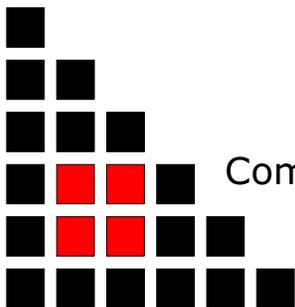# HOUSING STUDY

August 2022

An analysis of the overall housing needs of
the City of Box Elder

Community Partners Research, Inc.
Faribault, MN

List of Sections

Introduction

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 Box Elder 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 hired by the City of Box Elder to conduct a study of the housing needs and conditions in the community.

Goals

The multiple goals of the study include:

▸ Provide updated demographic data including the 2020 Census
▸ 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 April to August, 2022. Data sources included:

- U.S. Census Bureau
- American Community Survey
- Applied Geographic Solutions, a private data company
- Esri, a private data company
- Records and data from the City
- Records and data maintained by Pennington and Meade Counties
- Interviews with City officials, community leaders, housing stakeholders, etc.
- Area housing agencies
- State and Federal housing agencies
- Rental property owner surveys

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.

During the course of the research for this project, a global pandemic was still underway, which has had widespread impacts, including on economic, housing and educational conditions. The longer-term impacts of the pandemic cannot be predicted, and the analysts have proceeded with the best information available at the time of the research.

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Demographic Data Overview

Sources of Data

The following pages contain demographic data obtained from a variety of local, state and national sources for the City of Box Elder. While most of the City is in Pennington County, a portion of the community is also in Meade County, and for some demographic statistics, information is provided for the Rapid City Metropolitan Statistical Area (MSA) which includes both Pennington and Meade Counties.

At the time that research was completed for this Study, the Census Bureau had released initial information from the 2020 decennial Census. However, some of the more detailed tables on demographic and housing characteristics are not scheduled for release until 2023.

The global pandemic had not only impacted the Census release schedule, but it also affected the data collection in 2020. As a result, there are some questions about the accuracy of 2020 Census data, but in the opinion of the analysts it still represents the best demographic information available.

With the absence of some data from the 2020 Census, this Study has proceeded with the best available estimates from secondary sources, including the Census Bureau's American Community Survey, an annual sampling of households. However, because the American Survey is an estimate, based on sampling data, there is a margin of error that exists for each estimate.

The American Community Survey estimates have an effective date in 2020. The estimates were derived from five-year sampling, obtained between 2016 and 2020.

This Study has also utilized demographic estimates and projections that have been generated by private data providers. The South Dakota Governor's Office of Economic Development contracts with Applied Geographic Solutions (AGS) to provide community profiles for each city in the State.

Prior to using AGS, the State had used Esri, Inc., for community profiles. The analysts have also utilized estimates and projections from Esri. Both of these private data reporting services are widely used by financial and government entities.

Population Data and Trends

Table 1 Population Trends - 1990 to 2020						
	1990 Census	2000 Census	% Change 1990-2000	2010 Census	% Change 2000-2010	2020 Census
Box Elder	2,680	2,841	6.0%	7,800	174.6%	11,746
Pennington Co.	103,221	112,818	9.3%	126,382	12.0%	139,074

Source: U.S. Census

▸   The release of population totals from the 2020 U.S. Census has established a new benchmark for the number of people residing in each jurisdiction. The Census total had an effective date of April 1, 2020.

▸   In 2020, the population for the City of Box Elder was 11,746 people. When compared back to the 2010 Census, the City had added 3,946 permanent residents, for a population increase of 50.6%.

▸   As will be discussed in greater detail later in this document, a significant share of the City's increased population after 2010 may have been due to a change in status for Ellsworth Air Force Base housing, which was transferred to private ownership. When transferred, the residents of this existing housing became part of the City of Box Elder for Census purposes. While the exact number of people involved in this transfer is not known, it may have been as high as 2,000 residents added in Box Elder in the early 2010s.

▸   Box Elder had also grown at an extremely rapid rate between 2000 and 2010, adding 4,959 people. Once again, part of this growth was due to boundary changes, as the Meade County portion of Box Elder was added during that decade. There was a corresponding population decrease in the Belle Fourche-Cheyenne Valleys Unorganized Territory during that decade, indicating that a shift in jurisdictional borders caused a shift in population.

▸   In 2020, the population level for the Rapid City MSA was 139,074 people, up by 12,692 people from 2010, for an increase of 9.2%. The recent population growth for the MSA is the continuation of a long-term pattern, as the MSA grew by 9.3% in the 1990s, 12% between 2000 and 2010, and then 9.2% from 2010 to 2020.

‣ There are recent population estimates available. Applied Geographic Solutions has produced estimates for 2021 which were issued prior to the release of any 2020 Census data and will not be revised to incorporate the new 2020 benchmark data until sometime later in 2022. Estimates for 2022 are available from Esri which were produced after the release of 2020 Census data, and should incorporate this new benchmark.

‣ Applied Geographic Solutions (AGS), estimates that the City of Box Elder had 11,352 permanent residents in 2021. This estimate was well below the 2020 Census count of 11,746 people. Although there is a one-year difference in the effective dates, it is doubtful that the City actually lost population between 2020 and 2021, and the AGS estimate is too low.

‣ The other recent estimate for Box Elder was obtained from Esri. This has an effective date of 2022 and shows the City with 12,265 residents. This was higher than the 2020 Census count of 11,746 people, but is two years forward from the Census.

‣ The AGS estimate for 2021 for the MSA showed 139,718 residents. When adjusted for the one-year time difference in effective dates, this estimate appeared to be very accurate.

‣ The Esri estimate for the MSA showed 141,736 people in 2022. When compared to the 2020 Census, this estimate shows that the MSA has added 2,662 people in the past two years. While growth of this level is possible, the Esri estimate may overstate growth after 2020.

Population by Race/Ethnicity

‣ Box Elder's population is primarily White and non-Hispanic/Latino. At the time of the 2020 Census, nearly 74% of the City's residents were identified White for race. The next largest racial group was "two or more races", which represented more than 11% of the City's residents. Native Americans represented approximately 7.4% of Box Elder's population.

‣ Approximately 7.7% of Box Elder's residents were of Hispanic/Latino ethnic origin according to the 2020 Census.

Group Quarters

▸   According to the Census Bureau, "Group quarters are defined as places where people live or stay in a group living arrangement that is owned or managed by an organization providing housing and/or services for the residents. Group quarters include such places as college residence halls, residential treatment centers, skilled nursing facilities, group homes, military barracks, prisons and worker dormitories.

▸   In 2020, there were 343 people in Box Elder living in group quarters housing. All of these residents were in the Meade County portion of the City and were living in military quarters.

▸   Ellsworth Air Force Base does provide a dormitory option for single personnel. According to the Base, there are dormitory options for up to 886 people. Typical occupancy would be from 80% to 85%, or approximately 700 to 750 people. Based on the 2020 Census, it appears that this housing option is split between Box Elder and Belle Fourche-Cheyenne Valleys UT, which both have military group quarters residents.

▸   In addition to the 343 Box Elder residents identified in military quarters there were 411 military quarters residents reported in Belle Fourche-Cheyenne Valleys UT in 2020. Combined, these two totals would equal 754 people, or approximately 85% of the dormitory capacity.

MSA Population by Age Trends: 2010 to 2022

Esri provides age-based population estimates. These estimates for 2022 have been compared to the 2010 Census examine the changing age patterns over time. Information is presented for the entire Rapid City MSA.

Table 2 MSA Population by Age - 2010 to 2022			
Age	2010 Census	2022 Esri	Change
0-9	18,047	18,502	455
10-19	16,500	17,734	1,234
20-24	8,968	9,674	706
25-34	17,292	19,192	1,900
35-44	14,586	17,527	2,941
45-54	18,525	15,404	-3,121
55-64	15,809	18,407	2,598
65-74	8,818	14,757	5,939
75-84	5,603	7,497	1,894
85+	2,234	3,042	808
Total	126,382	141,736	15,354

Source: U.S. Census; Esri

MSA Age Distribution: 2010 to 2022
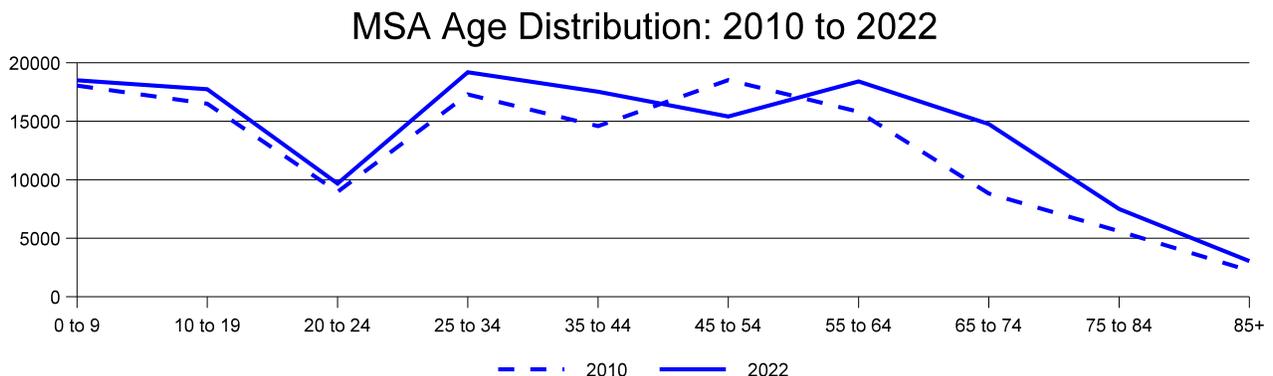
▸ Between 2010 and 2022 there was substantial population growth in the MSA. As a result, all but one of the defined age ranges increased in size over this time period.

▸   Based on the Esri estimates, the largest numeric population increase
      occurred within the 10-year age range between 65 and 74 years old. This
      senior age group added more than 5,900 people from 2010 to 2022.

▸   All of the senior and near-senior age ranges increased in size. If the age
      groups 55 and older are combined, the MSA added 11,239 people.

▸   There was also growth among children and young adults, age 19 and
      younger. Combined, these younger age groups added nearly 1,700
      people.

▸   Solid growth occurred in the younger adult age ranges, especially among
      households age 25 to 44 years old. This 20-year range added more than
      4,800 people from 2010 to 2022.

▸   The only age range estimated to have decreased in size was the 45 to 54
      year old range. This was the age cohort immediately trailing the large
      baby boom generation. As the baby boomers advanced through the
      aging cycle they were not replaced by the small group that followed.

Population Projections from AGS/Esri

Population projections are available from both Applied Geographic Solutions and Esri. The AGS projections span the 5-year time period from 2021 to 2026, while the Esri projections are for the 5-year time period between 2022 and 2027. The 2020 Census totals have also been provided for comparison.

Table 3 Population Projections Through 2026/27				
	2020 Census	2021/22 Estimate	2026/27 Projection	Change
Box Elder - AGS	11,746	11,352	13,006	1,654
Box Elder - Esri	11,746	12,265	12,861	596
Rapid City MSA - AGS	139,074	139,718	148,863	9,145
Rapid City MSA - Esri	139,074	141,736	146,150	4,414

Source: U.S. Census; AGS; Esri

‣   Applied Geographic Solutions underestimated the 2021 population level for Box Elder, when compared to the 2020 Census count. However, going forward, this source expects very large-scale growth in the City, with the projected addition of 1,654 people between 2021 and 2026, or an annual average of nearly 331 people per year. While future growth at this level is possible, it would be significantly greater than in the past.

‣   The Esri estimates for 2022 and projections for 2027 were created after the release of the 2020 Census and reflect this new benchmark. Going forward, Esri projects that the City will add nearly 600 residents, or an annual average of approximately 120 people per year.

‣   AGS appears to have had a relatively accurate estimate for the MSA's population level in 2021. Over the 5-year projection period this source expects the MSA to add 9,145 people, or an annual average of 1,829 people per year. While future growth at this level is possible, it would be significantly greater than in the past. Between 2010 and 2020 the MSA averaged approximately 1,270 new residents per year.

‣   Esri's projection to 2027 expects the MSA to add 4,414 people, or an annual average of 883 people per year. Based on recent patterns, this level of projected growth is probably too conservative.

▸   It is important to acknowledge that the adjoining Ellsworth Air Force is Base is planned for a new mission. The Environmental Impact Statement for the project expects a 30% increase Air Force personnel by 2024 to 2026. This could result in an increase of approximately 3,150 Air Force personnel including their families. It is possible that this prediction could be conservative based on other available data related to the project. The data sources cited above would not have included this information in their growth projections for the City or the MSA.

▸   Box Elder would be directly impacted by this future Base expansion. However, other MSA jurisdictions, including Rapid City, will also add population as a result of personnel growth at Ellsworth.

Household Data and Trends

Table 4 Household Trends - 1990 to 2020						
	1990 Census	2000 Census	% Change 1990-2000	2010 Census	% Change 2000-2010	2020 Census
Box Elder	936	993	6.1%	2,443	146.0%	4,123
Rapid City MSA	37,637	43,446	15.4%	51,154	17.7%	56,274

Source: U.S. Census

‣ According to the 2020 Census, Box Elder had 4,123 permanent resident households in 2020, up by 1,680 households, or 68.8% from 2010.

‣ As stated in the population analysis, Box Elder has grown very rapidly since the year 2000, adding 1,450 households between 2000 and 2010, followed by 1,680 households between 2010 and 2020.

‣ It is important to note that a large number of households were added to the City of Box Elder in approximately 2011 or 2012, due to a change in ownership of housing on Ellsworth Air Force Base. There were as many as 833 housing units that were transferred and 780 housing units are still in use in 2022. Most of these units are now part of the Antelope Ridge housing complex. When transferred, these housing units and their occupants were added to the City of Box Elder for Census purposes.

‣ It is also known that some of the growth from 2000 to 2010 was the result of boundary changes, as part of the Belle Fourche-Cheyenne Valleys Unorganized Territory was annexed into the City.

‣ The Rapid City MSA had 56,274 households in 2020, up by 5,120 households from 2010. However, much of this would be directly attributable to growth in Rapid City, which added 2,742 households. If Rapid City is removed, the remaining jurisdictions in Pennington and Meade Counties had a combined increase of 2,378 permanent resident households over the prior decade.

‣ Household estimates are also available from Applied Geographic Solutions for 2021 and from Esri for 2022. The AGS estimates were released prior to the 2020 Census results while Esri's most recent information would have had access to 2020 Census data.

‣ According to AGS there were 3,781 households in Box Elder in 2021. This estimate was well below the Census count of 4,123 households in 2020, and appears to have under estimated the number of resident households in the City.

‣ Esri estimates that there are 4,288 households in Box Elder in 2022, up from 4,123 households counted in the 2020 Census. With two years of additional growth, this estimate is viewed as very accurate.

‣ According to AGS there were 56,418 households in the Rapid City MSA in 2021. This was above the Census count of 56,274 households, and when adjusted for a one-year time difference in effective dates, appears to be slightly low.

‣ Esri estimates that there are 57,447 households in the Rapid City MSA in 2022. This was above the Census count of 56,274 households, but when adjusted for a two-year time difference in effective dates, this estimate may be accurate.

Box Elder Household by Age Trends: 2010 to 2022

Esri provides age-based household estimates for the year 2022 which can be compared to the 2010 Census to track aging patterns. This is for the Box Elder.

Table 5 Box Elder Households by Age - 2010 to 2022			
Age	2010	2022	Change
15-24	440	395	−45
25-34	772	1,171	399
35-44	482	856	374
45-54	384	635	251
55-64	223	640	417
65-74	107	390	283
75+	35	201	166
Total	2,443	4,288	1,845

Source: U.S. Census; Esri

Box Elder Households by Age of Householder: 2010 to 2022
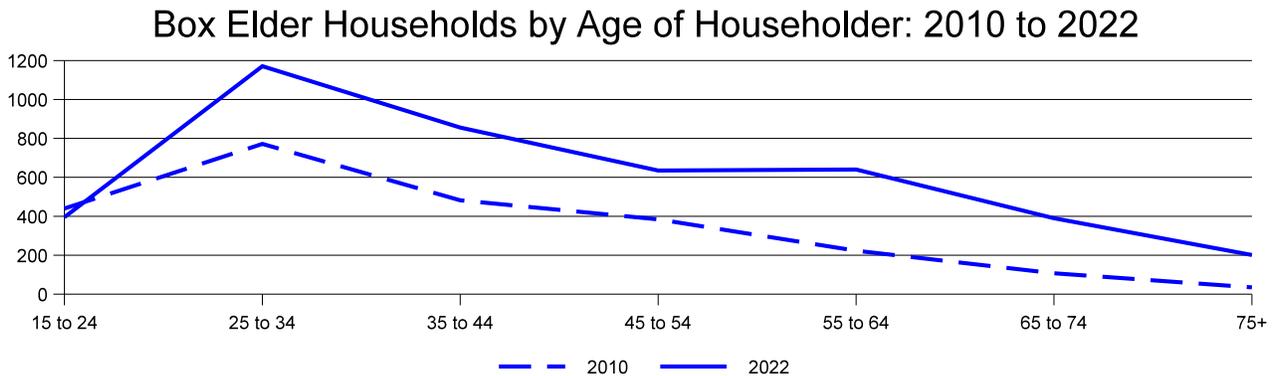
▸   Between 2010 and 2022 the City added 1,845 households, resulting in growth within all but one of the defined age ranges.

▸   Based on Esri's estimates, the largest numeric gain occurred in the age range between 55 and 64 years old, as the City added 417 households in this near-senior age group.

▸   The second largest increase occurred among younger households in the 25 to 34 year old group, which added 399 households.

▸ The only age range that was estimated to decrease in size was young adults age 24 and younger. Between 2010 and 2022, this group had a decrease of 45 households.

▸ If aggregated into larger groupings, Box Elder added 979 households age 54 and younger and 866 households age 55 and older, according to Esri.

MSA Household by Age Trends: 2010 to 2022

Esri provides age-based household estimates for the year 2022 which can be compared to the 2010 Census to track aging patterns. This is for the entire Rapid City MSA.

Table 6 MSA Households by Age - 2010 to 2022			
Age	2010	2022	Change
15-24	3,375	3,301	−74
25-34	8,772	9,475	703
35-44	7,966	9,479	1,513
45-54	10,678	8,619	-2,059
55-64	9,448	10,771	1,323
65-74	5,553	8,988	3,435
75+	5,362	6,814	1,452
Total	51,154	57,447	6,293

Source: U.S. Census; Esri

MSA Households by Age of Householder: 2010 to 2022
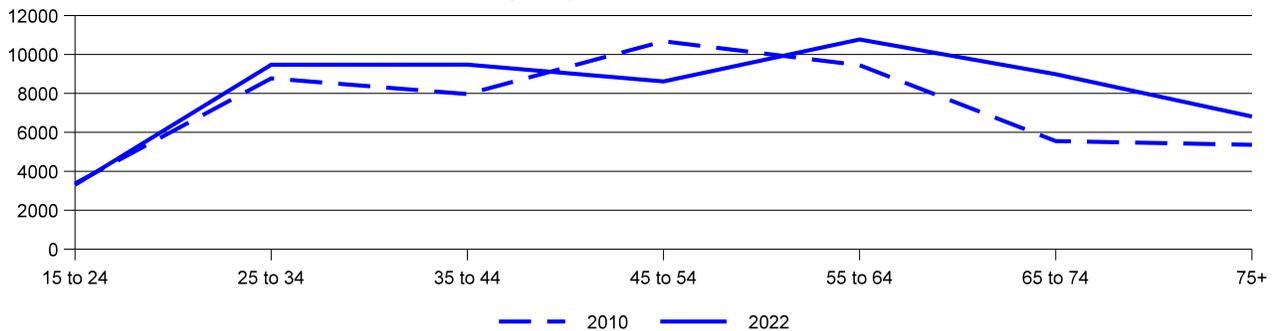
▸ Between 2010 and 2022 the MSA added nearly 6,300 households, resulting in growth within most of the defined age ranges.

▸ Based on Esri's estimates, the largest numeric gain occurred in the age range between 65 and 74 years old, as the MSA added 3,435 households in this younger senior age group.

▸ According to Esri, all of the age ranges 55 and older added a substantial number of households. Combined, the MSA added an estimated 6,210 households age 55 and older.

▸ Strong growth also occurred within the 35 to 44 year old age range, with the estimated addition of 1,513 households between 2010 and 2022. The younger adult age group 25 to 34 years old also added more than 700 households.

▸ Esri's estimates do show a significant reduction of households in the 45 to 54 year old range, as the demographic cohort trailing behind the baby boom generation was much smaller in size and did not replace the aging baby boomers. According to Esri, there were 2,059 fewer households in this age group in 2022 than had been present in 2010.

▸ If all of the age ranges 54 and younger are combined, the Esri estimates show a net gain of only 83 households in the MSA between 2010 and 2022.
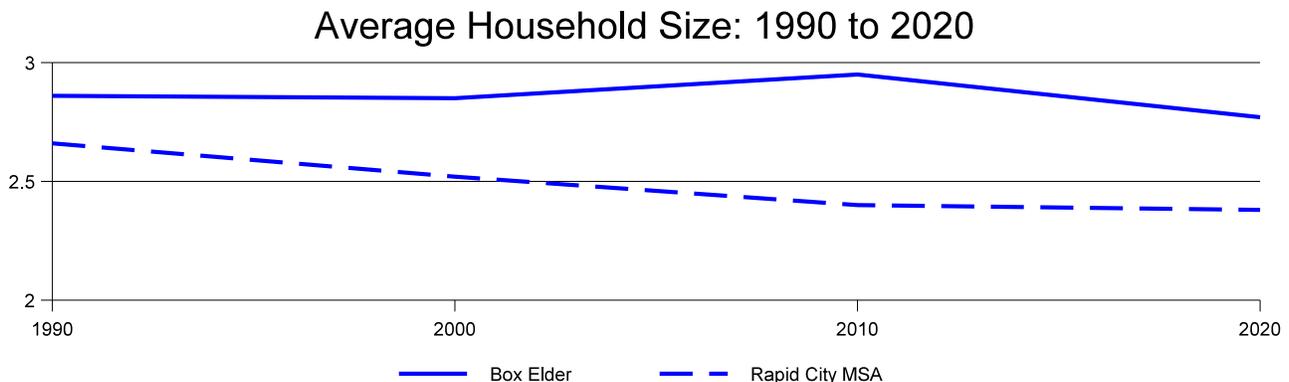
Average Household Size

The following table provides decennial Census information on average household size.

Table 8 Average Number of Persons Per Household: 1990 to 2020				
	1990 Census	2000 Census	2010 Census	2020 Census
Box Elder	2.86	2.85	2.95	2.77
Rapid City MSA	2.66	2.52	2.40	2.38
South Dakota	2.59	2.50	2.42	2.44

Source: U.S. Census

▸ Household formation has often 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 2020

▸ Although the average household size in Box Elder is smaller in 2020 than it had been in prior decades, the average size is still large by comparative standards, at 2.77 persons per household. Throughout the time period reviewed, the average household in the City has been much larger than the remainder of the Rapid City MSA.

▸ The average household size for the entire MSA has been gradually growing smaller in recent decades, and was at 2.38 persons in 2020.

Household Projections from AGS/Esri

Household projections are available to the year 2026 from Applied Geographic Solutions and to 2027 from Esri. The 2010 Census count has been provided for comparison.

Table 9 Household Projections Through 2026/27				
	2020 Census	2021/22 Estimate	2026/27 Projection	Change
Box Elder - AGS	4,123	3,781	4,483	702
Box Elder - Esri	4,123	4,288	4,499	211
Rapid City MSA - AGS	56,274	56,537	61,406	4,869
Rapid City MSA - Esri	56,274	57,447	59,405	1,958

Source: U.S. Census; AGS; Esri

▸   Applied Geographic Solutions underestimated the 2021 household level for Box Elder, when compared to the 2020 Census count. However, going forward this source expects that the City will add 702 households over the 5-year projection period, or an annual average of approximately 140 households per year.

▸   The projection from Esri expects Box Elder to add only 211 households over the 5-year projection period, for an annual average of approximately 42 households per year. This is viewed as a very conservative forecast as Box Elder has been adding households at a faster rate in the past.

▸   Applied Geographic Solutions is projecting that the Rapid City MSA will add 4,869 households over the 5-year projection period, or approximately 974 households per year. While growth at this level may be achievable, it would be significantly greater than the level achieved in the recent past. Between 2010 and 2020, the MSA added an average of 512 households per year.

▸   The projection from Esri expects the MSA to add 1,958 households over the 5-year projection period, or an annual average of approximately 392 households per year, well below the average achieved in the prior decade.

▸   As evidenced in the data above, the projection sources reviewed show a range of possible changes in the number of households going forward. In the opinion of the analysts, the Esri forecasts are too low for Box Elder and the Rapid City MSA.

▸ It is important to acknowledge that the adjoining Ellsworth Air Force is Base is planned for a new mission. The Environmental Impact Statement for the project expects a 30% increase Air Force personnel by 2024 to 2026, including their families. It is possible that this prediction could be conservative based on other available data related to the project. The data sources cited above would not have included this information in their growth projections for the City or the MSA.

▸ Box Elder would be directly impacted by this future Base expansion. However, other MSA jurisdictions, including Rapid City, will also add households as a result of personnel growth at Ellsworth.

Rapid City MSA Household by Age Projections: 2022 to 2027

Although Esri has a conservative projection for future growth in the MSA through 2027, the age-based forecasts from this source have been reviewed as an indicator of age progression patterns over the next five years.

Table 10 MSA Projected Households by Age - 2022 to 2027			
Age Range	2022 Estimate	2027 Projection	Change
24 and younger	3,301	3,486	185
25-34	9,475	9,354	-121
35-44	9,479	9,960	481
45-54	8,619	9,073	454
55-64	10,771	9,410	-1,361
65-74	8,988	9,929	941
75+	6,814	8,193	1,379
Total	57,447	59,405	1,958

Source: Esri, Inc.

Rapid City MSA Households by Age of Householder: 2022 to 2027
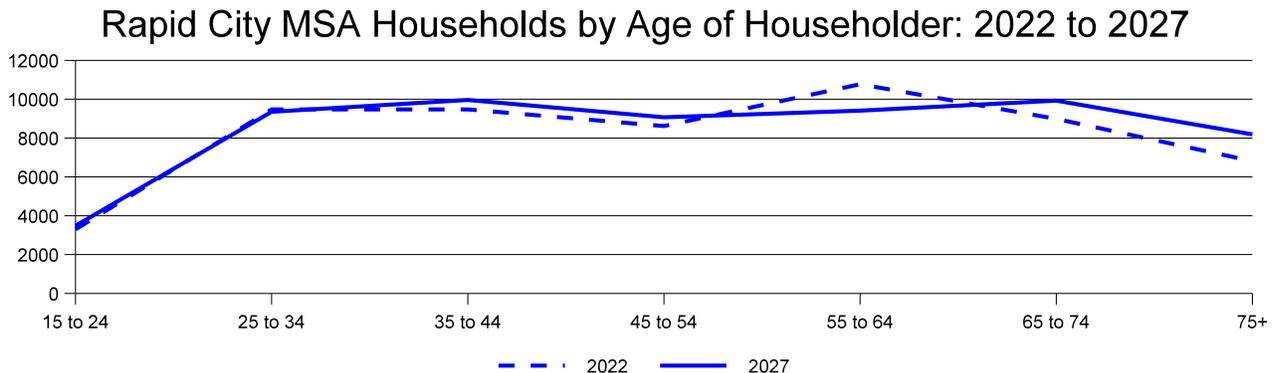
▸ The age-based projections from Esri show limited changes in many of the defined age ranges, especially among households age 54 and younger.

▸ In broader terms, Esri is projecting an overall increase in households age 65 and older, but a decrease in the number of households age 64 and younger between 2022 and 2027.

‣   The largest increase is projected among households age 75 and older, followed by households in the 65 to 74 year old range. In total more than 2,300 senior-headed households are projected to be added in the MSA over the 5-year time period.

‣   The largest projected decrease is expected in the age range between 55 and 64 years old, with 1,361 fewer households by 2027. This would largely reflect the age progression of the baby boom generation. By 2027, nearly all of the baby boomers will be age 65 or older. The demographic cohort trailing behind the baby boom was much smaller in size and will not replace the advancing age group.

‣   Limited changes are projected among younger households, with a projected increase of fewer than 100 households age 34 and younger.

Housing Tenure

The 2020 Census has not yet released any information on home owner and renter status. The American Community Survey does provide an estimate of the tenure distribution patterns. In the following table, the 2020 estimates have been presented, along with the 2010 Census data for comparison.

Table 11 Households by Tenure - 2010 and 2020				
	2010 Census		2020 ACS	
	Percent Owned	Percent Rented	Percent Owned	Percent Rented
Box Elder	48.6%	51.4%	48.7%	51.6%
Rapid City MSA	66.7%	33.3%	70.0%	30.0%

Source: U.S. Census; ACS

▸   According to the American Community Survey, the home ownership tenure rate in Box Elder has changed very little between 2010 and 2020. The City does have a high rental tenure rate with more than half of all households living in a rental unit.

▸   The home ownership rate for the entire Rapid City MSA was at 66.7% in 2010. According to the American Community Survey, the home ownership rate has increased since that time and was at 70% in 2020. While an increase in the home ownership rate is possible, it is doubtful that the percentage change would be as large as indicated in the ACS estimate for the MSA.

Median Income Data

Information on median income levels is available at the city and county level through the American Community Survey. These estimates are for 2020.

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 together. Generally, family household incomes tend to be much higher than the overall household median, as families have at least two household members, and potentially more income-earners.

Table 12 Median Household Income - 2010 to 2020			
	2010 Median	2020 Median	% Change
Households			
Box Elder	$36,530	$56,429	54.5%
Rapid City MSA	$46,721	$59,076	26.4%
South Dakota	$46,369	$59,896	29.1%
Families			
Box Elder	$38,492	$63,017	63.7%
Rapid City MSA	$56,777	$74,413	31.1%
South Dakota	$58,958	$77,042	30.7%

Source: ACS 5-year survey

‣   According to the American Community Survey, the median household income in Box Elder was $56,429 in 2020, and had increased by more than 54% between 2010 and 2020. Despite the large increase over the decade, the median household income for Box Elder was still below the comparable MSA and Statewide medians in 2020.

‣   The median family income for Box Elder was estimated at $63,017 in 2020, up by nearly 64% from 2010. Even with the large increase, the median family income for Box Elder was more than $11,000 lower than the median for the Rapid City MSA, and more than $14,000 lower than the Statewide median for families in 2020.

‣   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 Box Elder could afford approximately $1,411 per month and a median income family could afford $1,576 per month.

Box Elder Household Income Distribution

The American Community Survey provides income data by owner and renter status. For Box Elder, the 2020 ACS significantly underestimated the total number of households when compared to the 2020 Census count. As a result, only percentage distributions have been provided in the following table.

Table 13 Box Elder Household Income Distribution - 2020			
Household Income	Percent of Owner Households	Percent of Renter Households	Percent of All Households
$0 - $14,999	3.6%	9.5%	6.7%
$15,000 - $24,999	6.8%	12.6%	9.9%
$25,000 - $34,999	7.4%	9.2%	8.4%
$35,000 - $49,999	12.8%	25.9%	19.8%
$50,000 - $74,999	29.7%	28.7%	29.2%
$75,000 - $99,999	19.6%	11.0%	15.0%
$100,000+	20.1%	3.2%	11.1%
Total	100%	100%	100%

Source: ACS

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

▸ In 2020, more than 57% of renter households in Box Elder had an annual income below $50,000. For home owners, more than 69% had an annual income of $50,000 or more.

▸ The estimated median household income for all renters in Box Elder was $43,053. At 30% of income, these households would have $1,076, or less, that could be applied to monthly housing costs.

▸ The median income for all owner households Box Elder was estimated at only $63,105 in 2020. At 30% of income a household at the median could apply $1,578 per month to housing costs.

▸ The renter median income level in Box Elder was higher than the renter median for the MSA of $31,732. The home owner median for Box Elder was below the MSA median income of $71,495 in 2020.

Estimated Income and Housing Costs - Box Elder Renters

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

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".

Table 14 Gross Rent as a Percentage of Household Income: 2020			
Percent of Income for Housing	Households Age 64 and Younger	Households Age 65 and Older	All Renter Households
Less than 20%	20.4%	10.0%	20.0%
20% to 29.9%	33.6%	60.0%	34.8%
30% to 34.9%	11.7%	6.3%	11.4%
35% or more	29.1%	18.8%	28.7%
Not Computed	5.2%	5.0%	5.2%
Total	100%	100%	100%

Source: American Community Survey

▸ While information in the table above has been provided by age of householder, it is important to recognize that the large majority of renter households in Box Elder are less than 64 years old. As estimated by the American Community Survey, approximately 95% of all renter households are under the age of 65.

▸ According to the 2020 American Community Survey, approximately 40% of all renters in the City were paying 30% or more of their income for rent, and would have a housing cost burden. Most of these households were actually paying 35% or more of income and had a severe cost burden.

Estimated Income and Housing Costs - Box Elder Owners

The American Community Survey also provided housing cost estimates for owner-occupants. The following table provides estimates of the percentage of households in Box Elder that were paying different percentages of their gross household income for housing costs.

It is important to note that mortgage lending practices also tend to limit the amount of monthly income that can be used for mortgage repayment to less than 30%.

Table 15 Box Elder Ownership Costs as a Percentage of Income: 2020			
Percentage of Household Income for Housing Costs	Percentage of Households with Mortgage	Percentage of Households with No Mortgage	Percent of All Owner Households
0% to 19.9%	39.8%	75.5%	51.7%
20% to 29.9%	35.8%	7.1%	26.2%
30% or more	24.4%	10.8%	19.8%
Not Computed	0%	6.6%	2.2%
Total	100%	100%	100%

Source: ACS

▸ Nearly 78% of owner-occupants in Box Elder, which would include households with and without a mortgage, reported paying less than 30% of their income for housing in 2020.

▸ Approximately 20% of all home owners reported that they paid more than 30% of their income for housing. Most of the households applying 30% or more of their income also had a mortgage on the home. However, some home owners without a mortgage also reported paying a disproportionate share of their income to housing costs.

Box Elder Building Permit Trends

Box Elder has experienced significant new housing construction activity in recent years. The following table identifies the units that have been constructed from 2010 to partial-year 2022 based on building permit issuance.

Table 16 Box Elder Housing Unit Construction Activity: 2010 to 2022*				
Year	Single Family	Two Unit	Three or More Units	Total Units Constructed
2022*	52	0	229	281
2021	43	0	59	102
2020	100	0	57	157
2019	72	16	65	153
2018	60	4	16	80
2017	92	6	16	114
2016	34	0	30	64
2015	22	0	0	22
2014	42	0	0	42
2013	61	0	0	61
2012	96	0	0	96
2011	73	0	0	73
2010	65	14	180	259
Total	812	40	652	1504

Source: City of Box Elder; Census Bureau; Community Partners Research, Inc.
* 2022 is through June

▸   Only partial-year information is available for 2022, but through the first six months of the year permits had already been issued for 52 single family houses in Box Elder. A large, mixed-use project had also been permitted that will include 229 rental units.

▸   The partial-year unit total of 281 permitted units already represents the highest annual total dating back to 2010.

▸ Based on annual reports submitted to the Census Bureau, there were 1,223 total housing units permitted in Box Elder between 2010 and 2021. Approximately 964 of these units were permitted between 2010 and 2019 and presumably would have completed construction prior to the completion of the 2020 Census.

▸ Including 2022, nearly 57% of the reported units were in single family structures. This includes 40 units permitted in two-unit structures such as twin homes or duplexes. These may represent a mix of both owner and renter-occupancy housing but it is assumed that most single family-style homes were intended for owner-occupancy.

▸ Including partial-year information for 2022, Box Elder has averaged 66 single family housing starts per year over the past 13 years. However, in the past six years, including 2022 partial, the City has averaged 74 single family housing starts per year.

▸ Including the 229 units permitted in 2022, there have been 652 multifamily units permitted in Box Elder since 2010, all presumably for rental use.

▸ Among the new rental projects that can be identified are the following:

   ▸ The Union at Liberty Plaza (2022) - 229 units
   ▸ Fox Run (2020, 2021) - 60 units
   ▸ Tiger Ridge Townhomes (2020) - 15 units
   ▸ Freedom Landing (2020) - 27 units
   ▸ Tower Heights Apartments (2019, 2020) - 60 units
   ▸ Foxborough Duplexes/Houses (2017, 2018, 2019) - 31 units
   ▸ Northern Lights (2017) - 16 units
   ▸ Northern Lights Apartments (2016) - 30 units
   ▸ Mountain View Village (2010) - 180 units
   ▸ Unknown 4 unit structure

2020 Census Housing Unit Data

The first housing counts released from the 2020 Census included information on occupancy and vacancy. The following table compares information from 2010 and 2020 to track changes over the decade as reported by the Census.

	Table 17 Housing Units, Occupancy and Vacancy - 2020								
	Total Housing Units			Occupied Units			Vacant Units		
	2010	2020	Change	2010	2020	Change	2010	2020	Change
Box Elder	2,828	4,373	1,545	2,443	4,123	1,680	385	250	-135

Source: U.S. Census

▸ According to a reconciliation of decennial Census data, Box Elder added 1,545 total housing units between 2010 and 2020.

▸ Annual building permit reports presented on a previous page showed that an estimated 964 new units may have been constructed in the City between 2010 and 2019. This estimated construction total would be well below the housing unit increase recorded by the Census.

▸ As stated previously, in about 2011 or 2012 there was a transfer of ownership for some Ellsworth AFB housing into private ownership. At that time, these housing units and the occupants were added to the City of Box Elder for Census identification. An estimated total of 833 units were impacted by this transfer, although some of the units were then demolished or converted to uses other than housing. In 2022 there are 780 housing units still in use.

▸ The identified new construction of 964 units, combined with the transfer of as many as 780 existing units in use, may have increased Box Elder's total housing inventory by as many as 1,744 units between 2010 and 2020. This number is reasonably similar to the net growth of housing that was reported by the Census Bureau of 1,545 additional units.

▸ From 2010 to 2020 the number of vacant units in the City dropped by 135 total units. Early in the decade there had been some base downsizing, which probably was reflected by the vacancies recorded in 2010. By 2020, many of the vacant units had been occupied.

▸ Some of the vacant housing recorded by the 2020 Census may represent seasonal/recreational use housing.

American Community Survey Housing Data

The Census Bureau's American Community Survey includes information on various housing topics. As stated previously, the estimates are based on limited sampling, which can result in a margin of error within the individual data being presented.

Median Year of Construction - Owner-occupancy Housing

As a rapidly growing community, much of the housing stock in Box Elder has been constructed in the last few decades. For owner-occupancy units an estimated median year of construction in Box Elder was 1995. Fewer than 7% of the owner-occupied houses in Box Elder were constructed before 1960.

For the entire Rapid City MSA, the estimated median year of construction was 1982.

Median Year of Construction - Renter-occupancy Housing

For renter-occupancy units in Box Elder, the estimated median year of construction was 1993. Approximately 33% of the City's rental units were constructed before 1980.

For the MSA, the estimated median year built for rental units was 1981.

Existing Home Sales - Box Elder

This section examines houses that have been sold since 2016 in Box Elder. The information was obtained from the South Dakota Department of Revenue website, using information compiled by the Pennington and Meade County Equalization Offices.

Each County's 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.

Residential sales are sorted into different groupings, primarily based on whether or not the house was actively listed for sale in the open market. In the following table, only open market transactions have been reported.

The time period for analyzing annual sales differs slightly from the calendar year. It begins on November 1st and ends on October 31st of each year.

Table 18 Box Elder Median Value of Recent Sales - 2016 to 2021				
Sales Year	Number of Good Sales	Median Sale Price	Highest Valued Sale	Lowest Valued Sale
2021	187	$285,000	$795,000	$60,000
2020	163	$240,000	$440,000	$20,000
2019	155	$228,000	$334,900	$34,000
2018	132	$211,500	$327,000	$78,600
2017	136	$197,500	$350,000	$70,000
2016	140	$185,000	$295,900	$22,000

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

▸   Throughout the time period reviewed there has been a steady increase in the annual median home sale price in Box Elder. The median price for 2021 was $285,000, taken from 187 open market sales.

▸   When compared to 2020, the median price in 2021 was up by $45,000. Prior to 2021, the annual median had been increasing at a much more moderate rate.

‣ While the City has a relatively high median home sales price, there are some lower valued sales each year. In each of the years reviewed at least one home has sold for less than $80,000.

Median Home Sale Prices in Box Elder: 2016 to 2021
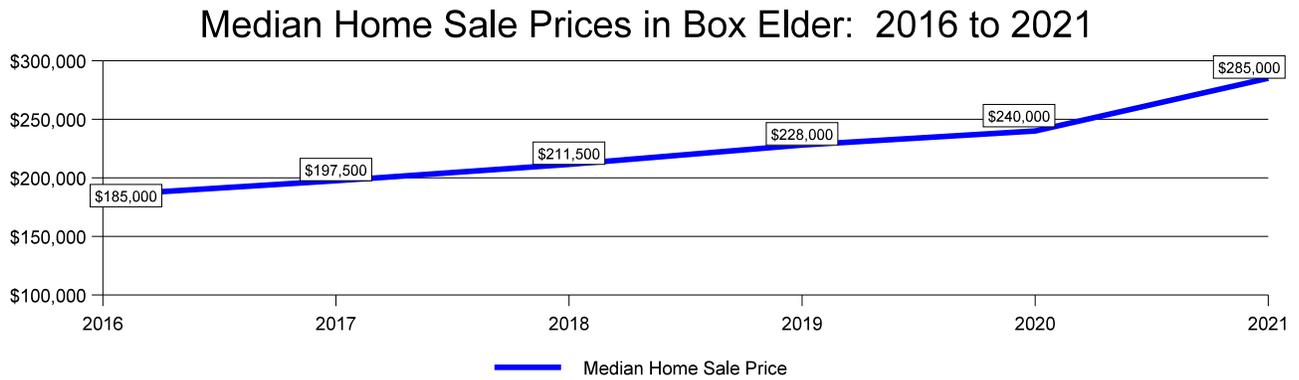
‣ An alternate estimate of home values exists in the American Community Survey. In 2020, the estimated median value for all owner-occupied housing in Box Elder was $186,000. This estimate was well below the median sale price recorded in 2020 of $240,000.

Home Sales by Price Range - Box Elder

The following table looks at 187 single family houses that sold in Box Elder in 2021.

Table 19 Box Elder Home Sales by Price Range in 2021		
Sale Price	Number of Sales	Percent of Sales
Less than $99,999	4	2.1%
$100,000 - $149,999	2	1.1%
$150,000 - $199,999	9	4.8%
$200,000 - $249,999	42	22.5%
$250,000 - $299,999	52	27.8%
$300,000 - $349,999	49	26.2%
$350,000+	29	15.5%
Total	187	100%

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

▸ Although recent home sales in Box Elder have been widely distributed in different price ranges, 92% of all sales in 2021 were priced at $200,000 or more.

▸ Nearly 42% of the existing homes were sold for $300,000 or more.

Rental Housing Data

Census Bureau Rental Inventory

The 2020 Census has not yet released the more detailed tables on housing occupancy patterns, including owner versus renter status. Estimates for 2020 do exist in the American Community Survey.

According to the American Community Survey, there were 1,724 occupied rental units in Box Elder 2020. There were also 198 vacant or unoccupied units in the City for a total estimated inventory of 1,922 units.

At the time of the 2010 U.S. Census, there were 1,256 occupied rental units in Box Elder and 284 vacant or unoccupied rental units, for a total estimated rental inventory of 1,540 units.

Based on the available estimates, the City may have added 382 rental housing units between 2010 and 2020. Since 2010, there has been a significant amount of new rental housing development in Box Elder. Additional rental development has also occurred between 2020 and 2022.

The City's rental tenure rate in 2010 was 51.4%, significantly above the Statewide rental rate in 2010 of 31.9%. Based on the American Community Survey, the rental tenure rate in 2020 was at 51.3%, nearly unchanged from 2010.

Rental Unit Construction in Box Elder

From 2010 through 2021, the following rental housing development projects can be identified in Box Elder, along with the estimated year of permitting:

▸ Fox Run (2020, 2021) - 60 units
▸ Tiger Ridge Townhomes (2020) - 15 units
▸ Freedom Landing (2020) - 27 units
▸ Tower Heights Apartments (2019, 2020) - 60 units
▸ Foxborough Duplexes/Houses (2017, 2018, 2019) - 31 units
▸ Northern Lights (2017) - 16 units
▸ Northern Lights Apartments (2016) - 30 units
▸ Mountain View Village (2010) - 180 units

There may have been one additional rental project constructed on Radar Hill Road in 2019, but no information could be obtained from this project.

Pending Rental Projects

In 2022, there are multiple rental projects proceeding to construction.

The Union at Liberty Plaza will add 229 rental housing units as part of a large mixed-use commercial/residential project.

A project known as 10 Bedrock has also started construction. This rental complex would have 288 units.

There are three smaller buildings that are also being constructed in 2022 with a combined 24 rental units.

Rental Housing Survey

As part of this housing study, a telephone survey was conducted of multifamily rental projects in the City of Box Elder. The survey was conducted in June 2022.

Emphasis was placed on contacting properties that have eight 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 and federally subsidized housing.

There were 1,163 rental units of all types that were contacted in the survey. The units that were successfully contacted include:

- ▸ 1,109 conventional, market rate units
- ▸ 30 tax credit/moderate rent units
- ▸ 24 subsidized rental units

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

Market Rate Summary

Usable information was obtained from seven market rate rental projects. Combined, these projects have 1,109 conventional rental units. All of the units in the survey were multifamily projects, although the actual rental units may be in a mix of single family houses, duplexes, town houses or apartment buildings.

Unit Mix

One project did not provide information on the unit mix, and a smaller subset of 1,082 units has been used in the following analysis of the bedroom mix:

- ▸ One-bedroom - 60 units (5.5% of all units)
- ▸ Two-bedroom - 587 units (54.3%)
- ▸ Three-bedroom - 411 units (38.0%)
- ▸ Four-bedroom - 21 units (1.9%)
- ▸ Five-bedroom - 3 units (0.3%)

Occupancy / Vacancy

At the time of the survey, there were no vacant multi-family market rate units. The property owners/managers reported strong demand.

Rental Rates

Rental units may include the primary utility payments within the contract rent, or the tenant may be required to pay some or all of the 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.

Unit Type	Lowest/Highest Gross Rents
Studio	$900-$925
One-bedroom	$1,025-$1,275
Two-bedroom	$1,225-$1,450
Three-bedroom	$1,400-$1,850
Four-bedroom	$2,000-$2,050

It is important to note that only a small number of studio and four-bedroom units were contacted in the survey and the ranges provided may not be representative of a majority of units in the community.

Ellsworth AFB Housing

The Ellsworth AFB also provides housing options for military members. While most of this housing is not within the City of Box Elder, it is adjoining the community and helps to address demand in the area from military households. Ellsworth has both traditional rental options along with dormitory units for single people.

The dormitory options have capacity for 886 residents. Typical recent occupancy would be approximately 80% to 85%.

Based on Census reporting, these dormitory options appear to be physically located in both Belle Fourche-Cheyenne Valleys Unorganized Territory (UT) and in Box Elder. The 2020 Census reported 411 people in the UT and 343 in Box Elder living in group quarters military housing. These 744 residents in April 2020 would reflect approximate 87% capacity in the reported 886 dormitory rooms.

In addition to dormitories, the base also has 500 traditional rental units in single family houses, duplexes and town houses. The exact geographic location for Census reporting of these homes is not known, but it is assumed that these are part of the Belle Fourche-Cheyenne Valleys UT.

These houses have a very high rate of occupancy and significant unmet demand. The waiting list for these units had more than 150 names in June 2022.

Tax Credit/Moderate Rent Summary

Since the late 1980s, the primary federal incentive program for the creation of affordable rental housing has been the low income housing tax credit program, also known as Section 42. In South Dakota, tax credits are awarded annually on a competitive basis.

Since the creation of the tax credit program, four awards have been made to projects in Box Elder:

▸   Baker Apartments in 1988
▸   Parker Apartments in 1989
▸   Foothills East Apartments in 2007
▸   Northern Lights Apartments in 2017

In both Baker and Parker Apartments, the tax credits were used in conjunction with USDA Rural Development programs to create subsidized housing. The tax credit compliance requirements have been completed, but both of these projects still operate under Rural Development regulations and have been included in the subsidized analysis that follows later in this section.

Foothills East also used tax credits in conjunction with USDA Rural Development programs and provides very affordable subsidized housing. The tax credit compliance and Rural Development requirements still apply to this project. Foothills East has been included in the subsidized analysis that follows later in this section.

The remaining project, Northern Lights Apartments, provides moderate rent, income restricted rental housing. While most tenants must be at or below 60% of the median income level, some of the three-bedroom units allow for incomes up to 80% of median. Northern Lights has 30 affordable units.

Unit Mix

The contact person for Northern Lights could not provide a specific unit mix but the project contains one, two and three-bedroom units.

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

Occupancy / Vacancy

At the time of the survey, there were no vacant units in Northern Lights. One unit was unoccupied due to recent turnover but had already been leased for the following month. A waiting list for occupancy is maintained.

Rental Rates

The following estimated rent range includes an allowance for any tenant-paid utilities.

Unit Size	Identified Range
One-bedroom	$375-$740
Two-bedroom	$605-$900
Three-bedroom	$830-$1,005

The federal tax credit program places maximum rent limitations on assisted units. The units in Northern Lights Apartments are designated for households ranging from 30% to 60% of the median income level.

For 2022, maximum gross rents for units in Pennington County at 50% and 60% of median income are as follows. The maximum allowable rents would be lower for a similar project in Meade County.

Unit Size	50% Rent Limit	60% Rent Limit
One-bedroom	$800	$960
Two-Bedroom	$960	$1,152
Three-Bedroom	$1,109	$1,331

The highest end of the estimated gross unit rent range in Northern Lights Apartments is less than the maximum tax credit limits set at 50% of median income.

According to the property manager, approximately 50% of the tenants in Northern Lights have a tenant-based rent assistance Voucher which allows rent based on approximately 30% of income. Generally, households below 50% of median income would be income-eligible for a Voucher, and this can help lower income households pay an affordable rent.

Subsidized Summary

The research completed for this Study identified four federally subsidized projects operating in Box Elder that provide rental opportunities for lower income households. These projects have a combined 96 subsidized units. The subsidized projects are:

- ‣ Baker Apartments - 8 units
- ‣ Johnson Apartments - 8 units
- ‣ Parker Apartments - 8 units
- ‣ Foothills East Apartments - 72 units

All four projects are subsidized through USDA Rural Development and are designated as general occupancy housing.

The City once had three additional projects, with a combined 24 units, that have ended their USDA Rural Development compliance contracts and now operate as conventional market rate housing.

Unit Mix

The bedroom mix for the City's subsidized inventory is as follows:

- ‣ One-bedroom - 3 units (3.1%)
- ‣ Two-bedroom - 93 units (96.9%)

Occupancy / Vacancy

Three of the subsidized projects have a new property management company. The new manager had limited information but did identify some vacant units. The manager was in the process of taking applications to fill open units. The manager of the fourth subsidized project could not be contacted.

Based on the extremely low vacancy rates that were reported in other segments of the local housing market, the analysts have proceeded with the assumption that strong demand exists for very affordable housing in Box Elder.

Rental Rates

Most of the subsidized units have access to project-based rent assistance that allows tenants to pay rent based on 30% of household income. A small number of units may not have project-based rent assistance and in these units a minimum rent would apply, even if it exceeds 30% of the household's income level. However, these minimum rents are lower than market rate rents in the community.

Tenant-Based Rent Assistance

Renter households in Box Elder have access to tenant-based rent assistance through the U.S. Department of Housing and Urban Development (HUD), primarily through the Housing Choice Voucher program. The rent assistance programs are administered by the Pennington County Housing and Redevelopment Commission.

HUD Voucher assistance is issued to income-eligible households for use in suitable, private market rental housing. With the assistance, a household pays approximately 30% of their income for their rent, with the program subsidy paying any additional rent amounts.

The Rapid City HRC has approximately 1,325 Vouchers in use in their service area. The number of Vouchers being used in Box Elder was not obtained but it is known that Vouchers are being used by some tenants in Northern Lights Apartments, and it is probable that additional Vouchers are in use in Box Elder in other rental complexes. 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.

To use the Voucher assistance, the participating household must live in an eligible rental unit. There are maximum rent limitations that apply, and the unit must meet certain housing quality standards.

With the low rate of rental vacancy in Box Elder, and resulting upward pricing pressure, it may be difficult for an eligible household with a newly issued Voucher to secure a suitable unit. The use of Vouchers in Northern Lights Apartments, the moderate rent tax credit project in the City, may be due to the fact that rents are lower than the maximum limits. While the Voucher makes these affordable units available to even lower income households, it does not expand the overall supply of affordable options in the community.

The Voucher program does have a waiting list with an approximate wait of two to three months.

Table 20 Box Elder Multifamily Rental Housing Inventory					
Name	**Number of Units /Bedroom Mix**	**Rent**	**Vacancy/ Wait List**	**Tenant Mix**	**Comments**
Market Rate					
Antelope Ridge	408 - 2 bedroom 348 - 3 bedroom 21 - 4 bedroom 3 - 5 bedroom 780 total units	$1300 $1600 $1850 $2150 +most utilities	100% leased	Approx. 30% military and 70% non-military	Rental community that had once been part of Ellsworth AFB but transferred to private ownership in early 2010s. Project includes 29 single family houses, 104 duplex units and 647 town house units in 4-plexes. Tenant pays monthly utility fee in addition to rent. Rents provided are averages as units vary by type and floor plan. Amenities include single family-style living with fenced back yard, dishwasher, patio/deck, attached 1-car garage and in-unit laundry. Project amenities include community center, playground and dog park. Units may be 1 or 2-level. Two-bedrooms have 1066-1108 sq ft and 1 or 1.5 bathrooms; 3-bedrooms have 1328-1652 sq ft and 2 or 2.5 bathrooms; 4-bedrooms have 1615-1718 sq ft and 2 or 2.5 bathrooms; 5-bedrooms have 2132 sq ft and 3.5 bathrooms. High rate of occupancy reported with any open units due to turnover but 100% leased.
Davis Apartments 616 Bluebird Dr	8 - 2 bedroom 8 total units	N/A	N/A	N/A	Unable to contact - information presented is from secondary sources. Originally constructed as USDA Rural Development subsidized project for general occupancy but later converted to market rate housing. Two-level walkup apartment building constructed in the 1970s. Amenities include AC, playground and community laundry. Two-bedroom units have 800 sq ft and 1 bathroom.
Foxborough Duplexes	3 - 3 bdrm house 28 - 3 bdrm duplex 31 total units	$1650 $1650 +utilities	No vacant units	Primarily military families	Street in Foxborough Subdivision with 14 rental duplexes and 3 rental houses. Tenant pays all utilities in addition to rent. Amenities include single family living with dishwasher, microwave, AC, in-unit laundry, patio and 2-car attached garage. Manager reported full occupancy and good demand. Most tenants are military families.

Table 20 Box Elder Multifamily Rental Housing Inventory					
Name	**Number of Units /Bedroom Mix**	**Rent**	**Vacancy/ Wait List**	**Tenant Mix**	**Comments**
Market Rate					
Fox Run Apartments 561-591 225th St	24 - 1 bedroom 36 - 2 bedroom 60 total units	$985 $1125-$1145 +utilities	No vacant units	Mix of tenants	Rental complex with four 15-unit apartment buildings constructed in 2020 and 2021. Buildings are 3-level walkups. Tenants pay all utilities in addition to rent. Higher rent 2-bedrooms have 2 bathrooms. Amenities include dishwasher, microwave, AC, in-unit laundry and patio/balcony. Manager reported full occupancy and good demand with general mix of tenants.
Freedom Landing Apartments 827-837 Tower Rd	studio 1 bedroom 2 bedroom 3 bedroom 27 total units	$850 $950 $1100 $1195 +heat, electric	No vacant units	Mix of tenants	Two 3-level walkup apartment buildings constructed in 2019. Rent includes water, sewer and garbage with tenant paying electric heat and electricity. Unit amenities include dishwasher, AC, in-unit laundry and balcony/patio. Detached garage available for $50/month and storage unit available for $15/month. Studio units have 654 sq ft; 1-bedrooms have 711 sq ft and 1 bathroom; 2-bedrooms have 1144 sq ft and 2 bathrooms. Manager reported full occupancy.
Mountain View Village Apartments 619-647 Northern Lights Blvd	36 - 1 bedroom 120 - 2 bedroom 24 - 3 bedroom 180 total units	$1145-$1195 $1225-$1275 $1485-$1535 +most utilities	No vacant units	Mix of tenants	Rental complex with seven 3-level walkup apartment buildings constructed in 2011. Rent includes garbage with tenant paying remaining utilities. Higher end of the rent range is for ground level units. Unit amenities include dishwasher, microwave, disposal, central AC, in-unit laundry and patio/balcony. Project amenities include clubhouse with fitness center, playground and detached garage for extra fee. One-bedroom units have 855 sq ft and 1 bathroom; 2-bedrooms have 1005 sq ft and 2 bathrooms; 3-bedrooms have 1170 sq ft and 2 bathrooms. Manager reported full occupancy with a broad mix of tenants.
Nelson Apartments 616 Cardinal Dr	8 - 2 bedroom 8 total units	N/A	N/A	N/A	Unable to contact - information presented is from secondary sources. Two-level walkup apartment building constructed in the 1970s. Amenities include AC, playground and community laundry. Two-bedroom units have 800 sq ft and 1 bathroom.

Table 20 Box Elder Multifamily Rental Housing Inventory					
Name	**Number of Units /Bedroom Mix**	**Rent**	**Vacancy/ Wait List**	**Tenant Mix**	**Comments**
Market Rate					
Northern Lights 4-Plexes Denali Dr	8 - 2 bedroom 8 - 3 bedroom 16 total units	$1300 $1450 +utilities	No vacant units	Mix of tenants	Four rental 4-plexes in Northern Lights Subdivision constructed in approx. 2017. Two-bedrooms are 1-level and 3-bedrooms are 2-level. Tenant pays all utilities in addition to rent. Amenities include dishwasher, microwave, AC, in-unit laundry and 1-car attached garage. Manager reported full occupancy and good demand with general mix of tenants.
Radar Hill Rd	N/A	N/A	N/A	N/A	Unable to contact - information presented is from secondary sources. Two-level town house rental units with attached 2-car garage constructed in 2019. Tenant pays all utilities. Amenities include dishwasher, microwave, central AC and in-unit laundry hookup. Three-bedrooms have 1508 sq ft and 2.5 bathrooms.
The Union at Liberty Plaza 396-404 Raider Dr	229 total units	N/A	N/A	N/A	Unable to contact - information presented is from secondary sources. New apartment project under construction in 2022 in a mixed-use commercial/residential project in the downtown area.
Tiger Ridge Townhomes 470 Constitution Blvd	15 - 2 bedroom 15 total units	$1275 +utilities	No vacant units	Mix of tenants	Town house-style rental project constructed in 2021. Units are 2-level with attached 1-car garage. Unit amenities include single family living with dishwasher, microwave, central AC, in-unit laundry and patio. Manager reported full occupancy and a mix of tenants.
Tower Heights Apartments 847-877 Tower Rd	studio 1 bedroom 2 bedroom 60 total units	$915			Unable to contact - information presented is from secondary sources. Rental complex with four 15-unit apartment buildings constructed between 2019 and 2021. Rent includes garbage and internet, with tenant paying remaining utilities. Unit amenities include dishwasher, microwave, AC, in-unit laundry and balcony/deck. One-bedrooms have 801 sq ft and 1 bathroom; 2-bedrooms have 1080 sq ft and 2 bathrooms.

Table 20 Box Elder Multifamily Rental Housing Inventory					
Name	**Number of Units /Bedroom Mix**	**Rent**	**Vacancy/ Wait List**	**Tenant Mix**	**Comments**
Market Rate					
Villa Rancharo Apartments 312 Parker Dr	8 - 2 bedroom 8 total units	N/A	N/A	N/A	Unable to contact - information presented is from secondary sources. Originally constructed as USDA Rural Development subsidized project for general occupancy but later converted to market rate housing. Two-level walkup apartment building constructed in the 1970s.
Wolk Apartments 301 Parker Dr	8 - 2 bedroom 8 total units	N/A	N/A	N/A	Unable to contact - information presented is from secondary sources. Originally constructed as USDA Rural Development subsidized project for general occupancy but later converted to market rate housing. Two-level walkup apartment building constructed in the 1970s.
Base Housing					
Ellsworth AFB Homes	3 bedroom 4 bedroom 500 total units	$1314-$2202 depending on rank and seniority	No vacant units, waiting list	On-base military housing	Housing for military staff on the Air Force Base. Units are in single family houses, duplexes and town houses. Rent range provided indicates lowest and highest rent paid - based on rank and seniority. Very strong demand for units with a current waiting list of 156 names.
Ellsworth AFB Dormitories	886 dorm rooms	N/A	80%-85% utilization	On-base military housing	Dormitory housing option for single military staff on the Air Force Base. Typical recent utilization rate estimated at 80% to 85%.

Table 20 Box Elder Multifamily Rental Housing Inventory					
Name	**Number of Units /Bedroom Mix**	**Rent**	**Vacancy/ Wait List**	**Tenant Mix**	**Comments**
Tax Credit/Moderate Rent					
Northern Lights Apartments 615 Northern Lights Blvd	1 bedroom 2 bedroom 3 bedroom 30 total units	$303-$661 $520-$806 $732-$904 +heat, electric	No vacant units	Most units at 30% to 60% of median income with some up to 80%	Tax credit new construction project awarded credits in 2015 and placed in service in 2017. Most units serve households at or below 60% of median income, with 80% of median possible for some 3-bedrooms. Rents at lower end of range reflect lower income units. Three-level walkup apartment building. Rent includes water, sewer and garbage, with tenant paying heat and electric. Unit amenities include dishwasher, microwave, AC and in-unit laundry. Project amenities include community room and playground. One-bedroom units have 752 sq ft and 1 bathroom; 2-bedrooms have 935 sq ft and 2 bathrooms; 3-bedrooms have 1317 sq ft and 2 bathrooms. Manager reported high rate of occupancy with waiting list - any turnover units are quickly filled. Approximately half of tenants use Vouchers. Income limits generally prevent military households from qualifying.

Table 20 Box Elder Multifamily Rental Housing Inventory					
Name	**Number of Units /Bedroom Mix**	**Rent**	**Vacancy/ Wait List**	**Tenant Mix**	**Comments**
Subsidized					
Baker Apartments 617 Cardinal Dr	8 - 2 bedroom 8 total units	30% of income	2 to 3 vacant units	General Occupancy	New management company had just started and provided limited information. USDA Rural Development and tax credit project for general occupancy constructed in late 1980s - tax credit requirements have been met. Two-level walkup building. Seven units have project-based rent assistance allowing tenants to pay rent based on 30% of income up to maximum rents listed; remainder pay 30% of income but not less than basic or more than market rents. Manager said the 2 or 3 units were vacant but applications are being taken.
Foothills East Apartments 302-312 Parker Dr	2 - 1 bedroom 70 - 2 bedroom 72 total units	30% of income	N/A	General Occupancy	Unable to contact - information presented is from secondary sources. USDA Rural Development and tax credit project for general occupancy constructed in 2007 - tax credit now in extended compliance period. Nine 2-level walkup apartment buildings with 8 units each. 64 units have project-based rent assistance allowing tenants to pay rent based on 30% of income up to maximum rents listed; remainder pay 30% of income but not less than basic or more than market rents.
Johnson Apartments 301 Parker Dr	8 - 2 bedroom 8 total units	30% of income	No vacant units	General Occupancy	New management company had just started and provided limited information. USDA Rural Development project for general occupancy. Two-level walkup building. All units have project-based rent assistance allowing tenants to pay rent based on 30% of income up to maximum rents. No units vacant at time of survey.

Table 20 Box Elder Multifamily Rental Housing Inventory					
Name	**Number of Units /Bedroom Mix**	**Rent**	**Vacancy/ Wait List**	**Tenant Mix**	**Comments**
Subsidized					
Parker Apartments 305 Parker Dr	1 - 1 bedroom 7 - 2 bedroom 8 total units	30% of income	2 to 3 vacant units	General Occupancy	New management company had just started and provided limited information. USDA Rural Development and tax credit project for general occupancy constructed in late 1980s - tax credit compliance has been met. Two-level walkup building. Seven units have project-based rent assistance allowing tenants to pay rent based on 30% of income up to maximum rents listed; remainder pay 30% of income but not less than basic or more than market rents. Manager said the 2 or 3 units were vacant but applications are being taken.

Source: Community Partners Research, Inc.

Net Household Growth in the Rapid City MSA

Over the last decade, the Rapid City MSA has continued to add households. This growth has been distributed between the various jurisdictions that form the MSA. The following table examines this growth in numeric and percentage terms. Some of the larger communities in the MSA have been identified.

Table 21 Household Growth by Jurisdiction: 2010 to 2020			
City	2010 Census	2020 Census	Change Numeric/Percentage
Rapid City	28,586	31,261	2,675 / 9.4%
Box Elder	2,443	4,123	1,689 / 68.8%
Sturgis	2,916	3,092	176 / 6.0%
Summerset	655	1,068	413 / 63.1%
Hill City	394	388	-6 / -1.5%
Wall	359	319	-40 / -11.1%
MSA	51,154	56,274	5,120 / 10.0%

Source: US Census

▸ Between 2010 and 2020, the entire MSA added 5,120 households, for an increase of 10%.

▸ In numeric terms, Rapid City accounted for the largest household increase of the jurisdictions in the MSA, adding 2,675 households between 2010 and 2020, or more than 52% of the MSA total.

▸ Box Elder added 1,689 households over the decade. However, some of the City's growth may have been due to a shift of existing housing at Ellsworth AFB into the City. As presented previously, Box Elder added fewer than 1,000 housing units through new construction between 2010 and 2019, making household growth of 1,689 households unlikely without the shift in Base housing ownership. In 2022, there are 780 residential units in Antelope Ridge that were impacted by this transfer.

▸ Significant household growth was also recorded in Summerset, with the addition of 413 households. It is not known if any of this increase was due to annexation.

MSA Housing Unit Construction Activity: 2010 to 2021

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 Rapid City MSA. This represents a two-county area of Pennington and Meade Counties.

It is important to note that the Census Bureau's annual totals may differ from other information in this Housing Study, which may be collected directly from individual jurisdictions. However, the Census Bureau reports do provide a standardized data source providing perspective on housing construction within the larger MSA.

Table 22 Rapid City and MSA Housing Unit Construction Activity - 2010 to 2020									
Year	Box Elder					Rapid City MSA				
	Single Family	Two Family	3 to 4 Family	Multifamily	Total	Single Family	Two Family	3 to 4 Family	Multifamily	Total
2021	43	0	4	55	102	684	0	40	838	1,562
2020	100	0	12	45	157	609	4	28	679	1,320
2019	72	16	20	45	153	469	40	24	189	722
2018	60	4	16	0	80	532	24	20	258	834
2017	92	6	16	0	114	560	26	16	177	779
2016	34	0	0	30	64	540	0	4	427	971
2015	22	0	0	0	22	572	0	0	226	798
2014	42	0	0	0	42	524	10	3	134	671
2013	61	0	0	0	61	527	4	0	425	956
2012	96	0	0	0	96	497	10	12	168	687
2011	73	0	0	0	73	310	42	0	60	412
2010	65	14	0	180	259	438	14	0	190	642
Total	760	40	68	355	1,223	6,262	174	147	3,771	10,354

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

MSA Annual Housing Unit Construction: 2010 to 2021

Chart legend: ■ 5+ Units □ 3-4 Unit ■ 2 Unit ■ 1 Unit
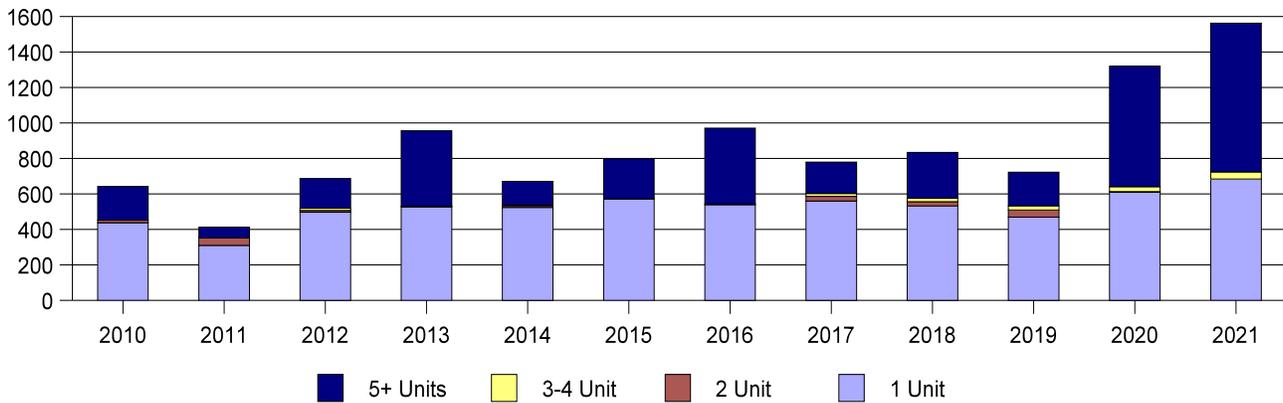
▸ According to Census Bureau reports, the years 2020 and 2021 represented the highest annual levels of new housing unit production in the MSA over the 12-year period reviewed. These were the first two years that the MSA had more than 1,000 new units permitted, and in 2021 there were more than 1,500 total units constructed.

▸ The above-average construction activity in 2020 and 2021 was largely due to multifamily projects. In both of these years there were more than 675 units permitted in structures with five or more units, presumably intended for renter-occupancy.

▸ As the largest city in the MSA, Rapid City accounted for more than 57% of the permitted unit total over the 12-year time period.

▸ Based on Census Bureau reports, the City of Box Elder represented 12.4% of the permit total between 2010 and 2021.

Location of MSA Construction

Using the Census Bureau's annual reports, it is possible to better understand the location of recent housing permitting. It is important to note that there are a large number of individual jurisdictions within the 2-county MSA, and only locations with larger annual totals were reviewed in the following chart, including Rapid City, Box Elder, Sturgis and Summerset.

Rapid City MSA Annual Housing Unit Construction: 2010 to 2021

Legend:
- Remainder of the MSA
- Box Elder
- Sturgis
- Rapid City
- Summerset
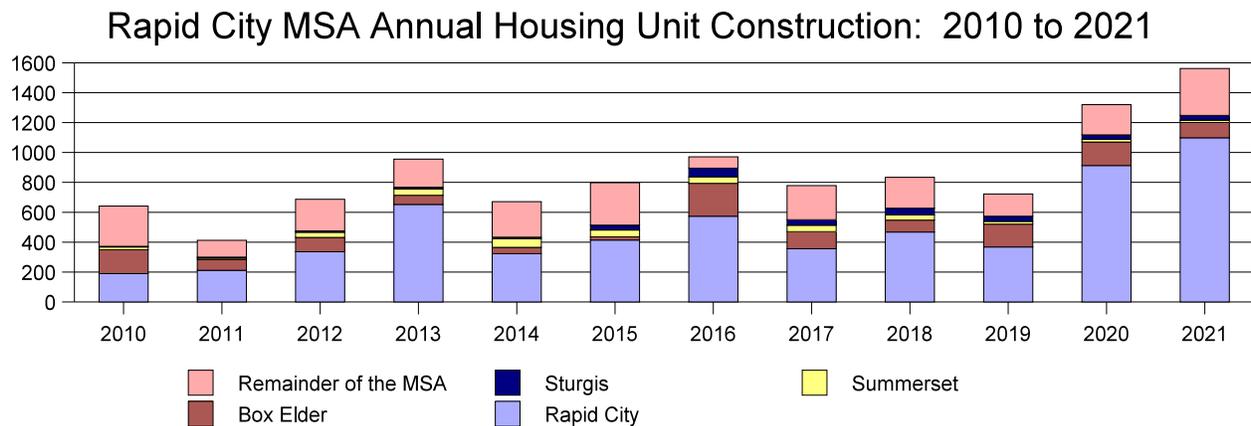
▸	As the primary city within the MSA, Rapid City had the largest number of units permitted of any single jurisdiction. In most of the years reviewed, Rapid City represented more than half of all units within the MSA.

▸	In both 2020 and 2021, Rapid City did have above-average unit permitting. These two years represented the highest years for unit construction in the entire MSA. In both years, Rapid City represented more than 69% of all permitted units.

▸	While there are many individual jurisdictions within the MSA, most of the new home construction that occurred outside of Rapid City, Box Elder, Summerset and Sturgis was located in the rural, unincorporated portions of Pennington County.

▸	Throughout the entire 12-year time period, the City of Box Elder accounted for approximately 12.4% of all permitted units in the MSA, according to the Census Bureau's reporting system. As a single jurisdiction, Box Elder only trailed Rapid City for new housing starts.

Regional Rental Vacancy Rates

The South Dakota Multi-Housing Association has tracked rental housing vacancy information for the Black Hills area since the second half of 2018 through a semiannual survey. This is an excellent source of information that not only provides a current picture of rental housing occupancy, but also a perspective on past patterns.

Black Hills Area Conventional Market Rate Housing

The most recent vacancy survey available was from June 2022. This survey found a vacancy rate of less than 1% in conventional market rate housing. The survey included nearly 3,800 conventional units and found only 30 vacancies.

Although this was an area-wide survey, including multiple communities, approximately 57% of the reporting units were located within the Rapid City zip codes. More than 26% of the surveyed units were in Box Elder and approximately 13% of the surveyed units were on the Ellsworth Air Force Base. Only a very small number of units were outside of these zip code areas.

Conventional Rental Vacancy Trends
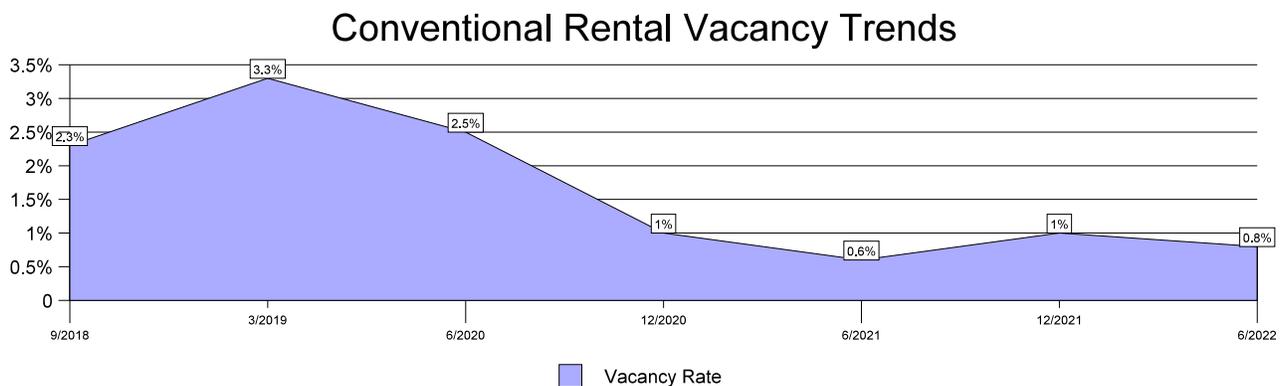
As displayed in the chart above, the Multi-Housing Association vacancy calculations dating back to September 2018 show a low vacancy rate in the area. In seven surveys, the vacancy rate has only been above 3% one time, in March 2019, and the vacancy rate in that survey was only 3.3%. Since December 2020 the vacancy rate has been approximately 1% or less in the conventional market rate segment.

A general standard for rental housing vacancy is that a rate up to 5% is considered acceptable. A modest level of vacancy is desirable to allow tenant movement in the market by providing choices for prospective renters. It also allows a community the chance to grow, as new households moving into the area can locate a living unit.

Based on the building permit reporting presented previously from the Census Bureau, the number of multifamily units permitted in the MSA has increased substantially in 2020 and 2021, possibly in response to the extremely low vacancy rate. Many of these units may still be in the process of entering the market in 2022, and the impact on area vacancy rates may not be known until later in the year or in 2023.

Black Hills Area Income-Based Housing Vacancy Rates

The large majority of the units in the Multi-Housing survey are conventional rentals. However, different types of income-restricted housing are also included. These units include moderate rent properties constructed through the federal low income housing tax credit program and federally subsidized low income housing referred to as "HUD units" in the reports.

The June 2022 survey recorded a vacancy rate of 1.5% in tax credit units, down from 3.8% in the prior survey. Prior to the June survey the vacancy rate had been rising slightly in each of the four previous surveys.

In June there were only 329 reporting tax credit units, compared to more than 700 units in the prior survey. Approximately 61% of the reporting tax credit units were in Rapid City, with the remaining units Spearfish and Hot Springs. The vacancy rate in tax credit units in Rapid City was at 2% compared to 1.5% with the inclusion of Spearfish and Hot Springs.

HUD units have tended to have the highest vacancy rate in recent surveys, at 4.0% in June 2022. This was down from 6.5% in December 2021. There were 199 HUD units reporting, with 8 vacant.

There were no income-restricted tax credit or HUD units reported for Box Elder in the most recent survey.

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.

Box Elder is part of the Rapid City Metropolitan Statistical Area (MSA), which includes all of Pennington and Meade Counties. Much of the household growth that has occurred in the MSA in past decades was the direct result of job opportunities that were available in the Rapid City area. 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.

Work Force and Unemployment Rates

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

| Table 23 Rapid City MSA Annual Labor Statistics: 2010 to 2021						
Year	Labor Force	Employed	Unemployed	Unemployment Rate - MSA	Unemployment Rate - SD	Unemployment Rate - US
2010	70,416	66,760	3,656	5.2%	5.0%	9.6%
2011	70,913	67,550	3,363	4.7%	4.6%	8.9%
2012	71,206	67,208	2,998	4.2%	4.1%	8.1%
2013	71,410	68,646	2,764	3.9%	3.7%	7.4%
2014	71,798	69,374	2,424	3.4%	3.3%	6.2%
2015	72,113	69,835	2,278	3.2%	3.0%	5.3%
2016	72,747	70,438	2,309	3.2%	3.0%	4.9%
2017	73,582	71,246	2,336	3.2%	3.1%	4.4%
2018	73,803	71,640	2,163	2.9%	2.9%	3.9%
2019	74,663	72,424	2,239	3.0%	3.0%	3.7%
2020	74,877	71,171	3,703	4.9%	4.6%	8.1%
2021	76,674	74,211	2,463	3.2%	2.8%	5.3%

Source: South Dakota Department of Labor; Community Partners Research, Inc.
Not seasonally adjusted

The statistics on the available labor force track people by their county of residence, regardless of where they are employed.

When viewed over the entire 12-year period, the size of the MSA's resident labor force has continually increased in size. Between 2010 and 2021, there were 6,258 people added to the labor force, for an increase of 8.9%.

The number of employed MSA residents has generally followed the same pattern. From 2010 to 2021, the number of employed residents increased by 7,451 people, or 11.2%. Although the Covid pandemic did have some impact on the number of employed residents between 2019 and 2020, by the end of 2021 the MSA's employment had exceeded the 2019 level.

Rapid City MSA Labor Force and Employed Work Force
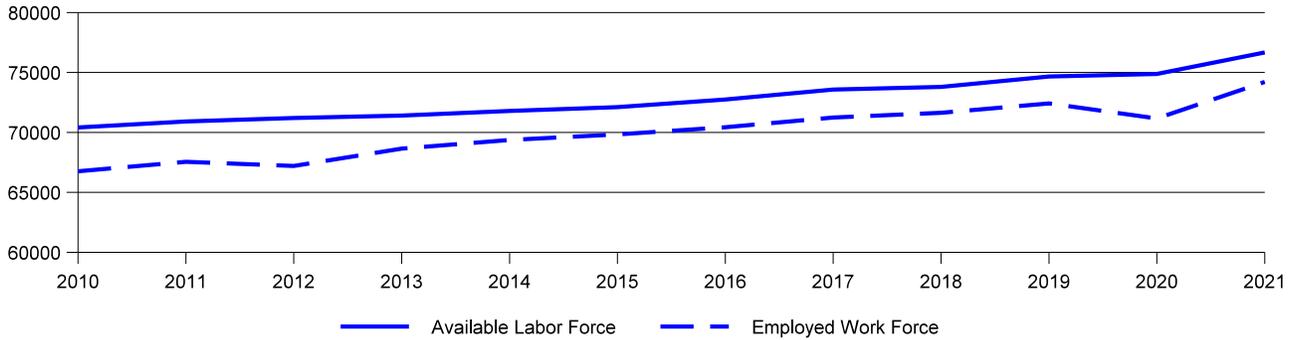
Throughout the years reviewed, the MSA's unemployment rate has been very similar to the Statewide rate, but well below the national unemployment rate.

Unemployment Rates
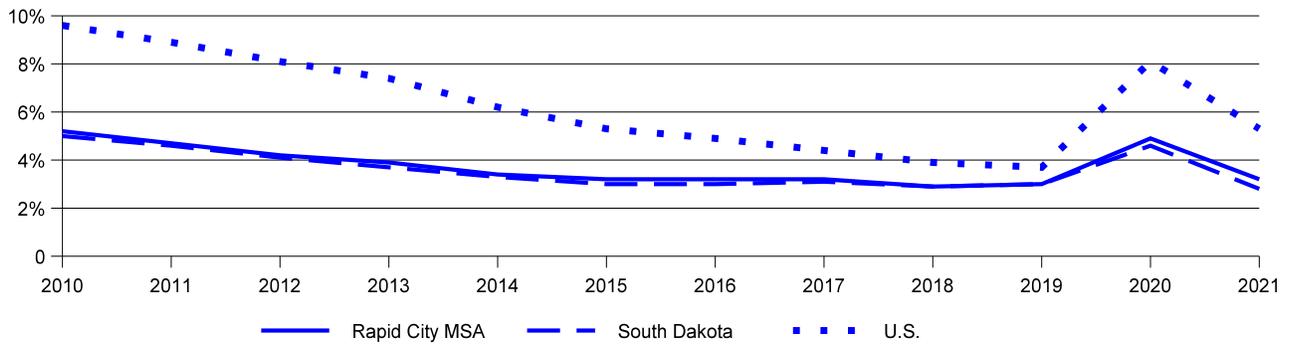
Average Employment and Weekly Wages

The following table shows the annual employment and average weekly wages for all employment in the Rapid City MSA in 2020, the last full year of data. This information is from the Quarterly Census of Employment and Wages (QCEW). Some employment, including people that are self-employed, may not be included in the data.

Table 24 QCEW Employment and Average Weekly Wages: 2020		
	Employment	Average Weekly Wage
Total All Industry	65,072	$910

Source: South Dakota Department of Labor

The average weekly wage for all industry in the entire MSA was $910 in 2020. At full-time employment this would equate to an average annual wage of $47,320.

Commuting Patterns of Area Workers

Information is available on workers that commute for employment. The American Community Survey has been examined for the City of Box Elder. The first table only examines people living in Box Elder that traveled to work and excludes people that work at home.

Table 25 Travel Times for Box Elder Residents - 2020		
Travel Time	Number	Percent
Less than 10 minutes	1,220	22.7%
10 to 19 minutes	2,160	40.1%
20 to 29 minutes	1,103	20.5%
30 minutes or more	902	16.8%
Total	5,385	100%

Source: American Community Survey

According to the American Community Survey, nearly 63% of the residents of Box Elder were working locally and commuting 19 minutes or less for employment in 2020. Nearly 17% commuted 30 minutes or more and were working farther away from the City.

The American Community Survey also identifies travel time by location of employment. For people that worked in Box Elder, the following travel times were listed. This would include people that both lived and worked in the City.

| Table 26 Commuting Times for Box Elder-based Employees - 2020		
Travel Time	Number	Percent
Less than 10 minutes	836	22.2%
10 to 19 minutes	1,227	32.6%
20 to 29 minutes	1,027	27.3%
30 minutes +	676	18.0%
Total	3766	100%

Source: American Community Survey

Overall, nearly 55% of the people that were employed within Box Elder had a travel time of 19 minutes or less. This would include people that both live and work in the City. Only 18% of workers traveled to Box Elder from greater distances and had a drive time of 30 minutes or more.

Census On the Map - Box Elder

The Census Bureau also produces commuter reports through its Center for Economic Studies division. This information is based on reports for the year 2019, but provides a further breakdown of worker movement.

According to the report for Box Elder, there were 1,448 people with their primary job within the corporate limits in 2019. Fewer than 12% of these Box Elder-based employees also lived in the City. There were 1,278 employees that lived outside the City and commuted in for their job. For people that were commuting into Box Elder, the primary home location was Rapid City, but workers were also coming from Rapid Valley CDP, Blackhawk CDP and Summerset.

On the Map can also be used to track worker outflow patterns from Box Elder. Overall, there were 3,230 Box Elder residents that were employed. The large majority of these residents worked outside the community, as nearly 95% left Box Elder for their primary job. The main destination for outbound residents was Rapid City. For people not also working in Box Elder, more than 66% were commuting to Rapid City. A much smaller number of residents were also commuting to Sioux Falls, Wall and Sturgis.
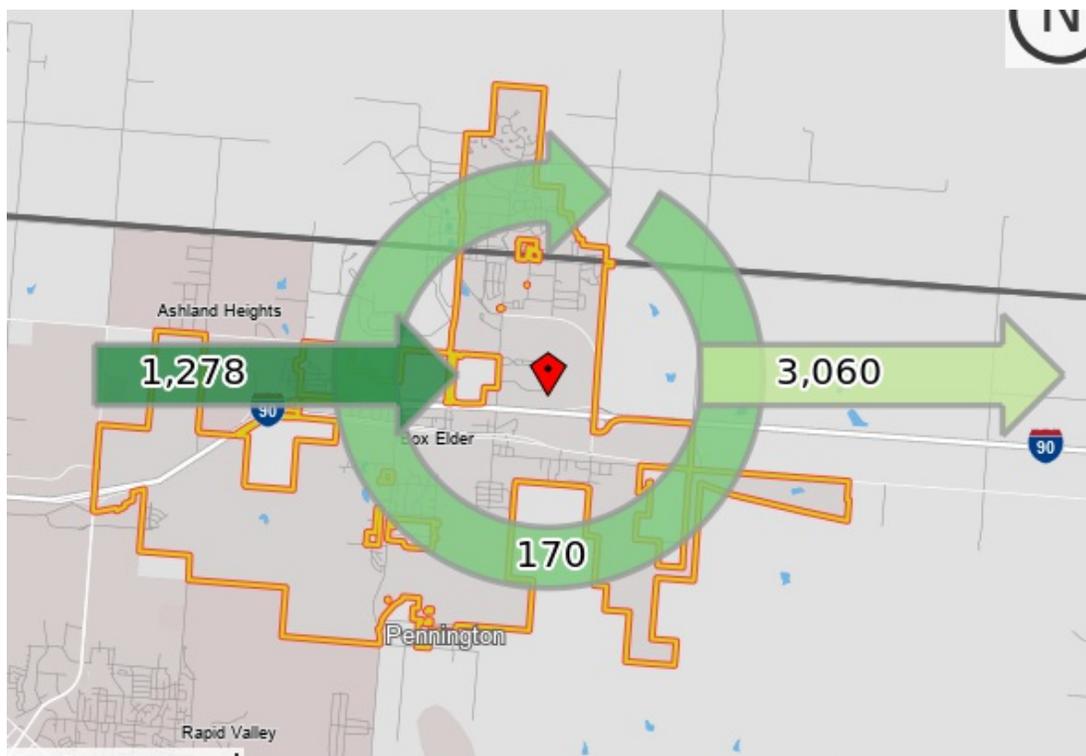
Findings on Growth Trends

As part of this Study, Community Partners Research, Inc., has examined growth patterns for the City of Box Elder and the Rapid City MSA over the past few decades as an indicator of future growth potential.

According to the 2020 Census, Box Elder added 3,946 residents between 2010 and 2020, for growth of more than 50%. The City added 1,680 households during the decade, for growth of nearly 69%. While much of the demographic growth since 2010 in Box Elder was due to new people and households moving into the community, a large share also appears to be due to boundary shifts of existing area residents.

In approximately 2011 or 2012, a large number of military households already living in base housing at Ellsworth AFB were shifted into the jurisdiction of the City when housing units were transferred from government ownership to private ownership. The exact numbers of households and people involved in this boundary shift are not known, but an estimated 833 housing units were transferred. In 2022, there are 780 housing units in use, with the other units either demolished over time or converted to nonresidential uses. It is very possible that 40% or more of the household increase between 2010 and 2020 was not caused by new households moving into the community.

Even with the belief that past growth statistics for Box Elder are overstated due to boundary shifts, the City still has been growing rapidly. If new housing unit construction is used as a potential indicator of growth, the City may have added as many as 1,000 households between 2010 and 2020, or an average of up to 100 households per year.

Longer-term growth for Box Elder is also difficult to accurately assess. While the City added 1,450 households between 2000 and 2010, much of this increase appears to have been due to the annexation of the Meade County portion of Box Elder. Building permit records show that approximately 460 new housing units were built in the City during that decade.

Past growth trends for the entire Rapid City MSA are more clearly defined. Between 2010 and 2020, the MSA added 5,120 households, after adding 7,708 households between 2000 and 2010. Although growth was slower after 2010, the Rapid City MSA still added households at an average of more than 510 per year in the recent past.

Findings on Projected Growth

This Study has examined projections from established national sources, including both Applied Geographic Solutions (AGS) and Esri.

For the City of Box Elder, AGS is projecting average annual growth of approximately 140 households per year through 2026. Esri is projecting a much more modest pace of growth with the City average 43 households per year through 2026. In the opinion of the analysts, Esri significantly under estimates the City's growth potential over the next five years.

Based on past patterns, it is reasonable to estimate that Box Elder will add at least 100 to 120 households in an average year. Over the 5-year projection period this yields a cumulative forecast of at least 500 to 600 total households. However, this could prove to be a very conservative forecast if Box Elder is able to capture a consistent share of the future growth in the Rapid City MSA.

For the entire two-county Metropolitan Statistical Area, AGS is projecting average annual growth of 974 households per year. Although the MSA forecast from AGS may appear to be high based on past patterns, growth of this scale would be achievable going forward based on information about the area's expanding housing inventory. Esri's is projecting a lower level of growth in the MSA but this forecast appears to be flawed.

After adjustment for possible border shifts/annexations, Box Elder accounted for approximately 19% to 20% of all household growth in the MSA between 2010 and 2020. If Box Elder maintains a capture rate of approximately 20% going forward, the City has the potential to grow even faster.

Using the AGS projection that the entire MSA may add as many as 974 households per year over the next five years, a 20% capture rate in Box Elder would indicate that household growth of up to 195 households per year is achievable. Over the 5-year projection period this could result in up to 975 households being added in Box Elder.

It is also important to acknowledge that the adjoining Ellsworth Air Force is Base is planned for a new mission. The Environmental Impact Statement for the project expects a 30% increase Air Force personnel by 2024 to 2026, including their families. It is possible that this prediction could be conservative based on other available data related to the project. The data sources cited above would not have included this information in their growth projections for the City or the MSA.

Summary of the Rapid City MSA Growth Projections by Age

The Demographic section of this Study presented projection information on anticipated changes by age group from 2022 to 2027. Future housing development projects in Box Elder will attract households from the larger region, and age projection patterns for the entire MSA have been examined.

In general, the movement of the "baby boom" generation through the aging cycle will generate many of the changes within area age distribution patterns through the year 2026. If grouped into larger aggregations, these projections expect the Rapid City MSA to have a significant increase in the age ranges 65 and older by 2026, while the number of households age 64 and younger is expected to decrease over this time.

Despite these broad patterns, age-based projections do expect that some of the defined younger age groups will increase in size. Esri's projections anticipate an increase in the number of households age 35 to 54 years old and some increase among households age 24 and younger.

However, the senior age groups are expected to increase substantially in size, as by the year 2027 nearly all of the large baby boom generation will be age 65 or older. Especially strong growth is being projected from senior households age 75 and older.

These projections assume that historical patterns will continue into the near-future, especially related to household formation and household size within specific age groups. As a single jurisdiction within the MSA, actual growth patterns in Box Elder may be different from the larger trends within the MSA. As stated previously, the analysts also view Esri's projections for the MSA to be very conservative for total household growth, but the age-based changes are informative for future planning.

	Projected Change in MSA Households
Age Range	2022 to 2027
15 to 24	185
25 to 34	-121
35 to 44	481
45 to 54	454
55 to 64	-1,361
65 to 74	941
75 and older	1,379
Total	1,958

Findings on Housing Unit Demand and Tenure

Calculations for total future housing need are generally based on three demand generators; household growth, replacement of lost housing units, and pent-up, or existing demand for units from households that already exist but are not being served.

Demand from Growth - At a minimum, the household projections used for this Study expect Box Elder to gain 500 to 600 households over the 5-year projection period. The Rapid City MSA is expected to add 4,250 to 4,850 households from 2022 to 2027. If the City is able to capture a relative share of the MSA's growth potential it is possible that Box Elder could achieve average annual growth of up to 195 households per year going forward. Household growth in Box Elder and the Rapid City MSA will yield significant demand for new housing production.

Replacement of Lost Owner-Occupancy Units - It is difficult to quantify the number of units that are lost from the housing stock on an annual basis. Unit losses may be caused by demolition activity, losses to fire or natural disasters, and to causes such as deterioration or obsolescence. In Box Elder, a limited amount of owner-occupancy housing may be removed in the future. As a result, we have included a minor allowance for unit replacement in the recommendations that follow.

Replacement of Lost Renter-Occupancy Units - It is also difficult to accurately quantify the number of units that are lost from the rental housing stock on an annual basis, however, we are projecting that a limited number of rental units will be removed from the rental inventory over the next several years. As a result, we have included a minor allowance for unit replacement in the recommendations that follow.

Pent-Up Demand - The third primary demand-generator for new housing is caused by unmet need among existing households, or pent-up demand. Strong household growth and shifting age patterns have created demand for many types of housing in Box Elder. We have included our estimates of pent-up demand into the specific recommendations that follow later in this section.

Box Elder
Strengths and Barriers
for Housing Development

Strengths for Housing Development

The following strengths for the City of Box Elder were identified through statistical data, local interviews, research and on-site review of the local housing stock.

▸   **Proximity to Rapid City** - Box Elder is adjacent to Rapid City. Rapid City provides employment opportunities, retail/commercial options, educational opportunities, health care facilities and cultural and recreational amenities.

▸   **Educational system** - Box Elder has an excellent public K-12 school system. New schools have been or are being constructed in Box Elder.

▸   **Health facilities** - Rapid City has the full array of medical facilities and a medical clinic is planned for Box Elder.

▸   **Infrastructure** - Box Elder's water and sewer infrastructure can accommodate future expansion.

▸   **Commercial development** - Box Elder has experienced commercial development over the past several years and additional commercial development is in the planning or construction phase.

▸   **Employers** - Box Elder has several large employers that provide job opportunities for local residents.

▸   **Population and household growth** - Box Elder and the MSA have experienced significant growth over the past several decades and are projected to add a significant number of people and households over the next five years.

▸   **Ellsworth Air Force Base** - The Ellsworth Air Force Base is located in Box Elder. The Base is expected to expand significantly and add personnel over the next several years.

▸   **Commuters** - Approximately 1,278 employees are commuting into Box Elder for their primary job. These commuters form a potential market for future housing construction.

▸ **Rapid City MSA** - On average, approximately 860 housing units were constructed in the Rapid City MSA annually. Box Elder has an opportunity to continue to capture a significant portion of this market.

▸ **Rental rate structure -** The rental rates in Box Elder are high compared to the rents in most South Dakota cities. This provides an opportunity for new rental housing construction.

▸ **Desirable location for seniors and retirees** - The Rapid City MSA is an attractive area for empty-nesters and seniors as a retirement location. As providers for health, retail and commercial services, government services, housing options and many recreational opportunities, the MSA has amenities that are attractive for seniors as they age.

▸ **Black Hills recreational area** - Box Elder is in the Black Hills, a prime, nationally known recreational and tourism area.

▸ **Developers, builders, contractors** - Box Elder has a large number of competent and active developers, builders and contractors.

▸ **High median value of existing homes** - Based on market values from residential sales in 2021, we estimate that the median priced home in Box Elder now is valued above $285,000. This high median sales price encourages new residential construction.

▸ **Available lots/land for development** - There are a significant number of lots for new residential home construction that either are available in 2022 or will be available in 2023. Undeveloped land also is available for future subdivision and residential lot development.

▸ **Spec home construction** - The residential housing market is strong in Box Elder, which has given confidence to developers and builders to construct spec homes.

▸ **Attached twin home and town home development** - Attached housing is an accepted housing option in Box Elder, which encourages future attached housing development.

▸ **New housing construction** - From 2010 to 2021, 1,223 new housing units were constructed in Box Elder, which verifies that Box Elder is an attractive location for residential development.

▸ **City leadership** - The City has leadership which has been successful in promoting industrial and commercial development, educational opportunities, recreational opportunities, housing options and other community amenities.

▸ **Past History/Momentum** - The City of Box Elder has a long history of population and household growth and housing development. This history provides the momentum for continued population growth and development.

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 Box Elder.

‣ **Proximity to Rapid City** - Although it is a strength to be close to Rapid City, it is also a barrier as Box Elder must compete with Rapid City, which also offers attractive residential opportunities and other amenities and services.

‣ **Competition with rural lots** - The Rapid City MSA has rural lot opportunities, which compete with available lots within the City limits of Box Elder.

‣ **Lack of affordable housing stock** - Box Elder's housing stock has a limited number of affordable housing units. The median sales price of existing homes was $285,000 based on sales in 2021.

‣ **Commercial/retail options** - Box Elder has a limited number of retail and commercial options compared to large regional centers.

Box Elder Recommendations and Opportunities

Recommendations, Strategies and Housing 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 Box Elder. They are based on the following strategies.

▸ **Continue housing development momentum** - Box Elder has created momentum for housing development. This includes developers creating subdivisions and lots, an active construction community, and a proactive City Council and staff. This momentum should be protected and maintained.

▸ **Continued proactive community involvement** - New home and rental construction will more likely continue to occur in Box Elder if there is ongoing proactive support from developers, builders, realtors, other private sector stakeholders, the City, local and regional housing and economic development agencies and the South Dakota Housing Development Authority.

▸ **Protect the existing housing stock** - The future of Box Elder will be partially dependent on the City's appeal as a residential location. The condition of the existing housing stock is a major factor in determining the City's long-term viability. Most of the existing housing stock is in good condition and is a major asset, however, rehabilitation efforts are needed to continue to preserve some of the housing stock.

▸ **Protect the existing assets and resources** - The City of Box Elder has many assets including an excellent public school system, the Ellsworth Air Force Base, job opportunities, recreational opportunities, etc. These are strong assets that make Box Elder a desirable City to live in, and are key components to the Community's long-term success and viability. These assets must be protected and continued to be improved.

▸ **Develop a realistic action plan with goals and time lines** - In the past, the City has been involved in housing issues. The City should continue to prioritize its housing issues and establish goals and time lines to achieve success in addressing its housing needs.

▸ **Access all available resources for housing** - In addition to the local efforts, Box Elder has other resources to draw on including USDA Rural Development, the South Dakota Housing Development Authority, NeighborWorks Dakota Home Resources, the Western South Dakota Community Action Agency and the Pennington County Housing and Redevelopment Commission. These resources should continue to be accessed as needed to assist with housing activities.

Summary of Findings/Recommendations

The findings/recommendations for the City of Box Elder have been formulated through the analysis of the information provided in the previous sections. These findings/recommendations have been divided into the following five categories and include 19 recommendations:

▸ **Rental Housing Development**
▸ **Single Family Housing Development**
▸ **Home Ownership Recommendations**
▸ **Housing Rehabilitation and Neighborhood Revitalization**
▸ **Other Housing Issues**

The findings/recommendations for each category are as follows:

Findings and Recommendations for the City of Box Elder	
Rental Housing Recommendations	
1.	Develop 500 to 600 general occupancy conventional market rate rental housing units
2.	Develop 46 to 50 tax credit/moderate rent housing units
3.	Develop of 20 to 24 subsidized general occupancy rental housing units with three or more bedrooms
4.	Preserve the existing supply of subsidized rental housing
5.	Consider the development of senior housing with services intensive (assisted living units)
6.	Develop 26 to 30 senior independent/light services rental units
7.	Continue to utilize the Housing Choice Voucher Program
Home Ownership Recommendations	
8.	Continue to utilize and promote all programs that assist with home ownership
Single Family Housing Development	
9.	Lot availability and development
10.	Strategies to encourage continued residential lot sales and new home construction

Findings and Recommendations for the City of Box Elder
11. Promote twin home/town house development
12. Coordinate with agencies/nonprofits that develop very affordable ownership housing
13. Strategies to develop new affordable houses
Housing Rehabilitation and Neighborhood Revitalization
14. Promote rental housing rehabilitation programs
15. Promote owner-occupied housing rehabilitation programs
Other Housing Initiatives
16. Promote employer involvement in housing programs
17. Develop mobile home park improvement programs
18. Create a plan and a coordinated effort among housing agencies
19. Develop home ownership and new construction marketing programs and strategies

Box Elder
Rental Housing Development

Rental Housing Development

Overview: In recent decades it has been difficult for most cities to produce new rental housing units. A number of factors, including federal tax policy, state property tax rates, high construction costs and a low rent structure, have all contributed to the difficulty in developing rental housing in most South Dakota communities.

However, more than 420 rental units have been constructed in Box Elder from 2010 to 2021. Also, in 2022, additional projects are under construction including a 229-unit mixed-use commercial/rental project, a 288-unit rental complex, and three smaller buildings with a combined 24 units.

Demand for new rental housing is typically generated from three factors:

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

A conservative forecast is that Box Elder will add at least 500 to 600 households over the next five years, from 2022 to 2027. We are projecting that approximately 50% of these households will be renters. Therefore, there will be a demand for approximately 250 to 300 additional rental units in Box Elder due to household growth over the five-year projection period. This could prove to be a very conservative projection for growth-generated demand.

Demand created by replacement of lost units is more difficult to determine, but the best available evidence suggests that Box Elder will lose as many as 10 to 15 units per year. As a result, approximately 50 to 75 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. In other cases, this replacement is appropriate due to the deteriorating condition of older, substandard rental housing that should be removed from the occupied stock. Also, some rental units may be lost due to the liquidation of a mobile home park. Rental units will also be lost due to rental units converting to owner-occupancy.

Pent-up demand also exists. As part of this study, a rental survey was conducted in Box Elder. We have identified pent-up demand for all types of rental units including market rate units, subsidized units, tax credit units and senior market rate independent/light services units. The Ellsworth Air Force Base is also projected to add personnel over the next five years, which will add to the demand for rental housing.

These three demand generators, after factoring current occupancy rates, show a need for 592 to 704 rental units over the next five years. Based on the factors stated above, we recommend the development of the following new rental units over the next five years from 2022 to 2027.

▸ General Occupancy Market Rate   500-600 units
▸ Subsidized   20-24 units
▸ Tax Credit/Moderate Rent   46-50 units
▸ Senior with Services (Independent/Light Services)   26-30 units
▸ Senior with Services (Assisted living)   TBD units/beds
                                                                 Total   592-704 units
                                                                           plus assisted living
                                                                                units/beds

From 2010 to 2021, approximately 10.7% of the multi-family rental units constructed in the Rapid City MSA were constructed in Box Elder. It is estimated that approximately 25% of the rental units constructed in the MSA could be constructed in Box Elder in the next five years if the recommendations in this Study come to fruition.

1.   Develop 500 to 600 general occupancy market rate rental units

Findings: Approximately 95% of the rental housing units in the City of Box Elder 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.

Of the total 1,109 market rate rental units surveyed, we found no vacancies. A healthy vacancy rate is 3% to 5%. The owners and managers of rental properties reported high ongoing occupancy rates and excellent demand for rental housing.

There is a wide rental rate variation in the market rate segment in the City of Box Elder. The existing rent range in the multi-family rental projects including utilities is:

▸   Studio $900-$925
▸   One-bedroom $1,025-$1,275
▸   Two-bedroom $1,225-$1,450
▸   Three-bedroom $1,400-$1,850
▸   Four-bedroom $2,000-$2,050

From 2010 to 2021, approximately 420 market rate rental units have been constructed in Box Elder. Also, 541 rental units are being constructed in 2022.

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 a combined total of between 500 to 600 market rate rental units over the next five years from 2022 to 2027. The 541 units being constructed in 2022 are included in this recommendation, thus, an additional 60 market rate units are recommended.

With so many new units already in the construction pipeline, this recommendation will need to be monitored. If all of the new units are successfully absorbed and evidence of unmet demand still remains, a higher level of unit production may be needed later in the 5-year projection period.

Based on our research, there is a need for all unit sizes, thus, the new units constructed over the next five years should include studio, one, two, three, and four-bedroom units.

Town home-style units or high quality apartment buildings are both options in addressing the need for market rate units. To be successful, future projects should have 'state of the art' amenities.

There are two market rate rental segments in Box Elder. One segment is seeking a high quality unit and can afford a higher rent. The second segment is seeking work force housing at a more modest rent. This segment may not qualify for subsidized units, but affordability is still an issue.

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

The first option to developing market rate housing would be to encourage private developers to undertake the construction of market rate rental housing. Over the past several years, developers have constructed or are currently constructing market rate rental housing in Box Elder. Developers continue to have an interest in and are planning to construct rental housing in Box Elder.

If private developers cannot develop affordable workforce rental housing, the City of Box Elder, the Economic Development Corporation or a regional housing agency could potentially utilize essential function bonds, or similar funding sources, to construct market rate units. However, with private developers active in rental development, a direct public role may only be needed to develop affordable housing.

Also, the City of Box Elder or a regional housing agency could partner with private developers to construct additional units for more affordable options. The City could assist with land donations, tax increment financing, tax deferment, tax abatement, reduced water and sewer hookup fees, etc.

It may also be possible to utilize Housing Choice Vouchers if some of the new units meet income requirements and the rents are at or below the Payment Standards. The Housing Voucher Payment Standards are at $764 for a one-bedroom, $1,006 for a two-bedroom and $1,423 for a three-bedroom unit.

2.   Consider the development of 46 to 50 tax credit/moderate rent housing units

Findings: Box Elder has one tax credit project, Northern Lights Apartments, with a total 30 units. The project has no vacant units. The tax credit project in Box Elder was constructed in 2017.

There have been additional rental projects in Box Elder that have also utilized tax credits, but these projects have also utilized funding sources that have enabled the projects to have a deep subsidy rent structure. We continue to see unmet need for more affordable/moderate rent units. Federal low income housing tax credits are the most available development financing resource that is available for more affordable rental housing development.

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 moderate gross rent, there is also a higher 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 approximately 30% of their income for rent.

Most of the renter households currently residing in Box Elder are in the moderate to lower income ranges. Although some of Box Elder'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 a substantial number of renter households over the next five years. Many 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 Rapid City MSA households that would move into a newly constructed affordable unit and from the pent-up demand that currently exists for moderate income rental housing in the MSA.

Recommendation: We recommend the development of 46 to 50 tax credit units in Box Elder during the next five years based on the following:

▸ The City of Box Elder currently has 30 tax credit/moderate rent units. There were no vacant units at the time of the survey.

▸ Box Elder may add up to 700 new renter households from 2022 to 2027. Past history indicates that a significant percentage of these households will be in a moderate to lower income range.

▸ Over 50% of all renter households are within the income range from approximately $25,000 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 Box Elder 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.

▸ Box Elder is experiencing commercial growth and adding employees. Some of these employees have moderate incomes and a tax credit rental project would address their housing needs.

The 46 to 50 tax credit/moderate rent units should be primarily two and three-bedroom units and serve families. It should be noted that if a local developer receives financial assistance such as tax increment financing and/or land at a reduced price, rental units could potentially be developed with a rent that serves some moderate income households without utilizing tax credits.

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

3. Develop 20 to 24 subsidized rental housing units

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

The research completed for this Study found four federally subsidized rental projects that offer subsidized housing with rent based on income. The four projects have a total of 96 units and are designated for general occupancy. The four subsidized rental projects in Box Elder include:

▸ **Baker Apartments** - Baker Apartments is an eight-unit USDA Rural Development general occupancy project. The eight units all have two bedrooms.

▸ **Foothills East Apartments** - Foothills East Apartments is a 72-unit USDA Rural Development general occupancy project. The 72 units include 2 one-bedroom and 70 two-bedroom units.

▸ **Parker Apartments** - Parker Apartments is an eight-unit USDA Rural Development general occupancy project. The eight units all have two bedrooms.

▸ **Johnson Apartments** - Johnson Apartments is an eight-unit general occupancy USDA Rural Development project. The eight units all have two bedrooms.

The 96 units in the four subsidized projects include:

▸ three one-bedroom units
▸ 93 two-bedroom units

At the time of the survey, the four projects had a high occupancy rate.

There were an additional three subsidized projects in Box Elder with a total 24 units, but their subsidy contracts ended and the projects converted to market rate.

Approximately 5% of the City of Box Elder's rental housing stock is in the subsidized category. While the percentage of subsidized housing is very small in Box Elder, the City also has a tax credit project with 30 units and a number of households with a tenant-based Housing Choice Voucher. Therefore, overall approximately 7.7% of the City's total households have some source of housing subsidy or some form of income limits and/or rent restrictions in place in 2022.

Despite the number of income-based rental options that do exist, the 2020 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 very low annual incomes, and would be under the income limits for subsidized housing.

Recommendation: Based on the cost burden data contained in the American Community Survey, the absence of deep subsidy three-bedroom units in Box Elder and the number of subsidized units that have converted to market rate, we 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 and housing agencies attempt to construct 20 to 24 units that achieve a rent level that would be affordable to very low income households earning less than $25,000 per year.

This recommendation represents a modest goal, since 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.

Another important community strategy will be to prevent the future loss of the remaining project-based subsidized housing projects. 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.

An area housing agency, such as the Pennington County Housing and Redevelopment Commission or Neighbor Works Dakota Home Resources, may have the staff resources to assist the City of Box Elder with developing a new subsidized rental project.

4.   Preserve the existing supply of subsidized housing

Findings: The City of Box Elder has four "deep subsidy" rental housing projects that allow tenants to pay rent based on 30% of income. Three of these projects are more than 20 years old and were constructed when the federal government was actively involved in producing low income housing.

The subsidized housing represents the most affordable option available to lower income households. Since most of these units charge rent based on income, even extremely low income households can afford their housing.

We believe that all of the "deep subsidy" rental housing projects in Box Elder are privately owned. In some communities, privately owned subsidized housing has been lost as owners have the ability to opt-out of subsidy contracts after their original obligations have been met. Subsidized housing that is lost cannot be cost-effectively replaced with the low income housing production resources that are available today. In Box Elder, we are aware of three subsidized projects, with a total 24 units, that have ended their USDA Rural Development Compliance contracts and now operate as conventional market rate housing.

Recommendation: The South Dakota Housing Development Authority (SDHDA) may know of subsidized housing in South Dakota that is at risk of being lost. SDHDA administers subsidy programs statewide and would therefore be aware of subsidized housing that is in the process of ending its subsidy contract. USDA Rural Development would know of any projects leaving their subsidy program.

Local and regional housing agencies should check with SDHDA, USDA Rural Development and/or the subsidized project owners on an ongoing basis to determine if any subsidized housing projects are considering the option to drop their subsidy contract. In some communities, public or nonprofit agencies have been able to purchase projects that are at risk of being lost, to preserve their affordable housing resources.

5.   Develop senior service intensive (assisted living) housing units

Findings: Senior housing that 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.

Box Elder currently has no senior housing complexes with services, however, Rapid City has more than 600 assisted living beds and skilled nursing beds.

In 2022, there were nearly 10,500 senior citizens, age 75 and above, that were living in Rapid City MSA. By the year 2027, the number of seniors over the age of 75 is projected to increase by approximately 2,700 people in the in the MSA.

Recommendation: Based on the research completed for this Study, we recommend the development of assisted living units in Box Elder over the next five years. It is our analysis that MSA's past population growth and the projected future growth warrants an assisted living project in Box Elder. We are also recommending the development of 26 to 30 independent/light services units as described in the following recommendation.

The purpose of the senior with services intensive services/assisted living recommendation is to provide general guidance to potential developers. A developer or existing senior with services facility planning a specific project should have a project specific study conducted. We have not recommended a specific number of assisted living units as a large-scale study would be needed to determine specific senior housing with intensive senior services.

6.   Develop 26 to 30 senior independent/light services market rate units

Findings: We are not aware of any senior independent/light services market rate rental units in Box Elder.

In 2022, there are nearly 600 households age 65 or older in Box Elder. Esri's projections expect approximately 120 additional households age 65 and older in Box Elder by the year 2027.

We are estimating that 4% to 5% of senior households age 65 and older in Box Elder would move into a senior independent/light services rental project. Also, the project will attract tenants from other MSA jurisdictions.

Recommendation: We are recommending a 26 to 30-unit independent/light services senior project in Box Elder. The project should be designed for seniors to live in a unit independently, or for households needing only light supportive services. The senior project could be a one-level apartment building or town home-style units.

The project's amenities and features should include:

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

Unit features should include:

▸   26 to 30 units
  ▸   6 to 8 one-bedroom
  ▸   20 to 22 two-bedroom

▸ Floor plans that promote accessibility
▸ Fully equipped kitchen
▸ Large storage area
▸ Ample closet space
▸ Laundry hookups
▸ Open floor plan
▸ Private patio
▸ Individually controlled heat and AC
▸ Raised outlets, lever door handles, lowered kitchen cabinets
▸ Expansive windows

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

▸ Noon meal
▸ Weekly housekeeping
▸ Home healthcare
▸ Social activities

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

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

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

7.   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 approximately 30% 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 very limited 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.

The Housing Choice Voucher Program is administered in Box Elder and Pennington County by the Pennington County Housing and Redevelopment Commission. The Pennington County Housing and Redevelopment Commission has the ability to issue approximately 1,325 Vouchers in Pennington County. There is currently a two to three month waiting list to obtain a Voucher.

Recommendation: Box Elder should work with the Pennington County Housing and Redevelopment Commission to assure that renter households in Box Elder are aware of the Housing Choice Voucher Program and have an opportunity to apply for assistance.

Box Elder -
Home Ownership

Home Ownership

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 in Box Elder is estimated to be approximately $285,000, based on sales activity in 2021. The home values in Box Elder provide some limited opportunities for first time buyers and households seeking moderately priced homes.

Our analysis of the Rapid City demographic trends projects a significant increase over the next five years in the number of households in the 25 to 44 age ranges. Many of these households are first-time home buyers or are trade-up buyers, selling their existing home and purchasing a more expensive home. Also, the 55 and older age ranges are projected to add a substantial number of households over the next five years. Many of these households are seeking trade-up homes or maintenance free housing.

Some households in these age ranges, as well as households in other age ranges that have not been able to achieve the goal of home ownership, may need the assistance of special programs to help them purchase a home.

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

## 8.	Continue to utilize and promote all programs that assist with home ownership

Findings: We believe that affordable home ownership is one of the major issues facing Box Elder 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, gap financing and home ownership counseling and training programs can help to address affordable housing issues. The City of Box Elder has a limited supply of houses that are suitable for these assistance programs, due to the high prices that exist. However, the home value estimates used in this Study indicate that some of the existing stock is affordable and suitable for the first-time home buyer assistance programs.

While these individual home ownership assistance programs may not generate a large volume of new ownership activity, the combination of below-market mortgage loans, 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 Box Elder should work with NeighborWorks Dakota Home Resources, the South Dakota Housing Development Authority, USDA Rural Development and local financial institutions to utilize all available home ownership assistance programs. Private and nonprofit agencies should also be encouraged to provide home ownership opportunities.

The City of Box Elder should also work with housing agencies to assure that Box Elder residents are receiving their share of resources that are available in the region.

Funding sources for home ownership programs may include USDA Rural Development, the South Dakota Housing Development Authority, and the Federal Home Loan Bank. Also, NeighborWorks Dakota Home Resources, utilizes several funding sources to provide home ownership programs.

Box Elder
Single Family Owner-Occupied
Housing Development

New Owner-Occupied Housing Construction

Findings: Box Elder has experienced significant single family housing construction over the past 12 years. According to City and U.S. Census records, from 2010 to 2021, approximately 852 single family units and twinhomes were constructed in Box Elder. Also, 52 single family units have been constructed from January through June, 2022. Based on the type of construction, it is assumed that these units were primarily intended for owner-occupants, although some may be seasonal-use or rental properties.

During the six-year period from 2010 to 2015, approximately 373 single family units were constructed, which is an average of 62 homes annually. During the past eight years, from 2016 to 2021, 427 single family homes were constructed, which is an average of 71 units per year. Through the first six months of 2022, building permits have been issued for 52 additional houses.

The Box Elder area has many attractive features and qualities, including available jobs, the Air Force Base, strong existing home values, projected household growth, recreational opportunities, available high amenity residential lots and a past history of substantial housing development. The efforts of local stakeholders, including developers and builders, should result in the continued construction of a substantial number of single family housing units over the five-year projection period. However, attractive residential lot options must continue to be available for new home construction for a wide range of home values and types.

It is our opinion that if the City of Box Elder, developers, builders, and local and regional housing agencies continue to be proactive, an average of 100 to 120 single family housing units could be constructed in Box Elder annually from 2022 to 2027 to address demand. This is a total of 500 to 600 housing units over the five-year period.

Our projection for new single family owner-occupied housing units 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 100 to 120 new housing units annually is as follows:

Demand Projection for Annual Owner-Occupancy Housing Construction		
Unit Type	Approximate Price Range	Projected Annual Demand Projection
Single Family Projected Demand		
Affordable	Less than $300,000	30-36 units
Mid-Priced	$300,000- $450,000	44-50 units
Higher-Valued	$450,000	26-34 units

Source: Community Partners Research, Inc.

From 2010 to 2021, approximately 12.4% of the single family housing units in the Rapid City MSA have been constructed in Box Elder. The projection of 100 to 120 units constructed annually in Box Elder over the five-year projection period are 15% of the units that are projected to be constructed in the MSA from 2022 to 2027.

We have defined **affordable homes** as single family units that would typically sell for less than $300,000. While many people may view this as a high price for affordable housing, it is increasingly difficult to construct new houses at a lower cost. Houses within this price range often appeal to younger buyers, first-time buyers, or those households trading-up from an older, lower valued house or mobile home. To achieve a price less than $300,000, assistance may be needed such as land at a reduced price, tax increment financing, tax abatement, etc. Also, financial assistance may be needed from state or housing agencies.

Additionally, affordable homes may be constructed by organizations like Habitat for Humanity or Neighbor Works Dakota Home Resources. This housing often serves a segment of the market that could not otherwise access newly constructed units. Also, affordable homes could include Governors homes, modular homes and twinhomes/townhomes.

We have defined **mid-priced homes** within a price range of $300,000 to $450,000. This price can generally be achieved by private housing developers. Box Elder has traditionally had active construction activity occurring within this price range. The higher end of the price range represents a portion of the trade-up housing market.

We have defined ***higher-valued homes*** as those priced at $450,000 and above. Once again, the private housing market has been successful at serving this segment of the market in the Box Elder area. This should continue to be a strong market segment going forward. Many households purchasing a high valued home will be selling an existing home and have an equity position that can be used to purchase a home in this price range.

9.   Lot availability and lot 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 Box Elder. Currently, based on City data, there are 10 active residential subdivisions in Box Elder. These subdivisions include:

▸   Alpha Omega
▸   Cheyenne Pass
▸   Fox Borough
▸   Freedom Estates
▸   Freedom Landing
▸   Liberty Park
▸   Liberty Plaza
▸   Northern Lights
▸   Raider Pointe
▸   Red Feren

As of June 30, 2022, these 10 subdivisions had approximately 330 residential lots that were for sale. Also, several of the subdivisions have the approval to develop additional residential lots, which will provide an additional 320 lots. Therefore, there are approximately 650 total residential lots that are currently available or can be available in a short-time period.

Also, there is land available for future residential development.

There may be miscellaneous infill lots scattered around the City that we did not attempt to count.

Recommendation: We generally 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 100 to 120 new single family housing units could be constructed per year, the City should have approximately 250 to 300 residential lots available to meet the expected demand. Part of this demand would be for attached unit construction.

With approximately 650 lots available now or in the near-future, the City has an adequate supply of lots for the next 2 ½ years. However, with the projections that 100 to 120 new single family units will be constructed annually, there will be a need for additional lots in years four and five of the projection period. Therefore, we recommend that the City and developers monitor lot sales and new home construction and continue to plan to develop additional lots. The City and developers should also assure that lots are available for wide variety of home styles and in different price ranges.

There is land available in Box Elder for additional residential lot development. The developers in Box Elder have a long history of improving land for new home construction to address demand.

10.   Strategies to encourage continued residential lot sales and new home construction in Box Elder

Findings: Over the past six years, from 2016 to 2021, an average of 71 single family units has been constructed in the City annually. We are projecting that an average of 100 to 120 lots will be constructed annually from 2022 to 2027. To increase new single family housing construction over the next several years, we recommend several strategies.

Recommendation: We recommend that the City of Box Elder, developers, builders, realtors and all 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*** - The City of Box Elder is considered one of the 'hottest' real estate markets in the State of South Dakota. There are a substantial number of housing units constructed annually in the City. There are currently an adequate number of developers, builders and available lots in the City. The City has a working formula for new home construction and the City should maintain its momentum.

▸   ***Continue competitive pricing*** - There are lots available in communities throughout the MSA. To continue to attract new home construction in Box Elder lots should remain competitively priced with other options in the MSA.

▸   ***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 Box Elder and Box Elder developers should continue long-term development planning to assure lots are available to meet demand for all types 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.

▸   ***Significant number of residential subdivisions*** - Currently, Box Elder has a significant number of subdivisions. This provides buyers with options. It also increases sales as several developers are promoting their subdivisions and lots.

▸   ***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.

▸   ***Marketing*** - The City of Box Elder and housing stakeholders will need to continue a comprehensive marketing strategy to market available lots. All stakeholders including developers, realtors, financial institutions, builders, employers, etc. should be included in marketing strategies. In addition to marketing the lots, the City of Box Elder and its amenities should be marketed.

▸ ***Consider innovative housing developments*** - Innovative projects such as planned unit developments, patio/villa homes, etc., provide unique opportunities for home buyers and can help to broaden the housing market.

▸ ***Look for opportunities to develop mixed-use and mixed-income neighborhoods*** - With the significant development potential that exists in Box Elder, the City has the opportunity to accomplish goals established in its Comprehensive Plan, including Goal 4.2. which states *"Facilitate a reasonable opportunity for a variety of housing, including a mixture of housing type and income levels to meet the needs of people desiring to live, benefit from, and fully participate in all aspects of neighborhood and community life."*

11. Promote town house and twin home development

Findings: Box Elder has experienced some attached housing development from 2010 to 2021. Many communities have seen attached housing take an increasingly large share of new construction. In cities the size of Box Elder, 20% to 25% of the housing starts are typically twin homes/town homes. Over the past 12 years from 2010 to 2021, twin home/town home construction for home ownership has been limited to approximately 5% of the new construction in Box Elder.

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. Attached housing may also be an affordable option for younger households. In 2022, based on Esri estimates, there were 15,800 households in the MSA with a head of household in the 65 and older age ranges and it is estimated that the 65 and older age ranges will increase by 2,320 households in the MSA from 2022 to 2027.

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.

Recommendation: It is our projection that 20 to 25 new owner single family units per year should be twin homes or town houses over the next five years, which is a total of 100 to 125 units during the five-year period.

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

- ▸ Senior friendly home designs
- ▸ Maintenance, lawn care, snow removal, etc. all covered by an Association
- ▸ Cluster development of a significant number of homes which provides security
- ▸ Homes at a price that is acceptable to the market

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

12. 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 and nonprofit groups such as Habitat for Humanity and the NeighborWorks Dakota Home Resources. These sources can help generate new homes for moderate income families in Box Elder.

Recommendation: We recommend that the City coordinate with housing agencies, nonprofit groups and private sector builders to produce housing units for moderate income ownership. The City could contribute to the project through land donations, tax increment financing, tax abatement, or project coordination activities.

13. Strategies to develop new affordable homes

Findings: It is difficult to develop homes that are considered affordable, generally defined as less than $300,000. Land and development costs, the cost of materials and labor, new building requirements, etc. are all factors which make most new homes out of reach for most households.

Box Elder is a 'hot' market for home construction, which provides little incentive for developers and builders to address the affordable home market, as they are busy addressing the demand for higher priced homes, which generates higher profits.

The City of Box Elder has a need for new affordable homes, as the City has a small existing affordable home inventory. The City has grown rapidly and the percentage of older existing homes is minimal. Because of the limited existing housing stock and the high demand, the median sales price for existing homes in Box Elder was $285,000 in 2021.

Recommendation: We have recommended the construction of 30 to 36 affordable homes in Box Elder annually from 2022 to 2027. To accomplish this, the City of Box Elder may have to take an active role in developing new affordable housing including tax increment financing, tax abatement, land donations, etc.

Successful affordable home development strategies include:

▸   **Available lots** - Lots should be available to facilitate affordable home construction.

▸   **Governors Homes** - The SDHDA's Governors Home program provides an affordable ownership option.

▸   **Modular Homes and modular home subdivisions** - Lots for modular homes would expand affordable ownership opportunities

▸   **In-fill lot Home Development** - In-fill lots in existing neighborhoods are often affordable and have existing City services. Some housing agencies and nonprofits develop affordable homes on in-fill lots.

▸   **Dakota Land Trust -** Neighbor Works Dakota Home Resources administers the Dakota Land Trust Program, which makes homes more affordable.

▸   **South Dakota Housing Development Authority Programs (SDHDA) -** SDHDA has housing programs available to assist developers, builders and home buyers with subdivision development and the purchase of affordable homes.

▸   **Publicly-owned subdivision -** Private developers often have little incentive to develop lower-priced lots and houses. A possible approach is to develop a publicly-owned subdivision, which could offer lower-priced lots for affordable homes.

Some successful strategies to develop affordable homes in other cities include:

In Brookings, tax increment financing and other resources were used to assist more affordable subdivisions for lower priced houses. Lower cost houses produced in Brookings used smaller lots, more narrow streets, and in some cases, houses were built without basements.

In Fort Pierre, the Broken Timbers subdivision was publicly developed and offered affordable lots. This subdivision attracted a mix of houses, including a number of Governors Houses. Some of the houses were built by Habitat for Humanity.

Aberdeen has historically been one of the most successful communities in the State of South Dakota in promoting and encouraging affordable home ownership. The Homes Are Possible, Inc. organization, better known as HAPI, has been a model that has been replicated in other communities. In addition to affordable subdivision development and home construction, HAPI has been active in offering assistance programs to potential buyers.   HAPI offers home ownership training and closing cost assistance. HAPI can also direct home buyers to other financial resources, such as Rural Development mortgage programs.

Box Elder
Housing Rehabilitation

Housing Rehabilitation

Findings: Box Elder has an asset in its existing housing stock. Existing units, both now and into the future, will represent the large 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. Investment in housing rehabilitation activities will be critical to offering affordable housing opportunities.

It is our opinion that Box Elder and area housing agencies should make housing rehabilitation one of its housing priorities in the future. New housing construction that has occurred is often in a price range that is beyond the affordability level for many Box Elder households. Housing options for households at or below the median income level will largely be met by the existing, more affordable housing stock. As this existing stock ages, more maintenance and repair will be required. Without rehabilitation assistance, the affordable stock could shrink, creating an even more difficult affordability situation.

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

14.   Promote rental housing rehabilitation

Findings: Based on available data, the City of Box Elder has approximately 1,922 rental units in 2022. These rental buildings are in large multi-family projects, small rental buildings, duplexes, single family homes and mobile homes.

Based on the American Community Survey, approximately 33% of all rental units in the City were constructed before 1980. While most rental projects are in good condition, some of these rental structures could benefit from rehabilitation.

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

Recommendation: The City of Box Elder should work with housing agencies to seek funds that allow for program design flexibility that make a rental rehabilitation program workable. Potential funding sources may include USDA Rural Development, NeighborWorks Data Home Resources, the Western South Dakota Community Action Agency, the South Dakota Housing Development Authority, the Federal Home Loan Bank and local funds.

Some communities have also established rental housing inspection and registration programs that require periodic inspections to assure that housing meets applicable codes and standards.

15.   Promote owner-occupied housing rehabilitation programs

Findings: The affordability and quality of the existing housing stock in Box Elder will continue to be an attraction for families that are seeking housing in Box Elder. Investment in owner-occupied housing rehabilitation activities will be critical to offering affordable housing opportunities. Although the majority of Box Elder's owner-occupied housing is newer and in good condition, approximately 7% of all owner-occupied units were built before 1960. Some of these units need rehabilitation.

Recommendation: We recommend that the City of Box Elder seek local, state and federal funds to assist in financing housing rehabilitation. USDA Rural Development, the South Dakota Housing Development Authority, the Federal Home Loan Bank, NeighborWorks Dakota Home Resources and the Western South Dakota Community Action Agency are potential funding sources. NeighborWorks Dakota Home Resources has several housing programs to assist households with the rehabilitation of their homes.

Some programs offer households that meet program requirements, a deferred loan to rehabilitate their homes. Deferred loans do not have to be paid back if the household lives in the rehabilitated home for a stipulated amount of time after the rehabilitation is completed. We encourage Box Elder households to utilize these housing rehabilitation programs. Also, the Western South Dakota Community Action Agency provides Weatherization funds for Box Elder and Pennington County.

Box Elder
Other Housing Initiatives

Other Housing Initiatives

16.   Promote employer involvement in housing

Findings: The connection between economic development and housing availability has become an increasingly important issue as local employers have 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 Box Elder's housing needs. Several funding sources have finance programs that include employers. The funding agencies often view 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 work force oriented rental housing or an affordable residential subdivision.

Additionally, employers can continue to support other City projects such as trails, parks, ball fields, etc., that directly have a positive impact on housing in Box Elder.

17. Develop mobile home park improvement programs

Findings: Box Elder has a large number of mobile homes in several mobile home parks. According to the 2020 American Community Survey estimates, Box Elder has more than 775 occupied mobile homes, which represents approximately 22% of all occupied housing units in the City in 2020.

There is often a variation in the quality of the mobile home parks and the condition of the homes in the parks.

Recommendation: Addressing the issues created by substandard mobile homes is not easily solved. Some communities have rehabilitated older units, but this is difficult to accomplish because of the type of construction of mobile homes, and it is rarely cost effective.

Some communities have established programs that provide for the purchase and removal of substandard mobile home units, provided a newer unit is purchased to replace the acquired dwelling. While this approach can work well in upgrading the stock, it can be expensive, especially if there are a large number of homes in poor condition.

It may be appropriate for the community to initiate programs to improve the quality of mobile homes, even if these programs can only address a few units per year.

Some of the innovative programs that have been used in communities to address mobile home conditions and mobile home park issues include:

▸ *Operation Safe Mobile Home Park* - Owners of substandard mobile homes are given the option of voluntarily selling their substandard mobile home to the City or an area housing agency for a fixed minimum price. The mobile homes are then removed from the park and demolished/salvaged. The owner can then use the funds from the sale to help purchase a new home. Mobile home dealerships have sometimes participated by buying or removing the salvaged homes.

▸   *Time of Sale Inspection Program* - This inspection program is designed to provide safe living conditions through the identification and elimination of basic life/safety hazards in older mobile homes. Mobile homes are subject to inspection prior to their sale or rental. All identified safety hazards must be corrected before the unit is sold or rental and occupied.

▸   *Cooperative/Land Trust* - Some mobile home parks have created a cooperative or a land trust which enables the home owners to own the mobile home park land and facilities. This ownership often creates pride which results in a clean, safe park atmosphere.

▸   *Acquisition of the Mobile Home Park* - In some mobile home parks, a number of the mobile homes may be substandard or vacant, and the park may be on land that has a better use. In these situations, it may be advantageous to purchase the park and relocate the remaining tenants.

▸   *Age of mobile/manufactured homes* - Some cities have adopted regulations that mobile/manufactured homes older than a designated age cannot be moved into the City and mobile/manufactured homes that are not new must be inspected prior to being moved into the City. Currently, mobile homes must be less than 20 years old and inspected prior to being moved into the community.

18.   Create a plan and a coordinated effort among housing agencies

Findings: The City of Box Elder will continue to need staff resources in addition to existing City staff to plan and implement many of the housing recommendations advanced in this Study.

The City of Box Elder has access to NeighborWorks Dakota Home Resources, the Pennington Housing and Redevelopment Commission, the Western South Dakota Community Action Agency, the South Dakota Housing Development Authority, USDA Rural Development and the Black Hills Council of Local Governments. These agencies all have experience with housing and community development programs.

Recommendation: Box Elder has access to multiple agencies that can assist with addressing housing needs. It is our recommendation that the City prioritize the recommendations of this Study and continue to address the identified housing needs. The Plan should include strategies, time lines and the responsibilities of each agency. It will be important that a coordinated approach be used to prioritize and assign responsibility for housing programs.

It will also be important for the City of Box Elder to continue to look for opportunities to work cooperatively with other area cities to address housing issues. With the number of cities in the region, and limited staff capacity at both the city and county levels, 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. Develop home ownership and new construction marketing programs and strategies

Findings: Cities that invest in marketing have a competitive 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 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 Box Elder, the Chamber of Commerce, other organizations, private builders and developers have been active in promoting the City and marketing housing and we recommend the continuation or initiation 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 (Box Elder and the MSA) to provide employees (especially new employees) with housing opportunities in Box Elder
- ‣ Work with housing agencies to provide down payment assistance, low interest loans, gap financing, home owner education and home owner counseling and other housing 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 builders and developers to make sure the construction of a new home is a very user friendly process
- ‣ 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, 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.

Agencies and Resources

The following regional and state agencies administer programs or provide funds for housing programs and projects in Hill City and Pennington County:

NeighborWorks Dakota Home Resources (Main Office)
795 Main St.
Deadwood, SD 57732
(605) 578-1405
* NeighborWorks also has offices in Box Elder and Wall.

Pennington County Housing and Redevelopment Commission
1805 W. Fulton St. #101
Rapid City, SD 57702
(605) 394-5350

Grow South Dakota
104 Ash Street East
Sisseton, SD 57262
(605) 698-7654

South Dakota Housing Development Authority
PO Box 1237
3060 East Elizabeth Street
Pierre, SD 57501
(605) 773-3181

USDA Rural Development
414 East Stumer Road, Suite 200
Rapid City, SD 57701
(605) 342-0301

Western South Dakota Community Action Agency
1844 Lombardy Drive
Rapid City, SD 57703
(605) 348-1460

Dakota Resources
25795 475th Avenue
Suite #1
Renner, SD 57055
(605) 978-2804