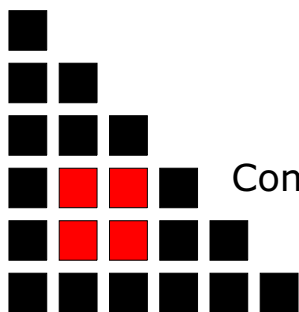


City of Harrisburg HOUSING STUDY UPDATE

March 2020

An updated analysis of the overall housing needs
of the City of Harrisburg, SD



Community Partners Research, Inc.

Faribault, MN 55021

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Introduction

Overview

Local elected and public officials are often held responsible for conditions and circumstances over which they have limited control. This is particularly true of housing. Most of the housing units in Harrisburg are privately owned and were constructed with private funds. On an increasing scale, however, the public is demanding that public officials control what happens in this largely private housing market by eliminating blight, protecting individual investments, and generating new housing growth to meet economic development needs.

Community Partners Research, Inc., was initially hired by the City of Harrisburg in 2014 to conduct a study of the housing needs and conditions in the City. In 2019, Community Partners Research, Inc. was hired to update to the 2014 document.

Goals

The multiple goals of the study include:

- ▶ Provide updated demographic data since the 2014 Study
- ▶ Provide an analysis of the current housing stock and inventory
- ▶ Determine gaps or unmet housing needs
- ▶ Examine future housing trends that the area can expect to address in the coming years
- ▶ Provide a market analysis for housing development
- ▶ Provide housing recommendations and findings

Methodology

A variety of resources were utilized to obtain information for the Housing Study. Community Partners Research, Inc., collected and analyzed data from August 2019 to February 2020. Data sources included:

- U.S. Census Bureau
- American Community Survey
- Applied Geographic Solutions, Inc., a private data reporting service
- Esri, Inc., a private data reporting service
- Records and data from the City
- Records and data maintained by Lincoln County
- South Dakota State Data Center

- Interviews with City officials and staff
- Area and State housing agencies
- Interviews with developers and housing stakeholders
- Rental property surveys
- Housing condition survey

Limitations

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

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Demographic Data Overview

Sources of Data

The following pages contain demographic data obtained from a variety of local, state and national sources for the City of Harrisburg and Lincoln County. A primary data source is the U.S. Census Bureau, through the decennial census, the annual American Community Survey, and the annual population estimates program.

To supplement the decennial Census, the Census Bureau has created the American Community Survey, an annual sampling of households. This provides detailed demographic characteristics, replacing information once collected by the decennial Census. However, because the American Community Survey is based on sampling data, there is a margin of error that exists for each estimate. Some of the following tables incorporate the 2018 American Community Survey data, when viewed as reliable.

The Governor's Office of Economic Development provides demographic profile information for cities and counties supplied by Applied Geographic Solutions (AGS), a private company. Prior to using AGS, the State had utilized a similar provider, Esri, Inc., for demographic data. The analysts have examined both of these sources in some of the tables that follow for current-year (2019) estimates and future projections.

In addition to providing demographic information for Harrisburg, comparative information has often been provided for all of Lincoln County.

Population Data and Trends

Table 1 Population Trends - 1980 to 2019							
	1980 Census	1990 Census	2000 Census	% Change 1990-2000	2010 Census	% Change 2000-2010	2018 Estimate
Harrisburg	558	727	958	31.8%	4,089	326.8%	6,526
Lincoln Co.	13,942	15,427	24,131	56.4%	44,828	85.8%	58,807

Source: U.S. Census Bureau

- ▶ The City of Harrisburg has created its own estimates of the population level and household count in 2019. The City’s calculation shows 6,839 people living in Harrisburg. Readers should note that this estimate is higher than from most of the other sources reviewed in this Study, even when adjusted for a one-year effective date difference that may exist.
- ▶ The analysts reviewed two other estimates for population levels in 2019. According to Applied Geographic Solutions, the City’s population was at 6,157 people, a gain of 2,068 people from 2010 to 2019. According to Esri, Harrisburg had 5,976 people in 2019, an increase of 1,887 people from 2010 to 2019. Although these estimates show rapid growth in the City over the past nine years, with an increase of 46.1% to 50.1%, both of these are still well below the City-generated population level in 2019.
- ▶ An estimate for 2018 is available from the Census Bureau’s annual population estimates program, and is displayed in the table above. According to this source, there were 6,526 people living in Harrisburg. The Census Bureau’s estimate is higher than the AGS and Esri estimates and shows a 59.6% population increase from 2010 to 2018. When adjusted for the one-year difference in the effective date, this estimate is generally similar to the City’s population estimate.
- ▶ Despite some differences that exist in the recent estimates for Harrisburg, all of the sources show very strong growth in City’s population, continuing a long-term pattern. From 2000 to 2010, Harrisburg’s population increased by 3,131 people, for a population gain of 326.8%.
- ▶ The recent estimates also show continued growth for all of Lincoln County. According to Applied Geographic Solutions, the County’s population was 58,943 people in 2019. Esri estimated that there were 61,003 people living in the County in 2019. The two estimates show a growth range of 31.5% to 36.1% from 2010 to 2019.

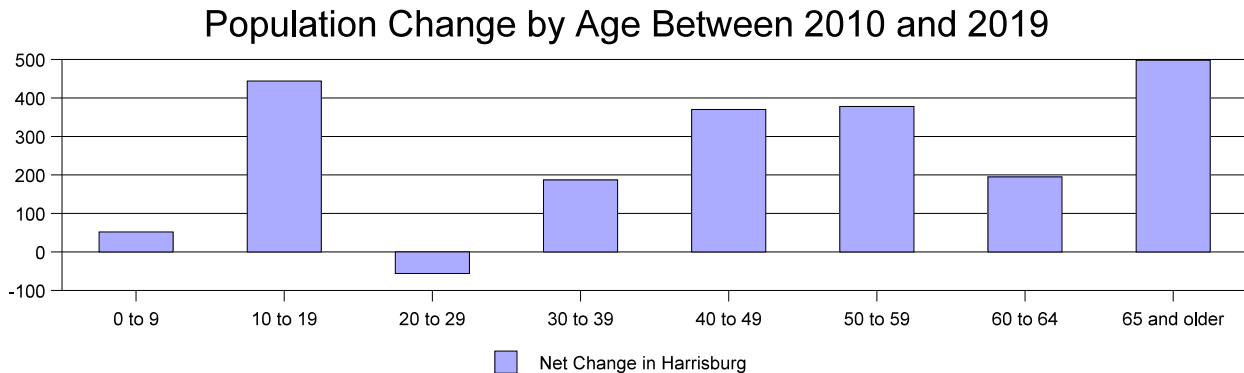
- ▶ At the County-level, Census Bureau estimates exist for 2018. For all of Lincoln County, the Census Bureau showed 58,807 people in 2018.
- ▶ The Lincoln County estimates also continue the long-term pattern of population growth Countywide. Lincoln County's population was 44,828 in 2010. This was a 20,697-person increase from 2000, which was a population gain of 85.8%.
- ▶ Harrisburg's population is primarily White and non-Hispanic/Latino. At the time of the 2010 Census, almost 97% of the City's residents identified their race as White. The Native American population represented 0.5%, the Asian population represented 0.3% and the Black/African American population represented 0.2% of the City's total population. Approximately 1.3% of the City's residents were identified as Hispanic/Latino.
- ▶ According to the 2010 Census, Harrisburg had no residents living in group quarters.

Population by Age Trends: 2010 to 2019

The 2019 population estimates from Applied Geographic Solutions include information on the age distribution of residents. However, this source uses broad age ranges, including grouping all senior citizens age 65 and older into a single group. The following table shows the age-based changes for Harrisburg and Lincoln County, from 2010 to 2019. The AGS estimate for Harrisburg is lower than the City-generated estimate for 2019.

Table 2 Population by Age - 2010 to 2019						
Age	Harrisburg			Lincoln County		
	2010	2019	Change	2010	2019	Change
0-9	1,028	1,080	52	8,346	8,843	497
10-19	416	860	444	5,700	8,649	2,949
20-29	1,058	1,002	-56	6,189	7,014	825
30-39	776	963	187	7,348	8,981	1,633
40-49	378	748	370	6,046	7,878	1,832
50-59	263	641	378	5,288	6,692	1,404
60-64	89	284	195	1,879	3,109	1,230
65+	81	579	498	4,032	7,777	3,745
Total	4,089	6,157	2,068	44,828	58,943	14,115

Source: U.S. Census; AGS



The City of Harrisburg had population gains in all but one age range, including an increase of 496 people in the 0 to 19 age ranges, a gain of 935 people in the 30 to 59 age ranges and a gain of 693 people in the 60 and older age ranges. Harrisburg had a loss of 56 people in the 20 to 29 age range.

Lincoln County had population increases in all age ranges including an increase of 7,736 people in the 49 and younger age ranges and an increase of 6,379 people in the 50 and older age ranges.

Population Projections

The following table presents population projections to the year 2024. Projections for Harrisburg and Lincoln County exist from both Applied Geographic Solutions and Esri, and span the five-year period from 2019 to 2024. Both of these sources start from a lower base year estimate for Harrisburg in 2019 than the City’s in-house estimate.

Table 3 Population Projections Through 2024						
	Applied Geographic Solutions			Esri		
	2019 Estimate	2024 Projection	Change 2019-2024	2019 Estimate	2024 Projection	Change 2019-2024
Harrisburg	6,157	7,314	1,157	5,976	7,177	1,201
Lincoln Co.	58,943	70,255	11,312	61,003	71,118	10,115

Source: Applied Geographic Solutions; Esri

- ▶ The Applied Geographic Solutions projection expects the City to add 1,157 people from 2019 to 2024, or an annual average of 231 people per year.
- ▶ Esri is forecasting that 1,201 residents will be added in Harrisburg from 2019 to 2024, or an annual average of 240 people per year.
- ▶ Applied Geographic Solutions expects Lincoln County, to add 11,312 people over the five-year time period from 2019 to 2024, or an annual average of 2,262 people per year.
- ▶ Esri is forecasting that Lincoln County will add 10,115 residents from 2019 to 2024, or an annual average of 2,023 people per year.

Household Data and Trends

Table 4 Household Trends - 1980 to 2019							
	1980 Census	1990 Census	2000 Census	% Change 1990-2000	2010 Census	% Change 2000-2010	2019 Esri
Harrisburg	182	228	315	3.8%	1,423	351.7%	2,091
Lincoln Co.	4,785	5,461	8,782	60.8%	16,649	89.6%	22,658

Source: U.S. Census; Esri

- ▶ The City of Harrisburg has created its own estimates of the household count in 2019. The City’s calculation shows 2,267 resident households living in Harrisburg. Readers should note that this estimate is higher than from the other sources reviewed in this Study.
- ▶ Household estimates for 2019 exist from both Applied Geographic Solutions and Esri. The Census Bureau does not issue annual household estimates.
- ▶ The 2019 AGS estimate shows 2,049 resident households in Harrisburg, up by 626 households, or 44.0%, from the level reported in the 2010 Census.
- ▶ Esri’s estimate showed 2,091 households in Harrisburg, up by 668 households, or 46.9% from the level reported in the 2010 Census.
- ▶ AGS showed the City adding 70 households per year from 2010 to 2019, while Esri showed an average of 74 households per year. In comparison, the City-generated estimate would show the City averaging 94 households per year since 2010.
- ▶ Esri showed 22,658 total households in Lincoln County in 2019, for an increase of 6,009 households from 2010, for an increase of 36.1%. In 2019, AGS estimated that Lincoln County 21,058 households, an increase of 4,409 households from 2010 to 2019, or a gain of 26.5%.
- ▶ AGS and Esri both show strong growth since 2010, continuing a long-term pattern of household growth in Harrisburg and Lincoln County. According to the U.S. Census, both Harrisburg and Lincoln County gained households from 2000 to 2010, and in the 1990s and 1980s.

Household by Age Trends: 2010 to 2019

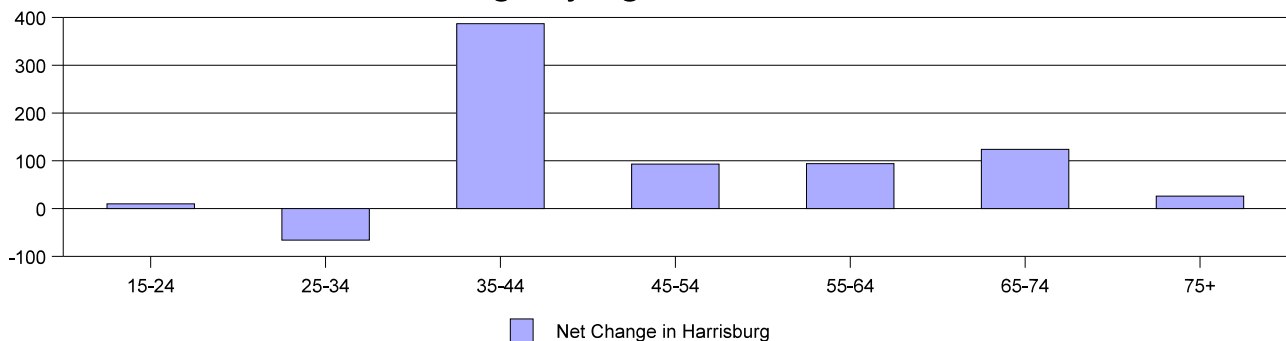
The demographic data profile that is available from AGS does not provide information on households by age. However, age-based estimates are available from Esri. The following table compares households by age in 2010 and 2019, along with the numeric changes. It is important to note that Esri’s total household count for Harrisburg and Lincoln County in 2019 were higher than the estimate from AGS, but still below Harrisburg’s in-house estimate.

Table 5 Households by Age - 2010 to 2019						
Age	Harrisburg			Lincoln County		
	2010	2019	Change	2010	2019	Change
15-24	109	119	10	840	1,054	214
25-34	672	606	-66	3,977	4,039	62
35-44	277	664	387	3,539	5,687	2,148
45-54	178	271	93	3,259	4,079	820
55-64	133	227	94	2,492	3,630	1,138
65-74	39	163	124	1,303	2,503	1,200
75+	15	41	26	1,239	1,666	427
Total	1,423	2,091	668	16,649	22,658	6,009

Source: U.S. Census; Esri

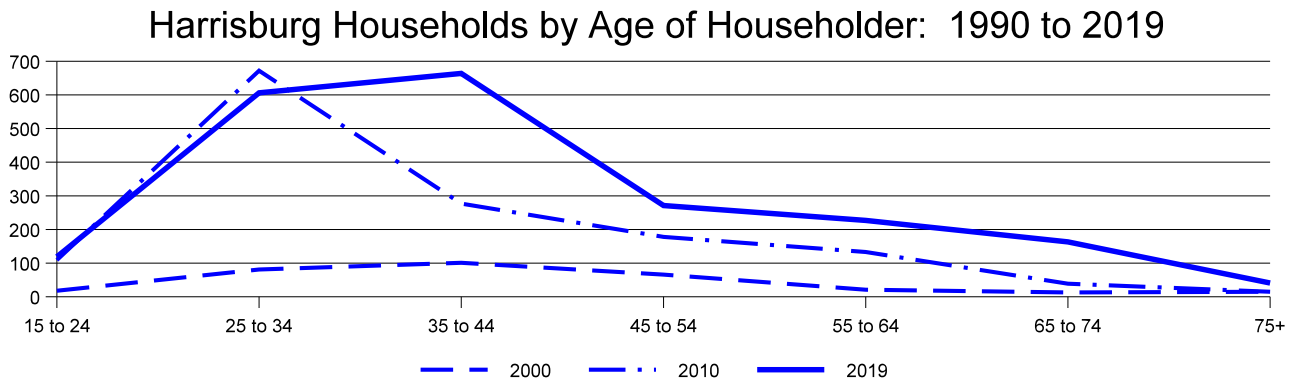
Consistent with the population by age data presented earlier, Lincoln County had household gains in all age ranges. For all of Lincoln County there was an increase of 3,244 households in the 54 and younger age ranges and an increase of 2,765 households in the 55 and older age ranges.

Household Change by Age Between 2010 and 2019



Harrisburg had an increase of 10 households in the 15 to 24 age range, an increase of 574 households in the 35 to 64 age ranges and a gain of 150 households in the 65 and older age ranges. Harrisburg had a loss of 66 households in the 25 to 34 age range.

It is possible to track the progression of households by age over the past 19 years in Harrisburg, using information for households by the age of householder. In Harrisburg, the large number of younger adult households is evident, especially in the 25 to 44 year old ranges. The substantial growth of the City between 2000 and 2010 is also very evident.



Average Household Size

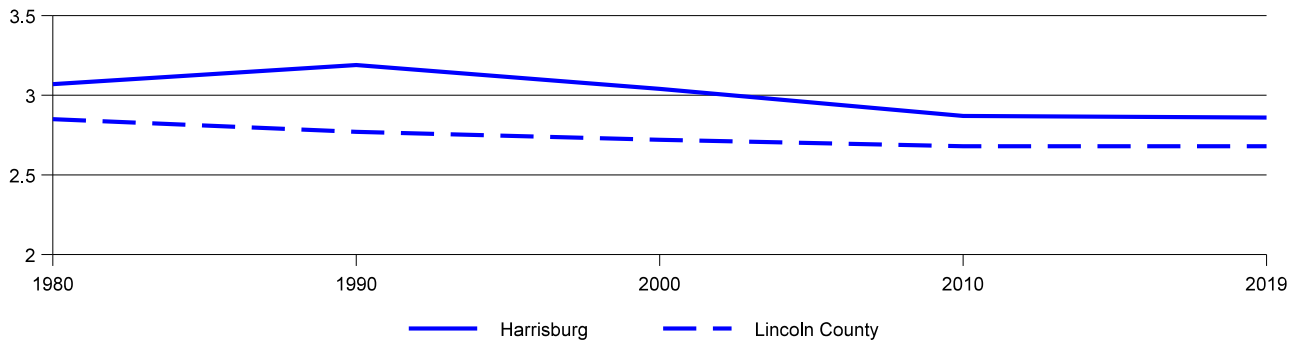
The following table provides decennial Census information on average household size, along with the 2019 estimate from Esri.

Table 6 Average Number of Persons Per Household: 1990 to 2019					
	1980 Census	1990 Census	2000 Census	2010 Census	2019 Esri
Harrisburg	3.07	3.19	3.04	2.87	2.86
Lincoln County	2.85	2.77	2.72	2.68	2.68

Source: U.S. Census; Esri

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

Average Household Size: 1980 to 2019



Over time, the average household size in Harrisburg has decreased slightly, from 3.07 in 1980 to 2.86 in 2019. Lincoln County’s average household size has also decreased, from 2.85 in 1980 to 2.68 in 2019.

Although the City and County average household sizes have been decreasing they are still larger when compared to other cities and counties in the State.

Household Projections

Household projections for the five-year time period spanning the years 2019 through 2024 are available from both AGS and Esri. Household projections directly impact the demand for housing. Both of these sources start from a lower base year estimate for Harrisburg in 2019 than the City’s in-house estimate.

Table 7 Household Projections Through 2024						
	AGS			Esri		
	2019 Estimate	2024 Projection	Change	2019 Estimate	2024 Projection	Change
Harrisburg	2,049	2,280	231	2,091	2,517	426
Lincoln County	21,058	23,479	2,421	22,658	26,418	3,760

Source: AGS, Esri

- ▶ AGS is expecting growth of 231 households over the five-year projection period from 2019 to 2024.
- ▶ Esri is much more optimistic and is forecasting that 426 households will be added.
- ▶ If viewed as an annual average, these two sources forecast a range of between 46 and 85 households per year in Harrisburg.
- ▶ For all of Lincoln County, AGS is projecting a gain of 2,421 households, while Esri is forecasting that 3,760 households will be added. If viewed as an annual average, a range of between 484 and 752 households per year is projected.

Household by Age Projections: 2019 to 2024

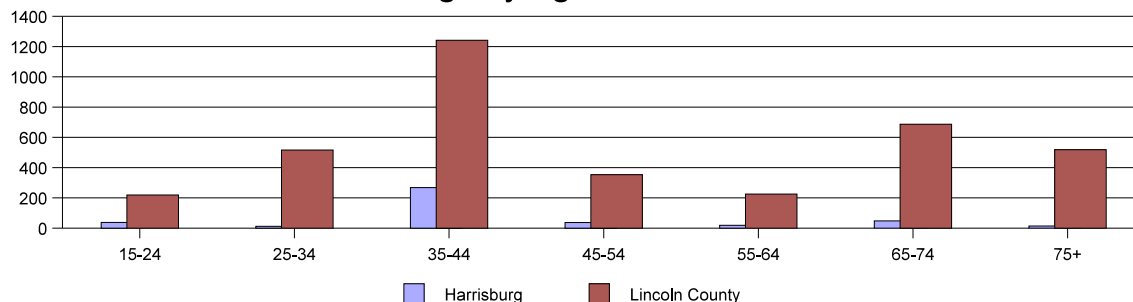
In addition to overall household forecasts, Esri has also generated age-based projections for households to the year 2024. These projections can be compared to the data contained in the 2019 Esri estimate to examine the change projected over the next few years. Age-based forecasts are provided for both Harrisburg and for all of Lincoln County.

Table 8 Households by Age - 2019 to 2024						
Age	Harrisburg			Lincoln County		
	2019	2024	Change	2019	2024	Change
15-24	119	147	28	1,054	1,273	219
25-34	606	618	12	4,039	4,555	516
35-44	664	932	268	5,687	6,929	1,242
45-54	271	308	37	4,079	4,432	353
55-64	227	246	19	3,630	3,855	225
65-74	163	211	48	2,503	3,190	687
75+	41	55	14	1,666	2,184	518
Total	2,091	2,517	426	22,658	26,418	3,760

Source: Esri

According to Esri, Harrisburg will add 345 households in the 54 and younger age ranges, with a high percentage of this growth in the 35 to 44 age range. Esri projects that the City will add 81 households in the 55 and older age ranges from 2019 to 2024. Esri is forecasting that Lincoln County will add 2,330 households in the 54 and younger age ranges and will gain 1,430 households in the 55 and older age ranges from 2019 to 2024.

Household Change by Age Between 2019 and 2024



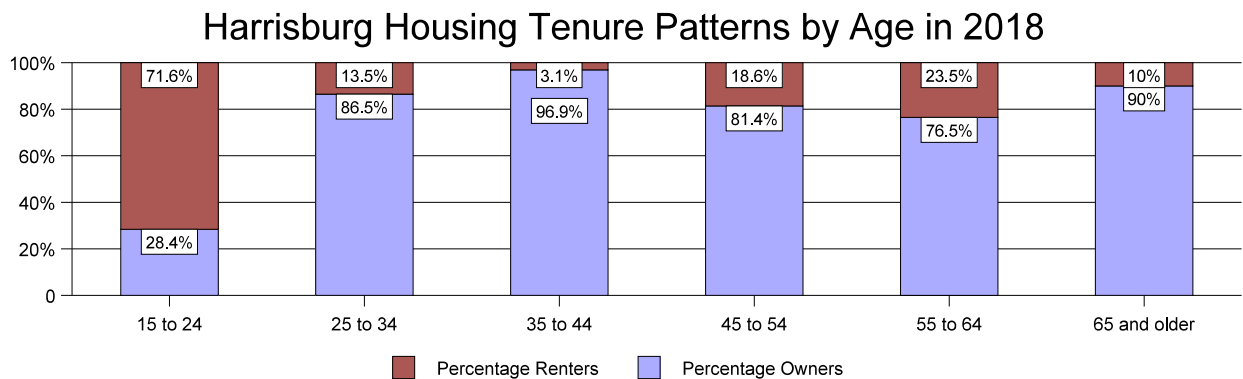
Tenure by Age of Householder

The 2018 American Community Survey provided information on the tenure distribution of households by age range. This table examines the number and percentage of renters and owners in each age group in Harrisburg. The American Community Survey has underestimated the number of and rental households in the City. However, the data is still a good indicator of tenure patterns by age.

Table 9 Harrisburg Tenure by Age of Householder - 2018				
Age	Owners		Renters	
	Number	Percent within age	Number	Percent within age
15-24	25	28.4%	63	71.6%
25-34	623	86.5%	97	13.5%
35-44	538	96.9%	17	3.1%
45-54	237	81.4%	54	18.6%
55-64	101	76.5%	31	23.5%
65+	108	90%	12	10%
Total	1,632	85.6%	274	14.4%

Source: American Community Survey

Within the defined age ranges, households in younger age ranges showed a greater preference for rental housing, while middle-aged and older adult households were primarily home owners. Approximately 72% of households age 24 and younger rented their unit. Ownership rates for each of the 10-year age cohorts age 25 and older were above 76%.



Median Income Data

Median income estimates are available for cities and counties through the American Community Survey. The 2014 Study had presented estimates for the year 2012. In the following table, the 2018 estimates have been compared to the 2012 data to examine the changes over the previous five years.

Household income represents all independent households, including people living alone and unrelated individuals together in a housing unit. Families are two or more related individuals living in a household. Family incomes tend to be higher than the overall household median, as families have at least two household members, and potentially more income-earners.

Table 10 Median Income - 2012 to 2018			
	2012 Median	2018 Median	% Change
Households			
Harrisburg	\$69,838	\$78,694	12.7%
Lincoln County	\$73,340	\$81,422	11.0%
South Dakota	\$49,091	\$56,499	15.1%
Families			
Harrisburg	\$67,623	\$80,529	19.1%
Lincoln County	\$82,540	\$92,557	12.1%
South Dakota	\$62,967	\$72,706	15.5%

Source: American Community Survey

Information contained in the American Community Survey shows that Harrisburg and Lincoln County’s household and family incomes have increased from 2012 to 2018. The City and County’s median household and family incomes were substantially above the State medians.

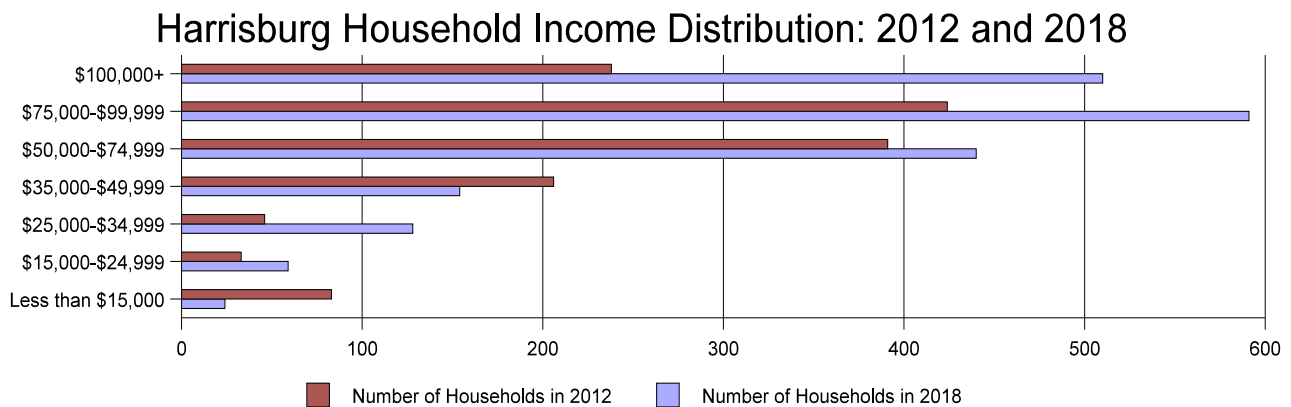
Using the commonly accepted standard that up to 30% of gross income can be applied to housing expenses without experiencing a cost burden, a median income household in Harrisburg could afford approximately \$1,967 per month for ownership or rental housing in 2018. A median income family could afford approximately \$2,013 per month for housing. However, as will be detailed later in this section, renter households tend to be below the overall median, while owner households tend to be above the overall median income level.

Harrisburg Household Income Distribution

The 2018 American Community Survey household income estimates for the City of Harrisburg can be compared to the same distribution information from 2012 to examine changes that have occurred over the previous five years.

Household Income	Number of Households 2012	Number of Households in 2018	Change 2012 to 2018
\$0 - \$14,999	83	24	-59
\$15,000 - \$24,999	33	59	26
\$25,000 - \$34,999	46	128	82
\$35,000 - \$49,999	206	154	-52
\$50,000 - \$74,999	391	440	49
\$75,000 - \$99,999	424	591	167
\$100,000+	238	510	272
Total	1,421	1,906	485

Source: ACS



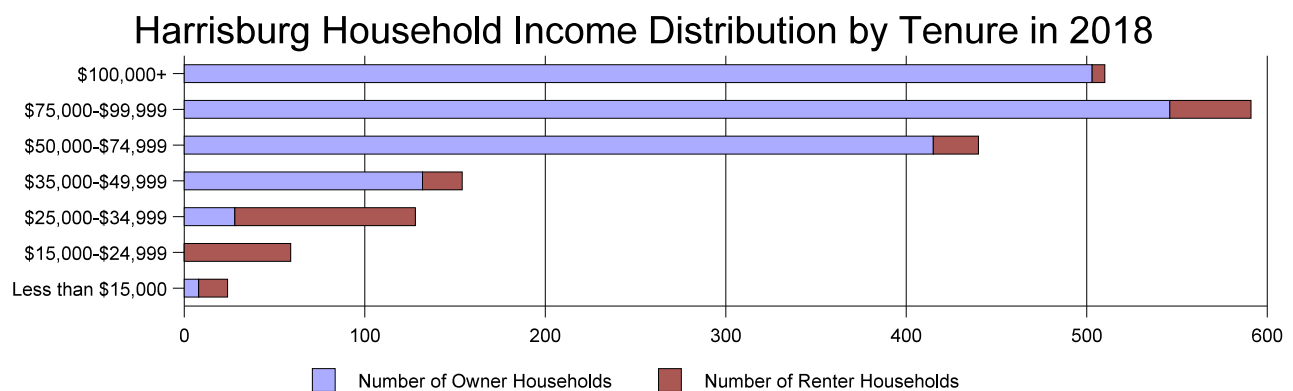
According to income estimates contained in the 2018 American Community Survey, household incomes have improved in Harrisburg. When compared to the 2012, the number of households with an income of \$50,000, or more, increased by 488 households. There was a decrease of 59 households with incomes less than \$15,000. However, there were still 83 households in Harrisburg that had an annual income below \$25,000, which was approximately 4.4% of the households in Harrisburg.

Harrisburg Income Distribution by Housing Tenure

The American Community Survey provides an income estimate by owner and renter status. The following table examines income distribution within the City of Harrisburg. The American Community Survey is an estimate, based on limited sampling data, and it appears that it underestimated the number of owner and renter households in Harrisburg in 2018.

Table 12 Harrisburg Household Income Distribution by Tenure - 2018			
Household Income	Number of Owner Households	Number of Renter Households	Total Households
\$0 - \$14,999	8 / 33.3%	16 / 66.7%	24
\$15,000 - \$24,999	0 / 0%	59 / 100%	59
\$25,000 - \$34,999	28 / 21.9%	100 / 78.1%	128
\$35,000 - \$49,999	132 / 85.7%	22 / 14.3%	154
\$50,000 - \$74,999	415 / 94.3%	25 / 5.7%	440
\$75,000 - \$99,999	546 / 92.4%	45 / 7.6%	591
\$100,000+	503 / 98.6%	7 / 1.4%	510
Total	1,632 / 85.6%	274 / 14.4%	1,906

Source: American Community Survey



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

In 2018, approximately 69% of all renter households in Harrisburg had an annual income below \$35,000.

The estimated median income for all renter households in Harrisburg was \$32,162 in 2018. At 30% of income, these households would have \$804 per month, or less, that could be applied to housing costs.

Conversely, a majority of the owner households had a substantially higher income level. Approximately 90% of all owner households had an annual income of \$50,000 or more.

The estimated median income for all owner households in Harrisburg was \$83,333 in 2018. At 30% of income, these owners could afford \$2,083 per month for housing costs.

2018 Estimated Income and Housing Costs - Renters

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

Table 13 Gross Rent as a Percentage of Household Income - 2018			
Percent of Income for Housing	Households Age 64 and Younger	Households Age 65 and Older	Total
Less than 20%	42 / 16.0%	12 / 100%	54 / 19.7%
20% to 29.9%	88 / 33.6%	0 / 0%	88 / 32.1%
30% to 34.9%	41 / 15.7%	0 / 0%	41 / 15.0%
35% or more	91 / 34.7%	0 / 0%	91 / 33.2%
Not Computed	0 / 0%	0 / 0%	0 / 0%
Total	262 / 100%	12 / 100%	274 / 100%

Source: American Community Survey

According to the 2018 American Community Survey, approximately 48% of all renters in the City were paying 30% or more of their income for rent. A majority of these households were actually paying 35% or more of their income for housing. Federal standards for rent subsidy programs generally identify 30% of household income as the maximum household contribution. When more than 30% of income is required, this is often called a “rent burden”. When more than 35% is required, this can be considered a “severe rent burden”.

Although a housing cost burden could be caused by either high housing costs or low household income, in Harrisburg it was primarily due to low income levels for renters. A significant percentage of the renter households with a housing cost burden had an annual household income below \$25,000. To avoid a cost burden, these lower income households would have needed a unit with a gross monthly rent of \$625 or less.

Households in the age ranges between 15 and 64 years old represented all households with a rental cost burden.

2018 Estimated Income and Housing Costs - Owners

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

Table 14 Ownership Costs as a Percentage of Income - Harrisburg		
Percentage of Household Income for Housing Costs	Number of Owner Households 2018	Percent of All Owner Households 2018
0% to 19.9%	832	51.1%
20% to 29.9%	670	41.0%
30% to 34.9%	55	3.3%
35% or more	75	4.6%
Not Computed	0	0%
Total	1,632	100%

Source: American Community Survey

Based on the 2018 American Community Survey, most owner-occupants, which would include households with and without a mortgage, reported paying less than 30% of their income for housing. However, approximately 8% of all home owners reported that they paid more than 30% of their income for housing. The majority of these households were paying more than 35% of income for housing costs.

As would be expected, the majority of the cost-burdened home owners had a mortgage on their home.

Building Permit Trends

Harrisburg has had a significant amount of new housing construction activity over the past two decades. The following table identifies the units that have been issued a building permit since the year 2000.

Table 15 Harrisburg Housing Unit Construction Activity: 2000 to 2019					
Year	Single Family Detached	Single Family Attached	3 or 4 Unit Structures	5+ Unit Structures	Total Units
2019	86	2	4	18	110
2018	38	4	0	26	68
2017	60	10	20	93	183
2016	56	0	20	27	103
2015	62	0	0	0	62
2014	57	6	15	33	111
2013	71	0	8	19	98
2012	44	2	0	0	46
2011	34	0	0	0	34
2010	30	4	0	46	80
2009	85	0	8	0	93
2008	102	6	0	22	130
2007	116	4	20	0	140
2006	169	2	24	100	295
2005	181	0	4	13	198
2004	121	8	7	6	142
2003	109	0	0	34	143
2002	34	0	0	0	34
2001	14	0	0	0	14
2000	11	0	0	0	11
TOTAL	1,480	48	130	437	2,095

Source: City of Harrisburg; Community Partners Research, Inc.

Over the past 20 years, 2,095 new housing units have been constructed in Harrisburg, based on building permit issuance. Of the total, 1,528 units are identified as single family homes or twin homes, and 567 units have been added in multifamily development projects that are primarily rental housing.

The City has averaged approximately 105 new housing units annually over the past 20 years. Over the past five years, since the 2014 Harrisburg Housing Study, the City has averaged approximately 103 new housing units annually.

Unlike many communities in South Dakota, Harrisburg has had a significant production of multifamily rental units. From 2010 through 2019, approximately 330 multi-family rental units have been constructed in Harrisburg.

Harrisburg Housing Condition

Community Partners Research, Inc., representatives conducted a visual, 'windshield' survey of 79 single family/duplex houses in Harrisburg's oldest neighborhood. The number of older houses in Harrisburg is limited.

The boundaries of the neighborhood are:

- ▶ North - East Willow St.
- ▶ South - East Maple St.
- ▶ East - Grand Ave.
- ▶ West - Milwaukee Ave.

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

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

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

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

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

Table 16 Windshield Survey Condition Estimate - 2019

	Sound	Minor Repair	Major Repair	Dilapidated	Total
Harrisburg	22/27.9%	32/40.5%	20/25.3%	5/6.3%	79

Source: Community Partners Research, Inc.

- ▶ The existing housing stock in Harrisburg’s oldest neighborhood is in fair condition. Approximately 41% of the houses in the neighborhood need minor repair and 25% need major repair. Approximately 28% are sound, with no required improvements.
- ▶ Five houses in the neighborhood are dilapidated and possibly beyond repair.

Existing Home Sales

This section examines houses that have been sold in Harrisburg from 2014 through 2019. The sales records were obtained from the SD Department of Revenue website, presenting information supplied by the Lincoln County Equalization Office.

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

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

The County and State also reject sales that show significant variation from the assessed value. Known as the "150% rule" these sales may be open market transactions but are not useful in the sales ratio analysis. When 150% sales have been identified they have been added to the annual good sales data.

The County's sales ratio year differs slightly from the calendar year. It begins on November 1st and ends the following October 31st. This document tracks sales for the assessment years 2014 through 2019. The Housing Study previously completed for Harrisburg in 2014 had provided sales information for the years 2009 to 2013.

Table 17 Median Value of Recent Residential Sales - 2014 to 2019

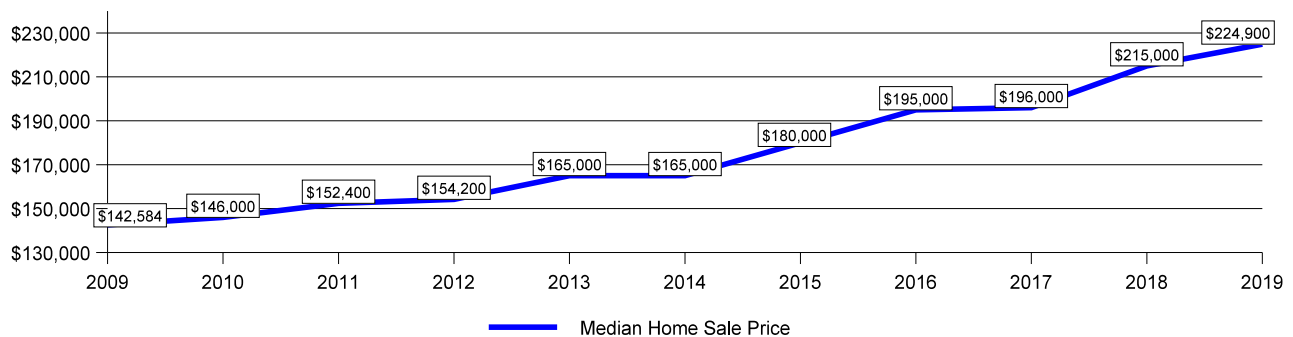
Year	Number of Sales	Median Sale Price	Highest Sale	Lowest Sale
2019	175	\$224,900	\$556,000	\$81,000
2018	129	\$215,000	\$380,973	\$30,200
2017	170	\$196,000	\$359,900	\$40,000
2016	156	\$195,000	\$329,900	\$76,000
2015	158	\$180,000	\$260,000	\$87,597
2014	141	\$165,000	\$303,007	\$27,000

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

For 2019, there were 175 good residential sales recorded in Harrisburg. The median sales price was \$224,900.

Although the annual median may not always reflect overall home values in the entire community, it does appear that home values may be rising rapidly. The median sales price increased by \$19,000 between 2017 and 2018, and was then followed by an increase of nearly \$10,000 between 2018 and 2019.

Using the sales information contained in the previous study, a longer-term pattern of increase in the annual median prices can be tracked.

Median Home Sale Prices in Harrisburg: 2009 to 2019

In 2019, a house was sold for \$556,000, the highest sale recorded over the time period reviewed. There was another sale in 2019 for \$415,000, but these have been the only two sales recorded since 2009 for more than \$400,000.

At least one house has been sold in each year for less than \$100,000.

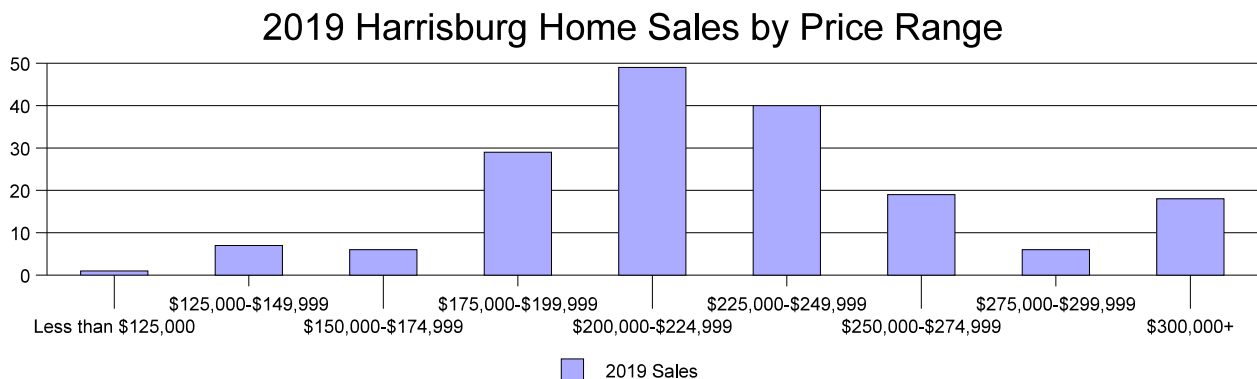
Home Sales by Price Range

The following table looks at single family houses that sold within defined price ranges in 2019.

Table 18 Harrisburg Home Sales by Price Range in 2019		
Sale Price	Number of Sales	Percent of Sales
Less than \$100,000	1	0.6%
\$100,000 - \$124,999	0	0%
\$125,000 - \$149,999	7	4.0%
\$150,000 - \$174,999	6	3.4%
\$175,000 - \$199,999	29	16.6%
\$200,000 - \$224,999	49	28.0%
\$225,000 to \$249,999	40	22.9%
\$250,000 to \$274,999	19	10.9%
\$275,000 to \$299,999	6	3.4%
\$300,000+	18	10.3%
Total	175	100%

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

Recent home sales in Harrisburg have been widely distributed in different price ranges, but approximately 51% of 2019 sales were priced in the \$200,000 to \$249,999 ranges. Only 8% of existing homes sold for less than \$175,000.



Lots and Land

The City of Harrisburg maintains a list of the primary residential development areas in the City, with vacant land available for future housing construction.

Single Family

The following subdivisions had vacant lots available at the end of the 2019 construction season.

Creekside Addition	45 lots
Devitt Farm Addition	27 lots
Dynamic Development Addition	34 lots
Green Meadows Addition	15 lots
Harvest Acres Addition	2 lots
Legendary Estates Addition	<u>51 lots</u>
Total	174 lots

Multifamily

City records also show vacant land available for multifamily housing construction. Details were not available on the specific zoning of these parcels, for possible different levels of construction density.

Creekside Addition	3 lots
Dynamic Development Addition	12 lots
Rix Addition	11 lots
Slack Addition	<u>1 lot</u>
Total	25 lots

Land

The following developments also have land available for future housing construction. The acres available by subdivision are as follows:

	<u>Single Family</u>	<u>Multifamily</u>
Creekside Addition	45 acres	35 acres
Devitt Farm Addition	14 acres	7 acres
Dynamic Development Addition	55 acres	2 acres
Green Meadows Addition		5 acres
Harvest Acres Addition		3 acres
Mills Creek	53 acres	25 acres
Slack		<u>15 acres</u>
Total	<u>167 acres</u>	92 acres

Rental Housing Data

Census Bureau Rental Inventory - Harrisburg

According to the 2010 U.S. Census, there were 238 occupied rental units, and 16 unoccupied rental units in Harrisburg, for a total estimated rental inventory of approximately 254 units. The City's rental tenure rate was only 16.7%, based on renter-occupancy households, well below the Statewide rental tenure rate in 2010 of 31.9%.

At the time of the 2000 Census, Harrisburg had 47 occupied rental units, and one unoccupied rental unit, for a total estimated rental inventory of approximately 48 units. The rental tenure rate in 2000 was 14.9%.

Based on a Census comparison, the City added 191 renter-occupancy households, and approximately 206 rental units from 2000 to 2010. Based on building permit reports, there were building permits issued for 243 housing units in buildings with two or more units in Harrisburg between 2000 and 2010. A significant majority of these units in multi-family buildings were rental units.

Estimated Rental Inventory in Harrisburg at the time of the 2014 Housing Study

Harrisburg continued to add rental housing units through new construction. After the 2010 Census was completed, at least 114 rental units were constructed. These units included:

- ▶ Meadows Apartments - 24 units
- ▶ Jackson Heights - 34 units
- ▶ Drexel Place - 48 units
- ▶ Legendary Apartments - 8 units

With the units constructed from 2010 to 2014, it was estimated that there were 368 rental units in Harrisburg in 2014.

Estimated Rental Inventory in Harrisburg in 2019

From the 2014 Housing Study to the present, 197 rental units in seven projects have been constructed or are under construction. These units include:

- ▶ Harvest Acres I - 18 units
- ▶ Harvest Acres II - 26 units
- ▶ Sawyer Pointe - 60 units
- ▶ Meadows Apartments - 23 units
- ▶ Vernon Apartments - 32 units
- ▶ Tiger Way Townhomes - 30 units
- ▶ Legendary Apartments - 8 units

Based on the new rental units constructed, or that are under construction, from 2015 to the present it is estimated there are currently 565 rental units in Harrisburg.

Census Bureau Rental Inventory - Sioux Falls MSA

Harrisburg is part of the Sioux Falls Metropolitan Statistical Area (MSA), with the City of Sioux Falls having the large majority of the region's rental units. According to the 2010 Census, there were 28,281 occupied rental units in the MSA. For the entire MSA the rental tenure rate was 31.7%, nearly identical to the rental tenure rate Statewide.

When compared to the totals provided in the 2000 Census, the Sioux Falls MSA added 6,010 renter-occupancy households from 2000 to 2010, and approximately 8,360 total rental units. The number of vacant/unoccupied units in 2010 was much higher than in 2000.

Harrisburg's Share of Rental Housing in the MSA

At the time of the 2010 Census, the number of renter-occupancy households in Harrisburg represented approximately 0.8% of all renter households in the entire MSA. From 2000 to 2010, Harrisburg increased its overall share of MSA renters, as approximately 0.2% of all MSA renter households lived in Harrisburg in 2000.

Between 2000 and 2010, the MSA added 6,010 renter-occupancy households, including 264 households in Harrisburg. Harrisburg's relative share of the MSA's renter household growth over the decade was approximately 4.4%.

Since the 2010 Census was completed, a substantial amount of new rental construction has occurred in the MSA, especially within the City of Sioux Falls. Harrisburg has also experienced significant rental construction since 2010, with building permits issued for approximately 311 new rental units since the 2010 Census.

Pending Rental Projects

Our research identified some pending rental projects in Harrisburg that are still in the planning phase. These are in addition to the rental projects currently under construction. There has been significant rental housing construction in Harrisburg over the past two decades and it is assumed that new rental housing construction will continue into the future.

Rental Housing Survey

As part of this housing study, a telephone survey was conducted of multifamily rental projects in the City of Harrisburg. The survey was conducted from October to December, 2019.

Emphasis was placed on contacting properties that have four or more units. For the purposes of planning additional projects in the future, multifamily properties represent the best comparison of market potential.

Information was tallied separately for different types of rental housing, including conventional market rate units, tax credit units and subsidized units.

There were 489 rental units of all types that were contacted in the survey. The 489 units represent approximately 87% of the estimated total inventory of rental housing units in 2019. The units that were successfully contacted include:

- ▶ 329 conventional, market rate units
- ▶ 152 tax credit/moderate rent units
- ▶ 8 subsidized units for general occupancy
- ▶ 0 senior with services units

The findings of the survey by unit type are provided below.

Market Rate Summary

Usable information was obtained from 15 different market rate rental projects. Combined, these projects had 329 conventional market rate rental units. All of the units in the survey were multifamily buildings, although some projects had as few as two to four units.

Unit Mix

The following bedroom mix breakdown of the 329 units is based on information obtained from property owners/managers:

- ▶ One-bedroom - 130 units (39.5%)
- ▶ Two-bedroom - 120 units (36.5%)
- ▶ Three-bedroom - 79 units (24.0%)

No units with four or more bedrooms were identified, although, some single family houses in the community may provide rental housing and accommodate large families.

Occupancy / Vacancy

Within the market rate multifamily segment there were 17 vacant units of the 239 units used in the occupancy calculation. This represents a vacancy rate of 7.1%. Sawyer Pointe with 60 units and Tiger Way Townhomes with 30 units, were not included in the occupancy/vacancy calculation, as these projects are newly constructed and are in the initial lease-up phase.

Although 17 vacancies were reported, eight of the 15 rental projects surveyed, had no vacancies, or only one vacant unit. At the time of the 2014 Harrisburg Housing Study, there was a 2.9% vacancy rate in the conventional market rate units that were surveyed.

Rental Rates

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

The lowest and highest gross rents have been identified, as reported in the telephone survey.

<u>Unit Type</u>	<u>Lowest/Highest Gross Rents</u>
One-bedroom	\$650-\$975
Two-bedroom	\$750-\$1,400
Three-bedroom	\$1,175-\$1,400

Most of the market rate rental options are newer projects and represent prices at the higher end of the rent range.

Tax Credit/Moderate Rent Summary

In South Dakota, tax credits are awarded annually on a competitive basis. There are three rental projects in Harrisburg that have received an allocation of low income housing tax credits and provide options for more affordable rental housing. The three projects have a total of 152 units.

The three tax credit rental projects include:

- ▶ **Hunters Gate Townhomes** - Hunters Gate Townhomes includes 60 units. Thirty units were constructed in 2004 and 30 units were constructed in 2007.
- ▶ **South Cliff Apartments** - South Cliff Apartments includes 44 units constructed in 2006.
- ▶ **Drexel Place Apartments** - Drexel Place Apartments includes 48 units constructed in 2011.

Unit Mix

The following bedroom mix breakdown of the 152 tax credit units is based on information obtained from property owners/managers:

- ▶ Two-bedroom - 82 units (53.9%)
- ▶ Three-bedroom - 70 units (46.1%)

Tax credit housing is often oriented to working-age families, and most units tend to have two or more bedrooms.

Occupancy / Vacancy

Within the tax credit/moderate rent segment, there were four vacant units of the 152 units used in the occupancy calculation. This represents a vacancy rate of 2.6%. Drexel Place Apartments had one vacancy, Hunters Gate Townhomes had three vacancies and South Cliff Falls Apartments had no vacancies. All three property managers reported that they usually have high occupancy rates. At the time of the 2014 Harrisburg Housing Study, there was a 4.6% vacancy rate in tax credit housing.

Rental Rates

The tax credit program has maximum rent limits that are set as part of the financial assistance package. In the following summary, Community Partners Research, Inc., has estimated the gross rents being charged, inclusive of an estimate for tenant-paid utilities. The 2019 federal limits at 50% and 60% of median income have also been identified.

<u>Unit Type</u>	<u>Gross Rents</u>	<u>50% Limits</u>	<u>60% Limits</u>
Two-bedroom	\$672-\$888	\$970	\$1,164
Three-bedroom	\$788-\$967	\$1,120	\$1,344

The current rent structure in Harrisburg has all units well below the limits set for households at 50% of the median income level.

Subsidized Summary

The research completed for this Study identified only one subsidized project in Harrisburg that provides rental opportunities for very low income households. St. James place has eight units available for general occupancy and is subsidized through USDA Rural Development. St. James Place includes one one-bedroom unit and seven two-bedroom units.

The units in St. James Place have access to project-based rent assistance. These units can charge rent based on 30% of the tenant’s household income up to a maximum rent of \$505 for the one-bedroom unit and \$565 for the two-bedroom units. The manager reported one vacancy at the time of the survey.

Subsidized Housing Gains/Losses

Federal subsidy sources for low income rental housing have been very limited for the past few decades. Most subsidized projects were constructed in the 1960s, 1970s or early 1980s. Some of these older projects may have completed their compliance requirements and have the opportunity to leave their subsidy program and convert to conventional rental housing. In communities with low vacancy rates, private property owners may have an incentive to convert subsidized units to conventional housing. The only subsidized project in Harrisburg is St. James Place. At this time, St. James Place has not taken any action to convert from subsidized to conventional market rate.

Tenant-Based Rent Assistance Vouchers

There are also tenant-based rent assistance Vouchers available in Harrisburg and Lincoln County. The Voucher Program is administered in Harrisburg by the Canton Housing and Redevelopment Commission. Housing Choice Voucher assistance is issued to income-eligible households for use in suitable, private market rental housing units. With the assistance, a household pays approximately 30% of their income for their rent, with the program subsidy paying any additional rent amounts.

In December 2019, there were 43 renter households receiving Voucher assistance in Harrisburg. Most of the Voucher households were in the tax credit projects: Hunters Gate, Drexel Place and South Cliff Falls. Since this rent assistance is tenant-based, and moves with the household, the actual number of participating households within the City can vary from month to month. The waiting list for a Voucher is approximately three years.

Senior Housing with Services Summary

No senior with services rental housing projects were identified in the City of Harrisburg.

Table 19 Harrisburg Multifamily Rental Housing Inventory

Name	Number of Units /Bedroom Mix	Rent	Vacancy/ Wait List	Tenant Mix	Comments
Market Rate					
Brooklyn Square	<u>13 - 1 Bedroom</u> 13 Total Units	\$625	2 vacancies	General Occupancy	Brooklyn Square is a mixed-use building with 13 one-bedroom units on the upper floor. Rent is \$625 plus heat and electricity. The manager reported two vacancies at the time of the survey.
Emmett Trail Condos	<u>8 - 2 Bedroom</u> 8 Total Units	\$800 +utilities	1 vacancy	General Occupancy	Emmett Trail Condos include two condo buildings with four condos in each building. The units were constructed in 2004. All of the units have two bedrooms. The owner reported one vacancy at the time of the survey. Rent is \$1,200 plus utilities.
Harvest Acres I	<u>18 - 2 Bedroom</u> 18 Total Units	\$1,085- \$1,120	2 vacancies	General Occupancy	Harvest Acres I includes 18 two-bedroom units constructed in 2017. The units are in several buildings. Rent is \$1,085 to \$1,120 plus heat and electricity. The manager reported two vacancies at the time of the survey.
Harvest Acres II	<u>26 - Bedroom</u> 26 Total Units	\$895	1 vacancy	General Occupancy	Harvest Acres II includes 26 one-bedroom units constructed in 2018 and 2019. Rent is \$895 plus heat and electricity. The manager reported one vacancy at the time of the survey.
Jackson Heights Apartments & Townhomes	10 - 1 Bedroom 34 - 2 Bedroom <u>12 - 3 Bedroom</u> 56 Total Units	\$825 \$895 \$1,165	4 vacancies	General Occupancy	Jackson Heights Apartments & Townhomes includes both apartment units and townhomes in several buildings. Units were constructed in 2003, 2013 and 2014. There are a total 56 units including 10 one-bedroom units, 34 two-bedroom units and 12 three-bedroom units. Tenants pay heat and electric in addition to rent. The manager reported four vacancies at the time of the survey.

Table 19 Harrisburg Multifamily Rental Housing Inventory

Name	Number of Units /Bedroom Mix	Rent	Vacancy/ Wait List	Tenant Mix	Comments
Market Rate					
Legendary Apartments	8 - 2 Bedroom <u>8 - 3 Bedroom</u> 16 Total Units	\$1,060 \$1,150 +utilities	1 vacancy	General Occupancy	Legendary Apartments include new four 4-plexes. The rental units are townhome style. Eight units are two-bedroom and eight units are three-bedroom. The units all have been constructed over the past six years. Rents are \$1,060 for a two-bedroom unit and \$1,150 for a three-bedroom unit plus utilities. The owner reported one vacancy at the time of the survey.
Meadows Apartments	10 - 1 Bedroom <u>2 - 2 Bedroom</u> 12 Total Units	\$600 \$700	No vacancies	General Occupancy	Meadows Apartments is a twelve-unit apartment building constructed in 2006. The units include 10 one-bedroom and two two-bedroom. Rents are \$600 for a one-bedroom unit and \$700 for a two-bedroom unit. The owner reported no vacancies at the time of the survey. Heat, water and garbage are included in rent. The tenants pay electricity.
Meadows Apartments	22 - 1 Bedroom <u>2 - 2 Bedroom</u> 24 Total Units	\$625 \$725	4 vacancies	General Occupancy	Meadows Apartments is a twenty-four unit building constructed in 2014. The units will include 22 one-bedroom and two two-bedroom. Rent is \$625 to \$725 plus electricity. The owner reported four vacancies at the time of the survey.
Meadows Apartments	<u>23 - 1 Bedroom</u> 23 Total Units	\$635	2 vacancies	General Occupancy	Meadows Apartments includes 23 one-bedroom units. The units were constructed in 2017. The rents are \$635 plus electric. The owner reported two vacancies.
Meadows Townhomes	<u>9 - 2 Bedroom</u> 9 Total Units	\$1,200 +utilities	No vacancies	General Occupancy	Meadows Townhomes include nine two-bedroom units. Units include attached garages and other high quality amenities. Rent is \$1,200 plus utilities. Owner reported no vacancies at the time of the survey.

Table 19 Harrisburg Multifamily Rental Housing Inventory					
Name	Number of Units /Bedroom Mix	Rent	Vacancy/ Wait List	Tenant Mix	Comments
Market Rate					
Sawyer Pointe	20 - 1 Bedroom 20 - 2 Bedroom <u>20 - 3 Bedroom</u> 60 Total Units	\$795 \$895 \$1,105	12 vacancies	General Occupancy	Sawyer Pointe includes 60 units in five 12-plexes. The units were constructed in 2018 and 2019. There are 20 one-bedroom, 20 two-bedroom and 20 three-bedroom units. Rents are \$795 for a one-bedroom, \$895 for a two-bedroom and \$1,105 for a three-bedroom unit. The manager reported 12 vacancies at the time of the survey, however, the project is still in the initial lease-up phase.
Shebal 4-plexes	9 - 2 Bedroom <u>3 - 3 Bedroom</u> 12 Total Units	\$925 \$1,025	No vacancies	General Occupancy	Three four-plexes constructed in 2009. The units are townhome two-story style and include nine two-bedroom and three three-bedroom units. The rents are \$925 for a two-bedroom and \$1,025 for a three-bedroom unit. Tenants also pay for utilities except water and garbage. Manager reported no vacancies at the time of the survey.
Tiger Way Townhomes	4 - 1 Bedroom 14 - 2 Bedroom <u>12 - 3 Bedroom</u> 30 Total Units	Manager did not provide rents	7 vacancies	General Occupancy	Tiger Way Townhomes include 30 newly constructed townhome units in three 4-plexes and three 6-plexes. There are four one-bedroom, 14 two-bedroom and 12 three-bedroom units. The manager did not provide rent information. At the time of the survey, there were seven vacancies, however, the project is in the initial lease-up phase.

Table 19 Harrisburg Multifamily Rental Housing Inventory					
Name	Number of Units /Bedroom Mix	Rent	Vacancy/ Wait List	Tenant Mix	Comments
Market Rate					
Vernon Apartments	4 - 2 Bedroom <u>24 - 3 Bedroom</u> 28 Total Units	\$995 \$1,195	No vacancies	General Occupancy	Vernon Apartments includes 28 townhomes in seven 4-plexes. Six 4-plexes have 24 three-bedroom two-bath units and one 4-plex has four two one-bath bedroom units. The units have been constructed from 2016 to 2019. An eighth 4-plex is currently under construction. Rent is \$995 for a two-bedroom unit and \$1,195 for a three-bedroom unit. Tenants also pay heat and electricity. The manager reported no vacancies at the time of the survey.
Willow Apartments	<u>2 - 1 Bedroom</u> 2 Total Units	\$850	No vacancies	General Occupancy	Willow Apartments include two units in a mixed-use building. Both units are one-bedroom. Rent is \$850. Rent includes all utilities. The manager reported no vacancies at the time of the survey.

Table 19 Harrisburg Multifamily Rental Housing Inventory					
Name	Number of Units /Bedroom Mix	Rent	Vacancy/ Wait List	Tenant Mix	Comments
Tax Credit					
Drexel Place Apartments	24 - 2 Bedroom <u>24 - 3 Bedroom</u> 48 Total Units	\$552-\$738 \$638-\$872	1 vacancy	General Occupancy	Drexel Place Apartments is a 48-unit tax credit project constructed in 2011. The 48 units are in six buildings and include 24 two-bedroom units and 24 three-bedroom units. Tenant incomes must be below income limits. Rents are based on income and are \$552 to \$738 for a two-bedroom unit and \$638 to \$872 for a three-bedroom unit. Tenants also pay heat and electricity. Manager reports high occupancy rates and there was one vacancy at the time of the survey.
Hunters Gate Townhomes	30 - 2 Bedroom <u>30 - 3 Bedroom</u> 60 Total Units	\$522-\$656 \$749-\$782	3 vacancies	General Occupancy	Hunters Gate Townhomes is a 60-unit tax credit project. Thirty units were constructed in 2004 and 30 units were constructed in 2007. The 60 units are in 10 buildings and include 30 two-bedroom units and 30 three-bedroom units. Tenant incomes must be below income limits. Rents are \$522 to \$656 for a two-bedroom unit and \$749 to \$782 for a three-bedroom unit. Tenants also pay heat and electricity. The manager reported three vacancies at the time of the survey.
South Cliff Falls Apartments	28 - 2 Bedroom <u>16 - 3 Bedroom</u> 44 Total Units	\$678-\$683 \$817	No vacancies	General Occupancy	South Cliff Falls Apartments is a 44-unit Low Income Tax Credit Project constructed in 2006. The units include 28 two-bedroom and 16 three-bedroom. Tenant incomes must be below income limits. Rent is based on income. Two-bedroom rents range from \$678 to \$683 and three-bedroom rent is \$817. Manager reported no vacancies at the time of the survey. Tenants pay heat and electricity in addition to rent.

Table 19 Harrisburg Multifamily Rental Housing Inventory					
Name	Number of Units /Bedroom Mix	Rent	Vacancy/ Wait List	Tenant Mix	Comments
Subsidized					
St. James Place	1 - 1 Bedroom <u>7 - 2 Bedroom</u> 8 Total Units	\$505 max. \$565 max. 30% of income	1 vacancy	General occupancy	St. James Place is an eight-unit family Rural Development Project constructed in 1987. The project includes one one-bedroom and seven two-bedroom units. Tenants pay 30% of their income up to the maximum rents of \$505 for a one-bedroom unit and \$565 for a two-bedroom unit. Tenants also pay heat and electricity. Manager reported no vacancies at the time of the survey.

Source: Community Partners Research, Inc.

Net Household Growth in the Sioux Falls MSA

Over the last few decades, the entire Sioux Falls MSA has grown at a rapid rate. Between the 2010 Census and the 2019 Applied Geographic Solutions estimate, a substantial number of households were added in Sioux Falls and in many of the smaller cities in Minnehaha and Lincoln Counties. The following table examines growth in numeric and percentage terms. The listed cities have been ordered by the numeric household growth that occurred over the 9-year period.

Table 20 Household Growth by Jurisdiction: 2010 to 2019				
City	2010 Census	2019 AGS Estimate	Numeric Growth	Percentage Growth
Sioux Falls	61,707	75,664	13,957	22.6%
Brandon	3,118	3,804	686	22.0%
Tea	1,254	1,936	682	54.4%
Harrisburg	1,423	2,049	626	44.0%
Hartford	913	1,264	351	38.4%
Dell Rapids	1,388	1,439	50	3.6%
Crooks	431	472	41	9.5%
Worthing	325	353	28	8.6%
MSA	83,677	107,207	23,530	28.1%

Source: US Census; Applied Geographic Solutions

Between the Census in 2010 and 2019, Brandon captured the largest numeric share of household growth for any single jurisdiction outside of Sioux Falls, and added 686 households according to Applied Geographic Solutions. However, Tea and Harrisburg, both located in Lincoln County, had a similar level of numeric growth, adding 682 and 626 households, respectively.

In percentage terms, Tea has had the largest increase in households so far this decade, with growth of more than 54%. Harrisburg at 44% and Hartford at more than 38% also grew at a faster rate than the entire MSA. Although Brandon had the largest numeric household growth of the smaller cities around Sioux Falls, the percentage increase of 22% trailed the rate for the entire MSA.

MSA Housing Unit Construction Activity: 2004 to 2018

The U.S. Census Bureau collects building permit issuance information from individual cities, towns and townships. Annual housing construction summary information is available for the combined jurisdictions that form the Sioux Falls MSA. This represents a four-county area of Minnehaha, Lincoln, McCook and Turner Counties.

It is important to note that the Census Bureau's annual totals may differ from other information provided within this section, which was collected directly from individual cities. However, the Census Bureau reports do provide some perspective on housing construction within the larger MSA. Census Bureau annual totals for the City of Harrisburg are also provided for comparison.

Housing construction activity in Harrisburg has represented a relatively small share of all activity in the Sioux Falls MSA. From 2004 through 2018, unit construction in Harrisburg represented 5.7% of all MSA housing construction activity. However, from 2010 through 2018, unit construction in Harrisburg represented 4.2% of the MSA total.

From 2010 to 2018, multifamily projects with three or more units in Harrisburg accounted for approximately 3.8% of the new multifamily unit construction in the MSA. For one and two family housing units, Harrisburg represented nearly 4.4% of all construction in the MSA.

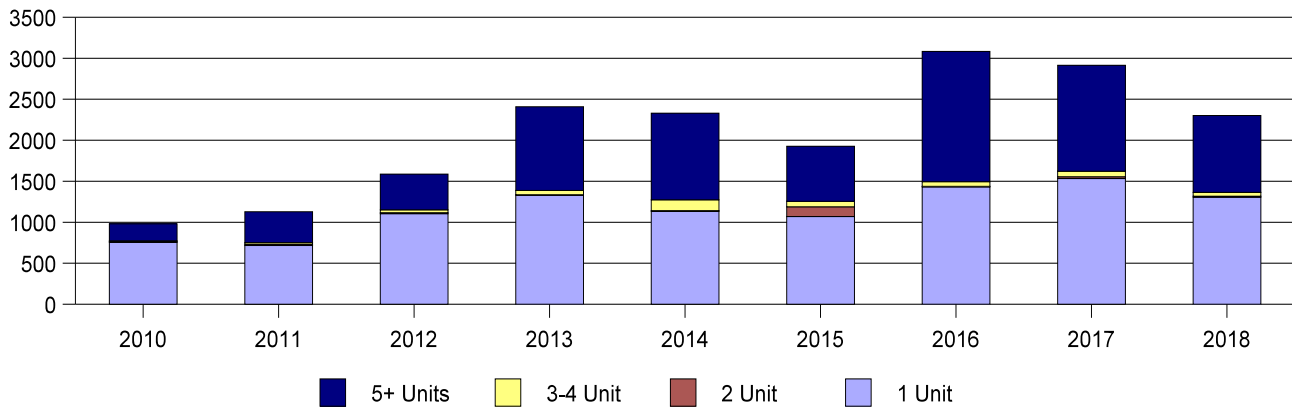
Although multifamily unit construction could represent different types of housing, including condominiums or cooperatively owned housing, it is assumed that the large majority of multifamily units are intended for renter-occupancy. Conversely, it is assumed that most of the single family and two-unit construction would primarily represent owner-occupancy housing.

Table 21 Harrisburg and MSA Housing Unit Construction Activity - 2004 to 2018

Year	City of Harrisburg					Sioux Falls MSA				
	Single Family	Two Family	3 to 4 Family	Multifamily	Total	Single Family	Two Family	3 to 4 Family	Multifamily	Total
2018	38	4	0	26	68	1,306	12	46	938	2,302
2017	60	10	20	93	183	1,533	22	67	1,292	2,914
2016	56	0	20	27	103	1,431	6	58	1,589	3,084
2015	62	0	0	0	62	1,069	120	67	670	1,926
2014	57	6	15	33	111	1,134	8	131	1,057	2,330
2013	71	0	8	19	98	1,330	6	52	1,021	2,409
2012	44	2	0	0	46	1,104	12	36	435	1,587
2011	34	0	0	0	34	716	16	19	378	1,129
2010	30	4	0	46	80	755	8	111	207	1,081
2009	85	0	8	0	93	962	24	99	492	1,577
2008	102	6	0	22	130	940	84	143	699	1,866
2007	116	4	20	0	140	1,517	96	148	621	2,382
2006	169	2	24	100	295	1,646	38	175	464	2,323
2005	181	0	4	13	198	1,869	22	95	309	2,295
2004	121	8	7	34	170	1,909	20	52	467	2,448
Total	1,226	46	126	413	1,811	19,221	494	1,299	10,639	31,653

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

MSA Annual Housing Unit Construction: 2010 to 2018

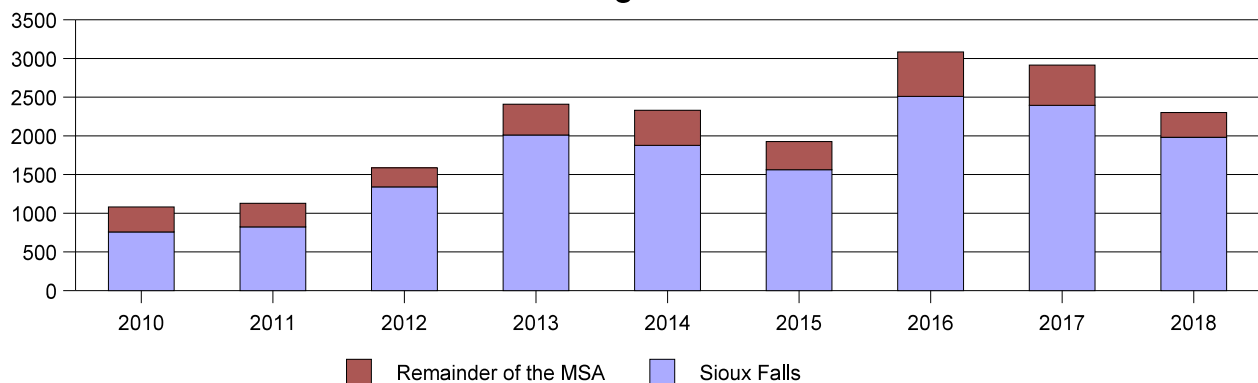


According to Census Bureau reports, the year 2016 represented the highest year for new housing unit production in the MSA over the current decade. The total production in 2017, was only slightly lower, as both years had more than 2,900 total units that were permitted in the entire MSA.

The total unit production identified in 2018 was lower than in the previous two years. However, the Census Bureau totals were still considered to be preliminary for that year, and it is possible that the unit count may still be revised.

As the primary jurisdiction in the MSA, the City of Sioux Falls accounts for a large majority of the units constructed annually. Over the time period reviewed, Sioux Falls has represented between 70% and 86% of the annual MSA construction activity, and in most recent years, the City’s share has been 80% or higher, according to the Census Bureau.

Sioux Falls/MSA Annual Housing Unit Construction: 2010 to 2018

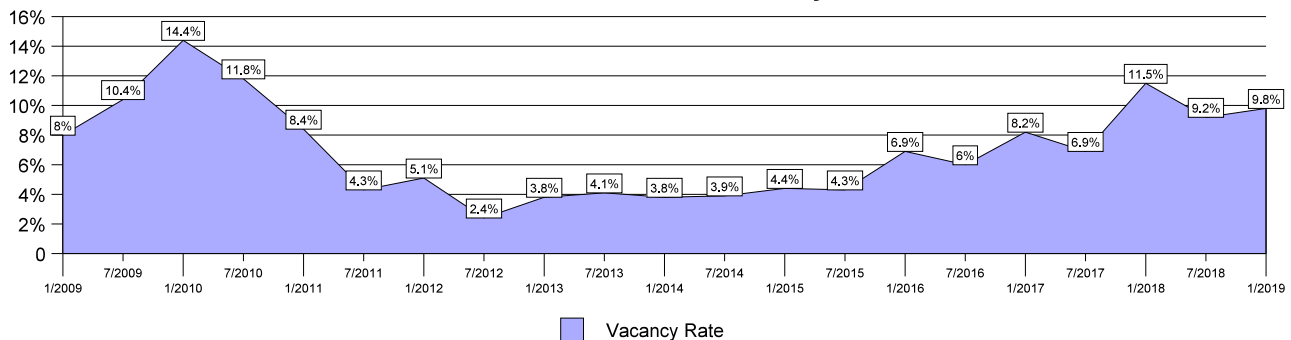


Regional Rental Vacancy Rates

The South Dakota Multi-Housing Association has tracked rental housing vacancy information for the Sioux Falls area for many years through a semiannual survey. This information provides an excellent source of information that not only provides a current picture of rental housing occupancy, but also a perspective on longer-term trends. The following chart presents the Multi-Housing Association vacancy calculations dating back to the year 2009 to provide a 10-year history.

The most recently completed vacancy survey was from January 2019. In July 2019 the survey process was modified and the same level of detail was no longer available. The January survey found a 9.8% vacancy rate in conventional market rate housing. The survey included more than 14,100 conventional units and found 1,388 vacancies. Although this was an area-wide survey, including communities that are within a 20-mile radius of Sioux Falls, more than 92% of the reporting units were located within Sioux Falls.

Conventional Rental Vacancy Trends



The last three rental surveys have all recorded vacancy rates that are well above-average within the conventional housing segment. The January 2019 survey found a vacancy rate of 9.8%. While this was lower than the rate of 11.5% in January 2018, it was up from the 9.2% in July 2018.

A general standard for rental housing vacancy is that a rate up to 5% is considered acceptable. A modest level of vacancy is desirable to allow tenant movement in the market by providing choices for prospective renters. It also allows a community the chance to grow, as new households moving into the area can locate a living unit. In Sioux Falls, a vacancy rate above 5% would not be surprising for individual surveys, as large-scale unit construction can occur which can temporarily cause an oversupply of units.

However, since 2016 the conventional vacancy rate has been sustained at 6% or higher. In the January 2018 survey, the vacancy rate had reached a recent peak of 11.5%, the third highest level in the past 10 years.

People interviewed in past studies in the area have cited the cyclical nature of rental production, especially in Sioux Falls. As the vacancy rate has risen, construction activity in subsequent years tends to diminish. As vacancy rates begin to fall, it has been typical to see an above-average level of construction.

Although the vacancy rates since 2016 have risen above a desired level, past history shows that the market has had the ability to “self-correct” rather quickly, as was evident between 2010 and 2011. The City of Sioux Falls and the entire MSA have continued to add households at a very rapid rate, creating annual demand for rental units.

While past history would suggest that rental unit construction could slow as vacancy rates rise, the past few years have witnessed above-average multifamily construction in the MSA. The building permit reporting presented earlier in this section showed that the number of multifamily units permitted in 2016 and 2017 were well above the annual average, and were the highest two years over the 15-year time period reviewed.

After reaching a single year peak of nearly 1,600 multifamily units permitted in 2016, this level did drop to fewer than 950 units in 2018. However, despite this reduction, the production in 2018 was still well above the 15-year average of approximately 710 multifamily units per year between 2004 and 2018.

Income-Based Housing Vacancy Rates

The large majority of the units in the Multi-Housing survey are conventional rentals. However, in most surveys, 2,000 or more units of income-based housing are also included. The income-based units include moderate rent properties constructed through the tax credit program and federally subsidized low income housing.

Since the start of 2016, the vacancy rate in moderate rent tax credit housing has generally been below the conventional rate. In the January 2019 survey, tax credit units had a vacancy rate of 8.5%, compared to the conventional housing vacancy rate of 9.8%.

Federally-subsidized housing, listed in the reports as “HUD units”, have tended to maintain a low rate of vacancy over time. In the most recent report, the vacancy rate for HUD units was 4.6%, the only specific market sector with a vacancy rate below 5%.

Vacancy Rates Outside of Sioux Falls

The Multi-Housing Survey does typically collect some rental data from units that are outside of the City of Sioux Falls, but within a 20-mile radius. Starting in 2015, specific vacancy information was provided for the Cities of Harrisburg and Brandon, and then for the remaining small communities in the region grouped together.

However, due to the relatively small sample size that may be included in any specific survey, the vacancy rates reported for Harrisburg can vary widely, and often are inconsistent with the broader regional trends.

In the most recently completed survey from January 2019 there were 279 conventional units included for Harrisburg. The reported vacancy rate of 21.9% was much higher than the rate of 9.8% vacancy for the entire region. At the time of this survey there were 61 vacant units reported in Harrisburg. This may reflect a newer building that had recently opened and was in its initial lease-up phase.

Including Harrisburg, Brandon and other outlying areas within a 20-mile radius of Sioux Falls, the January 2019 survey collected information from 1,054 conventional market rate units, and found a vacancy rate of 11%, higher than the 9.8% rate for the entire Sioux Falls area. This was primarily due to the high vacancy rate in Harrisburg.

Harrisburg Tax Credit Vacancy

Harrisburg does have a supply of income-restricted tax credit units. In most of the recent surveys, there have been more than 100 tax credit units reported for Harrisburg. In the January 2019 survey there were 103 tax credit units reported, with a vacancy rate of only 1%, well below the 8.5% rate within this segment for the entire region.

Including Harrisburg and the other outlying communities there were 473 moderate rent tax credit units surveyed outside of Sioux Falls and the vacancy rate was 5.5%, lower than the 8.5% rate for the larger area.

Harrisburg HUD Units

No subsidized units have been reported specifically for Harrisburg. In the January 2019 report there were only 36 HUD units surveyed outside of Sioux Falls, with a vacancy rate of 2.8%.

Rental Rates

Information on rental rates is also available from the Multi-Housing Association’s semiannual survey. The most recent information was collected in January 2019.

The Multi-Housing Association survey provides a current look at rental rates. This information is provided for different geographic segments of the Sioux Falls area.

Table 22 Conventional Housing Average Rental Rates - January 2019		
Unit Type	Conventional Rentals	
	Outlying Areas	Sioux Falls Region
Studio	\$675	\$765
1-Bedroom	\$726	\$866
2-Bedroom	\$854	\$1,063
3-Bedroom	\$1,042	\$1,253
4-Bedroom	\$1,275	\$1,795

Source: SD Multi-Housing Association; Community Partners Research, Inc.

When examining the average rent information for the different communities outside of Sioux Falls, it is important to note that the number of units surveyed may be small. Even for the entire region, the number of studio units and four-bedroom rentals is limited, and are much less common than one, two, and three-bedroom rentals.

In general, the rental rates outside of Sioux Falls are lower than for the entire region. For units with one to three bedrooms, the rates for the communities outside Sioux Falls tend to range from approximately 80% to 85% of the regionwide rates.

Employment and Local Economic Trends

While many factors influence the need for housing, employment opportunities represent a predominant demand generator. Without jobs and corresponding wages, the means to afford housing is severely limited. Much of the household growth that has occurred in the Sioux Falls MSA in the past decade was the direct result of job opportunities that were available, especially in the City of Sioux Falls. The type of employment, wage level, and working conditions will each influence the kind of housing that is needed and at what level of affordability.

Major employers in Sioux Falls with more than 1,000 employees include:

- ▶ Sanford Health
- ▶ Avera
- ▶ John Morrell & Company
- ▶ Wells Fargo
- ▶ Sioux Falls School District
- ▶ Citibank
- ▶ Hy-Vee Food Stores
- ▶ Sioux Valley Clinic
- ▶ Evangelical Lutheran Good Samaritan Society
- ▶ Midwest Coast Transport
- ▶ WalMart/Sam's Club
- ▶ First PREMIER Bank/PREMIER Finance Bankcard
- ▶ City of Sioux Falls

Source: Governor's Office of Economic Development

Work Force and Unemployment Rates

Employment information is available for the Sioux Falls MSA. Information has been reviewed back to the year 2010. Data in the tables that follow have been obtained from the South Dakota Department of Labor.

Table 23 Sioux Falls MSA Annual Labor Statistics: 2010 to 2019						
Year	Labor Force	Employed	Unemployed	Unemployment Rate - MSA	Unemployment Rate - SD	Unemployment Rate - US
2010	133,585	127,238	6,347	4.8%	5.0%	9.6%
2011	134,281	128,513	5,768	4.3%	4.7%	8.9%
2012	136,615	131,430	5,185	3.8%	4.3%	8.1%
2013	138,817	134,408	4,409	3.2%	3.8%	7.4%
2014	141,705	137,621	4,084	2.9%	3.4%	6.2%
2015	144,405	140,656	3,749	2.6%	3.1%	5.3%
2016	146,944	143,303	3,641	2.5%	3.0%	4.9%
2017	149,980	145,965	4,015	2.7%	3.2%	4.4%
2018	152,130	148,267	3,863	2.5%	3.0%	3.9%
2019	157,495	153,505	3,990	2.6%	3.0%	3.7%

Source: South Dakota Department of Labor

The Sioux Falls MSA continues to be strong for labor force and job growth. Over the time period from 2010 through 2019, the size of the resident labor force increased by more than 23,000 people, or an increase of nearly 18%. The employed resident work force increased by more than 26,250 people during this same time, for an increase of 20.6%. The MSA’s unemployment rate has generally decreased over this longer time period and by 2019 was at 2.6%.

Employment and Wages by Industry

The following table shows the annual employment and average annual wages in 2018, the last full year of data. This information is for all of the MSA.

Table 24 MSA Average Annual Wages - 2018		
Industry	2018 Employment	Average Annual Wage
Total All Industry	153,130	\$48,736

Source: South Dakota Department of Labor

The average annual wage for all industry in 2018 was \$48,736 for the Sioux Falls MSA.

Commuting Patterns of Harrisburg Residents

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

Table 25 Commuting Times for Residents - 2018		
	Harrisburg	
Travel Time	Number	Percent
Less than 10 minutes	355	12.6%
10 to 19 minutes	846	30.1%
20 to 29 minutes	1,135	40.4%
30 minutes +	476	16.9%
Total	2,812	100%

Source: American Community Survey

The large majority of Harrisburg’s residents were leaving the City for their primary employment. Fewer than 13% of residents were traveling less than 10 minutes, the time typically required for a locally-based job. More than 70% were traveling between 10 and 29 minutes, generally consistent with employment in Sioux Falls. Fewer than 17% of City residents were traveling 30 minutes or more for their job.

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

Table 26 Commuting Times for Harrisburg Workers - 2018		
	Harrisburg	
Travel Time	Number	Percent
Less than 10 minutes	204	14.3%
10 to 19 minutes	684	48.0%
20 to 29 minutes	362	25.4%
30 minutes +	176	12.3%
Total	1,426	100%

Source: American Community Survey

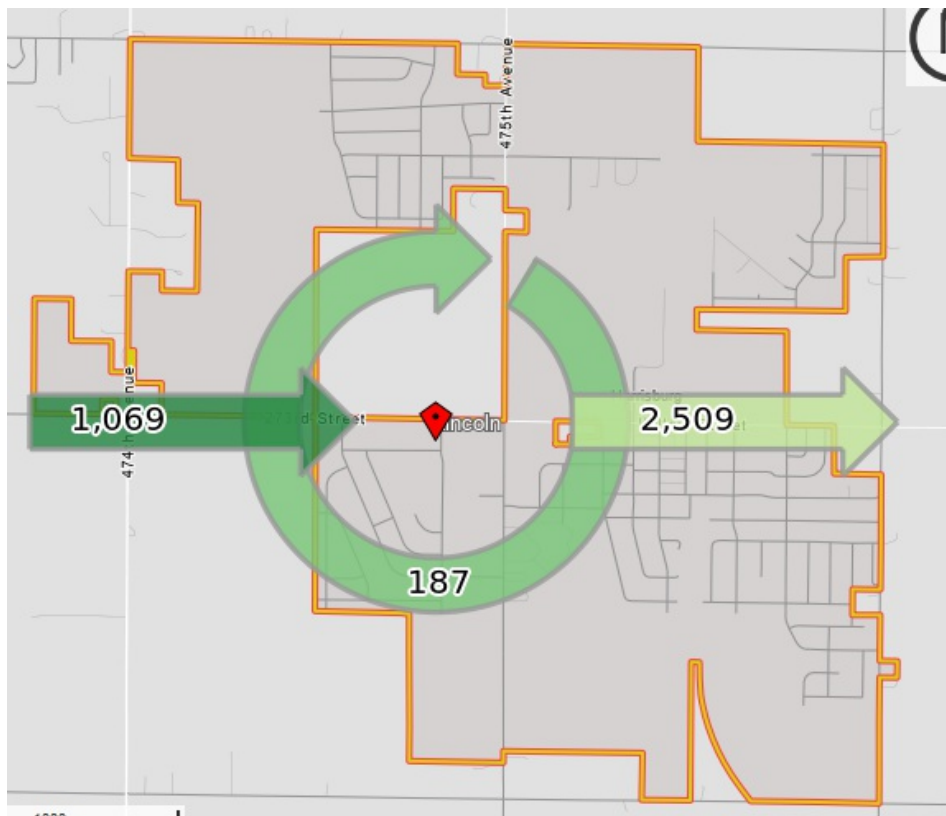
Most of the people that were employed within the City of Harrisburg in 2018 lived either within the community, or within the immediate area. Overall, approximately 62% of city-based workers had a travel time of 19 minutes or less to their primary job. However, more than 12% of workers did commute for 30 minutes or more to work in Harrisburg.

Census On the Map

The Census Bureau also produces commuter reports through its Center for Economic Studies division. This information is based on reports for the year 2015 and provides a further breakdown of worker movement.

According to the report for Harrisburg, there were 1,256 people that were employed within the City in 2015. Fewer than 15% of these city-based employees also lived in Harrisburg. The remaining 85% of employees lived outside the City and commuted in for their job. The primary jurisdiction supplying workers to Harrisburg was Sioux Falls. Some inbound workers were also coming from Canton, Tea and Brandon.

On the Map can also be used to track worker outflow patterns from the City. Overall, there were 2,696 Harrisburg residents that were employed. Only 187 of these City residents worked inside the community, while more than 2,500 traveled to other locations. Fewer than 7% of the City's employed residents both lived and worked in Harrisburg. The primary identified destination for employment was Sioux Falls. Overall, nearly 78% of Harrisburg's residents that left the City were commuting to Sioux Falls.



Findings on Growth Trends

From 2010 to 2019, both Harrisburg and Lincoln County have had very strong population growth. This continues a decades' long growth trend. Esri and AGS estimate that Harrisburg has gained 1,887 to 2,068 people and Lincoln County has added 14,115 to 16,175 over the past decade.

Harrisburg and Lincoln County's population increased from 1990 to 2010. From 1990 to 2000, Harrisburg's population increased by 231 people and Lincoln County's population increased by 8,704 people. From 2000 to 2010, Harrisburg's population increased by 3,131 people and Lincoln County's population increased by 20,697 people.

From 2010 to 2019, Esri estimates that Harrisburg gained 668 households and AGS estimates that the City gained 626 households. Esri estimates that Lincoln County gained 6,009 households and AGS estimates that Lincoln County gained 4,409 households from 2010 to 2019.

The City of Harrisburg gained 87 households from 1990 to 2000 and gained 1,108 households from 2000 to 2010. Lincoln County gained 3,321 households from 1990 to 2000 and gained 7,867 households from 2000 to 2010.

Findings on Projected Growth

Esri and AGS forecast that Harrisburg's population will increase by 1,157 to 1,201 people and 231 to 426 households between 2019 and 2024.

Esri and AGS's, projections for all of Lincoln County expect a gain of 10,115 to 11,312 people and 2,421 to 3,760 households from 2019 to 2024.

Strengths for Housing Development

The following strengths of the community were identified through statistical data, local interviews, research and on-site review of the local housing stock and from the 2014 Harrisburg Comprehensive Housing Study.

- ▶ **Harrisburg is located near Sioux Falls, which is a regional center for the area** - Harrisburg is in close proximity to Sioux Falls. Sioux Falls provides employment opportunities, retail/service options, government services, health and professional services, and cultural amenities to a large surrounding trade area. Many households prefer to live near, but not in a regional center.
- ▶ **Increasingly diverse housing stock** - The City is developing a mix of housing options, including rental housing units for both lower income and market rate households. The City also has town houses, twin homes, and rental units in mixed-use buildings as well as owner occupied housing units in various price ranges.
- ▶ **Median home price** - Harrisburg's median priced home based on 2019 sales is approximately \$224,900. This matches well with new homes, which is an incentive for new home construction.
- ▶ **Adequate land for development** - The City has adequate land available for residential development, although some of the land needs to be annexed and/or needs infrastructure.
- ▶ **Population and household growth for the City** - The City has sustained very strong population and household growth and the City is projected to continue to grow substantially in the future.
- ▶ **Sioux Falls MSA** - On average, over the past 10 years, more than 2,000 housing units were constructed in the Sioux Falls MSA annually. Harrisburg has an opportunity to continue to capture a portion of this market.
- ▶ **Active housing developers in the City** - Harrisburg has housing developers that are willing to invest in housing projects in the community. Developers have been active in subdivision development, rental housing, attached ownership housing and single family development.

- ▶ **School system** - The City has an excellent public K-12 school system and new schools are being constructed.
- ▶ **Available lots** - The City currently has available lots for housing of all types.
- ▶ **Harrisburg Economic Development Corporation** - The Harrisburg Economic Development Corporation is active in promoting industrial, commercial and housing development.
- ▶ **Sioux Falls Growth Pattern** - Historically, the majority of Sioux Falls growth has been South. Growth to the south of Sioux Falls will continue to benefit residential development in Harrisburg.
- ▶ **Age and Condition of the housing stock** - A significant majority of the housing units in Harrisburg were constructed over the past 20 years and are in good to excellent condition.
- ▶ **New Housing Unit Construction** - From 2010 to 2019, there were 895 housing units that were constructed in Harrisburg, which indicates Harrisburg is an attractive location for residential development.
- ▶ **Industrial Park** - Harrisburg has a privately owned industrial park, which has the potential to attract new industries who will create employment.
- ▶ **Commercial Development** - Commercial development is ongoing and commercial options are being developed to meet the daily needs of Harrisburg citizens.
- ▶ **Infrastructure** - The City continues to upgrade its infrastructure to facilitate future growth.
- ▶ **Commuters** - Approximately 1,069 employees are commuting into Harrisburg daily for work. These workers are a potential market for future housing construction.
- ▶ **Job Creation** - New jobs are being created in Harrisburg in several sectors.

Barriers or Limitations to Housing Activities

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

- ▶ **Proximity to Sioux Falls** - Although it is a strength to be located in close proximity to Sioux Falls, it is also a barrier as Harrisburg must compete with Sioux Falls, which offers attractive residential opportunities and other amenities and services.
- ▶ **Staff capacity limitations** - Although the City has access to several housing agencies, it is very difficult to develop and implement housing initiatives with limited staff resources.
- ▶ **Limited Commercial Options** - Harrisburg has limited commercial and retail opportunities to meet daily needs, although, new commercial development is ongoing.
- ▶ **Sewer System Improvements** - The City of Harrisburg's sewer system needs improvements to accommodate future development, however, the City is constructing a new sewer treatment plant.
- ▶ **Water and Sewer Rates** - Harrisburg's water and sewer rates are high in comparison to most cities in the area.

Recommendations, Strategies and Housing Market Opportunities

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

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

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

Summary of Harrisburg Growth Projections by Age

The Demographic section of this Study presented Harrisburg projection information on anticipated changes by age groups. This information can be informative in determining the housing changes that may be needed due to age patterns of the area population.

The following approximate ranges are provided by Esri show the expected change in the number of Harrisburg households in each 10-year age cohort between 2019 and 2024.

All of the age ranges are projected to gain households from 2019 to 2024. The highest growth is projected in the 35 to 44 age range, which is expected to gain 268 households. The 15 to 34 age ranges are expected to gain 40 households, the 45 to 74 age ranges are expected to add 104 households and the 75 and older age range is projected to add 14 households.

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

<u>Age Range</u>	<u>Projected Change in Households 2019 to 2024</u>
15 to 24	28
25 to 34	12
35 to 44	268
45 to 54	37
55 to 64	19
65 to 74	48
75 and Older	14
Total	<u>426</u>

Findings on Unit Demand by Type of Housing

Based on the household by age projections presented earlier, the changing age composition of Harrisburg's population through the five-year projection period from 2019 to 2024 will have an impact on demand for housing.

Age 24 and Younger - The projections used for this Study expect an increase of 28 households in the 15 to 24 age range through the year 2024. Past tenure patterns indicate that approximately 72% of these households in Harrisburg will rent their housing. A gain of households in this age range should mean that rental demand from younger households will increase during the projection period.

25 to 34 Years Old - The projections show an increase in this age cohort of 12 households by 2024. Within this age range households often move from rental to ownership housing. The ownership rate among these households in Harrisburg was approximately 87% in 2018. An increase in the number of households within this age range will mean more demand for both first-time home buyer and rental opportunities.

35 to 44 Years Old - This 10-year age cohort has a projected substantial gain of 268 households between 2019 and 2024 in Harrisburg. In the past, this age group has had a high rate of home ownership in Harrisburg, at approximately 97%. Households within this range often represent both first-time buyers and households looking for trade-up housing, selling their starter home for a more expensive house. Strong growth from this age cohort would have an impact on overall demand for owner-occupied housing including new construction.

45 to 54 Years Old - The projections for this age range show a gain of 37 households. This age group historically has had a relatively high rate of home ownership, approximately 81% in Harrisburg in 2018, and will often look for trade-up housing opportunities. With household gains in this age group, there will be an increase in the demand for trade-up housing from this age range.

55 to 64 Years Old - The projections show an expected increase of 19 additional households in this 10-year age range by the year 2024 in the City. This age range has traditionally had a high rate of home ownership in Harrisburg, at approximately 77% in 2018. Age-appropriate housing, such as town houses or twin homes, is often well suited to the life-cycle preferences of this age group, as no maintenance/low maintenance housing has become a popular option for empty-nesters.

65 to 74 Years Old - Relatively strong household growth is expected in Harrisburg within this age range, with the projections showing an increase of 48 households by the year 2024. While this group will begin moving to life-cycle housing options as they age, the younger seniors are still predominantly home owners. In 2018, approximately 90% of households in this age range owned their housing in Harrisburg. Once again, preferences for age-appropriate units should increase from household growth within this age cohort.

75 Years and Older - A gain of 14 households is projected among older seniors. Most of the households in this age range in Harrisburg were home owners in 2018. Seniors in this age range often will seek senior housing with services options.

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

Summary of Findings/Recommendations

The findings/recommendations for the City of Harrisburg have been formulated through the analysis of the information provided in the previous sections and include a total of 20 recommendations divided into the following five categories:

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

The findings/recommendations for each category are as follows:

Findings and Recommendations for the City of Harrisburg	
Rental Housing Development	
1.	Develop 110 to 120 conventional market rate rental units
2.	Develop 32 to 36 additional tax credit units
3.	Develop 16 to 18 additional subsidized units
4.	Develop 22 to 26 senior independent/light services market rate units
5.	Support a senior housing with services project (assisted living/memory care)
6.	Develop a mixed-use downtown commercial/housing project
7.	Continue to utilize the Housing Choice Voucher Program
Home Ownership	
8.	Utilize and promote all programs that assist with home ownership
New Construction	
9.	New owner-occupied housing construction
10.	Lot availability and development
11.	Strategies to encourage continued residential lot sales and new home construction in Harrisburg
12.	Promote townhouse and twin home development
13.	Coordinate with agencies/nonprofits that develop affordable housing

Housing Rehabilitation
14. Promote rental housing rehabilitation programs
15. Promote owner-occupied housing rehabilitation programs
Other Housing Initiatives
16. Encourage employer involvement in housing programs
17. Acquire and demolish dilapidated structures
18. Continue coordination among housing agencies
19. Strategies for commercial rehabilitation and development
20. Develop home ownership and new construction marketing programs

Harrisburg - Recommendations Rental Housing Development

Rental Housing Development

Overview

The City of Harrisburg has been successful in attracting new housing construction activity in recent decades, including housing for both owners and renters. Most comparably-sized communities in South Dakota have had limited success in the rental segment, however, as part of the large Sioux Falls MSA, Harrisburg has been able to support multiple rental projects.

From 2000 to 2010, Harrisburg added approximately 264 rental housing units through new construction. The 264 rental units constructed from 2000 to 2010 included 104 tax credit units and 160 market rate rental units.

From 2010 to 2014, 114 rental units were built. These units included:

- ▶ Drexel Place Apartments - 48 tax credit units
- ▶ Jackson Heights - 34 market rate units in three buildings
- ▶ Legendary Apartments - 8 units in two four-plexes
- ▶ Meadows Apartments - 24 market rate units

From the 2014 Housing Study to the present, 197 rental units in seven projects have been constructed or are under construction. These units include:

- ▶ Harvest Acres I - 18 units
- ▶ Harvest Acres II - 26 units
- ▶ Sawyer Pointe - 60 units
- ▶ Meadows Apartments - 23 units
- ▶ Vernon Apartments - 32 units
- ▶ Tiger Way Townhomes - 30 units
- ▶ Legendary Apartments - 8 units

Based on the new rental units constructed, or that are under construction, from the 2014 Housing Study to the present it is estimated there are currently 565 rental units in Harrisburg.

Harrisburg's share of rental units constructed for the entire Sioux Falls MSA from 2010 to 2018 was approximately 3.8%.

Although there has been significant rental housing construction in Harrisburg since 2000, the City still has a below average supply of rental housing units. We are estimating that Harrisburg has approximately 565 rental units. This represents approximately 27.0% of all households in Harrisburg, compared to a Statewide rental tenure rate of approximately 32.1%.

Demand for new rental housing in Harrisburg is generated from three factors:

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

Household projections for Harrisburg expect significant household growth, although most of this growth will result in demand for owner-occupied housing. From 2019 to 2024, Esri projects that Harrisburg will add approximately 426 households. Approximately 30% to 35% of these households will be rental households, thus, there will be a demand from household growth of approximately 128 to 150 additional rental units over the next five years.

Demand created by replacement of lost units is more difficult to determine, but the best available evidence suggests that the City will lose only two to three rental units per year from 2019 to 2024. As a result, approximately 10 to 15 additional units will be needed over the next five years to replace lost units. In some cases, this unit replacement will be necessary as existing units are removed from the inventory through demolition or conversion. However, in most cases, the unit replacement will be due to rental units converting to owner-occupancy. The large majority of the rental units in Harrisburg are less than 25 years old, thus, replacement due to deterioration will be very limited.

Pent-up demand also exists. As part of this study, a rental survey was conducted. There were 489 rental units that were contacted and surveyed. The survey found a 7.1% vacancy rate in general occupancy market rate units, a 2.6% vacancy rate in the tax credit units, and there was one vacancy in the subsidized project.

We have identified pent-up demand for tax credit units, subsidized units and senior with services units.

These three demand generators, after factoring current vacancy rates, show a need for 200 to 220 rental units in Harrisburg over the next five years. This includes 42 to 46 senior with services units. Based on the factors stated above, we recommend the development of the following new rental units over the next five years from 2020 to 2025.

▶	General Occupancy Market Rate	110-120 units
▶	Tax Credit	32-36 units
▶	Subsidized	16-18 units
▶	Senior with Services	<u>42-46 units</u>
	Total	200-220 units

The 200 to 220 rental units are 3.6% to 4.0% of the total rental units that are projected to be constructed in the Sioux Falls MSA from 2020 to 2025.

For 200 to 220 additional rental units to be developed over the next five years, affordable land and infrastructure must continue to be available for multi-family construction. Additionally, the City must continue to develop amenities that make Harrisburg an attractive residential option for households.

1. Develop 110 to 120 general occupancy market rate rental units

Findings: Approximately 72% of the rental housing units in the City of Harrisburg can be classified as general occupancy market rate housing. At the time of the 2014 Housing Study, 58% of the rental housing was market rate. However, all of the rental housing constructed in Harrisburg since the 2014 Study has been market rate. These units are free of any specific occupancy restrictions such as financial status, age, or student enrollment. Market rate housing does not have any form of rent controls, other than those imposed by the competitive marketplace. Compared to other similar sized cities, Harrisburg’s percentage of market rate rental housing is within the average range.

The entire rental inventory in the City included approximately 565 total units in 2019. We believe that approximately 405 of these units are best described as market rate rental housing.

Of the market rate rental units we surveyed, we found a vacancy rate of 7.1%, which is above a healthy market range of 3% to 5%. In addition to the rental projects surveyed, two additional newly constructed projects with a total of 90 units were not included in the occupancy/vacancy calculation, as they are in the

initial lease-up phase. Although the vacancy rate is above the healthy range, the majority of rental property owners and managers reported high demand for units. However, a significant number of units were constructed in a short period of time which has increased the absorption time to fill the units.

There is a fairly wide variation in rental rates in the market rate segment in the City of Harrisburg. The prevailing gross rent range is \$650 to \$975 for a one-bedroom unit, \$750 to \$1,400 for a two-bedroom unit and \$1,175 to \$1,400 for a three-bedroom unit.

Since the 2014 Housing Study, 197 conventional market rate rental units have been constructed or are currently in the construction phase in Harrisburg.

Recommendation: As stated earlier in this section, rental housing demand is based on household growth, pent-up demand and replacement of housing units that have been demolished or converted.

Based on this combination of demand generators, we believe that it is reasonable to plan for production of between 110 to 120 market rate rental units over the next five years or approximately 22 to 24 units annually. Since the 2014 Housing Study, 197 units were constructed, which was approximately 39 units annually.

Based on our research, there is a need for larger rental units, thus, the majority of the new units constructed over the next five years should be two and three-bedroom units. Our rental survey of rental projects identified that approximately 40% of Harrisburg's rental units are one-bedroom, 37% are two-bedroom and 24% are three-bedroom.

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

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

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

There are several developers and builders that have constructed or are constructing rental units in Harrisburg and have expressed interest in continuing to develop rental housing in Harrisburg.

We would recommend the development of 110 to 120 rental units, with a unit mix and rent levels as follows:

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

<u>Unit Type</u>	<u>No. of Units</u>	<u>Size/Sq. Ft.</u>	<u>Rent</u>
One-Bedroom	16-18	650 - 800	\$700 - \$1,100
Two-Bedroom	66-70	850 - 1,050	\$900 - \$1,300
Three-Bedroom	22-24	1,100 - 1,250	\$1,100 - \$1,500
Four-Bedroom	6-8	1,300 - 1,500	\$1,500 - 1,900
Total	110-120		

Note: The recommended rents are gross rents including all utilities. The rents are quoted in 2020 dollars.

If possible, it would be advantageous to keep the rent structure at or below the rent limits for the Housing Choice Voucher Program. This would allow renter households to participate in Housing Choice Voucher Program and expand the number of households that can afford the proposed rents. In 2019, the rent limits that apply to the Voucher Program are:

- One-Bedroom - \$598
- Two-Bedroom - \$810
- Three-Bedroom - \$1,150
- Four-Bedroom - \$1,358

2. Develop 32 to 36 additional tax credit/moderate rent housing units

Findings: The federal low income housing tax credit program is the most available financing resource for more affordable rental housing development. Over the past 25 years, a number of the most affordable projects in Sioux Falls MSA have utilized tax credits. In Harrisburg, three tax credit projects have been developed with a total of 152 units. The most recent tax credit project was constructed in 2011. The three projects include:

- ▶ Drexel Place Apartments - 48 units developed in 2011
- ▶ Hunters Gate Townhomes - 60 units, 30 units developed in 2004 and 30 units developed in 2007
- ▶ South Cliff Falls Apartments - 44 units developed in 2006

Tax credit rental housing cannot serve all renter households. There are occupancy restrictions concerning household composition. There are also income limits that apply to all tax credit-assisted units. Households earning more than 60% of the HUD median income level, as adjusted by family size, cannot reside in a tax credit unit.

Since nearly all tax credit units have a more moderate gross rent, there is also a lower effective income limit, as households below 30% of the HUD median may not be able to afford the monthly rent. This lower limit can be eliminated if the household has a rent assistance Voucher or some form of project-based rent assistance.

Tax credit assistance has been widely used to construct new rental units in the Sioux Falls MSA. In addition to Harrisburg, a significant number of tax credit units have been constructed in Sioux Falls. Tax credit units have also been units constructed in Brandon, Tea, and Hartford.

Due in part to the ongoing production of tax credit housing in the Sioux Falls area, there has been some level of unit vacancy. In the January 2019 survey completed by the Multi-Housing Association, the vacancy rate in tax credit housing was at 8.5%.

In Harrisburg, our recent survey of the three tax credit projects found four vacancies for a vacancy rate of 2.6%. At the time of the 2014 Housing Study, there were seven vacancies. The managers of the three tax credit projects reported that the projects usually have a high occupancy rate. The Harrisburg tax credit projects tend to have low vacancy rates because of their age and unit style, with features that are more similar to single family housing. Presumably, many of the tax credit vacancies in Sioux Falls are in the older, apartment-style tax credit projects.

The rental rates for units in the Harrisburg tax credit projects are moderate. Federal regulations for tax credit units cap the maximum rent at 60% of the area's median income level. The actual rents being charged in the Harrisburg projects were well below the 60% limits and were actually below the 50% income limits.

The State awards bonus points in the application scoring system for projects that dedicate a portion of the units in each new project to lower income ranges. Some of the units in the Harrisburg tax credit projects serve households at or below 40% of the median income level.

Recommendation: We recommend the development of 32 to 36 tax credit units in Harrisburg during the next five years based on the following:

- ▶ The 2014 Harrisburg Housing Study recommended the development of 34 to 38 additional tax credit/moderate rent units in Harrisburg. No tax credit/moderate rent units have been constructed in Harrisburg since the 2014 Study.
- ▶ The City of Harrisburg currently has 152 tax credit/moderate rent units. There were only three vacant units at the time of the survey and the managers reported ongoing high occupancy rates.
- ▶ Harrisburg is projected to add up to 150 new renter households from 2019 to 2024. Past history indicates that most of these will be in a moderate to lower income range.
- ▶ The median income for all renter households in Harrisburg was approximately \$35,000 in 2018. Approximately 50% of all renter households were within the income range from approximately \$20,000 to \$40,000. These households will generally be income-qualified for a moderate rent tax credit unit. Some of these moderate income renter households cannot afford a market rate unit, but also do not qualify to live in a subsidized unit.
- ▶ Approximately 48% of the renter households in Harrisburg are paying more than 30% of their income for rent. A majority of these households are actually paying over 35% of their income for rent.
- ▶ Harrisburg is experiencing industrial and commercial growth and adding employees. Some of these employees have moderate incomes and a tax credit rental project would address their housing needs.

- ▶ The Sioux Falls MSA is also experiencing substantial commercial and industrial growth. This growth is creating jobs and a demand for housing. Harrisburg is located within commuting distance of this growth and has the opportunity to address and capture some of the demand for housing.

The 32 to 36 tax credit/moderate units should be primarily two and three-bedroom units and serve families. It should be noted that if a local developer receives financial assistance such as tax increment financing, tax abatement and /or land at a reduced price, rental units could potentially be developed with a rent that serves some moderate income households without utilizing tax credits.

The State of South Dakota awards tax credits based on a point system. Therefore, it would be necessary for the City to work with a developer to successfully develop a competitive tax credit project.

3. Develop 16 to 18 additional subsidized rental housing units

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

The research completed for this Study found only one project, St. James Place, that offers subsidized housing with rent based on income. St. James Place has eight total units, with one one-bedroom and seven two-bedroom apartments. This project had one vacancy when surveyed.

There are additional “deep subsidy” resources available to Harrisburg residents through the tenant-based Housing Choice Voucher Program. The Vouchers allow tenants to pay 30% of income for housing in suitable private-market rental units. The Voucher Program for Harrisburg is administered by the Canton Housing and Redevelopment Commission. Approximately 43 Harrisburg households were using a Voucher in December 2019. Most of these households are renting a unit in one of the three tax credit projects.

Only 1.4% of the City’s rental stock is in the form of deep subsidy units, including Voucher households. While the percentage of subsidized housing is small in Harrisburg, the City still does have a more significant inventory of income-based housing if the tax credit units and the deep subsidy units are combined. Overall, approximately 28% of the City’s total rental stock has some form of income limits and/or rent restrictions in place in December 2019.

Despite the number of income-based rental options that do exist, the 2018 American Community survey estimated that approximately 26% of all renters in the City were paying 35% or more of their income for rent. Most of the households with a severe rent burden had low annual incomes, and would be under the income limits for subsidized housing.

Recommendation: Based on the cost burden data contained in the American Community Survey, we would recommend that the City look to expand the supply of deep subsidy rental housing for lower income renters. Over the next five years, we would recommend that the City attempt to construct 16 to 18 units that achieve a rent level that would be affordable to very low income households earning less than \$25,000 per year.

This recommendation represents a modest goal, since more low income households exist in the City with a cost burden. However, over the past few decades, very few federal subsidy sources have been available for the construction of “deep subsidy” rental housing. The actual number of units that can be developed will be dependent upon access to financial resources. In the opinion of the analysts, the highest priority would be to create subsidized general occupancy units for families and younger households.

4. Develop 22 to 26 senior independent/light services market rate units

Findings: There are no senior independent/light services market rate rental units in Harrisburg.

In 2019, there were approximately 204 households age 65 or older in Harrisburg. It is projected that there will be an additional 62 households age 65 and older in Harrisburg by the year 2024.

We are estimating that 5% to 6% of senior households age 65 and older in Harrisburg would move into a senior independent/light services rental project. Also, the project will attract tenants from the area surrounding Harrisburg and other Sioux Falls MSA jurisdictions.

Recommendation: We are recommending a 22 to 26 unit independent/light services senior project in Harrisburg. The project should be designed to allow seniors to live in a unit independently. The senior project could be a one-level apartment building or town house-style units.

The project's amenities and features should include:

- ▶ A community room
- ▶ 24-hour call system
- ▶ A limited access security system
- ▶ Smoke alarms
- ▶ Enclosed parking
- ▶ Spacious corridor with a theme such as a street scape design

Unit features should include:

- ▶ 22 to 26 units
 - ▶ 3 to 4 one-bedroom
 - ▶ 17 to 19 two-bedroom
 - ▶ 2 to 3 three-bedroom
- ▶ Floor plans that promote accessibility
- ▶ Fully equipped kitchen
- ▶ Large storage area
- ▶ Ample closet space
- ▶ Laundry hookups
- ▶ Open floor plan
- ▶ Private patio
- ▶ Individually controlled heat and AC
- ▶ Raised outlets, lever door handles, lowered kitchen cabinets
- ▶ Expansive windows

Optional services that could be provided by community organizations or agencies could include:

- ▶ Noon meal
- ▶ Weekly housekeeping
- ▶ Home healthcare
- ▶ Social activities

Tax increment financing, tax abatement, land donations, low interest loans and/or other subsidies and incentives could be utilized to make the project financially feasible.

It is estimated that 50% of the units will be occupied when the project opens and two additional units will be rented each following month for an absorption period of five to six months.

The location of the project should be close to services as the project will be occupied by seniors. A high amenity location would be ideal for a senior project. If possible, the project should have land available for future project phases.

5. Support Senior with Services Project (assisted living/memory care)

Findings: At the time of the 2014 Harrisburg Housing Study, a private developer had proposed the development of a large senior housing campus that would include independent living, assisted living and memory care units. The senior campus would also have included amenities such as a park, walking paths, etc. This proposed project has not come to fruition.

The number of people over the age of 65 in Harrisburg has increased substantially from 81 people in 2010 to 579 people in 2019. However, a high percentage of the people are in the 65 to 74 age range. Also, the number of people in the 65 and older age range is projected to increase over the next five years. It is estimated that 4% to 5% of the seniors (65 and older) would move into a senior with services project. Therefore, a small senior with services project with approximately 20 units could be supported with Harrisburg residents. However, additional residents would also come from the area surrounding Harrisburg and a proposed project will attract seniors from throughout the Sioux Falls MSA, thus, a larger project is feasible.

Recommendation: We recommend that the City of Harrisburg support a proposed senior with services project as it will be an asset to the City and will assist Harrisburg in offering housing for people of all ages.

With the high number of senior with services units in the Sioux Falls MSA, we recommend that a developer planning the construction of senior with services units should have a project-specific study conducted which focuses on the specific senior segment to be served.

6. Develop a Mixed-Use Commercial/Housing Project

Findings: There is one mixed-use commercial/housing project in Harrisburg. The project, Brooklyn Square, includes offices and commercial/retail. There are 13 rental units on the upper level. Brooklyn Square has been a successful project.

New mixed-use projects have also been developed in several other cities comparable to the size of Harrisburg. Some of these projects were developed because of market demand while others were developed to enhance the commercial district, to introduce a new product to the market or to serve as a catalyst for development.

A mixed-use rental housing/commercial project could complement the City's efforts to develop vibrant commercial areas. There should be sensitivity to the timing of the project and type of commercial tenants the project will have, to assure the project is an asset to the City.

Recommendation: We recommend the development of mixed-use buildings in Harrisburg. Mixed-use buildings could be a catalyst to developing core commercial areas.

We recommend commercial space on the first floor and rental units on the upper floors. The number of units would be based on the size of the development. Prior to construction, a portion of the commercial space should be leased to an anchor tenant who would complement existing businesses and attract people to the commercial area.

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

Ideally, a private developer would construct and own the building. The City may have a role in the project by providing tax increment financing, tax abatement or other local funds and land that are part of an overall plan to develop a core commercial area.

7. Continue to utilize the Housing Choice Voucher Program

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

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

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

Approximately 48% of Harrisburg households are paying more than 30% of their income for rent.

The Housing Choice Voucher Program is administered in Harrisburg by the Canton Housing and Redevelopment Commission. In December 2019, there were renter households receiving voucher assistance in Harrisburg. The 43 renter households were primarily living in the City's tax credit projects; Hunters Gate, Drexel Place and South Cliff Falls. The waiting list for the Voucher Program is approximately three years.

Recommendation: From a practical standpoint, the Housing Choice Voucher Program is the single best way that Harrisburg can provide affordable housing for low income households. Although current funding is very limited, we recommend that low/moderate income renter households that are paying more than 30% of their income for rent, apply for a Housing Choice Voucher.

Harrisburg - Home Ownership Recommendations

Home Ownership Recommendations

Findings: Expanding home ownership opportunities continue to be one of the primary goals for most cities. High rates of home ownership promote stable communities and strengthen the local tax base.

The median owner-occupied home value in Harrisburg is estimated to be \$224,900 based on 2019 existing home sales. With only approximately 21% of the homes in Harrisburg valued less than \$200,000, Harrisburg has a very limited market for first time home buyers and households seeking moderately priced homes.

Esri is projecting that the number of Harrisburg households in the 35 to 54 age ranges will have strong growth, with an increase of approximately 305 households from 2019 to 2024. While some of these households already own their housing, those households that have not been able to achieve the goal of home ownership, may need the assistance of special programs to help them purchase their first home and will be seeking affordable homes.

The age ranges 34 and younger are projected to have an increase of approximately 40 households from 2019 to 2024. Households in this age range are typically first-time home buyers. Although this age range is projected to have a slight household increase, there will also be a significant number of existing households in this age range seeking their first home.

Esri's analysis projects growth from 2019 to 2024 in the 55 and older age ranges with a gain of approximately 81 households. While most households in these age ranges already own their housing, this group represents a strong potential market for 'trade-up' housing. Also, the older age ranges within this group look for lower maintenance housing options, such as twin homes or town house developments.

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

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

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

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

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

Recommendation: The City of Harrisburg, developers and local financial institutions should continue to work with regional housing agencies, the South Dakota Housing Development Authority and USDA Rural Development to utilize all available home ownership assistance programs. Private and nonprofit agencies should also be encouraged to provide home ownership opportunities.

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

Harrisburg - New Housing Construction

New Housing Construction

9. New Housing Construction

Findings: The City of Harrisburg has experienced significant single family owner-occupied housing construction over the past two decades. Based on city records, from 2000 to 2019, 1,480 single family structures, 48 twin home units and 130 units in three and four-unit structures have been constructed in the City of Harrisburg. It is estimated that all of the single family homes and 50% of the twin home units and 50% of the units in three and four-unit structures are owner-occupied.

Therefore, an average of approximately 79 owner-occupancy units have been constructed annually from 2000 to 2019. The peak construction years were from 2003 to 2008, when 826 single family homes were constructed, which is an average of approximately 138 units per year. The peak individual years for new single home construction were 2005 when 181 units were constructed, 2006 when 169 homes were constructed and 2004 when 121 homes were built.

However, there was a slow down in construction from 2010 to 2012, when 108 single family homes were constructed, which is an annual average of approximately 36 units. From 2013 to 2019, construction rebounded somewhat and an average of 61 single family homes have been constructed annually.

The attractiveness of the area, the City's amenities, its job creation, and its proximity to Sioux Falls will result in the continued construction of new homes annually. Also, there are many attractive residential lot options available for new home construction.

Overall household projections for Harrisburg indicate good demand for owner-occupied housing construction. Harrisburg is projected to gain 67 households in the 55 to 74 age ranges from 2019 to 2024. Households in these age ranges tend to be predominantly home owners, and form a market for higher priced, trade-up housing and low maintenance housing such as town homes and twin homes. The 25 to 54 year old ranges are expected to have a significant gain of 317 households through 2024. These households are often trade-up buyers or new home buyers.

Recommendation: It is our opinion that if the City, developers, builders and local housing agencies continue to be proactive, 70 to 80 owner-occupied housing units should be constructed in Harrisburg annually over the next five years from 2020 to 2025 to address demand. Our projection for single family housing starts includes homes built in new subdivisions and on infill lots, and includes single family attached housing units, such as twin homes and town houses.

The breakdown of our projection of 70 to 80 new owner-occupied housing units annually over the next five years is as follows:

▶ Higher & medium price homes	19-22 homes
▶ Entry level homes	38-42 homes
▶ Homes on infill lots	1-2 homes
▶ Twin homes/town homes	<u>12-14 units</u>
Total	70-80 units

Over the past six years, from 2014 to 2019, Harrisburg’s market share of the single family homes and twin homes constructed in the Sioux Falls MSA is approximately 4.6%. For Harrisburg to construct 70 to 80 owner-occupied units annually, the City would need to capture 5.3% to 6.1% of the projected new construction demand in the MSA.

10. Lot availability and development

Findings: As part of this Study, we attempted to identify the inventory of available residential lots for single family housing construction in the City of Harrisburg. Currently, there are nine active residential subdivisions in Harrisburg.

The nine subdivisions, the number of single family and multi-family lots available in each subdivision, and the number of acres under development in each subdivision as of October 10, 2019, include:

<u>Single Family</u>	
Creekside Addition	45 lots
Devitt Farm Addition	27 lots
Dynamic Development Addition	34 lots
Green Meadows Addition	15 lots
Harvest Acres Addition	2 lots
Legendary Estates Addition	<u>51 lots</u>
Total	174 lots

Multifamily

Creekside Addition	3 lots
Dynamic Development Addition	12 lots
Rix Addition	11 lots
Slack Addition	<u>1 lot</u>
Total	25 lots

The following developments also have land available for future housing construction. The acres available by subdivision are as follows:

	<u>Single Family</u>	<u>Multifamily</u>
Creekside Addition	45 acres	35 acres
Devitt Farm Addition	14 acres	7 acres
Dynamic Development Addition	55 acres	2 acres
Green Meadows Addition		5 acres
Harvest Acres Addition		3 acres
Mills Creek	53 acres	25 acres
Slack		<u>15 acres</u>
Total	<u>167 acres</u>	92 acres

As indicated, the nine subdivisions have approximately 174 residential single family and 27 multi-family lots for sale that are immediately available. The subdivisions include lots for single family housing and multi-family development. The subdivisions also have approved plans for the development of approximately 167 acres for single family development and 92 acres for multi-family development.

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

Recommendation: We use a standard that a 2 ½ year supply of lots should be available in the marketplace based on annual lot usage. With projections that 70 to 80 new owner-occupied housing units will be constructed per year, the City should have approximately 175 to 200 residential lots available to meet the expected demand. Part of this demand will be for attached unit construction.

The City currently appears to have an adequate number of lots to meet near-term construction demand. There are approximately 200 single family and multi-family lots that are available. There is also an additional 259 acres that are under residential lot development. Harrisburg developers have shown the ability to create lots in a timely manner as dictated by demand.

It is our opinion that the existing subdivisions can accommodate the homes that will be constructed in Harrisburg over the next several years. However, our opinion is based on the assumption that the available lots are quality lots that are competitively-priced. Additionally, the new lots in the development phases will provide new lot options for buyers.

We recommend that the City and developers continue to monitor the number of lots that are available to assure there is an adequate number on an ongoing basis and that lots are available for a variety of homes in a variety of price ranges and designs.

It appears that there could potentially be a future shortage of lots for lower priced housing options such as modular homes and governors homes. The City and developers should assure that there are lots available for these housing options.

11. Strategies to encourage continued residential lot sales and new home construction in Harrisburg

Findings: Over the past 10 years, Harrisburg has averaged approximately 57 to 62 new single family owner-occupied housing units annually. To continue new single family housing construction at its current rate and to potentially increase new construction, we continue to recommend several strategies. Some of these strategies were included in the 2014 Harrisburg Housing Study.

Recommendation: We recommend that the City of Harrisburg, the Harrisburg Economic Development Corporation, developers, builders, realtors and other housing stakeholders continue to coordinate efforts to promote lot development, lot sales and housing development.

Our recommendations to continue to promote lots sales and housing development include:

- ▶ **Continue the momentum** - There is a substantial number of housing units constructed annually in the City. There is currently an adequate number of developers, builders, buyers and buildable lots in the City. The City has a working formula for new home construction and the City should maintain its momentum.
- ▶ **Continue competitive pricing** - There are lots available in communities throughout the region. To continue to attract new home construction in Harrisburg, lots should remain competitively priced in comparison to other options in the area.
- ▶ **User-Friendly** - The lot purchase and home building process must be 'user friendly.' This includes the construction of spec homes, builders that are readily available to build custom homes and city regulations that are fair and reasonable. The entire process must be as 'user friendly' as possible to encourage home construction.
- ▶ **Long-term planning** - The City of Harrisburg and Harrisburg developers should continue long-term development planning to assure lots are available to meet demand for all types and pricing of new housing.
- ▶ **Continue to promote spec home construction** - Spec houses attract a buyer that is not interested in going through the home building process, but instead wants a turnkey unit. A spec home can also serve as a model, allowing potential home buyers to examine specific floor plans and features in the home before committing to buy.

- ▶ ***Lot availability for twin home/town home development*** - It is our opinion that there will be an increased demand for twin homes/town homes over the next five years. Lots should continue to be available for a twin home/town home development.
- ▶ ***Range of house prices*** - Lots should be available to as wide a range of home sizes, designs and prices as possible, without compromising the subdivisions. This broadens the lot buyer market. Also, smaller infill lots with fewer amenities could be marketed for affordable homes.
- ▶ ***Variety of housing options*** - Several developers in Harrisburg are constructing a variety of housing types, designs and sizes in a range of prices. These options broaden the market for new housing construction in the City.
- ▶ ***Marketing*** - The City of Harrisburg, the Harrisburg Economic Development Corporation and the Harrisburg Chamber of Commerce should have a comprehensive marketing strategy to sell available lots. All stakeholders including developers, realtors, financial institutions, builders, employers, etc. should to be included in marketing strategies. In addition to marketing the lots, the City of Harrisburg and its amenities should be marketed.
- ▶ ***Covenants*** - Some of the subdivisions in Harrisburg have covenants that assure quality development. The covenants should be reviewed to assure that they protect the integrity of the subdivision, but are not a barrier to new construction.
- ▶ ***Lot Availability for affordable homes*** - Lots should be available for affordable homes including modular homes and governors homes.
- ▶ ***Incentives*** - Many cities throughout South Dakota are offering incentives to construct new homes, including reduced lot prices, reduced water and sewer hookup fees, tax abatements, cash incentives, etc. It does not appear that incentives are needed in Harrisburg to promote new construction at this time. However, incentives may be needed if new construction slows in the future.
- ▶ ***Infill lot Home Development*** - Infill lots in existing neighborhoods are often affordable and have existing City services.

- ▶ **Housing Programs** - The South Dakota Housing Development Authority, USDA Rural Development and other housing agencies may have housing programs available to assist developers, builders and home buyers.
- ▶ **Manufactured, Modular Homes and Governors Homes** - Manufactured, modular and governors homes can provide affordable opportunities for moderate income households.

12. Promote town house and twin home development

Findings: Harrisburg has experienced limited owner-occupied attached housing development from 2000 to 2019. Many communities over the past 20 years have seen attached housing take an increasingly large share of new owner-occupancy construction. In cities the size of Harrisburg, 20% to 25% of the housing starts are typically twin homes/town homes. Over the past 20 years, it is estimated that approximately 4.3% of the owner-occupied housing units constructed in Harrisburg have been owner-occupied twin homes/town homes.

Attached housing provides desirable alternatives for empty nesters and seniors to move out of their single family homes, thus, making traditional single family homes available for families. It is estimated that there were approximately 431 households in the 55 and older age ranges in 2019 and these age ranges will increase by approximately 81 households in Harrisburg from 2019 to 2024. Lincoln County and the Sioux Falls MSA are also projected to have large increases in these age ranges. It is important for the City to offer a range of life-cycle housing options as many of these households will be seeking to downsize into low maintenance housing options. Also, younger households are looking to attached housing as an affordable housing option.

Recommendation: It is our projection that approximately 12 to 14 of Harrisburg's new owner single family units per year should be twin homes or town houses over the next five years, which is a total of 60 to 70 units during the five-year period. This is approximately 17% to 20% of the annual projected single family housing construction total in Harrisburg.

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

- ▶ Senior friendly home designs
- ▶ Maintenance, lawn care, snow removal, etc. all covered by an Association

- ▶ Cluster development of a significant number of homes which provides security
- ▶ Homes at a price that is acceptable to the market

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

13. Coordinate with agencies/nonprofits that develop affordable housing

Findings: With the difficulty of producing new housing units that are affordable to lower income people, it is important to take advantage of opportunities presented by housing agencies, nonprofit groups and organizations. Inter-Lakes Community Action Partnership has a Mutual Self Help Program. Households that participate in this program assist each other with constructing affordable new homes. Also, Sioux Falls Habitat for Humanity has developed housing units in Harrisburg. Other local and regional housing agencies and nonprofits may also have the capacity to construct affordable housing in Harrisburg. These sources can help generate new homes for lower income families in Harrisburg.

Recommendation: We recommend that the City coordinate with housing agencies and nonprofit organizations that help to produce housing units for lower income ownership. The City could contribute to projects through land donations, tax increment financing, tax abatement, grant writing, or project coordination activities.

Harrisburg - Housing Rehabilitation

Housing Rehabilitation

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

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

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

14. Promote rental housing rehabilitation programs

Findings: Based on the U.S. Census and City data, Harrisburg had approximately 565 rental units in 2019. These rental units are in multi-family projects, small rental buildings, duplexes, mixed-use buildings and single family homes. Some of these rental structures could benefit from rehabilitation as a small percentage of the rental structures are more than 25 years old and are in poor condition. However, a high percentage of Harrisburg's rental housing stock has been constructed over the past 20 years and is in good to excellent condition.

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

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

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

15. Promote owner-occupied housing rehabilitation programs

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

Our Harrisburg housing condition survey rated 79 single family homes in the City's oldest neighborhood. The number of older homes in Harrisburg is limited. The survey found that 32 homes need minor repairs and 20 homes need major repairs. Without rehabilitation assistance, there is the potential that the affordable housing stock will shrink in Harrisburg.

Inter-Lakes Community Action Partnership currently has several housing programs to assist area households with the rehabilitation of their homes, including the Self Help Rehabilitation Program and programs utilizing Home and other funds. The Rural Office of Community Services, Inc., administers the Weatherization Program in Lincoln County.

Recommendation: We also recommend that Harrisburg and area housing agencies continue to seek local, state and federal funds to assist in financing housing rehabilitation. USDA Rural Development, the South Dakota Housing Development Authority and the Federal Home Loan Bank, are all potential funding sources. Harrisburg should continue to coordinate with the Inter-Lake's Community Action Partnership to assure Harrisburg households have access to housing rehabilitation funds.

Harrisburg - Other Housing Initiatives

16. Encourage employer involvement in housing

Findings: The City of Harrisburg has several large employers. The connection between economic development and housing availability has become an increasingly important issue as low area unemployment rates dictate the need to attract new workers into the community.

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

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

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

Additionally, employers can continue to support other city projects such as parks, trails, ball fields, etc. that indirectly have a positive impact on housing in Harrisburg.

17. Acquire and demolish dilapidated structures

Findings: The 2019 housing condition survey of Harrisburg's oldest neighborhood identified five homes that are dilapidated and may be too deteriorated to rehabilitate. We also identified 20 homes as needing major repair. Several of these homes may be too dilapidated to rehabilitate upon a more detailed inspection.

Recommendation: We recommend that the City work with property owners to demolish severely dilapidated structures. The City is enhanced when blighted and dilapidated structures are removed. Also, some of the cleared lots can possibly be utilized for the construction of new affordable housing units. We also recommend that the City of Harrisburg maintain an inventory of structures that may be candidates for future acquisition. An inventory of in-fill lots for future development should also be maintained.

18. Continue coordination among housing agencies

Findings: Harrisburg may continue to need staff resources in addition to city staff to plan and implement many of the housing recommendations advanced in this Study. Harrisburg has access to Inter-Lakes Community Action Partnership, the South Eastern Council of Governments, Sioux Falls Habitat for Humanity, the South Eastern Development Foundation, the Canton Housing and Redevelopment Commission, USDA Rural Development and the South Dakota Housing Development Authority. These agencies all have experience with housing and community development programs.

Recommendation: Harrisburg is fortunate to have access to several agencies that can address housing needs. It is our recommendation that the City continue to work with the housing agencies to prioritize the recommendations of this Study and to develop strategies to address the City's housing needs. While there has traditionally been staff interaction between these agencies, it will be important that a coordinated approach be used to prioritize and assign responsibility for housing projects and programs. This approach will reduce duplication, provide coordination and cooperation among agencies and will effectively utilize scarce resources.

It will also be important for the City to look for opportunities to work cooperatively with other area cities to address housing issues. With limited staff capacity, cooperative efforts may be the only way to accomplish certain projects. Cooperative efforts will not only make housing and community development projects more practical, but they will often be more cost-effective and competitive.

19. Strategies for downtown redevelopment and commercial development

Findings: The City of Harrisburg's downtown has a limited number of buildings that have been renovated and have high quality commercial space. There are also buildings that have not been maintained and are substandard. The City also has several other commercial areas. This recommendation provides an outline of actions that could be taken to continue to redevelop the downtown, to maximize the usage of downtown buildings, to maximize the usage of the City's other commercial areas and to promote new businesses in the City of Harrisburg.

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

In addition to the City's downtown, Harrisburg has other commercial areas. The buildings and businesses in these commercial areas are relatively new compared to the Downtown Commercial District.

Recommendation: We are recommending the initiation or continuation of the following actions for Harrisburg's commercial areas:

- ▶ Interview all commercial property owners to develop a database and to determine their future plans (expanding, selling, renovations, etc.)
- ▶ Continue to develop an overall plan for the City's commercial areas (potential new businesses, address parking needs, develop an overall theme, art and cultural opportunities, etc.)
- ▶ Develop a mini-plan for each commercial area. This may include:
 - ▶ Commercial building rehab and renovations
 - ▶ Facade work
 - ▶ Building demolition
 - ▶ New construction
 - ▶ Recruitment of new businesses
- ▶ Identify funding sources
 - ▶ Property owner funds
 - ▶ City of Harrisburg
 - ▶ Federal Home Loan Bank
 - ▶ Special tax districts
 - ▶ Tax increment financing
 - ▶ Tax abatement
 - ▶ Funds from South Dakota State Agencies
 - ▶ Harrisburg Economic Development Corporation
- ▶ Work with stakeholders to identify roles, secure funding, develop and implement programs and projects
 - ▶ Property owners
 - ▶ City of Harrisburg
 - ▶ Harrisburg Economic Development Corporation
 - ▶ South Eastern Council of Governments

The City of Harrisburg and the Harrisburg Economic Development Corporation should also continue to work with the building owners, businesses and land owners to construct new commercial buildings and to encourage new businesses to locate in the City's newer commercial areas.

20. Continue home ownership and new construction marketing programs and projects

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

Recommendation: The City of Harrisburg, the Harrisburg Economic Development Corporation and the Harrisburg Chamber of Commerce, have all been active in promoting and marketing housing and we recommend the continuation or initiation of the following:

- ▶ Identify the City's strengths and competitive advantages and heavily promote them
- ▶ Continue to create marketing materials that can be distributed regionally (including internet, TV, radio, etc.)
- ▶ Work closely with employers (Harrisburg and the Sioux Falls MSA) to provide employees (especially new employees) with housing opportunities in Harrisburg
- ▶ Work with housing agencies to provide down payment assistance, low interest loans, home owner education and home owner counseling programs
- ▶ Consider an annual Housing Fair that provides information on lots, builders, finance programs, etc. Developers, builders, lenders, realtors, public agencies and local businesses could participate
- ▶ Work with developers and builders to make lot development and the construction of new homes as user-friendly as possible
- ▶ Continue to work on the creation of jobs and the development of commercial, retail, service and recreational opportunities that make the City a "full service" community
- ▶ Continue to provide attractive lots at an affordable price for a variety of home sizes, styles and price ranges

- ▶ Preserve the quality of existing neighborhoods through the rehabilitation of substandard housing and the demolition of dilapidated structures that are beyond repair
- ▶ Continue to develop new housing choices that serve life-cycle housing needs, such as new rental housing, twin homes, senior with services housing, etc.
- ▶ Review the City's policies and fees to assure that they are user-friendly, fair and receptive for developers, builders and households
- ▶ Develop a coordinated housing plan with the private sector and area housing agencies

Housing Agencies and Resources

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

Harrisburg Economic Development Corporation

301 East Willow Street
Harrisburg, SD 57032
(605) 767-0045

InterLakes Community Action Partnership

505 North Western Avenue
Sioux Falls, SD 57104
(605)334-2808
Contact: Dana Whitehouse

South Eastern Development Foundation

500 North Western Avenue, Suite 100
Sioux Falls, SD 57104
(605) 367-5390
Contact: Lynne Keller Forbes, Executive Director

South Eastern Council of Governments

500 North Western Avenue, Suite 100
Sioux Falls, SD 57104
(605) 367-5390
Contact: Lynne Keller Forbes, Executive Director

Habitat for Humanity Greater Sioux Falls

721 East Amidon Street
Sioux Falls, SD 57117
(605) 332-5962

Canton Housing and Redevelopment Commission

903 W 5th Street
Canton, SD 57013
(605) 764-5722

Rural Office of Community Services, Inc.

214 W Main
PO Box 70
Lake Andes, SD 57356
(605) 487-7634

South Dakota Housing Development Authority

221 South Central Avenue
Pierre, SD 57501
(605) 773-3181
Contact: Mark Lauseng, Executive Director