

Housing Case Study and Bulldoze, Build, and Beautify

Governor's Office of Economic Development

October 25, 2017

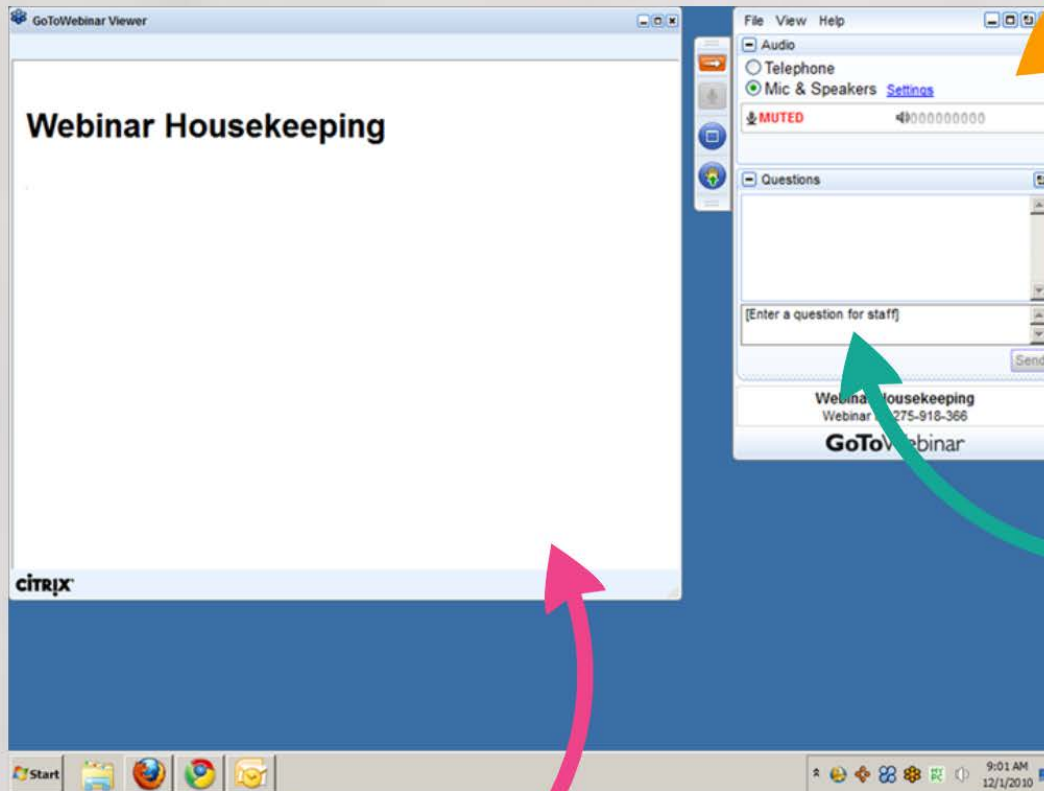
Tech Support

- Easiest way to let us know if you are having technical difficulty is through the Control Panel Chat Box
- You can also email our team:
 - jennifer.ondell@sdreadytowork.com
 - taylor.cole@sdreadytowork.com

Questions

- Please ask questions at any time by using the Control Panel Chat Box
- We'll do our best to get through them all during the Q&A at the end of the webinar

Your Screen



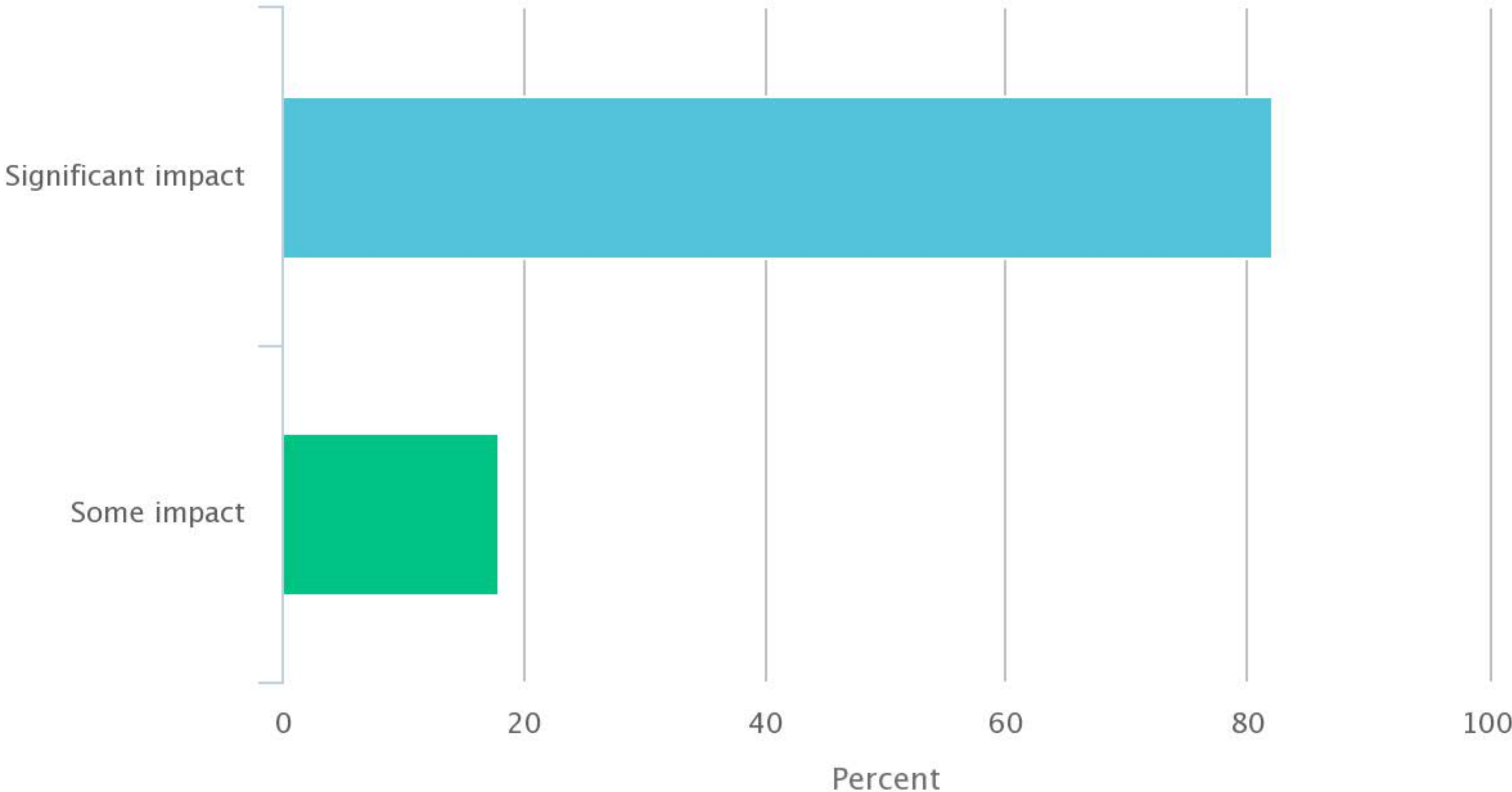
This is your control panel. The audience is muted so if you hear us all is well!


Have a question?
ASK!

Type it **here** and we'll try to make time at the end to answer. Or if it's really important to the topic we're covering we may answer it right away.

You should be seeing our mirrored screen **here**

To what extent does housing impact economic development in your community?





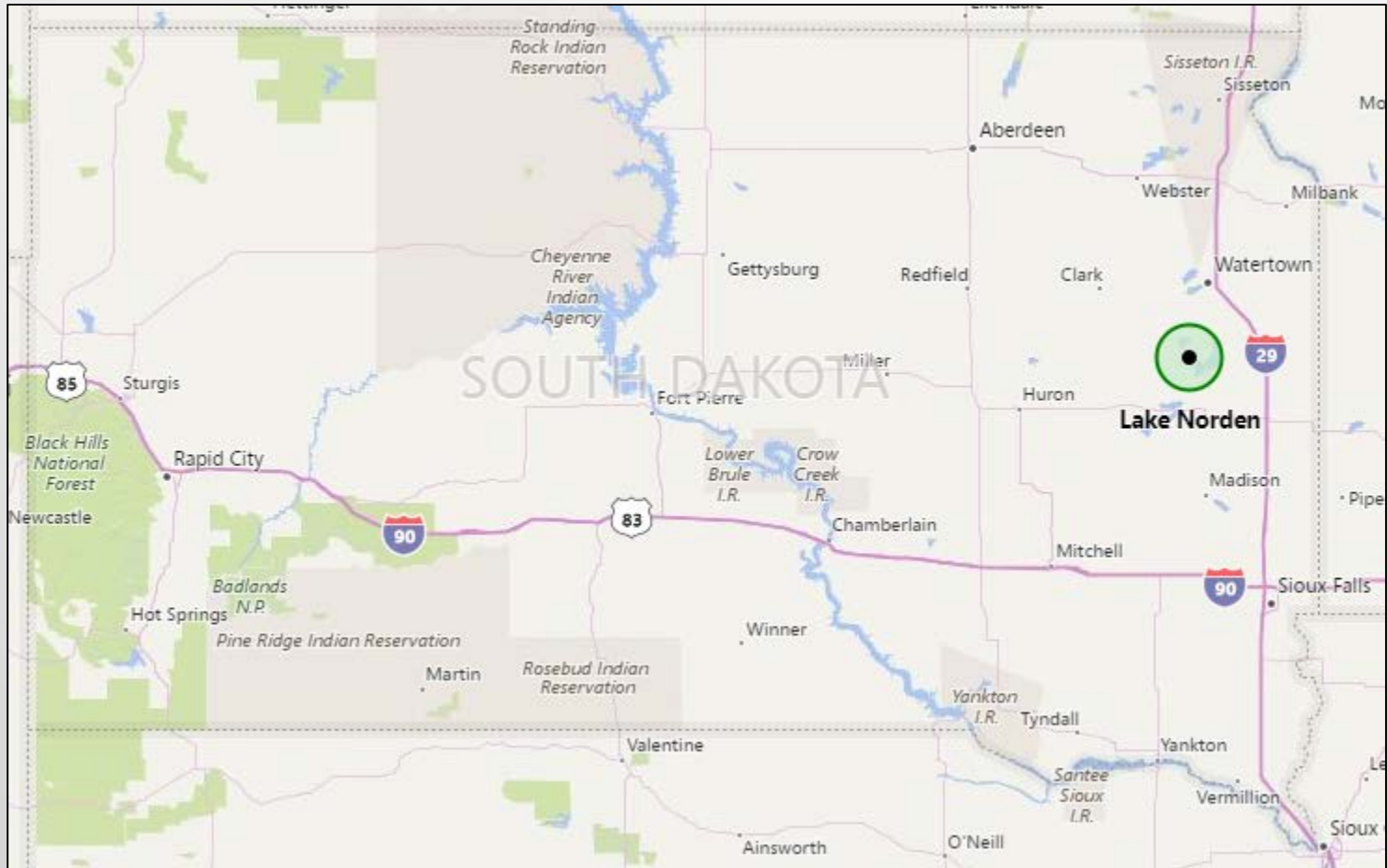
Housing and Economic Development

- Housing needs continue to surface as a hurdle to economic development
- Most, if not all, of our communities across the state

Housing Case Study

- Focus on a recent, real world example of a housing success
- Specifically wanted to highlight a project in a rural community

Lake Norden



Lake Norden

- Northeast SD
- 27 miles southwest of Watertown
- Population: 481
- City Slogan: "Cheese is our Whey"
- SD Amateur Baseball Hall of Fame

Lake Norden Apartment Building

- Stakeholders in Lake Norden identified the need for additional housing units
- Entrepreneur settled on the construction of an 8-unit apartment building
- Our discussion today will work through the highlights of their story



Webinar Guest

Tom Homola

- Board member of the Lake Norden Development Corporation

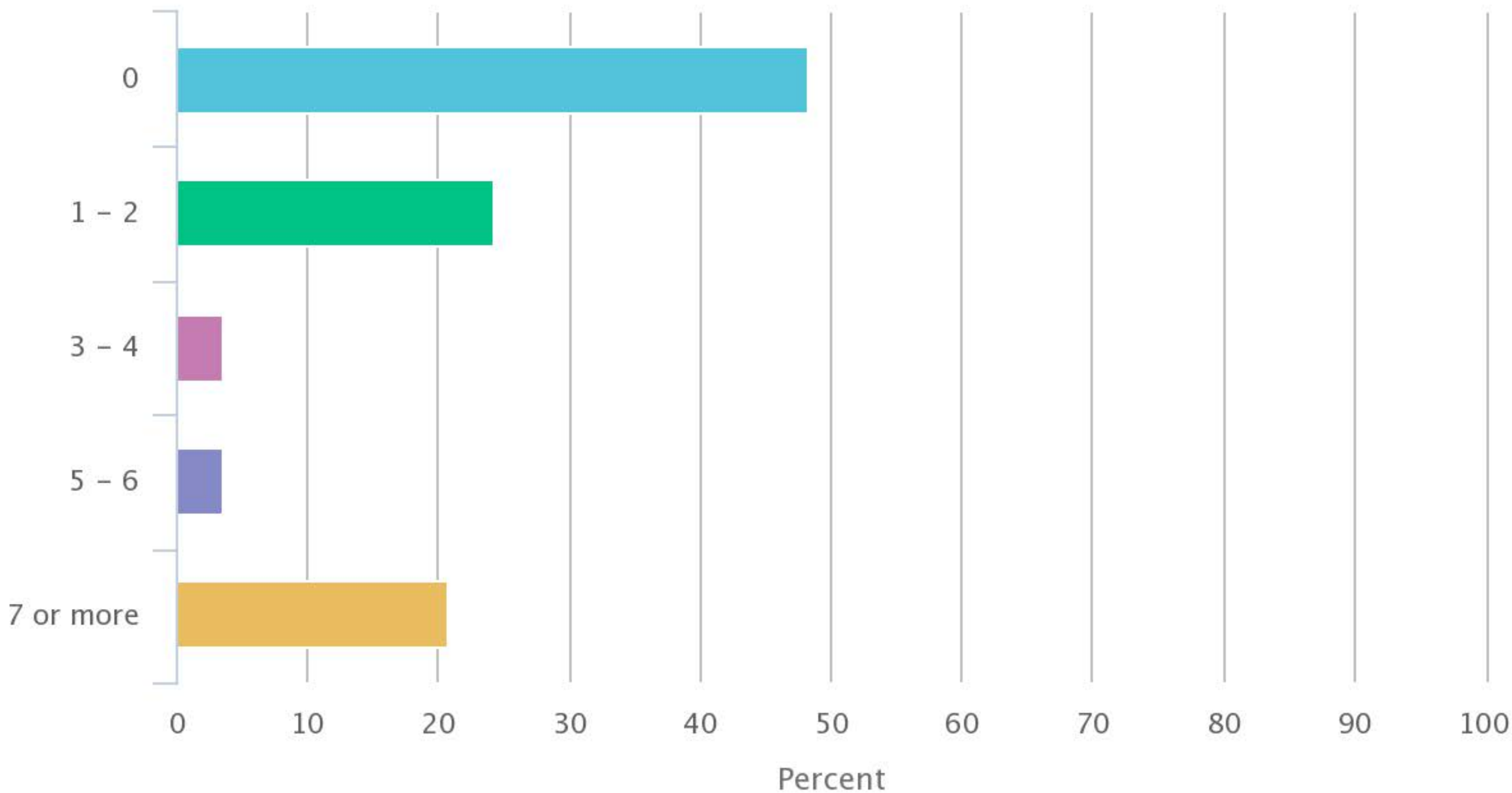
Key Points

- Persistent entrepreneur
- Secured land early
- Researched local housing situation
 - Survey of rental units, waiting lists, lease amounts
- Workable business plan (SBDC helped)

Key Points

- Assistance from partners
 - Local EDO, City, Planning District, GOED
- Coordination with business community
- Identified financing partners
 - Bank and non-profit lender (REED Fund)

How many housing units has your office been involved with in the past 3 years?



Bulldoze, Build, and Beautify

- New program from GOED
- Focused on two things:
 - Removing dilapidated houses
 - Encouraging new workforce housing units



Webinar Guest

Aaron Scheibe

- Deputy Commissioner at GOED

BBB – Property Type

- Residential dwellings only; may be single- or multi-family.
- Mobile homes are eligible, provided they are replaced by a permanent structure.

BBB – Property Condition

- Must be in a blighted, dilapidated or abandoned condition.
- Must be unoccupied and not used for another activity (e.g., a business).

BBB - Ownership

- Must be owned by a county, city or local non-profit organization (e.g., economic development corporation, housing development corporation)
- Title must be clear of any prior liens
- If not owned, the county, city or local non-profit must have an enforceable option to purchase the property within 18 months of the grant award

BBB – Site Work

- Blighted structure must be demolished and removed completely from the lot
- Lot must be restored to a build-ready state, including necessary utilities
- Foundation/basement concrete must be removed and filled unless certified for re-use
- Site work for demolition/removal must be completed within 18 months of award date

BBB – Replacement Housing

- Residential dwellings only; may be single- or multi-family
- No cost limits, but must be affordable or meet specific business need (e.g., key employee housing)
- Must replace the demolished unit within two years of demolition and removal (three years for Class 3 municipality)

BBB – Match and Limitation on Awards

- Local match – minimum of 1:1 on total project costs
- Asbestos or other environmental issue dealt with on a case-by-case basis
- Local match may be in-kind; in-kind contributions will be valued at the FEMA rate
- No limit on the number of units applied for; no lifetime limit on awards to a community

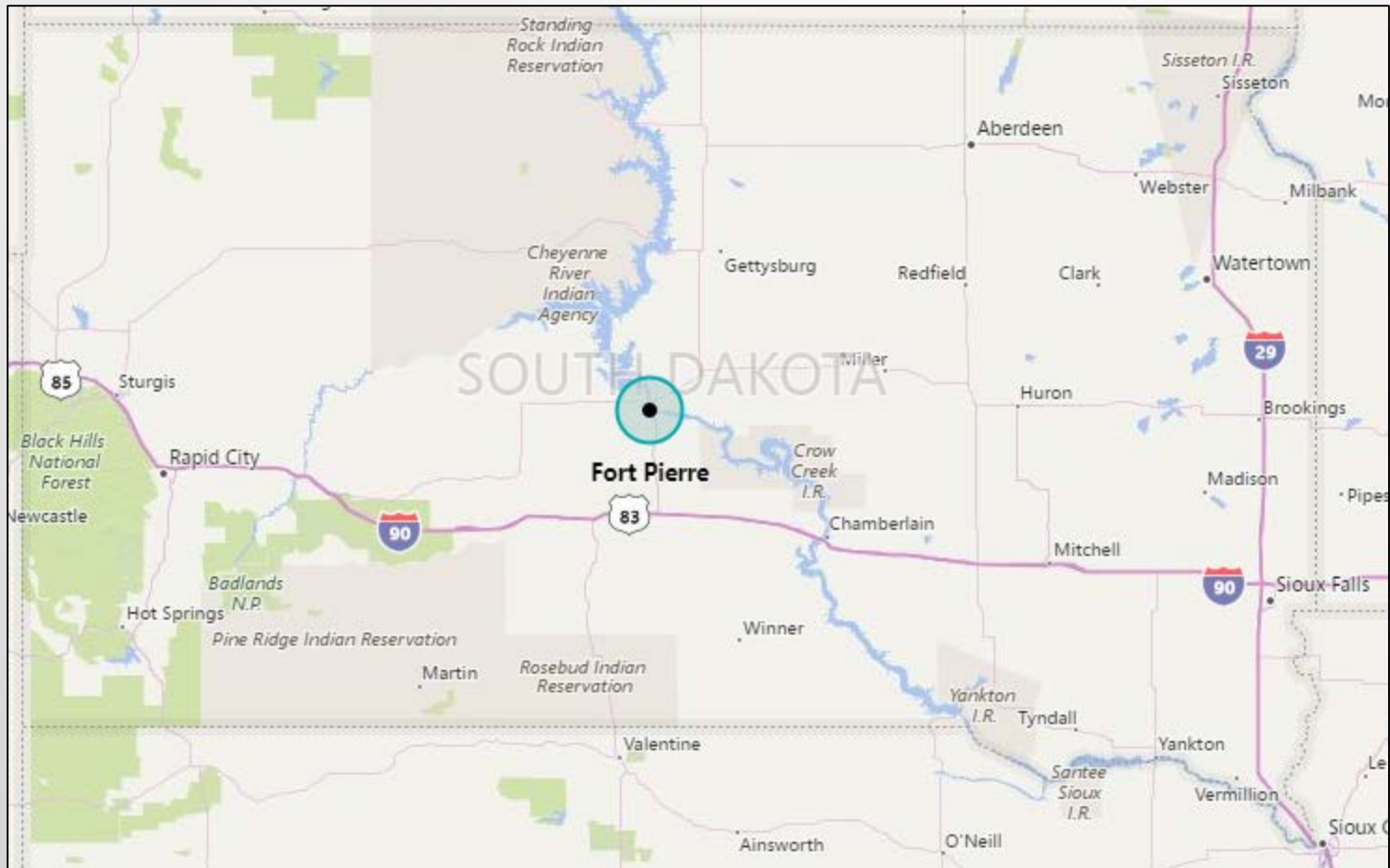
BBB – Current Status

- This year – pilot/proof of concept program
- Two-step application – pre-application & full CDBG application
- First round underway – three communities (Ft. Pierre, Huron, Aberdeen)
- Second round – pre-applications November 1-January 31

BBB Case Study

- Focus on a recent, real world example of a community planning to utilize BBB
- Specifically wanted to highlight a project that addressed multiple housing units

Ft. Pierre



Ft. Pierre

- Central SD
- 1 mile west of Pierre
- Population: 2,148
- City Slogan: "History You Can Touch"
- Bicentennial Celebration in 2017

Ft. Pierre BBB Project

- Stakeholders in Ft. Pierre identified the need for additional housing units
- Ft. Pierre Development Corporation identified houses to demolish
- Our discussion today will work through the highlights of their story



Webinar Guest

Dave Bonde

- Executive Director of Ft. Pierre Development Corporation

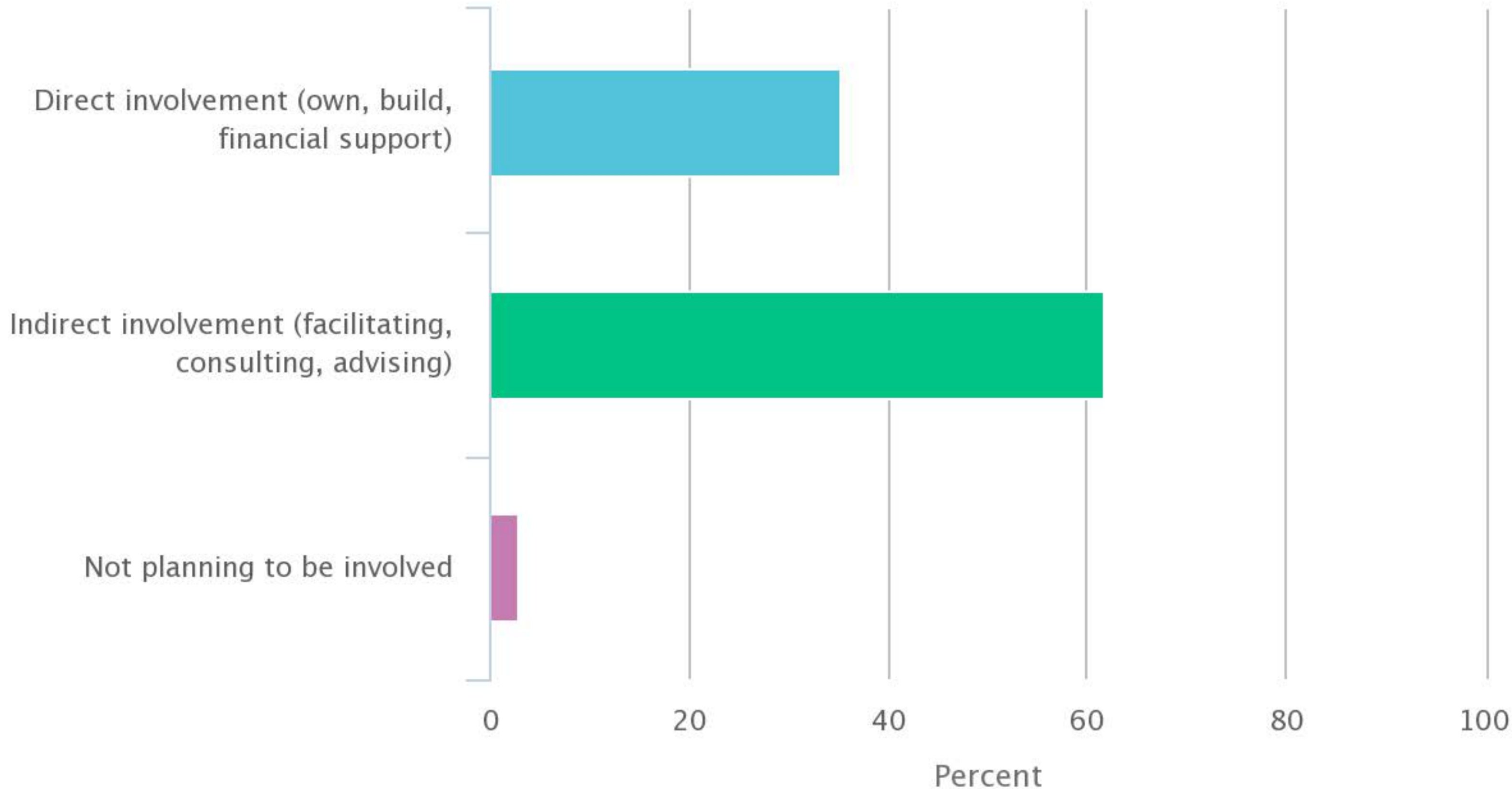
Key Points


- Utilized data and information in their housing study
- Key support from city
- Harnessed expertise at the Planning District

Key Points

- Moving forward while working through details
- Looking at a variety of workforce housing options
- Continuing to secure funding sources

Is your office planning involvement in housing development in 2018?





Q&A

Thank You

- Tom Homola, Dave Bonde, and Aaron Scheibe
- To our Marketing Team for all of their support before, during, and after our webinars
- Thanks for attending!