



March 23, 2021

Ms. Sarah Hanzel, AICP
City of Rapid City
Community Development Department
Division of Long Range Planning
300 Sixth Street
Rapid City, SD 57701

via email to Sarah.Hanzel@rcgov.org

RE: Public Comments to DRAFT Strategic Housing Plan 2-4-21

Dear Ms. Hanzel,

After reviewing the draft Rapid City Strategic Housing Plan, CommonBond Communities would like to submit the following public comments:

In general, we find the overall document to be well done and provide a sound strategy for increasing housing affordability in Rapid City. We applaud Rapid City staff and representatives for their efforts at producing a thoughtful and well-articulated strategic housing plan. The background information provides helpful context, and the strategies and recommendations are grounded in solid data and analysis. The draft plan contains several strategies that, if implemented, would have a material, positive impact on housing affordability in Rapid City.

Your analysis showing the many variables that influence affordable housing and the city's level of influence (p. 10) is highly informative. This depiction appears to be accurate and is a good method for identifying opportunities. One additional variable that we recommend for consideration is operating costs. The ongoing costs of maintaining and providing affordable housing is a critical factor in its availability. A city's policy and programs (through additional regulation, cost relief, etc.) can impact operating expenses both favorably and unfavorably.

Strategy 1: Revise Land Use Regulations – Adopting zoning and other land use policies that facilitate the development of new housing at an affordable cost will promote the addition of new supply. In particular, regulations that enable greater density (e.g., less parking, smaller setbacks, smaller lot sizes) and simplify the development process make projects more financially feasible. In fact, providing land use flexibility is the likely most powerful strategy of the six strategies in your Strategic Housing Plan by enabling per unit cost savings through greater efficiency. If land use efficiency is made permanent through policy, it will reduce uncertainty and encourage development.



We support the draft recommendation of adopting an Affordable Housing Administrative Exceptions ordinance which would increase the administrative exception by an additional 20% maximum (to 40%) for projects that meet the criteria noted. This exception would directly and immediately enable greater density of prospective developments thereby increasing the affordable housing supply in Rapid City.

Strategy: Support the Rapid City Strategic Housing Trust Fund – The greatest barrier to increasing affordable housing is access to funding sources that make acquisition and construction affordable. While developers can use low income housing tax credits funding gaps remain, and access to other sources of gap financing in Rapid City, and South Dakota overall, are limited. Further, serving the lowest income residents with the lowest rents can be particularly challenging. Often, even with capital subsidies, projects intended for the lowest income levels are simply not feasible without rent and/or operating subsidies.

We support both the short-term and long-term goals of dedicating funds to and developing additional sources of funds for the Rapid City Strategic Housing Trust Fund. Doing so will help close the financial funding gap and make affordable housing projects more financially feasible in Rapid City.

Strategy 3: Implement a Rental Registration System – CommonBond supports strong partnerships between affordable housing operators and their communities; improved communication is a key element to these partnerships. We believe that a rental registration system that increases healthy communication while respecting the privacy of residents and avoiding excessive reporting and compliance burdens can be a benefit to the Rapid City community.

Strategy: Evaluate a Proactive Rental Inspection Program – While a rental inspection program will not directly translate into more affordable housing, and in some cases may actually remove units from the market, we believe that quality, safe, and healthy housing environments are as important as affordability. We agree with the goal of evaluating the feasibility and merits of a Proactive Rental Inspection Program. We recommend that any program that is established ensures the health, dignity, and productivity of its residents by both enforcing minimum standards and rewarding owners and operators who proactively meet or exceed those standards at their properties.

Strategy: Launch a Building Permit Fee Waiver – As noted with Goal 2, any opportunity to close the financial gap with affordable housing projects will support the development of more affordable housing. Waiving permit fees and development fees, and implementing other means of streamlining the development process with the city will lower the overall cost of projects and help to close that gap.

We support staff's recommendation of adopting the proposed building permit fee waiver ordinance.

Strategy: Study Public Transportation Solutions to Support Housing Affordability – A strong public transportation network is essential to effective affordable housing. Given so many residents of affordable housing rely on public transportation, a larger and more effective network creates additional opportunities for affordable housing by making more locations viable affordable housing sites. Further, strong public transportation lowers the cost of developing affordable housing projects by reducing the amount of parking needed.



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We support the recommended goal which seeks continuous improvement of the Rapid City's public transportation solutions.

Thank you very much for the opportunity to comment on the draft Rapid City Strategic Housing Plan. Please contact me at andrew.babula@commonbond.org or 651.265.4735 if you wish to discuss or clarify any of the above comments.

Sincerely,

Andrew Babula
Director of Acquisitions and Development
CommonBond Communities