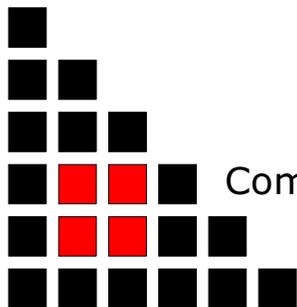


North Sioux City HOUSING STUDY UPDATE

February 2022

An updated analysis of the overall housing needs
of North Sioux City



Community Partners Research, Inc.

Faribault, MN

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Introduction

Local elected and public officials are often held responsible for conditions and circumstances over which they have limited control. This is particularly true of housing. Most of the housing units in North Sioux City and Union 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 originally hired by the City of North Sioux City in 2015 to conduct a study of the housing needs and conditions in North Sioux City. In 2021, an update to this Housing Study was initiated to examine changes that had occurred in the community since 2015.

Goals

The multiple goals of the study include:

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

Methodology

A variety of resources were utilized to obtain information for the Housing Study. Community Partners Research, Inc., collected and analyzed data from October 2021 to February 2022. Data sources included:

- U.S. Census Bureau
- American Community Survey
- Applied Geographical Solutions, Inc., a data reporting service
- Esri, a private data company
- Records and data from the City
- Records and data maintained by Union County
- Interviews with City officials, community leaders, housing stakeholders, etc.

- Area housing agencies
- State and Federal housing agencies
- Rental property owner surveys
- Housing condition and mobile home surveys

Limitations

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

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

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Demographic Data Overview

Sources of Data

The following pages contain demographic data obtained from a variety of local, state and national sources for North Sioux City and Union County. Some data is also included for the Sioux City Metropolitan Statistical Area (MSA).

In 2020, the Sioux City MSA included Union County, SD, Woodbury County, IA, Dakota County, NE, and Dixon County, NE. In the past, Plymouth County, IA, had also been included as part of the MSA. In the historical data tables that follow, Plymouth County has been removed from the MSA information.

When the demographic research for this Update was completed, the Census Bureau had released data from the 2020 U.S. Census. However, only partial information was available, although this included totals for population, households and housing units. 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 2019 estimates were derived from sampling that was done over a five-year period, between 2015 and 2019. 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 used for this Update. However, AGS reports are not available for the entire MSA which extends into Iowa and Nebraska.

Prior to using AGS, the State had used a similar provider, Esri, Inc., for demographic data. The analysts have also examined Esri reports for current-year estimates and future projections. The Esri estimates are for 2021, with projections to 2026. Esri reports are available for the Sioux City MSA.



Population Data and Trends

Table 1 Population Trends - 1990 to 2020						
	1990 Census	2000 Census	% Change 1990-2000	2010 Census	% Change 2000-2010	2020 Census
North Sioux City	2,019	2,288	13.3%	2,530	10.6%	3,042
Sioux City MSA	N/A	143,053	N/A	143,577	0.4%	149,940
Union County	10,189	12,584	23.5%	14,399	14.4%	16,811

Source: U.S. Census

- ▶ At the time of the 2020 U.S. Census, North Sioux City had 3,042 permanent residents. When compared to the 2010 Census, the City had a population gain of 512 people over the decade, for an increase of 20.2%.
- ▶ North Sioux City has continued to add population over at least the past three decades. The percentage growth achieved since 2010, of more than 20%, was greater than the growth rate in the 1990s or between 2000 and 2010.
- ▶ Union County’s population was 16,811 in 2020, up by 2,412 people from 2010, for an increase of 16.8%. In each of the past three decades, the County’s population has increased by more than 14%.
- ▶ The Sioux City Metropolitan Statistical Area’s (MSA) population was 149,940 people in 2020, up by 6,363 people from 2010, for an increase of 4.4%. After very little growth between 2000 and 2010, the MSA did add people over the most recent decade.
- ▶ Applied Geographic Solutions (AGS), has produced population estimates for 2021 for jurisdictions in South Dakota. Their population estimate for North Sioux City was 3,406 people in 2021, higher than the population of 3,042 reported by the Census. Although there is a one year time difference between these sources, it appears that the population estimate from AGS for North Sioux City was too high.
- ▶ The AGS estimate for Union County was 16,031, lower than the 2020 Census count of 16,811. While AGS believes that more growth has been occurring within North Sioux City, they have estimated less growth in the remainder of the County.

- ▶ Esri's 2021 population estimate for the Sioux City Metropolitan Statistical Area (MSA) showed 148,665 people. This estimate was below the 2020 Census count of 149,940 residents living in the MSA. Although there is a one year time difference, it is likely that the MSA's population level increased between 2020 and 2021. As a result, the Esri estimate is viewed as low, although the difference is less than 1%.

Population Characteristics

- ▶ At the time of the 2020 Census, there were no residents of North Sioux City that were living in any form of "group quarters" housing. Typical group quarters residents would be living in nursing homes, college dormitories, correctional institutions or group homes.
- ▶ According to the 2020 Census, approximately 84% of the City's residents listed their race as "White". Nearly 7% of people identified as "Two or More Races". Approximately 2.4% of residents were identified as "Black/African American" and 1.8% were listed as "American Indian and Native Alaskan Alone".
- ▶ Approximately 6.5% of the City's residents were of Hispanic/Latino ethnic origin.

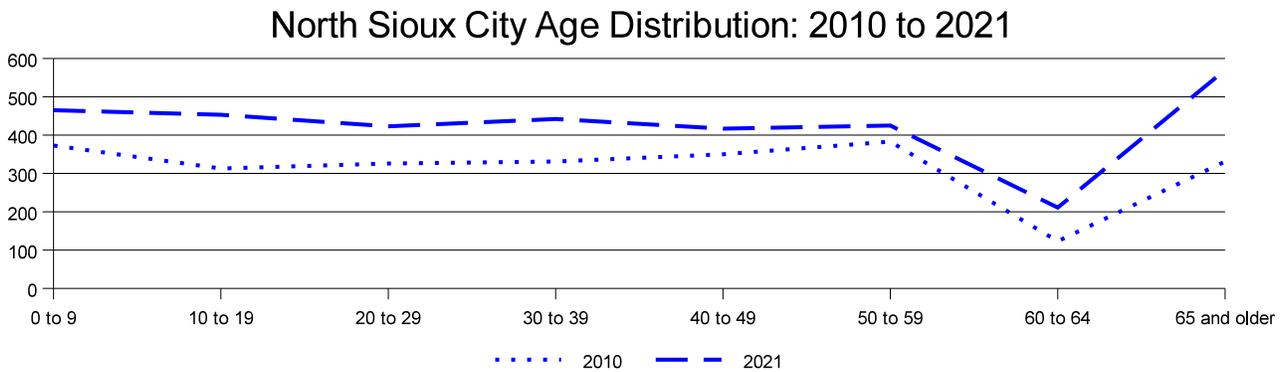
Population by Age Trends: 2010 to 2021

Applied Geographic Solutions provides age-based estimates of population. The 2021 estimates for North Sioux City have been compared to the age distribution patterns from the 2010 Census to examine changes in recent years.

Based on the 2020 Census, the total population estimate from AGS is probably too high for North Sioux City, and may overstate the numeric change within each age group. However, the estimates do provide an indication of the City’s changing age distribution patterns.

Table 2 North Sioux City Population by Age - 2010 to 2021			
Age	2010 Census	2021 AGS	Change
0-9	373	465	92
10-19	313	453	140
20-29	326	423	97
30-39	331	442	111
40-49	350	417	67
50-59	383	425	42
60-64	123	211	88
65+	331	570	239
Total	2,530	3,406	876

Source: U.S. Census; Applied Geographic Solutions



- ▶ With strong population growth in North Sioux City between 2010 and 2021, there was an increase in the number of residents within each of the defined age ranges.
- ▶ According to AGS, the City added 235 senior citizens in the age groups 65 and older. All seniors were aggregated and there were no additional details on the age distribution of the City's senior population.
- ▶ Strong growth also occurred among children and young adults, age 19 and younger. Based on the AGS estimates, the City added more than 230 people in these age groups.
- ▶ Nearly 210 people were added in the younger adult ranges between 20 and 39 years old between 2010 and 2020.
- ▶ The City also had solid growth among middle-aged residents, with an estimated increase of nearly 200 people in the combined age ranges between 40 and 64 years old.

Population Projections

The following table presents population projections from Applied Geographic Solutions and Esri. These projections extend to the year 2026, and are based off of each company’s 2021 estimates. The 2020 Census totals are provided for comparison.

Applied Geographic Solutions does not provide estimates or projections for jurisdictions outside of South Dakota, so the estimates and projections for the Sioux City MSA are from Esri.

Table 3 Population Projections Through 2026				
	2010 Census	2021 Estimate	2026 Projection	Change 2021-2026
North Sioux City	3,042	3,406	3,927	521
Sioux City MSA	149,940	148,665	150,284	1,619
Union County	16,811	16,031	17,886	1,855

Source: U.S. Census; AGS; Esri

- ▶ The population projection from Applied Geographic Solutions expects that North Sioux City will add 521 residents over the 5-year time period between 2021 and 2026, or an average of 104 people per year. If accurate, the annual average numeric growth would be approximately double the level achieved between 2010 and 2020.
- ▶ For all of Union County, AGS is projecting an increase of 1,855 people over the 5-year period, or approximately 371 people in an average year. Once again, growth at this rate would be significantly greater than the past, as Union County added an average of approximately 241 people per year from 2010 to 2020.
- ▶ Esri has a much more conservative projection for future population growth in the Sioux City MSA, with the expected addition of 1,619 residents over the 5-year period, or approximately 341 people per year. As projected, the future average annual increase would be well below the level achieved over the previous decade, when the MSA added approximately 636 people per year.

Household Data and Trends

Table 4 Household Trends - 1990 to 2020						
	1990 Census	2000 Census	% Change 1990-2000	2010 Census	% Change 2000-2010	2020 Census
North Sioux City	747	916	22.6%	1,073	17.1%	1,396
Sioux City MSA	N/A	53,586	N/A	54,396	1.5%	56,332
Union County	3,859	4,927	27.7%	5,756	16.8%	6,822

Source: U.S. Census

- ▶ At the time of the 2020 U.S. Census, North Sioux City had 1,396 permanent resident households. When compared to 2010, the City added 323 households over the decade for an increase of 30.1%.
- ▶ The household growth for North Sioux City was the continuation of a long-term pattern. In the 1990s the City added an average of nearly 17 households per year, followed by an annual average of nearly 16 households per year between 2000 and 2010. Over the most recent decade, North Sioux had average annual growth of more than 32 households per year, double the average achieved in prior decades.
- ▶ Union County had 6,822 households counted in the 2020 Census, up by 1,066 households from 2010. Excluding North Sioux City, the remainder of Union County added 743 households. This was also the continuation of a long-term pattern as Union County has consistently added households over the past three decades.
- ▶ For the entire Sioux City MSA, the Census recorded 56,332 households in 2020, up by 1,936 households from 2010, for an increase of 3.6%. Although Union County is the second smallest County of the four that form the MSA, Union County represented 55% of the total net household growth within the MSA between 2010 and 2020.
- ▶ The estimate from AGS showed 1,409 households in North Sioux City in 2021. With a one-year difference in the effective dates, this estimate is generally very similar to the Census count of 1,396 households in 2020.
- ▶ The AGS estimate for Union County showed 6,630 households in 2021, lower than the Census count of 6,822 households in 2020. As with population, AGS has underestimated the growth that has been occurring in Union County.

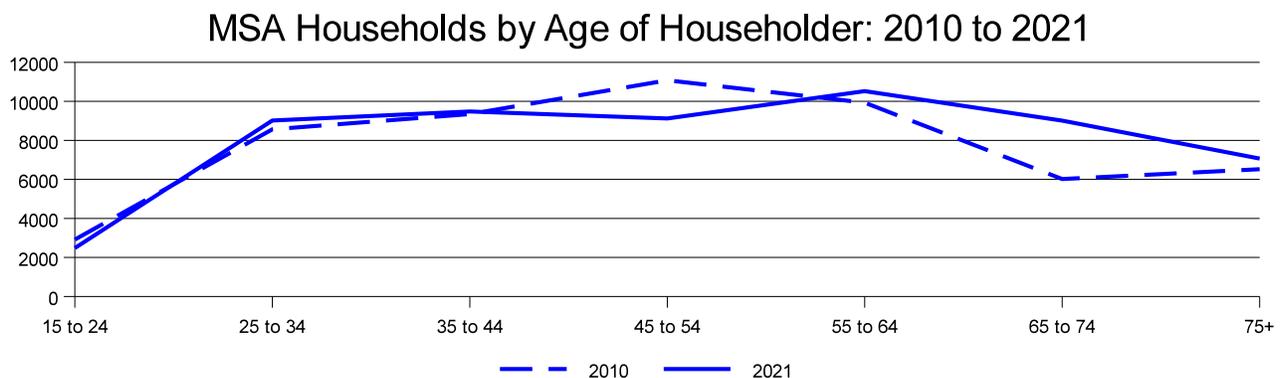
- ▶ A 2021 household estimate for the Sioux City MSA was obtained from Esri. This source showed 56,703 households, above the 2020 Census count of 56,332. However, when adjusting for the 1-year time difference in effective dates, the difference between these two sources is less than 0.5%.

Household by Age Trends: 2010 to 2021

As part of a large metropolitan area, future housing development in North Sioux City has the potential to attract households from the larger region. The following table analyzes the age distribution patterns in the Sioux City MSA, along with changes that have occurred between 2010 and 2021, using the 2010 Census and Esri’s age-based household estimates for 2021.

Table 5 MSA Households by Age - 2010 to 2021			
Age	2010	2021	Change
15-24	2,920	2,483	-437
25-34	8,567	9,016	449
35-44	9,348	9,480	132
45-54	11,081	9,121	-1,960
55-64	9,936	10,521	585
65-74	6,022	9,012	2,990
75+	6,522	7,070	548
Total	54,396	56,703	2,307

Source: U.S. Census; Esri



- ▶ With the significant household growth that occurred within the MSA from 2010 to 2021, there were estimated increases in most of the defined age ranges. However, the 10-year range between 65 and 74 years old had the largest change of any group, with an estimated gain of nearly 3,000 households within this senior citizen range.

- ▶ The largest reduction in households occurred within the 45 to 54 year old group, which decreased by nearly 2,000 households. The age cohort immediately trailing behind the advancing baby boom generation was not as large, and did not replace the advancing baby boomers.
- ▶ By 2021, all of the baby boom generation was age 55 or older. If all of the age ranges 55 and older are grouped together, the MSA experienced a gain of more than 4,100 households.
- ▶ While some of the younger adult age ranges did increase in size over the decade, there was an overall decrease of households age 54 and younger. Based on Esri's estimates, there was a net decrease of more than 1,800 households age 54 and younger in the MSA between 2010 and 2021

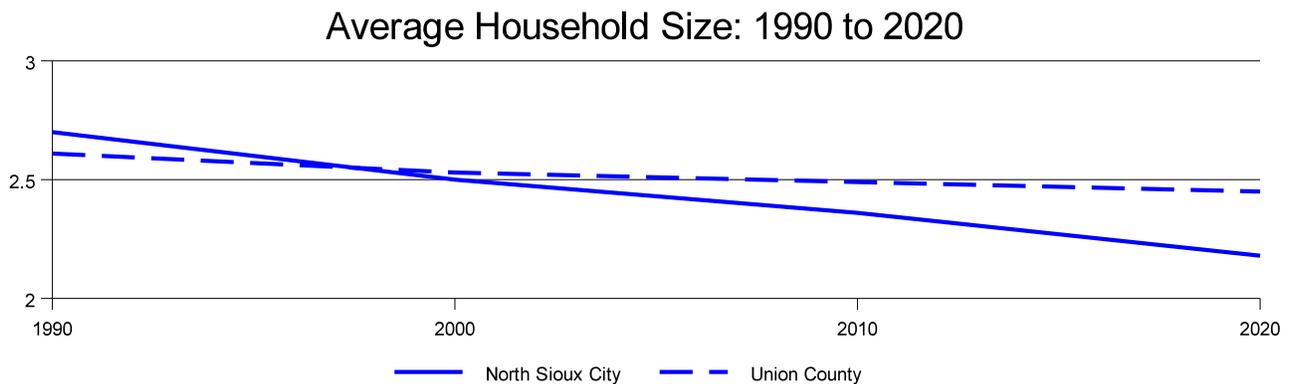
Average Household Size

The following table provides decennial Census information on average household size. Household formation has been occurring at a different rate than population change in recent decades due to a typical 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.

Table 6 Average Number of Persons Per Household: 1990 to 2020				
	1990 Census	2000 Census	2010 Census	2020 Census
North Sioux City	2.70	2.50	2.36	2.18
Union County	2.61	2.53	2.49	2.45
MSA	N/A	N/A	2.58	2.60

Source: U.S. Census

- ▶ North Sioux City has experienced a consistent decrease in the size of the average household in recent decades. This has been especially true since 2010, as the City’s average household size decreased from 2.36 persons in 2010 to 2.18 persons in 2020.



- ▶ Union County has also seen a consistent decrease in the average number of people per household since 1990, but the County’s average of 2.45 people in 2020 was significantly larger than the average of 2.18 persons in North Sioux City.
- ▶ The average household size for the entire Sioux City MSA was relatively large at 2.60 persons in 2020, and was up slightly from 2.58 persons in 2010.

Trend-Based Household Projections

Forecasts are available on the following page from Applied Geographic Solutions and Esri. However, these are viewed by the analysts as too conservative. As a result, trend-based projections have been used based the annualized growth rates between 2010 and 2020, and projecting forward to the year 2026.

Table 7 Trend-based Household Projections Through 2026			
	2020 Census	2026 Projection	Average Annual Change
North Sioux City	1,396	1,642	42 households/year
Sioux City MSA	56,332	57,535	200 households/year
Union County	6,822	7,582	126 households/year

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

- ▶ A trend-based projection method anticipates that North Sioux City will have approximately 1,648 total households by 2026, or an annual average increase of 42 households per year going forward.
- ▶ A trend-based projection for the entire Sioux City MSA indicates that there will be approximately 57,535 total households by 2026, or an annual average increase of 200 households per year going forward.
- ▶ A trend-based projection for Union County expects approximately 7,582 total households by 2026, or an annual average increase of 126 households per year going forward. The Union County projection would include the expected increase within North Sioux City.
- ▶ While it is very possible that these projections may also prove conservative, they do provide a better indicator of the area’s future growth potential.

Household Projections from AGS/Esri

Household projections are available to the year 2026, with the forecasts for North Sioux City and Union County generated by Applied Geographic Solutions, and the North Sioux City forecast supplied by Esri. The 2020 Census count for households is provided for comparison.

Table 8 Household Projections Through 2026				
	2010 Census	2021 Estimate	2026 Projection	Change
North Sioux City	1,396	1,409	1,541	132
Sioux City MSA	56,332	56,703	57,439	736
Union County	6,822	6,630	7,019	389

Source: U.S. Census; AGS; Esri

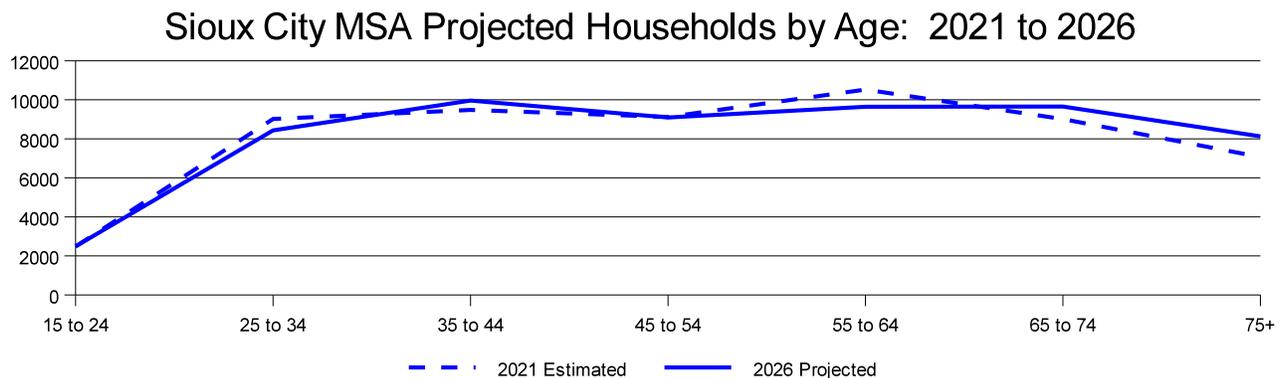
- ▶ When adjusted for a one-year time difference in effective dates, it appears that the 2021 household estimate from AGS was accurate for the City of North Sioux City.
- ▶ Going forward, AGS is projecting that North Sioux City will add 132 households over the 5-year period, or an average of 26 to 27 households per year. While this forecast expects the City to continue growing, the rate of growth is slower than in the past. Between 2010 and 2020, North Sioux City averaged more than 32 additional households per year. It would appear that the AGS forecast for future growth is somewhat conservative.
- ▶ The AGS forecast for all of Union County expects the addition of 389 households over the 5-year period, or nearly 78 households per year. Once again this appears to be a conservative projection as the County had average annual growth of 107 households per year since 2010.
- ▶ The projection for the entire Sioux City MSA is from a different source. Based on the 2020 Census, it appears that the Esri estimate for households in the MSA in 2021 was very accurate when adjusted for the one-year time difference. Projecting to the year 2026, Esri is expecting the MSA to add 736 households, or an average of 147 households per year. This would be lower than the annual average of 194 households achieved between 2010 and 2020. This projection also appears to be overly conservative.

Sioux City MSA Household by Age Projections: 2021 to 2026

The following table examines Esri’s household by age projections to the year 2026 for the entire Sioux City MSA.

Table 9 Sioux City MSA Projected Households by Age - 2021 to 2026			
Age	2021 Estimate	2026 Projection	Change
24 and younger	2,483	2,490	7
25-34	9,016	8,437	-579
35-44	9,480	9,960	480
45-54	9,121	9,092	-29
55-64	10,521	9,642	-879
65-74	9,012	9,656	644
75 and older	7,070	8,162	1,092
Total	56,703	57,439	736

Source: Esri



- ▶ While Esri’s age-based projections to 2026 show movement within each of the defined age ranges, some of the age groups are expected to experience only limited changes, as evident in the line chart above.
- ▶ The largest numeric increases are projected within the senior citizen age groups, with especially strong growth expected within the age 75 and older range. The number of senior-headed households age 65 to 74 is also projected to grow. By the year 2026 nearly all of the baby boom generation will be age 65 or older.

- ▶ The age ranges expected to see the largest decreases are households age 55 to 64, and age 25 to 34.
- ▶ The age ranges 24 and younger and age 44 to 55 years old are expected to remain relatively stable, with very little change between 2021 and 2026.
- ▶ The only younger adult age group to show significant numeric growth is 35 to 44 year old range. This group is projected to add 480 households over the 5-year time period.
- ▶ If aggregated into larger ranges, Esri's projections for the MSA expect an increase of approximately 1,740 senior-headed households age 65 and older, but a decrease of 1,000 households ages 64 and younger.

Housing Tenure

The 2020 Census has not yet released any information on home owner and renter status. The 2019 American Community Survey does provide an estimate of the tenure distribution patterns. In the following table, the 2019 estimates have been presented, along with the 2010 Census data for comparison.

Table 10 Households by Tenure - 2010 and 2019				
	2010 Census		2019 ACS	
	Percent Owned	Percent Rented	Percent Owned	Percent Rented
North Sioux City	63.9%	36.1%	48.9%	51.1%
MSA	67.8%	32.2%	67.1%	32.9%

Source: U.S. Census; ACS

- ▶ According to the American Community Survey, the home ownership tenure rate in North Sioux City decreased significantly over the past decade, and was below 50% in 2019. In the opinion of the analysts, the American Community Survey estimate has probably overstated the tenure shift. While the home ownership rate may have decreased since 2010, it is believed that the ownership rate is still above 50%.
- ▶ The American Community Survey estimates show very little change in the tenure distribution pattern for the entire Sioux City MSA between 2010 and 2019.

Median Income Data

Median income estimates are available through the American Community Survey. The most recently released data are for 2019 and have been compared to estimates from 2010 to track changes over time.

Household income represents all independent households, including people living alone and unrelated individuals together in a housing unit. Families are two or more related individuals living in a household.

Table 11 Median Household Income - 2010 to 2019			
	2010 Median	2019 Median	% Change
North Sioux City	\$47,083	\$50,625	7.5%
Sioux City MSA	\$45,542	\$59,937	31.6%
Union County	\$59,889	\$70,378	17.5%
South Dakota	\$46,369	\$58,275	25.7%

Source: ACS

- ▶ According to the American Community Survey, the median household income in North Sioux City was at \$50,625 in 2019, and had increased by only 7.5% between 2010 and 2019. The City’s median household income was well below the comparable medians for the County, the MSA and the State of South Dakota.
- ▶ The median household income level was significantly higher for Union County, at \$70,378. For the entire MSA, the 2019 median of \$59,937 was up by nearly 32% from 2010.

Table 12 Median Family Income - 2010 to 2019			
	2000 Median	2019 Median	% Change
North Sioux City	\$60,052	\$71,000	18.2%
Sioux City MSA	\$56,468	\$72,379	28.2%
Union County	\$71,308	\$95,455	33.9%
South Dakota	\$58,958	\$75,168	27.5%

Source: ACS

- ▶ Family household incomes tend to be higher than the overall household median, as families have at least two household members, and potentially more income-earners, while many non-family households have only one household member.

- ▶ North Sioux City’s median family income was \$71,000 in 2019, and had increased by more than 18% from 2010. The City’s median was only slightly below the median family income for the entire MSA.
- ▶ The median family income for the MSA, at \$72,379, had increased by more than 28% from 2010.
- ▶ Union County had a significantly higher median family income than either North Sioux City or the Sioux City MSA. Estimated at \$95,455 in 2019, the County’s median family income had increased by nearly 34% from 2010, and was more than \$20,000 above the Statewide median family income level.
- ▶ Median income levels can also be used to establish a benchmark for affordable housing thresholds. Using the commonly accepted standard that up to 30% of gross income can be applied to housing expenses without experiencing a cost burden, a median income household in North Sioux City could afford approximately \$1,266 per month for ownership or rental housing in 2019. However, as will be detailed later in this section, renter households tend to be below the overall median, while owner households tend to be above the overall median level.

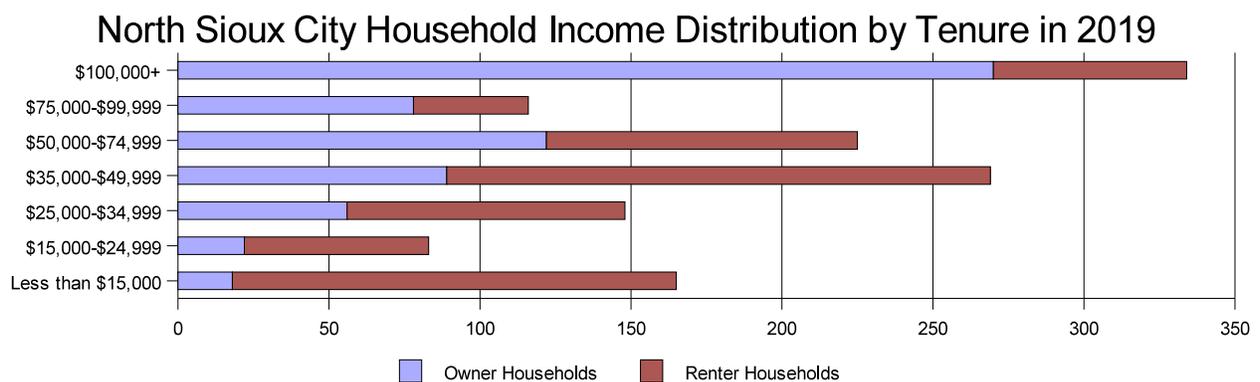
North Sioux City Household Income Distribution by Tenure

The American Community Survey provides an income estimate by owner and renter status. The following table examines income distribution within North Sioux City.

Since the estimates are based on limited sampling, there is a margin of error. For total households, the American Community Survey reported 1,340 households in the City in 2019, compared to 1,396 households counted in the 2020 Census, so the estimates appear to be generally accurate for total household count. However, it is probable that the American Community Survey overestimated the number of renter households in the City and underestimated the number of home owners. Still, this represents the best available information on income distribution by tenure.

Table 13 Household Income Distribution by Tenure - 2019			
Household Income	Owner Households	Renter Households	Total Households
\$0 - \$14,999	18	147	165
\$15,000 - \$24,999	22	61	83
\$25,000 - \$34,999	56	92	148
\$35,000 - \$49,999	89	180	269
\$50,000 - \$74,999	122	103	225
\$75,000 - \$99,999	78	38	116
\$100,000+	270	64	334
Total	655	685	1,340

Source: American Community Survey



- ▶ Income and housing tenure are linked for most households, with home owners generally having higher annual income levels, and renters having lower incomes.
- ▶ In 2019, approximately 70% of all renter households in North Sioux City had an annual income below \$50,000, while nearly 72% of all home owners had an annual income of \$50,000 or more.
- ▶ Approximately 44% of all renter households were in the lower income ranges, with an annual income below \$35,000. At 30% of income, these households would have \$875, or less, that could be applied to monthly housing costs.
- ▶ The median income for all renter households was \$36,897 in 2019.
- ▶ The estimated median household income for owners in 2019 was \$79,625.

Estimated Income and Housing Costs - Renters

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

The goal of most housing assistance programs is to keep housing costs at 30% or less of household income. When 30% or more of income is required, it is generally defined as a “housing cost burden”. Households applying 35% or more of their income for housing may have a “severe housing cost burden”.

Table 14 Gross Rent as a Percentage of Household Income - 2019			
Percent of Income for Housing	Households Age 64 and Younger	Households Age 65 and Older	Total
Less than 20%	236	13	249 / 36.4%
20% to 29.9%	212	13	225 / 32.8%
30% to 34.9%	18	10	28 / 4.1%
35% or more	119	35	154 / 22.5%
Not Computed	11	18	29 / 4.2%
Total	596	89	685

Source: American Community Survey

- ▶ According to the American Community Survey, nearly 27% of all renters in the City were paying 30% or more of their income for rent. When compared to most communities, this represents a relatively low percentage of households with a rental cost burden.
- ▶ Seniors were more likely to have a housing cost burden. More than 50% of senior-headed renter households were paying 30% or more of their income for housing, while approximately 22% of non-senior renters had a cost burden.
- ▶ Although a housing cost burden could be caused by either high housing costs or low household income, in North Sioux City it was primarily due to low or moderate income levels for renters. Approximately 85% of the renter households with a housing cost burden had an annual household income below \$35,000. To avoid a cost burden, these households would have needed a unit with a gross monthly rent of \$875 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 number of households in North Sioux City that are paying different percentages of their gross household income for housing costs.

It is important to note that mortgage lending practices also tend to limit the amount of monthly income that can be used for mortgage repayment to less than 30%. The following table includes owner households both with and without a mortgage.

Table 15 Ownership Costs as a Percentage of Income: North Sioux City		
Percentage of Household Income for Housing Costs	Number of Owner Households	Percent of All Owner Households
0% to 19.9%	493	75.3%
20% to 29.9%	92	14.0%
30% to 34.9%	26	4.0%
35% or more	44	6.7%
Not Computed	0	0%
Total	655	100%

Source: ACS

- ▶ Most owner-occupants in North Sioux City, which would include households with and without a mortgage, reported paying less than 30% of their income for housing. Overall, more than 89% of the home owners in the City were applying less than 30% of income to housing costs.
- ▶ Nearly 11% of all home owners reported that they paid more than 30% of their income for housing. A majority of these households were paying more than 35% of income for housing costs.
- ▶ The large majority of home owners with a cost burden also had an annual income below \$50,000 in 2019.

North Sioux City Building Permit Trends

North Sioux City has experienced significant new housing construction activity in recent years. The following table identifies the units that have been constructed from 2010 to 2021.

Year	Single Family	Two Units	Three or more units	Total Units Constructed
2021	23	4	3	30
2020	18	0	0	18
2019	20	0	0	20
2018	16	0	7	23
2017	24	0	0	24
2016	30	0	7	37
2015	11	12	0	23
2014	6	2	83	91
2013	6	0	65	71
2012	6	0	6	12
2011	6	0	0	6
2010	4	2	40	46
TOTAL	170	20	211	401

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

Over the past 12 years, from 2010 to 2021, there were 401 new housing units constructed in North Sioux City based on building permit issuance and Census Bureau information. Of this total, 170 units are in traditional single family homes, 20 units are in twin homes/duplexes and 221 units are in buildings with three or more units.

From 2010 to 2021, the City averaged 33 new housing units per year. From 2010 to 2015, the majority of the permitted units were in multifamily rental buildings. From 2016 to 2021, most of the permits were issued for single family houses.

Sioux City MSA Annual Building Permit Reports

The Census Bureau maintains a website that provides annual housing unit construction totals for Metropolitan Statistical Areas (MSA). The following table identifies the reported units from 2010 to 2020.

The jurisdictions included within the Sioux City MSA may have changed during the past decade, when Plymouth County, IA, was removed. Reporting prior to 2018 is believed to include Plymouth County, and from 2018 onward it is assumed that Plymouth has been removed, but this cannot be verified from the Censtats reporting website.

Table 17 Sioux City MSA Housing Unit Construction Activity: 2010 to 2021*

Year	Single Family	Two Units	Three/Four Units	5+ Units	Total Units Constructed
2021*	148	0	27	0	175
2020	340	14	25	400	779
2019	286	6	16	271	579
2018	327	12	16	113	468
2017	383	0	6	84	473
2016	391	10	6	127	534
2015	349	12	10	139	510
2014	301	24	4	79	408
2013	290	30	0	65	385
2012	228	32	0	6	266
2011	162	14	0	0	176
2010	209	18	0	88	315
TOTAL	3,414	172	110	1,377	5,068

Source: Census Bureau * 2021 is preliminary data

Based on annual reporting to the Census Bureau, nearly 5,070 new housing units were permitted in the Sioux City MSA between 2010 and 2021. As stated earlier in this document, the geographic composition of the MSA appears to have changed at some point during the prior decade, with the removal of Plymouth County, IA, from the aggregated area. It is probable that the Census Bureau totals would include Plymouth County permitting until it was removed, in approximately 2018.

MSA totals for 2021 are listed as preliminary and may be changed after further reporting. However, some comparisons have been made between North Sioux City and the Sioux City MSA, for the 12-year period spanning 2010 to 2020.

- ▶ For units in 1 and 2 unit structures: North Sioux City represented 5.3% of the MSA total
- ▶ For units in 3+ unit structures: North Sioux City represented 14.2% of the MSA total
- ▶ For all units constructed: North Sioux City represented 7.9% of the MSA total

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.

Table 18 Housing Units, Occupancy and Vacancy - 2010 to 2020									
	Total Housing Units			Occupied Units			Vacant Units		
	2010	2020	Change	2010	2020	Change	2010	2020	Change
North Sioux City	1,146	1,461	+315	1,073	1,396	+323	73	65	-8

Source: U.S. Census

- ▶ Comparing the Census housing totals from 2010 and 2020 for North Sioux City showed a net gain of 315 total housing units. The growth in the housing stock was nearly identical to the growth in occupied housing units, as the City added 323 households.
- ▶ On a previous page, information about residential permit issuance was provided. Based on available reports, it appears that the City would have added approximately 307 housing units between 2010 and 2019 through new construction, which is very similar to the reconciliation of Census records which shows an increase of 315 total units over the decade.

American Community Survey Housing Data

Age of Housing

The American Community Survey includes an estimate of the age of the housing stock. This information was from sampling through the year 2019.

For owner-occupancy units, the estimated median year of construction was 1983 for houses in North Sioux City. Approximately 47% of the City's owner-occupied houses were constructed before 1980.

For rental housing, the estimated median year of construction was 2000. Approximately 24% of the City's rental units had a date of construction before 1980.

Housing Cost Data

The American Community Survey includes an estimate of the age of the housing stock. This information was from sampling through the year 2019.

For all rental housing in the City, the estimated median gross rent was \$880 per month in 2019.

For owner-occupancy houses, the estimated median value was \$148,100 in 2019. However, this estimate was probably low when compared to home sales values in the City, as will be discussed on the following pages.

Existing Home Sales

This section examines houses that have been sold from 2015 to 2021 in North Sioux City. The information was obtained from the South Dakota Department of Revenue, but reflects information assembled by the Union County Equalization Office.

The County 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 information for sales primarily reflects existing homes that have an established tax value. New construction sales activity would generally not be recorded in the data that was used for this analysis, unless the house had been constructed some time ago and did have an established tax value from the prior year.

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

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

Table 19 North Sioux City Residential Sales Activity - 2015 to 2021

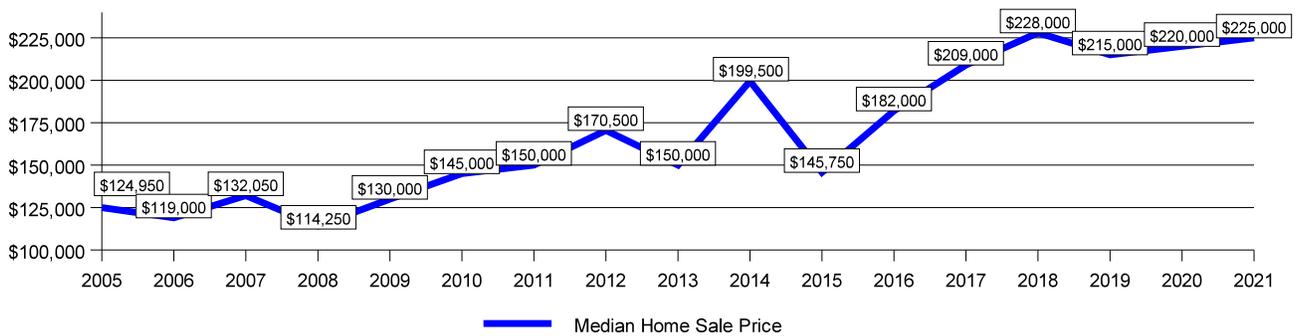
Sales Year	Number of Sales	Median Sale Price	Highest Sale	Lowest Sale
2021	26	\$225,000	\$420,000	\$33,500
2020	23	\$220,000	\$675,000	\$52,500
2019	39	\$215,000	\$475,000	\$55,000
2018	33	\$228,000	\$669,000	\$111,000
2017	31	\$209,000	\$530,000	\$78,000
2016	27	\$182,000	\$680,000	\$39,500
2015	28	\$145,750	\$455,000	\$21,000

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

In 2021, the median sale price in North Sioux City was \$225,000, up from \$220,000 in 2020. There were 26 open market sales in 2021 and 23 good sales in 2020.

The highest recent annual median price had been achieved in 2018, at \$228,000. Although the median price was slightly lower in 2021, at \$225,000, it was the second highest of the years reviewed. In each of the past four years the median sale has been \$215,000 or higher.

Median Home Sale Price: 2005 to 2020



Using sales information contained in the 2015 Housing Study, it is possible to examine longer-term sales patterns for the City, dating back to 2005.

As evident in the chart above, there has been annual up and down movement in the median sale price from year to year. However, over the past 16 years the median home sale price in North Sioux City has generally been on an upward trend. Since 2017, the annual median has been above \$200,000.

Although some lower valued home sales may occur, the number of these sales has been limited. Since 2017, only one open market sale has been recorded for less than \$50,000.

Higher valued sales have been recorded annually. Since 2015, at least one sale has been recorded annually for \$420,000 or more.

The Census Bureau’s annual American Community Survey also includes an estimate of the median value for owner-occupancy houses. In 2019, the estimated median value in North Sioux City was \$148,100, well below the median sale price of \$215,000 for that year.

Home Sales by Price Range

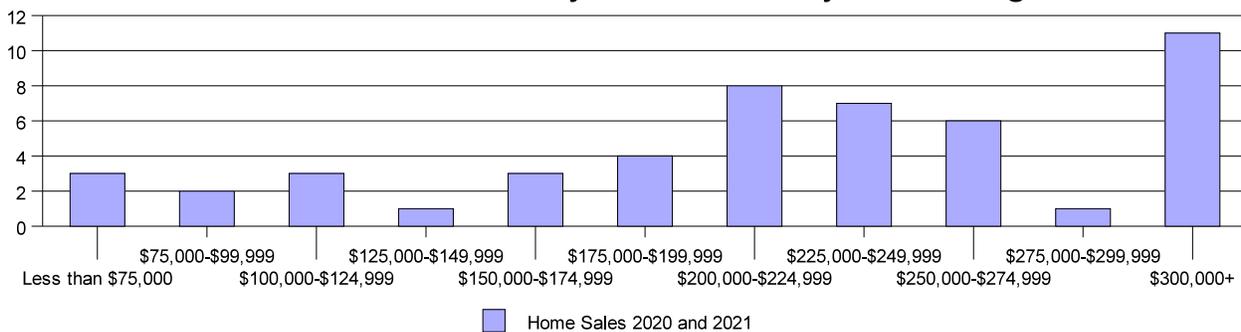
The following table looks at single family houses that sold within defined price ranges in a 24-month period, starting in November 2019 and ending in October 2021. A 24-month period has been used due to the limited number of sales that have occurred within a single sales year.

Table 20 North Sioux City 24-Month Home Sales by Price Range		
Sale Price	Number of Sales	Percent of Sales
Less than \$75,000	3	6.1%
\$75,000 - \$99,999	2	4.1%
\$100,000 - \$124,999	3	6.1%
\$125,000 - \$149,999	1	2.0%
\$150,000 - \$174,999	3	6.1%
\$175,000 - \$199,999	4	8.2%
\$200,000 - \$224,999	8	16.3%
\$225,000-\$249,999	7	14.3%
\$250,000-\$274,999	6	12.2%
\$275,000-\$299,999	1	2.0%
\$300,000+	11	22.4%
Total	49	100%

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

* 24-month period from Nov. 1, 2019 to Oct. 31, 2021

Recent North Sioux City Home Sales by Price Range



Although recent home sales in North Sioux City have been widely distributed in different price ranges, most sales have been within the moderate to higher ranges. Over the 24-month period reviewed, fewer than 19% of the sales were for less than \$150,000. More than 67% of the sales were for \$200,000 or more.

North Sioux City Housing Condition

The 2022 Update did not include a new housing condition survey. However, a visual 'windshield' survey was completed in 2015 of 149 single family/duplex houses in three of North Sioux City's oldest neighborhoods.

The boundaries of the three neighborhoods were as follows:

- ▶ Neighborhood #1: North - Verna Street
South - North Main Street
East - North Main Street
West - Military Road
- ▶ Neighborhood #2: North - River Drive
South - Campbell Street, Riverside Lane
East - Parkside Avenue
West - Marie Avenue
- ▶ Neighborhood #3: North - Rose Street
South - River Drive
East - Military Road
West - Victor Avenue

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

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

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

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

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

Table 21 Windshield Survey Condition Estimate - 2015					
	Sound	Minor Repair	Major Repair	Dilapidated	Total
Neighborhood #1	8/25.0%	12/37.5%	10/31.3%	2/6.2%	32
Neighborhood #2	17/37.8%	15/33.3%	12/26.7%	1/2.2%	45
Neighborhood #3	21/29.2%	31/43.1%	16/22.2%	4/5.5%	72
Total	46/30.9%	58/38.9%	38/25.5%	7/4.7%	149

Source: Community Partners Research, Inc.

- ▶ In 2015, approximately 39% of the houses in the City’s three oldest neighborhoods needed minor repair and 26% needed major repair.
- ▶ Approximately 31% were sound in 2015, with no required improvements. Seven houses were dilapidated and possibly beyond repair.

North Sioux City Mobile Home Housing Condition

The 2022 Update did not include a new housing condition survey of mobile homes. However, a visual ‘windshield’ survey was completed in 2015 that viewed and rated 174 mobile homes located in North Sioux City’s three mobile home parks.

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

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

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

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

Sound mobile homes are judged to be in good, ‘move-in’ condition. Mobile homes may contain minor code violations and still be considered Sound.

Table 22 Windshield Survey Condition Estimate - 2015					
	Sound	Minor Repair	Major Repair	Dilapidated	Total
Cottonwood Estates	16/33.3%	13/27.1%	13/27.1%	6/12.5%	48
McCook Lake Village	0/0%	4/16.0%	11/44.0%	10/40.0%	25
McCook Mobile Estates	64/63.3%	23/22.8%	12/11.9%	2/2.0%	101
Total	80/46.0%	40/23.0%	36/20.7%	18/10.3%	174

Source: Community Partners Research, Inc.

- ▶ In 2015, the mobile home parks in North Sioux City ranged from poor to good condition. Approximately 23% of the mobile homes in the three parks needed minor repair and 21% needed major repair.
- ▶ Approximately 46% were sound, with no required improvements.
- ▶ Eighteen mobile homes were dilapidated and possibly beyond repair in 2015.

Net Household Growth in the Sioux City MSA

Over the last few decades, the Sioux City MSA has continued to grow, although at a modest pace. Growth has been distributed between the various cities and counties that form the MSA. The following table examines this growth in numeric and percentage terms. The larger cities have been identified, as well as the remainder of the counties, after the larger cities are removed.

Table 23 Household Growth by Jurisdiction: 2010 to 2020			
City	2010 Census	2020 Census	Change Numeric/Percentage
Sioux City, IA	31,571	32,170	599 / 1.9%
North Sioux City, SD	1,073	1,396	323 / 30.1%
South Sioux City, NE	4,512	4,709	197 / 4.4%
Sergeant Bluff, IA	1,464	1,731	267 / 18.2%
Woodbury County, IA (-Sioux City, Sergeant Bluff)	6,017	6,003	-14 / -0.2%
Union County, SD (-North Sioux City)	4,683	5,426	743 / 15.9%
Dakota/Dixon Co. NE (-South Sioux City)	5,076	4,897	-179 / -3.5%
MSA	54,396	56,332	1,936 / 3.6%

Source: US Census

- ▶ Between 2010 and 2020, the entire MSA added 1,936 households, for an increase of 3.6%.
- ▶ In numeric terms, Sioux City accounted for the largest household increase of the primary cities in the MSA, adding 599 households between 2010 and 2020. However, in percentage terms, this represented growth of less than 2%.
- ▶ In percentage terms, North Sioux City showed the greatest growth over the prior decade, adding 323 households for an increase of more than 30%.
- ▶ Sergeant Bluff, IA, had a household increase of more than 18% over the decade, while South Sioux City, NE, had an increase of 4.4%.

- ▶ The remainder of each county in the MSA can also be examined, after the removal of the individual cities listed above.
- ▶ If Sioux City and Sergeant Bluff are removed, the remainder of Woodbury County, IA, had a small net decrease in households between 2010 and 2020.
- ▶ Union County, SD, after removing the impact of North Sioux City, added 743 households between 2010 and 2020. While a number of jurisdictions accounted for the growth in the remainder of Union County, Big Sioux Township represented most of the increase in households. Between 2010 and 2020, Big Sioux Township added 565 households. Big Sioux Township includes the area known as Dakota Dunes.
- ▶ Dakota and Dixon Counties, NE, also had a minor decrease in total households, if South Sioux City is removed.

MSA Housing Unit Construction Activity: 2010 to 2020

The U.S. Census Bureau collects building permit issuance information from individual cities, towns and townships. Annual housing construction summary information is available for the combined jurisdictions that form the Sioux City MSA. In 2022, this represents a four-county area of Woodbury County, IA, Union County, SD, Dakota County, NE, and Dixon County, NE. However, earlier in the last decade the MSA also included Plymouth County, IA.

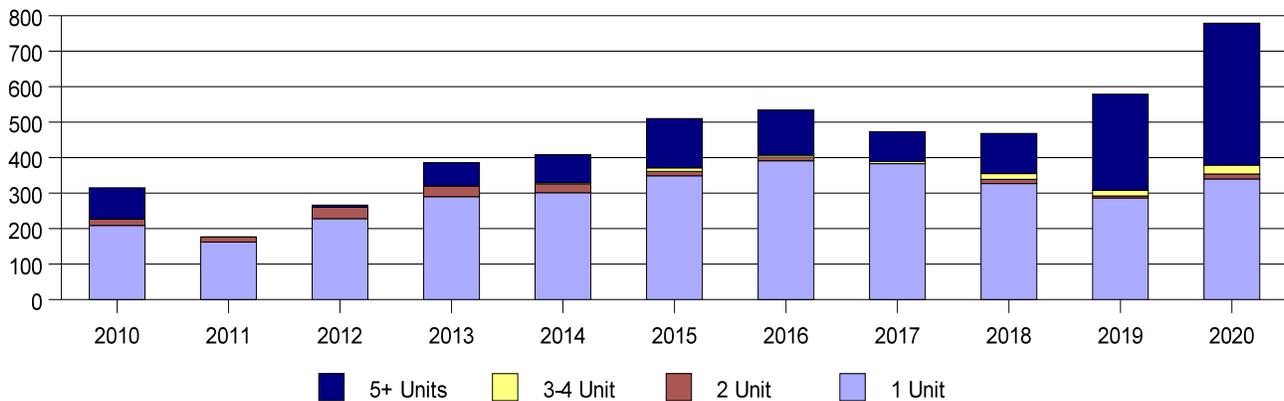
It is important to note that the Census Bureau's annual totals may differ from other information in this Housing Study, which may be collected directly from individual jurisdictions. However, the Census Bureau reports do provide some perspective on housing construction within the larger MSA. Census Bureau annual totals for North Sioux City are also provided for comparison.

At the time of the research for this Update, only preliminary reporting was available for the MSA for 2021, and the following table only tracks reporting from 2010 to 2020.

Table 24 North Sioux City and MSA Housing Unit Construction Activity - 2010 to 2020										
Year	North Sioux City					Sioux City MSA				
	Single Family	Two Family	3 to 4 Family	Multifamily	Total	Single Family	Two Family	3 to 4 Family	Multifamily	Total
2020	18	0	0	0	18	340	14	25	400	779
2019	20	0	0	0	20	286	6	16	271	579
2018	16	0	0	7	23	327	12	16	113	468
2017	24	0	0	0	24	383	0	6	84	473
2016	30	0	0	7	37	391	10	6	127	534
2015	11	12	0	0	23	349	12	10	139	510
2014	8	0	4	79	91	301	24	4	79	408
2013	6	0	0	65	71	290	30	0	65	385
2012	6	0	0	6	12	228	32	0	6	266
2011	6	0	0	0	6	162	14	0	0	176
2010	4	2	0	40	46	209	18	0	88	315
Total	149	14	4	204	371	3,266	172	83	1,372	4,893

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

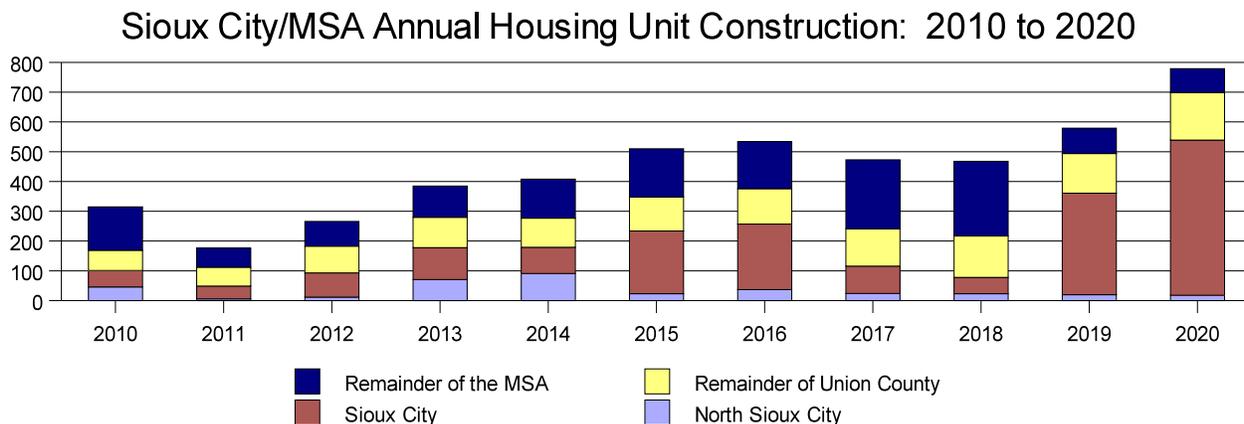
MSA Annual Housing Unit Construction: 2010 to 2020



- ▶ According to Census Bureau reports, the year 2020 represented the highest year for new housing unit production in the MSA over the 11-year period reviewed. In 2020, 779 total housing units were permitted. In each of the other years since 2010, fewer than 600 units were permitted.
- ▶ The above-average construction activity in 2020 was generated by permitting in Sioux City. In that year, Sioux City reported permits for 521 total units, or nearly 67% of the MSA total.
- ▶ Much of the permitting in 2020 was in multifamily projects with five or more units per structure. It is possible that these larger-scale projects had been planned and/or initiated prior to the start of the global pandemic in 2020.
- ▶ As evident in the chart above, the trend has been for an increasing level of annual unit production in the MSA. In 2015, the annual unit total exceeded 500 units for the first time in the decade. In four of the last six years, the annual production was then above 500 new units per year.
- ▶ In most of the years reviewed, single family housing construction was the largest contributor to the annual permitted total. However, in both 2019 and 2020, multifamily unit construction in structures containing five or more units, was above-average, and represented a large share of permitted units.
- ▶ Units in two, three or four unit structures typically represent only a small share of annual construction.

Location of MSA Construction

Using the Census Bureau’s annual reports, it is possible to better understand the location of recent housing permitting. It is important to note that there are a large number of individual jurisdictions within the 4-County MSA, and only select locations were reviewed, including Sioux City, North Sioux City and Union County (excluding North Sioux City).



- ▶ As the primary city within the MSA, Sioux City often has the largest number of units permitted of any single jurisdiction. However, in most of the years reviewed, Sioux City represented less than half of all units within the MSA.
- ▶ In both 2019 and 2020, Sioux City did have above-average unit permitting. These two years represented the highest years for unit construction in the entire MSA. In both years, Sioux City did represent more than 50% of all permitted units.
- ▶ For North Sioux City, 2014 and 2013 represented the highest years of unit production, and represented the City’s largest share of the MSA total. In both 2013 and 2014, North Sioux City had some large multifamily rental projects constructed, causing the above-average unit total.
- ▶ While North Sioux City has often represented only a small percentage of the MSA annual total, the remainder of Union County, outside of North Sioux City, has accounted for a relatively large share of the MSA total.
- ▶ Between 2015 and 2020, North Sioux City’s unit production represented 4.3% of the MSA’s 5-year construction total. Union County, including North Sioux City, has represented 28.2% of the MSA’s 5-year total.

Rental Housing Data

Census Bureau Rental Inventory

The 2020 Census data on housing occupancy tenure patterns have not yet been released. As a result, the last benchmark for tenure distribution is from the 2010 Census. At that time there were 387 occupied rental units and 35 unoccupied rental units in North Sioux City, for a total estimated rental inventory of 422 units. The City's rental tenure rate in 2010 was 36.1%, significantly above the Statewide rental rate of 31.9%.

The American Community Survey did contain an estimate of rental housing units in 2019. At that time, there were an estimated 685 occupied rental housing units in North Sioux City and 43 vacant units, for a total inventory of 728 rental units. The rental tenure rate was 51.1% based on occupied units in the City.

If the American Community Survey estimates in 2019 were accurate, North Sioux City experienced a significant tenure shift between 2010 and 2019. Based on the numbers, the City added more than 300 total rental units during this time, and nearly 300 renter-occupancy households. As a result, the City's rental tenure rate moved above 50% by 2019.

While it is possible that the American Community Survey over estimated the growth in rental housing units, the City did see a significant amount of rental unit construction after 2010, as will be discussed below.

Estimated Rental Inventory - 2015 Housing Study

The 2015 Study had tracked approximately 192 rental units that were constructed in North Sioux City between 2010 and 2014, including:

- ▶ River Valley Apartments Phase I - 65 units
- ▶ River Valley Apartments Phase II - 65 units
- ▶ North Lake Apartments - 40 units
- ▶ Gatewood Estates Phase II - 14 units
- ▶ Magnum Residences (two buildings) - 8 units

These numbers may differ slightly from the building permit totals presented previously.

With the units constructed from 2010 to 2014, it was estimated that there were 614 rental units in North Sioux City in 2015.

Estimated Rental Inventory in 2022

From 2016 to 2021, Five Sons Apartments (Magnum Residences) added 14 units. Also, Northport Apartments with 21 units was destroyed in a fire. Therefore, it is estimated that in 2022 there are approximately 607 rental units in North Sioux City.

Based on known changes in the City's rental stock, the estimated inventory of 607 units is smaller than the estimate of 728 units in the American Community Survey. Although some level of tenure conversion may also have occurred, with owner-occupancy units changing to rental use, it would appear that the American Community Survey estimate was too high for rental housing in 2019.

Later in 2022, the detailed housing tables from the 2020 Census will be released, providing more accurate information on housing occupancy patterns.

Census Bureau Rental Inventory - Sioux City MSA

North Sioux City is part of the Sioux City Metropolitan Statistical Area (MSA), with the City of Sioux City having the large majority of the region's rental units. According to the 2019 American Community Survey, there were 18,213 occupied rental units and 1,396 unoccupied units in the MSA. The total rental inventory for the MSA was estimated at 19,609 units in 2019.

North Sioux City's Share of Rental Housing in the MSA

When compared to the totals for the Sioux City MSA, North Sioux City represents approximately 3.7% of all rental housing units in the entire MSA according to American Community Survey data. North Sioux City has approximately 3.8% of all renter households.

Pending Rental Projects

The only rental project pending in North Sioux City is the rebuilding of the 21-unit Northport senior project. Northport Apartments was recently destroyed in a fire and will be rebuilt.

Rental Housing Survey

As part of this housing study, a telephone survey was conducted of multifamily projects in North Sioux City. Emphasis was placed on contacting properties that have 10 or more units. For the purposes of planning additional projects in the future, multifamily properties represent the best comparison of market potential.

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

There were 569 rental units of all types in North Sioux City that were contacted in the survey. In addition to the 569 rental units, the skilled nursing home in Elk Point and assisted living projects in Elk Point and Dakota Dunes were also surveyed.

The units that were successfully contacted include:

- ▶ 403 market rate units
- ▶ 61 federally subsidized units
- ▶ 40 tax credit units
- ▶ 65 senior assisted living units
- ▶ 37 beds in the nursing home

The findings of the survey are provided below.

Market Rate Summary

Information was obtained on 403 market rate rental units in eight rental projects. Seven of the projects, with 383 units, are general occupancy, and one market rate project, New Horizons, is a senior-designated project (55 and older) with 20 units.

Unit Mix

We obtained the bedroom mix on the 403 market rate units. The bedroom mix of the units is:

- ▶ studio - 1 (0.3%)
- ▶ one-bedroom - 180 (44.6%)
- ▶ two-bedroom - 187 (46.4%)
- ▶ three-bedroom - 35 (8.7%)

Occupancy / Vacancy

At the time of the survey, there were six vacancies in the 403 market rate units that were surveyed. This is a vacancy rate of 1.5%.

All of the rental managers and rental property owners reported very high occupancy rates, a high demand for market rate rental units, and that vacancies are filled quickly.

Rental Rates

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

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

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

<u>Unit Type</u>	<u>Lowest/Highest Gross Rents</u>
One-bedroom	\$700-\$1,225
Two-bedroom	\$850-\$1,550
Three-bedroom	\$1,100-\$1,900

Tax Credit Summary

North Sioux City has one general occupancy rental project, North Lake Apartments, that was constructed with assistance from the low income tax credit program.

North Lake Apartments was constructed in 2011 and includes 32 three-bedroom units and eight four-bedroom units for a total of 40 units. Tenant households must have an income of 60% or less of the area median income.

Rents range from \$780 to \$852 for three-bedroom units, and from \$802 to \$890 for four-bedroom units. Tenants also pay gas and electricity.

The manager reported 10 vacant units at the time of the survey. However, North Lake Apartments has new management and the number of vacancies is expected to decrease.

Gatewood Estates Phase I, with 59 units, was also a tax credit project, but converted to a market rate project.

Northport Apartments was a 21-unit Senior HUD 202 project. The project was recently destroyed by a fire. Northport Apartments will be rebuilt utilizing the low income tax credit program. The new project will include 21 senior rental units.

Subsidized Summary

The research completed for this Study identified two subsidized projects providing rental opportunities for lower income households. These projects have a combined 61 units. One project with 40 units offers family rental housing, and one project with total 21 units is senior rental housing.

There was an additional subsidized 21-unit senior project, Northport Apartments, at the time of the 2015 North Sioux City Housing Study. However, Northport Apartments was recently destroyed in a fire. The project will be rebuilt utilizing the low income tax credit program.

The two subsidized rental projects in North Sioux City include:

- ▶ **McCook Apartments** - McCook Apartments is a 40-unit USDA Rural Development family project. The 40 units all are two-bedroom. The project was constructed in 1975.
- ▶ **Prairie Lake Apartments** - Prairie Lake Apartments is a 21-unit senior HUD 202 project constructed in 2009. Twenty of the units have one-bedroom and one unit has two bedrooms. Tenants must be age 62 or older.

The City's subsidized units charge rent based on 30% of the tenant's household income up to a maximum rent.

Unit Mix

The bedroom mix breakdown for the 61 subsidized housing units in North Sioux City is as follows:

- ▶ 20 one-bedroom (32.8%)
- ▶ 41 two-bedroom (67.2%)
- ▶ 0 three-bedroom (0%)

Occupancy / Vacancy

No vacancies were identified in the subsidized projects at the time of the survey. The managers report that the units have very high annual occupancy rates.

Subsidized Housing Gains/Losses

Federal subsidy sources for low income rental housing have been very limited for the past few decades. Many subsidized projects in South Dakota were constructed in the 1960s, 1970s and 1980s. Some of these older projects have completed their compliance requirements and have the opportunity to leave their subsidy program and convert to conventional rental housing.

At this time, we are not aware of any projects that have recently left or are planning to leave the subsidy program and convert to market rate. As stated previously, one moderate rent tax credit project did convert to conventional market rate housing several years ago. Also, a 21-unit Senior HUD 202 project was destroyed by a fire.

Senior Housing with Services

Unit Inventory

There are no senior with services projects in North Sioux City. However, Elk Point has two senior with services projects and Dakota Dunes has one project. These projects are in close proximity to North Sioux City. These projects include:

- ▶ **Prairie Estates Care Center** - Prairie Estates Care Center is located in Elk Point and includes 34 skilled nursing beds. The facility was constructed in the 1960s.
- ▶ **Wel-Life Assisted Living** - Wel-Life Assisted Living is located in Elk Point and includes 36 units. The project is approximately 15 years old. The 36 units include one-bedroom and studio units. The facility provides the full array of assisted living services including meals, housekeeping, medication management, assistance with personal care, etc.
- ▶ **StoneyBrook Suites Assisted Living** - Stoney Brook Suites Assisted Living is a 26-unit assisted living facility located in Dakota Dunes. The 26 units include studio, one-bedroom and two-bedroom options. The facility is approximately 12 years old. The facility provides the full array of assisted living services including meals, laundry, 24-hour staffing, housekeeping, medication management, bathing, etc.

There are also senior with services projects in Sioux City, which we did not inventory.

Occupancy / Vacancy

At the time of the survey, all three facilities reported that they had vacant units or beds.

Table 25 North Sioux City Multifamily Rental Housing Inventory

Name	Number of Units /Bedroom Mix	Rent	Vacancy/ Wait List	Tenant Mix	Comments
Market Rate					
Gatewood Estates Phase I	1 - studio 42 - 2 bedroom <u>16 - 3 bedroom</u> 59 total units	Minimum rent: \$625 \$1,000 \$1,137	No vacancies	General occupancy	Gatewood Estates Phase I is a 59-unit market rate project. Gatewood Estates was a tax credit project. Gatewood Estates was a tax credit project, but converted to market rate. The project is approximately 23 years old. Tenants pay gas, water, sewer and electricity in addition to rent. Also, tenants pay \$65 for a garage. The complex includes a fitness center, pool, playground, etc. There are a variety of floor plans. The manager reports no vacancies at the time of the survey.
Gatewood Estates Phase II	6 - 1 bedroom <u>8 - 3 bedroom</u> 14 total units	Minimum rent: \$966 \$1,600	No vacancies	General occupancy	Gatewood Estates Phase II is a 14-unit market rate project. The project includes six one-bedroom and eight three-bedroom units. Rent starts at \$966 for a one-bedroom unit and \$1,600 for a two-bedroom unit. Tenants also pay heat, electricity, water and sewer. The manager reports no vacancies at the time of the survey.
Five Son's Apartments (formerly Magnum Residences)	14 - 1 bedroom 14 - 2 bedroom <u>6 - 3 bedroom</u> 34 total units	\$800 \$850- \$1,000 \$1,000- \$1,300	Two vacancies	General occupancy	Five Son's Apartments is a 34-unit market rate general occupancy project. The 34 units include 14 one-bedroom, 14 two-bedroom and six three-bedroom units. Rent ranges from \$800 to \$1,300. Tenants in the two and three-bedroom units pay all utilities and the tenants in the one-bedroom units pay some of the utilities. The manager reported two vacancies at the time of the survey, however, the units are usually fully occupied.
Prairie Apartments	2 - 1 bedroom 25 - 2 bedroom <u>1 - 3 bedroom</u> 28 total units	\$500 \$700-\$825 \$850	No vacancies	General occupancy	Prairie Apartments include 28 units. There are two one-bedroom, 25 two-bedroom and one three-bedroom units. Rents range from \$500 to \$850. Tenants also pay heat and electricity and some of the tenants pay water and sewer. The owner reports no vacancies at the time of the survey.

Table 25 North Sioux City Multifamily Rental Housing Inventory

Name	Number of Units /Bedroom Mix	Rent	Vacancy/ Wait List	Tenant Mix	Comments
Market Rate					
Prairiewood Townhomes	56 - 1 bedroom 58 - 2 bedroom <u>4 - 3 bedroom</u> 118 total units	Minimum rent: \$1,000 \$1,300 \$1,600	3 vacancies	General occupancy	Prairiewood Townhomes is a 118-unit market rate project constructed in 2008 and 2009. The project includes 56 one-bedroom, 58 two-bedroom and four three-bedroom units. There are a variety of floor plans. Most of the units have garages. The complex includes a fitness center, pool, playground, etc. Tenants pay heat, electricity, water and sewer in addition to rent. The manager reported three vacancies at the time of the survey.
River Valley Apartments Phase I	52 - 1 bedroom <u>13 - 2 bedroom</u> 65 total units	\$750 \$900	1 vacancy	General occupancy	River Valley Phase I is a 65-unit general occupancy project constructed in 2014. There are 52 one-bedroom and 13 two-bedroom units. The facility includes a pool and workout facility. Tenants pay heat and electricity. Garages are an additional \$50. The manager reported one vacancy at the time of the survey.
River Valley Apartments Phase II	40 - 1 bedroom <u>25 - 2 bedroom</u> 65 total units	\$825 \$995	Starting the lease-up phase	General occupancy	River Valley Phase II is a 65-unit general occupancy market rate project. There are 40 one-bedroom and 25 two-bedroom units. Tenants pay heat and electricity in addition to rent. Garages are an additional \$50. The project has a pool and workout facility that can be used by Phase I and II tenants. The manager reported no vacancies at the time of the survey.
New Horizons Apartments	10 - 1 bedroom <u>10 - 2 bedroom</u> 20 total units	\$573 \$662	No vacancies with a waiting list	55 & older	New Horizons is a 20-unit market rate senior rental project that was owned by the North Sioux City Housing and Redevelopment Commission, but has been sold to Lutheran Social Services. The project was constructed in 1998. Tenants have to be 55 or older to rent a unit. There are 10 one-bedroom and 10 two-bedroom units. Rent is \$573 for a one-bedroom unit and \$662 for a two-bedroom unit. Tenants also pay heat and electricity. The manager reports no vacancies and a waiting list. Garages are \$40 for a detached and \$50 for an attached garage.

Table 25 North Sioux City Multifamily Rental Housing Inventory

Name	Number of Units /Bedroom Mix	Rent	Vacancy/ Wait List	Tenant Mix	Comments
Tax Credit					
North Lake Apartments	32 - 3 bedroom <u>8 - 4 bedroom</u> 40 total units	\$780-\$852 \$802-\$890	10 vacant units	General occupancy with all tenants at or below 60% of median	North Lake Apartments is a 40-unit tax credit family project constructed in 2011. There are 32 three-bedroom and eight four-bedroom units. Tenants must have incomes under the program's income limits. Rent ranges from \$780 to \$8529 for a three-bedroom and \$802-\$890 for four-bedroom units. Tenants also pay gas and electricity. Manager reported 10 vacant units on the date of the survey.
Subsidized					
McCook Apartments	<u>40 - 2 bedroom</u> 40 total units	\$450 max. 30% of income	1 vacancy	General occupancy	McCook Apartments is a family Rural Development project constructed in approximately 1975. Tenants pay 30% of income up to a market rent of \$450. Currently, several tenants pay the maximum rent. The manager reports one vacancy, however, the manager reported a high ongoing occupancy rate.
Northport Apartments	21 units will be constructed	To be determined	N/A	Senior occupancy	Northport Apartments is a 21-unit senior HUD 202 senior rental project. The project was destroyed by a fire. The project will be replaced with a senior tax credit project. The new project will also include 21 units and will be owned by Lutheran Social Services.
Prairie Lake Apartments	21 - 1 bedroom <u>1 -2 bedroom</u> 21 total units	\$621 max. 30% of income	No vacancies	Senior occupancy	Prairie Lake Apartments is a 21-unit senior HUD 202 project. The project is owned by Lutheran Social Services and was constructed in 2009. Twenty units are one-bedroom and one unit is a two-bedroom designated for the caretaker. Tenants must be below income limits and age 62 or older. Tenants pay 30% of their income up to a maximum rent of \$621. The manager reports no vacancies and a high occupancy rate.

Table 25 North Sioux City Multifamily Rental Housing Inventory

Name	Number of Units /Bedroom Mix	Rent	Vacancy/ Wait List	Tenant Mix	Comments
Senior with Services					
StoneyBrook Suites Assisted Living - Dakota Dunes	26 units - studio, one & bedroom units	Based on level of services	Several vacant units	Assisted Living Center	StoneyBrook Suites Assisted Living is a 26-unit facility located in Dakota Dunes. The 26 units include studio, one-bedroom and two-bedroom units. The facility provides the full array of assisted living services. The staff reports that there are vacant units in the facility.
Wel-Life Assisted Living Elk Point	36 units - 1 bedroom, studio deluxe & studio	Based on level of services	Several vacant units	Assisted Living Center	Welcor Assisted Living is a 36-unit assisted living facility that includes one-bedroom, studio deluxe and studio units. The facility is located in Elk Point. The facility provides the full array of assisted living units including meals, housekeeping, medication management, assistance with personal care, activities, etc. At the time of the survey, there were several vacant units.
Prairie Estates Care Center Elk Point	licensed for 34 skilled nursing beds	Based on level of services	Several ongoing vacancies	Skilled nursing home	Prairie Estates Care Center is a 34-bed skilled nursing home in Elk Point constructed in the 1960s. The facility is located in Elk Point. There are typically several vacant beds in the facility.

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 afford housing is severely limited.

North Sioux City is part of the Sioux City MSA and much of the household growth that has occurred in North Sioux City in the past decades was the direct result of job opportunities that were available in the region. 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. The table presents information based on place of residence, not by the location of employment.

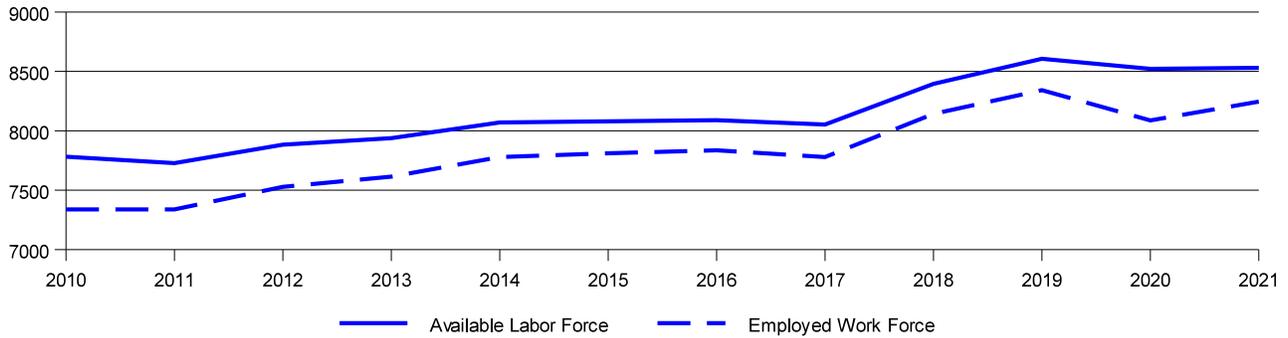
Year	Labor Force	Employed	Unemployed	Unemployment Rate - County	Unemployment Rate - SD	Unemployment Rate - US
2010	7,782	7,338	444	5.7%	5.0%	9.6%
2011	7,728	7,338	390	5.0%	4.6%	8.9%
2012	7,883	7,528	355	4.5%	4.1%	8.1%
2013	7,938	7,614	324	4.1%	3.7%	7.4%
2014	8,070	7,779	291	3.6%	3.3%	6.2%
2015	8,080	7,811	269	3.3%	3.0%	5.3%
2016	8,090	7,836	254	3.1%	3.0%	4.9%
2017	8,053	7,779	274	3.4%	3.1%	4.4%
2018	8,395	8,143	252	3.0%	2.9%	3.9%
2019	8,607	8,342	265	3.1%	3.0%	3.7%
2020	8,522	8,088	434	5.1%	4.6%	8.1%
2021*	8,530	8,246	284	3.3%	2.8%	5.3%

Source: South Dakota Department of Labor
 *2021 is through November

Although Union County had experienced some year-to-year fluctuation in the available labor force, in the pre-pandemic years the labor force had generally been growing. If 2019 is compared to 2010, the County’s labor force had increased by 825 people, or 10.6%.

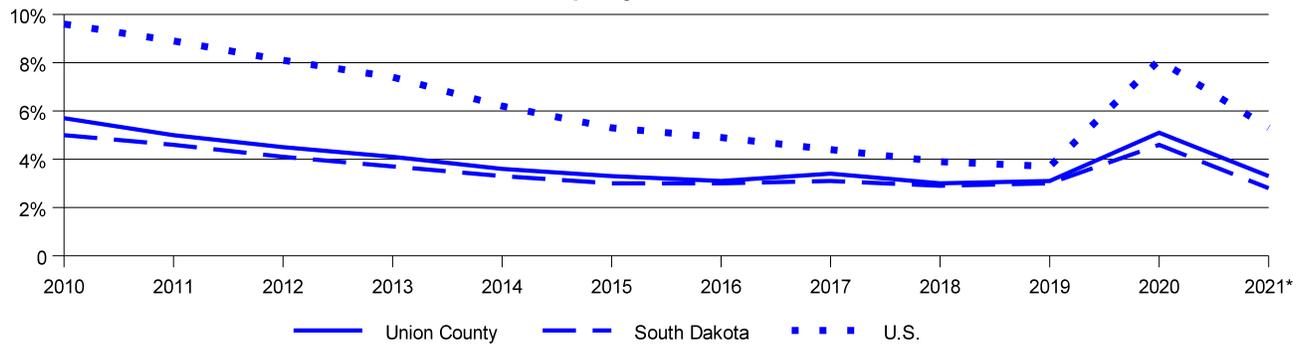
The City’s labor force then decreased slightly between 2019 and 2020, presumably due to the global pandemic. The labor force then remained largely stable between 2020 and 2021, although the figures are preliminary for 2021, and may be revised when all 12 months become available.

Union County Labor Force and Employed Work Force



The work force has generally followed a similar pattern, with an increase of 1,004 employed County residents, for an increase of 13.7% between 2010 and 2019. The County’s employed work force then decreased between 2019 and 2020, before recovering some of this loss between 2020 and 2021. Throughout the entire time period reviewed, the unemployment rate in Union

Unemployment Rates



County has stayed well below the national rate. However, the County’s unemployment rate has often been slightly above the Statewide rate.

The Covid pandemic in 2020 did cause a spike in the County’s unemployment rate, but through the first 11 months of 2021, the rate had dropped again to only 3.3% in Union County.

Average Annual Wages by Industry Sector

The following table shows the annual employment and average annual wages by major employment sector in 2020, the last full year of data. It is important to note that the major employment sectors listed do not represent all employment in Union County.

Table 27 Union County Average Annual Wages by Industry Detail: 2020		
Industry	Employment	Average Weekly Wage
Total All Industry	9,457	\$1,175
Natural Resources, Mining	128	\$843
Construction	353	\$1,129
Manufacturing	1,895	\$979
Trade, Transportation, Utilities	1,200	\$1,139
Information	53	\$1,364
Financial Activities	994	\$1,182
Professional and Business Services	1,833	\$1,941
Education and Health Services	1,262	\$1,289
Leisure and Hospitality	769	\$334
Other Services	156	\$676

Source: South Dakota Department of Labor

The average weekly wage for all industry in 2020 was \$1,175. At full-time employment, this would yield an annual wage of approximately \$61,100.

The highest paying private wage sector was Professional and Business Services, which was also the second largest industry sector for total employment. The approximate annual wage in this sector was above \$100,000.

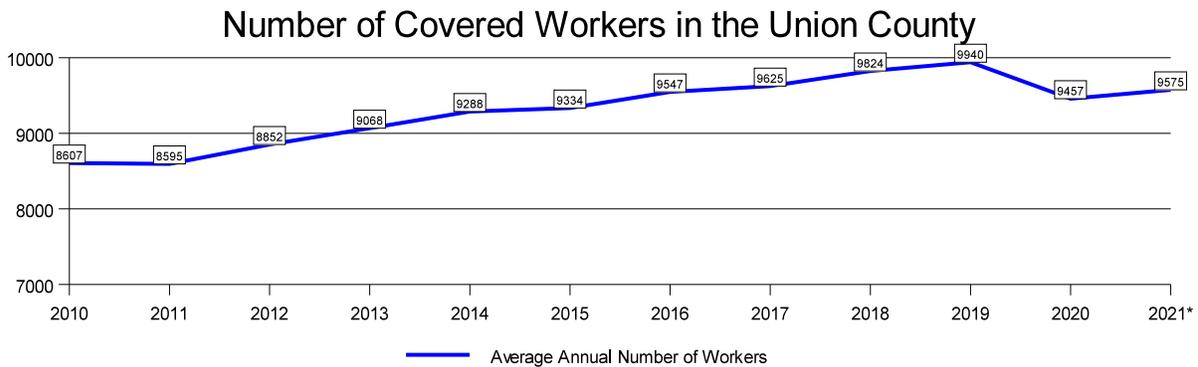
The lowest paying wage sector was Leisure and Hospitality, with an average annual wage of approximately \$17,400 at full-time employment.

Annual Covered Employment

Since the Quarterly Census of Covered Workers (QCEW) tracks employees covered by unemployment insurance by location of the worker, 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 back to the year 2010.

Table 28 Union County Average Annual Employment			
Year	Total Covered Employment	Year	Total Covered Employment
2010	8,607	2016	9,547
2011	8,595	2017	9,625
2012	8,852	2018	9,824
2013	9,068	2019	9,940
2014	9,288	2020	9,457
2015	9,334	2021*	9,575

Source: QCEW - SD Department of Labor
2021 is through June



Prior to the Covid pandemic in 2020, there had been a gradual but consistent increase in the number of covered workers employed in Union County. If 2019 is compared to the year 2010, there was an increase of 1,333 reported workers covered by unemployment insurance, or growth of 15.5%.

Between 2019 and 2020 there was some drop in employment, but partial-year information for 2021 may point to some recovery of lost jobs.

Commuting Patterns of Area Workers

Information is available on area workers that commute for employment. The best information is from the 2019 American Community Survey, and has been examined for North Sioux City. The first table examines City residents that traveled to work and excludes people that work at home.

Travel Time	Number	Percent
Less than 10 minutes	481	33.5%
10 to 19 minutes	370	25.8%
20 to 29 minutes	400	27.9%
30 minutes +	184	12.8%
Total	1,435	100%

Source: American Community Survey

The majority of North Sioux City residents were commuting 19 minutes or less to work in 2019. Overall, more than 59% of residents commuted less than 20 minutes for their primary employment. Nearly 28% of the City’s employed residents traveled between 20 and 29 minutes, and approximately 13% were commuting 30 minutes or more.

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

Travel Time	Number	Percent
Less than 10 minutes	499	19.4%
10 to 19 minutes	884	34.3%
20 to 29 minutes	590	22.9%
30 minutes +	603	23.4%
Total	2,576	100%

Source: American Community Survey

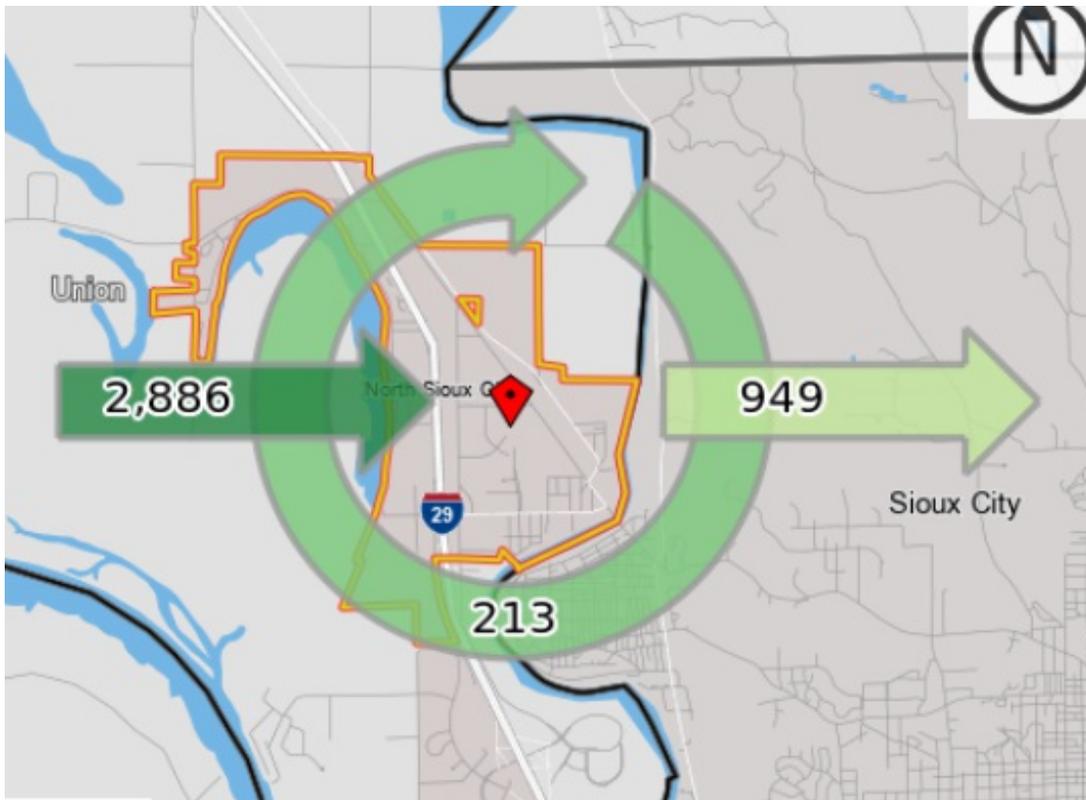
Most of the people that worked in North Sioux City lived within the immediate area, as approximately 54% traveled 19 minutes or less to the City, and nearly 77% traveled less than 30 minutes. However, more than 23% of city-based workers did commute 30 minutes or more to North Sioux City.

Census On the Map

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

According to the report for North Sioux City, there were 3,099 people that were employed within the City in 2019. Approximately 7% of these city-based employees also lived in North Sioux City. The remaining 2,886 employees lived outside the City and commuted in for their job. The primary identified locations supplying workers to the City were Sioux City, Big Sioux Township, South Sioux City and Jefferson Township.

On the Map can also be used to track worker outflow patterns from the City. Overall, there were 1,162 North Sioux City residents that were employed. There were 949 City residents that worked outside the community. The primary destinations for outbound commuters were Big Sioux Township, Sioux City, Sioux Falls and Elk Point.



Findings on Growth Trends

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

Based on the 2020 Census, North Sioux City added 512 residents between 2010 and 2020, for growth of more than 20%. The percentage growth rate for the past decade was greater than the percentages achieved in the 1990s or between 2000 and 2010.

The City also added 323 households between 2010 and 2020, for an annual average of approximately 32 households per year. Once again, this recent level of growth was greater than in the past, as the City averaged approximately 16 households per year between 2000 and 2010, and approximately 17 households per year in the 1990s.

Union County, one of the four counties that form the Sioux City Metropolitan Statistical Area (MSA), also has had a continued pattern of growth. Between 2010 and 2020, the County added more than 2,400 people and 1,066 households, as growth also occurred in portions of the County outside of North Sioux City.

For the entire Sioux City MSA, which includes counties in Iowa, South Dakota and Nebraska, there was strong population and household growth over the past decade. Between 2010 and 2020 the MSA added 6,363 people and 1,936 households. The numeric growth over the most recent decade was much greater than the MSA achieved between 2000 and 2010.

While the MSA did add a large number of people outside of Union County, much of the household growth since 2010 was directly attributable to the South Dakota portion of the MSA. Union County represented approximately 55% of the household growth as recorded by the 2020 Census.

Findings on Projected Growth

This Study has examined projections from established national sources, including both Applied Geographic Solutions (AGS) and Esri. Although these sources do expect continued growth of population and households, they are generally tracking a slower pace of growth going forward. In the opinion of the analysts, the forecasts from AGS and Esri generally represent an overly conservative expectation of the area's growth potential.

As a result, the analysts have calculated household projections based on the annualized growth rates that were present between 2010 and 2020, and then used these patterns to project probable growth to the year 2026.

The trend-based projection method anticipates that North Sioux City will have approximately 1,648 total households by 2026, or an annual average increase of 42 households per year going forward. In contrast, AGS and Esri are projecting average annual growth of only 22 to 27 households per year over the next five years.

The trend-based projection for the entire Sioux City MSA indicates that there will be approximately 57,535 total households by 2026, or an annual average increase of 200 households per year going forward. The projection from Esri expects average annual growth of approximately 147 households per year going forward.

The trend-based projection for Union County expects approximately 7,582 total households by 2026, or an annual average increase of 126 households per year. The Union County projection would include the expected increase within North Sioux City. The projection from AGS expects average annual growth of only 78 households per year over their 5-year projection period.

While it is very possible that even the trend-based projections may prove conservative, they do provide a better indicator of the area's future growth potential. In the recommendations that follow, the analysts have assumed that a higher level of future household growth is achievable, especially if adequate housing construction occurs to facilitate growth.

Summary of the Sioux City MSA Growth Projections by Age

The Demographic section of this Study presented projection information on anticipated changes by age group from 2021 to 2026. Future housing development projects in North Sioux City will attract households from the larger region, and age projection patterns for the entire MSA have been examined.

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

Despite these broad patterns, age-based projections do expect that some of the defined younger age groups will increase in size. Esri’s projections do expect an increase in the number of households age 35 to 44 years old, and relative stability among households age 24 and younger, and between 45 and 54 years old.

However, the senior age groups are expected to increase substantially in size, as by the year 2026 nearly all of the large baby boom generation will be age 65 or older. Especially strong growth is being projected from senior households age 75 and older.

These projections assume that historical patterns will continue into the near-future, especially related to household formation and household size within specific age groups. As a single jurisdiction within the MSA, actual growth patterns in North Sioux City may be different from the larger trends within the MSA. As stated previously, the analysts also view Esri’s projections for the MSA to be overly conservative for total household growth.

<u>Age Range</u>	<u>Projected Change in MSA Households</u>
	<u>2021 to 2026</u>
15 to 24	7
25 to 34	-579
35 to 44	480
45 to 54	-29
55 to 64	-879
65 to 74	644
75 and older	1,092
Total	736

Findings on Housing Unit Demand and Tenure

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

Demand from Growth - At a minimum, the household projections used for this Study expect North Sioux City to gain 210 households, Union County to gain 630 households and the Sioux City MSA to gain 1,187 households from 2021 to 2026. Household growth in North Sioux City, Union County and the Sioux City MSA will yield significant demand for new housing production in North Sioux City.

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 North Sioux City, 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 North Sioux City. We have included our estimates of pent-up demand into the specific recommendations that follow later in this section.

Recommendations, Strategies and Housing Market Opportunities

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

- ▶ **Be realistic in expectations for housing development** - The scale of activities proposed for the future should be comparable with the area's potential for growth.
- ▶ **Proactive community involvement** - New home and apartment construction will more likely occur in North Sioux City if there is continued proactive support from the City, local and regional housing and economic development agencies, the private sector, employers and the South Dakota Housing Development Authority.
- ▶ **Protect the existing housing stock** - The future of North Sioux City will be heavily 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. The existing housing stock is in good condition and is a major asset, however, rehabilitation efforts are needed to continue to preserve the housing stock.
- ▶ **Protect the existing assets and resources** - North Sioux City has many assets including a K-12 school, large employers, recreational opportunities, job opportunities, etc. These are strong assets that make North Sioux City 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 continue to prioritize its housing issues and establish goals and time lines to achieve success in addressing its housing needs.
- ▶ **Access all available resources for housing** - In addition to the local efforts, the City has other resources to draw on including the South Eastern Council of Governments, the South Eastern Development Foundation, the Rural Office of Community Services, Inc., USDA Rural Development, the South Dakota Housing Development Authority and Grow South Dakota. These resources should continue to be accessed as needed to assist with housing activities.

Strengths for Housing Development

The following strengths for the City of North Sioux City were identified through statistical data, local interviews, research and on-site review of the local housing stock and from the 2015 North Sioux City Comprehensive Housing Study.

- ▶ **Adequate land for development** - North Sioux City has adequate land available for both residential and commercial/industrial development.
- ▶ **Educational system** - North Sioux City has an excellent public K-12 school system and a new high school was constructed several years ago.
- ▶ **Infrastructure** - North Sioux City's water and sewer infrastructure can accommodate future expansion.
- ▶ **Median sales price of existing homes** - The median sales price of existing homes sold in North Sioux City based on 2021 sales data was \$225,000. This median sales price is high and will continue to promote new housing construction in the City.
- ▶ **North Sioux City Housing and Redevelopment Commission** - The North Sioux City Housing and Redevelopment Commission is active in addressing North Sioux City's housing needs.
- ▶ **Employers** - North Sioux City has large employers that provide job opportunities for local residents. Many existing employers are expanding and new employers are proposing to locate in North Sioux City. Many jobs are available in North Sioux City.
- ▶ **North Sioux City Economic Development Corporation** - The North Sioux City Economic Development Corporation is active in promoting commercial and industrial development, as well as new housing development.
- ▶ **Commuters** - More than 2,880 employees are commuting into North Sioux City daily for work. These commuters are a potential market for future housing construction.
- ▶ **Desirable location for families** - North Sioux City is an attractive community for families. The City has an excellent school system, is part of a large regional center and has housing options. Desirable lots for new construction are also available.

- ▶ **Population and household growth** - Population and household projections expect substantial population and household growth in North Sioux City over the next five years.
- ▶ **Sioux City MSA** - On average, over the past 11 years, more than 440 housing units were constructed in the Sioux City MSA annually. North Sioux City has an opportunity to continue to capture a portion of this market.
- ▶ **Available lots** - North Sioux City has lots available for the construction of homes.
- ▶ **Proximity to Sioux City** - North Sioux City is adjacent to Sioux City. Sioux City provides employment opportunities, retail/service options, educational opportunities, health care facilities and cultural amenities. Some households prefer to live near, but not in a large regional center.
- ▶ **Job Creation** - New jobs are being created in North Sioux City in several sectors.
- ▶ **New Housing unit construction** - From 2010 to 2021, 361 new housing units were constructed in North Sioux City, which verifies North Sioux City is an attractive location for residential development.
- ▶ **Funding for business park and housing** - North Sioux City has been awarded funds to develop approximately 330 acres for a business park and 100 acres for workforce housing.

Barriers or Limitations to Housing Activities

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

- ▶ **Lower paying jobs** - Although North Sioux City has many job opportunities, some jobs are at the lower end of the pay scale and employees with these jobs have limited housing choices.
- ▶ **Commercial/retail options** - North Sioux City has a limited number of commercial and retail opportunities compared to large regional centers.
- ▶ **Proximity to Sioux City** - Although it is a strength to be located in close proximity to Sioux City and other MSA jurisdictions, it is also a barrier as North Sioux City must compete with these other jurisdictions that offer attractive residential opportunities and other amenities and services.
- ▶ **Lack of an affordable housing stock** - North Sioux City's housing stock has a limited number of affordable housing units. The median sales price of existing homes was \$225,000 based on sales in 2021.

Summary of Findings/Recommendations

The findings/recommendations for the City of North Sioux City have been formulated through the analysis of the information provided in the previous sections and include 23 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 60 to 65 general occupancy market rate rental units
2. Promote the development/conversion of four to six affordable market rate rental housing units
3. Promote the development of 14 to 16 general occupancy subsidized rental housing units
4. Consider the development of 30 to 34 moderate rent tax credit units
5. Consider the development of 24 to 28 senior independent/light services units
6. Develop a mixed-use commercial/housing project
7. Apply to access the Housing Choice Voucher Program
8. Preserve the existing supply of subsidized housing

Home Ownership

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

Single Family Housing Development

11. Lot availability and development
12. Strategies to encourage residential lot sales and new home construction in North Sioux City
13. Coordinate with economic development agencies, housing agencies and nonprofit groups to construct affordable housing
14. Promote twin home/town home development
15. Development of the workforce housing subdivision

Housing Rehabilitation

16. Promote rental housing rehabilitation
17. Promote owner-occupied housing rehabilitation efforts

Other Housing Initiatives

18. Acquire and demolish dilapidated structures
19. Create a plan and a coordinated effort among housing and economic development agencies
20. Encourage employer involvement in housing
21. Strategies for commercial rehabilitation and development
22. Continue to develop home ownership and new construction marketing programs
23. Consider the implementation of a time-of-sale/rent mobile home program

North Sioux City - Rental Housing Development

Rental Housing Development

Overview: In recent decades it has been difficult to produce new rental housing units that are viewed as “affordable” when compared to existing rental housing. A number of factors, including federal tax policy, state property tax rates, high construction costs and a low rent structure, have all contributed to the difficulty in developing rental housing in most South Dakota communities.

North Sioux City was an exception to this trend in the first half of the past decade, and it is estimated that approximately 192 rental units were constructed in North Sioux City from 2010 to 2015. These units include market rate general occupancy units, market rate and tax credit units. However, from 2016 through 2021, only 14 market rate rental units were constructed.

In addition to the new rental units, some single family homes were converted from owner-occupied to rental use and vice versa from 2010 to 2021.

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

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

In addition to these demand generators, North Sioux City has a fourth generator, which is its location in a large Metropolitan Statistical Area.

Our household projections for North Sioux City expect substantial household growth. Over the next five years, it is projected that there will be a gain of approximately 210 households, which is a 42-household annual average increase in North Sioux City.

It is projected that approximately 40% of these households will be rental households, thus, there will be a demand for approximately 84 additional rental units due to household growth over the next five years.

Also, North Sioux City will capture additional households from the growth that is projected in Union County and the Sioux City MSA. It is estimated that Union County will add 630 households and the Sioux City MSA will add 1,000 households over the next five years. Over the past 10 years, from 2010 to 2020, approximately 1,400 rental units were developed in the MSA, 176 of which were constructed in North Sioux City. This is 13% of the total.

Demand created by replacement of lost units is more difficult to determine, but the best available evidence suggests that the City will lose as many as one to two units per year. As a result, approximately five to 10 additional units will be needed over the next five years to replace lost units. In some cases, this unit replacement will be necessary as existing units are removed from the inventory through demolition or conversion. In other cases, this replacement is appropriate due to the deteriorating condition of older, substandard rental housing that should be removed from the occupied stock. Rental units will also be lost due to rental units converting to owner occupancy.

Pent-up demand also exists. As part of this study, a rental survey was conducted. The survey found a 1.5% vacancy rate in general occupancy market rate units and no vacancies in the subsidized units. Several rental projects have waiting lists. The tax credit project in North Sioux City had 10 vacant units, however, this project was in transition to a new property manager. Additionally, there are no senior with services units in North Sioux City. We have identified pent-up demand for market rate rental units, tax credit units, family subsidized rental units, and senior with services units.

In addition to these demand generators, North Sioux City’s location in the Sioux City MSA provides for the potential to attract households from a large region and an opportunity to increase its share of housing development for the entire MSA.

These demand generators, after factoring current vacancy rates, show a need for 132 to 149 rental units over the next five years. Based on the factors stated above, we recommend the development of the following new rental units over the next five years from 2022 to 2026.

▶ General Occupancy Market Rate	60-65 units
▶ Affordable/Conversions	4-6 units
▶ Subsidized	14-16 units
▶ Tax Credit/Moderate Rent	30-34 units
▶ Senior With Services	<u>24-28 units</u>
Total	132-149 units

In the 2015 Housing Study, we recommended the development of 134 to 165 rental units. From 2015 to 2021, only 14 rental units were developed in North Sioux City. However, more than 1,240 units were constructed in other MSA jurisdictions. Therefore, the rental recommendations have been lowered slightly for the next five years.

1. Develop 60 to 65 general occupancy market rate rental units

Findings: Approximately 76% of the rental housing in the City of North Sioux City can be classified as general occupancy market rate housing. These units are free of any specific occupancy restrictions such as financial status, age, or student enrollment. Market rate housing does not have any form of rent controls, other than those imposed by the competitive marketplace.

Of the 403 market rate rental units we surveyed, we found only six vacancies, which is a 1.5% vacancy rate. The owners and managers of rental properties reported very high occupancy rates and strong demand for rental housing. The vacancies are typically filled very quickly.

There is a variation in rental rates in the market rate segment in the City of North Sioux City. The existing rent range, including utilities, based on the survey was \$770 to \$1,225 for a one-bedroom unit, \$850 to \$1,550 for a two-bedroom unit and \$1,100 to \$1,900 for a three-bedroom unit. Rents have increased significantly since the 2015 Housing Study. From 2010 to 2014, 152 market rate rental units and from 2015 to 2021, 14 market rate units have been constructed in North Sioux City. Also, some single family homes have converted from owner-occupied to rental units and vice versa.

Recommendation: As stated earlier in this section, rental housing demand is based on household growth, pent-up demand and replacement of housing units that have been demolished or converted. Also, North Sioux City's proximity to Sioux City provides an opportunity to capture a higher share of the new rental unit construction in the Sioux City MSA.

Based on this combination of demand generators, we believe that it is reasonable to plan for production of between 60 and 65 market rate rental units over the next five years, which is 12 to 13 units annually.

It is certainly possible that development proposals will emerge that could create substantially more units than projected by this Study as the demand for rental housing in the Sioux City MSA is greater than the units projected for North Sioux City. However, it is assumed that rental units will continue to be constructed in Sioux City and other smaller cities in the MSA over the next five years.

From 2000 to 2014, significantly more rental housing units were built in North Sioux City than owner-occupancy units. This trend was reversed from 2015 to 2021 with significantly more owner-occupied units constructed than rental units.

The development of both conventional and income-based rental units enables younger families an opportunity to move into the City. Although initially moving to North Sioux City to rent, as the families develop connections to the community, these families may elect to purchase or build a home in the City. This potential would seem to be especially strong among families with children that move to North Sioux City for its public school system and/or for employment.

As stated in the 2015 Housing Study, from 2000 to 2015 there were a significant number of rental units constructed.

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

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

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

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

The first option to developing market rate housing would be to encourage private developers to undertake the construction of market rate rental housing. If private developers do not proceed, the North Sioux City Housing and Redevelopment Commission could potentially utilize essential function bonds, or similar funding sources, to construct market rate units. The North Sioux City Housing and Redevelopment Commission has previously constructed 20 rental units in 1998. However, private developers have been constructing rental units and addressing the demand for market rate rental housing in the past and it is projected that private developers will continue to address the demand.

Recommended unit mix, sizes and rents for the North Sioux City Market Rate Housing Units:

<u>Unit Type</u>	<u>No. of Units</u>	<u>Size/Sq. Ft.</u>	<u>Rent</u>
One Bedroom	14-15	650 - 800	\$800 - \$1,200
Two Bedroom	30-33	850 - 1,050	\$900 - \$1,500
Three Bedroom	16-17	1,110 - 1,250	\$1,100 - \$1,800
Total	60-65		

Note: The recommended rents are gross rents including all utilities. The rents are quoted in 2022 dollars.

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

Findings: The previous recommendation had addressed the market potential to develop high quality rental units in North Sioux City. Unfortunately, these units would tend to be beyond the financial capability of many area renters. A majority of North Sioux City’s renter households have an annual income below \$25,000. These households would need a rental unit at \$650 per month or less.

There is evidence that North Sioux City has lost rental housing over the years due to redevelopment or due to deterioration and demolition. Part of the need for additional rental units in North Sioux City 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.

Recommendation: We encourage the City of North Sioux City to promote the development/conversion of more affordable rental units. A goal of four to six units over the next five 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 commercial or mixed-use buildings, or through the purchase and rehabilitation of existing single family homes. Several single family homes have been rehabilitated for rental housing by local individuals.

The estimated prevailing rent range for older rental units in North Sioux City is typically less than \$650 per month. Creating some additional units with contract rents below \$650 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 for some units could only be obtained with financial commitments from other sources such as tax increment financing or property tax deferral from the City and other financial resources from funding agencies such as the South Dakota Housing Development Authority.

3. Promote the development of 14 to 16 general occupancy subsidized rental housing units

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

The research completed for this Study found two subsidized projects in North Sioux City, which have a combined 61 units. One project is family rental housing and one project is a senior project. The City had a third subsidized project, Northport Apartments. However, Northport Apartments was destroyed in a fire and will be rebuilt with financing from the low income tax credit program. The 61 units represent 10% of the total rental inventory in North Sioux City. This is a low percentage of subsidized rental housing compared to other similar sized cities.

A summary of the two subsidized projects in North Sioux City is as follows:

- ▶ **McCook Apartments** - McCook Apartments is a 40-unit USDA Rural Development family project. The 40 units all are two-bedroom units. The project was constructed in 1975.
- ▶ **Prairie Lake Homes** - Prairie Lake Homes is a 21-unit senior HUD 202 project constructed in 2009. Twenty of the units have one one-bedroom and there is one two-bedroom apartment in the project. Tenants must be age 62 or older.

At the time of the survey, there were no vacancies in North Sioux City’s subsidized projects. The managers reported that the projects have very high ongoing occupancy rates.

Of the 61 subsidized units in North Sioux City, 20 units are one-bedroom and 41 units have two bedrooms. There are no three-bedroom subsidized units in North Sioux City.

In addition to rental housing with project-based subsidies, most cities have access to additional subsidized resources through the tenant-based Housing Choice Voucher Program. The Vouchers allow tenants to pay approximately 30% of their income for housing in suitable private-market rental units. Union County is one of the few counties in South Dakota that does not have access to the Housing Choice Voucher Program, thus, housing choice vouchers are not available to North Sioux City households.

The 2019 American Community survey estimated that approximately 27% of all renter households in North Sioux City were paying 30% or more of their income for rent. Most of the households with a severe rent burden had low annual incomes, and would be under the income limits for subsidized housing.

Recommendation: Based on the housing cost burden data contained in the American Community Survey, the high occupancy rates in North Sioux City's subsidized rental housing, the lack of three-bedroom units, and the absence of the Housing Voucher Program in Union County, we recommend that the City look to expand the supply of deep subsidy rental housing for lower income renters. Over the next five years, we recommend that the City attempt to construct 14 to 16 units that achieve a rent level that would be affordable to very low income households earning less than \$25,000 per year.

This recommendation represents a modest goal, since substantially more low income households exist in the City with a cost burden. However, over the past few decades, very few federal subsidy sources have been available for the construction of "deep subsidy" rental housing. The actual number of units that can be developed will be dependent upon access to financial resources.

In the opinion of the analysts, the highest priority would be to create two and three-bedroom general occupancy units for families and younger households.

4. Consider the development of 30 to 34 moderate rent tax credit units

Findings: North Sioux City has one general occupancy rental project that was constructed with assistance from the low income tax credit program, North Lake Apartments.

North Lake Apartments was constructed in 2011 and includes 32 three-bedroom units and eight four-bedroom units for a total of 40 units. Tenant households must have an annual income of 60% or less of the area median income.

Rents are \$782 to \$852 for a three-bedroom units and \$802 to \$890 for a four-bedroom unit. Tenants also pay gas and electricity. At the time of the survey, the manager reported 10 vacancies, however the project was in transition to a new property manager.

Gatewood Estates Phase I, with 59 units, was also a tax credit project, but has converted to a market rate project.

Additionally, a 21-unit senior tax credit project has been approved for North Sioux City. The project will replace Northport Apartments that was destroyed in a fire.

Since the late 1980s, tax credits have been the primary federal production incentive for the creation of housing to serve moderate income people. Because tax credits only provide a 'shallow subsidy', this type of housing does not generally serve very low income renters, but does serve households at or below 60% of the median income level.

The use of federal tax credits places both income restrictions on tenants, and gross rent caps on the rental units. The 60% of income gross rent limits and income limits in Union County for 2021 were as follows:

<u>Rent Limits</u> <u>(60% of Median Income)</u>	<u>Household Income Limits</u> <u>(60% of Median Income)</u>
One Bedroom - \$825	1 person - \$30,840
Two Bedroom - \$990	2 person - \$35,220
Three Bedroom - \$1,143	3 person - \$39,600
Four Bedroom - \$1,276	4 person - \$43,980
	5 person - \$47,520
	6 person - \$51,060

It would be advantageous for a new tax credit project to have lower rents than the maximum. This would increase the number of households who are eligible and can afford a new tax credit unit. Additional subsidy sources could be used along with tax credits to generate more affordable units.

Recommendation: We recommend the development of 30 to 34 tax credit units in North Sioux City during the next five years. This recommendation is in addition to the 21-unit senior project that has been approved to replace the Northport units. This recommendation is based on the following:

- ▶ The 2015 North Sioux City Housing Study recommended the development of 30 to 40 additional tax credit/moderate rent units in North Sioux City. No tax credit/moderate rent units have been constructed in North Sioux City since the 2015 Study.

- ▶ North Sioux City and the Sioux City MSA are projected to add a substantial number of new renter households from 2022 to 2026. Past history indicates that most of these households will be in a moderate to lower income range.
- ▶ The median income for all renter households in North Sioux City was approximately \$36,897 in 2019. Approximately 50% of all renter households are within the income range from approximately \$20,000 to \$40,000. These households will generally be income-qualified for a moderate rent tax credit unit. Some of these moderate income renter households cannot afford a market rate unit, but also do not qualify to live in a subsidized unit.
- ▶ Approximately 27% of the renter households in North Sioux City are paying more than 30% of their income for rent. A majority of these households are actually paying more than 35% of their income for rent.
- ▶ North Sioux City is experiencing strong industrial and commercial growth and adding employees. Some of these employees have moderate incomes and a tax credit rental project would address their housing needs.
- ▶ The Sioux Falls and other MSA cities are also experiencing commercial and industrial growth. This growth is creating jobs and a demand for housing. North Sioux City is located within commuting distance of this growth and has the opportunity to address some of the demand for housing.

The 30 to 34 tax credit/moderate units should be primarily two and three-bedroom units and serve families. It should be noted that if a local developer receives financial assistance such as tax increment financing, tax abatement and /or land at a reduced price, rental units could potentially be developed with lower rents that would serve a wider range of households with low and moderate incomes.

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

5. Consider the development of 24 to 28 senior independent/light services units

Findings: There are typically different types of senior with services housing that can serve older seniors, including independent/light services housing, assisted living (full array of senior services), memory care and skilled nursing care.

Currently, there are three senior housing with services projects in Union County in close proximity to North Sioux City. There are also many senior housing with services options in Sioux City.

Based on 2021 Esri data, there are approximately 329 North Sioux City and 16,082 Sioux City MSA households, age 65 and above. Also, as the baby boom generation continues to age, the senior population will continue to increase from 2022 to 2026.

The City does have two existing senior projects, one of which is subsidized with income requirements. However, there still is a need for additional senior rental housing.

Recommendation: Based on the research completed for this Study, we do not recommend the development of senior with services units, which provide a high level of services such as assisted living, in North Sioux City through the year 2026. Currently, there are senior with services facilities in the MSA that provide a high level of services currently serving North Sioux City and the surrounding area.

We do, however, recommend a 24 to 28-unit senior independent/light services project in North Sioux City. The project's amenities and features should include:

- ▶ 24-hour call system
- ▶ A limited access security system
- ▶ Smoke alarms
- ▶ Enclosed parking

Apartment features should include:

- ▶ 24 to 28 units
 - ▶ 7 to 9 one-bedroom
 - ▶ 17 to 19 two-bedroom
- ▶ Fully equipped kitchen
- ▶ Large storage room
- ▶ Ample closet space
- ▶ Laundry hookups

- ▶ Open floor plan
- ▶ Private patio
- ▶ Individually controlled heat and AC
- ▶ Raised outlets, lever door handles, lowered kitchen cabinets
- ▶ Expansive windows

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

- ▶ noon meal
- ▶ weekly housekeeping
- ▶ home health care
- ▶ social activities

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

It is estimated that 50% of the units will be occupied when the project opens and three to four additional units will be rented over the next four to five months.

The purpose of this recommendation is to provide general guidance to potential developers. A developer or existing senior with services facility planning a specific project should have a project-specific study conducted.

6. Develop a Mixed-Use Commercial/Housing Project

Findings: A new mixed-use rental housing/commercial project would be an asset to North Sioux City. A mixed-use project would provide rental housing as well as space for retail/commercial opportunities.

New mixed-use projects have been developed in several cities comparable to the size of North Sioux City. Some of these projects were developed because of market demand while others were developed to enhance the City's commercial district, to introduce a new product to the market or to serve as a catalyst for redevelopment.

Recommendation: We recommend the development of a mixed-use building in North Sioux City. 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.

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

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

7. 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. 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 research for this study, it appears that the Housing Choice Voucher Program is not available in North Sioux City and Union County. Union County is one of the few counties in the State of South Dakota that does not have the Housing Choice Voucher Program available for its residents.

Recommendation: The North Sioux City Housing and Redevelopment Commission should work with area and regional housing agencies, the South Eastern Council of Governments, and the South Dakota Housing Development Authority to determine if North Sioux City can obtain access to the Housing Choice Voucher Program.

8. Preserve the existing supply of subsidized housing

Findings: North Sioux City has two “deep subsidy” rental housing projects that allow tenants to pay rent based on 30% of income. One of these projects, McCook Apartments, was constructed in 1975. The other project, Prairie Lake Apartments, was constructed in 2009. North Sioux City had a third subsidized rental project, however, Northport Apartments was destroyed in a fire.

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

In some communities, privately owned subsidized housing has been lost as owners have the ability to opt-out of subsidy contracts after their original obligations have been met. Subsidized housing that is lost cannot be cost-effectively replaced with the low income housing production resources that are available today.

Recommendation: At the time of this Study, we are not aware of any subsidized projects in North Sioux City that are planning to convert to market rate housing.

The North Sioux City Housing and Redevelopment Commission should check on an ongoing basis to determine if any North Sioux City subsidized housing projects are considering the option to drop their subsidy contract. At this time, McCook Apartments, is the only subsidized project in North Sioux City that may have the option to convert to market rate housing. Prairie Lake Apartments is a newer project at the earlier stage of its subsidy contract and should not be eligible to opt out of the subsidy program for many years. In some communities, public or nonprofit agencies have been able to purchase projects that are at risk of being lost to preserve the affordable housing resources.

North Sioux City - Home Ownership

Home Ownership

Findings: Expanding home ownership opportunities is one of the primary goals for most cities. High rates of home ownership promote stable communities and strengthen the local tax base. The median owner-occupied home value in North Sioux City is estimated to be approximately \$225,000 based on 2021 sales activity. Although the home values in North Sioux City are relatively high, there is some opportunity for first time buyers and households seeking moderately priced homes.

Our analysis of North Sioux City demographic trends shows an increase in the number of households in most age ranges over the next five years. Some households in North Sioux City and the Sioux City MSA have not been able to achieve the goal of home ownership and may need the assistance of special programs to help them purchase their first home.

Also, North Sioux City is planning a large affordable housing development. Some households may need assistance to purchase a housing unit in this subdivision.

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

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

Findings: We believe that affordable home ownership is one of the issues facing North Sioux City 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.

First time home buyer assistance, down payment assistance, low interest loans and home ownership counseling and training programs can help to address affordable housing issues. The City of North Sioux City has a limited supply of houses that are price-eligible for these assistance programs. However, the home value estimates used in this study indicate that some of the existing stock currently is valued under the purchase price limits for the first-time home buyer assistance programs. Also, North Sioux City is planning for the development of a significant number of workforce housing units over the next several years.

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: North Sioux City and the North Sioux City Housing and Redevelopment Commission should work with area housing agencies, the South Dakota Housing Development Authority, USDA Rural Development and local financial institutions to utilize all available home ownership assistance programs. Private and nonprofit agencies should also be encouraged to provide home ownership opportunities.

The City of North Sioux City and the North Sioux City Housing and Redevelopment Commission should also work with housing agencies to assure that they are receiving their share of resources that are available in the region.

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

10. Develop a Purchase/Rehabilitation Program

Findings: North Sioux City has a limited stock of older, lower valued homes, some of which need repairs. Our analysis of 2020 and 2021 sales activity indicates that approximately 18% of the homes in North Sioux City are valued less than \$150,000. 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, low interest and a monthly payment that is affordable for the family.

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

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

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

Because a purchase/rehabilitation program can be expensive and its cost effectiveness in some cases may be marginal, it may be advantageous in some cases to directly assist low and moderate income households with purchasing and rehabilitating homes. Area housing agencies and financial institutions could offer some rehabilitation assistance in conjunction with first-time home buyer programs to make the 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, some private individuals are purchasing homes in North Sioux City, rehabbing the homes and selling the homes. There may be an opportunity for local housing agencies to financially assist the private sector with purchasing, rehabilitating and selling homes. This may increase the inventory of substandard homes that economically can be rehabilitated and sold.

North Sioux City - Single Family Housing Development

Single Family Housing Development

Findings: Based on Census Bureau and City information, North Sioux City has experienced significant single family owner-occupied housing development from 2010 to 2021. Over the past 12 years, from 2010 to 2021, approximately 190 single family owner-occupied units in single family homes and twin homes have been constructed in North Sioux City. This is an average of approximately 15 to 16 owner-occupied units constructed annually in the City.

From 2010 to 2015, there was an average of nine to 10 units constructed annually. From 2016 to 2021, the average number of units constructed increased to 22 to 23 units annually. There have also been a significant number of homes constructed in the Sioux City MSA. For the 12-year period from 2010 to 2021, approximately 3,586 single family owner-occupancy units were constructed in the MSA, which is an average of 299 homes annually.

Over the 12-year period from 2010 to 2021, 5.3% of the owner-occupied single family units in the Sioux City MSA were constructed in North Sioux City.

It is our opinion that if the City of North Sioux City, the North Sioux City Economic Development Corporation, the North Sioux City Housing and Redevelopment Commission, private developers, housing agencies, and builders continue to be proactive, 200 to 240 homes can be constructed in North Sioux City from 2022 to 2026. This is 11% to 13% of the projected home construction in the MSA over the next five years.

The breakdown of the 200 to 240 new owner-occupied housing units constructed over the next five years is as follows:

▶ Higher and Medium priced homes (\$275,000+)	115-150
▶ Affordable/workforce homes (under \$275,000)	<u>85-90</u>
Total	200-240

These new unit forecasts estimate that during the first two years of the projection period, there will be an average of 25 to 30 owner-occupied units constructed annually. The last three years of the projection period, after the lots in the affordable subdivision are available, new housing construction has the potential to double to 50 to 60 new units annually. Based on preliminary plans, the significant majority of the new affordable homes will be twin homes or townhomes.

11. Lot availability and development

Findings: As part of this Study, we attempted to identify the inventory of available residential lots for single family housing construction in the City of North Sioux City. Lots are considered available if they are currently serviced and for sale or if they are platted and can be serviced for sale in a short period of time. Currently, it is estimated that there are approximately 115 total available lots in the River Valley, Lakeshore Estates and Wild Flower Bend subdivisions. These lots are currently for sale or could be serviced and for sale in a short period of time based on demand.

There are also miscellaneous infill lots scattered around the city that we did not attempt to count. We do not know the availability of some of these infill lots. Also, dilapidated houses may be acquired and demolished over the next five years. Some of the cleared lots may be sites for new construction.

Additionally, in 2023, approximately 250 lots are scheduled to be available in the City's proposed affordable workforce housing subdivision. There are also other subdivision developments that are in the early planning phase.

Recommendation: We use a standard that a 2 ½ year supply of lots should be available in the marketplace based on annual lot usage. With projections that on average a total of 40 to 48 new owner-occupied housing units will be constructed per year, the City should have approximately 100 to 120 residential lots available to meet the expected demand. Part of this demand would be for attached unit construction.

With the available lots in the River Valley Development, Lakeshore Estates and Wild Flower Bend subdivisions, plus infill lots, the City currently has an adequate number of lots. Also, if the planned subdivisions are developed, there will be an adequate number of lots to meet the increase in projected demand over the five-year period. Additionally, lots will be available for homes in all price ranges and for attached and detached housing.

North Sioux City developers and builders have a track record of meeting the demand for new lots, and based on current available lots and those in the planning phase, lots will be available for all types and prices of housing on an ongoing basis.

12. Strategies to encourage residential lot sales and new home construction in North Sioux City

Findings: There is an inventory of approximately 115 lots in subdivisions that are currently available or that are platted and could be available in a short period of time, plus infill lots, in the City of North Sioux City. There are also many lots in the planning phase. Lots will be available for new homes in all price ranges. In addition to a local market for lots, North Sioux City is in the Sioux City MSA, which has a population of approximately 150,000 people.

Recommendation: We recommend that the City of North Sioux City, the North Sioux City Housing and Redevelopment Commission, the North Sioux City Economic Development Corporation, private developers/builders and realtors coordinate efforts to promote lot sales and housing development in North Sioux City.

Following are recommendations to promote lot sales and housing development. Please note that some of these recommendations are already being implemented in North Sioux City.

- ▶ ***Continue competitive pricing*** - There are lots available in communities throughout the Sioux City MSA. Lot prices in North Sioux City will need to remain competitive with other lot options in the MSA.
- ▶ ***Plan for long-term absorption*** - We are projecting the construction of 200 to 240 new units over the next five years, with ongoing residential development after the five-year projection period. It is therefore necessary to view the development of the future subdivision phases and subdivisions and in-fill lots as a long-term plan.
- ▶ ***Continue to develop builder(s) relationships*** - Momentum can be created when a builder or builders have access to several lots. This allows for marketing opportunities and efficiencies in the home building process. The subdivision owners, however, should obligate the builder to construct a minimum number of homes per year. Builders are more willing to enter a market when the lots are attractive and affordable. A block of lots available to an exclusive builder or builders should be explored, even if price concessions are required. The proposed affordable subdivision, based on preliminary planning, will make multiple lots available to home builders.
- ▶ ***User-Friendly*** - The lot purchase and homebuilding process must be 'user-friendly.' This includes the construction of spec homes, builders that are readily available to build custom homes and city regulations that are fair and reasonable. The entire process must be as 'user friendly' as possible to encourage home construction.

- ▶ ***Spec home development*** - Spec houses attract a buyer that is not interested in going through the home building process, but instead wants a turnkey unit. A spec home can also serve as a model, allowing potential home buyers to examine specific floor plans and features in the home before committing to buy.
- ▶ ***Continue to allow for a range of house prices*** - Lots should be available to as wide a range of home sizes, prices and types as possible, without compromising the subdivision. This broadens the lot buyer market. It appears that there will be lots available for homes in all price ranges and types.
- ▶ ***Lot availability for twin home/town home development*** - It is our opinion that there will be a strong demand for twin homes/town homes over the next five years. Lots should be available for twin home/town home lot development. It appears that the River Valley Development is addressing this issue. Also, the proposed affordable subdivision lots will be primarily for twin homes.
- ▶ ***Manufactured/Modular homes*** - Manufactured homes, modular homes and Governor's Homes can provide housing opportunities for moderate income households.
- ▶ ***In-fill lot home development*** - In-fill lots in existing neighborhoods are often affordable and have existing services. In addition to the private sector, housing agencies and nonprofits have developed affordable homes on in-fill lots.
- ▶ ***Marketing*** - North Sioux City, the North Sioux City Economic Development Corporation, and private developers should develop a comprehensive marketing strategy to sell available lots. All stakeholders including realtors, financial institutions, builders, employers, etc. should be included in marketing strategies. In addition to marketing the lots, North Sioux City and its amenities should be marketed.

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

Findings: There are several housing agencies and nonprofit groups that have the capacity to construct new housing in North Sioux City. The North Sioux City Housing and Redevelopment Commission has successfully developed the Harvest Bend and Wild Flower Bend subdivisions. Approximately 28 homes have been constructed in these subdivisions. Also, Habitat for Humanity and governors homes have been constructed in North Sioux City.

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

14. Promote twin home/town home development for seniors

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

In many cities the size of North Sioux City, approximately 20% to 25% of the new ownership housing constructed are twin homes/town homes. In North Sioux City since 2010, approximately 23 new ownership housing units have been twin homes/town homes.

Based on Esri data in 2021, North Sioux City had 329 households, and 16,082 Sioux City MSA households were in the 65 and older age ranges. These age ranges are expected to increase over the next five years. Household growth from empty-nester and senior households should result in increased demand for attached single family units. It is likely that demand for attached housing units will also be dependent on the product's ability to gain additional market acceptance among the households in the prime target market.

Recommendation: It is our projection that approximately four to five new owner-occupied senior twin homes or town homes could be constructed in North Sioux City annually over the next five years for a total of 20 to 25 twin homes/townhomes. Our projection is based on the availability of ideal locations for twin home/town home development as well as high quality design and workmanship. In addition to the senior units, a large number of general occupancy twin homes are projected to be constructed in the new affordable work force subdivision.

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
- ▶ Marketing plan to sell the homes

North Sioux City'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.

15. Development of the workforce housing subdivision

Findings: The City of North Sioux City and the North Sioux City Economic Development Corporation are purchasing approximately 430 acres. It is estimated that 330 acres will be for industrial development and 100 acres will be designated for workforce housing. The Governor's Office of Economic Development is providing approximately \$11 million to assist with financing the development.

Preliminary workforce housing plans include the development of 250 lots with 250 townhomes (500 total units). The units will be affordable for most North Sioux City workers.

Three or four developers/builders will be selected to construct the units. This will provide a variety of designs, as well as multiple developers marketing their units.

The land will be purchased in early 2023 and the lots will be developed in 2023. Therefore, housing unit construction is projected for late 2023 or early 2024.

Recommendation: We are projecting that beginning in 2024, 25 to 30 workforce housing units will be developed annually. There is the potential that a high number of units could be constructed annually if North Sioux City captures an increased percentage of the Sioux City MSA's annual construction volume. We recommend the following be considered in developing the workforce housing subdivision:

- ▶ In addition to twin homes, single family homes, townhomes, detached townhomes and villas should also be considered.
- ▶ To assure that the units are affordable, all funding sources should continue to be researched, and when feasible, utilized.
- ▶ Direct financial assistance to the buyer households should be considered including low interest loans, down payment assistance, home ownership counseling, etc. This will expand the number of eligible buyers.

- ▶ Consider the development of a mixed-use project on the site
- ▶ Evaluate the design, size and price of the units on an ongoing basis to assure that the units are addressing the housing needs of the target market
- ▶ Develop and implement an aggressive marketing plan that includes all housing stakeholders
- ▶ Work closely with employers and employees (North Sioux City and Sioux City MSA) to assure they are aware of the housing opportunities the workforce subdivision will provide
- ▶ Consider constructing some of the units for rental housing
- ▶ Develop a process that makes the home building and home buying process very time efficient and user-friendly
- ▶ Encourage the builders to have model homes available

North Sioux City - Housing Rehabilitation

Housing Rehabilitation

Findings: North Sioux City continues to have an asset in its existing housing stock. Existing units, both now and into the future, will represent the majority of the affordable housing opportunities. Existing units generally sell at a discount to their replacement value. Units that are not maintained and improved may slip into disrepair and be lost from the housing stock. Investment in housing rehabilitation activities will be critical to offering affordable housing opportunities.

It is our opinion that North Sioux City 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 many North Sioux City 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.

16. Promote rental housing rehabilitation

Findings: Based on the U.S. Census and City data, the City of North Sioux City had approximately 607 rental units in 2022. These rental buildings are in multi-family projects, small rental buildings, duplexes, single family homes, and mobile homes. Although most of the rental units have been constructed since 2000 and are in good condition, approximately 24% of North Sioux City's rental structures are over 40 years old and some of these structures 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: The City of North Sioux City should work with housing agencies to seek funds that allow for program design flexibility that make a rental rehabilitation program workable. Potential funding sources may include USDA Rural Development, Grow South Dakota, the South Dakota Housing Development Authority and the Federal Home Loan Bank.

17. Promote owner-occupied housing rehabilitation efforts

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

Although the majority of the single family homes are in good or excellent condition, approximately 47% of the homes in North Sioux City are over 40 years old and some of these homes need rehabilitation.

Also, our housing condition survey from the previous study of 149 homes in three of North Sioux City 's older neighborhoods found 58 homes that need minor repairs and 38 homes that need major repairs. Without rehabilitation assistance, the affordable housing stock will shrink in North Sioux City.

Recommendation: We recommend North Sioux City and the North Sioux City Housing and Redevelopment Commission seek local, state and federal funds to assist in financing housing rehabilitation. USDA Rural Development, the South Dakota Housing Development Authority, the Federal Home Loan Bank, and Grow South Dakota are potential funding sources.

Grow South Dakota currently has several housing programs to assist households with the rehabilitation of their homes. Also, the Rural Office of Community Services, Inc., may potentially have weatherization and housing rehabilitation funds for North Sioux City and Union County.

Some programs offer households that meet program requirements, a deferred loan to rehabilitate their homes. Deferred loans do not have to be paid back if the household lives in the rehabilitated home for a stipulated amount of time after the rehabilitation is completed. We encourage North Sioux City households to utilize these housing rehabilitation programs.

North Sioux City - Other Housing Initiatives

Other Housing Initiatives

18. Acquire and demolish dilapidated structures

Findings: There are several single family houses in the City's oldest neighborhoods that are dilapidated and too deteriorated to rehabilitate. There are additional single family houses in North Sioux City have been identified as needing major repair and some of these homes may be too dilapidated to rehabilitate. To improve the quality of the housing stock and to maintain the appearance of the City, dilapidated structures should be demolished.

Recommendation: The City of North Sioux City should work with property owners on an ongoing basis to demolish dilapidated homes. The appearance of 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.

Also, North Sioux City or the North Sioux City Housing and Redevelopment Commission should maintain a lot inventory of dilapidated structures that may be candidates for future acquisition. Additionally, an inventory of in-fill lots for future development should be maintained.

19. Create a plan and a coordinated effort among housing and economic development agencies

Findings: North Sioux City will continue to need staff resources in addition to existing staff to plan and implement many of the housing recommendations advanced in this Study. The City of North Sioux City has access to the South Eastern Council of Governments, the South Eastern Development Foundation, the Rural Office of Community Services, Inc., the South Dakota Housing Development Authority and USDA Rural Development. These agencies all have experience with housing and community development programs.

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

It will also be important for the City of North Sioux City to look for opportunities to work cooperatively with other area cities to address housing issues. With the number of cities in the region and the MSA, 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.

20. Encourage employer involvement in housing

Findings: North Sioux City has a significant number of large employers and the City is experiencing job growth. The connection between economic development and housing availability has become an increasingly important issue as low area unemployment rates dictate the need to attract new workers into the community. Housing for employees is a concern for employers, thus, it may be advantageous for employers to become involved in housing.

Although the jobs being created may have good wages for the area, some of the jobs do not pay wages sufficient for workers to buy or improve their housing.

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

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

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

21. Strategies for commercial rehabilitation and commercial development

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

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

North Sioux City is located adjacent to Sioux City, which has many commercial/retail options. This provides commercial/retail options for North Sioux City residents. However, it also makes commercial/retail growth in North Sioux City more challenging.

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

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

- ▶ Interview all commercial property owners to develop a database and to determine their future plans (expanding, selling, renovations, etc.)
- ▶ Continue to develop an overall plan for the City's commercial areas (potential new businesses, address parking needs, develop an overall theme, art and cultural opportunities, etc.)
- ▶ Develop a mini-plan for each commercial area. This may include:
 - ▶ Commercial building rehab and renovations
 - ▶ Facade work
 - ▶ Building demolition
 - ▶ New construction
 - ▶ Recruitment of new businesses
 - ▶ Mixed-use building development
- ▶ Identify funding sources
 - ▶ Property owner funds
 - ▶ City of North Sioux City

- ▶ Federal Home Loan Bank
 - ▶ Special tax districts
 - ▶ Tax increment financing
 - ▶ Tax abatement
 - ▶ Funds from South Dakota State Agencies
 - ▶ North Sioux City Economic Development Corporation
 - ▶ North Sioux City Housing and Redevelopment Commission

- ▶ Work with stakeholders to identify roles, secure funding, develop and implement programs and projects
 - ▶ Property owners
 - ▶ City of North Sioux City
 - ▶ North Sioux City Economic Development Corporation
 - ▶ South Eastern Council of Governments
 - ▶ North Sioux City Housing and Redevelopment Commission

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

22. Continue to develop home ownership and new construction marketing programs

Findings: There traditionally is a competition among cities for households looking to buy or build a home. Currently, there is a shortage of employees and housing in the Sioux City MSA, which creates opportunities for new housing opportunities.

North Sioux City is in a unique position in that it must compete with the other cities in the MSA including Sioux City. However, it also provides North Sioux City with access to a large population, which is an excellent market for new households to locate in North Sioux City.

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

Recommendation: The City of North Sioux City, the North Sioux City Economic Development Corporation and the North Sioux City Housing and Redevelopment Commission, have all been active in promoting and marketing housing and we recommend the continuation or initiation of the following:

- ▶ Identify the City’s strengths and competitive advantages and heavily promote them
- ▶ Continue to create marketing materials that can be distributed regionally (including internet, TV, radio, etc.)
- ▶ Work closely with employers (North Sioux City and the Sioux City MSA) to provide employees (especially new employees) with housing opportunities in North Sioux City
- ▶ Work with housing agencies and financial institutions to provide down payment assistance, low interest loans, home owner education and home owner counseling programs
- ▶ Consider an annual Housing Fair that provides information on lots, builders, finance programs, etc. Developers, builders, lenders, realtors, public agencies and local businesses could participate
- ▶ Work with developers and builders to make lot development and the construction of new homes as user-friendly as possible
- ▶ Continue to work on the creation of jobs and the development of commercial, retail, service and recreational opportunities that make the City a “full service” community
- ▶ Continue to provide attractive lots at an affordable price for a variety of home sizes, styles and price ranges
- ▶ Preserve the quality of existing neighborhoods through the rehabilitation of substandard housing and the demolition of dilapidated structures that are beyond repair
- ▶ Continue to develop new housing choices that serve life-cycle housing needs, such as new rental housing, twin homes, senior with services housing, etc.
- ▶ Review the City’s policies and fees to assure that they are user-friendly, fair and receptive for developers, builders and households
- ▶ Develop a coordinated housing plan with the private sector and area housing agencies

23. Consider the implementation of a Time of Sale/Rent Mobile Home Program

Findings: There are approximately 175 mobile homes in North Sioux City. Based on the survey of mobile home condition in 2015, and a recent visual inspection, a number of mobile homes in North Sioux City are substandard or dilapidated.

North Sioux City currently does not allow mobile homes that are more than 20 years old to be moved into the City.

Recommendation: In addition to not allowing older mobile homes to be placed in the City, we recommend that the City of North Sioux City consider implementation of a Time of Sale/Rent Inspection Program. This inspection program is designed to provide safe living conditions through the identification and elimination of basic life/safety hazards in older mobile homes. Mobile homes would be subject to inspection and all identified safety hazards would need to be corrected before the mobile home is sold or rented.

Agencies and Resources

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

South Eastern Council of Governments

500 North Western Avenue, Suite 100
Sioux Falls, SD 57104
(605) 367-5390

South Eastern Development Foundation

500 North Western Avenue, Suite 100
Sioux Falls, SD 57104
(605) 367-5390

Rural Office of Community Services, Inc.

140 South Highway 50
Lake Andes, SD 57356
(605) 487-7634

Grow South Dakota

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

South Dakota Housing Development Authority

221 South Central Avenue
Pierre, SD 57501
(605) 773-3181

USDA Rural Development

2408 East Benson Road
Sioux Falls, SD 57104
(605) 996-1564