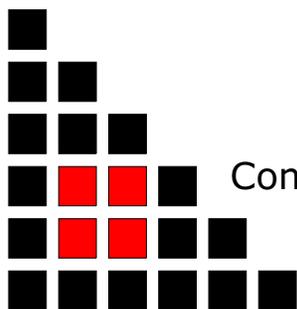


City of Brandon HOUSING STUDY

May 2020

An analysis of the overall housing needs
of the City of Brandon, SD



Community Partners Research, Inc.

Faribault, MN 55021

List of Sections

	<u>Page</u>
Introduction	2
Demographic and Projection Data	4
Existing Housing Data	26
Rental Housing Inventory	33
Regional Housing Data	48
Employment and Local Economic Trends Analysis	57
Findings and Recommendations	62
Agencies and Resources	109

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 Brandon 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 Brandon to conduct a study of the housing needs and conditions in the City.

Goals

The multiple goals of the study include:

- ▶ Provide demographic data
- ▶ 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 May 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 of Brandon
- Records and data maintained by Minnehaha 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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Section Table of Contents

	Page
Demographic Data Overview	5
Population Data and Trends	6
Population by Age Trends: 2010 to 2019	8
Population Projections	10
Household Data and Trends	11
Household by Age Trends: 2010 to 2019	12
Average Household Size	14
Household Projections	15
Household Projections by Age	16
Housing Tenure	18
Tenure by Age	19
2017 Income Data	20
Household Income Distribution	21
Brandon Income Distribution by Tenure	22
2017 Estimated Income and Housing Costs - Renters	24
2017 Estimated Income and Housing Costs - Owners	25

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 Brandon and Minnehaha 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 Survey is based on sampling data, there is a margin of error that exists for each estimate. Some of the following tables incorporate the 2017 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 Brandon, comparative information has often been provided for all of Minnehaha County.

Population Data and Trends

Table 1 Population Trends - 1990 to 2019						
	1990 Census	2000 Census	% Change 1990-2000	2010 Census	% Change 2000-2010	2019 Esri Estimate
Brandon	3,545	5,693	60.1%	8,785	54.3%	10,974
Minnehaha Co.	123,809	148,281	19.8%	169,468	14.3%	198,150

Source: U.S. Census; Esri

- ▶ Two estimates exist for population levels in 2019. According to Applied Geographic Solutions (AGS), the City’s population was 10,070 people in 2019, which was a gain of 1,285 people since 2010. According to Esri, Brandon has had stronger growth and had 10,974 people in 2019, which was an increase of 2,189 people from 2010 to 2019. The Esri 2019 estimates have been used in the table above.
- ▶ An estimate for 2018 is available from the Census Bureau’s annual population estimates program. According to this source, there were 10,094 people living in Brandon. The Census Bureau’s estimate is slightly higher than the AGS estimate, but significantly lower than the Esri estimate. The Census Bureau’s estimate does have an effective date that is one year earlier than AGS and Esri.
- ▶ Despite some differences that exist in the recent estimates for Brandon, all three of the sources do show strong recent growth in the City’s population, continuing a long-term pattern. From 2000 to 2010, Brandon’s population increased by 3,092 people, for a population gain of 54.3%.
- ▶ The recent estimates also show continued growth for all of Minnehaha County. According to Applied Geographic Solutions, the County’s population was 192,038 people in 2019. Esri estimated that there were 198,150 people living in the County in 2019, a higher level than AGS.
- ▶ Census Bureau estimates exist at the county-level for 2018. For all of Minnehaha County, the Census Bureau showed 192,876 people in 2018, a slightly higher estimate than AGS, but lower than the Esri estimate.
- ▶ The 2019 estimate also continues the long-term pattern of population growth Countywide. Minnehaha County’s population was 169,468 in 2010. This was a 21,187-person increase from 2000, which was a gain of 14.3%.

Population Characteristics

- ▶ The most reliable information about racial and ethnic groups in Brandon exists in the 2010 Census. At that time, Brandon's population was primarily White and non-Hispanic/Latino. According to the 2010 Census, almost 97% of the City's residents identified their race as White, 0.6% identified their race as Black/African American, 0.5% identified themselves as American Indian and 0.6% identified themselves as Asian. Additionally, 1.5% of the population identified themselves as some other race, or two or more races. Approximately 1.2% of the City's residents were identified as Hispanic/Latino.

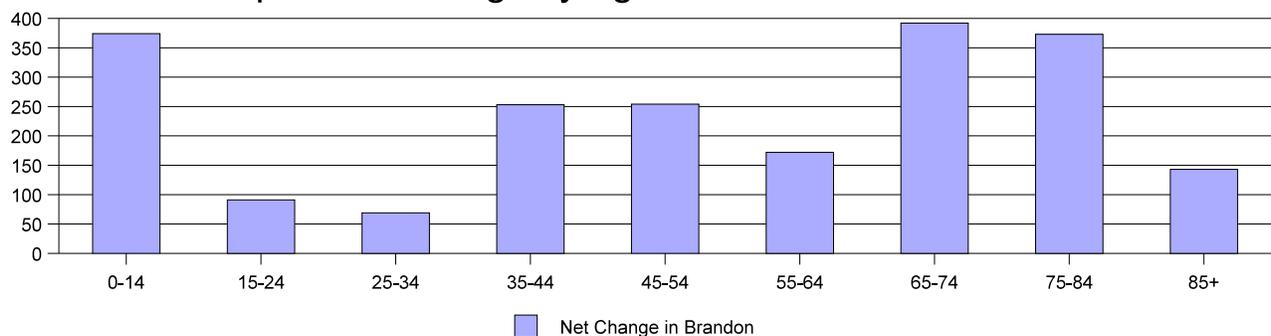
Population by Age Trends: 2010 to 2019

The 2019 population estimates from Esri include information on the age distribution of residents in Brandon and Minnehaha County. The following table compares population by age in 2010 and 2019, along with numeric changes.

Table 2 Population by Age - 2010 to 2019			
Age	Brandon		
	2010	2019	Change
0-14	2,458	2,832	374
15-19	608	699	91
20-24	345	414	69
25-34	1,300	1,553	253
35-44	1,423	1,677	254
45-54	1,205	1,377	172
55-64	757	1,149	392
65-74	397	770	373
75-84	217	360	143
85+	75	143	68
Total	8,785	10,974	2,189

Source: U.S. Census; Esri

Population Change by Age Between 2010 and 2019



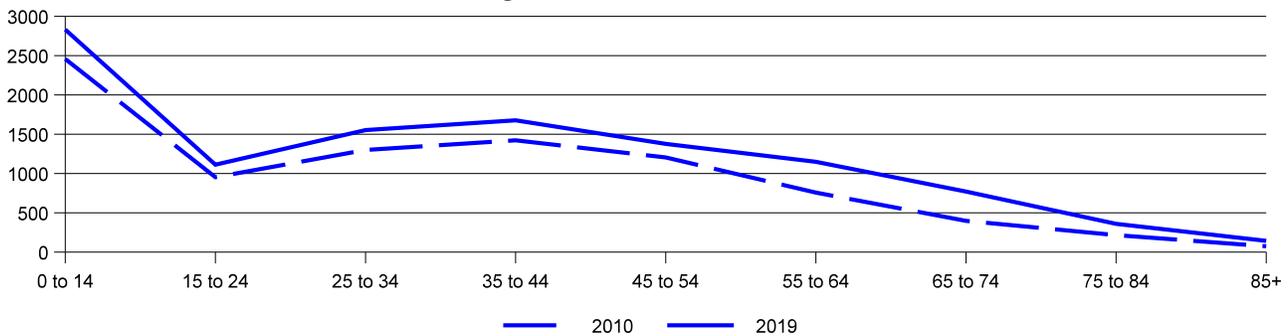
For many years, demographic analysts have been talking about the impact that is occurring as the large “baby boom” generation moves through the aging cycle. This trend has been evident in Brandon.

Between 2010 and 2019, Brandon had a gain of 765 people in the age ranges between 55 and 74 years old. In 2019, nearly all of the baby boomers were within these age ranges.

The City of Brandon also had an increase of 1,213 people in the 54 and younger age ranges and a gain of 211 people in the 75 and older age ranges.

The aging trends present in 2019 can be traced back over the decade to see the movement of the population, which is reflected in growth for the City in all age ranges.

Brandon Age Distribution: 2010 to 2019



Population Projections

The following table presents population projections to the year 2024. Projections for Brandon and Minnehaha County exist from both Applied Geographic Solutions and Esri, and span the five-year period from 2019 to 2024.

Table 3 Population Projections Through 2024						
	Applied Geographic Solutions			Esri		
	2019 Estimate	2024 Projection	Change 2019-2024	2019 Estimate	2024 Projection	Change 2019-2024
Brandon	10,070	10,732	662	10,974	12,098	1,124
Minnehaha Co.	192,038	204,730	12,692	198,150	214,098	15,948

Source: Applied Geographic Solutions; Esri

- ▶ The Applied Geographic Solutions projection expects the City of Brandon to add 662 people by 2024, or an annual average of 132 people per year. This average annual numeric growth is below the level of the recent past, as the available estimates show the City adding between 142 and 243 people per year after 2010.
- ▶ The Esri projection for Brandon is forecasting that 2,189 residents will be added by 2024, or an annual average of 243 people per year, which is significantly higher than the AGS projection.
- ▶ The differences between the projection sources also exist at the County level. Applied Geographic Solutions expects the County, including Brandon, to add approximately 12,692 people over the five-year time period, or an annual average of approximately 2,538 people per year.
- ▶ Esri is once again more optimistic and Brandon is forecasting that Minnehaha County will add 15,948 residents by 2024, or an annual average of 3,190 people per year.

Household Data and Trends

Table 4 Household Trends - 1980 to 2019						
	1990 Census	2000 Census	% Change 1990-2000	2010 Census	% Change 2000-2010	2019 Esri Estimate
Brandon	1,120	1,909	70.4%	3,118	63.3%	3,917
Minnehaha Co.	46,805	57,996	23.9%	67,028	15.6%	78,419

Source: U.S. Census; Esri

- ▶ Household estimates for 2019 exist from both Applied Geographic Solutions and Esri. The Census Bureau does not issue annual household estimates.
- ▶ The AGS estimate showed 3,804 resident households in Brandon, an increase of 686 households, or 22.0%, from the level reported in the 2010 Census.
- ▶ Esri’s estimate showed 3,917 households in Brandon, a gain of 799 households, or 25.6% from the level reported in the 2010 Census. Esri’s estimates are displayed in the table above.
- ▶ Although AGS and Esri had significant differences in their recent population estimates for Brandon, their household estimates are more similar. If reduced to an annual average, AGS shows the City adding 76 households per year during the current decade, while Esri shows an average of 89 households per year.
- ▶ For all of Minnehaha County, AGS showed an increase of 13,373 households since 2010, or a gain of nearly 20%. Esri showed 78,419 total households in 2019, for an increase of 11,391 households from 2010, for an increase of 17.0%.
- ▶ Although some difference exists between these sources, both show strong growth since 2010, continuing a long-term pattern of household growth in Brandon and Minnehaha County.

Household by Age Trends: 2010 to 2019

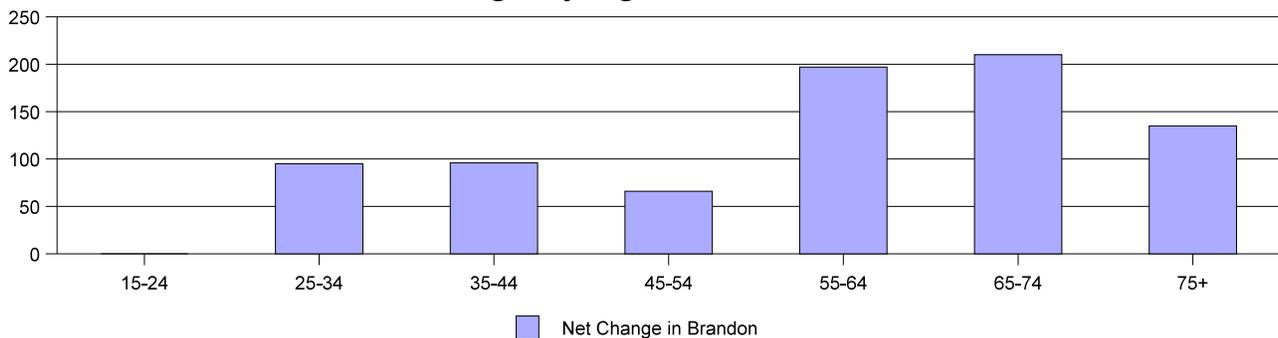
The demographic data profile that is available from AGS does not provide information on households by age. However, age-based estimates are available from Esri. The following table compares households by age in 2010 and 2019, along with the numeric changes for Brandon and Minnehaha County.

Table 5 Households by Age - 2010 to 2019						
Age	Brandon			Minnehaha County		
	2010	2019	Change	2010	2019	Change
15-24	87	87	0	4,310	4,258	-52
25-34	650	745	95	13,252	14,300	1,048
35-44	778	874	96	11,928	14,403	2,475
45-54	689	755	66	14,134	13,279	-855
55-64	458	655	197	11,092	14,094	3,002
65-74	240	450	210	6,012	10,102	4,090
75+	216	351	135	6,300	7,983	1,683
Total	3,118	3,917	799	67,028	78,419	11,391

Source: U.S. Census; Esri

Consistent with the population by age data presented earlier, the household patterns show much of the change occurring in the baby boomer age groups. For all of Minnehaha County there was an increase of 7,092 households in the 55 to 74 year age ranges, and in Brandon there was a gain of 407 households in the 55 to 74 year old age ranges.

Household Change by Age Between 2010 and 2019



Brandon also had an increase of 257 households in the 54 and younger age ranges and an increase of 135 households in the 75 and older age range. In addition to the household increases in the 55 to 74 age ranges, Minnehaha County had a gain of 3,523 households in the 25 to 44 age ranges and a gain of 1,683 households in the 75 and older age range. Minnehaha County had a loss of 52 households in the 15 to 24 age range and a loss of 855 households in the 45 to 54 age range.

Average Household Size

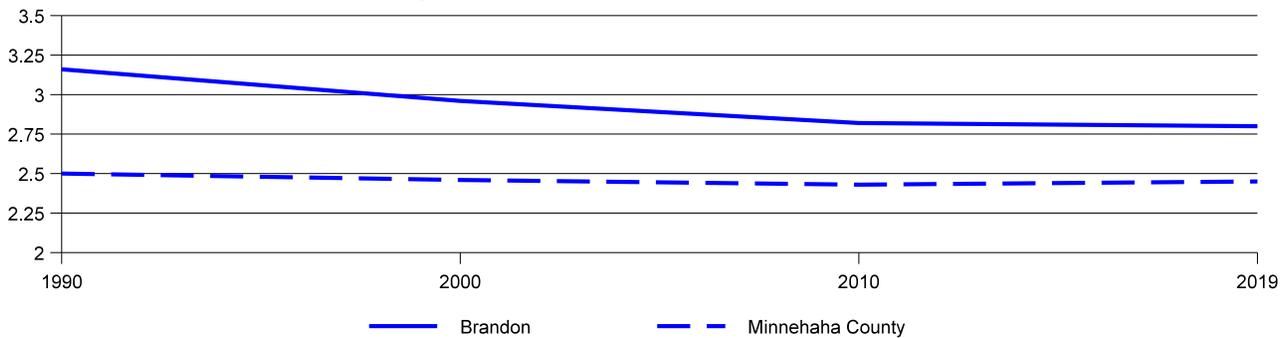
The following table provides decennial Census information on average household size, along with the 2019 estimate from Esri.

Table 6 Average Number of Persons Per Household: 1990 to 2019				
	1990 Census	2000 Census	2010 Census	2019 Esri
Brandon	3.16	2.96	2.82	2.80
Minnehaha Co.	2.50	2.46	2.43	2.45

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: 1990 to 2019



The average household size in Brandon decreased from 1990 to 2019. Brandon’s average household size was very large, at 3.16 persons in 1990 and has decreased to 2.80 persons in 2019, according to Esri.

Minnehaha County’s average household size decreased from 2.50 in 1990 to 2.45 in 2019.

Although Brandon’s average household size has decreased slightly over time, the City’s average household size in 2019 is relatively large in comparison to most similarly sized cities.

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.

Table 7 Household Projections Through 2024						
	AGS			Esri		
	2019 Estimate	2024 Projection	Change	2019 Estimate	2024 Projection	Change
Brandon	3,804	4,135	331	3,917	4,325	408
Minnehaha Co.	80,401	87,749	7,348	78,419	84,789	6,370

Source: AGS, Esri

- ▶ For households in Brandon, AGS is expecting growth of 331 households over the five-year projection period while Esri is forecasting that 408 households will be added. If viewed as an annual average, a range of between 66 and 82 households per year is projected.
- ▶ For all of Minnehaha County, AGS is projecting a gain of 7,348 households, while Esri is showing that 6,370 households will be added. If viewed as an annual average, a range of between 1,274 and 1,470 households per year is projected.

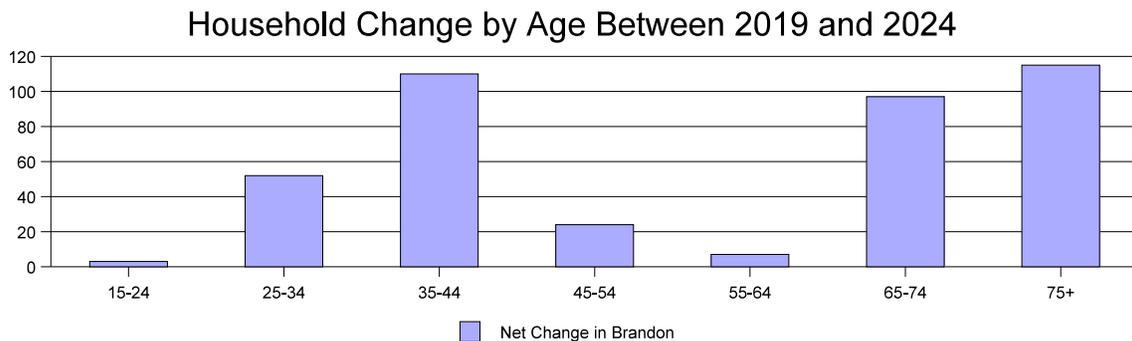
Household by Age Projections: 2019 to 2024

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 Brandon and for all of Minnehaha County.

Table 8 Households by Age - 2019 to 2024						
Age	Brandon			Minnehaha County		
	2019	2024	Change	2019	2024	Change
15-24	82	85	3	4,258	4,724	466
25-34	746	798	52	14,300	15,007	707
35-44	875	985	110	14,403	15,863	1,460
45-54	756	780	24	13,279	13,603	324
55-64	656	663	7	14,094	13,892	-202
65-74	451	548	97	10,102	11,858	1,756
75+	351	466	115	7,983	9,842	1,859
Total	3,917	4,325	408	78,419	84,789	6,370

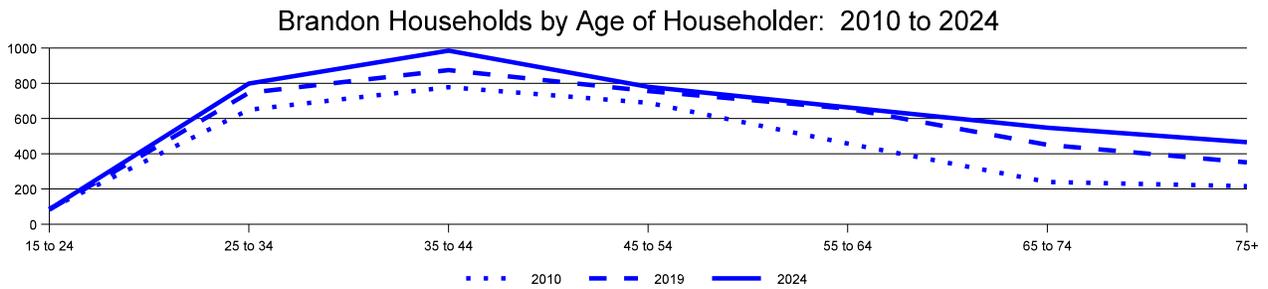
Source: Esri

According to Esri, there will be household growth in Brandon in all age ranges from 2019 to 2024. Esri projects that there will be a growth of 189 households in the 54 and younger age ranges and a growth of 219 households in the 55 and older age ranges. The most significant growth will be in the 25 to 44 and 65 and older age ranges.



Esri is projecting the growth of 2,957 households age 54 and younger, and the growth of 3,615 households age 65 and older in Minnehaha County between 2019 and 2024.

Minnehaha County is projected to lose 202 households in the 55 to 64 age ranges from 2019 to 2024.



Housing Tenure

The 2017 American Community Survey contains an estimate on housing tenure patterns.

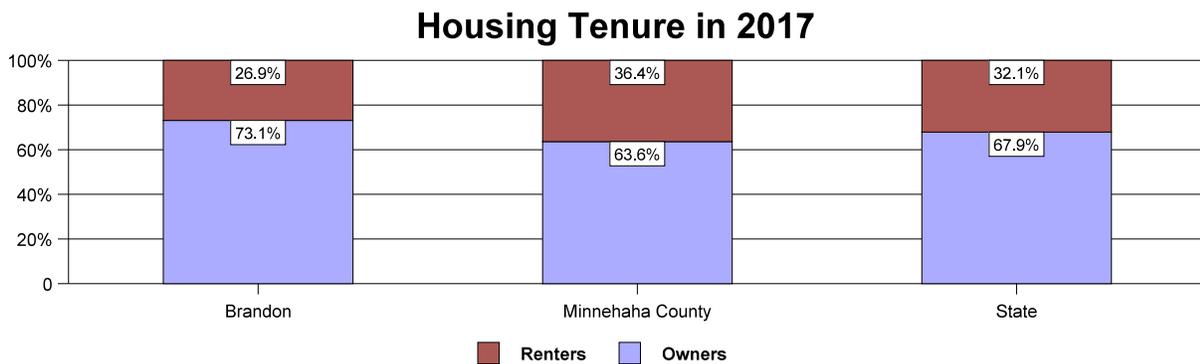
Table 9 Household Tenure - 2017				
	Number of Owners	Percent of all Households	Number of Renters	Percent of all Households
Brandon	2,386	73.1%	878	26.9%
Minnehaha Co.	46,899	63.6%	26,863	36.4%
State	230,657	67.9%	108,801	32.1%

Source: U.S. Census, ACS

According to the 2017 American Community Survey, the ownership tenure rate in Brandon was 73.1%. Minnehaha County’s ownership rate was 63.6%.

Brandon’s renter rate was 26.9% in 2017, which was below the Statewide renter rate of 32.1%.

Based on 2019 Esri and AGS data, the 2017 American Community Survey has underestimated the number of households in Brandon and Minnehaha County. However, it is still a good indicator of housing tenure in the jurisdictions.



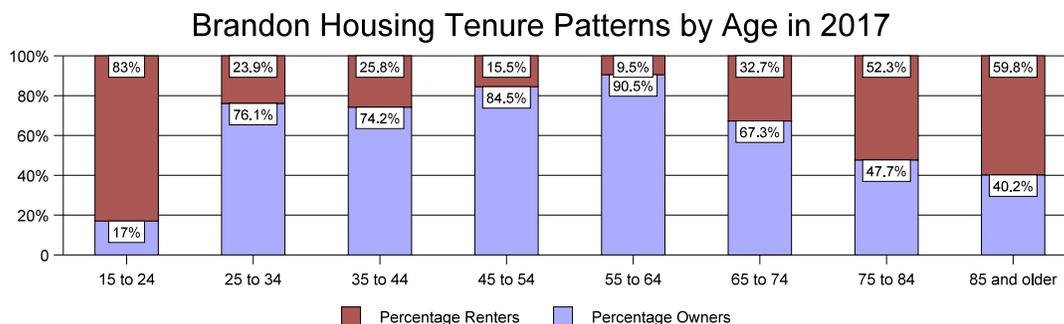
Tenure by Age of Householder

The 2017 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 Brandon. The American Community Survey underestimated the number of owner and rental households in the City. However, the data is still a good indicator of tenure by age.

Table 10 Brandon Tenure by Age of Householder - 2017				
Age	Owners		Renters	
	Number	Percent within age	Number	Percent within age
15-24	29	17.0%	142	83.0%
25-34	459	76.1%	144	23.9%
35-44	623	74.2%	217	25.8%
45-54	582	84.5%	107	15.5%
55-64	465	90.5%	49	9.5%
65-74	255	67.3%	124	32.7%
75-84	92	47.7%	101	52.3%
85+	35	40.2%	52	59.8%
Total	2,540	73.1%	936	26.9%

Source: U.S. Census

Within the defined age ranges, households in younger and older age ranges showed a greater preference for rental housing, while middle-aged adult households were primarily home owners. Approximately 83% of households age 24 and younger, 52% of the households in the 75 to 84 age range and 60% of the households in the 85 and older age range rented their unit. Ownership rates for each of the 10-year age cohorts 25 to 74 age ranges were above 67%.



2017 Income Data

Median income estimates are available for cities and counties through the American Community Survey. In the following table, the 2017 estimates have been compared to 2010 data to examine the changes from 2010 to 2017.

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 11 Median Income - 2010 to 2017			
	2010 Median	2017 Median	% Change
Households			
Brandon	\$64,325	\$80,727	24.2%
Minnehaha County	\$51,779	\$57,322	10.7%
South Dakota	\$46,369	\$54,126	16.7%
Families			
Brandon	\$76,620	\$93,527	22.0%
Minnehaha County	\$64,645	\$74,413	15.1%
South Dakota	\$58,958	\$69,425	17.8%

Source: American Community Survey

Information contained in the American Community Survey shows that Brandon and Minnehaha County have had an increase in the median household and family income levels in recent years.

In 2017, the median household and family income levels for Brandon were well above Minnehaha County and the State of South Dakota income levels.

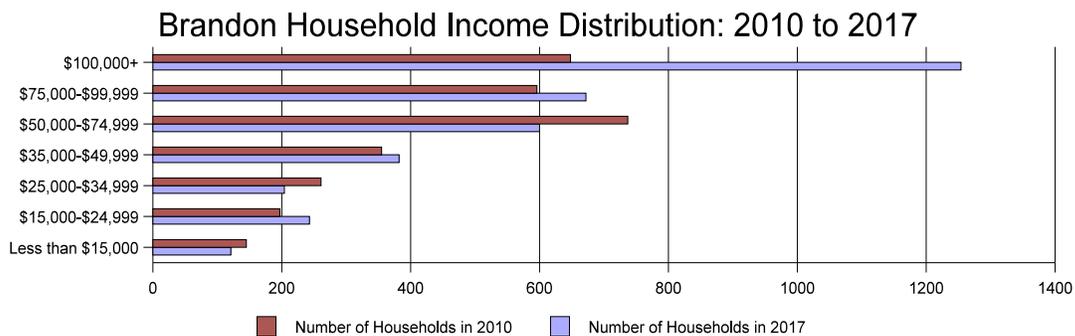
Using the commonly accepted standard that up to 30% of gross income can be applied to housing expenses without experiencing a cost burden, a median income household in Brandon could afford approximately \$2,018 per month for ownership or rental housing in 2017. A median income family could afford approximately \$2,338 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.

Brandon Household Income Distribution

The 2017 American Community Survey household income estimates for the City of Brandon can be compared to the same distribution information from 2010 to examine changes that have occurred from 2010 to 2017.

Table 12 Brandon Household Income Distribution - 2010 to 2017			
Household Income	Number of Households 2010	Number of Households in 2017	Change 2010 to 2017
\$0 - \$14,999	145	121	-24
\$15,000 - \$24,999	197	243	46
\$25,000 - \$34,999	261	204	-57
\$35,000 - \$49,999	355	382	27
\$50,000 - \$74,999	737	600	-137
\$75,000 - \$99,999	596	672	76
\$100,000+	648	1,254	606
Total	2,939	3,476	537

Source: ACS



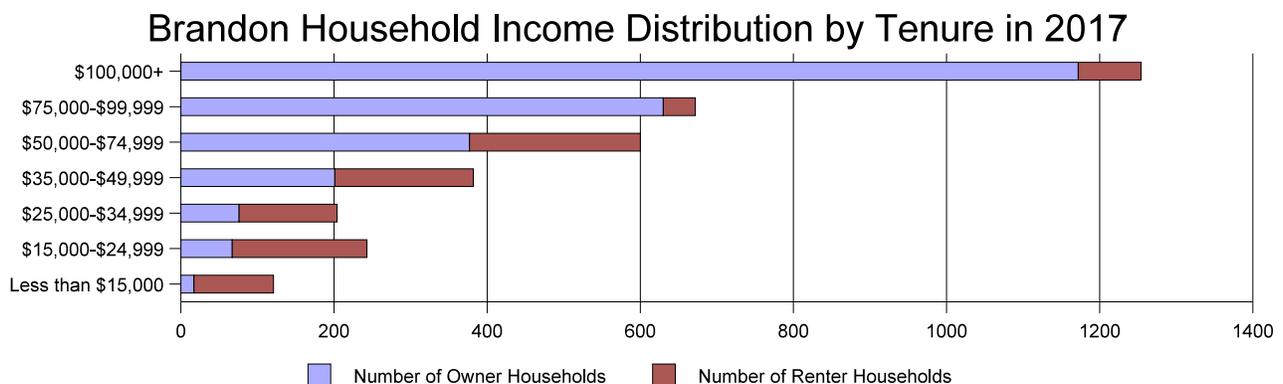
The 2017 American Community Survey underestimated the number of households in Brandon, however, the data is still a good indicator of income distribution in Brandon. According to income estimates contained in the 2017 American Community Survey, household incomes have improved in Brandon. When compared to the 2010 income data, the number of households with an income of \$50,000, or more, increased by a net 545 households. Conversely, there was a net decrease of eight households with incomes less than \$50,000. However, there were still 364 households in Brandon that have an annual income below \$25,000, which is approximately 10% of all households in Brandon.

Brandon Income Distribution by Housing Tenure

The 2017 American Community Survey provides an income estimate by owner and renter status. The following table examines income distribution within the City of Brandon. The American Community Survey is an estimate, based on limited sampling data, and it appears that the American Community Survey has underestimated the number of owner and renter households that were present in Brandon in 2017. However, the data is still a good indicator of household income distribution by tenure.

Table 13 Brandon Household Income Distribution by Tenure - 2017			
Household Income	Number of Owner Households	Number of Renter Households	Total Households
\$0 - \$14,999	17/14.0%	104/86.0%	121
\$15,000 - \$24,999	67/27.6%	176/72.4%	243
\$25,000 - \$34,999	76/37.3%	128/62.7%	204
\$35,000 - \$49,999	201/52.6%	181/47.4%	382
\$50,000 - \$74,999	377/62.8%	223/37.2%	600
\$75,000 - \$99,999	630/93.8%	42/6.2%	672
\$100,000+	1,172/93.5%	82/6.5%	1,254
Total	2,540/73.1%	936/26.9%	3,476

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 2017, approximately 44% of all renter households in Brandon had an annual income below \$35,000. At 30% of income, these households would have \$875, or less, that could be applied to monthly housing costs.

Conversely, a majority of the owner households had a substantially higher income level. Approximately 86% of all owner households had an annual income of \$50,000 or more. At 30% of income, these owners could afford \$1,250 or more per month for housing costs.

The American Community Survey also includes an estimate of the median income level by housing tenure. For renter households in Brandon in 2017, the estimated median household income was \$40,571. For home owners in Brandon, the estimated median was \$94,662.

2017 Estimated Income and Housing Costs - Renters

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

Table 14 Gross Rent as a Percentage of Household Income - 2017			
Percent of Income for Housing	Households Age 64 and Younger	Households Age 65 and Older	Total
Less than 20%	319/48.4%	5/1.8%	324/34.6%
20% to 29.9%	133/20.2%	58/20.9%	191/20.4%
30% to 34.9%	77/11.7%	7/2.5%	84/9.0%
35% or more	123/18.7%	170/61.4%	293/31.3%
Not Computed	7/1.0%	37/13.4%	44/4.7%
Total	659/100%	277/100%	936/100%

Source: American Community Survey

According to the 2017 American Community Survey, approximately 40% of all renters in the City were paying 30% or more of their income for rent. A significant 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”.

In Brandon, a housing cost burden is caused by high housing costs or low household income. Many of the renter households with a housing cost burden had an annual household income below \$35,000. To avoid a cost burden, these lower income households would have needed a unit with a gross monthly rent of \$875 or less.

The American Community Survey reported that approximately 47% of the households with a housing cost burden were age 65 and older and 53% of the households with a housing cost burden were age 64 or younger.

2017 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 Brandon that are paying different percentages of their gross household income for housing costs.

Table 15 Ownership Costs as a Percentage of Income - Brandon		
Percentage of Household Income for Housing Costs	Number of Owner Households 2017	Percent of All Owner Households 2017
0% to 19.9%	1,688	66.5%
20% to 29.9%	669	26.3%
30% to 34.9%	47	1.9%
35% or more	136	5.3%
Not Computed	0	0%
Total	2,540	100%

Source: American Community Survey

Based on the 2017 American Community Survey, most owner-occupants, which would include households with or without a mortgage, reported paying less than 30% of their income for housing. However, more than 7% of all home owners reported that they paid more than 30% of their income for housing.

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

Building Permit Trends

Brandon has had a significant amount of new housing construction activity in recent years. The following table identifies the units that have been issued a building permit since the year 2005.

Table 16 Brandon Housing Unit Construction Activity: 2000 to 2019*					
Year	Single Family Detached	Twinhomes	3 and 4 Unit Structures	5+ Unit Structures	Total Units
2019*	21	0	0	0	21
2018	39	12	14	0	65
2017	40	10	16	0	66
2016	48	2	12	18	80
2015	44	6	0	0	50
2014	50	10	0	24	84
2013	47	12	20	32	111
2012	30	**	16	0	46
2011	37	**	8	0	45
2010	31	**	4	0	35
2009	37	**	0	87	124
2008	43	**	16	0	59
2007	98	**	4	111	213
2006	90	**	20	6	116
2005	101	**	40	36	177
TOTAL	756	52	170	314	1,292

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

*2019 is through August

** From 2005 to 2012, City records combined single family homes and twin homes.

Over the past 15 years, 1,292 new housing units have been constructed in Brandon, based on building permit issuance. There were 808 units identified as single family homes or twin homes, and 484 rental units in multifamily projects.

The City has averaged approximately 86 new housing units annually over the past 15 years. Over the past five years, from 2015 to 2019 (partial-year) the City has averaged approximately 56 new housing units annually.

Unlike most smaller communities in South Dakota, Brandon has had ongoing production of multifamily rental units. Over the past 10 years from 2010 through August 2019, approximately 164 multi-family rental units have been constructed in Brandon.

Over the past 10 years, more than 50 townhomes have also been constructed in Brandon. It is estimated that a significant number of these twin homes are rentals.

Existing Home Sales

This section examines houses that were sold in Brandon from 2016 through 2018, the last full year of data. The sales records were obtained from the SD Department of Revenue website, presenting information supplied by the Minnehaha 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 transactions in the County's sample may have been sales that could be considered distressed, such as houses that were previously bank-owned, but were sold by the bank back into private ownership. While it can be argued that sales of bank-owned properties acquired through foreclosure are not fair market transactions, they may be included in the County data if the bank openly placed them for sale in the public market.

The County and State reject sales that show significant variation from the assessed value. Known as the "150% rule" these sales may be open market transactions but are not useful in the County's sales ratio analysis.

The County's sales ratio year differs slightly from the calendar year. It begins on November 1st and ends the following October 31st.

Table 17 Brandon Residential Sales Activity - 2016 to 2018				
Sales Year	Number of Sales	Median Sale Price	Highest Sale	Lowest Sale
2018	200	\$229,000	\$640,000	\$118,500
2017	210	\$208,000	\$952,575	\$95,000
2016	188	\$187,000	\$775,000	\$75,000

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

In 2018, the last full year of data, there were 200 good sales in the City. The median sales price was \$229,000, up by \$21,000 from 2017. The median sales price in 2017 was also up by \$21,000 from the prior year, pointing to rapid price escalation for home sales in Brandon in recent years.

Very few lower valued sales occur in Brandon. Over the three years reviewed, only three houses have been sold for less than \$100,000.

An alternate estimate of home values exists in the American Community Survey. The most recent estimate is for 2017, and places the midpoint values for owner-occupied houses at \$198,300, between the actual median sales prices in Brandon in 2016 and 2017.

Home Sales by Price Range

The following table looks at single family houses that sold within defined price ranges in the 2018 sales year. There were 200 good “arms length” sales over this 12-month period.

Table 18 Brandon Home Sales by Price Range: 2018		
Sale Price	Number of Sales	Percent of Sales
Less than \$100,000	0	0%
\$100,000 - \$124,999	2	1.0%
\$125,000 - \$149,999	5	2.5%
\$150,000 - \$174,999	22	11.0%
\$175,000 - \$199,999	42	21.0%
\$200,000 - \$224,999	27	13.5%
\$225,000 - \$249,999	23	11.5%
\$250,000 - \$274,999	21	10.5%
\$275,000 - \$299,999	17	8.5%
\$300,000+	41	20.5%
Total	200	100%

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

Recent home sales in Brandon have been distributed in different price ranges. However, in 2018, more than 50% of the sales were in a range of \$225,000 or more.

Overall, fewer than 4% of the sales were for less than \$150,000.

Brandon 2018 Home Sales by Price Range



Brandon Housing Condition

As part of the 2019 Brandon Housing Study, Community Partners Research, Inc., representatives conducted a visual 'windshield' survey of 463 single family/duplex houses in one of Brandon's oldest neighborhoods. Although the neighborhood we surveyed is the oldest in Brandon, the homes in the neighborhood are not as old as homes that are typically present in other cities.

The boundaries of the neighborhood are:

East - Splitrock Blvd.
West - Railroad
North - Holly Blvd.
South - Aspen Blvd.

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 19 Windshield Survey Condition Estimate - 2019

	Sound	Minor Repair	Major Repair	Dilapidated	Total
Total	283/61.1%	168/36.3%	11/2.4%	1/0.2%	463

Source: Community Partners Research, Inc.

- ▶ Based on the visual housing condition completed as part of the 2019 Study, the existing housing stock in Brandon's oldest neighborhood was in very good condition. Approximately 36% of the houses in the neighborhood need minor repair and 2.4% need major repair. Approximately 61% are sound, with no required improvements.
- ▶ Only one house in the neighborhood is dilapidated and possibly beyond repair.

Rental Housing Data

Census Bureau Rental Inventory - Brandon

According to the 2010 U.S. Census, there were 745 occupied rental units, and 78 unoccupied rental units in Brandon, for a total estimated rental inventory of approximately 823 units. The City's rental tenure rate, was 23.9%, based on renter-occupancy households, well below the Statewide rate in 2010 of 31.9% rental.

At the time of the 2000 Census, Brandon had 372 occupied rental units, and 25 unoccupied rental units, for a total estimated rental inventory of approximately 397 units. The rental tenure rate in 2000 was 19.5%.

Estimated Rental Inventory in Brandon in 2019

From 2010 to 2019, approximately 184 rental units had been constructed in Brandon, thus, with the units constructed after the 2010 Census, the estimated rental unit inventory had increased to approximately 1,007 units by the end of 2019.

Pending Rental Projects

We are not aware of any new projects in the planning phase in 2019 in Brandon. However, several local developers and rental property owners have stated that they may construct additional rental units in the future.

Rental Housing Survey

As part of this housing study, a telephone survey was conducted of multifamily projects in the City of Brandon, including the rental projects that are currently under construction. The survey was conducted during the months of August and September, 2019.

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

Multiple attempts were made to contact each building. Information was tallied separately for different types of rental housing, including conventional market rate units, tax credit/moderate rent units, subsidized housing, and senior housing. All of the tax credit/moderate rent, subsidized and senior with services projects were surveyed. Also, a high percentage of market rate rental projects were surveyed.

There were 794 rental units of all types that were contacted in the survey. This total would represent approximately 79% of the estimated total inventory of rental housing units in 2019. In addition to the 794 units, 200 senior with services units/beds were surveyed. The units that were successfully contacted include:

- ▶ 543 conventional, market rate units
- ▶ 213 tax credit/moderate rent units
- ▶ 38 subsidized units for general occupancy
- ▶ 200 senior with services units/beds

The findings of the survey are provided below.

Market Rate Summary

Usable information was obtained from 25 market rate rental projects. Combined, these projects have 543 conventional rental units. All of the units in the survey were multifamily buildings, or twin homes/town houses, with the exception of seven single family homes.

Unit Mix

We obtained unit size information on the 543 units from property owners/managers. The bedroom mix breakdown of the 543 units is as follows:

- ▶ One-bedroom - 64 units (11.8%)
- ▶ Two-bedroom - 389 units (71.6%)
- ▶ Three-bedroom - 56 units (10.3%)
- ▶ Four-bedroom - 31 units (5.7%)
- ▶ Five-bedroom - 3 units (0.6%)

Occupancy / Vacancy

Within the market rate multifamily segment there were 23 vacant units in the 543 market rate rental units that were surveyed. This represents an overall vacancy rate of 4.2%. The majority of the property owners/managers reported good occupancy rates and a high demand for the units.

Rental Rates

Rental units may include the primary utility payments within the contract rent, or the tenant may be required to pay some utilities separately, in addition to the contract rent.

In the following summary, Community Partners Research, Inc., has attempted to estimate the gross rents being charged, inclusive of an estimate for tenant-paid utilities.

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

<u>Unit Type</u>	<u>Lowest/Highest Gross Rents</u>
One-bedroom	\$530-\$925
Two-bedroom	\$800-\$1,300
Three-bedroom	\$900-\$1,750
Four-bedroom	\$1,450-\$1,750

Tax Credit/Moderate Rent Summary

There are five rental projects in Brandon with a total 213 units that have received a low income housing tax credit allocation. These projects provide options for affordable rental housing.

In South Dakota, tax credits are awarded annually on a competitive basis. Five rental projects in Brandon have received a tax credit award. Tax credit projects serve households at or below 60% of median income. The five Brandon tax credit projects include:

- ▶ **Brandon Heights Apartments** is a 32-unit general occupancy project constructed in 2014. The project has six one-bedroom, 18 two-bedroom and eight three-bedroom units.
- ▶ **Brandon Heights II** is a 32-unit general occupancy project constructed in 2017. The project has six one-bedroom, 20 two-bedroom and six three-bedroom units.
- ▶ **Arrow Ridge Townhomes** is a 36-unit general occupancy project constructed in 2005. The project has 27 two-bedroom and nine three-bedroom units.
- ▶ **Redwood Court Apartments** is an 80-unit general occupancy project. There are 40 two-bedroom and 40 three-bedroom units.
- ▶ **Split Rock Apartments** is a 33-unit senior project constructed in 2005. All of the units have one-bedroom.

Unit Mix

The following unit breakdown of the 213 units is based on the specific information obtained from property owners/managers:

- ▶ One-bedroom - 45 (21.1%)
- ▶ Two-bedroom - 105 (49.3%)
- ▶ Three-bedroom - 63 (29.6%)

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

Occupancy / Vacancy

At the time of the survey, there were 12 vacant units in the 213 tax credit rent units, which is a 5.6% vacancy rate. The property managers reported high occupancy rates on an ongoing basis and high demand for the units. Two projects had one vacancy, one project had two vacancies and two projects each had four vacancies.

Rental Rates

The tax credit program has maximum rent limits that are set as part of the financial assistance package. Rents in the five tax credit projects range from \$425 to \$725 for a one-bedroom unit, \$600 to \$835 for a two-bedroom unit and \$695 to \$995 for a three-bedroom unit.

Subsidized Summary

The research completed for this Study identified three subsidized projects with 38 total units in Brandon that provides rental opportunities for lower income households. The three subsidized projects include:

- ▶ **Timberwood Apartments** is an eight-unit general occupancy USDA Rural Development project. All of the units have two bedrooms.
- ▶ **Ridgewood Apartments and Townhomes** is a 14-unit general occupancy USDA Rural Development Project. There are eight two-bedroom and six three-bedroom units.
- ▶ **Autumn View I Apartments** is a 16-unit HUD Section 8 general occupancy project constructed in 1983. All of the units have one bedroom.

Unit Mix

We obtained unit size information on 38 units from the property owners/managers. The bedroom mix of the 38 units is as follows:

- ▶ one-bedroom - 16 (42.1%)
- ▶ two-bedroom - 16 (42.1%)
- ▶ three-bedroom - 6 (15.8%)

Occupancy/Vacancy

At the time of the survey, there were two vacant units in the 38 units, which is a 5.3% vacancy rate. The managers reported good occupancy rates.

Rental Rates

The units in the subsidized projects have access to project-based rent assistance. Tenants pay 30% of the income up to the unit's market rent.

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 research for this Study identified one project that has left its subsidy program in recent years. Autumn View II Apartments, with 16 one-bedroom units, has converted from subsidized to market rate housing.

Tenant-Based Housing Choice Vouchers

There are also tenant-based rent assistance Housing Choice Vouchers available for Brandon tenants. The Voucher Program is administered by the Sioux Falls 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% to 40% their income for their rent, with the program subsidy paying any additional rent amounts.

In September 2019, there were several renter households receiving Voucher assistance in Brandon. 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 the Housing Choice Voucher is approximately 2 ½ years.

Senior Housing with Services Summary

Brandon has four senior housing with services projects with a total 200 beds:

- ▶ **Helping Hands Assisted Living** - Helping Hands Assisted Living is a 68-bed facility that provides the full array of assisted living services. The beds are in private and semi-private units.
- ▶ **Helping Hands Supervised Apartments** - Helping Hands Supervised Apartments is an independent living project. There are eight one-bedroom units. Tenants can live independently, but can purchase meals and services from Helping Hands Assisted Living as needed.
- ▶ **Bethany Home** - Bethany Home is a 58-bed skilled nursing home. Ten of the beds are designated for memory care. The nursing home is part of the Bethany campus that includes Bethany Meadows.
- ▶ **Bethany Meadows** - Bethany Meadows is licensed for 66 assisted living beds. The beds are in studio, one and two-bedroom units. Residents can move into the facility independently and obtain assisted living services as needed.

Occupancy/Vacancy

At the time of the survey, Helping Hands Supervised Apartments had one vacancy. Helping Hands Assisted Living, Bethany Home and Bethany Meadows were all at full capacity.

Table 20 Brandon Multifamily Rental Housing Inventory

Name	Number of Units / Bedroom Mix	Rent	Vacancy/ Wait List	Tenant Mix	Comments
Market Rate					
Agre Single Family Homes	4 - 4 Bedroom 3 - 5 Bedroom 7 Total Units	Not provided	No vacancies	General occupancy	Agre single family homes includes four 4-bedroom homes and three five-bedroom homes. The owner reported no vacancies and the single family homes are in high demand.
Aspen Park I & II Apartments	56 - 2 Bedroom 56 Total Units	\$660 to \$700	2 vacancies	General occupancy	Aspen Park I & II Apartments includes 56 two-bedroom/one bath apartments. The apartments are in seven 8-plexes. The 8-plexes were constructed in 1993, 1998 and 2002. Rents range from \$660 to \$700. Tenants also pay heat and electricity. The owner reported two vacancies at the time of the survey, however, the units are usually fully occupied.
Augusta Place	18 - 2 Bedroom 18 Total Units	\$1115-\$1130	No vacancies	General occupancy	Augusta Place includes 18 two-bedroom townhome units. The units were constructed in 2016. The rent is \$1,115-\$1,130 plus heat and electricity. The manager reported no vacancies at the time of the survey.
Autumn View II Apartments	16 - 1 Bedroom 16 Total Units	\$575	2 vacancies	General occupancy	Autumn View II Apartments is a market rate general occupancy 16-unit project constructed in 1983. Autumn View was a USDA Rural Development Project, but converted to market rate. All of the units are one-bedroom. Rent is \$575 plus heat and electricity. The owner is making improvements to the project on an ongoing basis. There was one vacancy at the time of the survey.
Berberich Properties 314-320, 322-328 & 400-466 9 th Ave N	4 - 1 Bedroom 3 - 2 Bedroom 5 - 3 Bedroom 12 Total Units	\$625 \$795 \$945	No vacancies	General occupancy	Berberich Properties includes 12 units in three 4-plexes. There are four one-bedroom, three two-bedroom and five three-bedroom units. Tenants pay heat and electricity in addition to rent. The manager reported no vacancies at the time of the survey.

Table 20 Brandon Multifamily Rental Housing Inventory

Name	Number of Units /Bedroom Mix	Rent	Vacancy/ Wait List	Tenant Mix	Comments
Market Rate					
Brandon Apartments	4 - 1 Bedroom <u>28 - 2 Bedroom</u> 32 Total Units	\$595 \$670	3 vacancies	General occupancy	Brandon Apartments is a 32-unit market rate project. The 32 units are in four 8-plexes. There are four one-bedroom and 28 two-bedroom units. The project is approximately 40 years old. Rent ranges from \$595 to \$670. The owner reported three vacancies at the time of the survey.
Briarwood Apartments	<u>20 - 2 Bedroom</u> 20 Total Units	\$745-\$925	No vacancies	General occupancy	Briarwood Apartments has 20 units and includes two 8-plexes and four quad homes. All of the units have two bedrooms. The rent in the 8-plexes ranges from \$745 to \$775. The quad home rent ranges from \$885 to \$925. Tenants also pay heat and electricity. The manager reports no vacancies, however, one unit is vacant due to renovations.
Brickwood Apartments	<u>12 - 2 Bedroom</u> 12 Total Units	\$875	3 vacancies	General occupancy	Brickyard Apartments is a 12-unit three-level building constructed in 1962. All of the units have two bedrooms. Rent is \$850 plus utilities. The manager reported three vacancies at the time of the survey. Typically there is only one vacancy and three vacancies is uncommon.
Brown Properties	12 - 2 Bedroom <u>4 - 4 Bedroom</u> 16 Total Units	\$795-\$995 \$1200	No vacancies	General occupancy	Brown Properties includes 16 units in four 4-plexes. The 4-plexes are approximately 10 years old. There are 12 two-bedroom units and four four-bedroom units. Rent ranges from \$795 to \$995 for a two-bedroom unit and \$995 for a four-bedroom unit. Tenants also pay all utilities. The owner reported no vacancies at the time of the survey.
Dressler Properties 301-313 & 416-422 9 th Ave N	<u>8 - 2 Bedroom</u> 8 Total Units	Not provided	1 vacancy	General occupancy	Dressler Properties includes eight two-bedroom units in two 4-plexes. The units are approximately 15 years old. The owner reported one vacancy at the time of the survey.

Table 20 Brandon Multifamily Rental Housing Inventory

Name	Number of Units / Bedroom Mix	Rent	Vacancy/ Wait List	Tenant Mix	Comments
Market Rate					
Eagle Creek Apartments	21 - 1 Bedroom 41 - 2 Bedroom <u>1 - 3 Bedroom</u> 63 Total Units	\$775-\$825 \$925 \$1015	3 vacancies	General occupancy	Eagle Creek Apartments is a 63-unit general occupancy market rate project. There are 21 one-bedroom units, 41 two-bedroom units and one three-bedroom unit. The rents are \$775 to \$825 for the one-bedroom unit, \$925 for the two-bedroom units and \$1,015 for the three-bedroom unit. The tenants also pay heat and electricity. The one-bedroom units with the higher rent have a den. The manager reported three vacancies at the time of the survey.
Eagle Creek Townhomes	10 - 3 Bedroom <u>11 - 4 Bedroom</u> 21 Total Units	\$1450 \$1590	1 vacancy	General occupancy	Eagle Creek Townhomes includes 10 three-bedroom units and 11 four-bedroom units. Rent is \$1,450 for the three-bedroom units and \$1,590 for the four-bedroom units. Tenants also pay all utilities. The manager reported one vacancy at the time of the survey.
H-6 Properties 900-920, 924 Joslyn Dr N	<u>40 - 2 Bedroom</u> 40 Total Units	\$800-\$830	2 vacancies	General occupancy	H6 Apartments includes 40 two-bedroom units in six 4-plexes and one 16-unit apartment building. The apartment building was constructed in 2012 and the 4-plexes were constructed from 2005 to 2007. Rent ranges from \$800 to \$830 plus heat and electricity. The owner reported two vacancies at the time of the survey.
Keystone Apartments	2 - 1 Bedroom 42 - 2 Bedroom <u>16 - 3 Bedroom</u> 60 Total Units	\$550 \$725 \$795	4 vacancies	General occupancy	Keystone Apartments is a 60-unit market rate general occupancy project. There are two one-bedroom, 42 two-bedroom and 16 three-bedroom units. Tenants pay electric in addition to rent. The manager reported four vacancies at the time of the survey.
Kirkwood Apartments	<u>16 - 2 Bedroom</u> 16 Total Units	\$750-\$850	No vacancies	General occupancy	Kirkwood Apartments is a 16-unit general occupancy project constructed in the 1960s. All of the units are two-bedroom. Rents range from \$750 to \$850 and tenants also pay heat and electricity. The manager reports no vacancies.

Table 20 Brandon Multifamily Rental Housing Inventory

Name	Number of Units / Bedroom Mix	Rent	Vacancy/ Wait List	Tenant Mix	Comments
Market Rate					
Lighthouse Rentals	2 - 2 Bedroom <u>8 - 3 Bedroom</u> 10 Total Units	\$935 \$1150-\$1200	No vacancies	General occupancy	Lighthouse Rentals includes three duplexes and one 4-plex. The 10 units include two two-bedroom and eight three-bedroom units. Rent is \$935 for the two-bedroom units and \$1,150 to \$1,200 for the three-bedroom units. Tenants also pay all utilities. The owner reported no vacancies at the time of the survey.
Merkwan Properties 500-516, 516-522 9 th Ave N	<u>8 - 2 Bedroom</u> 8 Total Units	\$895	No vacancies	General occupancy	Merkwan Properties includes eight units in two 4-plexes. All of the units are two-bedroom/one bath. Rents are \$895 plus utilities. The manager reported no vacancies at the time of the survey.
Narum Properties	4 - 1 Bedroom <u>1 - 2 Bedroom</u> 5 Total Units	\$420 \$725	No vacancies	General occupancy	Narum Properties includes one 4-plex with four one-bedroom units and a two-bedroom single family home. The rent is \$420 plus utilities for the one-bedroom units and \$725 plus utilities for the single family home. The owner reported no vacancies at the time of the survey.
Prairie Mills Townhomes	<u>16 - 2 Bedroom</u> 16 Total Units	\$950	No vacancies	General occupancy	Prairie Mills Townhomes includes 16 two-bedroom units. The rent is \$950 plus all utilities. The manager reported no vacancies at the time of the survey.
1402-1424 Redwood Blvd E	4 - 2 Bedroom <u>12 - 3 Bedroom</u> 16 Total Units	\$850 \$975	1 vacancy	General occupancy	Sixteen townhome units including four two-bedroom and 12 three-bedroom units. Rent is \$850 for a two-bedroom unit and \$975 for a three-bedroom unit. Tenants also pay utilities. The manager reported one vacancy at the time of the survey.
Ridgeview Place Apartments	13 - 1 Bedroom <u>26 - 2 Bedroom</u> 39 Total Units	\$765 \$925	No vacancies	General occupancy	Ridgeview Place Apartments is a 39-unit market rate project constructed in 2010. Rents range from \$765 to \$925. Tenants also pay heat and electricity. The manager reported no vacancies at the time of the survey.

Table 20 Brandon Multifamily Rental Housing Inventory					
Name	Number of Units / Bedroom Mix	Rent	Vacancy/ Wait List	Tenant Mix	Comments
Market Rate					
Rushmore Apartments	<u>4 - 2 Bedroom</u> 4 Total Units	\$725	No vacancies	General occupancy	Rushmore Apartments includes four two-bedroom/one bath units in a 4-plex. Rent is \$725 plus utilities. The manager reported no vacancies at the time of the survey.
Spring Place Townhomes	<u>4 - 3 Bedroom</u> <u>2 - 4 Bedroom</u> 6 Total Units	\$1395 \$1495	1 vacancy	General occupancy	Spring Place Townhomes includes four three-bedroom and two four-bedroom units. Rents are \$1,395 for a three-bedroom unit and \$1,495 for a four-bedroom unit. Tenants also pay all utilities. The manager reported one vacancy at the time of the survey.
Sunburst Twinhomes	<u>10 - 4 Bedroom</u> 10 Total Units	\$1585	No vacancies	General occupancy	Sunburst Twinhomes includes 10 four-bedroom units. The rent is \$1,585 plus all utilities. The manager reported no vacancies at the time of the survey.
Teakwood Apartments	<u>32 - 2 Bedroom</u> 32 Total Units	\$725	No vacancies	General occupancy	Teakwood Apartments is a 32-unit general occupancy project. The 32 units are all two-bedroom/one bath and are in four 8-plexes. Rent is \$725 plus heat and electricity. The manager reported no vacancies at the time of the survey.

Table 20 Brandon Multifamily Rental Housing Inventory

Name	Number of Units /Bedroom Mix	Rent	Vacancy/ Wait List	Tenant Mix	Comments
Tax Credit					
Arrow Ridge Townhomes	27 - 2 Bedroom <u>9 - 3 Bedroom</u> 36 Total Units	\$533-\$685 \$763-\$800	1 vacancy	General occupancy	Arrow Ridge Townhomes is a 36-unit tax credit project constructed in 2005. There are 27 two-bedroom and nine three-bedroom units. Rents are based on households at 50% and 60% of median income. Tenants pay heat and electricity in addition to rent. The manager reported one vacancy at the time of the survey.
Brandon Heights Apartments	6 - 1 Bedroom 18 - 2 Bedroom <u>8 - 3 Bedroom</u> 32 Total Units	\$324-\$627 \$545-\$714 \$750-\$828	4 vacancies	General occupancy	Brandon Heights Apartments is a 32-unit general occupancy tax credit project constructed in 2014. Rents vary based on the tenant household's income. Units are available at various income levels. Tenants must have an annual income below 60% of the area's median income to qualify for a unit. Tenants pay heat and electricity in addition to rent. The manager reports four vacancies at the time of the survey.
Brandon Heights II Apartments	6 - 1 Bedroom 18 - 2 Bedroom <u>8 - 3 Bedroom</u> 32 Total Units	\$324-\$627 \$545-\$714 \$750-\$828	2 vacancies	General occupancy	Brandon Heights Apartments is a 32-unit general occupancy tax credit project constructed in 2017. Rents vary based on the tenant household's income. Units are available at various income levels. Tenants must have an annual income below 60% of the area's median income to qualify for a unit. Tenants pay heat and electricity in addition to rent. The manager reports two vacancies at the time of the survey.
Redwood Court Apartments	40 - 2 Bedroom <u>40 - 3 Bedroom</u> 80 Total Units	\$472-\$712 \$567-\$867	1 vacancy	General occupancy	Redwood Court Apartments is an 80-unit tax credit project. The rents vary based on the tenant household's income. Tenants must have an annual income at 60% or below median income. Tenants pay heat and electricity in addition to rent. The manager reported one vacancy at the time of the survey.

Table 20 Brandon Multifamily Rental Housing Inventory					
Name	Number of Units / Bedroom Mix	Rent	Vacancy/ Wait List	Tenant Mix	Comments
Tax Credit					
Split Rock Apartments	<u>33 - 1 Bedroom</u> 33 Total Units	\$479-\$564	4 vacancies	Senior	Split Rock Apartments is a 33-unit senior designated tax credit project constructed in 1998. Rent is based on households at 60% and 45% of median income. Tenants pay heat and electricity in addition to rent. The manager reported four vacancies at the time of the survey.
Subsidized					
Autumn View I Apartments	<u>16 - 1 Bedroom</u> 16 Total Units	30% of income	No vacancies	General occupancy	Autumn View I Apartments is a 16-unit general occupancy HUD Section 8 project constructed in 1983. All of the units have one bedroom. Tenants pay 30% of their income for rent. There were no vacancies at the time of the survey. The owner makes improvements to the project on an ongoing basis.
Ridgewood Apartments and Townhomes	<u>8 - 2 Bedroom</u> <u>6 - 3 Bedroom</u> 14 Total Units	\$670 \$730 30% of income	No vacancies	General occupancy	Ridgewood Apartments and Townhomes is a 14-unit general occupancy USDA Rural Development project. There are eight two-bedroom and six three-bedroom units. Tenants pay 30% of their income up to the maximum rent of \$670 for a one-bedroom unit and \$730 for a three-bedroom unit. The manager reported no vacancies at the time of the survey.
Timberwood Apartments	<u>8 - 2 Bedroom</u> 8 Total Units	\$671 30% of income	2 vacancies	General occupancy	Timberwood Apartments is an eight-unit general occupancy USDA Rural Development project. All of the units have two bedrooms. Tenants pay 30% of their income up to the maximum rent of \$671. The manager reported two vacancies at the time of the survey.

Table 20 Brandon Multifamily Rental Housing Inventory					
Name	Number of Units /Bedroom Mix	Rent	Vacancy/ Wait List	Tenant Mix	Comments
Senior with Services					
Bethany Home	58 Beds 58 Total Units	Based on level of services	100% occupancy at the time of the survey	Skilled Nursing Home	Bethany Home is a 58-bed skilled nursing home. The facility opened for occupancy in 2012. Ten beds are in a wing designated for memory care. The nursing home is part of the Bethany campus that includes Bethany Meadows, which is an independent and assisted living facility. At the time of the survey, all of the skilled nursing beds were occupied.
Bethany Meadows	licensed for 66 assisted living beds in studio, one and two-bedroom units	Based on level of services	100% occupancy with a waiting list	Assisted Living	Bethany Meadows has 66 assisted living beds. The facility has studio, one and two-bedroom units. Residents can move into the facility independently and obtain services as needed. The facility provides meals, medication management, activities, housekeeping, etc. At the time of the survey, the facility was operating at 100% occupancy and has a waiting list.
Helping Hand Assisted Living	68 beds in private and semi-private units	Based on type of room and level of services	Beds fully occupied at the time of the survey	Assisted Living	Helping Hand Assisted Living is a 68-bed facility constructed in 1995. The beds are in private and semi-private units. The facility provides the full array of assisted living services including meals, medication management, laundry, housekeeping, bathing, etc. At the time of the survey, all of the beds were fully occupied.
Helping Hand Supervised Apartments	8 - 1 Bedroom 8 Total Units	Based on level of services	1 vacancy	Senior	Helping Hand Supervised Apartments includes eight one-bedroom units. The units are connected to the Helping Hand Assisted Living facility. The units are for independent living, however, tenants can purchase meals and services as needed. At the time of the survey, there was one vacancy.

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 21 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. Tea and Harrisburg, both located in Lincoln County, had a similar level of numeric growth, adding 682 and 626 households, respectively.

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. 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.

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 Brandon are also provided for comparison.

Housing construction activity in Brandon has represented a relatively small share of all activity in the Sioux Falls MSA in recent years. However, from 2010 through 2018, unit construction in Brandon represented 3.8% of all MSA activity.

From 2010 to 2018, multifamily projects with three or more units in Brandon accounted for approximately 2.0% of the new multifamily unit construction in the MSA. For one and two family housing units, Brandon represented nearly 3.9% 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 represent owner-occupancy housing.

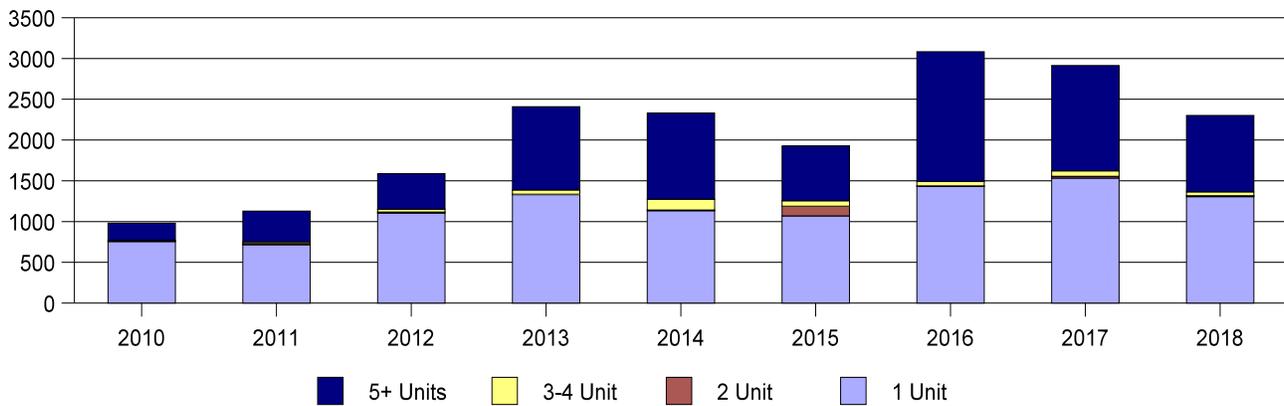
Table 22 Brandon and MSA Housing Unit Construction Activity - 2004 to 2018

Year	City of Brandon				Sioux Falls MSA				
	One and Two Family*	3 to 4 Family	Multifamily	Total	Single Family	Two Family	3 to 4 Family	Multifamily	Total
2018	51	14	0	65	1,306	12	46	938	2,302
2017	50	16	0	66	1,533	22	67	1,292	2,914
2016	50	12	18	80	1,431	6	58	1,589	3,084
2015	50	0	0	50	1,069	120	67	670	1,926
2014	60	0	24	84	1,134	8	131	1,057	2,330
2013	59	20	32	111	1,330	6	52	1,021	2,409
2012	30	16	0	46	1,104	12	36	435	1,587
2011	37	8	0	45	716	16	19	378	1,129
2010	31	4	0	35	755	8	111	207	1,081
2009	37	0	87	124	962	24	99	492	1,577
2008	43	16	0	59	940	84	143	699	1,866
2007	98	4	111	213	1,517	96	148	621	2,382
2006	90	20	6	116	1,646	38	175	464	2,323
2005	101	40	36	177	1,869	22	95	309	2,295
2004	124	0	19	143	1,909	20	52	467	2,448
Total	911	170	333	1,414	19,221	494	1,299	10,639	31,653

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

* Census records combined one and two family units in Brandon

MSA Annual Housing Unit Construction: 2010 to 2018

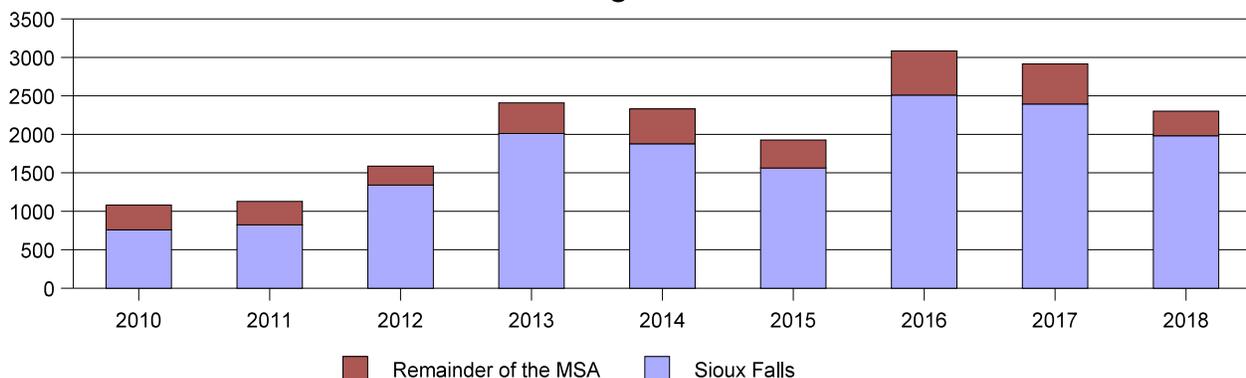


According to Census Bureau reports, the year 2016 represented the highest year for new housing unit production in the MSA over the current decade. The total production in 2017, was only slightly lower, as both years had more than 2,900 total units that were permitted in the entire MSA.

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

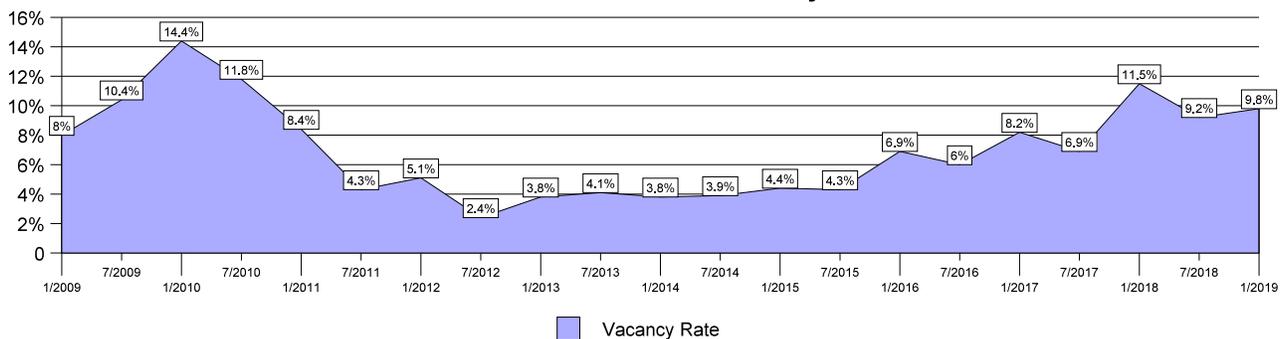


Regional Rental Vacancy Rates

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. This 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 the City of 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. This 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 Brandon and Harrisburg, 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 Brandon can vary widely, and often are inconsistent with the broader regional trends. For example, in some of the surveys, only 10 or fewer conventional units were included.

In the most recently completed survey from January 2019 there were 463 conventional units included for Brandon. The reported vacancy rate of 6.1% was lower than the rate of 9.8% vacancy for the entire region.

Including Brandon, Harrisburg 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 a high vacancy rate in Harrisburg.

Brandon Tax Credit Vacancy

Brandon does have a supply of income-restricted tax credit units. In most of the recent surveys, there have been more than 130 tax credit units reported for Brandon. In the January 2019 survey there were 211 tax credit units reported, with a vacancy rate of 8.1%, 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.

Brandon HUD Units

No subsidized units have generally been reported specifically for Brandon, although 16 HUD units were included in a few of the recent surveys.

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 23 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 24 Sioux Falls MSA Annual Labor Statistics: 2010 to 2018						
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%

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 2018, the size of the resident labor force increased by more than 18,500 people, or an increase of 13.9%. The employed resident work force increased by more than 21,000 people during this same time, for an increase of 16.5%. The MSA’s unemployment rate has generally decreased over this longer time period and by 2018 was at 2.5%.

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 25 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 Brandon 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 Brandon. The first table examines City residents that traveled to work and excludes people that work at home.

Table 26 Commuting Times for Residents - 2017		
	Brandon	
Travel Time	Number	Percent
Less than 10 minutes	749	15.1%
10 to 19 minutes	1,447	29.1%
20 to 29 minutes	2,041	41.1%
30 minutes +	734	14.8%
Total	4,971	100%

Source: American Community Survey

The large majority of Brandon’s residents were leaving the City for their primary employment. Only 15% 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 15% 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 Brandon, the following travel times were identified.

Table 27 Commuting Times for Brandon Workers - 2017		
	Brandon	
Travel Time	Number	Percent
Less than 10 minutes	784	29.0%
10 to 19 minutes	848	31.3%
20 to 29 minutes	508	18.8%
30 minutes +	566	20.9%
Total	2,706	100%

Source: American Community Survey

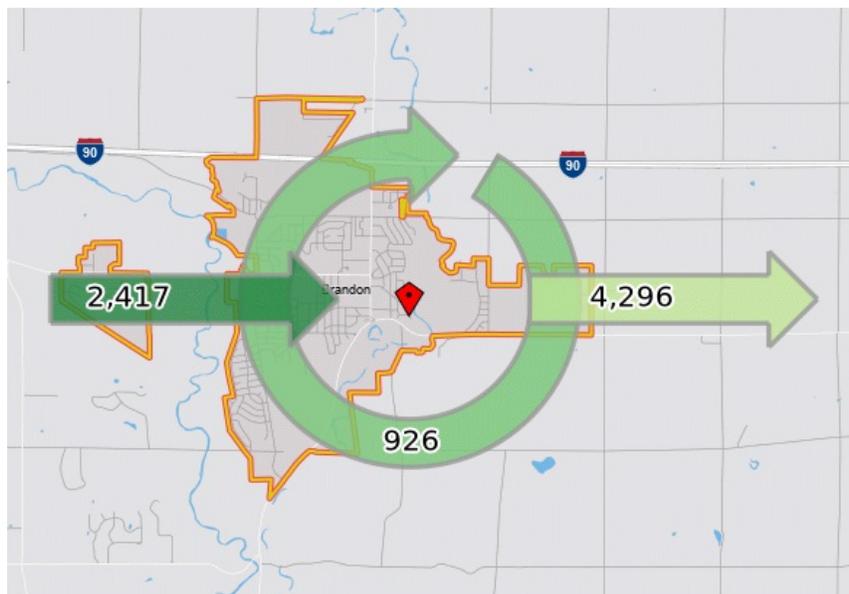
Most of the people that were employed within the City of Brandon in 2017 lived either within the community, or within the immediate area. Overall, approximately 60% of city-based workers had a travel time of 19 minutes or less to their primary job. However, nearly 21% of workers did commute for 30 minutes or more to work in Brandon.

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 Brandon, there were 3,343 people that were employed within the City in 2015. Fewer than 28% of these city-based employees also lived in Brandon. The remaining 72% of employees lived outside the City and commuted in for their job. The primary jurisdiction supplying workers to Brandon was Sioux Falls. Some inbound workers were also coming from Valley Springs, Luverne, Harrisburg and Garretson.

On the Map can also be used to track worker outflow patterns from the City. Overall, there were 5,222 Brandon residents that were employed. Only 926 of these City residents worked inside the community, while nearly 4,300 traveled to other locations. Fewer than 18% of the City's employed residents both lived and worked in Brandon. The primary identified destination for employment was Sioux Falls. Overall, nearly 76% of Brandon's residents that left the City were commuting to Sioux Falls.



Findings on Growth Trends

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

Esri estimates that from 2010 to 2019, Brandon gained 2,189 people, and Applied Geographic Solutions (AGS) estimates that Brandon gained 1,285 people. AGS estimates that Minnehaha County gained 22,570 people and Esri estimates that Minnehaha County gained 28,682 people from 2010 to 2019. This has continued a long-term pattern of population growth that dates back to at least 1990, the demographic time period reviewed in this Study.

AGS estimates that from 2010 to 2019, Brandon gained 686 households, and Esri estimates that the City added 799 households. AGS estimates that Minnehaha County gained 13,373 households and Esri shows the County gaining 11,391 households.

Findings on Projected Growth

Projections for Brandon and Minnehaha County reflect the patterns of recent decades. AGS projects that from 2019 to 2024, Brandon will gain 662 people and 331 households. Esri projects that from 2019 to 2024 Brandon will gain 1,124 people and 408 households.

AGS is forecasting Minnehaha County will gain 12,692 people and 7,348 households. Esri projects that Minnehaha County will add 15,948 people and 6,370 households.

Strengths for Housing Development

The following strengths for Brandon were identified through statistical data, interviews and an on-site review of the local housing stock.

- ▶ **Brandon is located near Sioux Falls, which is a regional center for the area** - Brandon is adjacent 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 has a good mix of housing options, including rental housing units for lower income, moderate income and higher income households. The City also has town houses, twin homes, and senior with services facilities.
- ▶ **Median home price** - Brandon's median priced home, based on 2018 sales activity, is approximately \$229,000. This matches well with new homes, which is an incentive for new home construction.
- ▶ **Land for development** - The City has land available for residential development.
- ▶ **Population and household growth for the City** - Since 1990, the City has sustained strong population and household growth and the City is projected to continue to grow in the future.
- ▶ **Sioux Falls MSA market** - The MSA has had substantial population growth, household growth and new housing construction for many years. Brandon continues to capture a portion of this market.
- ▶ **Active housing developers in the City** - Brandon 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.

- ▶ **New Housing Unit Construction** - Over the past 15 years, 1,292 housing units have been constructed in Brandon, which indicates Brandon is an attractive location for residential development.
- ▶ **Infrastructure** - The City's public utilities and infrastructure can facilitate future expansion and improvements are ongoing.
- ▶ **Park/trail system** - The City has developed attractive parks and recreational opportunities that make the community a desirable place to live.
- ▶ **Commercial development** - Brandon's commercial districts are adequate to meet daily needs and new commercial development is ongoing.
- ▶ **Available lots and lot development** - The City currently has available lots for housing of all types. Also, subdivision and lot development is ongoing.
- ▶ **Brandon Development Foundation** - The Brandon Development Foundation is very active in promoting industrial, commercial and housing development.
- ▶ **Commuters** - Approximately 2,400 people are commuting into Brandon daily for employment. These commuters are a potential market for future housing construction.
- ▶ **Industrial Parks** - The City of Brandon has two industrial parks, one of which is fully occupied.
- ▶ **Age and condition of housing stock** - A significant majority of the housing units in Brandon were constructed over the past 25 years and are in good condition.

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 Brandon.

- ▶ **Proximity to Sioux Falls** - Although it is a strength to be located in close proximity to Sioux Falls, it is also a barrier as Brandon 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** - Brandon has commercial and retail opportunities to meet daily needs, however, it has limited other retail and commercial options.
- ▶ **Lack of starter homes** - Brandon has a high median sales price and most of the homes in Brandon are less than 25 years old, thus, there is a lack of affordable single family homes in Brandon.

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 Brandon. They are based on the following strategies:

- ▶ **Preservation, maintenance and improvement of the housing stock that already exists** - While significant housing construction will occur in coming years, some housing opportunities 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. Emphasis on continued maintenance and home improvements 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 Brandon 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 Brandon.

Summary of Brandon Growth Projections by Age

The Demographic section of this Study presented Brandon projection information on anticipated changes by age group from 2019 to 2024. This information can be informative in determining the housing changes that may be needed due to the City's age patterns. The projections were provided by Esri.

Growth is projected in all age ranges. From 2019 to 2024, Brandon is projected to gain 189 households in the 54 and younger age groups, and 219 households in the 55 and older age ranges.

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 Brandon 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	3
25 to 34	52
35 to 44	110
45 to 54	24
55 to 64	7
65 to 74	97
75 and older	<u>115</u>
Total	408

Findings on Unit Demand by Type of Housing

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

Age 24 and Younger - The projections used for this Study expect an increase of three households in the 15 to 24 age range through the year 2024. Past tenure patterns indicate that as many as 83% of these households in Brandon will rent their housing. A small gain of households in this age range should mean that rental demand from younger households will remain relatively stable during the projection period.

25 to 34 Years Old - The projections show an increase in this age cohort of 52 households by 2024. Within this age range households often move from rental to ownership housing. The ownership rate among these households in Brandon was approximately 76% in 2017. An increase in the number of households within this age range will mean additional demand for both first-time home buyer and rental opportunities.

35 to 44 Years Old - This 10-year age cohort has a projected gain of 110 households between 2019 and 2024 in Brandon. In the past, this age group has had a rate of home ownership in Brandon, at approximately 74%. Households within this range often represent both first-time buyers and households seeking trade-up housing, by selling their starter home for a more expensive house.

45 to 54 Years Old - This age group represents a much smaller segment of the population than the baby boom age group. For Brandon, the projections show a gain of 24 households in this range. This age group historically has had a high rate of home ownership, approximately 85% in Brandon in 2017, and will often look for trade-up housing opportunities. With household gains in this age group, the demand for trade-up housing from this age range will increase.

55 to 64 Years Old - This age range is part of the baby boom generation. The projections show an expected increase of seven additional households in this 10-year age range by the year 2024. This age range has traditionally had a rate of home ownership in Brandon, at approximately 91% in 2024. Age-appropriate housing, such as town house or twin home units, is often well suited to the life-cycle preferences of this age group, as no maintenance/low maintenance housing has become a popular option for empty-nesters.

65 to 74 Years Old - Strong household growth is expected in Brandon within this age range, with the projections showing an increase of 97 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 2017, approximately 67% of households in this age range owned their housing in Brandon. Once again, preferences for age-appropriate units should increase from household growth within this age cohort.

75 Years and Older - A gain of 115 households is projected among seniors. Home ownership rates in this age group have been low in Brandon at 48% for younger seniors age 75 to 84 and approximately 40% for older seniors over the age of 85. Seniors in these age ranges often 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 Brandon have been formulated through the analysis of the information provided in the previous sections. The 2019 Brandon Housing Study includes 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 Brandon	
Rental Housing Development	
1.	Develop 70 to 90 market rate rental units
2.	Consider the development of 30 to 34 additional tax credit units
3.	Develop 16 to 20 additional subsidized rental housing units
4.	Monitor the need for additional senior housing with services units
5.	Develop 36 to 40 senior independent/light services market rate units
6.	Develop a mixed-use 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
9.	Monitor the need to develop a purchase/rehabilitation program
New Construction	
10.	Lot availability and development
11.	Promote townhouse and twin home development
12.	Strategies to encourage continued residential lot sales and new home construction in Brandon
13.	Coordinate with agencies/nonprofits that develop affordable housing

Findings and Recommendations for the City of Brandon	
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.	Create a plan and continue coordination among housing agencies
19.	Strategies for Downtown Redevelopment and Commercial Development
20.	Develop home ownership and new construction marketing programs

Brandon - Recommendations Rental Housing Development

Rental Housing Development

Overview

The City of Brandon has been successful in attracting new rental housing construction activity over the past 15 years, from 2005 to 2019. Many comparably-sized communities in South Dakota have had only limited rental housing development over the past two decades.

From 2005 to 2019, approximately 456 rental units have been constructed in Brandon. Of the total 456 rental units constructed since 2005, approximately 243 units are conventional market rate housing and 213 units are moderate rent tax credit units.

Brandon's share of multi-family rental project construction with three or more units for the entire Sioux Falls MSA from 2010 to 2018 is approximately 2%.

With the substantial rental housing construction in Brandon from 2010 to 2019, approximately 27% of all households in Brandon are renter households, compared to a Statewide rental tenure rate of approximately 32%. In 2010, 23.9% of the City's households were renter households.

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

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

Household projections for Brandon expect significant household growth, although a majority of this growth will result in demand for owner-occupied housing. From 2020 to 2025, it is projected that there will be a 400-household gain in Brandon. Approximately 28% of these households will be rental households, thus, there will be growth-generated demand for approximately 112 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 one to two rental units per year from 2020 to 2025. As a result, approximately five to 10 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 single family rental houses converting to owner-occupancy.

Pent-up demand also exists. As part of this study, a rental survey was conducted. There were 794 rental units that were contacted and surveyed. The survey found a 4.2% vacancy rate in general occupancy market rate units, a 5.7% vacancy rate in the moderate rent tax credit units, and a 5.3% vacancy rate in the City's subsidized projects. The senior with services projects reported only one vacancy in the 200 units/beds. Based on low rates of vacancy in certain segments, we identified pent-up demand for market rate units and senior with services units in Brandon.

These three demand generators, after factoring current vacancy rates, show a need for 152 to 184 rental units in Brandon over the next five years. Based on the factors stated above, we recommend the development of the following new rental units from 2020 to 2025.

- ▶ General Occupancy Market Rate 70-90 units
- ▶ Tax Credit 30-34 units
- ▶ Subsidized 16-20 units
- ▶ Senior (Independent/Light Services) 36-40 units
- Total 152-184 units

Excluding the senior units, the 116 to 144 general purpose rental units are projected to be 1.9% to 2.4% of the total rental units that will potentially be constructed in the Sioux Falls MSA from 2020 to 2025. This is consistent with past patterns as Brandon has probably accounted for approximately 2% of the MSA's rental production since 2010.

For the total of 152 to 184 additional rental units to be developed over the next five years, affordable land and infrastructure must be available for multi-family construction. Additionally, the City of Brandon must continue to develop amenities that make Brandon an attractive residential option for households.

1. Develop 70 to 90 general occupancy market rate rental units

Findings: Approximately 72% of the rental housing in the City of Brandon can be classified as general occupancy market rate housing. These units are free of any specific occupancy restrictions such as financial status, age, or student enrollment. Market rate housing does not have any form of rent controls, other than those imposed by the competitive marketplace.

The entire rental inventory in the City included approximately 1,007 total units in 2019. We believe that approximately 728 of these units are best described as market rate rental housing.

Of the 543 market rate rental units we surveyed, we found 23 vacancies for a vacancy rate of 4.2%, which is within the healthy market range of 3% to 5%. The rental property owners and managers generally reported high occupancy rates and good demand for market rate housing.

There is a wide variation in rental rates in the market rate segment in the City of Brandon. The prevailing gross rent range is \$530 to \$925 for a one-bedroom unit, \$800 to \$1,300 for a two-bedroom unit, \$900 to \$1,750 for a three-bedroom unit and \$1,450 to \$1,750 for a four-bedroom unit.

From 2005 to the present, approximately 243 market rate rental units have been constructed.

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 the production of 70 to 90 market rate rental units over the next five years from 2020 to 2025. This is an annual average of 14 to 18 units.

Based on our research, there is a need for all sizes of rental units, thus, the new units constructed over the next five years should be one, two and three-bedroom units. A significant number of three-bedroom market rate units have been constructed over the past several years. However, approximately 70% of the market rate units in Brandon are two-bedroom units.

Townhome style units or high quality apartment buildings are both options in addressing the need for market rate units. The projects, to be successful, should have 'state of the art' amenities. It may be advantageous for new units to be constructed in smaller project phases. This strategy allows the new units to be absorbed into the market. The market rate units constructed over the past several years have been primarily town house-style and twin home units that have been constructed in phases.

There are two market rate rental segments in Brandon. 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 continued 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 developers that have constructed or are constructing rental units in Brandon and may have an interest in continuing to develop rental housing in Brandon.

We recommend the development of 70 to 90 rental units over the next five years, with a unit mix and rent levels as follows:

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

<u>Unit Type</u>	<u>No. of Units</u>	<u>Size/Sq. Ft.</u>	<u>Rent</u>
One Bedroom	20-25	650 - 800	\$800 - \$1,100
Two Bedroom	30-40	850 - 1,050	\$1,000 - \$1,800
Three Bedroom	<u>20-25</u>	1,100 - 1,250	\$1,100 - \$1,900
Total	70-90		

Note: The recommended rents are gross rents including all utilities. The rents are quoted in 2019 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 the Housing Voucher Program and expand the number of households that could afford the proposed rents. In 2019, the rent limits that apply to the Voucher Program are:

- ▶ 1 bedroom - \$750
- ▶ 2 bedroom - \$910
- ▶ 3 bedroom - \$1,263
- ▶ 4 bedroom - \$1,458

2. Consider the development of 30 to 34 tax credit/moderate rent housing units

Findings: Brandon has 213 units in five projects. However, we are forecasting that there will be a need for more affordable/moderate rent units over the next five years. Federal low income housing tax credits are the most available development financing resource that is available for more affordable rental housing development. Over the past two decades, a number of affordable rental projects in the Sioux Falls MSA have utilized tax credits. No tax credit projects have been constructed in Brandon since 2011.

The five tax credit projects include:

- ▶ **Brandon Heights Apartments** is a 32-unit general occupancy project constructed in 2014. The project has six one-bedroom, 18 two-bedroom and eight three-bedroom units.
- ▶ **Brandon Heights II** is a 32-unit general occupancy project constructed in 2017. The project has six one-bedroom, 20 two-bedroom and six three-bedroom units.
- ▶ **Arrow Ridge Townhomes** is a 36-unit general occupancy project constructed in 2005. The project has 27 two-bedroom and nine three-bedroom units.
- ▶ **Redwood Court Apartments** is an 80-unit general occupancy project. There are 40 two-bedroom and 40 three-bedroom units.
- ▶ **Split Rock Apartments** is a 33-unit senior project constructed in 2005. All of the units have one-bedroom.

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 Housing Choice Voucher or some form of project-based rent assistance. A Housing Choice Voucher enables rental households to pay 30% to 40% of their income for rent.

Tax credit assistance has been widely used to construct new rental units in the Sioux Falls MSA. Tax credit units have also been constructed outside Sioux Falls, including projects in Brandon, Brandon, Tea, Harrisburg and Hartford.

Due in part to the ongoing production of tax credit housing in the Sioux Falls MSA, 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 in the MSA Cities excluding Sioux Falls was at 5.5%. Our 2019 rental survey found 12 vacant units in Brandon's tax credit projects, which is a 5.6% vacancy rate.

Most of the renter households currently residing in Brandon are in the moderate to lower income ranges. Although some of Brandon's renter households had a very low income, and could not afford a moderate rent unit without rent assistance, a significant percentage of all renters have an annual income between \$20,000 and \$45,000. These basic income ranges are typically targeted by tax credit projects.

The growth projections provided earlier expect the City to add as many as 112 renter households over the next five years. Over half of these households would potentially be income-qualified for a tax credit unit. However, this growth-generated demand will gradually be added over the five-year period. Additional demand would be generated from existing Brandon households and from households in the Sioux Falls MSA that would look to move into a newly constructed affordable unit.

Recommendation: We recommend the development of 30 to 34 tax credit units in Brandon during the next five years based on the following:

- ▶ The City of Brandon currently has 213 tax credit/moderate rent units. Although there were several vacancies at the time of the rental survey, the tax projects have been very successful in Brandon.
- ▶ Brandon is projected to add approximately 112 new renter households from 2019 to 2024. Past history indicates that most of these households will be in a moderate to lower income range.
- ▶ The median income for all renter households is approximately \$31,700. Approximately 50% of all renter households are 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 40% of the renter households in Brandon are paying more than 30% of their income for rent. A majority of these households are actually paying more than 35% of their income for rent.
- ▶ Brandon 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 30 to 34 tax credit/moderate units should include one, two and three-bedroom units. It should be noted that if a local developer received financial assistance such as tax increment financing, tax abatement and /or land at a reduced price, rental units could potentially be developed with lower rents that would serve a larger low/moderate household market.

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 20 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 households. 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 three Brandon rental projects that offer subsidized housing with rent based on income. The three projects include:

- ▶ **Timberwood Apartments** is an eight-unit general occupancy USDA Rural Development project. All of the units have two bedrooms.
- ▶ **Ridgewood Apartments and Townhomes** is a 14-unit general occupancy USDA Rural Development Project. There are eight two-bedroom and six three-bedroom units.
- ▶ **Autumn View I Apartments** is a 16-unit HUD Section 8 general occupancy project constructed in 1983. All of the units have one bedroom.

There had been another federally subsidized project in Brandon but its subsidy contract ended. Autumn View I with 16 units converted to conventional market rate housing. Even though this project now provides market rate housing, the rent structure still remains very low, with the one-bedroom rents at \$525 per month.

There are additional “deep subsidy” resources available to Brandon residents through the tenant-based Housing Choice Voucher Program, however, the Voucher Program has a long waiting list. The Vouchers allow tenants to pay 30% to 40% of income for housing in suitable private-market rental units. The Voucher Program for the MSA is administered by the Sioux Falls Housing and Redevelopment Commission. Some Brandon households were utilizing a Voucher in 2019.

Approximately 4.1% of the City of Brandon’s rental housing stock is in the subsidized category. While the percentage of subsidized housing is very small in Brandon, the City still does have a large inventory of income-based housing if the tax credit units and the deep subsidy units are combined. Overall, approximately 26% of the City’s total rental stock has some form of income limits and/or rent restrictions in place in 2019.

Despite the number of income-based rental options that exist, the 2017 American Community survey estimated that approximately 40% of all renters in the City were paying 30% or more of their income for rent. The large majority of these households were actually paying 35% or more of their income for housing. Most of the households with a severe rent burden had low annual incomes, and would be under the income limits for subsidized housing. Older adult households, age 65 and above, accounted for 47% of the households with a rental cost burden, and 53% of working-age households had a housing cost burden.

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 recommend that the City attempt to construct 16 to 20 units that achieve a rent level that would be affordable to very low income households earning less than \$20,000 per year in Brandon for many years.

This recommendation represents a modest goal, since substantially more low income households in the City have 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, one, two and three-bedroom units should be constructed to accommodate single and couple senior households as well general occupancy units for families and younger households.

Another important community strategy will be to prevent the future loss of the project-based subsidized housing. It may be appropriate for public or nonprofit housing agencies to become involved in attempts to preserve subsidized housing resources. In some cases, private developers have utilized housing tax credits for preservation and rehabilitation of older subsidized projects that were at risk of being lost.

Expanded promotion of Housing Choice Vouchers may also be appropriate. Although Vouchers are tenant-based, and may not remain in the City if the tenant moves, the Voucher can eliminate a severe rent burden by allowing the household to apply only 30% of income for gross rent. However, the Voucher Program has a 2 ½-year waiting list.

4. Monitor the need for additional specialized senior housing with services units

Findings: Senior housing that also provides some level of services for residents can exist in a wide range of different options. Under South Dakota law, the Department of Health is required to license the more service-intensive forms of senior housing, including Skilled Nursing Facilities and Assisted Living Centers. Lower-service forms of senior housing, referred to as Residential Living Centers by the State, are required to register with the Department of Health, but are not licensed and subject to the more stringent requirements, such as inspections, that apply to more service-intensive housing.

Brandon currently has four senior housing facilities with 200 units/beds. These facilities include:

- ▶ **Helping Hands Assisted Living** - Helping Hands Assisted Living is a 68-bed facility that provides the full array of assisted living services. The beds are in private and semi-private units.
- ▶ **Helping Hands Supervised Apartments** - Helping Hands Supervised Apartments is an independent living project. There are eight one-bedroom units. Tenants can live independently, but can purchase meals and services from Helping Hands Assisted Living as needed.

- ▶ **Bethany Home** - Bethany Home is a 58-bed skilled nursing home. Ten of the beds are designated for memory care. The nursing home is part of the Bethany campus that includes Bethany Meadows.
- ▶ **Bethany Meadows** - Bethany Meadows is licensed for 66 assisted living beds. The beds are in studio, one and two-bedroom units. Residents can move into the facility independently and obtain assisted living services as needed.

At the time of the research for this Study, there was only one vacant bed in the four facilities' units/beds. Staff reported a high demand for the units/beds.

In 2019, there were 503 older senior citizens, age 75 and above, that were living in Brandon. By the year 2024, the number of Brandon seniors over the age of 75, is projected to increase to 714, an increase of approximately 211 seniors. After the year 2024, the number of seniors over the age of 75 in Brandon, will continue to increase substantially.

With 200 senior with services units/beds, many of the residents in the City's four senior with services facilities have come from outside the City, including older seniors that had previously lived in Sioux Falls and surrounding communities.

Recommendation: The City has a large supply of specialized senior housing, in comparison to the local population of older senior citizens in Brandon. Like other forms of housing, Brandon can be impacted by demand that is created in the large Sioux Falls MSA.

Although the existing Brandon senior with services facilities can accommodate the City's senior population, the facilities have shown that they can attract seniors from the surrounding area. We are not making any specific senior assisted living or memory care recommendations. A developer or an existing senior with services provider planning a specific project should have a project-specific study conducted. It is very possible that a developer may propose additional senior assisted living or memory care units in Brandon in the future. It is not the intent of Community Partners Research, Inc., to discourage future projects.

We do, however, in the following recommendation, recommend the development of senior independent/light services units in Brandon.

5. Develop 36 to 40 senior independent/light services market rate units

Findings: There is a limited supply of senior independent/light services market rate rental units in Brandon. Helping Hands Supervised Apartments has eight one-bedroom units and seniors can live in Bethany Meadows and purchase services only as needed.

In 2019, there were approximately 1,014 households age 65 or older in Brandon. It is projected that there will be an additional 212 households age 65 and older in Brandon by the year 2024.

We are estimating that 3.5% to 4.0% of senior households age 65 and older in Brandon would move into a senior independent/light services rental project. Also, the project will attract tenants from the area surrounding Brandon and other Sioux Falls MSA jurisdictions.

Recommendation: We are recommending a 36 to 40-unit independent/light services senior project in Brandon. The project should be designed to allow seniors to live in a unit independently. The senior project could be a one-level apartment building, town home-style units or villa/patio home 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

Unit features should include:

- ▶ 36 to 40 units
 - ▶ 7 to 8 one-bedroom
 - ▶ 22 to 24 two-bedroom
 - ▶ 7 to 8 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
- ▶ Enclosed parking

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 to three additional units will be rented each following month for an absorption period of approximately 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.

6. Develop a Mixed-Use Commercial/Housing Project

Findings: New mixed-use projects have been developed in several cities comparable to the size of Brandon. 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 downtown redevelopment.

The City of Brandon has three active commercial areas. A mixed-use rental housing/commercial project could complement the City's ongoing efforts to maintain vibrant commercial areas.

Recommendation: We recommend the development of a mixed-use building in one of Brandon's commercial areas. There are several potential sites in each area for a mixed-use project.

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. Also, 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 commercial areas.

The rental units should be primarily market rate units, but could be mixed income with some moderate income units. The units should be primarily 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 or other local funds and land at a reduced price.

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.

Currently, approximately 40% of Brandon households are paying more than 30% of their income for rent.

The Housing Choice Voucher Program is administered in Brandon by the Sioux Falls Housing and Redevelopment Commission. In October 2019, there were several renter households receiving voucher assistance in Brandon. The waiting list for the Voucher Program is approximately 2 ½ 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.

Brandon - Home Ownership Recommendations

Home Ownership Recommendations

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

The median owner-occupied home value of existing homes in Brandon based on 2018 sales is estimated to be \$229,000. With approximately 50% of the homes in Brandon valued less than \$229,000, Brandon has a limited market for first-time home buyers and households seeking moderately priced homes.

Our analysis of Brandon demographic trends shows projected strong population growth from 2019 to 2024 in the 55 and older age ranges with a gain of approximately 219 households. While most households in these age ranges already own their housing, this group represents a strong potential market for 'trade-up' housing. Increasingly, the older age ranges within this group look for lower maintenance housing options, such as twin homes or town house developments.

The number of Brandon households in the 25 to 54 age ranges is expected to increase by 186 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.

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 Brandon 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. Brandon has a limited 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 low mortgage rates, 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 Brandon and local financial institutions should continue to work with regional housing agencies and the South Dakota Housing Development Authority 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, and the Federal Home Loan Bank. Also, the South Eastern Development Foundation and Grow South Dakota utilize several funding sources to provide home ownership programs.

9. Monitor the need to develop a Purchase/Rehabilitation Program

Findings: Brandon has a limited stock of older, lower valued homes, some of which need repairs. Our analysis of recent sales activity indicates that a very limited number of the homes in Brandon are valued at less than \$100,000. As some lower valued homes come up for sale, they may not be attractive options for potential home buyers because of the amount of repair work that is required.

Some communities with a stock of older homes that need rehabilitation have developed a purchase/rehabilitation program. Under a purchase/rehabilitation program, the City or a housing agency purchases an existing home that needs rehabilitation, rehabilitates the home, sells the home to a low/moderate income family and provides a mortgage with no down payment, no interest and a monthly payment that is affordable for the family.

In some cases, the cost of acquisition and rehab will exceed the house's after-rehab value, thus, a subsidy is needed. Although a public subsidy may be involved, the cost to rehab and sell an existing housing unit is generally lower than the subsidy required to provide an equally affordable unit through new construction.

Recommendation: With the limited number of older substandard homes in Brandon, we are not recommending the development of a purchase/rehab program at this time. Attitudinal surveys that we have conducted in other cities have found that purchase/rehabilitation programs are appealing to people who are currently renting their housing. In some similar sized communities, a large majority of survey respondents who were renters indicated an interest in buying a home in need of repair if rehabilitation assistance was available.

Although we are not recommending the development and implementation of a purchase/rehabilitation program, we encourage households to work with area housing agencies and financial institutions to obtain rehabilitation assistance in conjunction with first-time home buyer programs. Also, USDA Rural Development provides purchase/rehabilitation loans to low and moderate income buyers. Additionally, the private sector is addressing this housing need.

Brandon - New Housing Construction

New Housing Construction

Findings: The City of Brandon has experienced significant single family owner-occupied housing construction. Based on city records, from 2005 through August 2019, 808 units in single family structures and twin homes have been constructed in the City of Brandon, which is an average of approximately 54 housing units per year. Over the past five years, from 2014 to 2018, an average of 49 single family owner-occupancy units has been constructed annually. In 2019, through August, 21 owner-occupied single family units were constructed. Please note that some of the twin homes constructed from 2014 to 2018 are renter-occupied. We have estimated the number of twin homes that are owner-occupied.

The attractiveness of the area, the City’s amenities, job creation, available lots and its proximity to Sioux Falls should result in the continued construction of new homes annually. However, there must continue to be attractive residential lot options available for new home construction.

Overall household projections for Brandon indicate good demand for owner-occupied housing construction. Brandon is projected to gain 219 households in the 55 and older 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 gain 186 households through 2024. Many of the households in these age ranges are first time home buyers, trade-up buyers or new home builders.

It is our opinion that if the City, local housing agencies and developers are proactive, 50 to 60 owner-occupied housing units should be constructed in Brandon 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 50 to 60 new owner-occupied housing units annually over the next five years is as follows:

▶ Higher & medium priced homes	23-28 homes
▶ Affordable homes	14-16 homes
▶ Homes on infill lots	1-2 homes
▶ Twin homes/town homes	<u>12-14 units</u>
Total	50-60 homes/units

In the past five years, Brandon's market share of the new single family construction in the Sioux Falls MSA has been approximately 3.9%. To achieve the recommendation above, the City would need to capture between 4.0% and 4.8% of all projected single family housing construction in the Sioux Falls 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 Brandon. Currently, there are six active residential subdivisions in Brandon.

There are six residential subdivisions that currently have buildable lots for sale or who are developing residential lots that will be available prior to the next construction season.

The six subdivisions include:

- ▶ Tall Grass Addition
- ▶ Stone Ridge Estates
- ▶ Two Rivers Crossing
- ▶ Aspen Harbor
- ▶ Bluffs of Brandon
- ▶ Sunrise Estates

The six subdivisions have approximately 100 residential lots for sale that are immediately available or will be available by the next construction season for new housing development. The subdivisions include lots for single family housing and twin home/town home development. Some subdivisions also have approved preliminary plans for the future development of residential lots and there is additional land available in Brandon for future development.

There are also a limited number of 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.

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 50 to 60 new owner-occupied housing units will be constructed per year, the City should have approximately 125 to 150 residential lots available to meet the expected demand. Part of this demand would be for attached unit construction.

The City currently has an adequate number of lots to meet near-term construction demand. However, if the estimate of 50 to 60 new housing units per year comes to fruition there will be a need to continue lot development on an ongoing basis. There are approximately 100 lots that are currently available. There are also additional lots that have preliminary approval for development as land is available for future development. Developers have shown the ability to create lots in a timely manner as dictated by demand.

It is our opinion that the existing subdivisions and future development will accommodate the homes that will be constructed in Brandon 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 planning 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 homes in a variety of price ranges.

It appears that there could potentially be a future shortage of lots for lower priced housing options such as modular homes and governor's homes. Also, lots should continue to be available for owner-occupied twin homes and town homes. The City and developers should assure that lots continue to be available for these housing options.

11. Promote townhouse and twin home development

Findings: Brandon has experienced owner-occupied attached housing development. Many communities have seen attached housing take an increasingly large share of new owner-occupied housing construction. In cities the size of Brandon, 20% to 25% of the housing starts are typically twin homes/townhomes. Over the past five years from 2014 to 2018, approximately 17% of the owner-occupied housing units constructed in Brandon have been 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 in the 55 and older age ranges there were 1,677 households in Brandon in 2019. These age ranges are projected to increase by 219 households from 2019 to 2024. The Sioux Falls MSA is 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. There are also young families seeking affordable twin homes/town homes.

Recommendation: It is our projection that approximately 12 to 14 twin homes or town houses should be constructed annually, which is a total of 60 to 70 units during the five-year period. This is approximately 23% to 24% of the total projected single family owner occupied housing construction in Brandon over the next five years.

Several Brandon subdivisions have existing lots or lots in the planning phase for twin home/town home development.

For a twin home/town home development to be successful, the following should be considered:

- ▶ Senior and family 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.

12. Strategies to encourage continued residential lot sales and new home construction in Brandon

Findings: Over the past five years, Brandon has averaged 49 new single family housing units annually. To continue new single family housing construction at its current rate and to potentially increase new construction, we recommend several strategies.

Recommendation: We recommend that the City of Brandon, the Brandon Development Foundation, 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 are a substantial number of housing units constructed annually in the City. There is currently an adequate number of developers, builders, 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 many lots available in communities throughout the region. To continue to attract new home construction in Brandon, 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 Brandon and Brandon 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 a 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 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.
- ▶ ***Marketing*** - The City of Brandon, the Brandon Development Foundation and the Brandon Chamber of Commerce will need to continue 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 Brandon and its amenities should be marketed.
- ▶ ***Continue to develop an exclusive builder(s) relationship*** - Momentum can be created when a builder has access to several lots. This allows for marketing opportunities and efficiencies in the home building process. The subdivision owners, however, should assure that the builder is obligated to construct a minimum number of homes within a defined time period. Builders are more willing to enter a market when the lots are attractive and affordable.
- ▶ ***Covenants*** - Some of the subdivisions in Brandon 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 governor's 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 Brandon 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 governor's homes can provide affordable opportunities for moderate income households.

13. Coordinate with agencies/nonprofits that develop affordable housing

Findings: With the difficulty of producing new housing units that are affordable to moderate income households, 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 could work with a Brandon group to construct homes in the City. Other local and regional housing agencies and nonprofits may also have the capacity to construct affordable housing in Brandon. These sources can help generate new homes for moderate income families in Brandon.

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

Brandon - Housing Rehabilitation

Housing Rehabilitation

Findings: Brandon 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 data, the City of Brandon had approximately 1,007 rental units in 2019. These rental units are in large multi-family projects, small rental buildings, duplexes and single family homes. Approximately 20% of the rental units in Brandon are more than 30 years old and some of these rental units need improvements.

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: Brandon 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 the existing housing stock in Brandon will continue to be the major 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.

Although a high percentage of the City of Brandon's owner-occupied homes are newer homes, 12% of the City's owner-occupied housing stock is more than 40 years old. Some of these homes need rehabilitation.

Also, in 2019, Community Partners Research, Inc., conducted a housing condition survey and rated 463 single family homes in the City's oldest neighborhoods. The survey found that 168 homes need minor repairs and only 11 homes need major repairs. Without rehabilitation assistance, there is the potential that the affordable housing stock will shrink in Brandon.

Inter-Lakes Community Action Partnership currently has several housing programs to assist area households with the rehabilitation of their homes, including the Weatherization Program, the Self Help Rehabilitation Program and programs utilizing Home and funds.

Recommendation: We recommend that Brandon 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 potential funding sources. Brandon should coordinate with the Inter-Lake's Community Action Partnership to assure Brandon households have access to housing rehabilitation funds.

Brandon - Other Housing Initiatives

16. Encourage employer involvement in housing

Findings: The City of Brandon 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 Brandon's housing needs. Several funding sources have finance programs that include employers. Additionally, the funding agencies often view funding applications favorably that include employers in the problem solving process.

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

17. Acquire and demolish dilapidated structures

Findings: The 2019 housing condition survey of the City's oldest neighborhood identified only one home that is dilapidated and too deteriorated to rehabilitate. The survey did also identify 11 homes as needing major repair. Several of these homes may be too dilapidated to rehabilitate upon a more detailed inspection. Also, there may be homes in other Brandon neighborhoods that may be dilapidated and beyond repair.

Recommendation: We recommend that Brandon demolish severely dilapidated structures. The City is enhanced when blighted and dilapidated structures are removed. Also, cleared lots can possibly be utilized for the construction of new affordable housing units.

We also recommend that the City of Brandon 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. Create a plan and continue coordination among housing agencies

Findings: Brandon may need staff resources in addition to city staff to plan and implement many of the housing recommendations advanced in this Study. Brandon 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 Sioux Falls Housing and Redevelopment Commission, USDA Rural Development, the South Dakota Housing Development Authority and Dakota Resources. These agencies all have experience with housing and community development programs.

Recommendation: Brandon 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 a plan to comprehensively address the City's housing needs. The plan should include strategies, time lines and the responsibilities of each agency. While there has traditionally been a degree of staff interaction between these agencies, it will be important that a coordinated approach be used to prioritize and assign responsibility for housing 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 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 Brandon’s downtown has buildings that have been renovated and have high quality commercial space. There are also buildings that have not been maintained and are substandard. This recommendation provides an outline of actions that could be taken to continue to redevelop the downtown, to maximize the usage of downtown buildings and to promote new downtown businesses.

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

In addition to the City’s downtown, Brandon 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 downtown Brandon:

- ▶ Interview downtown property owners to develop a database and to determine their future plans (expanding, selling, renovations, etc.)
- ▶ Develop an overall plan for the downtown (potential new businesses, address parking needs, develop an overall theme, art and cultural opportunities, etc.)
- ▶ Develop a mini-plan for each downtown property. This may include:
 - ▶ Commercial building rehab and renovations
 - ▶ Facade work
 - ▶ Building demolition
 - ▶ New construction
 - ▶ Recruiting new businesses

- ▶ Identify funding sources
 - ▶ Property owner funds
 - ▶ City of Brandon
 - ▶ Federal Home Loan Bank
 - ▶ Special tax districts
 - ▶ Tax increment financing
 - ▶ Tax abatement
 - ▶ Funds from South Dakota State Agencies
 - ▶ Brandon Development Foundation

- ▶ Work with stakeholders to identify roles, secure funding, develop and implement programs and projects
 - ▶ Property owners
 - ▶ City of Brandon
 - ▶ Brandon Development Foundation
 - ▶ South Eastern Council of Governments

The City of Brandon and the Brandon Development Foundation 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. Develop home ownership and new construction marketing programs

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 Brandon, the Brandon Development Foundation, the Brandon Chamber of Commerce and private developers have all been active in promoting and marketing housing and we recommend the initiation and/or continuation of the following:

- ▶ Determine 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 (Brandon and the Sioux Falls MSA) to provide employees (especially new employees) with housing opportunities in Brandon
- ▶ 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 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:

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) 274-6280
Contact: Rocky Welker, Director

Sioux Falls Housing and Redevelopment Commission

630 South Minnesota Avenue
Sioux Falls, SD 57117
(605) 332-0704
Contact: Karl Fulmer, Executive Director

South Dakota Housing Development Authority

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