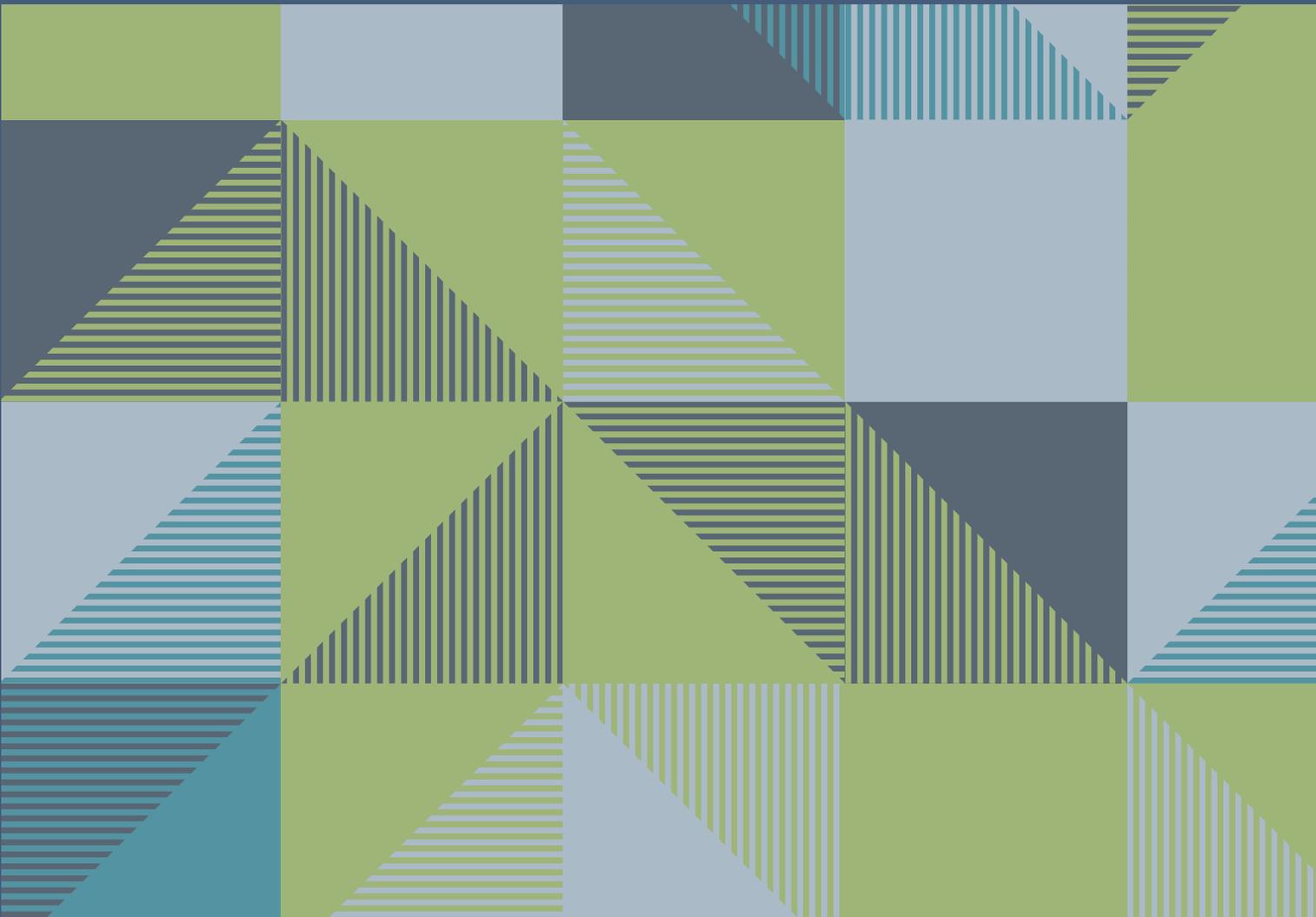
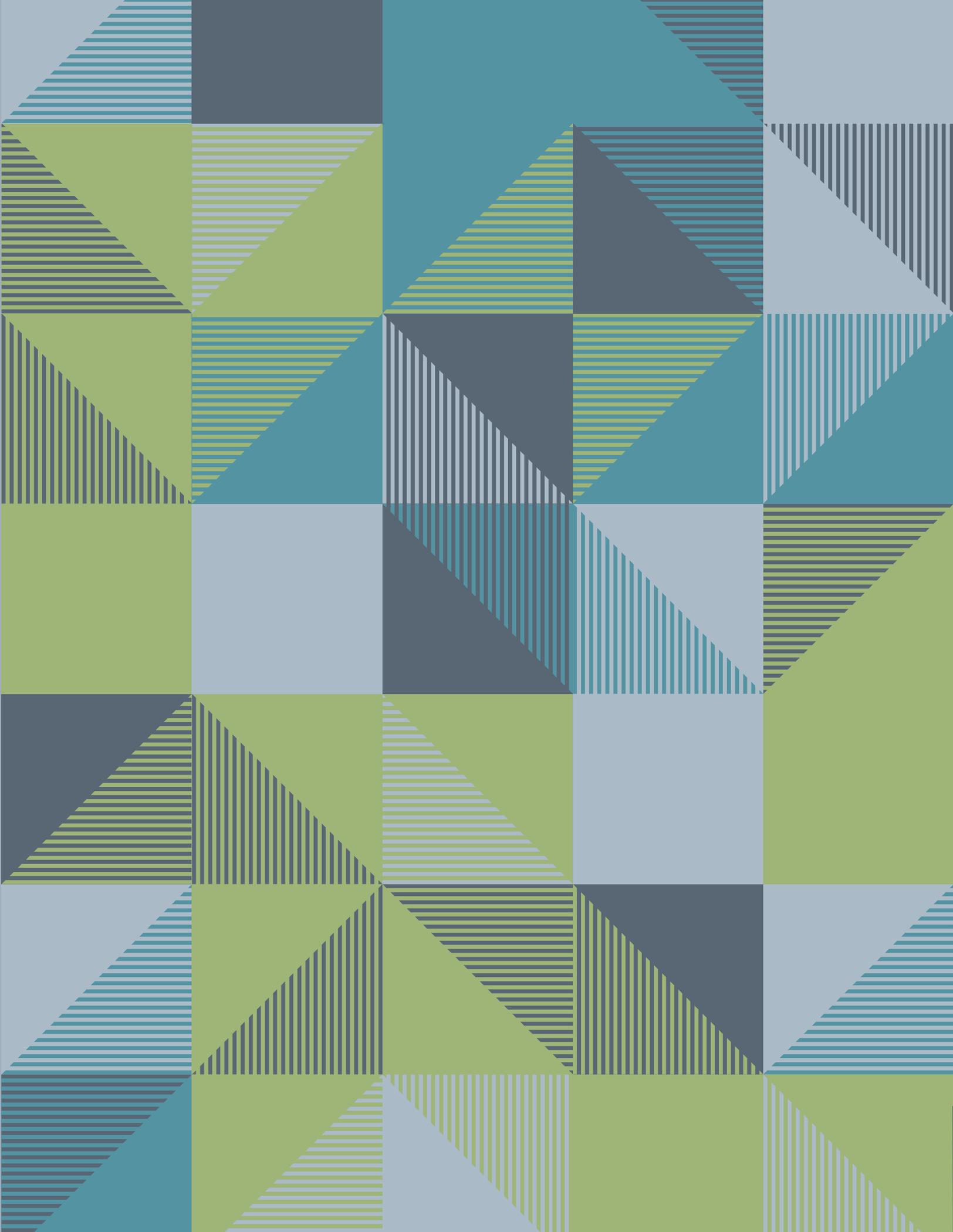




# BROOKINGS COUNTY HOUSING STUDY





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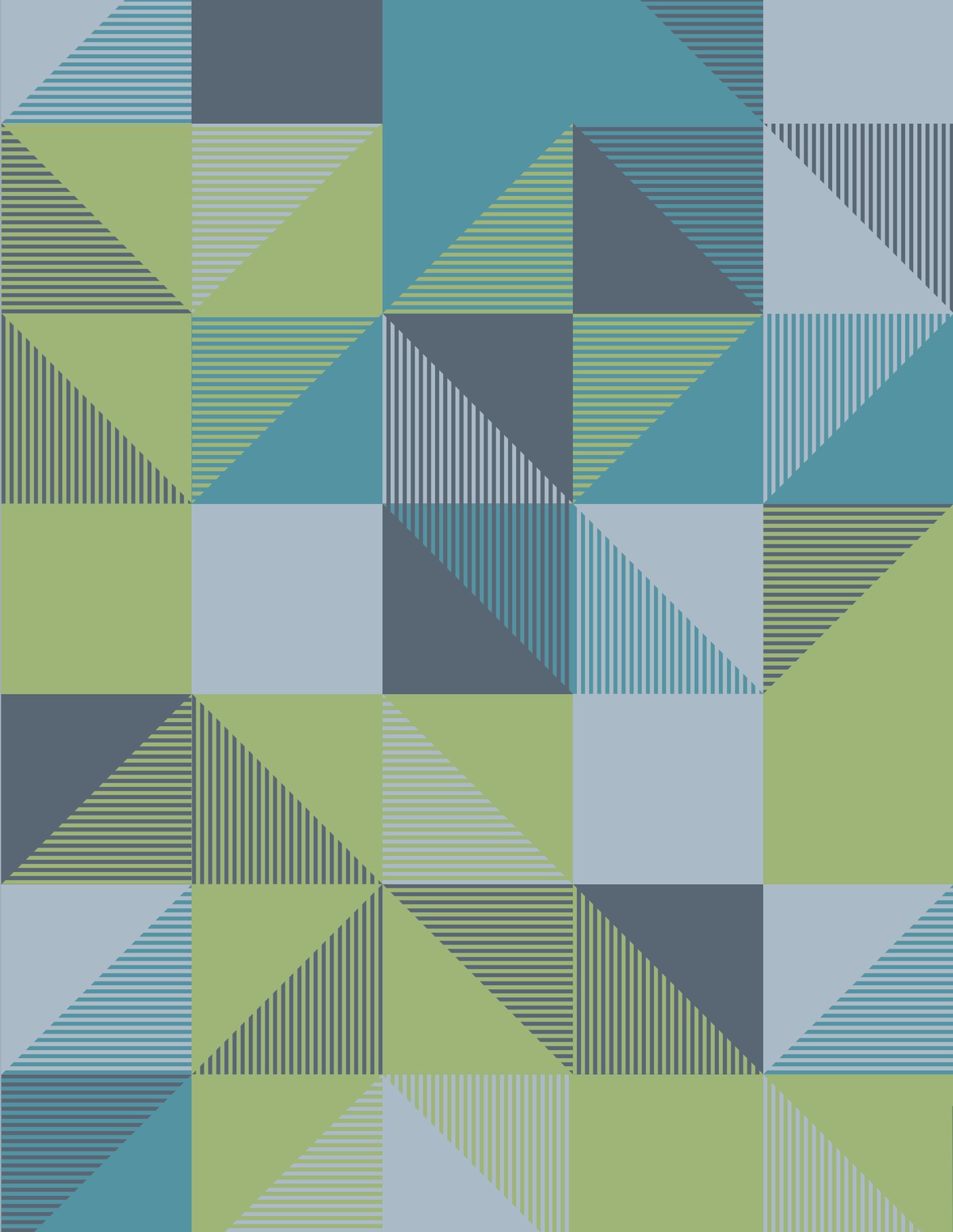
## ACKNOWLEDGMENTS

### Study Technical Committee

- Jacob Brehmer
- Paul Briseno
- Gregg Jorgenson
- Ryan Krogman
- Tim Reed
- Randy Santema
- Shawn Storhaug
- Mike Struck
- Fred Weekes
- Michaela Willis



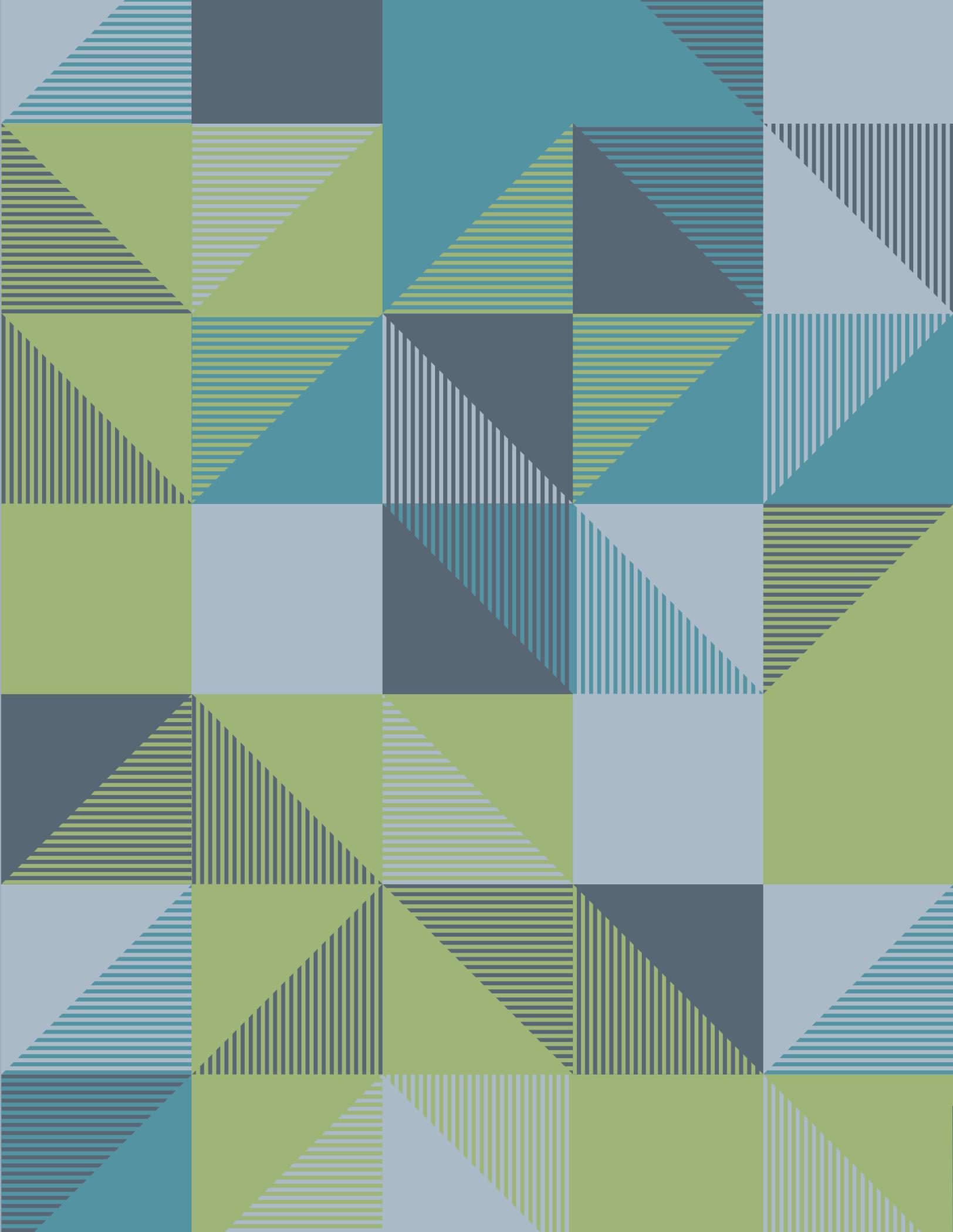
RDG Planning & Design  
Omaha and Des Moines  
[rdgusa.com](http://rdgusa.com)



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# **Executive Summary**

## Executive Summary

The Brookings County Housing Study is built on a variety of data to form a picture of the Brookings County housing market today. The study lays out recommendations the county, cities, and community partners can take to help build an affordable, safe, and sustainable housing market for all. The following is a summary of the information and takeaways from each chapter of the study.

### Chapter 1: Brookings Today

This chapter summarizes the characteristics of Brookings County that strongly impact the housing market. A thorough understanding of demographics and housing conditions provide the first steps in crafting the housing study.

- Brookings County has seen steady population growth over the past seven decades.
  - › Volga and Aurora have specifically seen their populations strongly increase over the last decades, 1.80% Annual Growth Rate (AGR) and 7.00% AGR respectively.
  - › An increase in residents over the age of 55 as the Baby Boomers generation moves through the age cohorts.
  - › A decrease in residents 20-24 years of age as the smaller Gen Z cohort moves into through the traditional college years.
- Education, health care, and social assistance is the largest employment sector in the county with manufacturing second and arts, entertainment, and recreation, and accommodation and food services third.
- Brookings County unemployment rate in 2020 was 4.4% placing it in the middle of the benchmark counties used in the study.
- Brookings County (41.1%) and the City of Brookings (50.9%) have higher percentage of renter-occupied housing than the state or national average.
  - › The highest concentration of renter-occupied housing is near South Dakota State University.
- The vacancy rate saw a 3.2 percentage point increase in all vacancies between 2010 and 2020.
- The county has seen strong construction permits. There has been a tapering off in recent years, but the City of Brookings has seen strong new multi-family units being built over the past decade.
- The number of homes for sale over the past three years has remained relatively stable. However, the median price of homes for sale in the three largest cities increased by a mean of \$36,500 between 2019 and 2021.
- Brookings County has 47.9% of renters paying more than 30% of their income on rent and 10.6% of owners paying more than 30% of their income on owner cost.
- Brookings County has many units that should be affordable but are currently occupied forcing lower income households into lower quality housing.
- Housing costs and a households ability to afford housing are influenced by many factors including the product types being produced, land cost, income growth, and competition in the market to name a few. For this reason, multiple entities will be needed to address Brookings County housing challenges.





## Chapter 2: Qualitative Data

This chapter provides an overview of the community engagement process and the input that was received.

- 70 people, from real estate agents, bankers, developers, major employers, and SDSU students, were engaged in 11 listening sessions held in 5 different communities.
- Key themes included:
  - › The need for lower maintenance home ownership options that retirees and young professionals are especially looking for.
  - › The need to build a diversity of housing options to fit current and future resident's incomes, life stages, and life styles was brought up.
  - › The rental market's fast paced turnover and leases running June to June hinder recruiting professionals to the City of Brookings.
  - › A perception that the growth in new build rental units has increased the overall quality of rentals.
  - › Flood plains hindering the growth of the City of Brookings specifically means creative and thoughtfully use of greenfield and redevelopment sites to maximize efficiency will be necessary.
  - › A shortage of skilled home builders is effecting Brookings County by increasing both the cost of construction and the time it takes to complete a project.
- A housing community survey was distributed online and received 1,465 responses.
  - › Over 80% of respondents in Brookings County felt that mid-size, three bedroom houses; affordable, small two or three bedroom house; independent senior living; and traditional housing would be successful.
    - » Between 50% and 79% of respondents thought a diversity of sizes and types of housing from accessory dwelling units to apartments and townhouses and duplexes would be successful.
  - › Over 50% of respondents saw an undersupply for rentals below \$1,000 a month and owner-occupied houses under \$200,000.

## Chapter 3: Opportunities

Chapter 3 focuses on the future housing needs of the county and individual cities and opportunity areas for growth.

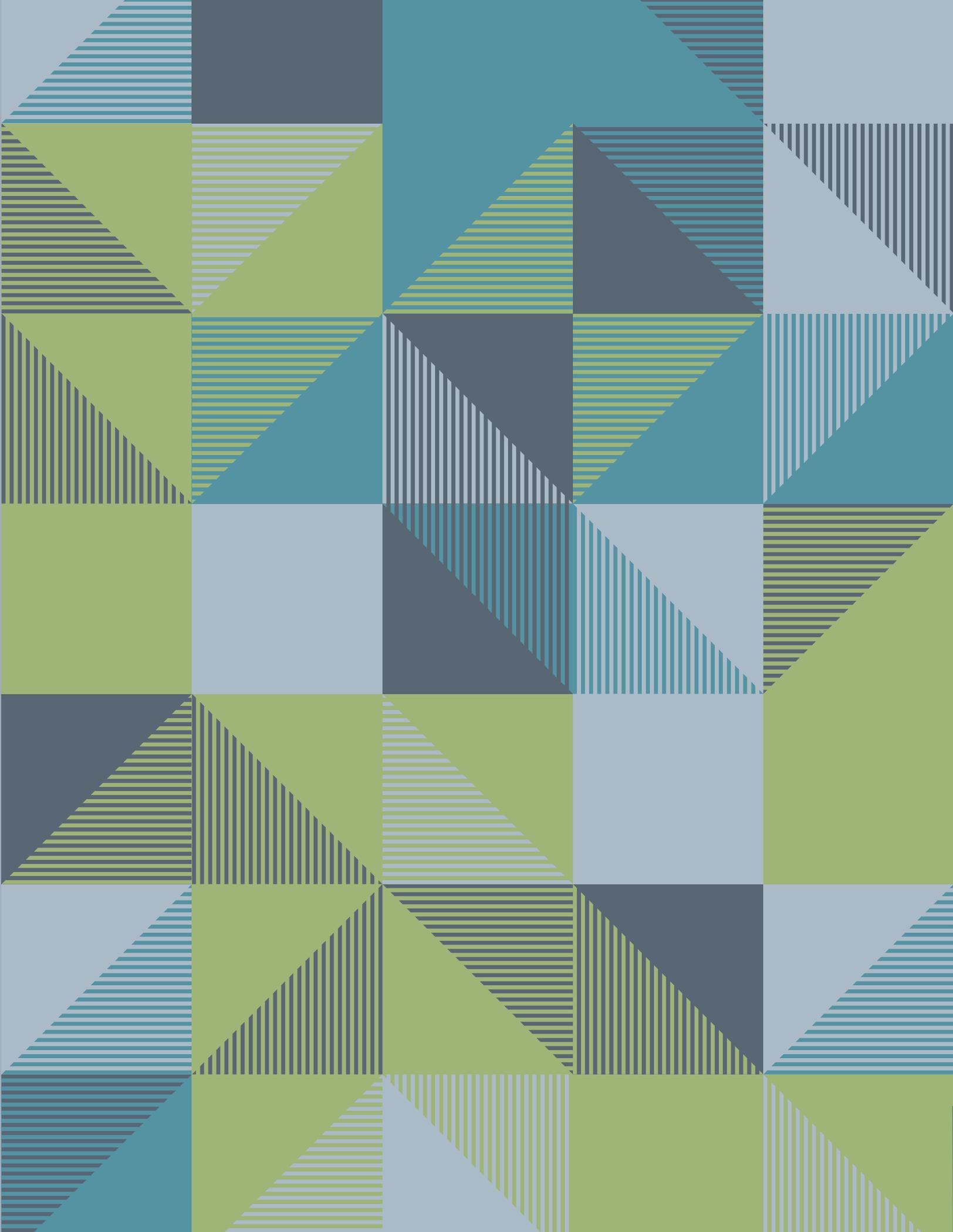
- City of Brookings used a 1.9% annual growth rate, Aurora a 1.5%, and Volga a 1.0%.
- City of Brookings should develop roughly 1,346 new housing units 60% of which are owner-occupied. Roughly 432 units will need to be valued below \$200,000 and will likely take assistance to produce them.
- Preservation of existing housing units will need to occur.
- Volga is seeing a diminishing supply of buildable lots and should build roughly 186 units.
- There is a lack of low maintenance and senior living facilities in Volga.
- Aurora's growth should slow its housing growth to a more sustainable pace as the supply of lots starts to diminish.
- Elkton and White have had slow to no population growth over the past decades. The cities should look to infill lot development and maintaining their current stock of affordable housing units.

## Chapter 4: A Path Forward

This chapter details the recommendations and the following table is a summary of them. Each recommendation is characterized according to objective, responsibility for implementation, and finance tools available. It is often challenging for a study to identify every potential program or strategy and the strategies and policies in this study should be viewed as a starting point that can be built upon and evolve to create a healthy housing market for all.

	 OBJECTIVE	 RESPONSIBILITY	 FINANCE TOOLS
<b>Create Mechanisms to Share Risk</b>	Help builders and developers feel more comfortable to pursue a greater variety of housing products.	City/County, Non-Profit Developer, Banking Community, BEDC	State/Federal programs Local funding pool Housing Trust Fund Housing Opportunity Fund Infrastructure Build-Out Funds
<b>Increase Variety of Housing Options</b>	Providing housing options for individuals at all income levels and stages of life.	City/County, Non-Profit Developer, Developers, BEDC	State/Federal programs Housing Trust Fund Local funding pool Municipal incentives Infrastructure Build-Out Funds
<b>Secure and Conserve Existing Housing</b>	Capturing the benefits of the existing housing stock while providing updated, affordable, and/or needs for specific housing.	City, Banking Community, Housing Partnerships, Non-Profit Developer, Realtors	State/Federal programs Housing Trust Fund Local funding pool Municipal incentives Tax abatement Tax Increment Financing (TIF)
<b>Encourage Development in Communities or Existing Sites</b>	Leverage existing utilities and resources to the greatest degree possible and avoid burdening future tax payers.	City, County and development community	Policy tool Preference given when using financing tools Local funding pool (infill lots) TIF Infrastructure Build-Out Funds
<b>Expand Workforce Development</b>	Increase the number of individuals in the building trades and address the labor shortage that is limiting the ability to produce more housing.	BEDC, Local High Schools, Lake Area Technical College, SDSU,	State/Federal Programs Local employers and investors Build Dakota







# Introduction

## Reason for a Plan

Housing impacts the quality of life for residents in Brookings County, for people interested in moving to the area, and for businesses seeking to recruit and retain employees. Due to the importance housing has on a the entire community, Brookings County, the City of Brookings, and the Brookings Economic Development Corporation (BEDC) have come together to support a countywide housing study.

A housing study serves several purposes. First, how much housing is built and the housing people need/want do not always correlate. This is not because builders and owners/renters do not want it too. Instead, other forces often influence decisions and when the market does not self-correct, interventions in the market are necessary. Through community engagement, interviews, community tours, and market analysis, a housing assessment identifies the market gaps and strategies to meet the housing needs of various households.

## Why Now?

The importance of housing and the increasing cost to build and maintain it has been rising in national prominence. Communities within Brookings County have not been immune to these changes in the housing market. Recent years have shown an increase in the cost to own or rent a home in Brookings County.

Local factors in Brookings County accentuate these national trends. These local factors include a strong economy that has created a strong demand for housing and the environmental factors of floodplains and a high water table. Reasons a housing study was undertaken include:

- Struggle by employers to attract workers and then find appropriate housing.
- Flood plains limiting land available for development.
- Sense that there are few rental options in communities for new and a existing residents.
- Short supply of for sale housing
- Increasing cost of building supplies.
- A decrease number of people working the construction trade industry.



## Study Organization

The study includes an analysis of the Brookings County housing market, along with practical recommendations and tools to help address the housing issues and opportunities. The organization on the following pages allows combined understanding of the physical and socioeconomic conditions with implementation tools that can be leveraged at the local or regional level.

- Chapter 1 examines housing, demographic, and economic trends.
- Chapter 2 summarizes outreach efforts comprised of community listening sessions and an online survey.
- Chapter 3 outlines housing demand projections, issues, and opportunities for the county as well as each city.
- Chapter 4 delivers strategies, programs, and policies that will move the county and cities towards more attainable and affordable housing.

## Housing Terminology

Several terms and phrases are used in housing lingo today, many are not easily understood without explanation and some mean different things to different people. The following terms are used throughout this document to explain the housing market.

**Affordable Housing.** Any housing that is not financially burdensome to a household in a specific income range. The term affordable housing can include housing that is subsidized by federal programs.

**Attainable Housing.** Much like affordable housing, this is housing that is not financially burdensome to a household in any income range. This term does not have the association with state and federal programs that affordable housing has.

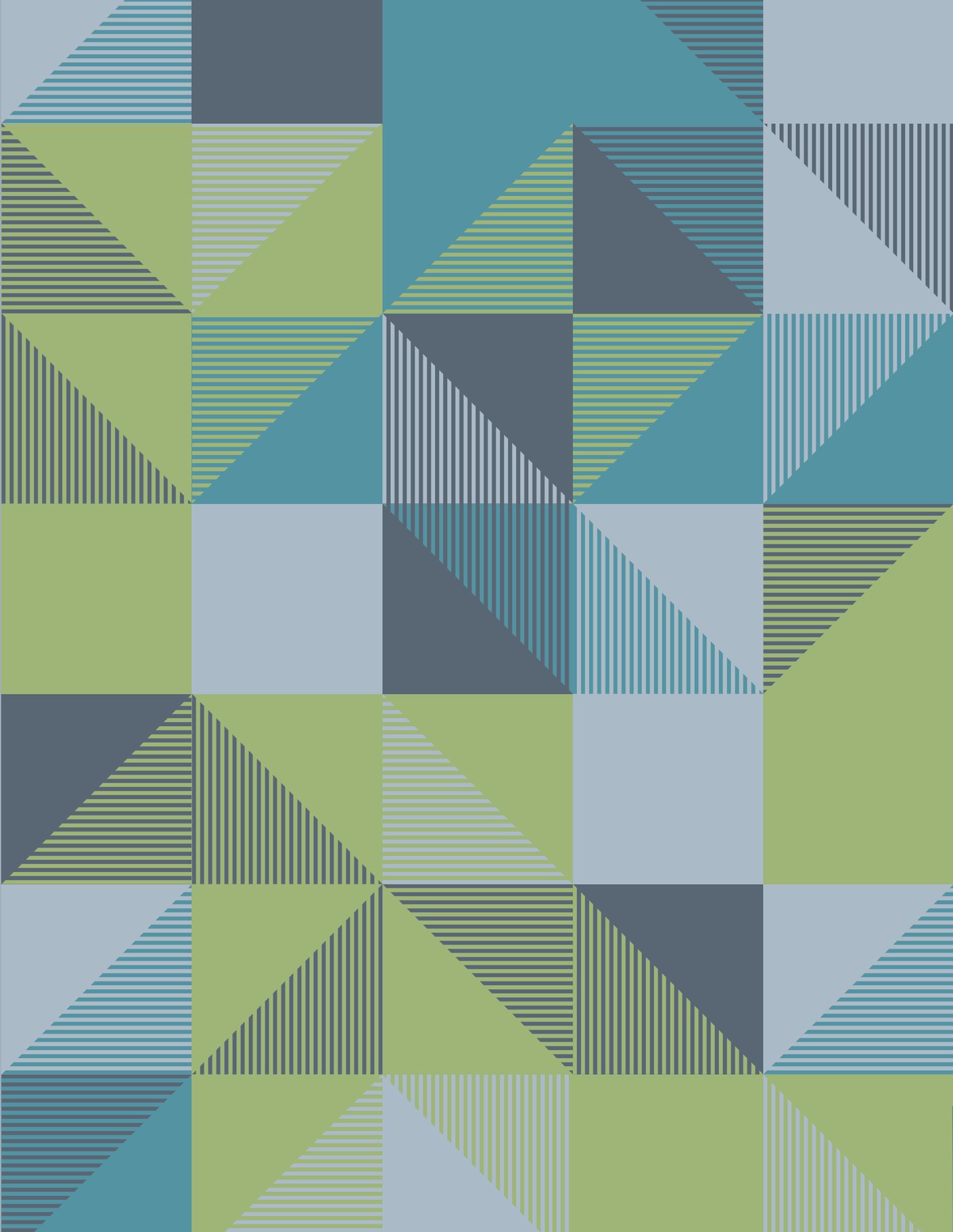
**Workforce Housing.** According to the Urban Land Institute, workforce housing is any housing that is affordable to a household earning between 60% and 120% of the area median income (AMI).

**Empty Nester.** A single person or couple without children living at home. Empty nester can include any age range, but most often refers to older adults and seniors whose children have moved to college and no longer live at home.

**Senior Housing.** Often thought of as nursing homes and assisted living facilities, senior housing in the context of this study is more broadly defined and refers to housing that caters to older adults. These housing options could include ground floor apartments, condos, housing with limited assistance, or other options that allow seniors to live independently with less maintenance.

**Cost Burdened.** Any household spending more than 30% of their monthly income on housing.

**Area Median Income (AMI).** The midpoint in the county's income distribution, meaning that half of households earn more than the median and half earn less. A household's income is calculated by its gross income or the total income before taxes and other payroll deductions.





1

**BROOKINGS  
TODAY**

## What can data tell us

The current state of Brookings County’s housing market is a cumulation of historical trends, population demographics, economy, and conditions of the broader housing market. Understanding the baseline conditions help specify what current challenges are faced, opportunities to capitalize on, forecasts future housing needs, and helps articulate what programs should be implemented to improve the local housing market.

Data for analysis comes from a wide variety of sources. These include:

- County and city data on building activity.
- County and city GIS departments.
- Existing studies and plans completed in the county and cities.
- The U.S. Decennial Census and American Community Survey (ACS)
  - › It should be noted that due to the COVID-19 Pandemic, only a limited amount of 2020 Census Data had been released at the time this study was written. A mix of 2019 ACS and 2020 Decennial Census data was used to provide the most up-to-date data available.

## Benchmarking

Throughout this chapter, comparisons are made to peer counties. Peer counties provide a baseline to evaluate conditions in Brookings County to similar counties. While each county contains similarities to Brookings County, ultimately each has a unique set of circumstances that set it apart. Similarities can give insight into what are likely larger systematic conditions and differences can indicate local conditions that could be addressed.

### Benchmark counties include:

**Clay County, SD (2020 population 14,967).** Home of the University of South Dakota and Vermilion’s student to population ratio is 0.81.

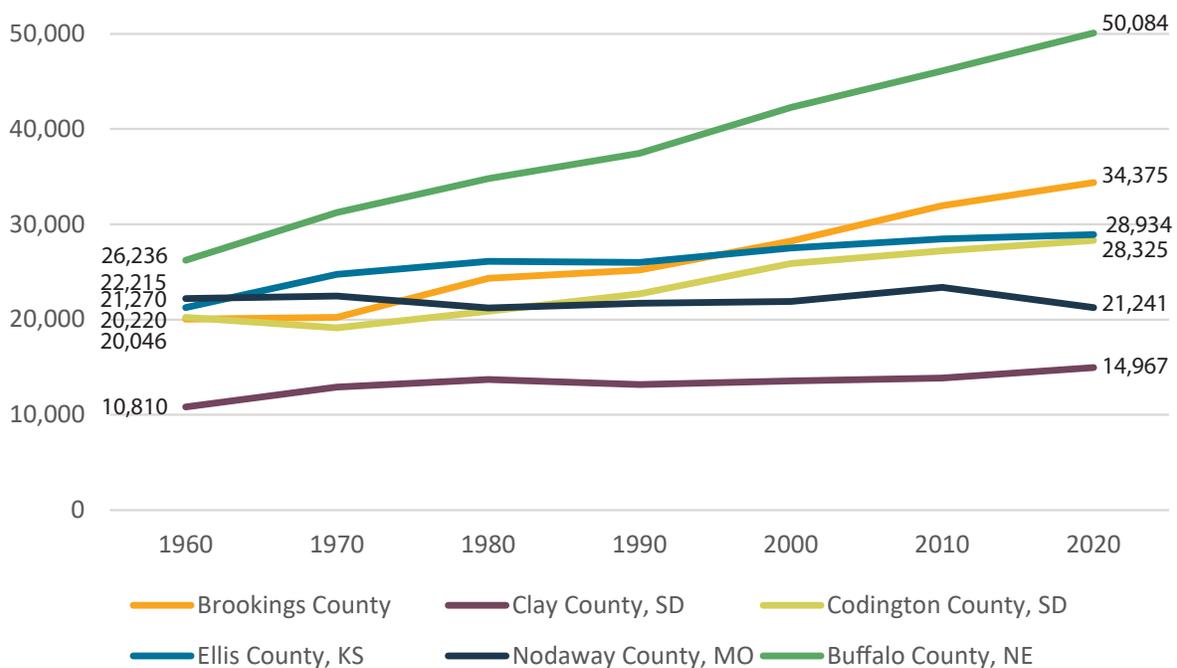
**Codington County, SD (2020 population 28,325).** Located an hour north of the City of Brookings on I-29, Codington County has a similar population size as Brookings County. Watertown has a student to population ratio of 0.11.

**Ellis County, KS (2020 population 28,325).** Ellis County has a similar population and its main city Hays has a student to population ratio of 0.67.

**Nodaway County, MO (2020 population 21,241).** Nodaway County has a similar population to Brookings County and its main city Maryville has a student to population ratio of 0.68.

**Buffalo County, Nebraska (2020 population 50,084).** Buffalo County has a larger population than Brookings County. Its main city Kearney is located along a major interstate and has a student population ratio of 0.18.

**Figure 1.1: Benchmark County Population Growth**



## Market Indicators

Many factors shape the housing market in Brookings County today.

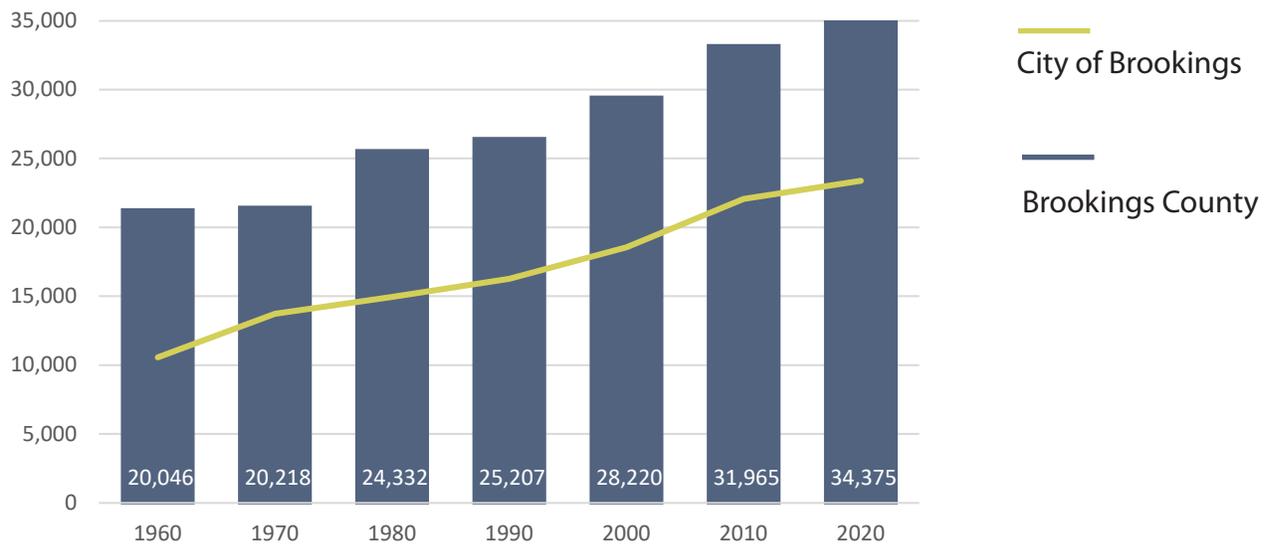
### Population Change

Figure 1.1 shows that Brookings County has had steadier growth than many of its benchmark communities. Population change, Figure 1.2, in Brookings County and the City of Brookings shows a steady increase in

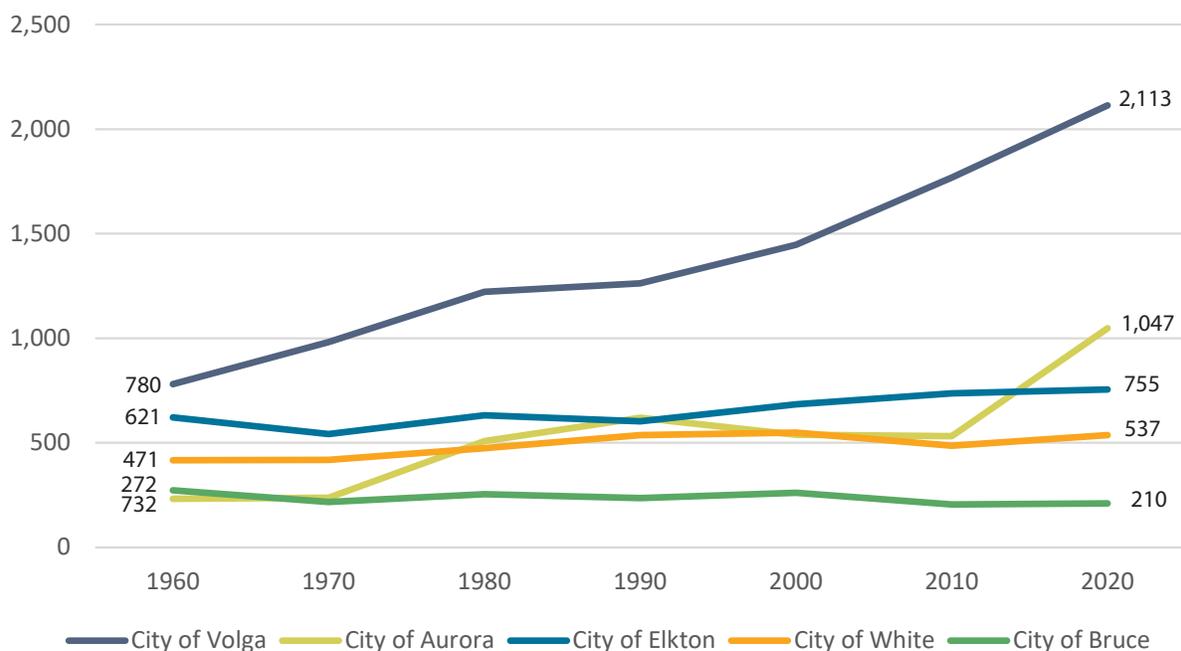
population that mirrors.

- Population has been relatively steady for Brookings County's smaller cities.
- Communities closest to City of Brookings have seen the most population growth in recent years.
- Volga and Aurora's residential building activity is reflected in the increases in population in recent decades.

**Figure 1.2: Brookings County and City of Brookings Population**



**Figure 1.3: Cities in Brookings County Population**



## Age Cohorts

Changes in demographics help indicate housing needs today and in the future. These age cohorts give important insight into what the housing market could support based on household preferences. The primary cohort indicators correlate to three stages of life.

**Emerging.** Those under 25 may still be in school or just entering the workforce and are often renters or living with someone. Brookings County has a large portion of individuals in the emerging category due to South Dakota State University (SDSU).

**Establish(ed/ing) Cohort.** Those between 25 and 54 are beginning to think about entering the housing market or are already an established homeowner, perhaps with a family or a childless couple. They may move for:

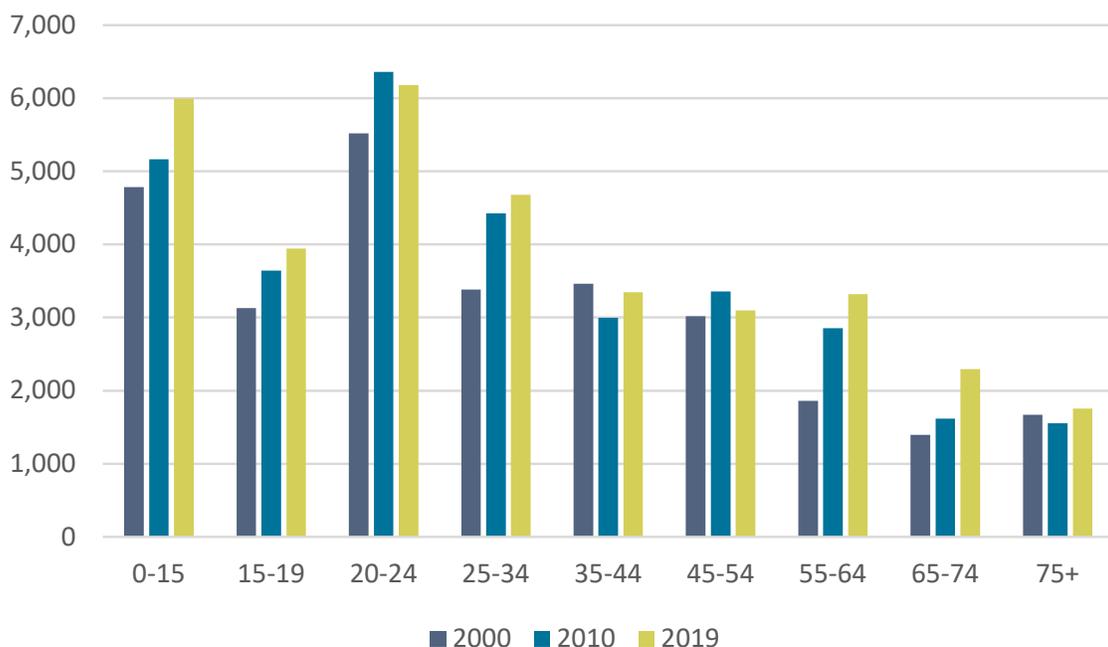
- › Quality of life amenities, including schools and other family amenities.
- › Better/higher paying job opportunities in other locations.
- › For affordable housing options for renters who wish to enter home ownership or homeowners that want to move-up.

**Senior Cohort.** Those over 55 are likely living alone or with a spouse, reaching retirement, or already retired. The highest aged cohort, 80+, may be on fixed incomes or need special assistance, creating additional affordability and housing variety consideration.

Figure 1.4 illustrates how Brookings County’s age compositions has changed over the past decades.

- The population over the age of 55 is seen increasing as the Baby Boomer generation moves through the age cohorts.
- A decrease in those 20-24 years of age who are mainly connected to South Dakota State University. This age cohort is expected to decrease slightly over the next decade due to what is referred to as Gen Z being a smaller generation.
- An increase in those between age 25-34 matches what was heard from community members. An increase in SDSU alums moving back to the City of Brookings after working somewhere else for a couple of years was mentioned during public participation events.

**Figure 1.4: Brookings County Age Cohort Change (2000-2019)**



## Economic Snapshot

Brookings County, and the City of Brookings in particular, are fortunate to have a strong economy with several major employers dedicated to the community. These employers range from a public university, healthcare system, and several manufacturing firms. A wide range of smaller local businesses and restaurants help create a vibrant economic ecosystem and quality of life.

## Workers Needs

A large range of housing needs and prices exist within the county's workforce. To keep a healthy housing market, the county needs to provide spaces for college students, teachers, retirees, and CEOs. This diversity of incomes and life stages necessitates a diversity of housing options.

- Education is a major employment industry in Brookings County with South Dakota State University attracting and retaining many workers.
- The second-largest employment industry is manufacturing, with many of the industries located along Interstate-29.
- The third largest employment industry is arts, entertainment, recreation, accommodations and food services. Many SDSU students are employed in the food service industry.

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“Affordable housing is a challenge in the Brookings community. We likely need more available rentals and lower-cost home ownership options to attract a workforce to allow current employers to grow in Brookings.” - Survey Respondent

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**Figure 1.5: Brookings County Employees by Sector**

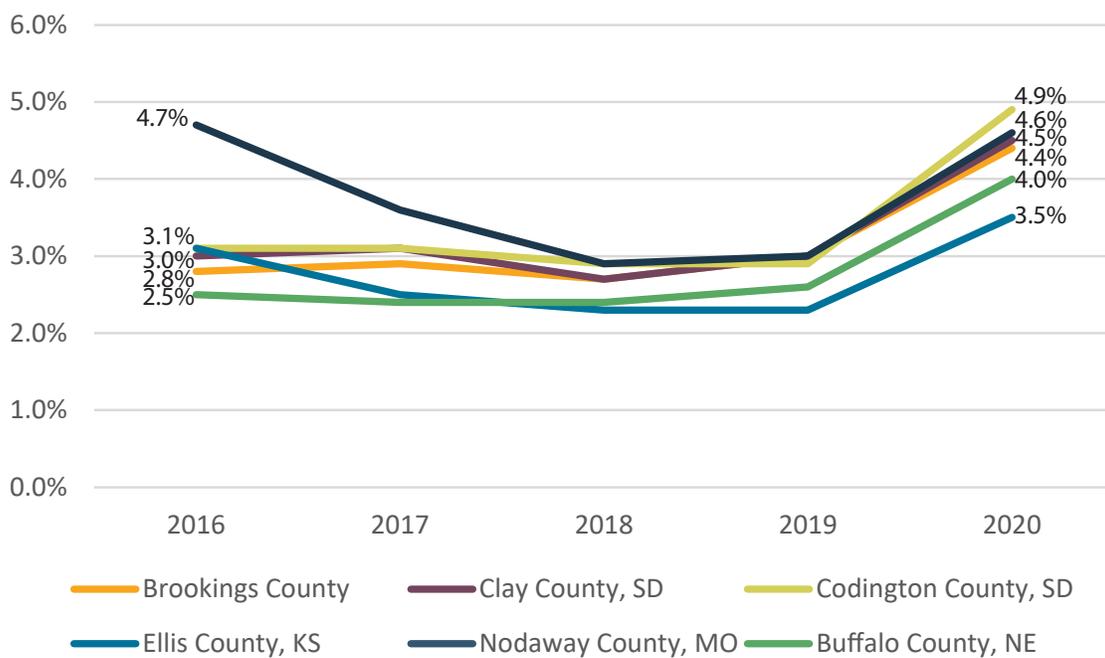


### Benchmarking

The 2020 COVID-19 Pandemic created a drastic change in the employment characteristics of Brookings County and the nation as a whole. Brookings County saw a quick 1% increase in unemployment between 2019 and 2020. This 1% increase in unemployment was less than Clay and Codrington County experienced. Ellis County, Kansas and Codrington County, Nebraska maintained the lowest unemployment rates during 2020.



**Figure 1.6: Benchmark County Unemployment Rate**



## Housing Snapshot

A strong economy can lead to community growth only if adequate housing is available for new workers to move into. Utilizing housing data in Brookings County, it is possible too understand the housing options that current residents have and future residents might need.

## Occupancy

A mix and variety of rental and owner-occupied units creates a balance and affordability in the market along with accommodating various preferences. Within the City of Brookings, the number of rentals becomes concentrated closer to SDSU's campus. The number of college students living in the City of Brookings and Brookings County in general results in higher rental occupancy than the state or national averages.

- Renter occupied units increased by 0.1 percentage points from 2010 to 2020 for Brookings County. The percentage of housing units that were rentals decreased in the City of Brookings by 0.14 percentage points between 2010 and 2020.
- Brookings County has experienced a 4.2 percentage point increase in all vacancy rates from 2010 to 2020.

Figure 1.7: Housing Occupancy Trends

### Owner-Occupied 2020 ACS



49.1% City of Brookings  
58.9% Brookings County  
68.0% South Dakota  
64.4% USA

### Renter-Occupied 2020 ACS



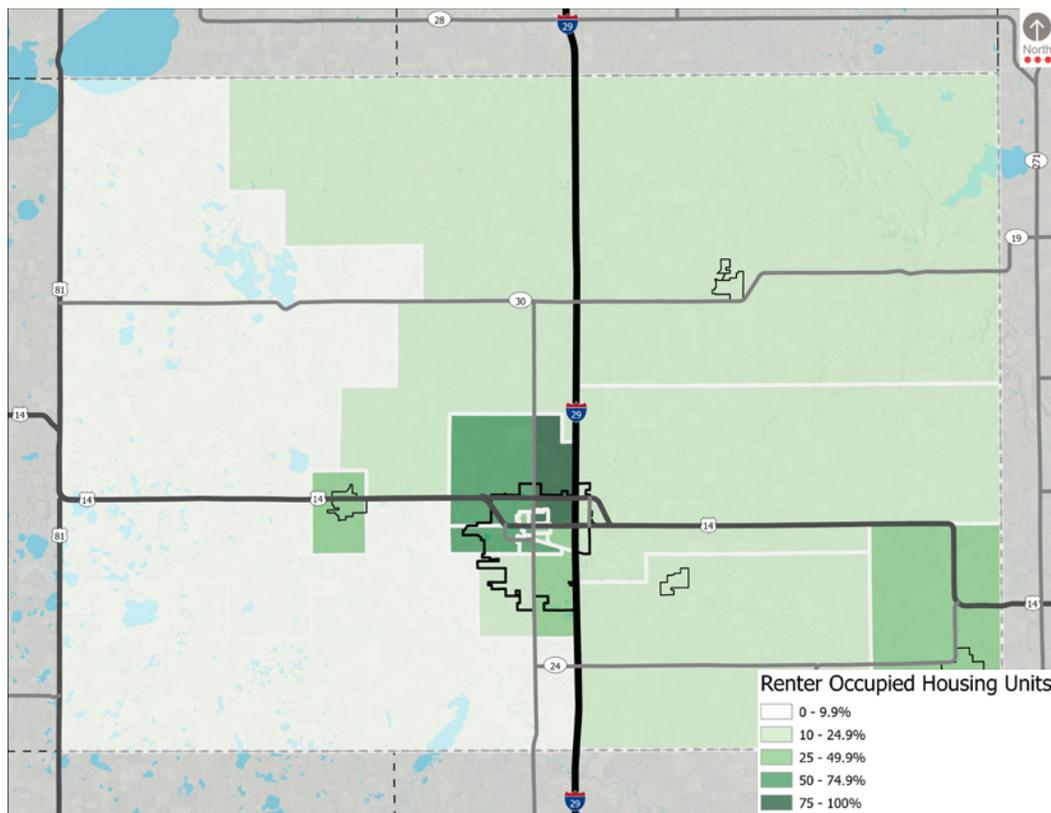
50.9% City of Brookings  
41.1% Brookings County  
32.0% South Dakota  
35.6% USA

### Vacant 2020



11.7% City of Brookings  
11.6% Brookings County  
10.9% South Dakota  
12.1% USA

Map 1.1: Rental Occupancy by Blocks Groups (2019)



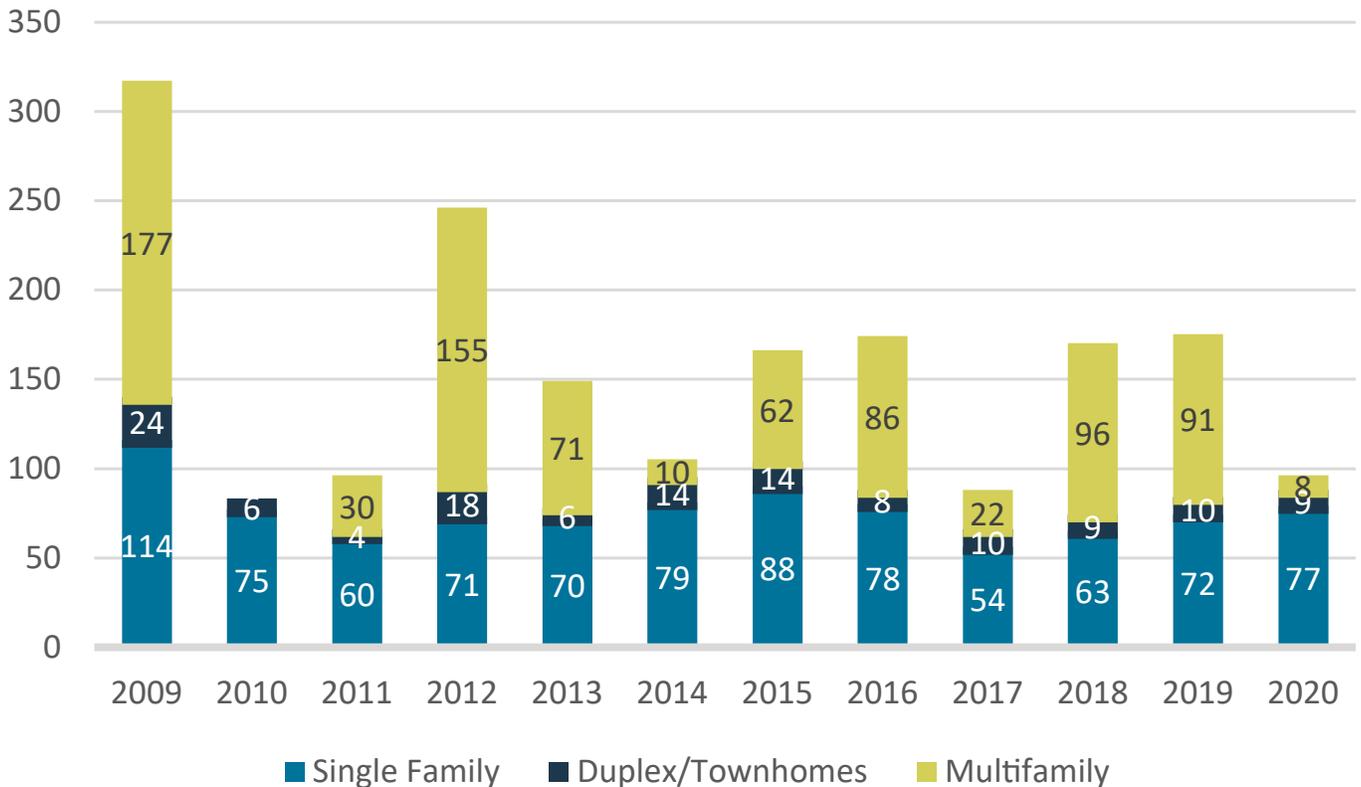
### Construction Trends

The construction of residential units is one of the most direct indications of market demand. Private market developers will not construct housing unless the price is adequate for profit and Brookings County has seen steady construction occurring throughout the years.

- The City of Brookings contributes the most new residential construction to the county’s overall housing as seen in Figure 1.8.
- The City of Brookings has seen a decrease in the number of residential construction permits issued in the past few years. However, an increasing number of new multifamily units for rent, as seen in the data and was noted during the listening sessions, has helped increase the number of quality rentals on the market.
- Aurora and Volga have seen strong construction permits. Volga had 167 new units permitted between 2009 and 2019 and Aurora had 201 new units permitted between 2009 and 2019.
- The other smaller towns have seen scarce new home constructed and no major housing developments as their populations have remained relatively stable throughout the years.



**Figure 1.8: Residential Construction Permit, City of Brookings**



## Housing Value

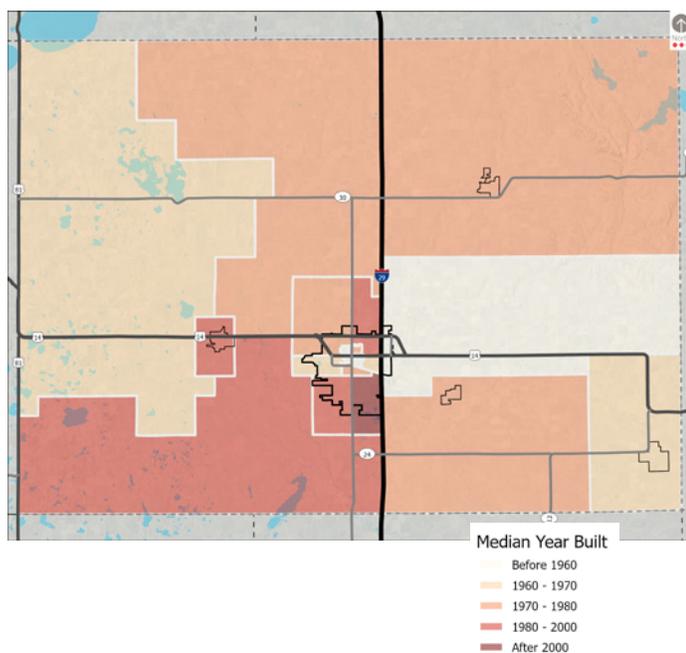
The age and condition of housing are often reflected in the cost of housing. The relationship between housing values and the age of the housing can be visualized in Map 1.2 and Map 1.3. Many of the smaller communities in Brookings County have not seen much recent housing development. As a result, their homes tend to be older but also tend to be lower value.

The City of Brookings has some of its older housing units and lowest housing values west and south of SDSU's campus. These neighborhoods are the center of renting for college students.

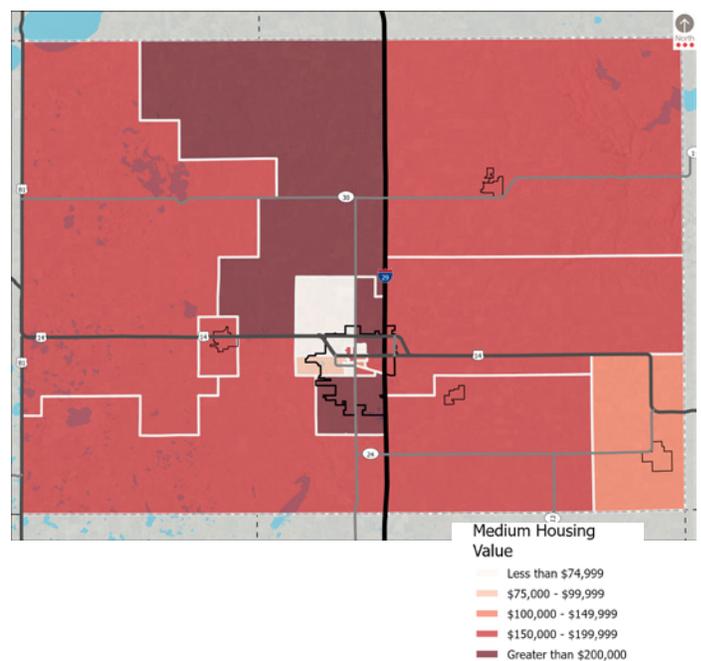
However, when a market has a high demand for housing, renters and buyers are forced to accept what is available. The City of Brookings can see example of some of its central neighborhoods that are further away from SDSU but have retained a higher value due to the demand people have to live in close proximity to the city's jobs and amenities. The higher demand for housing, regardless of age, can help property owners and residents reinvest in their homes and neighborhoods.



**Map 1.2: Median Year Home Built (2019)**



**Map 1.3: Median Home Value (2019)**



## Sales and Lease Trends

The frequency of home sales show the level of movement in the housing market. Multiple Listing Service (MLS) data is used to focus on the three most populated cities in the county and three key indicators of housing market trends.

The length of time a residential house sits on the market reflects the demand for housing in the local market. It is noted that days on the market includes all homes, even those that may be on the market much longer than the median because of unique features or low quality. These homes can inflate sales data. This means a standard home in good quality days on the market is often much lower than the median days on market.

### Days on Market

- Aurora, Brookings, and Volga all showed a decrease in the number of days a residential house was on the market over the past three years.
- This decrease in days on the market was noted during listening sessions that most quality houses are selling within a few days of being listed.
  - › Volga experienced the smallest decrease in days on the market.
  - › Brookings had the longest days on market but also has the largest, most diverse, and most expensive housing on the market.

### Median Sales Price

- All cities experienced an increase in the median sales price.
  - › The City of Brookings has seen an increase in median sales price of \$40,175 between 2019 and 2021.
  - › The City of Brookings median house sells for roughly \$20,000 more than Aurora or Volga.

### Number Sold

- The number of housing units sold has remained relatively steady in all cities and actually increased during 2020 fueled by record low interest rates and people being at home more.

**Table 1.1: City of Aurora Residential Sales**

	2019	2020	2021
<b>Number Sold</b>	36	46	42
<b>Median Sales Price</b>	\$188,450	\$199,000	\$224,950
<b>Median Days on Market</b>	91	50	7

*Source: Major Listing Service*

**Table 1.2: City of Brookings Residential Sales**

	2019	2020	2021
<b>Number Sold</b>	324	365	354
<b>Median Sales Price</b>	\$201,500	\$225,000	\$241,675
<b>Median Days on Market</b>	152	124	72

*Source: Major Listing Service*

**Table 1.3: City of Volga Residential Sales**

	2019	2020	2021
<b>Number Sold</b>	28	38	27
<b>Median Sales Price</b>	\$198,700	\$187,450	\$220,000
<b>Median Days on Market</b>	99	69	46

*Source: Major Listing Service*

## Affordability

Many factors contribute to the overall affordability of the housing market including whether supply and demand are in balance, whether new units adjust values throughout the market, whether there is a sufficient vacancy to allow owners and renters to move within the market and thus allow the lowest quality units to filter out and the incomes that people are able to earn in their community.

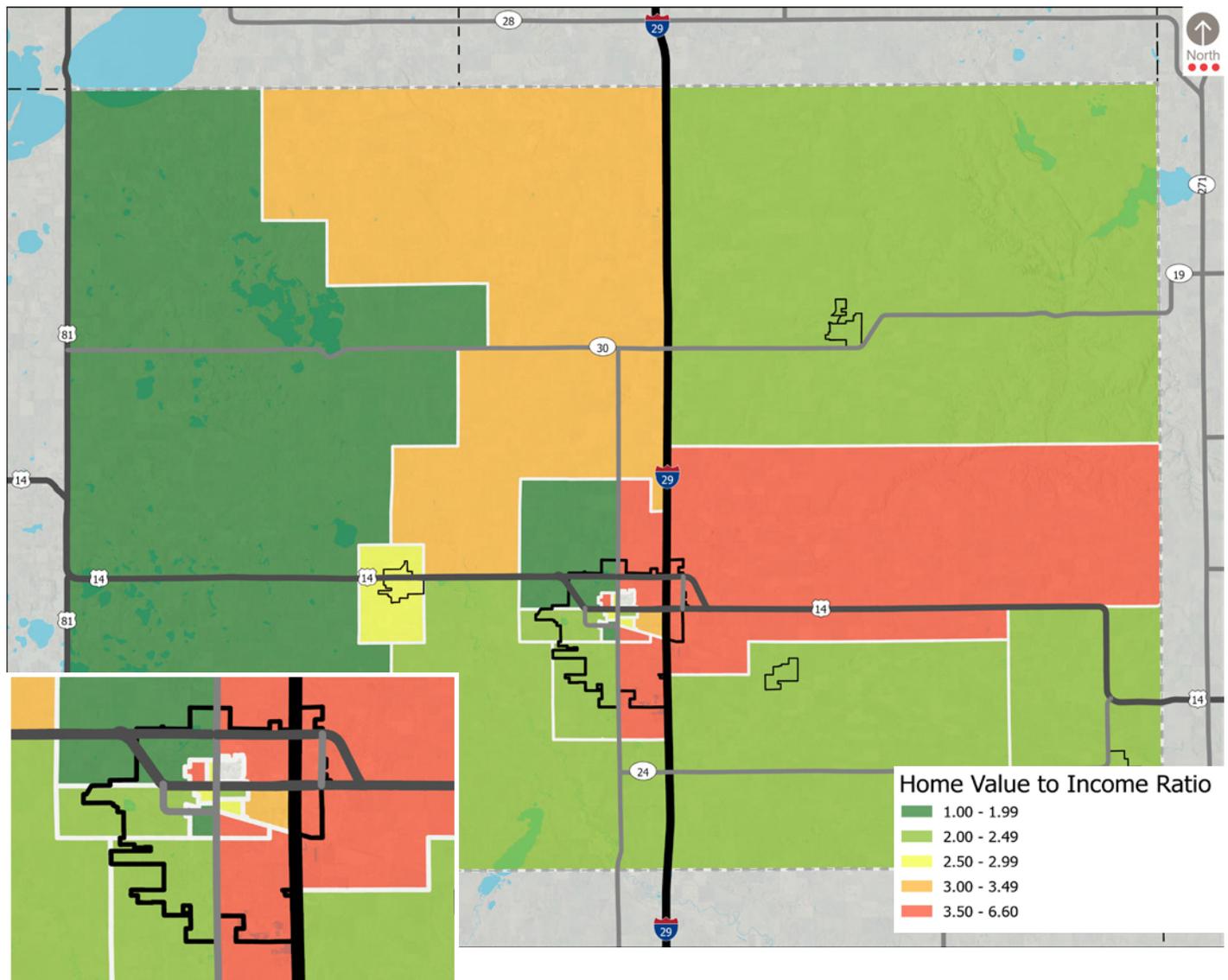
The following section explores dimensions of housing affordability in Brookings County and benchmark counties. The section concludes with an analysis that pairs households with affordable price-points to understand gaps in the housing market.

## Value to Income Ratio

One metric to evaluate whether incomes are enough to afford a home is to compare household income to the value of the home. This metric can be adapted to evaluate the affordability of housing in different cities.

In most instances, an affordable, self-sustaining housing market has a value to income ratio between 2.5 to 3.0. Ratios above 3.0 present a significant affordability issue, while ratios below 2.0 are significantly undervalued relative to income. Map 1.4 shows the value to income ratio by census block groups. Areas around SDSU's campus with large student populations show high unaffordability. This is due to most college students having very low incomes.

**Map 1.4: Value to Income Ratio by Census Blocks Groups (2019)**



## Benchmarking

An important metric in housing affordability is the percent of income that residents spend on their housing needs. According to the U.S. Department of Housing and Urban Development (HUD), “families who pay more than 30% of their income for housing are considered cost burdened and may have difficulty affording necessities such as food, clothing, transportation, and medical care.”

- Brookings County and the City of Brookings have fewer households paying more than 30% of their income on owner cost compared to other benchmark communities.
- The City of Brookings has a higher value to income ratio (3.36) compared to Brookings County and its benchmark counties. This shows that housing affordability is an issue within the city.
- Brookings County and the City of Brookings have the highest median home values and median contract rent when compared to its benchmark counties.
- Almost half of renters in both Brookings County and the City of Brookings pay over 30% of their income. This high number is in part do to the high percentage of college student with low incomes living in rentals.

**Table 1.4: Household Income and Cost**

	VALUE TO INCOME	MEDIAN HOUSEHOLD INCOME	MEDIAN HOME VALUE	MEDIAN CONTRACT RENT	% PAYING MORE THAN 30% ON
<b>City of Brookings</b>	3.36	\$53,863	\$181,000	\$670	Owner Cost: 8.3% Gross Rent: 48.9%
<b>City of Watertown</b>	3.44	\$50,971	\$175,500	\$606	Owner Cost: 13.8% Gross Rent: 46.2%
<b>City of Madison</b>	2.25	\$55,096	\$123,900	\$516	Owner Cost: 13.9% Gross Rent: 52.2%
<b>Brookings County</b>	3.08	\$58,136	\$179,000	\$660	Owner Cost: 10.6% Gross Rent: 47.2%
<b>Clay County, SD</b>	3.32	\$50,724	\$168,300	\$633	Owner Cost: 15.0% Gross Rent: 56.8%
<b>Codington County, SD</b>	3.10	\$56,376	\$174,500	\$599	Owner Cost: 14.5% Gross Rent: 47.9%
<b>Ellis County, KS</b>	3.20	\$52,883	\$169,100	\$591	Owner Cost: 16.2% Gross Rent: 47.3%
<b>Nodaway County, MO</b>	2.86	\$44,232	\$126,400	\$503	Owner Cost: 13.8% Gross Rent: 43.9%
<b>Buffalo County, NE</b>	2.94	\$59,431	\$174,800	\$631	Owner Cost: 16.6% Gross Rent: 44.5%

Source: U.S. Bureau of the Census; U.S. Census Population

## Housing Affordability by Cost Range

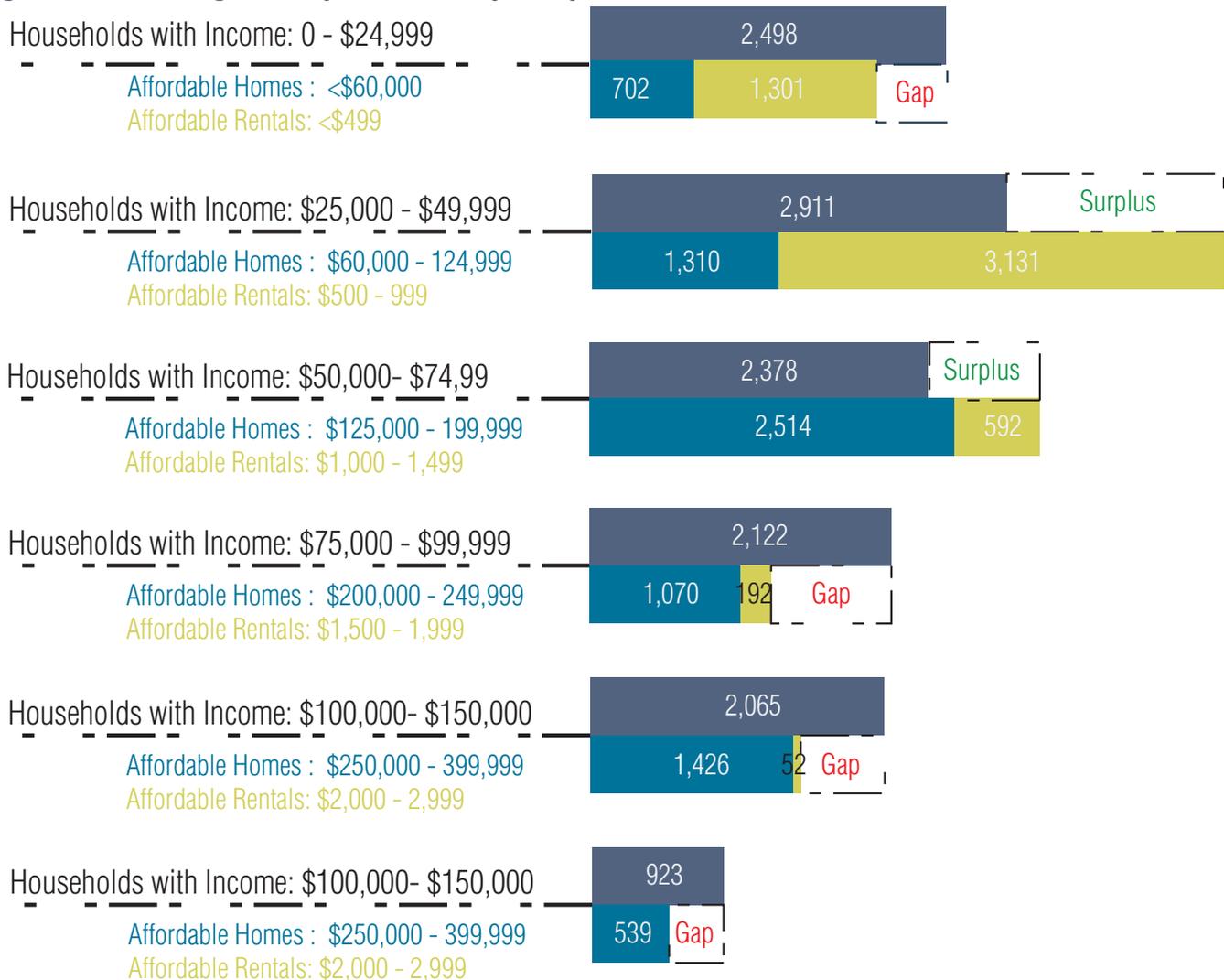
Figure 1.8 evaluates the availability of affordable housing at different income ranges and the quantity of homes required to balance the need. A positive balance indicates a surplus of housing within the affordability range of each respective income group, while a negative balance indicates a shortage.

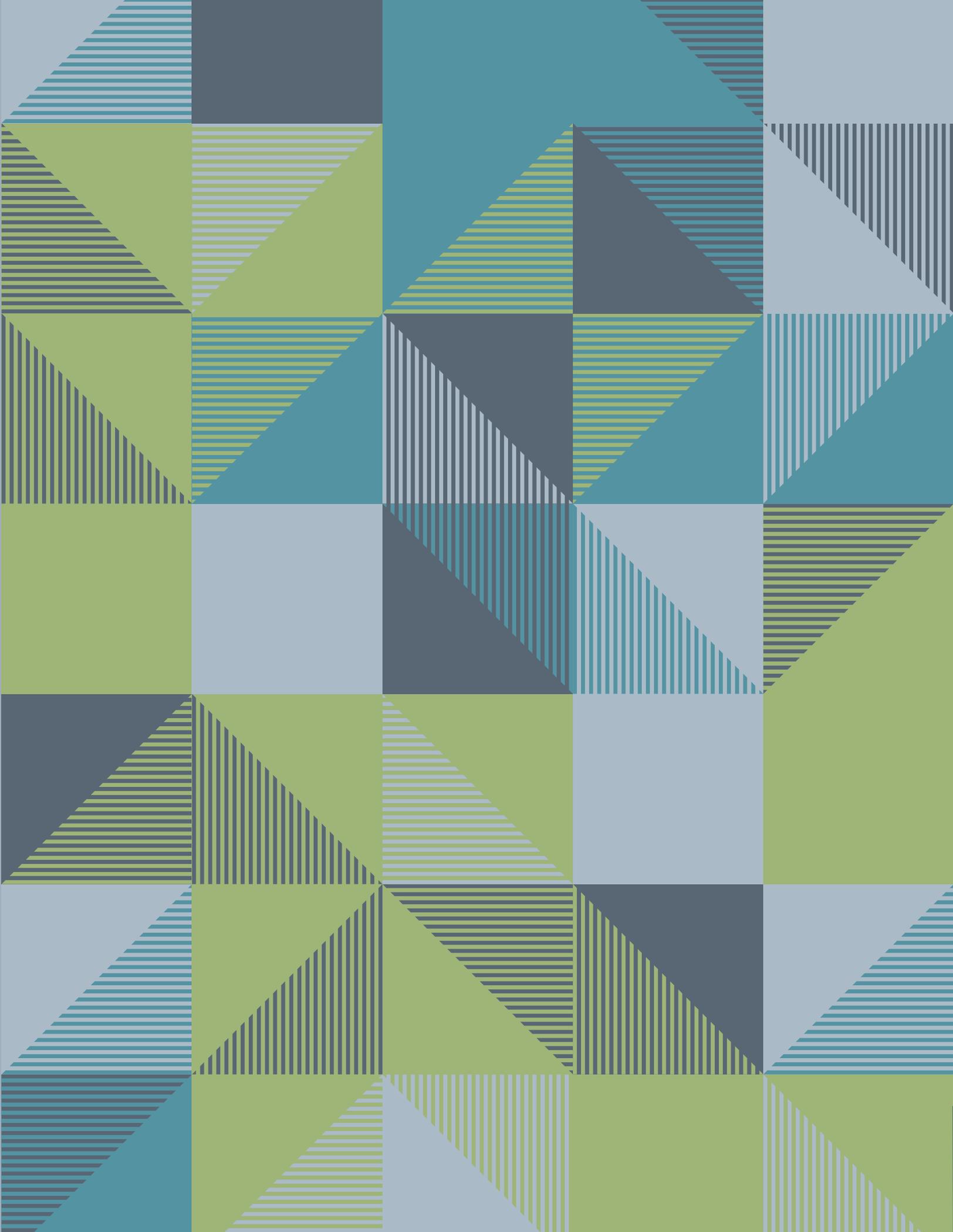
Brookings County has a surplus of housing units that should be affordable for households earning between \$25,000 to \$74,999 a year. Shortages in affordable housing units for those earning less than \$25,000 and households in higher income brackets for households earning more than \$75,000 a year.

A housing shortage typically affects the lowest income households more because of the limited choices they have in the market. This means that households earning above \$75,000 are most likely not without homes but are living in housing units below what they can afford. The result pushes those earning less into lower valued or lower quality homes causing a cascading effect. Increasing the number of higher valued housing units can help encourage some high earning households to move to higher priced houses, opening their more affordable house to lower earning residents.

The shortage of housing units for households making less than \$25,000 will have to come from either the existing housing stock or new subsidized units. The private market can usually not support the creation of new housing units within this price-point without incentives or subsidies. It should be noted that the under \$25,000 income range includes seniors living on fixed incomes. Seniors may have their homes paid for but may still struggle with maintenance and upkeep cost.

**Figure 1.8: Brookings County Affordability Analysis**







**2**

**Qualitative  
Data**

## Qualitative Insight

The voice and experience of Brookings County residents is essential to understanding the current housing environment and where the community wishes to see the housing market move in the future. Residents, real estate agents, builders, employers, officials, and the financial community must all share their perspectives to make a well rounded plan. Input from these voices and other stakeholders was gathered through in-person meetings and a community survey. This chapter provides a broad overview of the community's input with additional community comments being spread through the rest of the chapters.

## Community Listening Sessions

A series of discussions with community stakeholders, including real estate agents, lenders, builders and developers, city staff, council members, employers, SDSU students and staff, and general residents providing a more direct and beneficial insight into housing conditions in Brookings County. Listening sessions were held in the cities of Brookings, Elkton, Volga, and White. An additional listening session was held on SDSU's campus directed towards understanding the needs and experience of the student body.

**Table 2.1: Listening Sessions**

GROUP	DATE	ATTENDANCE
City of Brookings/ Brookings County	6 meetings December 13th and 14th, 2021	47
City of Elkton	1 Meeting December 13th, 2021	3
City of White	1 Meeting December 13th, 2021	1
City of Volga	1 Meeting December 14th, 2021	6
South Dakota State University	January 20th, 2022	13
<b>Total</b>		<b>70</b>

## Buyer Preferences

Throughout the listening sessions several key themes appeared in the area surrounding owner occupied housing market.

**Retirees.** Many retirees want to stay in or move to the City of Brookings to enjoy the high quality of life the city offers. Volga is also seeing many retiree age residents looking to downsize to a lower maintenance option but are finding few available. Retirees are often looking to maintain ownership but want to have a lower maintenance option. There are few options of low maintenance condos in Brookings County.

**Young professionals.** Many young professionals are looking for an affordable way to move into home ownership but prefer lower maintenance options. In many ways young professionals have an interest in housing options similar to empty nesters and retirees. There is a perception that most of the low maintenance housing options in Brookings have a 55 and older policy.

**Diverse Housing Options.** Throughout the discussions, the need for a variety of owner occupied housing styles from single family detached housing, duplex, triplex, condos, and even some acreage style lots was heard. An increasing diversity of housing can help meet the variety of incomes, life stages, and life styles within Brookings County. Housing options can help create movement across the housing market helping to open up affordable homes as people are better able to find a housing size and style that meet their income, life stage, and preference.

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“We need more affordable smaller homes in Brookings.” - Survey Respondent

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## Rental Market

The rental market plays a major role in the Brookings County housing market. Key themes that developed throughout the listening session regarding renter occupied housing include:

**Fast Paced Turnover.** The rental market, especially in the City of Brookings, is fast paced, with property managers filling openings very quickly. This tight rental market is making it harder to recruit working professionals to area businesses and the university. Many new professionals to the county are interested in renting while they adjust to a new job and have time to look to purchase a home in the area. The tight market, along with most leases catering to university students with year long contract that runs June and June, means there are few options for those moving to town during different parts of the year.

**Increasing Higher Quality.** Listening session members discussed how the recent expansion in new rentals built in the past decade has helped increase the quality of rentals overall. Older rentals have had to make updates or have had to decrease their rent to match the new norm in the rental market. There is still a strong demand for rentals that allow for pets.

**Decline in Enrollment.** SDSU has experienced a decline in student population in recent years. With a smaller age cohort expected to move through the traditional college age years, this trend is likely to continue in the near term. This change in student population will impact the rental market the most.



## Lot Supply

Brookings County, and the City of Brookings particularly, have a high water table. At the current time most communities have lots available; but without planning, a lot shortage could happen in the future.

**Flood Plain.** The floodplains of Brookings County creates significant barriers to the expansion of the City of Brookings in particular and also effects other communities such as Volga. These floodplains create a limited amount of land in the City of Brookings, which means creative and thoughtful use of greenfield and redevelopment sites will be required to make the most efficient use of available land.

**High Water Table.** Brookings County has a high water table. Areas that are not directly in a flood plain must still consider stormwater infrastructure solutions, like retention ponds, that can take up potential lot spaces.

**Skilled Home Builders.** The national problem of a decreasing number of skilled home builders in the workforce such as (electricians, drywallers, etc.) is effecting Brookings county. This has slowed the number of dwelling units that can be built and has increased the cost of housing units as the cost of labor has risen.

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“Very concerned about lack of developable land going forward (flood zone surrounding the community).” - Survey Respondent

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## Community Survey Insights

To compliment the more focused nature of the listening sessions, a community wide housing survey was distributed online by Brookings County along with the individual cities doing their own. The survey helps give a more rounded opinion on the housing market and helps verify what the data and listening sessions had indicated.

The survey was open from late November to February 2nd. The survey garnered 1,465 participants and focused on how residents felt about their current housing situation, options available, and their ability and desire to relocate.

## Distribution

How survey respondents reflect the total population in Brookings County gives an understanding of how questions are answered.

Figure 2.1 shows the income distribution of survey participants. The survey respondents were from higher incomes than the county as a whole. Respondents earning over \$100,000 were 43.5% of respondents when the Census estimates the county has only 23.2% earning above \$100,000. Similarly the incomes below \$25,000 were 5.5% of survey responses but are estimated to make up 19.4% of the county's population.

Figure 2.2 shows the occupancy of survey respondents. 77.1% of the respondents reported being home-owners, whereas the county is just 58.2% owner occupied.

Figure 2.3 shows the age of survey respondents. The survey had strong response from those between 30 and 44 years of age who were 44.3% of the survey respondents but are only 15.6% of the total county population.

Map 1.1 shows the geographical range of survey responses, with the highest number coming from the zip codes in which the cities of Brookings, Volga, and Aurora are located in.

Figure 2.1: Income of Survey Respondents

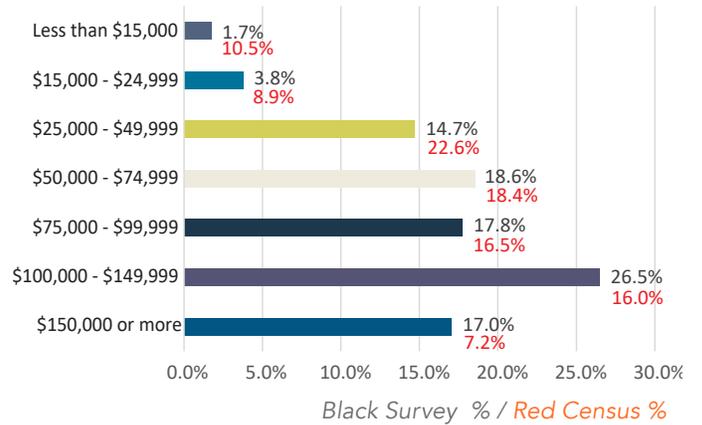


Figure 2.2: Occupancy of Survey Respondents

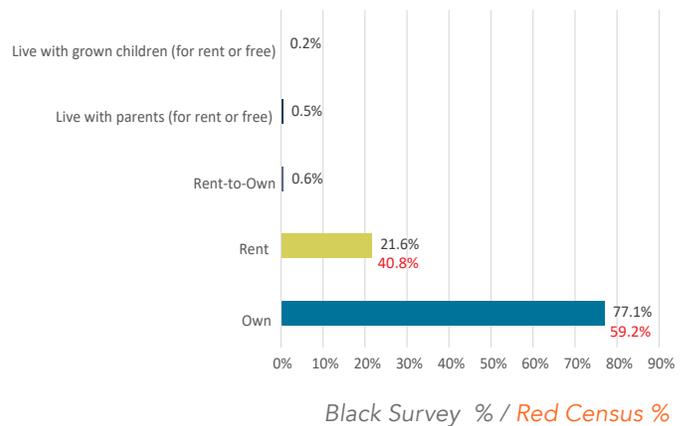
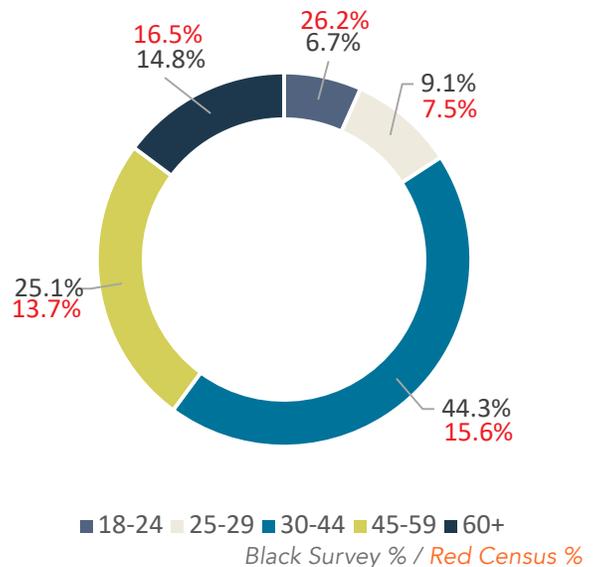


Figure 2.3: Age of Survey Respondents



### Supply

The survey respondents feel the housing supply is limited for single professionals as indicated by the listening sessions. However, survey respondents came from a variety of life stages and some may not have looked for housing in recent years. Thus they do not always have first-hand experience to inform their answers. Figure 2.4 shows the responses.

Similarly, people may not be fully informed about the supply of buildable lots. Nonetheless most respondents feel there is an undersupply of buildable lots in Brookings County as shown in Figure 2.5.

Figure 2.4: Does housing supply meet needs for...

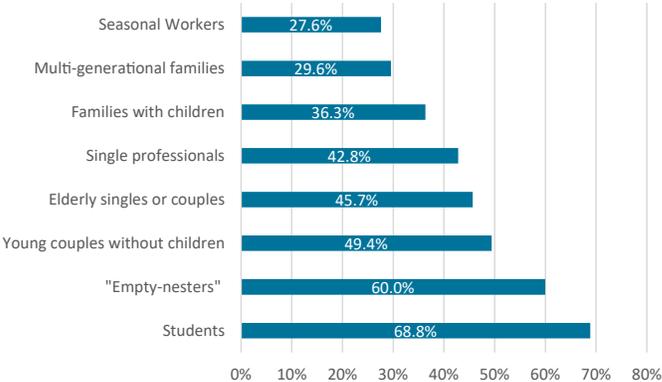
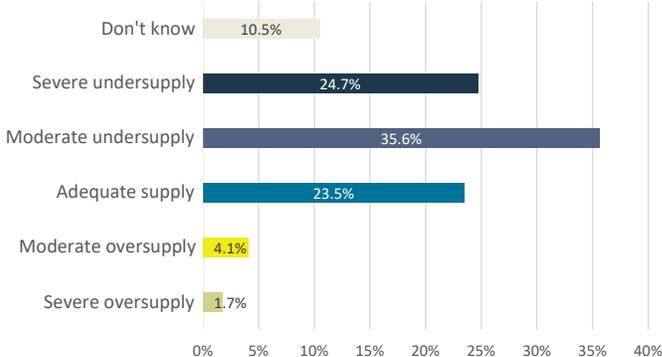
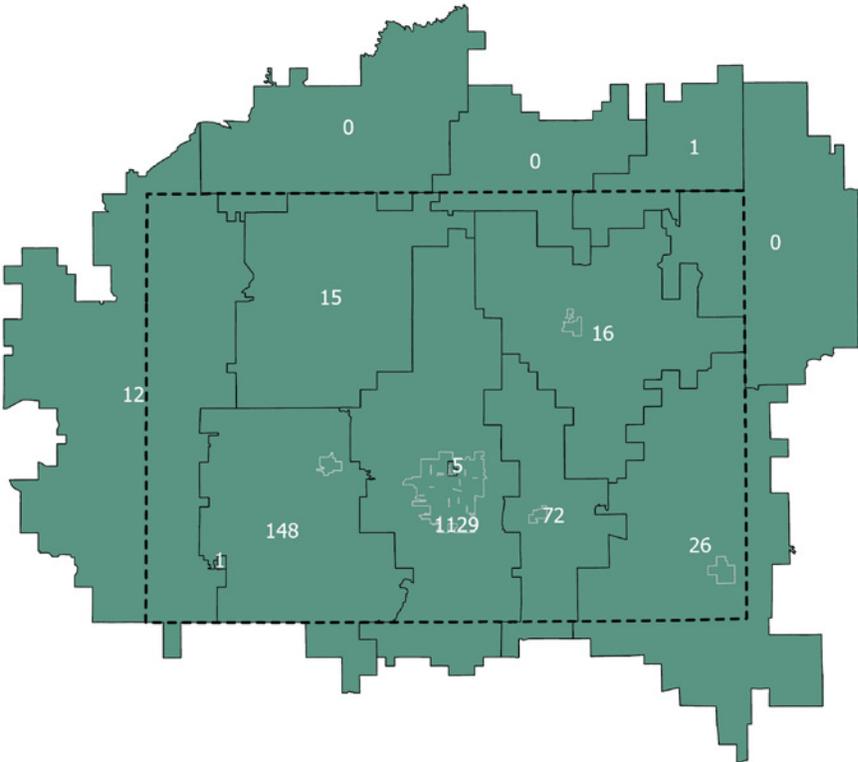


Figure 2.5: Rate the supply of buildable lots



Map 1.1: Zip Code of Survey Respondents



## Preferred Housing Products

Survey respondents were asked whether they felt a series of different housing products would be successful in Brookings County. The question intended to explore the type of housing products that may be needed in the future. Overall, respondents believed a variety of housing sizes and types would be successful. This support for a variety of housing can help increase diversity of housing on offer and the affordability of houses on the market.



Mid-size, 3 Bedroom - 91.5%



Affordable, Small 2-3 Bedroom - 88.9%



Independent - Senior Living - 85.7%



Traditional Housing - 83.9%

Over 80% of respondents in Brookings County felt that mid-size, three bedroom houses; affordable, small two or three bedroom house, independent senior living; and traditional housing would be successful.



Townhouse or Duplex - 78.0%



Apartment - 76.7%



Large Lot Residential Housing in the County - 71.8%



Manufactured Housing - 67.0%

Between 50% and 79% of respondents thought accessory dwelling unit (58.0%) to apartments (76.7%) and townhouses and duplexes (78.0%) would be successful.



Larger Home with 4 or more Bedrooms - 65.2%



Downtown Upper-Story Residential - 64.0%



Accessory Dwelling Unit - 58.0%



Row Housing - 45.9%

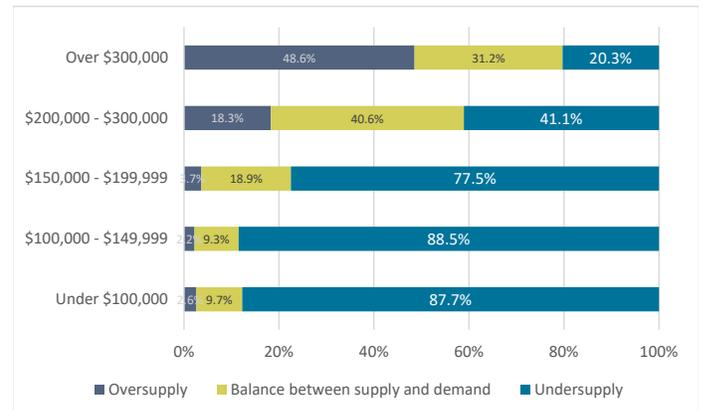
Less than 50% of respondents thought that row houses would be successful in Brookings County.

### Movement in the Market

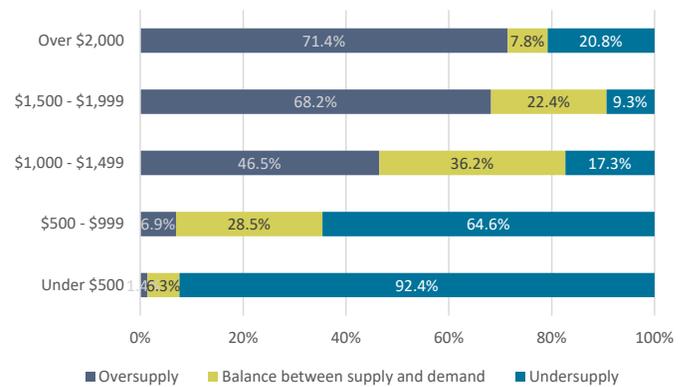
Respondents were asked about whether they looked for housing in the last three years. The question shows real experience in the market to see how responses compare to data. Figure 2.6 and Figure 2.7 display the perceived availability of home for purchase and rental in various price ranges by respondents that had recently looked for a house to own or rent.

- 75% or more of respondents who had looked to purchase a house perceived an undersupply in housing for homes under \$200,000.
- Only 48.6% of respondents perceived an oversupply of houses priced over \$300,000. In many communities this percentage is above 50%, indicating both the demographic makeup of respondents and the current need for housing at every price point..
- 64.6% or more of respondents who had looked to rent a house perceived an undersupply of rentals under \$1,000 a month.
- 68.2% or more of respondents perceived an oversupply in the number of rentals above \$1,500 a month that are available in Brookings County.

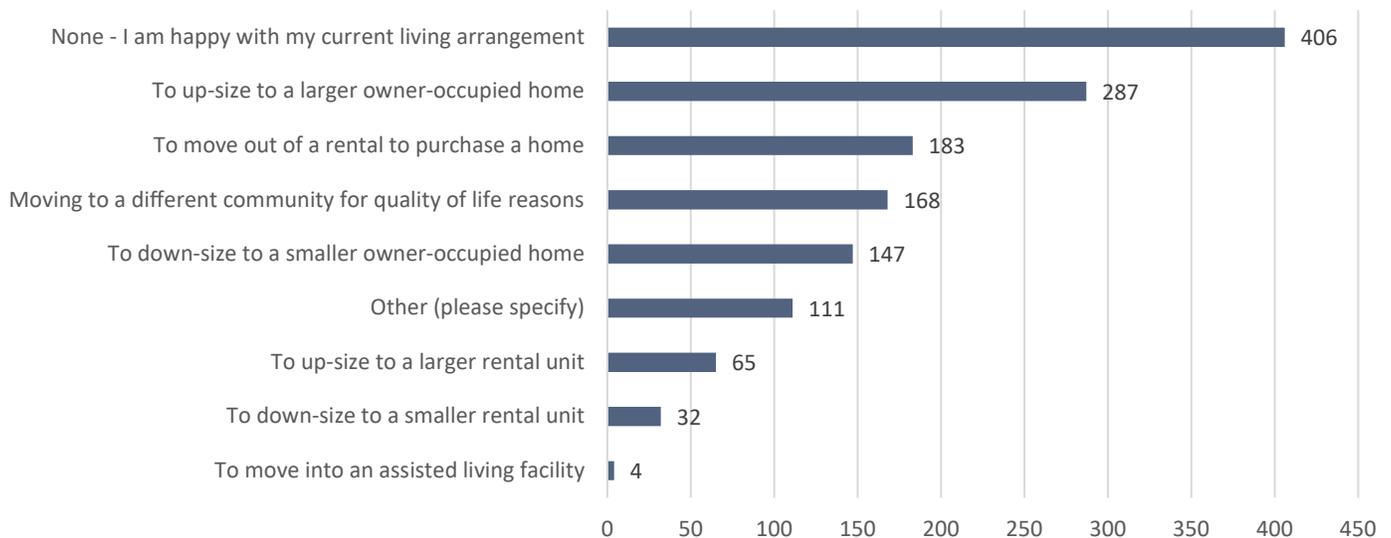
**Figure 2.6: Perceived availability by respondents who looked to purchase a home in the past 3 years**



**Figure 2.7: Perceived availability by respondents who looked to rent a home in the past 3 years**



**Figure 2.8: Reasons respondents looked for new housing in the last three years**



### Support for Programs

Questions about potential publicly funded housing programs were asked to gauge the public support for various measures. The survey responses help to begin shaping strategies and solutions to the housing challenges that were laid out above.

Down payment assistance to owners had the most support with 54.5%. Higher density housing options like duplexes and townhomes or cluster housing both had over 30% of respondents showing support for it.

Greater enforcement of property maintenance codes was supported by just 48.6%.

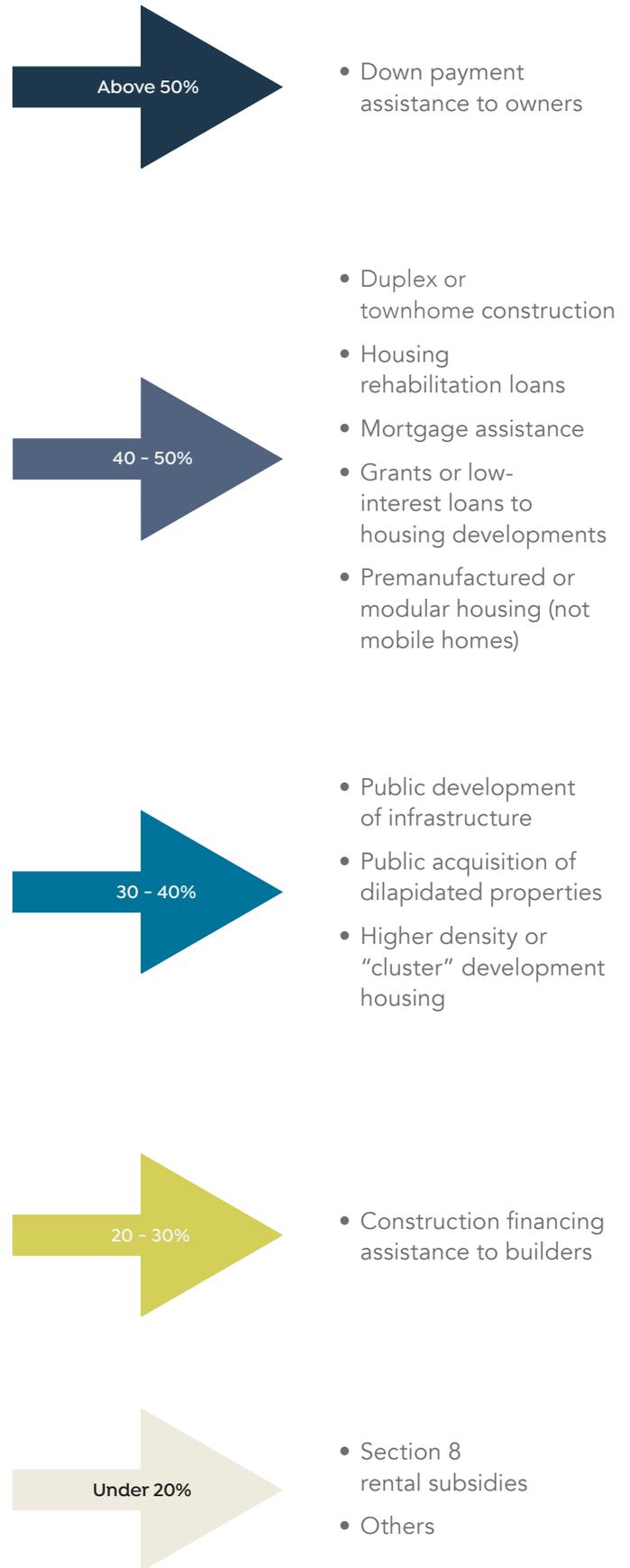
The low support for public assistance for infrastructure and higher density likely reflects the high percentage of participants that are homeowners and have already paid for these services. Additionally, homeowners' perception of higher density might be correlated to the recent multi-family construction which could have also lowered the support survey respondents had for higher density options.

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“Housing in Aurora is initially lower priced than Brookings. However, daily costs are a burden on homeowner’s discretionary spending, from transportation to and from work to higher utility bills.”

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**Figure 2.9: Support for Housing programs to reduce the cost of housing**



## Discussion Themes

**No availability.** Many of the survey answers, comments, and listening sessions pointed to a tight market that leaves people wanting to move to or within the county but have few options. The usefulness of programs like down payment assistance or moving bonuses is limited if there are no houses available to purchase or rent.

**Workforce development.** Brookings County has a strong diverse economy spanning higher education, manufacturing, healthcare, and agriculture. However, the lack of houses to buy and rent, along with the ones available generally being less affordable, is creating recruitment and retention problems.

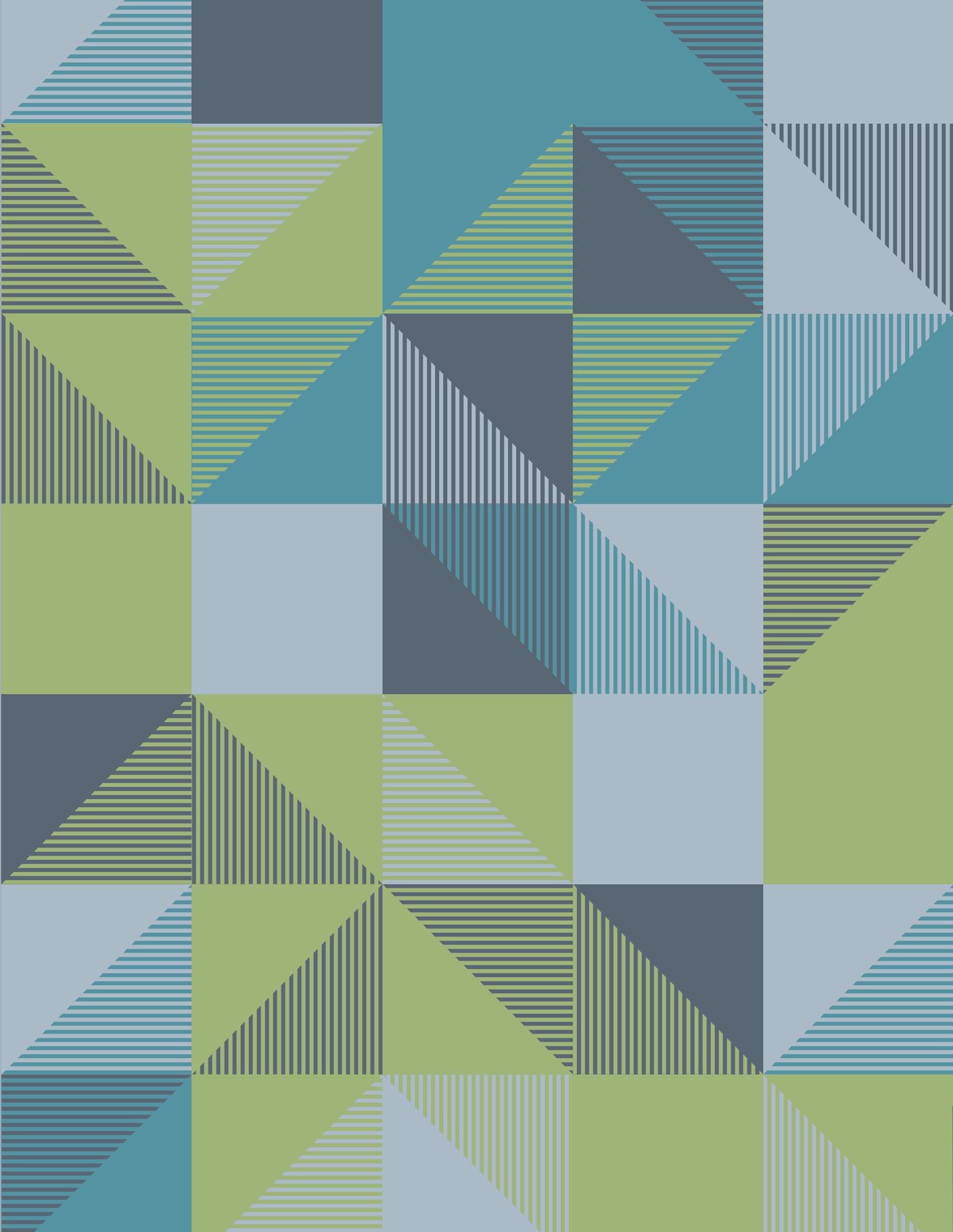
**Lack of housing diversity.** Housing in Brookings County tends to be dominated by single family detached housing or apartments. Increasing the diversity of housing options available was a generally supported idea.

**Reinvestment in older housing.** Most participants saw the need to continue to invest in older housing stock and many of the younger professionals at SDSU expressed a desire to live close to campus in the older neighborhoods.

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“More affordable communal ownership opportunities would be great. There is plenty of home ownership opportunities and a reasonable amount of apartment/condo rental opportunities but minimal ownership of apartment/condo options.” - Survey Respondent

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3

**Opportunities**

## Opportunities

Building off both quantitative and qualitative data can help better define housing opportunities and issues in the present and the future. This next chapter goes over population projections, future housing demand, and housing opportunity maps for Brookings County and the top five most populated cities. The projected future housing needs stems from a demand model that builds on the population projections, housing trends, and community conversations. A calculated approach to housing demand helps create policies, partnerships, and strategies to meet these needs and enhance existing housing market strengths.

## Housing Demand Forecast

Table 3.1 shows the population growth within Brookings County throughout the past six decades. Brookings County, along with its six largest cities, has seen population growth. The rural part of the county has seen 0.24% annual growth rate from 2010 to 2020 whereas the cities combined experienced a 0.84% annual growth rate. The cities have continued to become an increasingly larger segment of the county's total population currently making 81.6% of the population.

**Table 3.1: Population Change**

	1970	1980	1990	2000	2010	2020	2010-2020 ANNUAL GROWTH RATE
<b>Brookings County</b>	22,158	24,332	25,207	28,220	31,965	34,375	0.73%
<b>Aurora</b>	237	507	619	500	532	1,047	7.00%
<b>City of Brookings</b>	13,717	14,951	16,270	18,504	22,056	23,377	0.58%
<b>Bruce</b>	217	254	235	272	204	210	0.29%
<b>Elkton</b>	541	632	602	677	736	755	0.26%
<b>Volga</b>	982	1,221	1,263	1,435	1,768	2,113	1.80%
<b>White</b>	418	474	536	530	485	537	1.02%
<b>Total Cities</b>	16,112	18,039	19,525	21,918	25,781	28,039	0.84%
<b>Rural County</b>	6,046	6,293	5,682	6,302	6,184	6,336	0.24%
<b>Cities as a % of County Pop</b>	72.7%	74.1%	77.5%	77.7%	80.7%	81.6%	

Source: U.S. Census

**Table 3.2: Brooking Student population**

NON-RESIDENT & 80% OF RESIDENT POPULATION	2010	2020	ANNUAL GROWTH RATE
<b>Total Population</b>	22,056	23,377	0.6%
<b>Student Population</b>	11,109	10,199	
<b>Remaining Population</b>	10,947	13,178	1.9%

Source: RDG Planning & Design

**Table 3.3: Project Population**

PERMANENT POPULATION	2020	2025	2030	2035
<b>1.5% Annual Growth Rate</b>	13,178	14,196	15,294	16,476
<b>1.9% Annual Growth Rate</b>	13,178	14,478	15,907	17,477
<b>PROJECTED POPULATION PLUS STUDENTS</b>				
<b>1.5% Annual Growth Rate</b>	23,377	24,395	25,493	26,675
<b>1.9% Annual Growth Rate</b>	23,377	24,677	26,106	27,676

Source: RDG Planning & Design

### SDSU Student Population

To better understand the City of Brookings population projection, segmenting out the population change of the student body compared to the remaining population is important. The City of Brookings has seen a 0.6% annual growth rate between 2010 and 2020. The SDSU student population has declined within that same period. The total remaining non-student population saw a 1.9% annual growth rate. It is expected that this remaining population will continue to see growth that will drive an increasing population for Brookings over the next decades.

### Population Projects

Working from historic population data and trends in the housing and jobs market the population projection for the county and cities are shown in Table 3.4. Brookings County and its cities are projected to continue to experience growth driven by the strong economy and need for employees. The price of houses, lack of skilled building labor, and decreasing lot supply will likely slow the potential growth compared to the last decade.

**Table 3.4: Projected Population**

	2020	2025	2030	2035
<b>Brookings County</b>	34,375	36,080	37,932	39,944
<b>Aurora (1.5% AGR)</b>	1,047	1,128	1,215	1,309
<b>City of Brookings (1.9% AGR)</b>	23,377	24,677	26,106	27,676
<b>Bruce (0.5% AGR)</b>	210	215	220	225
<b>Elkton (0.5% AGR)</b>	755	774	794	814
<b>Volga (1.0% AGR)</b>	2,113	2,225	2,342	2,466
<b>White (1.0% AGR)</b>	537	565	595	626
<b>Total Cities</b>	28,039	29,584	31,272	33,115
<b>Rural Areas (0.5% AGR)</b>	6,336	6,496	6,660	6,828

Source: RDG Planning & Design

## Community Profile

This next section will dive into more detailed analysis of the unique individual needs of cities within Brookings County. For the smallest cities, the information is a general assessment because of limited data and scope of demand.

One part of the community profile includes maps based on community visits and tours completed to identify potential areas for reinvestment, redevelopment, and development. This was a general assessment and not based on a house by house inventory but broader neighborhood evaluation. The opportunity categories include:

**New Development.** Areas adjacent to or within communities that are potential sites for lot development, infill, or are already platted lots. Assessment of site conditions and access to water and sewer services would need to be evaluated further to confirm site suitability. Some areas that have high cost for extending utilities are still shown but noted with these existing limitations.

**Neighborhood Conservation.** These areas have a cluster of older housing in otherwise good condition. Policies for this area should focus on conserving the existing housing stock through regular monitoring of conditions. Many of these areas are stable today and not necessarily candidate for housing programs in the near-term.

**Rehabilitation.** These areas have more severe housing deficiencies and vacant lots. There is a need for more focused attention to address safety and aesthetic concerns. Sites may be large enough and clustered enough that a targeted program to remove deteriorated structures and develop vacant lots will have a major impact.

**Redevelopment.** These areas have the most deteriorated structures. Infrastructure improvements and removal of deteriorated structures should create safe, affordable housing, and stronger neighborhoods. It is noted that Redevelopment Areas tend to contain the most affordable housing in communities, so ensuring that realistic affordable housing opportunities are present is necessary.

Not every city will have every category. Housing programs are most effective when targeting a specific area and the maps found in Chapter 4 provide a foundation for the policies and programs.



*New Development*



*Neighborhood Conservation*



*Rehabilitation*



*Redevelopment*

## Opportunity Map Policies

**New Development.** New neighborhoods are an expansion of the existing framework of roads, community features, and character. As such, the location and character of new development are part of the city's responsibility to its residents, including current and future generations.

### General principles for new development:

- Be consistent with future land use maps for each community.
- Prioritize infill development when possible.

**Neighborhood Conservation.** As an opportunity, conservation areas represent a large stock of ready and relatively affordable housing in neighborhoods that require only limited amount of attention.

### General principle for neighborhood conservation:

- Reinforce public features and amenities to encourage private market action.
- Maintain the housing stock in a good quality state.
- Target property maintenance initiatives on properties with moderate infractions. Appropriate actions would include clean-up days, not-for-profit clean-ups, and if desired, targeted code enforcement.
- For structures that cannot be rehabilitated, the parcels should be targeted for infill development that respects the character of the surrounding neighborhood in terms of use, style, and density.
- For historic neighborhoods, continue to seek state assistance and historic status for neighborhoods of potential significance.

**Rehabilitation.** In the same way that conservation areas represent an affordable housing opportunity, the reinvestment areas present this same opportunity but they require a greater amount of attention and investment.

### General principles for rehabilitation:

- Engage the neighborhood in the process.
- Rehabilitate units to preserve the housing stock.
- Enhance neighborhoods through investment in public amenities.
- Remove blighted conditions through clean-up, rehabilitation, and demolition if needed.
- Focus investments on a geographically confined area to create the most visible positive impact, demonstrate a commitment to the neighborhood, and build private market confidence.
- Target rehabilitation programs to blighted areas with the highest priority given to those homes with structural issues and a lower priority given to homes with aesthetic issues.
- Funding must be sufficient to make a significant impact over several years to help rehabilitated the area.

**Redevelopment.** Redevelopment strategies should be designed to eliminate blight conditions, increase quality of life for residents, support private market reinvestment in the surrounding areas, and create new table values and uses. Parts of redevelopment areas can also fall under the principles of reinvestment areas for homes of less deterioration. It is important to recognize that units for demolition often represent the greatest blight factor on the neighborhood. Demolition can be an appropriate intervention if the property cannot be rehabilitated, it poses a risk to public health and safety. When properties are demolished the land should be acquired and held for redevelopment or appropriate reuse. Redevelopment areas tend to be the most affordable housing in communities and ensuring these areas remain affordable should be a top priority.

### General principles for redevelopment:

- Be sensitive of any displacement due to redevelopment.
- Targeted land assembly and appropriate infill redevelopment.
- Activate vacant lots and homes for productive use. The eventual goal for vacant lots in urban neighborhoods should be infill redevelopment. Maintenance and management should accompany and acquisition in the interim period before rehab or redevelopment occurs.

## City of Brookings

The City of Brookings is the largest city in the county and is the main economic hub for the region. The City of Brookings provides many of the services and amenities that households in the region demand. The city has continued to see steady population and economic growth.

### Characteristics

- Brookings is surrounded by floodplains which places constraints on the location and size of new development. Brookings has roughly 15 years of land to develop at the current pace and size of development.
- SDSU has seen a stagnating to slight decline in student population while the city has seen an increase in the number of off campus student oriented living by the university and private developers. This has started to reshape the rental market in the City of Brookings.



## Population and Housing Projection

- The City of Brookings population is predicted to grow over the next decade to 27,676 people.
- To support the city's 2035 projected population an average of 147 units will need to be constructed each year. This rate is similar to that experienced in 2019 and 2019 but below 2020 and 2021.
- The largest number of dwelling units created for the owner occupied market will need to be priced below \$200,000 a unit as seen in Table 3.7.
- Brookings vacancy rate should increase from 3.0% in 2020 to 6.3% in 2035. This increase in vacancy rate facilitates movement within the market as more homes are available. When vacancy rates are too low, there are fewer options for new residents, existing households struggle to find housing that meets their lifestyle, and ultimately it can lead to increases in housing cost.
- The projection model in Table 3.5 assumes that some units will be lost every year to demolitions, conversion to other uses, or merges with other units.

**Table 3.5: Brookings Project Housing Demand**

	2020	2025	2030	2035	TOTAL
<b>Population at the End of Period</b>	23,377	24,677	26,106	27,676	
<b>Household Population at End of Period</b>	19,715	20,723	21,923	23,241	
<b>Average People Per Household</b>	2.22	2.22	2.22	2.22	
<b>Household Demand at End of Period</b>	8,861	9,314	9,853	10,446	
<b>Projected Vacancy Rate</b>	3.0%	4.5%	6.0%	6.3%	
<b>Unit Needs at End of Period</b>	9,135	9,753	10,482	11,142	
<b>Replacement Need (total lost units)</b>		40	50	50	140
<b>Cumulative Need During Period</b>		567	779	710	2,056
<b>Average Annual Construction</b>		142	156	142	147

Source: RDG Planning & Design

### Affordability Analysis

Table XX shows how the existing housing stock meets the financial ability of existing households. For example, using the income range of \$0-24,999.

- Currently 1,949 households are within this income range.
- An affordable home for purchase would cost a maximum of \$60,000. There are an estimated 426 owner-occupied units within this value range.
- An affordable rental unit at this income range should cost no more than \$500 per month. There are an estimated 1,062 rental units in this price range.
- Combined, there should be 1,488 units affordable to households earning less than \$25,000 per year. By subtracting the supply of affordable units (1,488) from the number of households in this income range (1,941), one can see that a gap of 461 units exists.

### In general, for the City of Brookings

- There is a positive balance of 1,698 units that would be attainable for those earning between \$25,000 and \$75,000.
- However, there is a negative balance of (1,246) for households earning over \$75,000.
- Many households earning over \$75,000 are most likely living in units that could be affordable to those in the \$25,000 to \$75,000 income range.
- Note that units for those making less than \$25,000 are only attainable through subsidy programs.
- Brookings has rental units for households earning over \$75,000. This is the only city in the region to offer higher earning households rentals options that match their income level.

**Table 3.6: City of Brookings Affordability Analysis**

Household Incomes	Households in Each Range	Affordability Range of Owner Units	Number of Units	Affordability Range of Rental Units	Number of Rental Units	Total Affordable Units	Balance
<b>\$0- \$24,999</b>	1,941	>\$60,000	426	\$0-499	1,062	1,488	-461
<b>\$25,000 - \$49,999</b>	2,105	\$60,000-124,999	595	\$500-999	2,600	3,195	1,090
<b>\$50,000 - \$74,999</b>	1,534	\$125,000-199,999	1,598	\$1,000-1,499	544	2,142	608
<b>\$75,000 - \$99,999</b>	1,396	\$200,000-249,999	667	\$1,500-1,999	185	852	-544
<b>\$100,000 - \$150,000</b>	1,205	\$250,000-399,999	823	\$2,000-2,999	51	874	-331
<b>\$150,000+</b>	560	\$400,000+	189	\$3,000+	-	189	-371

Source: U.S. Bureau of the Census; U.S. Census Population  
RDG Planning and Design

## Market Forecast

- Over the next eight years, the City of Brookings should develop roughly 1,346 housing units.
- 60% of the units built should be for ownership.
  - › 432 units valued below \$200,000 will be needed. The private market will not be able to produce these without significant assistance. Much of this demand will be met by the existing housing stock that can be opened up through new construction.
- 40.0% of units created should be for rent.
- Preservation of existing subsidized units and the construction of some new affordable units will need to occur to meet the demand for rentals priced below \$1,000 a month.

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“I would love to see housing solutions that don’t contribute to urban sprawl. Our county’s farmland and wildlife resources are quickly disappearing.” - Survey Respondent

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**Figure 3.7: Brookings Housing Development Program**

	2025		2030		TOTAL
<b>Total Owner Occupied</b>					
Affordable Moderate: <\$200,000	182		250		432
Moderate Market: \$200-\$250,000	70	} 340	96	} 468	166
Market: \$250-\$350,000	60		83		143
High Market: Over \$350,000	28		39		67
<b>Total Renter Occupied</b>					
Low: Less than \$500	63		87		150
Affordable: \$500-\$1,000	68	} 227	94	} 312	163
Market: \$1,000-\$1,500	50		69		118
High Market: \$1,500+	45		62		108
<b>Total Need</b>		567		779	1,346

Source: RDG Planning & Design

## Opportunities

Demand for housing in Brookings is high but new construction on the edges is limited by the flood plain. If the demand for new housing had to be met with currently underdeveloped areas the city could run out of easily developed land in less than 20 years. The available land will need to be sustainably and creatively developed in an efficient manner. Opportunity areas are shown on Map XX.

### New Development

New development in Brookings is fairly limited as mentioned above. New development should focus on the southwestern portions of the city and should be continuous. The City of Brookings, BMU, and developers should work together to find solutions to expanding infrastructure that is both fiscally and environmentally responsible, while not stalling development.

### Neighborhood Conservation

Brookings has large central areas of the town with older houses and apartments. Many of these housing units are more affordable and are still in good condition. These neighborhoods need to be monitored to help make slight adjustments or programs implemented to ensure the quality of the neighborhoods stays both strong and affordable.

### Rehabilitation

The areas west and south of SDSU's campus have some of the most affordable housing options. As a result, these areas tend to be dominated by university students. Many housing units in this area tend to be in need of updating but are still quality housing.

### Redevelopment

There are two sections that should be looked at for redevelopment. In the northwest corner is a residential area that is in the flood plan. Several lots directly south of Sexauer Park are vacant. Due to this area being prone to flooding, looking for ways to redevelop the area to better fit the environmental constraints would be advisable.

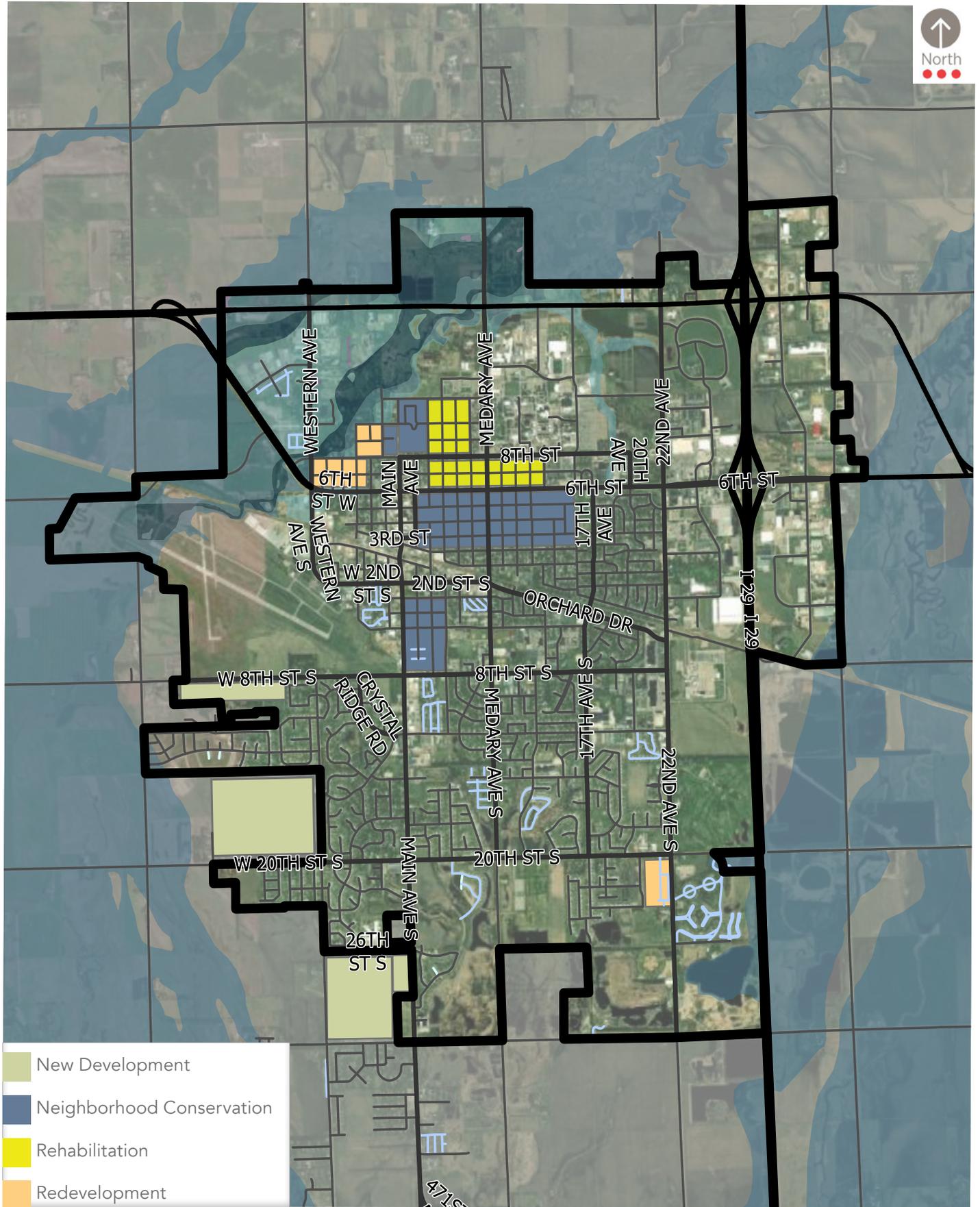
The second areas for redevelopment is a mobile home park southeast of town. These areas are some of the most affordable housing in the City of Brookings. Care must be taken to ensure displacement is minimal and safe, affordable housing options are available to those who live in this area.

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The number of dwelling units that can be built in a development reflects the density at which the housing units are built. If there was 10 acres of developable land that was going to be single family detached, the size of the lot will greatly impact the number of lots that can be developed. If the 10 acres is developed at very low average density of 15,000 square feet lots, only 29 lots could be built. If it is developed at an average of 10,000 square feet lots, 44 lots could be built. If the lot size is an average of 5,000 square feet 87 lots could be developed. Smaller lot size and mixing single family, duplexes, townhomes, and apartments into a development helps increase density and increase the amount of housing units helping to pay for infrastructure.

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Map 3.1: City of Brookings Opportunity Map



## City of Volga

Volga is the second largest city in Brookings county. The city has seen a 2% annual growth rate since 2000. Many people have moved from outside of the region or from the City of Brookings to Volga in search of more affordable housing options.

### Characteristics

- Volga is seeing a diminishing supply of buildable lots which will slow population growth in the near term while the city investigates new areas for development.
- A lack of low maintenance housing options and senior living facilities means many older households must move to Brookings or stay in their home even when it becomes difficult to maintain.



## Population and Housing Projection

- Volga’s population is projected to grow to 2,466 by 2035. The production of 186 units will be needed to support such growth.
- Average annual construction may slow in the coming years until additional lots can be developed.
- Volga’s vacancy rate will increase to 6.1% in 2035 from 2020’s 2.3%. The increasing vacancy rate will help make mobility in the housing market easier.

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“There are not enough retirement/  
senior living options or accessibility  
available.” - Survey Respondents

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**Table 3.8: Volga Project Housing Demand**

	2020	2025	2030	2035	TOTAL
<b>Population at the End of Period</b>	2,113	2,225	2,342	2,466	
<b>Household Population at End of Period</b>	2,113	2,225	2,342	2,466	
<b>Average People Per Household</b>	2.42	2.42	2.42	2.42	
<b>Household Demand at End of Period</b>	872	918	967	1,018	
<b>Projected Vacancy Rate</b>	2.3%	3.6%	4.8%	6.1%	
<b>Unit Needs at End of Period</b>	893	952	1,015	1,083	
<b>Replacement Need (total lost units)</b>		2	3	2	7
<b>Cumulative Need During Period</b>		50	66	70	186
<b>Average Annual Construction</b>		10	13	14	13

Source: RDG Planning & Design

### Affordability Analysis

Table 3.9 shows how the existing housing stock meets the financial ability of existing households. For example, using the income range of \$0-24,999.

- Currently 143 households are within this income range.
- An affordable home for purchase would cost a maximum of \$60,000. There are an estimated 65 owner-occupied units within this value range.
- An affordable rental unit at this income range should cost no more than \$500 per month. There are an estimated 62 rental units in this price range.
- Combined, there are a total of 127 units that should be affordable to households earning less than \$25,000 per year. By subtracting the supply of affordable units (127) from the number of household in this income range (143), one can see that a gap of units exists.

### In general for Volga

- Volga has a shortage of housing affordable to households making over \$50,000, indicating that most households in Volga are spending well below 30% of their income on housing.
- The Census estimates that there are no rental units listed at market rate to higher-market limiting rental options for households earning over \$50,000.

**Table 3.9: Volga Affordability Analysis**

	Households in Each Range	Affordability Range of Owner Units	Number of Units	Affordability Range of Rental Units	Number of Rental Units	Total Affordable Units	Balance
<b>\$0- \$24,999</b>	143	>\$60,000	65	\$0-499	62	127	-16
<b>\$25,000 - \$49,999</b>	186	\$60,000-124,999	124	\$500-999	228	352	166
<b>\$50,000 - \$74,999</b>	223	\$125,000-199,999	210	\$1,000-1,499	-	210	-13
<b>\$75,000 - \$99,999</b>	135	\$200,000-249,999	49	\$1,500-1,999	-	79	-56
<b>\$100,000 - \$150,000</b>	116	\$250,000-399,999	55	\$2,000-2,999	-	55	-61
<b>\$150,000+</b>	23	\$400,000+	3	\$3,000+	-	3	-20

Source: U.S. Bureau of the Census; U.S. Census Population  
RDG Planning and Design

### Market Forecast

- The number of housing produced in Volga should increase towards then end of the next decade. New lot development will be needed to support continued growth in the latter half of the decade.
- 40% of new housing units should be for rent and 60% for ownership.
- The largest number of housing units need to be valued below \$200,000. This price point cannot be produced by the private market without significant assistance or changes in the types of units produced. Most of the demand will need to be met by the existing housing supply.

**Figure 3.10: Volga Housing Development Program**

	2025		2030		TOTAL
<b>Total Owner Occupied</b>					
Affordable Moderate: <\$200,000	18	}	24	}	42
Moderate Market: \$200-\$250,000	6		8		14
Market: \$250-\$350,000	5		7		12
High Market: Over \$350,000	1		1		2
		30		40	70
<b>Total Renter Occupied</b>					
Low: Less than \$500	4	}	6	}	10
Affordable: \$500-\$1,000	5		7		13
Market: \$1,000-\$1,500	6		9		15
High Market: \$1,500+	4		5		9
		20		27	46
<b>Total Need</b>		50		66	116

Source: RDG Planning & Design

## **Opportunities**

Volga has seen an increase in demand for housing in the past two decades. Flood plains on the city's northwestern and southern side places constraints on the direction of development.

### **New Development**

New development in Volga will slow in the immediate future as the lots available start to decrease. Volga has areas adjacent to neighborhoods in the northeast, southeast, and southwest that are potential green field development sites. Cost to expand infrastructure to these areas needs to be studied.

### **Neighborhood Conservation**

Volga has a large central area with older homes that are in good condition. These neighborhoods need to be monitored to help make slight adjustments or implement programs to ensure the quality of the neighborhood stays both strong and affordable.

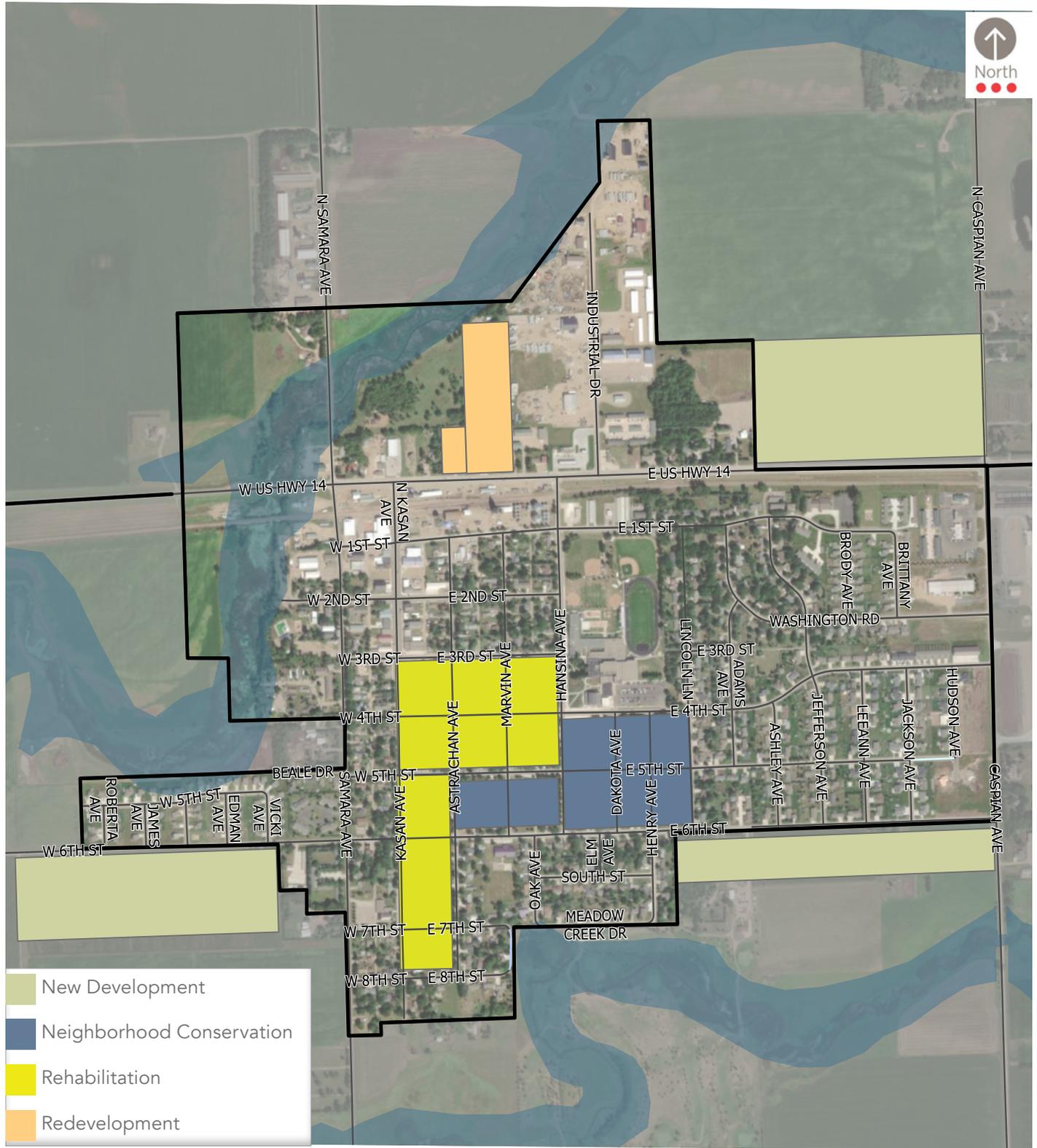
### **Rehabilitation**

The areas west of the Sioux Valley Public School and south of downtown have some of the most affordable housing options. The housing units in this area are starting to see some visible wear and are in need of updating.

### **Redevelopment**

There is a mobile home park north of Volga that provides some of the most affordable housing units in the county. This mobile home park is facing blighted conditions that impact residents quality of life and safety. Looking for ways to redevelop the area that minimize displacement and maximizes the number of safe and affordable units available to current residents should be a top priority.

Map 3.2: Volga Opportunity Map



## City of Aurora

Aurora is the third largest city in Brookings County. It has seen an explosion in population over the last twenty years and an annual growth rate between 2010 and 2020 of 7.0%. The growth has slowed recently due in part to fewer buildable lots. Similarly to Volga, Aurora has been attracting people with relatively affordable housing compared to the City of Brookings.

- Aurora saw a 3.8% annual growth rate from 2000 to 2020 and a 7% annual growth rate from 2010 to 2020. This growth has slowed in recent years and is projected to slow down to a more sustainable growth rate of 1.5%.
- Aurora is running out of lots to build on and is not looking to expand new development at the moment as the city is currently in the process of planning sewer and storm water retention work.



## Population and Housing Projection

- The population growth in Aurora should slow in part due to the city focusing on its current stormwater infrastructure needs before they open up any new areas for development.
  - › Aurora’s population should continue to grow over the next decade by roughly 262 people.
- Vacancy rates are expected to remain at 7.0%. This vacancy rate will help keep mobility in the market place higher by keeping the number of potential housing that might come on the market.

**Table 3.11: Aurora Project Housing Demand**

	2020	2025	2030	2035	TOTAL
<b>Population at the End of Period</b>	1,047	1,128	1,215	1,309	
<b>Household Population at End of Period</b>	1,047	1,128	1,215	1,309	
<b>Average People Per Household</b>	2.56	2.56	2.56	2.56	
<b>Household Demand at End of Period</b>	409	441	475	511	
<b>Projected Vacancy Rate</b>	7.0%	7.0%	7.0%	7.0%	
<b>Unit Needs at End of Period</b>	440	474	510	550	
<b>Replacement Need (total lost units)</b>		2	2	3	7
<b>Cumulative Need During Period</b>		29	39	42	110
<b>Average Annual Construction</b>		7	8	8	8

Source: RDG Planning & Design

## Affordability Analysis

- The largest percentage of units in the city are affordable to households making between \$50,000 and \$75,000. The shortage of housing for households making more than \$75,000 means that higher income households are spending a much smaller percentage of their income on housing than lower income households. Increasing the number of higher priced housing units may help create movement in the market.
- There are very few low income housing units, meaning that senior households living on fixed incomes are likely staying in the homes they own or being forced to move to other communities.

**Table 3.12: Aurora Affordability Analysis**

	Households in Each Range	Affordability Range of Owner Units	Number of Units	Affordability Range of Rental Units	Number of Rental Units	Total Affordable Units	Balance
<b>\$0- \$24,999</b>	25	>\$60,000	7	\$0-499	4	11	-14
<b>\$25,000 - \$49,999</b>	63	\$60,000-124,999	41	\$500-999	40	81	18
<b>\$50,000 - \$74,999</b>	64	\$125,000-199,999	146	\$1,000-1,499	30	176	122
<b>\$75,000 - \$99,999</b>	111	\$200,000-249,999	59	\$1,500-1,999	-	59	-52
<b>\$100,000 - \$150,000</b>	62	\$250,000-399,999	2	\$2,000-2,999	-	2	-60
<b>\$150,000+</b>	7	\$400,000+	3	\$3,000+	-	3	-4

Source: U.S. Bureau of the Census; U.S. Census Population

RDG Planning and Design

### Market Forecast

- Aurora should aim for a 50/50 split between owner occupied and renter occupied new housing units.
- The largest number of new housing categories should be built in the high rental market (\$1,500+) category with 20.6% of all new units built by 2030.

**Figure 3.13: Aurora Housing Development Program**

	2025	2030	TOTAL
<b>Total Owner Occupied</b>			
Affordable Low: <\$125,000	3	4	7
Affordable Moderate: \$125-\$200,000	3	4	7
Moderate Market: \$200-\$250,000	5	7	12
Market: \$250-\$350,000	3	4	7
High Market: Over \$350,000	0	0	1
	15	19	34
<b>Total Renter Occupied</b>			
Low: Less than \$500	1	2	3
Affordable: \$500-\$1,000	3	5	8
Market: \$1,000-\$1,500	4	5	8
High Market: \$1,500+	6	8	14
	15	19	34
<b>Total Need</b>	<b>29</b>	<b>39</b>	<b>68</b>

Source: RDG Planning & Design

## **Opportunities**

Aurora has seen an increase in demand for housing in the past two decades. Aurora's housing boom has slowed in the last few years as the city has turned its attention to stormwater management.

### **New Development**

New development in Aurora will slow in the immediate future as the lots available start to decrease. Aurora is less constrained by floodplains than Brookings or Volga, but is currently working through stormwater management before opening up new areas for development.

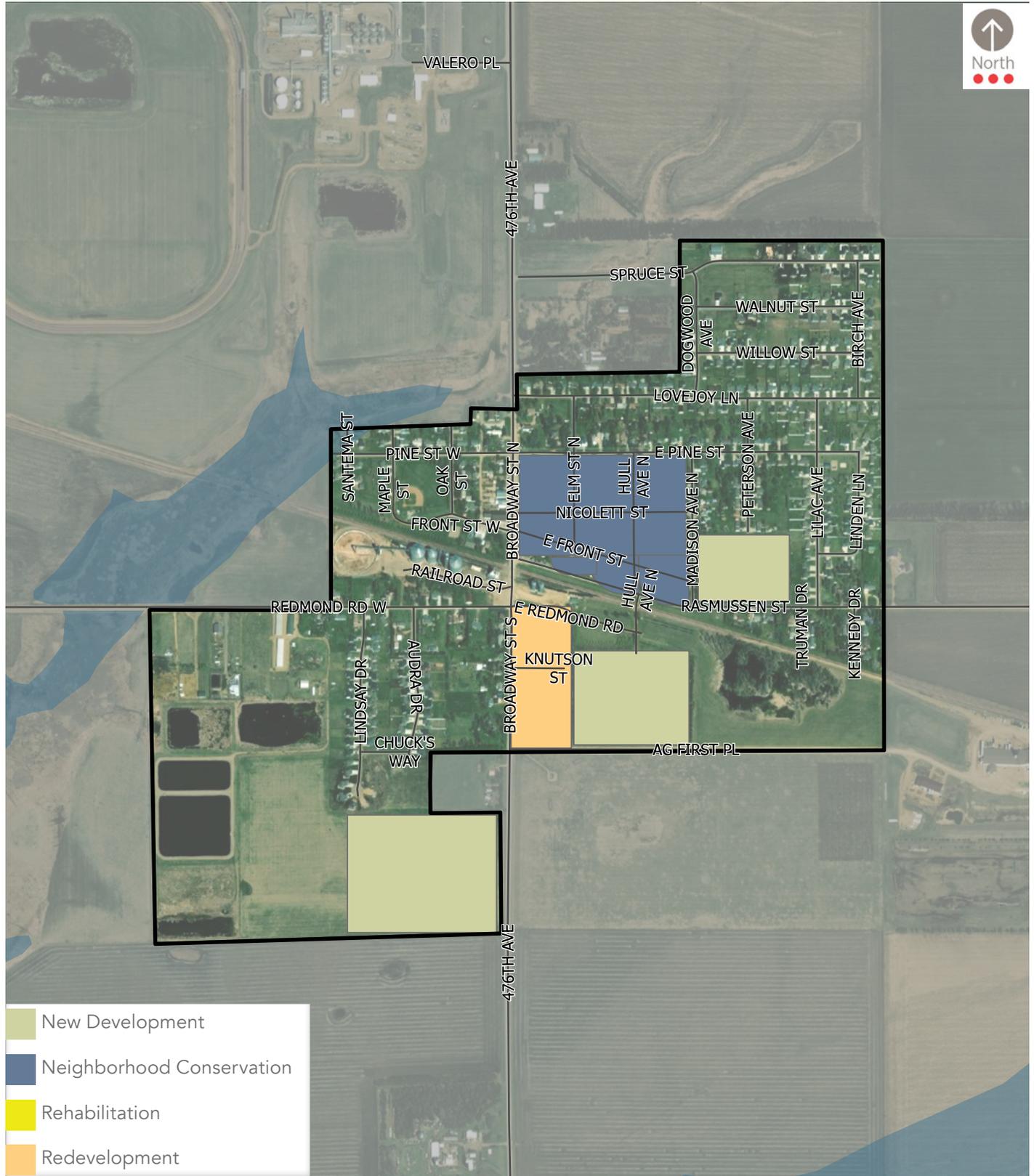
### **Neighborhood Conservation**

Aurora has a large central area of the town with older homes and apartments. Many of these housing units are in good condition and quality. This neighborhood should be monitored to help make slight adjustments or implement programs to ensure the quality of the neighborhoods stays both strong and affordable.

### **Redevelopment**

There is a mobile home park home southeast of the railroads that provides some of the most affordable housing spaces in Aurora. This mobile home park is facing blighted conditions that impact residents quality of life. Care must be taken to ensure displacement is minimal and safe, and that affordable options are available in Volga to those who live in this area.

Map 3.3: Aurora Opportunity Map



## City of Elkton

Elkton is the fourth largest city in Brookings County. It has experienced slow but steady growth over the past decades.

- The housing quality in Elkton is relatively stable.
- The center of town has vacant lots that provide an opportunity for infill development. Several infill development houses can be seen in the community.



## Affordability Analysis

- Almost all of Elkton’s housing stock is affordable to households.
- Similar to other cities in the county, many households could afford more expensive homes but are living in lower value units due to preference or lack of move-up options. This pushes lower earning households into lower value and often lower quality units.
- There is an acute lack of rentals for households earning over \$25,000.

## Market Forecast

- Elkton should continue to build one or two new units a year. New housing units should focus on infill development opportunities in the central part of town.
- New construction will be difficult without a focus on rehabilitating existing housing. Elkton should focus on maintaining and rehabilitating its existing housing stock in order to maintain affordability but also create stability in the market that can support infill development.

**Table 3.14: Elkton Affordability Analysis**

	Households in Each Range	Affordability Range of Owner Units	Number of Units	Affordability Range of Rental Units	Number of Rental Units	Total Affordable Units	Balance
<b>\$0- \$24,999</b>	40	>\$60,000	7	\$0-499	49	56	16
<b>\$25,000 - \$49,999</b>	88	\$60,000-124,999	85	\$500-999	35	120	32
<b>\$50,000 - \$74,999</b>	65	\$125,000-199,999	88	\$1,000-1,499	-	88	23
<b>\$75,000 - \$99,999</b>	40	\$200,000-249,999	12	\$1,500-1,999	3	15	-25
<b>\$100,000 - \$150,000</b>	56	\$250,000-399,999	13	\$2,000-2,999	-	13	-43
<b>\$150,000+</b>	3	\$400,000+	-	\$3,000+	-	-	-3

Source: U.S. Bureau of the Census; U.S. Census Population  
RDG Planning and Design

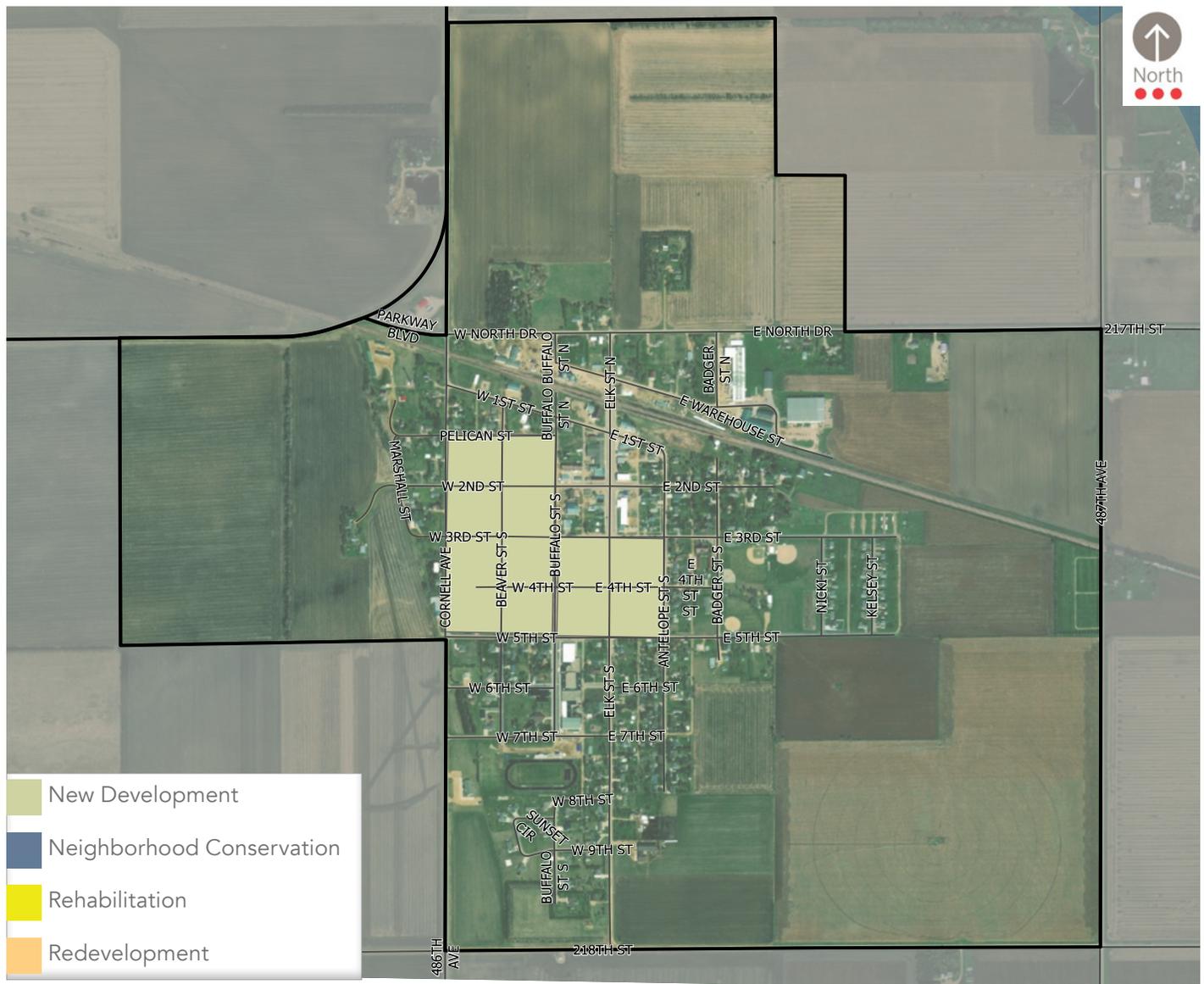
## Opportunity Map

Elkton has seen a relatively small number of new houses added in recent years. The number of new units does not match the population change and the need to replace older units.

### New Development

Elkton has many vacant parcels in the center of town. Focus should be given to directing new development to infill areas. Infill development will efficiently use infrastructure the city is already paying to maintain. Several examples of infill development can already be seen in Elkton.

**Map 3.4: Elkton Opportunity Map**



### City of White

White’s population has been relatively stable trending towards a slightly positive annual growth rate of 0.07% over the last two decades.

- A former nursing home has been positively reused to offer a mixed-use space that includes apartments, offices, and some small retail.



### Affordability Analysis

- Similar to other small rural communities, White has a large number of units valued well below current construction costs.
- To support new development there may need to be significant gap financing to fill the difference between the \$125,000 and below values and the cost of construction.

### Market Forecast

- White should look to continue to develop one or two new units per year.
- To support new homes, White will need to focus on maintaining and rehabilitating existing homes. The most affordable house is the one already built which makes ensuring the quality of existing housing stock necessary.
- Continue to look for innovative opportunities like the Farmstead, which turned a former nursing home into a mixed-use development.

**Table 3.15: White Affordability Analysis**

	Households in Each Range	Affordability Range of Owner Units	Number of Units	Affordability Range of Rental Units	Number of Rental Units	Total Affordable Units	Balance
<b>\$0- \$24,999</b>	28	>\$60,000	15	\$0-499	28	43	15
<b>\$25,000 - \$49,999</b>	47	\$60,000-124,999	73	\$500-999	33	106	59
<b>\$50,000 - \$74,999</b>	42	\$125,000-199,999	40	\$1,000-1,499	-	40	-2
<b>\$75,000 - \$99,999</b>	32	\$200,000-249,999	15	\$1,500-1,999	-	15	-17
<b>\$100,000 - \$150,000</b>	53	\$250,000-399,999	6	\$2,000-2,999	-	6	-47
<b>\$150,000+</b>	8	\$400,000+	-	\$3,000+	-	-	-8

Source: U.S. Bureau of the Census; U.S. Census Population  
RDG Planning and Design

### Opportunity Map

White has seen relatively small amounts of housing development over the past few decades. The community should continue to develop several new houses a year to help replace units

### New Development

Areas to the northeast and southeast provide potential spaces for new developments.

### Neighborhood Conservation

The central section of White has a strong core of older homes. White should ensure that these homes remain at the current quality and affordability.

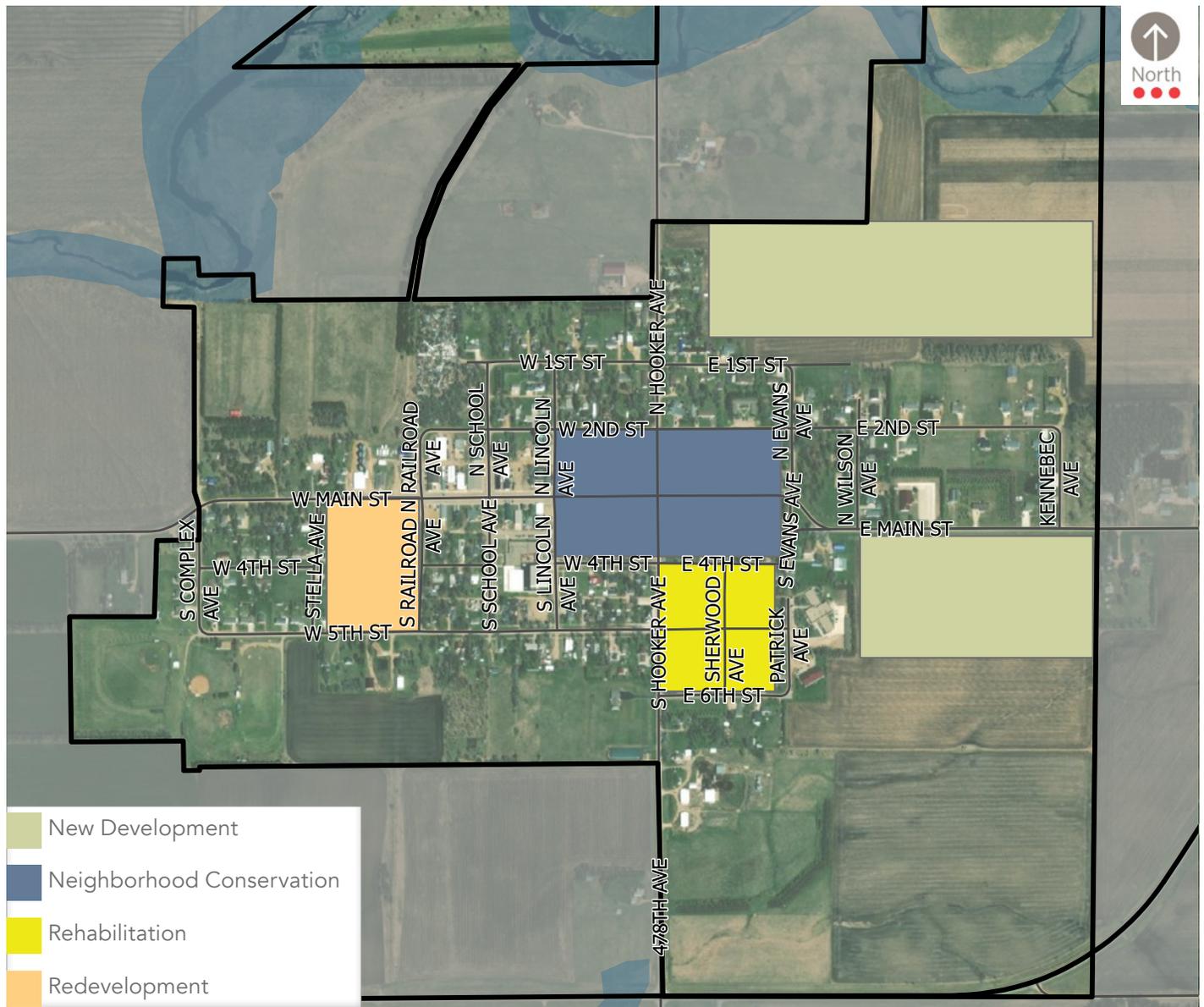
### Rehabilitation

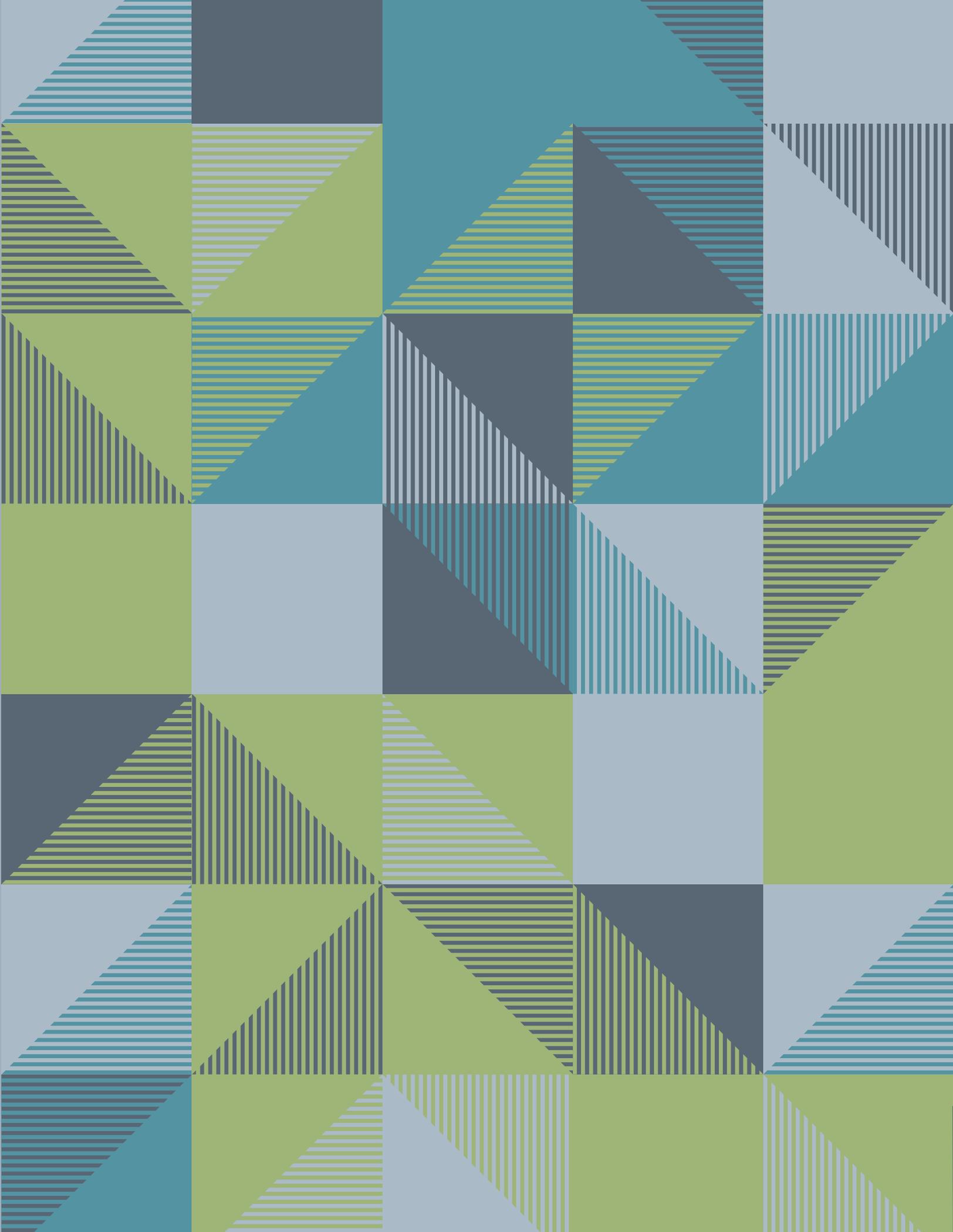
The southeast corner of White is seeing some dilapidated conditions. A more focused effort should be given to help bring the quality of housing back and ensure that further deterioration does not happen.

### Redevelopment

The former agricultural areas just south of Main Street provide a place for infill development.

Map 3.5: White Opportunity Map







**4**

**A Path  
Forward**

## Creating A Strategy

The information in the previous chapters indicates the market is not providing for several needed housing products. Understanding the housing gaps means little without a plan to address them. Historically, the market alone is unable to improve these gaps. Therefore, this chapter's strategies explore how local governments, organizations, builders, and other partners can work together to meet the housing needs of Brookings County.

### Market Influences

Many forces influence the housing market and often these are outside of local control, such as the cost of lumber. The strategies laid out in this chapter focus on policies, actions, and incentives that local governments and organizations can use to influence or help offset housing market inefficiencies. A few examples include:

- Pooling resources and funding mechanisms to encourage housing products that are otherwise difficult for the private market to produce.
- Managing the cost of housing projects intended for entry-level owners.
- Assisting with workforce development to meet the needs of builders and sub-contractors.

### Strategic Housing Goals

It is important to note that there is no single solution to all aspects of the housing market. For example, actions in one community, or even in the Sioux Falls market, can influence the housing market throughout Brookings County. Further, elements of the housing market, such as high-end housing products, do not require policy interventions for more supply since the market is producing them today.



### Create Mechanisms to Share Risk

Housing supply and rehabilitation will not occur at a significant scale without the ability for developers or contractors to make a profit, which is ultimately the goal of any private business. The risks associated with development of moderate to lower price-point units often is high, with a loss or very small profit margins more likely. Some risk factors include rising material, labor, and land costs; communities or neighborhoods with lower values and perceptions of less stability/safety; soft costs such as fees, regulatory timelines, insurance, and contracting services; and state and federal regulations. Rising land costs and fluctuating interest rates also have a significant impact on the amount of risk that the financing community will allow. Pre-development planning and setup is the riskiest part of the development and where financing can be most difficult. Lowering and dispersing some of these risks can be essential to creating new product types and lower price-points.



## Increase Variety of Housing Options

Issues of affordability and availability are tied directly to options within the housing market. In essence, the existing housing stock is held in stalemate when households do not have options that meet their current stage in life. Historically, Brookings County communities have built single-family detached homes. Additionally the City of Brookings has seen the construction of rental housing as well. Different ownership options outside of single-family detached has been missing in the market. A healthy housing market should allow a resident to transition through several homes in accordance with their lifecycle -from an affordable apartment, to a family home, and eventually to a downsize option for their senior and empty-nester years.

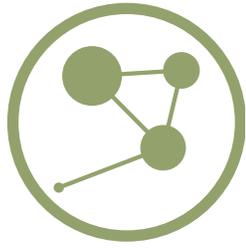
To increase the variety of housing there are two important related goals:

- **Leverage opportunities for increased density adjacent to destinations.** In the City of Brookings, discussion participants often noted the need for housing that was close to work and services in order to limit transportation costs. These sites must be used as efficiently as possible, garnering the most units possible that fit with the character of the surrounding neighborhood. This is also true for sites adjacent to the downtowns of the county's smaller communities.
- **Maintain neighborhood character while adding housing options to existing neighborhoods.** Adding small scale multi-unit structures within existing neighborhoods should reflect the character of the neighborhood and address residents concerns related to parking and design. Many neighborhoods built before WW II had a large mix of housing types that matched in character and intensity. These neighborhoods are highly desirable today for their variety and walkability.



## Secure and Conserve Existing Housing

The production of new units is unlikely to fully address the needs for units affordable to households making less than 120% of AMI. Securing and conserving existing housing is a way to provide affordable housing and reduce the impact on the environment. The most affordable and sustainable unit is one that already exists. Traditionally, the preservation of existing units through maintenance was enough to ensure a supply of affordable housing. However, over the last two years the shortage of for-sale homes has resulted in appreciation rates in existing housing not seen in recent history. While this may ultimately be good for markets where slow appreciation and low-valuations has hampered new construction, it has also made homeownership more difficult for moderate to lower-income households. Securing the affordability of some units should be part of the long-term strategy.



### **Encourage Development in Communities or Existing Sites**

Adjacency is an important factor when considering the cost of infrastructure and services. The further development occurs from existing infrastructure or services, the more expensive that home will be and the greater the burden on all residents to provide services to those homes. The more efficient the use of infrastructure, including water, sewer, and streets/roads, the lower the lot cost becomes.

It has to be recognized that there is a segment of the market that wants to live on larger lots in more rural settings. This demand should be directed to sites adjacent to existing rural developments, located along existing paved/oiled roads, and in areas that are especially costly for the cities to provide with water and sewer services. By clustering these developments and locating them along adequate streets/roads some of the service costs that all county residents must cover can be lowered.



### **Expand Workforce Development**

The construction of new housing and the rehabilitation of existing housing will be difficult to achieve without the workforce necessary to complete this work. Existing contractors are busier than ever and cannot keep up with the demand. The recruitment and retention of this workforce is necessary. Investments need to be made in training new workers, along with technological advancements and innovations of new construction methods, faster construction processes, or other ways that help existing tradespeople be more efficient and sustainable.

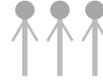
## Strategic Housing Programs

A housing market is a complex and ever-changing landscape of countless variables including economic factors guiding production, rehabilitation, and demand. Social factors also influence housing preference, as does home buyers' willingness to adapt to new products, and the perception of the community.

The following section explores housing interventions and partnerships that can be used to generate energy in the market. It is important to note that there is no one perfect solution to address issues and capitalize on strengths, nor is there one entity that can be responsible for all strategies. Therefore, the following tools are included as a menu of options that will need to be combined and altered to meet the unique aspects of different communities.

The following section is built around the key themes that emerged and informed the strategic goals identified in the previous pages.

**Program Outline & Responsibilities**



	OBJECTIVE	RESPONSIBILITY	FINANCE TOOLS
<p><b>Create Mechanisms to Share Risk</b></p>	<p>Help builders and developers feel more comfortable to pursue a greater variety of housing products.</p>	<p>City/County, Non-Profit Developer, Banking Community, BEDC</p>	<p>State/Federal programs Local funding pool Housing Trust Fund Housing Opportunity Fund Infrastructure Build-Out Funds</p>
<p><b>Increase Variety of Housing Options</b></p>	<p>Providing housing options for individuals at all income levels and stages of life.</p>	<p>City/County, Non-Profit Developer, Developers, BEDC</p>	<p>State/Federal programs Housing Trust Fund Local funding pool Municipal incentives Infrastructure Build-Out Funds</p>
<p><b>Secure and Conserve Existing Housing</b></p>	<p>Capturing the benefits of the existing housing stock while providing updated, affordable, and/or needs for specific housing.</p>	<p>City, Banking Community, Housing Partnerships, Non-Profit Developer, Realtors</p>	<p>State/Federal programs Housing Trust Fund Local funding pool Municipal incentives Tax abatement Tax Increment Financing (TIF)</p>
<p><b>Encourage Development in Communities or Existing Sites</b></p>	<p>Leverage existing utilities and resources to the greatest degree possible and avoid burdening future tax payers.</p>	<p>City, County and development community</p>	<p>Policy tool Preference given when using financing tools Local funding pool (infill lots) TIF Infrastructure Build-Out Funds</p>
<p><b>Expand Workforce Development</b></p>	<p>Increase the number of individuals in the building trades and address the labor shortage that is limiting the ability to produce more housing.</p>	<p>BEDC, Local High Schools, Lake Area Technical College, SDSU,</p>	<p>State/Federal Programs Local employers and investors Build Dakota</p>

## The Goal: Create Mechanisms to Share Risk

### Objective:

- Increase security for builders and developers to pursue a greater variety of housing products.

Under this goal, the tools and strategies are meant to target under-produced housing needs in the market today. There is building activity occurring in Brookings County, including in unincorporated areas. The private market should be allowed to continue producing these types of housing units, according to the land uses policies of local comprehensive plans and the county. However, these private market developments happening already (often on larger lots) are not the place to target public risk sharing tools and strategies. The following are just some of the ways risk can be shared in an effort to fill the gaps in the market.

### Housing Partnerships

The housing market touches many organizations, both directly and indirectly. Because the housing market impacts each partner, it is in the collective interest that each partner takes on a responsibility in a housing partnership to pursue the strategic housing goals.

Any partnership should begin by seeking to establish a shared purpose between each stakeholder. In other words, each organization should participate in the effort to improve the housing market.

A housing partnership should include the following organizations:

- Brookings Economic Development Corporation (BEDC)
- City representatives
- Major employers (private & public)
- Banking community
- Realtors, builders, & developers

### City & County Representatives

Each city is responsible for promoting the health, safety, and welfare of current and future generations through its policies and investments in community services. Each may vary based on the type of project but could include any of the following as needed:

- Review of land development regulations and guidelines to eliminate barriers to infill and affordable housing development.
- Assist with the acquisition and site preparation of infill redevelopment sites.

## Community Based Action and Risk Sharing

Risk sharing is noted throughout the strategies and goals to address housing challenges. However, communities cannot simply wait around for development opportunities and developer interest. Residents and stakeholder within several communities in Iowa are recognizing the need to take action by pooling their own resources and expertise to act as the developer of new lots. Two examples are described below:

- Fairfield, Iowa. A group of local stakeholders combined equity stakes to act together as the developer and builder of 27+ townhomes and duplexes in Fairfield. Risk sharing included private equity, City TIF funds, tax abatement, and Iowa Workforce Housing Tax Credits. Units were priced between \$160K-\$220K.
- Humboldt, Iowa. Similar to development in Fairfield, local stakeholder pooled equity to finance 32 single-family and duplex units. The City helped share risk through TIF financing and tax abatement. Units are priced between \$230K-\$280K.

These are a couple examples of local action to share risk and start a grassroots, proactive effort to housing development. These projects were assisted in part by 571 Polson Developments, LLC. For more information on these and similar projects in Iowa go to:

<https://571polson.com/>

- Technical assistance and expedited land development processes for innovative proposals.
- Assistance with subdivision development through infrastructure and technical assistance. It is well-established that cities can support housing development of a certain type through the provision of infrastructure. This support can also be delegated to other partnerships.
  - › Often communities are concerned with “subsidizing” the developer at the cost of current residents, however, risk sharing is about understanding the difference between a subsidy and an incentive. A risk sharing incentive pushes the market in a direction that will ultimately have a return on investment for the entire community through greater property and sales tax returns.
- Code enforcement on property maintenance standards and conditions.

Communities in Brookings County have used some of these strategies in the past.

### Major Employers (private & public)

One of the main reasons this study emerged was the growing awareness that the housing market impacts major employers in recruiting and retaining employees. Each company invests a significant amount of time, energy, and money training their employees. Therefore, it is in their interest to support all aspects of retention, including housing. While many recruitment and retention elements fall within the company walls, including wages, workplace culture, and opportunities for advancement, many employers have begun to recognize that housing (quality, affordability, and availability) plays a major role in their ability to recruit and retain talent.

Employers can play multiple roles in the housing partnership:

- Direct construction of new ownership or rental units or support other partners to construct new affordable housing products.
- Rent subsidies and down payment assistance for employees residing within the county. Certain employers operate a housing plan, much like a 401(K) plan. The employer provides a matching contribution to be used for a down payment on a home within the community or a specific part of the city.
- Marketing local housing opportunities including rental and ownership options, rehabilitation, or other programs that form in the future.
- Help integrate new employees into the community through driving-tours of the city, welcome-liaisons,

## Employer Assisted Housing

**Saint Louis University** has provided a housing benefit to its employees through an Employer Assisted Housing Program (EAHP). The EAHP provides three benefits for the University employees:

- Housing information and education on home ownership
- When available, preferred rates and reduced closing costs on mortgage and refinancing costs through partnering institutions
- When available, forgivable loans for eligible employees, applicable towards the purchase of a new home located in the designated neighborhoods new campus

This program applies to all current, full-time faculty and staff members. Properties eligible for the forgivable loan program must be located with specific revitalization areas. In the SLU program the percentage of the loan that is forgiven increases with the number of years of employment after origination of the loan, up to 100% of the loan after five years of employment.

**Streck Inc.**, a biotech company in La Vista, Nebraska announced in October 2021 that they would be building an 84 unit apartment building adjacent to their Sarpy County facility. The units will be rented to their employees at a discount with any unfilled units available to other workers in the area.



**STRECK INC.:** Units under construction in the Spring of 2022

and social connections to local organizations such as young professional organizations.

### Economic Development Officials

BEDC seeks to create a positive business environment in Brookings County and advance the community's quality of life. As discussed previously, housing in Brookings County represents a significant economic factor in the actual construction of housing and the impact of housings on providing a place for employees to live.

The role of BEDC and other economic organizations in a housing partnership may, or already does, include the following:

- Marketing opportunities and shovel ready sites for development and redevelopment.
- Educating the public and partners on the importance of housing to the overall economy and inviting them to expand their role.
- Promoting housing incentive programs to employers and their employees.

### Banking Community

The banking sector is involved in all aspects of the housing market. While many aspects of their business are tightly regulated, other aspects permit innovation and proactive participation in the housing market. The role of the banking sector in a housing partnership may include:

- Creating a lending consortium to allow the community to share investment risk across multiple lenders.
- In particular, banks can help finance non-traditional projects by pooling their resources to finance new development and reduce the risk for any one financial institution.

### Realtors, Builders, & Developers

The role of realtors, builders, and developers in the partnership will be as the contractors, marketers, and when appropriate, as financial partners. In particular, realtors play a vital role in a housing partnership that involves informing builders, cities, and BEDC on the preferences of buyers. The secondary role of real estate includes marketing new housing, or rehabilitated homes, to potential residents, and working with employers to match recruits with housing that fits employees' needs.

## Federal Fannie Mae – Manufactured Home Advantage Program

MH Advantage is a program by Fannie Mae to encourage the development of new affordable housing using manufactured housing. Homes under the program must meet specific criteria to classify them as real property, including being placed on a permanent foundation. These homes are required to have the same features of site built housing but the production off-site allows for greater efficiency and reduced costs. The program targets homes in the \$150,000 to \$250,000 range.

## Housing Funding Pools

Across all strategy programs, Brookings County must continually explore creative approaches to financing projects and initiatives. To avoid strains on public or organizations' budgets, devoted funding pools are often the most secure and flexible to finance housing development projects. These funding pools are most appropriate to allocate for gap financing on a project but can also facilitate other strategies in this section.

## Housing Development Fund

A lending consortium pools together local funding, similar to an economic development fund, in order to share risk. It can begin as a cooperative venture among lending institutions active in the market to spread individual risk. These collaborative ventures can also attract the support of major employers or other agencies such as the South Dakota Housing Development Authority and the Federal Home Loan Bank. A lending pool is an ideal instrument to:

- Provide a source of seed capital, unconstrained by program regulations, for a developer or development corporation to use for developing needed housing types.
- Finance the additional capital necessary to "fill the gap" between the cost of housing and appraisal. Gap financing should be used when the cost of construction is more than the finished value of the home or when developers are tasked with building more affordable housing options or housing untested in the local market.
- Provide short-term financing or "patient financing" for builders and contractors in the community, and to provide interim financing for projects developed by local housing partnerships, cities, or even the county.
- Offer down payment assistance for new homeowners. A major hurdle for many young or lower-income households looking to buy includes saving enough money to make a down payment, even though these households may not meet federal criteria to be considered low income. Assistance in the form of grants or forgivable loans helps these households get into housing ownership and begin to build equity in the market. Local lenders will offer a deeper understanding of this issue when forming the consortium. They may view this as a lower priority as other programs exist at the state and federal levels.
- Funding to non-profits for the preservation of existing housing and the maintenance of affordability that these units naturally have.

## Affordable Housing Fund - Grand Rapids, MI

The city of Grand Rapids set an aggressive policy target for a citywide inventory of 30% affordable housing units. One tool created to help with the effort is an Affordable Housing Fund leveraged by dedicated city revenues, private contributions, and interest earnings. Additionally, a board provides recommendations for policy changes and managing allocations. Funds come from:

- City appropriations from tax growth
- Private contributions, State funds, County, other grants
- Excess revenues from General Operating Fund

Eligible applicants include non-profits and for-profit affordable housing developers, and public housing authorities. Individuals are eligible for homeownership financial assistance. Fund allocation is used only for situations that meet city needs like mixed-use development, projects with other funding sources, and small scale development.



**SOURCE:** <https://tenants-to-homeowners.org/home-purchase-program/>

## Non-Profit Developer

The study proposes creating a not-for-profit housing developer to pursue many of the strategies listed in this chapter. These organizations can reside within an existing organization such as an economic development group, or even a church, but must have the expressed mission of implementing housing programs where the private market cannot find success. It's board of directors and stakeholders should be comprised of partners whose mission is impacted by the housing market. The not-for-profit can accept an assortment of funding sources, implement a variety of housing programs, and work on behalf of its partner organizations to strengthen the county's housing market.

The benefits of the organization could include:

- An entity dedicated solely to addressing housing issues and serving partner organizations including employers, institutions, the development community, and resident groups.
- A nonprofit status allows the corporation to operate in markets where private developers cannot (low revenue price points or untested products).
- The ability to execute and coordinate an assortment of housing programs and policies uses various funding mechanisms, including tax increment financing, charitable gifts and donations, and federal and state dollars.

## Permanent Affordability

Shared equity housing is a way to provide permanent affordability to housing units. There are several models:

- **Community Land Trust (CLT).** In this model the CLT retains ownership of the land, homeowners purchase the improvement, and there is a 99-year ground lease.
- **Limited Equity Cooperative.** The co-op owns the buildings and the land underneath, tenant-shareholders own a share of the corporation and receive a long-term "proprietary lease" to their units, and is democratically governed by tenant-shareholders.
- **Classic Deed Restriction.** Homeowner holds title to both the land and the home, deed includes restrictive covenants 30-99 years, and tend to be embedded within a larger organization or government.

## Lawrence Community Housing Trust - Lawrence, KS

The Lawrence Community Housing Trust (LCHT) in Lawrence, KS offers a stock of affordable renovated or newly constructed homes at subsidized sale prices to buyers with low to moderate incomes. The homes are built or renovated by Tenants to Homeowners, a local non-profit housing developer. The buyers agree that at resell they will sell to another income-eligible buyer at a formula price that provides affordability but allows the seller to gain some equity. This provides a permanent affordable unit.



### Under Contract - 2540 Ryan Ct

Market value is \$239,000, LCHT sale price is \$155,000 3 Beds - 2 Bath, 1,436 sq. ft. Single family home with 2 car garage, covered front porch and back patio. Built by Tenants to Homeowners in 2014, energy star rated. Schools - Prairie Park Elementary, Lawrence South...

**FOR SALE HOME IN APRIL 2022:** <https://tenants-to-homeowners.org/home-purchase-program/>

## The Goal: Increase Variety of Housing Options

### Objective

- Providing housing options for individuals at all income levels and stages of life.

Variety, both in housing type and lot size, provides for interesting neighborhoods and accommodates changing household preferences, but more importantly, offers affordable housing options. Housing types should range from townhomes, senior living facilities, low/no maintenance condominiums, multi-family development, and small-lot infill. Smaller lot sizes are also an easy way to reduce home buying costs, as land and infrastructure costs are spread across more property.

### Remove Limitations

Nationally, there is a growing discussion regarding the negative impact ordinances have on the development of affordable housing. As shown in this study, there are numerous factors affecting the ability to produce affordable housing exclusive of codes. However, cities need to make sure that once these hurdles are overcome, the zoning code does not prohibit or add time to the development of affordable housing. Some communities in Brookings County have regularly updated their code while others have not. Generally, most products are allowed and it is more a factor of other limitations that may make it cost prohibitive to produce certain units.

### Permitted Residential Uses

Communities should broaden residential permitted uses by-right under certain contexts and design standards.

- **Focus on relationships to downtowns, major streets, schools, and parks.** Many communities now recognize that single-family, small lot development, multi-plexes, and even apartments can fit well in most areas of a city, are lower cost, and align with younger households preferences. Higher density in traditional residential zoning districts may be prioritized near high use areas and public spaces. Nonetheless, the out-dated mid-century single-family zoning districts are a hindrance to housing affordability and variety.
- **Administrative site plan approval when housing meets city's comprehensive plan goals and targeted housing needs.** If the comprehensive plan is regularly updated with community input then there should be little need to push projects through an extended development review process. Site plans that meet the intent of the comprehensive plan should not require public hearing by city councils. Of course,

## Zoning In Small Cities

The following is the start of a general checklist, that may be beneficial for jurisdictions without a planner or zoning official on staff.

- Review past exceptions granted on residential development. If there are more than four or five similar exceptions granted each year, consider making the exception allowed citywide.
- Review setbacks, site coverage, and parking requirements to allow building on nonconforming small lots that exist in many cities today.
- Allow more residential uses in commercial/employment districts. At a minimum, upper story residential should be allowed in downtown districts.
- Allow duplexes, attached housing, and even tri-plexes in more zoning districts. Cities may find many of these uses in "single-family" neighborhoods today as non-conforming uses that function just fine, and have for many years.
- Evaluate nonconforming building regulations to ensure compliance requirements focus mostly on properties with records of nuisance or building code violations rather than merely seeking more properties to align with regulations that did not apply at the time of construction. Examples include:
  - › Restoration after damage – Exempt residential uses in residential zoning districts from any compliance trigger for lot size, setbacks, building size, and parking when damaged. Instead, allow restoration of these damaged structures to the condition at the time of damage.
  - › Adaptive reuse and reconstruction – Specify adaptive reuse and reconstruction is allowed for any non-conforming building so long as the property has no known nuisance complaints or safety violations.
  - › Special permits for nonconforming structures – Exempt special permit requirements for reconstruction or structural alteration of residential uses if not changing the setback, height, or area as existing today.
- Reduce or eliminate parking requirements for multifamily housing units. Generally, off-street parking requirements for residential uses should be two spaces per unit at most. Multi-family type uses can typically have standards lower than two spaces per unit.

some site plans should still require council and County Commissioner approvals such as those with:

- › A rezoning application
  - › Potential significant traffic or parking areas
  - › Deviation from the comprehensive plan
- **Focus on design, not density.** Evaluate lot size and setback reductions to ensure that the market can respond to both the need and desire for smaller lot sizes. Reducing minimum lot size requirements does not mean all developments will occur at the minimum. However, it gives developers an option to create more diverse neighborhoods. Generally, 6,000 square-foot lots are more than enough to accommodate single-family homes with adequate spacing, yards, and neighborhood character. Ideally, parking and garages are on a rear alley. The Brookings Comprehensive Plan even illustrated models for smaller size that could maximize infrastructure and create variety.
  - **Balance expanding housing options with neighborhood character.** Many pre-1940 neighborhoods were developed with a variety of housing types. The neighborhoods often had 4-plexes on corners, duplexes in the heart of a block, and accessory dwelling units scattered throughout a neighborhood. This mix of housing gave neighborhoods variety and character. The desire to add these options and use infrastructure more efficiently has many looking to add density to existing neighborhoods. For current residents, this raises many questions and concerns about what infill and redevelopment would mean to their neighborhood.
    - › Many residents have concerns with product types like accessory dwelling units. For these and any other units that add density, it is important to complement the character of the existing neighborhood and provide appropriate transitions where needed. Principles that should be considered include:
      - » Transitions. Provide a transition between higher intensity uses and lower intensity uses to address compatibility issues.
      - » Scale. The size and height of new buildings are in keeping with surrounding buildings or the context of the neighborhood.
      - » Context. The design fits the housing styles around a site even if the type of units are different. Other context variables on a site may include views that enhance the site or stormwater facilities that add open space amenities.

## Housing Variety Examples



*Small Scale Multi-Family*



*Small Lot Single-Family*



*Townhomes*



*Independent Senior Living & Duplexes*

## Prepackage Site Plans & Development Agreements

With prepackaged site plans communities show what will get approved and trigger interest by potential investors. Development agreements can also be leveraged to produce greater variety.

- Site Plans.** The development approval process can be further streamlined by having prepackaged site plans available. Builders will often continue to build what they know - single-family homes or large apartments - because of historical consistency in profits and evidence of past local approvals. By creating a package of example site plans and products that will get approved, a level of risk is taken off the builder. Cities or economic development organizations could go as far as to release a request for proposals (RFP) to develop assembled sites under specific criteria and standards. Both methods are straightforward ways to eliminate approval risks.
- Pre-purchase Sites.** For infill development projects, assembling a site can remove a significant time and cost barrier to a builder. Most builders do not have the capacity to work with multiple land owners, negotiate purchases, and prepare sites. Removing this hurdle makes infill development more cost effective and gives the city or economic development group the opportunity to establish what they would like to see on a site. The same can be said for a new development areas. In this case it would be no different than the creation of an industrial or commercial park as an incentive to attract a business to a community.
- Development agreements.** A development agreement should be used any time the city uses a tool like TIF or assistance with infrastructure. Under this agreement the city can set the mix of housing products and in some cases even the maximum price points for those homes.

## Missing Middle for Chattanooga, TN

With help from the Incremental Development Alliance, Chattanooga leaders and stakeholder undertook an intensive developer workshop to identify solutions for missing middle housing types. The process resulted in a development packet that lays the framework for a developer to pursue these projects including:

Picking a building type based on the developer's financing options and site circumstances.

Guides and site plans for good urban design amid traditional single-family neighborhoods.

Technical considerations for packaging development applications.

Bank packages for different building types to show how to bring the project to life by proving profits for lenders.

<https://www.incrementaldevelopment.org/>

<https://www.cneinc.org/creating-homes>



## The Goal: Secure and Conserve Existing Housing

### Objective:

- Capturing the benefits of the existing housing stock, while providing updated, affordable, and/or needs for specific housing.

Today most Brookings County communities have a stable housing stock, but current conditions are not guaranteed in the future. Monitoring and encouraging investment is essential to preserving the naturally occurring affordable housing.

### Rehabilitation Programs

The best source of affordable housing is the existing housing stock. Land and material costs make it challenging, and sometimes impossible, to produce housing priced below \$180,000 or rents below \$800 without some assistance. Therefore, maintaining the county's existing housing stock will be essential in meeting the demand for more affordable housing.

Programs will need to be tailored to owner and renter housing separately based on the opportunity maps in Chapter 3.

### Market Existing Programs

This may go without saying, but assistance programs do little if residents do not know about them. Proactive annual marketing can occur through utility bills, newsletter, e-mail lists, and other mediums, especially in the spring as construction season begins. Ideally, the County or economic development would coordinate with cities to create a county wide effort. For local city programs, city staff should find efficient ways to market programs to residents.

### Greater Funding of Rehab Programs - Owner

The City of Brookings has made a concerted effort to stabilize and improve older neighborhoods in the last decades. Many of the smaller communities often lack the resources to institute many of the same programs. Maintaining housing and improving units that are in disrepair should stabilize neighborhoods and encourage private investment. Funding will be essential for these programs.

- **Direct rehabilitation loan program.** This program would make direct forgivable loans and grants to homeowners, traditionally from Community Development Block Grant (CDBG) funds. The program is most appropriate to homeowners with low incomes who are not otherwise eligible for bank

## Tenant Landlord Education

The "Housing Navigators" program, managed by the South Central Indiana Housing Opportunities, is designed for both tenants and landlords to create safe and stable rental housing. Volunteers with the program are trained to help individuals and families access local housing resources, advise them on their rights and responsibilities, and look up information using the Housing4Hoosiers website. They also help distribute the "Renting in Indiana" handbook. The handbook provides information on:

- Finding an affordable housing option
- What to look for in an apartment
- Understanding a lease
- Utilities and deposits

The program is funded through an Empower Indiana grant, part of the Prosperity Indiana program funded by the CareSource Foundation. Training is provided several times a month throughout Bloomington with special hours for the Housing and Eviction Resource Table through the Charlotte Zietlow Justice Center.

<https://sciho.org/programs-and-projects/housing-navigator>

loans. These efforts should generally be focused in strategic areas where loans support other area investments, such as a substantial infill development.

- **A leveraged rehabilitation loan program.** This approach leverages private loan funds (often through the FHA Title I Home Improvement Loan program) by combining private loans with CDBG or other public funds to produce a below-market interest rate for homeowners. The program works most effectively in moderate income neighborhoods with minor rehabilitation and home improvement needs. The program is effective in expanding the number of improvements completed by a fixed amount of public funding. Loans in a leveraged loan program can be originated through individual lenders or the proposed lenders' consortium.
- **Energy efficiency loans.** Funding may be leveraged through the region's utility providers to offer loans that improve older homes' energy efficiency. These low-interest or no-interest loans can replace windows, heating and cooling systems, or any other upgrades that enhance the energy efficiency of the home.
- **An emergency repair program.** For very low-income residents, an emergency repair program should be established. This type of program is usually funded through Community Development Block Grant (CDBG) funds in grants or forgivable loans but leveraging local funds would provide greater flexibility. Emergency repair programs are designed to meet critical individual needs and keep viable housing from deteriorating further. Thus, when funds are limited, assistance should be focused on fundamentally sound structures.

Most federal and state funding sources will not allow funds to be used on manufactured homes (mobile homes), but if using local funds, every community can decide how to approach manufactured homes. Emergency repair dollars should not be used on manufactured homes that are not HUD certified. If a unit is certified the soundness of the unit should be evaluated. For those units not in sound quality emergency housing programs may need to be used.

## Campus Town Redevelopment Incentive Program – Maryville, Mo

The CTRIP program was created by the City of Maryville, Missouri, in 2013 to encourage infill development and remove blighted and dangerous properties.

- **Purpose.** Incentivize property owners within the Campus Town Overlay to enhance the area through infill and development.
- **Program.** Demolition debris, building permit, and water and sewer tap fees eliminated.
- **Success.** Supported development of approximately 12 projects in the neighborhood ranging from duplex to a 16 unit building. Approximately 45 dangerous structures removed within three years.
- **Opportunities.** Expand past the Campus Town area to include the entire city.

<https://www.maryville.org/docview.aspx?docid=32939>

## Greater Funding of Rehab Programs – Renter

- **Rental rehabilitation programs.** With a tight rental market county-wide, rental property owners often have no incentive to make improvements. Rental rehabilitation programs should focus on workforce and student rental housing, providing leveraged loans combined with code enforcement. Market demand and market pressures should address most issues with seasonal housing rentals, outside of seasonal worker housing. With limited new multi-family construction, the rental market often depends on single-family homes. These homes tend to be some of the oldest housing and are often in poor condition. Rehab programs provide financing for the improvement of sound rental properties in need of rehabilitation.

Rental rehabilitation must include both incentives and consequences to create a balanced “carrot and stick” based program. This is why effective housing code enforcement is the key to ensure that units meet minimum housing standards.

## Phase 2 Program, Sioux City, IA

The Sioux City Phase 2 program is designed to preserve and improve properties currently tagged as uninhabitable. The program does so by providing funds to new owners to bring the property into compliance with applicable building codes and standards. Applicants are required to be a new owner of the property or developer who intends to repair and sell the home.

Currently the program provides up to \$40,000 per home, as a forgivable loan over ten years. Owners must address the building code deficiencies first, then can use the remainder of the funds for additional exterior and interior improvements.

A primary reason for the program adoption was to repair rather than demolish units. Funding for Phase 2 comes from City general funds, money that was previously budgeted for annual demolition of tagged homes not brought into compliance.

<https://www.sioux-city.org/home/showdocument?id=3644>

## The Goal: Encourage Development in Communities or Existing Sites

### Objective:

- Leverage existing utilities and resources to the greatest degree possible and avoid burdening future tax payers.

Logically, there is a direct relationship between the cost of a lot and the cost of a home. The more expensive the lot, the more expensive the home built is to maintain a profit margin. In other words, an entry level home cannot be built on a large lot with extensive infrastructure costs. More lots and more affordable lots can be brought to the market in two ways, new lot development and infill lots.

### New Lot Development

Right sizing lots will be a critical issue for all the communities but especially the City of Brookings. As noted in the city's Comprehensive Plan, there is a limited amount of area that can be effectively served by utilities. All the cities and the county should consider lot size maximums for individual districts to maintain public costs and revenues gained per acre.

### Special Assessments

In many communities, special assessments are used to finance infrastructure. While assessments reduce the initial purchase price of the house, they are repaid through monthly payments, and therefore add to the monthly and overall cost of the house. Thus, special assessments are not valid tools to target for the lowest income households, but rather those that have adequate monthly funds. These households may have trouble saving for a downpayment because of student loans, high current rent costs, or first-time homebuyers new to the market.

### Subordinate Payments

A city front-ends a portion of public improvements, repaid over a longer period through a second mortgage on the property. This reduces payments over special assessments by extending the loan term and reducing the principal.

### Tax Increment Financing

The use of TIF is not new to the smaller communities of Brookings County, because of the inability of developers to take on projects with slower build out rates. TIF uses the added tax revenue created by the development to finance project-related costs, such as public improvements. This is a tool that the City of Brookings

## Newton, IA Housing Initiative

To stimulate housing development after a year with no new home construction, Newton took it upon themselves by devoting \$3.65 million in bonds for a coordinated Housing Initiative. The goal of the Initiative is to protect neighborhood property values, increase curb appeal, and create momentum for housing development.

The dollars obligated by the city target housing demolitions, public infrastructure, and private incentives to homebuyers. Most funds spent as of 2016 were on acquisition and demolition costs for over 50 homes and one subdivision with several houses. Other projects include installing new playground equipment at a park, major street renovation, and installing a sewer line.

should use as an incentive to encourage certain product types or fill product gaps.

### Infill Lot Inventory and Strategy

Infill development has several benefits for communities. First, placing housing on vacant lots sustains the character of established neighborhoods rather than giving a perception of disinvestment. Second, roads and infrastructure are already in place, reducing the upfront cost of development.

On the other hand, infill development generally does not cater to large-scale projects, but rather new construction on a lot by lot basis. Additionally, contractors are often not interested in working with multiple landowners. The cost of site preparation (removing dilapidated structures or addressing aging infrastructure) increases costs for the developer. For these reasons, public stakeholders will play a key role in the development of infill lots.

- **Long-Term Investment.** Sometime there will be an opportunity to acquire property through estate gifts, tax delinquency, or property liens. While these surplus land assets must be maintained, these resources can be used as an incentive to encourage new housing development.
  - › These opportunities should not be taken as ways to make profit. Rather, every opportunity should be made to offer the lots for minimal costs. Leaders must realize infill housing is a long-term investment that costs the public significantly less than greenfield development. The city reaps the benefit of using its existing infrastructure while also directing investment to help stabilize existing neighborhoods. For smaller communities, this incentive may be absolutely necessary.
  - › Any costs incurred by the removal of a dilapidated structure or legal costs can be recaptured over time with the property taxes generated by the new development.
- **Land Assembly.** One of the biggest hurdles to infill development is the assembly of lots. Most developers do not have the capital, time, resources, or inclination to assemble lots from multiple property owners. Partners and/or the non-profit developer should assemble lots in the most strategic way possible. Infill sites should be located in areas that are substantially sound and attractive, albeit older, neighborhoods that will sustain and benefit from the higher cost of new construction. The opportunity maps in Chapter 3 provide guidance. Ideal infill sites are clustered together, giving security for buyers and increasing values in the surrounding neighborhood.

## Housing density

One of the most effective ways to reduce housing costs is to use land more efficiently. The lower the density the more the costs of land and infrastructure are carried by the individual unit. The production of moderate income housing is nearly impossible at the lowest densities. Existing programs should encourage or give preference to projects that use funding more efficiently through the development of medium and higher density housing.

Additionally, the location of housing adjacent to transportation services, child care and other services can lower a household's expense. In the state's largest cities, moderate income housing should be encouraged next to transportation services.

A land assembly program may include the following components:

- › An aggressive program to acquire and demolish houses that are so deteriorated that rehabilitation is not feasible.
- › Negotiation with property owners to acquire targeted vacant lots.
- › In areas with a concentration of infill sites, preparation of a redevelopment plan that can guide developers and builders. For larger redevelopment projects, the community can also solicit proposals for a master developer to undertake the project.
- › Where a concentration of contiguous infill sites cannot be found, the resources of multiple partners and programs can be applied to make a scattered site redevelopment appealing to developers looking to use their resources to build more than one unit at a time.
- › Budgeting annually for lot acquisition to ensure readiness and a sustained reserve.

## Rural Lot Development

Many participants noted the demand for large lot or acreage options. These products are the hardest to address because of the costs to both the homeowner and tax payers. These units will not address the need for affordable or workforce housing but it has to be acknowledged that the demand exists and that these households may be living in needed affordable units. While this is a portion of the market that the private sector can address, some structure needs to be in place to protect tax payers and ag interests.

- **Develop a Return on Investment Calculator**

**(ROI).** The cities and county should work together to develop a ROI calculator to better determine the costs and benefits of sites for development. These sorts of assessments are often developed when cities are determining whether an area should be annexed. The cost in services for a development is compared to the revenue generated by the development.

- **Establish criteria for approval.** Criteria should be established for new rural developments. These criteria may include:
  - › Access to a paved road
  - › Not located within areas that can feasibly be served by any of the cities utilities
  - › Locations adjacent to existing rural developments or former homesteads.

## Norton City/County Economic Development – Norton, KS

- **Free Lot Program.** Qualified developers can have specific lots cost-free within the Cities of Alma, Lenora, or Norton for new residential units. Eligible projects include a minimum specified quantity/quality of new residential structures meeting design and timing specifications set out for that parcel of ground.
- **Build on Cleared Lot Incentive.** Build a new home on a cleared lot with city infrastructure in Alma, Lenora, or Norton and receive a bundled package of grants and incentives of approximately \$10,000 to \$12,000.
- **Senior Living Relocation Incentive.** Residents of Alma, Lenora, or Norton transitioning from home ownership to qualifying senior housing, assisted living, or long-term care within Norton County can receive a one-time grant of \$5,000 at home closing.

## The Goal: Expand Workforce Development

### Objective

- Increase the number of individuals in the building trades and address the labor shortage that is limiting the ability to produce more housing.

The shortage of workers in the building trades is well-documented. In September of 2021, the Bureau of Labor Statistics reported there were over 300,000 construction jobs open nationally. This may be an undercount because, like many industries, employers are likely not reporting because they do not feel the workers are available. While the financing and desire to build housing may exist, little will change if there are not the workers to actually build and rehabilitate the homes.

### Sponsorship Programs

Sponsorship for skilled trades is not a new concept, many other industries have tried this approach, including the medical industry. Students are sponsored by a business or local initiative that can include tuition assistance, student loan payment, or assistance with tools and equipment. For this assistance, the students agree to spend a certain amount of time employed at the business or in the area.

### Succession Planning

In many communities, especially rural communities, trade businesses are owned and operated by individuals at or near retirement age. Many of these business owners are too busy focusing on their current workload to plan for passing their business on to the next generation. Local development groups can be a great resource and may need to pro-actively reach out to business owners about succession planning.

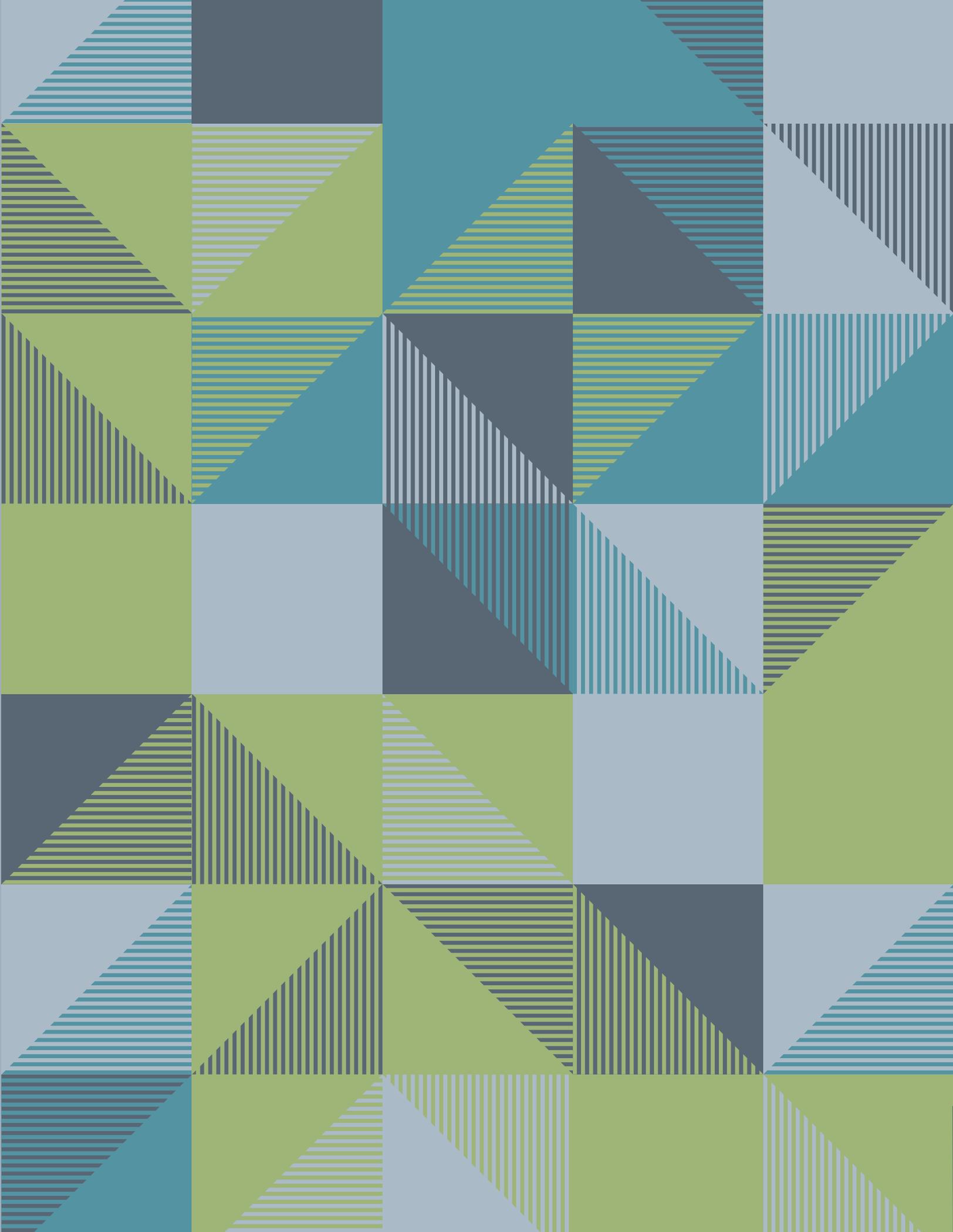
### High School Programs

Brookings High School has had a program around the building trades and has constructed a home. These opportunities should continue to be funded and potentially expanded. Partnerships with Lake Area Technical College should expand opportunities and provide a pipeline into post-high school programs.

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“Brookings has a major issue with housing and this community needs to do something about it. That doesn’t mean that the city need to fund everything either.” - Survey Respondent

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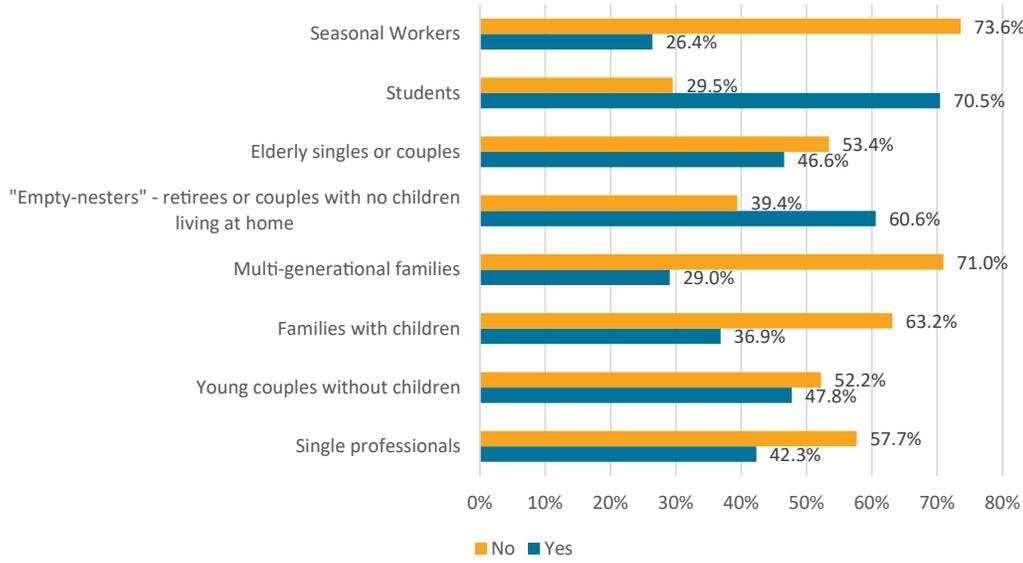




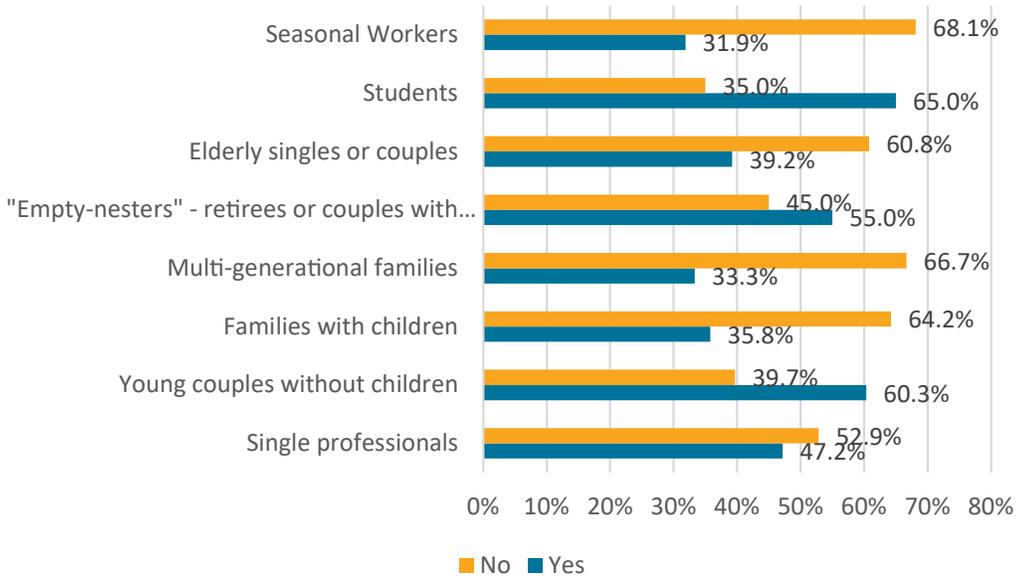
# Appendix

# Survey Responses

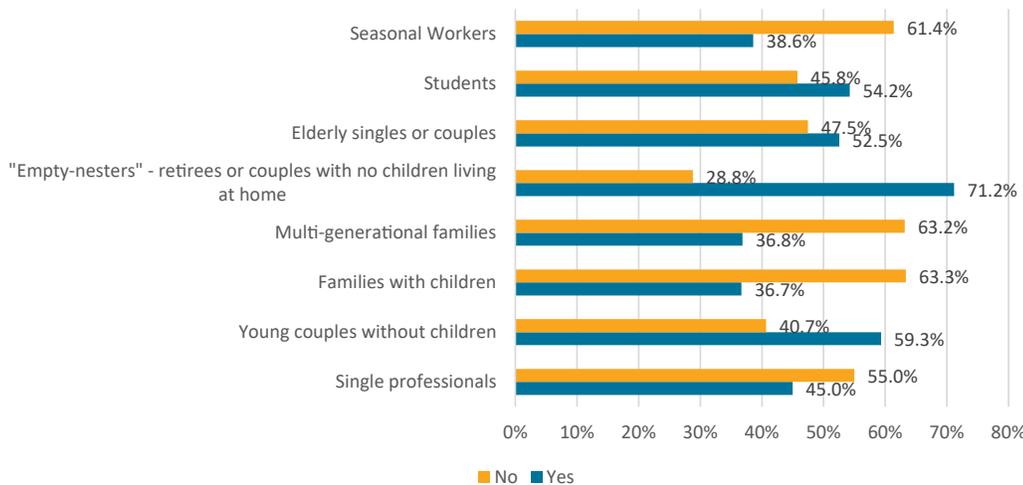
Do you believe that the current housing supply adequately meets the needs of the following household types in your county



**57006  
(Brookings)**

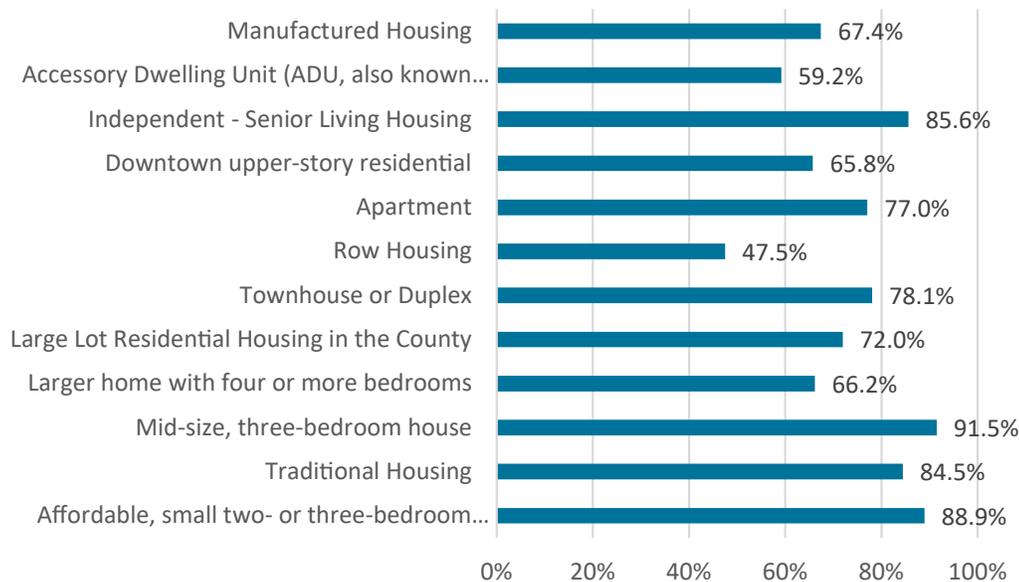


**57071  
(Volga)**

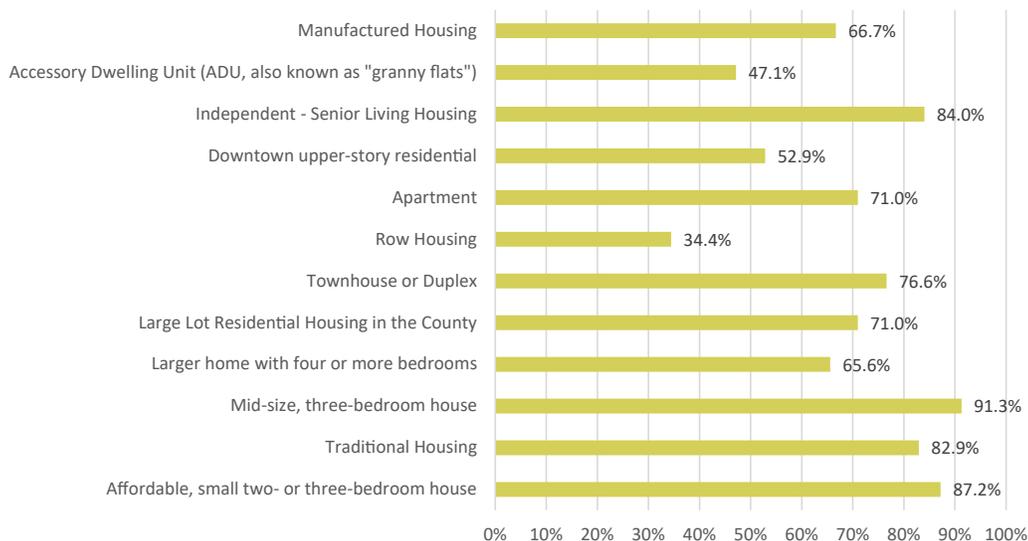


**57002  
(Aurora)**

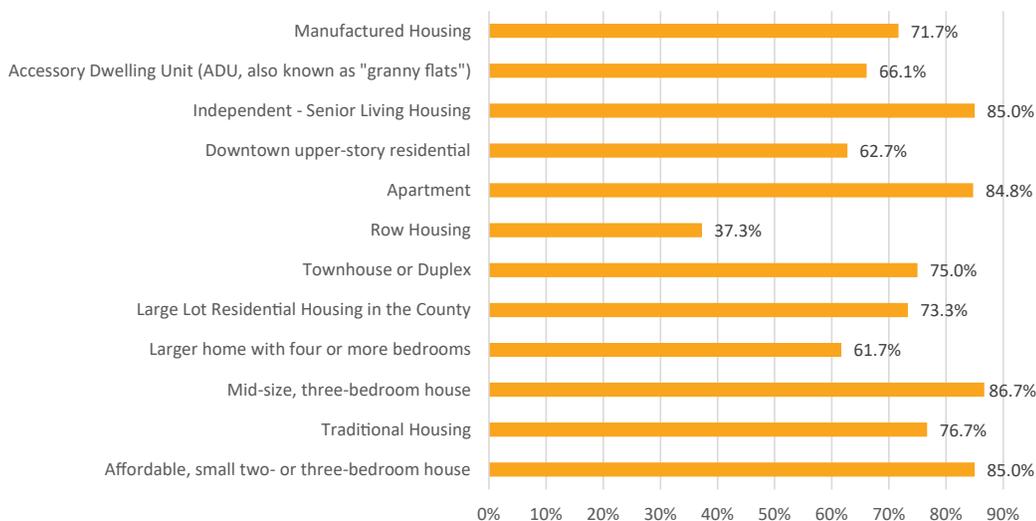
Do you think the following housing products described below would be successful in Brookings County today?



**57006  
(Brookings)**

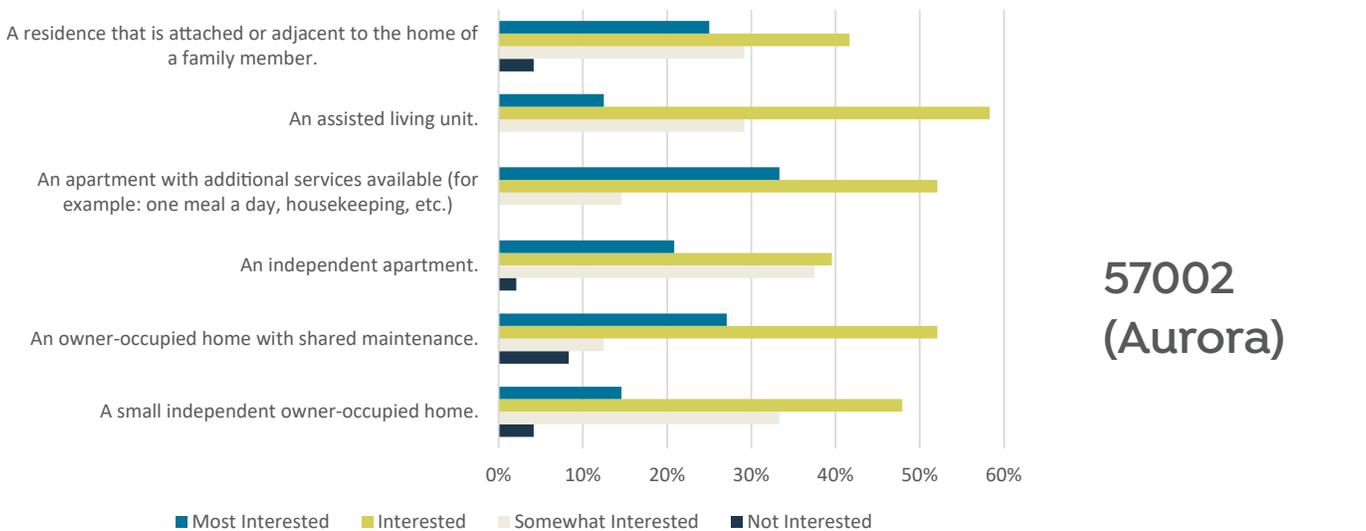
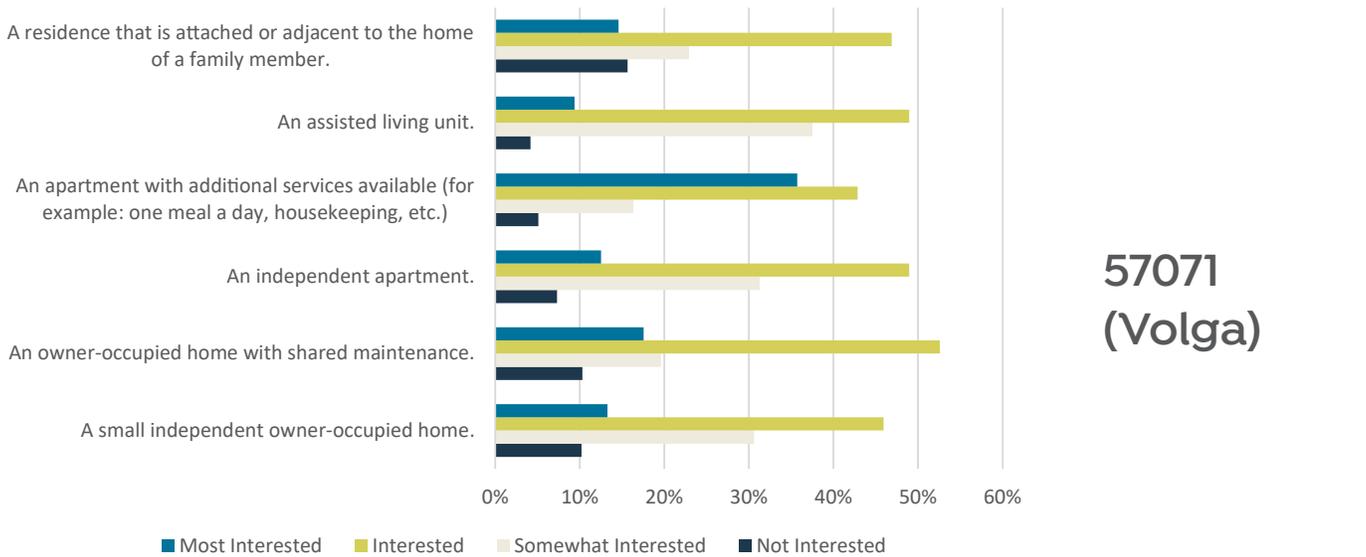
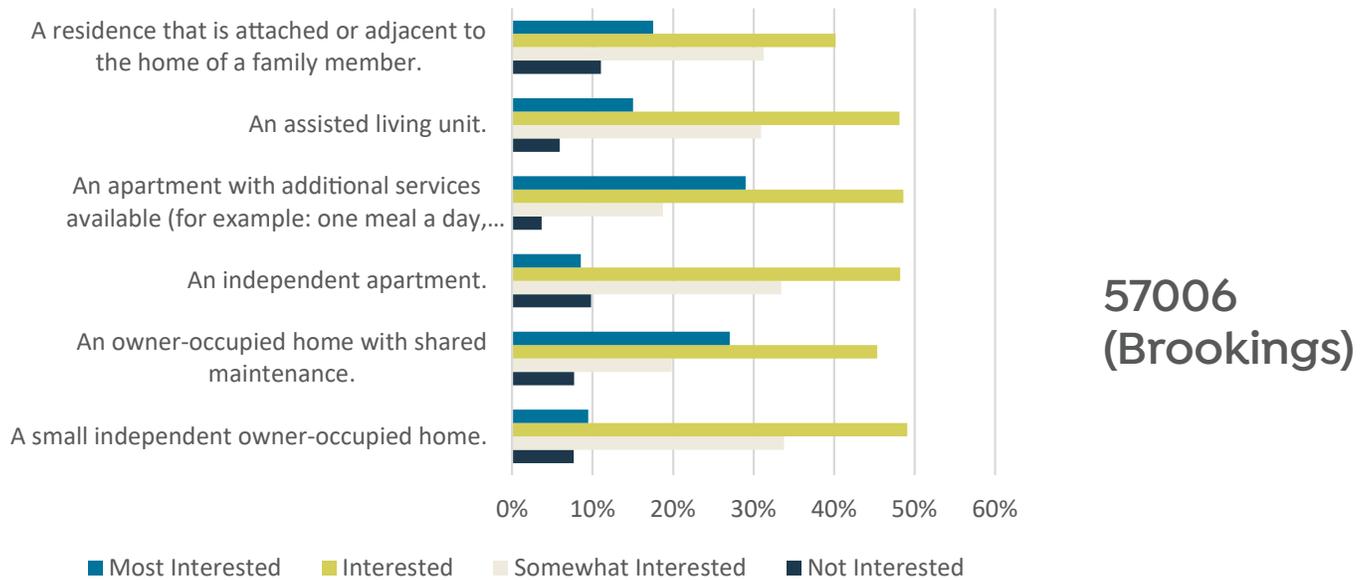


**57071  
(Volga)**

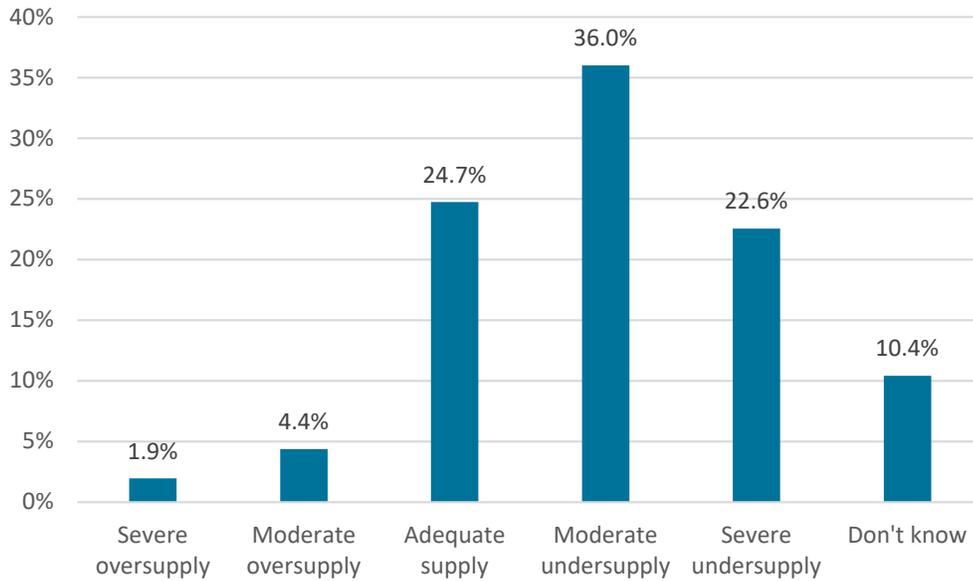


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(Aurora)**

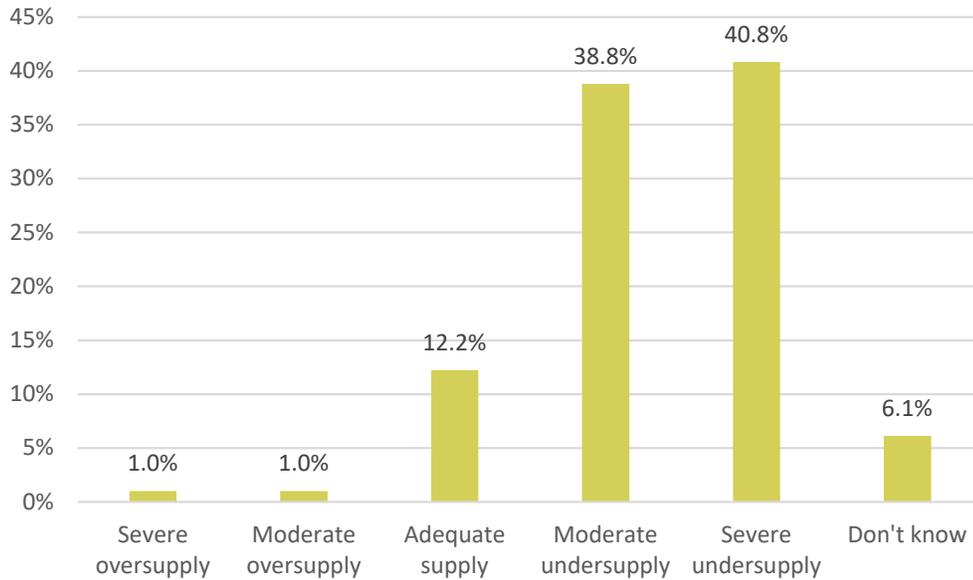
What type of housing do you believe area seniors and the elderly are most interested in?



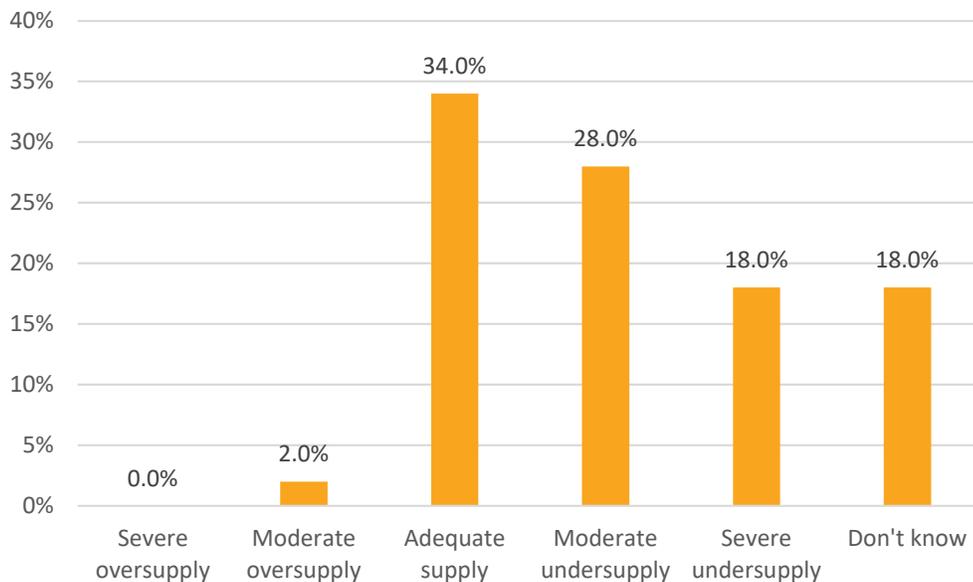
How would you rate the supply of buildable lots in your community?



**57006  
(Brookings)**



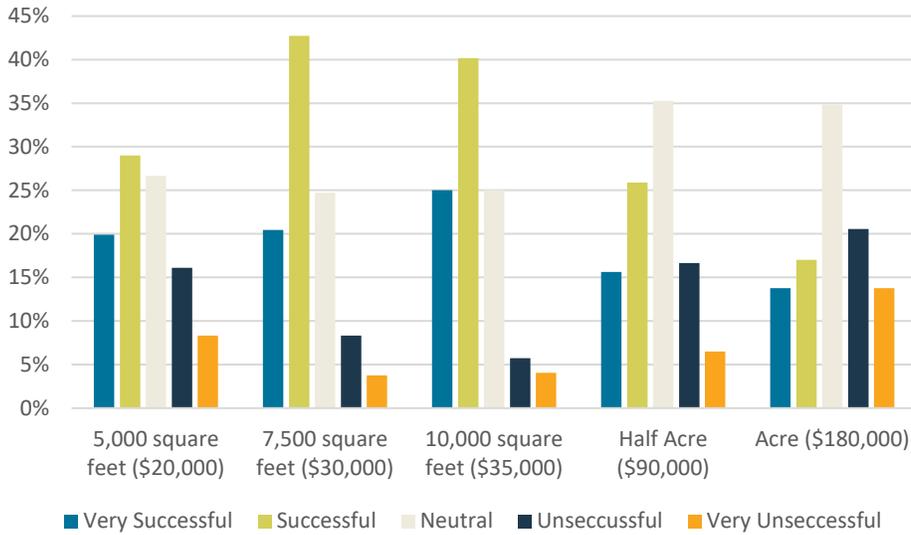
**57071  
(Volga)**



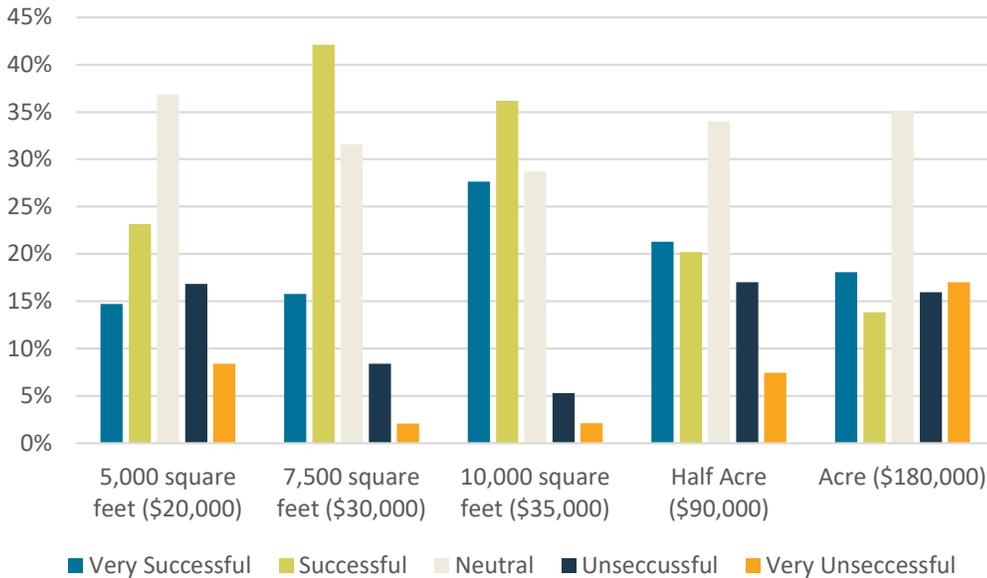
**57002  
(Aurora)**

Rank how successful you think different lot sizes would be in Brookings County?(1 Very Successful - 5 Very Unsuccessful)

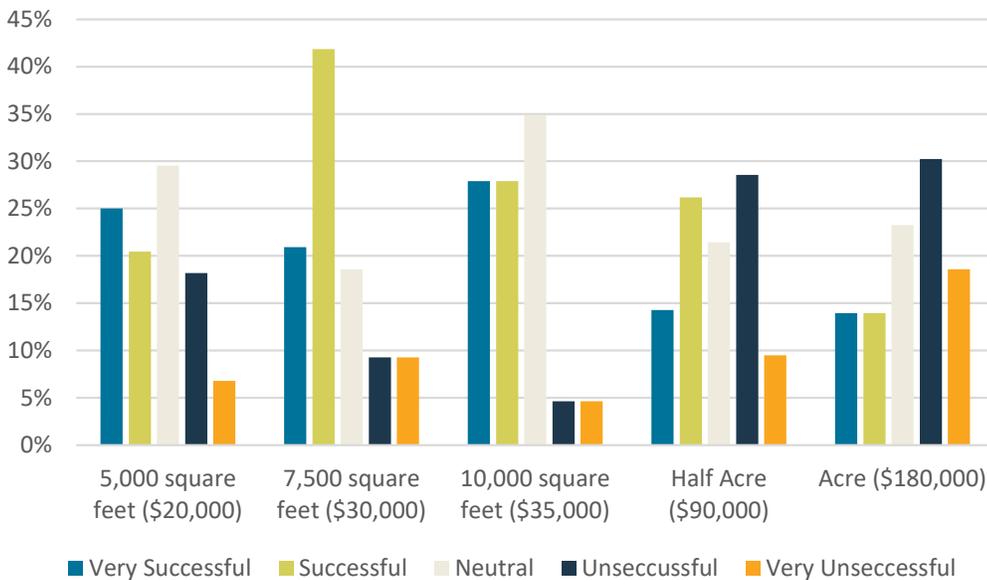
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(Brookings)



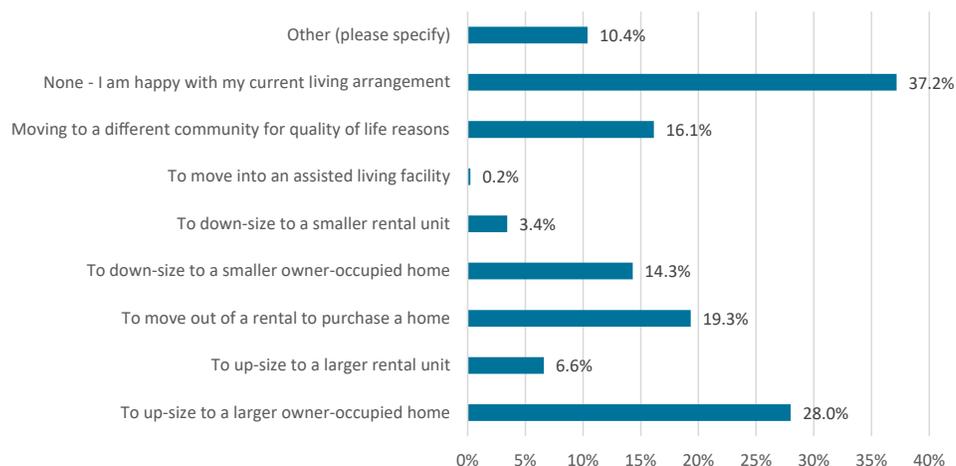
57071  
(Volga)



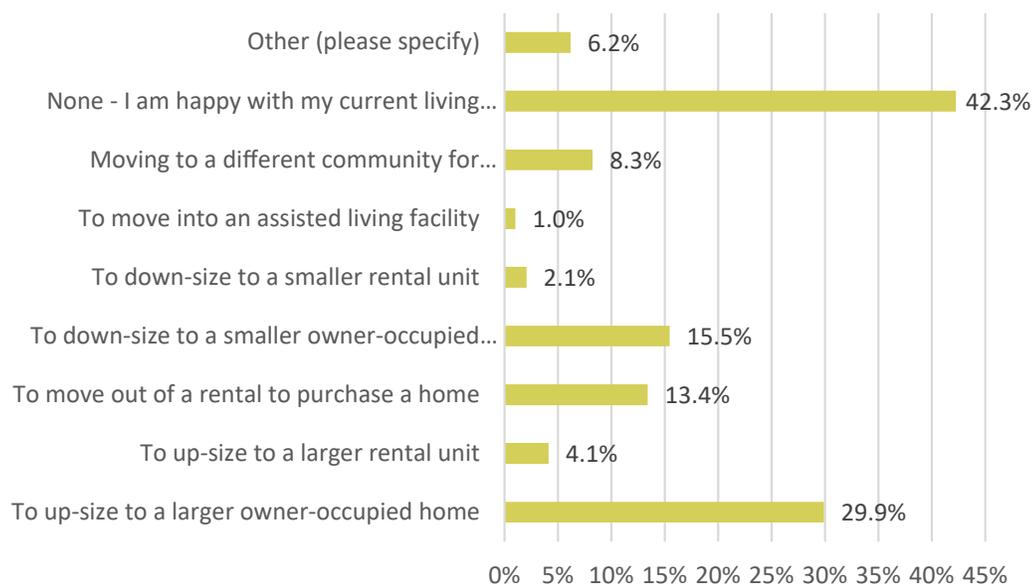
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(Aurora)



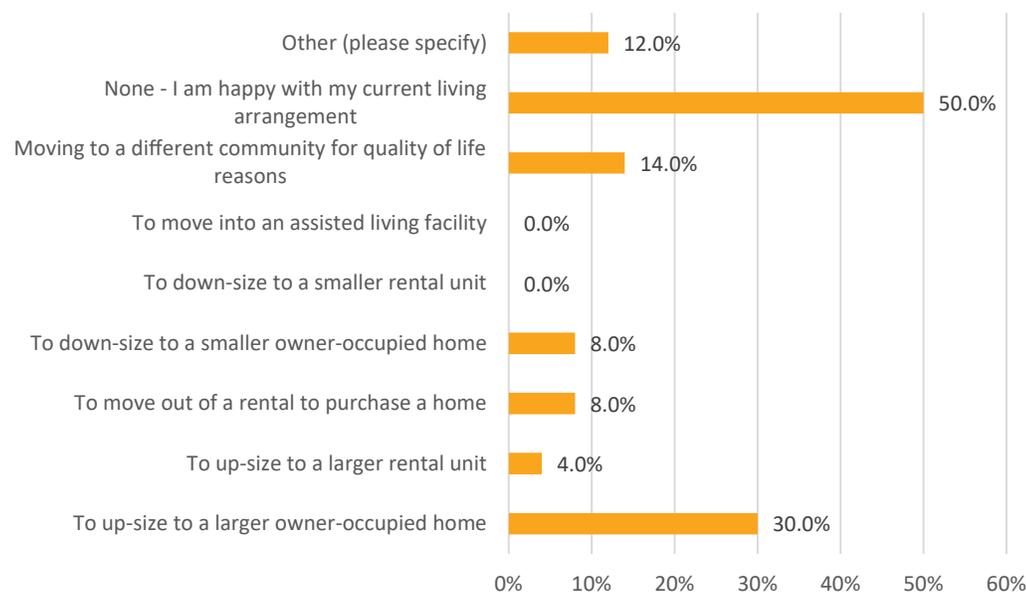
Is there any reason you'd look for a new place to live in the next three years? (Choose all that apply)



**57006  
(Brookings)**

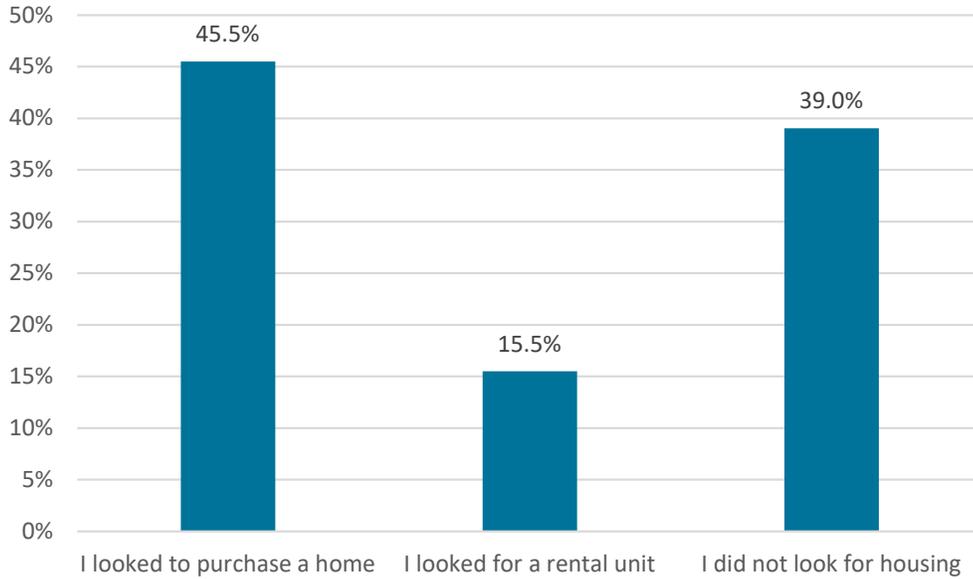


**57071  
(Volga)**

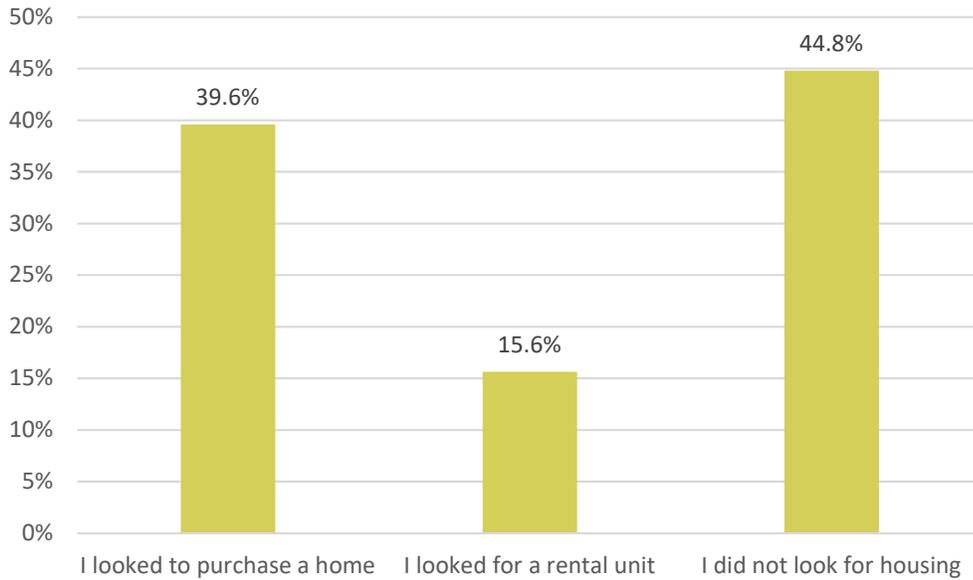


**57002  
(Aurora)**

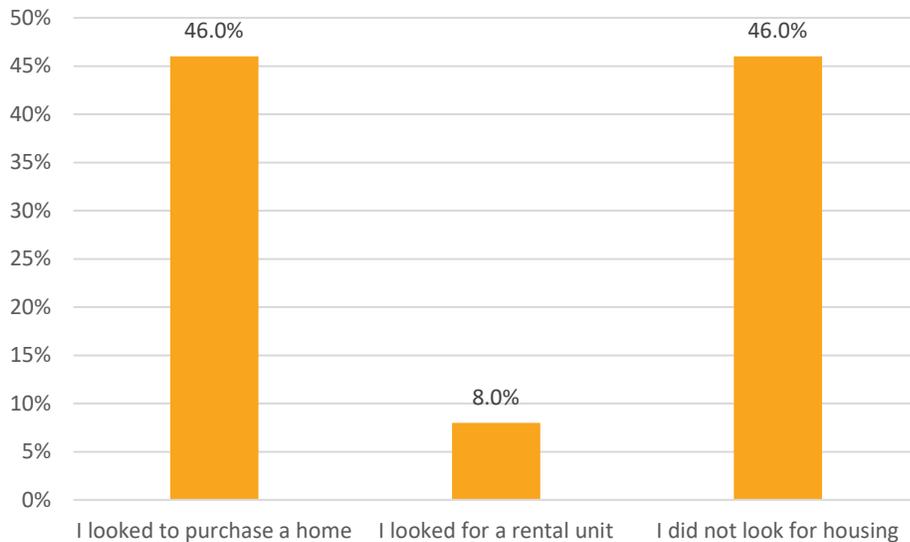
In the past three years did you look for a new place to live, regardless of where?



**57006  
(Brookings)**



**57071  
(Volga)**



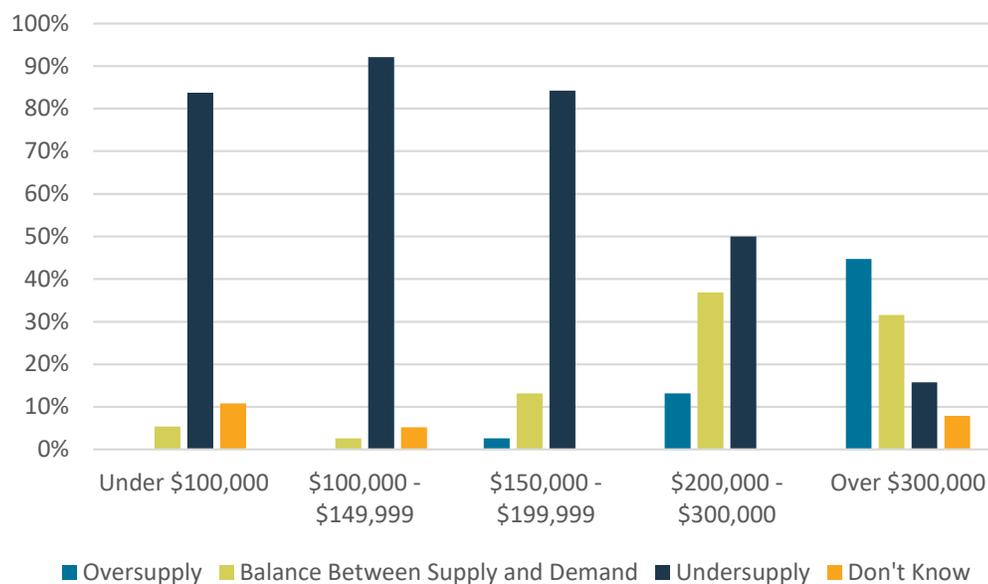
**57002  
(Aurora)**

If you have looked to purchase a home in the past three years, how would you rate availability of housing in your community for each of the following price categories?

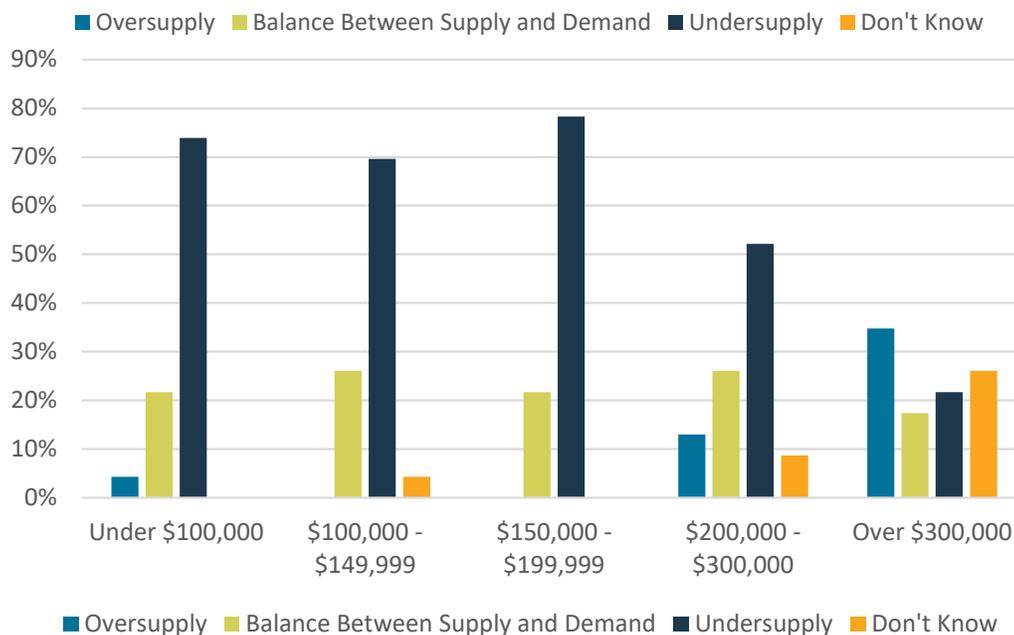
### 57006 (Brookings)



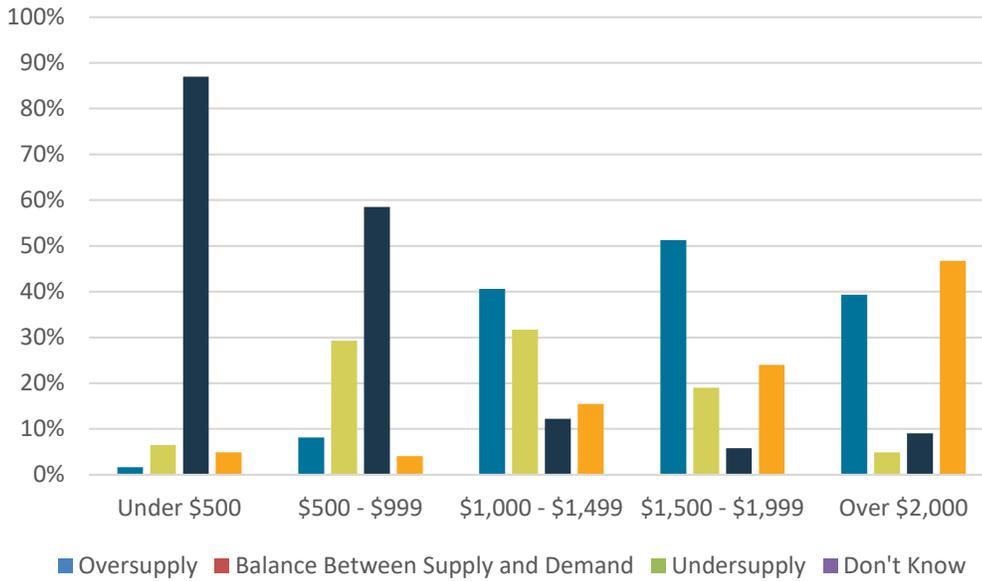
### 57071 (Volga)



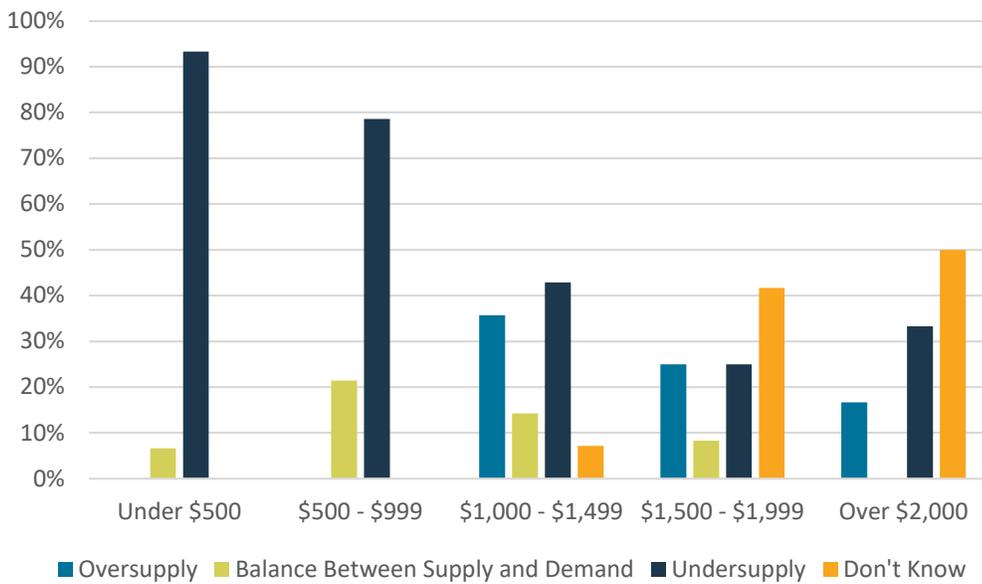
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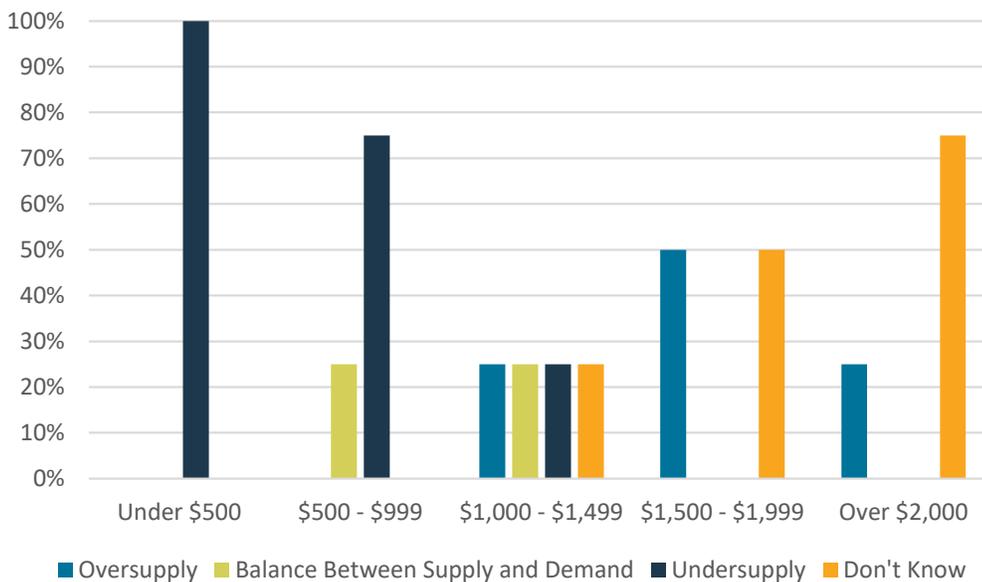
If you have looked for rental housing in the past three years, how would you rate the availability of rental housing in your community for the following rental ranges? Skip if this does not apply to you.



57006  
(Brookings)



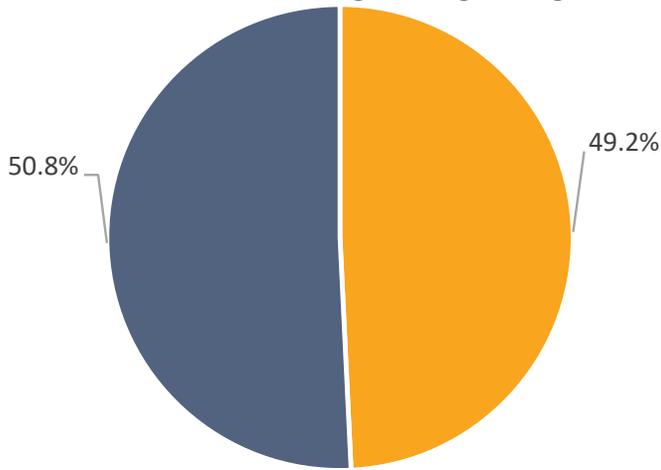
57071  
(Volga)



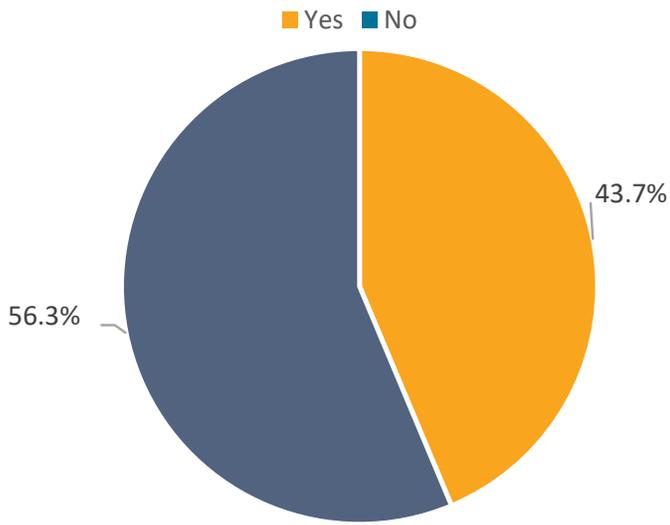
57002  
(Aurora)

*Would you support greater enforcement of property maintenance codes?*

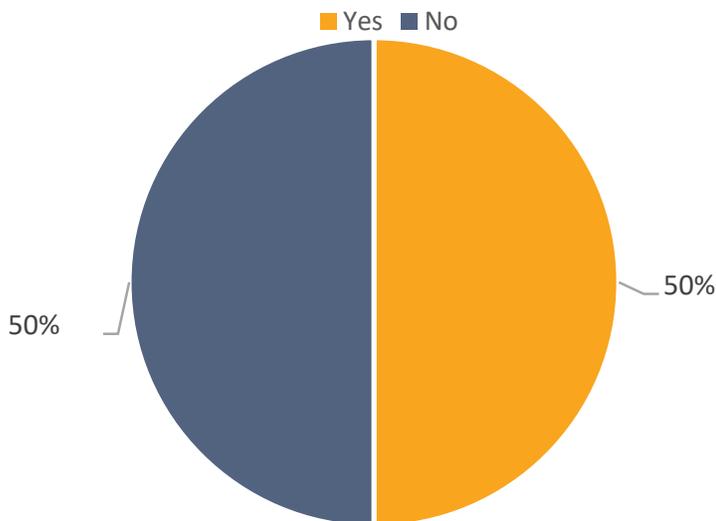
For example, using taxpayer dollars to hire additional city/county staff to proactively notify, levy fines, and take action on property owners that do not follow existing building, zoning, or other safety codes.



**57006  
(Brookings)**



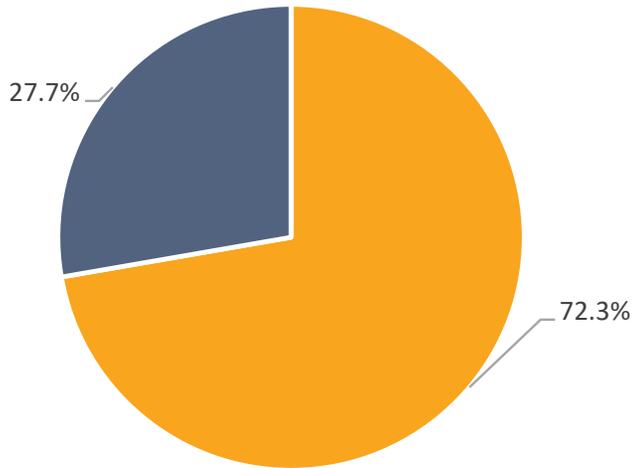
**57071  
(Volga)**



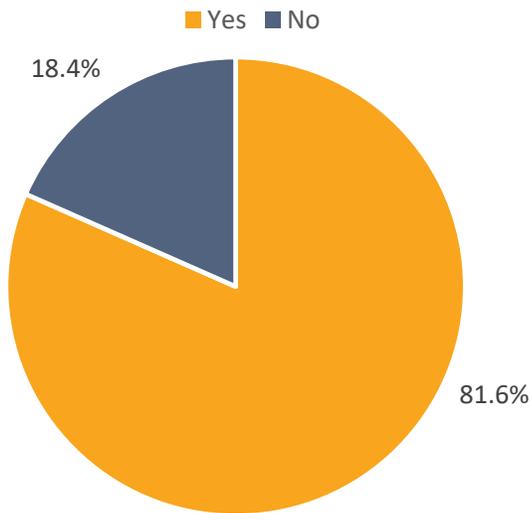
**57002  
(Aurora)**

*Would you support the use of public funding to remove dilapidated housing?*

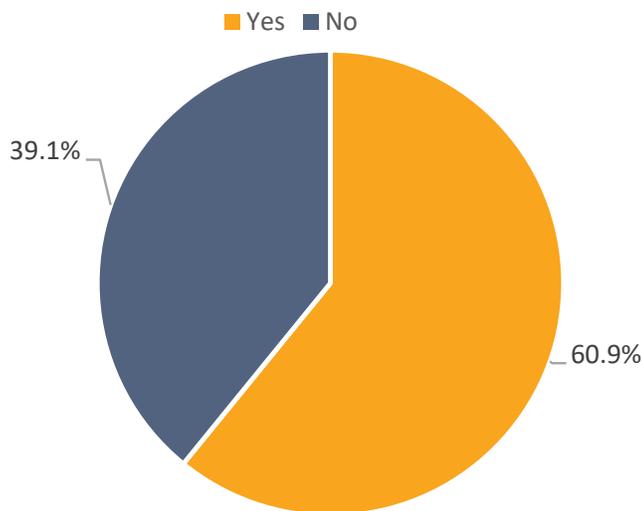
For example, the city/county acquiring homes that are beyond repair and a hazard to the community and using taxpayer dollars to demolish.



**57006  
(Brookings)**



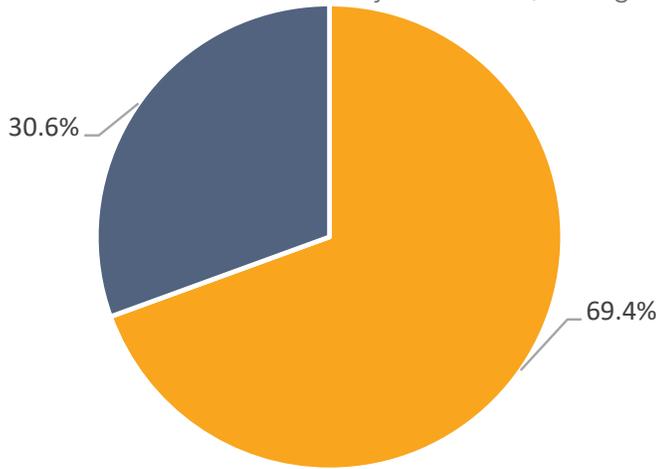
**57071  
(Volga)**



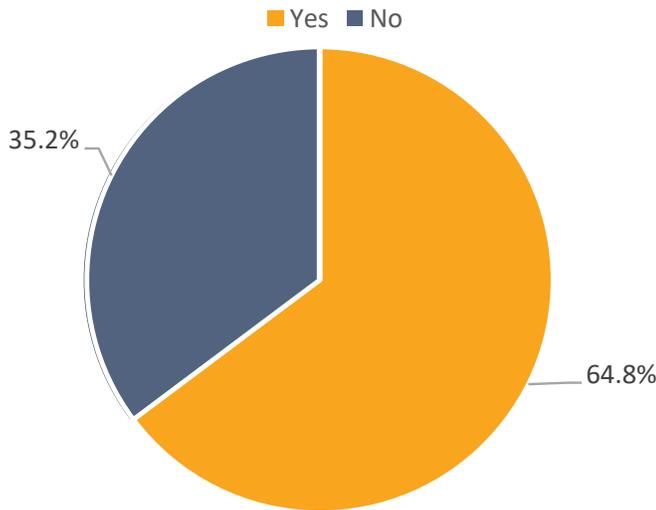
**57002  
(Aurora)**

*Would you support the use of public funding for housing rehabilitation or renovations?*

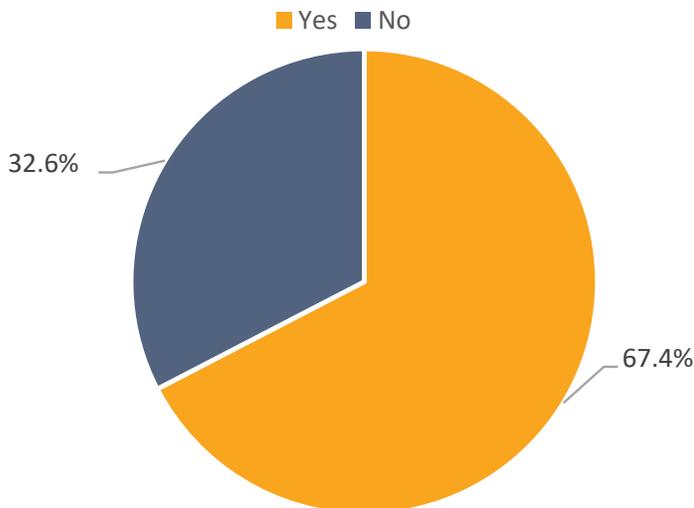
For example, the city/county creating a program funded by taxpayer dollars that allows property owners in designated areas of most need to apply for grants or forgivable loans to pay for major home repairs. Applicants would typically have to be low income or elderly households, among other restrictions to ensure proper use of funds.



**57006  
(Brookings)**

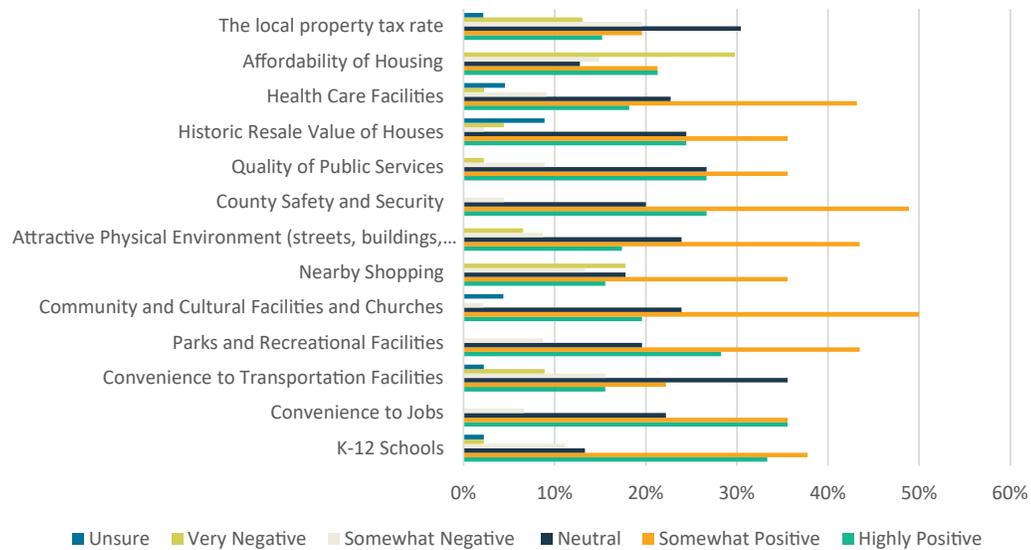
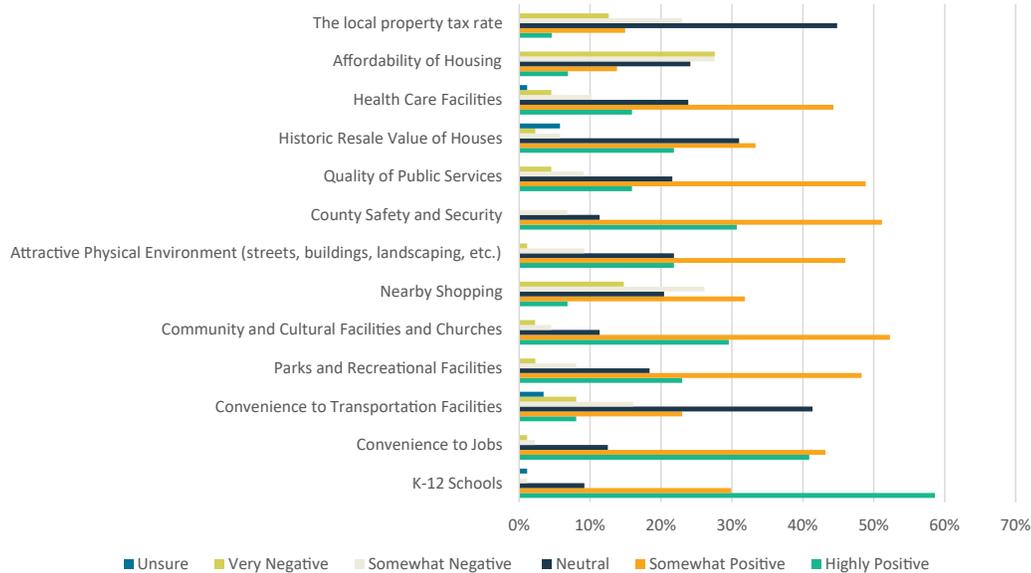
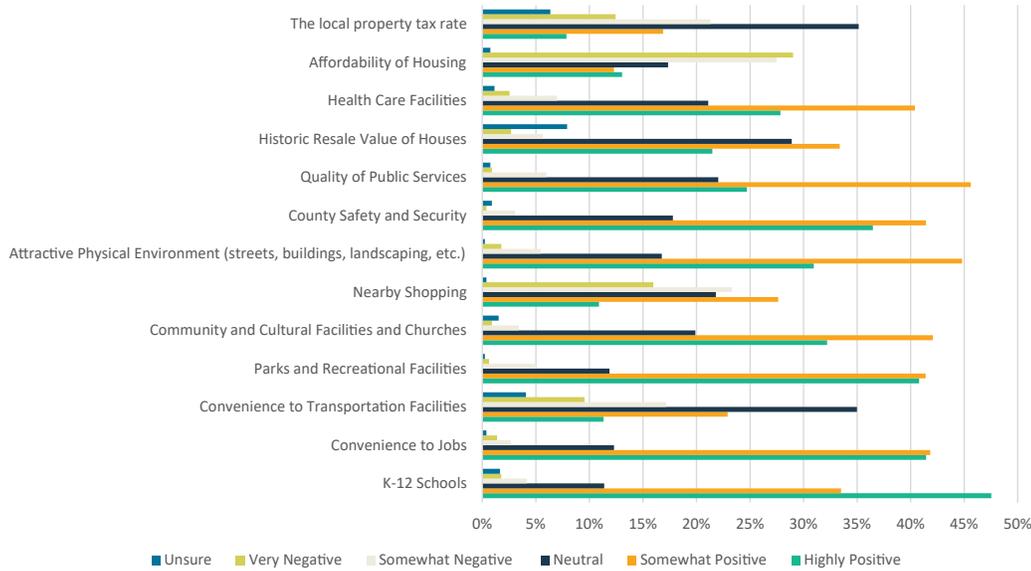


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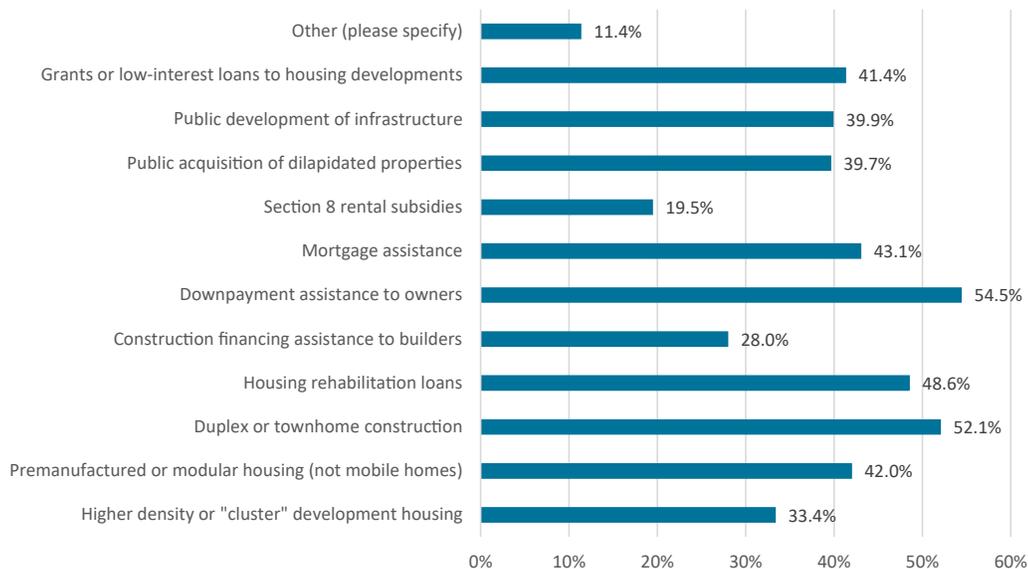


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(Aurora)**

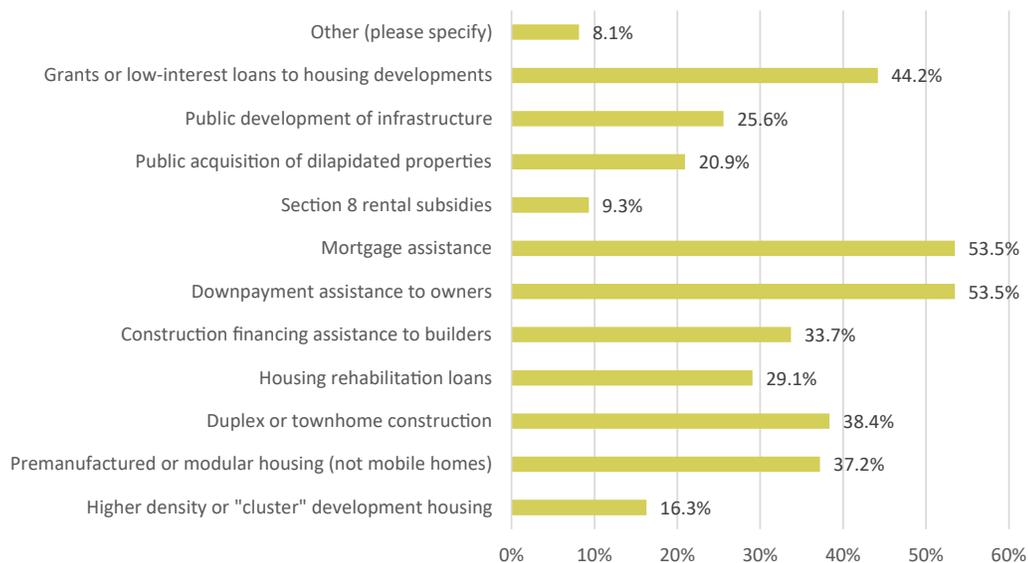
Thinking about the amenities that are currently in or near your community, how would you rate the impact of each one on the attractiveness of your community?



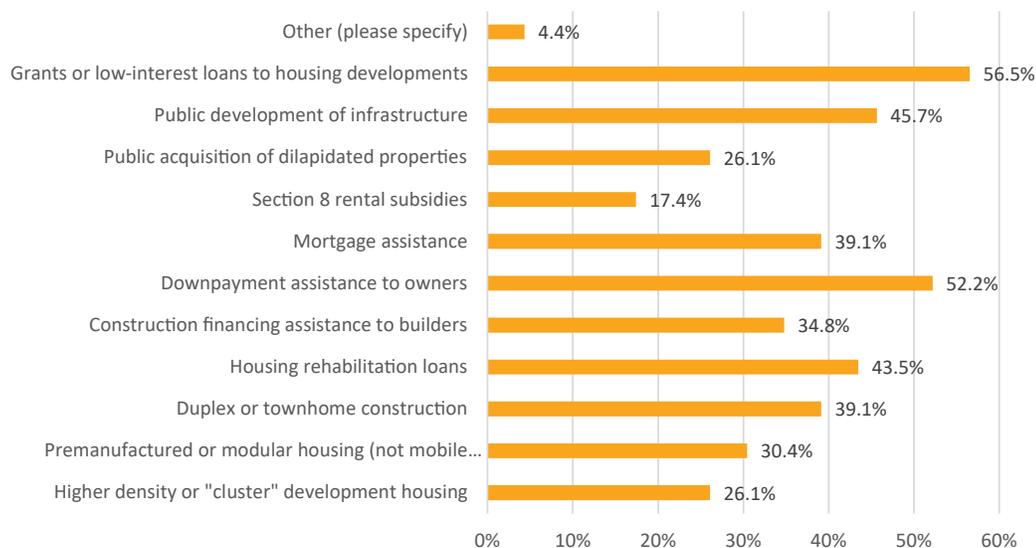
Which types of housing solutions would you support to reduce the cost of housing in your county (select all that apply)?



**57006  
(Brookings)**

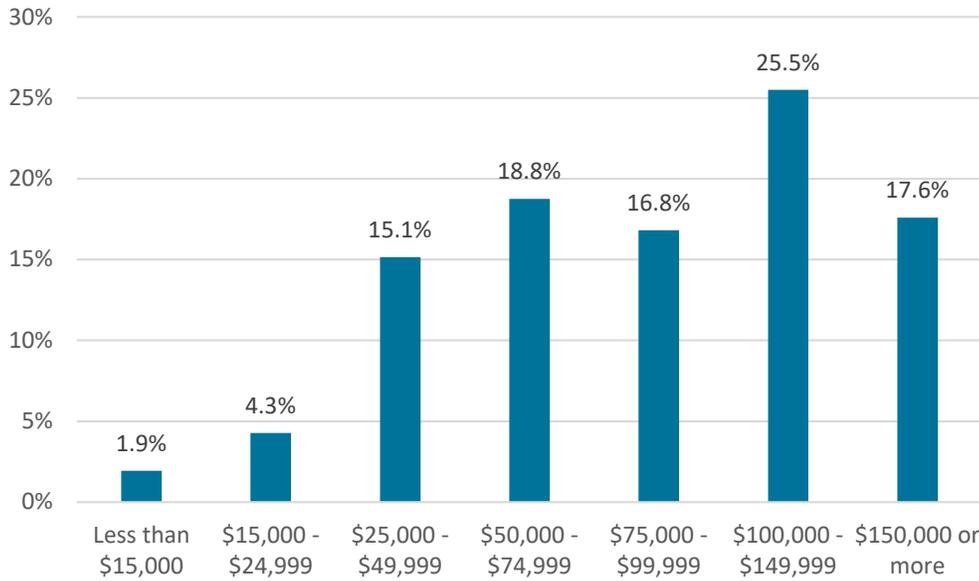


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(Volga)**

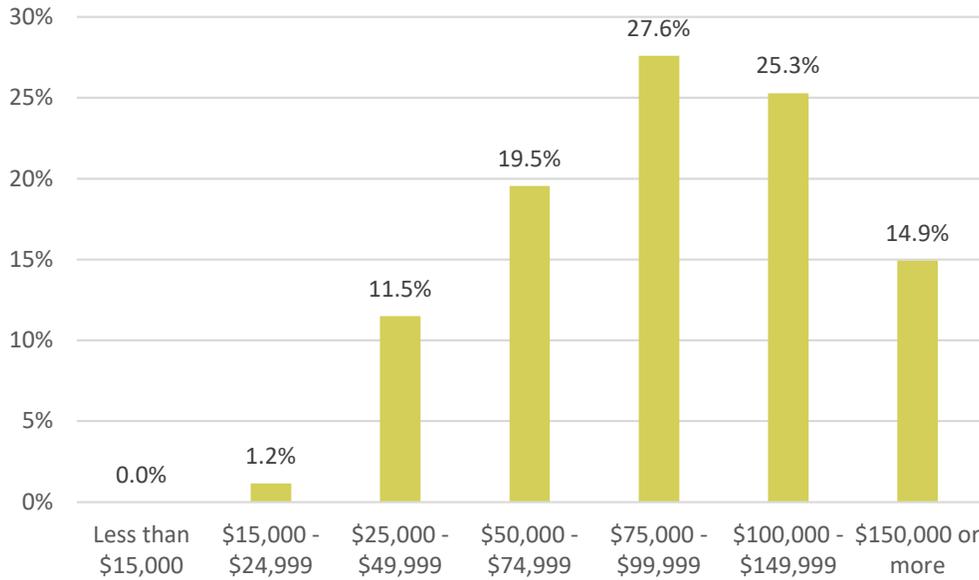


**57002  
(Aurora)**

What is your household's estimated annual income?



**57006  
(Brookings)**

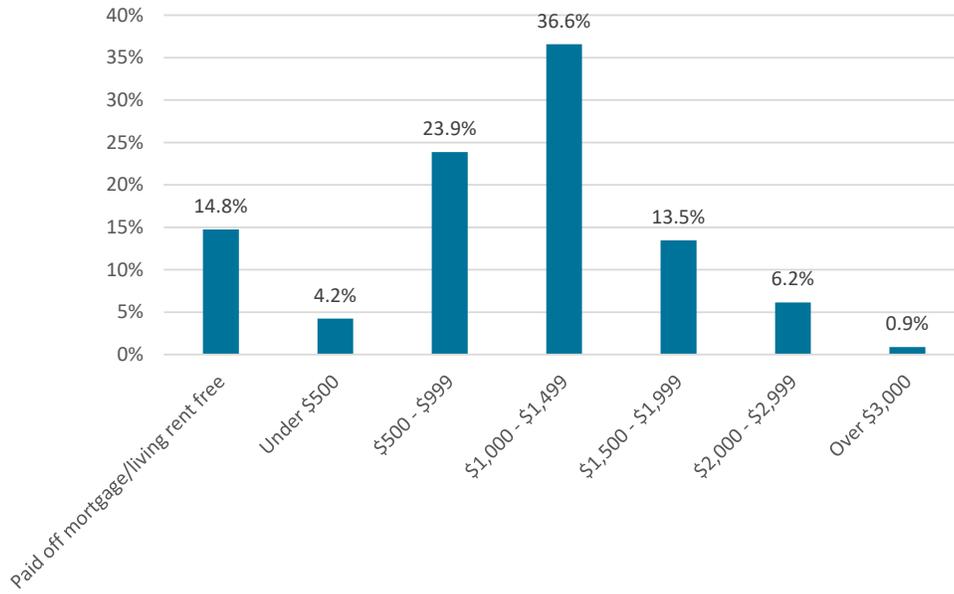


**57071  
(Volga)**

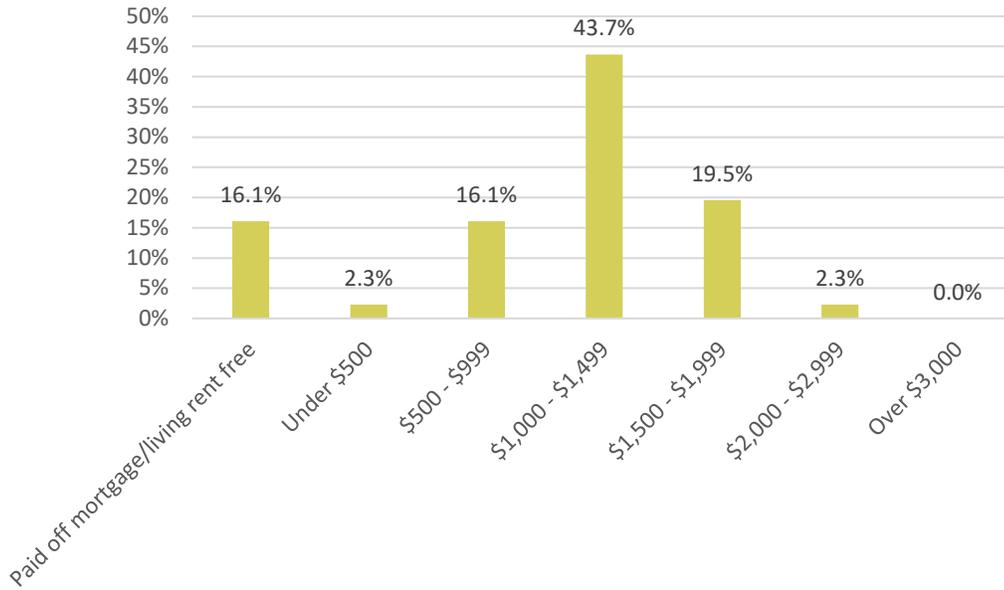


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(Aurora)**

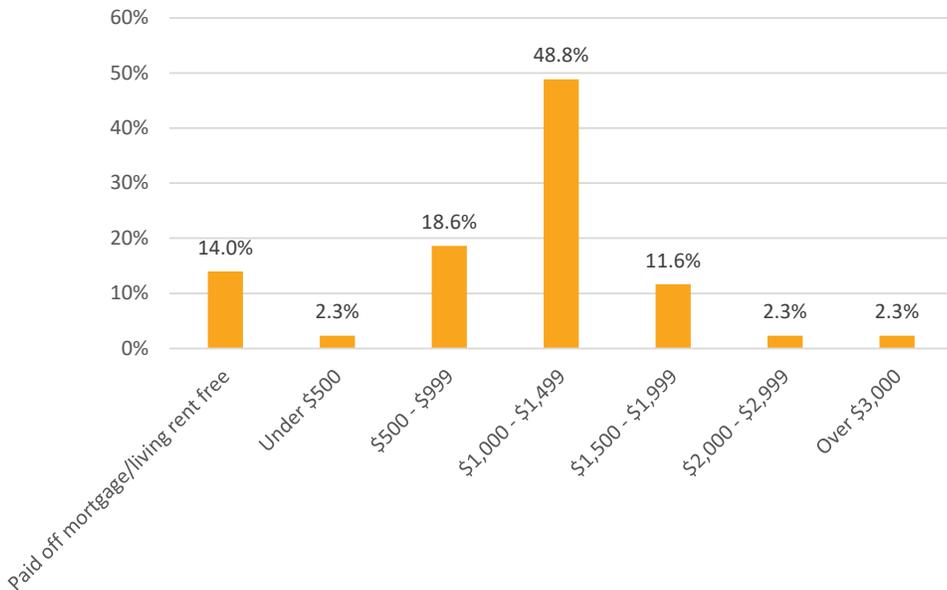
How much is your monthly rent or mortgage payment?



**57006  
(Brookings)**

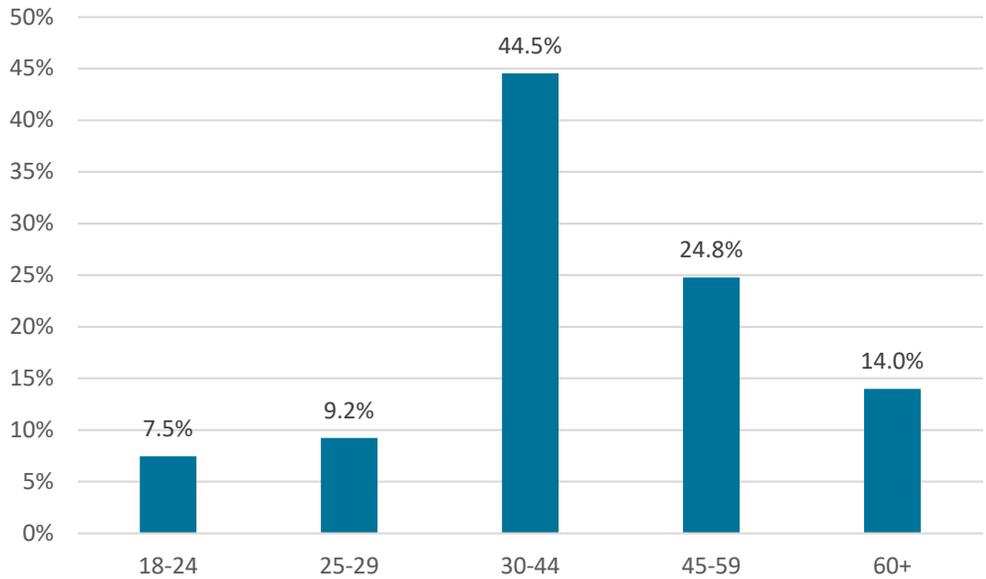


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(Volga)**

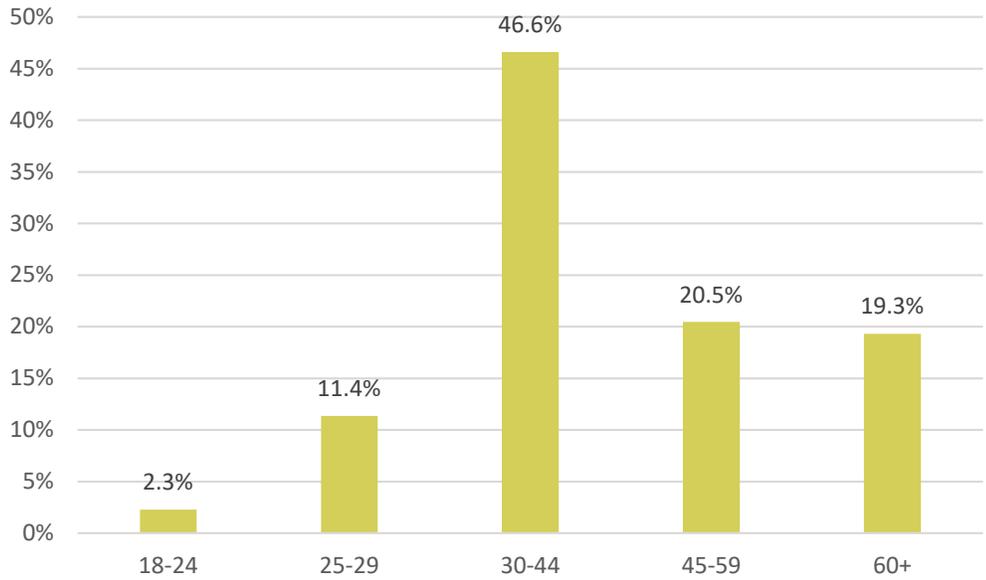


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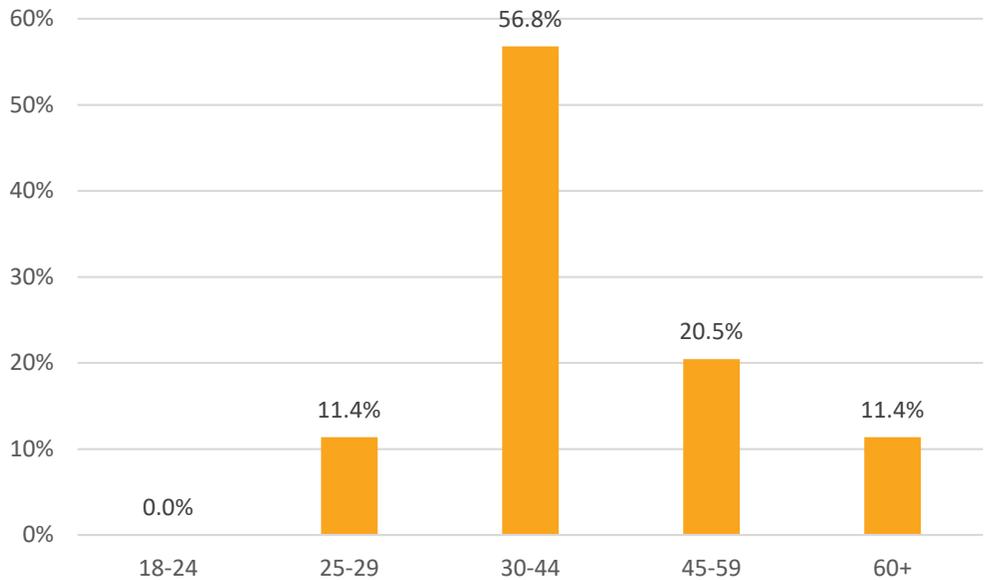
What is your age?



**57006  
(Brookings)**

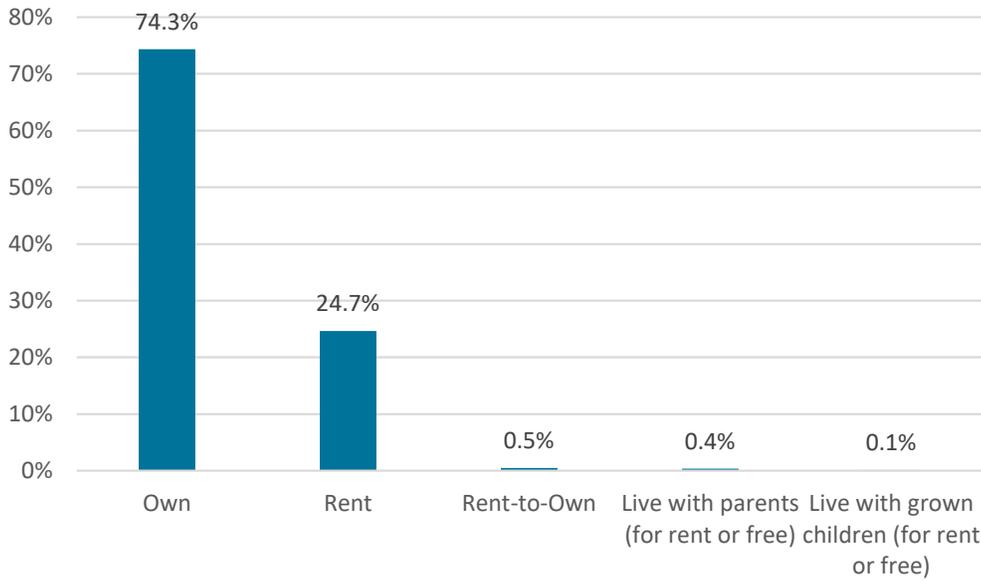


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(Volga)**

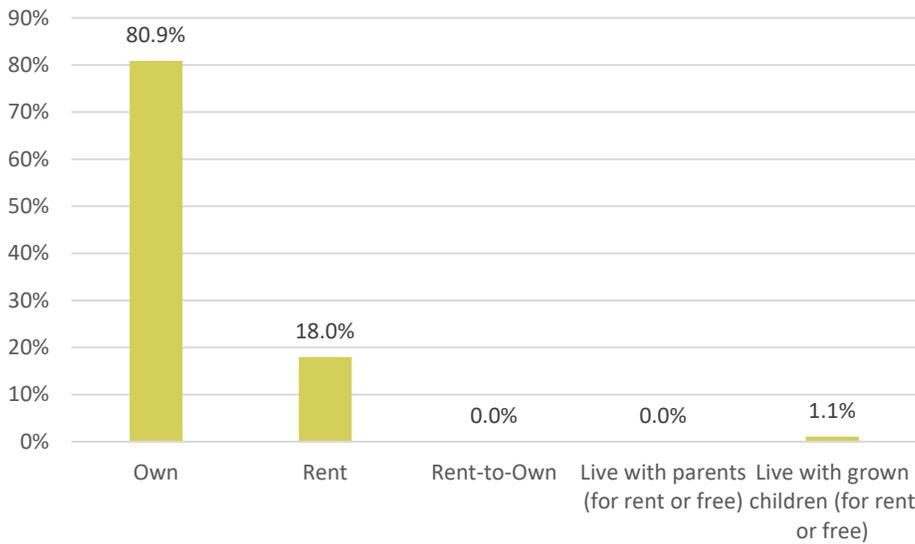


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(Aurora)**

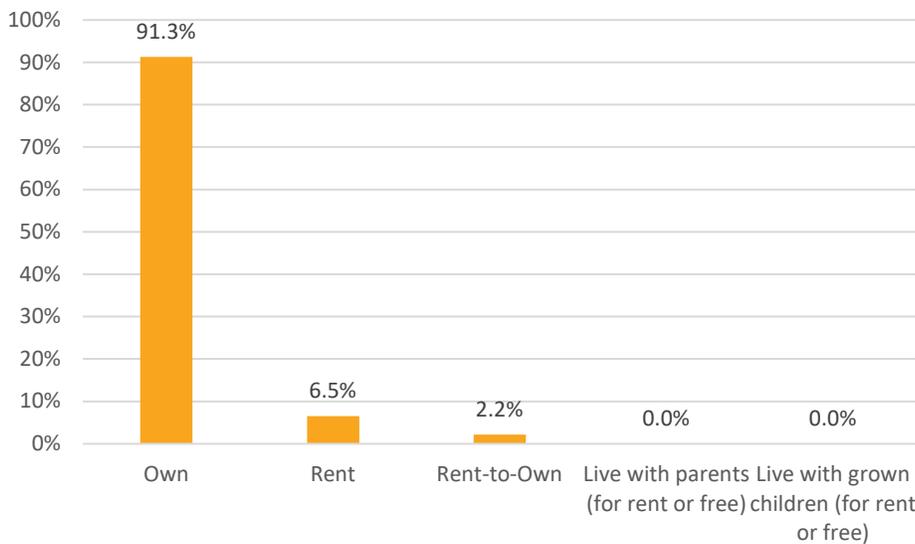
Do you own or rent your home?



**57006  
(Brookings)**

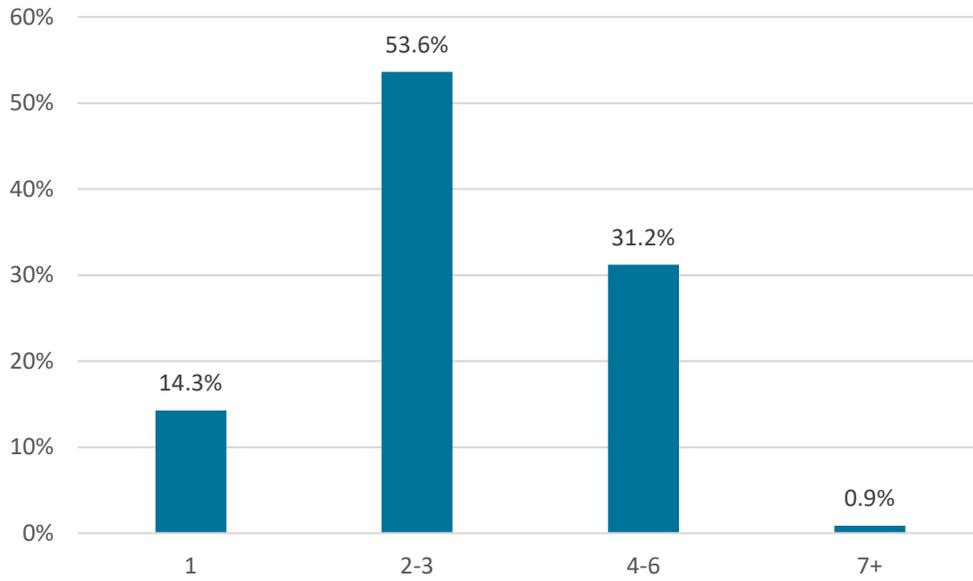


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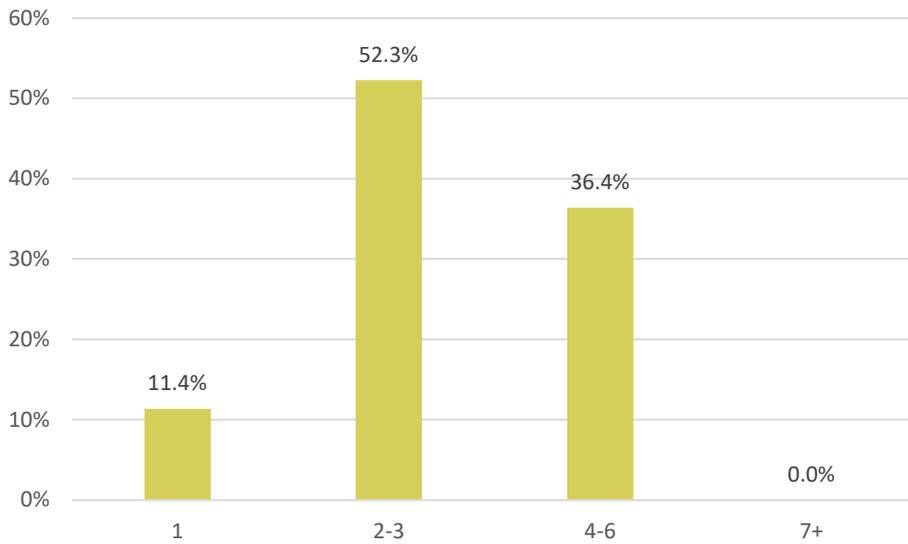


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(Aurora)**

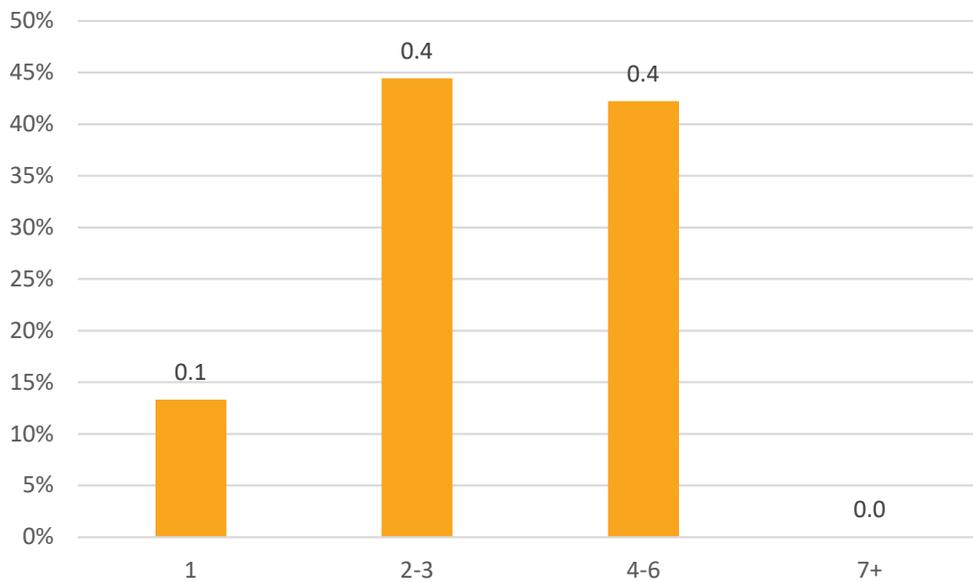
How many people live in your household?



**57006  
(Brookings)**

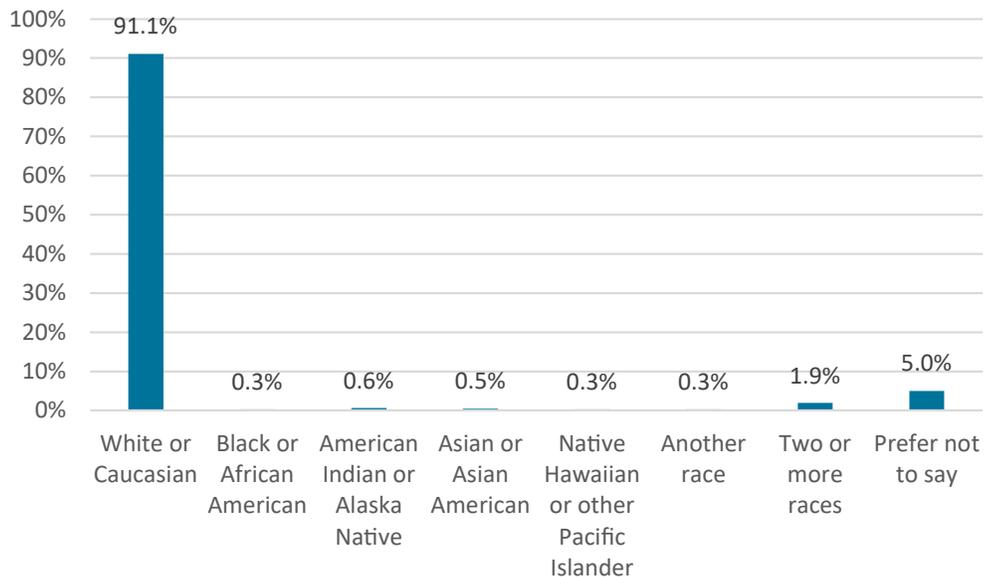


**57071  
(Volga)**

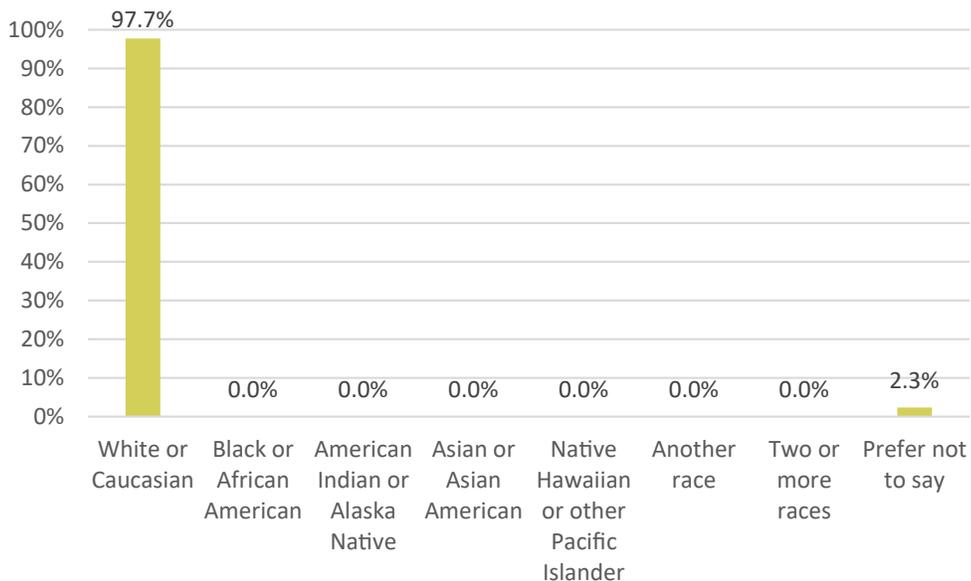


**57002  
(Aurora)**

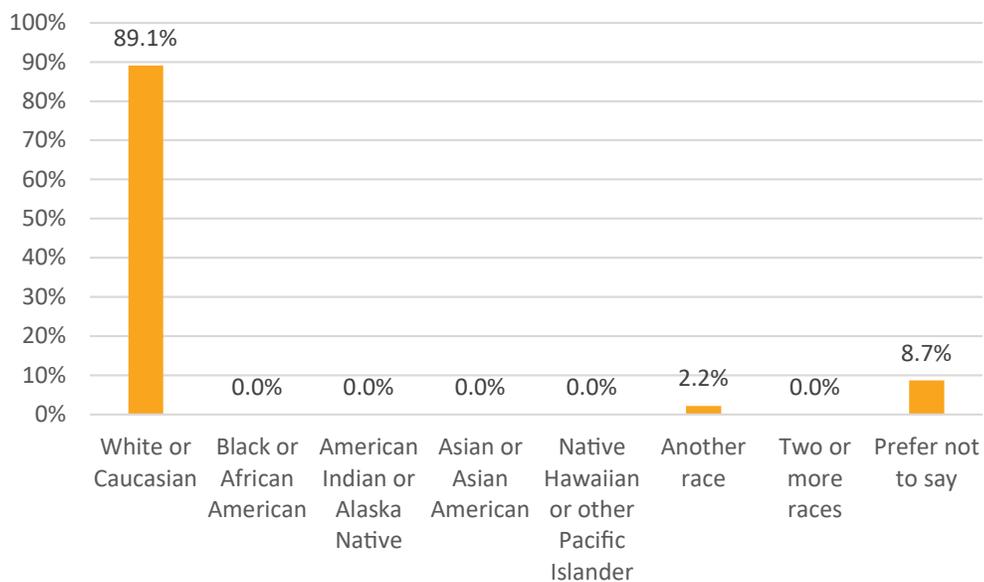
What is your race?



**57006  
(Brookings)**

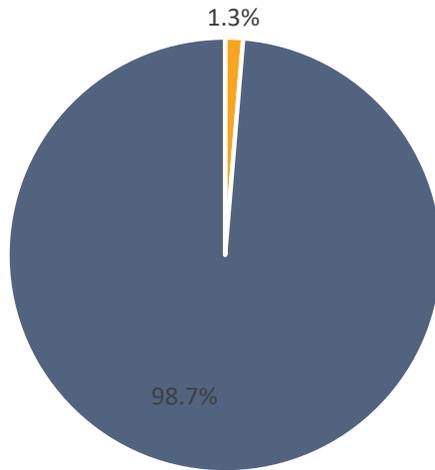


**57071  
(Volga)**

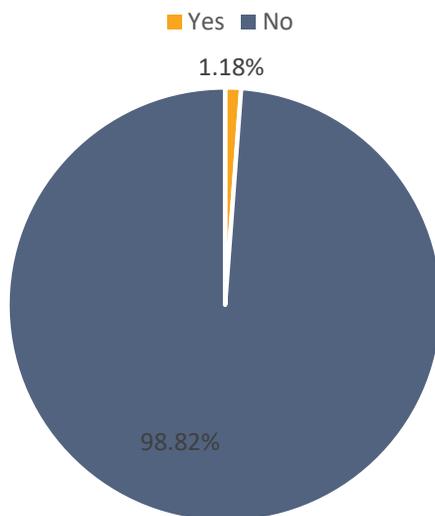


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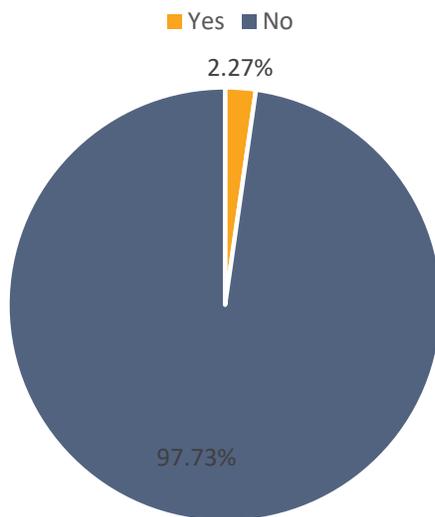
Are you Hispanic or Latino



57006  
(Brookings)



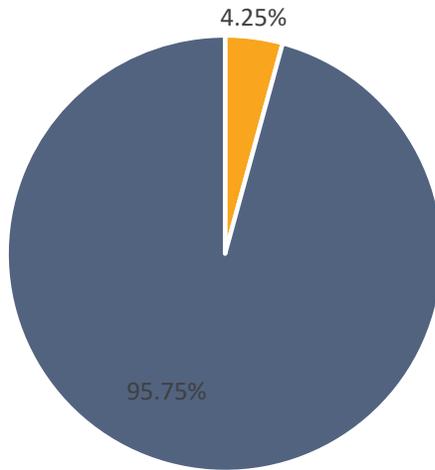
57071  
(Volga)



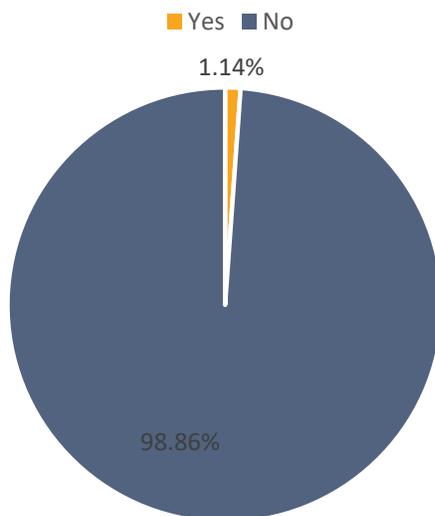
57002  
(Aurora)

Yes No

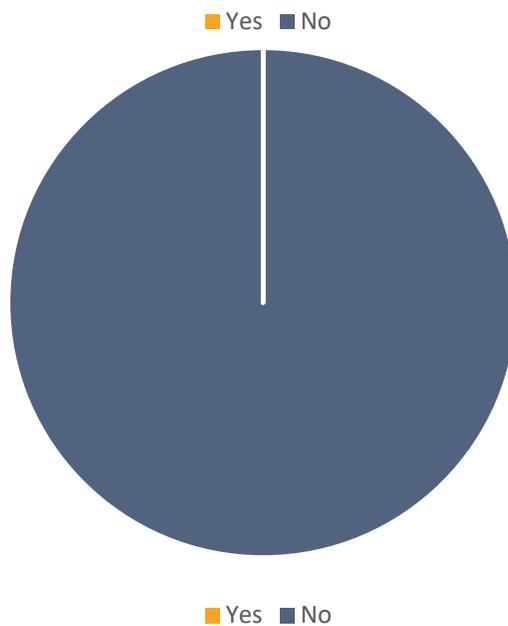
Are you an SDSU student?



57006  
(Brookings)



57071  
(Volga)



57002  
(Aurora)