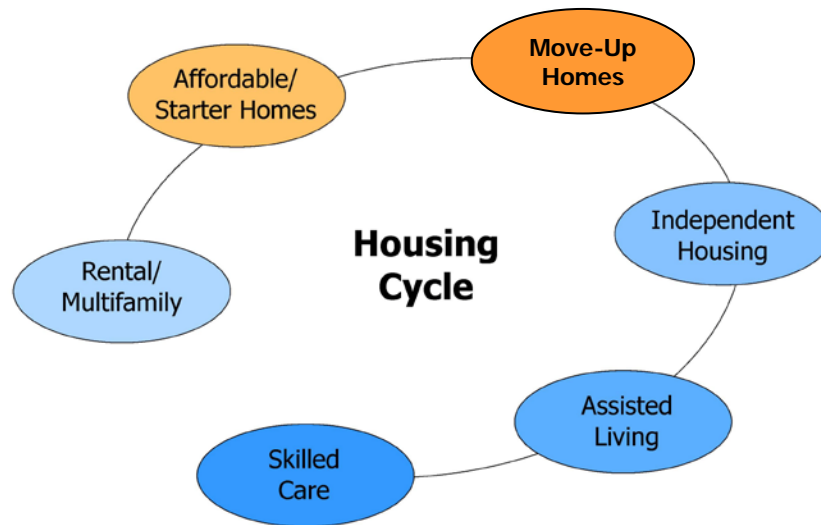


## THE RURAL HOUSING MANIFESTO

*Building houses is a critical part of economic development. And it is community development. It's all connected and intertwined. Housing development can be a catalyst for shared vision and renewed progress in small towns.* The Collaborative's rationale for producing this Playbook is to help small South Dakota communities generate systemic change and totally rethink housing development. Many of our communities are "in the dark"—unfamiliar with the how and why of housing development. They know housing is important, but aren't sure how to make it happen. Help is out there, but the process of locating and utilizing the resources is often fragmented and mysterious to local leaders. This Playbook is designed to help change the way rural communities think about housing and the way resource providers help them.

We found there is a cycle of housing needs in a community. Some people move through the whole or parts of the cycle, others don't.



The whole sequence is important for communities to provide, but houses can make the biggest and earliest impact. We have focused our research so far on single-family housing (Affordable/Starter Homes, Move-Up Homes above), in towns of less than 2,500 population.

### Core Conclusions

Three themes or core conclusions clearly emerged from the research done in these communities.

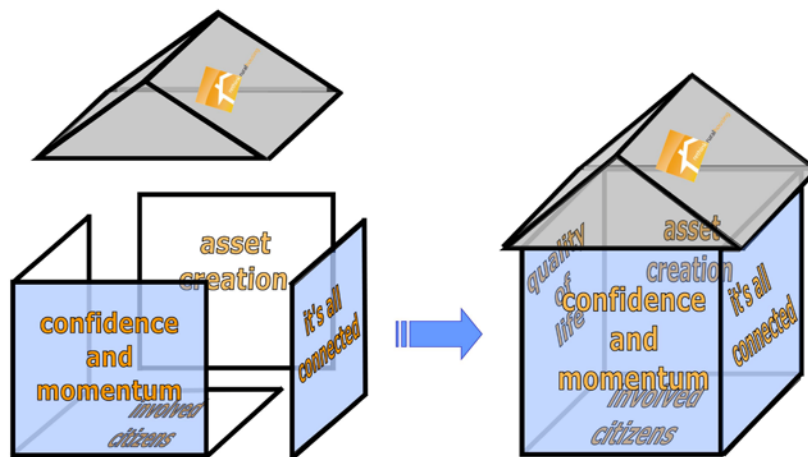
1. **Building Houses is a critical part of Economic Development.** South Dakotans have always known this. But we've forgotten it for at least a generation.
2. **Small communities and housing resource providers need to rethink rural housing development.** It's a vital part of a wholesome community development strategy.
3. **Building better neighborhoods can be a catalyst for broad, shared vision in rural communities.** Great neighborhoods engage people in their community. Pride

and excitement from a great housing development is contagious. Developing neighborhoods can start a snowball of community development activity.

There are many reasons we think these things. We'll cover most of them in this manifesto. But we make one key proposition that helps to support our conclusions: We found that rural South Dakota missed a whole generation of housing development. We simply quit building new homes in most small towns around 30 years ago.

Because of this, most rural community leaders have no experience in housing development. There's little understanding of the connection between housing and economic growth. We've forgotten how to make our places (communities, neighborhoods, and homes) *vital, beautiful* and *valuable*.

Is building houses really a critical part of economic development? Can it really change our communities' future? We think absolutely. Here are a few reasons why:



- *Building homes is connected in many ways to overall economic and community development.* Business development, schools, population, tax revenue, community engagement—they're all connected.
- *Building houses builds contagious confidence and momentum in rural communities.* A new home is a strong message that the owner believes in the future of the community.
- *Homeowners have a stake in the future of their communities that compels them to become involved citizens.* They've often invested a lot of money. They're paying property taxes. They care what happens in their community.
- *Home ownership is the foundation of asset creation.* A home is the biggest asset most families own. It appreciates while they care for it. As that asset grows, so does the family's economic impact on the local community.
- *Vibrant neighborhoods improve social interaction and quality of life.* People living in beautiful, safe, walkable communities talk to each other more. They enjoy daily life in their community instead of just sleeping there. They make it their home.

These underlying principles are the building blocks of our manifesto. We've assembled them, along with our other research, into a strong foundation for housing development in Small Town, South Dakota.

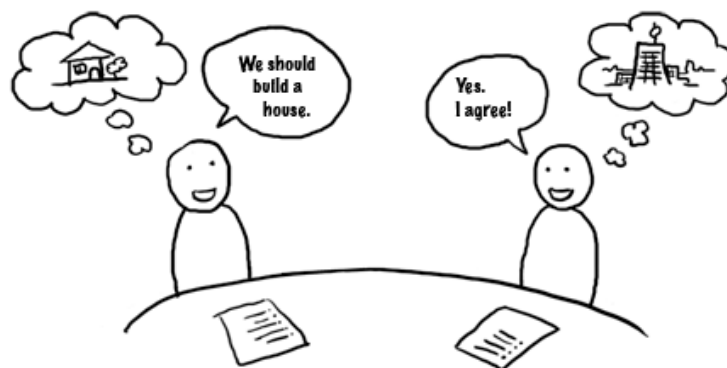
## **How Some Small Towns are In the Dark**

**Lone rangers.** A number of housing developments have been started across South Dakota's small towns over the last few years. Most of them were put together by private *lone rangers*. These are well-intentioned individuals or small groups who begin clearing land, installing pipes or building homes on their own. They might be a construction contractor, a community leader, a small group of visionaries, or a person with an idea and gumption. They don't necessarily get permission or support from the community. They usually have no experience. They are do-it-yourselfers.

Lone rangers almost always mean well. Most do it with the future of their community in mind. Most also lose money on the project. They go at it alone because there is no structure for housing development in their community. Leadership on this issue is often unclear, with more than one point of "energy" (people or groups talking about housing). Lone rangers find themselves as default or self-appointed leaders, and they charge forward.

Because lone rangers are self-appointed torch-carriers of housing, they are often met with indifferent reactions or resistance from local government. Local leaders often stay on the sideline. The county stays out of the discussion entirely. Community members feel disengaged and worry about private gain from a "community" project (especially if public dollars are involved).

**Short on vision.** Because there is no intentional housing development strategy in the community, housing becomes driven by individual projects instead of a broader vision *for* the community and *by* the community. In this case, there can be no broad-based decision making around housing. People may agree on "let's build," but what that really means usually isn't clear.



All of this is a symptom of no vision for the future of the community. We've found very few small towns in SD with a written vision or plan in place.

**Lack of experience.** In rural communities where some housing development *is* taking place, there is rarely an expert who's done it before. It doesn't matter if it's a community project or a private development, the developer is usually going about it through a trial and

error process. There is almost never an upfront, step-by-step plan. Seldom has an objective analysis or market study been done showing what kind and how much housing is needed. Very rarely is there a solid strategy in place to sell the lots or homes once built. Newly christened “developers” often struggle through the process.

**Mysterious and fragmented.** Help is out there, and on many fronts. Resources in financing, grants, neighborhood development, design, homeowner education—these and many others are available from private, state and federal organizations. We’ve found that small town leaders just don’t know what these resource providers can do to help them—if they know the organizations exist at all.

The providers tell us they simply can’t keep track of what is going on in every small town, so it’s impossible to offer help at the opportune time. There is a growing disconnect between resource providers and the small communities they can serve.

Most of the programs are great. They really can help small communities. Another problem, though, is the sheer variety of programs. Many are similar in nature, and resource providers don’t have a formal process for communicating about mutual or potential clients. There is a disconnect *among* resource providers too.

**Infill vs. Outskirts.** Virtually all housing development that is taking place in small towns is happening on the outskirts. The result is often all new infrastructure and utilities, large open lots, wide streets and spread out services. Many annexes are cut off from the rest of the community. Trees, parks and sidewalks are an afterthought (or left out entirely). These developments are not designed for people and sense of place. Instead, there is a total focus on the house and yard, not the neighborhood. The developments are made for cars (as evidenced by the garages that dominate the façade of the new homes), and make human interaction less natural. Usually, opportunities for infill or redevelopment in the existing town are overlooked, and strategies to rehabilitate older, run down homes are forgotten.

In a pinch, most rural housing developers (private or otherwise) choose what they believe is the lowest cost, easiest path—creating a new development on the edge of town. Often site preparation and installing a complete infrastructure increases the cost of development rather than resulting in savings. Other results can be poorly designed streets and infrastructure, wasted space, and unpredictable zoning code. All of these factors can create a degraded sense of neighborhood, pride and investment in our rural communities.

**Where did the houses go?** Most rural South Dakota towns missed a whole generation of housing development. The average age of homes in our state’s rural communities is over 48 years. More than 40% of the homes in those communities were built *before* 1940. Take a look at how our rural, non-reservation counties compare to the 16 largest counties in our state (from 2000 US Census data):

<b><u>Age of Housing in South Dakota (as of 2000)</u></b>			
	<b>Rural Counties*</b>	<b>Counties w/ Communities of 2500+</b>	<b>Difference in Rural</b>
<b>Avg. Age</b>	48.5 years	37.2 years	24% older
<b>Built Before 1950</b>	48%	29%	60% more
<b>Built 1995-2000</b>	4%	11%	36% fewer
Source: Office of Social and Economic Data Analysis, University of Missouri, Census 2000			

We believe the gap is even wider today. Beginning in the 1970's, and through the 80's and 90's, very few houses were built in our small communities. That's a critical period of overall decline in most of South Dakota's small towns. What happened? Crippling youth out-migration, declining populations, dropping school enrollments, shrinking number of family farms and waning Main Streets—several factors converged to cause a decline in rural South Dakota. If people have given up, they disengage from the community.

Many communities, along with our State, responded by institutionalizing economic development. Local economic development corporations were formed all over and best practices were shared around the state in an attempt to recruit jobs and keep people in our small towns. Yet, we've found almost no local housing development organizations in rural South Dakota, and few regional ones. While "job creation" rose to the forefront, housing development became a forgotten practice.

**Some good stuff too.** The picture we've painted so far, while very common, isn't all true in every small town. Each community is different, with a different set of issues and understandings about housing development. Not everything we've learned is disheartening.

There are plenty more great stories out there which are highlighted in the Rural Housing Playbook. In general, we found that most communities recognize that housing is important to their future. Most haven't consciously made the connection to economic and community development, but they do have an attitude of "let's build."

Another discovery was that construction capacity is strong. In other words, there are plenty of builders, contractors and lumber yards to serve our small towns when they decide to build houses.

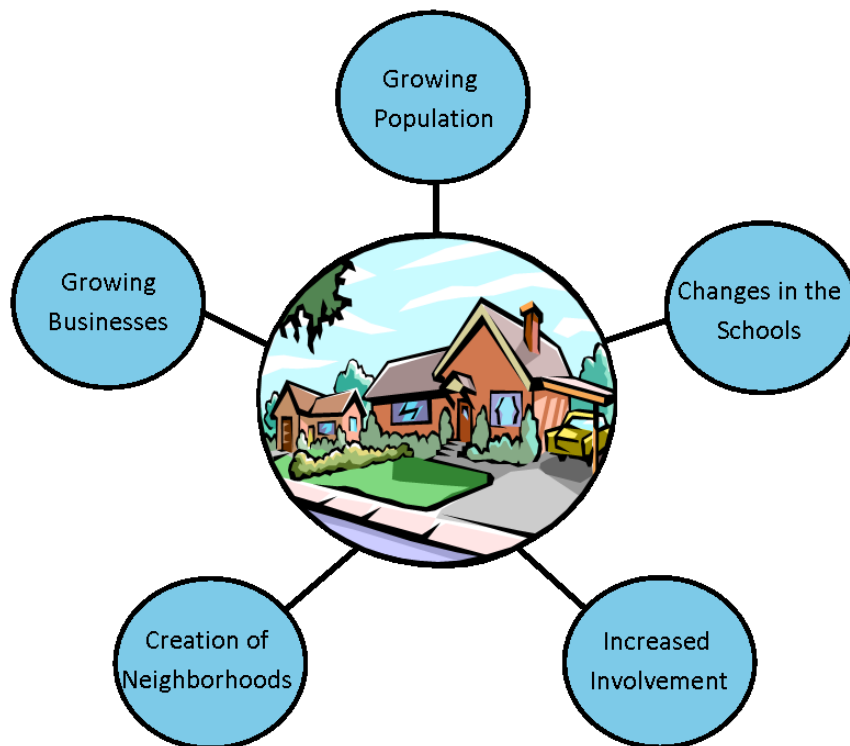
There are many great programs out there for potential homebuyers, developers and communities, too. Resource providers across the state recognize the disconnect between their potential clients and among each other and want to fix it.

**The recent "Ah-ha!"** Housing advocates and resource providers across South Dakota told us that just in the past 2 to 3 years, a handful of communities have suddenly "got it." They've begun to see the link between housing and economic/community development. The mythical switch is beginning, ever so slowly, to flip.

## Rethinking Rural Housing

It's the system of housing, statewide, that really needs a fresh look. From the way small towns think about it, to the way organizations help them, it's time to transform rural housing development in South Dakota.

**It's all connected.** Homes and neighborhoods are a part of the larger whole. To truly understand our communities, we must look at them holistically—as a living, breathing system. This means business development, quality of life, school enrollment, wealth creation, engaging leadership, taxes and all the other “parts” in the community “whole” are all connected in some way to housing.



Housing has a relationship and connection to many parts of community building and life. Growing businesses need employees, employees need a place to live and communities with great neighborhoods help local businesses recruit workers. Retailers need customers; housing development brings new ones to town. Communities are looking to grow in population; great and beautiful neighborhoods attract families and retirees. Rural schools need more students; a growing population answers that. Great neighborhoods and strong quality of life in a community help schools recruit great teachers. An increase in the number of homeowners increases community involvement. Young people begin to see a place they want to return to instead of a dying town to run away from. More diverse leadership emerges. Neighborhoods built for people create stronger ties and interaction among residents. Well-designed neighborhoods become filled with people of all ages, incomes and life stages. Families begin to grow assets and increase their ability to buy local goods and services. Retirees and seniors begin to see an opportunity to age in their hometown. Transfer payments and retirement incomes stay in the community. As population, diversity and opportunity begin to grow, entrepreneurs emerge and community projects begin to blossom. The connections go on and on.

The connections are complex, but the ideas seem simple. Building houses truly causes a snowball effect in small towns. Each part of the “system” in a community’s development is dependent on the others. When momentum builds around housing, the whole community begins to come to life.

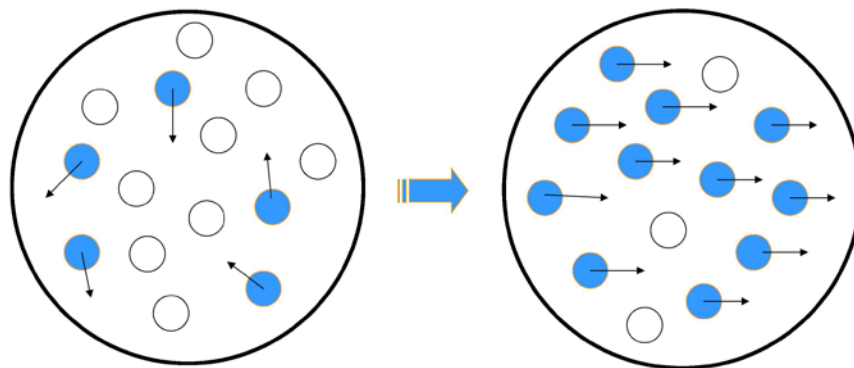
**Everybody, now.** Positioning housing as a catalyst for change requires a lot of participation. The whole community needs to be engaged. To win, many communities will need to create a new mindset—one that includes housing development. People must believe in the future of their community.

This starts with developing a shared vision for the whole community—including an action plan to make it real. Housing needs to be part of a sustainable, long term path to a brighter future. This builds context for housing initiatives to take place, and sets town leaders, especially the City Council, up to become proactive players. A vision that includes housing gives the Council and other leaders permission (and political “cover”) from the community to do something special.

Housing can be the catalyst for that shared vision. You need to start somewhere, focusing on a specific part of community development—like housing—and growing the vision from there.

**Swim together.** With a shared community vision in place, small towns can work toward making that vision real. To do that, the leaders and organizations need to be on the same page—lined up toward the same long-term goals for the community.

The left side of the diagram below on the left shows what many communities look like in rural South Dakota. The small circles represent individuals and organizations (like City Council, the economic development corp., the commercial club, etc.). The white circles represent people and groups with no involvement, while the blue circles are those leaders and organizations working toward a better future for the whole community. The problem is, they each have their own idea of what that future looks like. Even though they are all well-intentioned, they end up doing their own thing, ignoring what the others are up to, and bouncing into each other. The result is the whole community gets stuck in neutral.



The diagram on the right shows what that same community might look like if all those points of energy got together and formed a shared vision. More groups and individuals would be in the game. Those blue circles would begin to take on their own part of the action plan, moving forward together. The whole community begins to launch ahead toward that better future—the one that they chose and understand.

It's much like a school of fish, all swimming in the same direction. Even though that school is made up of many individual fish, the whole *system* moves forward as one.

As small towns begin to form that vision around housing development, some things are a big deal. Put in place consistent, passionate and trained leaders for the housing movement. Educate those leaders up front. They need to learn how to put together and follow a step-by-step process for building neighborhoods, and how to connect with available resources. Harness the energy of the lone rangers, and align and connect the groups talking about and working on housing development.

Education needs to be a key push for the whole community, too. Help them to really understand why housing is important. Position local lenders as experts who teach the community about financial fitness and home buying. Show people how building houses can get that snowball rolling for the town's future.

**There go the neighborhoods.** We, as rural South Dakotans, like to talk about our small towns as a place with strong sense of community and great neighborhoods. The fact is we haven't been doing much to make that true in the past couple of decades. We assume it's still happening, but we keep *doing developments* instead of *building neighborhoods*. It's time to restore a fabric of community. It's time to change our mindset. It's time to truly build better places—to build like people really matter.

Building a neighborhood is part practice, and part physical. The physical part is about design. It's creating neighborhoods that are assets to a whole community, that make that town a more attractive place to live. That means designing them for human interaction, ones that lend themselves to connecting neighbors. It means building with a balanced approach to saving costs and creating growing assets. Build your neighborhoods so they are beautiful, affordable, walkable and forever.

The other part of building neighborhoods, practice, is important for both new and old parts of town. Develop organized group structure and interaction in neighborhoods. They get residents involved in neighborhood projects, gatherings and celebrations.

Great neighborhoods are built for people of any age, income or life stage to enjoy. They encourage interaction and physical activity. They are full of beautiful, lasting buildings with a variety of uses.

**Love those open spaces.** South Dakota's greatest physical asset may be its beautiful, wide-open landscape. Open space is a treasure, and a resource that can carelessly be used up in and around our small towns. When building new neighborhoods, let's build them with a minimal impact on the environment. Chew up as little open space and agricultural land as possible. Push residential development into more dense pockets of towns and villages. Design parks, green space and gardens into the development plan.

To do this, communities need to look right under their noses. Many opportunities for infill and redevelopment projects lay in waiting in our small towns. One way is to reinvest in a run-down neighborhood by refurbishing the homes and streetscapes. Another is to convert an "ugly" former land use into a beautiful new residential neighborhood—infill projects like reclaiming a junkyard, elevator site or former petroleum products site that is adjacent to the traditional neighborhoods in town. These projects reuse valuable space, often cost far less for infrastructure and land acquisition, and do great things for the environment. Best of all, the neighborhoods that are refurbished or built on infill sites create a stronger, more attractive community.

**Beyond the water tower.** Our research found a few regional organizations developing houses and neighborhoods in a specific geographical area, and we've learned a lot from their work. However, we couldn't find one example of regional collaboration between communities specifically around housing.

Don't go it alone. Seek outside partners to provide resources like training, financing, infrastructure development, etc. Find other communities that have done it before or are going through the same processes, and learn from them. Share your knowledge and learn together.

Looking for answers outside the community isn't just about technical help, though. It is important to be intentional about providing the full housing cycle to community residents. Not every small town in South Dakota can provide all these pieces alone. So work together with your neighbors. The housing cycle can be regional. Talk with other communities in the area about how, together, you can provide for the whole cycle in a win-win partnership.

### **Stop, then start anew**

So, we've contended that, while they want it to happen, most small towns in South Dakota are **in the dark** when it comes to housing development. We've pointed out that lots of help is out there, but it's often **fragmented and mysterious**. We've shined some light on a **new way of thinking** about building houses in our rural communities, and introduced you to some new approaches.

That's our manifesto on rural housing development. There's nothing earth shaking or startling here. Some of it is based on data and trends, but a lot more of it is really about listening and understanding. It's stuff we already knew—we all just forgot.

Seeing something anew starts with stopping. We need to stop thinking in the way we always have, to remove ourselves from the grind. Once we step back to truly listen and learn, fresh insights just happen. That's how you *rethink*.

Help your community make a new start by positioning housing development and revitalization as a key component and catalyst for improving its quality of life. Try using the strategies and approaches outlined in the Rural Housing Playbook to develop a team and a plan that involves the whole community. Engage the technical assistance and resource providers as coaches that can help you plan your game and advance your plan. Then practice, practice, practice. Continue learning, exchanging information, and relying on your newly-created network to improve, maintain, and sustain your communities.