Case No. 16PD058

Legal Description:

Lot 14 thru 16 of Block 37 of North Rapid, located in Section 36, T2N, R7E, BHM, Rapid City, Pennington County, South Dakota
(1) EXCEPTIONS

TOTAL sq.ft. OF PROPERTY OWNED JOINTLY OR SEPARATELY.

$140' \times 75' = 10,500 \text{sq.ft.}$

BLDG. COVERAGE $= 2172 \text{sq.ft.}$

LOT COVERAGE $\frac{2172}{10,500} = 21\%$

(2) LOT SIZE STATED IN CODE 4000 sq.ft. REQUIRED

$\underline{\text{LOT 1}} = 1305 \text{sq.ft.}$ BLDG. $= 22 \times 22 = 484 \text{sq.ft.}$

\[
\% \text{ COVERED} \quad \frac{484}{1305} = 37\%
\]

$\underline{\text{LOT 2}} = 1219 \text{sq.ft.}$ BLDG. $= 22 \times 22 = 484 \text{sq.ft.}$

\[
\% \text{ COVERED} \quad \frac{484}{1219} = 39.7\%
\]

$\underline{\text{LOT 3}} = 870 \text{sq.ft.}$ BLDG. $= 16 \times 24 = 360 \text{sq.ft.}$

\[
\% \text{ COVERED} \quad \frac{360}{870} = 41.3\%
\]

$\underline{\text{LOT 4}} = 759 \text{sq.ft.}$ BLDG. $= 15 \times 24 = 360 \text{sq.ft.}$

\[
\% \text{ COVERED} \quad \frac{360}{759} = 47.4\%
\]

$\underline{\text{LOT 5}} = 1105 \text{sq.ft.}$ BLDG. $= 22 \times 22 = 484 \text{sq.ft.}$

\[
\% \text{ COVERED} \quad \frac{484}{1105} = 43.8\%
\]
EXCEPTIONS

SET BACKS

FT. YARD   REAR YARD   LEFT WEST SIDE YD.   RIGHT SIDE YD.

Lot 1

26'  28'

Lot 2

20'  25'  TOWNHOME  12'

Lot 3

20'  25'  TOWNHOME  12'

Lot 4

20'  25'  TOWNHOME  TOWNHOME

Lot 5

28'  25'  TOWNHOME  12'

Nov. 16 2016
**EXCEPTIONS**

(4) Lot Width:
- Lot 1: 22.09’
- Lot 2: 22.09’
- Lot 3: 15.09’ *
- Lot 4: 15.09’ *
- Lot 5: 22.09’

(5) Lot Frontage
- Required: Min. of 50’
- Requesting: See #4 Above

(6) Allow 2 Parking Spaces outside of Lot 5

(7) Allow Height no greater than 3 Stories or 35’-0”

(8) Allow Lot Frontage of 15.19’
The Village on Monroe
Affordability at its finest

A collaborative effort of public and private entities for the reinvestment into the Rapid City community that will make the dream of home ownership a reality for Rapid City’s low to mid-income residents.

RECEIVED
NOV 14 2016
RAPID CITY COMMUNITY PLANNING & DEVELOPMENT SERVICES

NeighborWorks Dakota Home Resources
Roni Ackerman
10/31/2016
Table of Contents

Executive Summary 2
Company Description 2
Market Analysis 3
Organization & Management of Project 3
Funding Options 5
Financial Projections 6
Five Unit Elevation Model 7
One Bedroom Floor Plan 8
Two Bedroom Floor Plan 9
North Elevation View 10
Aerial View of Proposed Building Site 11
Aerial View with Current Property Boundaries 12

Attachments

Rapid City Current Population Data
Rapid City Projected Population Data
2010 US Census Population Data
2010 US Census Poverty Rate Data
Executive Summary

NeighborWorks Dakota Home Resources is a not for profit corporation aimed at improving neighborhoods across our region by providing affordable housing through new construction, rehabilitation of existing homes, and relocation of governors homes to economically challenged areas of the Black Hills. Through our “buy it, fix it, keep it” philosophy, NeighborWorks has rehabilitated thousands of homes since its inception and helped over 1,090 Black Hills families buy or build affordable homes since 1998 through grants and other funds.

NeighborWorks Dakota Home Resources has recently identified an opportunity to build five new homes in Rapid City in an area of great need for affordable housing. The offer is part of a collaborative effort set in motion by NeighborWorks and the City of Rapid City, in conjunction with Dakota Land Trust, Rapid City Community Development and South Dakota Housing Development Authority.

The development, named The Village on Monroe, will consist of two multi-family homes, a three unit townhome and a two unit townhome. Three of the homes will be one bedroom and two of the homes will be two bedroom. Once the land has been re-platted, the address will change to Monroe St.

The idea is to sell the home and the land together for an affordable price. However, if a buyer wishes to buy, or can only qualify to purchase the home itself, Dakota Land Trust (DLT) will purchase the land where the home will be constructed. The land, in turn will be leased to the home owner for $25 per month. This facilitates affordability in offering the homes for sale starting under $80,000 as the additional cost of the land is removed from the equation. The plan also maintains long-term affordability as DLT continues to own the land, regardless of the sale of a home, unless a new buyer wishes to purchase the land as part of the package.

The purpose of this business plan is to outline the affordable housing development project, the current housing market, provide cost estimates, define roles of entities involved, and secure funding through our local lenders as a collaborative effort to develop and provide affordable housing to the areas most in need in our Rapid City community.

Company Description

NeighborWorks® Dakota Home Resources (NWDHR), formally known as Neighborhood Housing Services of the Black Hills, has been helping Black Hills and Western South Dakota residents buy, fix, and keep their homes for over twenty years. We are a chartered member of NeighborWorks America. NWDHR is dedicated to improving the quality of life for our residents by providing safe, decent and affordable housing and revitalizing neighborhoods. In 1998, NWDHR became involved with NeighborWorks® America’s “Campaign for Home Ownership.” This campaign seeks to revitalize communities by offering homeownership opportunities. Through the assistance of NWDHR, families in South Dakota are realizing their dream of homeownership. NWDHR offers pre-purchase counseling by certified personnel, home buyer education, post purchase and financial success classes, all free of charge, to help with purchase and maintenance of a home.
In 2007, NWDHR with the support of many community leaders throughout the Black Hills area formed Dakota Land Trust (DLT). DLT is designed to assist low to moderate income families in securing a home, providing assistance after their purchase and encouraging family friendly neighborhoods. DLT facilitates this by purchasing and retaining the land upon which homes will be constructed. DLT then leases the land to the home owner for $25 per month. This is not only beneficial to families in the short run, but keeps the housing affordable for future owners after the home has been sold. With the cost of land eliminated from the picture, lower prices are provided, and affordability is fostered.

Neighborhood Lending Services is a not for profit affiliate of NWDHR offering down payment and closing cost loans, some of which are forgivable through special grants, home rehabilitation loans, gap loans and construction loans. NLS also offers loans with special interest rates for public servants who serve the community in which they live (i.e. military, fire, EMT, law enforcement). Families can often enter into a home purchase with little more than a nominal closing fee out of pocket.

NWDHR is committed to providing safe, affordable housing in the Black Hills region. Together with its affiliates and funding resources, such as South Dakota Housing Development Authority, USDA rural development and Housing and Urban Development (HUD), NWDHR is providing our South Dakota clients the ability to buy, fix, and keep their homes.

**Market Analysis**

The demand for affordable housing has increased exponentially as Rapid City continues to grow in both population and jobs. According to data provided by the US Census Bureau (2015), Rapid City's population is 73,569. The median household income is $46,392 [(per capita income $25,983 (2010-2014)] and the population of Rapid City living in poverty is 16,995, or 15.1% (2% higher than the national average in 2015). There are 39,958 (54%) home owners in Rapid City. The average selling price of a three bedroom home in Rapid City, according to data acquired from Coldwell Banker-LKH, is roughly $189,900 and is on the market for an average of only 46 days. The average monthly costs to home owners, including mortgage payments, is $1,284, which is one-third (33%) of the median household income. According to the Rapid City Comprehensive Plan, the mean population projection for 2035 is 91,004, which is an increase of about 17,500 people in the next 19 years.

The Rapid City area GDP is primarily composed of mining and natural resources, financial activities, government/military, professional and business services, healthcare, and tourism, all of which grew at a faster pace than Sioux Falls in 2011, according to a study performed by the US Bureau of Economic Analysis. With this growth come jobs. And with jobs come the need for housing. Despite the economic upturn and job growth, median household incomes remain stagnant. This is the primary driver behind the need for affordable housing.

**Organization and Management of Project**

The Village on Monroe will be located on the south east corner of Dilger and Monroe Streets in Rapid City (please see attached aerial view). The legal description is S.36, T2N, R7E, Block 37, Lots 14-16, also known as 612 Dilger Ave. This is just north of the Civic Center off North Street. DLT will be making the
land purchase with the proposed funding from our local lender partnerships and the City of Rapid City. Upon purchase, the property must be re-platted to accommodate the five units as they will be constructed to fit the proposed plats. NeighborWorks Dakota Home Resources will provide all management and oversight for the development of the homes through our subsidiary, Neighborhood Housing Construction Services. Once the re-platting process is complete, bids will be solicited from local sub-contractors, builders, and materials suppliers, and permits and insurance will be obtained.

The two buildings will be built in a townhouse design and be multiple stories so as to provide maximum living space within a minimal lot size (please see attached exterior view plans). Total living space for the one bedroom units will be 780 ft². Total living space for the two bedroom units will be 980 ft². Additionally, the two bedroom units will have a 22’ x 22’ two car garage and the one bedroom units will have a 15’ x 26’ single car garage. A home owners association will be formed in order to maintain the landscaping and snow removal, at minimal cost as the intent is to keep the housing affordable. Estimated home owners’ association fees are $20 per month. Landscaping will be low maintenance and snow removal will consist mostly of clearing the public sidewalk in front of the buildings.

Once the project is complete, NeighborWorks will identify potential buyers, assist in qualifying buyers for mortgages, provide home buyer education, loan counseling services, and offer down payment and closing cost assistance where available. The total estimated cost in constructing the homes is $580,000. Prices are expected to start at $102,000 for the one bedroom homes and $125,000 for the two bedroom homes.

The project, once permits have been secured and weather dependent, will begin in January, 2017 and is expected to be completed by April 30, 2017. The project will move in three phases:

- Excavation and land prep, pour concrete foundation (basement or slab to be determined)
- Interior/Exterior framing, siding, roofing
- Plumbing, electrical, finishing and trim

Once completed, the homes will have two garages facing Monroe Street and three rear entrance garages (see model below and attached).
**Funding options**

NWDHR has developed a partnership with local lenders, the City of Rapid City, HUD, and various funding sources to finance the Village on Monroe project. The Village aligns perfectly with the goals and principles set forth in the Rapid City Comprehensive Growth and Development Plan adopted in 2014. The plan outlines the long-term issues Rapid City will be addressing in the coming years where housing, zoning, beautification, preservation, job growth, infrastructure, and business ventures are concerned. The Village meets many of the target principles and goals of Rapid City. Here are some examples:

Principle LC-1: Elevating the Quality of Development  
Principle LC-2: Building Diverse and Livable New Neighborhoods  
Principle LC-3: Maintaining Character and Livability in Existing Neighborhoods  
Principle EC-1: Expanding Economic Diversity  
Principle LC-A10: Expand TIF incentives for affordable housing to allow for use on workforce housing developments and in areas where a more diverse mix of housing types is desired

In the spirit of facilitating the above goals, we are seeking from the City of Rapid City a TIF of $125,000 ($25,000 per unit) to be financed through future tax proceeds from the surrounding geographic area of the project. The TIF will be applied directly to the purchase of the land and construction on the homes. Dakota Land Trust will repay the TIF for a single lot if a unit is sold with the land. Otherwise, the TIF will be repaid through property taxes. The TIF will be beneficial to all parties as the City is demonstrating through the TIF a reinvestment into redeveloping its neighborhoods by taking action in addressing the issue of affordable housing shortages, increasing property values, and doing its part in providing affordable housing for its citizens.

NWDHR would also like to request funding from Community Development Block Grant (CDBG) in the amount of $50,000. CDBG funds would be directly applied to the construction of the homes. In addition, we are seeking funding from the Rapid City Community Development Corporation in the amount of $260,000 which will also be directly applied to the construction of the homes. Finally, we are seeking $145,000 from South Dakota Housing Authority which will be directly applied to construction of the homes and marketing and soft costs. With the collaborative financing efforts described above, we will hope to set the standard for working together in providing affordable housing for Black Hills residents by protecting the public’s investment in affordable housing, expanding and preserving access to home ownership for households excluded from the market, stabilize neighborhoods of disinvestment, and ensure accountability for funders, tax payers, and the residents of the City of Rapid City served by Dakota Land Trust and NeighborWorks Dakota Home Resources.
# Financial Projections

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Home Sales</td>
<td>$0</td>
<td>$580,000</td>
</tr>
<tr>
<td><strong>Expenses</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Land acquisition &amp; Development fees*</td>
<td>$65,000</td>
<td>$35,000</td>
</tr>
<tr>
<td>Construction costs</td>
<td>$0</td>
<td>$467,000</td>
</tr>
<tr>
<td>Marketing</td>
<td>$0</td>
<td>$5,000</td>
</tr>
<tr>
<td>Soft Costs:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Consulting fees</td>
<td>$0</td>
<td>$2,500</td>
</tr>
<tr>
<td>Administrative Expense*</td>
<td>$1,000</td>
<td>$2,000</td>
</tr>
<tr>
<td>Permits &amp; Inspection</td>
<td>$1,250</td>
<td>$1,250</td>
</tr>
<tr>
<td><strong>Total Expenses in periods</strong></td>
<td>$67,250</td>
<td>$512,750</td>
</tr>
<tr>
<td><strong>Net Income (loss) in periods</strong></td>
<td>$(67,250)</td>
<td>$67,250</td>
</tr>
<tr>
<td><strong>Total Net Income (loss) of project</strong></td>
<td>$0</td>
<td>$0</td>
</tr>
</tbody>
</table>

*Since NeighborWorks is a not for profit corporation, any excess of revenue over expense in the cost of the project will be applied to cover administration and development fees only.
All Units Elevation

North Elev

West Elev

South Elev

East Elev
North Elev
People

Population

- As of the 2010 Census, Rapid City's population was 67,956.¹
- It is the second largest city in South Dakota; Sioux Falls is the largest city in the state with a population of 153,888 in 2010.
- Rapid City claims more than 67% of Pennington County’s population.
- The Rapid City metropolitan statistical area (MSA) includes the City of Rapid City, Pennington County, and Meade County to the north. In 2010, the population of the Rapid City MSA was nearly 130,000 people.

<table>
<thead>
<tr>
<th>Year</th>
<th>Rapid City</th>
<th>Pennington County</th>
<th>Meade County</th>
<th>South Dakota</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>67,956</td>
<td>100,948</td>
<td>25,434</td>
<td>814,180</td>
</tr>
<tr>
<td>2000</td>
<td>59,607</td>
<td>88,565</td>
<td>24,253</td>
<td>754,944</td>
</tr>
<tr>
<td>1990</td>
<td>54,523</td>
<td>81,343</td>
<td>21,878</td>
<td>696,004</td>
</tr>
<tr>
<td>1980</td>
<td>46,492</td>
<td>70,361</td>
<td>20,717</td>
<td>690,768</td>
</tr>
<tr>
<td>1970</td>
<td>43,836</td>
<td>59,349</td>
<td>16,618</td>
<td>665,507</td>
</tr>
<tr>
<td>1960</td>
<td>42,399</td>
<td>58,195</td>
<td>12,044</td>
<td>680,514</td>
</tr>
</tbody>
</table>

Source: US Census

Age

- According to the 2010 Census, the median age of Rapid City residents is 35.6 years. This is a slight increase from the median age of 34.8 years in 2000.
- Nearly 43% of the City’s population is under the age of 30, and almost one-fifth (20%) of the population is over age 60.

Important Issues

Retaining Youth
Youth and young adults currently comprise a significant portion of the community’s population. Rapid City should continue to create opportunities for youth to be engaged in the community, and seek ways to retain its young adults as they enter college, begin their careers, and start families.

Aging Population
Another growing component of the City’s population is seniors. Existing residents are living longer and more and more people are moving to the community as a retirement destination. In 2012, Rapid City was ranked 10 out of 259 small cities on the Milken Institute’s index of the Best Cities for Successful Aging. To maintain this status, Rapid City will need to continue to make accommodations for an aging population, such as different housing needs and preferences, mobility challenges, access to medical care and other services, and affordability on fixed incomes. The Senior Needs Assessment and Service Gap Analysis identifies many current and future needs of the City’s senior population.

¹ US Census (2010 and historical): [www.census.gov](http://www.census.gov)
Race
- According to the 2010 Census, the majority of Rapid City's residents are white (80.4%), a decrease from 84.3% in 2000.
- The percentage of the population that is American Indian has increased from 10.1% in 2000 to 12.4% in 2010. The remainder of the City's population is another race (3.1%), or two or more races (4.1%).
- Persons identifying themselves of Hispanic or Latino origin (of all races) comprise approximately 4% of the population. This is up from 2.8% in 2000.

Families and Households
- Per the US Census, the segment of single-person households has grown from 29.4% in 2000 to nearly a third of all households in 2010 (32.9%).
- In 2010, families comprised nearly 60% of households, and the average family size has remained steady since 2000 at 2.9 people.
- Roughly a quarter (24.3%) of Rapid City households have at least one senior (age 65 years and older), and approximately 30% of households have at least one child under 18 years old.

Population Growth
- Rapid City’s population is expected to continue to grow in the upcoming decades. By 2035, Rapid City's population could grow to more than 85,000 people (see the Housing section for more information about future growth projections).²
- The amount of population growth depends on myriad factors such as household sizes, vacancy rates, and housing and employment growth, but in a high-growth scenario, Rapid City’s population could reach nearly 97,000 people by 2035.

<table>
<thead>
<tr>
<th>2035 Forecast</th>
<th>2010 Population</th>
<th>2035 Projected Population</th>
<th>Change 2010-2035</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rapid City Low</td>
<td>67,956</td>
<td>85,378</td>
<td>17,422</td>
</tr>
<tr>
<td>Rapid City High</td>
<td>67,956</td>
<td>96,630</td>
<td>28,674</td>
</tr>
</tbody>
</table>

Source: Clarion Associates and Economic and Planning Systems, 2013

Related Efforts
Some other recent efforts and studies related to people and demographics in Rapid City include the following:
- Rapid City Senior Needs Assessment and Service Gap Analysis (2012)
- Rapid City Area Metropolitan Planning Organization Title VI and Non-Discrimination Program (2013)

QuickFacts
Rapid City city, South Dakota

QuickFacts provides statistics for all states and counties, and for cities and towns with a population of 5,000 or more.

All Topics   RAPID CITY, SOUTH DAKOTA

Population
Population estimates, July 1, 2015 (V2015)  73,569
Population estimates base, April 1, 2010 (V2015)  68,531
Population, percent change - April 1, 2010 (estimates base) to July 1, 2015 (V2015)  7.4%
Population, Census, April 1, 2010  67,956

Businesses

This geographic level of poverty and health estimates are not comparable to other geographic levels of these estimates.

Some estimates presented here come from sample data, and thus have sampling errors that may render some apparent differences between geographies statistically indistinguishable. Click the Quick Facts icon to the left of each row in TABLE view to learn about sampling error.

The vintage year (e.g., V2015) refers to the final year of the series (2010 thru 2015). Different vintage years of estimates are not comparable.

(a) Includes persons reporting only one race
(b) Hispanics may be of any race, so also are included in applicable race categories
(c) Economic Census - Puerto Rico data are not comparable to U.S. Economic Census data
D Suppressed to avoid disclosure of confidential information
F Fewer than 25 firms
FN Footnote on this item in place of data
NA Not available
S Suppressed, does not meet publication standards
X Not applicable
Z Value greater than zero but less than half unit of measure shown

QuickFacts
Rapid City, South Dakota
QuickFacts provides statistics for all states and counties, and for cities and towns with a population of 5,000 or more.

All Topics

<table>
<thead>
<tr>
<th>Income and Poverty</th>
</tr>
</thead>
<tbody>
<tr>
<td>Median household income (in 2014 dollars), 2010-2014</td>
</tr>
<tr>
<td>Per capita income in past 12 months (in 2014 dollars), 2010-2014</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>People</th>
</tr>
</thead>
<tbody>
<tr>
<td>Persons in poverty, percent</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Businesses</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Geography</th>
</tr>
</thead>
</table>

**RAPID CITY, SOUTH DAKOTA**

- $46,392
- $25,983
- 15.1%

This geographic level of poverty and health estimates are not comparable to other geographic levels of these estimates. Some estimates presented here come from sample data, and thus have sampling errors that may render some apparent differences between geographies statistically indistinguishable. Click the QuickFacts icon to the left of each row in TABLE view to learn about sampling error.

The vintage year (e.g., 2010) refers to the final year of the series (2010 thru 2015). Different vintage years of estimates are not comparable.

(a) Includes persons reporting only one race
(b) Hispanics may be of any race, so also are included in applicable race categories
(c) Economic Census - Puerto Rico data are not comparable to U.S. Economic Census data

D Suppressed to avoid disclosure of confidential information
F Fewer than 25 firms
F Noon data in this item in place of data
NA Not available
S Suppressed; does not meet publication standards
X Not applicable
Z Value greater than zero but less than half unit of measure shown