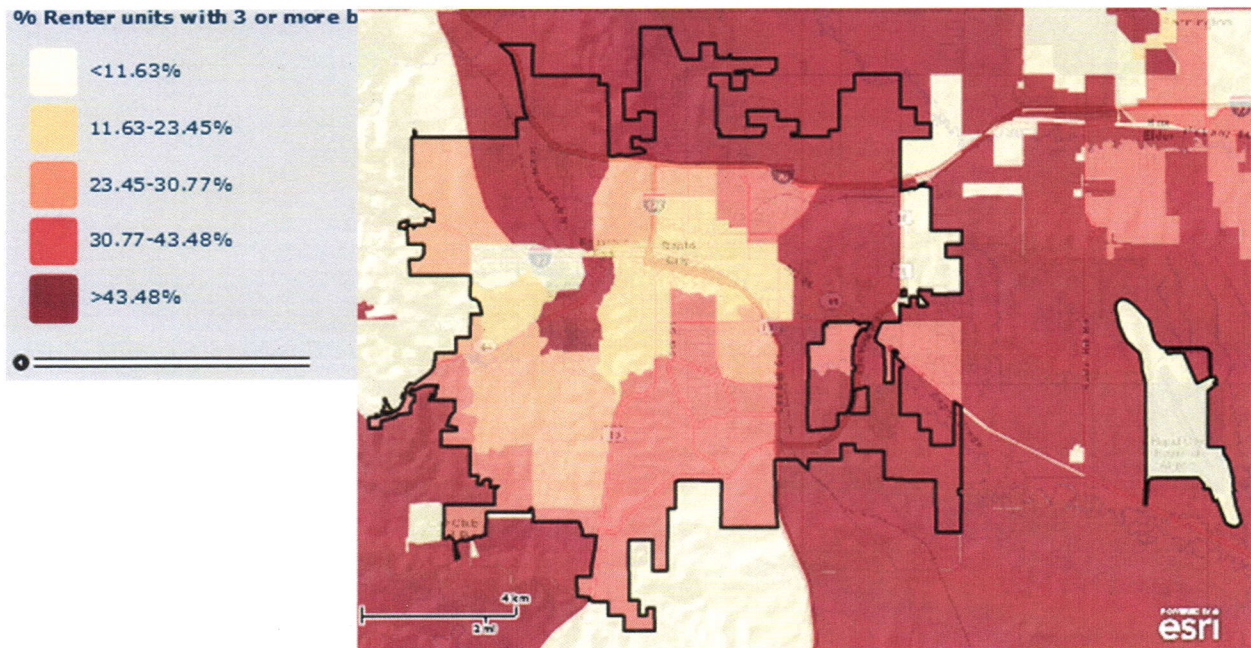
Percent Owner Occupied Housing - Rapid City



Vacancy Rate - Rapid City



Median Household Income - Rapid City



Percent Renter Units with 3+ Bedrooms

Property	Address	Type	Total Apts.	2 bdr	USDA Rental Assistance #Units	HUD Units
Meadow Ridge Apts.	5636 Meadow Ridge Dr.	Family	24	24	17	0

Table 3 - USDA Section 515 Properties

Property Name	Address	Expiration Date	# Assisted Units	Total # Apts.	# Efficiency Units	# 1 BR	# 2 BR	# 3 BR	# 4 BR
West Park	1018 11TH St	05/31/13	80	80	0	80	0	0	0
Churchill Apartments	304 Kinney Ave.	04/30/14	35	50	0	9	20	6	0
Northern Heights Explorer	906 Explorer St	07/31/14	48	96	24	24	0	0	0
Northern Heights Explorer	906 Explorer St	07/31/14	48	96	24	24	0	0	0
Cedar Ridge Townhomes	4302 Cedar Ridge Pl	07/31/14	55	68	0	10	33	12	0
Denver Terrace Apartments	110 Denver St	07/31/14	34	34	10	24	0	0	0
I-90 Pleasant Hill Village	1714 N Seventh St	05/31/15	15	48	0	0	12	3	0
I-90 Pleasant Hill Village	1714 N Seventh St	07/31/15	19	48	0	0	10	9	0
			334	520	58	171	75	30	0
April 2012 National Housing Trust									

Table 4 - Section 8 Contracts Expiring 2013-2017

5 Year Comparison of Rapid City, SD HUD Metro FMR Area

Number and Targeting of Units

The largest minority population in Rapid City is American Indian/Alaska Native, making up 11.7% of the population, and they are the most disproportionately affected in many of the housing, needs, and cost burden categories.

North Rapid, Robbinsdale, and Sioux Park/Old Canyon Lake areas have the older housing stock that is in need of rehabilitation and the highest percentages of people suffering from housing cost burdens. North Rapid also has the highest populations of American Indians/Alaska Natives, very low- and low-income households, housing cost burden and people living below the poverty level. There are very few developable lots left in the North Rapid area south of I-90 due to the Haines Ave. Floodway. The area is however a high priority area for neighborhood revitalization.

Units Expected to be lost from Inventory

Approximately 10 privately owned units may be lost due to demolition of substandard and/or abandoned homes over the next 5 years.

Estimate that 25 substandard mobile homes will be demolished over the next 5 years.

Estimate that 10 homes will be lost to fire and not rebuilt over the next 5 years.

Does the availability of housing units meet the needs of the population?

No. Although there are enough housing units available to meet the needs of the City there are not enough housing units affordable to those in the extremely low- and very low- income ranges for individuals, families with children, large low-income families, and families with disabilities. There are also shortages in the types of homes needed, such as efficiencies, 1-bedrooms and 2-bedrooms. Two bedroom apartments of public housing have the greatest demand and largest waiting list at 1,009 (54%). Three bedroom apartments have the second largest waiting list at 487 (26%).

Need for Specific Types of Housing

The following types of housing have been identified as high priority needs:

Affordable efficiency and one bedroom rental apartments are needed for single persons and couples without children in the 0-30% AMI and 31-50% AMI income ranges.

- 158 homeless households without children were identified during the homeless point in time count in January 2013.
- 22 additional chronically homeless individuals were identified in the 2013 homeless count.

Additional 2-bedroom (1,009) and 3-bedroom (487) public housing rental units are needed to meet the needs of people on the waiting lists.

Ranch style homes with no steps for elderly and handicapped are needed.

- The public housing wait list for elderly is 98 and 361 for families with disabilities.

- The Section 8 wait list is 70 for elderly units and 300 for families with disabilities.

Single family Land Trust and Habitat for Humanity homes for low and moderate income homeownership to ensure permanent affordability

Smaller square footage homes and lots to bring housing costs down to an affordable rate for low- and very low-income households.

Replacement housing for substandard mobile homes.

Increase supply of 3+ bedroom homes affordable to low-income families.

Discussion

While there are an adequate number of housing units to house the number of households in the community, the rental cost and purchase cost are outside the reach of persons making minimum wage and even those making above minimum wage. Gap assistance is needed for the immediate housing needs; however for long term stability there needs to be job training, job skill or higher education in order to increase earning power to a livable wage. HUD Section VIII vouchers have a waiting list of over 2 years and the average apartment turnover rate is between 2-4 years. Federal funding cuts are likely to reduce the number of vouchers and add to the waiting time for one to become available.

Introduction

Median home values have risen 64% and median rent has risen 31% since 2000. There is a need for more affordable housing in all areas of town for low- and very low-income residents. Rental housing currently available is not affordable to the low- and very low-income residents, even though the rents are at fair market rent level. The majority of homeless persons and at-risk-of-homeless households make less than \$1,000 per month and need rent levels to be half of what the fair market rent levels are to not be cost burdened. Starter-home residential lot prices have increased from \$17,000 to \$35,000 over the past 10 years, a 105% increase, making starter home prices out of reach for most moderate income households.

More than 1,600 homes have been sold in the past two years with an average sale price \$180,000.

Cost of Housing

	2000 Census (Base Year)	2006-2010 ACS (Most Recent Year)	% Change
Median Home Value	85,500	150,100	76%
Median Contract Rent	436	571	31%

Table 30 – Cost of Housing

Alternate Data Source Name:
2006-2010 ACS

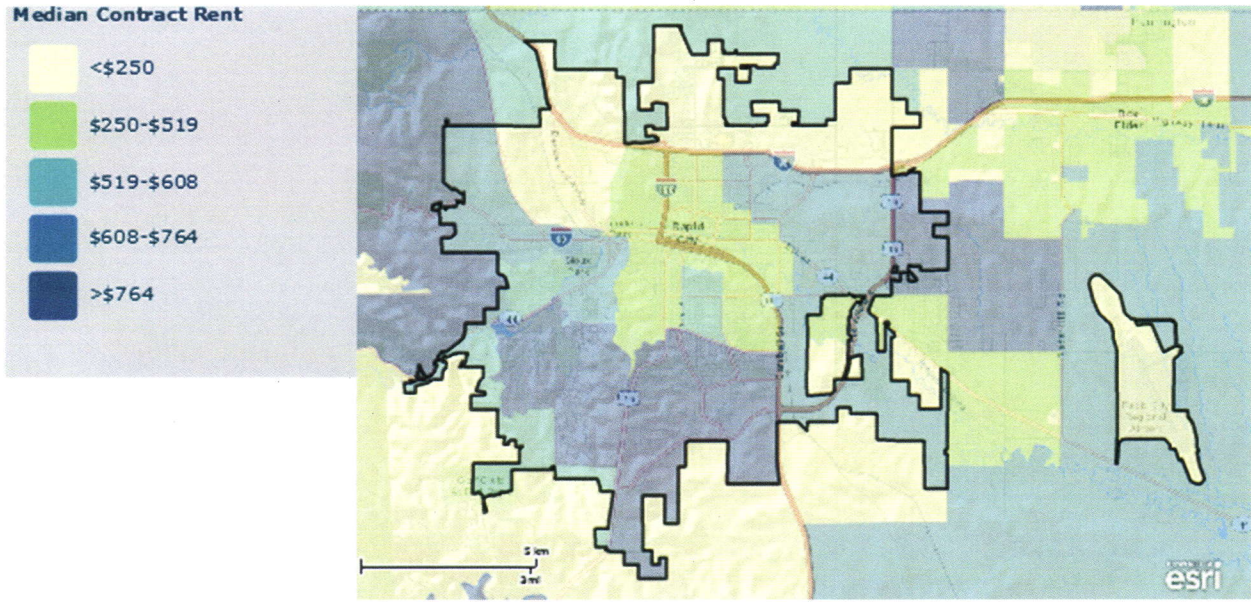
Data Source Comments:

Rent Paid	Number	%
Less than \$500	4,475	42.6%
\$500-999	5,387	51.2%
\$1,000-1,499	452	4.3%
\$1,500-1,999	103	1.0%
\$2,000 or more	96	0.9%
Total	10,513	100.0%

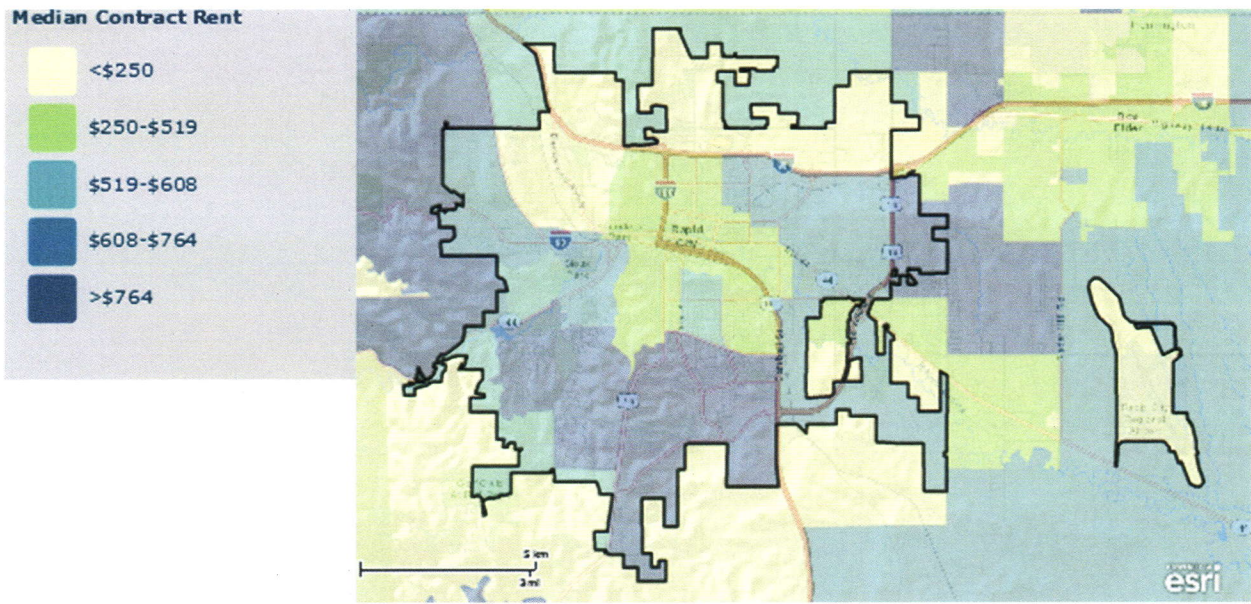
Table 31 - Rent Paid

2005-2009 ACS Data

Data
Source:



Median Home Value - Rapid City



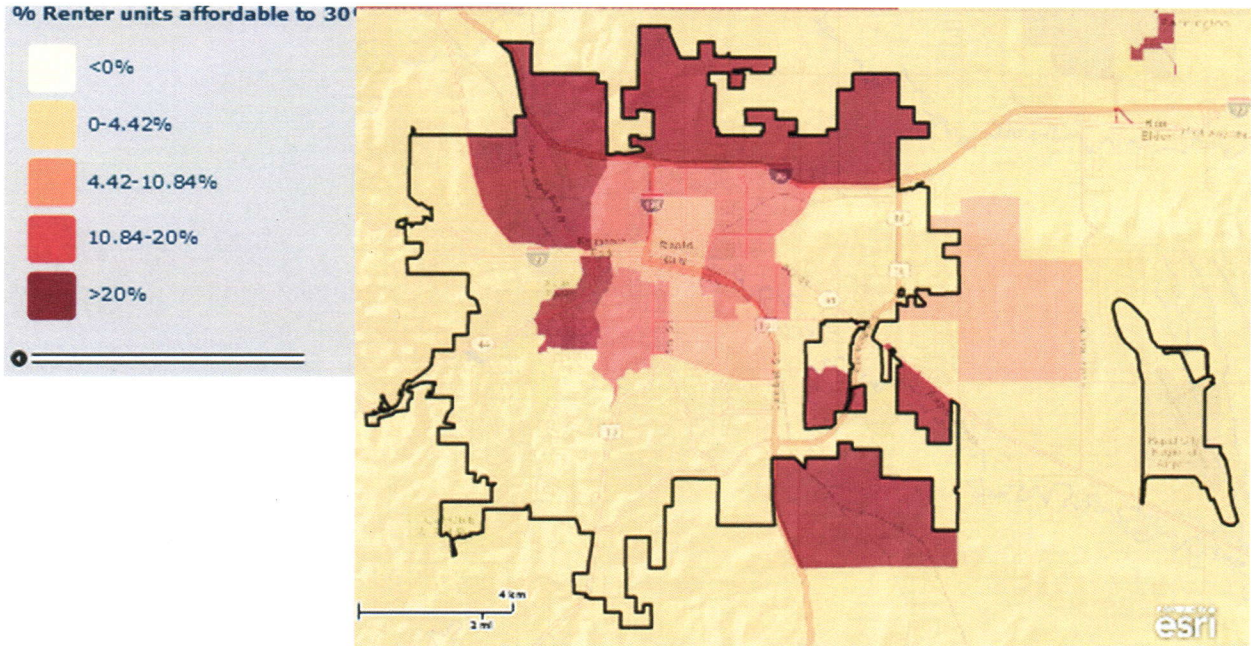
Median Contract Rent - Rapid City

Housing Affordability

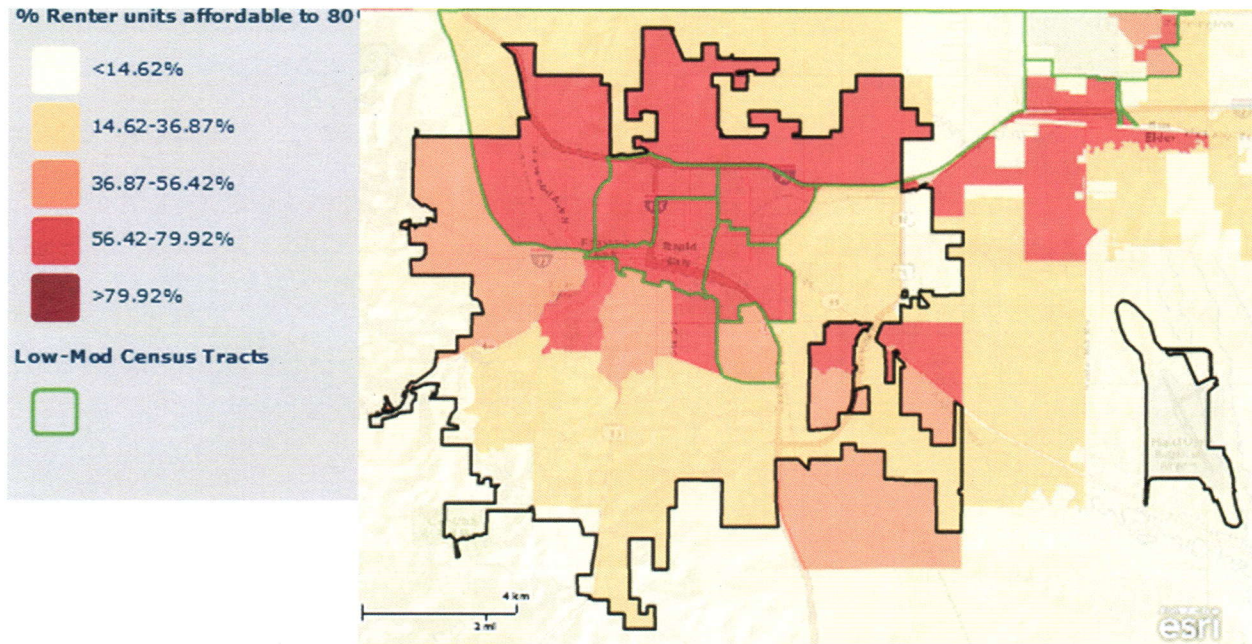
% Units affordable to Households earning	Renter	Owner
30% HAMFI	1,055	No Data
50% HAMFI	2,950	830
80% HAMFI	5,970	2,090
100% HAMFI	No Data	4,080
Total	9,975	7,000

Table 32 – Housing Affordability

Data Source Comments:



Percent Renter Units Affordable to 30% AMI



Percent Renter Units Affordable to 80% AMI

Monthly Rent

Monthly Rent (\$)	Efficiency (no bedroom)	1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom
Fair Market Rent	493	583	779	1,052	1,380
High HOME Rent	507	593	745	941	1,014
Low HOME Rent	507	545	653	755	842

Table 33 – Monthly Rent

Data Source Comments: For all HOME projects, the maximum allowable rent is the HUD calculated high HOME Rent Limit and/or Low HOME Rent Limit.

Rent Affordability

Rapid City HUD Metro FMR Area is comprised of the following counties: Pennington County, South Dakota.

All information here applies to the entirety of the Rapid City, SD HUD Metro FMR Area.

For a family to access a two bedroom apartment at the affordable rate of 30% of their gross income, they would need an income of \$2,597 per month, or \$31,160 per year. This would require a job that pays \$14.98 per hour

For a large family to access a 4 bedroom apartment at 30% of their gross income (to be affordable) a family would need a monthly income of at least \$4,600 or an annual salary of \$55,200. For a 2 working member household, each working full time on minimum wage jobs, (\$15,080 x 2) \$30,160 annual income, there is a \$25,040 annual shortfall for affordability. They would have to spend 55% of their income for housing.

Type of Rent	Efficiency (no bedroom)	1 Bedroom	2 Bedroom	3 Bedroom
Median Market Rent	\$363	\$627	\$705	\$840
Fair Market Rent	\$493	\$583	\$779	\$1,052
HOME High Rent	\$507	\$593	\$745	\$941
HOME Low Rent	\$507	\$545	\$653	\$755

Table 5 - Rent Comparison - Median Market/Fair Market/HOME Rents

YEAR	0 BR	1BR	2BR	3BR	4BR
2008	\$507	\$592	\$745	\$986	\$1,014
2009	\$492	\$573	\$722	\$956	\$983
2010	\$498	\$581	\$732	\$969	\$996

2011	\$507	\$592	\$745	\$986	\$1,014
2012	\$445	\$519	\$654	\$866	\$890
2013	\$491	\$632	\$783	\$1,073	\$1,195

Table 6 - 5 Year Comparison of Rapid City, SD HUD Metro FMR Area

Availability of Sufficient Housing

The 2010 Census shows Rapid City with a population of 67,956 people and sufficient housing stock of 30,254 units, with 28,586 of them occupied by 65,485 residents. That leaves 1,668 units not occupied. The units may be vacant pending sale, rent, or because they are being foreclosed, going through bankruptcy, abandoned, or not suitable for habitation due to substandard conditions. It is not possible to know the household make-up of the remaining un-housed 2,471 people. We do know that at any given time we have at least 400 homeless people of which over 200 of them are single individuals or adult only households. Additionally, we have estimated that there are over 300 people who rent rooms in motels on a nightly basis and an undetermined number who are doubled-up with family and friends who can't afford their own permanent housing, in most cases, due to affordability issues.

Expected Change of Housing Affordability

Housing costs are expected to continue climbing as our housing market recovers from the 2008 housing crisis. Housing in our area did not see the severe home foreclosure numbers or sustained value losses of other parts of the country, and has been slowly recovering since August, 2011. The median list price for homes dropped from \$178,900 in December 2008 to a low of \$159,900 in August 2011, and then began climbing up to the mid- to high-\$160,000's where it has remained, fluctuating slightly, since early 2012.

Homes in these price ranges remain unaffordable and out of reach for those in moderate and low income ranges. Increasing sale prices will affect not only the budgets of homeowners, but also renters as those costs are passed on. Those with the greatest cost burdens (residents making less than 50% of the Area Median Income) will have to spend even more to find safe, decent housing. Building costs for new units, for homeownership and rentals, are also expected to rise as the demand for materials continues to increase with all the national disasters that continue to affect areas around the country.

Fair Market Rents have continued to rise each year except for a small drop in 2009 and a more significant drop in 2012. The increase in 2013 was significant and brought most rents up to the highest rates in the six year period. *(See Table Above.)*

Rent Comparison

The Rent Comparison Table above shows that the Area Median rent is lower than the Fair Market rent, except for 2-bedrooms, which are in higher demand than the other size units. HOME Low rent rates are higher for efficiency apartments than either the Area Median or Fair Market rents, but are lower in the 1-to-3-bedroom units.

We will need to subsidize cost of units in order to get rents down to the level of the very-low-income person not able to access Section 8 or public housing.

Discussion

It is apparent from the rental rate comparisons that 2 and 3 bedroom rental costs are not affordable for single persons with children making minimum wage, who can only afford a payment of \$377 (at 30% of gross income). Even paying 50% of their gross income, they would only be able to afford \$628 per month, still short of the rent for a HOME Low rate.

Introduction

The condition of housing stock is evaluated on the basis of several different housing problems that will adversely affect the stability and safety of people living in Rapid City. Housing problems evaluated include substandard conditions (lack of complete plumbing or kitchen facilities), overcrowding (1.01-1.5 people per room), severe overcrowding (>1.51 people per room), cost burdens paying rent or mortgage payments at a rate greater than 30% of gross income or severe cost burden paying more than 50% of gross income, and having zero or negative income. Aging housing stock is also a concern. Deterioration of housing stock not only affects the structure itself, reducing its economic obsolescence, it can also have an adverse effect on the surrounding homes and neighborhood. Rundown homes and deferred maintenance have been associated with blight, higher crime rates, and lower housing values. Older housing also raises concerns about lead based paint health and safety issues.

Definitions

Housing Problems are defined, for purposes of this analysis as: Substandard Housing - Lacking complete plumbing or kitchen facilities; Severely Overcrowded - With >1.51 people per room (and complete kitchen and plumbing); Overcrowded - With 1.01-1.5 people per room (and none of the above problems); Housing cost burden greater than 30% of income (and none of the above problems); Housing cost burden greater than 50% of income (and none of the above problems); Zero/negative Income (and none of the above problems).

Housing cost burden issues affect 50.2% of all households in Rapid City; with 40.2% of those cost burdened paying over 50% of their income for housing.

Sixty-two percent (62%) of the city's housing stock was built prior to 1979 and therefore potentially contains lead-based paint.

Homes built prior to 1940 have been found to contain up to three times as much lead based paint, and make up 11.2% of the housing stock. Most homes start requiring repair and replacement of major household systems between 30 and 40 years of age. The major systems typically are very expensive and the low-to-moderate income households, who are already cost burdened struggle to maintain their homes.

Lead is a powerful toxin that attacks the central nervous system and is particularly damaging to the brain, vital organs, blood, and developing nervous systems of young children under 7 years of age. High lead levels in the blood can result in behavioral problems, learning disabilities, seizures, and even death. Additional effects include reductions in intelligence and short-term memory, slower reaction times and poor hand-eye coordination. Some symptoms may include headaches, stomach aches, nausea, tiredness, and irritability; however children with lead poisoning may show no symptoms. Children may become lead poisoned by putting their hands or other lead contaminated-objects into their mouths, eating paint chips found in homes with peeling or flaking lead-based paint, or playing in lead-contaminated soil.

HUD *Guidelines* 2012 classifies a home as having a lead-based paint hazard if the measured lead concentration on any painted surface of 1.0 mg/cm², or greater. The likelihood of lead-based paint hazards

or lead-based paint (whether hazardous or not) being present in a dwelling is closely associated with the age of the structure. Only 8 percent of housing units built between 1960 and 1977 in the United States are estimated to have "significant" lead-based paint hazards, compared to 68 percent for units built before 1940 (Table 5.1). The report also states that while a majority of pre-1980 homes have lead-based paint, pre-1940 units have, on average approximately three times as much lead-based paint as units built between 1960 and 1979.

Rapid City's housing stock can be classified as middle aged with the 2005-2009 ACS reports that 62% of the existing housing stock in Rapid City was built prior to 1979 and is now over thirty-four years old or approaching it and now requires repair and updating, which presents the high potential for disturbance of lead based paint. Thirty-eight point five (38.5) percent of the structures were built prior to 1960. Homes built before 1940 have three times as much lead-based paint and make up 11.2% of the housing stock.

Condition of Units

Condition of Units	Owner-Occupied		Renter-Occupied	
	Number	%	Number	%
With one selected Condition	3,296	21%	4,231	40%
With two selected Conditions	84	1%	218	2%
With three selected Conditions	0	0%	0	0%
With four selected Conditions	0	0%	0	0%
No selected Conditions	12,231	78%	6,064	58%
Total	15,611	100%	10,513	100%

Table 34 - Condition of Units

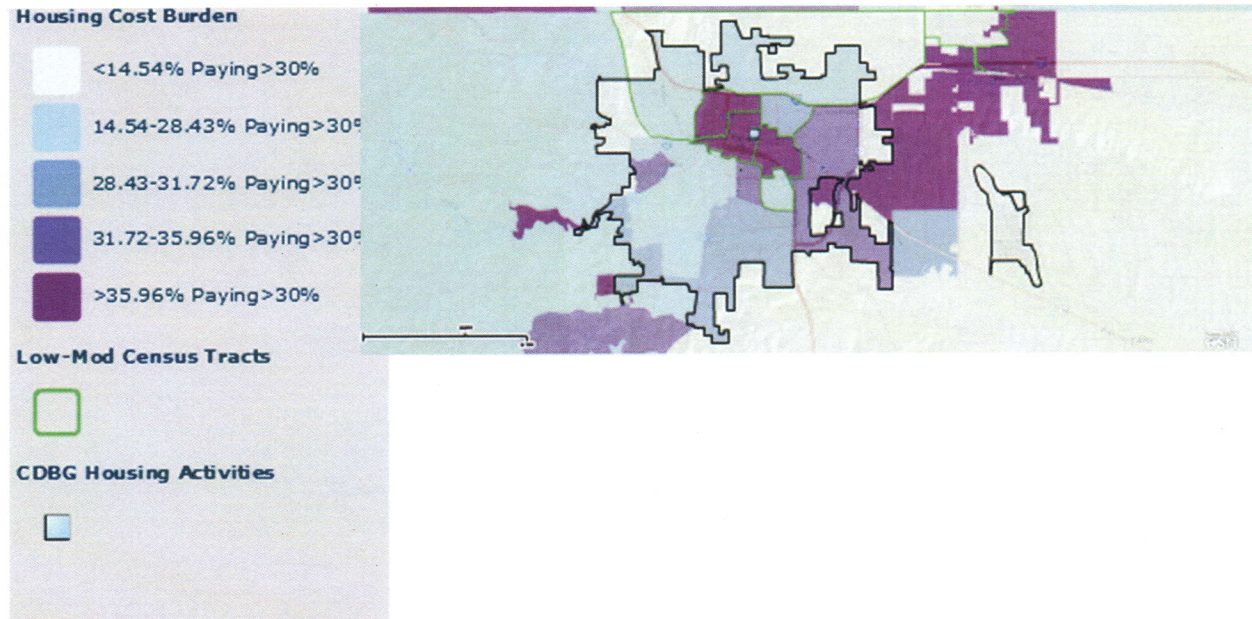
2005-2009 ACS Data

Data
Source:

Number of occupied housing units by tenure and presence of selected housing conditions*	Owner	Pct	Renter	Pct	Total	Pct
None of the selected housing conditions	4,177	76.18	2,784	55.90	6,961	66.53
1 selected conditions	1,284	23.42	2,122	42.61	3,406	32.55
2 selected conditions	22	0.40	74	1.49	96	0.92
3 selected conditions	0	0	0	0	0	0
4 selected conditions	0	0	0	0	0	0
Total	5,483	52.40	4,980	47.60	10,463	
*Selected housing conditions = (1. lacks complete						

plumbing facilities, 2. lacks complete kitchen facilities,						
3. housing costs greater than 30% of household income 4. more than one person per room)						
2005-09 ACS						

Table 7 - Housing Built Prior to 1980 - Number of occupied housing units by tenure and presence of selected housing conditions



Cost Burdened Households

Cost Burden > 30% (renter)	0-30% AMI	30-50% AMI	50-80% AMI	All Households
Small Related	304	340	140	784
Large Related	0	10	0	10
Elderly	174	84	69	331
Other	540	284	150	974
Total Households by Income	1,335	1,105	N/A	4,980
2005-09 CHAS				

Table 8 - Housing Built Prior to 1980 - Cost Burden > 30% (renter)

Cost Burden > 30% (owner)	0-30% AMI	30-50% AMI	50-80% AMI	All Households
Small Related	15	0	149	389

Large Related	20	50	4	164
Elderly	80	70	35	309
Other	85	65	79	379
Total Households by Income	240	309	760	5,485
2005-09 CHAS				

Table 9 - Housing Built Prior to 1980 - Cost Burden > 30% (owner)

Cost Burden > 50% (renter)	0-30% AMI	30-50% AMI	50-80% AMI	All Households
Small Related	304	160	0	464
Large Related	0	0	0	0
Elderly	109	50	4	163
Other	395	99	0	494
Total Households by Income	1,335	1,105	N/A	4,980
2005-09 CHAS				

Table 10 - Housing Built Prior to 1980 - Cost Burden > 50% (renter)

Cost Burden > 50% (owner)	0-30% AMI	30-50% AMI	50-80% AMI	All Households
Small Related	15	0	44	99
Large Related	0	50	0	50
Elderly	45	10	10	69
Other	85	55	4	194
Total Households by Income	240	309	760	5,485
2005-09 CHAS				

Table 11 - Housing Built Prior to 1980 - Cost Burden > 50% (owner)

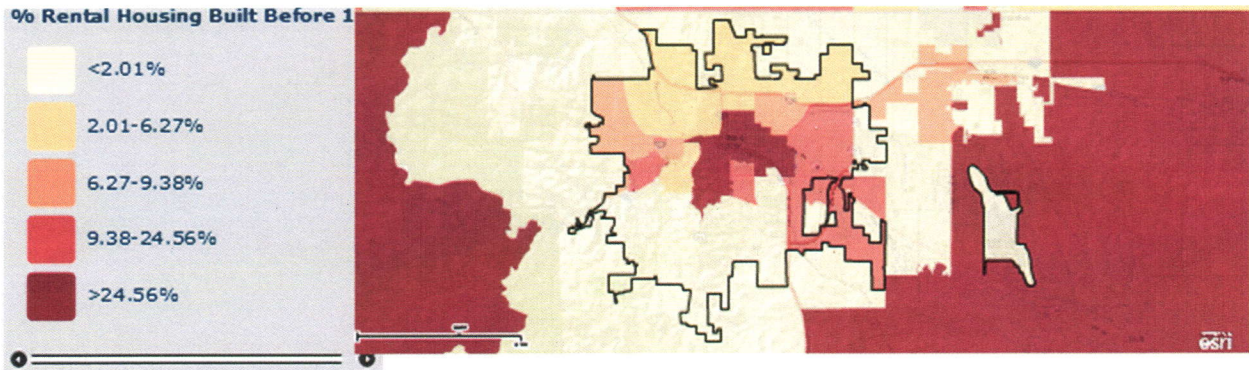
Year Unit Built

Year Unit Built	Owner-Occupied		Renter-Occupied	
	Number	%	Number	%
2000 or later	1,714	11%	1,019	10%
1980-1999	3,619	23%	2,943	28%
1950-1979	8,397	54%	4,805	46%
Before 1950	1,881	12%	1,746	17%
Total	15,611	100%	10,513	101%

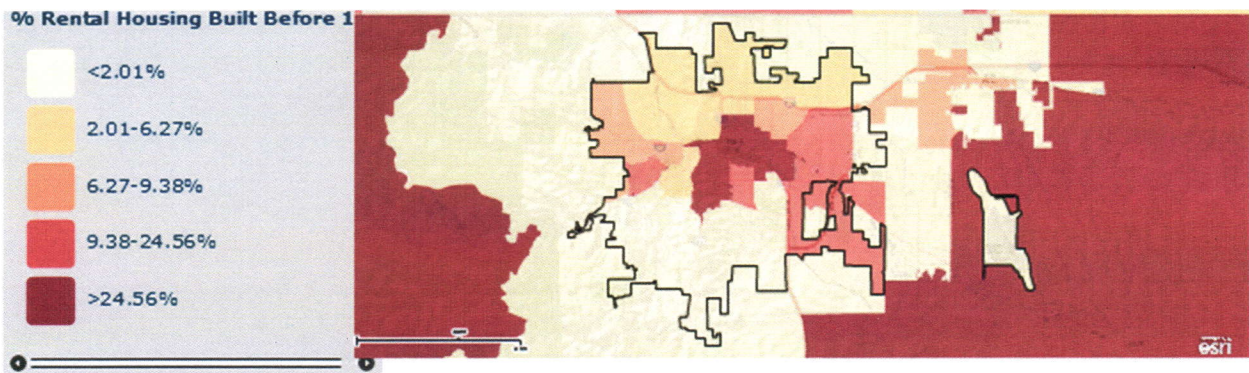
Table 35 – Year Unit Built

2005-2009 CHAS

Data
Source:



Percent Rental Housing Built Before 1949



Percent Rental Housing Built Before 1980

Risk of Lead-Based Paint Hazard

Risk of Lead-Based Paint Hazard	Owner-Occupied		Renter-Occupied	
	Number	%	Number	%
Total Number of Units Built Before 1980	10,278	66%	6,551	62%
Housing Units build before 1980 with children present	2,765	18%	1,275	

Table 36 – Risk of Lead-Based Paint

2005-2009 ACS (Total Units) 2005-2009 CHAS (Units with Children present)

Data
Source:

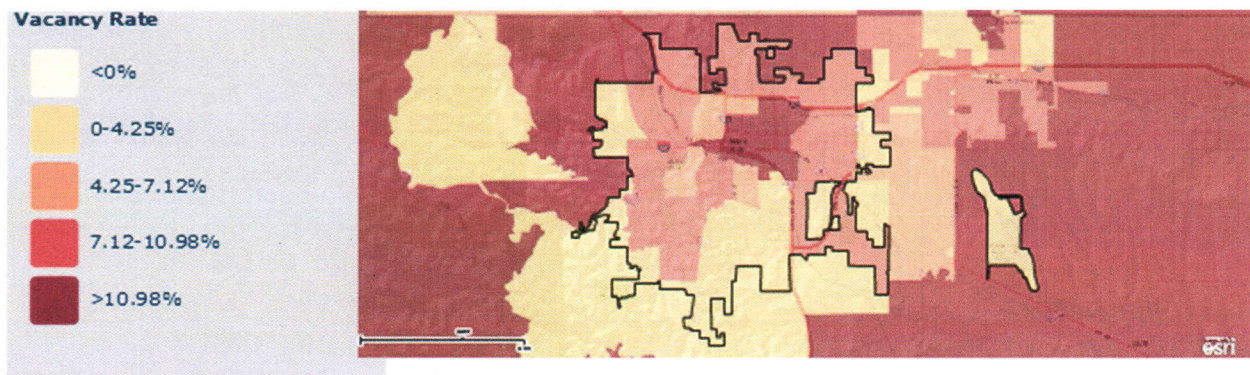
Vacant Units

	Suitable for Rehabilitation	Not Suitable for Rehabilitation	Total
Vacant Units	120	20	140
Abandoned Vacant Units	25	10	35
REO Properties	15	5	20
Abandoned REO Properties	10	5	15

Table 37 - Vacant Units

Alternate Data Source Name:
Vacant Units

Data Source Comments: MLS Data only shows how many units, not condition. Estimates made based on Code Enforcement estimates for not suitable for rehabilitation. It is estimated that approximately 17 of the homes are HUD homes and 15 of the homes are bank owned.



Vacancy Rate

Need for Owner and Rental Rehabilitation

According to the 2005-2009 ACS over 60% of all housing is over 33 years old, built prior to 1980. Homes over 40 years old are considered to have reached economic obsolescence, and will require major system and component updates, that typically are high cost items that become deferred maintenance. Deferred maintenance can become blight that adversely affects neighborhoods. There are over 16,000 homes that were built prior to 1980. Additionally, in the older areas of town water lines and sewer lines are starting to fail and will need to be replaced.

Estimated Number of Housing Units Occupied by Low or Moderate Income Families with LBP Hazards

Homes built prior to 1980 are at risk of containing lead-based paint. Homes built prior to 1949 have the risk of containing a higher percentage of lead in the paint, as much as three times higher. Lead has been shown to be particularly dangerous for children under 6 years of age and pregnant women. Of the households built prior to 1980, 2,765 owner-occupied and 1,275 renter-occupied homes are estimated to have children in the homes.

Discussion

The City is putting a high priority on addressing substandard, abandoned, vacant, and blighted homes in the community. However, it is not a simple issue to address because of legal requirements for "due process," which can be a long, drawn out process. Abandoned homes attract vagrants, criminal activity and can affect market values of homes in the vicinity.

The primary area of town where over 72% of the housing was built prior to 1980 includes the area bordered on the south by St. Patrick St., the north by Anamosa, the west by Canyon Lake Drive, and the east by Cambell St. Emphasis will be placed on addressing these areas.

Lead-based paint is a serious issue that may affect over half of the housing units in the community, but it is costly to abate. Encapsulation with non-lead based paint has minimized exposure, but it remains an issue that is especially critical for households with children under six and pregnant women. Current funding makes it impossible to fund projects requiring lead abatement, as tenant relocation is required for the duration of the project.

Cost burdens remain the most critical issue to address and the most difficult because it affects half of the residents in the community.

MA-25 PUBLIC AND ASSISTED HOUSING

Introduction

Pennington County Housing and Redevelopment Commission manages 500 public housing units, of which 462 are located within the city limits of Rapid City in addition to 1,329 Section 8 vouchers and 25 Shelter Plus Care scattered site permanent housing units for dually diagnosed homeless people. 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.

Totals Number of Units

	Program Type								
	Certificate	Mod-Rehab	Public Housing	Total	Vouchers			Disabled	
					Project -based	Tenant -based	Special Purpose Voucher		
# of units vouchers available			500				95	0	150
# of accessible units			32						
# of FSS participants									
# of FSS completions									

***includes Non-Elderly Disabled, Mainstream One-Year, Mainstream Five_year, and Nursing Home Transition**

Table 38 – Total Number of Units by Program Type

Alternate Data Source Name:
Public Housing Units Wait List 10/09/2012

Data Source Comments:

Number of occupied housing units by tenure and presence of selected housing conditions*	Owner	Pct	Renter	Pct	Total	Pct
None of the selected housing conditions	12,231	78.35	6,064	57.68	18,295	70.03
1 selected conditions	3,296	21.11	4,231	40.25	7,527	28.81
2 selected conditions	84	0.54	218	2.07	302	1.16
3 selected conditions	0	0	0	0	0	0
4 selected conditions	0	0	0	0	0	0
Total	15,611	59.76	10,513	40.24	26,124	
*Selected housing conditions = (1. lacks complete plumbing facilities, 2. lacks complete kitchen facilities,						
3. housing costs greater than 30% of household income 4. more than one person per room)						
2005-09 ACS						

Table 12 - For Rapid City (Place) - Number of occupied housing units by tenure and presence of selected housing conditions

Supply of Public Housing Development

Pennington County Housing and Redevelopment Commission has 4 public housing developments, consisting of 258 Elderly units, 37 Family units for developmentally disabled, and an additional 167 single family scattered site homes.

PCHRC also has 2 HOME funds projects that provide 39 family units and a Low Income Housing Tax Credit project that provides 60 additional Elderly units.

The units are well maintained. PCHRC sets a five year plan for regular maintenance and capital improvement projects.

Public Housing Condition

Public Housing Development	Average Inspection Score

Table 39 - Public Housing Condition

Restoration and Revitalization Needs

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. Rehabilitation to the various units will include for:

High-rises: exterior painting and Section 504 accessibility upgrades; Parking lot and plumbing upgrades, flooring in common areas;

Scattered Sites: Furnaces, central air conditioning; window blinds;

Edwards Manor: Parking lot lighting upgrades

Strategy of Improving the Living Environment of low- and moderate Income Families

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.

Discussion

Introduction

Rapid City has available emergency shelter services for individuals and families through the Cornerstone Rescue Mission and Working Against Violence, Inc.

Cornerstone Rescue Mission manages three emergency shelters for the homeless:

- Cornerstone Rescue Men's Mission for homeless men;
- Cornerstone Women and Children's Home for women and children; and
- The Veterans Shelter

In addition, Cornerstone provides affordable child care through their Dear One's Day Care center, clothing and housing vouchers through their Cornerstone Thrift Store and permanent supportive housing in 24 apartments at the Cornerstone Apartments.

Working Against Violence, Inc. provides emergency shelter to victims of domestic violence along with counseling and supportive services, advocacy and community education.

The missions provide the homeless with a safe, warm place to sleep, food and case management to connect them to the supportive services they need. The missions provide on-site medical care, mental health counseling, Veteran's services counseling and assistance with clothing and other personal care needs.

In addition to the emergency shelters, there are transitional housing programs to provide support to the homeless transitioning out of the shelter, but needing supportive services or care.

Transitional housing is available for the severely, persistently mentally ill, and women and children recovering from alcohol and/or drug addiction through Behavior Management Systems. The Cornerstone Veterans wing provides transitional housing for veterans and Lutheran Social Services provides apartments and supportive services to youth aging out of the foster care system or juvenile detention.

Permanent supportive housing is available for Behavior Management Systems clients with seriously and persistent mental illness and the homeless who are dually diagnosed.

Facilities Targeted to Homeless Persons

	Emergency Shelter Beds		Transitional Housing Beds	Permanent Supportive Housing Beds	
	Year Round Beds (Current & New)	Voucher / Seasonal / Overflow Beds		Current & New	Under Development
Households with Adult(s) and Child(ren)	65	17	15	0	0
Unaccompanied Youth	58	20	0	37	0
Households with Only Adults	0	0	24	0	0
Chronically Homeless Households	60	0	8	0	0
Veterans	0	0	15	0	0

Table 40 - Facilities Targeted to Homeless Persons

Alternate Data Source Name:
Facilities Targeted to Homeless Persons

Data Source Comments:

Describe mainstream services, such as health, mental health, and employment services to the extent those services are used to complement services targeted to homeless persons

Cornerstone's Shelters and Working Against Violence, Inc. (WAVI) staff provide case management, assistance with clothing, personal care needs, life skills training and vocational development through job and employment training. They also provide food and transportation to work, school and other service providers.

The shelters also have available on-site medical clinics staffed by Community Health of the Black Hills, mental health counseling with Behavior Management Systems, and Veteran's services with an on-site VA coordinator. Clients are referred to Pennington County Health and Human Services or Western SD Community Action for various services or assistance, such as transportation passes, funding for work clothes, rent deposits, and utility deposits and the Department of Labor for assistance with resumes, job applications, interview skills and testing for Vocational Rehabilitation training, if applicable.

A variety of other agencies assist with the homeless, such as Rapid City Police officers, Rapid City First Responders, educators, medical professionals, and staff at the HOPE Center, a homeless drop-in center that provides a phone message center, mail box and small storage area for the homeless to use while trying to access employment and housing. These "front-line" contacts help connect the homeless with needed services that include social workers with the Department of Social Services, alcohol and drug abuse treatment, including detoxification, inpatient and outpatient services, and the Crisis Care Center.

The Rapid City School District provides an education program for homeless youth. The main service is tutoring homeless students. The district liaison also ensures that students are enrolled without delays, assists with gathering required immunizations and school records, and arranging transportation. Rapid City also provides a summer reading program for homeless youth.

List and describe services and facilities that meet the needs of homeless persons, particularly chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth. If the services and facilities are listed on screen SP-40 Institutional Delivery Structure or screen MA-35 Special Needs Facilities and Services, describe how these facilities and services specifically address the needs of these populations.

In addition to the agencies and services discussed previously, Community Health of the Black Hills has a street outreach case manager who works with the chronic homeless to link them to shelters, medical and dental treatment, mental health counseling and medications, and substance abuse treatment.

The YMCA also has staff who do outreach to homeless youth to try to link them to safe shelter and services.

Please refer to *SP-40 Institutional Delivery Structure* and *MA-35 Special Needs Facilities and Services* for the listing of agencies and services in our community that support the homeless programs.

If the services and facilities are listed on screen SP-40 Institutional Delivery Structure or screen MA-35 Special Needs Facilities and Services, describe how these facilities and services specifically address the needs of these populations.

Rapid City's service providers and agencies have become a strong collaborative entity that works very well together for the benefit of their mutual clients. There is a strong referral system in place and agencies that are part of the Black Hills Homeless Coalition and Black Hills Mental Health and Substance Abuse Collaborative meet regularly to discuss their client's needs and develop a 360 degree support system where needed.

The Black Hills Homeless Coalition recently merged with the Community Services Connection. Both groups were working independently towards some of the same goals and determined that by combining their efforts each organization would gain the strength of skills that the other organization had and they would be able to achieve more without duplication. They are working to implement the plan to end chronic involuntary homelessness and fill housing gaps in the community.

Introduction

Persons with special needs and lower incomes often have more difficulty in finding and affording adequate housing or the additional services they need.

Assessments conducted by the City of Rapid City, the United Way and local non-profits identify needs for supportive housing and services for the following categories of non-homeless special needs in our community:

- Developmentally Disabled
- Domestic violence victims
- Drug, alcohol, and other addictions
- Elderly & Frail elderly
- Mental illness
- Persons threatened with homelessness
- Physically disabled

Supportive housing is defined as living units that provide a planned services component with access to a range of services identified as necessary for the residents to achieve personal goals. Various populations with special needs require supportive housing. The needs of these sub-populations are described below. It is not always possible to determine the number of persons with supportive housing needs, so this Consolidated Plan uses standards recommended by national agencies to determine the number of persons with supportive housing needs in Rapid City. The information is supplemented with information collected through interviews with service providers in Rapid City and used in developing this Consolidated Plan.

Including the elderly, frail elderly, persons with disabilities (mental, physical, developmental), persons with alcohol or other drug addictions, persons with HIV/AIDS and their families, public housing residents and any other categories the jurisdiction may specify, and describe their supportive housing needs

Describe programs for ensuring that persons returning from mental and physical health institutions receive appropriate supportive housing

There are no formal discharge coordination policies for the community. All of the health care facilities, foster care, youth facilities and corrections centers are under the jurisdiction of the state or county. Cornerstone Rescue Mission works closely with the Regional Hospital, State Department of Corrections, Health and Human Services in Yankton, the Detox Center in Rapid City and Court Services to coordinate services for people exiting state and local facilities. Pennington County Health and Human Services works with the County jail and exiting inmates on realistic discharge plans.

Pennington County Health and Human Services has established a program called Rebound that works with people prior to their release from jail, Passages, the City/County Alcohol and Drug Program and Rapid City Regional Hospital. Rebound makes contact with clients at the jail prior to their release to begin developing a discharge plan, and then maintains contact with them providing case management after their release to ensure that the plan is implemented and followed. PCHHS receives referrals to the program from the medical and mental health staff at the jail, for people who are likely to succeed if they receive intensive case management and assistance with finding supportive permanent housing. The key to its success is finding additional supportive housing. It is also the most difficult aspect of the program, as few landlords are willing to rent to people with criminal records.

The Rapid City Second Chance Act Reentry Coordinator (SCARC) works with the State Department of Corrections on discharge plans for persons on parole returning to Rapid City. The SCARC helps coordinate referrals to services and provides financial assistance for accessing transitional and permanent housing, jobs, transportation, work clothing, medical services and treatment programs.

The 24/7 Crisis Care Center works closely with the Black Hills Mental Health and Substance Abuse Collaborative to ensure that people being released have a case manager for follow-up and are connected to any other services needed.

For persons not able to live alone and needing assisted living, there are 27 assisted living and nursing home facilities in Rapid City.

Specify the activities that the jurisdiction plans to undertake during the next year to address the housing and supportive services needs identified in accordance with 91.215(e) with respect to persons who are not homeless but have other special needs. Link to one-year goals. 91.315(e)

FY2013 Activities approved for funding that will address housing and supportive services are:

Housing:

- Rapid City Community Development Corporation - Funding will be used for down payment/closing cost assistance and/or property acquisition of properties for low-to-moderate income households. (\$40,000)
- Teton Coalition - Funding will be used for land acquisition and/or down payment and closing cost assistance for properties for low-to-moderate income households. (\$40,000)
- City of Rapid City Neighborhood Restoration Loan Program - provide home rehabilitation loans to homeowners making less than 80% of AMI. (\$50,070)

Supportive Services:

- *Addiction Recovery Centers of the Black Hills* - Intensive outpatient treatment program for adolescents in the North Rapid area which includes monthly weekend family program. Funding will be used to hire a family program specialist and tech to facilitate a monthly family day at the facility, for family

recreational, social and clinical activities including psycho-educational group activities designed to increase communication between youth in recovery and their families, plus scheduled family therapy as requested. (\$2,000)

- *Behavior Management Systems Inc.* - Salary for staff members (1.125 FTE) to access free prescription drugs from pharmaceutical companies for low-income and homeless patients with serious, long-term mental illnesses such as schizophrenia, bi-polar disorders and severe depression. (\$39,903)
- *Dakota Plains Legal Services* - Program provides direct civil legal assistance, including services for the homeless, the elderly, and Rapid City residents who meet the income guidelines. (\$5,000)
- *The Salvation Army* - Financial assistance for utilities for low income households to prevent disconnection of services. (\$7,400)
- *Volunteers of America, Dakotas* - Program will provide short-term rental assistance to prevent homelessness or move people out of homelessness into stable housing. People will receive case management focused on stabilization. (\$7,400)
- *Working Against Violence Inc.* - \$17,000 to supplement salaries of shelter advocates and case managers; \$8,000 to supplement increasing cost of operations, specifically utilities; and \$1,500 to print 1,000 Survivors Handbooks for clients and community. (\$5,000)

Youth & Family Services, Inc. (YFS)/YFS Counseling Center - Gap assistance for the cost of counseling for 52 visits a year for indigent and very low-income individuals who lack insurance or other coverage and cannot afford to pay the full fee. (\$5,000)

For entitlement/consortia grantees: Specify the activities that the jurisdiction plans to undertake during the next year to address the housing and supportive services needs identified in accordance with 91.215(e) with respect to persons who are not homeless but have other special needs. Link to one-year goals. (91.220(2))

Same as above.

Negative Effects of Public Policies on Affordable Housing and Residential Investment

Affordability of housing is determined, in part, by land acquisition costs, materials costs, construction costs, financing costs, property taxes, and transportation costs to access work and basic human needs from home. Codes, ordinances and regulations can affect some of these factors, driving costs up, such as minimum lot size, living space minimum square footage, occupancy limits, planning application fees, and permit fees, or through exclusionary zoning.

The City has adopted and enforces the Rapid City Municipal Code and:

- International Building Code, 2009 edition, chapters 1-27, 29-35 and Appendices B, C, I and J; adopted for all occupancies except 1- and 2 Family Dwellings;
- International Residential Code for One-and Two-Family Dwellings, 2009 edition; Chapters 1-11, 44, and Appendices E, J, K, & H.
- International Property Maintenance Code, 2009 edition, Chapters 1-8.
- International Existing Building Code, 2009 edition.
- And the ICC/ANSI A117.1-2003 American National Standard for Accessible and Usable Buildings and Facilities.

There are minimum lot size requirements for Low, Medium and High Density Residential; however the Planned Unit Development (PUD) Ordinance allows a mix of lot sizes and housing product with approval of City Council. The Planned Development Overlay District allows the lot sizes to be reduced with approval of the Planning Commission. Lot sizes can be reduced administratively by 20% by the Director of Community Planning and Development Services, and an additional 20% with the approval of a variance by the Board of Adjustment. 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 if they determine it necessary or worthwhile.

Occupancy limitations are meant to prevent overcrowding that affects household safety and can lead to rapid deterioration and substandard conditions. Rapid City's zoning ordinance addresses unrelated persons, allowing for up to 3 unrelated persons in an efficiency unit and not more than 5 unrelated persons occupying the premises and living as a single nonprofit housekeeping unit. The number of related family members is not subject to the limitation for ownership, but could be under the policies of a housing development.

Current zoning allows a mixture of housing types throughout the community. However new developments, retail, commercial and housing, are occurring on the outer boundaries in areas not currently part of the Rapid Transit System, which affects affordability and ease for low-income people to reach shopping areas or workplace sites.

Rapid City property taxes affect affordability for the purchase of a home for the buyer, as the payment affects the loan qualifying amount. Property taxes are higher in South Dakota than surrounding states because there are no state income taxes to offset some of the cost from the property. Undeveloped land is taxed at a much lower rate, and as such is not a significant barrier for the developer, who will pass the residential rate on to the buyer or tenant.

Social Barriers from the “Not in My Back Yard” syndrome (NIMBY’ism) are still a problem for the development of affordable housing because of political pressure from the public that is exhorted upon elected officials to stop what is deemed as undesirable development.

Increased land costs over the past 10 years have become a barrier to affordable housing. Infrastructure costs for new roads up to a level that, even with a very modest home construction, is unaffordable for the moderate income person, in spite of the low interest rates currently available. Tax Increment Financing Districts (TIFs) may be used to help with these costs.