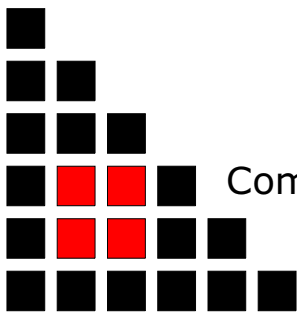


# City of Yankton HOUSING STUDY UPDATE

August 2017

An updated analysis of the housing needs  
of the City of Yankton and the surrounding area



Community Partners Research, Inc.

Lake Elmo, MN

## List of Sections

|  | <u>Page</u> |
|--|-------------|
| <b>Executive Summary</b>                             | <b>2</b>    |
| <b>Introduction</b>                                  | <b>9</b>    |
| <b>Demographic Data</b>                              | <b>10</b>   |
| <b>Projection Data</b>                               | <b>24</b>   |
| <b>Income and Housing Costs Data</b>                 | <b>29</b>   |
| <b>Existing Housing Data</b>                         | <b>43</b>   |
| <b>Rental Housing Inventory</b>                      | <b>57</b>   |
| <b>Senior Housing with Services Inventory</b>        | <b>98</b>   |
| <b>Employment and Local Economic Trends Analysis</b> | <b>118</b>  |
| <b>Findings and Recommendations</b>                  | <b>127</b>  |
| <b>Rental Housing Recommendations</b>                | <b>136</b>  |
| <b>Home Ownership and Single Family Housing</b>      | <b>152</b>  |
| <b>Housing Rehabilitation/Revitalization</b>         | <b>164</b>  |
| <b>Other Housing Issues</b>                          | <b>168</b>  |

## **Housing Study Highlights: 2017**

### **Overview**

As a publicly-sponsored project for the City of Yankton, this Housing Study Update has attempted to make a realistic examination of the community's growth potential, and propose housing solutions that are commensurate with anticipated needs. As a result, the recommended scale of development may be viewed by some people as overly conservative. This Study has generally not taken into account the competitive positioning that may exist between developers and various housing concepts. Future housing construction activity may surpass the unit recommendations that have been made. However, if unit creation significantly exceeds demand, the over-production could lead to higher levels of vacancy in less competitive housing options.

Projections are informed predictions, in this case based in part on historical patterns. It is possible that the growth projections used for this Study could be viewed as conservative. In a community like Yankton with little excess housing capacity, household growth is directly linked to housing unit availability. During time periods when housing creation was below-average, household growth then followed the same pattern.

In high production years, such as 2017, the level of new housing unit creation has been well above the longer-term annual average. This has the potential to result in above-average household growth. It is more likely, however, that high production years will be followed by years of reduced activity, especially in the form of larger multifamily projects. When blended over a longer time period, a more normal construction and growth pattern should emerge.

### **Growth Projection**

For the City of Yankton, this Update has proceeded with the assumption that in an average year the City will add between 50 and 60 resident households. Over a five-year projection period this equates to 250 to 300 total households.

At a minimum, housing unit creation at this level will be needed to keep pace with growth. For both ownership and rental housing, production somewhat above this level will be needed to address other factors. In the case of rental housing, a moderate level of vacancy is required to facilitate tenant movement and unit choices. For home ownership, adjustment to unit styles and life-cycle housing demands will also mean that production will exceed actual ownership household growth.

## **Unit Recommendations**

With these general development parameters in mind, this Update has recommended that housing unit production goals should target:

- ▶ 35 to 45 units per year to address owner-occupancy housing demand
- ▶ Between 145 and 165 traditional rental housing units over a five-year period

Within the home ownership segments, we continue to see much of the demand within the moderate to higher price ranges, consistent with the costs of new home construction. However, activity in recent years has also demonstrated that demand exists for entry-level new construction in Yankton.

An approximate distribution for single family units by price would include:

- ▶ 70% or more of the future demand for moderate to higher-priced units that can typically be addressed by the private housing market
- ▶ Up to 30% of demand should be for more affordable, entry-level housing

An approximate distribution for single family units by type would include:

- ▶ Approximately 70% to 75% of future demand for traditional detached single family homes
- ▶ Approximately 25% to 30% of demand should be for attached single family units, such as twin homes and town houses. Most of the attached units will be in the affordable or moderate price ranges

There are various methods for distribution of the recommended expansion of rental housing, but development proposals have already been identified to address much of the identified unit needs.

- ▶ A second phase of Westbrook Estates Apartments should open for occupancy in 2018, adding to the supply of conventional rental housing
- ▶ A proposal will be advanced to add up to 40 units of moderate rent/income restricted housing in a second phase of Yankton Heights
- ▶ Market opportunities continue to exist for higher-rent conventional rental housing that offers more features and amenities than traditionally available in more moderate rent options
- ▶ Most area renter households have lower incomes and could benefit from very affordable rental housing, but financial resources to create income-based housing remain scarce
- ▶ The Yankton area will continue to see modest near-term growth in an older senior population, that could justify additional specialized units

In addition to these development recommendations, a range of other housing strategies and initiatives will be discussed later in this document.

## **Highlights**

Community Partners Research, Inc., completed a Housing Study for the City of Yankton in 2013. This 2017 Update has allowed for some comparison of data, and the following observations and highlights have emerged.

- ▶ **Yankton has been growing as projected** - The 2013 Study had used a projection that the City would add approximately 58 households per year over a five-year projection period. This forecast appears to have been reasonably accurate, as the City has been averaging approximately 56 new housing units per year during the first half of the current decade.
- ▶ **Steady growth would be projected going forward** - The steady pace of growth that Yankton has been experiencing in past decades yields an expectation that the City will add between 50 and 60 households in a typical year going forward. Based on the accelerating pace of housing unit construction in 2017, this forecast could prove to be conservative.
- ▶ **Population growth has tended to lag behind household growth** - There is evidence that the City's population growth has not been as strong as household growth. However, the estimates for 2017 partly reflect a recent decrease in an inmate population at the Federal Prison Camp, which has since started to reverse. Still, an aging population and fewer people per household have resulted in a lower level of population growth despite the ongoing formation of new households.
- ▶ **The aging population trends identified in 2013 have continued** - Like many communities in the region, Yankton is seeing the impact of the aging "baby boom" generation. Net growth of population and households has been especially strong in the age groups 55 and older, while overall reductions have probably occurred in the age groups 54 and younger. Based on available projections, more than 53% of all Yankton area households will be age 55 or older by the year 2022. With a wide range of specialized senior housing options and extensive medical services attractive to seniors, Yankton will continue to be a preferred residential location for people as they age.
- ▶ **Single family housing construction activity has remained strong** - The City has continually experienced ongoing construction of single family homes, although the level of annual activity did decline during the early years of the current decade. Since 2015, Yankton has been permitting more than 35 single family units per year, and in 2017, it is probable that more than 50 single family units will be permitted. The last time that 50 or more single family permits were issued annually in Yankton was 2006.

- ▶ **Home values continue to rise** - The median sale price for existing homes has been rising steadily in recent years. Between 2015 and 2016, the median jumped up by \$15,000, to \$147,000 within the City of Yankton, indicating good demand for home ownership.
- ▶ **Multifamily rental construction projects have achieved success** - Since 2014, three larger-scale rental housing projects have been built, adding a combined 118 apartment units. One of these has not yet opened for occupancy, but the other two, Westbrook Estates and Yankton Heights, both achieved market success. In 2017, both of these projects are planning a second phase due to the unmet demand for units.
- ▶ **Despite rental housing growth, vacancy rates remain low** - The single largest construction project, Westbrook Estates, added 72 conventional rental units to the local inventory. Despite growth in supply, the estimated vacancy rate in 2017 was lower than in 2013 for market rate rental housing.
- ▶ **The City's supply of income-restricted housing has been growing smaller over time** - Despite the construction of 30 new moderate rent/income restricted housing units in Yankton Heights, the supply of income restricted housing in Yankton is actually smaller in 2017 than in 2013. Some older income-restricted projects have fulfilled their compliance/contract requirements and have converted to conventional housing. Among the rental projects that have left this housing segment since 2013 are Sagewood Apartments A and B, Pine Tree East and Pine Tree West. The loss of project-based rent assistance in Pine Tree East and West was mitigated through the issuance of tenant-based Vouchers, but these may not be a permanent resource for the Yankton area.
- ▶ **Conflicting information exists on affordable rental housing** - The vacancy survey conducted in 2017 did find some level of vacancy in both the moderate rent/income restricted rental segment and in the subsidized housing segment. However, this may have been due to the processing requirements needed to certify new applicants. Other measures, such as waiting lists, household income data and cost burden statistics point to unmet demand for income-based housing. A large share of the renter households living in Yankton have relatively low incomes and would be qualified to live in income-based housing.

- ▶ **The supply of specialized housing for seniors has remained largely unchanged** - There were no additions since 2013 in the overall supply of specialized housing options for seniors. Some changes have occurred in the type of care, as one assisted living provider has switched to serving memory care needs. The former Yankton Care Center was also replaced by a new facility at the Sister James Care Center.
- ▶ **Income estimates for the City of Yankton show no real improvement** - Household income levels can be difficult to measure, due to most people's reluctance to disclose financial details. However, the Census Bureau's American Community Survey actually shows that the median household and family income levels in Yankton decreased between 2010 and 2015. Another important income statistic, the median income level for renter households, was below \$22,000 in 2015. When compared to other moderate to larger cities in eastern South Dakota, Yankton has lagged behind on income growth.
- ▶ **For Greater Yankton there has been growth in the higher income ranges** - Despite mixed statistics on income levels for many area households, there has been a continued increase over time in the number of households with an annual income of \$75,000 or more. Within this income range the rate of home ownership is very high, and these households can afford more in monthly housing costs.
- ▶ **The local economy remains strong, but the labor force is not growing** - As measured by jobs and unemployment, the Yankton area remains very strong, with an unemployment rate of 3% or less for each of the past two years. However, the available resident labor force has not been growing. For the four-county region, the labor force in 2016 was slightly smaller than had been present in 2010.
- ▶ **Many of the Yankton-based jobs are filled by people that do not live in the City but do reside in the immediate area** - There are various statistics on worker commuting patterns, but most of the jobs in Yankton are probably being filled by people that commute in daily. However, the length of travel is not long, with approximately 74% of all city-based workers traveling less than 20 minutes (includes people living in Yankton) and approximately 85% traveling less than 30 minutes.

- ▶ **Growth in the community will generate demand for additional rental housing** - The tenure-based demand projections used for this Update expect demand for approximately 140 to 165 additional renter-occupancy housing units over the five-year projection period. There are two larger-scale projects already proposed that would address much of this demand. If constructed, as many as 112 new apartments could become available in 2018 and 2019.
- ▶ **Conventional market rate rental housing will address much of the growth-generated rental demand** - The economics of new construction make it difficult to construct low rent housing. But in Yankton, the Westbrook Estates and Green Suites projects have created moderate rent conventional housing. During the research for this Update, Westbrook Estates announced plans for a second development phase with 72 units that will open for occupancy in 2018. In the opinion of Community Partners Research, Yankton could also benefit from some additional conventional rental housing that is targeted at higher income households.
- ▶ **Moderate rent/income restricted housing is being proposed** - The first phase of Yankton Heights opened in 2015 and has achieved success. The developers are attempting to secure funding for a second phase of approximately 40 units. If successful, this would add to the supply of high quality work force housing in the city and would open in 2019.
- ▶ **While a large percentage of renter households have low incomes, it is unlikely that the City will add any subsidized housing resources** - The federal production programs that were used to create low income housing in the past are no longer available. It is therefore unlikely that subsidized housing can be added. Instead, preservation of very affordable housing will be a primary goal.
- ▶ **Specialized senior housing would benefit from a modest expansion of units** - Age-based projections expect the target market of older senior citizens to increase by as much as 15% over the next five years. A modest expansion of most forms of specialized housing with services would help keep pace with growing demand. After 2025, even greater demand will be present as the baby boomers move through the aging cycle. There has been no net increase in specialized senior housing for the past 10 years.



- ▶ **Demand should remain consistent for owner-occupancy housing** - The tenure-based demand projections used for this Update expect average annual demand for between 35 and 45 owner-occupancy housing units per year over the next five years. This level will be exceeded in 2017, but some of the recent home building appears to be speculative construction. Over the past five years, Yankton has averaged 34 single family housing starts per year. Looking forward, this annual level should remain stable or increase slightly.
- ▶ **Most demand for new houses should remain in the moderate to higher price ranges** - Prior to the development of Westbrook Estates, the large share of new home building was serving the moderate to higher price ranges. More affordable single family options were created, and success has also been achieved in the price ranges below \$200,000. Going forward, most of the demand will exist in the price ranges above \$200,000, but up to 30% of annual demand will be for affordable ownership. Increasingly, affordable ownership will be met through attached single family units, such as town houses or twin homes.
- ▶ **Attached single family housing is achieving an expanded market share** - After limited activity in attached single family housing, especially between 2013 and 2016, there has been a substantial increase in unit construction in 2017. This has been in the form of twin homes and small clusters of town house units. Most of these newly built units are offered in a more affordable price range, generally below \$225,000. While the market acceptance of these units will ultimately define the level of future activity, it is probable that going forward up to 30% of single family housing starts will be in some type of attached single family housing.
- ▶ **Promotion of home ownership is encouraged in the new and existing housing options** - While home values have been rising, the older existing housing stock, and some of the new construction options are relatively affordable. Community efforts to promote home ownership are encouraged, including proactive assistance programs to help with down payment, closing costs or low interest mortgages.
- ▶ **The older existing housing stock should be maintained and improved** - Older housing options in Yankton will generally represent the most affordable choices for owners or renters. Maintenance and preservation of older housing and neighborhoods are encouraged. This would include financial assistance for rehabilitation as well as efforts to inspect and enforce housing quality standards.

# Introduction

## Overview

Community Partners Research, Inc., was hired by the City of Yankton in 2013 to complete a comprehensive study of housing market conditions in the City and the surrounding area. In 2017, this Update was initiated to examine recent changes to the community and housing construction patterns.

## Methodology

A variety of resources were utilized to obtain information for the Housing Study Update. Community Partners Research, Inc., collected and analyzed data from May to August 2017. Data sources included:

- U.S. Census Bureau
- Demographic data from the State Data Center
- Esri, Inc., a private data reporting service
- Records and data from the City
- Records and data maintained by Yankton County
- Data from the SD Department of Labor
- Data provided by the Multiple Listing Service
- Interviews with elected officials and staff from the City
- Interviews with community leaders
- Interviews with people familiar with the area's housing conditions including bankers, Realtors, property managers, and developers
- Area housing agencies
- Rental property owner/manager surveys

## Limitations

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

This Update has not attempted to project future economic conditions, but instead has relied on past patterns and practices.

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## **Section Table of Contents**

|  | Page |
|--|------|
| Demographic Data Overview              | 11   |
| Market Area Map                        | 12   |
| Population Estimates and Trends        | 13   |
| Population by Race/Ethnicity           | 15   |
| Group Quarters Population Data         | 16   |
| Population by Age Trends: 2010 to 2017 | 17   |
| Household Estimates and Trends         | 19   |
| Household by Age Trends: 2010 to 2017  | 21   |
| Average Household Size                 | 23   |

# Demographic Data Overview

## Sources of Data

The 2013 Yankton Area Housing Study had provided detailed demographic data, including information from the 2010 Census, which was viewed as the most accurate and reliable data available at the time.

For this 2017 Update, greater reliance has been placed on demographic estimates and projections that have been generated by Esri, Inc., a private data reporting service that is widely used by financial and government entities. The South Dakota Governor's Office of Economic Development contracts with Esri to provide community profiles for each city in the State. Community Partners Research, Inc., has therefore elected to use the Esri data source as an indicator of present and future demographic conditions for Yankton and the surrounding area.

However, the analysts are aware that demographic estimating sources, including Esri, have a past history of significantly underestimating actual growth in Yankton and many other communities in South Dakota. These underestimating patterns eventually get corrected when the next decennial Census is conducted, and a new benchmark is established. But estimates for 2017 do reflect a probable undercount of population and households in Yankton, and the analysts have attempted to supplement the base demographic data with other sources of information that more accurately reflect the true growth trends for the area.

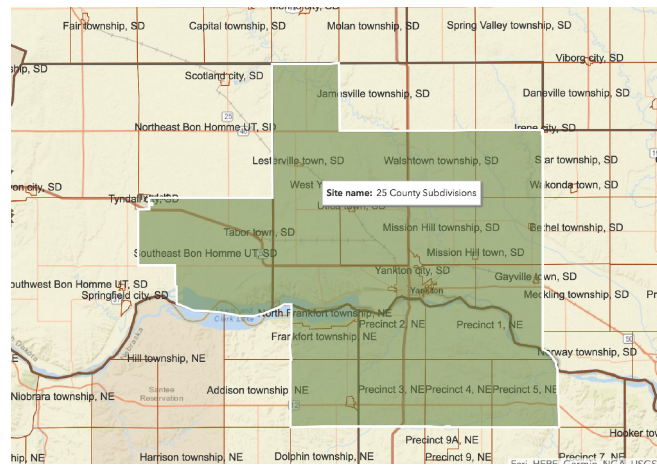
The Census Bureau's annual American Community Survey has also been used in this report, although a data-lag exists with this source as the latest release is for the year 2015. The American Community Survey is based on an annual sampling of households and there is a margin of error that exists for each estimate. As a result, the estimates are not always viewed as accurate. When they are viewed as reliable, the American Community Survey estimates have been included in the tables that follow.

## Market Area Designations

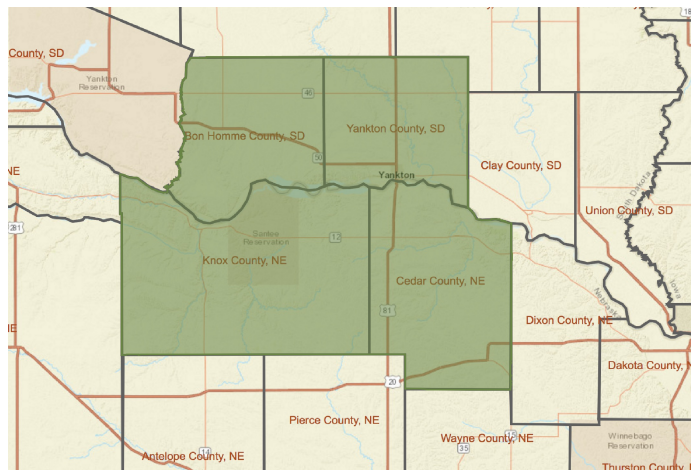
Yankton serves as a regional center for a number of surrounding counties. Consistent with the 2013 Study, demographic information for two larger aggregated areas has also been examined.

The first aggregated area, referred to in this Study as “Greater Yankton” includes the City as well as a number of smaller towns, townships and precincts in both South Dakota and Nebraska that are generally within a 15-mile radius. The South Dakota jurisdictions include the Towns of Gayville, Lesterville, Mission Hill, Tabor, Utica and Volin, and the Townships/Unorganized territories of Gayville, Marindahl, Mission Hill, Southeast Bon Homme, Southeast Yankton, Utica, Volin, Walshtown and West Yankton.

Jurisdictions in Nebraska include Precincts 1 through 5 in Cedar County, the City of Crofton, and the Townships of Eastern, Frankfort and North Frankfort in Knox County.



To put the City in a larger regional context, a multi-county area has also been examined for certain demographic variables, such as population and household trends. This area includes all of Yankton County, Bon Homme County, Cedar County, NE and Knox County, NE. This is referred to as the “Four-County Region” in this Study.



## Population Estimates and Trends

| <b>Table 1 Population Trends - 1990 to 2017</b> |             |             |                    |             |                    |               |
|---|-------------|-------------|--------------------|-------------|--------------------|---------------|
|   | 1990 Census | 2000 Census | % Change 1990-2000 | 2010 Census | % Change 2000-2010 | 2017 Estimate |
| Yankton   | 12,703      | 13,528      | 6.5%               | 14,454      | 6.8%               | 14,263        |
| Greater Yankton                                 | 22,956      | 25,291      | 10.2%              | 26,004      | 2.8%               | 26,307        |
| Four-County                                     | 46,006      | 47,901      | 4.1%               | 47,061      | -1.8%              | 46,950        |

Source: U.S. Census; Esri

The 2013 Study had acknowledged a long-standing pattern that has existed in underestimating population change for the City of Yankton. Any estimates released between the decennial census have generally been unable to accurately track growth within the City. It was hoped that these problems were corrected with the release of the 2010 Census totals. However, through 2017, it appears that the pattern of undercounting actual demographic changes may still have persisted for the City.

Esri, a private data reporting service that is used by the State of South Dakota's Office of Economic Development, shows a minor loss of population for Yankton in recent years. For 2017, Esri estimates the City's total population to be 14,263 people, down by 191 people from the 2010 Census count.

However, Esri's population total for the City is directly impacted by their count of "group quarters" residents. At the time of the 2010 Census, Yankton had 1,642 people living in some type of group quarters housing, including correctional facilities, college housing and nursing homes. The 2017 population estimate from Esri indicates that the City has lost more than 400 group quarters residents after 2010.

Although specific details of this reduction are not provided in the reports that were obtained from Esri, other information obtained from the Yankton Federal Prison Camp (FPC) does show a reduction of approximately 360 inmates between 2010 and 2017, potentially substantiating Esri's current estimate. However, by later in 2017 the prison population had already started to increase in size again, but temporary fluctuations may occur from time to time.

It is important to note that Esri does show the City's permanent resident population to be increasing in size. Excluding group quarters residents, the City's population has probably increased by approximately 230 people from 2010 to 2017.

An alternate population estimate exists from the Census Bureau's annual estimates program, although this is for the year 2016, one year earlier than the Esri estimate. In 2016, the Census Bureau believed that Yankton had 14,566 residents, up by 112 people from the 2010 Census. There is no specific level of detail provided by the Census Bureau for the annual estimate, so it is not clear if they are also tracking a reduction of group quarters residents.

The Census Bureau estimate, along with the group quarters-adjusted estimate from Esri, would both support the belief that Yankton is continuing to gradually add to its permanent resident population. This would be consistent with a long-term pattern that can be tracked back to at least 1980, which shows the City growing with each successive decade.

The aggregated area defined as Greater Yankton has been adding people, according to Esri's 2017 estimates. When compared to the 2010 Census count, Esri believes that Greater Yankton has added more than 300 residents. Once again, this number would potentially be 700 or more permanent residents added, if not for the group quarters reduction in the City of Yankton.

As a frequent user of Esri data, Community Partners Research has recognized a pattern that often exists in their annual demographic reports. Esri has a tendency to underestimate growth within the primary city, but overestimate growth in the immediately surrounding rural jurisdictions. This would appear to be the case for Yankton, as Esri shows that much of the net growth for Greater Yankton due to the rural cities and townships. While it is certainly possible that select jurisdictions, such as West Yankton UT, have been adding residents, it is doubtful that most of the area's population growth is attributable to the rural jurisdictions. Instead, it is likely that Esri has mistakenly placed the population increase outside, rather than inside the Yankton city limits.

Despite the probable error in geographical placement, the population estimates and projections for the area defined as Greater Yankton appear to be more reliable and accurate than Esri's data specifically for the City of Yankton.

Esri is tracking a minor loss of population within the larger Four-County Region. However, this would generally be expected as the rural communities that are farther removed from the regional center are often in a position of seeing population reductions, due to aging populations, fewer children and a smaller average household size.

The Census Bureau's 2016 county-level estimates also show some population loss for the Four-County area after 2010.

## **Population by Race/Ethnicity**

There is no reliable information that exists between the decennial Census that identifies detailed population components, such as the race or ethnicity of residents. The American Community Survey sampling attempts to make estimates based on race and ethnicity, but when only small populations exist, this sampling is very susceptible to errors.

In 2010, more than 90% of Yankton's residents were White for race, and not of Hispanic/Latino ethnicity. While the City's racial/ethnic makeup may have changed somewhat, it is believed that the large majority of residents are still White for race, and not of Hispanic/Latino ethnicity in 2017. As a result, no updated demographic details have been included in this Update.



## Group Quarters Population Data

As stated on the previous pages, a relatively large percentage of Yankton’s residents reside in some form of “group quarters” housing. Group quarters residents are counted as part of the population total, but are not counted as living in independent households.

The following table displays changes in the group quarters population subset over time. The 2017 estimate was derived from demographic reports obtained from Esri.

| <b>Table 2 Group Quarters Populations in Yankton: 1980 to 2017</b> |             |             |             |             |           |
|--|-------------|-------------|-------------|-------------|-----------|
|  | 1980 Census | 1990 Census | 2000 Census | 2010 Census | 2017 Esri |
| Yankton  | 885         | 941         | 1,330       | 1,642       | 1,220     |

Source: U.S. Census; Esri

According to Esri’s 2017 estimates for Yankton, the size of the City’s group quarters population has been growing smaller. Esri does not specifically identify the group quarters changes by type of housing.

In 2010, the largest segment of group quarters residents in Yankton was identified as living in “correctional facilities for adults”. The 2010 Census recorded 900 people in this type of housing. Information obtained from the Yankton Federal Prison Camp (FPC) showed 840 inmates in September of 2010, the closest reference point to the timing of the 2010 Census. Presumably, some additional residents would have been in correctional facilities other than the FPC in 2010, such as a County jail.

By June of 2017, the FPC inmate count was down to 477 people, a reduction of approximately 360 people from the probable count at the time of the 2010 Census. This information largely verifies Esri’s 2017 estimate which shows a reduction in time in the number of group quarters residents. However, by late August of 2017, the FPC had once again moved above 500 inmates.

Approximately 45% of the group quarters residents counted in 2010 were in some other form of institutionalized or noninstitutionalized housing, including college housing, skilled nursing facilities, or noninstitutionalized group homes not specifically defined. There is no available evidence to suggest that these population groups have increased or decreased in size between 2010 and 2017.

After 2010, the 73-bed Yankton Care Center skilled nursing home was closed, but was replaced by new construction at the Sister James Care Center.

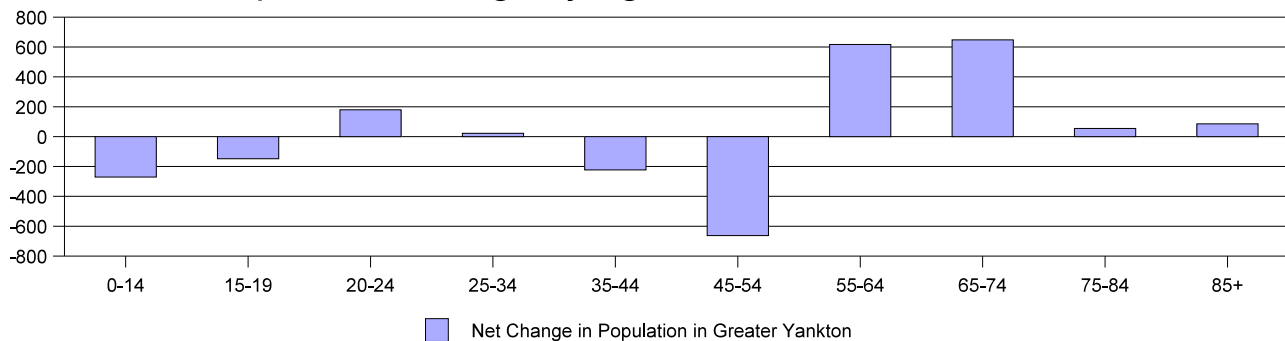
## Population by Age Trends: 2010 to 2017

The 2017 population estimates from Esri include information on the age distribution of residents. The following table compares population by age in 2010 and 2017, along with the numeric changes. Information for the Greater Yankton area has been provided since it appears to better match recent growth.

| <b>Table 3 Population by Age - 2010 to 2017</b> |                 |               |             |
|---|-----------------|---------------|-------------|
| Age   | Greater Yankton |               |             |
|   | 2010            | 2017          | Change      |
| 0-14  | 4,846           | 4,575         | -271        |
| 15-19   | 1,705           | 1,557         | -148        |
| 20-24   | 1,406           | 1,586         | +180        |
| 25-34   | 3,121           | 3,143         | +22         |
| 35-44   | 3,147           | 2,924         | -223        |
| 45-54   | 4,183           | 3,520         | -663        |
| 55-64   | 3,295           | 3,912         | +617        |
| 65-74   | 2,145           | 2,793         | +648        |
| 75-84   | 1,388           | 1,443         | +55         |
| 85+   | 768             | 854           | +86         |
| <b>Total</b>                                    | <b>26,004</b>   | <b>26,307</b> | <b>+303</b> |

Source: U.S. Census; Esri

### Population Change by Age Between 2010 and 2017

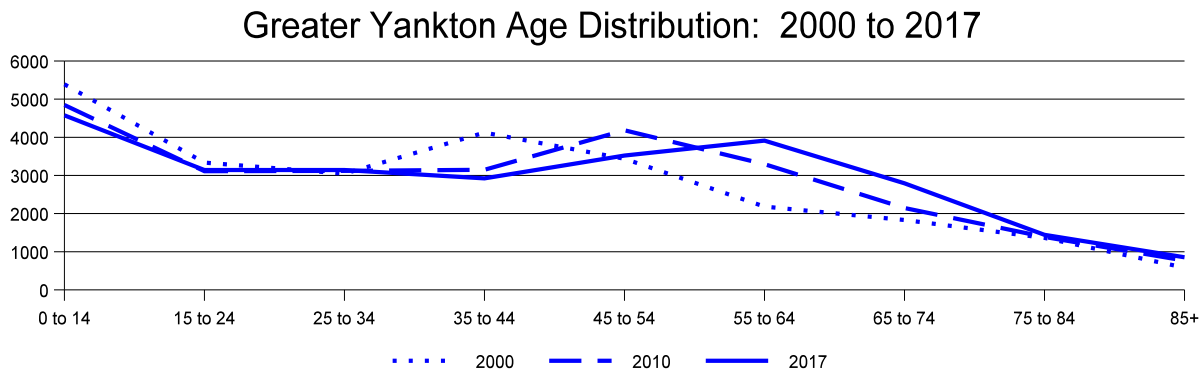


The 2013 Study had commented on the advancing “baby boom” generation and its impact on the area’s aging patterns. The age cohorts that represent the baby boomers continue to grow in size, as this large demographic segment moves through the aging cycle.

For the aggregated jurisdictions that form Greater Yankton, there has been a strong increase in the population that is age 55 and older. In 2017, nearly all of the baby boomers were within the age ranges between 55 and 74 years old. Between 2010 and 2017, Greater Yankton had a gain of more than 1,400 people in the age ranges 55 and older.

Conversely, the Greater Yankton area had an estimated net loss of approximately 1,100 people age 54 and younger. The age groups immediately trailing the advancing baby boomers were smaller in size, and could not replace the population numbers. This was most pronounced in the 45 to 54 year old age group, which was smaller than the next oldest 10-year age cohort.

The aging trends can be traced back to the year 2000 to see the “wave” created by the advancement of the baby boom generation in Greater Yankton.



## Household Estimates and Trends

| <b>Table 4 Household Trends - 1990 to 2017</b> |             |             |                    |             |                    |               |
|--|-------------|-------------|--------------------|-------------|--------------------|---------------|
|  | 1990 Census | 2000 Census | % Change 1990-2000 | 2010 Census | % Change 2000-2010 | 2017 Estimate |
| Yankton  | 4,977       | 5,369       | 7.9%               | 5,909       | 10.1%              | 5,983         |
| Greater Yankton                                | 8,413       | 9,599       | 14.1%              | 10,161      | 5.6%               | 10,455        |
| Four-County                                    | 17,223      | 18,256      | 6.0%               | 18,413      | 0.9%               | 18,599        |

Source: U.S. Census; Esri

According to the 2017 estimate from Esri, Yankton added 74 households from 2010 to 2017. Despite the fact that Esri does show growth in the community, in the opinion of Community Partners Research, this estimate is still too low.

From 2010 through 2016, more than 300 new housing units can be identified in Yankton from annual building permit reports. With the likelihood that most of these units had completed construction and were available for occupancy by 2017, it is probable that a substantially larger number of households are actually living in the City.

As stated previously, there has been a history of national data sources underestimating the actual level of growth that occurs in Yankton. While this later gets corrected at the time of the next decennial census, the intercensal estimates tend to lag behind the real level of growth. With few identified housing vacancies, it is probable that actual household growth has been similar to growth in the available housing stock.

Despite the probable undercount from Esri, the most recent estimate does continue to show positive growth for the City. This maintains a long-term pattern, dating back to at least the year 1980.

As highlighted in the previous Study, over the 30-year period between 1980 and 2010, Yankton added 1,446 households, or nearly 50 households in an average year. At the current pace of growth, as estimated through housing construction activity, Yankton is on course to add 500 or more housing units during the current decade, a pace of growth that is very similar to longer-term patterns.

According to Esri, the entire Greater Yankton aggregation added 294 total households between 2010 and 2017. When the City of Yankton's contribution was removed, the remaining jurisdictions had a net gain of 220 households. Once again, it is probable that some of the household growth was actually within the City of Yankton, and mistakenly attributed to the adjoining jurisdictions.

Household patterns in the entire Four-County Region show net growth of 186 households from 2010 through 2017. If accurate, the jurisdictions that are outside of the Greater Yankton area have continued to lose households, while Yankton and the adjoining jurisdictions have continued to add households.

## Household by Age Trends: 2010 to 2017

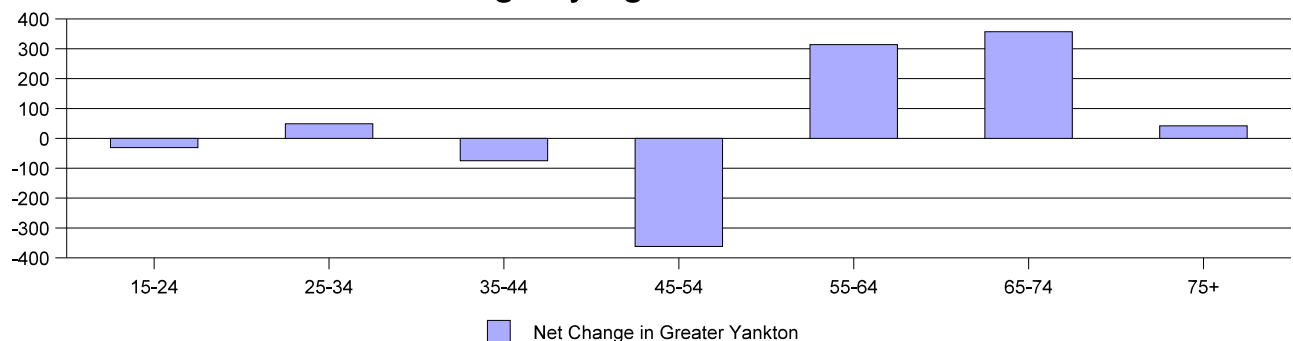
The following table compares households by age of householder in 2010 and 2017 within Greater Yankton, along with the numeric changes.

| Table 5 Households by Age of Householder - 2010 to 2017 |                 |        |        |
|---|-----------------|--------|--------|
| Age   | Greater Yankton |        |        |
|   | 2010            | 2017   | Change |
| 15-24   | 458             | 427    | -31    |
| 25-34   | 1,359           | 1,408  | +49    |
| 35-44   | 1,534           | 1,459  | -75    |
| 45-54   | 2,252           | 1,890  | -362   |
| 55-64   | 1,873           | 2,187  | +314   |
| 65-74   | 1,275           | 1,632  | +357   |
| 75-84   | 1,410           | 1,452  | +42    |
| Total   | 10,161          | 10,455 | +294   |

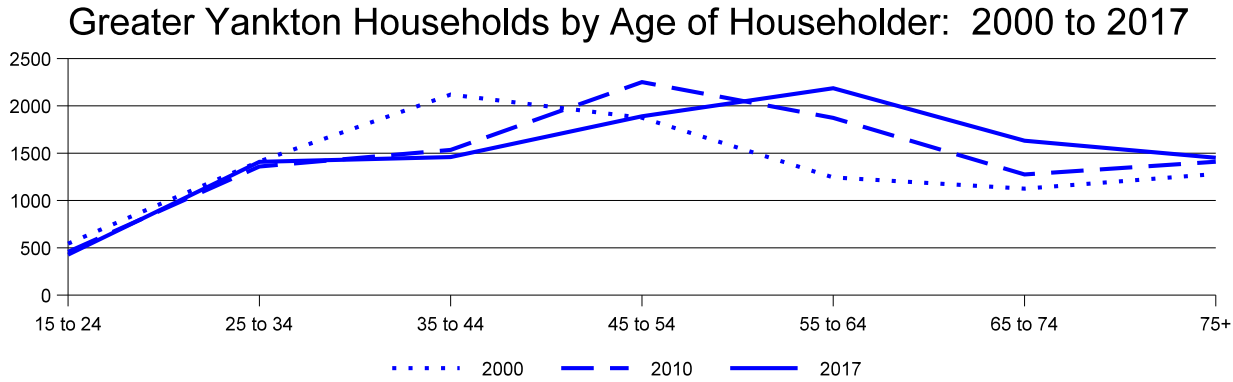
Source: U.S. Census; Esri

Consistent with the population by age data presented earlier, the household patterns show most of the net change occurring in the baby boomer age groups. For the Greater Yankton area, the largest net growth in households occurred in the 10-year age groups between 65 and 74 years old and between 55 and 64 years old. For the entire Greater Yankton area there was a net gain of 713 households age 55 and older, but a net loss of 419 households age 54 and younger.

Household Change by Age Between 2010 and 2017



As with the longer-term patterns for population, it is possible to track the “wave” progression of the baby boomer households in the Greater Yankton area dating back to the year 2000, using information for households by the age of householder.



## Average Household Size

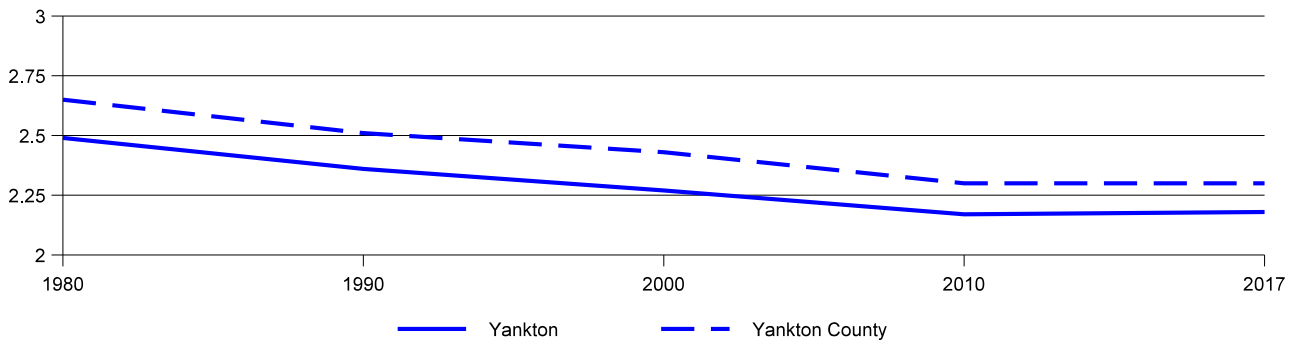
The following table provides information on average household size. Data on group quarters populations were not readily available for the smaller jurisdictions that form Greater Yankton, so no estimates have been provided.

| <b>Table 6 Average Number of Persons Per Household: 1980 to 2017</b> |             |             |             |             |           |
|--|-------------|-------------|-------------|-------------|-----------|
|  | 1980 Census | 1990 Census | 2000 Census | 2010 Census | 2017 Esri |
| Yankton  | 2.49        | 2.36        | 2.27        | 2.17        | 2.18      |
| Yankton County   | 2.65        | 2.51        | 2.43        | 2.30        | 2.30      |

Source: U.S. Census; Esri

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

Average Household Size: 1980 to 2017



In general, the average household size has decreased over recent decades. However, the 2017 Esri estimate for Yankton does show that the City’s average household size has stabilized, or possibly increased slightly from 2010. Even at 2.18 persons per household, the average household size in Yankton is relatively small, and below the countywide average.

Esri believes that the average household size for Yankton County has also been stable in recent years, with very little change from the level recorded in the 2010 Census.



## **Section Table of Contents**

|   | Page |
|---|------|
| Population Projections to 2022              | 25   |
| Household Projections to 2022               | 26   |
| Household Projections by Age of Householder | 28   |

## Population Projections

The following table presents population projections from Esri, which has generated 5-year forecasts to the year 2022.

| <b>Table 7 Population Projections Through 2022</b> |                               |                                 |                  |
|--|-------------------------------|---------------------------------|------------------|
|  | 2017 Population Estimate Esri | 2022 Population Projection Esri | Projected Change |
| Yankton  | 14,263                        | 14,425                          | +162             |
| Greater Yankton                                    | 26,307                        | 26,707                          | +400             |
| Four-County Area                                   | 46,950                        | 47,071                          | +121             |

Source: Esri

Esri is projecting only moderate population growth for Yankton, with the expected addition of 162 people between 2017 and 2022. As stated previously, Esri has probably been underestimating the level of recent growth in Yankton over the past few years, and this results in a conservative forecast of the City’s future growth potential.

Esri is somewhat more optimistic for the entire Greater Yankton aggregation, with a forecast that the combined jurisdictions will add 400 permanent residents over the next five years. In the opinion of Community Partners Research, it is probable that a larger portion of this growth will be located within the City of Yankton, and less to the outlying rural jurisdictions.

Although Esri is projecting some net growth for the larger Four-County Area, this is due to the impact of the Greater Yankton jurisdictions. Outside of Greater Yankton, some population losses are expected.

It is important to note that population levels have not been increasing at the same rate as households. With an aging population, there has tended to be fewer people per household. In some communities, it is possible to see household growth but a declining population, as the reduction in household size negates the addition of more households.

## Household Projections

The following table presents household projections generated by two different sources.

The first projection set is from Esri, and tracks the expected growth in households over the five-year period from 2017 through 2022.

Since Community Partners Research, Inc., believes that Esri is overly conservative in both their 2017 estimate for Yankton, and in their 2022 projection, an alternative trend-based projection has been presented specifically for the City of Yankton. Community Partners Research had less usable information for the jurisdictions outside of Yankton, so no trend-based forecasts were made for the aggregated geographies.

| <b>Table 8 Household Projections Through 2022</b> |               |                 |               |                 |
|---|---------------|-----------------|---------------|-----------------|
|   | Esri          |                 | CPR, Inc.     |                 |
|   | 2017 Estimate | 2022 Projection | 2017 Estimate | 2022 Projection |
| Yankton   | 5,983         | 6,049           | 6,230         | 6,480           |
| Greater Yankton                                   | 10,455        | 10,628          | -             | -               |
| Four County Area                                  | 18,599        | 18,678          | -             | -               |

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

As stated in the 2013 Study, the City of Yankton has grown at a relatively steady rate in recent decades. The trend-based calculation created for that document had expected Yankton to add approximately 58 households per year over the projection period between 2010 and 2015.

For the years 2010 through 2015, approximately 282 new housing units of all types can be tracked in Yankton based on building permit issuance, or an average of approximately 56 units per year, very similar to the household growth projection. Although some of these newly built units may not have been ready for occupancy in 2015, the pace of new unit construction was nearly identical to the calculation of growth-generated demand over that same time period.

Going forward to the year 2022, Esri has made an overly conservative forecast that expects Yankton to add only 66 households over a five-year period, or approximately 13 households per year. This is unrealistically low, based on all other measures of growth, including patterns for new housing starts.

At the Greater Yankton aggregated level, Esri's projections become somewhat more realistic, with the expected addition of 173 households over the five-year period, or approximately 35 households per year. While the analysts would still view this as a very conservative projection, it does show better growth. Based on past patterns, most of this is likely to occur within the City of Yankton, despite Esri's placement of this growth in the surrounding rural areas.

The trend-based projection for the City of Yankton, as calculated by Community Partners Research, would now expect the addition of at least 50 households in an average year going forward to the year 2022.

Although growth of 50 or more households in an average year can be supported by both shorter-term and longer-term trends, a forecast for the next five-year time period also needs to be cognizant of recent housing construction patterns. In 2017, an above-average level of housing unit creation is underway in Yankton, that will probably create more than 120 new units in a single year.

Much of the housing unit growth is due to a second phase of construction of a multifamily rental project. While the analysts would not expect larger-scale rental developments annually, the periodic addition of multifamily construction along with steady creation of single family units, have the potential for the City to average a net gain of 60 or more housing units per year over the next five years. Assuming that some level of vacancy is probable in the future, expected household growth of between 50 and 60 households per year in Yankton can be supported.

Esri's household projection for the Four-County Area, of Yankton, Bon Homme, Cedar and Knox, expects an overall loss of households outside of the Greater Yankton jurisdictions. When the Greater Yankton contribution is removed, the remaining jurisdictions in the Four-County area would be expected to lose nearly 20 households in an average year over the five-year time period.

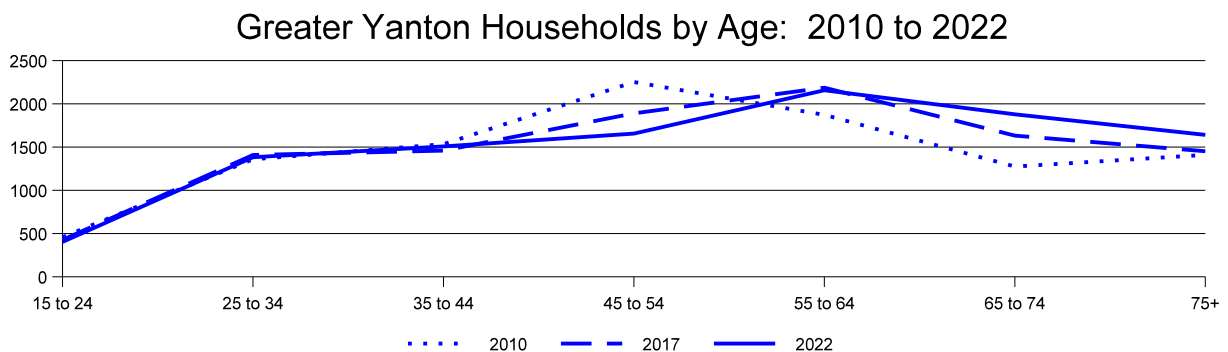
## Household by Age Projections: 2017 to 2022

Although Esri’s estimates and projections for the Greater Yankton area are viewed as overly conservative, they have been tracking some continued growth since 2010. Esri provides data within defined 10-year age groups, which can be used to anticipate future changes in the demographic composition.

| Table 9 Greater Yankton Projected Households by Age - 2017 to 2022 |                 |                 |        |
|--|-----------------|-----------------|--------|
| Age Range  | Greater Yankton |                 |        |
|  | 2017 Estimate   | 2022 Projection | Change |
| 15-24  | 427             | 404             | -23    |
| 25-34  | 1,408           | 1,383           | -25    |
| 35-44  | 1,459           | 1,508           | +49    |
| 45-54  | 1,890           | 1,656           | -234   |
| 55-64  | 2,187           | 2,157           | -30    |
| 65-74  | 1,632           | 1,879           | +247   |
| 75+  | 1,452           | 1,641           | +189   |
| Total  | 10,455          | 10,628          | +173   |

Source: Esri

Esri’s household by age projections show the patterns expected as the baby boomer generation advances through the aging cycle. By the year 2022, household growth will be the greatest in the age ranges 65 and older, while most of the other younger groups will see a minor decrease. Overall, Esri is projecting a net increase of more than 400 households age 55 and older, but a net decrease of approximately 230 households age 54 and younger.



## **Section Table of Contents**

|   | Page |
|---|------|
| 2015 Income Data                                      | 30   |
| Market Area Household Income Distribution             | 32   |
| Yankton Household Income Distribution by Tenure       | 33   |
| 2015 Estimated Income and Housing Costs - Renters     | 35   |
| 2015 Estimated Income and Housing Costs - Owners      | 37   |
| Rental Housing Costs and Comparison to Renter Incomes | 39   |

## 2015 Income Data

Annual income estimates are available at the city and county level through the Census Bureau’s American Community Survey. The most recently released data are for 2015. No median income information was available for Greater Yankton, since it is an aggregated geography. Median information has been provided for the City and for Yankton County.

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.

| <b>Table 10 Median Household Income - 2010 to 2015</b> |             |             |          |
|--|-------------|-------------|----------|
|  | 2010 Median | 2015 Median | % Change |
| Yankton  | \$42,956    | \$40,180    | -6.5%    |
| Yankton County   | \$47,124    | \$48,176    | 2.2%     |
| South Dakota   | \$46,369    | \$50,957    | 9.9%     |

Source: ACS 5-year survey

According to the American Community Survey, the median household income in the City of Yankton decreased by more than 6% between 2010 and 2015. This may have been due to a sampling error. However, it is also possible that the median income did decrease. For example, over this time more households may have moved into retirement, and were living on a fixed income in 2015.

There was some minor growth in the County’s median household income level. However, the rate of growth Countywide was much less than the increase for all of South Dakota

| <b>Table 11 Median Family Income - 2010 to 2015</b> |             |             |          |
|---|-------------|-------------|----------|
|   | 2010 Median | 2015 Median | % Change |
| Yankton   | \$61,911    | \$57,035    | -7.9%    |
| Yankton County                                      | \$62,070    | \$63,314    | 2.0%     |
| South Dakota  | \$58,958    | \$65,237    | 10.6%    |

Source: ACS 5-year survey

The City's median family income also decreased between 2010 and 2015, according to this source. For Yankton, the median decreased by nearly 8% during this time. This was despite some increase in the median Countywide, which was up by 2%. Statewide, the median family income increased by nearly 11% from 2010 to 2015.

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

The rate of change for median income levels over time also needs to be compared to inflation. According to the website [www.calculator.net/inflation-calculator](http://www.calculator.net/inflation-calculator) the inflation rate during this same time period was 10.4%. Using this comparative measure, the rate of change for the median household and family income levels in Yankton significantly trailed the rate of inflation.

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 Yankton could afford approximately \$1,005 per month for ownership or rental housing in 2015.

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.

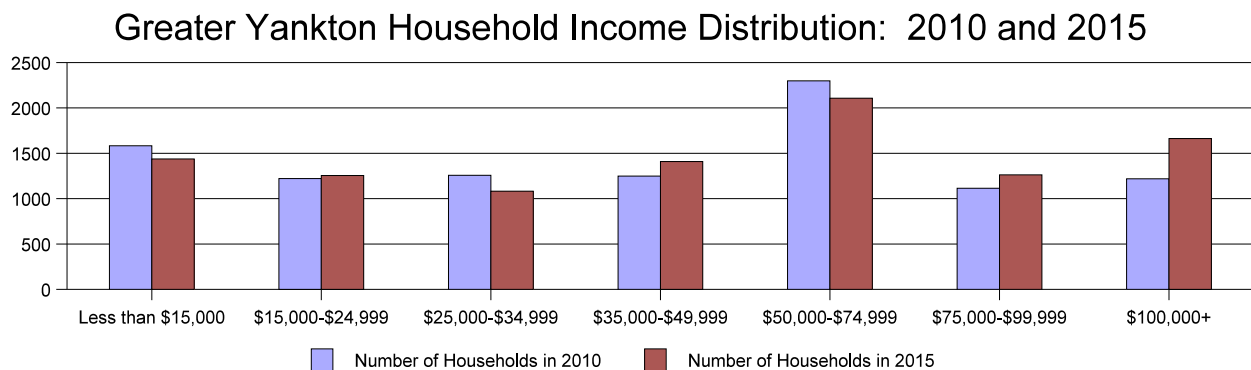


## Greater Yankton Household Income Distribution

The American Community Survey household income estimates for the entire Greater Yankton area can be compared to the same distribution information from 2010 to examine changes that have occurred over time.

| Household Income    | Number of Households 2010 | Number of Households in 2015 | Change 2010 to 2015 |
|---------------------|---------------------------|------------------------------|---------------------|
| \$0 - \$14,999      | 1,583                     | 1,438                        | -145                |
| \$15,000 - \$24,999 | 1,221                     | 1,255                        | +34                 |
| \$25,000 - \$34,999 | 1,258                     | 1,082                        | -176                |
| \$35,000 - \$49,999 | 1,249                     | 1,409                        | +160                |
| \$50,000 - \$74,999 | 2,299                     | 2,107                        | -192                |
| \$75,000 - \$99,999 | 1,115                     | 1,263                        | +148                |
| \$100,000+          | 1,219                     | 1,662                        | +443                |
| <b>Total</b>        | <b>9,944</b>              | <b>10216</b>                 | <b>+272</b>         |

Source: ACS



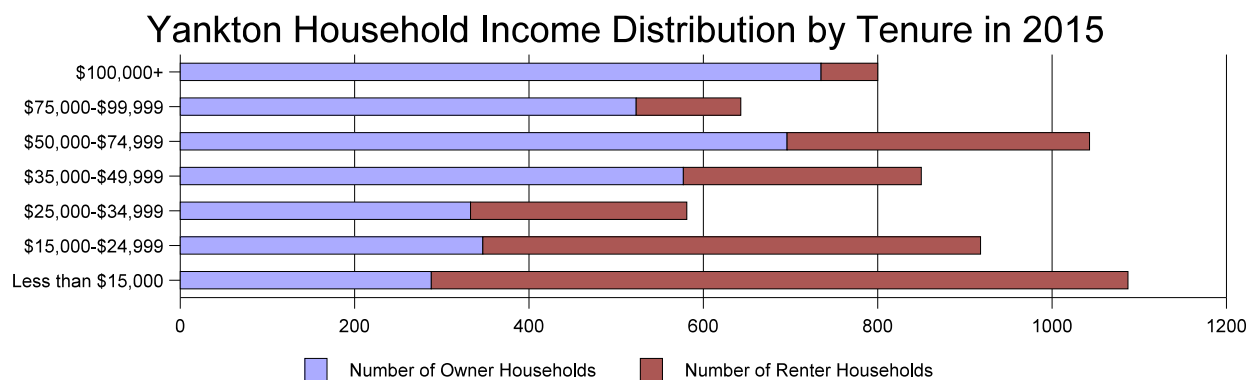
According to income estimates contained in the American Community Survey, household incomes have generally improved in the Greater Yankton area, especially in the highest income ranges. When compared to 2010, the number of households with an income of \$75,000 or higher, increased by nearly 600 households. Although there was a decrease in the number of households in some of the lower income ranges, there were still nearly 3,800 households with an annual income below \$35,000 in 2015.

## Yankton Income Distribution by Housing Tenure

The American Community Survey provides an income estimate by owner and renter status. The following table examines income distribution within the City of Yankton. Since the estimates are based on limited sampling, there is a margin of error. For total households, the American Community Survey reported 5,922 households in the City, which is viewed as an overly conservative estimate. Despite a probable underestimate of as many as 100 total households, this still represents the best information on income by tenure.

| <b>Table 13 Yankton Household Income Distribution by Tenure - 2015</b> |                            |                             |                  |
|--|----------------------------|-----------------------------|------------------|
| Household Income   | Number of Owner Households | Number of Renter Households | Total Households |
| \$0 - \$14,999   | 288                        | 799                         | 1,087            |
| \$15,000 - \$24,999  | 347                        | 571                         | 918              |
| \$25,000 - \$34,999  | 333                        | 248                         | 581              |
| \$35,000 - \$49,999  | 577                        | 273                         | 850              |
| \$50,000 - \$74,999  | 696                        | 347                         | 1,043            |
| \$75,000 - \$99,999  | 523                        | 120                         | 643              |
| \$100,000+   | 735                        | 65                          | 800              |
| <b>Total</b>   | <b>3,499</b>               | <b>2,423</b>                | <b>5,922</b>     |

Source: American Community Survey



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

In 2015, nearly 67% of all renter households in Yankton had an annual income below \$35,000. At 30% of income, these households would have \$875, or less, that could be applied to monthly housing costs. The median income for all renter households was \$21,909 in 2015. At 30% of income, a renter at the median level could afford approximately \$555 per month for housing costs.

Conversely, most owner households had a substantially higher income level. Nearly 56% of all owner households had an annual income of \$50,000 or more. The estimated median household income for owners in 2015 was \$57,309. At 30% of income, an owner at the median level could afford approximately \$1,435 per month for housing costs.

## Estimated Income and Housing Costs - Renters

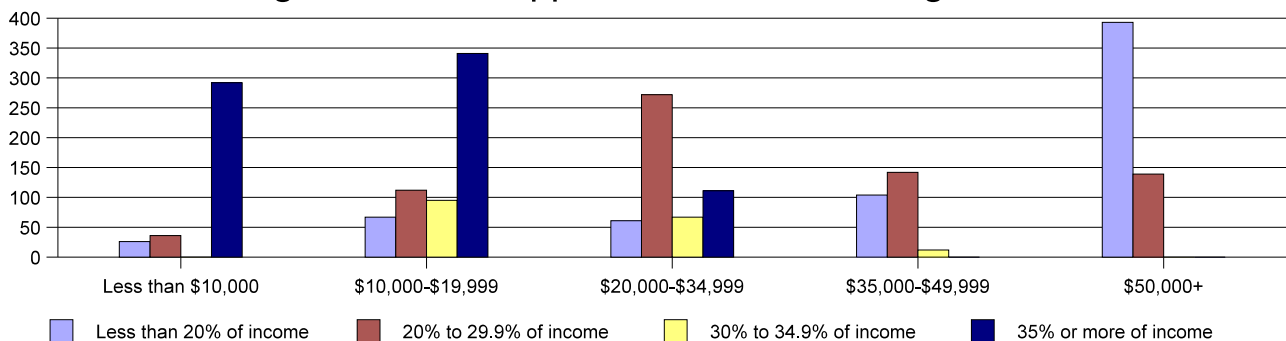
The household income and tenure information in the American Community Survey can be analyzed to determine the number of lower income households that pay a disproportionate share of their income for housing. The goal of most housing assistance programs is to keep housing costs at 30% or less of household 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”.

| <b>Table 14 Yankton Renter Income and Housing Costs - 2015</b> |                         |                      |                      |                       |
|--|-------------------------|----------------------|----------------------|-----------------------|
| Household Income   | Less than 20% of Income | 20% to 29% of Income | 30% to 34% of Income | 35% or More of Income |
| \$0 - \$9,999  | 26                      | 36                   | 0                    | 292                   |
| \$10,000 - \$19,999  | 67                      | 112                  | 95                   | 341                   |
| \$20,000 - \$34,999  | 61                      | 272                  | 67                   | 111                   |
| \$35,000 - \$49,999  | 104                     | 142                  | 12                   | 0                     |
| \$50,000 +   | 393                     | 139                  | 0                    | 0                     |
| <b>Total</b>   | <b>651</b>              | <b>701</b>           | <b>174</b>           | <b>744</b>            |

Source: American Community Survey

The table above only provides information for households paying cash rent, and excludes those households where a percentage of income could not be computed.

**Percentage of Income Applied to Rental Housing Costs - 2015**



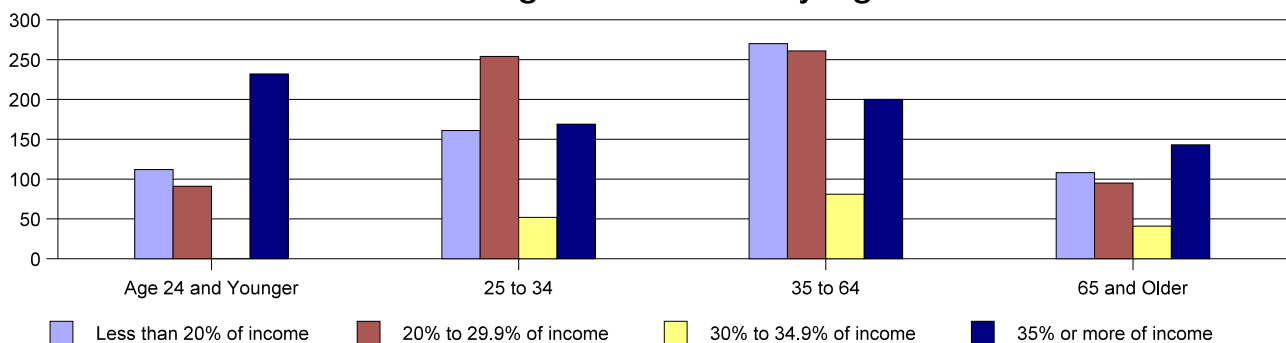
With 2,270 Yankton renter households reporting a cash rent, there were nearly 920 households that had a housing cost burden, with 30% or more of their income required for gross rent. This represented approximately 40% of all reporting renter households in 2015. For most of these households, a severe cost burden existed, with 35% or more of income applied to housing.

As would be expected, nearly all of the renter households with a housing cost burden also had an annual income below \$35,000.

| <b>Table 15 Yankton Rental Housing Costs by Age - 2015</b> |                         |                      |                      |                       |
|--|-------------------------|----------------------|----------------------|-----------------------|
| Age of Householder   | Less than 20% of Income | 20% to 29% of Income | 30% to 34% of Income | 35% or More of Income |
| 15 to 24   | 112                     | 91                   | 0                    | 232                   |
| 25 to 34   | 161                     | 254                  | 52                   | 169                   |
| 35 to 64   | 270                     | 261                  | 81                   | 200                   |
| 65 and older   | 108                     | 95                   | 41                   | 143                   |
| Total  | 651                     | 701                  | 174                  | 744                   |

Source: American Community Survey

**Rental Housing Cost Burden By Age - 2015**



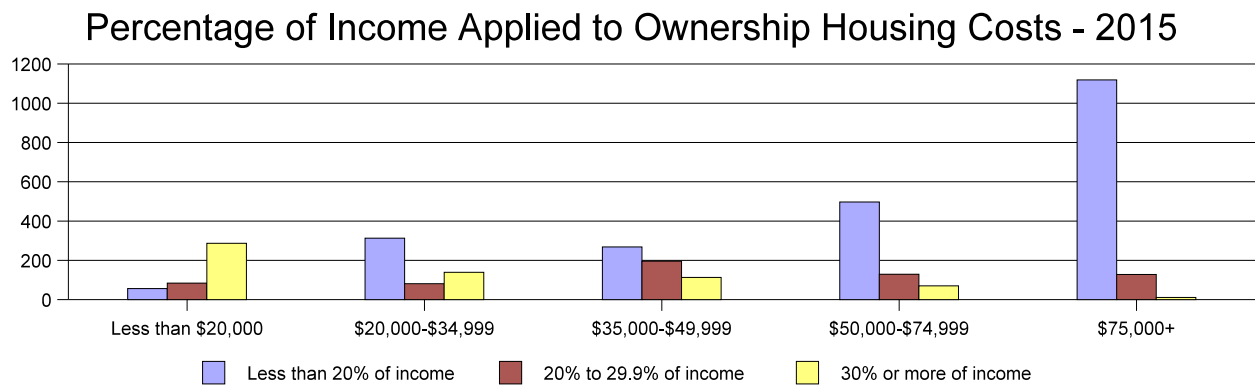
For households paying 30% or more of income for rent, approximately 31% were age 24 or younger, and nearly 23% were in the younger adult range between 25 and 34 years old. Approximately 19% of the renters with a housing cost burden were age 65 or older, and nearly 27% were age 35 to 64 years old. Based on this information, housing cost burden is not age-dependent, as lower income households in all age ranges were affected.

## 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 Yankton that are paying different percentages of their gross household income for housing costs.

| <b>Table 16 Yankton Home Owner Income and Housing Costs - 2015</b> |                         |                      |                       |
|--|-------------------------|----------------------|-----------------------|
| Household Income   | Less than 20% of Income | 20% to 29% of Income | 30% or More of Income |
| \$0 - \$19,999   | 56                      | 84                   | 287                   |
| \$20,000 - \$34,999  | 313                     | 81                   | 139                   |
| \$35,000 - \$49,999  | 268                     | 196                  | 113                   |
| \$50,000 - \$74,999  | 497                     | 129                  | 70                    |
| \$75,000 +   | 1,119                   | 128                  | 11                    |
| <b>Total</b>   | <b>2,253</b>            | <b>618</b>           | <b>620</b>            |

Source: American Community Survey



Most home owners have higher household income levels. Overall, nearly 56% of all owner-occupants in Yankton in 2015 had an annual income of \$50,000 or more. This significantly increases the amount of monthly income that can be applied to housing costs, and lowers the chance of a cost burden. Lending practices also tend to limit the amount of monthly income that can be used for mortgage repayment to less than 30% of income.

Approximately 27% of owners had an annual income below \$35,000, according to the 2015 American Community Survey. These low to moderate income households had the greatest frequency for a housing cost burden. More than 44% of all home owners with an annual income below \$35,000 had to apply 30% or more of their income for housing. Presumably, many of these lower income owners were seniors that had retired on a fixed income but still owned their home.

Fewer than 20% of households between \$35,000 and \$49,999 also reported a cost burden, and for households with an annual income of \$50,000 or more, the percentage paying 30% or more of their income for housing dropped to less than 5%.

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

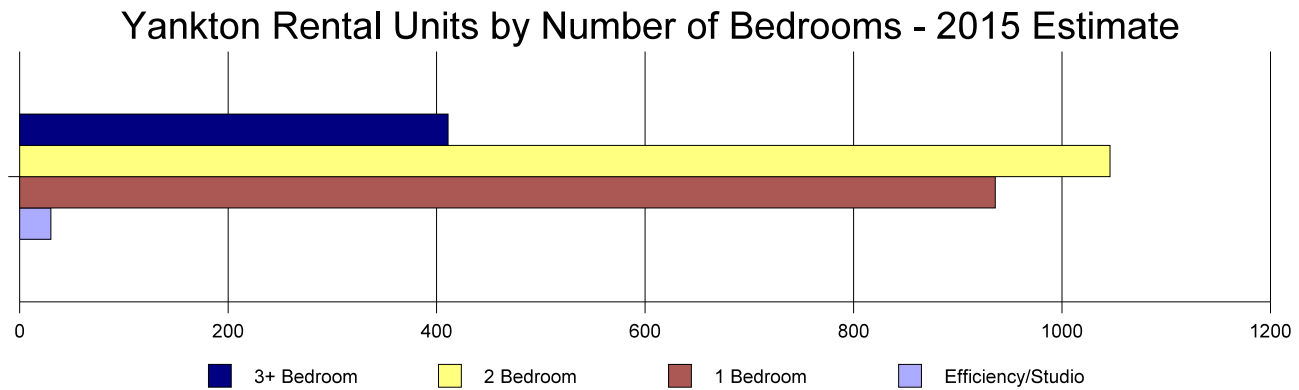
## Rental Housing Costs and Comparison to Renter Incomes

### American Community Survey Rental Inventory Data

The 2015 American Community Survey provides estimates on rental units in Yankton and the gross rents for these units.

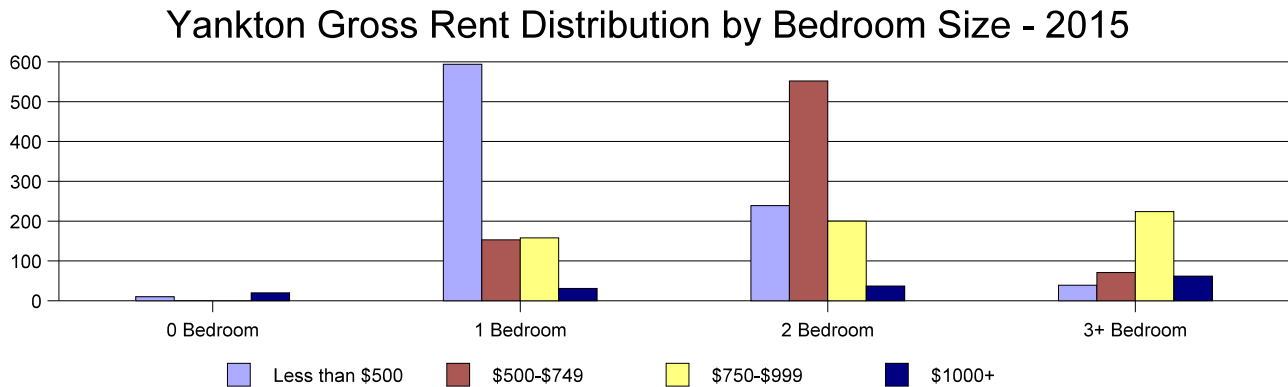
| <b>Table 17 Yankton Rental Distribution by Bedrooms and Rent - 2015</b> |                      |                     |                     |               |              |             |
|---|----------------------|---------------------|---------------------|---------------|--------------|-------------|
| Unit Size   | Rent less than \$500 | Rent \$500 to \$749 | Rent \$750 to \$999 | Rent \$1,000+ | No cash rent | Total Units |
| Efficiency/Studio   | 10                   | 0                   | 0                   | 20            | 0            | 30          |
| 1 Bedroom   | 594                  | 153                 | 158                 | 31            | 0            | 936         |
| 2 Bedroom   | 239                  | 552                 | 200                 | 37            | 18           | 1,046       |
| 3+ Bedroom  | 39                   | 71                  | 224                 | 62            | 15           | 411         |
| Total   | 882                  | 776                 | 582                 | 150           | 33           | 2,423       |

Source: American Community Survey



According to the American Community Survey, two-bedroom rental units represented more than 43% of all rental housing in the City, and one-bedroom units represented nearly 39%. Larger units, with three or more bedrooms accounted for fewer than 17% of all rental housing, and efficiency/studio type units represented less than 1.5% of the rental stock. Due to the small number of efficiency/studio units sampled, there may be an underestimate for this unit type.





The median gross rent for all units in Yankton in 2015 was \$561 per month.

For 0-bedroom units, there was only a small sampling, leading to a wide disparity in the reported gross rents, and no median estimate was provided. Most of the efficiency/studio units had a gross rent of \$1,000 or more, which is probably a reflection of specialized senior units. For example, some senior projects may offer small studio/efficiency units that also have high rent levels, reflecting the support services that are also available. Excluding the high-rent units, all of the other 0-bedroom units had a gross rent below \$500.

The inventory of one-bedroom units was much larger, and the rent distribution would be more reliable. A large share of one-bedroom units fell within a range between \$300 and \$499 per month. The median gross rent for one-bedroom units was \$440 per month.

For two-bedroom units, the majority of units fell within a range between \$500 and \$749 per month. The median gross rent for two-bedroom units was \$582 per month.

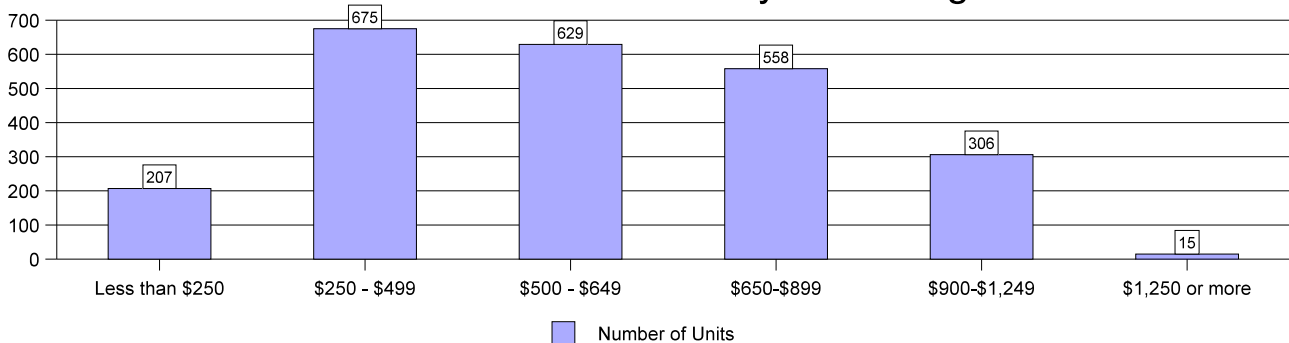
Prices increased rapidly for larger rental units, with three or more bedrooms. For these larger units, the majority of gross rents were between \$750 and \$999. The median gross rent was \$871 per month. It is probable that many rental units with three or more bedrooms exist in single family structures, such as houses converted to rental use or mobile homes, and tenant-paid utilities would add to the monthly gross rent amount.

For rental units with four bedrooms, the median gross monthly rent was \$1,033.

The information on gross monthly rent by the number of bedrooms used fairly broad ranges for reporting rents. The American Community Survey also presents information on gross rents within more defined ranges, but this information is not distributed by bedroom mix.

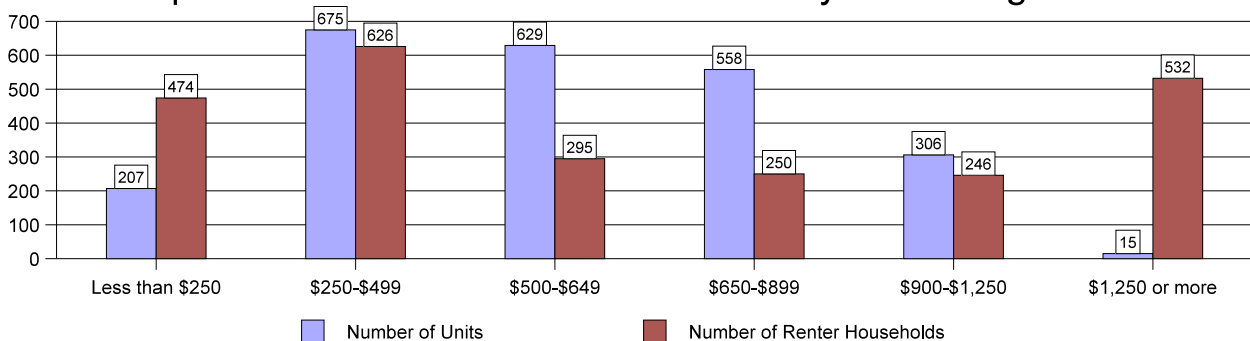
The rent distribution tables from the 2015 American Community Survey also do not differentiate between different segments of the market. Since all types of renter households should be surveyed, the rent distribution should include subsidized units, tax credit units, and probably some specialized senior housing. However, the vast majority of units in Yankton would represent conventional, market rate housing.

**Yankton Rental Unit Distribution by Rent Range - 2015**



Using the overall distribution of gross monthly rents and renter households by income, presented earlier in this Study, it is possible to compare rents and income. The following chart displays the overall rent distribution within defined price ranges as estimated for all rental units in Yankton. This is then compared to the number of renter households that would need a unit within this same basic price range, using a standard that 30% of income can be applied to housing costs.

**Comparison of Income to Unit Distribution by Rent Range - 2015**



Comparing supply and demand, based on the price needed versus unit distribution, shows some interesting trends. First, there were many more low income households that need a unit priced less than \$250 than there were units available in 2015. There were more than twice as many households with an annual income below \$10,000 as there were units that would be considered affordable for this income range. Presumably, some of the very low income renter households were living in a unit that was more expensive than their income level could support. This may have been helped somewhat by rent assistance Vouchers or other public assistance programs.

The mismatch between supply and demand largely disappeared in the next price/income range. The number of available units in the \$250 to \$499 price range was fairly well-matched to the number of households with an annual income between \$10,000 and \$19,999.

In the \$500 to \$649 price range there were more units than households within these basic income ranges. The overall median gross rent level in Yankton in 2015 was \$561 per month, and a large number of rental options in the City exist within the \$500 to \$649 price range.

The supply of units in the \$650 to \$899 price range was also larger than the number of renter households with an annual income between \$26,000 and \$36,000. The conventional rental market has been able to produce new units in this basic price range in recent decades, and rental housing constructed in the 1990s and 2000s may often be priced below \$900 per month. Higher income households that rent a less expensive unit would potentially elect to rent a unit in this more moderate range.

In the higher rent ranges of \$900 or more, the total supply of units was less than the number of renter households with moderate to higher incomes. Overall, the American Community Survey estimates showed that more than 32% of all renter households in Yankton in 2015 had an annual income of \$36,000 or more, but fewer than 14% of all rental units were priced at \$900 or more for gross rent. Since 2015, some new conventional rental housing has been added to the local inventory and may have expanded the unit supply in the higher price ranges.

## **Section Table of Contents**

|  | Page |
|--|------|
| Building Permit Trends                   | 44   |
| Single Family Construction Activity      | 45   |
| Multifamily Rental Construction Activity | 46   |
| Greater Yankton Construction Activity    | 47   |
| Existing Home Sales                      | 48   |
| 2016 Home Sales by Price Range           | 50   |
| Multiple Listing Service Sales Report    | 51   |
| Active Residential Listings              | 53   |
| Residential Lot Supply                   | 55   |

## Building Permit Trends

Yankton continues to have a significant amount of new housing construction activity. The 2013 Study had tracked annual building permit reports back to the year 2000. For this Update, annual totals since 2010 have been provided.

**Table 18 Yankton Housing Unit Construction Activity: 2010 to 2017\***

| Year  | Single Family Detached | Single Family Attached | Multifamily/ Apartments | Senior/Special Use Units | Total Units |
|-------|------------------------|------------------------|-------------------------|--------------------------|-------------|
| 2017* | 17                     | 28                     | 73                      | 0                        | 118         |
| 2016  | 32                     | 6                      | 16                      | 0                        | 54          |
| 2015  | 33                     | 6                      | 78                      | 0                        | 117         |
| 2014  | 21                     | 5                      | 30                      | 0                        | 56          |
| 2013  | 20                     | 2                      | 0                       | 0                        | 22          |
| 2012  | 12                     | 12                     | 1                       | 6                        | 31          |
| 2011  | 16                     | 6                      | 0                       | 0                        | 22          |
| 2010  | 18                     | 6                      | 2                       | 8                        | 34          |
| TOTAL | 169                    | 71                     | 200                     | 14                       | 454         |

Source: City of Yankton; Census Bureau \* 2017 is through July

Excluding the year-to-date activity for 2017, approximately 336 housing units have been added to Yankton's housing inventory between 2010 and 2016, based on building permits issuance. Over the seven-year period the City has averaged 48 units per year.

Much of the construction activity occurred in 2015, when the building permit was issued for Westbrook Estates, a 72-unit conventional apartment building. Single family unit permits also reached their recent high in 2015, with 39 detached and attached houses that started construction.

However, partial-year activity for 2017 already has exceeded the 12-month totals for 2015. With the inclusion of the second phase of Westbrook Estates, there are already 118 total units permitted. Due to above-average construction of twin home and town house units so far in 2017, the single family total has also exceeded the unit count from 2015. Single family detached home construction is lower in 2017, but with the construction season still underway, more detached house permits would be expected.

## **Single Family Construction Activity**

For the period from 2010 to 2017 (partial), annual reports show 169 detached houses being built and 71 attached units, such as twin homes or town houses. Although the exact occupancy tenure cannot be determined, it is assumed that most of the single family attached units were intended for owner-occupants.

Excluding the partial-year data for 2017, Yankton has been averaging nearly 28 single family housing starts per year since 2010. Both 2015 and 2016 were above this average level.

Through the first seven months of 2017, the single family construction activity was already well above the recent seven-year average. However, most of the new units are in the form of twin homes or town house units, and some of this appears to be speculative construction. In some cases, foundation work has started but actual construction may be dependent upon sales activity.

Although single family home construction has been improving in the past few years, the level of construction activity still remains well below the peak years of the prior decade. Between 2004 and 2006, more than 50 single family permits were issued each year. While it is possible that 2017 will reach or exceed 50 single family units, the last year that Yankton had achieved 40 or more single family permits in one year was 2008.

## **Multifamily Rental Construction Activity**

While most of the recent new construction activity has been in the form of single family housing, four larger-scale rental projects have been permitted since 2014. Two additional specialized-use projects were constructed by Ability Building Services in 2010 and 2012, and these were included in the construction summary provided for the 2013 Study.

The rental projects constructed since 2014 include:

- ▶ **Yankton Heights** - 30 moderate rent/income restricted apartment units permitted in 2014 that used federal low income housing tax credits
- ▶ **Westbrook Estates** - 72 conventional apartment units permitted in 2015 serving market rate renters
- ▶ **Green Suites** - 16 conventional apartment units permitted in 2016 serving market rate renters
- ▶ **Westbrook Estates Phase 2** - 72 conventional apartment units permitted in 2017 serving market rate renters

In addition to these larger multifamily projects, there have been some additional rental units created through downtown building conversions. A 9-unit extended stay property has also been created, but is not intended to provide housing for permanent residents of the City.

## Housing Construction Activity in Greater Yankton

In addition to the new housing construction that has occurred within the City of Yankton, there have been some units added in the remainder of Yankton County. Although the specific jurisdictions were not identified in the County reports that were obtained, it is assumed that much of the rural construction activity has been occurring in the rural jurisdictions that are part of the Greater Yankton aggregation, including West Yankton UT and Utica Township.

The County does not issue building permits within the small communities of Mission Hill, Gayville, Volin, Utica and Lesterville.

**Table 19 Yankton County Housing Construction: 2010 to 2017\***

|       | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017* | Total |
|-------|------|------|------|------|------|------|------|-------|-------|
| Units | 27   | 25   | 26   | 28   | 34   | 30   | 44   | 20    | 234   |

Source: Yankton County

\* 2017 is through July

Between January 2010 and July 2017, Yankton County had issued permits for 234 new houses in the rural portions of the County. This includes the areas along Lewis and Clark Lake/Missouri River.

The largest number of houses permitted in a single year was in 2016, with 44 units. Through the first seven months of 2017, there were 20 permits issued for new houses. While this number will increase over the next few months, it would appear that the volume in 2017 will be lower than in 2016.

It is important to note that these houses may include seasonal/recreational properties, and may not reflect housing for permanent residents.



## Existing Home Sales

This section examines houses that have been sold since 2010 in the City of Yankton. The information was obtained from the South Dakota Department of Revenue website, using sales records supplied by the Yankton County Equalization Office.

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

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 and State can reject sales that show significant variation from the assessed value. Known as the "150% rule" these sales may be open market transactions but are not useful in the sales ratio analysis. The sales file provided by the Department of Revenue identified the 150% rule sales, and these were included in the sales analysis that follows if they otherwise represent open market transactions.

The County's time period for analyzing annual sales differs slightly from the calendar year. It begins on November 1<sup>st</sup> and ends on October 31<sup>st</sup> of each year. A full sales year was not yet available for 2017.

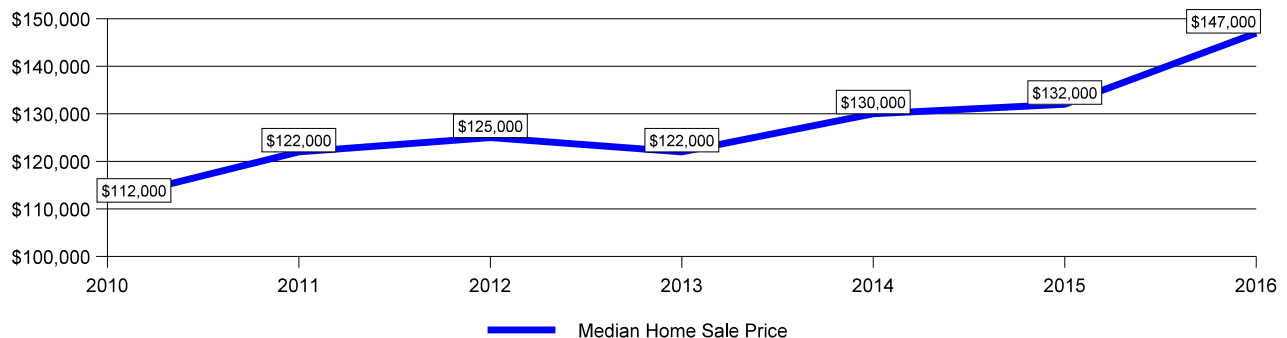
It is also important to note that there are slight variations in the following table when the information is compared to the 2013 Housing Study. For some years, there has been a slight adjustment in the number of "good" sales that were used. This may represent some later review that added or subtracted from the useable sales.

| <b>Table 20 Yankton Residential Sales Activity - 2010 through 2016</b> |                 |                   |              |             |
|--|-----------------|-------------------|--------------|-------------|
| Sales Year   | Number of Sales | Median Sale Price | Highest Sale | Lowest Sale |
| 2016   | 209             | \$147,000         | \$517,500    | \$30,000    |
| 2015   | 215             | \$132,000         | \$450,000    | \$20,000    |
| 2014   | 216             | \$130,000         | \$610,000    | \$18,500    |
| 2013   | 233             | \$122,000         | \$550,000    | \$5,000     |
| 2012   | 231             | \$125,000         | \$515,000    | \$20,000    |
| 2011   | 170             | \$122,000         | \$600,000    | \$10,000    |
| 2010   | 188             | \$112,000         | \$475,000    | \$10,000    |

Source: SD Department of Revenue; Community Partners Research

Over the past several years the median home sale price in Yankton has been on a general upward trend. Over that time the median price has ranged from a low of \$112,000 in 2010, to a high of \$147,000 in 2016.

**Median Home Sale Price: 2010 to 2016**



There has been some variation in the annual number of open market transactions. In 2011 there were 170 sales that were viewed as fair market transfers, the lowest volume over the time period reviewed. 2013 had the largest volume of good sales, at 233 transactions.

In each of the years there was at least one house that sold for \$30,000 or less, and at least one sale for \$450,000 or more.

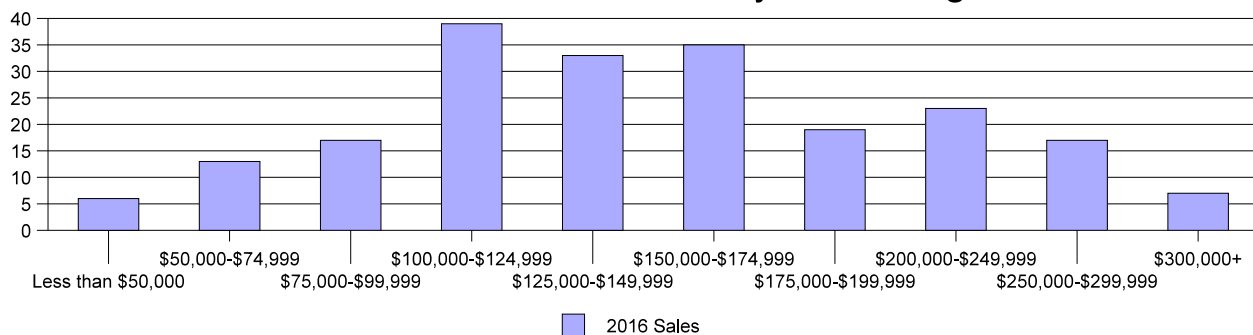
## Home Sales by Price Range

The following table looks at single family houses that sold within defined price ranges in 2016.

| Table 21 Yankton Home Sales by Price Range in 2016 |                 |                  |
|--|-----------------|------------------|
| Sale Price   | Number of Sales | Percent of Sales |
| Less than \$49,999                                 | 6               | 2.9%             |
| \$50,000 - \$74,999                                | 13              | 6.2%             |
| \$75,000 - \$99,999                                | 17              | 8.1%             |
| \$100,000 - \$124,999                              | 39              | 18.7%            |
| \$125,000 - \$149,999                              | 33              | 15.8%            |
| \$150,000 - \$174,999                              | 35              | 16.7%            |
| \$175,000 - \$199,999                              | 19              | 9.1%             |
| \$200,000 - \$224,999                              | 11              | 5.3%             |
| \$225,000-\$249,999                                | 12              | 5.7%             |
| \$250,000 - \$274,999                              | 12              | 5.7%             |
| \$275,000 - \$299,999                              | 5               | 2.4%             |
| \$300,000+   | 7               | 3.3%             |
| <b>Total</b>                                       | <b>209</b>      | <b>100%</b>      |

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

### 2016 Yankton Home Sales by Price Range



Recent home sales in Yankton have been widely distributed in different price ranges, but more than 51% of 2016 sales were priced between \$100,000 and \$174,999. Less than 12% of existing homes sold for \$250,000 or more, and less than 18% of all sales were priced below \$100,000.

## Multiple Listing Service Home Value Data

As part of the research process, Community Partners Research, Inc., once again obtained information from the Lewis and Clark Board of Realtors on home sales through the Multiple Listing Service. This information listed the number of sales and sale prices for different types of housing units. Similar information, covering the years 2009 through 2012 was included in the 2013 Study. For this Update, data for the years from 2013 through 2017 (partial).

Although most sales reported in the Yankton County Equalization data would be included in the MLS summary, there are also some differences between the two sources. There is a timing difference, as the MLS summaries are based on a calendar year, while the County's sales period begins on November 1<sup>st</sup> of each year. There is also a geographical difference, as the MLS region would extend beyond the Yankton city limits, while the County data were specific to sales within the City.

The MLS data would only include sales that were listed with a Realtor, while the County data would include properties sold directly by the owner. The MLS reports differentiate by various housing types, including single family detached, town houses and twin homes, while this level of specificity was not available in the County reports.

**Table 22 Yankton Area Residential Sales Activity - 2013 to 2017\***

|                        |                 | 2013      | 2014      | 2015      | 2016      | 2017*     |
|------------------------|-----------------|-----------|-----------|-----------|-----------|-----------|
| Single Family Detached | Number of Sales | 249       | 256       | 261       | 257       | 159       |
|                        | Median Price    | \$129,900 | \$135,000 | \$132,750 | \$152,000 | \$155,000 |
| Town House             | Number of Sales | 12        | 7         | 3         | 13        | 11        |
|                        | Median Price    | \$107,900 | \$115,000 | \$170,510 | \$152,100 | \$110,000 |
| Twin Home              | Number of Sales | 8         | 4         | 7         | 5         | 4         |
|                        | Median Price    | \$177,500 | \$192,500 | \$185,000 | \$200,000 | \$135,000 |
| Condos                 | Number of Sales | 3         | 7         | 3         | 4         | 3         |
|                        | Median Price    | \$68,000  | \$71,000  | \$35,000  | \$99,000  | \$110,000 |
| Mobile Home            | Number of Sales | 9         | 7         | 7         | 8         | 2         |
|                        | Median Price    | \$44,000  | \$28,000  | \$29,500  | \$23,250  | \$32,550  |

Source: Yankton MLS; Community Partners Research

\* Through 8/01/17

The summary reports from the Multiple Listing Service do show that most of the home sales in the Yankton area are single family detached housing units. In each of the five years reviewed, detached houses represented 88% or more of the annual MLS sales volume.

The annual median sale prices for single family detached homes tended to be higher in the MLS data than from the County records presented earlier, but the MLS would include houses outside the city limits, including homes that had larger land holdings.

Due to the limited number of annual sales for most other housing types, there was sometimes a wide variation in the median price from year to year. For home styles other than single family detached, the highest medians were generally found in twin homes. In most of the years, the median sale price for twin home units was greater than for detached houses.

## **Active Residential Listings**

The website Realtor.com, maintained by the National Association of Realtors, was used to collect information on active residential real estate listings in Yankton. When viewed in July 2017, there were 62 homes listed for sale, with 56 identified as single family detached homes. There were also 3 listings for twin home/town house units, two listings for mobile homes, and one condominium-style unit.

It is possible that some of these listings may actually be outside of the City limits, however properties with an acre or more were excluded.

It is important to note that the active properties are those included in the Multiple Listing Service (MLS) and would generally be offered through a real estate agent. There are other properties that are posted for sale in Yankton that would not be part of the MLS, including most homes being offered "for sale by owner".

The following table examines the MLS listings by listing price. It does include additional listings that may be close to Yankton but outside of the City limits.

| <b>Table 23 Yankton Active MLS Listings by Price Range in July 2017</b> |                    |                     |
|---|--------------------|---------------------|
| Asking Price  | Number of Listings | Percent of Listings |
| Less than \$50,000  | 2 (mobile homes)   | 3.2%                |
| \$50,000 - \$74,999   | 2                  | 3.2%                |
| \$75,000 - \$99,999   | 5                  | 8.1%                |
| \$100,000 - \$124,999   | 5                  | 8.1%                |
| \$125,000 - \$149,999   | 7                  | 11.3%               |
| \$150,000 - \$174,999   | 15                 | 24.2%               |
| \$175,000 - \$199,999   | 4                  | 6.5%                |
| \$200,000 - \$249,999   | 9                  | 14.5%               |
| \$250,000 - \$299,999   | 3                  | 4.8%                |
| \$300,000+  | 10                 | 16.1%               |
| Total   | 62                 | 100%                |

Source: Realtor.com; Community Partners Research, Inc.

Based on the listings on Realtor.com, most of the houses currently being offered for sale are priced at \$150,000 or more. Overall, more than 66% of active listings are priced at \$150,000 or above. Fewer than 15% of all listings are priced below \$100,000, and some of these were mobile homes. However, it is possible that some additional lower-priced houses are for sale, but not included in the Multiple Listing Service.

## **Residential Lot Supply**

The City of Yankton has a number of land developers and/or home builders that are actively selling residential lots in 2017. There are various subdivision choices that exist, with lots in different price ranges for different housing options.

In general, most of the subdivisions are limited in size, and reflect near-term demand. Developers often have additional adjoining land that can be platted and improved as needed to keep pace with annual sales. As a result, an overly large inventory may not exist at all times, but developers are adept at bringing new lots into the market to facilitate ongoing home construction.

The following summary reflects most of the identified subdivisions that are actively marketing lots or lot/house packages for sale in 2017.

**Benedict Estates** - This subdivision was developed in 2015 with 18 lots for single family houses. The lots were largely sold in 2016 and 2017, and in July 2017, only one vacant lot remains in the current phase. The developer plans a second phase once an adjoining land parcel is acquired. Typical homes constructed in this subdivision have been priced between \$200,000 and \$300,000.

**Cobh Development** - This is a small subdivision with approximately 3 lots that have been sold and 8 that remain available. Both single family houses or twin homes can be "built to suit". No information could be obtained on lot prices.

**Golf View Estates** - This subdivision offers residential lots along a golf course as well as "golf course view" lots that are across the street. Nearly all of the lots fronting the course have been sold but some off-course lots do remain available. An exact vacant lot count was not obtained, but only five or six appear to be available in July 2017. Golf course view lots may be priced at \$65,000.

**Ridgeway North** - A local home builder owns larger tracks of land in the northeast portion of the City and has been improving clusters of lots in small annual phases to facilitate ongoing single family construction. This area is within the City limits but is served by the Rural Water system. There were approximately 18 improved vacant lots available in July 2017.

Lots are typically sold as part of a home construction package, and prices were not obtained. Most of the houses constructed in this area are priced above \$300,000. In a typical year this builder will construct approximately 5 to 6 houses and will improve new lots as needed to keep pace with demand.



**Summit Heights** - This development area has lots available for both single family and twin home construction through a local builder. The actual number of improved lots is not known, but most of the new housing units constructed are believed to be above \$300,000. Additional lot development phases are expected within the next five years, depending on demand.

**Westbrook Estates** - This subdivision was created in 2015, with lot sales beginning in 2016. Yankton Area Progressive Growth (YAPG) was a partner in the project, with a goal of creating more affordable lot and home ownership opportunities. The first phase created 28 single family lots, 14 lots for twin home/duplex units, and four lots intended for 4-unit attached single family construction.

In July 2017, only two single family lots remain, along with five lots for twin homes. All four of the 4-plex buildings have started construction of the foundations, but only one building has actually been constructed. As a more affordable subdivision, most of the single family houses have been sold for less than \$200,000, and twin home units for less than \$180,000. The price for the attached units in the 4-plex buildings will be \$160,000 or less. The private developer involved in the project is planning a second phase with 24 single family lots and 3 lots for 4-plex construction. Most of the single family lots will now be targeted to houses between \$200,000 and \$300,000.

**West Side** - This development area utilized a redevelopment parcel created by the removal of an older mobile home park. Four 4-plexes will be constructed that will create one-level town house-style units with attached garages. Target prices are between \$215,000 and \$225,000, with association-management. Pre-sale activity is underway.

It is important to note that in addition to the lot options that exist within the City of Yankton, an inventory of rural residential lots is present in the township areas that surround the City, in both South Dakota and Nebraska. Many of these rural lots orient to the Missouri River or Lewis and Clark Reservoir, offering water views. These are generally higher-priced lots that are one acre or more in size, and may need on-site sewage treatment systems.

## **Section Table of Contents**

|   | Page |
|---|------|
| Rental Housing Inventory Data           | 58   |
| Rental Housing Survey                   | 60   |
| Market Rate Housing Summary             | 61   |
| Moderate Rent/Income Restricted Summary | 63   |
| Subsidized Summary                      | 68   |
| Tenant-based Rent Assistance Vouchers   | 72   |
| Multifamily Rental Tables               | 73   |

## **Rental Housing Data**

### **Census Bureau Rental Inventory**

The last true benchmark for housing tenure distribution exists in the 2010 U.S. Census. At that time there were 2,253 occupied rental units, and at least 257 unoccupied rental units in Yankton, for a total estimated rental inventory of 2,510 units. The City's rental tenure rate was 38.1%, based on renter-occupancy households, well above the Statewide rate in 2010 of 31.9% rental.

In 2010, Yankton contained the large majority of the rental options for the surrounding region. According to the Census, there were 2,983 occupied rental units in the Greater Yankton aggregation, with 76% being located in Yankton.

### **Recent Rental Construction**

In the section of this document that examines building permit trends, information was provided on rental housing development since the year 2010. Based on building permit reports, as many as 110 rental units were added through the end of 2015. Some additional new construction started in 2016, with planned occupancy in 2017.

With the inclusion of newly constructed units, the City's total rental inventory probably contained between 2,600 and 2,650 units at the start of 2017.

### **American Community Survey Estimate**

Through its annual American Community Survey program, the Census Bureau produces annual estimates. Since these are based on sampling, there is a margin of error that applies to each estimate.

For the City of Yankton, the 2015 American Community Survey showed 2,423 occupied rental units and 147 vacant units, for a total rental inventory of 2,570 units. In 2015, between 75 and 80 additional rental units were permitted in Yankton which would not have been included in the American Community Survey estimate.

With the inclusion of new units permitted in 2015, the American Community Survey total would be approximately 2,650 units, a very similar number to the estimate derived from the 2010 Census with the addition of building permit data.

### **Pending/Proposed Rental Projects**

The research for this Study identified some possible future rental projects in Yankton. A second phase of construction at Yankton Heights has been proposed, but did not receive State funding for tax credits in 2016. It is probable that this project will be resubmitted again in the future. As planned, Yankton Heights II would create 39 affordable rental units.

Plans are also proceeding for a second development phase at Westbrook Estates, the 72-unit conventional rental apartment building that was constructed in 2015. While exact details of this second phase were not obtained, it is believed that it would replicate the first phase.

## **Rental Housing Survey**

As part of this housing study, a telephone survey was conducted of multifamily projects in the City of Yankton. The survey was conducted in May 2017.

Emphasis was placed on contacting all of the properties that were included in the 2013 Housing Study, plus the addition of newly developed units since that time.

The 2013 rental survey had focused on multifamily properties, primarily with five or more units, although a few smaller properties were also included in that survey. For the purposes of planning additional projects in the future, multifamily properties represent the best comparison of market potential.

Multiple attempts were made to contact each property. Information was tallied separately for different types of rental housing, including conventional market rate units, moderate rent/tax credit units, federally subsidized housing, and senior housing offering some level of services to residents. The information on specialized senior housing with services is presented separately, in a later section of this document.

There were nearly 1,500 housing units of all types that were contacted in the survey. This total would represent nearly 57% of the City's estimated total inventory of rental housing units. The units that were successfully contacted include:

- ▶ 622 conventional, market rate units
- ▶ 144 moderate rent /income restricted units including tax credit/HOME
- ▶ 271 subsidized units for senior/disabled occupancy
- ▶ 291 subsidized units for general occupancy
- ▶ 168 specialized senior units/beds (detailed in following section)

The findings of the survey for independent living units are provided below. The findings of the survey for senior housing with services units are presented in the next section of this Study.

## Market Rate Summary

Usable information was obtained from 38 different market rate rental projects. Combined, these projects had 622 conventional rental units.

The project and unit totals did include various forms of housing. In some cases, these represent downtown apartments, clusters of single family homes, mobile homes that have a single owner/manager, or units in large houses that were later subdivided into apartments. However, most of the conventional units exist in multifamily properties, with four or more units per building.

For some of the buildings that were contacted, only partial information was obtained. For example, some properties did not provide the exact bedroom mix for units in the building. In other cases, vacancies were not defined by bedroom mix. For some of the calculations that follow, a smaller subset of market rate units may have been used.

### Unit Mix

Since some of the building owners/managers could not identify an exact unit count by bedrooms, the following breakdown is based on the specific information obtained from 509 units:

- ▶ Efficiency/Sleeping Rooms - 5 units/rooms (1.0% of the reported units)
- ▶ One-bedroom - 169 units (33.2%)
- ▶ Two-bedroom - 317 units (62.3%)
- ▶ Three-bedroom - 18 units (3.5%)

### Occupancy / Vacancy

Within the market rate multifamily segment there were approximately 12 vacant units of the 622 used in the occupancy calculation. This represents an overall vacancy rate of 1.9%. There were a few additional units that were intentionally vacant to allow for unit repairs.

It should be noted that although some vacant units were reported to the survey, these may have been units that had recently turned over. Most property owners/managers talked about good demand, and open units would often fill quickly.

The vacancy rate reported in the 2017 survey is actually lower than the estimated vacancy rate in 2013, despite the fact that some new units have been constructed in Yankton since that time.

There were differing opinions expressed about the strength of the local rental market. Some owners/managers indicated that many inquiries were received from prospective tenants. However, other owners/managers commented about an oversupply of rental housing in Yankton due the new units added in the past few years.

**Rental Rates**

Rental rates in Yankton can vary widely, reflecting the age of construction and the unit amenities being offered. Reported rents 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 has attempted to estimate the gross rents being charged, inclusive of an estimate for tenant-paid utilities.

In the first column, the lowest and highest gross rents have been identified, as reported in the telephone survey. Since the highest and lowest ends of the rent range may not be representative of most units, a prevailing rent column has also been listed that attempts to define the gross rents being charged by a larger percentage of the units surveyed.

| <u>Unit Type</u>  | <u>Lowest/Highest<br/>Gross Rents</u> | <u>Prevailing Rents<br/>Majority of Units</u> |
|-------------------|---------------------------------------|---|
| Efficiency/Studio | \$325-\$550                           | \$325-\$550                                   |
| One-bedroom       | \$400-\$1050                          | \$475-\$700                                   |
| Two-bedroom       | \$475-\$1300                          | \$600-\$875                                   |
| Three-bedroom     | \$725-\$1700                          | \$725-\$1075                                  |

Certain types of units, such as efficiency/studios and three-bedroom rentals, were not well represented in the multifamily sample and the rent levels presented above may not be a good reflection of the typical rental rates in the community.

## **Moderate Rent/Income Restricted Summary**

The City of Yankton has some moderate rent projects that received federal or state assistance, but that do not offer “deep subsidy” rental housing. These projects include units assisted with federal low income housing tax credits, HUD’s HOME or Neighborhood Stabilization Programs, or similar assistance. The following section analyzes this segment of the market which has income and rent restrictions in place, but generally has moderate rent levels that are too high to serve very low income renters.

### **Tax Credit Inventory**

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

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

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

Ten rental projects have been identified in Yankton that received a tax credit award since the late 1980s. There is one additional award that was made to a Yankton Sioux project that was identified as being in Yankton although it does not appear to actually be located within the City.

Most of the tax credit awards in Yankton have been made for new construction of affordable housing. However, three of the new construction awards were made in conjunction with other federal subsidy programs to create very affordable housing. Since other federal subsidy sources were used, these units typically operate as subsidized housing, with rent based on household income, and the ability to serve even very low income renters.



The new construction tax credit projects that operate as subsidized housing are:

- ▶ Memory Lane Apartments (USDA Rural Development)
- ▶ Sunrise Apartments (USDA Rural Development)
- ▶ Sunrise II Apartments (USDA Rural Development)

All three projects still participate in the Rural Development subsidy program and have been included in the subsidized housing analysis that follows later in this section.

There have been four tax credit awards made to existing subsidized projects in Yankton for renovation/preservation activities.

- ▶ Colonial Square Apartments (HUD project constructed in the 1970s)
- ▶ Walnut Hill (HUD project constructed in the 1970s)
- ▶ Sir Charles Apartments (HUD project)
- ▶ Whiting Court (HUD project constructed in the 1970s)

The 15-year tax credit compliance period has been met for Colonial Square and Walnut Hill, but both of these projects continue to operate as HUD subsidized housing. Sir Charles received a tax credit award in 2011 but also offers HUD subsidized housing for senior/disabled tenants. Whiting Court received a preservation award in 2015 and continues to operate as HUD subsidized housing. Colonial Square, Walnut Hill, Sir Charles and Whiting Court have also been included in the subsidized housing analysis that follows later in this section.

There are four tax credit awards that were made for new construction projects serving moderate income renters, without any other form of project-based federal subsidies. These moderate rent projects are:

- ▶ Sutton Place (2001 award)
- ▶ Sutton Place II (2002)
- ▶ Apple Creek (2008)
- ▶ Yankton Heights (2014)

These four new construction tax credit projects have 134 combined units serving low and moderate income renters.

## **HOME Program Inventory**

The South Dakota Housing Development Authority has also made affordable rental funding awards over the past few decades using HUD's HOME program. The use of HOME funds imposes income restrictions of the assisted units, with all units serving households at or below 80% of the median income level, and some units serving households at or below 50% of the median income level.

Like tax credits, HOME-assisted units had a contract compliance requirement, generally believed to be 15 years or less for most projects. Some projects awarded HOME funds in the 1980s or 1990s have now completed their affordable housing requirements and have converted to conventional housing. This section only reports on HOME units that still comply with the income tests.

In 2017, there is only one remaining rental project in Yankton that complies with the HOME Program requirements. Prairie View Townhomes was constructed in 1994 with HOME assistance. It was eligible to end its contract compliance in 2014, but has elected to remain in the program. Prairie View Townhomes has 10 affordable units.

Two additional projects that were still operating under the HOME regulations in 2013, Sagewood Apartments A and Sagewood Apartments B, have now ended their compliance and operate as conventional market rate housing in 2017.

It should be noted that Sutton Place I and II also received HOME Program funding, along with housing tax credits, but the tax credit regulations are generally more restrictive for most units, and they have been categorized as tax credit housing.

## **Moderate Rent/Income Restricted Unit Mix**

The following breakdown is based on the 134 moderate rent units that operate under tax credit regulations, plus the 10 HOME Program units.

- ▶ One-bedroom - 6 units (4.2% of the reported units)
- ▶ Two-bedroom - 92 units (63.9%)
- ▶ Three-bedroom - 46 units (31.9%)

## **Occupancy / Vacancy**

Occupancy information was obtained from all 144 moderate rent/income restricted units in this segment of the market. On the date of the survey, there were 10 units reported as vacant, for a vacancy rate of 6.9%.

The vacancies were often attributed to recent turnover. Due to the income certification requirements, there can be a time delay in filling open units while paperwork processing is underway.

Some of the vacancies can also be attributed to the income limits that apply. Applicants must have an income that is below the applicable limits, typically set at 60% of median income, yet high enough to afford the monthly rent payment. For example, in Apple Creek Apartments, the upper end of the rent range exceeds \$1,000 per month for three-bedroom units, and this project reported that it is typical to have some vacant units.

Many of the moderate rent projects maintained waiting lists for occupancy, although some managers stated that prospective tenants are often looking for immediate housing options, and cannot wait for a unit to become available at an unknown date in the future. It should also be noted that some of the projects charge an application fee, which can discourage households from applying simply to be placed on a waiting list.

## **Rental Rates**

Federal requirements place rent caps on assisted units. Tax credit requirements, which apply to most of the moderate rent units within this segment, have gross rents capped at 60% of the median income level. However, it is typical to see many units at or below the limits set at 50% of median, in part due to competitive market pressures.

HOME may have some units capped at 50% of median, although other units may be allowed to charge rents up to 80% of median. However, the limits set at 80% of median may well be higher than the prevailing rents that exist within the community and a lower amount is often charged.

The 2017 rent limits for Yankton County at 50% and 60% of median are provided below, along with the range currently being charged by tax credit and Home Program projects in Yankton, based on the survey responses.

|               | <u>Yankton Range</u> | <u>50% Limits</u> | <u>60% Limits</u> |
|---------------|----------------------|-------------------|-------------------|
| One-bedroom   | \$390 - \$625        | \$631             | \$758             |
| Two-bedroom   | \$460 - \$825        | \$757             | \$909             |
| Three-bedroom | \$540 - \$1050       | \$875             | \$1050            |

Most of the income restricted moderate rent units in Yankton are charging gross rents that are below the federal limits set for households at 50% of the median income level. There are some two-bedroom and three-bedroom units in Apple Creek Apartments that are above the 50% limits, and some of these higher-rent units were also vacant when the project was surveyed.

### **Proposed Moderate Rent/Income Restricted Projects**

In 2016 an application had been submitted for Yankton Heights II, but the project was not awarded tax credits. This project will be resubmitted in the future, although the unit configuration will be slightly different than in phase 1. However, there is no guarantee that this project will be awarded funding through the competitive application process.

## **Subsidized Summary**

The research completed for this Study identified 25 subsidized projects in Yankton that provide rental opportunities for lower income households. These projects have a combined 596 units.

The projects analyzed in this section serve the general occupancy or senior/disabled segments of the market, but do not include targeted housing for special needs populations. There are some additional subsidized projects in Yankton that serve populations such as the developmentally disabled, but occupancy in these buildings is generally controlled by a specialized service provider, and these units are not available for the general rental market.

Nine of the subsidized projects are designated for or oriented to senior and/or disabled tenant occupancy. These projects have a combined total of 305 units. The senior/disabled occupancy projects are:

- ▶ Canyon Ridge
- ▶ Marne Creek
- ▶ Meadow Park
- ▶ Memory Lane
- ▶ Orchard Square
- ▶ Sir Charles
- ▶ Sunrise
- ▶ Sunrise II
- ▶ Walnut Hill

In the 2013 Study, Evergreen Lodge (now known as Whiting Court) was also grouped with the senior/disabled occupancy projects, since most tenants at that time had either vision or hearing impairments. However, for 2017 the project has now been included in the general occupancy analysis.

There are also additional subsidized projects in Yankton that serve specific special needs populations. These have not been analyzed in this section, as the units are targeted to very specific needs, and may often be filled through a referral network.

There are 16 subsidized projects that are designated as general occupancy housing. Combined, they have 291 total units. The general occupancy projects are:

- ▶ Ashbury
- ▶ Between the Fifties
- ▶ Canyon Ridge Townhomes
- ▶ Colonial Square
- ▶ Crestview
- ▶ East Meadow
- ▶ Estes
- ▶ Heritage
- ▶ Locust Lane
- ▶ Pineview
- ▶ River Run
- ▶ Terrace Hill
- ▶ Valley Park
- ▶ Village Green
- ▶ Walnut Hill Townhomes
- ▶ Whiting Court (formerly Evergreen Lodge)

Most of the City's subsidized units have access to project-based rent assistance. These units can charge rent based on 30% of the tenant's household income. A small number of units in some Rural Development projects may not have rent assistance. Units without project-based rent assistance have a basic rent amount that is charged, even if this is above 30% of income for the tenant.

SDHDA attempts to reallocate available rent assistance to different projects around the State, to serve income-eligible households. As a result, nearly all low income renters can often access project-based rent assistance.

There are also tenant-based rent assistance Vouchers available in the area. It is possible that some of these Vouchers could be used in subsidized projects that cannot offer project-based rent assistance to all lower income tenants, but most Vouchers tend to be used in private-market, conventional rental housing.

### **Senior/Disabled Occupancy Unit Mix**

The individual subsidized rental projects in Yankton that primarily serve senior/disabled populations range in size from 18 units to 60 units. The bedroom mix breakdown is as follows (excluding special needs units):

- ▶ 284 one-bedroom (93.1% of total)
- ▶ 21 two-bedroom (6.9%)

### **General Occupancy Unit Mix**

For projects with a general occupancy designation, the following bedroom mix exists:

- ▶ 98 one-bedroom (33.7% of total)
- ▶ 167 two-bedroom (57.4%)
- ▶ 26 three-bedroom (8.9%)

### **Senior/Disabled Occupancy Vacancy Rate**

One of the projects, Sir Charles Apartments, could not be contacted in the 2017 survey, and has been excluded from the occupancy calculation.

There were 16 unoccupied units that were identified in the senior/disabled occupancy subsidized projects that were contacted. This represented a vacancy rate of approximately 5.9% within this housing segment. Most of the vacancies were reported in a single project, Orchard Square. If this project is removed, the vacancy rate decreased to 3.3% in the remaining properties.

Some of the projects with vacant units indicated that recent turnover had occurred and that processing was underway to fill available units. Due to paperwork requirements, the processing time needed to properly certify new tenants can result in short-term vacancies. Most of the projects also reported the existence of a waiting list, although in some cases these waiting lists only had a few names.

### **General Occupancy Vacancy Rate**

There were 16 unoccupied units that were identified in the general occupancy subsidized projects. Some additional intentional vacancies existed in properties that were undertaking repairs. The estimated vacancy rate within the general occupancy segment was approximately 5.6%.

Some of the projects with vacant units indicated that processing was underway to fill available units. Due to paperwork requirements, the processing time needed to properly certify new tenants can result in short-term vacancies. Most of the projects also reported the existence of a waiting list, although in some cases these waiting lists only had a few names.

Waiting lists can be out-of-date, as many applicants needed immediate access to housing. In some cases, an application fee is charged, which can discourage applicants that do not want to pay to be placed on a waiting list.

One of the best indicators of unmet demand for subsidized housing is the waiting list for tenant-based Vouchers, which is not location or project-specific. In June 2017, there were approximately 50 to 55 households on this waiting list. Most of the waiting households were from Yankton, or from one of the surrounding Counties that can also be served by the Voucher Program.

### **Subsidized Housing Gains/Losses**

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

Since the 2013 Study was completed, two subsidized projects in Yankton have left their subsidy program. Pine Tree East (now known as Three Pines) converted from USDA Rural Development subsidized housing to conventional market rate housing. At the time of conversion, all of the eligible tenants were issued portable rent assistance. In May 2017, 11 of the 24 units still had an original tenant with rent assistance. But as these tenants move, and port their rent assistance with them, the project will eventually become purely conventional housing.

Pine Tree West, a 48-unit Rural Development subsidized project also converted to conventional rental housing. The project has been split into two properties, with 24 units still known as Pine Tree West, and 24 units now known as Douglas Pointe Apartments. Once again, eligible tenants were issued portable rent assistance to mitigate the impact of the conversion. In May 2017 there were 20 tenants in Pine Tree West and 19 in Douglas Pointe that were still using this rent assistance, so turnover in these projects has been limited to date.



## **Tenant-Based Rent Assistance Vouchers**

As stated above, Yankton renters also have access to HUD Housing Choice Vouchers (also known as the Section 8 Existing Program). The service area for the rent assistance program includes Yankton and some neighboring cities and counties. The total program can generally serve approximately 130 to 140 households, and typically between 105 to 110 participants live in the City of Yankton.

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

Since this rent assistance is tenant-based, and moves with the household, the actual number of participating households within the City can vary from month to month. It is possible that some of these households may be using their rent assistance in one of the tax credit or subsidized projects, if that project does not have project-based rent assistance available for all tenants.

The waiting list for the program had approximately 50 to 55 names in June 2017. The large majority of waiting list households already live in Yankton or in one of the other counties served by the program.

The reported waiting list in 2017 is smaller than in 2013. However, this is primarily due to more active management of the waiting list households. More frequent purges are being used to remove names that are no longer interested. As a result, the waiting list more accurately reflects the current unmet demand.

**Table 24 Yankton Multifamily Rental Housing Inventory**

| Name                                | Number of Units /Bedroom Mix                           | Rent                                   | Vacancy/ Wait List | Tenant Mix                | Comments   |
|-------------------------------------|--|--|--------------------|---------------------------|--|
| <b>Market Rate</b>                  |  |  |                    |                           |  |
| Anderson Properties<br>215 W 3rd St | 1 - 1 Bedroom<br><u>2 - 2 Bedroom</u><br>3 Total Units | N/A<br>\$950-\$1100<br>+most utilities | No vacant units    | Mostly younger tenants    | Three rental units created in 2015 in a downtown mixed use property. Upper floor units are large lofts. Rent includes garbage but all other utilities paid by tenant. Amenities include dishwasher, disposal and off-street parking. Main floor unit is used by owners. Upper floor units are occupied by younger tenants that want to live downtown. No comparable rent information from 2013.  |
| Anderson Properties<br>213 W 3rd St | 3 - 1 Bedroom<br><u>1 - 2 Bedroom</u><br>4 Total Units | \$600<br>\$650<br>includes utilities   | No vacant units    | Mostly younger households | Rental units on upper floor of an 1800s downtown commercial building. Apartments were renovated in 1994 with HOME funding through SDHDA. Income limits were in place but expired in 2009. New owner has refurbished units in past few years. Units have approx. 600 sq ft, 1 bathroom and off-street parking. Rent includes utilities. Owner reported full occupancy and good demand. Most tenants are younger singles or couples. Rents have increased by \$150 to \$200 form 2013 survey but have also been renovated. |
| Birch Road<br>808-813 Birch Rd      | <u>12 - 2 Bedroom</u><br>12 Total Units                | \$650-\$695<br>+electric               | No vacant units    | Mix of tenants            | Three four-plexes built in 1994. Tenants pay electric but heat and other utilities included in rent. Amenities include coin laundry and garages - higher rent units include garage. Project allows pets. Owner reports that 2-bedrooms have 1 bathroom and approx. 700 sq ft. No units vacant at time of survey. Rents have increased by \$45 to \$55 from 2013 survey.  |
| Bridgeport Apartments               | 8 Total Units  | N/A                                    | N/A                | N/A                       | Unable to contact in 2013 or 2017. Cottage-style rental housing constructed in 2007.   |

**Table 24 Yankton Multifamily Rental Housing Inventory**

| Name   | Number of Units /Bedroom Mix                             | Rent  | Vacancy/ Wait List | Tenant Mix                         | Comments  |
|--|--|---|--------------------|------------------------------------|---|
| <b>Market Rate</b>                                     |  |   |                    |                                    |   |
| 2916 Broadway Avenue Apartments                        | Efficiency<br><u>1 Bedroom</u><br>6 Total Units          | N/A<br>+heat, electric                        | N/A                | N/A                                | Unable to contact in 2017 - information presented is from 2013. Former motel from the 1950s that was converted into condos in the 1980s, but nearly all units have been used as rental housing. Total project has 23 units, with approx. 20 being rented in 2013 - owner contacted in 2013 had 6 efficiency and 1-bedroom units - but new owner and no information on current rental status. Tenant pays heat and electric in addition to rent.   |
| Bunker Apartments<br>305-307 Bunker Lane               | <u>8 - 2 Bedroom</u><br>8 Total Units                    | \$585<br>+most utilities                      | No vacant units    | Mix of tenants                     | Two four-plex structures constructed in 1976. Rent includes water and garbage with tenant paying other utilities. Amenities include detached garage, in-unit laundry hookup and central AC. Owner reports no vacancies and good demand for affordable units. Some unit rents have increased by \$40 from 2013 survey while others are unchanged.  |
| Carriage House Apartments<br>805 E 15 <sup>th</sup> St | 3 - 1 Bedroom<br><u>24 - 2 Bedroom</u><br>27 Total Units | \$600-\$625<br>\$625-\$775<br>+heat, electric | No vacant units    | Mix of seniors and younger tenants | Multi-story apartment building with elevator and underground parking that was constructed in the early 1990s. Tenant pays heat and electric in addition to rent. Units have wall AC, dishwasher and a heated parking space for each unit. Building has coin laundry facilities. Multiple floor plans with 1-bedrooms having approx. 800 sq ft and 2-bedrooms ranging from 800 to 1240 sq ft; larger units have 2 bathrooms. Manager reports full occupancy on date of survey - generally good depending on the time of year. Project is popular with seniors and young professionals. Rents are unchanged from 2013 survey. |

**Table 24 Yankton Multifamily Rental Housing Inventory**

| Name  | Number of Units /Bedroom Mix                             | Rent                           | Vacancy/ Wait List          | Tenant Mix     | Comments   |
|---|--|--------------------------------|-----------------------------|----------------|--|
| <b>Market Rate</b>                                |  |                                |                             |                |  |
| Cedar Street Apartments<br>1014 Cedar St          | 1 - 1 Bedroom<br><u>11 - 2 Bedroom</u><br>12 Total Units | \$495<br>\$545<br>+electric    | 1 vacant unit<br>1 - 2 Bdrm | Mix of tenants | Apartment building constructed in the mid-1960s. Rent includes heat, water, sewer and garbage, with tenant paying electric. Amenities include coin laundry and off-street parking. Owner reported 1 vacant unit at time of survey due to oversupply of units in Yankton. Rents are generally unchanged from 2013 but may have been lowered at times to fill vacancies.   |
| Corner Stone Apartments<br>408-412<br>Burleigh St | 6 - 1 Bedroom<br><u>6 - 2 Bedroom</u><br>12 Total Units  | \$425<br>\$575<br>+electric    | No vacant units             | Mix of tenants | Stone rowhouse units constructed in the 1950s or earlier. Units are one-level with private entrance. Rent includes heat with tenant paying electric. Units have window AC. No vacancies at time of survey. Rents have increased by \$50 to \$75 from 2013 survey.  |
| Country Acres Mobile Home Park<br>East Highway 50 | 2 Bedroom<br><u>3 Bedroom</u><br>20 Total Units          | \$450-\$650<br>+heat, electric | 3 vacant mobile homes       | Mix of tenants | Mobile home park with approximately 20 units that are owned by park owner and used as rental housing. Unit size and age varies, but 1990s mobile homes are typical. Tenants pay lot rent, heat and electric in addition to unit rent - rents listed are home and lot combined. Owner reports 3 vacant units due to oversupply of rental housing in Yankton. Approximately 20 lots in park are also vacant. Rents are generally unchanged from 2013 survey. |
| Deer Boulevard<br>100 Rainbow                     | <u>4 - 3 Bedroom</u><br>4 Total Units                    | N/A<br>+heat, electric         | N/A                         | N/A            | Unable to contact in 2017 - information presented is from 2013. Two-level four-plex built in 1994. One level has attached garages, other level has detached garages. Tenants pay heat and electric in addition to rent. Amenities include in-unit laundry and 2 bath rooms - higher rent reflects attached garage units.   |

**Table 24 Yankton Multifamily Rental Housing Inventory**

| Name   | Number of Units /Bedroom Mix                                    | Rent                                    | Vacancy/ Wait List | Tenant Mix                | Comments   |
|--|---|---|--------------------|---------------------------|--|
| <b>Market Rate</b>   |   |   |                    |                           |  |
| 335 Douglas<br>103 W 4 <sup>th</sup> St                              | <u>2 - 1 Bedroom</u><br>2 Total Units                           | \$600                                   | No vacant units    | Mix of tenants            | Rental units in older downtown building that were created from unused space. Unique one-bedroom floor plans were created. Owner reports full occupancy.  |
| 714 Douglas  | <u>2 - 1 Bedroom</u><br><u>3 - 2 Bedroom</u><br>5 Total Units   | \$525<br>\$650<br>+heat, electric       | No vacant units    | Mix of tenants            | Apartment units created in former office building was converted to rental housing, with 2 units in 2010 and 3 units in 2015. Tenants pay heat and electric in addition to rent. Manager reported no vacant units and strong demand for rental housing. No comparable rent information from 2013.   |
| Douglas Pointe<br>(formerly Pine Tree West)<br>2500-2502 Douglas Ave | <u>2 - 1 Bedroom</u><br><u>22 - 2 Bedroom</u><br>24 Total Units | \$450<br>\$550<br>+heat, electric       | No vacant units    | General occupancy         | Formerly Rural Development subsidized but converted in 2015 to market rate and was sold to new owner. Two-story apartment buildings constructed in 1978; 2 buildings with 12 units each. All eligible tenants were issued a portable Voucher to mitigate impact - 19 Voucher tenants still remain. Tenant pay electric heat and electricity in addition to rent. New owner reported full occupancy and good demand for affordable units.   |
| Downtown Loft Apartments   | <u>7 - 2 Bedroom</u><br>7 Total Units                           | Approximately \$1000 includes utilities | No vacant units    | Mostly younger households | Owner with 7 apartments in various downtown buildings. Units vary, but most are large, with 2000 or more square feet, and have 2 bedrooms and either 1 or 2 bathrooms. Typical rent is around \$1000, and most units include utilities in rent. Good demand for unique rental options, especially from younger singles and couples - location is generally not conducive to families with children. Parking is generally available in public lots. Units do have in-unit laundry. Most buildings are low density with only one or two lofts on upper floors of commercial buildings. |

**Table 24 Yankton Multifamily Rental Housing Inventory**

| Name                               | Number of Units /Bedroom Mix                                  | Rent   | Vacancy/ Wait List | Tenant Mix            | Comments  |
|------------------------------------|---|--|--------------------|-----------------------|---|
| <b>Market Rate</b>                 |   |  |                    |                       |   |
| Fox Run Apartments<br>1313 W 30th  | 18 - 2 Bedroom<br><u>6 - 3 Bedroom</u><br>24 Total Units      | \$650<br>\$750<br>+heat, electric                          | No vacant units    | Mix of tenants        | Three-level apartment building constructed in 2006, without elevator. Tenants pay heat (electric) and electric in addition to rent. Amenities include dishwasher, microwave and 3-bedrooms have in-unit laundry hookup and master bathroom. Project amenities include fitness room and detached garages. Manager reports that 2-bedrooms have 1 bathroom and approx. 750 sq ft, and 3-bedrooms have 2 bathrooms and nearly 1000 sq ft. No units vacant at time of survey and turnover units fill quickly. Rents are unchanged from 2013.  |
| Green Suites<br>2210 Green St      | <u>16 - 1 Bedroom</u><br>16 Total Units                       | \$650<br>+utilities  | Under construction | N/A                   | Two-level walkup apartment building that started construction in 2016 with expected occupancy in Aug. 2017. Tenants will pay all utilities in addition to rent. Unit amenities include stove, refrigerator, dishwasher, central AC and in-unit laundry hookup. All units are 1-bedroom with 1 bathroom - sq ft not available. Applications being accepted in May.   |
| Hillcrest East<br>2205 Burleigh St | 1 Bedroom<br>2 Bedroom<br><u>2 Bdrm+Den</u><br>71 Total Units | \$900-\$1000<br>\$1000-\$1200<br>\$1600<br>+heat, electric | No vacant units    | Mostly senior tenants | Apartments in 2 multi-level buildings with elevators that are connected by a community room, constructed in 2005 and 2008. Unit amenities include in-unit laundry and 3-season porch. Building amenities include underground heated garage, extra storage available, community room, fitness center, sauna, and location near golf course. Tenants pay heat and electric in addition to rent. One-bedrooms have 1006 sq ft and 1 bathroom, 2-bedrooms have 1265 sq ft and 2 bathrooms, and 3-bedrooms have 1859 sq ft and 2 bathrooms. No vacant units at time of survey. Reported rents are essentially unchanged from 2013. |

**Table 24 Yankton Multifamily Rental Housing Inventory**

| Name                                   | Number of Units /Bedroom Mix                             | Rent                      | Vacancy/ Wait List | Tenant Mix                | Comments   |
|--|--|---------------------------|--------------------|---------------------------|--|
| <b>Market Rate</b>                     |  |                           |                    |                           |  |
| Huber Home Rentals scattered locations | 1 Bedroom<br>2 Bedroom<br>18 Rental Houses               | \$390 to \$750 +utilities | 1 vacant unit      | Mix of tenants            | Eighteen rental houses, most of them built in the 1930s or 1940s. Tenants pay utilities in addition to rent. Condition, quality and location impacts the contract rent. Owner reported one vacant house at time of survey - new construction since 2013 has impacted demand and rent structure. Reported rents are generally unchanged from 2013.                        |
| Jackson Apartments 903 Jackson         | <u>12 - 2 Bedroom</u><br>12 Total Units                  | \$585 +most utilities     | No vacant units    | Mix of tenants            | Two-level apartment building constructed in 1996. Rent includes water and garbage with tenant paying other utilities. Amenities include detached garage, coin laundry, central AC and dishwasher. Owner reports no vacancies and low turnover, with many senior tenants. Rents are unchanged from 2013 survey.   |
| Lincoln Arms Apartments 600 W 6th St   | 6 - 1 Bedroom<br><u>13 - 2 Bedroom</u><br>19 Total Units | N/A +electric             | N/A                | Senior-designated housing | Unable to contact in 2017 - information presented is from 2013. Three-level apartment building with elevator constructed in 1966. Building is age-designated as senior housing, but up to 20% of tenants can be younger. Rent includes heat, water, sewer and garbage, with tenant paying electric. Amenities include coin laundry in basement and 10 garages available. |
| 901 Mulberry St                        | <u>6 - 1 Bedroom</u><br>6 Total Units                    | \$360-\$390 +electric     | No vacant units    | Mix of tenants            | Apartment building originally constructed in the 1920s. Tenants pay electric but heat is included in rent. Coin laundry facility and 4 garages available. Owner reports full occupancy due to affordable rents, but construction since 2013 has impacted demand. Reported rents are generally unchanged from 2013 survey.  |

**Table 24 Yankton Multifamily Rental Housing Inventory**

| Name                                    | Number of Units /Bedroom Mix  | Rent   | Vacancy/ Wait List | Tenant Mix     | Comments   |
|---|---|--|--------------------|----------------|--|
| <b>Market Rate</b>                      |   |  |                    |                |  |
| N-K Properties scattered rental houses  | 20 rental houses  | \$535-\$1100 +utilities                                | No vacant units    | Mix of tenants | Approximately 20 units, primarily in single family houses. Rent varies depending on unit size and amenities. Tenants pay utilities. No vacant units on date of survey.   |
| Omanson Apartments<br>804 Belfast St    | 1 - 1 Bedroom<br>3 - 2 Bedroom<br>4 Total Units                     | \$475<br>\$525<br>+utilities                           | No vacant units    | Mix of tenants | Two-level apartment building constructed in the late 1960s or early 1970s. New ownership in 2017. Tenants pay utilities in addition to rent. Amenities include coin laundry and off-street parking. Manager reported full occupancy. Garages may be added in the future. With new ownership rents have increased by \$175 from levels reported in 2013 survey.   |
| Park 50 Estates<br>802 W City Limits Rd | 15 - 1 Bedroom<br>53 - 2 Bedroom<br>4 - 3 Bedroom<br>72 Total Units | \$460-\$495<br>\$565-\$650<br>\$675-\$700<br>+electric | No vacant units    | Mix of tenants | Complex includes three buildings constructed in the late 1960s and early 1970s with 24 units, 24 units and 18 units. Buildings are 3-level. Rent includes heat, but tenant pays electric. Amenities include coin laundry. Manager reported no vacancy and frequent calls from people looking for a unit. Rents vary by unit size, recent renovation activity and amenities such as a balcony. Some rents are unchanged while others are up by \$25 to \$65 from 2013 survey. |
| 904 Pearl                               | 3 - Sleeping rooms<br>2 - 1 Bedroom<br>5 Total Units                | \$300-\$350<br>\$475<br>utilities vary                 | No vacant units    | Mix of tenants | Large house from the 1890s that was divided into apartments - owner lives on main floor with apartments above and sleeping rooms below. One-bedroom tenants pay heat and electric in addition to rent. One sleeping room has kitchenette but shared bathroom - often filled by people recently released from correctional facilities. Full occupancy reported with referrals for sleeping rooms. No comparable rent information from 2013.                                   |



**Table 24 Yankton Multifamily Rental Housing Inventory**

| <b>Name</b>  | <b>Number of Units / Bedroom Mix</b>                      | <b>Rent</b>                             | <b>Vacancy/ Wait List</b>                    | <b>Tenant Mix</b> | <b>Comments</b>  |
|--|---|---|--|-------------------|--|
| <b>Market Rate</b>   |   |   |  |                   |  |
| Pine Manor<br>305 Pine St  | 4 - 1 Bedroom<br><u>1 - 2 Bedroom</u><br>5 Total Units    | \$475<br>\$550                          | No vacant units                              | Mix of tenants    | Older house that was converted into 3 rental units, plus two additional units in structure behind the house. Rent includes utilities. No vacancies at time of survey. Rents have increased by \$25 to \$100 from 2013 survey.  |
| Pine Tree West<br>2504-2506<br>Douglas Ave                       | 2 - 1 Bedroom<br><u>22 - 2 Bedroom</u><br>24 Total Units  | \$450<br>\$550<br>+heat, electric       | No vacant units                              | General occupancy | Formerly Rural Development subsidized but converted in 2015 to market rate and will soon be sold to new owner. Two-story apartment buildings constructed in 1978; 2 buildings with 12 units each. All eligible tenants were issued a portable Voucher to mitigate impact - 20 Voucher tenants still remain. Tenant pay electric heat and electricity in addition to rent. Owner reported full occupancy with limited turnover since conversion.  |
| River Heights<br>Apartments<br>1305-1307 W 8 <sup>th</sup><br>St | 10 - 1 Bedroom<br><u>32 - 2 Bedroom</u><br>42 Total Units | \$460-\$495<br>\$565-\$650<br>+electric | a few units intentionally vacant for repairs | Mix of tenants    | Complex includes two buildings constructed in the 1960s with 24 units and 18 units. Buildings are 3-level. Rent includes heat, but tenant pays electric. Amenities include coin laundry and 10 garages. One-bedrooms have 675 sq ft and 2-bedrooms have 775 sq ft; all units have 1 bathroom. Manager reported no vacancy and frequent calls from people looking for a unit. Rents vary by unit size, recent renovation activity and amenities. Some rents are unchanged while others are up by \$60 to \$95 from 2013 survey. |
| Riverside<br>Apartments<br>606 W Riverside                       | 2 - 1 Bedroom<br><u>3 - 2 Bedroom</u><br>5 Total Units    | \$450<br>\$550<br>+heat, electric       | No vacant units                              | Mix of tenants    | Apartment building with attached house. Rent includes water, sewer and garbage with tenants paying other utilities in addition to rent. Manager reported full occupancy. Not included in 2013 survey so no comparable rents.   |

| <b>Table 24 Yankton Multifamily Rental Housing Inventory</b>          |  |   |                           |                   |   |
|---|--|---|---------------------------|-------------------|---|
| <b>Name</b>   | <b>Number of Units /Bedroom Mix</b>                          | <b>Rent</b>                                   | <b>Vacancy/ Wait List</b> | <b>Tenant Mix</b> | <b>Comments</b>   |
| <b>Market Rate</b>  |  |   |                           |                   |   |
| Rose Hill Apartments<br>200 E 15 <sup>th</sup>                        | 2 - 1 Bdrm Duplex<br><u>5 - 1 Bdrm Apts</u><br>7 Total Units | \$400-\$450<br>\$475-\$500<br>+utilities vary | No vacant units           | Mix of tenants    | Building that is more than 100 years old that was converted into 5 apartments plus adjoining duplex. All units have 1 bedroom. Apartment rent includes heat with tenant paying electric, while duplex tenants pay heat and electric. Some garages available. Duplex units have approx. 500 sq ft and 1 bathroom. No vacant units at time of survey. Rents are unchanged or up by \$25 from 2013 survey.   |
| S & S Rentals<br>1008 W 8th St  | 1 - 1 Bedroom<br><u>3 - 2 Bedroom</u><br>4 Total Units       | \$375<br>\$375<br>+utilities                  | No vacant units           | Mix of tenants    | Two-level apartment building constructed in the late 1960s or early 1970s. Tenants pay utilities in addition to rent. Amenities include coin laundry and off-street parking. Manager reports good demand with long-term tenants. Rents have increased by \$25 to \$75 but still affordable to limit unit turnover.  |
| Sagewood Apartments A<br>(formerly Boulder Terrace)<br>1920 Locust St | <u>8 - 2 Bedroom</u><br>8 Total Units                        | \$575<br>+heat, electric                      | No vacant units           | Mix of tenants    | Two-level apartment building - had been assisted with federal HOME funds through SDHDA, but compliance period has ended and now operating as conventional housing. Project was sold and name was changed. Rent includes water, sewer and garbage with tenant paying heat and electric. Amenities include coin laundry and off-street parking. Units have 1 bathroom. Some tenants use rent assistance Vouchers. Tenants pay heat and electric in addition to rent. Manager reports full occupancy and good demand. Policy change that pets are now allowed. Rent has increased by \$135 from 2013 survey. |

**Table 24 Yankton Multifamily Rental Housing Inventory**

| Name   | Number of Units /Bedroom Mix                              | Rent                              | Vacancy/ Wait List          | Tenant Mix        | Comments  |
|--|---|-----------------------------------|-----------------------------|-------------------|---|
| <b>Market Rate</b>   |   |                                   |                             |                   |   |
| Sagewood B Apartments<br>(formerly Spartan)<br>507 W 20th St                                   | 2 - 1 Bedroom<br><u>8 - 2 Bedroom</u><br>10 Total Units   | \$425<br>\$575<br>+heat, electric | 1 vacant unit<br>1 - 2 Bdrm | Mix of tenants    | Two-level apartment building - had been assisted with federal HOME funds through SDHDA, but compliance period has ended and now operating as conventional housing. Project was sold and name was changed. Rent includes water, sewer and garbage with tenant paying heat and electric. Amenities include coin laundry and off-street parking. All units have 1 bathroom. Some tenants use rent assistance Vouchers. Tenants pay heat and electric in addition to rent. Manager reported 1 vacant unit at time of survey but good demand exists. Policy change that pets are now allowed. One-bedroom rents have increased by \$40 and 2-bedrooms by \$135 from 2013 survey. |
| Stewart Apartments<br>506 E 10 <sup>th</sup> St  | 1 - 1 Bedroom<br><u>4 - 2 Bedroom</u><br>5 Total Units    | \$525<br>\$600<br>+heat, electric | No vacant units             | Mix of tenants    | One-level apartment building. Rent includes water, sewer and garbage with tenants paying other utilities in addition to rent. Amenities include coin laundry and garage. Manager reported full occupancy. Not included in 2013 survey so no comparable rents.   |
| Three Pines<br>(formerly Pine Tree East)<br>106 E 25 <sup>th</sup> St,<br>2501-2503 Capital St | 12 - 1 Bedroom<br><u>12 - 2 Bedroom</u><br>24 Total Units | \$450<br>\$500<br>+heat, electric | No vacant units             | General occupancy | Formerly Rural Development subsidized but converted in 2014 to market rate and was sold to new owner. Two-story apartment buildings constructed in 1982; 3 buildings with 8 units each. All eligible tenants were issued a portable Voucher to mitigate impact - 11 Voucher tenants still remain. Tenant pay electric heat and electricity in addition to rent. New owner reported full occupancy and good demand for affordable units.   |

**Table 24 Yankton Multifamily Rental Housing Inventory**

| <b>Name</b>                                   | <b>Number of Units / Bedroom Mix</b>                          | <b>Rent</b>                                   | <b>Vacancy/ Wait List</b>    | <b>Tenant Mix</b> | <b>Comments</b>  |
|---|---|---|------------------------------|-------------------|--|
| <b>Market Rate</b>                            |   |   |                              |                   |  |
| Townhomes<br>15 <sup>th</sup> and Green       | <u>10 - 3 Bedroom</u><br>10 Total Units                       | N/A<br>+utilities                             | N/A                          | N/A               | Unable to contact in 2017 - information presented is from 2013. Ten town house units in a 14 unit complex that have been used as rental housing - new owner and it is possible that these are no longer rentals. Constructed in 2003. Each unit has 3 bedrooms, 3 bathrooms and an attached garage, with approx. 1500 sq ft of living space. Tenant pays utilities.    |
| Walnut<br>Apartments<br>415 Walnut            | <u>3 - 1 Bedroom</u><br><u>3 - 2 Bedroom</u><br>6 Total Units | \$350-\$400<br>\$450-\$495<br>+heat, electric | No vacant<br>units           | Mix of<br>tenants | Apartment building constructed in the 1930s. Rent includes water, sewer and garbage with Tenant paying heat and electric in addition to rent. Higher rent 1-bedroom has tuck-under garage. No units vacant at time of survey - more turnover has been occurring but demand is sufficient to fill units. Rents are largely unchanged from 2013 survey.                  |
| Walnut Cottages<br>1206½ - 1218½<br>Walnut St | <u>7 - 1 Bedroom</u><br>7 Total Units                         | \$450<br>+utilities                           | 1 vacant unit,<br>1 - 1 Bdrm | Mix of<br>tenants | Cottages that were constructed in the 1950s. Tenant pays all utilities. Units have less than 600 sq ft. One vacant unit at time of survey. Rents have increased by \$55 from 2013 survey.  |
| Walnut Groove<br>1004 Walnut St               | <u>1 - 1 Bedroom</u><br><u>7 - 2 Bedroom</u><br>8 Total Units | \$395<br>\$495<br>+electric                   | 1 vacant unit<br>1 - 2 Bdrm  | Mix of<br>tenants | Apartment building constructed in the mid-1960s. Rent includes heat, water, sewer and garbage, with tenant paying electric. Amenities include coin laundry and off-street parking. Owner reported 1 vacant unit at time of survey due to oversupply of units in Yankton. Rents are generally unchanged from 2013 but may have been lowered at times to fill vacancies. |

**Table 24 Yankton Multifamily Rental Housing Inventory**

| Name                                       | Number of Units /Bedroom Mix   | Rent  | Vacancy/ Wait List           | Tenant Mix     | Comments   |
|--|--|---|------------------------------|----------------|--|
| <b>Market Rate</b>                         |  |   |                              |                |  |
| Webster Apartments<br>1510 Pine            | 3 - 1 Bedroom<br><u>9 - 2 Bedroom</u><br>12 Total Units                                      | \$495<br>\$545<br>+electric   | 3 vacant units<br>3 - 2 Bdrm | Mix of tenants | Three level apartment building with an elevator constructed in the mid-1960s. Rent includes heat, water, sewer and garbage, with tenant paying electric. Amenities include balconies, coin laundry and off-street parking. Owner reported 3 vacant units at time of survey due to oversupply of units in Yankton. One-bedroom rents are up by \$45 from 2013 but 2-bedroom rents are down by \$50 to fill vacancies.   |
| West Side Apartments<br>808 W 5th St       | 1 - 1 Bedroom<br><u>5 - 2 Bedroom</u><br>6 Total Units                                       | \$600<br>\$650  | No vacant units              | Mix of tenants | Two 2-level apartment buildings; no estimate on age of construction. Most units have all utilities included in rent. Coin laundry and some garages available. Manager reported no vacancies on date of survey. Rents have increased by \$50 to \$100 from 2013 survey.   |
| Westbrook Estates<br>2405 W City Limits Rd | 2 - Efficiency<br>44 - 1 Bedroom<br>18 - 2 Bedroom<br><u>8 - 3 Bedroom</u><br>72 Total Units | \$490<br>\$595-\$630<br>\$770-\$795<br>\$980-\$990<br>+heat, electric | No vacant units              | Mix of tenants | Three-level apartment building placed that opened for occupancy in May 2015 with full occupancy achieved by Jan. 2016. Rent includes water, sewer and garbage with tenant paying heat and electric. Unit amenities include stove, refrigerator, dishwasher, microwave, wall AC, in-unit laundry and walk-in closet. Higher end of rent range is for units with balcony. Garage parking available for extra \$55. Project amenities include elevator, fitness center, playground and picnic area. Efficiency units have 464 sq ft and 1 bathroom; 1-bedrooms have 626-650 sq ft and 1 bathroom; 2-bedrooms have 906-1059 sq ft and 1 bathroom; 3-bedrooms have 1193 sq ft and 2 bathrooms. Manager reported full occupancy and many inquiries - although some people think this is an income-restricted property. |

**Table 24 Yankton Multifamily Rental Housing Inventory**

| Name                      | Number of Units /Bedroom Mix          | Rent                     | Vacancy/ Wait List          | Tenant Mix             | Comments   |
|---------------------------|---------------------------------------|--------------------------|-----------------------------|------------------------|--|
| <b>Market Rate</b>        |                                       |                          |                             |                        |  |
| 501/503 W 4 <sup>th</sup> | <u>9 - 1 Bedroom</u><br>9 Total Units | \$375<br>+heat, electric | 1 vacant unit<br>1 - 1 Bdrm | Singles and<br>couples | Apartment building constructed in the early 1940s - all units have 1 bedroom and most tenants are singles or couples. Most tenants pay heat and electric in addition to rent - basement unit includes utilities and is \$450. Some tenants use rent assistance Vouchers. Owner reported 1 vacant unit due to turnover, but good demand exists. |

**Table 24 Yankton Multifamily Rental Housing Inventory**

| Name   | Number of Units /Bedroom Mix                                       | Rent   | Vacancy/ Wait List   | Tenant Mix  | Comments   |
|--|--|--|--|---|--|
| <b>Moderate Rent/Income Restricted</b>                           |  |  |  |   |  |
| <p>Apple Creek Apartments<br/>2900 Douglas Ave</p>               | <p>20 - 2 Bedroom<br/><u>24 - 3 Bedroom</u><br/>44 Total Units</p> | <p>\$380-\$743<br/>\$439-\$949<br/>+heat, electric</p> | <p>7 vacant units but 4 applications are in process for next month</p> | <p>General occupancy units serving households at or below 60% of median</p> | <p>Tax credit apartment building constructed in 2008; two-level walk-up. One unit used by caretaker but 43 units serve households at or below 60% of median income, with 5 units set aside for households at 40% of median and 10 units for households at 50% of median - these 15 units are Voucher eligible. Rent includes water, sewer and garbage, with tenant paying heat (electric) and electricity. Unit amenities include in-unit laundry, microwave, central air and heat, garbage disposal, dishwasher, storage unit, window coverings and a patio/balcony. Project amenities include community room, play ground BBQ/picnic area and computer room. Two-bedrooms have 880 sq ft and 1 bathroom; 3-bedrooms have 1050 sq ft and 2 bathrooms. Manager reported 7 vacant units, but 4 applications were being processed to fill some of these units. Units at the highest rent levels can sometimes be open - in 2013 it was reported that top end rents had been lowered due to vacancies. But 2017 rents are up by \$118 for 2-bedroom and \$174 for 3-bedrooms at highest rent level.</p> |
| <p>Prairie View Townhomes<br/>1315-1317 W 30<sup>th</sup> St</p> | <p><u>10 - 3 Bedroom</u><br/>10 Total Units</p>                    | <p>\$625<br/>+most utilities</p>                       | <p>No vacant units, waiting list</p>                                   | <p>General occupancy</p>  | <p>HOME-assisted town house units constructed in 1994. All units serve households at or below 50% of median income - contract compliance could have ended in 2014 but was extended to at least 2019. Designated for general occupancy, with most current tenants being single parents with children. Amenities include detached garage, in-unit laundry and dishwasher. Units have approx. 11500 sq ft. Rent includes water with tenant paying other utilities. Owner reports good demand with full occupancy and frequent calls from people looking for an affordable 3-bedroom. Rents have increased by \$24 from 2013 survey.</p>   |

**Table 24 Yankton Multifamily Rental Housing Inventory**

| Name   | Number of Units /Bedroom Mix                             | Rent                                    | Vacancy/ Wait List           | Tenant Mix                               | Comments  |
|--|--|---|------------------------------|--|---|
| <b>Moderate Rent/Income Restricted</b>             |  |   |                              |  |   |
| Sutton Place Apartments I<br>3000-3002 Douglas Ave | 28 - 2 Bedroom<br><u>2 - 3 Bedroom</u><br>30 Total Units | \$464-\$515<br>\$571-\$612<br>+electric | 3 vacant units<br>3 - 2 Bdrm | All units at 50% or 60% of median income | Tax credits and HOME-assisted units constructed in 2001 - now in extended use period. Two 2-level buildings with 15 units each. All units have income limits set at either 50% or 60% of median income. Heat, water, garbage, and sewer included in rent with tenant paying electric. Amenities include dishwasher. Project amenities include coin laundry, controlled entrance, play ground and storage spaces. Two-bedroom units range in size from 863 to 870 sq ft and have 1 bathroom; 3-bedrooms have 1042 sq ft and 2 bathrooms. Manager reported above average turnover resulted in 3 vacant units at time of survey. Waiting list is kept but application fee discourages people from applying if no units are available. Two-bedroom rents have increased by \$38 to \$42, and 3-bedrooms by \$11 to \$35 from 2013 survey.                             |
| Sutton Place Apartments II<br>2902 Douglas Ave     | 28 - 2 Bedroom<br><u>2 - 3 Bedroom</u><br>30 Total Units | \$502-\$557<br>\$606-\$623<br>+electric | 1 vacant unit<br>1 - 2 Bdrm  | All units at 50% or 60% of median income | Tax credits and HOME-assisted units constructed in 2002. Two 2-level buildings with 15 units each. All units have income limits set at either 50% or 60% of median income. Heat, water, garbage, and sewer included in rent with tenant paying electric. Amenities include in-unit laundry for most units and dishwasher. Units with washer/dryer are higher rent than other units. Project amenities include coin laundry, controlled entrance, play ground and storage spaces. Two-bedroom units range in size from 863 to 870 sq ft and have 1 bathroom; 3-bedrooms have 1042 sq ft and 2 bathrooms. Manager reported 1 vacant unit at time of survey. Waiting list is kept but application fee discourages people from applying if no units are available. Two-bedroom rents have increased by \$38 to \$42, and 3-bedrooms by \$11 to \$35 from 2013 survey. |



**Table 24 Yankton Multifamily Rental Housing Inventory**

| Name   | Number of Units /Bedroom Mix  | Rent   | Vacancy/ Wait List                         | Tenant Mix                               | Comments   |
|--|---|--|--|--|--|
| <b>Moderate Rent/Income Restricted</b>                   |   |  |  |  |  |
| Yankton Heights Apartments<br>1200 W 30 <sup>th</sup> St | 6 - 1 Bedroom<br>16 - 2 Bedroom<br><u>8 - 3 Bedroom</u><br>30 Total Units | \$315-\$550<br>\$515-\$660<br>\$700-\$757<br>+heat, electric | 3 vacant units<br>2 - 2 Bdrm<br>1 - 3 Bdrm | All units at 30% to 60% of median income | Three-level tax credit apartment building that opened for occupancy in July 2015, with full occupancy achieved by Dec. All units serve households at or below 60% of median, with 2 units at 30%, 4 units at 40% and 4 units at 50% of median. Rent includes water, sewer and garbage, with tenant paying gas heat and electric. Unit amenities include stove, refrigerator, dishwasher, disposal, microwave, in-unit laundry, central AC and walk-in closet. Project amenities include playground and picnic area. One-bedrooms have 752 sq ft and 1 bathroom; 2-bedrooms have 935 sq ft and 2 bathrooms; 3-bedrooms have 1317 sq ft and 2 bathrooms. Three units vacant at time of survey - waiting list can exist but application fee discourages people from applying if no units are available. |

**Table 24 Yankton Multifamily Rental Housing Inventory**

| Name                                       | Number of Units /Bedroom Mix  | Rent                                     | Vacancy/ Wait List                         | Tenant Mix        | Comments  |
|--|---|--|--|-------------------|---|
| <b>Subsidized - General Occupancy</b>      |   |  |  |                   |   |
| Ashbury Apartments<br>1010 Pennsylvania St | 1 - 1 Bedroom<br><u>7 - 2 Bedroom</u><br>8 Total Units                    | \$450<br>\$510<br>30% of income          | 1 vacant unit<br>1 - 2 Bdrm waiting list   | General occupancy | Rural Development subsidized two-level apartment building constructed in the 1970s. Designated for general occupancy. All tenants have access to rent assistance that allows rent based on 30% of income, up to maximum rents listed. Building is managed as part of 5 property portfolio and rent assistance is shifted between buildings as needed. Manager reported 1 vacant unit at time of survey but waiting list exists and processing was underway on an applicant. |
| Between the Fifties<br>801-807 Dakota St   | <u>32 - 2 Bedroom</u><br>32 Total Units                                   | \$545-\$590<br>30% of income             | 6 vacant units<br>6 - 2 Bdrm               | General occupancy | Rural Development subsidized two-story apartment buildings constructed in 1978. Four buildings with eight units per building. 22 tenants have access to rent assistance that allows rent based on 30% of income - remaining tenants pay 30% of income but not less than basic or more than market rents listed. Manager reported 6 vacant units on date of survey. Rents have increased by \$55 from 2013 survey.   |
| Canyon Ridge Townhomes<br>1700 Locust St   | 2 - 1 Bedroom<br>14 - 2 Bedroom<br><u>4 - 3 Bedroom</u><br>20 Total Units | \$510<br>\$642<br>\$828<br>30% of income | 3 vacant units<br>2 - 2 Bdrm<br>1 - 3 Bdrm | General occupancy | HUD-subsidized town house units constructed in 1977 and designated as general occupancy. All tenants have access to project-based rent assistance that allows rent based on 30% of income up to maximum rents listed. Manager reports 3 vacant units at time of survey.   |

**Table 24 Yankton Multifamily Rental Housing Inventory**

| Name  | Number of Units / Bedroom Mix                             | Rent                                      | Vacancy/ Wait List                        | Tenant Mix        | Comments  |
|---|---|---|---|-------------------|---|
| <b>Subsidized - General Occupancy</b>                 |   |   |   |                   |   |
| Colonial Square Apartments<br>802, 806, 810 E 13th St | 21 - 1 Bedroom<br><u>21 - 2 Bedroom</u><br>42 Total Units | \$25-\$515<br>\$25-\$801<br>30% of income | No vacant units<br>Waiting list           | General occupancy | HUD Section 8 apartment buildings constructed in the 1970s and awarded tax credits in 1988, possibly for renovation - but tax credit compliance has been met. Three two-level buildings with 14 units per building. Project-based rent assistance allows tenants to pay rent based on 30% of income, up to maximum rents listed. Unit amenities include stove, refrigerator, wall AC and utilities included in rent calculation. All units have 1 bathroom. Manager reported no vacant units at time of survey with good demand and a waiting list. |
| Crestview Apartments<br>815 Picotte St                | 1 - 1 Bedroom<br><u>7 - 2 Bedroom</u><br>8 Total Units    | \$450<br>\$510<br>30% of income           | 1 vacant units<br>1 - 1 bdrm waiting list | General occupancy | Rural Development subsidized two-level apartment building constructed in the 1970s. Designated for general occupancy. All tenants have access to rent assistance that allows rent based on 30% of income, up to maximum rents listed. Building is managed as part of 5 property portfolio and rent assistance is shifted between buildings as needed. Manager reported 1 vacant unit at time of survey but waiting list exists and processing was underway on an applicant.   |
| East Meadow Apartments<br>1001-1003 Memory Ln         | <u>24 - 2 Bedroom</u><br>24 Total Units                   | \$605 max.<br>30% of income               | No vacant units,<br>short waiting list    | General occupancy | HUD Section 8 subsidized units for general occupancy constructed in 1973. Units are in 2-level building without elevator. Four units on lower level are accessible. All tenants have access to rent assistance that allows rent based on 30% of income, up to market rent listed. Manager reports full occupancy and 3 name shared waiting list for 2-bedrooms with Walnut Hill.  |

**Table 24 Yankton Multifamily Rental Housing Inventory**

| Name  | Number of Units /Bedroom Mix                                       | Rent   | Vacancy/ Wait List   | Tenant Mix               | Comments   |
|---|--|--|--|--------------------------|--|
| <b>Subsidized - General Occupancy</b>                     |  |  |  |                          |  |
| <p>Estes Apartments<br/>301 Bunker Ln</p>                 | <p>12 - 1 Bedroom<br/><u>12 - 2 Bedroom</u><br/>24 Total Units</p> | <p>\$505-\$545<br/>\$535-\$575<br/>30% of income</p> | <p>No vacant units,<br/>waiting list</p>                           | <p>General occupancy</p> | <p>Rural Development subsidized one and two-story apartment buildings constructed in 1984. 19 tenants have access to rent assistance that allows rent based on 30% of income - remainder pay 30% of income but not less than basic or more than market rents listed. Amenities include coin laundry and off-street parking. No vacancies at time of survey and waiting list exists, but application fee discourages people from applying if no units are available. Rents have increased by \$70 from 2013 survey.</p>                               |
| <p>Heritage Apartments<br/>808 Picotte St</p>             | <p><u>4 - 3 Bedroom</u><br/>4 Total Units</p>                      | <p>\$570<br/>30% of income</p>                       | <p>All units unoccupied due to fire - repairs expected by Dec.</p> | <p>General occupancy</p> | <p>Rural Development subsidized two-level apartment building constructed in the 1970s. Designated for general occupancy. All tenants have access to rent assistance that allows rent based on 30% of income, up to maximum rents listed. Building is managed as part of 5 property portfolio and rent assistance is shifted between buildings as needed. Manager reported that a recent fire had resulted in all tenants being displaced until repairs are made - expected by Dec. Most tenants were relocated to other properties in portfolio.</p> |
| <p>Locust Lane Apartments<br/>2003-2005<br/>Locust Ln</p> | <p><u>12 - 3 Bedroom</u><br/>12 Total Units</p>                    | <p>\$650-\$720<br/>30% of income</p>                 | <p>1 vacant unit<br/>1 - 3 Bdrm</p>                                | <p>General occupancy</p> | <p>Rural Development subsidized two-story apartment buildings constructed in 1991. 11 tenants have access to rent assistance that allows rent based on 30% of income - remaining tenant pays 30% of income but not less than basic or more than market rents listed. Manager reported 1 vacant units on date of survey. Rents have increased by \$25 from 2013 survey.</p>   |

**Table 24 Yankton Multifamily Rental Housing Inventory**

| Name                                     | Number of Units /Bedroom Mix                             | Rent  | Vacancy/ Wait List                           | Tenant Mix        | Comments  |
|--|--|---|--|-------------------|---|
| <b>Subsidized - General Occupancy</b>    |  |   |  |                   |   |
| Pineview Apartments<br>713 Pine St       | <u>6 - 1 Bedroom</u><br>6 Total Units                    | \$450<br>30% of income                      | No vacant units,<br>waiting list             | General occupancy | Rural Development subsidized two-level apartment building constructed in the 1970s. Designated for general occupancy. All tenants have access to rent assistance that allows rent based on 30% of income, up to maximum rents listed. Building is managed as part of 5 property portfolio and rent assistance is shifted between buildings as needed. Manager reported no vacant units at time of survey and a waiting list exists.   |
| River Run Apartments<br>902 E 11th St    | 1 - 1 Bedroom<br><u>7 - 2 Bedroom</u><br>8 Total Units   | \$450<br>\$510<br>30% of income             | No vacant units,<br>waiting list             | General occupancy | Rural Development subsidized split-foyer apartment building constructed in the 1970s. Designated for general occupancy. All tenants have access to rent assistance that allows rent based on 30% of income, up to maximum rents listed. Building is managed as part of 5 property portfolio and rent assistance is shifted between buildings as needed. Manager reported no vacant units at time of survey and a waiting list exists. |
| Terrace Hill Apartments<br>2403 Cedar St | 12 - 1 Bedroom<br><u>8 - 2 Bedroom</u><br>20 Total Units | \$495-\$560<br>\$530-\$595<br>30% of income | 1 vacant unit<br>1 - 1 Bdrm                  | General occupancy | Rural Development subsidized two-story apartment buildings constructed in 1992. Designated for general occupancy. 19 tenants have access to rent assistance that allows rent based on 30% of income - remaining tenant pays 30% of income but not less than basic or more than market rents listed. Manager reported 1 vacant unit on date of survey. Rents are unchanged from 2013 survey.   |
| Valley Park<br>2200 E Green St           | 16 - 2 Bedroom<br><u>2 - 3 Bedroom</u><br>18 Total Units | 30% of income                               | 2 vacant units<br>2 - 2 Bdrm<br>waiting list | General occupancy | HUD-subsidized town house project constructed in the early 1980s. Tenants pay rent based on 30% of income. Amenities include AC, in-unit laundry hookup, patio and extra storage available. Manager reported 2 vacant units at time of survey due to turnover and increased competition. Waiting list is kept.  |

**Table 24 Yankton Multifamily Rental Housing Inventory**

| Name   | Number of Units /Bedroom Mix                             | Rent                            | Vacancy/ Wait List                        | Tenant Mix        | Comments  |
|--|--|---------------------------------|---|-------------------|---|
| <b>Subsidized - General Occupancy</b>                                  |  |                                 |   |                   |   |
| Village Green Apartments<br>904-906 E 13 <sup>th</sup> St              | <u>32 - 1 Bedroom</u><br>32 Total Units                  | \$25-\$515<br>30% of income     | No vacant units, waiting list             | General occupancy | HUD Section 8 apartment buildings constructed in the 1970s. Two 2-level buildings with 16 units each. Lower levels have no stairs and can be popular with seniors, but project is general occupancy. Project-based rent assistance allows tenants to pay rent based on 30% of income up to maximum rent listed. Unit amenities include stove, refrigerator, wall AC and utilities included in rent calculation. Manager reported no vacant units at time of survey with good demand and a waiting list.   |
| Walnut Hill Townhomes<br>1015-1021 Walnut St                           | 12 - 2 Bedroom<br><u>4 - 3 Bedroom</u><br>16 Total Units | \$657<br>\$789<br>30% of income | 1 vacant unit<br>1 - 2 Bdrm waiting list  | General occupancy | HUD-subsidized town house units constructed in 1977 and designated for general occupancy. Tax credits awarded in 1988 for renovation, but compliance period has been met. All tenants have access to rent assistance that allows rent based on 30% of income, up to market rent listed. Manager reported 1 vacant unit at time of survey due to turnover. Waiting list exists with 3 names on shared list for 2-bedrooms with East Meadow and 2-name waiting list for 3-bedrooms.   |
| Whiting Court (formerly Evergreen Lodge Apartments)<br>1006 Whiting Dr | 10 - 1 Bedroom<br><u>7 - 2 Bedroom</u><br>17 Total Units | 30% of income                   | Some units intentionally vacant for rehab | General occupancy | HUD Section 8 subsidized apartments constructed in the 1980s and awarded tax credits in 2015 for renovation, which is underway. All tenants have access to rent assistance that allows rent based on 30% of income. Amenities include coin laundry, community room, elevator, and small pets allowed. Four units have completed renovation and 6 are underway - some units have been held intentionally vacant to allow rehab without displacement. Waiting list exists but application fee discourages people from applying if no units are available. |

**Table 24 Yankton Multifamily Rental Housing Inventory**

| Name  | Number of Units /Bedroom Mix                             | Rent  | Vacancy/ Wait List                         | Tenant Mix                    | Comments  |
|---|--|---|--|-------------------------------|---|
| <b>Subsidized - Senior/Disabled Occupancy</b> |  |   |  |                               |   |
| Canyon Ridge Apartments<br>1700 Locust St     | <u>40 - 1 Bedroom</u><br>40 Total Units                  | \$604<br>30% of income                      | 2 vacant units,<br>2 - 1 Bdrm waiting list | Senior/<br>disabled occupancy | HUD-subsidized 3-level apartment constructed in 1977 and designated for senior and/or disabled tenant occupancy. All tenants have access to project-based rent assistance that allows rent based on 30% of income up to maximum rent listed. Participates in State STAR program. Manager reported 1 vacant units at time of survey. Some pets allowed.  |
| Marne Creek Apartments<br>610 W 21st St       | <u>40 - 1 Bedroom</u><br>40 Total Units                  | \$769 max.<br>30% of income                 | No vacant units,<br>waiting list           | Senior/<br>disabled occupancy | HUD and Rural Development subsidized three-story apartment building constructed in 1978. Designated for senior (age 62+) and/or disabled tenant occupancy. All tenants have access to rent assistance that allows rent based on 30% of income up to maximum rent listed. Amenities include coin laundry, off-street parking, carpeted units, full size range and refrigerator, air conditioner, and small pets allowed. Units have approx. 576 sq ft. Manager reported no vacant units at time of survey, and a waiting list is kept. |
| Meadow Park Apartments<br>909 Memory Lane     | 18 - 1 Bedroom<br><u>2 - 2 Bedroom</u><br>20 Total Units | \$460-\$510<br>\$480-\$530<br>30% of income | No vacant units                            | Senior/<br>disabled occupancy | Rural Development subsidized one-story apartment building constructed in 1989. Designated for senior and/or disabled tenant occupancy. 14 tenants have access to rent assistance that allows rent based on 30% of income - remaining tenants pay 30% of income but not less than basic or more than market rents listed. Manager reported no vacant units on date of survey. Rents are unchanged from 2013 survey.  |

**Table 24 Yankton Multifamily Rental Housing Inventory**

| Name   | Number of Units /Bedroom Mix                              | Rent  | Vacancy/ Wait List                         | Tenant Mix                       | Comments  |
|--|---|---|--|----------------------------------|---|
| <b>Subsidized - Senior/Disabled Occupancy</b>      |   |   |  |                                  |   |
| Memory Lane Apartments<br>901 Memory Lane          | 16 - 1 Bedroom<br><u>2 - 2 Bedroom</u><br>18 Total Units  | \$495-\$560<br>\$525-\$590<br>30% of income | 2 vacant units<br>1 - 1 Bdrm<br>1 - 2 Bdrm | Senior/<br>disabled<br>occupancy | Tax credit and Rural Development subsidized one-story apartment building constructed in 1994. Designated for senior and/or disabled tenant occupancy. All tenants have access to rent assistance that allows rent based on 30% of income. Basic and note rents are listed - note rents are maximums charged. Manager reported 2 vacant units on date of survey. Rents are unchanged from 2013 survey. |
| Orchard Square<br>418 W 15 <sup>th</sup>           | 45 - 1 Bedroom<br><u>15 - 2 Bedroom</u><br>60 Total Units | \$454<br>\$502<br>30% of income             | 9 vacant units<br>3 - 1 Bdrm<br>6 - 2 Bdrm | Senior/<br>disabled<br>occupancy | HUD Section 221(d)(3) and Section 8 subsidized units for senior and/or disabled tenant occupancy; constructed in 1969. All tenants have access to rent assistance that allows rent based on 30% of income, up to maximum rent listed. Manager reported 9 vacancies on date of survey. Maximum rents have been lowered since 2013 survey.  |
| Sir Charles Apartments<br>120 W 3 <sup>rd</sup> St | <u>34 - 1 Bedroom</u><br>34 Total Units                   | 30% of income                               | No vacancies,<br>waiting list              | Senior/<br>disabled<br>occupancy | Unable to contact in 2017 - information presented is from 2013 survey. HUD Section 8 subsidized units for senior and/or disabled tenant occupancy - building was an old hotel that was later converted to rental use. New owner in 2010 and renovation was completed using low income housing tax credits. All tenants have access to rent assistance that allows rent based on 30% of income.        |



**Table 24 Yankton Multifamily Rental Housing Inventory**

| Name   | Number of Units /Bedroom Mix                                      | Rent   | Vacancy/ Wait List                                   | Tenant Mix                                | Comments   |
|--|---|--|--|---|--|
| <b>Subsidized - Senior/Disabled Occupancy</b>  |   |  |  |   |  |
| <p>Sunrise Apartments<br/>2015 Green St</p>    | <p>31 - 1 Bedroom<br/><u>1 - 2 Bedroom</u><br/>32 Total Units</p> | <p>\$495-\$555<br/>N/A<br/>30% of income</p> | <p>No vacant units,<br/>waiting list</p>             | <p>Senior/<br/>disabled<br/>occupancy</p> | <p>Rural Development subsidized one-story apartment building constructed in 1992. Project also used tax credits but compliance requirements have been met. Designated for senior and/or disabled tenant occupancy. Identified as congregate housing, with noon meal delivery from senior center. 27 tenants have access to rent assistance that allows rent based on 30% of income; remainder pay 30% of income but not less than basic or more than market rent listed. One-bedrooms have approx. 570 sq ft and 1 bathroom. Manager reported no vacancies at time of survey, and a short waiting list exists.</p>               |
| <p>Sunrise Apartments II<br/>2015 Green St</p> | <p>32 - 1 Bedroom<br/><u>1- 2 Bedroom</u><br/>33 Total Units</p>  | <p>\$566-\$586<br/>N/A<br/>30% of income</p> | <p>1 vacant unit<br/>1 - 1 Bdrm<br/>waiting list</p> | <p>Senior/<br/>disabled<br/>occupancy</p> | <p>Rural Development subsidized one-story apartment building constructed in 1999. Project also used tax credits but compliance requirements have been met. Designated for senior and/or disabled tenant occupancy. Identified as congregate housing, with noon meal delivery from senior center. 32 tenants have access to rent assistance that allows rent based on 30% of income; remainder pay 30% of income but not less than basic or more than market rent listed. One-bedrooms have approx. 582 sq ft and 1 bathroom. Manager reported 1 vacant unit at time of survey due to turnover but short waiting list exists.</p> |

**Table 24 Yankton Multifamily Rental Housing Inventory**

| Name  | Number of Units /Bedroom Mix            | Rent                        | Vacancy/ Wait List                        | Tenant Mix                    | Comments  |
|---|---|-----------------------------|---|-------------------------------|---|
| <b>Subsidized - Senior/Disabled Occupancy</b> |   |                             |   |                               |   |
| Walnut Hill Apartments<br>1015-1021 Walnut St | <u>28 - 1 Bedroom</u><br>28 Total Units | \$480 max.<br>30% of income | 2 vacant units<br>2 - 1 Bdrm waiting list | Senior/<br>disabled occupancy | HUD-subsidized apartments designated for senior and/or disabled tenant occupancy and constructed in 1977. Tax credits awarded in 1988 for renovation, but compliance period has been met. Two 2-level buildings without elevator. Upper level tenants are often younger disabled people with no mobility limitations, and lower level units are occupied by seniors. All tenants have access to rent assistance that allows rent based on 30% of income, up to market rent listed. Manager reported 2 vacant units due to turnover and 5-name waiting list. |

Source: Community Partners Research

**Section Table of Contents**

|  | Page |
|--|------|
| Senior Housing with Services Overview  | 99   |
| Independent Senior Housing/Congregate  | 100  |
| Senior Housing with Light Services     | 101  |
| Assisted Living Centers                | 103  |
| Memory Care                            | 105  |
| Skilled Nursing Homes                  | 106  |
| Market Share for Housing with Services | 107  |
| Housing with Services Rental Tables    | 111  |

## **Senior Housing with Services**

Specialized senior housing, which provides some level of services along with a housing unit, has been an important part of the housing inventory for most larger South Dakota communities. In Yankton, a number of projects have been developed over the last 30 years have catered to senior renters.

Under South Dakota law, the Department of Health is required to license the more service-intensive forms of senior housing, including Skilled Nursing Facilities and Assisted Living Centers. Lower-service forms of senior housing, referred to as Residential Living Centers by the State, are required to register with the Department of Health, but are not licensed and subject to the more stringent requirements, such as inspections, that apply to more service-intensive housing.

Due to the higher level of regulation, the Skilled Nursing Facilities and Assisted Living Centers can be identified through State licensing. In the case of Residential Living Centers, where registration is required but inspections are not required, it is possible that some properties are not registered.

Although there are both State and industry definitions that identify the different types of specialized senior housing, there can be some variation in how these definitions are used. For example, some senior projects may identify themselves as “independent living” rental housing for seniors, but they may be registered as a Residential Living Center with the State, implying the availability of some light services. In the opinion of Community Partners Research, the features that differentiate these units from truly independent housing are the availability of some limited services, such as a daily meal, weekly assistance with housekeeping and laundry, and similar offerings that are included in the rent package.

For the analysis that follows, Community Partners Research has grouped the housing with services providers into the following categories. Although we have attempted to clearly define each housing project by these categories, there may be some overlap in units.

- ▶ Independent senior housing with a meal option/congregate housing
- ▶ Residential Living Center/Senior housing with light services
- ▶ Assisted Living Center
- ▶ Memory Care
- ▶ Skilled Nursing Facility

## **Independent Senior Housing/Congregate**

### **Unit Inventory**

The research for this Study identified two subsidized rental projects that identify themselves as congregate housing. Sunrise Apartments and Sunrise II have noon meal delivery from the senior center.

In 2013, Canyon Ridge Apartments was participating in the STAR Program (Service to Aging Residents), which helped residents secure outside services. As a result, Canyon Ridge was also included in this housing segment in 2013. However, the STAR Program is no longer being offered through the South Dakota Housing Development Authority (SDHDA).

Sunrise and Sunrise II have a combined 65 rental units, primarily in one-bedroom apartments. Both are subsidized through USDA Rural Development and offer income-based housing for lower income seniors and/or disabled tenants. Most units offer rent based on 30% of household income, making it affordable for even very low income tenants. These three projects have been listed in the rental table provided with the previous section, as part of the subsidized housing inventory.

### **Occupancy**

Occupancy rates were generally high in both each of these projects, although some turnover had resulted in one unoccupied apartment at the time the survey was conducted. Each project does maintain a short waiting list and any vacancies were attributed to the processing time needed to admit a new tenant.

### **Rental Rates**

Since both of the congregate projects are subsidized through USDA Rural Development, most tenants pay rent based on 30% of income.

## **Senior Housing with Light Services**

### **Unit Inventory**

As used in this Study, senior housing with light services defines a housing project where the basic monthly rent amount includes access to certain services, such as a daily meal(s), access to an emergency call system, and possibly other light services, such as weekly laundry service or assistance with housekeeping. Light services projects may or may not be registered with the State as Residential Living Centers. None of the projects identified in Yankton that the analysts have defined as light services housing are registered as Residential Living Centers.

The research for this Study identified three housing projects in Yankton that meet the basic definition of offering seniors a light services unit. Combined, these projects have approximately 49 units available for seniors looking to live independently, but with possible access to certain light services. Actual person capacity could be higher, as couples may reside in some of the units.

Two of the light services projects are part of the Avera Sister James senior complex. Majestic Bluffs Senior Independent Apartments has 20 apartment units, and Sacred Heart Senior Townhomes have eight two-bedroom units. While residents in the Townhomes may not be required to utilize any specific services or meals, these options are available to them as residents of this Avera senior community.

Walnut Village is also a senior complex offering various levels of care. Twenty-one apartments, offering one-bedroom and two-bedroom rentals, are identified as more independent housing that offers lighter services, with daily breakfast and lunch, light housekeeping every other week, and laundry services for an additional fee. Other less intensive services may also be available to residents.

Walnut Village was created in 2003 through the conversion of a former school building into senior housing. Avera Majestic Bluffs was constructed in 2001. The Avera Senior Townhomes were constructed in 2001 and 2005.

The third local provider of specialized senior housing, Autumn Winds, had once offered light services housing in its Autumn Winds East facility. However, in 2009, the 31 units in this portion of the project were converted to assisted living use, due to greater demand in this housing segment.

## **Occupancy**

The lighter services units in Avera Majestic Bluffs reported a high rate of occupancy although some vacancies can occur due to turnover. The Avera Senior Townhomes reported full occupancy and a low rate of turnover. Walnut Village reported 6 to 8 unoccupied units in the more independent side of the project.

Based on the survey responses, the estimated vacancy rate in this segment was above 12%, but this rate can vary. Specialized senior housing can sometimes have a high rate of unit turnover, causing vacancies. However, in Walnut Village, where most of the vacancies were present, the manager reported that some level of vacancy was typical.

## **Rental Rates**

Rental rates can vary in this segment of the market, depending on what services are actually included in the basic package. The monthly rates in Avera Majestic Bluffs ranged from \$1,830 to \$2,334, depending on the unit. A noon meal and other light services are included.

The lowest-priced units in Walnut Hill started at approximately \$1,600. Breakfast and lunch, along with some other light services are included in the basic package. This entry level rate is approximately \$100 higher than in 2013.

The Avera Senior Townhomes do not include any meals or services, but they are available for purchase. Residents of these units may not acquire any services, but the project's location near to the hospital and Majestic Bluffs makes it a higher-priced option than other forms of purely independent senior housing.

## **Assisted Living Centers**

Assisted living providers are able to offer a higher level of care and services for their senior residents. Although some facilities will offer a bundled package of services with the monthly rent, and others will sell the services “a la carte”, the assisted living providers are able to offer a significant assistance with daily living activities. Assisted living will have 24-hour on-site staffing, and the availability of skilled nursing. All meals are available, as well as the ability to assist with medications. In South Dakota, these facilities must be licensed as Assisted Living Centers.

### **Unit Inventory**

There are three facilities in Yankton that are licensed as Assisted Living Centers that specifically serve the resident senior community. Autumn Winds East has 31 units with capacity for 36 assisted living residents if some shared occupancy exists. Walnut Village is licensed for 16 residents.

Avera Majestic Bluffs is licensed for 45 residents, although this number is greater than the number of apartments in the assisted living part of this complex. The Majestic Bluffs total also includes 13 memory care units that form a specialized section of the assisted living portion of the project. There are approximately 23 units for assisted living, although double-occupancy is possible in at least seven of the units, such as a married couple living together.

Excluding memory care, when combined the three facilities offer approximately 70 units available for traditional assisted living. Person capacity can be greater if more than one person resides in the unit.

The supply of traditional assisted living is substantially smaller in 2017 than in 2013, when more than 90 assisted living units were counted. Autumn Winds West, with 24 units, began a process in 2017 to move from assisted living to memory care housing. While some assisted living residents may remain, over time this building will convert to a memory care facility.

Yankton also has some facilities that are licensed as Assisted Living Centers, however, they are not aimed at the conventional market segments. Instead they serve very targeted populations, including people with mental illness or people meeting the definition of long-term homelessness. These targeted facilities have not been included when analyzing the supply and demand from older seniors, since they are not available to the typical senior household.



## **Occupancy**

At the time of the survey, there were only a few vacancies reported in the traditional assisted living segment. Given the high level of turnover that can occur, some level of vacancy is typical.

Based on the survey responses, the estimated vacancy rate in this segment was less than 2%. However, it should be noted that the supply of units has grown smaller in the past year, due to the conversion of units in Autumn Winds West. In 2013, when the supply of assisted living units was larger, the vacancy rate was estimated to be above 12%.

## **Rental Rates**

Prices can vary depending on the type of unit and the services that are included in the basic package. In Walnut Village, the lowest-priced units are at approximately \$2,700 per month. In Autumn Woods East, the lowest-priced units start at approximately \$3,340 per month. In Avera Majestic Oaks, the lowest entry price was above \$4,500.

It is important to note that the service package included in the basic monthly charge will vary between facilities, and residents may often need additional services each month that are in addition to the basic package.

## **Medicaid Assistance for Lower Income Seniors**

Lower income seniors needing assisted living may be able to secure County/State assistance through the Medicaid Waivers system. Low reimbursement rates for Medicaid Waivers make this program difficult to use for many facilities.

Autumn Winds will accept up to 20 Medicaid residents. Walnut Village is private-pay only. Avera Majestic Bluffs does not accept Medicaid Waivers in its assisted living units, but Veteran's Administration assistance is accepted. Medicare residents do live in the Avera skilled nursing home.

## **Memory Care Housing**

### **Unit Inventory**

Memory care housing represents a very specialized segment of the senior market. People with health issues due to dementia, Alzheimer’s Disease, or other causes may often be housed in assisted living centers, nursing homes, or less service-intensive forms of senior housing in the earlier phases of memory loss. However, as the problems progress, it is often necessary to provide housing in special facilities that provide a secure environment and specialized care targeted to memory care residents.

The research for this Study identified only two providers of specific memory care housing in Yankton. Avera Majestic Bluffs has a dedicated memory care wing with 13 rooms in their assisted living facility, with typical capacity for 13 to 15 residents, if some shared occupancy occurs. The monthly price is above \$4,800 for memory care.

In 2017, Autumn Winds West began to transition from assisted living to a focus on memory care, and is now a secured facility. Existing assisted living residents have been allowed to remain, but over time this 24-unit project will convert to specialized memory care. There is capacity for 28 people with some shared rooms, intended for related couples. The entry price for single occupancy is \$5,100.

In many communities, additional memory care may exist in a specialized wing of a skilled nursing home. However, with very high occupancy rates in Avera Sister James Care Center, any conversion of beds to memory care use would simply displace other seniors needing skilled nursing care.

### **Occupancy / Vacancy**

There were four vacant units in Autumn Winds West at the time of the survey, as this building transitions into specialized memory care. The Avera facility is typically full, with some possible vacancies due to turnover, but a waiting list exists.

## **Skilled Nursing Homes**

Skilled nursing homes have historically represented the most service-intensive form of senior housing. This segment of the market has been in transition, however, as other forms of senior housing, such as assisted living, have grown in availability, and become the preferred option for many seniors. Telephone interviews with administrators of nursing homes around the region have highlighted the fact that nursing home residents are staying for shorter periods of time, and some nursing homes have designated an increasing share of their beds for short-term transitional care stays.

In South Dakota, a moratorium has been in place for many years that prevent the addition of more skilled nursing beds, even in communities with high utilization rates.

### **Unit Inventory**

There are two State-licensed skilled nursing homes in Yankton. However, one of these is the State Psychiatric Facility, as part of the correctional system, and has not been included in this analysis.

The Avera Sister James Care Center now includes the former Yankton Care Center which was replaced in 2015. Now known only as Sister James Care Center, there are 187 skilled nursing beds. The original Sister James building was moved to a new facility in 2001 on the Majestic Bluffs campus. Nearly all rooms in the new complex are now available for private occupancy.

Actual use of the rooms can be flexible, including shorter-term Medicare transitional care stays, but most are used by longer-term residents. The annual turnover can be high. A 6-bed hospice facility was recently added.

### **Occupancy**

Sister James indicated that annual utilization rates are very high and a waiting list can exist for occupancy. Yankton's role as a medical center, and the location of Sister James near to the hospital, make these facilities very popular with frail seniors.

### **Rental Rates**

No information was collected on daily rates. Rates are generally impacted by State policy on reimbursement.

## **Market Share for Existing Housing with Services Projects**

### **Senior Demographics**

Housing with services projects can serve seniors of any age, but typically have the greatest utilization by older seniors. A 2005 Assisted Living Center report from the South Dakota Department of Health identified 88.3% of all assisted living residents Statewide as age 75 or older. To analyze the market share for the various forms of housing in the Yankton area, Community Partners Research has focused on demographic data for older seniors, age 75 and above residing in the Greater Yankton aggregation.

Although the 2017 estimates for Esri are viewed as being somewhat low, the undercount is generally believed to be less than 2%, and this source represents the best available data on the area's senior population. In 2017, there were nearly 5,100 senior citizens (age 65+) living in Greater Yankton. This total is up by nearly 800 seniors from the level recorded by the 2010 Census.

While the area's senior population has been growing, this is primarily due to an increase in younger seniors, between the ages of 65 and 74 years old. From 2010 to 2017, Esri shows an increase of approximately 650 younger seniors, but fewer than 150 older seniors, age 75 and above.

For senior-headed households, Esri estimates that there are nearly 3,100 households in Greater Yankton, age 65 and older, up by approximately 400 households from 2010. Once again, most of this increase is attributable to households between 65 and 74. The estimated number of older senior households has increased by fewer than 50 households since 2010.

The projections used for this Update show continued growth of both younger seniors and older seniors to the year 2022. According to Esri's projections, the number of households age 75 and older will increase by nearly 190 households over the next five years, or an increase of 13%. The number of younger senior households should increase by nearly 250 households, or more than 15%.

One additional issue that impacts the senior population in Yankton is the presence of certain group quarters populations, including the Federal Prison Camp and a State psychiatric facility. However, while these people are reflected in population counts, they are not included as independent households in the estimates or projections that exist.

## **Senior Housing Utilization**

It is important to note that the senior demographic statistics would include seniors already residing in specialized senior housing. Adjustments to the senior population and the number of senior-headed households will be made for each of the different housing types reviewed. For example, when examining the seniors that form a potential market for an assisted living unit, it is necessary to subtract the seniors that already reside in more service intensive forms of senior housing, such as nursing homes or memory care units.

## **Skilled Nursing Homes**

Since utilization of nursing home beds varies by short-term versus longer-term stays, some assumptions need to be applied to this segment of the market. After talking to staff at Avera, it is estimated approximately 140 to 150 skilled nursing beds are generally available for longer-term residents. These are the only traditional skilled nursing beds identified in the Greater Yankton area.

When these statistics are compared to the senior populations in Greater Yankton, the available supply of beds represents approximately 6.5% of the total population of older seniors (age 75+). This percentage is only slightly lower than calculated in the 2013 Study. No beds have been added since 2013, but there has been only limited growth in the number of older seniors since that time.

While this is a relatively high capture rate, it is probable that the effective market area for skilled nursing beds in Yankton is larger than the geographic area defined as Greater Yankton. This is especially true given the quality and location of skilled nursing beds, with the Sister James facility constructed in 2001 and 2015 and located near to the hospital. Very few communities have new skilled nursing homes that offer private occupancy rooms.

Despite the market potential that exists in Yankton, with its high quality nursing home options, there is a long-standing moratorium on adding beds. The rebuilt facilities in Yankton only replaced existing beds, and did not add to the total inventory. As a result, no additional capture by nursing homes would be expected in the future. To the extent that some existing beds are diverted to other uses, such as transitional care or hospice, the utilization as a long-term place of residence could be lowered over time.

## **Memory Care Housing**

Yankton has an expanded supply of options for people needing specialized memory care housing, as Autumn Winds West has changed its focus from assisted living to memory care. There are now 37 total rooms/units, with the potential for 43 residents in some shared occupancy.

The available memory care beds in Yankton represent approximately 1.9% of the older senior population. Since memory care represents a very specialized form of housing, no adjustment has been made for seniors residing in other forms of housing. Although this percentage is up significantly from 2013, when only Avera was offering memory care units, it still represents a relatively low capture rate for memory care units. Since Yankton is an important regional center, it is probable that even more beds/units could be filled, if they were available.

Past discussions with area housing providers point to the cost and regulatory difficulties of creating specialized memory care units. Staffing, security, liability and licensing requirements all contribute to a reluctance to enter this very specialized housing segment. However, in 2017 Autumn Winds West did begin this transition to a specialized memory care building.

In South Dakota, it appears that some of the demand for memory care housing is met through the use of nursing home beds that devote a portion of the building to memory care use. In Yankton, there is already a high rate of occupancy and a waiting list for traditional skilled nursing beds. There is no incentive to convert existing beds to memory care use, which would simply displace other senior residents.

The conversion of skilled nursing home beds to specialized memory care is more likely to occur in smaller communities that may have a declining local senior population. However, there are no skilled nursing home beds in Yankton County outside of the City of Yankton.

## **Assisted Living Centers**

When examining market demand for assisted living, calculations have been compared to the number of older households, therefore no adjustment is needed for group quarters residents, in correctional facilities or skilled nursing homes.

In 2017, the number of assisted living rooms/units is greatly reduced when compared to 2013, as Autumn Winds West has changed its focus to memory care. As a result, there are only approximately 70 rooms/units serving the traditional assisted living segment. Person capacity is slightly larger than 70 people, if some couples share a unit.

The supply of units represents approximately 4.8% of the target area households age 75 and older. In the opinion of the analysts, the existing supply of units represents a relatively low capture rate, given Yankton's importance as a regional center. When Autumn Winds West was providing traditional assisted living, the required capture rate was above 6.5%, although some vacancies were also present at the time of the 2013 survey.

With a reduced supply of assisted living units in 2017, the occupancy rates within this housing segment were very high. In 2013, the estimated vacancy rate was above 12%.

### **Housing with Light Services/Residential Living Centers**

Light services units are typically compared to the distribution of all older senior households, rather than population. Housing with light services can serve a more active and independent senior, and it is more common to see couples reside in this housing, as well as single person households.

After adjusting for senior households that already reside in more service-intensive forms of housing, the current supply of 49 light services rental units represents a market capture rate of approximately 3.5% of the primary target market. In the opinion of the analysts, this is a relatively low concentration of units. Similar to assisted living, it is probable that a capture rate of 5% or more could be achieved.

However, the rental survey completed for this Update once again found limited evidence of unmet demand, with an estimated vacancy rate above 12% in 2017. A relatively high vacancy rate was also recorded in 2013. The vacancy rate is subject to change, as high turnover rates can result in above-average vacancy rates at any point in time.

**Table 25 Yankton Senior Housing with Services Inventory**

| Name   | Number of Units /Bedroom Mix                                      | Rent   | Vacancy/ Wait List                                   | Tenant Mix                                | Comments   |
|--|---|--|--|---|--|
| <b>Congregate Senior Housing</b>               |   |  |  |   |  |
| <p>Sunrise Apartments<br/>2015 Green St</p>    | <p>31 - 1 Bedroom<br/><u>1 - 2 Bedroom</u><br/>32 Total Units</p> | <p>\$495-\$555<br/>N/A<br/>30% of income</p> | <p>No vacant units,<br/>waiting list</p>             | <p>Senior/<br/>disabled<br/>occupancy</p> | <p>Rural Development subsidized one-story apartment building constructed in 1992. Project also used tax credits but compliance requirements have been met. Designated for senior and/or disabled tenant occupancy. Identified as congregate housing, with noon meal delivery from senior center. 27 tenants have access to rent assistance that allows rent based on 30% of income; remainder pay 30% of income but not less than basic or more than market rent listed. One-bedrooms have approx. 570 sq ft and 1 bathroom. Manager reported no vacancies at time of survey, and a short waiting list exists.</p>                 |
| <p>Sunrise Apartments II<br/>2015 Green St</p> | <p>32 - 1 Bedroom<br/><u>1 - 2 Bedroom</u><br/>33 Total Units</p> | <p>\$566-\$586<br/>N/A<br/>30% of income</p> | <p>1 vacant unit<br/>1 - 1 Bdrm<br/>waiting list</p> | <p>Senior/<br/>disabled<br/>occupancy</p> | <p>Rural Development subsidized one-story apartment building constructed in 1999. Project also used tax credits but compliance requirements have been met. Designated for senior and/or disabled tenant occupancy. Identified as congregate housing, with noon meal delivery from senior center. 32 tenants have access to rent assistance that allows rent based on 30% of income; remainder pay 30% of income but not less than basic or more than market rent listed. One-bedrooms have approx. 582 sq ft and 1 bathroom. Manager reported 1 vacant unit at time of survey due to turnover but a short waiting list exists.</p> |



**Table 25 Yankton Senior Housing with Services Inventory**

| Name  | Number of Units /Bedroom Mix                              | Rent                               | Vacancy/ Wait List                                    | Tenant Mix                                     | Comments   |
|---|---|------------------------------------|---|--|--|
| <b>Senior Housing with Light Services</b>   |   |                                    |   |  |  |
| Avera Sacred Heart Majestic Bluffs Senior Living Apartments<br>2109 11 <sup>th</sup> St | Studio<br>1 Bedroom<br><u>2 Bedroom</u><br>20 Total Units | \$1830-\$2334<br>depending on unit | Some vacant units can exist at turnover, waiting list | Senior housing with light services             | Independent living units constructed in 2001 that are part of the Majestic Bluffs community which also includes assisted living, memory care and skilled nursing beds. Lighter services units have kitchens, in-unit laundry and more square feet than assisted living. Residents receive noon meal, and emergency call system, and can also purchase services such as laundry, housekeeping or other meals. Tenants can age in place by adding additional care services instead of moving to a different unit. Two units vacant at time of survey and turnover can result in some vacancies. Rents have increased by \$135 from 2013. |
| Avera Sacred Heart Senior Townhomes   | <u>8 - 2 Bedroom</u><br>8 Total Units                     | \$1845-\$1945<br>+utilities        | No vacant units, low turnover                         | Independent living for seniors on Avera campus | Twin homes constructed in 2001 and 2005 and part of the Avera senior complex that includes specialized senior housing options. Units have attached double garage and yard work/snow removal included in rent. Units have 1200 sq ft and 1 bathroom or 1325 sq ft and 2 bathrooms. Residents can make \$45,000 initial deposit to lower rent to \$895 or \$945 - with deposit depleted over 5 year period to offset lower rent. Good demand and full occupancy. Land exists for more units, but none are planned. Rents have increased by \$45 from 2013.   |

**Table 25 Yankton Senior Housing with Services Inventory**

| Name   | Number of Units /Bedroom Mix                    | Rent                               | Vacancy/ Wait List  | Tenant Mix                   | Comments  |
|--|---|------------------------------------|---------------------|------------------------------|---|
| <b>Senior Housing with Light Services</b>              |   |                                    |                     |                              |   |
| Walnut Village Independent Apartments<br>613 Walnut St | 1 Bedroom<br><u>2 Bedroom</u><br>21 Total Units | \$1610-\$2430<br>depending on unit | 6 to 8 vacant units | Senior Housing with Services | Senior housing community offering assisted living and light services housing. Project opened in 2004 when former high school was converted to senior housing. Independent living includes breakfast and noon meal, and light housekeeping every other week. Additional meals and light services such as laundry can be purchased a la carte. Residents needing more advanced services must move into assisted living. Monthly rent is within range listed, depending on unit size and type. Some units have laundry hookup, and some garages available. Building amenities include activities, scheduled transportation, community rooms, and guest suite. Manager reports 6 to 8 unoccupied units at time of survey - some level of vacancy is typical. Rents have increased by \$105 to \$270 from 2013 survey. |

**Table 25 Yankton Senior Housing with Services Inventory**

| Name   | Number of Units /Bedroom Mix  | Rent   | Vacancy/ Wait List                                    | Tenant Mix             | Comments   |
|--|---|--|---|------------------------|--|
| <b>Assisted Living Centers</b>   |   |  |   |                        |  |
| Autumn Winds, LLC East<br>2905 Douglas Ave                                     | 26 - Studio<br><u>5 - 1 Bedroom</u><br>31 Total Units<br>36 person ALC license capacity     | \$3340<br>\$3685-\$3940<br>+ additional service packages as needed | No vacant units                                       | Assisted Living Center | Senior assisted living project constructed in 1999 - originally for light services housing but converted to assisted living in 2009 based on demand. Basic package includes all meals, 24-hour staffing, skilled nursing staff, emergency call system, weekly housekeeping and laundry, medication assistance, cable TV, utilities and maintenance. Additional services can be purchased in set packages as needed. Project will accept up to 20 Medicaid residents - generally at capacity with unmet demand. All units in East were occupied at time of survey. Companion West building is in transition to specialized memory care while East will continue to serve traditional assisted living.         |
| Avera Sacred Heart Majestic Bluffs Assisted Living<br>2109 11 <sup>th</sup> St | Studio<br>Large Studio<br><u>2 Bedroom</u><br>25 to 30 Units typically assisted living care | \$4530+ depending on unit and care package                         | Some vacant units can exist at turnover, waiting list | Assisted Living Center | Senior assisted living units constructed in 2001 that are part of Avera Majestic Bluffs community which also offers independent living, memory care and skilled nursing beds. Units are in building that can offer flexible care from more independent to assisted living - typically most residents are in assisted living. Rent listed is lowest entry point for assisted living in studio unit at basic care package - rates increase for larger unit or higher care. Facility is private-pay, but VA assistance may be used for some residents. High occupancy rate reported and waiting list generally exists for different levels of care. Lowest entry price has increased by \$680 from 2013 survey. |

**Table 25 Yankton Senior Housing with Services Inventory**

| Name  | Number of Units /Bedroom Mix                          | Rent                            | Vacancy/ Wait List          | Tenant Mix             | Comments   |
|---|---|---------------------------------|-----------------------------|------------------------|--|
| <b>Assisted Living Centers</b>                          |   |                                 |                             |                        |  |
| Walnut Village Apartments Assisted Living 613 Walnut St | 12 - Studio<br><u>4 - 1 Bedroom</u><br>16 Total Units | \$2670-\$3095 includes services | 1 vacant unit<br>1 - Studio | Assisted Living Center | Senior housing community offering assisted living and light services housing. Project opened in 2004 when former high school was converted to senior housing. Assisted Living license is for 16 beds. Rent includes all meals, 24-hour staffing, laundry, housekeeping, emergency call system, medication dispensing and access to skilled nursing. Building amenities include activities, scheduled transportation, garages, community rooms, and guest suite. One unit was unoccupied unit at time of survey and 1 to 2 openings are typical. Project is private-pay. Rents have increased by \$305 to \$315 from 2013 survey. |

**Table 25 Yankton Senior Housing with Services Inventory**

| Name   | Number of Units /Bedroom Mix  | Rent                           | Vacancy/ Wait List                                    | Tenant Mix                         | Comments  |
|--|---|--------------------------------|---|------------------------------------|---|
| <b>Memory Care</b>   |   |                                |   |                                    |   |
| Autumn Winds, LLC West<br>2903 Douglas Ave                                     | 16 - Studio<br>6 - 1 Bedroom<br>2 - 2 Bedroom<br>24 Total Units<br>28 person ALC license capacity | \$5100/single<br>\$6900/couple | 4 vacant units  | Memory Care Assisted Living Center | Senior assisted living project constructed in 1996. In 2017 it began focusing on memory care and is now a secured facility. In transition with traditional assisted living residents along with memory care residents. Prices listed are for memory care residents and are inclusive of services. Four units vacant at time of survey as building transitions to memory care use. |
| Avera Sacred Heart Majestic Bluffs Assisted Living<br>2109 11 <sup>th</sup> St | 13 Units<br>13 Total Units with capacity for 13 to 15 residents                                   | \$4645-\$5435                  | Some vacant units can exist at turnover, waiting list | Memory Care                        | Senior memory care units constructed in 2001 that are part of Majestic Bluffs community which also offers assisted living, independent living, and skilled nursing beds. Initially had 9 rooms, but later expanded to 13 in this specialized area. Units fully occupied. Lowest entry price has increased by \$330 from 2013 survey.  |

| <b>Table 25 Yankton Senior Housing with Services Inventory</b> |                                     |             |                           |                      |   |
|--|-------------------------------------|-------------|---------------------------|----------------------|---|
| <b>Name</b>  | <b>Number of Units /Bedroom Mix</b> | <b>Rent</b> | <b>Vacancy/ Wait List</b> | <b>Tenant Mix</b>    | <b>Comments</b>   |
| <b>Skilled Nursing Homes</b>                                   |                                     |             |                           |                      |   |
| Avera Sister James Care Center<br>2111 W 11 <sup>th</sup> St   | 187 bed skilled nursing home        | N/A         | High occupancy rate       | Skilled Nursing Home | Skilled nursing home that is attached Avera Majestic Bluffs senior campus. Part of the facility was constructed in 2001, and 73-beds in 2015 replacing older nursing homes. Facility now has private occupancy rooms. Rooms are flexible and can be used for shorter-term Medicare stays but most are used by longer-term residents, although annual turnover can be high. A 6-bed hospice facility was recently added. High occupancy rate, and a waiting list can exist although less demand for skilled nursing beds than in the past. |

Source: Community Partners Research

## **Section Table of Contents**

|   | Page |
|---|------|
| Employment and Local Economic Trends Analysis | 119  |
| Labor Force and Unemployment                  | 119  |
| Employment and Wages by Sector                | 122  |
| Major Employers in Yankton                    | 124  |
| Commuting Patterns of Area Workers            | 125  |

## Employment and Local Economic Trends Analysis

While many factors influence the need for housing, employment opportunities represent a predominant demand generator. Without jobs and corresponding wages, the means to pay for housing is severely limited.

Employment opportunities may be provided by a broad range of private and public business sectors. Jobs may be available in manufacturing, commercial services, agriculture, public administration, and other industries. The type of employment, wage level, and working conditions will each influence the kind of housing that is needed and at what level of affordability.

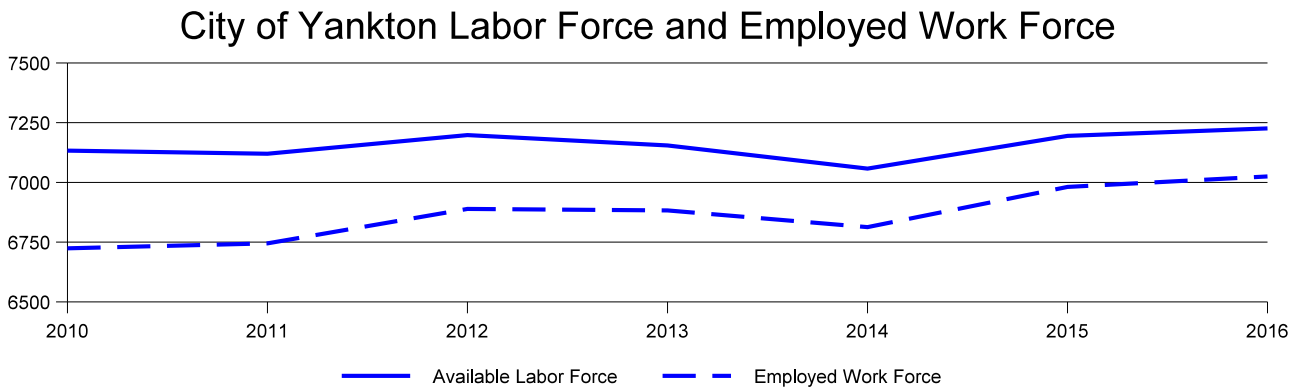
The City of Yankton has been aggressively pursuing economic development and job growth. While working on attracting new business to the area, the City has also worked with existing businesses to facilitate job expansion in the communities.

Employment information is available at the City level for Yankton, and at the County level. The first table displays information for the City of Yankton, while the second table contains data for the Four-County area that includes Yankton, Bon Homme, Cedar and Knox. The labor force statistics in the tables below track people by place of residence, rather than place of employment.

| <b>Table 26 Yankton Average Annual Labor Statistics: 2010 to 2016</b> |             |          |            |                          |                        |                        |
|---|-------------|----------|------------|--------------------------|------------------------|------------------------|
| Year  | Labor Force | Employed | Unemployed | Unemployment Rate - City | Unemployment Rate - SD | Unemployment Rate - US |
| 2010  | 7,133       | 6,724    | 409        | 5.7%                     | 5.0%                   | 9.6%                   |
| 2011  | 7,120       | 6,745    | 375        | 5.3%                     | 4.7%                   | 8.9%                   |
| 2012  | 7,198       | 6,889    | 309        | 4.3%                     | 4.3%                   | 8.1%                   |
| 2013  | 7,155       | 6,883    | 272        | 3.8%                     | 3.8%                   | 7.4%                   |
| 2014  | 7,058       | 6,813    | 245        | 3.5%                     | 3.4%                   | 6.2%                   |
| 2015  | 7,195       | 6,981    | 214        | 3.0%                     | 3.1%                   | 5.3%                   |
| 2016  | 7,226       | 7,025    | 201        | 2.8%                     | 2.8%                   | 4.9%                   |

Source: South Dakota Department of Labor & Regulation - Not seasonally adjusted





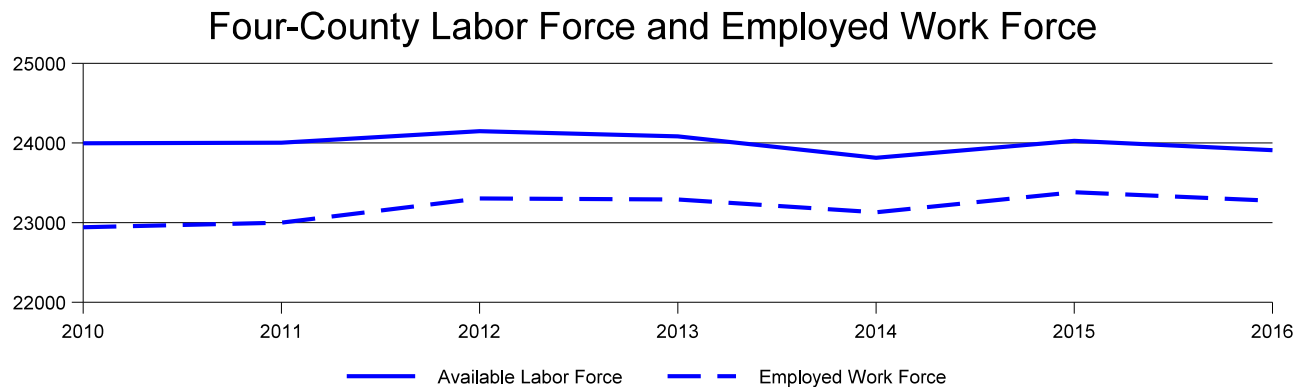
Yankton has experienced some fluctuation in recent years in the available labor force and the employed work force. Between 2010 and 2016, the last full year of data, the City’s labor force increased by 1.3%, or 93 people. However, the resident labor force reached its recent low point in 2014, before once again increasing in size. Between 2014 and 2016, the labor force has increased by 2.4%.

The same basic pattern has generally been evident in the employed work force. After increasing from 2010 to 2012, the number of employed City residents then declined by 2014, before beginning to increase again. The highest recent level of employment in the City was reached in 2016. When compared back to 2010, the City has added more than 300 employed residents.

| <b>Table 27 Four-County Average Annual Labor Statistics: 2010 to 2016</b> |             |          |            |                            |                        |                        |
|---|-------------|----------|------------|----------------------------|------------------------|------------------------|
| Year  | Labor Force | Employed | Unemployed | Unemployment Rate 4-County | Unemployment Rate - SD | Unemployment Rate - US |
| 2010  | 23,996      | 22,941   | 1,055      | 4.4%                       | 5.0%                   | 9.6%                   |
| 2011  | 24,004      | 23,000   | 1,004      | 4.2%                       | 4.7%                   | 8.9%                   |
| 2012  | 24,148      | 23,304   | 844        | 3.5%                       | 4.3%                   | 8.1%                   |
| 2013  | 24,083      | 23,290   | 793        | 3.3%                       | 3.8%                   | 7.4%                   |
| 2014  | 23,814      | 23,129   | 685        | 2.9%                       | 3.4%                   | 6.2%                   |
| 2015  | 24,027      | 23,382   | 645        | 2.7%                       | 3.1%                   | 5.3%                   |
| 2016  | 23,910      | 23,275   | 635        | 2.7%                       | 2.8%                   | 4.9%                   |

Source SD Department of Labor & Regulation; NE Department of Labor - Not seasonally adjusted

Yankton represents more than 30% of the entire labor force for the Four-County area, and the patterns for this larger region are generally similar to those in the City. If 2016 is compared to 2010, there have been only minor changes in the size of the available labor force, although for the Four-County region, there are fewer people in the labor force in 2016. However, the number of area residents has increased over time, and the unemployment rate has continued to drop.



For both 2015 and 2016, the unemployment rate in the Four-County area was very low, at only 2.7%.

## Employment and Wages by Industry Sector

The following table shows the annual employment and average annual wages by major employment sector in 2015, the last full year of data. Covered employment and wages are based on the location of the job, not the residency of the worker. This information is for all of Yankton County. No information from this source exists for the City. It is important to note that the major employment sectors listed do not represent all employment in the County.

Please note that the industry sector details in the following table only display information for private employers. No similar information could be obtained from this source on public or government employers. As a result, two of the largest employment supersectors in Yankton County, Government and Education and Health Services, are not presented.

| <b>Table 28 Yankton County Average Wages by Industry Detail: 2015</b> |                 |                          |
|---|-----------------|--------------------------|
| Industry  | 2015 Employment | 2015 Average Weekly Wage |
| Total All Industry  | 12,611          | \$752                    |
| Natural Resources, Mining   | 80              | \$786                    |
| Construction  | 437             | \$732                    |
| Manufacturing   | 3,129           | \$907                    |
| Trade, Transportation, Utilities                                      | 2,301           | \$596                    |
| Information   | 147             | \$661                    |
| Financial Activities  | 483             | \$1,108                  |
| Professional and Business Services                                    | 759             | \$792                    |
| Education and Health Services   | N/A             | N/A                      |
| Leisure and Hospitality   | 1,209           | \$250                    |
| Other Services  | 231             | \$447                    |
| Government  | N/A             | N/A                      |

Source: South Dakota Department of Labor & Regulation

The average weekly wage for all industry in 2015 was \$752. At full-time employment this would yield an average annual wage of \$39,104.

The highest paying private industry sectors were Financial Activities and Manufacturing, each with an annual weekly wage above \$900. At full-time employment these sectors would have annual wages of \$57,616 and \$47,164, respectively. Manufacturing is also the largest private industry sector for number of employees.

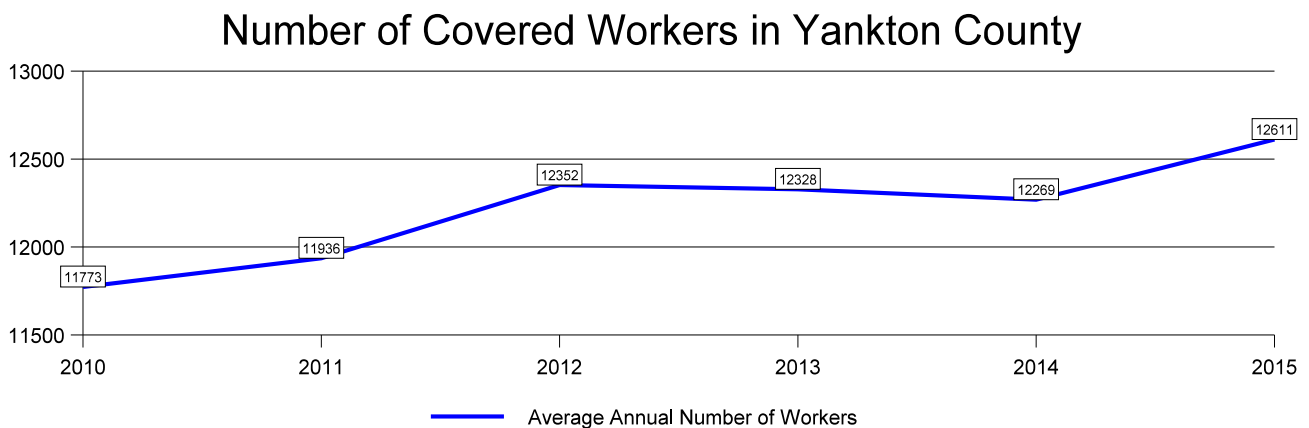
The lowest paying wage sector was Leisure and Hospitality, with an average annual wage of only \$13,000.

This data source, the Quarterly Census of Employment and Wages, can be used to track the total annual employment in the County over time.

| <b>Table 29 Yankton County Average Annual Employment</b> |                          |      |                          |
|--|--------------------------|------|--------------------------|
| Year   | Total Covered Employment | Year | Total Covered Employment |
| 2010   | 11,773                   | 2013 | 12,328                   |
| 2011   | 11,936                   | 2014 | 12,269                   |
| 2012   | 12,352                   | 2015 | 12,611                   |

Source: SD Department of Labor & Regulation

From 2010 through 2015, there has been strong growth in employment as tracked by reporting for unemployment compensation. If total employment in 2010 is compared to the year 2015, there had been an increase of 838 jobs, or 7.1% over this period.



## **Major Employers in Yankton**

Major employers in the City of Yankton include the following:

- ▶ Avera Sacred Heart Hospital
- ▶ SD Human Services Center
- ▶ Hy-Vee Food Stores
- ▶ Yankton School District
- ▶ Kolberg-Pioneer, Inc.
- ▶ WalMart
- ▶ Sapa Extrusion, Inc.
- ▶ Yankton Medical Clinic, PC
- ▶ Vishay Dale Electronics
- ▶ First National Bank of Omaha
- ▶ Wilson Trailer Company
- ▶ Cimpl Meats, Inc.
- ▶ Shur-Co
- ▶ Gehl Power Products
- ▶ Baldwin Filters, Inc.
- ▶ Applied Engineering, Inc.
- ▶ City of Yankton
- ▶ Mount Marty College
- ▶ First Dakota National Bank

Source: Governor's Office of Economic Development

## Commuting Patterns of Area Workers

Some information is available on area workers that commute for employment. The first set of information is from the 2015 American Community Survey, and has been examined for the City of Yankton. The first table examines travel time for Yankton residents, and excludes people that work at home.

| <b>Table 30 Commuting Times for Yankton Residents - 2015</b> |        |         |
|--|--------|---------|
| Travel Time  | Number | Percent |
| Less than 10 minutes   | 3,855  | 55.8%   |
| 10 to 19 minutes   | 2,451  | 35.5%   |
| 20 to 29 minutes   | 179    | 2.6%    |
| 30 minutes +   | 428    | 6.2%    |
| Total  | 6,913  | 100%    |

Source: American Community Survey 5-year estimates

The large majority of Yankton residents were commuting less than 20 minutes to work in 2015. Overall, more than 91% of residents commuted less than 20 minutes to their primary employment. Only 6.2% of the City’s residents had a longer-distance commute of a half hour or more.

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

| <b>Table 31 Commuting Times for Yankton Employees - 2015</b> |        |         |
|--|--------|---------|
| Travel Time  | Number | Percent |
| Less than 10 minutes   | 4,017  | 38.6%   |
| 10 to 19 minutes   | 3,666  | 35.3%   |
| 20 to 29 minutes   | 1,176  | 11.3%   |
| 30 minutes +   | 1,536  | 14.8%   |
| Total  | 10,395 | 100%    |

Source: American Community Survey 5-year estimates

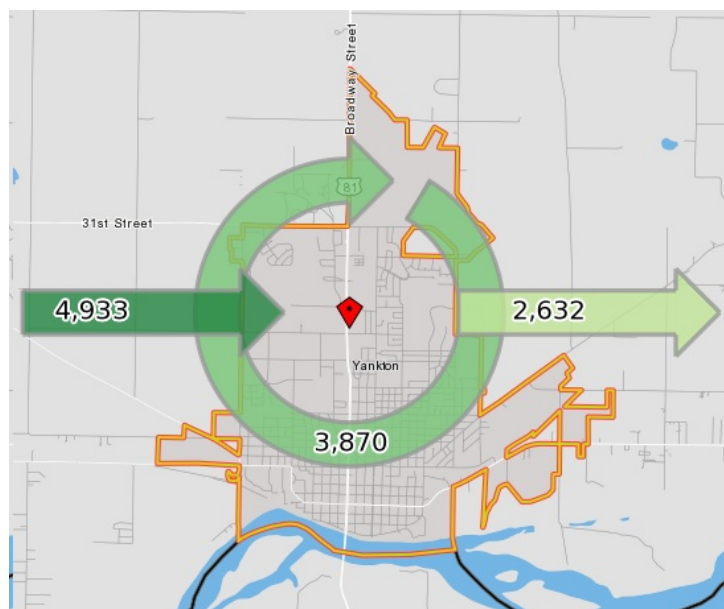
Overall, approximately 74% of the people that were employed within the City of Yankton had a travel time of 19 minutes or less. This would include a large number of people that both live and work in the City. However, more than 2,700 people traveled to Yankton from greater distances and had a drive time of 20 minutes or more.

## Census On the Map

The Census Bureau also produces commuter reports through its Center for Economic Studies division. This information is based on reports for the year 2014, and provides a further breakdown of worker movement patterns.

According to the report for Yankton, there were 8,803 people that were employed within the city limits in 2014. Approximately 44% of these Yankton-based employees also lived within the City, but more than 4,900 employees lived outside the City limits and commuted in daily. West Yankton UT, Southeast Yankton UT, Sioux Falls, Utica Township, Vermillion, Hartington NE and Mitchell were the primary identified locations that were supplying workers to Yankton.

Although most Yankton residents also worked within the City, more than 2,600 were commuters and left Yankton for their primary job. Among the primary destinations for commuting residents were Sioux Falls, Southeast Yankton UT, Sioux City and Vermillion.



## **Section Table of Contents**

|   | Page |
|---|------|
| Summary of Findings and Recommendations               | 128  |
| Summary of Growth Trends                              | 130  |
| Growth Projections Overview                           | 131  |
| Summary of Growth Projections by Age Group            | 132  |
| Summary of Housing Unit Demand and Tenure Projections | 133  |
| Summary of Employment and Economic Conditions         | 135  |
| Rental Housing Recommendations                        | 136  |
| Ownership/Single Family Housing Recommendations       | 152  |
| Rehabilitation and Neighborhood Revitalization        | 164  |
| Other Housing Issues                                  | 168  |



## Summary of Findings/Recommendations

The findings/recommendations for the City of Yankton have been formulated through the analysis of the information provided in the previous sections. They have been divided into the following categories:

- ▶ **Rental Housing**
- ▶ **Home Ownership and Single Family Housing**
- ▶ **Housing Rehabilitation and Neighborhood Revitalization**
- ▶ **Other Housing Issues**

The findings/recommendations for each category are as follows:

| <b>Findings and Recommendations for the City of Yankton</b> |  |
|---|--|
| <b>Rental Housing Recommendations</b>                       |  |
| 1.  | Support the Development of 72 Moderate Rent Conventional Market Rate Rental Housing Units - page 137                         |
| 2.  | Market Potential Continues to Exist for Higher-Priced, High Amenity Conventional Market Rate Rental Housing Units - page 139 |
| 3.  | Support the Proposed Development of Additional Tax Credit/Moderate Income Rental Housing Units - page 141                    |
| 4.  | Continue to Monitor the Need for Additional Subsidized Rental Housing and Work to Preserve Existing Projects - page 144      |
| 5.  | Promote a Limited Expansion of Senior Housing with Services Units - page 146   |
| 6.  | Updated Findings on Providing Housing with Services in Subsidized Housing - page 150   |
| 7.  | Consider Innovative Program Efforts to Assist Renter Households - page 150   |
| 8.  | Updated Findings on Downtown Housing Opportunities - page 151  |

| <b>Findings and Recommendations for the City of Yankton</b>     |  |
|---|--|
| <b>Home Ownership and Single Family Housing Recommendations</b> |  |
| 9.  | Most Demand for Single Family Home Construction will Continue to be for Moderate to Higher Priced Housing - page 155 |
| 10.   | Promote affordable new home construction using available resources and incentives - page 156                         |
| 11.   | Continue to Promote Townhouse and Twin Home Development - page 158   |
| 12.   | Monitor Residential Lot Availability - page 160  |
| 13.   | Updated Findings on Programs that Assist with Home Ownership - page 162  |
| 14.   | Updated Findings on the Creation of a Local Down Payment Assistance Program - page 162                               |
| 15.   | Continue to Coordinate with Agencies/Nonprofit Groups that Develop Affordable Ownership Housing - page 163           |
| <b>Housing Rehabilitation and Neighborhood Revitalization</b>   |  |
| 16.   | Promote rental housing rehabilitation programs - page 164  |
| 17.   | Promote owner-occupied housing rehabilitation programs - page 165  |
| 18.   | Updated Findings on the Purchase and Rehabilitation of Older Homes - page 165  |
| 19.   | Updated Findings on the Development of a Neighborhood Revitalization Program - page 166                              |
| 20.   | Updated Findings on Acquisition and Demolition of Dilapidated Structures - page 166                                  |
| 21.   | Updated Findings on Implementing a Housing Inspection Program - page 167   |
| <b>Other Housing Initiatives</b>                                |  |
| 22.   | Updated Findings on Employer Involvement in Housing Programs - page 168  |
| 23.   | Continue to Monitor Mobile Home Conditions - page 168  |
| 24.   | Updated Findings on Planning and Coordinated Among Local Housing Agencies - page 169                                 |

More details are provided in the following pages. Prior to the specific recommendations, a summary of some of the key growth-related findings and projections has been presented.

## Summary of Growth Trends

The Demographic and Projection Data section of this report has presented information on the recent estimates and past trends for the City of Yankton, a larger aggregated area of rural jurisdictions that surround the City and referred to as Greater Yankton, and a Four-County area in South Dakota and Nebraska.

Consistent with the findings in the 2103 Study, Yankton and a few immediately contiguous jurisdictions have demonstrated a consistent pattern of growth in recent decades, adding both population and households.

However, for the entire Four-County Area that includes Yankton, Bon Homme, Cedar and Knox Counties, there has generally been an overall loss of population and households, once the immediate Yankton area is removed. Consistent with demographic patterns that have been evident elsewhere in South Dakota, there has been an ongoing consolidation of people living in or near the State's regional centers, as more rural and remote areas experience a gradual reduction of residents.

The 2013 Study had also commented on the relatively consistent pace of growth over recent decades. This trend has also continued, as the best available evidence would suggest that Yankton is on course to add 500 or more households during the current decade, a pace of growth that is very similar to longer-term patterns. The City had a net gain of 540 households between 2000 and 2010, 392 households in the 1990s, and 514 households in the 1980s. For most recent decades, an annual average of 50 or more households per year has been sustained.

The City's population level has also grown in each of the previous three decades. Since 2010 there has been some decrease in the City's group quarters population, due to some reduction of prison inmates, but the City's permanent resident population has continued to increase over time.

Accurately tracking age progression patterns in the years between the decennial census can be a challenge, but the best available estimates continue to show an aging population, and an ongoing decrease in the City's average household size.

With very limited excess housing capacity in the City of Yankton, future population and household growth will generally be dependent upon a commensurate level of housing unit creation.

## **Growth Projections Overview**

A primary method for projecting future household growth is based on the continuation of past patterns. The trend-based calculation created for the 2013 Housing Study had expected Yankton to add approximately 55 to 60 households per year over the projection period between 2010 and 2015.

For the years 2010 through 2015, approximately 282 new housing units of all types can be tracked in Yankton based on building permit issuance, or an average of approximately 56 units per year, very similar to the household growth projection. Although some of these newly built units may not have been ready for occupancy in 2015, the pace of new unit construction was nearly identical to the calculation of growth-generated demand over that same time period.

It is more difficult to track actual growth within the entire Greater Yankton aggregated area, since less information exists on occupancy patterns and housing starts, but the 2013 Study had projected that the combined annual growth potential for Yankton, West Yankton UT and Utica Township would be as high as 75 households per year. This also appears to be relatively accurate, as new housing also has been constructed in the rural areas adjoining Yankton.

Going forward, a very similar annual growth forecast has been used for the City of Yankton. It is very probable that between 50 and 60 households per year will be added over the next five years, if based on an annual average.

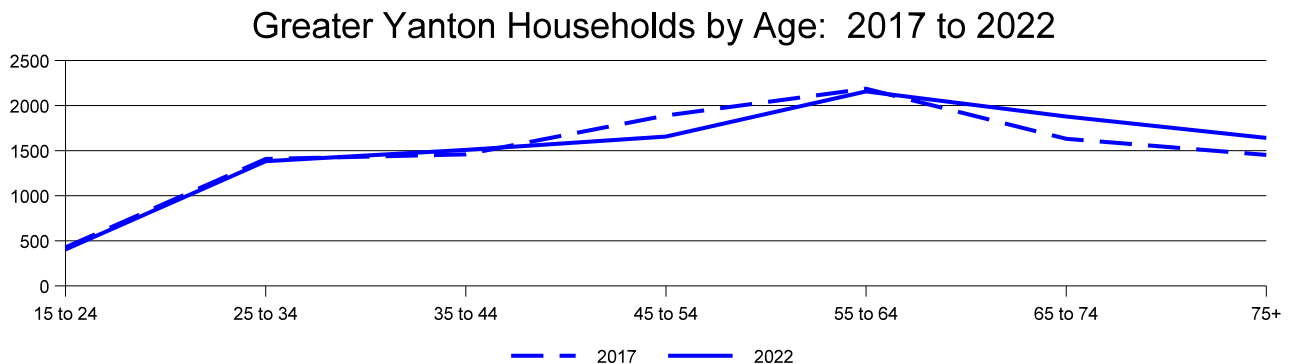
Year-to-date in 2017, nearly 120 new housing units have started construction in Yankton, well above the projection for annual growth. But this includes the one-time impact from a 72-unit rental property, which is unlikely to be replicated annually. Instead, future household growth will primarily be commensurate with single family housing starts, and periodic multifamily projects.

It is important to note that the growth projections issued by Community Partners Research continue to be much higher than those generated by national demographic sources, including Esri, a primary source reviewed for this Update. As discussed earlier in this document, there is a long history of underestimating actual growth in Yankton that occurs between the decennial censuses. Estimating and projection sources that are not aware of the local construction and employment patterns in Yankton have been unable to accurately track the real growth that is occurring.

## Summary of Growth Projections by Age Group

This 2017 Update has once again presented projection information on anticipated changes by age group over the next five years. This information can be informative in determining the housing changes that may be needed due to age patterns of the area population.

Although Esri does have an overly conservative view of recent and future growth potential for the Greater Yankton Area, the total difference between their household count and the actual household count is probably less than 3%. As a result, their age-based data for the Greater Yankton area has been used for this analysis, while recognized as being somewhat conservative.



Overall, Esri is projecting that the area will see an increasing number of households in the age ranges 55 and older, but a smaller number of households age 54 and younger. This projection would be very consistent with the patterns expected by the aging of the baby boom generation. Growth should be especially strong in the 20-year age range between 55 and 74 years old over the next five years. At the same time, the advancing baby boomers will cause a reduction in the 45 to 54 year old range, as the age cohort immediately trailing the baby boomers is not as large in size.

These are fairly typical age progression patterns for this part of the U.S. The projections could change if more young adult households are attracted to the area due to employment opportunities. However, while some success has been achieved, local reports indicate that potential jobs remain unfilled as the supply of younger workers is not as large as the area’s job creation potential.

## **Summary of Housing Unit Demand and Tenure Projections**

As the largest city in Yankton County and the immediate area, Yankton has developed a diverse range of housing options for area residents. As stated in the 2013 Study, the City of Yankton is the dominant regional location for area renter households. Yankton has also been successful in attracting home owners and new single family home construction over time.

In the past, Yankton has maintained a housing tenure pattern of approximately 62% home owner and 38% renter households. For new housing units constructed since 2010, the probable distribution has been approximately 55% ownership and 45% rental, but this has been impacted by a large-scale apartment building just permitted in 2017. For the remainder of the current decade it is likely that owner-occupancy housing will capture a larger share of the activity, and the historic tenure distribution will generally be maintained.

While there are various methods that can be used to projected future demand by housing tenure, the relatively consistent distribution that has been present in Yankton provides a realistic expectation looking forward.

For the City of Yankton, a calculation based on past trends would yield growth-generated demand for approximately 30 to 37 owner-occupancy units and approximately 20 to 23 renter-occupancy units annually. This would result in 50 to 60 total households in a typical year.

While household growth will be the primary demand-generator for new construction, there are other factors that will also contribute to the need for more housing. In the past, annual construction of owner-occupancy housing units has been greater than owner household growth, implying that unit replacement and pent-up demand may also have contributed to the need for new construction. As a result, some upward adjustment has been made for these other factors, bringing the annual projected range to 35 to 45 owner-occupancy units per year.

For rental housing, some upward adjustment also appears to be necessary in 2017. Although one new project has already started construction and another multifamily project has been proposed, there is a low rate of vacancy present, especially in conventional market rate rental housing. With an allowance for pent-up demand and unit replacement, the potential exists for an additional 8 to 10 rental units each year during the five-year projection period.

When added to growth-generated demand, the cumulative rental unit potential reaches approximately 28 to 33 units per year, or a five-year total of 140 to 165 units.

It is important to note that we have estimated potential demand in Yankton. The demand for owner-occupancy units will continue to exist both inside and outside the city limits of Yankton, especially in the lake areas and rural settings that surround the City. Demand for rental units will be primarily oriented to Yankton. Any rental growth outside of the two cities would generally only occur when a unit is converted from owner to renter-occupancy.

It is also probable that the five-year projections will not necessarily result in a consistent level of annual construction. This is especially true for rental housing, which will be in the form of periodic multifamily projects.

## **Summary of Employment and Economic Conditions**

As detailed in a previous section of this Study, Yankton has maintained a strong local economy, especially when compared to other parts of the U.S. The City's unemployment rate has remained well below the national rate for more than a decade, and in most recent years, the unemployment rate in the City has been generally comparable to the Statewide rate.

As stated in the 2013 Study, single family housing construction patterns and home values in Yankton in the past have been directly linked to economic activity and consumer confidence. As national economic conditions deteriorated in the late 2000s, housing markets also slumped. The lowest housing production years for Yankton tend to match a rise in the unemployment rate.

The accuracy of demand projections and housing forecasts contained in this Update will therefore be impacted by the local economic conditions. In 2017, the local economy is very strong, in terms of the unemployment rate. However, since 2010 there has been limited growth in the size of the City's resident labor force. There are reports of unfilled jobs that exist in the community, due to a shortage of workers. Although large-scale negative employment changes would not be expected in the Yankton area in the near future, housing demand will be directly impacted by the local economy.



## **Rental Housing Recommendations**

**Overview:** Yankton has a diverse supply of rental housing. As the largest City in the immediate region, Yankton maintains a broad mix of units serving different income levels and age groups. Over time, the rental tenure rate has remained largely stable, with approximately 38% of City households living in rental housing.

Looking forward, the potential demand calculations used for this Update show the need for approximately 140 to 165 units of rental housing over a five-year projection period. These recommendations are primarily based on projected growth, but also reflect some allowance for unit replacement, and pent-up demand from under-served segments of the local market.

### **Rental Rate Distribution of Recommended Units**

Information from the American Community Survey can be analyzed to better define an ideal distribution of units, based on the ability to pay of area renters.

Please note that while many renters need a lower-priced unit, the production of these units is generally not practical, given economic considerations of new housing construction. But ability-to-pay does help to define some of the limitations that apply as the area attempts to address rental demand and add to their supply of affordable rental housing. The following statistics are based on the estimated renter household income data from 2015.

- ▶ More than 45% of all renter households in Yankton had an annual income below \$20,000 in 2015. For these households, an affordable unit would be defined as a gross rent below \$500. Many of these lower income households are presumably accessing subsidized housing resources, but any new low income households would generally be placed on a waiting list for assistance.
  
- ▶ Approximately 12% of the renter households needed an affordable unit priced between \$500 and \$650 per month. Income-restricted housing with a moderate rent structure, such as units created with housing tax credits, can sometimes serve a portion of the demand in this price range.

- ▶ Approximately 10% of renters needed a moderately-priced unit between \$650 and \$900 per month. Moderately-priced conventional as well as the tax credit program can help to produce new units in this price range. This price range is also consistent with the market rate rental inventory that is 10 or more years old.
- ▶ Approximately 32% of all renter households could afford to pay \$900 or more for rent in 2015, although many may choose to apply a smaller percentage of their income for housing if options existed. This higher-rent group would be expanded by moderate to higher income home owners that would opt for a high quality rental unit as a lifestyle option.

Recognizing the income limitations of area renter households has an impact on the number and type of units that can be constructed. Even though more overall demand may exist, the predicted income distribution of future renter household growth would generally be similar to these established income patterns.

After the 2013 Study was completed, two market rate apartment projects were constructed with a combined 88 units, and 30 affordable units were created in a tax credit-assisted project. However, only two of the apartments in Yankton Heights, the affordable rental project, had a rent structure below \$500 per month, and affordable to very low income households. All of the other new units constructed after 2013 have been targeted to the moderate to higher income groups.

Based on the research completed for this Update. The following rental housing findings and recommendations have been made:

### **1. Support the Development of 72 Moderate Rent Conventional Market Rate Rental Housing Units**

**Findings:** After the 2013 Study was completed, there were two larger-scale multifamily apartment projects that proceeded to construction which serve the conventional market segment. Westbrook Estates created 72 apartment units and Green Suites created 16 units. Although providing conventional rental housing, both of these projects targeted a more moderate rent structure.

With the exception of the three-bedroom units in Westbrook Estates, all of the other apartment options with two or fewer bedrooms have a gross monthly rent below \$900. Westbrook Estates opened for initial occupancy in May 2015 and had achieved full occupancy by January 2016.

Green Suites started construction in 2016 and had not yet opened for occupancy at the time of the research for this Update. However, pre-leasing was underway. All 16 units will have one bedroom and the estimated gross monthly rent will be below \$750.

Based on the success of Westbrook Estates, a second phase of construction has just started, with a building permit issued in July 2017. Occupancy will begin in 2018. Based on what information is available, phase 2 will create a building very similar to phase 1.

The opening of Westbrook Estates phase 1 may have had some impact on occupancy rates citywide in 2015, but no negative impact was evident in 2017. The rental survey completed in May 2017 actually found a lower vacancy rate than in 2013, despite the new units that had been added.

There is often a price difference between the older conventional rental options in Yankton, and the buildings constructed over the past 15 years. Even though the supply has grown, the lower pricing that exists within the older conventional rental stock has resulted in high rates of occupancy. The economics of future rental housing construction will force most new market rate units into higher rent ranges than otherwise exist in the older rental inventory.

A commonly used standard is that a vacancy rate between 3% and 5% is considered acceptable, to offer some degree of unit choice while still providing rental property owners with a good return on their investment. The estimated vacancy rate in the 2017 survey was below 2% in the conventional segment. Part of the unit recommendation in 2017 is based on adding to the overall supply to promote choice for existing renter households.

While the goal of the rental survey was to contact multifamily rental properties, some limited information was obtained on single family rentals. In general, single family rentals are a popular option for people looking for rental housing, and there were no indications that vacancy rates would differ significantly within this segment of the market.

**Recommendation:** The overall demand calculations show that the Yankton area will need between 140 and 165 total rental units over a five-year forecast period. The second phase of Westbrook Estates will become available in 2018, addressing nearly half of the overall demand for rental units in Yankton.

Given the established success of Westbrook Estates phase 1, there is every reason to believe that the second phase will also be successful in the local market. It is probable that a longer initial lease-up period will be required for phase 2. When phase 1 was completed, there had been a long period when no similar conventional housing had been added for many years, and greater pent-up demand existed. However, the management team can also use the existing building to help pre-lease units in the second phase.

While specific details were not obtained for the phase 2 project, it is believed to be a similar building to phase 1. A similar rent structure is probable, with some upward adjustment for time.

## **2. Market Potential Continues to Exist for Higher-Priced, High Amenity Conventional Market Rate Rental Housing Units**

**Findings:** The 2013 Study had included a recommendation that some production occur in the higher rent segment of conventional rental housing. This was based on the finding that Yankton had a relatively small inventory of higher-priced, higher amenity housing.

The best comparable property was identified as Hillcrest East, which was built in two phases, with the last phase in 2008. This project primarily offers high quality rental options with two-bedroom apartments. In 2017, the estimated gross rent range is between \$1,050 and \$1,200 per month for two-bedrooms, largely unchanged from the rent structure reported in 2013.

Since 2013, two conventional apartment buildings have been constructed in Yankton, and a third is just starting construction in 2017. Most of the new units in the conventional segment will be in Westbrook Estates, with phase 1 which opened in 2015, and phase 2 which will open in 2018. Most of the two-bedrooms have an estimated gross monthly rent below \$900. This project does offer some attractive amenities, including in-unit laundry and a walk-in closet, but this project has largely targeted the more moderate rent segment of conventional housing.

Although there is no definitive total of higher quality, higher rent units in Yankton, the various data sources and research completed for this Study point to less than 7% of the local rental inventory that is in a higher price range, with gross rents above \$1,000 per month. The income estimates used for this Study show that more than 25% of Yankton's renter households can afford rents above \$1,000.

In addition to moderate to higher income renter households, the Yankton area has a growing market of older adult households, most of whom currently own their housing. The projections used for this Study show the strongest net household growth over the next few years occurring among households in the 55 to 74 year old age groups. While home ownership rates in these age groups remain very high, those looking to rent will generally have higher incomes and/or assets, and will often look for higher amenity rental units that offer features that are age-appropriate and a reasonable replacement for their single family home.

**Recommendation:** The overall demand calculations show that the Yankton area will need between 140 and 165 total rental units over a five-year forecast period. We have allocated approximately 40 to 50 of these units into a high quality, higher-priced segment of the market. Even with these additional units, the higher-end segment of the market will still account for less than 10% of the rental options in Yankton.

These units should be larger in size, and offer amenities such as attached parking, in-unit laundry and other features consistent with the higher end of the rental market. In some locations, these types of units are constructed as rental town homes, or cottage-style units, allowing renters to enjoy single family living amenities in rental housing.

While the actual construction of these units could be phased in over the five-year period, the scale of this recommendation probably will be accomplished in one or two development phases.

The research for this Study indicated that the most comparable units within this segment of the market have a gross rent structure that is between \$0.92 and \$1.07 per square foot. The highest rent per square foot is generally being achieved in one-bedroom units, while the lower end tends to reflect the larger two and three-bedroom options.

Developers should be cognizant of the growing demographic segment that is age 55 and older. While most of these households own their housing, as they age there will be continued movement into rental options. More mature renters will be looking for amenities and features that are age-appropriate, including one-level living options.

If evidence of unmet demand continues to exist after the recommended units are built, additional phases of construction could be appropriate later in the five-year projection period.

### **3. Support the Proposed Development of Additional Tax Credit/Moderate Income Rental Housing Units**

**Findings:** The 2013 Study had recommended the development of moderate rent, income-restricted housing to serve the large number of low to moderate income renter households in Yankton. In most cases, the production of this type of housing is achieved through the use of federal low income housing tax credits.

Tax credits alone cannot produce “deep subsidy” rental units that can serve very low income people, but tax credits do provide a “shallow subsidy” that allows for the construction of units that can serve households at or below 60% of the median income level. When other resources are combined with tax credits, even lower income households can be served.

Federal requirements place rent caps on assisted units. Tax credit limits, which apply to most of the moderate rent units within this segment, have gross rents capped at 60% of the median income level. However, it is typical to see most units at or below the limits set at 50% of median, in part due to competitive market pressures, and the need to offer lower rents when applying for a competitive tax credit award.

Another funding source for affordable rental housing, HUD’s HOME Program, will generally have some unit rents capped at 50% of median, although other units may be allowed to charge rents up to 80% of median. However, the limits set at 80% of median may well be higher than the prevailing rents that exist within the community and a lower amount is often charged.

In 2014, a developer was successful in securing tax credits and the 30-unit Yankton Heights Apartments project was constructed. While Yankton Heights does include some apartments targeted to lower income households, most units are intended to serve households at or below 50% to 60% of the area's median income level. In 2017, a two-bedroom unit generally had a gross monthly rent below \$750.

Yankton Heights was the first addition to the City's tax credit inventory since 2008, when Apple Creek was constructed. Sutton Place I (2001) and Sutton Place II (2002) are the other new construction projects that operate within this moderate rent, income-restricted market segment. With the addition of Yankton Heights, there are 134 units offering this type of housing. There are also 10 units assisted through the HOME Program, which tend to serve the same basic market segment. The 144 income-restricted, moderate rent units represent approximately 5.5% of the total rental inventory in Yankton.

In 2013, there had been two additional HOME-assisted projects with a combined 28 units that were also included within this income-restricted segment. However, Sagewood A and B have completed their compliance requirements and have converted to conventional rental housing. With the removal of the 28 Sagewood units, but the addition of 30 units in Yankton Heights I, the size of the income-restricted, moderate rent inventory has remained relatively unchanged, despite continued growth in the community. It is possible that the 10 HOME-assisted units in Prairie View Townhomes will end their contract compliance in 2019.

In 2016, an application was submitted for Yankton Heights II, a 40-unit apartment building. This project was not awarded tax credits, but will be resubmitted in 2017. If selected for funding, project construction would begin in 2018. With these additional units, the income-restricted, moderate rent inventory would increase to approximately 6.5% to 7% of all rental options in Yankton.

According to the property manager, Yankton Heights I was well received and full initial occupancy was achieved within six months of opening. Since that time, a waiting list has developed, although details about the size of the waiting list were not obtained.



At the time of the rental survey for this update there were some vacancies reported within the moderate rent/income restricted housing segment, including unoccupied units in Yankton Heights I. The estimated vacancy rate was approximately 6.9%, and much higher than the vacancy rate in conventional rental housing.

However, some of the open units were attributed to the paperwork requirements associated with tax credit housing, including the applicant income verification process. Most of the projects reported that a waiting list is maintained, but that this list can be out-of-date. Another factor impacting waiting lists is an application fee that is charged by most projects in order to be placed on the list. Many potential applicants will elect not to pay the fee unless a unit is open when they are applying.

Renter household income levels in Yankton are generally well-matched to income-restricted housing. In 2017, a family of three can have a maximum annual income of \$36,360 to qualify for a tax credit unit. In Yankton, more than two-thirds of all rental households were below this income level in 2015, before making any adjustment for household size. The City's median renter household income level in 2015 was at only \$21,909. This median income was lower than in most comparably-sized communities in South Dakota.

**Recommendation:** Part of the unit recommendation contained in the 2013 Housing Study was met through the construction of Yankton Heights I. If phase II is selected for funding in 2017, an additional 40 units will be added within the income-restricted, moderate rent housing segment. Based on the market success of Yankton Heights I and the large number of low and moderate income renter households in Yankton, the creation of additional affordable housing should be supported.

It is important to note that this opinion is based on a general assessment of overall need within this segment. The analysts did not have access to any proposed rent structure or construction plans for any future project. Any application to the State for tax credits must be supported by a project-specific analysis. This analysis will have detailed information on the proposed project, and will specifically analyze the potential market impact.

While a large percentage of all renters in Yankton would be income eligible for tax credit housing, many of these households would not actually have a sufficient income to rent a moderately-priced unit. Yankton Heights I had included some units for households as low as 30% or 40% of median income, to help address the needs of even lower income households.



#### **4. Continue to Monitor the Need for Additional Subsidized Rental Housing and Work to Preserve Existing Projects**

**Findings:** The term subsidized rental housing, as used in this Study, refers to rental units that have been constructed to serve low and very low income people. In nearly all cases, subsidized housing has utilized federal resources that provide a “deep subsidy”, allowing renter households access to the housing at an affordable price. Most of the subsidized housing in the Yankton area has project-based rent assistance, or a similar subsidy available, that allows rent to be based on 30% of the household’s monthly income.

Most of the subsidized housing development programs were available between the 1960s and the 1980s, and during this time a large number of projects were constructed in Yankton. The research completed in 2013 had identified 27 subsidized projects in Yankton that provided rental opportunities for lower income people. These projects had a combined inventory of 668 units.

There were also additional subsidized projects that served special needs populations within the City, but only general occupancy and senior/disabled occupancy projects were analyzed in the 2013 document. The special housing needs units were generally filled through referrals from the applicable service provider, and were therefore not available to the general rental market.

The research completed in 2017 found that some changes have occurred in recent years. Two subsidized projects Pine Tree East (now known as Three Pines) and Pine Tree West (now split between Douglas Pointe and Pine Tree West) converted from USDA Rural Development subsidized housing to conventional market rate housing. Combined, these two projects once had 72 subsidized units. At the time of conversion, all of the eligible tenants were issued portable rent assistance. But as these tenants move, and port their rent assistance with them, the projects will eventually become purely conventional housing.

The only other identified change from 2013 is with Whiting Court (known previously as Evergreen Lodge) which was grouped with the senior/disabled occupancy projects in 2013 since most tenants at that time had either vision or hearing impairments. However, for 2017 the project has now been included in the general occupancy analysis, since fewer tenants are disabled.

With the adjustment for lost units and Whiting Court, the subsidized market segments contain 305 rental units oriented to senior/disabled tenant occupancy and 291 units available for general occupancy. The combined inventory of 596 units is down from 668 in 2013. Once again, some of the tenants in the projects that ended their subsidy contracts are still receiving tenant-based rent assistance in 2017.

In addition to the subsidized properties with project-based rent subsidies, there are also tenant-based rent assistance Vouchers available through the Yankton Housing and Redevelopment Commission. In 2017, there are approximately 105 to 110 Vouchers typically in-use in Yankton. It is possible that some of these Vouchers could be used in subsidized projects that cannot offer project-based rent assistance to all lower income tenants, but most Vouchers tend to be used in private-market, conventional rental housing.

The combination of project-based subsidized housing tenant-based mitigation Vouchers and the HRC tenant-based rent assistance Vouchers results in approximately 740 Yankton renter households that have access to some form of subsidized housing. This would represent 28% to 30% of all renter households in the community. While this percentage is lower than in 2013, it is still relatively high when compared to most other communities.

Despite the subsidized options that exist, most renter households in Yankton with an annual income below \$20,000 still reported a housing cost burden in 2015, with 30% or more of their annual income required for monthly gross rent.

There were some unoccupied subsidized units that were identified in the rental survey. In both general occupancy and senior/disabled occupancy units, the estimated vacancy rate in May 2017 was between 5.5% and 6.0%. However, some of these vacancies were attributed to the paperwork requirements involved with certifying a new applicant. Most of the projects did report that waiting lists are maintained, although some of these lists were described as "short".

There is also evidence of unmet demand for subsidized housing based on the waiting list for the Voucher rent assistance program, which is not location or project-specific. In September, there were approximately 50 households on the waiting list for the rent assistance Voucher program. Most of the waiting households were from Yankton or one of the surrounding Counties that can also be served by the Voucher Program.

**Recommendation:** Based on the research for this Update, there is some unmet demand for additional income-based subsidized housing in Yankton. This is most evident in the rent burden statistics and the waiting lists that exist, most notably for the Voucher Program. However, it continues to be unlikely that financial resources will be available to build new units that can serve households with incomes below \$20,000 per year.

The City does have fewer subsidized resources than existed in 2013, primarily due to the conversion of the former Pine Tree East and West projects to conventional housing. Given the age of some of the other subsidized buildings, it is possible that additional contract terminations will occur in the future.

The analysts do acknowledge that Yankton still has a relatively large distribution of subsidized rental housing. Despite this fact, in the opinion of the analysts, an important community strategy will be to prevent the future loss of any of the existing project-based subsidized housing. It is very unlikely that any lost units will be replaced in the future.

It may be appropriate for public or nonprofit housing agencies to become involved in attempts to preserve subsidized housing resources. In other South Dakota communities, including Aberdeen, Housing Authorities have acquired subsidized projects that were at risk of being lost.

## **5. Promote a Limited Expansion of Senior Housing with Services Units**

**Findings:** A previous section of this Study has specifically analyzed the supply of specialized senior units in Yankton. Senior housing with services, as used in this Study, defines a wide range of housing types. Skilled nursing homes, assisted living centers and memory care are generally the most service-intensive types of housing. High-service housing provides 24-hour staffing and offers assistance with daily living needs of residents. Under South Dakota law, service-intensive senior housing must be licensed as a Skilled Nursing Facility or as an Assisted Living Center.

Lower-service housing, sometimes referred to as independent or congregate senior housing, generally offers a daily meal, access to transportation and selected services such as weekly laundry or light housekeeping. While a resident may be able to contract for additional services, or purchase them separately through a home health care provider agency, they are not included in light services rent package.

Some of the light-service housing providers are registered with the State as Residential Living Centers. These facilities are not subject to the same standards as the Assisted Living Centers, including the inspection requirements. Because of the lower level of regulation, some light services projects may not be registered as Residential Living Centers.

The Senior Housing with Services section of this Study provides details on the existing specialized projects in Yankton, including a summary of the different segments being served. Readers are encouraged to review this section for a greater level of detail. In general terms, the following observations are made regarding senior housing with services:

- ▶ Yankton has a range of senior housing options, providing various levels of care. In most subsets of the market, there are multiple providers, allowing some degree of choice for consumers.
- ▶ Yankton has a large, senior campus that provides varying levels of senior care. The Avera Majestic Bluffs campus has independent housing, housing with light services, assisted living, skilled memory care, and skilled nursing home beds, all located close to the hospital and other medical facilities. This senior campus can allow seniors to age-in-place, within the same senior facility. Other providers also offer a range of care options, but not as broad as those in the Avera complex.
- ▶ Both of the skilled nursing homes in Yankton have been replaced by new construction projects within the past 16 years. While a State moratorium has generally prevented beds from being added within this segment, replacement has been allowed. With 187 skilled-nursing beds in newer facilities, the community is somewhat unique in the quality of the skilled nursing options. This has contributed to a high utilization rate.
- ▶ The supply of units/rooms available to serve assisted living residents has grown smaller since 2013. One of the previous providers, Autumn Winds West has changed its focus from assisted living to memory care, eventually reducing the unit count. In 2017, the supply of units/rooms for assisted living represents approximately 4.8% of the target area households age 75 and older. Given Yankton's importance as a regional center, it is probable that a higher capture rate could be achieved. Although it is the analysts' opinion that the potential exists for additional assisted living units, there is limited evidence of pent-up demand in 2017, despite the reduction in the assisted living inventory.

- ▶ Most of the assisted living units/beds in Yankton are not accessible by lower income seniors receiving Medicaid Waivers assistance, primarily due to the low rate of reimbursement. If more lower income seniors had access to assisted living, utilization rates would be higher.
- ▶ The current supply of light services rental units represents a market capture rate of approximately 3.5% of the primary target market of older senior households. In the opinion of the analysts, this is a relatively low concentration of units. Similar to assisted living, it is probable that a capture rate of 5% or more could be achieved. However, the rental survey completed for this Study found limited evidence of unmet demand in 2017, with an estimated vacancy rate above 12%.
- ▶ The only specialized senior segment that has increased in size since 2013 is memory care housing, due to the change of focus at Autumn Winds East. The available memory care beds in Yankton now represent approximately 1.9% of the older senior population. Despite the expansion in supply, utilization rates remain high within this market segment.
- ▶ There have been no actual additions to the specialized senior housing market since Walnut Village was created in 2004. In 2009, Autumn Winds East did change its focus from light services housing to assisted living and in 2017 Autumn Winds West was converted from assisted living to memory care, but these changes did not add to the overall supply of senior units. The existing providers are in the best position to judge actual market conditions. Their decision to not add units in more than 10 years indicates a probable balance of supply and demand.

**Recommendation:** Yankton currently has multiple choices for seniors and a wide range of specialized units. Although the rental survey completed for this Study found some unused capacity in both lighter services housing and assisted living, this has the potential to change over time. Since specialized senior housing generally serves a frail population, a high rate of unit turnover can exist, causing vacancies at certain points in time. Additional monitoring of the housing segments would help to determine longer-term occupancy patterns for specialized units.

The projections used for this Study do expect some near-term growth in the population of older senior citizens, age 75 and above. However, this increase is limited in size. According to Esri's projections, the number of households age 75 and older will increase by nearly 190 households over the next five years, or an increase of 13%. The number of younger senior households should increase by nearly 250 households, or more than 15%. As a result, growth-generated demand for additional units will be limited, but will continue to increase to the year 2022. Higher capture rates within the targeted population groups also have the potential to increase demand.

To keep pace with growth in the primary target market, a unit/room expansion of between 10% and 15% can be supported within each of the specialized senior housing segments. The possible exception would be the lighter services housing segment, where some unused capacity has been present in both 2013 and 2017, despite a relatively small supply of these types of units.

Because the scale of this expansion is somewhat limited over the next five years, it may not be practical to bring new units into the inventory. After 2025, as the baby boom generation begins advancing into the older senior age ranges, there will be more substantial growth in the number of older seniors.

One final issue that remains Yankton is the gap that exists in the provision of assisted living to lower income people. Two of the Assisted Living Centers are private-pay only, and Autumn Winds East limits the number of Medicaid Waivers residents. As a result, there are few options for some lower income seniors that rely on Medicaid Waivers assistance. This problem will not be easily solved, due to the costs associated with providing assisted living care and the State reimbursement rate.

It should be noted that we have looked at overall demand for senior units, not competitive positioning for individual projects. It is very possible that more units could successfully be constructed in Yankton if they are competitive in the marketplace. However, in the opinion of the analysts, the success of new projects would probably reduce occupancy rates in competing projects.

## **6. Updated Findings on Providing Housing with Services in Subsidized Housing**

**Findings:** One of the issues impacting area seniors is the inability of lower income seniors to access some assisted living options due to cost. Providing supportive housing for lower income seniors outside of nursing homes is a challenge for many South Dakota communities. In most cases, lower income seniors in need of more service-intensive housing will often move into skilled nursing homes with Medicaid Waivers/Medicare assistance. The 2013 Study had recommended that options be examined to utilize existing subsidized senior housing. In some other communities, subsidized senior rental projects have attempted to retain older seniors by facilitating service delivery.

At the time of the 2013 research, the South Dakota Housing Development Authority (SDHDA) was offering the STAR Program (Service to Aging Residents). The STAR Program was intended to help residents secure outside services. However, in 2017 the STAR Program has been discontinued, due in part to lack of use.

**Recommendation:** While it is still valid to consider the use of subsidized housing for seniors needing some level of services, SDHDA's STAR Program is no longer a resource. There are other models that could be examined, such as working with a local home health care agency to create an office in a subsidized building. This could allow more low income seniors the opportunity to remain living independently.

It should be noted that State licensing or registration requirements would need to be researched in South Dakota. At a minimum, it would appear that this type of housing with services arrangement would require the housing project to register with the State as a Residential Living Center, and possibly as an Assisted Living Center.

## **7. Consider Innovative Program Efforts to Assist Renter Households**

**Findings:** The 2013 Study had acknowledged the relatively low income levels for renter households in Yankton. Updated income information through the year 2015 continues to show that most renters in the City have low household incomes. For 2015, the median renter household income was only \$21,909, up very little from the 2011 median of \$21,044.



The 2013 Study had identified some initiatives being advanced in other South Dakota communities to assist low income renter households. These included a Security Deposit Program in Aberdeen and a Tenant Education and Self-Sufficiency (TESS) model being used in Sioux Falls. It was recognized that tenant assistance and education programs can be very labor-intensive, and some require active case management.

**Recommendation:** The research for the 2017 Update did not identify any new initiatives specifically targeted to low income renters. While the previous recommendation is still applicable, the costs and resources needed for active programs limits the potential for development.

## **8. Updated Findings on Downtown Housing Opportunities**

**Findings:** The research in 2013 had examined available information on housing that existed in downtown buildings, as well as potential opportunities for additional unit creation.

At that time, staff from the City and District III had examined property information in the downtown area. No updated information was obtained on these topics in 2017.

The review of building permit reports indicates that some additional housing has been created in the downtown area. The largest single project is a 9-unit extended stay property has also been created, but is not intended to provide housing for permanent residents of the City. It does appear that six or seven other living units have been created through the conversion of existing spaces, although their exact location is not known.

**Recommendation:** While only limited new information exists on the downtown housing options, the research for this Study has recommended the development of between 140 and 165 additional rental units in Yankton over a five-year period. Although most units will probably be created through new construction of larger multifamily buildings, there will continue to be opportunities to introduce units through building conversion. Based on past evidence, success can be achieved in downtown units that serve both the higher-end and the more moderate rent segment of the market.

Since most of the downtown buildings that could be considered for future housing have relatively small spaces available, it is probable that any unit creation would generally be between one and five units per building. The introduction of a small number of units into the Yankton rental market, would represent a very low required absorption rate.



## **Home Ownership and Single Family Housing Recommendations**

**Findings:** Expanding home ownership and generating new owner-occupied housing construction activity are primary goals for most cities. Home ownership promotes a stable community, the availability of a steady and reliable labor force, and property ownership can strengthen the local tax base.

Home ownership advancement can be achieved through the promotion of new construction activity. It can also be accomplished through utilization of the large, existing housing stock that already exists in the Yankton area.

Based on the updated research completed in 2017, Yankton continues to maintain relatively strong home values in the existing single family inventory. This is due in part to the consistent pattern of growth that has been present in the community, as Yankton has continued to add households over the past three or four decades, creating ongoing demand for more housing.

The research of recent sales activity indicated that the median owner-occupied home value in Yankton may have jumped substantially between 2015 and 2016. After rising gradually for most of the current decade, the median sale price increased from \$132,000 in 2015 to \$147,000 in 2016.

Despite a probable recent increase in home values, existing houses still maintain a price advantage when compared to new construction. When existing houses are available, they do represent an option for first-time home buyers. In 2016, approximately 36% of all existing home sales in Yankton were for less than \$125,000. Some of the recommendations contained in this section specifically address strategies intended to assist with ownership, especially for entry-level buyers, who will typically need a more affordable house.

Home ownership opportunities will also be created through new construction. The community continues to experience significant single family owner-occupied housing construction, with more than 240 single family detached units permitted so far in the current decade. This has included some attempts at more affordable single family options in both detached and attached housing units that appear to be for owner-occupancy.

Single family construction activity in 2017 is especially strong, based on building permits year-to-date. Through the end of July, 45 single family permits had already been issued. This partial-year activity was already higher than any full year dating back to 2006, when permits were issued for 54 single family units.

Much of the increase in 2017 has been due to above-average construction of attached single family housing in two and four unit configurations. Attached housing production has been advancing in both the West Side development and in Westbrook Estates. There may be additional twin homes that were also constructed in other development areas. Some of this attached single family housing appears to be speculative construction. Depending on actual sales, the volume of attached units for the remainder of this construction season may slow.

Going forward, the overall household projections used for this Study point to continued good demand for owner-occupied housing construction. The tenure-based forecasts presented earlier in this section show potential demand for between 35 and 45 owner-occupancy housing units per year over a five-year projection period.

Based on permitting in 2017, this projection could prove to be low, as the upper end of this range will be exceeded in the current year. However, when examined over a multi-year time period, this projection would be at or above the annual production levels that have been achieved over the past 10 years.

Additional demand for owner-occupancy units will also exist outside the city limits of Yankton, especially in the lake areas and rural settings that are west and north of the City. However, the City of Yankton has been able to retain most of the area home building within the city limits.

Continued growth of households is anticipated over the next five years in the age ranges between 55 and 74 years old. Households in these age ranges tend to be predominantly home owners, and often form a market for higher priced, trade-up housing and for low maintenance housing such as town homes and twin homes. Some of the above-average attached single family construction in 2017 is targeted to empty-nester and senior households.

While growth of older adult households should yield continued demand for new houses, the projections also point to a net decrease in households in the age ranges under 55 years old. A probable reduction in the number of younger adult households could result in lowered demand, especially within the entry-level segment of the market.

In the Table below, we have produced annual demand projections for different price ranges of owner-occupancy housing. These projections assume that between 35 and 45 units will be constructed per year in Yankton.

| <b>Demand Projection for Annual Owner-Occupancy Housing Construction</b> |                         |                                    |
|--|-------------------------|------------------------------------|
| Unit Type  | Approximate Price Range | Projected Annual Demand Projection |
| Single Family Projected Demand   |                         |                                    |
| Entry-Level  | Less than \$200,000     | 25% to 30%                         |
| Mid-Priced   | \$200,000- \$300,000    | 30% to 45%                         |
| Higher-Valued  | \$300,000+              | 30% to 40%                         |

Source: Community Partners Research, Inc.

We have defined **entry-level homes** as single family units that would typically sell for less than \$200,000. Houses in this price range would often appeal to younger buyers, first-time buyers, or those households trading-up from an older, lower valued house or mobile home. New construction within this price range had been difficult to achieve in Yankton in the past, but the Westbrook Estates Subdivision was specifically targeted to creating more affordable home ownership options.

It should also be noted that some additional construction will occur in lower price ranges, including homes built by groups like Habitat for Humanity. This housing often serves a segment of the market that could not otherwise access newly constructed units.

We have defined **mid-price homes** within a price range of \$200,000 to \$300,000. This price can generally be achieved by private housing developers without the need for subsidies. Yankton has traditionally had active construction activity occurring within this price range. At the higher end of the price range, this represents a portion of the trade-up housing market.

We have defined **higher-valued homes** as those priced at \$300,000 and above. Once again, the private housing market has been very successful at serving this segment of the market in the Yankton area. Most of the houses built over the past few years would have a value above \$300,000. This should continue to be a strong market segment going forward. Over the next five years, the largest net growth of any demographic segment will be among households in the 55 to 74 year old age ranges. Growth in these older adult ranges will keep the market strong for higher-valued homes.

To assist in promoting the goal of home ownership and new home construction, the following activities are recommended.

## **9. Most Demand for Single Family Home Construction will Continue to be for Moderate to Higher Priced Housing**

**Findings:** The demographic analysis contained in this Study has tracked the continued advancement of the large “baby boom” generation as it moves through the aging cycle. Over the next five years, the largest net increase in households will occur in the 20-year age grouping between 55 and 74 years old. These empty-nester and young senior households will continue to generate demand for age-appropriate housing options. As stated in the 2013 Study, households within these age ranges have historically had high rates of home ownership in Yankton.

In the Yankton area, demand will also be impacted by income levels. The comparison of income levels for Greater Yankton households presented earlier in this document showed very strong growth in the number of households with an annual income of \$75,000 or more. For Yankton households with an income of \$75,000 or more, the estimated rate of home ownership was above 87% in 2015. These households can apply a significant portion of their income to housing costs, making home ownership more achievable.

Existing home values are showing strong improvement, as tracked by recent sales activity. Between 2015 and 2016, the median price for existing home sales in Yankton increased by \$15,000, to \$147,000. Since most of the higher income households already own their housing, people that look to move into a newly constructed house should have increasing equity available from the sale of their previous home.

**Recommendation:** Housing units that are attractive to middle-aged and older adult households will continue to represent the largest share of home ownership demand in the Yankton area over the five-year projection period.

The forecasts used in this Study expect that 30% to 40% of the demand will be in the higher price ranges, generally defined as \$300,000 and above. Based on the overall new construction forecast, this yields annual demand potential for 11 to 18 units annually. Demand for housing in this price range can be met by the private development community, and would not typically require any level of public involvement or assistance.

The forecasts expect that 30% to 45% of the demand will be in the moderate price ranges, generally defined as \$200,000 to \$300,000. Based on the overall new construction forecast, this yields annual demand potential for 11 to 20 units annually. Once again, demand for housing in this price range can be met by the private development community, and would not typically require any level of public involvement or assistance.

Newly constructed units should continue to represent a mix of single family homes, as well as attached housing such as twin homes, which can appeal to mature households as they age.

In 2017, a substantial increase began to occur in the number of attached single family units. Both twin homes and town house units in four-plex configurations were started. Attached housing in the more moderate price ranges has been successful in the Yankton market in recent years, with units typically being sold for less than \$300,000.

## **10. Promote affordable new home construction using available resources and incentives**

**Findings:** After the completion of the 2013 Housing Study, activity began to increase in the more affordable single family construction segment. In the prior years, very little affordable construction had been attempted. But in 2015, the Yankton Area Progressive Growth (YAPG) organization partnered with home builders and developers to create the Westbrook Estates Subdivision. YAPG is a private nonprofit community development corporation.

Westbrook Estates phase 1 created a mix of residential lot styles, including affordable lots for single family detached houses, lots for twin homes and lots designed for four-unit structures, intended for owner-occupancy. A 72-unit conventional apartment building was also constructed in the development area.

There were 29 lots for single family detached houses, and in 2017, only two vacant lots remain. Some of the single family detached lots have been offered for sale for less than \$25,000. Typical house prices in this subdivision have been between \$175,000 and \$200,000.

There were 14 lots created for twin home construction. By July of 2017, only five lots (10 units) remained vacant. Typical pricing for a twin home is in the \$170,000s.

There were also four larger lots created, each intended for the construction of a four-unit structure. In July 2017, construction had started on the foundations for all of the four-unit buildings. In each building, two of the units will offer one-level living and two units will have two levels. No pre-sales have occurred, but pricing will be between \$145,000 and \$160,000 per unit.

While Westbrook Estates represents a primary option for more affordable home construction, there may be other development areas in the City that can also be used for more affordable new construction, including some subdivisions that offer lots for twin homes.

In the 2013 Study, a forecast had been made that up to 15% of the City's home building activity would occur in the more affordable market segment. However, it was also stated that greater demand would exist, if attractive options could be produced at a lower price point. At that time, there was almost no local activity within the entry-level new construction market. But that changed with the creation of Westbrook Estates, and nearly half of the units constructed in 2016 and 2017 could be within the more affordable market segment. Not all of these newly built units have yet been sold.

At the same time that greater new construction volume has been achieved in the more affordable price ranges, values for existing home have continued to rise, helping to close the potential gap between new and existing homes. In 2016, the median price for existing home sales had increased to \$147,000.

**Recommendation:** The 2013 Study had advanced ideas that included community involvement to help generate affordable new home construction. With proactive efforts including the involvement of YAPG, Yankton has achieved success in generating affordable work force housing options, including an escalating volume of new affordable units for owner-occupancy.

The success of Westbrook Estates phase 1 has resulted in plans for a second phase, although YAPG may no longer be involved. Instead, one of the private home builders may advance the next phase. Initial indications are that most of the new lots will be for single family detached houses, and that the target price point will move above \$200,000. Some attached housing lots are also planned, presumably at a lower price point.

The projections used for this 2017 Update expect between 25% and 30% of the future demand for affordable units. Based on the overall demand projection for between 35 and 45 units annually, this yields between 9 and 14 affordable new construction units in a typical year. In 2016 and 2017, production within the affordable market segments will probably exceed the upper end of this range, as detached and attached affordable options have been built. But some of these are speculative units that have not yet been sold.

While affordable new construction is encouraged, we also believe that the existing housing market will continue to address much of the demand from entry-level home buyers. The employee survey that was completed as part of the 2013 Study had shown a strong preference for affordable ownership housing in the area's work force. Most people interested in buying a home in Yankton had a target price of \$150,000 or less, which will generally be achieved through the purchase of an existing home.

## **11. Continue to Promote Townhouse and Twin Home Development**

**Findings:** While Yankton has had some level of attached single family housing production in the past, the volume of units in 2017 has already greatly exceeded any recent year. Through the end of July, permits had already been issued for 24 attached single family units in 2017, and it is probable that additional permits will be issued before the end of the year.



All of the attached single family housing construction has been in the form of twin homes, or in four-unit buildings that create a town house-style unit. Most of the activity in 2017 has been located in two development areas, Westbrook Estates and West Side, although some attached units have also been built in other areas of the City.

As platted, phase 1 of Westbrook Estates had 14 lots available for twin home construction (28 units), and four lots available for four-plex structures (16 units). All of the units are intended for owner-occupancy, although actual tenure cannot be assured. Through the first seven months of 2017, permits had been issued for 24 attached single family units in Westbrook Estates.

The West Side project used a redevelopment site and is platted for four structures, each containing for town house units. In June of 2017 the first four-unit permit was issued, but additional permitting is probable in 2017.

All of the units permitted in 2017 in Westbrook Estates and West Side appear to be oriented to a more moderate price range. Although exact details were not confirmed, the West Side town houses will sell for less than \$225,000, and the units in Westbrook Estates will sell for less than \$180,000.

There are some additional areas in the City where twin homes may be constructed including Summit Heights and Cobh Development. Although no permits have been issued for attached unit construction in these areas in 2017, the probable price range would be higher in these developments.

While attached single family construction has surged in 2017, over a longer time period this type of housing has represented approximately 30% of all single family housing starts in Yankton. If 2017 activity is excluded, the percentage is lower at approximately 22% of all single family activity.

Attached housing provides desirable alternatives for empty nesters and seniors to move out of their single family homes, making these traditional single family homes available for families. It is important for a community to offer a range of life-cycle housing options, allowing some households to move into age-appropriate, low maintenance housing options. It would also appear that some of the units being constructed in 2017 are oriented to younger buyers, as a more affordable ownership option.



**Recommendation:** The demand projections used for this Study point to potential demand for 35 to 45 owner-occupancy units per year in Yankton. Within the City, a sustained market share of 25% to 30% of all single family housing starts would yield approximately 9 to 14 units in an average year.

The above-average construction of twin homes and town houses in 2017 is believed to represent some level of speculative construction. It is probable that not all of the new units will be successfully sold while under construction, and some of the new units will be available in 2018.

While attached single family housing can appeal to a broad segment of the market, older adult households often form a primary target group. As previously stated, most of the net household growth in the Yankton area will come from households in the 55 to 74 year old age range. Based on current patterns, more than 53% of all households within the Greater Yankton area will have a head-of-household that is 55 or older by the year 2022.

All of the primary builders of attached single family units have been incorporating senior-friendly home designs into their planning and have been successful with empty-nester and senior buyers. These same design plans should apply to future attached housing development.

As planned, most of the attached single family activity should occur in the moderate price ranges, below \$225,000. However, higher income buyers will also have opportunities in twin homes that can be constructed in other development areas.

The public sector's role in any owner-occupancy attached housing development can be limited, as the private development community can respond to demand for this type of housing. The City's role should include assuring that adequate land is available for development and that planning and zoning allows for attached housing development.

## **12. Monitor Residential Lot Availability**

**Findings:** Since the completion of the 2013 Study, there has been active development of residential subdivisions in Yankton. An earlier section of this document, Existing Housing Data, contained a summary of the most active developments in 2017.

Most of the houses constructed in the past few years have been in Westbrook Estates, Benedict Estates and Ridgeway North. By the end of 2017, many of the lots within the current development phases of these subdivisions will have been utilized. However, all three subdivisions have plans for future development phases. Since developers have been actively adding lots as needed, there is no indication that a lot shortage will impede new construction activity in the near-term.

The next phase in Westbrook Estates will create 20 lots for single family detached houses as well as some additional lots for twin homes and town houses. There were fewer details available about Benedict Estates and Ridgeway North, but these subdivisions have primarily served detached home construction.

There is limited information available about lot prices. The two remaining single family lots in Westbrook Estates are both priced below \$27,000, and the twin home lots start at less than \$20,000. Lots in most of Yankton's newer subdivisions are tied to a specific home builder(s) and in many cases the lots are sold as part of a house construction package.

**Recommendation:** Community Partners Research uses a standard that a 2 ½ year supply of lots should be available in the marketplace based on annual lot usage. The best available information for Yankton indicates that Yankton does not have a multi-year inventory of improved lots and additional lot development will be required.

However, the private development community has been active in residential lot development, and additional development phases are already being planned. There will be a limited role that should be required to address this future need, other than the adequate provision of infrastructure and planning/zoning approvals to facilitate future development activity. Lot and land availability is not viewed as an issue that will limit near-term development.

In 2013, there were also some complicating issues related to water service jurisdiction, but in 2017, these disputes have been resolved.

### **13. Updated Findings on Programs that Assist with Home Ownership**

**Findings:** The 2013 Study had encouraged continued use of programs and resources that assist with home ownership. This included first time home buyer mortgage loans and down payment/closing cost assistance programs. Home ownership counseling and training programs were also encouraged.

It was acknowledged that individual home ownership assistance programs may not generate a large volume of new ownership activity, but a 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:** The research completed in 2017 did not identify any new programs or initiatives related to home ownership assistance. Yankton should continue to work with area housing agencies, the South Dakota Housing Development Authority and local financial institutions to utilize all available home ownership assistance programs.

### **14. Updated Findings on the Creation of a Local Down Payment Assistance Program**

**Findings:** the 2013 Study had advanced the idea of creating a local program to offer financial assistance for home ownership.

**Recommendation:** The research in 2017 did not identify any new initiatives to assist with home ownership through financial incentives. However, Yankton Area Progressive Growth did become actively involved in the creation of Westbrook Estates, a new residential subdivision targeted to more affordable home ownership opportunities.

## **15. Continue to Coordinate with Agencies/Nonprofit Groups that Develop Affordable Ownership Housing**

**Findings:** In addition to the affordable home ownership efforts involving Yankton Area Progressive Growth, other organizations also continue to operate in Yankton.

Habitat for Humanity continues to be active in Yankton, building and selling approximately two or three houses per year. Although this type of organization may not be able to produce a large number of housing units annually, they can help generate a few new homes for lower income families.

Planning and Development District III has also been active in the past in placing some Governor's Houses in Yankton. These have typically utilized lower-priced infill lots in the community. There have been no Governor's Homes identified in Yankton since 2013.

**Recommendation:** We encourage the community to coordinate with housing agencies and nonprofit organizations to help produce more affordable housing units. The City may be able to contribute to the project through land donations, TIF, grant writing, or project coordination activities.

In 2017, the Governor's Office of Economic Development initiated a new program known as Bulldoze, Build and Beautify (BBB). The program will use annual Community Development Block Grant funding to allow communities to acquire and clear substandard structures. The cleared site is then to be used for new affordable housing development. This could help to create infill lots that are suitable for Habitat or Governor's Homes.

## **Housing Rehabilitation and Neighborhood Revitalization**

**Findings:** The 2013 Housing Study had included a detailed look at exterior housing conditions in some of the City’s older neighborhoods. This visual “windshield” survey was not included in the 2017 research. Only secondary information is available for this Update.

Although detailed information was not obtained, the existing housing stock in Yankton is still viewed as important asset in the provision of affordable housing. Existing units, both now and into the future, will represent the majority of the affordable housing opportunities. Existing units generally sell at a discount to their replacement value. Units that are not maintained and improved may slip into disrepair and be lost from the housing stock.

Efforts and investment in housing rehabilitation activities will remain critical to offering affordable housing opportunities and in preventing the deterioration of existing neighborhoods. As this existing stock ages, more maintenance and repair are required. Without rehabilitation assistance, the affordable stock will shrink, creating an even more difficult affordability situation.

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

### **16. Promote rental housing rehabilitation programs**

**Findings:** The annual American Community Survey includes information on the rental housing stock. The latest estimates are for the year 2015.

According to the American Community Survey, more than 49% of the rental housing in Yankton was constructed before 1970. The estimated median year of construction for all rental housing units was 1970. Although most rental property owners attempt to keep their housing properly maintained, there are age-related issues for condition and quality when a majority of units are more than 45 years old.

Information on the age of construction for rental housing units also exists for different types of rental structures. It is common to see older single family houses represented in the rental stock. The American Community Survey estimates for 2015 showed approximately 460 houses that were built before 1960 that were being used for rental housing. There were also nearly 570 units in multifamily structures that had a year of construction before 1960.

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

**Recommendation:** The community and area housing agencies should continue to seek funds that can be dedicated to the rehabilitation of rental units. For a rental rehabilitation program to be workable and successful, the funds should allow for program flexibility, to the extent possible.

Potential funding sources include USDA Rural Development, the Federal Home Loan Bank, the South Dakota Housing Development Authority, and local funds. In many cases, some form of grant or forgivable loan may be needed to prevent rents from increasing as a result of the investment in the property.

## **17. Promote owner-occupied housing rehabilitation programs**

**Findings:** With relatively high prices for homes in the Yankton area, the older existing housing stock will continue to represent some of the most affordable home ownership options in the community. Investment in owner-occupied housing rehabilitation activities will be critical to offering affordable housing opportunities in the future.

According to the American Community Survey, the median year of construction for owner-occupied houses in Yankton is 1967, so approximately half of all owner-occupied units in the City are 50 or more years old.

**Recommendation:** We recommend that the community and area housing agencies identify and apply for funds to develop an ongoing housing rehabilitation program. USDA Rural Development, the South Dakota Housing Development Authority and the Federal Home Loan Bank are potential funding sources.

## **18. Updated Findings on the Purchase and Rehabilitation of Older Homes**

**Findings:** The 2013 Study had advanced the idea of creating a program for the purchase, rehabilitation and re-sale of older, lower valued homes in Yankton. The housing condition survey conducted in 2013 did identify older houses in varying states of deterioration.

**Recommendation:** The research in 2017 did not identify any new initiatives related to a purchase/rehab program. This recommendation is still valid for future consideration.

### **19. Updated Findings on the Development of a Neighborhood Revitalization Program**

**Findings:** The 2013 Study had discussed initiatives for neighborhood revitalization. The research in 2013 had included a visual housing condition analysis in six older neighborhoods in Yankton. No similar analysis was included in 2017.

**Recommendation:** The updated research in 2017 did not identify any new initiatives specifically focused on neighborhood revitalization. The Bulldoze, Build and Beautify Program recently launched by the Governor’s Office of Economic Development can provide a new funding source for the removal of blighted structures with plans for affordable housing reuse. This recommendation is still valid for future consideration.

### **20. Updated Findings on Acquisition and Demolition of Dilapidated Structures**

**Findings:** The 2013 Study had recommended ongoing action to clear substandard properties. At that time, at least 43 houses had been identified in the neighborhood conditions analysis that were dilapidated and viewed as too deteriorated to rehabilitate. No similar windshield survey was completed in 2017.

**Recommendation:** While some clearance of substandard structures may have occurred, there was no targeted program developed on this issue. The Bulldoze, Build and Beautify Program recently launched by the Governor’s Office of Economic Development can provide a new funding source for the removal of blighted structures with plans for affordable housing reuse. This recommendation is still valid for future consideration.

## **21. Updated Findings on Implementing a Housing Inspection Program**

**Findings:** The 2013 Study had recommended the possible development of a rental housing inspection program in Yankton. At the time, the City was enforcing housing codes on a complaint or as-needed basis, but there was no set policy on annual rental registration or inspection.

**Recommendation:** After 2013, no rental registration or inspection program was created. This recommendation is still valid for future consideration.



## **Other Housing Initiatives**

### **22. Updated Findings on Employer Involvement in Housing Programs**

**Findings:** One of the primary reasons that the community has become involved in affordable housing issues is the strong local economy. Yankton has consistently maintained a below-average rate of unemployment, and fears of a worker shortage has prompted local efforts to create affordable housing, including Yankton Area Progressive Growth's involvement in the Westbrook Estates subdivision.

The 2013 Study had encouraged the City to look at employer involvement in housing solutions. At that time, the South Dakota Housing Development Authority was offering an employer participation program, known as the Employer Mortgage Assistance Program (EMAP).

**Recommendation:** There is no updated information available in 2017 on employer involvement in housing programs in Yankton. This recommendation is still valid for future consideration.

### **23. Continue to Monitor Mobile Home Conditions**

**Findings:** Yankton has a number of mobile homes in multiple mobile home parks. According to the American Community Survey estimates there were 200 mobile homes in the City in 2015. This represented approximately 3% of all housing options in Yankton. The 2015 estimate was lower for unit count than in the past. There has been some removal of mobile homes from the City over time, but it also possible that limited sampling has resulted in a lower estimate.

The American Community Survey also estimated that approximately 47% of the City's mobile homes were constructed before 1980, and are more than 35 years old. In 2015, the estimated median value for mobile homes was \$15,200.

The analysts do recognize that there can be significant variation in the quality and condition between individual mobile home parks. Some of the manufactured home neighborhoods primarily contain newer units that are in good condition.

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

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

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

#### **24. Updated Findings on Planning and Coordinated Among Local Housing Agencies**

**Findings:** The 2013 Study had encouraged that local agencies work cooperatively to implement new housing initiatives.

Yankton area will need staff resources to plan and implement many of the housing recommendations advanced in this Study. Yankton has access to

**Recommendation:** In 2017 the Yankton area continues to benefit from public and nonprofit organizations that work on housing issues. These include City staff, the Yankton Housing and Redevelopment Commission, Planning and Development District III, Inter-Lakes Community Action Partnership, and other organizations. Since 2013, Yankton Area Progressive Growth has become directly involved in the creation of work force housing. Yankton also has direct access to the USDA Rural Development Service Center Office and the South Dakota Housing Development Authority.