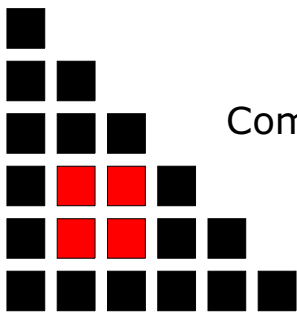


City of Sisseton HOUSING STUDY

August 2023

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



Community Partners Research, Inc.
Faribault, MN

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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 Sisseton and Roberts County 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 Sisseton to conduct a study of the housing needs and conditions in the community.

Goals

The multiple goals of the study include:

- ▶ Provide 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 July, 2023. Data sources included:

- U.S. Census Bureau
- American Community Survey
- Applied Geographical Solutions, Inc., a data reporting service
- Esri, Inc., a data reporting service
- Records and data from the City
- Records and data maintained by Roberts County
- Interviews with City officials, housing stakeholders, etc.
- Area housing agencies
- State and Federal housing agencies
- Rental property owner surveys
- Housing condition survey

Limitations

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

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Demographic Data Overview

Sources of Data

The following pages contain demographic data obtained from a variety of local, state and national sources.

At the time that research was completed for this Study, the Census Bureau had provided two releases of demographic and housing information from the 2020 decennial Census. However, some of the additional detailed tables are not scheduled for release until later in 2023.

The global pandemic that began in 2020 resulted in a delay in the Census release schedule. 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 detailed data tables 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 2021. The estimates were derived from five-year sampling, obtained between 2017 and 2021.

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. The AGS estimates are effective for 2023, with projections to 2028.

Prior to using AGS, the State had used Esri, Inc., for community profiles. The analysts have also utilized 2023 estimates and 2028 projections from Esri. Both of these private data reporting services are widely used by financial and government entities.

Both AGS and Esri had access to the 2020 Census totals when preparing their estimates and projections, and in general, the demographic forecasts have been reconciled with the benchmark that was established by the Census.

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
Sisseton	2,181	2,572	17.9%	2,440	-5.1%	2,479
Roberts County	9,914	10,616	7.1%	10,149	-4.4%	10,280

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 Sisseton was 2,479 people. When compared back to the 2010 Census, the City had added 39 permanent residents, for a population increase of 1.6%.
- ▶ There has been an inconsistent pattern of population change in Sisseton in recent decades. After strong population growth of nearly 18% in the 1990s, the City then had a loss of residents between 2000 and 2010. Despite the small increase between 2010 and 2020, the City’s population in 2020 was smaller than had been counted in the 2000 Census.
- ▶ In 2020, the population level for all of Roberts County was 10,280, up by 131 people from 2010. Most of the County’s growth in population over the last decade occurred in the jurisdictions outside of Sisseton.
- ▶ Roberts County has also had an inconsistent pattern of population change over the past 30 years. After adding residents in the 1990s, the County then lost population between 2000 and 2010. From 2010 to 2020, some population growth returned, although the County still had fewer residents in 2020 than had been present in the year 2000.
- ▶ There are population estimates available for 2023 which were released after the 2020 Census.
- ▶ Applied Geographic Solutions (AGS), the data source utilized by the Governor’s Office of Economic Development, estimates that the City had 2,390 residents in 2023, down from the 2020 Census count of 2,479 people.

- ▶ The 2023 population estimate from Esri showed 2,444 people living in the City, down slightly from the 2020 Census count of 2,479 residents.
- ▶ The AGS estimate for Roberts County showed 10,144 residents in 2023, compared to 10,280 people counted by the 2020 Census. The estimated reduction of 136 people in the County between 2020 and 2023 would be attributed in part to the reduction of 89 residents in Sisseton.

Group Quarters

- ▶ In 2020, there were 69 people in Sisseton living in group quarters housing. All of these people lived in a skilled nursing facility.

Population by Race Data

The following tables compare population by race, including a comparison of change from 2010 to 2020.

Table 2 Racial Populations - 2020					
	Native American	White	Two or More Races	Other Race	Total
Sisseton	1,320	919	198	42	2,479
Roberts County	4,023	5,605	508	144	10,280

Source: U.S. Census

- ▶ According to Census, Native Americans in Sisseton represented more than 53% of all City residents in 2020. The White population represented approximately 37% of the City total, and people identifying “two or more races” represented nearly 8% of all residents. Most of the people identified as two or more races were listed as Native American and White.
- ▶ For all of Roberts County, nearly 55% of residents identified their race as White, with more than 39% listing Native American.

Table 3 Racial Population Changes - 2010 to 2020						
	Sisseton			Roberts County		
	2010	2020	Change	2010	2020	Change
Native American	1,181	1,320	139	3,506	4,023	517
White	1,162	919	-243	6,265	5,605	-660
Two or More Races	108	198	90	309	508	199
Other Race	19	42	23	69	144	75
Total	2,470*	2,479	9	10,149	10,280	131

Source: U.S. Census

* The City’s total population was later adjusted downward to 2,440

- ▶ Between 2010 and 2020, the Native American population living in both Sisseton and Roberts County increased, while the White population decreased. Both the City and the County also added people in the two or more races and other races listings.

Population by Age Trends: 2010 to 2020

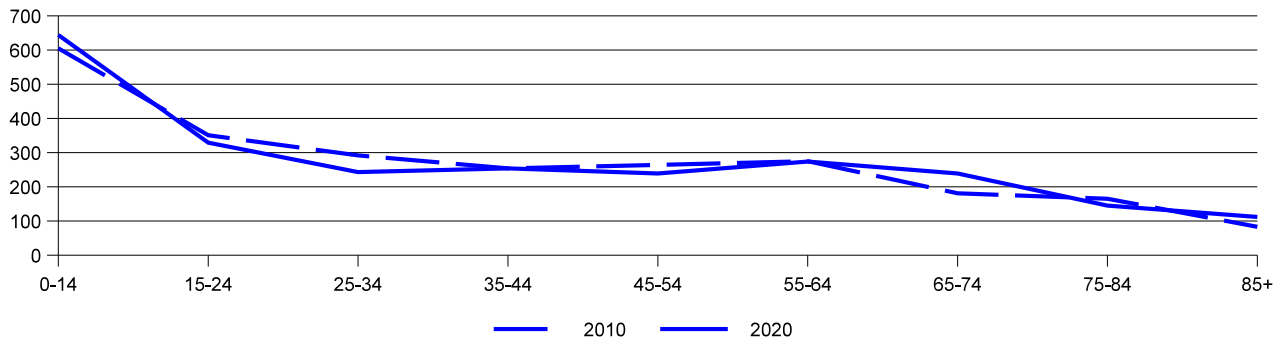
The 2020 Census included information on the age distribution of residents. This information can be compared to the age patterns present at the time of the 2010 Census. The following table is for the City of Sisseton.

Table 4 Population by Age - 2010 to 2020			
Age	2010	2020	Change
0-14	605	644	39
15-19	205	180	-25
20-24	146	149	3
25-34	292	243	-49
35-44	254	254	0
45-54	264	239	-25
55-64	275	274	-1
65-74	181	239	58
75-84	165	145	-20
85+	83	112	29
Total	2,470*	2,479	9

Source: U.S. Census

* The City's total population was later adjusted downward to 2,440

Population by Age in Sisseton: 2010 and 2020



- ▶ Between the 2010 Census and the 2020 Census, the largest numeric gain by age range occurred among people age 65 to 74 years old, generally reflecting the movement of the baby boom generation through the aging cycle. This age group added 58 people.

- ▶ The City also added 39 children in the age ranges 14 years old and younger. However, the City had a reduction of older children and young adults between the ages of 15 and 19 years old, resulting in a net increase of only 14 residents below the age of 20.
- ▶ Some growth also occurred among older senior citizens, age 85 and older, with an increase of 29 residents. However, there was some decrease in the 75 to 84 year old range.
- ▶ If all of the senior citizen age ranges are combined, the City had a net increase of 67 residents age 65 and older.
- ▶ If all of the non-senior age groups are combined, the City had a net decrease of 58 residents between 2010 and 2020.

Population Projections

Population projections are available from both Applied Geographic Solutions (AGS) and Esri. However, in the opinion of the analysts, these projections are not reliable and Community Partners Research, Inc., has also generated growth projections using information collected on the community through the research process.

Table 5 Population Projections Through 2028				
	2020 Census	2023 Estimate	2028 Projection	Change
Sisseton - AGS	2,479	2,390	2,194	-196
Sisseton - Esri	2,479	2,444	2,403	-41
Sisseton - CPR, Inc.	2,479	2,480	2,500	20
Roberts Co. - AGS	10,280	10,144	10,271	127

Source: U.S. Census; Applied Geographic Solutions; Esri

- ▶ AGS is projecting that Sisseton will lose 196 residents over the 5-year period from 2023 to 2028. The AGS projections for the City are viewed by the analysts as unreliable.
- ▶ Esri is projecting that the City will lose 41 people over the 5-year period. Once again, this is viewed as an unreliable forecast as Sisseton added residents between 2010 and 2020.
- ▶ Based on some probable household growth in Sisseton over the next five years, Community Partners Research, Inc., believes that the City will add approximately 20 residents, or an annual average of approximately four people per year.
- ▶ While AGS shows that the population level for Roberts County has decreased between 2020 and 2023, this source does show the County adding 127 residents over the next five years. Countywide growth is projected for Roberts County despite an estimated loss of population in Sisseton.

Household Data and Trends

Table 6 Household Trends - 1990 to 2020						
	1990 Census	2000 Census	% Change 1990-2000	2010 Census	% Change 2000-2010	2020 Census
Sisseton	909	1,003	10.3%	958	-4.5%	944
Roberts Co.	3,619	3,683	1.8%	3,823	3.8%	3,844

Source: U.S. Census

- ▶ According to the 2020 Census, Sisseton had 944 permanent resident households in 2020, down by 14 households, or -1.5%, from 2010.
- ▶ The longer-term patterns for household change in Sisseton are similar to the population trends. The City added 94 households in the 1990s, before losing 45 households between 2000 and 2010. Although the City continued to lose households after 2010, the rate of loss was lower than the loss between 2000 and 2010.
- ▶ Roberts County had 3,844 households in 2020, up by 21 households from 2010, or 0.5%.
- ▶ Despite some loss of population over some recent decades, Roberts County has consistently added households, with a gain of 64 households in the 1990s, 140 households between 2000 and 2010, and then 21 households in the 2010s. Over the entire 30-year period from 1990 to 2020, Roberts County has had an average increase of between 7 and 8 households per year.
- ▶ According to AGS there were 896 households in Sisseton in 2023, down by 48 households from the 2020 Census count. Based on other information collected for this Housing Study, the 2023 estimate from AGS does not appear to be reliable, as household losses at this scale are not consistent with locally available data.
- ▶ According to Esri, there were 936 households living in Sisseton in 2023, down by eight households from the 2020 Census count.
- ▶ The AGS estimate for Roberts County showed 3,831 households in 2023 compared to the Census count of 3,844 households in 2020. Based on this estimate, the County has had a minor loss of households since the 2020 Census was conducted.

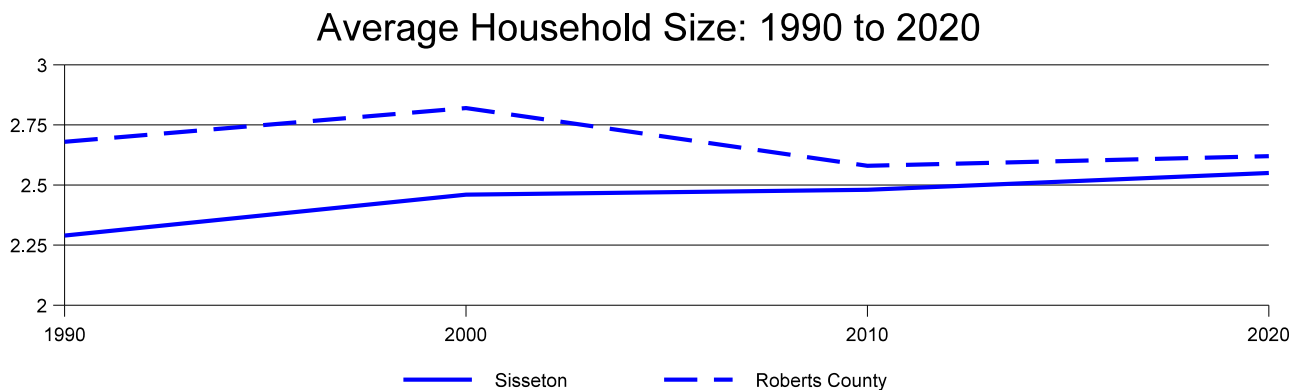
Average Household Size

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

In most jurisdictions in South Dakota there has been a steady decrease in average household size over the past several decades. This has often 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.

Table 7 Average Number of Persons Per Household: 1990 to 2020				
	1990 Census	2000 Census	2010 Census	2020 Census
Sisseton	2.29	2.46	2.48	2.55
Roberts Co.	2.68	2.82	2.58	2.62

Source: U.S. Census



- ▶ Sisseton has experienced a long-term pattern of growth in its average household size, with 2.55 persons per household in 2020. This is not a typical pattern for cities in South Dakota.
- ▶ The average household size in all of Roberts County has moved both up and down over the past 30 years, but by comparative standards, the County has maintained a relative large average number of people per household.

Households by Race

The following tables compare households by race, including a comparison of change from 2010 to 2020.

Table 8 Households by Race - 2020					
	White	Native American	Two or More Races	Other Race	Total
Sisseton	473	405	41	25	944
Roberts County	2,563	1,105	106	70	3,844

Source: U.S. Census

- ▶ According to 2020 Census, White households in Sisseton represented 50.1% of all households by race.
- ▶ Native American households represented residents. The White population represented 42.9% of all City households.
- ▶ All other racial designations represented approximately 7% of the City's household total.
- ▶ Countywide, nearly 67% of all households identified their race as White, and nearly 29% of households identified their race as Native American.

Table 9 Change in Households by Race - 2010 to 2020						
	Sisseton			Roberts County		
	2010	2020	Change	2010	2020	Change
White	564	473	-91	2,742	2,563	-179
Native American	362	405	43	999	1,105	106
Two or More Races	25	41	16	63	106	43
Other Race	7	25	18	19	70	51
Total	958	944	-14	3,823	3,844	21

Source: U.S. Census

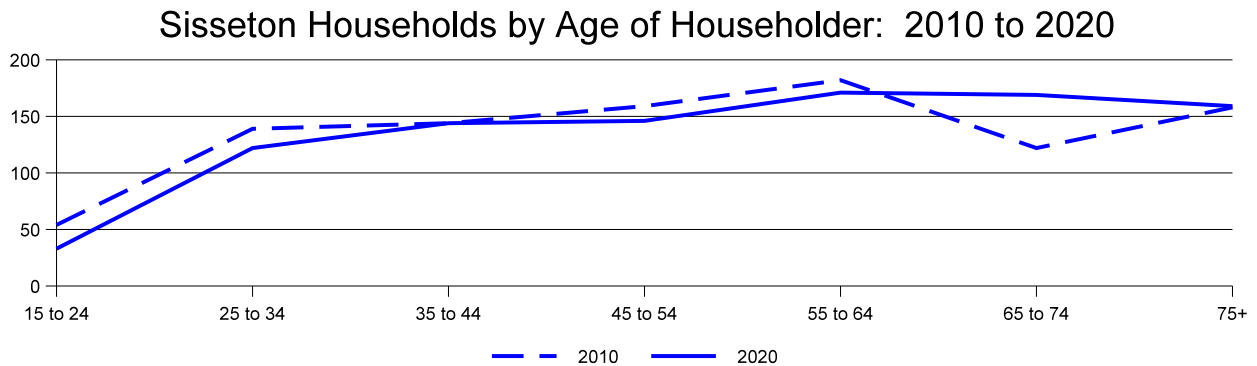
- ▶ Between 2010 and 2020, the number of households listed as White for race decreased in both Sisseton and Roberts County decreased, while the number of households in other racial categories, including Native American, increased.

Household by Age Trends: 2010 to 2020

The following table compares households by age using data from the Census for 2010 and 2020.

Table 10 Households by Age - 2010 to 2020						
Age	Sisseton			Roberts County		
	2010	2020	Change	2010	2020	Change
24 and under	54	33	-21	136	119	-17
25-34	139	122	-17	451	440	-11
35-44	144	144	0	576	513	-63
45-54	159	146	-13	744	560	-184
55-64	182	171	-11	790	853	63
65-74	122	169	47	572	771	199
75 and older	158	159	1	554	588	34
Total	958	944	-14	3,823	3844	21

Source: U.S. Census



- ▶ The household patterns reported in the 2020 Census show the City losing a total of only 14 households between 2010 and 2020. However, larger changes occurred within many of the defined age ranges.
- ▶ In general, the City has been aging, with especially strong growth among households in the age range between 65 and 74 years old. Although the City added only one additional household in the 75 and older age group, there was an increase of 48 households age 65 and older by 2020.

- ▶ With the exception of the 35 to 44 year old range which remained unchanged between 2010 and 2020, all of the other age groups below 65 years old decreased in size. In total, the City had 62 fewer households age 64 and younger in 2020 than had been present in 2010.
- ▶ Many of these same patterns were also present in Roberts County, although there was Countywide increase of 63 households in the 55 to 64 year old age group despite a reduction within this age range in Sisseton.
- ▶ In total, Roberts County added 192 households in the combined age ranges 55 years old and older, while having a combined decrease of 275 households age 54 and younger between 2010 and 2020.

Household Projections

The following table presents household projections from AGS and Esri for 2028. However, in the opinion of the analysts, these sources are overly conservative for the City’s growth potential, and Community Partners Research, Inc., has also generated growth projections based on other data collected through the research process.

Table 11 Household Projections to 2028				
	2020 Census	2023 Estimate	2028 Projection	Change
Sisseton - AGS	944	896	747	-149
Sisseton - Esri	944	936	926	-10
Sisseton - CPR, Inc.	944	945	965	20
Roberts Co. - AGS	3,844	3,831	3,577	-254

Source: Census Bureau; Esri; Community Partners Research, Inc.

- ▶ AGS is projecting a loss of 149 households in Sisseton between 2023 and 2028. A reduction of this scale is not consistent with past patterns for the community and is viewed as unreliable.
- ▶ Esri’s projection for Sisseton expects a reduction of 10 households over the 5-year time period, or an annual average loss of two households per year. While this change is generally consistent with the pattern in the City between 2010 and 2020, in the opinion of the analysts, the City does have some growth potential going forward.
- ▶ Based on other data collected for this Housing Study project, Community Partners research, Inc., believes that an achievable projection for Sisseton would be the addition of up to 20 households between 2023 and 2028.
- ▶ The AGS projection for all of Roberts County shows a reduction of 254 households between 2023 and 2028. Once again, the analysts do not view this as a reliable forecast. Between 2010 and 2020 the County added households.
- ▶ Although the analysts have reviewed the projections available from Esri, in the recommendation section that follows later in this document, the Sisseton projection from Community Partners Research, Inc., has been used.

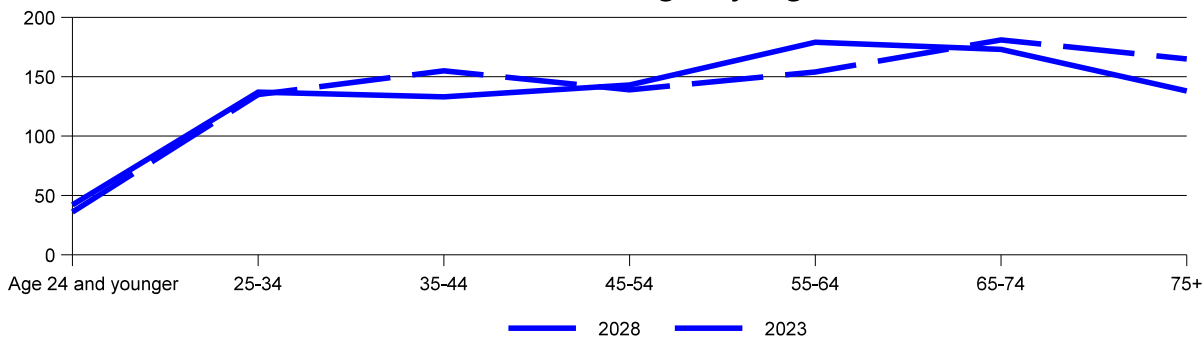
Projected Households by Age

Esri provides projection data within defined 10-year age groups, which can be used to anticipate future changes in the demographic composition. However, Esri’s total household estimate for 2023 and projection for 2028 are viewed as low by the analysts. In the following table, the base Esri information has been adjusted upward slightly to better match expected current and future household levels. These adjustments are less than 4.5% and have been made by Community Partners Research, Inc.

Table 12 Sisseton Projected Households by Age: 2023 to 2028			
Age Range	2023 Estimate	2028 Projection	Change
15-24	42	36	-6
25-34	137	135	-2
35-44	133	155	22
45-54	143	139	-4
55-64	179	154	-25
65-74	173	181	8
75+	138	165	27
Total	945	965	20

Source: Esri; Community Partners research, Inc.

Sisseton Household Change by Age: 2023 and 2028



- ▶ The adjusted age-based projections expect Sisseton to add 20 households between 2023 and 2028.

- ▶ By 2028, the largest numeric change within any age range would be expected from older senior households age 75 and older. The younger senior age group, between 65 to 74 years old is also expected to grow. These projections expect an increase of 35 senior-headed households in the City. By 2028, nearly all of the large baby boom generation will be age 65 or older and their impact will be evident in the age patterns for the City.
- ▶ Trailing behind the baby boomers was a smaller demographic cohort, and an expected decrease will occur among households age 55 to 64 years old. This age group will not fully replace the advancing age cohort resulting in fewer near-senior households by 2028.
- ▶ The adjusted projections show expected growth of approximately 22 households in the 35 to 44 year old range. However, this is the only younger adult age range that is expected to increase in size. If all of the age groups 54 and younger are combined, these projections show a net increase of only 10 households over the next five years.

Household Characteristic: Households by Type

The 2020 Census can be compared to statistics from 2010 to examine changes in household composition over the prior decade. The following table looks at household trends within the City of Sisseton.

Table 13 Sisseton Household Composition - 2010 to 2020			
	2010 Census	2020 Census	Change
Family Households			
Married couple with children under 18	146	91	-55
Married couple without children under 18	182	194	12
Other families with children under 18	198	176	-22
Other families without children under 18	50	108	58
Total Families	576	569	-7
Non-Family Households			
Single Person	334	342	8
Two or more persons	48	33	-15
Total Non-Families	382	375	-7

Source: U.S. Census

- ▶ Between 2010 and 2020, Sisseton experienced a small decrease in the number of both family and non-family households.
- ▶ The largest increase of any household type occurred from families that did not have children under the age of 18. These were family members living together but without children in the household.
- ▶ The largest decrease occurred among married couples with their own children. There was some increase in the number of married couple households without children.
- ▶ The number of people living alone increased slightly, but there was some decrease in other non-family households.

Household Tenure Information

Housing occupancy tenure information from the 2020 Census can be compared back to 2010 to track housing preference patterns over the prior decade.

Table 14 Sisseton Housing Tenure: 2010 to 2020					
Owners			Renters		
2010 Census	2020 Census	Change	2010 Census	2020 Census	Change
516 / 53.9%	490 / 51.9%	-26	442 / 46.1%	454 / 48.1%	12

Source: U.S. Census

- ▶ Between 2010 and 2020, the City of Sisseton had a reduction of 26 owner-occupancy households but added 12 renter-occupancy households. As a result, the rate of home ownership dropped slightly, from 53.9% in 2010 to 51.9% in 2020.
- ▶ In both 2020 and 2010, the home ownership rate was low in Sisseton when compared to similar-sized cities in the State.
- ▶ In 2020, the rental occupancy tenure rate was 48.1%. Statewide in 2020 the rental tenure rate was at 33%.

Tenure by Race

The 2020 Census included information on owner versus renter status by race of the householder,

Table 15 Sisseton Household Tenure by Race - 2020			
	Home Owner	Renter	Total
White	304 / 64.3%	169 / 35.7%	473
Native American	147 / 36.4%	258 / 63.6%	405
Two or More Races	24 / 58.5%	17 / 41.5%	41
All Other Races	15 / 60%	10 / 40%	25
Total	490 / 51.9%	454 / 48.1%	944

Source: U.S. Census

- ▶ At the time of the 2020 Census, the home ownership rate for White households was at 64.3%, only slightly lower than the Statewide home ownership rate of 67% for all households.
- ▶ The home ownership rate for Native American households in Sisseton was at 36.4% in 2020, well below the average for White households.
- ▶ Although other racial groups had relatively low rates of home ownership by comparative Statewide standards, these groups were above the ownership rate for all of Sisseton at 51.9%.

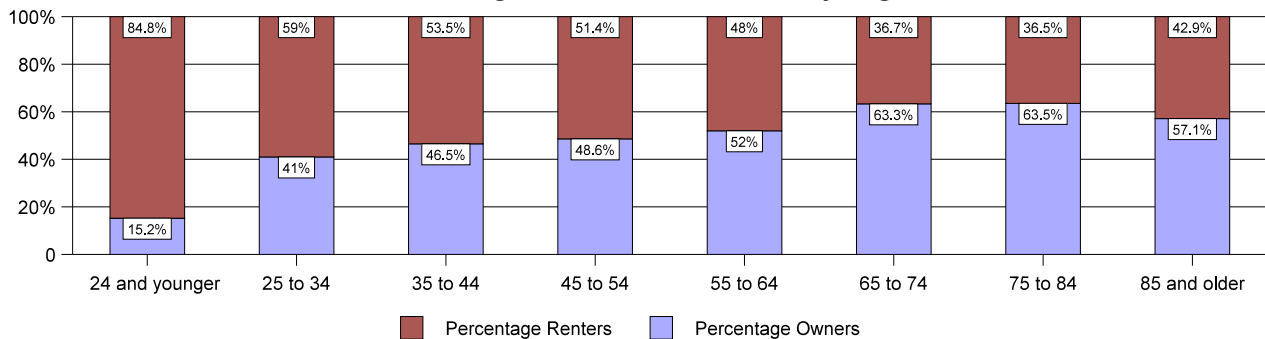
Tenure by Age of Householder

The 2020 Census provided details on the distribution of owner and renter households within defined age ranges. The following table examines the percentages of renters and owners in each age group for Sisseton.

Table 16 Housing Occupancy Tenure by Age of Householder: 2020				
Age	Home Owners		Renters	
	Number	% in age range	Number	% in age range
24 and younger	5	15.2%	28	84.8%
25-34	50	41.0%	72	59.0%
35-44	67	46.5%	77	53.5%
45-54	75	48.6%	71	51.4%
55-64	89	52.0%	82	48.0%
65-74	107	63.3%	62	36.7%
75-84	61	63.5%	35	36.5%
85 and older	36	57.1%	27	42.9%
Total	490	51.9%	454	48.1%

Source: U.S. Census

Sisseton Housing Tenure Patterns by Age in 2020



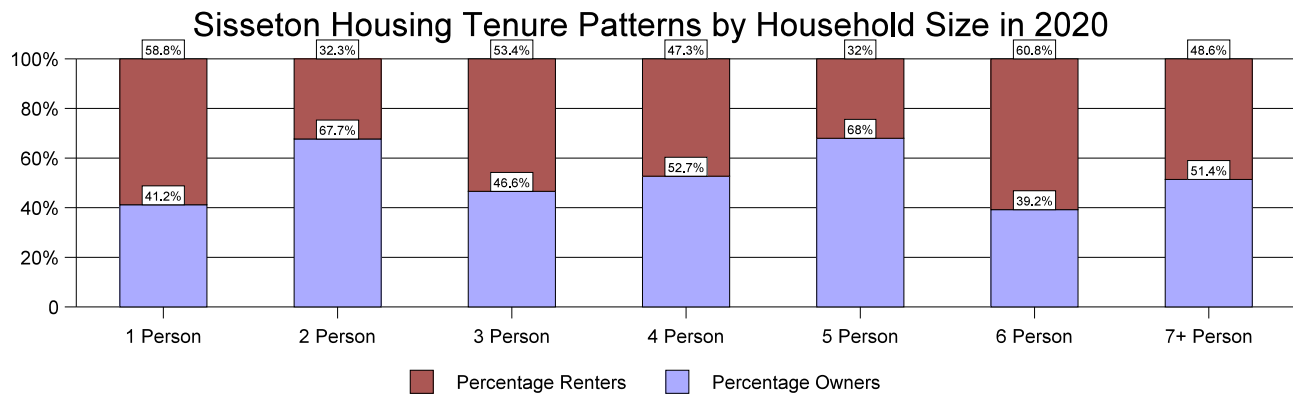
- ▶ Household tenure by age patterns show a preference for home ownership in each of the defined age ranges 55 years old and older, but a majority of households age 54 and younger rent their housing unit.
- ▶ The highest rate of home ownership existed in the 75 to 84 year old age range, with an ownership rate of 63.5%. The lowest ownership rate was among young households age 24 and under, at 15.2%.

Tenure by Household Size

The Census includes information on housing occupancy tenure by household size. The 2020 data can be compared to the 2010 Census distribution to better understand changing household trends for housing unit demand. The following tables provide information for renter and owner households in the City.

Table 17 Sisseton Tenure by Household Size: 2010 to 2020						
Household Size	Home Owners			Renters		
	2010	2020	Change	2010	2020	Change
1-Person	132	141	9	202	201	-1
2-Person	192	174	-18	90	83	-7
3-Person	64	54	-10	52	62	10
4-Person	49	48	-1	51	43	-8
5-Person	43	34	-9	26	16	-10
6-Person	21	20	-1	12	31	19
7-Persons+	15	19	4	9	18	9
Total	516	490	-26	442	454	12

Source: U.S. Census



- ▶ Over the past decade, there tended to be limited changes in the distribution of households by size. The City did see some increase in one person households that owned their housing unit. However, most one person households were still renters in 2020, with a rental tenure rate of nearly 59%.

- ▶ There was a decrease of two person households, with fewer renters and fewer owners in 2020. Two person households were primarily home owners in 2020 with an ownership rate of nearly 68%.
- ▶ The number of three person households in Sisseton remained unchanged between 2010 and 2020, but there was a shift toward rental housing tenure. By 2020, a majority of the three person households in the City were renters.
- ▶ The City did see a decrease of four and five person households between 2010 and 2020, with a combined reduction of 28 households. A majority of households in both groups were home owners in 2020 although the ownership rate was below 53% in four person households.
- ▶ Between 2010 and 2020 there was a significant increase in large households living in Sisseton, as the City added 18 households with six members and 13 households with seven or more household members. Most of the increase was reflected in growth from renter households.

Median Income Data

Income estimates are available at the city and county level through the Census Bureau’s American Community Survey. There is a data lag for income with the most recent estimates effective for 2021.

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

Table 18 Median Income - 2010 to 2021			
	2010 Median	2021 Median	% Change
Households			
Sisseton	\$29,120	\$40,599	39.4%
Roberts County	\$37,708	\$53,618	42.2%
South Dakota	\$46,369	\$63,920	37.9%
Families			
Sisseton	\$44,271	\$48,720	10.0%
Roberts County	\$46,146	\$61,059	32.3%
South Dakota	\$58,958	\$81,756	38.7%

Source: ACS

- ▶ According to the American Community Survey, the median household income for the City of Sisseton was \$40,599 in 2021. The City’s median had increased by more than 39% from 2010, but was still well below the comparable medians for Roberts County and the State of South Dakota.
- ▶ The median family income in Sisseton was higher, at \$48,720 in 2021, but had increased by only 10% from the median in 2010. The median family income in Sisseton was more than \$32,000 below the median for the entire State.
- ▶ Using the commonly accepted standard that up to 30% of gross income can be applied to housing expenses without experiencing a cost burden, the medians in Sisseton yield an amount of \$1,015 for households and \$1,218 for families that could be applied to monthly costs for ownership or rental housing in 2021.

Household Income Distribution by Tenure: 2021

The American Community Survey contains household income distribution estimates. This information is available by ownership or renter status.

When compared to the 2020 Census, the 2021 American Community Survey estimates for Sisseton underestimated the number of owner households while overestimating the number of renters living in the City. However, the percentage distribution of households by income is the best available information on this topic.

Table 19 Sisseton Income Distribution by Tenure: 2021			
Household Income	Owner Households	Renter Households	Total Households
\$0 - \$14,999	5.8%	23.1%	15.3%
\$15,000 - \$24,999	9.7%	11.4%	10.6%
\$25,000 - \$34,999	12.4%	16.1%	14.5%
\$35,000 - \$49,999	18.7%	27.1%	23.3%
\$50,000 - \$74,999	17.1%	17.6%	17.4%
\$75,000 - \$99,999	18.7%	1.5%	9.3%
\$100,000+	17.7%	3.0%	9.7%
Total	100%	100%	100%

Source: American Community Survey

- ▶ Within the moderate to higher income ranges, there was a greater frequency for home ownership. Nearly 54% of all home owners in Sisseton in 2021 had an annual income of \$50,000 or more.
- ▶ Most renter households had more moderate or lower income levels. In 2021, nearly 51% of all renter households in the City had an annual income below \$35,000.
- ▶ For home owners, the estimated median household income in 2021 was \$55,714.
- ▶ For all renter households, the estimated median income level in 2021 was \$34,205.

Renter Housing Cost Burden

The American Community Survey includes information on housing costs for renter households. Generally, it is the goal of housing assistance programs to limit housing costs to no more than 30% of household income. This is especially true for lower income households, with limited amounts of income available for discretionary spending.

When more than 30% is applied, this is often referred to as a “housing cost burden”. When 35% or more of income is required, this may represent a “severe housing cost burden”.

The following table examines the percentage of income required by renter households for monthly housing costs. Since the ACS over estimated the number of renters in 2021, only percentage distributions have been provided.

Table 20 Sisseton Renter Household Cost Burden - 2020	
Percent of Income for Housing	Percent of all Renter Households
Less than 20%	38.2%
20% to 29.9%	27.2%
30% to 34.9%	5.7%
35% or more	28.3%
Not Computed	0.6%
Total	100%

Source: American Community Survey

- ▶ Using a standard at 30% of income, most renter households in Sisseton did not have a cost burden for rental housing in 2021. However, approximately 34% of all renters did need to apply 30% or more of their income to housing costs. Most of the cost burdened households were actually applying 35% or more of their income to housing.
- ▶ The American Community Survey includes an estimate of the median percentage of income applied to rental housing costs in 2021. For renter households in Sisseton, the estimated median was 24.0% of income.
- ▶ While a rental cost burden could be caused by high rent or low income, in Sisseton it appeared that most cost-burdened households were in the lower income ranges. All of the households that reported paying 30% or more of their income for housing had an annual income below \$50,000.

Owner Housing Cost Burden

The American Community Survey also includes information on housing costs for home owners. The following table examines the percentage of income required by Sisseton owner households for monthly housing costs. Information is provided for owner households with and without a mortgage on their home. Percentages are calculated for each column. Since the American Community Survey under estimated the number of home owners in 2021, percentage distributions have been presented.

Table 21 Sisseton Owner Household Cost Burden - 2021			
Percent of Income for Housing	Households with a Mortgage	Households without a Mortgage	Total
Less than 20%	56.9%	70.8%	65.4%
20% to 29.9%	29.9%	18.0%	22.6%
30% or more	13.2%	10.5%	11.5%
Not Computed	0%	0.7%	0.5%
Total	100%	100%	100%

Source: American Community Survey

- ▶ Most owner-occupants, which would include both households with or without a mortgage, reported paying less than 30% of their income for housing. Mortgage lending practices generally attempt to keep monthly payments below this level of household income.
- ▶ Fewer than 12% of all home owners reported that they paid 30% or more of their income for housing in 2021.
- ▶ The cost-burdened home owners represented a mix of households, both with and without a mortgage on their home. For households without a mortgage, a lower annual income was often the cause of the cost burden, such as a retiree that owned their home but lived on a fixed income.
- ▶ The American Community Survey provides an estimate of the median percentage of income paid by home owners in Sisseton for housing. In 2021, the median required for home ownership was 15.5%.

Building Permit Trends

Sisseton has experienced some new housing construction activity in recent years. Specific annual permit information was obtained from the Census Bureau.

Table 22 Sisseton Housing Unit Construction Activity: 2010 to 2022			
Year	Single Family	Two or More Units	Total Units Constructed
2022	0	0	0
2021	1	0	1
2020	1	0	1
2019	0	0	0
2018	0	0	0
2017	3	0	3
2016	0	0	0
2015	1	0	1
2014	1	0	1
2013	1	0	1
2012	1	0	1
2011	2	0	2
2010	2	0	2
TOTAL	13	0	13

Source: Census Bureau; City of Sisseton; Community Partners Research, Inc.

- ▶ Over the 13-year time period spanning 2010 through 2022, there were 13 new housing units permitted in Sisseton. All of these were identified as single family houses.
- ▶ In 2023, there are plans for two new houses to be placed in the City. The development of these homes is a collaborative effort between the City's Economic Development Corporation and Grow South Dakota.
- ▶ No larger multifamily developments with more than two units per structure could be identified from available reporting.

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 23 Housing Units, Occupancy and Vacancy - 2020									
	Total Housing Units			Occupied Units			Vacant Units		
	2010	2020	Change	2010	2020	Change	2010	2020	Change
Sisseton	1,057	1,036	-21	958	944	-14	99	92	-7

Source: U.S. Census

- ▶ According a reconciliation of decennial Census data, Sisseton had 21 fewer housing units in 2020 than were present at the time of the 2010 Census. There were 14 fewer occupied units and seven fewer vacant units in 2020.
- ▶ On the previous page, information was presented on building permit issuance. Between 2010 and 2019 there were 11 new housing units built in the City. Despite some new construction, a net reduction of 21 housing units in the City implies that more than 30 older housing units were lost between 2010 and 2020, possibly due to obsolescence, demolition or other causes.

American Community Survey Housing Data

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

Median Year of Construction - Owner-occupancy Housing

For owner-occupancy units in Sisseton, the estimated median year of construction is 1963. More than 46% of all owner-occupancy houses in the City were constructed prior to 1960, and more than 71% were constructed before 1980.

Median Year of Construction - Renter-occupancy Housing

For renter-occupancy units in Sisseton, the estimated median year of construction is 1973. Nearly 71% of all renter-occupancy units in the City were constructed prior to 1980.

Existing Home Sales

This section examines houses that have been sold in Sisseton from 2018 through 2022. It is important to note that the number of houses that sell each year can vary and may not be an accurate indicator of overall home values in the City. However, this sample does provide some insight into those units that have turned-over during this time period.

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

The County also sorts the residential sales into different groupings, rejecting certain sales. The primary reason that sales are rejected is because the house was not actively listed for sale in the open market. Only the “good” sales have been used in the analysis that follows.

The County’s sale year differs slightly from a calendar year, and begins on November 1st and extends to October 31st.

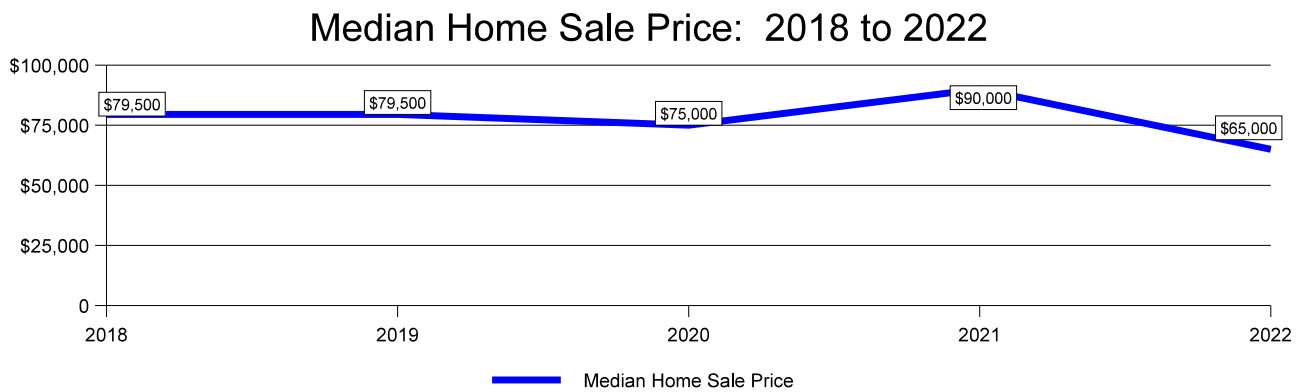
Table 24 Median Value of Recent Residential Sales - 2018 to 2022

Year	Number of Sales	Median Sale Price	Highest Sale	Lowest Sale
2022	29	\$65,000	\$240,000	\$12,500
2021	30	\$90,000	\$205,000	\$6,000
2020	23	\$75,000	\$256,500	\$9,000
2019	19	\$79,500	\$160,200	\$22,000
2018	26	\$79,500	\$220,000	\$15,000

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

- ▶ Based on sales over the past five years, home values in Sisseton are in a very moderate price range. In 2022, the midpoint sale price was \$65,000, and the annual median price has been below \$80,000 in four of the past five years.

- ▶ Over the past five years the annual median price has ranged from a low of \$65,000 in 2022 to a high of \$90,000 in 2021.
- ▶ There are some very low valued home sales in Sisseton each year. In each of the five years reviewed at least one good sale has been recorded for \$22,000 or less.
- ▶ While some higher valued sales also occur, the highest home sale price over the past five years was for \$272,000, which was recorded in 2022.



- ▶ An alternate estimate of home values exists in the American Community Survey. In 2021, the estimated median value for all owner-occupied housing in Sisseton was \$92,100. This estimate was only slightly above the median sale price recorded in 2021 of \$90,000. However, in 2022, the median was significantly lower at \$65,000.

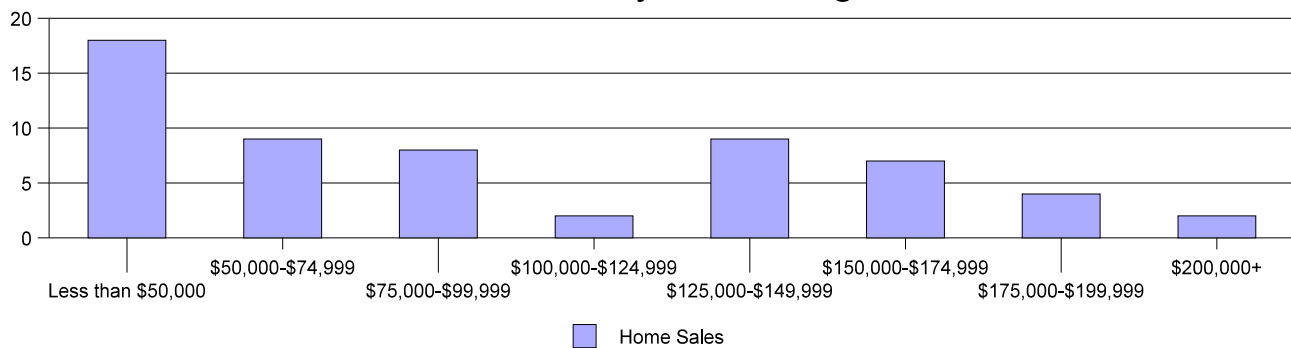
Home Sales by Price Range

The following table looks at single family houses that sold within defined price ranges over a 24-month period for the 2021/22 sales years. There were 59 good “arms length” sales over this period.

Table 25 Sisseton Home Sales by Price Range: 2021/22		
Sale Price	Number of Sales	Percent of Sales
Less than \$50,000	18	30.5%
\$50,000 - \$74,999	9	15.3%
\$75,000 - \$99,999	8	13.6%
\$100,000 - \$124,999	2	3.4%
\$125,000 - \$149,999	9	15.3%
\$150,000 - \$174,999	7	11.9%
\$175,000 - \$199,999	4	6.8%
\$200,000+	2	3.4%
Total	59	100%

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

Sisseton Home Sales by Price Range in 2021/22



- ▶ While recent home sales in Sisseton were distributed in different price ranges, the majority of homes were sold for less than \$100,000.
- ▶ Overall, fewer than 11% of the sales were for \$175,000 or more.

Sisseton Housing Condition

Community Partners Research, Inc. representatives conducted a visual 'windshield' survey of 587 single family/duplex structures in Sisseton in two older neighborhoods. Structures that appeared to contain three or more residential units were excluded from the survey.

The neighborhood borders were as follows:

Neighborhood #1

- ▶ North - Chestnut Street
- ▶ South - Hickory Street
- ▶ East - Main Avenue
- ▶ West - 8th Avenue West

Neighborhood #2

- ▶ North - Chestnut Street
- ▶ South - Hickory Street
- ▶ East - 8th Avenue East
- ▶ West - Main Avenue

Houses were categorized in one of four levels of physical condition, Sound, Minor Repair, Major Repair, and Dilapidated as defined below. The visual survey analyzed only the physical condition of the visible exterior of each structure. Exterior condition is also assumed to be a reasonable indicator of the structure's interior quality.

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

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

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

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

Table 26 Windshield Survey Condition Estimate - 2023

	Sound	Minor Repair	Major Repair	Dilapidated	Total
Neighborhood#1	117 / 35.8%	121 / 37.0%	57 / 17.4%	32 / 9.8%	327
Neighborhood#2	62 / 23.8%	93 / 35.8%	71 / 27.3%	34 / 13.1%	260
Total	179 / 30.5%	214 / 36.5%	128 / 21.8%	66 / 11.2%	587

Source: Community Partners Research, Inc.

- ▶ The existing housing stock in Sisseton is generally in good to fair condition, with more than 30% of all houses in the City rated as Sound, the highest rating given.
- ▶ More than 36% of the houses were rated in the Minor Repair category. In total, 67% of all houses in the City were in the two highest ratings groups.
- ▶ Sisseton has 128 houses that were in the Major Repair category. Major Repair houses may require a significant investment to return to better condition.
- ▶ There were 66 houses that were judged to be Dilapidated, the lowest rating given. Dilapidated houses may be beyond the point of economically feasible repair.
- ▶ Although there were some differences between the two defined neighborhoods, both contained a large number of houses that were rated within the two lowest condition categories.

Rental Housing Data

Census Bureau Rental Inventory

According to the 2020 Census, there were 454 occupied rental units and 22 unoccupied rental units in Sisseton, for a total estimated rental inventory of approximately 476 units. The City's rental tenure rate was 48.1%, based on renter-occupancy households. For comparison, the Statewide rental tenure rate in 2020 was 33.0%.

At the time of the 2010 U.S. Census, there were 442 occupied rental units, and 45 unoccupied rental units in Sisseton, for a total estimated rental inventory of approximately 497 units. The City's rental tenure rate, was 46.1%, based on renter-occupancy households, well above the Statewide rental tenure rate in 2010 of 31.9%.

Between 2010 and 2020, Sisseton added 12 renter-occupancy households but actually lost 21 rental housing units from the local inventory, based on the reported Census totals. However, the lost units may have been housing that was recorded as vacant in 2010.

Rental Construction 2010 to 2019

Based on available building permit reports, there were no multifamily structures constructed in Sisseton between 2010 and 2019.

Rental Construction 2020 to 2023

Since 2020, no additional rental housing construction has been identified in Sisseton. Any tenure changes in Sisseton after the 2020 Census would probably be due to tenure conversion, as housing units formerly used for owner-occupancy were changed to rental use, or vice versa.

Pending Rental Projects

Our research identified no planned rental projects in Sisseton.

Rental Housing Survey

As part of this housing study, a telephone survey was conducted of multifamily projects in Sisseton. Emphasis was placed on contacting properties that have four or more units. For the purposes of planning additional projects in the future, multifamily properties represent the best comparison of market potential.

The 2023 telephone survey was conducted in July. Information was tallied separately for different types of rental housing, including market rate units, subsidized housing and specialized senior housing.

There were 212 rental housing units of all types that were contacted in the survey. The units that were successfully contacted include:

- ▶ 89 conventional market rate units
- ▶ 101 federally subsidized units
- ▶ 22 assisted living studio/suite units

Based on the rental inventory reported in the 2020 Census, the units contacted in the 2023 rental survey represented approximately 45% of all rental options in the City.

A 50-bed nursing home was also surveyed although these would not represent rental housing but would be defined as group quarters housing by the Census Bureau.

The findings of the survey are provided by market segment on the following pages.

Market Rate

Most of the rental housing units in the City would be defined as conventional market rate rentals, with no income, occupancy or rent restrictions.

There were 7 conventional market rate projects that were contacted with a combined 89 rental units. One of these projects was a collection of six single family rental houses that have a single owner. The multifamily projects ranged in size from four units to 24 units.

Unit Mix

Specific bedroom information was not obtained from the six single family rental houses. For the 83 units that did provide information, the following bedroom mix was reported:

- ▶ One-bedroom - 31 units (37.3% of total)
- ▶ Two-bedroom - 51 units (61.4%)
- ▶ Three-bedroom - 1 unit (1.2%%)

Most of the multifamily rental inventory in Sisseton is in two-bedroom units. Only one unit with three bedrooms was reported, but single family rental houses in the community would often contain three or more bedrooms.

Occupancy/Vacancy

At the time of the survey there were no vacant units in the market rate rental projects surveyed. Owners/managers reported strong demand and some of the projects maintained waiting lists for occupancy.

Rental Rates

Rental rates in Sisseton are generally within a low to moderate price range. The City has not had any significant rental housing development in many years, which would tend to require a higher rent structure.

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

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

<u>Unit Type</u>	<u>Lowest/Highest Gross Rents</u>
One-bedroom	\$500-\$550
Two-bedroom	\$560-\$1,050

The highest rent structure identified within the multifamily rental segment was in the East Walnut Street Duplexes. Some of these units were constructed in 2004 or 2005, and have an attached garage, two bathrooms and in-unit laundry facilities. With the inclusion of tenant-paid utilities these units probably exceed \$1,000 per month for gross rent.

Tax Credit

Since the late 1980s, the primary federal incentive program for the production of affordable rental housing has been through federal low income housing tax credits, also referred to as Section 42 housing. In South Dakota, tax credits are awarded annually on a competitive basis through the South Dakota Housing Development Authority (SDHDA).

Projects receiving tax credit assistance have income, occupancy and rent restrictions in place for 15 years or more. The income limits are generally tied to 60% or less of a HUD-designated median income level, although a portion of the units may be set aside for even lower income ranges.

The earliest tax credit projects often had a 15-year compliance requirement. When completed, these projects were able to convert to conventional market rate rental housing. At a later time, extended compliance requirements were added, and after the first 15 years, some of the affordable housing regulations remained in place.

Since the tax credit program became available, two awards have been made in Sisseton.

In 1992, a tax credit award was made to Ridgeview Apartments. This project was also subsidized through USDA Rural Development. However, in about 2013 Ridgeview ended its subsidy contract and the tax credit requirements had expired, so this project operates as conventional market rate housing.

A second tax credit award was made in 2010 to Barker Hill Homes, through the Sisseton-Wahpeton-Oyate Housing Authority, but this project is not within the City limits. It is located approximately seven miles from Sisseton and serves Tribal members.

Subsidized Summary

The research completed for this Study identified six federally subsidized housing projects in Sisseton in 2023 with a combined total of 184 units.

Three of the projects are designated for or offer an occupancy preference for senior and/or disabled tenant occupancy:

- ▶ Chateau Apartments with 20 units
- ▶ Highrise Apartments with 45 units
- ▶ Jard Apartments with 16 units

The remaining three projects are designated as general occupancy housing:

- ▶ Peter "Buddy" Nelson Apartments with 12 units for Tribal Members
- ▶ Public Housing Scattered Sites with 8 units
- ▶ Sisseton-Wahpeton HA Low Rent Housing - 83 units for Tribal Members

In total, there are 81 units oriented to senior/disabled occupancy and 103 units designated as general occupancy housing. Some of the senior/disabled inventory may be occupied by tenants that do not meet the preference that is given for senior/disabled applicants.

It is important to note that additional subsidized housing exists outside of the City of Sisseton on Tribal land that is part of the Sisseton Wahpeton Oyate Housing Authority's rental inventory. This housing is available to Tribal Members. Although located in the Sisseton area, it is possible that Peter "Buddy" Nelson Apartments are actually just outside the municipal borders.

Unit Mix

Specific bedroom information was not obtained from the Sisseton Wahpeton Oyate Housing Authority's 83 Low Rent units. These are a mix of one to five bedroom units.

The bedroom mix for the remaining 101 federally subsidized housing units in Sisseton is as follows:

- ▶ One-bedroom - 71 units (70.3%)
- ▶ Two-bedroom - 14 units (13.9%)
- ▶ Three-bedroom - 16 units (15.8%)

Much of the subsidized inventory was originally developed for senior/disabled tenant occupancy and more than 70% of the units have one bedroom.

Occupancy / Vacancy

At the time of the survey, all of the subsidized units in Sisseton were occupied or in the process of being filled. Most of the subsidized housing maintains waiting lists for occupancy.

The Sisseton Wahpeton Oyate Housing Authority maintains a waiting list with 52 names with various bedroom needs for their Low Rent units in Sisseton. According to the property manager, Sisseton is the location in greatest demand of the multiple locations for Tribal housing options.

Rental Rates

All of the subsidized units in Sisseton have access to project-based rent assistance which allows tenants to pay 30% of their income, up to a maximum rent.

Subsidized Housing Gains/Losses

Federal subsidy sources for low income rental housing have been limited for the past few decades. Most subsidized projects were constructed in the 1960s, 1970s or early 1980s. Some of these older projects may have completed their compliance requirements and have the opportunity to leave their subsidy program and convert to conventional rental housing. In communities with low vacancy rates, private property owners may have an incentive to convert subsidized units to conventional housing.

There are two subsidized projects in Sisseton that have ended their subsidy contracts and were converted to conventional market rate housing:

- ▶ Ridgeview Apartments, an 8-unit project that was originally developed as USDA Rural Development subsidized housing, was converted to market rate in about 2013.
- ▶ Tekawitha Housing (now known as Cornerstone Court), was also developed through the USDA Rural Development subsidy program. It ended its contract and was converted to market rate housing in 2017. There are 24 one-bedroom units in this project.

Tenant-Based Rent Assistance Vouchers

There are also tenant-based rent assistance Housing Choice Vouchers available in the area. The Housing Choice Voucher Program is administered regionally by the Aberdeen Housing Authority.

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

No specific information was obtained on Voucher use in Sisseton. Since the 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.

Voucher programs in South Dakota typically have a waiting list for assistance.

Senior Housing with Services Summary

Unit Inventory

Sisseton has two senior housing with services providers which include a skilled nursing home and an assisted living center.

- ▶ ***Tekawitha Living Center*** is a skilled nursing facility that is licensed for 50 beds in 2023. No specific set-asides are designated, with beds available for both long-term care and shorter-term transitional care stays, but most residents are long-term.
- ▶ ***Edgewood Greenleaf*** is a State-licensed Assisted Living Center with 31 resident capacity. There are 22 units, with some suitable for double occupancy. However, most rooms are occupied by a single person and typical occupancy would not exceed 25 residents.

There are no dedicated memory care facilities in Sisseton, or lighter services housing options, although these types of housing may exist in other cities in Roberts County including Rosholt and Wilmot.

Occupancy / Vacancy

Tekawitha Living Center reported five unoccupied beds on the date of the survey. No longer-term occupancy information was obtained from this facility.

Edgewood Greenleaf had one unoccupied unit on the date of the survey but that unit was in the process of being filled. The facility does maintain a waiting list but in some cases people on the list are not prepared to move when notified of an opening so advertising is also done to fill vacancies.

Rental Rates

No detailed information was obtained on rental rates but the lowest entry point into Edgewood Greenleaf would be approximately \$4,650 for rent and the lowest level service package. The facility will accept a limited number of Medicaid residents, but this is capped due to the low reimbursement rate.

Table 27 Sisseton Multifamily Rental Housing Inventory

Name	Number of Units /Bedroom Mix	Rent	Vacancy/ Wait List	Tenant Mix	Comments
Market Rate					
Archer Apartments Orchard Dr	5 - 1 bedroom <u>12 - 2 bedroom</u> 17 total units	\$475 \$525 +electric	No vacant units	Mix of tenants	Three-level apartment building constructed in the early 1970s. Rent includes heat, water, sewer and garbage, with tenant paying electric. Owner reported full occupancy and good demand. Most tenants are working age but also some retirees.
Cherry Heights Apartments E Cherry St	5 - 2 bedroom <u>1 - 3 bedroom</u> 6 total units	\$550 \$580 +electric	No vacant units	Mix of tenants	Older mixed-use building from the 1950s with apartments on upper floor, dorms for religious order on main floor and offices in the basement level. Rent includes heat with tenant paying electric. Manager reported full occupancy at time of survey but turnover occurs in these units.
Cornerstone Court (formerly Tekawitha) 711 Veterans Ave	<u>24 - 1 bedroom</u> 24 total units	\$475 +heat, electric	No vacant units, waiting list	Now owned by Grow SD	Originally developed as a USDA Rural Development project for senior/disabled tenant occupancy but contract ended and was sold into private ownership in 2017. Eligible tenants in occupancy at time of conversion were given tenant-based Vouchers and 2 still live in the property. Some Housing Choice Vouchers also is use. Tenant pays heat and electric in addition to rent. Project amenities include community room. Manager reported full occupancy and 10-name waiting list.
E Walnut St Duplexes	<u>8 - 2 bedroom</u> 8 total units	\$800-\$900 +utilities	No vacant units	Primarily seniors	One-level duplexes with attached 1 car garage built in 1996, 2001, 2004 and 2005. Tenant pays utilities in addition to rent. Unit amenities include in-unit laundry, wall AC and attached garage parking. All units are 2-bedroom with 2 bathrooms. Owner reported full occupancy and good demand. Most tenants are seniors.
E Walnut St Apartments	<u>4 - 2 bedroom</u> 4 total units	\$550 \$600 +utilities	No vacant units	Primarily working age	Two-level walkup apartment building constructed in 1994. Tenant pays utilities in addition to rent. Unit amenities include in-unit laundry, wall AC and detached garage parking. All units are 2-bedroom with 1 bathroom. Owner reported full occupancy and good demand. Most tenants are working age.

Table 27 Sisseton Multifamily Rental Housing Inventory

Name	Number of Units /Bedroom Mix	Rent	Vacancy/ Wait List	Tenant Mix	Comments
Market Rate					
Oak View Apartments W Oak St	2 - 1 bedroom <u>14 - 2 bedroom</u> 16 total units	\$550 \$600	No vacant units, waiting list	Primarily singles and retirees	Two 2-level walkup 8-plexes. Rent includes utilities. Manager reported full occupancy and a waiting list. Project is very popular with retirees and singles with low rate of turnover.
Ridgeview Apartments 311 8 th Ave SE	<u>8 - 2 bedroom</u> 8 total units	\$525 +heat, electric	No vacant units	Mix of tenants	Rental project developed in the early 1990s that received USDA Rural Development subsidies and federal low income housing tax credits - tax credit compliance has been met and USDA subsidy contract ended in 2013 when project was converted to market rate. Rent includes water, sewer and garbage, with tenant paying electric heat and electricity. Owner reported full occupancy and good demand. Most tenants are working age.
Single Family Houses	2 bedroom <u>3 bedroom</u> 6 total units	\$450-\$600 +utilities	No vacant units	Primarily families	Six single family houses in various locations in the City. Tenant pays utilities in addition to rent. Units have either 2 or 3 bedrooms. Manager reported full occupancy and strong demand. Most tenants are families.

Table 27 Sisseton Multifamily Rental Housing Inventory

Name	Number of Units /Bedroom Mix	Rent	Vacancy/ Wait List	Tenant Mix	Comments
Subsidized					
Chateau Apartments	<u>20 - 1 bedroom</u> 20 total units	\$536 30% of income	No vacant units, waiting list	Preference for senior/ disabled	HUD Public Housing project probably developed in the 1960s and owned by the Sisseton HRC - preference for senior/disabled applicants. All tenants have access to project-based rent assistance and pay rent based on 30% of income up to maximum rent listed. Manager reported full occupancy and a waiting list. Most tenants are preference holders.
Higrise Apartments 123½ Chestnut	35 - 1 bedroom <u>10 - 2 bedroom</u> 45 total units	\$536 \$661 30% of income	Open units in process of being filled from waiting list	Preference for senior/ disabled	HUD Public Housing project probably developed in the 1970s and owned by the Sisseton HRC - preference for senior/disabled applicants. All tenants have access to project-based rent assistance and pay rent based on 30% of income up to maximum rents listed. Manager reported 3 open units that were in the process of being filled from waiting list. Most tenants are preference holders.
Jard Apartments 308 W Oak St	<u>16 - 1 bedroom</u> 16 total units	\$536 30% of income	No vacant units	Senior/ disabled occupancy	HUD Section 8 subsidized project owned by the Sisseton HRC and developed for senior/disabled tenant occupancy. All tenants have access to rent assistance and pay rent based on 30% of income up to maximum rent listed. Manager reported full occupancy but no current waiting list.
Peter "Buddy" Nelson Apartments	2 - 2 bedroom <u>10 - 3 bedroom</u> 12 total units	\$695 \$863 30% of income	No vacant units, waiting list	Tribal Members	USDA Rural Development general occupancy subsidized project for Tribal Members in two 6-plexes. All tenants have access to project-based rent assistance allowing rent based on 30% of income up to maximum rents listed. Manager reported full occupancy with a waiting list.
Public Housing Scattered Sites 308 W Oak St	2 - 2 bedroom <u>6 - 3 bedroom</u> 8 total units	\$661 \$894 30% of income	No vacant units, waiting list	General occupancy	HUD Public Housing scattered site general occupancy project owned by the Sisseton HRC. All tenants have access to project-based rent assistance and pay rent based on 30% of income up to maximum rent listed. Manager reported full occupancy with low turnover rate - waiting list for family units.

Table 27 Sisseton Multifamily Rental Housing Inventory

Name	Number of Units /Bedroom Mix	Rent	Vacancy/ Wait List	Tenant Mix	Comments
Subsidized					
Tribal HA Low Rent Housing	1 bedroom 2 bedroom 3 bedroom 4 bedroom <u>5 bedroom</u> 83 total units	\$150 \$200 \$250 \$300 \$350 30% of income	Any open units are filled from waiting list	Preference for Tribal Members	Low rent housing owned by Tribal Housing Authority and located in Sisseton - additional housing options exist in Sisseton area on Tribal land. Units are single family houses or duplexes. Occupancy preference is given to Tribal Members and all current tenants meet preference. Rent is based on 30% of income up to maximum rents listed - additional \$20/month fee for water. Manager reported a high rate of occupancy with any turnover units filled from 52-name waiting list. Sisseton is most popular location for Tribal housing options.
Senior Housing with Services					
Edgewood Greenleaf 308 Hillview Rd	7 - studio 13 - studio deluxe <u>2 - suites</u> 22 total units with 31 resident capacity	\$4650 lowest entry price	No vacant units, waiting list	Assisted Living Center	Assisted Living Center constructed in the 1990s with licensed capacity for 31 residents. To reach capacity would require double-occupancy in some rooms and typical occupancy would be up to 25 residents. Project can serve memory care but not a locked facility. Three levels of care offered but lowest entry price would be approx. \$4650 for rent and services. All units occupied or committed at time of survey - waiting list exists but sometimes people are not ready to move. Medicaid assistance is accepted but use is capped due to reimbursement rate.
Tekawitha Living Center 6 E Chestnut	licensed for 50 skilled nursing beds	N/A	5 open beds on date of survey	Nursing Home	Skilled nursing facility affiliated with the hospital and licensed for 50 beds in 2023. No specific set-asides but some beds are typically used for shorter-term transitional care stays. 45 beds were occupied on the date of the survey.

Source: Community Partners Research, Inc.

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 pay for housing is severely limited.

Employment opportunities may be provided by a broad range of private and public business sectors. Jobs may be available in manufacturing, commercial services, agriculture, public administration, and other industries. 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.

Labor Force and Unemployment

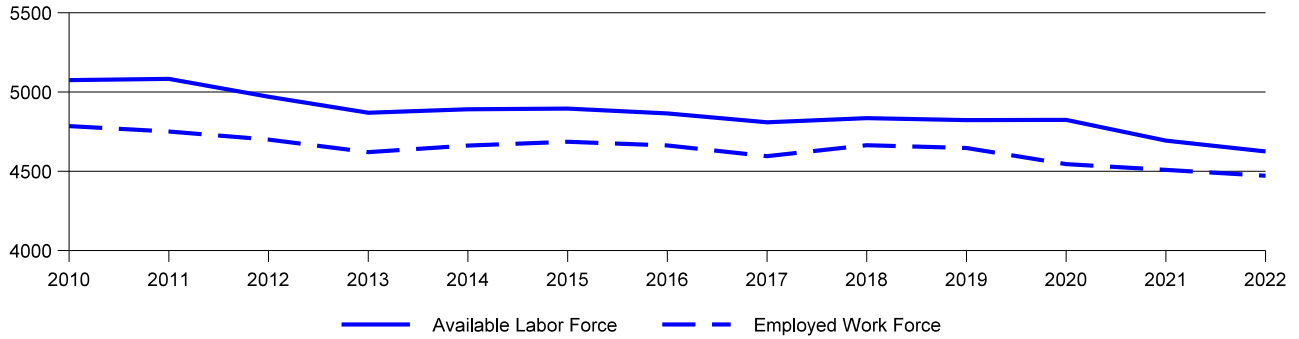
Employment information is available at the county-level, and has been analyzed for Roberts County. The labor force statistics track people by place of residence, rather than place of employment.

Table 28 Roberts County Average Annual Labor Force: 2010 to 2022						
Year	Labor Force	Employed	Unemployed	Unemployment Rate - County	Unemployment Rate - SD	Unemployment Rate - US
2010	5,075	4,785	290	5.7%	5.0%	9.6%
2011	5,083	4,751	332	6.5%	4.7%	8.9%
2012	4,970	4,700	270	5.4%	4.3%	8.1%
2013	4,869	4,621	248	5.1%	3.8%	7.4%
2014	4,891	4,662	229	4.7%	3.4%	6.2%
2015	4,895	4,686	209	4.3%	3.1%	5.3%
2016	4,865	4,663	202	4.2%	3.0%	4.9%
2017	4,809	4,595	214	4.4%	3.2%	4.4%
2018	4,835	4,664	191	4.0%	3.0%	3.9%
2019	4,823	4,647	176	3.6%	3.0%	3.7%
2020	4,824	4,545	279	5.8%	4.6%	8.1%
2021	4,693	4,509	184	3.9%	2.8%	5.3%
2022	4,625	4,472	153	3.3%	2.3%	3.7%

Source: South Dakota Department of Labor

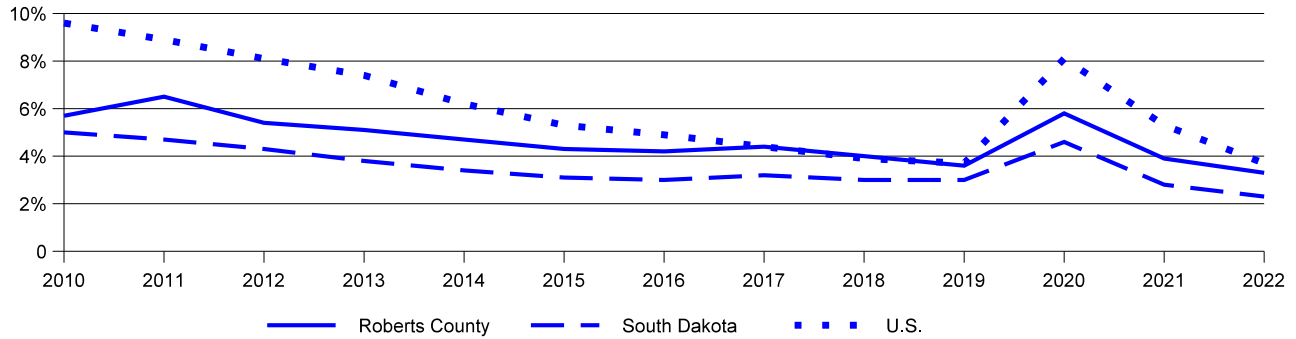
- ▶ Since 2010 there has been a general downward trend in the size of the County’s resident labor force. If 2022 is compared to 2010, the labor force had decreased by 450 people, or nearly 9%.
- ▶ The employed work force has generally followed a somewhat similar pattern. From 2010 to 2022, the number of employed County residents had decreased by 313 people.
- ▶ The size of the employed work force may have been impacted by the global health pandemic in 2020, as labor force statistics for 2020 were lower than in 2019.

Roberts County Labor Force and Employed Work Force



- ▶ Throughout the time period reviewed, the County’s unemployment rate has remained higher than the Statewide unemployment rate, but in most years has been below the national unemployment rate.

Unemployment Rates



Average Annual Wages by Industry Sector

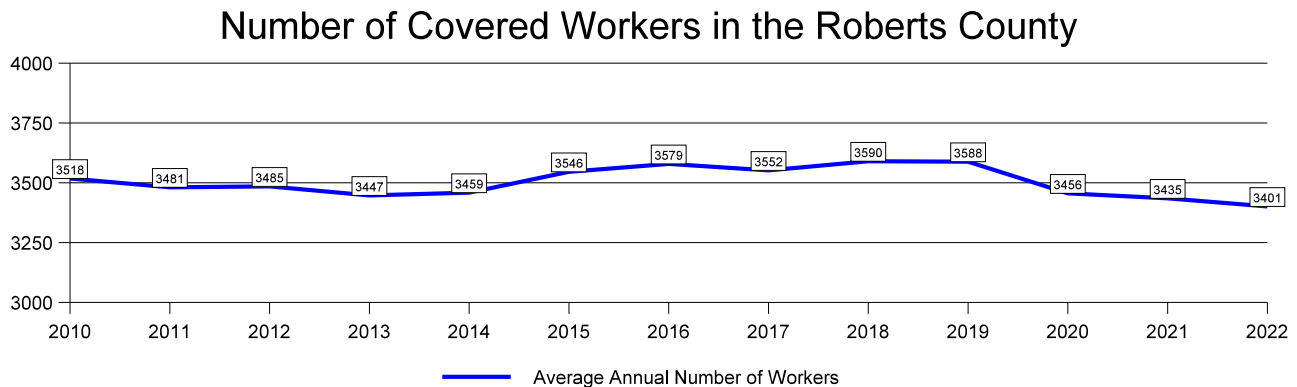
The following table shows the annual employment and average annual wages in 2022, the last full year of data. This information is for all of Roberts County. It is important to note that the major employment sectors listed do not represent all employment in the County.

Table 29 Roberts County Average Weekly Wage: 2021		
Industry	Employment	Average Weekly Wage
Total All Industry	3,401	\$864

Source: South Dakota Department of Labor

- ▶ The average weekly wage for all industry in 2022 was \$864. At full-time employment this would equate to an annual wage of approximately \$45,000. Statewide the average weekly wage in 2022 was \$1,039, higher than the average wage in Roberts County. The Statewide average wage would equate to approximately \$54,000 at full-time employment.

Using the QCEW it is possible to examine longer-term patterns in the local employment level. The following chart displays the total number of workers reported in the County from 2010.



- ▶ The number of covered workers in Roberts County reached a recent peak 2018 and 2019, before decreasing steadily since that time. The drop in employment may have been due in part to the global health pandemic starting in 2020.
- ▶ If 2022 is compared back to 2010, the number of covered workers had declined by 117 jobs, or -3.3% over the longer time period.

Commuting Patterns of Area Workers

Information is available on area workers that commute for employment. The best information is from the 2021 American Community Survey, and has been examined for Sisseton. This table only examines people that commuted, and excludes people that work at home.

Table 30 Commuting Times for Sisseton Residents - 2021		
Travel Time	Number	Percent
Less than 10 minutes	545	53.5%
10 to 19 minutes	289	28.4%
20 to 29 minutes	83	8.1%
30 minutes +	102	10.0%
Total	1,019	100%

Source: American Community Survey

- ▶ Most Sisseton residents were able to work locally in 2021, with nearly 82% commuting less than 20 minutes to work. Approximately 10% of the City’s residents were longer-distance commuters and traveling 30 minutes or more for work.

A large number of jobs are based in Sisseton and estimates were also provided for people that worked in the community.

Table 31 Commuting Times for Sisseton-based Employees - 2021		
Travel Time	Number	Percent
Less than 10 minutes	707	36.4%
10 to 19 minutes	513	26.4%
20 to 29 minutes	369	19.0%
30 minutes +	353	18.2%
Total	1,942	100%

Source: American Community Survey

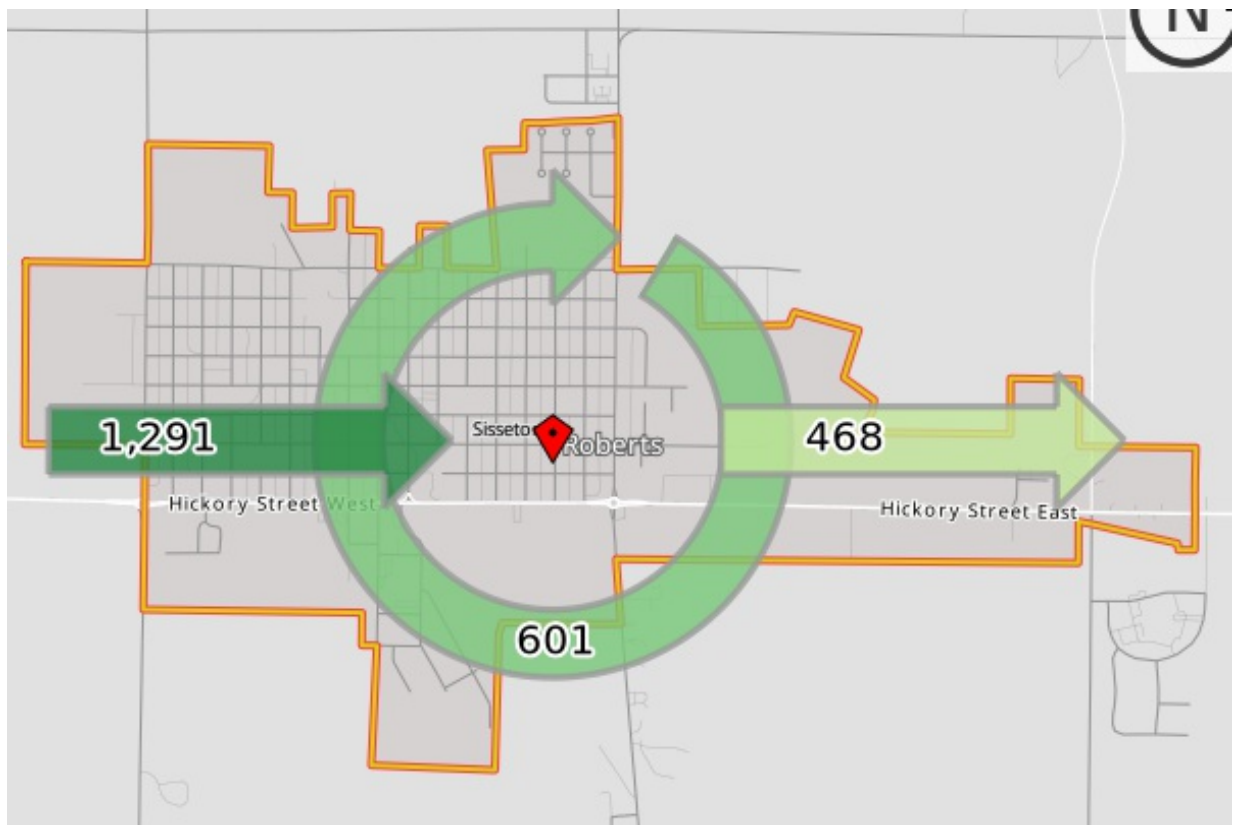
- ▶ Most of the people that worked in Sisseton lived locally and traveled less than 20 minutes in 2021. Approximately 37% of the work force came from greater distances and traveled 20 minutes or more for their job.

Census On the Map

The Census Bureau also produces commuter reports through its Center for Economic Studies division. This information is based on reports for the year 2020, but provides a further breakdown of worker movement patterns.

According to the report for Sisseton, there were 1,892 people that were employed within the city limits in 2020. Approximately 32%, or 601 people, both lived and worked in Sisseton, while 1,291 employees were commuting in to work. The primary identified jurisdictions supplying workers to Sisseton were Sisseton Township, Goodwill Township, Rosholt, Long Hollow Township, Agency Township and Summit.

There were 1,069 people living in Sisseton that were employed and 468 of these Sisseton residents left their home community to work elsewhere. The primary locations listed for outbound commuters were Greendale Township, Sisseton Township, Goodwill Township and Rosholt.



Findings on Growth Trends

The Demographic section of this report has presented information on the recent estimates and past trends for the City of Sisseton and Roberts County. Although Sisseton has recently added population, the City's household count has decreased over the past 20 years.

Based on the 2020 Census, Sisseton lost 14 households between 2010 and 2020, despite adding 39 residents. The population growth was due to an increase of large households, with six or more household members. As a result the City's average household size increased over the decade.

While the City has experienced a small reduction of households over the past two decades, there was some growth in the 1990s. If viewed over a longer-term, back to the year 1990, Sisseton has had an average annual increase of approximately one household per year.

Despite the household loss in Sisseton after 2010, Roberts County added both population and households between 2010 and 2020. Some of the County's rural Townships, including Lockwood, Sisseton and Long Hollow accounted for much of the County's household growth over the decade.

It is important to note that the Sisseton and Long Hollow Townships are both part of the Lake Traverse Reservation and the County did see growth in the number of Native American households over the decade. Much of the growth in Lockwood Township was presumably due to its location on Big Stone Lake.

Although all of Roberts County has had past household growth, the numeric level of growth has been limited. Over the past 30 years the County has averaged fewer than eight additional households per year.

Findings on Projected Growth

This Study has examined projections from established national sources, including both Applied Geographic Solutions (AGS) and Esri. However, in the opinion of the analysts, these forecasts are overly conservative and have not been used in the recommendations that follow.

Community Partners Research, Inc., has generated its own forecast which expects the City of Sisseton to add approximately four households in an average year, or up to 20 households over the 5-year projection period.

Some growth should also continue to occur in the remainder of Roberts County, although it is also possible that some of the households in more rural portions of the County will elect to relocate into Sisseton to access services and amenities. Aging patterns show an increasing number of senior citizens going forward, and these older residents will look for age-appropriate housing options in the future.

Sisseton does have a supply of vacant or underutilized housing that potentially could be used to add more households in the future without the need for new unit construction. However, the City does have an older housing stock and some of these housing units may be in poor condition, as a number of vacant units have been present in the City for many years. There have been only 13 new housing units constructed in Sisseton since 2010 based on available reporting, so unit replacement will be needed as older housing is removed from the usable inventory.

Constructing new housing in the City may be difficult, given the value gap that may be present. Based on a review of existing home sales, the median home value in Sisseton is low by comparative standards, and well below the value level typical for a newly built house. With a disparity between the estimated costs for new home construction and the possible resale value in the future, any new development activity may need to be subsidized in order to be economically feasible.

Summary of Growth Projections by Age Group

The Demographic section of this Study presented projection information for Sisseton on anticipated household changes by age group from 2023 to 2028. This information can be informative in determining the housing that may be needed due to age patterns of the area’s residents.

The age-based projections generated by Esri were adjusted by Community Partners Research, Inc., to better reflect the City’s growth potential going forward. The adjustments to the 2028 totals were less than 5%.

<u>Age Range</u>	<u>Projected Change in Households 2023 to 2028</u>
24 and younger	-6
25 to 34	-2
35 to 44	22
45 to 54	-4
55 to 64	-25
65 to 74	8
75 and older	<u>27</u>
Total change	20

Overall, the adjusted projections expect up to 20 households to be added in Sisseton by 2028. However, limited changes, of fewer than 10 households are likely within most of the defined age groups. Three specific age groups are expected to see most of the change.

The movement of the large “baby boom” generation through the aging cycle should generate much of the City’s positive change in households over the next five years. The projections show an increase of 27 households age 75 and older between 2023 and 2028. By 2028, the leading edge of the baby boom generation will be age 75 or older.

Trailing behind the baby boomers was a small demographic cohort, and these projections expect a decrease of 25 households in the 55 to 64 year old range. The reduction in this age group will result in limited numeric growth among older households in Sisseton, with a net increase of only 10 households age 55 and older by the year 2028.

While most of the younger adult age groups are expected to slightly decrease in size, stronger growth is projected in the 35 to 44 year old age group. As a result, net growth of 10 households is projected in the younger adult ranges age 54 and under over the 5-year time period.

Findings on Unit Demand by Type of Housing

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

Age 24 and Younger - The projections used for this Study expect a decrease of six households age 24 and younger through the year 2028. Past tenure patterns show a very high rate of renter occupancy among younger households in Sisseton. Some decrease in the number of households in this age range should mean that rental demand from younger households will also decrease slightly during the projection period.

25 to 34 Years Old - The projections also show a small possible decrease of households in this age range by 2028. Within this age range households often begin moving from rental to ownership housing, although in Sisseton most of these households are still renters. A slight decrease within this age range indicates demand for both first-time home buyer and rental opportunities from this age range will also decrease slightly during the projection period.

35 to 44 Years Old - The projections for this 10-year age cohort expect a strong increase of 22 households through 2028 in Sisseton. In the past, this age group has been almost equally split between rental occupancy and home ownership. Ownership households within this range often represent both first-time buyers and households looking to trade-up, selling their starter home for a more expensive house. Growth within this younger adult age range will result in increased demand for ownership and rental options.

45 to 54 Years Old - The projections show a minor reduction of four households in this age range by 2028. In the past, this age group has been almost equally split between rental occupancy and home ownership. Ownership households within this range often represent households looking to trade-up, selling their starter home for a more expensive house. A slight decrease within this age range indicates reduced demand for trade-up housing and rental options during the projection period.

55 to 64 Years Old - By 2028, this age cohort will largely represent the age cohort that trailed behind the baby boom generation. This group was not as large demographically and will not fully replace the advancing baby boomers. The age-based projections for Sisseton expect a significant decrease of 25 households in this age range. This group has traditionally had a higher rate of

home ownership than rental occupancy. Although age-appropriate housing, such as town house or twin home units, should have increasing appeal for this age group, a decrease in both ownership and rental demand should be expected from this age range.

65 to 74 Years Old - A gain of eight households is expected by the year 2028 in the 65 to 74 age range. While this group will begin moving to life-cycle rental housing options as they age, the younger seniors are still predominantly home owners in Sisseton. Preferences for age-appropriate units should increase from household growth within this age cohort although the expected increase is limited.

75 Years and Older - Strong growth is projected from older seniors, with 27 households added in this age range by 2028. In Sisseton, most older seniors still own their home, but this group may increasingly look for more age-appropriate options. Sisseton does have specialized senior housing with services options and seniors needing care with their housing will increasingly access this housing as they move through the aging cycle.

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

Strengths for Housing Development

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

- ▶ **Sisseton serves as a regional center** - Sisseton provides employment opportunities, retail/service options, health and professional services, governmental services and recreational facilities and opportunities for a geographical area that surrounds the City.
- ▶ **Affordable priced housing stock** - The City of Sisseton has a stock of affordable, existing houses. Our analysis shows that the City's median home value based on sales data from 2021 and 2022 is approximately \$77,500. This existing stock, when available for sale, provides an affordable option for home ownership.
- ▶ **Land for development** - Sisseton has land available for both residential and commercial/industrial development. However, some of this land needs to be serviced with infrastructure improvements and/or annexed into the City limits.
- ▶ **Educational system** - Sisseton has a public preschool through grade 12 school system and a k-12 Tribal school.
- ▶ **Medical facilities** - Two hospitals and two medical clinics are located in Sisseton.
- ▶ **Infrastructure** - Sisseton's water and sewer infrastructure can accommodate future expansion. The City is currently constructing a new water facility.
- ▶ **Commercial development** - Sisseton's commercial district is adequate to meet daily needs.
- ▶ **Sisseton Economic Development Corporation** - The Sisseton Economic Development Corporation is active in promoting economic and industrial development, job creation and housing.
- ▶ **Employers** - Sisseton has employers that provide job opportunities for local residents.

- ▶ **Grow South Dakota** - Grow South Dakota is a statewide nonprofit organization located in Sisseton that provides programs and loan products to advance housing, community and economic development.
- ▶ **Sisseton Wahpeton Oyate Housing Authority** - The Sisseton Wahpeton Oyate Housing Authority provides rental and home ownership opportunities for Tribal Members.
- ▶ **Sisseton Housing and Redevelopment Commission** - The Sisseton Housing and Redevelopment Commission provides housing opportunities for area low and moderate income households.
- ▶ **Commuters** - Approximately 1,300 City-based employees are commuting into Sisseton daily for work. These commuters are a potential market for future housing construction.
- ▶ **Desirable location for area seniors and retirees** - Sisseton is an attractive community for seniors as a retirement location. As the providers for the area's health, retail and government services and recreational opportunities, the City has amenities that are attractive for seniors as they age.
- ▶ **Population and households** - Based on our projections, Sisseton will add population and households over the next five years.
- ▶ **Agriculture economy** - The agriculture economy in Sisseton and Roberts County is a strong and vital part of the area's overall economy.
- ▶ **Small city atmosphere** - Sisseton has the real and perceived amenities of a small city. Small city living is attractive for some households.

Barriers or Limitations to Housing Activities

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

- ▶ **Age and condition of the housing stock** - While the existing stock is affordable, some of the housing is in need of improvements to meet expectations of potential buyers.
- ▶ **Low rent structure** - The area's rent structure is relatively low, which makes it more difficult to construct new rental housing.
- ▶ **Value gap deters new owner-occupied construction** - Based on market values from 2021 and 2022 residential sales, we estimate that the median priced home in Sisseton is valued at approximately \$77,500. This is below the comparable cost for new housing construction, which will generally be above \$300,000 for a stick built home with commonly expected amenities. This creates a value gap between new construction and existing homes. This can be a disincentive for any type of speculative building and can also deter customized construction, unless the owner is willing to accept a potential loss on their investment.
- ▶ **Builder and contractor availability** - The existing builders and contractors in Sisseton have a backlog of work and it is difficult to obtain their services to build and rehabilitate homes.
- ▶ **Distance from a larger regional center** - Some households need or desire to be close to a larger regional center, which offers additional health services, retail/commercial opportunities, recreational and cultural options, etc. The nearest larger regional centers are Watertown, which is 63 miles from Sisseton, Wahpeton, which is 65 miles from Sisseton, and Fargo, which is 90 miles from Sisseton.
- ▶ **Lower paying jobs** - Although Sisseton has job opportunities, some jobs are at the lower end of the pay scale and employees with these jobs have limited housing choices.
- ▶ **Commercial/retail options** - Sisseton has a limited number of commercial and retail opportunities compared to larger regional centers.

- ▶ **Lack of new housing construction** - There have been a limited number of new housing units constructed in Sisseton since 2010.
- ▶ **Competition from rural lots** - The rural Sisseton area has residential lot opportunities. These lots compete with available residential lots within the City of Sisseton.

Recommendations, Strategies and Housing Market Opportunities

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

- ▶ **Be realistic in expectations for housing development** - Large-scale residential growth has not occurred in the recent past and is not likely to occur in the near future. The scale of activities proposed for the future should be comparable with the area's potential for growth.
- ▶ **Proactive community involvement** - New home and apartment construction will more likely occur in Sisseton if there continues to be proactive support from the City, the Sisseton Economic Development Corporation, The Sisseton Housing and Redevelopment Commission, the Sisseton Wahpeton Oyate Housing Authority, Grow South Dakota and the South Dakota Housing Development Authority.
- ▶ **Protect the existing housing stock** - The future of Sisseton will be heavily dependent on their appeal as residential locations. The condition of the existing housing stock is a major factor in determining each community's long-term viability. The existing housing stock is in good condition and is a major asset, however, rehabilitation efforts are needed to preserve the housing stock.
- ▶ **Protect the existing assets and resources** - Sisseton has many assets including a public preschool through grade 12 school and a k-12 Tribal school, employers, a downtown commercial district, an agricultural economy, recreational opportunities, etc. These are strong assets that make Sisseton a desirable community to live in, and are key components to its long-term success and viability. These assets must be protected and improved.
- ▶ **Develop a realistic action plan with goals and time lines** - In the past, Sisseton stakeholders have been involved in housing issues. The community should 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, Sisseton has other resources to draw on including USDA Rural Development, the South Dakota Housing Development Authority, the First District Association of Local Governments, Grow South Dakota and Dakota Resources. These resources should continue to be accessed as needed to assist with housing activities.

Summary of Findings/Recommendations

The findings/recommendations for Sisseton have been formulated through the analysis of the information provided in the previous sections and include 21 recommendations. The findings/recommendations have been developed in the following five categories:

- ▶ **Rental Housing Development**
- ▶ **Home Ownership**
- ▶ **Single Family Housing Development**
- ▶ **Housing Rehabilitation**
- ▶ **Other Housing Issues**

The findings/recommendations for each category are as follows:

Rental Housing Development

1. Develop 24 to 28 general occupancy market rate and moderate rent rental units
2. Promote the development/conversion of six to eight affordable market rate rental housing units
3. Develop 12 to 14 subsidized rental housing units
4. Senior with a high level of services recommendation
5. Develop 14 to 16 senior independent/light services market rate units
6. Develop a downtown mixed-use commercial/housing project
7. Continue to utilize the Housing Choice Voucher Program

Home Ownership

8. Continue to utilize and promote all programs that assist with home ownership
9. Develop a purchase/rehabilitation program

Single Family Housing Development

10. Lot availability and development
11. Strategies to encourage residential lot sales and new home construction in Sisseton
12. Coordinate with economic development agencies, housing agencies and nonprofit groups to construct affordable housing
13. Promote twin home/town home/condominium development

Housing Rehabilitation

14. Promote rental housing rehabilitation
15. Promote owner-occupied housing rehabilitation efforts

Other Housing Initiatives

16. Acquire and demolish dilapidated structures
17. Strategies for downtown redevelopment
18. Continue to coordinate with the Sisseton Wahpeton Oyate Housing Authority
19. Develop and promote home ownership and new construction programs
20. Encourage employer involvement in housing
21. Create a plan and coordination among housing agencies

Sisseton - Rental Housing Development

Rental Housing Development

Overview: In recent decades it has been difficult to produce new rental housing units that are viewed as “affordable” when compared to existing rental housing. 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. We are not aware of any rental units that have been constructed in Sisseton from 2010 to 2022.

Based on Census data, there were approximately 476 rental units in Sisseton in 2020.

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

Our household projections for Sisseton expect some household growth over the next five years. From 2023 to 2028, we are projecting that there will be a gain of up to 20 households in Sisseton. It is estimated that approximately 50% of these households will be rental households, thus, there will be a demand for up to 10 additional rental units due to household growth over the next five years.

Demand created by replacement of lost units is more difficult to determine, but the best available evidence suggests that the City of Sisseton will lose as many as two to three units per year. As a result, approximately 10 to 15 additional units will be needed over the next five years to replace lost units. In some cases, this unit replacement will be necessary as existing units are removed from the inventory through demolition or conversion. 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. Rental units may 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. The survey found no vacancies in conventional general occupancy market rate units and in the subsidized rental units. The owners and managers reported an ongoing high demand for rental units.

We identified pent-up demand for market rate rental units, including workforce units, subsidized rental units and senior independent/light services units.

These three demand generators, after factoring current occupancy rates, show a need for 56 to 66 rental units in Sisseton 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 2023 to 2028.

▶ General Occupancy Market Rate	24-28 units
▶ Affordable/Conversions	6-8 units
▶ Subsidized	12-14 units
▶ Senior Independent/Light Services	<u>14-16 units</u>
Total	56-66 units

It is important to recognize that this is the potential demand within the various market segments, including some need for unit replacement. If this level of unit production is achieved, the total household growth within the community would exceed the expected growth projection presented earlier in this Study. The analysts recognize that production of all of these units may not actually occur at the recommended level.

1. Develop 24 to 28 general occupancy market rate and moderate rent rental units

Findings: Approximately 57% of the rental housing in the City of Sisseton 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.

We found no vacancies in the market rate rental units we surveyed in Sisseton. The owners and managers of rental properties reported very high ongoing occupancy rates and strong demand for rental housing.

There is a variation in rental rates in the market rate segment in Sisseton. The existing rent range including utilities for a one-bedroom unit is \$500 to \$550 and \$560 to \$1,050 for a two-bedroom unit.

From 2010 to 2023, we are not aware of any market rate rental units that were constructed in Sisseton. However, some single family homes may have converted from owner-occupied to rental units and vice versa. Also, Cornerstone Court Apartments, a USDA Rural Development Project with 24 one-bedroom subsidized units, and Ridgeview Apartments, a USDA Rural Development project with eight two-bedroom units, have converted to market rate projects.

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

Based on this combination of demand generators, we believe that it is reasonable to plan for production of between 24 to 28 market rate units over the next five years, including luxury, moderate rent and workforce housing.

Based on our research, there is a lack of all sizes of rental units, thus, new construction over the next five years should include one, two and three-bedroom units. However, the majority should be two-bedroom units.

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

There are two market rate rental segments in Sisseton. One segment is seeking a high quality unit and can afford a higher rent. The second segment is seeking work force housing and a more modest rent. This segment may not qualify for subsidized 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 deferral, tax increment financing, SDHDA programs such as the DakotaPlex Program, etc., 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. Also, the Sisseton Housing and Redevelopment Commission, the Sisseton Economic Development Corporation or a regional housing agency such as Grow South Dakota could construct rental units or partner with private developers to construct additional units. However, financial assistance, including the resources listed above, may still be needed.

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

<u>Unit Type</u>	<u>No. of Units</u>	<u>Size/Sq. Ft.</u>	<u>Rent</u>
One Bedroom	4-5	650 - 800	\$700 - \$900
Two Bedroom	15-17	850 - 1,050	\$850 - \$1,200
Three Bedroom	5-6	1,100 - 1,250	\$1,000 - \$1,400
Total	24-28		

Note: The recommended rents are gross rents including all utilities. The rents are quoted in 2023 dollars.

It would be advantageous to keep the rent structure at or below the rent limits for the Housing Voucher Program. This would allow renter households to participate in the Housing Voucher Program and expand the number of households that can afford the proposed rents. The 2023 rent limits for the Housing Choice Voucher Program are:

- ▶ one-bedroom - \$650
- ▶ two-bedroom - \$832
- ▶ three-bedroom - \$1,093

2. Promote the development/conversion of six to eight affordable market rate rental housing units

Findings: The previous recommendation addressed the market potential to develop high quality rental units in Sisseton. Unfortunately, these units would tend to be beyond the financial capability of many area renters. A significant majority of the renter households in Sisseton that reported a rental cost burden reported an annual income below \$35,000. These households would need a rental unit at \$875 per month or less.

There is evidence that the City has lost rental housing over the years due to redevelopment or due to deterioration and demolition. Part of the need for additional rental units in Sisseton is to provide for unit replacement. Unfortunately, most of the lost units are probably very affordable, and new construction will not replace these units in a similar price range.

There are still some programs for affordable housing creation for moderate income renters. The federal low income housing tax credit program is one available resource. However, competition for tax credits is very difficult, and few awards are made to small cities for small rental projects.

Recommendation: We encourage Sisseton to promote the development/ conversion of more affordable rental units. We recommend a goal of six to eight units over the next five years which would help to replace affordable housing that has been lost.

It would be difficult to create units through new construction. Instead, it may be more practical to work on building renovation or conversion projects that can create housing. This opportunity may arise in downtown buildings, or through the purchase and rehabilitation of existing single family homes. Several single family homes have been rehabilitated for rental housing by local individuals.

The estimated prevailing rent range for older rental units is typically between \$500 and \$800 per month. Creating some additional units with contract rents below \$875 per month would help to expand the choices available to a majority of the area's renter households.

It is probable that the proposed rent structure for some units could only be obtained with financial commitments from other sources such as tax increment financing, property tax deferral/abatement from the City and other financial resources from funding agencies such as the South Dakota Housing Development Authority.

3. Develop 12 to 14 subsidized rental housing units

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

The research completed for this Study found six federally subsidized rental projects in Sisseton, with a combined 184 units, that offer housing with rent based on income. It is possible that one of these projects, the Peter "Buddy" Nelson Apartments are outside the City limits.

Three of the projects are designated for or offer an occupancy preference for senior and/or disabled tenant occupancy:

- ▶ Chateau Apartments with 20 units
- ▶ Highrise Apartments with 45 units
- ▶ Jard Apartments with 16 units

The remaining three projects are designated as general occupancy housing:

- ▶ Peter "Buddy" Nelson Apartments with 12 units for Tribal Members
- ▶ Public Housing Scattered Sites with 8 units
- ▶ Sisseton-Wahpeton HA - 83 units for Tribal Members

At the time of the survey, there were no vacancies in the six projects.

Approximately 39% of the City of Sisseton's rental housing stock is in the subsidized category.

The 2021 American Community survey estimated that approximately 34% of all renters in the City were paying 30% or more of their income for rent. A majority of these households were actually paying 35% or more of their income for housing. 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 and the high occupancy rate in the existing subsidized project, we recommend that the City 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 12 to 14 units that achieve a rent level that would be affordable to low income households earning less than \$35,000 per year. Some of the units should be three-bedroom units to serve larger households.

This recommendation represents a modest goal, since 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.

An area housing or economic development agency may have the staff resources to assist the City of Sisseton with developing a new subsidized rental project.

Another important community strategy will be to prevent the future loss of the project-based subsidized housing project located in Sisseton. 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.

4. Senior housing with a high level of services recommendation

Findings: Senior housing with services defines a wide range of housing types. Skilled nursing homes, assisted living and memory care housing are generally the most service-intensive units. High-service housing provides 24-hour staffing and a high level of assistance with daily living needs of residents.

Lower-service housing, sometimes referred to as congregate senior housing, generally offers the availability of a daily meal, and services such as weekly light housekeeping. The City of Sisseton currently has two senior housing projects that provide a high level of services. The two projects include:

- ▶ ***Tekawitha Living Center*** is a skilled nursing facility that is licensed for 50 beds in 2023. No specific set-asides are designated, with beds available for both long-term care and shorter-term transitional care stays, but most residents are long-term.
- ▶ ***Edgewood Greenleaf*** is a State-licensed Assisted Living Center with 31 resident capacity. There are 22 units available with some suitable for double occupancy. However, most rooms are occupied by a single person and typical occupancy would not exceed 25 residents.

Recommendation: It is our opinion that, currently, Sisseton’s two senior housing with services projects that provide a high level of services are adequately addressing the needs of the senior population. However, it would also be beneficial if one of the existing facilities could provide some secure memory care beds.

Also, the need for additional future senior housing that provides a high level of services should continue to be monitored. In the next recommendation we are recommending the development of an independent/light services senior project.

5. Develop 14 to 16 senior independent/light services market rate units

Findings: To determine the need for senior independent/light services market rate units in Sisseton, we have analyzed data for the City of Sisseton and Roberts County.

Currently, there are approximately 311 households age 65 or older in Sisseton and 1,283 households age 65 and older in Roberts County.

Also, some senior households would be expected to move into a senior independent/light services project from locations outside of Roberts County.

Recommendation: We are recommending a 14 to 16-unit independent/light services market rate senior project in the City of Sisseton. The project should be designed to allow seniors to live in a unit independently and for seniors who need minimal services. The senior project could be a one-level apartment building or town home-style.

The project's amenities and features should include:

- ▶ A small 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 (apartment design)

Apartment features should include:

- ▶ 14 to 16 units
 - ▶ 5 to 6 one-bedroom
 - ▶ 9 to 10 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 include:

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

Tax increment financing, tax abatement, tax deferments, 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 one to two additional units will be rented each following month for an absorption period of four to five months.

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

6. Develop a Downtown Mixed-Use Commercial/Housing Project

Findings: A new mixed-use rental housing/commercial project would be an asset to downtown Sisseton. Currently, there are existing housing/commercial projects in the Sisseton downtown area.

New mixed use projects have been developed in several cities comparable to the size of Sisseton. Some of these projects were developed because of market demand, while others were developed to enhance the downtown, to introduce a new product to the market or to serve as a catalyst for downtown redevelopment.

Recommendation: We recommend the development of a mixed-use building in the downtown Sisseton area. Potential sites in the downtown area for a mixed-use project could include vacant lots or the demolition of existing substandard buildings which would provide a cleared space for a new building.

We recommend commercial space on the first floor and rental units on the second floor. Prior to construction, a portion of the commercial space should be leased to an anchor tenant who would complement existing downtown businesses and attract people to downtown.

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

Ideally, a private developer would construct and own the building. The City may have a role in the project by providing tax increment financing, tax abatement, tax deferral, or other local funds and land at a reduced price.

7. Continue to utilize the Housing Choice Voucher Program

Findings: The Housing Choice Voucher Program provides portable, tenant-based rent assistance to lower income renter households. The program requires participating households to contribute 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 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.

Currently, the Housing Choice Voucher Program is administered in Sisseton or Roberts County by the Aberdeen Housing Authority.

Recommendation: We recommend that the City of Sisseton and the Sisseton Housing and Redevelopment Commission work with the Aberdeen Housing Authority to assure that Sisseton households are aware of the Housing Choice Voucher Program and have an opportunity to apply for a voucher.

Sisseton - 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 is estimated to be approximately \$77,500 in the City of Sisseton based on sales activity from 2021 and 2022. The home values in Sisseton provide a good opportunity for first time buyers and households seeking moderately priced homes.

Some households have not been able to achieve the goal of home ownership and 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 issues facing Sisseton 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. Sisseton has a supply of houses that are price-eligible for these assistance programs. The home value estimates used in this study indicate that a majority of the existing stock currently is valued under the purchase price limits for the first-time home buyer assistance programs.

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

Recommendation: We recommend that the City of Sisseton and the Sisseton Economic Development Corporation continue to work with area housing agencies, such as Grow South Dakota, 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 Sisseton and the Sisseton Economic Development Corporation should also work with housing agencies to assure that Sisseton 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, Grow South Dakota and the Federal Home Loan Bank.

9. Develop a Purchase/Rehabilitation Program

Findings: The City of Sisseton has a stock of older, lower valued homes, some of which need repairs. As some lower valued homes come up for sale, they may not be attractive options for potential home buyers because of the amount of repair work that is required.

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

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

Recommendation: We recommend that the City of Sisseton and the Sisseton Economic Development Corporation work with a housing agency to develop and implement a purchase/rehab program. Attitudinal surveys that we have conducted in other cities have found that purchase/rehabilitation programs are appealing to people who are currently renting their housing. In some similar sized communities, a large majority of survey respondents who were renters indicated an interest in buying a home in need of repair if rehabilitation assistance was available.

A purchase/rehabilitation program achieves several goals. The program encourages home ownership, prevents substandard homes from becoming rental properties and rehabilitates homes that are currently substandard.

Because a purchase/rehabilitation program can be expensive and its cost effectiveness in some cases may be marginal, it may be advantageous in some cases to directly assist low and moderate income households with purchasing and rehabilitating homes. Area housing agencies and financial institutions could offer some rehabilitation assistance in conjunction with first-time home buyer programs to make the older housing a more attractive option for potential home buyers. Also, USDA Rural Development provides purchase/rehabilitation loans to low and moderate income buyers.

Also, there are private individuals purchasing homes in Sisseton, then rehabilitating and selling these homes. There may be an opportunity for local housing agencies to financially assist the private sector with purchasing, rehabilitating and selling homes. This may increase the inventory of substandard homes that economically can be rehabilitated and sold.

Sisseton - Single Family Housing Development

Single Family Housing Development

Findings: Based on local and Census Bureau reports, Sisseton has experienced limited single family housing development from 2010 to 2022. Over the past 13 years, approximately 13 single family owner-occupancy units have been constructed in Sisseton. Five single family houses have been constructed over the past six years, from 2017 to 2022.

It is our opinion that if the City of Sisseton, the Sisseton Economic Development Corporation, Grow South Dakota, builders, developers and other stakeholders are proactive, 12 to 16 homes can be constructed or moved into Sisseton from 2023 to 2028, which is an annual average of two to three units.

The breakdown of our projection of 12 to 16 new owner-occupied housing units is as follows:

▶ Higher and Medium priced homes (over \$385,000)	5-6
▶ Affordable Homes (under \$385,000)	3-5
▶ Twin homes/Town homes	<u>4</u>
Total	12-16

10. Lot availability and development

Findings: As part of this Study, we attempted to identify the inventory of available residential lots for single family housing construction in Sisseton. The Sisseton Economic Development Corporation owns the Cedar Heights Subdivision. There are approximately eight residential lots still available and for sale in Cedar Heights. There are also a few miscellaneous infill lots scattered around the City that we did not attempt to count. We do not know the availability of these infill lots. Also, dilapidated houses may be acquired and demolished over the next six years. Some of the cleared lots may be sites for new construction.

Recommendation: With projections that 12 to 16 new owner-occupied housing units will be constructed over the next six years, Sisseton should have approximately 20 to 24 available residential lots to meet expected demand over the six-year projection period and to assure that there is an inventory of residential lots for several years beyond the projection period.

With approximately eight lots available in Cedar Heights and a few miscellaneous residential lots in 2023, Sisseton will need additional lots if the new housing construction that is projected comes to fruition. Therefore, we are recommending the development of 12 to 16 residential lots to address demand over the next six years and also to provide some additional lot options for the years beyond the six-year projection period. However, future lot development should be based on the actual absorption of the current lot supply.

Several sites have been identified in the City for future lot development. Future lots/subdivision development should include the following:

- ▶ The lots must be as aesthetically acceptable as possible and include high quality amenities.
- ▶ Land should be available for future lot development phases.
- ▶ The subdivision(s) should have covenants that assure high quality development. However, the covenants should not be so restrictive that they eliminate the target market's ability to construct a home.
- ▶ The subdivision(s) should accommodate a variety of home designs and home prices.
- ▶ Employers should be involved in promoting and publicizing the subdivision.
- ▶ To be successful, the homes must be available to households with as wide an income range as possible.
- ▶ Successful subdivisions will need the cooperation of financial institutions, funding agencies, employers, developers, builders, the Sisseton Economic Development Corporation, the City of Sisseton and Grow South Dakota. Financial assistance such as tax increment financing, tax deferment/abatement, and state and federal funding may be necessary to make the development of lots feasible.
- ▶ The lots should expand the market by providing an attractive, affordable product.
- ▶ Some lots should be available for twin home/town home development.
- ▶ The development process should be as user-friendly and streamlined as possible.

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

Findings: Over the past 13 years from 2010 to 2022, approximately 13 owner-occupancy single family houses have been constructed in Sisseton.

Recommendation: We recommend that the City of Sisseton, the Sisseton Economic Development Corporation, Grow South Dakota, employers, builders and developers coordinate efforts to promote lot sales and housing development in Sisseton.

Our recommendations to promote lot sales and housing development include:

- ▶ **Competitive pricing** - The current lot prices in Sisseton are competitive. To encourage new home construction, lots must be competitively priced.
- ▶ **Plan for long-term absorption** - The research completed for this Study expects limited annual absorption of lots in Sisseton. We are projecting the construction of two to three new units per year. It is therefore necessary to view the construction of homes on the developed lots as a long-term plan.
- ▶ **Generate activity** - To stimulate new construction, proactive efforts, such as the sale of some lots at discounted prices, reduction of hookup and permit fees or other incentives could be provided if the buyer agrees to build a home of a certain quality and style within a stipulated time frame. This creates momentum for more houses to be built.
- ▶ **Consider developing an exclusive builder(s) relationship** - A block of lots could be sold to a builder or builders. Momentum can be created when a builder has access to several lots. This allows for marketing opportunities and efficiencies in the home building process. The subdivision owners, however, should assure that the builder is obligated to constructing a minimum number of homes per year. Builders are more willing to enter a market when the lots are attractive and very affordable. A block of lots available to an exclusive builder or developer should be explored, even if price concessions are required.
- ▶ **User-Friendly** - The lot purchase and homebuilding process must be 'user-friendly.' This includes the availability of buildable lots, builders are readily available to build custom homes, information on quality homes that could be moved into the City and City regulations that are fair and reasonable.

- ▶ ***Spec home development*** - Spec houses can 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. In an attempt to spur spec home construction, some communities have formed partnerships with private home builders to share the financial risks. For example, some developers have been willing to defer the payment for the lot until the spec home is sold. Another builder incentive is to waive any water/sewer hookup fees and building permit fees until the home is sold. A more aggressive approach is to become directly involved in helping cover the payments on a home builder's construction loan, if the house does not sell within a reasonable period of time. A community risk pool would need to be established for this type of activity. These types of approaches would somewhat reduce the builder's risk, by lowering the up-front development costs.
- ▶ ***Range of house prices*** - Lots should be available to as wide a range of home sizes and prices as possible, without compromising the subdivision(s). This broadens the lot buyer market.
- ▶ ***Incentives*** - Many cities throughout South Dakota are offering incentives to construct homes including reduced lot prices, reduced water and sewer hookup fees, tax abatement, tax deferral, cash incentives, etc. Incentives should be considered to promote new home construction.
- ▶ ***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 be available for twin home/town home lot development.
- ▶ ***Marketing*** - The City of Sisseton, the Sisseton Economic Development Corporation, Grow South Dakota, employers, builders and developers should create a comprehensive marketing strategy to sell the available lots. In addition to marketing the lots, the City of Sisseton and its amenities should continue to be promoted.
- ▶ ***Covenants*** - Subdivisions often have covenants that assure quality development. The covenants should assure that they protect the integrity of the subdivision, but are not a barrier to new construction.
- ▶ ***Lot Availability for affordable homes*** - Lots should be available for affordable homes including modular homes and governor's homes.

- ▶ ***Infill lot Home Development*** - Infill lots in existing neighborhoods are often affordable and have existing City services.
- ▶ ***Housing Programs*** - The South Dakota Housing Development Authority, USDA Rural Development and other housing agencies may have housing programs available to assist developers, builders and home buyers. Also, the South Dakota Housing Development Authority and the Governors Office of Economic Development may have funds available for subdivision development.

12. Coordinate with economic development agencies, housing agencies and nonprofit groups to construct affordable housing

Findings: There are several housing agencies and nonprofit groups that may have the capacity to construct new housing in Sisseton. Grow South Dakota has constructed new owner-occupied homes in the past and is currently planning the construction of two additional homes.

Recommendation: We encourage the City of Sisseton to continue to actively work with economic development and housing agencies, nonprofit groups and the private sector to develop affordable housing.

Also, Governor's and modular homes are an affordable housing option that should be encouraged and supported.

13. Promote twin home/town home development

Findings: Attached housing provides desirable alternatives for empty nesters and seniors to move out of their single family homes, thus, making homes available for families. It is important for the community to offer a range of life-cycle housing options.

In many cities the size of Sisseton, approximately 20% to 25% of the new ownership housing constructed are twin homes/town homes/condominiums. From 2010 to 2022, we are not aware of any owner-occupied units constructed in Sisseton that were attached housing such as twin homes or condominiums.

In 2023, Sisseton has approximately 311 households in the 65 and older age ranges. From 2023 to 2028, the 65 and older age ranges, in Sisseton, are projected to increase by 35 households. Empty-nester and senior households are increasing demand for attached single family units such as twin homes, town houses and condominiums. It is likely that there will be a demand for attached housing units over the next six years.

Recommendation: It is our projection that two new owner-occupancy twin home (four units) could be constructed in Sisseton over the next six years. Our projection is based on the availability of an ideal location for twin home/town home development as well as high quality design and workmanship. It is also projected that additional twin homes/town homes will be constructed beyond the six-year projection period.

We recommend that for twin home/town home 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 homes, which provides security
- ▶ Homes at a price that is acceptable to the market

Sisseton's role could include assuring that adequate land continues to be available for development and that zoning allows for attached housing construction.

It may be advantageous to meet with a group of empty nesters and seniors who are interested in purchasing a twin home to solicit their ideas.

Sisseton - Housing Rehabilitation

Housing Rehabilitation

Findings: The City of Sisseton 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 the City of Sisseton, the Sisseton Economic Development Corporation and Grow South Dakota will need to make housing rehabilitation a priority in the future. New housing construction that has occurred is often in a price range that is beyond the affordability level for many Sisseton 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, there is a chance that this affordable stock could shrink, creating an even more difficult affordability situation.

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

14. Promote rental housing rehabilitation

Findings: Based on available data, there were approximately 476 rental units in Sisseton. These rental buildings are in multi-family projects, small rental buildings, duplexes, single family homes, mobile homes and mixed-use buildings. Some of these rental structures could benefit from rehabilitation as approximately 71% of the rental units in Sisseton were constructed prior to 1980 and are more than 40 years old.

It is difficult for rental property owners to rehabilitate and maintain their rental properties while keeping the rents affordable for the tenants. 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 Sisseton 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, Grow South Dakota, the South Dakota Housing Development Authority and the Federal Home Loan Bank.

15. Promote owner-occupied housing rehabilitation efforts

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

According to the American Community Survey, approximately 46% of the single family houses in Sisseton are more than 60 years old. Some of the homes in Sisseton's older neighborhoods need minor or major repair. In Sisseton, we conducted a housing condition survey of 587 single family homes and duplexes in the City of Sisseton's older neighborhoods. There were 214 homes identified as needing minor repair and 128 homes needing major repair. Without rehabilitation assistance, the affordable housing stock will shrink in Sisseton.

The City does have a code enforcement program in place that identifies exterior code violations.

Recommendation: We recommend that the Sisseton Economic Development Corporation, the Sisseton Housing and Redevelopment Commission and the Sisseton Wahpeton Oyate Housing Authority continue to 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, Grow South Dakota and the First District Association of Local Governments are potential funding sources.

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 Sisseton households to continue to utilize these housing rehabilitation programs. We also encourage the City of Sisseton to continue or possibly expand their code enforcement efforts.

Sisseton - Other Housing Initiatives

Other Housing Initiatives

16. Acquire and demolish dilapidated structures

Findings: There are single family houses in Sisseton that are dilapidated and too deteriorated to rehabilitate. We identified 66 homes in Sisseton’s older neighborhoods that are dilapidated and beyond repair. There are also 128 single family houses in Sisseton’s older neighborhoods that we identified as needing major repair and some of these homes may be too dilapidated to rehabilitate. To improve the quality of the housing stock and to maintain the appearance of the communities, dilapidated structures should be demolished, when feasible.

Over the past several years, the City of Sisseton has worked with property owners to demolish dilapidated houses.

Recommendation: We recommend that the City of Sisseton continue to work with property owners on an ongoing basis to demolish dilapidated homes. The appearance of the communities is enhanced when blighted and dilapidated structures are removed. Also, some of the cleared lots can be utilized for the construction of new affordable housing units.

Also, we recommend that the City maintain a lot inventory of structures that may be candidates for future acquisition and demolition. Additionally, an inventory of infill lots for future development should be maintained.

17. Strategies for downtown redevelopment and commercial development

Findings: The City of Sisseton’s downtown has buildings that have been renovated and have high quality commercial space. There are also buildings that need renovation. This recommendation provides an outline of actions that could be taken to complement the ongoing renovation and redevelopment initiatives that are ongoing to renovate the downtown, to maximize the usage of downtown buildings and to promote new downtown businesses.

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

Recommendation: We are recommending the initiation or continuation of the following actions for downtown Sisseton:

- ▶ Interview all downtown property owners and tenants to develop a database and to determine their future plans (expanding, selling, renovations, etc.)
- ▶ Develop an overall plan for the downtown (potential new businesses, address parking needs, develop an overall theme, art and cultural opportunities, etc.)
- ▶ Develop a mini-plan for each downtown property and each downtown block. This may include:
 - ▶ Commercial building rehab and renovations
 - ▶ Facade work
 - ▶ Building demolition
 - ▶ New construction
 - ▶ Recruiting new businesses
 - ▶ Housing development
 - ▶ Upper floor renovations
- ▶ Identify funding sources
 - ▶ Property owner funds
 - ▶ City of Sisseton
 - ▶ Sisseton Economic Development Corporation
 - ▶ Grow South Dakota
 - ▶ Federal Home Loan Bank
 - ▶ Special tax districts
 - ▶ Tax increment financing
 - ▶ Tax abatement and deferment
 - ▶ Sisseton Housing and Redevelopment Commission
 - ▶ Funds from the South Dakota Housing Development Authority
 - ▶ Funds from the Governors Office of Economic Development
 - ▶ First District Association of Local Governments
- ▶ Work with stakeholders to identify roles, secure funding, develop and implement programs and projects
 - ▶ Property owners
 - ▶ City of Sisseton
 - ▶ Sisseton Economic Development Corporation
 - ▶ Grow South Dakota

18. Continue to coordinate with the Sisseton Wahpeton Oyate Housing Authority

Findings: The Sisseton Wahpeton Oyate Housing Authority provides housing opportunities for Tribal Members and households.

The Housing Authority has 487 low income homes within its seven districts and 159 mutual self-help homes throughout the Reservation. The Housing Authority has two large housing projects in the Sisseton area. The Housing Authority also provides home buyer and housing rehabilitation programs.

At the time of the 2020 U.S. Census, 53% of Sisseton’s population and 55% of Roberts County’s population were Native Americans.

Recommendation: Based on Sisseton’s large Native American population and the Sisseton Wahpeton-Oyate Housing Authority’s programs and resources, we recommend that the City of Sisseton, the Sisseton Housing and Redevelopment Commission and the Sisseton Economic Development Corporation, continue to coordinate its efforts with the Sisseton Wahpeton Oyate Housing Authority to address the housing needs of Sisseton households.

19. Develop and promote home ownership and new construction programs

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

Recommendation: The City of Sisseton, the Sisseton Economic Development Corporation, Grow South Dakota and other stakeholders have been active in promoting and marketing housing in the communities. We recommend the continuation or consideration of the following:

- ▶ Determine the community’s strengths and competitive advantages and heavily promote them
- ▶ Continue to create marketing materials that can be distributed regionally (including social media, TV, radio, etc.)

- ▶ Work closely with employers (Sisseton and the entire region) to provide employees with housing opportunities
- ▶ Work with housing agencies to provide down payment assistance, low interest loans, gap financing, home owner education and home owner counseling programs
- ▶ Work with builders and developers to make the construction of new homes and rental units a very user friendly process
- ▶ Develop new home construction and home purchase incentive programs
- ▶ 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
- ▶ 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
- ▶ Develop new housing choices that serve life-cycle housing needs, such as new rental housing, twin homes, senior with services housing, etc.
- ▶ Review the local 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

20. Encourage employer involvement in housing

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

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

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

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

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

21. Create a plan and coordination among housing agencies

Findings: The City of Sisseton and the Sisseton Economic Development Corporation need staff resources in addition to local staff and volunteers to plan and implement many of the housing recommendations advanced in this Study. Sisseton has access to the Sisseton Housing and Redevelopment Commission, Grow South Dakota, the Sisseton Wahpeton Oyate Housing Authority, First District of Local Governments, USDA Rural Development, the South Dakota Housing Development Authority, and Dakota Resources. These agencies all have experience with housing and community development programs.

Recommendation: The City of Sisseton is fortunate to have access to several agencies that can address housing needs. It is our recommendation that the City and the Economic Development Corporation work with the housing and economic development agencies to prioritize the recommendations of this Study and to develop a plan to comprehensively address the City's housing needs. The plan should include strategies, time lines and the responsibilities of each agency. While there has traditionally been a degree of staff interaction between these agencies, it will be important that a coordinated approach be used to prioritize and assign responsibility for housing programs. This approach will reduce duplication and provide coordination and cooperation among agencies and will effectively utilize scarce resources.

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

Agencies and Resources

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

Grow South Dakota

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

First District Association of Governments

124 1st Ave. NW
Watertown, SD 57201
(605) 882-5115

South Dakota Housing Development Authority

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

USDA Rural Development

810 10th Ave. SE
Watertown, SD 57201
(605) 886-8202

Dakota Resources

25795 475th Ave.
Suite #1
Renner, SD 57055
(605) 978-2804