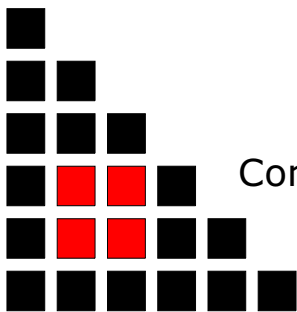


# City of Philip HOUSING STUDY UPDATE

January 2023

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



Community Partners Research, Inc.

Faribault, MN 55021

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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 City of Philip and Haakon 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 in 2014 by the City of Philip to conduct a study of the housing needs and conditions in the community. In 2022, an Update to the 2014 Study was initiated.

### Goals

The multiple goals of the study include:

- ▶ Provide updated demographic data including the 2020 Census
- ▶ Provide an analysis of the current housing stock and inventory
- ▶ Determine gaps or unmet housing needs
- ▶ Examine future housing trends that the area can expect to address in the coming years
- ▶ Provide a market analysis for housing development
- ▶ Provide updated housing recommendations and findings

### Methodology

A variety of resources were utilized to obtain information for the Housing Study Update. Community Partners Research, Inc., collected and analyzed data from August to December, 2022. Data sources included:

- U.S. Census Bureau
- American Community Survey
- Applied Geographic Solutions, a private data company
- Esri, a private data company
- Records and data from the City of Philip
- Records and data maintained by Haakon County
- Interviews with City officials and housing stakeholders

- Area housing agencies
- State and Federal housing agencies
- Rental property owner 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.

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

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# Demographic Data Overview

## Sources of Data

The following pages contain demographic data obtained from a variety of local, state and national sources for the City of Philip and Haakon County.

When the demographic research for this Update was completed, the Census Bureau had only released initial data from the 2020 U.S. Census including totals for population, households and housing units. The more detailed tables on age distribution and housing occupancy will not be available until May 2023. The available Census information has been incorporated into the analysis that follows, but for other demographic variables, including age distribution, sources other than the 2020 Census have been used.

To supplement the decennial Census, the Census Bureau has created the American Community Survey, an annual sampling of households. The American Community Survey provides detailed demographic characteristics. However, because the American Survey is based on sampling data, there is a margin of error that exists for each estimate.

The frequency of American Community Survey estimates vary depending on the size of the jurisdiction. For most jurisdictions in South Dakota, the 2020 estimates were derived from sampling that was done over a five-year period, between 2016 and 2020. Unless otherwise noted, the American Community Survey estimates are based on the five-year survey data.

The Governor's Office of Economic Development provides demographic profile information for cities, towns and counties supplied by Applied Geographic Solutions (AGS), a private company. The AGS estimates are for 2021, with projections to 2026 and have been examined for this Update. AGS's estimates and projections were issued prior to the release of any 2020 Census data and may not be consistent with the Census totals.

Prior to using AGS, the State had used Esri, Inc., for community profiles. The analysts have also utilized estimates and projections from Esri. Esri's estimates are for 2022 and were released after the Census and are better aligned to Census totals.

## Population Data and Trends

<b>Table 1 Population Trends - 1990 to 2020</b>						
	1990 Census	2000 Census	% Change 1990-2000	2010 Census	% Change 2000-2010	2020 Census
Philip	1,077	885	-17.8%	779	-12.0%	759
Haakon Co.	2,624	2,196	-16.3%	1,937	-11.8%	1,872

Source: U.S. Census Bureau

- ▶ 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.
- ▶ At the time of the 2020 U.S. Census, Philip had 759 permanent residents. When compared to the 2010 Census, the City had a population loss of 20 people over the decade, for a decrease of 2.6%.
- ▶ The trend of decreased population identified in the 2020 Census is the continuation of a long-term pattern in Philip, as the City had a population change of -17.8% in the 1990s, -12.0% between 2000 and 2010, and -2.6% from 2010 to 2020. However, given the larger population losses in prior decades, the change after 2010 was relatively small.
- ▶ Haakon County’s population was 1,872 in 2020, down by 65 people from 2010, or -3.4%. The County had also lost population over the past three decades, although the rate of loss has been slowing over time.
- ▶ Applied Geographic Solutions (AGS), has produced 2021 population estimates for jurisdictions in South Dakota. Their population estimate for Philip was 720 people in 2021, well below the 2020 Census count of 759 people in the City. Although there is a one year time difference in the effective dates between these sources, it appears that the estimate from AGS was significantly low and is not viewed as reliable by the analysts.
- ▶ Esri’s population estimate for 2022 showed 745 people living in the City, slightly lower than the 2020 Census count of 759 people but two years forward in the effective date.
- ▶ The AGS estimate for Haakon County was 1,853, slightly lower than the 2020 Census count of 1,872 people but one year forward in the effective date. This estimate appears to be relatively accurate.

- ▶ Esri's 2022 population estimate for Haakon County showed 1,847 people, also slightly lower than the 2020 Census count of 1,872 people but two years forward in the effective date. This estimate also appears to be relatively accurate.

**Population Characteristics: Race and Ethnic Origin**

- ▶ According to the 2020 Census, more 90% of the City's residents listed their race as "White". Approximately 4.3% of residents listed "Two or More Races" and 2.2% of people identified their race as Native American. A large majority of the people in the "Two or More Races" group listed Native American as one of their races.
- ▶ Less than 1% of the City's residents were of Hispanic/Latino ethnic origin.

**Population Characteristics: Group Quarters**

- ▶ At the time of the 2020 Census, there were 46 residents of Philip that were living in "group quarters" housing. Approximately 61% of these people were living in skilled nursing facilities and the remaining 39% were in some type of noninstitutional facility such as a group home.
- ▶ At the time of the 2010 Census there were 36 people in Philip living in group quarters housing.



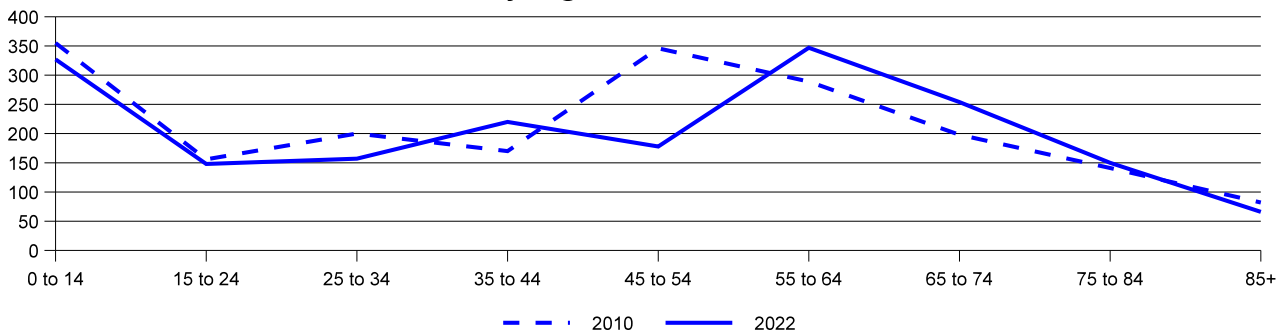
## Population by Age Trends: 2010 to 2022

The 2020 Census will not release age-based population information until 2023. Estimates are available from Esri and have been compared to the 2010 Census to examine the changing age patterns for Haakon County since 2010.

<b>Table 2 Haakon County Population by Age - 2010 to 2022</b>			
Age	2010	2022	Change
0-14	355	327	-28
15-19	107	84	-23
20-24	49	64	15
25-34	200	157	-43
35-44	170	220	50
45-54	346	178	-168
55-64	289	347	58
65-74	198	254	56
75-84	141	150	9
85+	82	66	-16
<b>Total</b>	<b>1,937</b>	<b>1,847</b>	<b>-90</b>

Source: U.S. Census; Esri

Haakon County Age Distribution: 2010 to 2022



- ▶ Esri’s age-based population estimates for Haakon County generally shows an aging population. Between 2010 and 2022, most of the defined age ranges 55 and older increased in size, while most of the age groups 54 and younger decreased in size.

- ▶ The largest numeric increase for any of the defined age groups was in the 55 to 64 year old range, with an estimated increase of 58 people. The next oldest age range between 65 and 74 years old added 56 people. This 20-year range would largely reflect the progression of the large “baby boom” generation through the aging cycle.
- ▶ If all of the age groups 55 and older are combined, the Esri estimates show the County adding 107 people.
- ▶ In the younger age ranges, the largest estimated growth occurred in the 35 to 44 year old group, which added an estimated 50 people. The only other younger range to increase in size was people age 20 to 24.
- ▶ Behind the baby boomers was a much smaller demographic cohort. Based on these estimates, Haakon County had 168 fewer residents in the 10-year range between 45 and 54 years old, as the trailing demographic group did not replace the advancing baby boomers.
- ▶ Esri’s estimates show a reduction in the number of children and young adults in Philip, with a decrease of 51 people age 19 and younger between 2010 and 2022.
- ▶ If all of the age ranges 54 and younger are combined, the County had an estimated decrease of 197 people from 2010 through 2022.

## Population Projections

The following table presents projections from Applied Geographic Solutions and Esri. The AGS projections are for a 5-year period to 2026 while the Esri projections are for a 5-year period ending in 2027.

<b>Table 3 Population Projections Through 2026/27</b>				
	2020 Census	2021/22 Estimate	2026/27 Projection	Change
Philip - AGS	759	720	695	-25
Philip - Esri	759	745	717	-28
Haakon Co. - AGS	1,872	1,853	1,782	-71
Haakon Co. - Esri	1,872	1,847	1,791	-56

Source: U.S. Census; AGS; Esri

- ▶ The AGS population projection spans the 5-year period from 2021 to 2026 and expects that the City will lose 25 people, for an annual average of approximately five fewer residents per year. Although the City has lost population in the past, between 2010 and 2020 the average reduction was only two people per year.
- ▶ Esri’s population projection is for the 5-year period from 2022 to 2027 and shows a generally similar forecast, with the expected loss of 28 residents in Philip, or an annual average of nearly six people per year.
- ▶ The AGS forecast for all of Haakon County projects that the County will lose 71 people over the 5-year period from 2021 to 2026. Most of this expected Countywide loss would be outside of Philip in the rural portions of the County.
- ▶ Esri has a very similar forecast for future change growth in Haakon County, with an expected loss of 56 residents over the 5-year period. Esri shows half of the Countywide decrease outside of the city limits of Philip.
- ▶ In the opinion of the analysts, these forecasts for the City and the County are consistent with past demographic patterns for the area. However, some growth potential does exist, provided adequate housing options are available for future residents.

## Household Data and Trends

<b>Table 4 Household Trends - 1990 to 2020</b>						
	1990 Census	2000 Census	% Change 1990-2000	2010 Census	% Change 2000-2010	2020 Census
Philip	403	367	-8.9%	375	2.2%	325
Haakon County	926	870	-6.0%	850	-2.3%	773

Source: U.S. Census

- ▶ At the time of the 2020 U.S. Census, Philip had 325 permanent resident households. When compared to 2010, the City had lost 50 households over the decade for a decrease of approximately 13.3%.
- ▶ The household loss for Philip over the last decade was a change in patterns for the City. Between 2000 and 2010, there had been modest household growth for the community.
- ▶ Although the decennial Census is usually viewed as the most reliable demographic data source available, there have been questions raised about the 2020 Census due to the timing of the Covid pandemic. It is possible that the reported loss of 50 permanent resident households in the community may reflect a data collection error.
- ▶ Haakon County had 773 permanent households according to the 2020 Census, down by 77 households from 2010. Most of the Countywide reduction was due to the decrease in Philip.
- ▶ The AGS estimate showed 307 households in Philip in 2021, significantly lower than the Census count of 325 households in 2020. Even with a one-year difference in the effective dates, this estimate was too low.
- ▶ The Esri estimate shows 317 households in the City in 2022, below the 2020 Census count of 325 households but with an effective date that is two years forward. Esri’s estimate is based on the 2020 Census and has continued the pattern of annual household losses after 2020.
- ▶ The AGS estimate for Haakon County showed 765 households in 2021, slightly lower than the Census count of 773 households in 2020. With some possible loss between 2020 and 2021, this estimate is viewed as reasonably accurate.

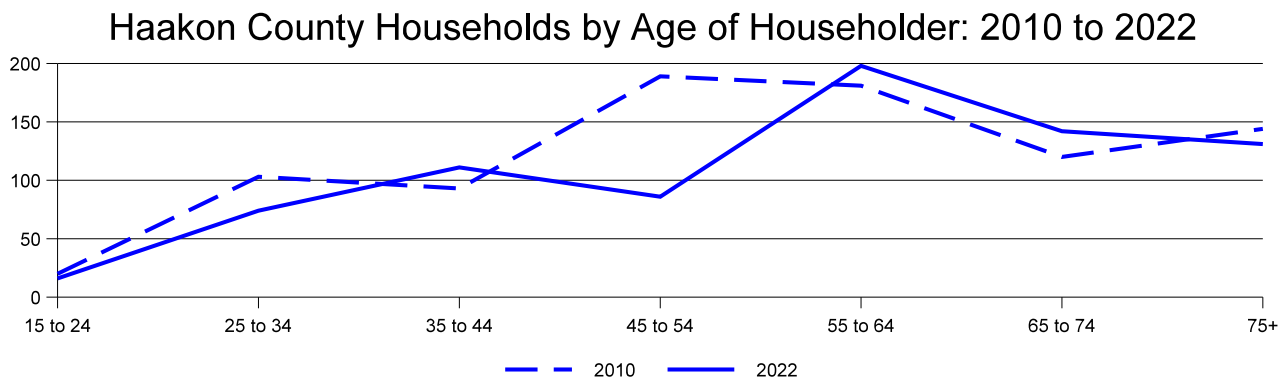
- ▶ The Esri estimate for Haakon County showed 758 households in 2022, also slightly lower than the Census count of 773 households in 2020. With some possible loss between 2020 and 2022, this estimate is viewed as reasonably accurate.

## Household by Age Trends: 2010 to 2022

The 2020 Census will not release age-based demographic reports until 2023. In the following table information from the 2010 Census is compared to age-based estimates from Esri for 2022 to examine the changing age patterns in the Haakon County since 2010.

Table 5 Haakon County Households by Age - 2010 to 2022			
Age	2010	2022	Change
24 and younger	20	16	-4
25-34	103	74	-29
35-44	93	111	18
45-54	189	86	-103
55-64	181	198	17
65-74	120	142	22
75 and older	144	131	-13
Total	850	758	-92

Source: U.S. Census; Esri



- ▶ Based on the available information, Haakon County experienced an overall decrease of 92 households between 2010 and 2022. Although the changes within any of the defined age ranges was generally limited, the Esri estimates show a large decrease of more than 100 households in the 45 to 54 year old range.

- ▶ According to Esri’s estimates, the County added households in three of the defined age ranges, with 22 households in the 65 to 74 year old group, 18 households in the 35 to 44 year old range, and 17 households in the 55 to 64 year old range.
- ▶ The estimated growth in the 20-year range between 55 and 74 years old largely reflected the movement of the large baby boom generation through the aging cycle.
- ▶ Despite the growth in the younger senior range between 65 and 74 years old, there was a slight decrease in the older senior age groups, age 75 and above. There were an estimated 13 fewer older senior households Countywide between 2010 and 2022.
- ▶ With the exception of the 35 to 44 year old range, all of the other younger age ranges decreased in size, although the estimated decrease in households was very limited among households age 24 and younger.
- ▶ If aggregated into larger groupings, the Esri estimates show a net increase of 26 households age 55 and older in Haakon County, but a net decrease of 118 households age 54 and younger between 2010 and 2022.

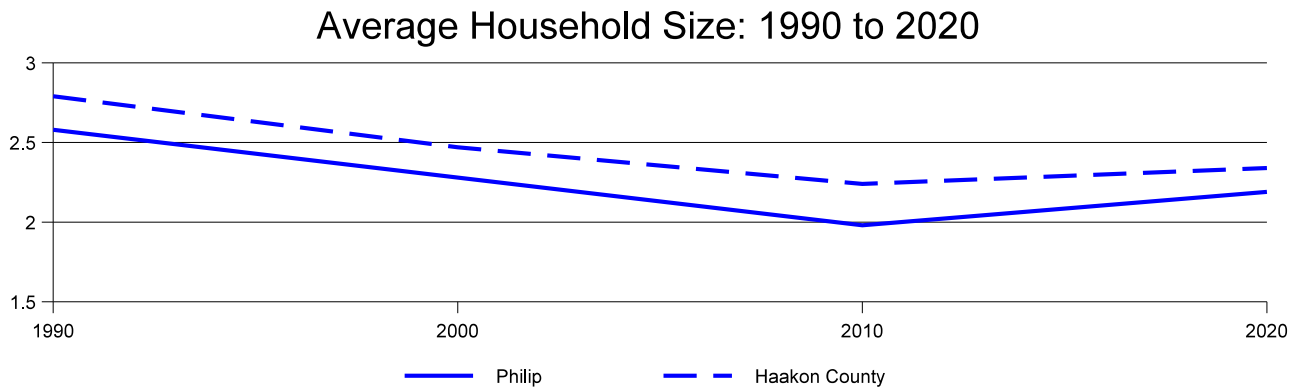
## Average Household Size

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

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

<b>Table 6 Average Number of Persons Per Household: 1990 to 2020</b>				
	1990 Census	2000 Census	2010 Census	2020 Census
Philip	2.58	2.28	1.98	2.19
Haakon County	2.79	2.47	2.24	2.34
South Dakota	2.59	2.50	2.42	2.44

Source: U.S. Census



- ▶ In contrast to broader national trends, the average household size in Phillip increased significantly over the last decade, from 1.98 persons in 2010 to 2.19 persons in 2020. Between 1990 and 2010 the City’s average household size had been steadily decreasing. Despite the change in patterns after 2010, the City’s average household was still significantly smaller than the Statewide average.
- ▶ The average household size for all of Haakon County also increased, from 2.24 persons in 2010 to 2.34 persons by 2020. The County’s average had also been decreasing steadily between 1990 and 2010 before the reversal in the most recent decade.



## Household Projections

Household projections are available from AGS and Esri. The Applied Geographic Solutions projections are for a 5-year time period through 2026, while the Esri projections are for a 5-year period through 2027. The 2020 Census count for households is provided for comparison.

<b>Table 7 Household Projections Through 2026/27</b>				
	2020 Census	2021/22 Estimate	2026/27 Projection	Change
Philip - AGS	325	307	342	35
Philip - Esri	325	317	302	-15
Haakon Co. - AGS	773	765	856	91
Haakon Co. - Esri	773	758	728	-30

Source: U.S. Census; AGS; Esri

- ▶ There is a significant difference in the projected changes from AGS and Esri in the number of households in Philip and Haakon County.
- ▶ Over the 5-year time period, AGS projects that the City will add 35 households, for an annual average of seven households per year. While this may be an achievable forecast for the City, it would require a significant change in past patterns for the community.
- ▶ Esri is projecting a modest reduction in the number of households over the next five years, with an annual average decrease of three households per year. This rate of loss would be slightly lower than the average reduction of five households per year between 2010 and 2020.
- ▶ The AGS forecast for all of Haakon County expects the addition of 91 households over the 5-year period, or approximately 18 households per year. Most of this growth would be projected in the jurisdictions outside of Philip. Since at least 1990, the County has seen a decreasing number of rural households living in the jurisdictions outside of Philip. The AGS projection showing future growth in these rural areas would be inconsistent with past demographic patterns.
- ▶ Esri has a more conservative projection for the entire County, with the expected decrease of 30 households through 2027. Half of this decrease in households is projected outside of the City of Philip.

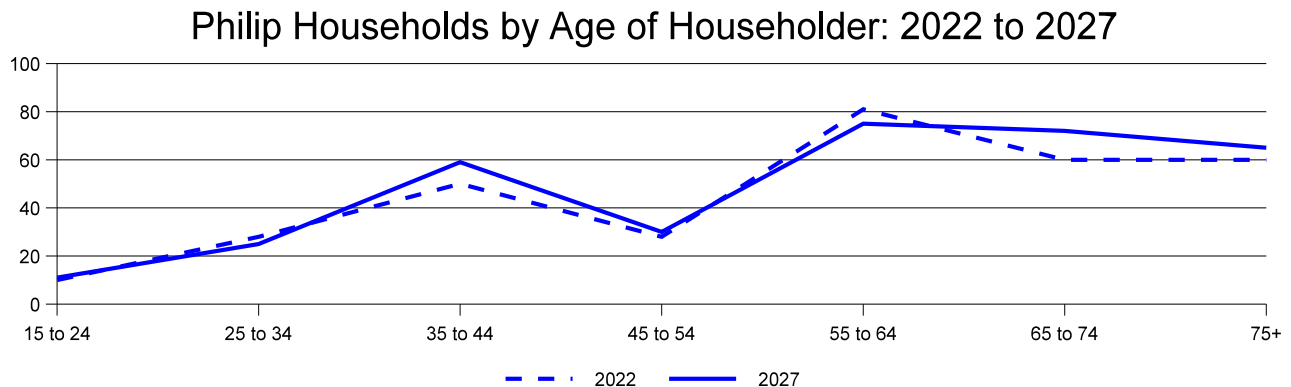
## Philip Household by Age Projections: 2022 to 2027

Age-based household forecasts are available from Esri to the year 2027. However, in the opinion of the analysts, Esri has an overly conservative view of the City’s future growth potential. As a result, Community Partners Research, Inc., has used a projection that Philip will add between 15 and 20 households over the 5-year period spanning 2022 to 2027.

In the following table, the base projections from Esri have been adjusted upward to better reflect the probable household count in the City in 2027. The projected changes have been used as an indicator of age progression patterns over the next five years.

<b>Table 8 Projected Households by Age in Philip - 2022 to 2027</b>			
Age Range	2022 Estimate	2027 Projection	Change
24 and younger	10	11	1
25-34	28	25	-3
35-44	50	59	9
45-54	28	30	2
55-64	81	75	-6
65-74	60	72	12
75 and older	60	65	5
<b>Total</b>	<b>317</b>	<b>337</b>	<b>20</b>

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



- ▶ The adjusted age-based projections show the largest growth occurring within the senior citizen age groups, with an expected increase of 12 households in the younger senior age group between 65 to 74 years old and five households in the older senior ranges, age 75 and older. By the year 2027, nearly all of the baby boom generation will be age 65 or older.
- ▶ The younger adult range between 35 and 44 years old is projected to add nine households over the projection period. However, most of the other non-senior age groups will experience very limited change, with some age ranges potentially having a decreased number of households.
- ▶ The largest decrease in households between 2022 and 2027 is projected in the 55 to 64 year age range, as the demographic group trailing behind the baby boom was not as large and will not replace the advancing age cohort.
- ▶ If aggregated into larger groupings, these projections show an increase of 17 households age 65 and older, but a net increase of only three households age 64 and younger between 2022 and 2027.

## Housing Tenure

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

<b>Table 9 Households by Tenure - 2010 and 2020</b>				
	2010 Census		2020 ACS	
	Percent Owned	Percent Rented	Percent Owned	Percent Rented
Philip	70.1%	29.9%	72.6%	27.4%
Haakon County	76.7%	23.3%	78.8%	21.2%

Source: U.S. Census; ACS

- ▶ According to the American Community Survey, the home ownership tenure rate in Philip increased between 2010 and 2020, from 70.1% to 72.6%. While it is possible that the American Community Survey has over estimated the tenure change during the decade, it is very likely that the City’s home ownership rate has increased over time.
- ▶ The American Community Survey estimate also showed an increase in the home ownership rate for all of Haakon County. In 2020, the ownership rate Countywide was at nearly 79% according to this source.

## Median Income Data

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

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

<b>Table 10 Median Household Income - 2010 to 2020</b>			
	2010 Median	2020 Median	% Change
Households			
Philip	\$43,125	\$34,321	-20.4%
Haakon County	\$46,281	\$40,673	-12.1%
South Dakota	\$46,369	\$59,896	29.1%
Families			
Philip	\$54,632	\$49,107	-10.1%
Haakon County	\$60,000	\$56,667	-5.6%
South Dakota	\$58,958	\$77,042	30.7%

Source: ACS 5-year survey

- ▶ The American Community Survey income estimates for Philip show that both the median household income and the median family income have decreased over time. This may represent a sampling error in the survey, as in a small community a fairly large margin of error applies to each estimate. However, it is also possible that the estimates for 2020 are relatively accurate. People that may have had employment income in 2010 may have retired by 2020, and changed to a fixed income. This could result in reduced medians if there are a large number of retired households living in the City.
- ▶ The estimated median household income in Philip was \$34,321 in 2020, well below the comparable medians for Haakon County and the State. If 30% of income is used to define an affordable housing payment, a household at the City’s median could apply \$858 per month to housing.

- ▶ The estimated median family income in Philip was \$49,107 in 2020, also well below the comparable medians for Haakon County and the State. If 30% of income is used to define an affordable housing payment, a family at the City's median could apply \$1,228 per month to housing.
- ▶ Although the medians for all of Haakon County were above the comparable levels in Philip, the Countywide medians were well below the medians for the State of South Dakota. The County's median household income was more than \$19,000 lower than the State median, while the County's median family income was more than \$20,000 lower than the median in South Dakota.

## Philip Income Distribution by Housing Tenure

The American Community Survey provides income data by owner and renter status. For Philip, the 2020 ACS over estimated the total number of households when compared to the 2020 Census count, but the percentage income distribution information is viewed as the best available information on this topic.

<b>Table 11 Philip Household Income Distribution - 2020</b>			
Household Income	Owner Households	Renter Households	All Households
\$0 - \$14,999	35.1%	35.6%	35.2%
\$15,000 - \$24,999	1.5%	17.8%	6.0%
\$25,000 - \$34,999	13.1%	6.9%	11.4%
\$35,000 - \$49,999	23.1%	10.9%	19.8%
\$50,000 - \$74,999	9.0%	7.9%	8.7%
\$75,000 - \$99,999	2.6%	5.9%	3.5%
\$100,000+	15.7%	14.9%	15.4%
Total	100%	100%	100%

Source: ACS

- ▶ Household income and housing tenure are linked for most households, with home owners generally having higher annual income levels and renters having lower incomes.
- ▶ In 2020, more than 53% of renter households in Philip had an annual income below \$25,000.
- ▶ For home owners, more than 50% had an annual income of \$35,000 or more.
- ▶ Although no median household income by housing tenure estimates are available for Philip, approximate medians can be extrapolated from the income distribution data. For all renters in Philip, the estimated median was \$19,027 in 2020. At 30% of income, these households would have only \$476, or less, that could be applied to monthly housing costs.
- ▶ The estimated median annual income for all home owners in Philip was \$35,242 in 2020. At 30% of income, a household at the median could apply \$881 per month toward housing costs.

## Estimated Income and Housing Costs - Renters

The American Community Survey also collected information on housing costs. The following table provides data on the percentage of renter households that were paying different percentages of their gross household income for housing in the City of Philip in 2020.

Federal standards for rent subsidy programs generally identify 30% of household income as the maximum household contribution. When more than 30% of income is required, this is often called a “rent burden”. When more than 35% is required, this can be considered a “severe rent burden”.

<b>Table 12 Gross Rent as a Percentage of Household Income - 2020</b>	
Percent of Income for Housing	Percent of All Renters
Less than 20%	24.8%
20% to 29.9%	24.8%
30% to 34.9%	8.9%
35% or more	24.8%
Not Computed	16.8%
Total	100%

Source: American Community Survey

- ▶ According to the American Community Survey, nearly 34% of all renters in the City were paying 30% or more of their income for rent. The large majority of these households were actually applying 35% or more of their income for housing.
- ▶ Although a cost burden could be caused by either high housing costs or low household income, in Philip it was primarily due to low income levels for renters. A large majority of the renter households with a housing cost burden had an annual household income below \$20,000 in 2020. To avoid a cost burden, these lower income households would have needed a unit with a gross monthly rent of \$500 or less.



## Estimated Income and Housing Costs - Owners

The American Community Survey also provided housing cost estimates for owner-occupants. The following table provides estimates of the percentage households in Philip that were paying different percentages of their gross household income for housing costs in 2020.

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

<b>Table 13 Ownership Costs as a Percentage of Income - Philip</b>	
Percentage of Household Income for Housing Costs	Percent of Owner Households
0% to 19.9%	44.0%
20% to 29.9%	11.9%
30% to 34.9%	11.9%
35% or more	5.2%
Not Computed	26.9%
Total	100%

Source: ACS

- ▶ A majority of owner-occupants in Philip, which would include households with and without a mortgage, reported paying less than 30% of their income for housing. In total, nearly 56% of all home owners in the City were paying less than 30% of income in 2020.
- ▶ Approximately 17% of all owners in the City were applying 30% of more of their income to home ownership costs.
- ▶ The City had a large percentage of households where a cost calculation could not be computed.

## Building Permit Trends

The City has experienced some new housing construction activity in recent years. The following table identifies the units that have been constructed since 2010.

<b>Table 14 Philip Housing Unit Construction Activity: 2010 to 2022</b>			
Year	Single Family	Two or More Units	Total Units Constructed
2022	2	0	2
2021	0	0	0
2020	0	0	0
2019	2	0	2
2018	0	0	0
2017	0	0	0
2016	0	0	0
2015	0	2	2
2014	1	0	1
2013	1	0	1
2012	1	0	1
2011	0	0	0
2010	1	0	1
<b>Total</b>	<b>8</b>	<b>2</b>	<b>10</b>

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

\*2022 is through August

- ▶ Over the 12-year period from 2010 to 2021, there were eight new housing units constructed in Philip based on building permit reporting. Six of the new units were identified as traditional single family houses and one twin home/duplex structure was built.
- ▶ In 2022, permits were issued for two new houses to be constructed on infill lots in the City, but actual construction will occur in 2023.
- ▶ No multifamily construction with more than two units has occurred in many years.

## 2020 Census Housing Data

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

<b>Table 15 Housing Units, Occupancy and Vacancy - 2010 to 2020</b>									
	Total Housing Units			Occupied Units			Vacant Units		
	2010	2020	Change	2010	2020	Change	2010	2020	Change
Philip	423	372	-51	375	325	-50	48	47	-1

Source: U.S. Census

- ▶ Comparing the Census housing totals from 2010 and 2020 for Philip showed a net loss of 51 total housing units over the decade.
- ▶ On a previous page, information about residential permit issuance was provided. Based on available reports, it appears that the City would have added approximately 8 housing units between 2010 and 2019 through new construction, compared to a decrease of 51 units based on the reconciliation of Census records. This would imply that nearly 60 older housing units were lost over the decade.
- ▶ The apparent discrepancy between the unit losses identified by the 2020 Census and the new construction that has occurred cannot be explained with the available information. It is possible that the 2020 Census undercounted the number of housing units and households in the community.
- ▶ The decreased supply of housing was slightly larger than the decrease in the number of occupied housing units. As reported previously, there were 50 fewer households/occupied units in 2020 than had been counted in 2010.
- ▶ The number of vacant or otherwise unoccupied housing units in Philip remained essentially unchanged between 2010 and 2020.

## **American Community Survey Housing Data**

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

### **Median Year of Construction - Owner-occupancy Housing**

For owner-occupancy units a median year of construction is provided. In Philip, the estimated median year of construction was 1983. Approximately 30% of the owner-occupied houses in the City were constructed before 1960.

### **Median Year of Construction - Renter-occupancy Housing**

For renter-occupancy units in Philip, the estimated median year of construction was 1969. More than 55% of all rental units in the City were constructed before 1980.

## Existing Home Sales

This section examines houses that have been sold between 2017 and 2021 in the City of Philip. The information was obtained from the South Dakota Department of Revenue website, based on reports submitted from the Haakon County Equalization Office.

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

The County also attempts to sort the residential sales into different groupings, primarily based on whether or not the house was actively listed for sale in the open market.

The County's time period for analyzing annual sales differs slightly from the calendar year. It begins on November 1<sup>st</sup> and ends on October 31<sup>st</sup> of each year. No information is yet available for sales recorded after November 1, 2021.

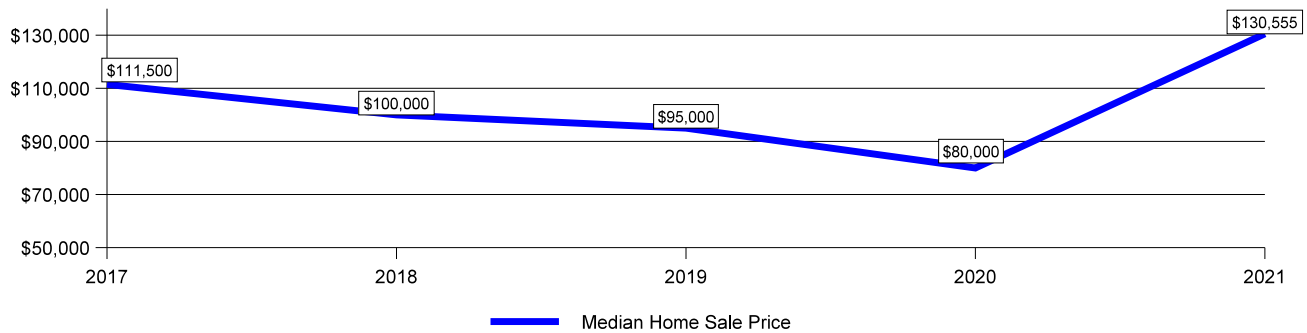
<b>Table 16 Philip Residential Sales Activity - 2017 through 2021</b>				
Sales Year	Number of Sales	Median Sale Price	Highest Sale	Lowest Sale
2021	11	\$130,555	\$291,000	\$60,000
2020	11	\$80,000	\$159,000	\$38,500
2019	13	\$95,000	\$247,500	\$14,500
2018	15	\$100,000	\$162,500	\$14,900
2017	12	\$111,500	\$180,000	\$25,000

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

- ▶ There may be a limited number of home sales within any 12-month time period, and the annual median may not be a perfectly accurate reflection of overall home values in the City. However, over the past five years there have been at least 11 good sales recorded annually in Philip.

- ▶ In 2021, the last full year of data, the median sale price in the City was \$130,555, based on 11 good sales. The 2021 median price was the highest annual median recorded over the time period reviewed, and was up by more than \$50,000 from 2020, indicating that a rapid escalation in sale prices may have occurred.
- ▶ In three of the five years reviewed, no sales were recorded for \$200,000 or more. No sales over the past five years have reached \$300,000.
- ▶ With the exception of 2021, when the lowest recorded sale was for \$60,000, at least one home was sold for less than \$39,000.

**Median Home Sale Price in Philip: 2017 to 2021**



- ▶ An alternate estimate of home values exists in the American Community Survey. This source placed the median value at \$102,300 in 2020, well above the sales median of \$80,000 in 2020. However, the median sale price in 2020 was lower than any of the other years reviewed, and the American Community Survey estimate is generally similar to the medians between 2017 and 2019.

## **Rental Housing Data**

### **Census Bureau Rental Inventory**

The 2020 Census has not yet released any of the more detailed tables on housing occupancy patterns, including owner versus renter status.

At the time of the 2010 Census, there were 112 occupied rental units and at least 12 unoccupied rental units in Philip, for a total estimated rental inventory of 124 units. The City's rental tenure rate was 29.9%, below the Statewide rental rate in 2010 of 31.9%.

Estimates exist in the 2020 American Community Survey. According to this source the City had 101 occupied rental units and 22 unoccupied units, for a total estimated rental inventory of 123 units, almost identical to the 2010 Census count. However, if the American Community Survey is correct, the City did lose renter-occupancy households over the decade, even though the rental inventory remained stable.

### **Recent/Pending Projects**

No specific rental construction projects have been identified in Philip in the recent past. The research for this Update did not identify any proposed or pending rental projects in the City.

In 2022, construction was underway to expand the skilled nursing home in Philip which will add 12 beds. As part of this expansion, there will also be 14 beds dedicated to specialized memory care.

## **Rental Housing Survey**

As part of this housing study, a telephone survey was conducted of multifamily projects in Philip. The survey was primarily conducted during the months of October and November, 2022. Some of the surveyed units are located in Pfeiferville, just outside the city limits, but have been included in the analysis that follows.

Emphasis was placed on contacting properties that have two or more units. For the purposes of planning additional projects in the future, multifamily properties represent the best comparison of market potential. However, with the limited number of market rate units in Philip, some single family homes were also surveyed.

Information was tallied separately for different types of rental housing, including conventional market rate, subsidized and senior housing with services units.

There were 60 housing units of all types that were contacted in the survey. In addition, the nursing home in Philip was also contacted. The nursing home currently has 30 beds, but these are considered to be "group quarters" housing and not individual rental units.

The units/beds that were successfully contacted include:

- ▶ 18 market rate units
- ▶ 26 federally subsidized units
- ▶ 16 assisted living units

The findings of the survey are provided below.



## Market Rate Summary

Information was obtained from 18 conventional market rate rental units. The surveyed units include single family houses, duplexes and small multifamily structures. There are no market rate rental structures in Philip that are larger than a four-plex.

### Unit Mix

The bedroom mix of the market rate units surveyed is:

- ▶ One-bedroom - 1 (5.6%)
- ▶ Two-bedroom - 11 (61.1%)
- ▶ Three-bedroom - 5 (27.8%)
- ▶ Five-bedroom - 1 (5.6%)

### Occupancy / Vacancy

Within the conventional market rate multifamily segment there was only one vacant unit reported and this was attributed to recent tenant turnover. Owners/managers contacted in the survey reported that there was good demand for rental units and that a high rate of occupancy was typical.

### Rental Rates

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

<u>Unit Type</u>	<u>Identified Gross Rent Range</u>
One-bedroom	\$850
Two-bedroom	\$650-\$1,350
Three-bedroom	\$650-\$1,100

There was a wide range in reported rents in Philip, depending on the type of unit, condition and amenities offered. Most of the surveyed units are in older structures, dating to the 1980s or earlier.

The Moses Manor four-plex units were the only newer units. This project was constructed in 2005 and has the highest gross rental rates in the City, at approximately \$1,350 per month including tenant-paid utilities.

## **Tax Credit Summary**

There are no tax credit units in the City of Philip.

## **Subsidized Summary**

The research completed for this Update identified two subsidized projects providing rental opportunities for lower income households. A third subsidized project had been operating at the time of the 2016 Housing Study, but Philip Plaza Apartments has ended its USDA Rural Development subsidy contract and has been converted to conventional market rate housing.

The two remaining projects have a combined 26 subsidized units:

- ▶ **Riverview Townhouses** - A 10-unit HUD Section 8 project designated for general occupancy. The 10 units include one one-bedroom, eight two-bedrooms and one three-bedroom unit.
- ▶ **Senechal Apartments** - A 16-unit HUD Section 8 project designated for senior/disabled tenant occupancy. All 16 units have one bedroom.

## **Unit Mix**

The bedroom mix breakdown for subsidized housing in Philip is as follows:

- ▶ 17 one-bedroom (65.4%)
- ▶ 8 two-bedroom (30.8%)
- ▶ 1 three-bedroom (3.8%)

## **Occupancy / Vacancy**

There were five unoccupied subsidized units reported to the rental survey. Although some of these were attributed to recent turnover, it does appear that some level of vacancy is typical in the income-based rental segment.

## **Rental Rates**

All of the City's subsidized units have access to project-based rent assistance. These units can charge rent based on 30% of the tenant's household income.

## **Subsidized Housing Gains/Losses**

Federal subsidy sources for low income rental housing have been very limited for the past few decades. Most subsidized projects were constructed in the 1960, 1970s and 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.

Since 2016, the Philip Plaza Apartments has ended its USDA Rural Development subsidy contract and has been converted to conventional market rate housing. This project had four subsidized units designated as general occupancy housing.

## **Senior Housing with Services**

### **Unit Inventory**

Philip has two State-licensed providers of senior with services. Both Scotchman Living Center and Silver Leaf Assisted Living are part of the Philip Health Services complex that also includes a hospital and clinic.

- ▶ **Silver Leaf Assisted Living** - State-licensed Assisted Living Center with 16 resident capacity. The facility was constructed in 1998.
- ▶ **Scotchman Living Center** - Previously known as the Philip Nursing Home, this facility is currently licensed for 30 nursing home beds in 2022, but 12 additional beds are being added and the licensing will increase to 42 beds. There is a dedicated memory care wing with 14 beds, with the remaining beds used for long-term care or transitional care stays.

### **Occupancy / Vacancy**

Silver Leaf reported full occupancy and a waiting list at the time of the survey.

The Scotchman Living Center reported a high rate of occupancy. Twelve additional beds are under construction in 2023.

**Table 17 Philip Multifamily Rental Housing Inventory**

<b>Name</b>	<b>Number of Units /Bedroom Mix</b>	<b>Rent</b>	<b>Vacancy/ Wait List</b>	<b>Tenant Mix</b>	<b>Comments</b>
<b>Market Rate</b>					
Carstensen Properties	<u>2 - 2 bedroom</u> <u>1 - 3 bedroom</u> 3 total units	\$550 +utilities	No vacant units	Mix of tenants	Rental owner with 1 duplex and 1 single family home. Tenant pays all utilities. Owner reported no vacancies and high demand for rental units.
Moses Manor	<u>4 - 2 bedroom</u> 4 total units	\$1,200 +heat, electric	No vacant units	Primarily seniors	High quality town home-style project constructed in 2005. Rent includes water, sewer and garbage with tenant paying electric heat and electricity. All of the units are two-bedroom and have 1,200 square feet. Amenities include washer/dryer and attached garage. The units are accessible and all current tenants are seniors. Owner reported full occupancy and good demand. Rent has increased by \$200 from 2014 survey.
Moses single family rentals	<u>1 - 2 bedroom</u> <u>2 - 3 bedroom</u> 3 total units	\$600 \$900 +utilities	No vacant units	Primarily younger tenants	Three single family houses used as rentals. Tenants pay utilities in addition to rent. Most tenants are younger renters. Owner reported full occupancy and good demand. Rents have increased by \$250 to \$400 from 2014 survey.
Pfeifer Properties	<u>1 - 2 bedroom</u> <u>2 - 3 bedroom</u> <u>1 - 5 bedroom</u> 4 total units	\$450 +utilities	1 vacant unit, 1 - 3 bdrm	Mix of tenants	Four single family houses with 1 in Philip and 3 in Pfeiferville just outside city limits. Tenants pay all utilities in addition to rent. Owner reported 1 vacant unit due to recent turnover, but hope to have it filled before winter. Mix of tenants reported. Although the sizes of the homes vary, they all have \$450 rent. Rents have increased by \$50 from 2014 survey.
Philip Plaza Apartments 402 N Larimer	<u>1 - 1 bedroom</u> <u>3 - 2 bedroom</u> 4 total units	\$800 \$1000 +electric	No vacant units	Mix of tenants	Originally constructed as a USDA Rural Development subsidized project for general occupancy, but contract was ended sometime after 2014 and now operating as market rate housing. Owner/manager could not be contacted for occupancy and rental rate information.
Voth Apartments	<u>4 - 1 bedroom</u> 4 total units	N/A	N/A	N/A	Unable to contact in 2022 - information presented is from prior survey. Four-plex with 4 one-bedroom units. Tenants pay all utilities except water.

**Table 17 Philip Multifamily Rental Housing Inventory**

Name	Number of Units /Bedroom Mix	Rent	Vacancy/ Wait List	Tenant Mix	Comments
<b>Subsidized</b>					
<p>Senechal Apartments 101 N Center</p>	<p><u>16 - 1 bedroom</u> 16 total units</p>	<p>30% of income</p>	<p>2 vacant units</p>	<p>Senior/ disabled</p>	<p>HUD Section 8 subsidized project for senior/disabled occupancy located in downtown Philip. A mixed-use building with commercial space on the first floor. The project has a community room, elevator access and on-site laundry. Meals on Wheels are available to residents. The manager reported 2 vacant units due to recent turnover.</p>
<p>Riverview Townhouses 302 E Pine</p>	<p>1 - 1 bedroom 8 - 2 bedroom <u>1 - 3 bedroom</u> 10 total units</p>	<p>30% of income</p>	<p>3 vacant units 3 - 2 bdrm</p>	<p>General occupancy</p>	<p>HUD Section 8 subsidized project for general occupancy. Two-level town house-style design with private entrances. All tenants have access to project-based rent assistance that allows rent based on 30% of income. Amenities include AC and in-unit laundry hookup. Manager reported three vacant units and some level of vacancy is typical.</p>

<b>Table 17 Philip Multifamily Rental Housing Inventory</b>					
<b>Name</b>	<b>Number of Units /Bedroom Mix</b>	<b>Rent</b>	<b>Vacancy/ Wait List</b>	<b>Tenant Mix</b>	<b>Comments</b>
<b>Senior Housing with Services</b>					
The Silverleaf	<u>16 - 1 bedroom</u> 16 total units license for 16 residents	\$4,100+	No vacant units, waiting list	Assisted Living Center	Assisted Living Center that is licensed for 16 residents in 2022. Project was constructed in 1998 and is part of Philip Health Services which also includes hospital and nursing home. Units are studio with private bathroom but no kitchen. Services include three meals, weekly housekeeping, medication assistance, laundry, etc. - some services are included in the rent and other services can be purchased for an additional fee. No vacant units reported and a waiting list exists. Largely a private-pay facility with ability to take 4 Medicaid residents.
Scotchman Living Center 503 W Pine	14 beds memory 5 beds TCU 11 beds LTC <u>12 beds planned</u> 30 bed license in 2022	N/A	High rate of utilization	Skilled Nursing Home with memory care wing	Skilled nursing home that is part of Philip Health Care that also includes a hospital, clinic and assisted living. The nursing home is licensed for 30 beds in 2022 but 12 bed expansion is underway and will be completed in late 2022 and license will be increased to 42 beds. One wing with 14 beds is now used for memory care. Five beds are typically used for shorter-term transitional care unit (TCU), with remaining beds available for long-term care (LTC). High utilization rate reported with all beds often utilized.

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. This table presents information based on place of residence, not by the location of employment.

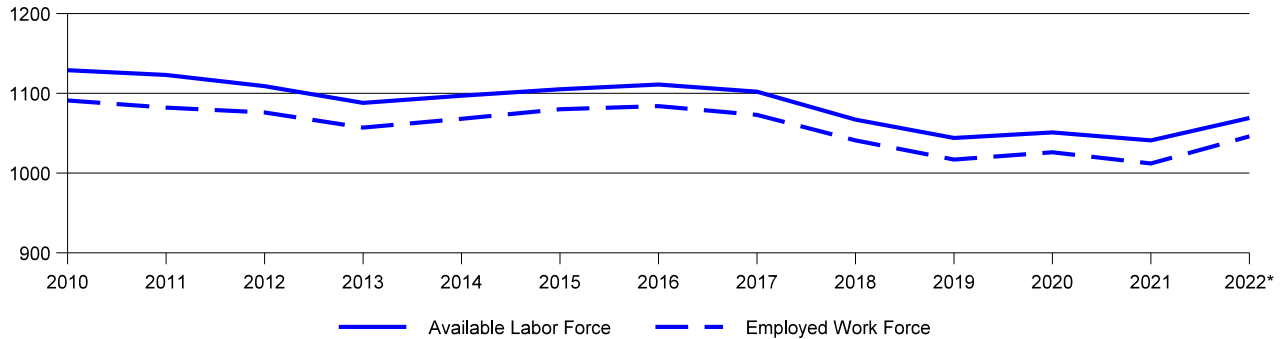
<b>Table 18 Haakon County Average Annual Labor Force: 2010 to 2022*</b>						
Year	Labor Force	Employed	Unemployed	Unemployment Rate - County	Unemployment Rate - SD	Unemployment Rate - US
2010	1,129	1,091	38	3.4%	5.0%	9.6%
2011	1,123	1,082	41	3.7%	4.6%	8.9%
2012	1,109	1,076	33	3.0%	4.1%	8.1%
2013	1,088	1,057	31	2.8%	3.7%	7.4%
2014	1,097	1,068	29	2.6%	3.3%	6.2%
2015	1,105	1,080	25	2.3%	3.0%	5.3%
2016	1,111	1,084	27	2.4%	3.0%	4.9%
2017	1,102	1,073	29	2.6%	3.1%	4.4%
2018	1,067	1,041	26	2.4%	2.9%	3.9%
2019	1,044	1,017	27	2.6%	3.0%	3.7%
2020	1,051	1,026	25	2.4%	4.6%	8.1%
2021	1,041	1,012	29	2.8%	2.8%	5.3%
2022*	1,069	1,046	24	2.2%	2.4%	3.8%

Source: South Dakota Department of Labor

\* 2022 is through August

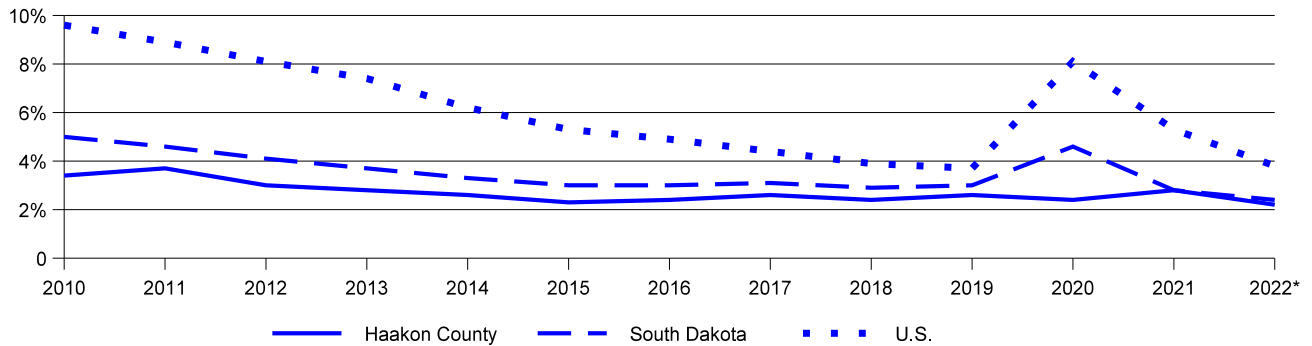
- ▶ The labor force statistics for Haakon County show some fluctuations in the size of the County’s available resident labor force over time, but longer-term, there has been a gradual decrease in the number of people in the labor force. If 2021 is compared to 2010, there were 88 fewer County residents in the labor force, or a decrease of 7.8%.
- ▶ The employed County work force has generally followed similar patterns. Between 2010 and 2021, the number of employed County residents decreased by 79 people, or 7.2%

### Haakon County Labor Force and Employed Work Force



- ▶ Throughout the entire time period reviewed, the unemployment rate in Haakon County has remained at or below the Statewide rate and well below the national unemployment rate. Unlike the nation and State, Haakon County did not experience an unemployment spike in 2020 due to the Covid pandemic.

### Unemployment Rates



## Average Employment and Wages by Industry Sector

The following table shows the annual employment and average annual wages by major employment sector in 2021, the last full year of data. It is important to note that the major employment sectors listed do not represent all employment in Haakon County. With the exception of Total Employment, the specific industry sectors listed only reflect private employment.

<b>Table 19 Haakon County Average Annual Wages by Industry Detail: 2021</b>		
Industry	Average Employment	Average Weekly Wage
Total All Industry	754	\$818
Natural Resources and Mining	37	\$675
Construction	22	\$751
Manufacturing	68	\$867
Trade, Transportation, Utilities	210	\$693
Information	23	\$662
Education and Health Services	159	\$949
Financial Activities	34	\$1,225
Professional and Business Services	25	\$1,636

Source: South Dakota Department of Labor

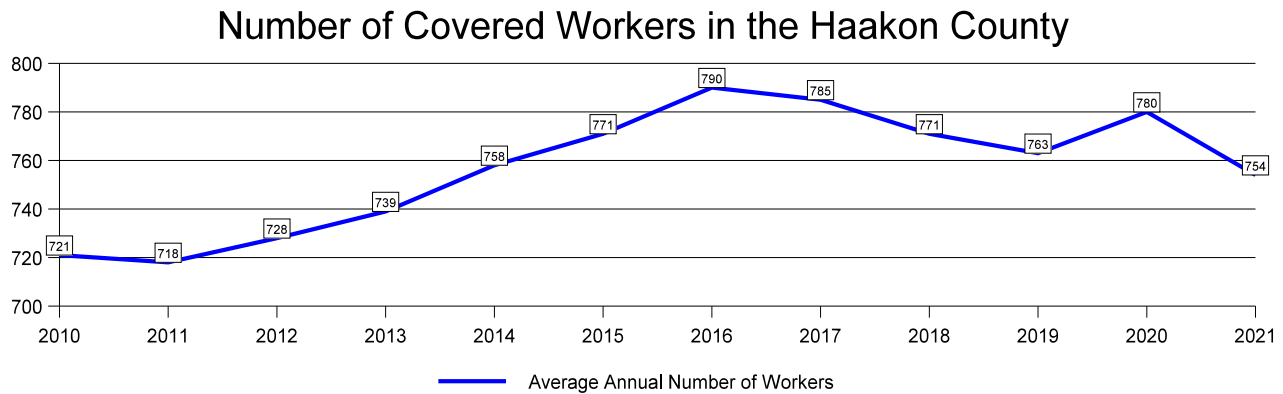
- ▶ The average weekly wage for all industry in 2021 was \$818. At full-time employment this would equate to an annual wage of approximately \$42,500.
- ▶ The highest paying wage sector was Professional and Business Services, with an average weekly wage of \$1,636. This would yield an annual wage above \$85,000. However, this sector was relatively small, with only 25 covered workers.
- ▶ The County’s largest private employment sector was Trade, Transportation and Utilities. The average weekly wage for this sector was \$693 in 2021, yielding an annual wage of approximately \$36,000 at full-time employment.

## Annual Covered Employment

Using the Quarterly Census of Covered Workers (QCEW) it is possible to examine longer-term patterns in the local employment level. The following table displays the total number of workers reported in the County from 2000.

<b>Table 20 Haakon County Average Annual Employment</b>			
Year	Total Covered Employment	Year	Total Covered Employment
2010	721	2016	790
2011	718	2017	785
2012	728	2018	771
2013	739	2019	763
2014	758	2020	780
2015	771	2021	754

Source: QCEW - SD Department of Labor



- ▶ From 2010 through 2016, there had been an increase in number of covered workers in Haakon County. However, after 2016 the number of workers began to decrease.
- ▶ Despite the general pattern of decreasing workers in recent years, there were still more covered workers in 2021 than in 2010.

## Commuting Patterns of Area Workers

Information is available on area workers that commute for employment. The best information is from the 2020 American Community Survey, and has been examined for the City of Philip. The first table examines City residents that traveled to work and excludes people that work at home.

<b>Table 21 Commuting Times for Residents - 2020</b>		
Travel Time	Number	Percent
Less than 10 minutes	234	76.0%
10 to 19 minutes	64	20.8%
20 to 29 minutes	0	0%
30 minutes +	10	3.2%
Total	308	100%

Source: American Community Survey

According to the American Community Survey, nearly all of the working residents of Philip were employed within the immediate area, as nearly 97% had a travel time that was less than 20 minutes. Only 3.2% of residents were traveling 30 minutes or more in 2020.

The ACS also identifies travel time by location of employment. For people that worked in Philip, the following travel times were identified.

<b>Table 22 Commuting Times for City-based Workers - 2020</b>		
Travel Time	Number	Percent
Less than 10 minutes	247	47.3%
10 to 19 minutes	113	21.6%
20 to 29 minutes	41	7.9%
30 minutes +	121	23.2%
Total	522	100%

Source: American Community Survey

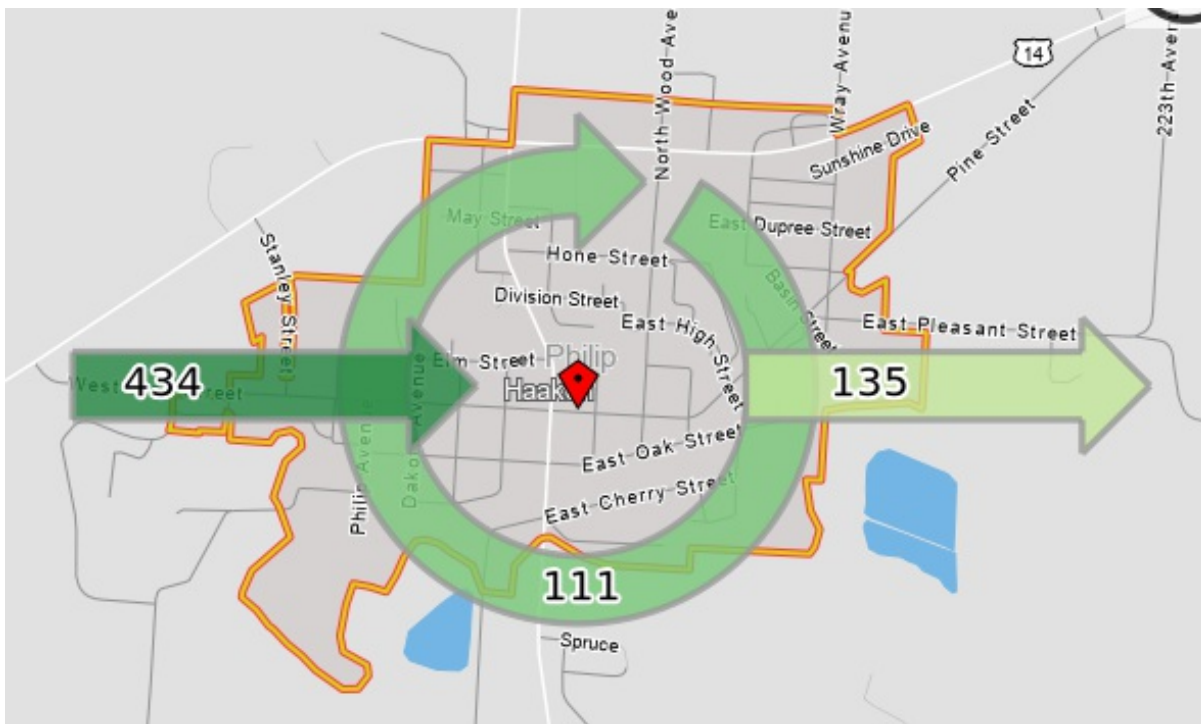
Although most of the people that were employed within Philip in 2020 lived either within the community, or within the immediate area, there were more than 160 workers that traveled from other locations. More than 31% of workers had a travel time of 20 minutes or more in 2020.

## 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 2019, but provides some additional details on worker movement.

According to the report for Philip, there were 545 people that were employed within the City in 2019. There were 111 of these employees that also lived in the City. The remaining 434 employees lived outside the City and commuted in for their job. The primary identified locations that were supplying workers to the City were West Haakon UT, East Haakon UT, Rapid City, Kadoka and Midlan Township.

On the Map can also be used to track worker outflow patterns from the City. Overall, there were 246 Philip residents that were employed in 2019. There were 111 people working in the City and 135 people that traveled to work in other locations. The primary identified locations for outbound residents of the City were Rapid City, West Haakon UT, Pierre and Murdo.



## **Findings on Growth Trends**

The Demographic section of this report has presented information on the recent estimates and past trends for the City of Philip. In general, Philip has a long-term pattern of population and household losses. The City did add some households between 2000 and 2010, but based on the 2020 Census, this growth pattern was not sustained and household losses returned over the past decade.

According to the 2020 Census, Philip had a reduction of 50 permanent resident households between 2010 and 2020. However, the City's population decreased by only 20 people during this time.

The relatively large household reduction between 2010 and 2020 was not consistent with housing construction activity. For the period from 2010 through 2019, there were approximately eight new housing units permitted in the City. However, in addition to the household loss that was reported, the 2020 Census also counted an overall reduction of housing units in the City over the decade. If the 2020 Census was accurate, Philip had nearly 60 older housing units that were removed from the usable inventory after 2010.

It is possible that the 2020 Census was flawed, and the housing unit and household totals may represent an undercount. There is insufficient information available to the analysts to form a conclusion on the actual household level in Philip in 2020.

It is important to note that after the 2020 Census date, there are no indications that any growth has occurred in the City, unless formerly vacant housing was recently occupied. There has been no new housing unit construction identified in the City since 2019. However, two new houses will be built in 2023.

The past growth patterns for all of Haakon County are generally consistent with those in Philip. The County has continued to see a decreasing number of households and resident population dating back to at least 1990.

## Findings on Projected Growth

This Update has examined projections from established national sources, including both Applied Geographic Solutions (AGS) and Esri. For Philip, these sources show different expectations.

Applied Geographic Solutions expects growth in the City over a 5-year projection period, with an annual average increase of seven households per year. While this level of future growth is achievable, it would represent a significant change in the demographic patterns for Philip. Between 2010 and 2020, the City averaged a reduction of five households per year, according to the Census.

The projection from Esri expects Philip to lose an average of three households per year over the 5-year projection period. Esri's projection is based in part on the 2020 Census, and expects very little change going forward. However, if the Census count for 2020 was wrong, this would make the Esri projection unreliable.

AGS and Esri also have differing views on the growth potential for Haakon County. AGS expects solid growth Countywide, with 91 households added in the County over a 5-year period. Esri is projecting a reduction of 30 households, with half of the countywide loss occurring in Philip and the other half in the remainder of the County over the next five years.

It is the opinion of Community Partners Research, Inc., that Philip does have some growth potential going forward. The City's location makes it a small regional center for surrounding counties, including a center for medical services. An achievable projection for the City would be to add three to four households per year through 2027, or a 5-year total of 15 to 20 households. Long-term patterns would point to continued household losses for the rural areas of Haakon County.

To actually achieve this growth, the City will need to add housing units, as over time the City's older housing stock has often been declining due to deteriorating condition and quality.



## **Summary of Growth Projections by Age Group**

The Demographic section of this Update presented projection information on anticipated changes by age group in Philip over the next few years. This information can be informative in determining the housing changes that may be needed due to age patterns of the area population.

Age-based household projections from Esri were adjusted upward by approximately 10.5% by Community Partners Research, Inc., to better match the expected overall net increase in households between 2022 and 2027.

<u>Age Range</u>	<u>Projected Change in Households 2022 to 2027</u>
15 to 24	1
25 to 34	-3
35 to 44	9
45 to 54	2
55 to 64	-6
65 to 74	12
75 and older	<u>5</u>
Total	20

In general, these forecasts expect that the trends of the recent past to continue into the near-future, as existing residents of the County progress through the aging cycle. By 2027, nearly all of the large baby boom generation will be age 65 or older. The adjusted projections expect an increase of 17 households in Philip in the senior citizen ranges.

Conversely, many of the non-senior age groups are projected to remain relatively stable, with an increase or decrease of fewer than five households over the projection period. There is projected growth within the 35 to 54 year old ranges, but overall, these projections point to a net gain of only three households age 64 and younger by the year 2027.

## **Findings on Unit Demand by Type of Housing**

Based on the household by age projections presented earlier, the changing age composition in Haakon County through the projection period will have some impact on demand for housing.

**Age 24 and Younger** - The projections used for this Update expect stability in the number of households age 24 and younger by the year 2027. Past tenure patterns indicate that most of the households in this age range will rent their housing. Relative stability should mean that rental demand from younger households will change very little during the projection period.

**25 to 34 Years Old** - The projections show a minor decrease in the number of households in this age range from 2022 to 2027. Within this age range households often move from rental to ownership housing. Limited change in the number of households within this age range indicates relatively stable demand for both first-time home buyer and rental opportunities during the projection period.

**35 to 44 Years Old** - The projections for this 10-year age cohort expect an increase of nine households between 2022 and 2027 in Philip. In the past, this age group has had a high rate of home ownership, as households within this range often represent both first-time buyers and households looking to trade-up in housing, selling their starter home for a more expensive house. Some growth in the number of households within this age range indicates some additional demand for ownership housing.

**45 to 54 Years Old** - As with other younger adult age groups, the projections for this 10-year age cohort expect very limited change in the number of households between 2022 and 2027. This age range has typically had a high rate of home ownership. Households in this age range will often look for trade-up housing opportunities. A relatively stable number of households in this age group indicates limited change in demand during the projection period.

**55 to 64 Years Old** - By 2027, this age cohort will represent much of the “baby bust” generation that followed behind the baby boomers. This age group represents a much smaller segment of the population than the baby boom age group, and will not replace the advancing age cohort. The projections used for this Update expect a decrease of six households in this age range. This age range has traditionally a high rate of home ownership. A decreased number of households will result in a slight reduction in demand.

**65 to 74 Years Old** - A gain of 12 households is expected by the year 2027 in the 65 to 74 age range. While this group will begin moving to life-cycle housing options as they age, the younger seniors are still predominantly home owners. Once again, preferences for age-appropriate units would increase from household growth within this age cohort.

**75 Years and Older** - There is a small projected gain of five households in this age range between 2022 and 2027. In the past, households age 75 to 84 have had a preference for home ownership, while older seniors in this range have tended to move into rental housing including housing that can provide services. An expansion of housing options for seniors, including high quality rental housing, should appeal to this age group. In most cases, income levels for senior households have been improving, as people have done better retirement planning. As a result, households in this age range may have fewer cost limitations for housing choices than previous generations of seniors.

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

## **Findings on Housing Unit Demand and Tenure**

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

***Demand from Growth*** - Our household projections used for this Update expect Philip to gain approximately 15 to 20 households from 2023 to 2027. Household growth in Philip will yield some demand for new housing production in Philip.

***Replacement of Lost Owner-Occupancy Units*** - It is difficult to quantify the number of units that are lost from the housing stock on an annual basis. Unit losses may be caused by demolition activity, losses to fire or natural disasters, and to causes such as deterioration or obsolescence. In Philip, some dilapidated housing has been demolished, and more units will be removed in the future. As a result, we have included an allowance for unit replacement in the recommendations that follow.

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

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

# **Philip Strengths and Barriers for Housing Development**

## **Strengths for Housing Development**

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

- ▶ **Philip serves as a small regional center** - Philip provides employment opportunities, retail/service options, health and professional services and recreational facilities for a geographical area that surrounds the City.
- ▶ **Affordable priced housing stock** - The City has a large stock of affordable, existing houses. Our analysis shows that the City's median home value based on 2021 sales is approximately \$130,555. This existing stock, when available for sale, provides an affordable option for home ownership.
- ▶ **Land for development** - The City has land available for both residential and commercial/industrial development. A local individual has donated an 11 acre parcel for residential development.
- ▶ **Educational system** - The City has an excellent public preschool through grade 12 school system.
- ▶ **Health facilities** - The City has health facilities including a hospital, a medical clinic, a nursing home and an assisted living facility. The hospital is the only one within a large geographical area. Scotchman Living Center is currently expanding and adding 12 skilled nursing beds.
- ▶ **Infrastructure** - Philip's water and sewer infrastructure can accommodate future expansion.
- ▶ **Commercial development** - Philip's commercial district is adequate to meet most daily needs.
- ▶ **Philip Charities** - Philip Charities is active in promoting economic development, community development, housing, etc.
- ▶ **City Staff** - Philip's city staff is experienced in identifying and addressing housing needs.

- ▶ **Small-town atmosphere** - Philip is a small town, with the real and perceived amenities of a small community. This small town living is attractive to some households.
- ▶ **Senior with Services Housing** - Philip has a hospital, clinic, a nursing home and an assisted living facility.
- ▶ **Recreational Area** - Philip is a recreational area that provides excellent hunting, fishing, hiking, a swimming pool complex and a park system.
- ▶ **Employers** - Philip has several large employers including Scotchman Industries, Inc., Philip Health Services, Haakon 27-1 School District and Philip Livestock Auction.
- ▶ **Discretionary Tax Program** - The City of Philip has developed a discretionary tax program for commercial and residential improvement and new construction projects. If new construction/improvements are made to real property it allows for a five-year phase-in of the increased property tax rate.
- ▶ **Commuters** - Approximately 434 people are commuting into Philip daily for employment. These commuters are a potential market for future housing construction.

## **Barriers or Limitations to Housing Activities**

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

- ▶ **Age and condition of the housing stock** - While the existing stock is very affordable, some of the housing is in need of improvements to meet expectations of potential buyers.
- ▶ **Lower paying jobs** - Although Philip has job opportunities, some jobs are at the lower end of the pay scale and employees with these jobs have limited housing choices.
- ▶ **Value gap deters new owner-occupied construction** - Based on market values for 2021 residential sales, we estimate that the median priced home in Philip is valued at approximately \$130,555. Although the median sales price has been increasing, it is still below the comparable cost for new housing construction, which will generally be above \$275,000 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.
- ▶ **Population and household growth** - The 2020 U.S. Census reports that the City's population and number of households have both decreased from 2010 to 2020.
- ▶ **Distance from a major regional center** - The nearest regional centers are Rapid City, which is 86 miles from Philip, and Pierre, which is 87 miles from Philip. Many households desire or need to be near a regional center for employment, health care, entertainment, retail, etc.
- ▶ **Housing Agencies** - Although there are several regional housing agencies with service areas that include Philip and Haakon County, the housing activities in Philip and Haakon County have been limited.
- ▶ **Flood Plain** - A significant portion of the City of Philip is in the flood plain, which is a barrier to home improvements and housing construction.
- ▶ **Commercial/retail options** - Although the City of Philip has adequate commercial/retail options to meet daily needs, it has a limited number of commercial and retail opportunities compared to large regional centers.



## **Recommendations, Strategies and Market Opportunities**

Based on the research contained in this Update, and the housing strengths and barriers identified above, we believe that the following recommendations are realistic options for the City of Philip. 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 City's potential for growth.
- ▶ **New housing development generally will not occur without proactive community involvement** - To attract new home or apartment construction in Philip, subsidies or some other form of financial assistance may be needed from the City of Philip, local and regional housing and economic development agencies and the South Dakota Housing Development Authority.
- ▶ **Protect the City's existing housing stock** - The future of Philip will be somewhat dependent on the city's appeal as a residential location. The condition of the existing housing stock is a major factor in determining the City's long-term viability. A majority of the existing housing stock is in good condition and the City's major asset, however, rehabilitation efforts are needed to preserve the housing stock.
- ▶ **Protect the City's existing assets and resources** - Philip has many assets including a preschool through grade 12 school, health facilities, employment opportunities, a Downtown Commercial District, recreational opportunities, etc. These are strong assets that make Philip a desirable community to live in, and are key components to the City's 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 the City has been involved in housing issues. The City 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 local efforts, the City has other resources to draw on including USDA Rural Development, the South Dakota Housing Development Authority, Western SD Community Action, Inc., NeighborWorks Dakota Home Resources, and the Central SD Enhancement District. These resources should be accessed as needed to assist with housing activities.

## **Summary of Findings/Recommendations**

The findings/recommendations for the City of Philip have been formulated through the analysis of the information provided in the previous sections and include 22 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 12 to 16 general occupancy market rate rental units
2. Promote the development/conversion of six to eight affordable market rate rental units
3. Monitor the need for additional senior housing with a high level of services
4. Develop 12 to 14 senior independent/light services market rate units
5. Monitor the need for subsidized rental housing
6. Apply for access to the Housing Choice Voucher Program
7. Develop a mixed-use commercial/housing project

### **Home Ownership**

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

**Single Family Housing Development**

10. Support Lot/Subdivision Development
11. Strategies to encourage residential lot sales and new home construction in Philip
12. Coordinate with housing agencies and nonprofit groups to construct affordable housing
13. Promote twin home/town home development

**Housing Rehabilitation**

14. Continue to promote rental housing rehabilitation
15. Continue to promote owner-occupied housing rehabilitation efforts

**Other Housing Issues**

16. Acquire and demolish dilapidated structures
17. Create a plan and a coordinated effort among housing agencies
18. Strategies for downtown redevelopment and commercial development
19. Continue to encourage employer involvement in housing
20. Develop a Time of Sale/Rental Inspection Program
21. Develop home ownership and new construction marketing programs
22. Continue the Discretionary Tax Program

# **Philip - Rental Housing Development**

## **Rental Housing Development**

**Findings:** It is difficult to produce new affordable rental units. A number of factors including Federal tax policy, State property tax rates, low rent structure and high construction costs have all contributed to making rental housing difficult, especially in small cities.

From 2023 to 2027, we are recommending the development of 30 to 38 rental units in the City. The recommendations are based on continued pent-up demand for quality rental units, the loss of rental units from the housing stock due to deterioration and demolition, the low vacancy rates in existing market rate units and the projected modest growth of households in Philip over the next five years.

▶ General Occupancy Market Rate	- 12 to 16
▶ Subsidized	- 0
▶ Rehab/Conversions	- 6 to 8
▶ Senior Independent/Light Services	- 12 to 14
	<hr/>
Total	30 to 38

### **1. Develop 12 to 16 general occupancy market rate rental units**

**Findings:** The City of Philip has a limited number of market rate units. There are no market rate rental projects with more than four units. Moses Manor, which was constructed in 2005, was the most recently constructed market rate project in Philip. All of the units in Moses Manor have two bedrooms. The units are high quality and have attached garages. The rent is \$1,000 and the tenants also pay heat and electricity. The units were fully occupied at the time of the survey.

There are several other smaller rental market rate projects and single family homes in the City. The rent structure for these units ranges from \$450 to \$1,000, plus utilities. We found only one vacancy in these units.

The only three-bedroom and larger market rate units in Philip are in single family homes. There are no three-bedroom or larger units in the market rate rental 4-plexes and smaller projects in the City.

Community Partners Research, Inc., is projecting that Philip will gain up to 20 households over the next five years. Also, our interviews and rental surveys identified a need for market rate rental units.

Additionally, we are expecting a loss of rental housing units in Philip due to deterioration and demolition. Some single family homes and mobile homes in Philip are dilapidated and beyond repair. Several of these dwellings are rentals and may be demolished or no longer rented because of their condition.

**Recommendation:** We recommend the development of 12 to 16 market rate rental housing units. Town home units, similar to the existing Moses Manor market rate rental four-plexes, would be the preferred style, to cater to active renter households. A high quality apartment building with 'state of the art' amenities is also an option. In the 2014 Philip Housing Study, we recommended the construction of 10 to 12 market rate units. No market rate units have been developed since the 2014 Housing Study.

The first option to create market rate housing would be to encourage a private developer to construct the units. If a private developer does not proceed, Philip Charities, the City of Philip or a regional housing agency could potentially utilize essential function bonds, or other sources of funding, to construct market rate units.

Also, Philip Charities, the City or a regional housing agency could partner with a private developer to construct additional units. The City could assist with land donations, tax increment financing, tax abatement, tax deferments, reduced water and sewer hook up fees, etc.

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

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

Some cities have added units in small phases, as demand dictates the need for additional units. In this way they have expanded the supply without saturating the market.

We recommend the development of 12 to 16 units and the unit mix and rents should be as follows:

**Recommended unit mix, sizes and rents for the Philip Market Rate Housing Project:**

<u>Unit Type</u>	<u>No. of Units</u>	<u>Size/Sq. Ft.</u>	<u>Rent</u>
One Bedroom	3-4	650-800	\$700-\$975
Two Bedroom	7-9	850-1,050	\$800-\$1,300
Three Bedroom	2-3	1,100-1,250	\$900-\$1,600
Total	12-16		

Note: Rents are quoted in 2023 dollars and include utilities.

**2. Promote the development/conversion of 6 to 8 affordable market rate rental housing units**

**Findings:** The previous recommendation addressed the market potential to develop high quality rental units in Philip. Unfortunately, these units would tend to be beyond the financial capability of many area renters. A majority of Philip’s renter households have an annual income below \$25,000. These households would need a rental unit at \$700 per month or less.

There is evidence that Philip has lost rental housing over the years and will continue to lose units due to deterioration and demolition. Part of the need for additional rental units in Philip 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 the City to promote the development of more affordable rental units. A goal of six to eight units over the next few years 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. Private individuals have purchased and rehabbed several homes in Philip and are currently renting these homes.

The estimated prevailing rent range for older rental units in Philip is typically between \$450 and \$650 per month. Creating some additional units with contract rents below \$700 per month would help to expand the choices available to a majority of the City's renter households.

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

### **3. Monitor the need for 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. Philip has two specialized projects that provide housing with supportive services for the senior population. These senior housing with services projects include:

- ▶ **Scotchman Living Center** - The Scotchman Living Center includes 30 skilled nursing beds. The facility provides services and amenities for residents in need of skilled nursing care. The facility is in the process of adding 12 additional beds, thus, there will be 42 beds. Fourteen of these beds are designated for memory care residents.
- ▶ **The Silverleaf Assisted Living** - The Silverleaf is a 16-unit assisted living facility licensed for 16 residents. All of the units are studio units. The Silverleaf provides the full array of assisted living services, including meals, medication distribution, laundry, housekeeping, bathing, etc.



**Recommendation:** It is our opinion that with the current expansion, the existing senior with housing projects are adequately addressing the demand for senior housing with services that provides a high level of services. However, in the next recommendation we are recommending the development of an independent/light services senior project.

Also, the need for future additional senior housing that provides a high level of services should continue to be monitored.

#### **4. Develop 12 to 14 senior independent/light services market rate units**

**Findings:** To determine the need for senior independent/light services market rate units in Philip, we have analyzed data for Haakon County.

Currently, there were approximately 273 households age 65 or older in Haakon County. We are estimating that 4% to 5% of senior households age 65 and older in Haakon County would move into a senior independent/light services rental project. Also, additional senior households would be expected to move into a senior independent project from locations outside of Haakon County.

**Recommendation:** We are recommending a 12 to 14-unit independent/light services market rate senior project in Philip. 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:

- ▶ 12 to 14 units
  - ▶ 2 to 3 one-bedroom
  - ▶ 10 to 11 two-bedroom
- ▶ Floor plans that promote accessibility
- ▶ Fully equipped kitchen
- ▶ Large storage area
- ▶ Ample closet space
- ▶ Laundry hookups
- ▶ Open floor plan
- ▶ Private patio
- ▶ Individually controlled heat and AC
- ▶ Raised outlets, lever door handles, lowered kitchen cabinets
- ▶ Expansive windows

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

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

Tax increment financing, tax abatement, 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.

## **5. Monitor the need for subsidized rental housing**

**Findings:** The City of Philip has two subsidized rental projects. One project is general occupancy and one project is senior/disabled.

The two subsidized rental projects in Philip include:

- ▶ ***Riverview Townhouses*** - Riverview Townhouses is a 10-unit HUD Section 8 General Occupancy Project. The 10 units include one one-bedroom unit, eight two-bedroom units and one three-bedroom unit. Riverview Townhouses had three vacant units at the time of the survey.
- ▶ ***Senechal Apartments*** - Senechal Apartments is a 16-unit HUD Section 8 senior/disabled project. All 16 units are one-bedroom units. Senechal Apartments had two vacancies at the time of the survey.

At the time of the 2014 Philip Housing Study, there was a third subsidized rental project in Philip. Philip Plaza Apartments was a four-unit USDA Rural Development General Occupancy Project. However, this project was converted from subsidized to market rate.

**Recommendation:** We do not recommend the development of additional subsidized rental housing at this time. When the rental survey was conducted, there were five vacancies in the two subsidized rental projects, which is a 19% vacancy rate. There were three vacancies in Riverview Townhouses and two vacancies in Senechal Apartments. The managers reported that these projects have had vacancies over the past several years. We do recommend that the City monitor the need for the production of subsidized housing in the future.

## **6. Apply for access to 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, although finding levels are low at this time.

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.

Based on the research for this Update, it appears that the Housing Choice Voucher Program is currently not available in Philip and Haakon County.

**Recommendation:** We continue to recommend that the City of Philip work with area and regional housing agencies and the South Dakota Housing Development Authority to determine if Haakon County can obtain access to the Housing Choice Voucher Program.

## **7. Develop a Mixed-Use Commercial/Housing Project**

**Findings:** New mixed-use projects have been developed in several cities. Senechal Apartments in Philip is an example of a successful downtown mixed-use project. There are affordable senior rental units on the upper floor, and commercial uses on the street level.

Some mixed-use buildings have been developed because of market demand, while others were developed to enhance the downtown, to introduce a new product to the market and to serve as a catalyst for downtown redevelopment. Additional mixed-use rental housing/commercial projects could complement the City's ongoing efforts to develop vibrant commercial opportunities.

**Recommendation:** We continue to recommend the development of an additional mixed-use building in Philip's commercial district. There are several potential sites for a mixed-use project.

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 businesses and attract people to the commercial area.

The rental units should be primarily one and two-bedroom units. Please note that these units are not in addition to the units recommended in the prior recommendations of this section. If a mixed use building or buildings were constructed, the number of units recommended previously should be reduced.

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

# **Philip - Home Ownership**

## **Home Ownership**

**Findings:** Expanding home ownership opportunities is a goal for most cities. High rates of home ownership promote stable communities and strengthen the local tax base. The median owner-occupied home value in Philip is estimated to be approximately \$130,555 based on sales activity in 2021. The home values in Philip provide an excellent market for first time buyers and households seeking moderately priced homes.

Our analysis of Haakon County demographic trends shows an increasing number of households over the next five years in the 65 and older age ranges. The number of households in the 54 and younger age ranges is projected to remain relatively stable. Some households in these age ranges that have not been able to achieve the goal of home ownership may need the assistance of special programs to help them purchase a first home.

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

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

**Findings:** We believe that affordable home ownership is one of the issues facing Philip 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, gap financing, low interest loans and home ownership counseling and training programs can help to address affordable housing issues. The City has a supply of houses that are price-eligible for these assistance programs. The home value estimates used in this Update indicate that a large 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 continue to recommend that Philip should work with area housing agencies, the South Dakota Housing Development Authority 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 should also work with housing agencies to assure the City of Philip is receiving its 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, NeighborWorks Dakota Home Resources, the Federal Home Loan Bank and Grow South Dakota.

## **9. Develop a Purchase/Rehabilitation Program**

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

Some communities with a stock of older homes that need rehabilitation have developed a purchase/rehabilitation program. Under a purchase/rehabilitation program, the City or a housing agency purchases an existing home that needs rehabilitation, rehabilitates the home, sells the home to a low/moderate income family and provides a mortgage with no down payment, 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, and a subsidy may be required to fill this gap. 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 continue to recommend that the City of Philip 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 also 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 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 City's 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 that are purchasing homes in Philip, rehabilitating the homes and then selling the homes. There may be an opportunity for housing agencies to financially assist the private sector with purchasing, rehabilitating and selling the homes. This may increase the inventory of substandard homes that can economically be purchased, rehabilitated and sold.

# **Philip - Single Family Housing Development**

## **Single Family Housing Development**

**Findings:** Based on City of Philip and Census Bureau reports, Philip has experienced limited single family housing development since the 2014 Philip Housing Study. From 2014 to 2021, three single family owner-occupancy units have been constructed in Philip. The construction of two additional homes will begin in 2023. From 2000 to 2013, 14 single family homes were constructed in Philip.

It is our opinion that if the City of Philip, Philip Charities, housing agencies, builders and developers are proactive, 11 to 15 homes can be constructed or moved into Philip from 2023 to 2027. This is an average of two to three homes annually.

The breakdown of our projection of 11 to 15 new owner-occupied housing units annually over the next five years is as follows:

▶ Higher and Medium priced homes (over \$300,000)	4-5
▶ Affordable Homes (under \$300,000)	5-6
▶ Twin homes/Town homes	<u>2-4</u>
Total	11-15

### **10. Support lot/subdivision development**

**Findings:** As part of this Update, we attempted to identify the inventory of available residential lots for single family housing construction in Philip.

Currently, there are only a few miscellaneous infill lots scattered around the City that we did not attempt to count. We do not know the availability or suitability of these infill lots for new home construction. Also, additional dilapidated houses may be acquired and demolished over the next five years. Some of the cleared lots may be sites for new construction.

However, an 11-acre parcel has been donated to the City of Philip for housing development. The parcel will be approximately 16 to 20 residential lots.

**Recommendation:** With projections that 11 to 15 new owner-occupied housing units will be constructed over the next five years, the City of Philip should have approximately 20 to 25 residential lots to meet expected demand over the five-year projection period and to address lot demand for several years beyond the projection period.

With only a few miscellaneous available lots, Philip will need additional lots over the next five years, if the new housing construction that is projected comes to fruition. Therefore, it is our recommendation that additional lots be developed in Philip over the next five years. We recommend the development of 16 to 20 lots on the 11-acre parcel that has been donated to the City.

Future lots/subdivision development should include the following:

- ▶ The lots must be as aesthetically acceptable as possible and include high quality amenities.
- ▶ The subdivision 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 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 housing agencies, financial institutions, funding agencies, employers, Philip Charities and the City of Philip. Financial assistance such as tax increment financing, tax abatement, tax deferments, and state and federal funding may be necessary to make the development of lots financially 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 Philip**

**Findings:** Since the 2014 Philip Housing Study, new home construction has been limited. However, Philip has the capacity to increase owner-occupancy new single family and twin home/town house construction.

**Recommendation:** We recommend that the City of Philip, employers, Philip Charities, housing agencies, builders and developers coordinate efforts to promote lot sales and housing development in Philip.

Our recommendations to promote lot sales and housing development include:

- ▶ ***Lot development*** - As addressed in the previous recommendation, residential lots must be available for new home construction.
- ▶ ***Competitive pricing*** - To encourage new home construction, lots must be competitively priced.
- ▶ ***Plan for long-term absorption*** - The research completed for this Update expects limited annual absorption of lots in Philip. We are projecting the construction of two to three new units per year. It is therefore necessary to view the construction of homes on 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 construction of spec homes, and the availability of builders to build custom homes.
- ▶ ***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 cities and 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 upfront 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. Currently, the City of Philip has a Discretionary Tax Program that phases in property taxes over a five-year period.
- ▶ ***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 Philip, Philip Charities, employers, builders and developers should create a comprehensive marketing strategy to sell the available lots. In addition to marketing the lots, Philip 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 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 Philip.

**Recommendation:** We encourage the City of Philip to actively work with economic development and housing agencies, nonprofit groups and the private sector to develop affordable housing. Local economic development and housing agencies and corporations in several South Dakota cities have developed housing.

Also, in the past, Governor's and modular homes have been moved into Philip. These represent 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 some cities the size of Philip, approximately 20% of the new ownership housing constructed are twin homes/town houses. From 2000 to 2022, we are aware of two twinhomes that have been constructed in Philip, which is approximately 25% of the owner occupied housing units developed in Philip during that time period.

In 2022, Haakon County has approximately 273 households in the 65 and older age ranges. Empty-nester and senior households are generating increased demand for attached single family units such as twin homes and town houses. It is likely that demand for attached housing units will increase over the next five years.

**Recommendation:** It is our projection that one to two new owner-occupied twin homes (two to four units) could be constructed in Philip over the next five 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.

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

Philip'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.



# **Philip - Housing Rehabilitation**

## **Housing Rehabilitation**

**Findings:** Philip 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. Efforts and investment in housing rehabilitation activities will be critical to offering affordable housing opportunities.

It is our opinion that the City of Philip and area housing agencies 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 most Philip 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. Continue to promote rental housing rehabilitation**

**Findings:** Based on American Community Survey estimates, the City has approximately 123 rental units. These rental units are in multi-family projects, small rental buildings, duplexes, single family homes and mobile homes. Approximately 55% of these rental units are more than 40 years old, Some of the older units are in poor condition and could benefit from rehabilitation. It is difficult for rental property owners to rehabilitate and maintain their rental properties while keeping the rents affordable for the tenants. The rehabilitation of older rental units can be one of the most effective ways to produce decent, safe and sanitary affordable housing.

**Recommendation:** We continue to recommend that the City 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, the South Dakota Housing Development Authority, the Federal Home Loan Bank and NeighborWorks Dakota Home Resources.

**15. Continue to promote owner-occupied housing rehabilitation efforts**

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

Based on American Community Survey data, approximately 50% of the owner-occupied homes in Philip are more than 40 years old. Without rehabilitation assistance, the affordable housing stock will shrink in Philip.

**Recommendation:** We continue to recommend that the City of Philip seek local, state and federal funds to assist with financing housing rehabilitation. USDA Rural Development, the South Dakota Housing Development Authority and the Federal Home Loan Bank are all potential funding sources.

Currently, Western SD Community Action, Inc., and NeighborWorks Dakota Home Resources implement owner-occupied housing rehabilitation programs and weatherization programs in Philip and Haakon County as funds are available. Households that meet program requirements may be eligible for 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 Philip and Haakon County households to continue to utilize these programs.

# **Philip - Other Housing Initiatives**

## **Other Housing Initiatives**

### **16. Acquire and demolish dilapidated structures**

**Findings:** There are single homes and mobile homes in Philip that are dilapidated and too deteriorated to rehabilitate. To improve the quality of the City's housing stock and to maintain the appearance of the community, these structures should be demolished. The City and Philip Charities has worked with property owners to demolish several dilapidated structures.

**Recommendation:** The City should continue to work with property owners to demolish severely dilapidated structures. The City is enhanced when blighted and dilapidated structures are removed. Also, some of the cleared lots can be utilized for the construction of new affordable housing units.

Some cities are developing ordinances that give cities more authority to require property owners to demolish vacant, dilapidated homes, while other cities are working with property owners to voluntarily demolish structures. We recommend that the City of Philip maintain an inventory of dilapidated structures that may be candidates for future demolition. Additionally, an inventory of in-fill lots for future development should be maintained.

### **17. Create a plan and a coordinated effort among housing agencies**

**Findings:** Philip may need staff resources in addition to existing city personnel to plan and implement many of the housing recommendations advanced in this Update. The City has access to Western SD Community Action, Inc., the Central SD Enhancement District, NeighborWorks Dakota Home Resources, Dakota Resources, the USDA Rural Development Office and the South Dakota Housing Development Authority. These agencies all have experience with housing and community development programs.

**Recommendation:** The City of Philip has access to multiple agencies that can assist with addressing housing needs. It is our recommendation that the City continue to work with the housing agencies to prioritize the recommendations of this Update and to develop a plan to 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.

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

## **18. Strategies for downtown redevelopment and commercial development**

**Findings:** The City of Philip’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 Philip:

- ▶ 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 Philip
  - ▶ Philip Charities
  - ▶ Federal Home Loan Bank
  - ▶ Special tax districts
  - ▶ Tax increment financing
  - ▶ Tax abatement and deferment
  - ▶ Funds from South Dakota State Agencies
  - ▶ Funds from the Governors Office of Economic Development
  
- ▶ Work with stakeholders to identify roles, secure funding, develop and implement programs and projects
  - ▶ Property owners
  - ▶ City of Philip
  - ▶ Philip Charities

## **19. Continue to encourage employer involvement in housing**

**Findings:** The City of Philip 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 retain existing workers and to attract new workers into the community.

Although the jobs being created may have good wages for the area, it is difficult for workers to buy or improve their housing. Housing for new employees is a concern for employers. It is advantageous for employers to become involved in housing.

One of the City of Philip’s largest employers, Scotchman Industries, Inc., has been very active in addressing housing needs in the community. Scotchman Industries, Inc., has recently donated an 11-acre parcel to the City for housing development.

**Recommendation:** We recommend that the City and Philip Charities continue to involve employers as partners in addressing Philip’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 the land donation from Scotchman Industries, Inc.

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 Philip.

## **20. Develop a Time of Sale/Rent Inspection Program**

**Findings:** The City of Philip has mobile homes in mobile home parks and Philip neighborhoods.

Some of the mobile homes are substandard and dilapidated and are rentals and others are sold for home ownership.

**Recommendation:** Several cities have developed an inspection program designed to provide safe living conditions through the identification and elimination of basic life/safety hazards in older mobile homes. Mobile homes are subject to inspection prior to rent or sale. All identified safety hazards must be corrected before the unit is sold or rented.

Currently, only mobile homes less than three years old can be moved into the City.

## **21. Develop home ownership and new construction marketing programs**

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



**Recommendation:** The City of Philip and Philip Charities have been active in promoting and marketing housing in the City of Philip and we recommend the continuation and/or consideration of the following:

- ▶ Determine each community's strengths and competitive advantages and heavily promote them
- ▶ Continue to create marketing materials that can be distributed regionally (including internet, TV, radio, etc.)
- ▶ Work closely with employers (Philip 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 or rental units a very user friendly process
- ▶ Continue to 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
- ▶ Continue to develop new housing choices that serve life-cycle housing needs, such as new rental housing, twin homes, senior with services housing, etc.
- ▶ Review the 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

## **22. Continue the Discretionary Tax Program**

**Findings:** The City of Philip has developed a Discretionary Tax Program to encourage the new construction of, or improvements to, commercial buildings, industrial buildings or residential dwellings.

The Program assesses eligible new construction or improvements at a reduced value for a period of five years as follows:

First Year	- 20%
Second Year	- 40%
Third Year	- 60%
Fourth Year	- 80%
Fifth Year	- 100%

**Recommendation:** We recommend that the City of Philip continue the Discretionary Tax Program to promote residential, commercial and industrial development.

Also, other incentives could be considered including:

- ▶ Reduced lot prices
- ▶ Free water and sewer for a period of time
- ▶ Permit and water and sewer hookup fees waived or discounted
- ▶ Discounts at area businesses
- ▶ Cash payments
- ▶ Construction financing

## **Agencies and Resources**

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

### **Western SD Community Action, Inc.**

1844 Lombardy Drive  
Rapid City, SD 57703  
(605) 348-1460

### **NeighborWorks Dakota Home Resources**

795 East Main Street  
Deadwood, SD 57732  
(605) 578-1401

### **USDA Rural Development**

1717 North Lincoln Avenue  
Pierre, SD 57501  
(605)224-8870, Ext. 4

### **South Dakota Housing Development Authority**

3060 East Elizabeth Street  
Pierre, SD 57501  
(605) 773-3181

### **Central South Dakota Enhancement District**

3431 Airport Road  
Pierre, SD 57501  
(605) 773-2780

### **Dakota Resources**

25795 475<sup>th</sup> Avenue  
Renner, SD 57055  
(605) 978-2804