

RAPID CITY AFFORDABLE HOUSING POLICY

Statement of Policy

The City of Rapid City hereby establishes a policy for the promotion and provision of increased and improved safe, affordable housing options in the community. As stated in Chapter Four of the City's Comprehensive Plan, Plan Rapid City, "High priority housing needs have been identified that are primarily focused on increasing the amount and quality of housing affordable and available to low- and moderate-income residents. Priority housing needs include increasing the number of affordable rental units for singles and families, rehabilitating the existing housing stock in older neighborhoods, and reducing barriers to homeownership." Plan Rapid City also sets forth several goals that support and are reflected in the development of this policy (see references below).

The City will pursue providing as many practical and necessary strategies as possible to promote affordable housing situations in the community.

What is Affordable Housing?

Affordable housing includes those living situations where housing costs do not exceed 30% of a household's gross monthly income. Such costs include basic utilities, mortgage insurance, HOA fees and property taxes. For Rapid City, additional criteria can be used to determine housing affordability, including:

1. Housing occupied by households at or below 80% of HUD's Rapid City Metro Area Average Median Income (AMI), where housing costs are no higher than 30% of household's gross monthly income;
2. Housing occupied by households at or below 80% of HUD's CDBG Income Limits, where housing costs are no higher than 30% of household's gross monthly income as of the date of initial occupancy and in continued compliance with annual adjustments published by HUD for the duration of the affordability period.
3. The original selling price of a house is at or below the first-time homebuyer purchase price limit used by the South Dakota Housing Development Authority (SDHDA);
4. The monthly rental rate of multi-family housing units meets HUD's Fair Market Rent rates, and single-family home rental rates are at or below the calculated rent for the state's 80% area median income, used by the SDHDA.
5. Affordable housing can include all types of dwelling units. Single-family affordable homes can include tiny homes, patio homes, small single-family, mobile/manufactured homes, and accessory dwelling units. Multi-family affordable homes can include duplexes, triplexes/fourplexes, townhomes, micro/studio apartments, standard apartments and group homes.

Affordable Housing Strategic Plan

In meeting the community's affordable housing needs, the City will prepare and follow a comprehensive Affordable Housing Strategic Plan which will set forth several objectives, including:

1. Create targeted strategies for a variety of affordable household types.
2. Plan opportunities for the development of housing that aligns with the needs of each targeted group (e.g., homeless/transitional, very low/low income, and workforce) in terms of price, size, type, and location.

3. Expand the City's purview and approach to housing beyond programs and housing groups currently in place using Community Development Block Grant (CDBG) funds, as well as other potential funding sources and programs.
4. Support the further collaboration of all active housing organizations in the Rapid City area, promoting public-private partnerships and community outreach.
5. Develop goals addressing specific housing needs for each target housing group.
6. Promote development of affordable housing that is in close proximity to public transit and other essential services.

Targeted Strategies

Rapid City will pursue various target strategies to assist and promote affordable housing opportunities, including:

1. Zoning districts. Consider establishing new zones, including:
 - a. Inclusionary zoning, wherein a share of new construction is required to include affordable housing options.
 - b. Small lot single family zoning, permitting lot sizes less than 5,000 sq ft.
2. Special zoning allowances. Explore and adopt strategies, including potential code amendments, that will allow for creative zoning provisions, which may include the following:
 - a. Allow smaller lot sizes
 - b. Increase density for multi-family
 - c. Decrease off-street parking requirements
 - d. Increase lot coverage limits
 - e. Decrease setback requirements
 - f. Create new zoning for small lots / tiny homes
 - g. Allow more than one primary structure in medium and high density residential zoning districts to avoid a planned development process for apartment complexes.
3. Accessory dwelling units (ADU). The City will provide for the permitting of legal ADUs in residential neighborhoods. An ADU is defined as: "A subordinate dwelling which has its own cooking, sleeping, and sanitation facilities and which is either: 1) within or attached to a single-family residential building; or 2) within a detached accessory structure associated with a single-family dwelling that is smaller than the primary structure, and that is not a mobile home or recreational vehicle."
4. Mobile home parks. Establish guidelines and incentives for improvements and redevelopment of older parks, including potential increased density and inclusion of other types of affordable housing units.
5. Permitting. Provide incentives and/or reductions for qualified affordable housing developments, including both planning and building permit fees.
6. Other strategies. Various other strategies may be explored and adopted to meet the objectives of providing more opportunities for affordable housing development.

Plan Rapid City Goals

This policy has been developed following the intent and objectives of *Plan Rapid City*, the City's Comprehensive Master Plan. Among other related goals, the following plan goals serve as a foundation to this policy:

- Chapter 4. LC-2.1B: Comprehensive Housing Strategy

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- Chapter 4. LC-A2: Affordable and Workforce Housing Definition
- Chapter 4. LC-A3: Affordable and Workforce Housing Collaboration
- Chapter 4. LC-A5: Affordable and Workforce Housing Strategy
- Chapter 12. Implementation Toolbox, Housing Tools: Accessory Dwelling Units.
- See also the Rapid City Housing Affordability Study, 6/26/18, released by the Black Hills Knowledge Network <https://www.blackhillsknowledgenetwork.org>