

Local Housing Need in the Black Hills

Black Hills Area Habitat for Humanity (BHAHFH) uses multiple ways to determine where to build or repair affordable housing in the Black Hills. We review government statistics and community studies, meet with government officials and local leaders, speak to local citizens, and work with low-income families. BHAHFH has completed two homes in Spearfish, one home in Belle Fourche, four homes in Box Elder and Custer, two homes in Sturgis, two homes in Summerset, while continually building in Rapid City. We have also repaired thirty five homes located from Oelrichs to Vale and are in processing our first application for a project on the Pine Ridge Reservation. We currently have sixteen families in our Homeownership Program, twenty five families in our Home Preservation Program with an additional applications in review. This market analysis concludes that the need for affordable housing exists in Rapid City and that Black Hills Area Habitat for Humanity will be meeting a significant community need by continuing to build new homes and repair existing housing stock for low-income homeowners.

Rapid City Market Analysis

The City of Rapid City is the county seat of Pennington County in western South Dakota and has a population of 73,569 with 144,134 living within the metropolitan area¹. The city of Rapid City's economy is fairly diverse with significant economic activity in tourism, retail, health care, light manufacturing, and education. According to the Rapid City Consolidated Plan housing cost burden affects almost twenty five percent of all households. Severe cost burden (paying more than fifty percent of gross household income) affects eleven percent of the cost burdened, putting households at risk of homelessness². Three of the needs identified in this plan that are priority in this plan include; Rehabilitation of existing housing stock for sustainability of affordable housing, Homeownership to encourage asset building and stability and Rehabilitation of substandard housing.

Housing costs in Rapid City are significantly higher than state averages. The median value of owner occupied houses is \$159,900,³ which is \$19,400 more than South Dakota's median value of \$140,500⁴. Higher valued owner occupied housing generally leads to more expensive rents. This is seen in the census statistics where 47.8 percent of renters pay more than 30 percent of their income to rent.³ According to the Department of Housing and Urban Development, "Families who pay more than thirty percent of their income for housing are considered cost burdened and may have difficulty affording necessities such as food, clothing, transportation and medical care."⁵ Government statistics point to a significant need for affordable housing in Rapid City.

The need for affordable housing demonstrated by government statistics is matched by community sentiment expressed in the Black Hills Community Needs Assessment. In 2011, seventeen organizations commissioned the South Dakota Public Policy Institute, a project of the Chiesman Center

for Democracy, to conduct a Community Needs Assessment⁶ study in the Black Hills area, which includes Butte County, Lawrence County, Meade County, Fall River County, Custer County, and Pennington County. In that survey affordable housing was noted as a significant issue for the region and for Pennington County (which is primarily composed of Rapid City citizens). In fact, seventy six percent of Pennington County households state that affordable housing was a need in the community, while sixty nine percent reported issues about substandard housing. Furthermore, sixty one percent stated that overcrowded housing was a problem. In that same survey, eleven percent of Pennington County residents stated that they need housing support.

The community's statement of need for affordable housing matches sentiments expressed by local residents and leaders. The best way to understand demand for affordable housing is reviewing attendance at Black Hills Area Habitat's quarterly homeowner informational meetings. Over the last year over 200 people have responded to our informational meetings and we average two to three phone inquiries daily. In 2016 we received over 30 applications for Home Preservation projects with multiple inquiry calls each week. Need is also assessed through consultation and dialogue with Rapid City Community Planning department, local partner churches, Love INC, American Red Cross, NeighborWorks, and other local non-profits.

The need for affordable housing in the Black Hills Area is clear. A significant portion of the population is struggling economically and would benefit from stable, affordable housing. The community as a whole and local residents recognize the need for affordable housing in Rapid City. Currently, Black Hills Area Habitat for Humanity is the only organization that serves families who do not qualify for conventional home loans and make less than seventy percent of Area Median Income.

¹https://en.wikipedia.org/wiki/Rapid_City,_South_Dakota

²http://www.rcgov.org/index.php?option=com_docman&view=download&alias=541-community-development-2013-2017-consolidated-plan&category_slug=community-development&Itemid=149

³<https://factfinder.census.gov/faces/tableservices/jsf/pages/productview.xhtml?src=CF>

⁴<https://factfinder.census.gov/faces/tableservices/jsf/pages/productview.xhtml?src=CF>

⁵ www.hud.gov/offices/cpd/affordablehousing/

⁶ http://chiesman.org/images/uploads/BHCNA_Report_2011_Version_2.0.pdf