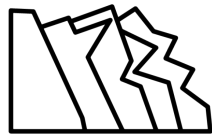




HOUSING TOOLKIT

**FOR RURAL
SOUTH DAKOTA
COMMUNITIES**

POWERED BY



**DAKOTA
RESOURCES**

Dakota Resources is a certified CDFI and an equal opportunity employer and provider.

This Toolkit is For You.

Community leaders from five rural communities in South Dakota -- Lemmon, Centerville, Redfield, Wall and Webster -- have worked collaboratively to put together a “how to” to support dealing with dilapidated properties. Our learning and experiences by no means makes us experts, but almost!

We are sharing our journey to point other small communities in the right direction when dealing with dilapidated housing all the way through redevelopment. We call this our Dilapidated Housing Tool Kit. We hope to give you enough information so you can reach out to the “experts” to help your community become bolder in decisions and brighter in appearance.

For ease of use, we have divided our work into five categories:

1. **Codes:** Knowing which codes your city has adopted is a great place to start; without good codes it is hard to deal with dilapidated property. Using an impartial code enforcement officer has proven to be effective.
2. **Acquisition:** Acquiring property can be a daunting task. First, you need to know who owns the property so you can make the owner understand they need to keep their property clean and safe. Often times, when property owners find out codes are being enforced, they start cleaning things up or even offer it for sale at a reasonable price.
3. **Demolition:** Communities can offer financial assistance or incentives in tearing down property. This can be a double edged sword because the property owner is ultimately responsible for their property. Some communities just want the property disposed of, while other communities may put a lien on the property.
4. **Redevelopment:** Communities often use the local Public Housing Authority as a catalyst in developing housing. If you are ready to redevelop, have no

developers interested in your project, and would like to maintain a manager in the community reach out to the Housing Authority. You may find that they want to help with this piece of the puzzle.

5. **Resources:** Many communities use outside resources to assist low-income families in fixing and repairing their homes. These resources vary across the state and it is best to reach out to the entities listed in this tool kit to see which program best suits the homeowner. Additional resources can be utilized by developers, government and non-profits to spur housing development.

The Creators.

This is just a small journey outlining the toolkit information provided by our team. We hope you find this information valuable and please remember no question is a bad question. There are many small communities that have been very successful in finding solutions to housing issues. Please don't be afraid to reach out to anyone listed in this document.



Housing Toolkit Version 1.0 (2018) Creators (from left to right): Jared Hybertson (Centerville Economic Development Corporation), Cathy Evans (Lemmon Housing Authority), Melissa Waldner (Webster Area Development Corporation), Cheyenne McGriff (Wall Economic Development Corporation), and Lisa Zens (Grow Spink).



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Each tool in this housing toolkit contains a clean version which can be printed and utilized, [located at this Dropbox link](#). This link is also listed at the bottom of each page.

CODES





Hiring a Code Enforcement Officer in Kimball

After learning about the role of code enforcement officers at an RuralX conference session in 2016, Anita Holan decided to pursue the idea in her own community of Kimball, where she serves as the Economic Development Director.

“The more attractive a town is, the easier it is to recruit and retain businesses,” she explains. “Quality housing is important to the vitality of a community, and therefore becomes important to my job in economic development.”

While at RuralX, Anita heard about Mike Olsen, a code enforcement officer contracted in several rural communities around the area. She talked with Mike about the needs in Kimball, and a few months later, he presented his information to the City Council. In August 2017, he was officially hired.

The first step in the code enforcement process involved having Mike assess all the properties within the Kimball city limits and writing up a list of homeowners in violation of various city codes.

“That first list involved around 147 junk cars and 22 homes that weren’t up to code,” she says.

A letter went out to the identified homeowners, explaining the violations and asking them to take care of the problems. Most of the feedback has been positive, with an impressive rate of compliance with the people in the community. In fact, many people have taken the initiative to clean up their properties even without a violation letter. There were a few unhappy residents who challenged the letter, but the City of Kimball tried to work with people as much as possible.

“Most of the negative feedback centered around people who didn’t think it was fair, who couldn’t afford to fix the problem or who said the violation had been that way for decades,” she explains. “We did our best to explain the reasoning behind the rules. In many cases, the fix was easy—a little paint, a license or a trip to the dump.”

With the help of Mike, city law enforcement and the city council, many of the problems have been corrected or are being worked on, including the demolition of three dilapidated properties.

“I have had neighboring communities comment on how much better Kimball looks,” she says. “They notice we are cleaning things up.”

The plan for the future is for the city law enforcement officer to handle code enforcement issues as they occur.

“It’s a step in the right direction,” says Anita. “As soon as we get things where they need to be, our local police officer should be able to just handle a few situations at a time. In the end, we all benefit.”

For more information, contact **Anita Holan**, Kimball Economic Development Corporation
PO Box 16, Kimball, SD
605-730-3237

How to use this tool: Nuisance code enforcement is no fun. It can be a challenge to convince city leaders that they need to stick to implementation and/or enforce these codes. The following article was written for a local newspaper by a community leader in SD to help residents better understand nuisance code enforcement and why it is important. You are welcome to reprint this article or parts of it as a part of your efforts to educate your community.



Addressing The Dilapidated Housing Issue In Our Rural Communities With Code Enforcement

Like most small towns, your community no doubt has its share of nuisance properties that have become an eyesore. These are the homes in your community that have been neglected over the years and have fallen into a state of disrepair or have become what is known as dilapidated. In many cases these properties continue to go unaddressed in our rural communities. Often, this can be due to City Officials being hesitant to push

the issue on property owners or a lack of knowledge and understanding on how to address the concerns.

If this scenario sounds all too familiar in your community, one suggestion might be looking at strengthening your community's property maintenance ordinances and bringing in a code enforcement official. These components working together could be the key to addressing nuisance properties in your community and getting the results you are looking for with dilapidated housing.

Here are some of the questions your community might be asking and some thoughts on how you can approach them.

Why should my community look to address nuisance properties?

Controlling nuisances keeps communities safe, livable, and economically viable. In most cases this comes from how citizens perceive their community and how they want others to perceive their community. It is the duty of a City Government to protect its residents from environmental harms, while striving to enhance quality of life in their community. Keeping up the overall look and feel of a community gives residents a sense of place and community pride. Housing that is falling down, unsafe, or to the point where it is beyond repair can be a detriment to a community. These types of structures, along with properties that may have lesser violations, like the accumulation of junk, inoperable vehicles, overgrown vegetation, or other visual clutter can be seen as deterioration in a neighborhood or at the very least makes for an eyesore for the neighbors.

What ordinances allow us to address nuisance properties?

The first place to start is taking a good hard look at the City ordinances already in place to determine which ones may or may not already address nuisance properties. City ordinances often give you the leverage you need to enforce nuisance laws and put

pressure on property owners who are not in compliance. Reviewing your City ordinances is a great first step.

The next step would be determining if your City and elected officials are familiar with the ordinances that address property maintenance and if they are on board with taking the steps to abate and clear a dilapidated property. An abatement Notice is a notice served on the owner of a property from which a private nuisance exists, warning them of the intention to enter on the land in order to remove or put an end to the nuisance.

Ordinances such as these that address nuisances and layout out a City's legal right to tear down a property are in place to prevent and eliminate blight in your community and address possible safety hazards. Code enforcement very simply put is the enforcement of a City's ordinances that pertain to land use, and the standards that are in place for maintaining that land and its the structures.

In most cases, the majority of your community would probably agree that keeping your community clean, safe and appealing is an important priority. However, the topic of code enforcement often tends to make people somewhat uncomfortable and can be controversial at times, especially in a small town. For City Council members, City employees, and your local police officer it's no easy task to enforce these ordinances in a small town when everyone seems to be someone's relative, neighbor, friend, or co--worker. Whether the topic makes you uncomfortable or not, the fact remains it is an important aspect of City Government. And, if your town is like most rural communities in the Midwest there is a growing need to address these dilapidated properties in your community, especially if you are hoping to keep your town appealing enough to attract new residents.

How complicated is the process of enforcing nuisance ordinances?

When it comes to code enforcement, if you are ever unsure about the proper steps to enforce an ordinance, or uncertain how to move forward with the abatement of a nuisance, it is always best to consult your City Attorney prior to moving forward. If handled properly in the beginning, and the correct procedures are followed, the chances of the City getting sued becomes very unlikely as the ordinances are codified law in your City's ordinance books. The best--case scenario in any community is the code enforcement officer working side by side with City leaders to address property maintenance concerns for the safety and betterment of the entire community. Together they would educate the public on City ordinances, encourage voluntary compliance, and coordinate community cleanups, and public service projects. In some instances, the code enforcement official would assist your community in pursuing legal remedies for abatement, if necessary. Together the code official and City attorney would advise the City on the proper steps for things like abatement and demolition of dilapidated structures. Once the proper procedures are in place the question, "What can we do to legally tear down that old house that is such an eyesore", doesn't seem so overwhelming. Having a code enforcement official to guide you through this process from beginning to end gives you greater peace of mind.

Who is able to enforce these nuisance ordinances?

Adopting tougher ordinances on property maintenance is a great first step toward keeping your community clean and vibrant. As you work toward getting community leaders and City Officials on board with the idea of property maintenance and code enforcement you may find yourself asking, who is going to enforce these property maintenance ordinances? Often City Hall is understaffed already and there may not be the opportunity to add this duty to an existing employee's workload. The fact still

remains that you may find it difficult to police these ordinances internally in a small town without bias.

In some larger communities there is often one or two paid staff persons at City Hall that handle things like building codes and property maintenance ordinances. However, our smaller more rural communities are often operating on limited budgets and things like code enforcement tend to be an afterthought in the budget. In order to best enforce the nuisance ordinances your community has in place or that you will look to adopt, your City Council may want to consider contracting with a part time code enforcement officer from outside your community. The duty of a code enforcement officer is to ensure that property owners are maintaining their properties to comply with minimum standards set forth by a City's ordinances. Contracting with an unbiased expert from outside of your community might be an appealing affordable option. It can go a long way toward achieving your desired results. Contracting with a code enforcement officer from outside your community can also alleviate some of the stress and awkward conversations for your local elected officials.

Although some jurisdictions require that a code enforcement officer have some sort of certification or education related to construction or building inspection, most anyone willing to familiarize themselves with the ordinances and the proper procedures can suffice as a code official. One very organized individual, with the knowledge, and thick enough skin may even serve as the part time code official for multiple communities in one region. This is often the case in our smaller rural communities where resources are limited.

How can we better address these types of issues facing our community?

As mentioned before, most City Governments have existing ordinances that allow them to address nuisance properties. However, many communities have taken their ordinances one step further by adopting the International Property Maintenance Code.

Read more about the effective use of the International Property Maintenance Code [here](#).

The International Property Maintenance Code works in conjunction with your existing City ordinances. This model code developed by the International Code Council regulates the minimum maintenance requirements for existing buildings in a community. Your success with this or any other ordinance may ultimately depend on how hard your City Officials are willing to push the issue and available community resources. If your City Council is not agreeable with the steps needed to enforce these ordinances your community may find itself continually spinning its wheels with little to no results. This can find you staring at the same dilapidated nuisance properties in your town for years, even decades. So, if you feel your community just isn't getting anywhere with your current ordinances, it would be worth looking into adopting The International Property Maintenance Code to give your community more leverage. However, if ordinances aren't the issue but rather you have a complacent City Council, you may need to approach more proactive citizens in your community with the idea of running for a position on City Government in order to see some results.

The big picture when it comes to property maintenance code enforcement:

From an economic standpoint in your community, code enforcement is vital to the continued success and growth of your town. Code enforcement can play a major role in keeping your town clean and attractive. Your community's physical appearance plays a vital role in attracting not only new residents but new businesses to your town. The enforcement of nuisance ordinances partnered with campaigns for community cleanups and beautification projects are all part of ensuring a safe, healthy, and desirable community.

Your community's property maintenance ordinances along with a knowledgeable code enforcement officer can be an effective way to address nuisance issues and get the

results you are seeking. There may be some difficult conversations that need to be had along the way with City officials and longtime residents of your town. In the end you have to believe they will also see the steps that need to be taken in order to ensure the long--term sustainability of your community. It will take commitment from City leaders and officials, but used properly, code enforcement can go a long way toward improving your housing stock, your economy, and the overall appeal and vibrancy of your community.

Source:

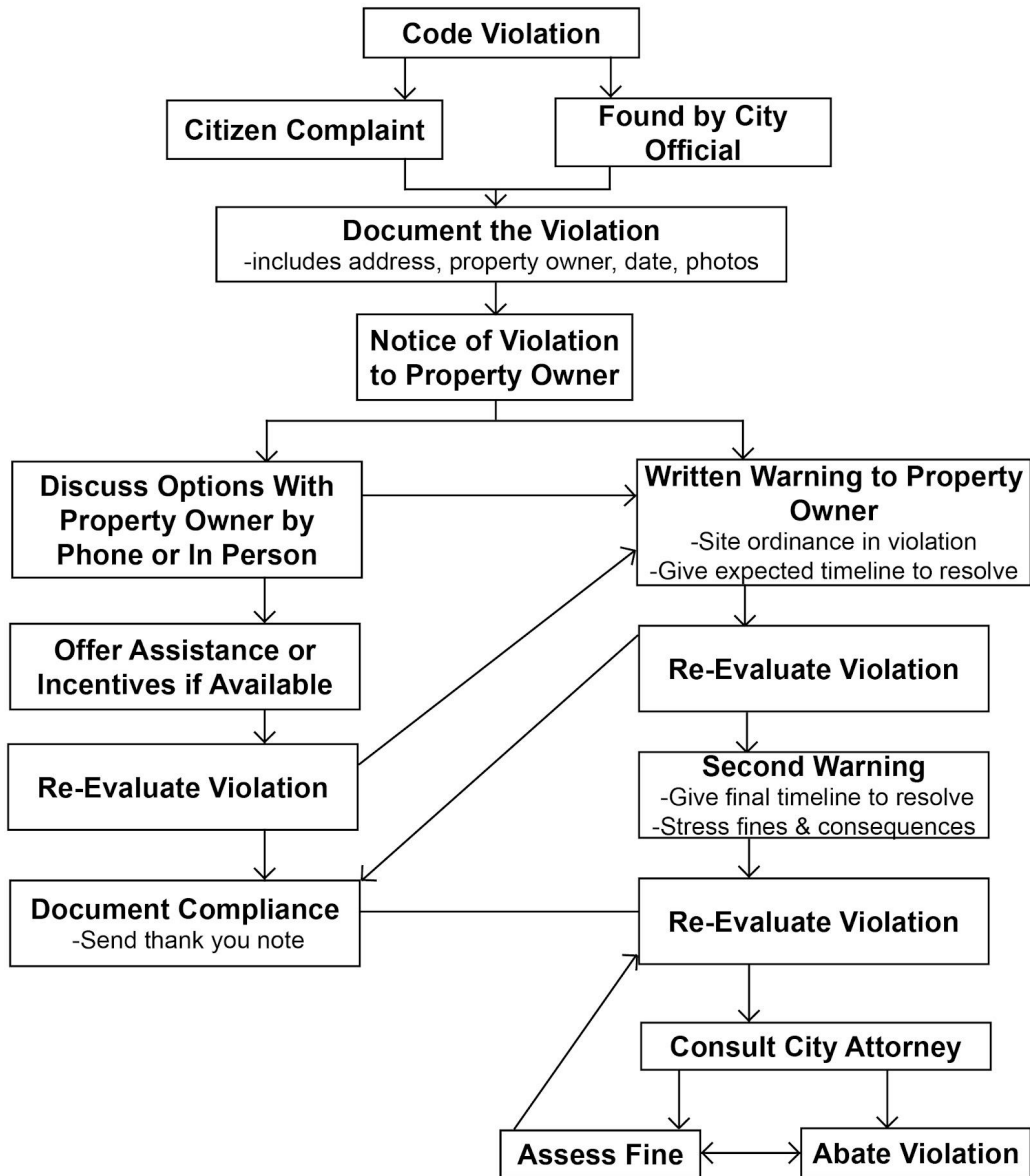
ICC Safe. "[Effective Use of the International Property Maintenance Code.](#)" 2017.

How to use this tool: The following flowchart for code enforcement is an example of how your community might implement a step by step process to address property maintenance violations. Each situation can be unique and may need to be assessed and handled as such.



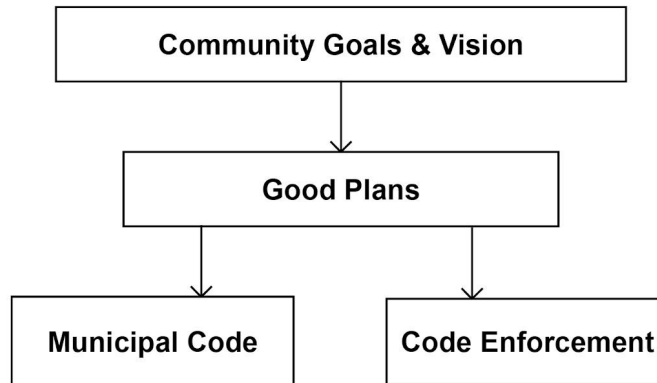
Code Enforcement Step by Step Flowchart

As you can see in the flowchart below, the process of code enforcement can take time and may have several variables. By following these steps, you might just be able to help your community achieve the results they are looking for:



How to use this tool: Many communities have good codes but do not understand how to enforce them. If your community is in this situation, you may want to share this document and have a conversation with city officials about why this is happening. Remember to be non-judgemental during these conversations because you may not understand all of the reasons codes are not being enforced.

The “How” of Code Enforcement



How does the code enforcement process work?

Code enforcement is a confusing and misunderstood profession that most people know very little about. After many years, several South Dakota communities have come to the conclusion that they have not been properly enforcing building codes.

Step #1: Ensure consistency

Make sure the code and zoning map are consistent with the general code.

Step #2: Look over current code

Visit your city office and request a copy of current code enforcement plan to ensure the code represents the community’s goals. Make sure your city officials, along with the planning and zoning commission, are familiar with the codes. Having a complicated code can lead to confusion. Simplifying codes provides the public and officials clarity to understand what is permissible and what is not.

Step #3: Enforcement and Strategy

Often times communities neglect to enforce codes and this places them in difficult legal situations. If this is done the city should lay out a plan and methods along with a plan of action so citizens understand their intent. Enforcing codes can change the culture of your community.

Step #4: Evaluate community's vision and goals

Allow public input so residents can collaborate with city officials. Inform the public their input is valuable but ultimately the community leaders will be responsible for enforcement codes. Allowing public input for writing and enforcement will help the community feel more comfortable with code implementation.

Step #5: Enforcement Officer should know the code

Consistency is very important for code enforcement. In small communities where budgets are limited it may be beneficial to hire a professional to save on costs and manpower. The code enforcement officer's role is forever changing and can be very demanding at times. When compliance objectives are met it may also be beneficial to have a professional patrol once a year.

Step #6: Clean-up day

Having a clean-up day prior to code enforcement ensures residents have had the opportunity to come to come into compliance.

WORKS CITED

ICC Safe. "Chapter 1 Scope and Administration." 2013.

<https://codes.iccsafe.org/public/document/IPMC2012/chapter-1-scope-and-administration>

Useful Community Development. "Code Enforcement is Vital to Community Development."

<https://www.useful-community-development.org/code-enforcement.html>

SD Department of Environment and Natural Resources. South Dakota Planning Districts Map.

https://denr.sd.gov/des/gw/Sourcewater/Planning_District_Map.pdf

How to use this tool: The following is a template of a Nuisance Abatement Letter. These letters are often sent out to property owners who have refused to follow through with previous official communications regarding property violation.

Abatement Letter Template

City of
XXXXXXX

...Place Your Header Here

Date of letter

Name of Property Owner
Address
City, State Zip

Re: Ordinance Violations at
Property address, State, Zip

Dear Mr. or Mrs. _____,

This correspondence is to advise you that the City of _____ is prepared to abate the violations that exist on the property at full address here. An estimate has been obtained by the city and the abatement will take place sometime after set date.

Please take this final opportunity to remove any and all personal effects that you currently have in the structure(s) located at full address here **before, set date**.

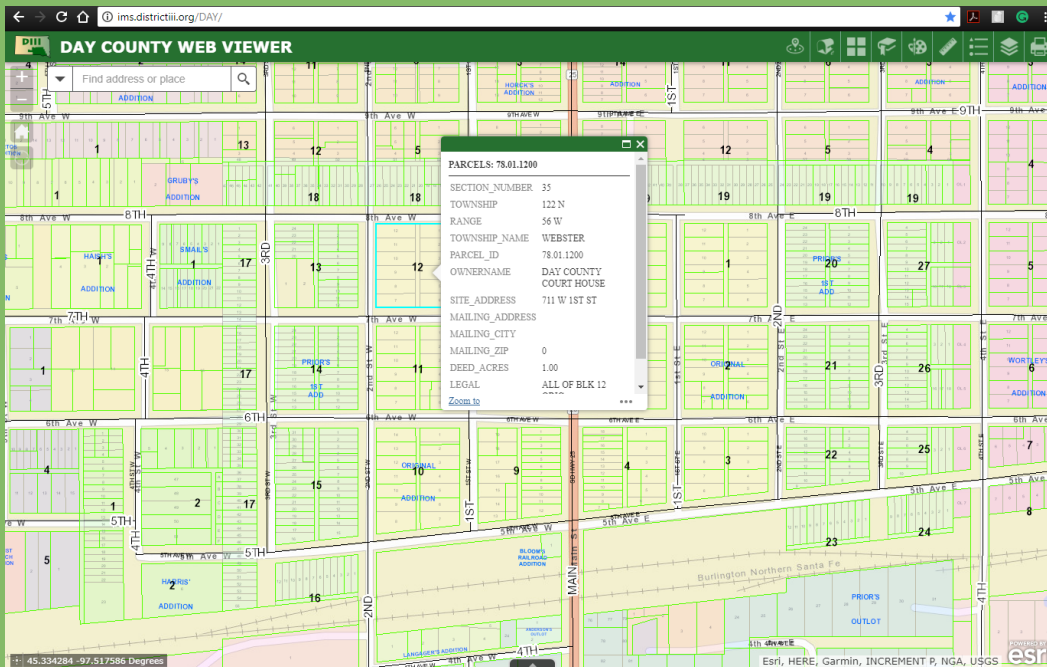
Thank you for your immediate attention and cooperation in this matter. If you have any questions, please give me a call at phone number of code enforcement officer here.

Sincerely,

Code Enforcement Specialist
City of _____

... place City contact and mailing info here

ACQUIRE





Home Acquisition Tactics in Redfield

In the past 15 years, over 80 dilapidated properties have been acquired and demolished in Redfield, making way for new development or for community beautification purposes. The efforts have opened up new housing opportunities and have been a part of Redfield's overall economic development plan to help attract new businesses and people to town.

Part of the success in Redfield can be attributed to the fact that the City often works in conjunction with Grow Spink, Inc. to help with property acquisition. The purpose of Grow Spink is to promote, stimulate and expand economic, commercial, industrial and residential growth for Spink County.

Craig Johnson, former (now retired) Executive Director of Grow Spink, Inc., found a special kind of satisfaction in property acquisition in his thirteen years at the organization.

“One day you have an eyesore to look at, and after about a day of clean-up, you have a clean, empty lot in its place, ready for new development,” he says.

Over the years, Grow Spink Inc. has purchased multiple dilapidated properties in Redfield and partnered with the City for clean-up and re-development. While no two property acquisitions are the same, there are some basic rules to follow.

1. Partner with the right entities. Work with the City and be on good terms with the County States Attorney and County Treasurer's Office.
2. Be sure to take care of all the legal work so the property is free and clear of any liens, judgments, assessments, etc.
3. When possible, work with the County Treasurers Office to keep abreast of upcoming Tax Deed Foreclosures, appropriate redemption periods, and County property ownership dates.
4. Keep \$25,000-\$30,000 in a fund to be used for property acquisition—don't borrow money long term. Use the money from property sales to replenish funds.
5. Control the property. This is the main rule. Without ownership, a nonprofit is limited in what they can do with the property.
6. Don't try to do too much at once. Start with one or two properties a year.

A strong partnership with the City is essential in a successful acquisition program. In Redfield, the City worked hand-in-hand with Grow Spink in acquiring dilapidated properties. Occasionally, the City would identify an eyesore property and ask for assistance in the purchase.

"It's more difficult for a City to buy and sell property. It's a public transaction and there are government obligations involving surplus, appraisal, auctioning, and advertising which makes for a lengthy time frame. Deeding the property to a nonprofit organization, which is allowed by SDCL for economic development purposes, allows

the nonprofit to deal directly with a buyer or seller in a normal business transaction as done in the private sector,” explains Craig.

Redfield City has a street crew with all the necessary equipment that can also be used for demolition of property. This is accomplished in a time frame that suits the City. The City, in an agreement with Grow Spink, also maintains the property, such as weed control, snow removal and lawn care, while the lot remains vacant.

Craig’s expertise in property acquisition has brought him to make presentations and to work with communities like Faulkton, Doland, Conde, Northville, Frankfort and many others. He cautions that this line of work is not for everyone.

“You don’t always get to be the nice guy,” he explains.

For example, years ago an old mobile home park in Redfield was identified as an area to be improved. Most of the homes were dilapidated and in need of repair and replacement along with the infrastructure. Residents were allowed eight months to find a new home, but the decision to move the homes and relocate the people was not popular with everyone.

Once all the mobile homes were moved, the area was cleaned up and rezoned residential. Today six new homes have been built into the neighborhood, and the area is being considered for multi-family units.

“Sometimes the goal is to develop the land into something new. Sometimes it’s just to clean up an eyesore for the guy next door,” he says. “When I look around a town and see neglected property, I see an opportunity. The first step is simply to see if the property can be purchased directly without any government involvement. A nice conversation is a good place to start.”

*For more information contact **Gianna Lantero**, Grow Spink, Inc.
PO Box 436, Redfield, SD 57469
605-450-8755*

How to use this tool: Economic development professionals are often asked about the ownership status of potential development or redevelopment projects. This guide can help you pursue a project (to demolish, remodel, or build) on property you don't currently own. Finding a property owner's name and contact information can be as simple as visiting your local courthouse.

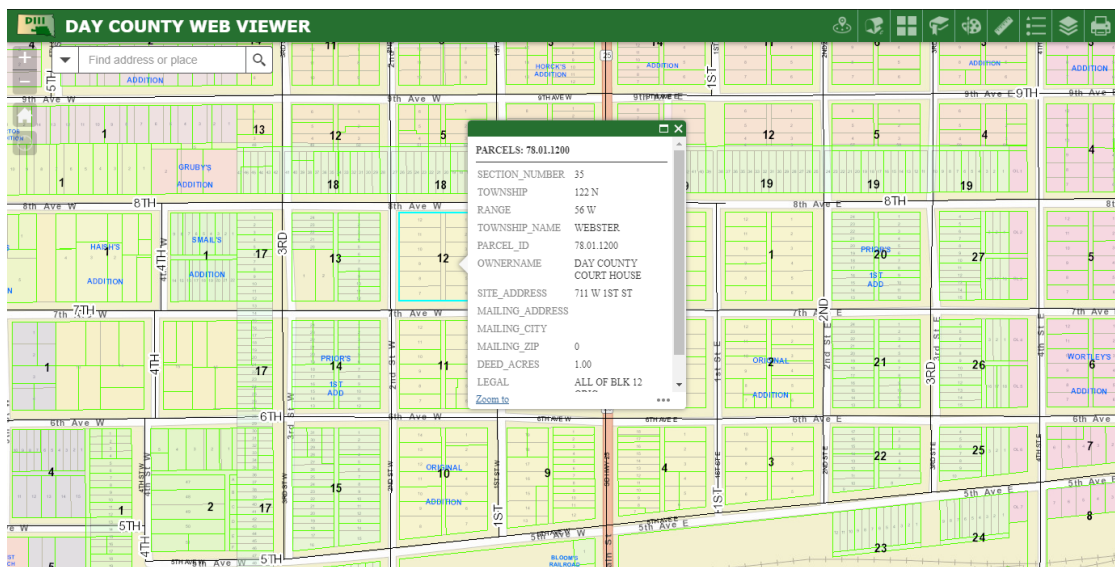
How to Find Out Who Owns a Property

Introduction

Public information can be used to discover more details about a property of interest, whether the intent is to demolish, rehab, or build. It is important to complete due diligence prior to acquiring property. This guide will help lead the way. Note: In some cases, it may be helpful to build relationships with staff in these offices.

Step-By-Step Guide

1. Determine the street address of the property.
2. Contact County Office of Equalization to find out whether or not your county provides an interactive mapping website based on Geographical Information Systems (GIS) data. Examples of GIS systems include: Day County (image below), Pennington County, and Codington County.



- a. If so, remember to double-check with the office to ensure you are looking at the most recent information.
 - b. If not, continue this step-by-step guide.
3. Contact County Office of Equalization to obtain the legal description of the property; the office can also provide the current assessed value of the land and any structures on it, plus a name and mailing address for the property owner.
4. Contact County Register of Deeds Office to check for any liens against the property or other “surprises” on the deed.
5. Contact County Treasurer Office to find out the property tax amount, and whether bills are current/past due.
6. Check WhitePages.com to find more details about the property owner, including phone number (if listed).

How to use this tool: Not every person who steps into economic or community development has a background in construction. This can make it challenging to understand when poorly maintained properties are salvageable. The following article is intended to help a newcomer better understand what to look for in a property during a quick visual assessment. It is always advisable to contact construction professionals when making final decisions.



IS IT SALVAGABLE?

If you are thinking about rehabbing an older home, perhaps you're wondering, "Is it salvageable?" This document will provide some insight and quick inspections you can do on your own to start answering this question.

In most instances it is beneficial to hire a building/home inspector or have a licensed building contractor to assess if the home is salvageable.

Asbestos: The only way to tell if a material actually contains asbestos is to have it tested. Contact an engineering or asbestos abatement firm to complete the assessment.

Chimney: Some older chimneys don't have flue liners, Check for brick inside the chimney that may be crumbling.

Electrical: If there is an old electrical box, it will no longer comply with city code. Be sure to check out the electrical panel and if it has fuses or the knob and tube wiring the home will need to be rewired.

Exterior: Wall covering, landscaping, grading, elevation, drainage, driveways, fences, sidewalks, fascia, trim, doors, windows, lights and exterior receptacles. If exterior is covered in siding, what is under it?

Foundation: Whether it is a slab or basement, look for suspicious cracks. It makes a difference whether they are vertical or horizontal, and often horizontal are worse.

Lead-based paint: Lead-based paint is normally found in homes older than 1978. However, homes newer than 1978 can still contain lead-based paint. To have peace of mind you can have the home tested. Badlands Environmental Consultants, Inc. serves the upper Midwest. www.badlandsenvironmental.com Phone: 701-223-7335.

Mold: There are many types of mold. You can test for mold presence in a home by testing the air quality. There are many mold test kits available.

Permits and Zoning: Check with city planning department to see the permits on the home.

Pest Inspection: Pests may not be big in the Dakotas, but make sure to check the sill to make sure the wood is not deteriorated.

Roof and Attic: Inspect framing, ventilation, type of roof construction, flashing and gutters. It does not include a guarantee of roof condition nor a roof certification. How many layers are on the roof? When will it need to be replaced? What is the average life expectancy of a roof?

Structural Elements: Construction of walls, ceiling, floors, roof and foundation.

Water and plumbing: If plumbing is galvanized, it may need to be replaced. Make sure the pipe materials are potable, drain, waste and vent pipes. Some galvanized pipes are so clogged that you can barely fit the lead of a pencil through them. If the plumbing is copper be careful of faulty joints.

Easy Fixes	More Expensive Fixes
<ul style="list-style-type: none">● Patching walls, painting● Replacing flooring● Light fixtures● Replacing baseboards and trim● Fixing broken windows● Replacing bathroom subfloors due to leaky toilet seals Resurfacing or painting kitchen cabinets● Changing receptacles, light switches● Painting exterior● Replacing or adding a deck	<ul style="list-style-type: none">● Replacing HVAC systems or adding central air● Repairing cracked or bowing foundations● Reroofing, when it involves tear off (How many layers)● Replacing plumbing, sewer lines● Replacing electrical lines and service box● Replacing cracked concrete, driveways, sidewalks and steps● Installing replacement windows● Kitchen and bath remodels● Building garages/additions

How to use this tool: The following is an example of a purchase agreement for a property. It is always advisable to utilize professional legal advice when purchasing property. This document, however, is intended to help you understand some of the components of purchase agreement.

Purchase Agreement

This Purchase Agreement is made and entered into the parties effective _____ (date), 20____ (year). The parties hereby mutually agree as follows.

1. **Parties.** _____ (seller name and address) and _____, (buyer name and address).
2. **Purchase Price.** Seller agrees to sell and Buyers agrees to purchase the following described property for _____ (amount). Seller hereby acknowledges receipt of _____ (earnest money) which shall be applied toward the purchase price at closing. The balance of the purchase price shall be due at closing.
3. **Description of Property Being Sold.** The legal description of the real property being sold is _____ (property legal description)
A 24'x42' split foyer home with an attached 24'x24' garage will be built upon the above described property. The lower level will be unfinished. A 12'x12' green treated deck with steps included. A copy of the house plan has been attached as Exhibit A in order to show the planned layout of the house. Buyer may request change orders in writing. Change orders shall be agreed upon by Buyer, Seller and the general contractor. The increased cost of such change orders shall be added to the purchase price and paid for by Buyer upon closing (further details optional)
4. **Title Matters.** Seller agrees to convey good and marketable title to the property, free and clear of all assessments, liens and encumbrances, to Buyer by Warranty Deed on Closing Date. Seller shall deliver to Buyer evidence of good and marketable title in the form of a current commitment for an Owner's Policy of Title Insurance within 30 days of signing this agreement. Buyer shall have a period of ten (10) days from the date of receipt of the Title Commitment within which to review and give Seller written notice of any reasonable objections to the condition of the title. If Buyer gives written notice of its reasonable objections within the ten (10) day period, Seller shall deliver to Buyer written notice that either (1) the Seller will, at its sole cost and expense, attempt to remove the exceptions to which Buyer has reasonably objected on or before the Closing or (2) Seller is unwilling or unable to remove any such exception to title: provided, however, that Seller shall not have any election rights with respect to any lien or judgement securing an indebtedness of any ascertainable amount created by Seller, and Seller in such event, shall cause any lien or judgement to be released at or prior to Closing Date. If Seller is unable or unwilling to remove any exception to title, Buyer may either (1) purchase the Real Estate subject to such exceptions or (2) terminate the Agreement. If Buyer fails to object to condition of title within the ten (10) day period, Buyer will not be deemed to have waived its objections.
5. **Closing.** Buyer and Seller agree that the transaction will close on or before _____, 20____ (closing date). The closing will take place at _____ (location) or such other place mutually agreeable to Buyer and Seller.
 - a. **Seller's Instruments.** At closing Seller will deliver or cause to be delivered to Buyer a Warranty Deed on the property conveying to Buyer marketable fee simple title to all of the real property, free and clear of all liens and encumbrances, other than permitted

easements of record and such additional documents as might be reasonably required by Buyer to consummate the sale of the property to Buyer.

- b. **Buyers Instruments.** At closing, Buyer will deliver to Seller the balance of the purchase price and such additional documents as might be reasonably required by Seller to consummate the sale of the property to Buyer.
6. **Costs and Prorations.** The cost shall be allocated between the Buyer and Seller as follows:
 - a. **Seller's Closing Costs.** Seller shall pay the following costs: Preparation of Purchase Agreement, Preparation of Warranty Deed, Transfer fee- \$1 per thousand, One-half of the cost of owner's policy of title insurance, One-half cost of closing.
 - b. **Buyer's Closing Costs.** Buyer shall pay the following costs: Recording fee for recording the deed, One-half of the cost of owner's policy of title insurance, All cost associated with obtaining financing, One-Half of cost of closing.
 - c. **Real Estate Taxes.** All real property taxes and installments of special assessments, if any, for the calendar years preceding the year in which the Closing Date occurs will be paid by Seller. All real property taxes for the calendar year in which the Closing Date occurs shall be prorated to the date of possession, whereupon Seller shall pay the taxes for that part of the year prior to closing and the Buyer shall pay the taxes for that part of the year following the closing.
7. **Possession.** Possession of the property will be delivered to Buyer on the Closing Date.
8. **Default.** In the event that either party fails to perform such party's obligations hereunder (except as excused by the other's default) the party claiming default will make written demand for performance. If either fails to comply with such written demand within ten (10) days after receipt thereof, each will have any and all remedies provided by law.
9. **Time is of the Essence.** Time is of the essence of this agreement.
10. **Notice.** All notices required hereunder will be in writing and served by certified mail, return receipt requested, postage prepaid, at the addresses shown above, until notification of a change of such address.
11. **Survival.** All representations and warranties of Seller and Buyer contained in the agreement will survive the closing of this transaction.
12. **Entire Agreement.** This instrument constitutes the entire agreement between Buyer and Seller and there are no agreements, understandings warranties or representations between Buyer and Seller except as set forth herein. This Agreement cannot be amended except in writing executed by Buyer and Seller.
13. **Binding Effect.** This Agreement will insure to benefit of and bind the respective successors and permitted assigns of the parties hereto.
14. **Governing Law.** The term of this agreement shall be governed and enforced pursuant to the laws of the State of South Dakota. Any litigation arising from the agreement shall be venued in _____ County, South Dakota.

IN WITNESS WHEREOF, the parties have signed this agreement the date and year first above written.

(Seller)

Seller

Date

[Redacted]

Buyer

Date

[Redacted]

Buyer

Date

DEMO





Clearing Property for Student Built Homes in Belle Fourche

Belle Fourche's story begins in 2013 after a housing study done by Community Partners Research out of Faribault, Minnesota revealed a dire lack of adequate housing. The results were worse than expected, and the Economic Development Corporation decided to step in to see what they could do to help.

“The first thing we did was speak to the high school,” says Hollie Stalder, Director of Economic Development in Belle Fourche. “Each year, the technical students build a home with the help of trained professionals. Those homes were being sold and often times, moved out of town. We wanted to help our housing situation by keeping these well-built home in the community.”

The next step was finding lots for the homes.

They found a few empty lots in town that worked, but the last three properties were acquired through demolition of older dilapidated homes. By working through Neighborworks Dakota Home Resources, they were able to identify homes beyond rehab or repair. They looked for properties that would allow for easy moving and

placement of a new student-built home. Then, they approached the homeowners about selling the property to the Economic Development Corporation.

“We met some resistance from people who had sentimental attachments to these properties and didn’t want to see the houses torn town,” she says. “We explained that by revitalizing the property with a new home, another family would be able to grow up in that place and it would continue to live on. People were more receptive to that idea.”

Once the homeowners agreed to sell the property, it was all-hands on deck.

“Our Economic Development board members volunteered to do the demolitions for free. We have a few on our board who donated equipment and even one board member who paid his own crew to operate the machinery. We cleared out the houses and any sheds, took care of overgrown weeds and landscaping and took loads to the dump,” she says.

Prior to the demolitions, the Belle Fourche fire department had the opportunity to hold fire safety trainings in the old dilapidated buildings.

Once the property was cleared, the economic development corporation paid to have the foundation put in and for the costs of moving the home. They also hired out people to do the utility connections, flooring, some plumbing and even a little landscaping.

Next, they put the house on the market. Proceeds from each sale were used for the next home.

“The homes are three bedroom, two bathroom and two of the three have basements,” explains Hollie. “Two of them also have two-car garages. Our desire is to keep the houses affordable and marketable. We are just getting ready to put our third house on the market. It’s been a great success so far.”

*For more information contact **Hollie Stadler**, Belle Fourche Development Corp.
PO Box 344, Belle Fourche, SD 57717
605-892-5065*

How to use this tool: The following success stories are from three rural communities who have actively worked at cleaning up dilapidated properties. These stories are intended to help community leaders understand that cleaning up dilapidated properties can be accomplished through varying means and different approaches.



Photo courtesy of the Wall Economic Development Corporation

Demolition Success Stories

Wall, South Dakota

population 872

City of Wall Demolition Incentive:

In 2017, the City of Wall worked with the Wall Economic Development Corporation (WEDC), a 501(c)6 nonprofit, to approve a community demolition incentive using a resolution. The incentive's purpose is to help community members with the cost of demolishing dilapidated residential properties. The resolution was coupled with a new

housing development tax incentive (5-year municipal property tax rebate on any newly-built home), passed as a resolution and ordinance. The combined incentives encourage demolition and redevelopment.

How It Works: Applications are available in the WEDC Office. Interested residents complete an application form that outlines the name of the property owner, the location of the property and an agreement to pay WEDC \$0.75 per square foot of the removed home, plus the total bill for any backfill required to level the lot. Once the project is complete and the property owner pays WEDC, WEDC transfers the funds to the City of Wall.

Be Aware:

The City of Wall's agreement includes a clause stating demolition will not be completed at potentially dangerous properties. Also, the City of Wall Public Works Department does not have the ability to demolish structures with basements. These items are taken into consideration before finalizing a demolition agreement. If applicable, environmental issues are addressed with the South Dakota Department of Environment and Natural Resources prior to demolition.

Results:

In the program's first year, it was used by community members to demolish three dilapidated properties. These lots will be used to rebuild multi-family and single family homes. WEDC is looking for more marketing and educational opportunities to ensure the community is aware of the program and its benefits. WEDC is closely tracking results.

Who to Contact:

Wall Economic Development Corporation, 1 (605) 279-2658, walledd@gwtc.net.

Webster, South Dakota

(population 1,808)

Webster Residential Property Removal Program:

City of Webster started this program per a resolution approved in the 2000's as a free resource for residents to remove dilapidated structures and improve the appearance and safety of the community as a whole.

How It Works:

Applications are available at City Hall. An interested resident completes a short application form; both the City Council and County Commission must review and take action. If approved, City of Webster assumes the liability and costs associated with tearing down the structure. The resident retains ownership of the lot.

Results:

On average, 10 properties are removed each year. Visitors often comment about the community's cleanliness, and residents' pride has increased in their community. Program participants (and their neighbors) are happy that the City is willing to provide this opportunity.

Who to Contact:

Webster City Hall, (605) 345-3241, mail.cityofwebster@midconetwork.com



Photo courtesy of Belle Fourche Economic Development

Belle Fourche, South Dakota

(population 5,655)

Belle Fourche Economic Development Corporation (BFEDC) Involvement:

BFEDC looks for properties that are abandoned or in very poor condition and works with the property owner to see if they will sell the property. Many of these aged properties have served a family in the community for a long time, and with some help, a new home on a clear/cleaned up property will serve a new family for many more years to come. Once BFEDC acquires the property, they have a team of volunteers who do an assessment of what needs to be done and complete the demo work and proper disposal of material, brush and garbage. From there, BFEDC partners with the school CTE program, where the students build a home to put on the cleared property. This accomplishes workforce development and housing objectives.

What other ways do they demolish property?

BFEDC sometimes works with the local fire department to do a fire training/controlled burn to reduce the structure if possible. This helps lessen the demolition time and what needs to be hauled to the landfill.

Results:

Over the past two years, two properties have been cleaned up and new homes on the lots. Given BFEDC's limited resources, it is difficult to do more than one a year. BFEDC has also started a housing consortium, meetings include the city and county.

Objective: To review current abandoned properties to find ways to assist with clean up as well as review ordinances to help enforce better property maintenance.

Who to Contact:

Belle Fourche Development Corporation, 1 (605) 892-5065,
director@bellefourchedevcorp.com

How to use this tool: Sometimes property owners struggle financially with their responsibility for maintaining property they own. The following document outlines a program developed by the development corporation in Lemmon, SD. It helps homeowners with hardships related to the disposal of residential structures deemed uninhabitable.

LACED

Lemmon Area Charitable and Economic Development Corp.

100 3rd Street West Lemmon, South Dakota 57638

Phone: (605) 374-5699 Fax (605) 374-5789

email: laced@sdplains.com

web: www.lemmonsdc.com

Neighborhood Pride Grant

The Neighborhood Pride Grant Program is a grant sponsored through the Lemmon Area Charitable Economic Development Corporation (LACED) intended to assist homeowners faced with hardships related to demolition and disposal of residential structures deemed to be uninhabitable. The grant will be in the maximum amount of \$4,000.00, for any approved project completed by an existing homeowner located within city limits of Lemmon, South Dakota. There will be a limit of 6 total grants per 12 month period. Existing homeowners shall mean any homeowner which has owned said property for at least six months.

The homeowner shall file a formal application with LACED before work begins. A complete application form is required and will be reviewed by the board of directors for approval. If awarded funds, the homeowner shall be responsible for having the project completed within 9-months. Work must comply with all city ordinances and building codes. Grant funds will be disbursed when LACED has been provided with copies of paid receipts for actual costs of the approved project at the completion of all work. Homeowners may receive more than one grant under this program, however preference is given to those who have not previously received a grant.

Examples of eligible grant projects:

- Single family home deemed uninhabitable.
- Out buildings on residential property deemed unsafe.

- Mobile homes deemed uninhabitable.

NOTE: Projects must improve the appearance of the property and funds will not be awarded for general maintenance, in kind labor materials or equipment fees, or work which cannot be seen by the general public.

Examples of ineligible grant projects:

- Any commercial structures.
- Any structures outside the City Limits of Lemmon.

Interim finance options may be available. If you are uncertain of eligibility, please contact: Lemmon Area Charitable and Economic Development Corporation

100 3rd St West, Lemmon, SD 57638. (605) 374-5699

Neighborhood Pride Grant Information and Application

Sponsored by

Lemmon Area Charitable Economic Development

Name of Homeowner _____

Home Address _____

Date Home was Purchased _____

Date of Application _____

Homeowner Owner/ Contact Person _____

Address _____

Phone Number _____ Email _____

Please give a brief description of your project. Include cost estimates on a vendor's/contractor's letterhead/business form. In-kind labor does not count toward the project. Include time frame for completion of work. (All work must be completed within a 9-month time frame.) Provide a drawing and/or sketch of what your project involves if applicable.

Be sure that all work to be completed is in compliance with city and county ordinances. Provide a copy of the appropriate building permit with your application.

I certify that the homeowner named above has not started the project for which the grant assistance is being requested, and that the description reflects the true intent of the project.

(Signature)

Date

Note to applicants:

The work/project must be work that has not already been started before the date that the application has been received. No application will be reviewed until application form has been submitted in its entirety. The application will go before the board of directors and its approval is not guaranteed. The homeowner is welcome to attend the meeting at which the application will be reviewed.

Please return completed application with signature to:

Lemmon Area Charitable Economic Development Corporation 100 3rd St West

Lemmon, SD 57638

How to use this tool: This is a suggested guide outlining four steps to take toward establishing a demolition incentive in your community.



Four Steps to Demolition Success

Step #1: Engage the right people

- **City Council**
 - They need to be engaged, involved and supportive
 - They are often the organization that needs to approve the demolition incentive
- **Public Works Department**
 - This department is often the group that completes the demolition projects. Get them on board early to avoid future miscommunications.
- **The Community**

- What is the need? Does the community want or need the incentive? Do dilapidated properties need to be torn down? If so, how many? Do those property owners have a say in creating the incentive?

Step #2: What incentive do you want to create?

- Option 1: Free demolition – the entire cost (labor, equipment, disposal, etc.) is covered by the City
- Option 2: Discounted demolition – For example, the City can charge a certain amount per square foot for demolition, split the demolition cost with the owner, or, they can waive the rubble site fee.
- Option 3: Get creative! Create partnerships to adopt a new demolition incentive that fills the greatest need.

Step #3: Quiz the City's Public Works Department

- What is their demolition capacity?
- Do they have the ability to remove rubble from basements?
 - If not, are they willing to rent equipment?
 - If so, who covers that cost?
 - The homeowner?
 - The City?
- What is the landfill capacity and requirements?
 - What can and cannot be dumped in the landfill?
 - What needs to be removed before demolition can begin?
 - Carpet?
 - Plastic?
 - Insulation?
 - Asbestos?
 - Lead based paint?

- Does your community have a transfer station available?

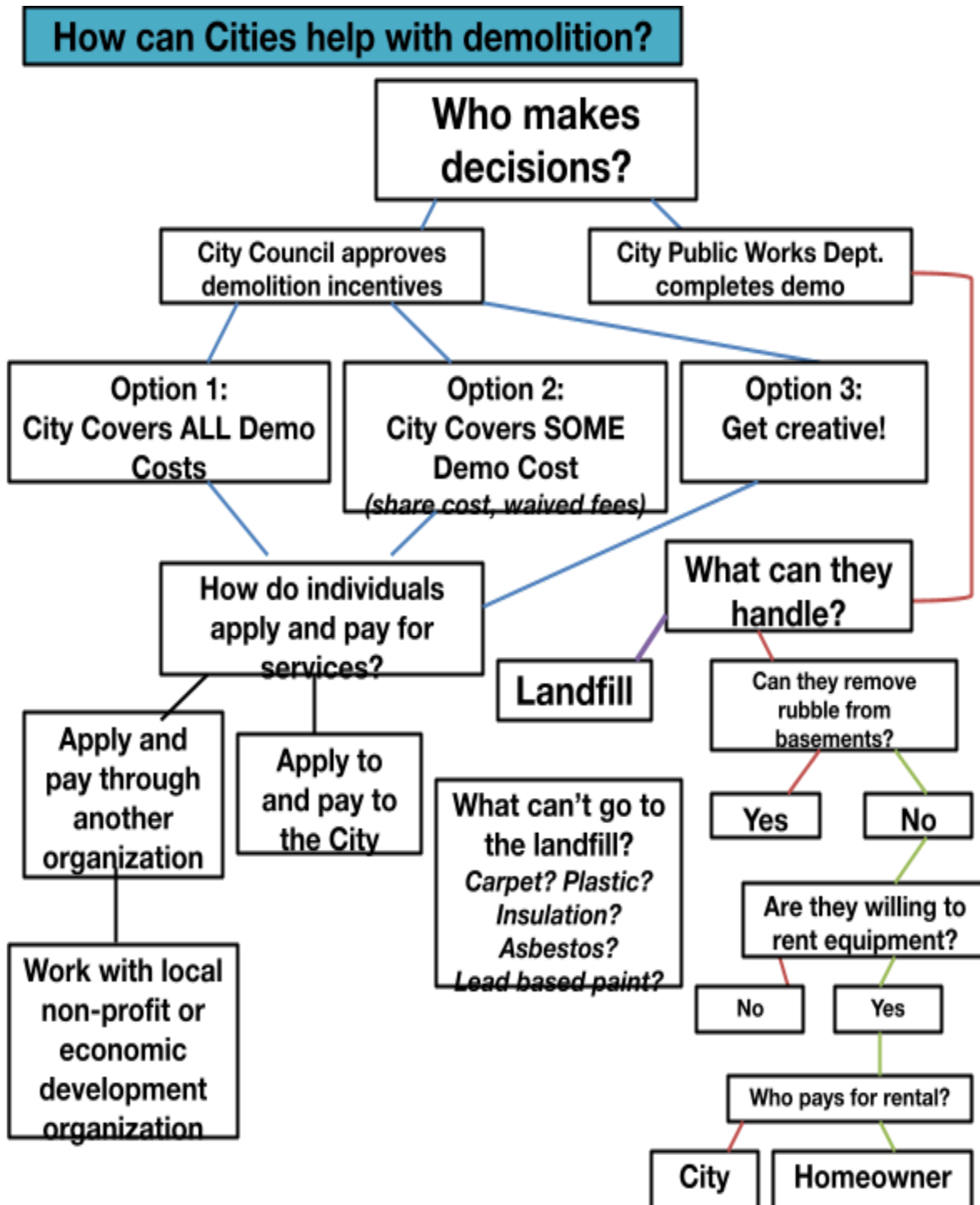
If you have questions about demolition and disposal requirements, contact the South Dakota Department of Natural Resources (SD DENR).

Step #4: Create the incentive

- Work with the City Council to determine if you need to pass an ordinance or a resolution
- Determine how to distribute the funds
 - Use a local non-profit or development corporation to handle the funds and applications
 - Handle all applications and funds within the City

How to use this tool: The Demolition Success Flowchart provides the same step-by-step information as in The Four Steps to Demolition Success, but in a visual flowchart format.

Demolition Success Flowchart



How to use this tool: Dealing with the potential environmental hazards of dilapidated housing requires education and knowledge. This tool will introduce you to some of those potential hazards and lead you to some resources that can provide answers for your specific project.



Environmental Hazards – Know Before You Buy

Environmental hazards can be a time consuming and expensive issue for demolition and/or redevelopment projects. If you think your property may have environmental issues, take steps to identify these issues before purchasing the property.

Before you can know what issues the property may have, you first have to understand the terms and potential hazards.

Potential Hazards and Important Terms:

Asbestos

Asbestos refers to a group of fibrous, heat-resistant minerals, formerly common ingredients in American construction materials. Asbestos may be found in fire-resistant construction materials, insulation, ceiling tiles, and more. Asbestos fibers can become trapped in the body and cause diseases such as asbestosis, pleuritis, chronic

obstructive pulmonary disease (COPD), lung cancer, pleural mesothelioma and peritoneal mesothelioma.

Lead-Based Paint

If the home was built before 1978, you may need to consider lead-based paint contamination. Lead is a toxic metal that can have dangerous health effects.

Lead-based paint is of particular concern to the health of children. Lead poisoning can lead to behavioral problems, seizures, headaches, nausea and more. Lead-based paint contamination is of greater concern during renovation than it is during demolition and redevelopment.

Phase I Environmental Assessment

A Phase I Assessment is a record search of the property and surrounding properties to identify the presence or potential presence of contamination. Contamination may not be confined to activity on the property. Activity at nearby properties may affect the property in question. First, the site is inspected. Then, interviews are conducted with owners, occupants, neighbors and local government officials. Searches of local, state and federal databases are performed.

Phase II Environmental Assessment

Phase II Assessments may be conducted if a Phase I Assessment identifies potential contamination. Phase II assessments may include sampling and lab analysis of soil, ground water, air and housing materials to confirm the presence of contaminants or hazardous materials.

Now that you understand what potential hazards may be present, what should you do if you suspect contamination?

Look into your state law requirements for demolition and landfills.

What are the State Laws (South Dakota)?

In South Dakota, there is no state law requiring a Phase I or Phase II Environmental Assessment. However, state law does require certain buildings be assessed for asbestos and the regulated asbestos removed prior to demolition. Single-family homes are typically exempt from the state asbestos requirements.

Why would you complete a Phase I and/or Phase II assessment if it's not required?

Assessments are completed to limit your liability. A completed assessment allows you to make an educated decision on purchasing the property. If the property is contaminated, it is important to understand projected costs for testing and clean up of contaminated soils and groundwater.

Bankers may be hesitant to provide financing for re-development projects if environmental assessments have not been completed. Bankers often need to know if contamination exists in order to understand the cost to fix the issue.

Some federal financing programs require an environmental assessment be completed prior to accessing financing.

Know before you buy!

If you do decide to have Phase I and Phase II Environmental Assessments completed, make sure you do so **BEFORE** purchasing the property. The assessments will help you understand what environmental issues, if any, will be your responsibility once the property is purchased.

Questions to ask the seller before purchasing:

- What year was the home built?
- Do you know of any reported spills?

- The South Dakota Department of Environment and Natural Resources maintains a [spill reports map](#) so you can investigate previous spills on the property.
- Was this property a gas/service station at any point?
 - Are there underground tanks that need to be removed?
 - Were underground tanks removed in the past?

Don't be afraid to call the Department of Environment and Natural Resources!

It is better to call ahead, BEFORE making any purchase decisions. This could save you several hours and thousands of dollars.

Check out the Brownfield Assessment Program

Brownfield sites are defined as, “real property, the expansion, redevelopment or reuse of which may be complicated by the presence or potential presence of a hazardous substance, pollution or contamination,” according to the South Dakota Department of Environment and Natural Resources 2014 Brownfields publication. Brownfields funds can be used for Phase I assessments, Phase II assessments (soil, ground water, and asbestos testing), cleanup plans, cost estimates, and in certain circumstances, removal and clean up of identified contamination.

The Brownfields Program is designed to assist cities, counties and non-profit organizations with determining potential contamination. You cannot apply for the Brownfields program if you already own the property.

For more information about the Brownfield Assessment Program in South Dakota, contact Kim McIntosh at the SD DENR by calling 605-773-3296 or kim.mcintosh@state.sd.us or visit <http://denr.sd.gov/des/gw/Brownfields>.

Sources:

About Lead-Based Paint (Web Post). Retrieved from U.S. Department of Housing and Urban Development (2018, April) www.hud.gov/program_offices/healthy_homes/healthyhomes/lead

Basic Elements of Phase I and Phase II Environmental Assessments (Web Document). Retrieved from the Wisconsin Department of Natural Resources Small Business Environmental Assistance Program (2018, April) <http://dnr.wi.gov/files/pdf/pubs/am/am465.pdf>

McIntosh, K. (2018, April) South Dakota Department of Environment and Natural Resources Interview.

Potvak, T. (2018, January 15) What is Asbestos? Retrieved from www.asbestos.com/asbestos/

How to use this tool: The following document is an example of an agreement to demolish property between a city and an economic development corporation. It is always advisable to utilize professional legal advice for this type of legal agreement. This is being shared to help you understand what goes into these types of documents.

AGREEMENT TO DEMOLISH PROPERTY

This agreement is made and entered into on this _____ of _____, 20____ by and between the _____ Economic Development Corporation and

(Applicant Name): _____.

WHEREAS: The _____ Economic Development Corporation, a non-profit organization, has a goal established to locate dilapidated or abandoned residential property and secure contracts with the land owners to demolish the buildings; and

WHEREAS: (Applicant) _____ owns the dilapidated and abandoned residential property at (Address) _____.

IT IS AGREED:

1. That the _____ Economic Development Corporation will be responsible for demolishing and/or for the contracting of City of _____ labor for demolishing the said residential property; and
2. That (Applicant) _____ will pay to the _____ Economic Development Corporation the cost of Seventy-Five Cents (\$0.75) per square footage of the removed home, plus the total bill for any back-fill required to level the lot; and
3. When City of _____ labor is used for the demolition, _____ Economic Development will transfer the Seventy-Five Cents (\$0.75) per square foot of the removed home payment to the City of _____; and

4. Demolition will not be considered for properties considered to be dangerous to _____ Economic Development or City of _____ labor and volunteers, such as properties with basements, determined on a case-by-case basis; and
5. (Applicant) _____ will hold the _____ Economic Development Corporation harmless for any damage arising out of or in connection the demolition.
6. Estimated Square Footage _____ Estimated Cost: _____

Dated this ____ day of _____, 20_____.

Applicant Signature: _____

Economic Development Corporation Signature: _____

How to use this tool: This is an example of an application used by one community in the process of working with a property owner to remove an abandoned building on private property.

APPLICATION FOR REMOVING ABANDONED BUILDINGS

_____ [PROPERTY OWNER NAME(S)], the undersigned, of _____ [PROPERTY ADDRESS, CITY, STATE, ZIP CODE], hereby requests the City of _____ to remove a building at the City's cost on the following described real property:

_____ [PROPERTY LEGAL DESCRIPTION]

The undersigned further gives consent for having this building removed and has signed the consent below.

CONSENT

The undersigned, _____ [NAME], owner(s) of the following described property in the city of _____, South Dakota:

_____ [LEGAL DESCRIPTION]

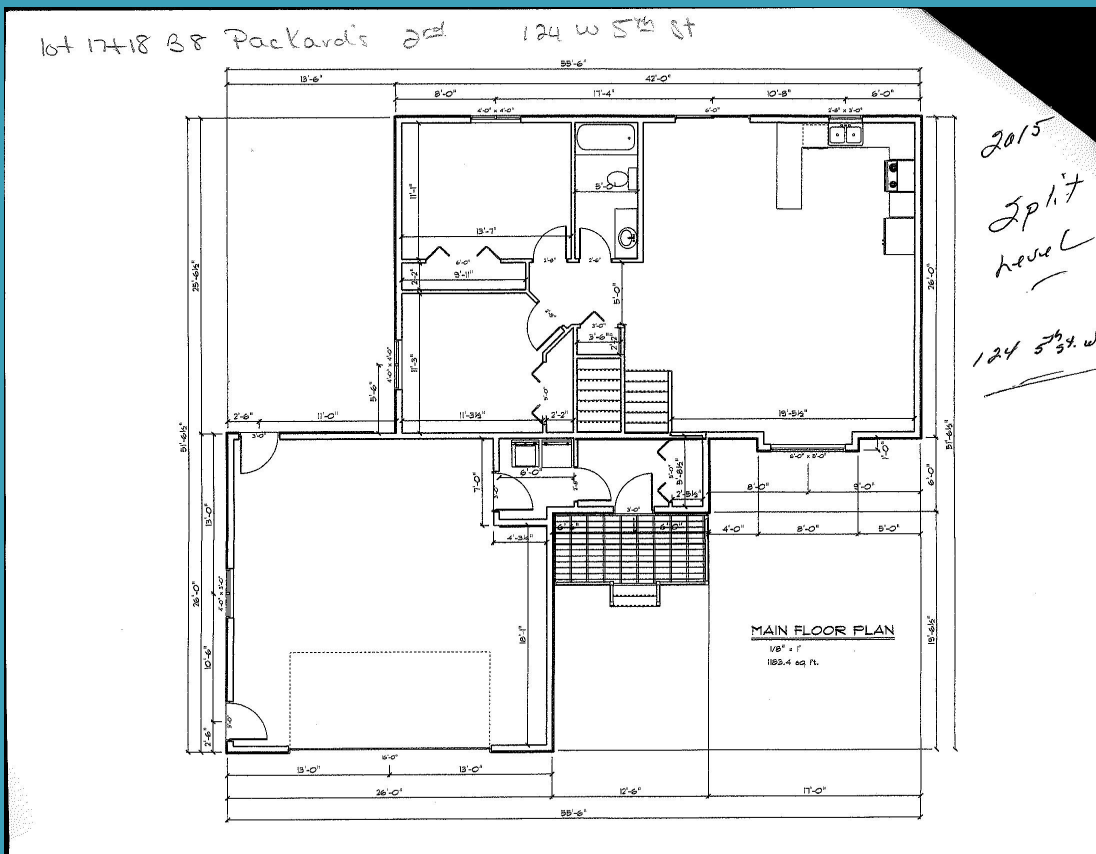
hereby consent and agree to allow the City of _____ to tear down the abandoned building(s) located on the property, providing the cost of this action is paid by the City of _____. The City will further agree to assume all liability for tearing down the abandoned building.

DATED this _____ day of _____ [MONTH], _____ [YEAR].

Property Owner(s) _____

_____ **COUNTY SOUTH DAKOTA**

REDEVELOP





Flexible Redevelopment Solutions in Centerville

Flexibility and creativity are key components to rural housing development, where a lack of affordable housing can often hamper economic development efforts and deter new families from moving to town.

Centerville has been striving to meet the needs of families by providing housing solutions through the Centerville Economic Development Corporation.

“The first project that comes to mind started before I came on board,” explains Jared Hybertson, Economic Development Coordinator in Centerville. “The Economic Development Corporation identified a young man living in poor conditions. This young man was about to have a family, so they worked to get them into a Governor’s House. The Governor’s House was moved onto the lot of a home that had previously been condemned and torn down.”

In a creative twist, the dilapidated home being lived in by the young man was not torn down. Instead, the Economic Development Corporation received funding through the

South Dakota Housing Authority that allowed to partner with a couple of local contractors and rehab the home. This created affordable housing for a second young family, who purchased the home for around \$85,000.

“Buying and saving a property is generally preferable to condemning a property,” says Jared. “If you can acquire the property, you can control it. Then if you can rehab the property, you can keep the price affordable. We’re not always looking to clear a lot to build something new, but to re-utilize what we can when possible.”

Jared explains that while redevelopment can be challenging, it’s a great way to utilize fill lots that have infrastructure nearby. He also says that while the Centerville Economic Development Corporation doesn’t prefer to build spec homes, they build because no one else is doing it.

“It’s becoming more common in rural communities. If people are considering a move here, we don’t want to discourage them because of a lack of desirable housing,” he says.

A few years ago, a condemned home damaged by fire was bought and cleared to make way for a spec home on an infill lot. This home was sold before the contractors broke ground and is still currently under construction. While this isn’t the norm, Jared feels that new homes bring new opportunities.

“Right now we are working with an elderly couple that wanted to move closer to their children and grandchildren who had just moved to Centerville,” he says. “We bought another condemned home and the property next to it and were planning to clear the land and make way for a new housing opportunity. The elderly couple is interested in a pre-built home from Superior Homes for the lot. We are going to purchase the home and move it in. Then we will sell that house to this family, which will help Centerville with comparables—something that can be hard to come by in a rural community.”

Jared said he took the advice about boosting his local comparables from Trevor Cramer in Faulkton, who he met through Dakota Resources and the Learning Network.

“The couple still has to line up financing, but they don’t have to clear the lot or move the house,” he explains. “It’s basically a win-win for everyone.”

Jared says there is never one specific way to work with redeveloping a property, and it’s important to be open to options and to be willing to work with people.

“Keep in mind there are funding resources available through places like the South Dakota Housing Authority and through HUD’s Neighborhood Stabilization Program,” he says. “Getting people into new homes is the fun part of the dilapidated housing process. You get to turn a negative into a positive.”

*For more information contact **Jared Hybertson**, Centerville Development Corp.
741 Main Street, Centerville, SD 57104
605-940-5501*

How to use this tool: The following is an example of a contract used by an economic development corporation when they hired a contractor to build the house. It is always advisable to utilize professional legal advice before signing or developing a contract to build a home. This document is intended to help you understand some of the components that may be included in such a contract.

Building Contractor's Agreement

Agreement dated this _____ day of _____, 20____, by and between _____ (your org and address) (hereinafter "Owner") and _____ (contractor name) with a business address of _____ (hereinafter "Contractor").

1. Contract to Construct Dwelling. Owner owns the real estate located at _____ and known as See Below (p. 3) in the City of _____, South Dakota. Contractor agrees to furnish all materials and labor to construct a dwelling on said real estate owned by Owner at that address. The completed dwelling shall conform to the general requirements and conditions attached hereto and designated Exhibit "A". The completed dwelling shall also conform to the specific requirements and conditions attached hereto and designated Exhibit "B". Any conflict between Exhibits "A" and "B" will be resolved based on the requirements of Exhibit "B".

2. Licenses, Permits, Certifications. Contractor will obtain all licenses, permits, and certificates required for the completion of the work under this Agreement at its sole cost and expense. In addition, Contractor must, at all times during the performance of this Agreement be properly licensed by the municipality within which said dwelling is being constructed, if such municipality requires such licensing.

3. Surveys, Electrical Service, Water. Owner shall obtain and pay for all surveys that are needed for the completion of work under this Agreement. Owner shall pay any additional cost to bring electrical service to the dwelling. These payments by Owner shall be in addition to the price set out in Paragraph 6 of this Agreement.

4. Workers Compensation Insurance. Contractor and all subcontractors shall procure and maintain insurance under the Workers Compensation Law at their sole cost and expense.

5. Fill, Soil Condition, Site Condition. Contractor shall not be responsible for any fill that may be needed during construction. If any is needed, its cost will be charged to Owner. Contractor is not responsible for conditions brought on by the nature of the building site and the site's grade, including any underground soil condition, which may cause added construction costs. Owner shall pay any added construction costs that are incurred for these reasons in addition to the price set out in Paragraph 6 of this Agreement.

6. Price. Owner shall pay Contractor for the performance of work and furnishing of materials under this Agreement the total sum of \$ [REDACTED] in the following installments:

- a. Owner pays bills only two times each month. Therefore, Contractor may submit bills on or before the 10th day of each month or on or before the 25th day of each month. If the due date falls on a Saturday, then the bills must be presented on the preceding Friday; if the due date falls on Sunday, the bills must be presented by noon on the following Monday. Bills presented on the 10th day shall be paid on the 15th day and bills presented on the 25th day shall be paid by the end of the month. No exceptions shall be permitted to this schedule.
- b. All payments due Contractor are expressly conditioned upon the following:
 - i. Contractor must obtain and maintain during the performance of this Agreement a liability insurance policy with coverage approved by Owner and copies of the policy supplied to Owner;
 - ii. Contracts with subcontractors must be in writing and copies supplied to Owner;
 - iii. A copy of the cost sheet for all materials utilized by Contractor must be delivered to Owner prior to request for payment therefor;
 - iv. Contractor must provide lien waivers for labor and materials before submitting bills for the same;
 - v. Owner reserves the right to withhold five per cent (5%) of all labor costs required by Exhibits “A” and “B” and the approval of any governmental agency if required by law prior to occupancy.
- c. Additional Costs (if selected)

7. Warranty. Contractor warrants that all materials utilized in the construction of said dwelling shall meet or exceed the specifications found in Exhibits “A” and “B” and that such warranty extends for one year from the date of occupancy of such dwelling. In that respect, Contractor agrees to provide Owner with samples of materials to be used in construction prior to the purchase and installation of such materials if requested by Owner. Contractor further warrants, for a period of one year, that all workmanship in connection with constructing such dwelling meets the local standard; such warranty period commences on the date of occupancy.

8. Time Line. Prior to the commencement of construction, Contractor will provide Owner with his/its anticipated construction schedule including a start and finish date.

9. Changes or Additions. Any changes in the attached specifications (Exhibits “A” or “B”), additional work, or change orders must be in writing and signed by both parties. Such writing shall include the amount of any extra costs to be incurred by such change in specifications, additional work or change orders.

10. Insurance. Owner shall procure insurance against loss or damage by weather, vandalism, or fire in amounts that may from time to time be agreed upon by Owner and Contractor, to cover work and materials furnished or supplied for the dwelling. The policy shall be the standard builder’s risk policy payable to Owner and Contractor as their interests may appear.

11. Non-assignment. This Agreement may not be assigned to any other contractor nor encumbered in favor of any lender or bank without the prior written consent of the Owner.

12. Arbitration. In the event any dispute arises between the Owner and Contractor in connection with the performance of this Agreement either party may demand that such dispute be resolved by binding arbitration. Each party shall select one arbitrator and the two so selected will choose a third. If the two arbitrators cannot agree on the third arbitrator, the selection shall be made by the Presiding Judge of the Fifth Judicial Circuit in South Dakota. The decision of two of the arbitrators shall bind both parties who expressly waive their right to trial by jury or the court. The arbitration shall be conducted and enforced as provided by Chapter 21-25A, South Dakota Codified Laws.

13. Binding Nature. This Agreement shall bind both parties, their successors, assigns, personal representatives, heirs and agents.

Date _____

By _____

Its _____
“Owner”

By _____

Its _____
“Contractor”

Addresses to be completed by _____ and covered under this contract:

How to use this tool: The following is an example of a contract used by an economic development corporation when they hired a contractor to build the house. It is always advisable to utilize professional legal advice before signing or developing a contract to build a home. This document is intended to help you understand some of the components that may be included in such a contract.

CONTRACT TO BUILD HOME

This agreement is made this [redacted] day of [redacted], 2017, by and between (developer) [redacted], (address) [redacted], herein called the “Owner” and [redacted] herein called the “Contractor” for a project at (legal description) [redacted], herein called the “Home”. The Contractor and the Owner agree as follows:

ARTICLE I: CONTRACT DOCUMENTS

1.1. **Contract Documents.** The Contract Documents consists of this Agreement and the Building Plans and Specifications and any other documents listed in this Agreement at the time of its execution as well as any Modifications and Change Orders issued after the execution of this Agreement. The terms of this Agreement shall prevail over any conflicting provisions in the documents incorporated by reference. If a conflict exists between the Plans and the Specifications, the Specifications shall govern.

1.2. **Change Orders.** Without invalidating this contract, the Owner may request changes in the work and at the contractor’s discretion the contractor may perform the work. Changes or overages to the home should be in writing and agreed upon by the owner and the contractor. Overages, if any, will be due at the time of authorization of the change. In the event that the owner makes changes without knowledge or agreement of the cost of the change or without the Contractors knowledge of the change or the amount of the change, the owner will be responsible for the change.

If the change reduces the cost, the Owner will receive a credit, but the Contractor’s supervision and overhead expenses and profit will not be reduced. Any additional cost shall be paid for prior to installation, and the construction loan account may not be used to pay for changes. The Owner agrees to make requests concerning any changes, additions, or alterations in the work to the Contractor, and the Owner agrees not to issue any instructions to or otherwise negotiate for additional work with, the Contractor’s subcontractors or employees. Any Owner may sign the change order on his or her behalf and on behalf of the other, and the signature shall be binding on all Owners.

ARTICLE II: SCOPE OF THE WORK

- 2.1 **The Work and Construction Standards.** The Home to be built pursuant to this Agreement will be built according to the Plans and Specifications provided by the Owner and will comply with the building code that is in affect at the time this agreement is signed. Any changes to the Contract Documents required as a result of any changes in applicable codes shall be the responsibility of the Owner.
- 2.2 **Owner's Work.** Owner agrees not to perform any work at the Home until after contractors' completion and final payment.
- 2.3 **Changes by Government Order.** Any changes in plans or specification required by any government or inspector which increases the cost of construction will be an additional cost and will be paid for by the Owner. Any Order of any government prohibiting or stopping construction will excuse the obligation of contractor to compete the work. If the entry of the government order was not the fault of Contractor, Owner will pay to Contractor the actual costs plus profit and overhead for any work contracted or performed by the Contractor at the time of the government order.

ARTICLE III: CONTRACT PRICE AND PAYMENTS

- 3.1 **Contract Price.** The Owner agrees to pay the total Contract Price for all labor and materials furnished and work performed by the Contractor **Price: \$** _____ subject to additions and deletions by Change Order.
- 3.2 **Allowances.** The allowances include materials, delivery, installation, and sales tax unless expressly noted otherwise. The parties agree that the allowances are not to be construed as bids by the Contractor and that the allowances may vary from the actual cost based on the Owner's selections. If the cost of the Owner-selected materials exceeds the material allowance, the amount of the excess will be due upon selection. If the amount is less than the allowance amount, the amount will be subtracted from the final payment. See allowance sheet (Attachment I) and Specification sheet (Attachment II).
- 3.3 **Payments.** The contract price will be paid as follows:
- Deposit:** Owner to provide \$ _____ before any construction will begin. Deposit will be credited against cost of house.
- First Draw:** 15% when Slab is poured.
- Second Draw:** 30% when house is blacked in (exterior doors and windows installed),plumbing, electrical and H/A rough in.

Third Draw: 25% when sheetrock is installed and sprayed.

Fourth Draw: 20% when exterior bricks are complete, cabinets installed, interior doors, wood floor and trim installed,

Fifth & Final: 10%, less deposit when occupancy permit is issued and construction and landscape complete.

Percentage of Completion: Bank may elect to make draw payments on percentage of completion which is acceptable vs above draw schedule.

3.3.1 The Owner agrees to make the progress payments within 7 business days of request by contractor. Payments due and unpaid shall bear interest at the rate of 15% payable to the Contractor from the date the payment is due. If the Owner fails to pay the Contractor within 30 days of the date the payment is due, the Contractor may stop the work. The Contractor may keep the job idle until such time as payments that are due to the Contractor are paid in full.

3.4 **Acceptance, Final Payment, and Occupancy.** Upon Substantial Completion owner agrees to execute a certificate of substantial completion. Owner agrees not to occupy the Home until the contractor is paid in full.

3.5 **Partial Payment.** In the event Contractor has substantially performed the work necessary to make a particular stage draw, but one or more items have not been completed, then the contractor shall be entitled to a partial draw in the amount equal to the percentage of such stage completed by contractor.

3.6 **Payments to Subcontractors – Lien Waivers.** Contractor shall be responsible for payment to all subcontractors who provide labor, materials or services related to the construction of the home. Contractor shall obtain lien waivers for each payment that is made to a subcontractor, said release shall acknowledge that payment was received and that subcontractor releases its lien rights to the extent of the payment. Prior to making a final payment to any subcontractor, primary contractor shall require the subcontractor to sign a lien waiver which clearly states that subcontractor has been paid in full.

ARTICLE IV: TIME AND COMPLETION

4.1 **Commencement.** The Contractor will commence work within 7 days after execution of this agreement.

4.2 **Substantial Completion.** Contractor agrees that the home shall be substantially completed on or before 90 days from the date of execution of this agreement. Substantial completion occurs when a certificate of occupancy is issued by the local building official. Contractor shall pay a \$500 per day penalty to Owner in the event that the project is not completed within 90 days from the execution of this agreement.

4.3 **Delays.** In the event that there is a delay in work due to a government agency, weather conditions, labor shortages, material shortages, change orders, Owner delays, acts of war, acts of terrorism or acts of God, the date of completion shall be extended accordingly.

4.4 **Punch List.** Owners are to give a punch list to Contractor within 10 working days after substantial completion, or upon notification by the Contractor. Contractor will have 15 working days to complete this punch list. Thereafter, Owners and Contractor shall agree on a final punch list within 5 working days. Any and all items not listed on the final punch list will be deemed accepted.

4.5 **Occupancy.** Occupancy of the Home by the Owner shall be deemed to be unconditional acceptance of the Home by Owner and shall release the Contractor from any further obligations pursuant to this agreement except completion of Punch List items which could not be completed within the time allowed.

ARTICLE V: WARRANTY

5.1 **Limited Warranty.** The Owner waives any claim against Contractor for any loss or damage caused by soil conditions or soil movement, including but not limited to cracks in concrete, mortar, bricks or tile, and/ or damage to plumbing. See attached Limited Warranty.

5.2 **Exclusion for Damage by Fungus or Spores.** In addition to the warranty exclusions set forth in the Act, the Contractor's warranty shall exclude any loss or damage to a home caused by:

- (a) Any "fungus (es)" or "spore(s)", or
- (b) Any substance, vapor or gas produced by or arising out of any "fungus(es)" or "spore(s)", or
- (c) Any material, product, building component, building or structure that contains, harbors, nurtures or acts as a medium for any "fungus(es)" or "spore(s)"

"Fungus(es)" includes, but is not limited to, any form or type of mold, mushroom or mildew. "Spore(s)" means any reproductive body produced by or arising out of any "fungus(es)".

5.3 **No implied Warranties.** The Owner acknowledges that the Contractor has made no guarantees, warranties, understanding, nor representations that are not included in the contract documents.

5.4 **No Liability for Work Constructed According to Plans.** In no event shall the Contractor be liable for destruction or deterioration of or defects in any work constructed, or under construction, by him if he constructed, or is constructing, the work according to plans or

specifications furnished to him which he did not make or cause to be made and if the destruction, deterioration, or defect was due to any fault or insufficiency of the plans or specifications.

ARTICLE VI: MISCELLANEOUS PROVISIONS

6.1 **Permits, Fees, and Tests.** The Contractor shall secure and pay for building permits, licenses and other similar approvals necessary for the proper execution and completion of the work. If necessary, the Owner agrees to assist the Contractor in obtaining any such permits and licenses by completing all necessary applications and forms. However, if a covenant or an architectural review committee requires the approval of plans and specification, the Owner shall be responsible for obtaining these approvals and paying for any fees connected with them.

6.2 **Insurance.** **The Contractor shall keep in effect workman's compensation, commercial general liability coverage and builders risk.** The Owner may elect to purchase and maintain his own liability insurance, including builders risk, flood, fire and casualty insurance upon the residence, to the full insurable value.

6.4 **Owner's Obligations.** The Owner shall (a) furnish all surveys describing the physical characteristics, and utility locations for the residence and (b) secure and pay for easements necessary for the completion of the work. The Owner shall furnish information and services under their control to the Contractor promptly to avoid delay.

The Owner warrants that the property upon which the residence is to be built conforms to all zoning, planning, environmental, and other building and soil requirements. The Owner warrants that all utilities necessary for the completion of construction are to the property line.

6.5 **Concealed Conditions.** The Contractor is not responsible for subsurface or latent physical conditions at the site or in an existing structure that differ from those (a) indicated or referred to in the contract documents or (b) ordinarily encountered and generally recognized as inherent in the work of the character provided for in this contract.

After receiving notice of the conditions, the Owner shall investigate the condition within 5 working days. If the parties agree that the condition will increase (a) the Contractor's cost of performance of any part of the work under this contract or (b) the time required for that work, the parties may sign a change order agreement incorporating the necessary revisions, or the Owner may terminate the contract. If the Owner terminates the contract, the Contractor will be entitled to recover from the Owner payment for all work performed, including normal overhead, and a reasonable profit.

6.6 **Disputes.** The parties shall endeavor to resolve their claims by mediation which, unless the parties mutually agree otherwise, shall be in accordance with the Construction Industry Mediation Rules of the American Arbitration Association currently in effect. Request for mediation shall be filed in writing with the other party to this Contract. The parties shall share the mediator's fee and any filing fees equally. The mediation shall be held in the place where the

Project is located, unless another location is mutually agreed upon. Agreements reached in mediation shall be enforced as settlement agreements in any court having jurisdiction thereof.

6.7 **Signage.** Until the Owner makes the final payment and takes possession, the Owner agrees that the Contractor shall have the right to place signs on or about the property and to show the residence to other prospective clients and customers.

6.8 **Governing Law and Assignment.** This Agreement will be construed, interpreted, and applied according to the law of the State of South Dakota. This Agreement shall not be assigned without the written consent of all parties.

6.9 **Effective Date and Signature.** This Agreement shall become effective on the day it is signed by both parties.

6.10 **Ambiguous.** Any ambiguous terms or contents of this agreement shall not be construed against the Contractor.

6.11 **Attorney's fees.** If either party to this contract defaults, the defaulting or non prevailing party shall be liable to the other party for all cost, including reasonable attorneys fees, incurred in enforcing or defending any rights or obligations created by this agreement.

6.12 **Heirs, Assigns and Successors.** All agreements and stipulations herein contended, and all obligations herein assumed, shall inure to the benefit of and be binding upon the Heirs, Assigns and Successors of the respective parties hereto.

6.13 **Indemnity.** Purchaser agrees to indemnify and hold harmless contractor in event any claim, demand, suit, right of action is brought, by any person, firm or corporation arising out of this contract. Such indemnification and hold harmless shall include any and all costs, including attorney's fees and court cost, related to the defense of such action.

We the undersigned, have read, understand, and agree to each of the provision of this Agreement and hereby acknowledge receipt of a copy of this contract.

(Developer)

By _____

Date: _____

Its _____

By _____

Date: _____

Its _____

How to use this tool: This document is used when a buyer is in place prior to the home being completed and they want to change something from the spec plans (i.e. upgrade of carpet or cabinets, etc.). The developer, general contractor and buyer need to sign off on this document as the purchase price could change with the change order.

CONTRACT CHANGE ORDER

CONTRACTOR:	CHANGE ORDER NO:
OWNER:	PROJECT NO:
DATE OF ISSUE:	EFFECTIVE DATE:

The Contractor is hereby directed to make the following changes in the Contract Documents: Description:

Reason for Change Order:

Attachments (List documents supporting change and justifying cost and time):

CHANGE IN CONTRACT PRICE:	CHANGE IN CONTRACT TIMES:
Original contract price: \$	Original Contract Times: (calendar days or dates)

Net changes from previous C.O. No. ___ to ___ \$	Net changes from previous C.O. No. ___ to ___ (calendar days or dates)
Contract Price Prior to this Change Order: \$	Contract Times prior to this Change Order: (calendar days or dates)
Net Increase (decrease) of this Change Order: \$	Net Increase (decrease) of this Change Order: (calendar days or dates)
Contract Price with all Approved Changes Order: \$	Contract Times with all Approved Change Orders: (calendar days or dates)

APPROVED BY OWNER:

Dated: _____

ACCEPTED BY CONTRACTOR:

Dated: _____

APPROVED BY BUYER:

Dated: _____

How to use this tool: The following is an example of how an economic development corporation and a city worked together to develop a 5 year property tax rebate program for newly constructed dwellings. This tool consists of a short article describing how the program works. It's followed by a template ordinance and resolution for implementing this program.

How Can Cities Help with Redevelopment?

When Cities and Economic Development Organizations (EDO) are tasked with housing redevelopment, the big question is, “How?” Outside of putting funding and staff time toward the effort, cities can implement ordinances and resolutions to encourage housing redevelopment.

In the following example, an EDO worked with a City to develop a five-year property tax rebate for any newly built dwelling. This was completed through an ordinance and two resolutions, which are attached as templates.

How it works:

According to the ordinance, a rebate of the City municipal property tax will apply to any single-family, two-family or multi-family dwelling and factory-built homes, but not including hotels, motels or lodging houses. The homes must be constructed to the standard of existing city ordinances.

Once construction is complete, the home will be inspected and issued an official Certificate of Occupancy and Final Inspection Certificate to qualify for the rebate (attached as a template).

The rebate is for five years, commencing the year following the issuance of the occupancy certificate.

How do community members ensure they will receive the rebate?

STEP 1:

Community members considering building a home should contact the City Finance Officer or Economic Development Director to ensure the home will qualify.

STEP 2:

Community members must keep City officials updated on the home's progress and make sure the home is being constructed to the standard of existing City ordinances.

STEP 3:

Once the home is complete, contact the appointed City home inspector to set up a time for final inspection. Upon inspection completion and approval, a Certificate of Occupancy and Final Inspection Certificate will be issued on the community member's behalf to the City of Wall.

STEP 4:

Property taxes are paid as usual. Community members will receive a rebate of the City property tax portion directly from the City for five years.

Ordinance [REDACTED]

AN ORDINANCE TO AMEND CHAPTER [REDACTED] AND ADD ESTABLISHING ECONOMIC DEVELOPMENT INCENTIVE PROGRAM FOR HOUSING.

BE IT ORDAINED by the City of [REDACTED] South Dakota the definition in Chapter [REDACTED]; Section [REDACTED], ‘Dwelling’ shall be amended to read as follows:

‘Dwelling’ means a building, or portion, thereof, used for residential purposes including single-family, two-family, multiple-family dwellings and factory-built homes, but not including hotels, motels, or lodging houses.

BE IT ORDAINED by the City of [REDACTED], South Dakota that Section [REDACTED] be added and read as follows:

[REDACTED] Municipal Property Tax Rebate

To encourage construction of new housing in the City of [REDACTED], a rebate of the City of [REDACTED], municipal property tax is hereby established as follows:

- (A) The rebate will apply to any single-family, two-family, multi-family dwellings, and factory-built homes, but not including hotels, motels, or lodging houses, and that are constructed to the standard of existing city ordinances and granted a final inspection certificate for occupancy after EFFECTIVE DATE. For the purposes of Ordinance [REDACTED], mobile homes in a mobile home park will not be eligible for the rebate of municipal property tax.
- (B) The rebate shall be for five years, commencing the year following the issuance of the occupancy certificate.

The rebate of only the City of [REDACTED] municipal property taxes shall be paid to the owner of the real property by December 1st of each year after it has been received by the City of [REDACTED] without an interest. The City of [REDACTED] shall have the right to withhold any or all of the rebate to offset any unpaid assessments on the real property, or any fines, judgments, or other debts owed to the City of [REDACTED] by said owner.

This ordinance shall take effect twenty (20) days after the date of publication pursuant to SDCL-9-19-13.

Dated at CITY, South Dakota this DATE

NAME, Mayor

ATTEST:

NAME, Finance Officer

First Reading:

Second Reading:

Publish:

Effective Date:

RESOLUTION NUMBER *(this resolution comes first)*

A RESOLUTION ESTABLISHING INCENTIVES FOR NEW HOUSING CONSTRUCTION
IN THE CITY OF [REDACTED]

WHEREAS, the establishment of an incentive for new housing construction is intended to promote the overall economic development of the City of [REDACTED] by stimulating the construction of new housing, thereby bringing new residents to the City; and

WHEREAS, the establishment of an incentive for new housing construction will be compatible with recommendations from the Town of [REDACTED] Housing Study and will provide an economic stimulus for the City by offering employment opportunities and by furthering the City's growth; and

WHEREAS, the City Council desires to provide additional housing opportunities for its current and future residents; and

WHEREAS, the City Council, after due consideration, has determined that the establishment of an incentive for new housing construction is necessary and desirable to foster economic development and to enhance, promote, and serve the best interests and general welfare of the City and its residents.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY OF [REDACTED], SD:

SECTION 1. A Housing Incentive Plan for new housing construction attached hereto and hereby incorporated by reference, be and the same is hereby authorized and approved.

SECTION 2. The Housing Incentive Plan will be reviewed five years from the date of adoption, with operational amendments required, in accordance with City Council's approval.

SECTION 3. That the City of [REDACTED] agrees to rebate the funds to the eligible homeowner in accordance with the Housing Incentive Plan and SDCL 11-7A-8. The rebate is subject to all additional terms and conditions that may be executed between the City of [REDACTED] and the homeowner.

Dated at [REDACTED], South Dakota this [REDACTED] day of [REDACTED], 20[REDACTED].

NAME, Mayor

Attest:

NAME, Finance Officer

RESOLUTION NUMBER *(this resolution comes first)*

HOUSING INCENTIVE PLAN

CITY PROPERTY TAX REBATES FOR NEW HOUSING CONSTRUCTION: The City of [REDACTED] shall annually pay to each owner of a lot with newly built dwelling(s) located in the City a property tax rebate (“rebate”) for such lot for each tax year in accordance with the following:

- A. The rebate applies only to a lot with newly built dwelling(s), built to the standard of existing city ordinances for which the City of [REDACTED] has issued a final inspection certificate after the adoption date of Resolution 17-03. "Dwelling" means a building, or portion, thereof, used for residential purposes including single-family, two-family, multiple-family dwellings and factory-built homes, but not including hotels, motels or lodging houses. For the purposes of Resolution 17-04, 17-03 and Ordinance 17-01, mobile homes in a mobile home park will not be eligible for the rebate of municipal property tax.
- B. The first tax year for which the rebate shall be paid to any lot owner will be the following year in which the City of [REDACTED] issues the first final inspection certificate for such lot.
- C. The rebate shall be paid not later than December 1 of the year the tax is payable to [REDACTED] County.
- D. There shall be no more than five consecutive annual payments for each lot, regardless of the number of subsequent owners or final inspection certificates issued for dwelling(s) on such lot.
- E. The payments will accrue without interest.
- F. Upon the transfer of ownership of any lot which is eligible to receive rebate payments, the remaining rebates will be paid to the new owner, subject to the new owner’s compliance with the conditions contained in this Plan. The rebate payments shall not be prorated between successive owners.
- G. The rebate payments shall be withheld from any person who has unpaid real estate taxes levied or assessed against the lot or outstanding charges, fees, assessments, fines, judgments, levies or other debts owed to the City of [REDACTED]. The City of [REDACTED] shall not approve rebate payments to the homeowner until such person

presents proof to the City of [redacted]'s Finance Officer that all such debts have been paid in full.

H. The City of [redacted] shall calculate the rebate according to the following formula:

$$\text{Rebate} = \frac{\text{Valuation}}{\$1,000} \times \text{City Levy}$$

For the purposes of the formula, the following apply:

- The [redacted] County Treasurer determines the Valuation for each tax year.
- All results are rounded up or down to the nearest cent.

For illustration, assuming the valuation for a lot for tax year 20 [redacted] is \$180,000. The [redacted] City Tax Levy for 20 [redacted] is [redacted]. Therefore, the 20 [redacted] tax year rebate is ascertained as follows:

$$\text{Rebate} = \$180,000/\$1,000 \times \text{CITY LEVY} = \text{AMOUNT}$$

Dated at [redacted], South Dakota this [redacted] day of [redacted], 20 [redacted].

[redacted] Mayor

Attest:

[redacted] Finance Officer

City of [redacted]

Certificate of Occupancy and Final Inspection Certificate

An official Certificate of Occupancy and Final Inspection Certificate must be issued by a [redacted] City appointed official prior to qualification of the City of [redacted] Property Tax Rebate, as outlined in City Ordinance [redacted].

Building Permit: _____

Building Address: _____

Owner Name: _____

Owner Address: _____

Description: _____

Classification: _____

Building Official: _____

Date of Official Issuance of Occupancy Certificate: _____ day of _____ 20_____

Comments: _____

How to use this tool: The following article was published in the Redfield newspaper in order to communicate with the community about a successful housing project. Community leaders may find it helpful to use this article as a template when writing newspaper articles about their own housing projects.



Ensuring Community Success Through Housing

Quality housing is scarce in rural South Dakota and the solution to create more housing is challenging to solve. One small town in northeast South Dakota, Northville, is doing something to increase available housing. Northville has an estimated population of 148 and former mayor Ruth Clemons has lived there nearly all of her life. She owned land in town and didn't want to see it sit idle. Ruth sold the property to Grow Spink, a non-profit development organization; with aspirations they would develop the land and build a new home.

Grow Spink, who serves all of Spink County, spearheaded the project construction of a split-level house with an attached garage on the lot. Retired executive director Craig

Johnson states, "Northville City is addressing empty lots and dilapidated structures by identifying 1 or 2 properties a year that are properly cleaned up physically, legally, and financially. Northville residents take pride in their city and their efforts are being rewarded as each property is cleaned up and a house constructed that increases the tax base and brings new residents to their city."

One of the hurdles in constructing the home was to secure affordable financing. GROW South Dakota, a non-profit that specializes in housing, community, and economic development, provided the necessary financing. "GROW SD provided a simple streamlined solution to financing this split level home. Communication and direction for invoices, lien waivers, time frames, interest payments, etc. were clear and direct. They were a great partner for this project" stated Craig Johnson.

With the partnerships of Grow Spink, GROW South Dakota, and the City of Northville, a new home was built. The house made it possible for a young family to move back to the community. When looking from across the street, former mayor Ruth stated, "I'm so proud of this project and proud to call Northville home".

New Grow Spink Executive Director, Lisa Zens, stated "I'm excited to continue the success and bring more new housing to Spink County."

If you know of a non-profit organization that could benefit from GROW SD services or financing visit www.growsd.org or call (605) 698-7654. GROW South Dakota is an equal opportunity provider, lender and employer.

How to use this tool: The following article was published in the Redfield newspaper in order to communicate with the community about a successful housing project. Community leaders may find it helpful to use this article as a template when writing newspaper articles about their own housing projects.



GROWING RURAL COMMUNITIES

When a small, rural community decides to add additional housing options to its existing supply, the benefits can be rewarding. Not only does it benefit the community by bringing in or retaining residences, it also adds to the tax base. The town of Northville, GROW South Dakota, and Grow Spink Inc., a non-profit dedicated to the advancement of Spink County, teamed up to do just that.

Lisa Zens, Executive Director of GROW Spink, said, "We believe that growing South Dakota's economy starts at home. Everyone can agree that all residents should have the opportunity to live in safe, affordable, good-quality housing in economically stable communities. Our charge is to help communities build upon their assets to create places with ready access to opportunities, goods, and services. When small communities like Northville build upon their assets, the tax base also benefits."



Northville has an estimated population of 148 and every home is important to the housing supply. GROW Spink Inc. constructed one split level home for resale in 2015 and another in 2016. The town has discovered that these homes have more than one benefit. Not only has each house added a new family to the community, it also adds \$1,487 in additional tax revenues per year. Of that, approximately \$143 will go to Spink County, \$894 will go to the town of Northville, and \$444 will be allocated to go to the Northwestern school district.

Clayton Blachford, Northville's mayor, stated that the city has noticed a positive difference in property tax base in the last ten years. Overall, when new homes get built, the city, school, and county has benefitted from projects like these. Another benefit that the City of Northville has noticed is that it has increased the number of utility hookups, which makes it easier to sustain and maintain those systems.

GROW South Dakota (who specializes in housing, community, and economic development) provided technical assistance and financing options to GROW Spink during these projects. "This is a great example of a small rural community wanting to fulfill the needs of adding great, quality homes to their communities," stated Mark

Nelson from GROW SD. "Projects like these will help build and sustain the tax base for years to come."

If you know of an organization that could benefit from GROW SD services or financing, visit www.growsd.org or call (605) 698-7654. GROW South Dakota is an equal opportunity provider, lender and employer.

How to use this tool: The following is an example of floor plans used by an economic development corporation for a spec house build.

Floor Plans

FRONT ELEVATION
SCALE: 1/8" = 1'-0"

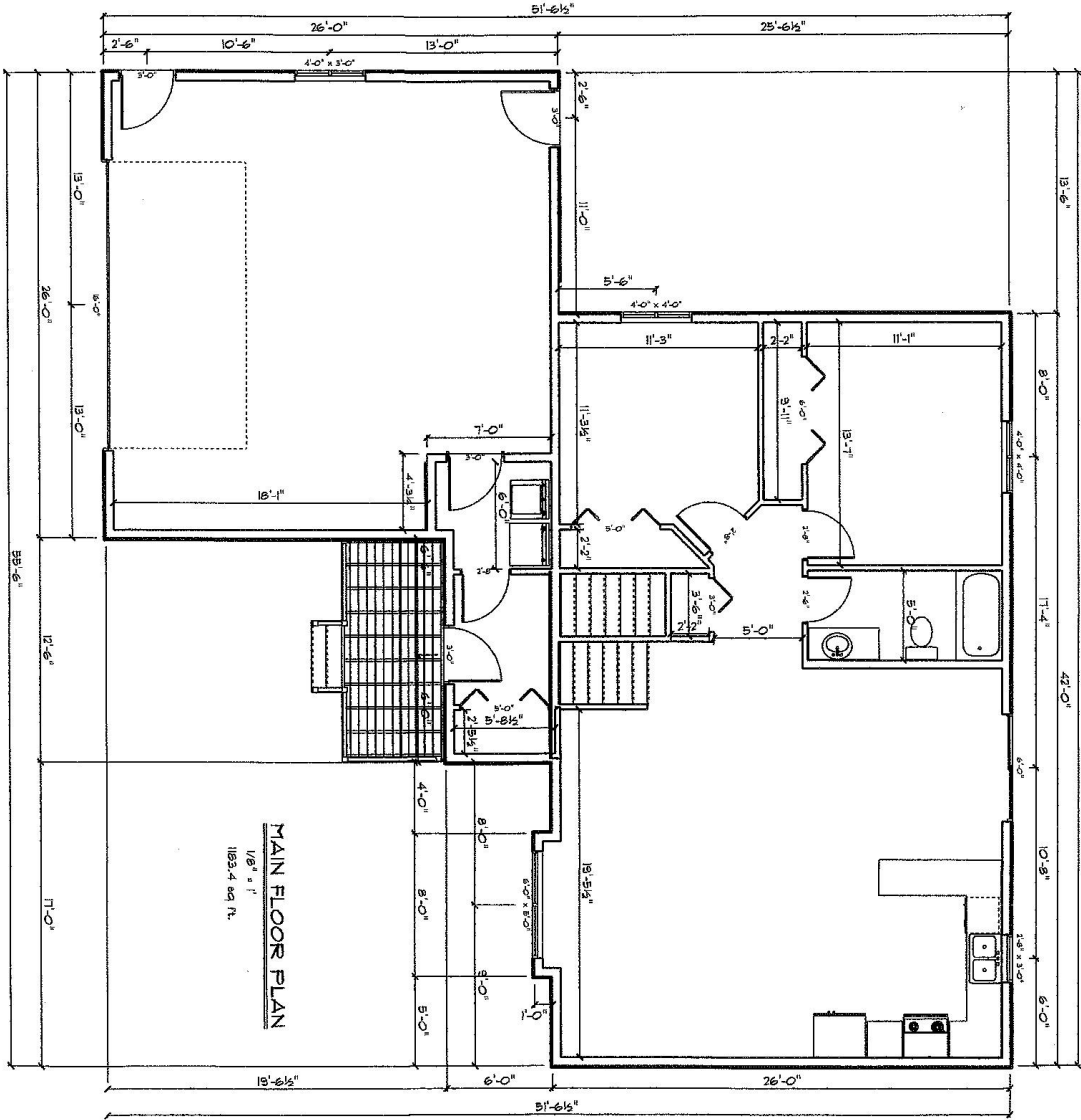
REAR ELEVATION
SCALE: 1/8" = 1'-0"

RIGHT ELEVATION
SCALE: 1/8" = 1'-0"

LEFT ELEVATION
SCALE: 1/8" = 1'-0"

1	DATE: Friday, September 01, 2017	<p>DRAWN BY: DARREL TUSCHERER</p> <p>BUILDERS FIRST SOURCE</p> <p>DATE: Friday, September 01, 2017</p>	<p>These general drawings are not produced by an architect or engineer. They are provided for informational purposes only and should not be used for construction. Builders First Source is not responsible for any errors or omissions in these drawings. Builders First Source is not responsible for any damages arising from errors, omissions, or delays in the construction process. Builders First Source is not responsible for any delays or damages arising from errors, omissions, or delays in the construction process. Builders First Source is not responsible for any delays or damages arising from errors, omissions, or delays in the construction process.</p>	
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lot 17418 88 Packard's ave 124 w 5th st



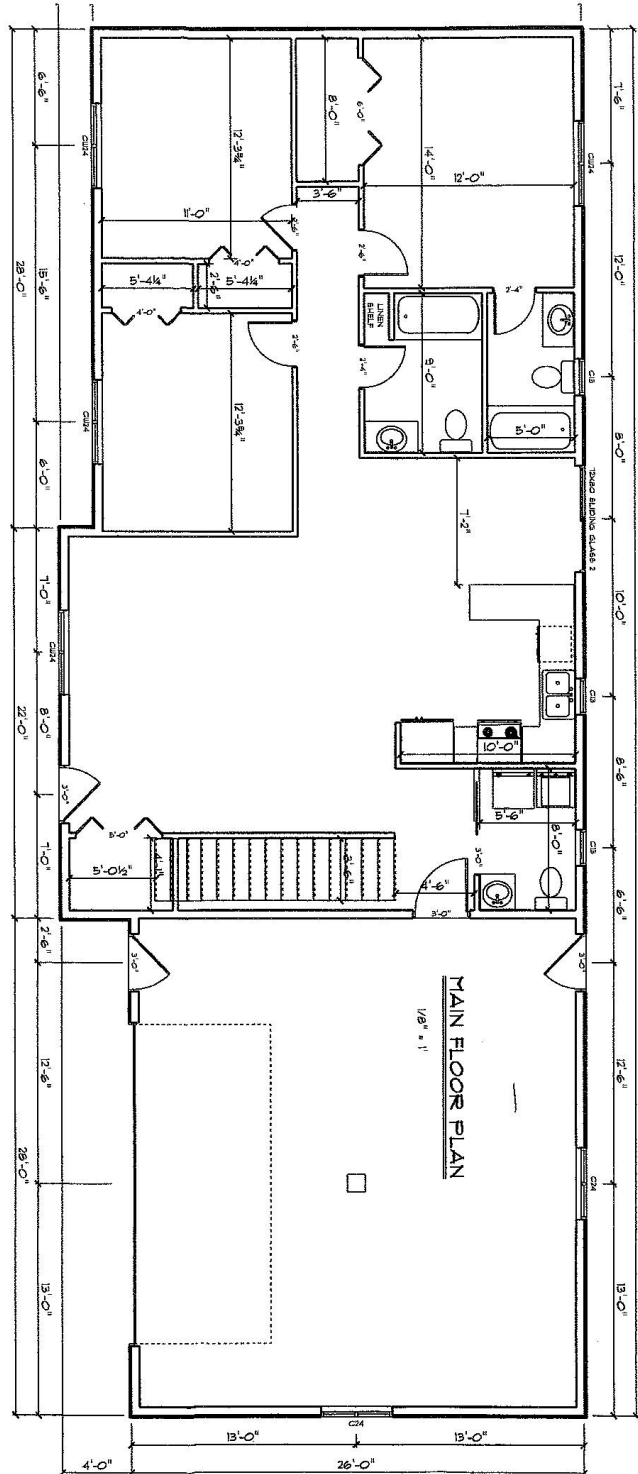
MAIN FLOOR PLAN
1/8" = 1'
183,4 sq ft.

2015
Split
level
124 5th st. W.

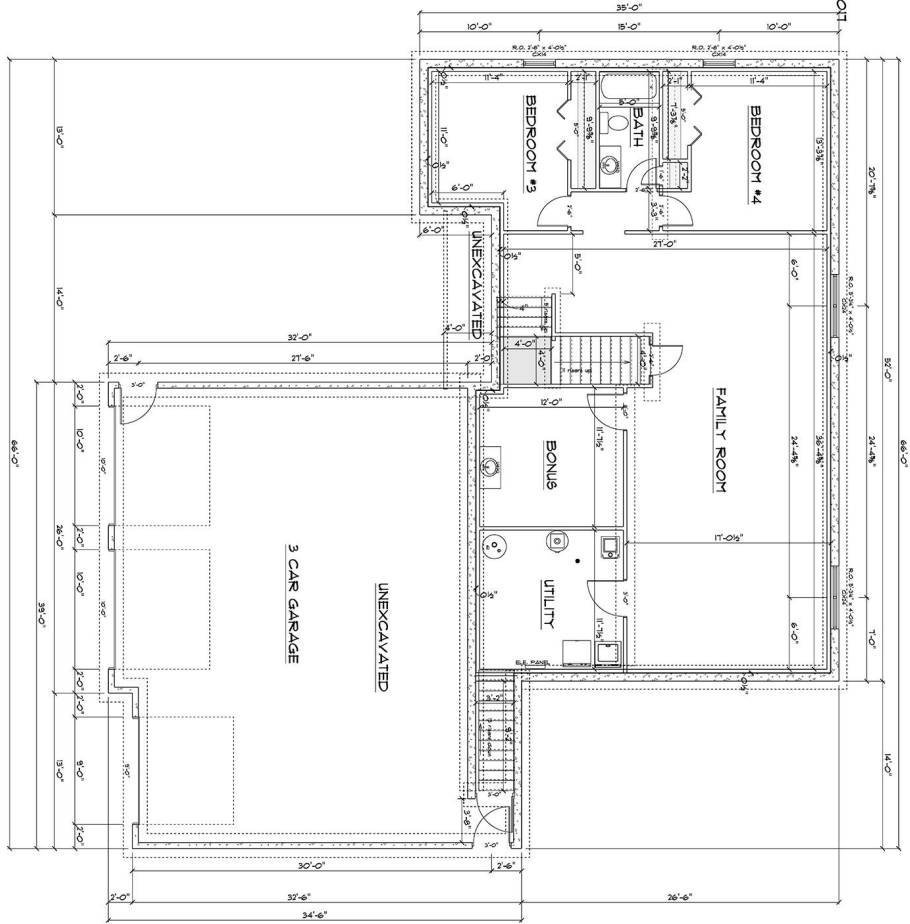
lots 14, 20 + W 2 21

134 5th St Unit

Karch 20



Wednesday, September 20, 2017
 BUILDERS FIRST SOURCE
 DARREL TUSCHERER
 RADC - SPEC 2017
 AREA
 MAIN = 1655 SF
 GARAGE = 1223 SF



LOWER 9-20-17
 SCALE: 1/8" = 1'-0"

1	REVISION	DATE	DRAWN BY: DARREL TUSCHERER BUILDERS FIRST SOURCE DATE: Wednesday, September 20, 2017

These general drawings are not produced by an architect or engineering firm. Before construction, the customer should consult a contractor or an architect to determine if these drawings need to be changed to safety. 1. These are not final drawings and are subject to change. 2. The project is subject to change. 3. Existing conditions specific to the site. 4. All dimensions are provided as opening conditions to be verified at site by builder/contractor. Builders First Source is not responsible for these verifications.



How to use this tool: This document is used for general and subcontractors and is needed for billing. As the non-profit building, we pay the excise tax in the end - not the contractors - so they need this form.

Exemption Form

RV-068 Revised 04/04	Prime Contractors' Exemption Certificate	
South Dakota Department of Revenue 445 E. Capitol Avenue Pierre, SD 57501-3185 1-800-829-9188 E-mail: bustax@state.sd.us		
Instructions		
<ul style="list-style-type: none"> • An exemption certificate may not be issued by an owner of a project or a government entity. Improper issuance of this certificate by anyone that is not a prime contractor will incur a penalty of 10% of the tax due. • A prime contractor may not issue a prime contractors' exemption certificate for a qualified utility (QU) project. On a QU project, the prime contractor and all subcontractors owe the 2% contractors' excise tax on their gross receipts. • An exemption certificate may not be given for a sales taxable service. Prime contractors must pay sales tax to the service provider on sales taxable services. Examples of sales taxable services are: engineering, architecture, surveying, gravel crushing, snow removal, drapery installation, roto-rooting, locksmith, construction management, cleaning & calibration, and installation of flooring. The installation of tile, terrazzo & marble is subject to contractors' excise tax. 		
<small>RETENTION OF THIS CERTIFICATE RELIEVES THE SUBCONTRACTOR FROM LIABILITY FOR CONTRACTORS' EXCISE TAX FOR THE PROJECT LISTED.</small>		
PRIME CONTRACTOR NAME		EXCISE TAX LICENSE NUMBER
STREET ADDRESS	CITY / STATE / ZIP CODE	
SUBCONTRACTOR NAME		EXCISE TAX LICENSE NUMBER
STREET ADDRESS	CITY / STATE / ZIP CODE	
PROJECT DESCRIPTION AND LOCATION		
PRIME CONTRACTOR'S SIGNATURE		DATE

RESOURCES



How to use this tool: Utilize this list of housing-related resources available as of June 2018 to move your project forward. Reach out to the organizations listed below for full details.

What Resources & Programs Are Available?

Last Updated: June 2018

Community housing development is not achieved alone. Realizing a successful project normally requires working with several partners dedicated to the same goal. The resource and program list below will help lead you to the right partner you may need to move your project forward.

Who is the resource?	What do they do?	Where are they located?	How do I contact them?
Dakota Land Trust	<ul style="list-style-type: none"> • Takes the cost of land out of the purchase price of the home • Homeowners must be qualified (80% South Dakota state median income or area median income) • Homeowner leases the land through a 99-year renewable ground lease 	Deadwood, SD	(605) 578-1401 (605) 923-6007 Website: dakotalandtrust.org
Dakota Resources	<ul style="list-style-type: none"> • Capital Investment Fund • Learning Network 	Renner, SD	(605) 978-2804 Email: info@dakotaresources.org Website: dakotaresources.org
GROW South Dakota	<ul style="list-style-type: none"> • Home Improvement Grant • Weatherization 	Sisseton, SD	(605) 698-7654

	<p>Assistance</p> <ul style="list-style-type: none"> • Down Payment & Closing Assistance • Dakota Dream Savings Fund • Homeownership Education 		<p>Email: info@growsd.org</p> <p>Website: growsd.org</p>
Habitat for Humanity	<ul style="list-style-type: none"> • Fundraising, grant writing, training and advocacy • Develop investments for affordable housing opportunities 	Affiliates throughout South Dakota	<p>(605) 696-0480</p> <p>Email: info@habitatsouthdakota.org</p> <p>Website: habitatsouthdakota.org</p>
Homes Are Possible Inc (HAPI)	<ul style="list-style-type: none"> • Home Improvement Grant • Down Payment Assistance 	Aberdeen, SD	<p>(605) 225-4274</p> <p>Website: homesarepossible.org/</p>
Interlakes Community Action Program	<ul style="list-style-type: none"> • Bright Futures • Emergency Solutions Grant (homelessness) • Heartland House • Homeownership Education Program (HEP) • Homeless Rent-Deposit Assistance • Housing Repair-Rehabilitation • Mutual Self-Help Housing • Self-Help Rehabilitation • Weatherization Program 	Madison, SD	<p>(605) 256-6518</p> <p>Website: interlakescap.com/</p>
NeighborWorks Dakota Home Resources	<ul style="list-style-type: none"> • Down payment and closing cost programs • Neighbor Next Door Program for law 	Deadwood, SD Rapid City, SD Belle Fourche, SD	<p>(605) 578-1401</p> <p>(605) 923-6007</p> <p>(605) 645-7315</p>

	<p>enforcement, teachers, firefighters, EMS, RNs and Military</p> <ul style="list-style-type: none"> • New Construction Services • Governor’s House Program • Rehab and safety rehab for low income families • Intermediary Relending Program for contractor funding 		<p>Website: neighborworksdhr.org</p>
Planning Districts of South Dakota	<ul style="list-style-type: none"> • Technical and professional assistance for cities and counties, such as grant writing, planning, etc • Housing-related services 	<p>Watertown, SD Aberdeen, SD Sioux Falls, SD Pierre, SD Yankton, SD Rapid City, SD</p>	<p>(605) 882-5115 (605) 626-2595 (605) 367-5390 (605) 773-2780 (605) 665-4408 (605) 394-2681</p>
Rural Electric Economic Development Fund	<ul style="list-style-type: none"> • Low-interest lender for new construction, multi-family housing • Available to nonprofit and for-profit developers 	<p>Madison, SD</p>	<p>(605) 256-4536</p> <p>Email: reedinfo@eastriver.coop Website: reedfund.coop</p>
South Dakota Housing Development Authority	<ul style="list-style-type: none"> • Grants for recent graduates • First Time Homebuyer Program • Repeat Homebuyer Loan Program • Governor’s House Program • Home Improvement Program • Down Payment 	<p>Pierre, SD</p>	<p>(605) 773-3181</p> <p>Email: info@sdhda.org Website: sdhda.org</p>

	<p>Assistance</p> <ul style="list-style-type: none"> ● HOME Program for new construction and rehab ● HOF Fund for new construction, rehab and accessibility ● CHD program for development of rental housing ● Neighborhood Stabilization Program to acquire and redevelop foreclosed properties ● Housing Tax Credits for construction and rehab of low-income housing ● Training for developers, property managers, renters ● Paint SD Grant Program 		
<p>Sioux Empire Housing Authority</p>	<ul style="list-style-type: none"> ● Affordable Housing Resource Center program - educating homebuyers and providing resources for low- to moderate-income families ● Financing partnerships that have included local and federal grant dollars, zero interest loan pools and reduced fees from lenders and Realtors and discounted materials ● Consulting advice in the development of new neighborhoods ● Purchasing, rehabbing and re-selling homes to low- 	<p>Sioux Falls, SD</p>	<p>(605) 399-0942</p> <p>Website: siouxempirehousing.org</p>

	<p>to moderate-income residents individually</p> <ul style="list-style-type: none"> • Homebuyer education 		
South Dakota Governor's Office of Economic Development	<ul style="list-style-type: none"> • Bulldoze, Build & Beautify Program 	Pierre, SD	<p>(605) 773-4633</p> <p>Websites: sdreadytowork.com sdreadytopartner.com</p>
South Dakota Home Builders Association	<ul style="list-style-type: none"> • Housing Enhancement Loan Program 	Pierre, SD	<p>(605) 224-2761</p> <p>Email: sdhbvp@sdhomebuilders.com</p> <p>Website: sdhomebuilders.com</p>
USDA Rural Development	<ul style="list-style-type: none"> • Single Family Housing Direct Home Loans & Loan Guarantees • Mutual Self-Help Housing Technical Assistance Grants • Rural Housing Site Loans • Farm Labor Direct Loans & Grants • Housing Preservation & Revitalization Demonstration Loans & Grants • Housing Preservation Grants • Multi-Family Housing Direct Loans & Loan Guarantees • Multi-Family Housing Rental Assistance 	Pierre, SD	<p>(605) 352-1100</p> <p>Websites: https://www.rd.usda.gov/programs-services/all-programs/multi-family-housing-programs rd.usda.gov/programs-services/all-programs/single-family-housing-programs</p>

Thank you!

You are viewing a toolkit that will change and grow over time. If this content has been useful to you, please help us create the next best version for better housing solutions in rural South Dakota.

You can contribute in two ways:

1. Send us a tool to add to this toolkit. Let other rural communities know what has worked in your town. Email your content to info@dakotaresources.org.
2. Request a change to the current document. See something that needs updating or correcting? Email us the page number and specific change you suggest at: info@dakotaresources.org.

Thank you!

