

BUILDING Rapid City

a better

Rapid City Strategic Housing Initiative & Trust Fund

Report Presented by:

BLACK HILLS AREA COMMUNITY FOUNDATION

LAYING THE FOUNDATION

In support of the collective impact work around housing in Rapid City, the John T. Vucurevich Foundation commissioned the Black Hills Knowledge Network, now Benchmark Data Labs, to conduct a study in the fall of 2017 to determine the types of housing units in the Rapid City area and what inventory is needed to meet the community's demands now and in the coming years.

CURRENT WORKFORCE HOUSING DATA & MARKET GAP ANALYSIS - RAPID CITY AREA

RAPID CITY
SHORT
3,500
HOUSING
UNITS



Owner Occupied Market

COSTING
LESS THAN
\$900
PER
MONTH

NEED
MINIMUM
1,459
RENTAL
UNITS



Rental Market

GROSS
RENTAL
COST
No More than \$500
PER MONTH

BURDENED BY HOUSING COST:

The study found that more than half of households earning less than \$20,000 per year in 2016 spent more than 50 percent of their income on housing.

Median household incomes in Rapid City fell by 3.2 percent from 2010 to 2016, while median home prices rose by 11.5 percent.

Result:

Many low-income households are “forced up” while a number of high-income households are “buying down” – evidence of a great mismatch between incomes and housing costs in Rapid City that has led to higher prices in the mid-range housing market.

The study’s authors recommended working to preserve older housing rather than losing it, investigating the use of housing tax credits and other financial tools to help fund projects, coordinating with city leadership to mitigate development costs, and forming partnerships between developers who build housing and non-profits who can manage it. “*You can’t have a thriving, vibrant economy without affordable housing.*” ~ Jared McEntaffer, Ph.D., housing study’s lead author, regional economist.

GOALS OF STRATEGIC HOUSING INITIATIVE

- Increase housing inventory, accessibility, and stability.
- Reduce housing insecurity and its long-term consequences.
- Lessen the housing burden, thus increasing residents’ buying power for basic needs, healthcare, education, and recreation.
- Align the community network of nonprofit providers to support property managers and residents with needed connections to services.

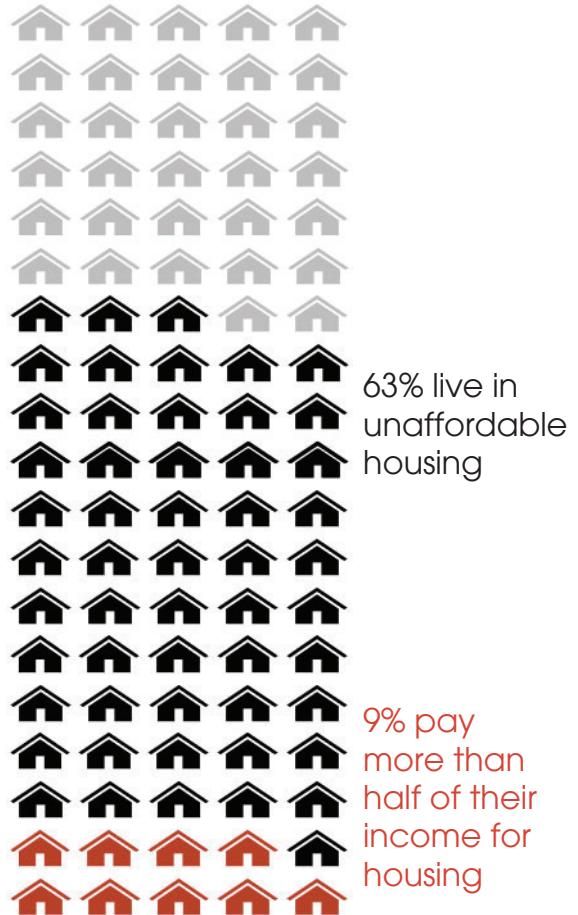
IS HOUSING AFFORDABLE

*2018 data

Renter households earning
less than \$20,000



Renter households earning
\$20,000-\$34,999



Renter households earning
\$35,000-\$49,999



WHO BENEFITS FROM STRATEGIC HOUSING?

Low to Moderate income individuals and families

Annual Income (individual)	\$20,000 - \$35,000	\$36,000-\$50,000
Affordable Monthly Rent	\$500 - \$899	\$899 - \$1249
Occupation	Hospitality Worker, Childcare Provider, Waitstaff, Substitute Teacher, Nursing Assistant, Forestry Worker, Building Maintenance, Culinary Staff.	Construction Worker, Electrician, Bus Driver, Hair Stylist, Security Guard, Pharmacy Technician, Enlisted Military, Nonprofit Staff, Teacher.



Medium to lower income households *DO NOT* find renting relatively affordable.

Households earning *less* than \$50,000 and living in affordable rentals

37%

Medium to upper income households will find renting relatively affordable.

92%

Households earning *more* than \$50,000 and living in affordable rentals



Median Mortgage
\$1,327



Median Rent
\$879



Median Income of Household with a Mortgage
\$73,924

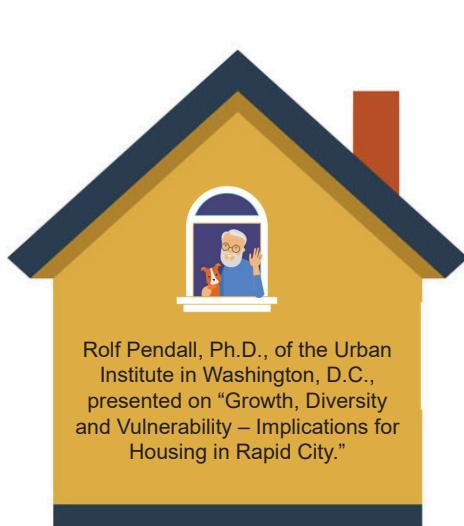


Median Income of Household Renting
\$34,056

A housing study provided stakeholders with a shared understanding of the local market, provided a starting point for strategic planning, encouraging communication and collaboration between developers, policy makers, service providers, etc. through the annual housing summits.

About 75 people representing development companies, banks, nonprofits, and city and state government attended the first summit in October 2017; more than 60 attended the follow-up summit in June 2018.

HIGHLIGHTS FROM THE HOUSING SUMMITS



Rolf Pendall, Ph.D., of the Urban Institute in Washington, D.C., presented on "Growth, Diversity and Vulnerability – Implications for Housing in Rapid City."



Panel discussion with stakeholders identified two tracks of work to be done – one focusing on housing inventory through development, financial tools, and needed policy changes; the other focusing on housing issues from the resident perspectives of inclusion, education, and access to needed services.



Attendees made clear the need for a "point person" to steer the housing work.

KEY PARTNERS



Liz Hamburg, CEO
BLACK HILLS AREA COMMUNITY FOUNDATION



In addition to managing funds specifically designated for housing work, the Black Hills Area Community Foundation is actively engaged in shaping the plan from the resident perspective.



Alan Solano, CEO
JOHN T. VUCUREVICH FOUNDATION



A nine-member Strategic Housing Advisory Committee chaired by Alan Solano, President/CEO of the John T. Vucurevich Foundation; includes representation from the City of Rapid City, Pennington County, the legal sector, philanthropy, development, and property management.



Vicki Fisher
CITY OF RAPID CITY



Local City leadership plays an integral role supporting this work through policy and planning, and financial investment.



Barry Tice
PENNINGTON COUNTY HEALTH & HUMAN SERVICES



The initial contact for area residents seeking help; connecting to a network of local agencies who provide services. Service organizations include the City of Rapid City, Pennington County, philanthropic organizations, property development, and property managers and owners.

BUILDING A BETTER FUTURE

LONG-TERM PURPOSE:

To create more workforce housing in the Rapid City area by providing incentives for new development and the rehabilitation and maintenance of existing workforce housing.



"The overall objective of the trust fund is to create flexible, low-interest loans for developers and property owners to increase the stock of workforce rental units. Those funds will be revolving, so it is more akin to an investment than it is a grant."

~ David Lust, Strategic Housing Consultant

HOW the TRUST FUND WORKS

The fund is held and managed at Black Hills Area Community Foundation.

Advisory group makes recommendations for release of funds in the form of low interest loans or grants.

Recommendations go to BHACF Board of Directors, which provides control and oversight of funds.

STRATEGIC HOUSING ADVISORY BOARD:

Alan Solano (Chair), John T. Vucurevich Foundation

Liz Hamburg, Black Hills Area Community Foundation

David Lust, Gunderson, Palmer, Nelson & Ashmore, LLP

Tom Weaver, First Interstate Bank

Vicki Fisher, City of Rapid City

Darren Haar, Developer

Bryan Achbach, Pennington County Housing & Redevelopment Commission

Barry Tice, Pennington County Health & Human Services

Sarah Hanzel, City of Rapid City

Michelle Schuelke, City of Rapid City

Anna Hays, Elevate Rapid City

Pat Burchill, Retired from US Bank

Hani Shafai, Dream Design International



THE TOOLS NEEDED

RAPID CITY STRATEGIC HOUSING TRUST FUND

The Rapid City Strategic Housing Trust Fund (the “Strategic Housing Trust Fund”) was created in 2020 to address the workforce and affordable housing shortfall in Rapid City. Housed at the Black Hills Area Community Foundation the Strategic Housing Trust Fund takes a long-term approach to the strategic housing issues faced by our community through revolving funds for housing development.

Goals of Strategic Housing Trust Fund

- Provide a long-term, dedicated revenue source for strategic housing needs.
- Increase housing inventory and density to address current shortage.
- Provide low-interest loans for property acquisition, pre-development, and/or rehabilitation of housing units.
- Fund public infrastructure needed to support strategic housing.
- Stimulate economic growth by supporting investments in housing construction and rehabilitation - leading to job creation.
- Address workforce housing shortages and mitigate future housing shortfalls.
- Enhance mixed-income housing development.
- Provide loan guarantees for strategic housing development.

COLLABORATION WITH COMMONBOND



**CommonBond
COMMUNITIES**

CommonBond Communities, a regional nonprofit developer and manager of affordable housing, announced in May 2019 that it would expand to provide affordable housing with services to the Rapid City community.

CommonBond works in the \$500/month and less space with combined services.

“During our conversations with leaders in Rapid City, it became abundantly clear that this community can positively impact pressing housing needs through collaboration.”

~ Deidre Schmidt, CommonBond Communities President/CEO

BENEFITS TO BUILDING UP OUR *Community*



THRIVING FAMILIES
STRONG, STABLE WORKFORCE
IMPROVED CHILDHOOD
HEALTH & EDUCATION
ECONOMIC GROWTH



HOW CAN YOU HELP?

CONTRIBUTE

to the Rapid City Strategic Housing Trust Fund at bhacf.org

RENTAL PROPERTY OWNERS / MANAGERS

- Create solutions for rental retention
- Connect with community resources



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