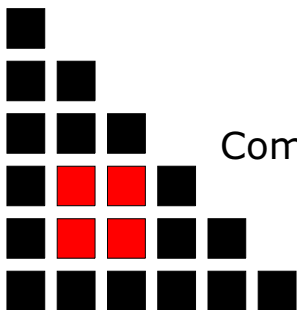# Town of Rolling Hills HOUSING STUDY

July 2019

An analysis of the overall housing needs
of the Cities and Towns in Converse County, WY

Community Partners Research, Inc.

Lake Elmo, MN

651-777-1813

List of Sections

Introduction

Overview

Community Partners Research, Inc., was hired by The Enterprise and its corporate partners to complete a comprehensive study of housing market conditions in the communities of Douglas, Glenrock and Rolling Hills in Converse County.

Methodology

A variety of resources were utilized to obtain information for the Housing Study Update. Community Partners Research, Inc., collected and analyzed data from January to May 2019. Data sources included:

- U.S. Census Bureau
- Demographic data from the WY Economic Analysis Division
- Applied Geographic Solutions, a private data reporting service
- Esri, Inc., a private data reporting service
- Records and data from each City/Town
- Records and data maintained by Converse County
- Data from the WY Department of Workforce Services
- Data from the WY Community Development Authority
- Converse County Draft Environmental Impact Statement
- Interviews with elected officials and staff from each City/Town
- Interviews with people familiar with the area's housing conditions including Realtors, property managers, and developers
- Area housing agencies

Limitations

This Study represents an analysis performed with the data available at the time of the research. Any findings are based upon current housing programs and the best available information on future trends and projections. Significant changes in the area's economy, employment growth, tax policy or other related factors could change the findings and conclusions contained in this report. This is especially true of the area's growing oil and gas sectors, which are subject to worldwide changes in energy supply and demand. This Study has not attempted to project future economic conditions, but instead has relied on the best available data on expected patterns and practices.

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This study was prepared by:
Community Partners Research, Inc.
Lake Elmo, MN
(651) 777-1813

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Demographic Data Overview

Sources of Data

A number of different demographic data sources have been utilized in the preparation of this document. The State of Wyoming provides demographic profile information for cities and towns supplied by Applied Geographic Solutions, a private company. The analysts have also used a similar provider, Esri, Inc., for current-year estimates and future projections.

The State also provides some projection data through the Economic Analysis Division. The analysts have also examined any demographic data that is available locally, including any Comprehensive Plans that exist.

Demographic information from the U.S. Census Bureau has been used. Various Census data sources were examined, including the annual Population Estimates Program, records from the 2010 Census, and the annual American Community Survey. The latest American Community Survey release is for the year 2017. Since the American Community Survey is based on an annual sampling of households, there is a margin of error that exists for each estimate.

One final source that has been used extensively is the Draft Environmental Impact Statement (EIS) that has been prepared for the Converse County Oil and Gas Project. This document includes various projections based on different assumptions of future energy exploration and extraction activity.

Market Area Designation

Each City/Town has been examined individually, but all of Converse County has been viewed as a market area for housing development potential.

While Glenrock and Douglas form the logical location for most of the future new housing construction activity, especially multifamily housing projects, it is recognized that defining the exact location of new construction activity will be driven by buyer preferences, and not easy to predict.

The rural portions of the County have always had some appeal for home owners, and a portion of the owner-occupancy demand would be expected to locate outside of the cities and towns.

Population Estimates and Trends

Table 1 Population Trends - 1980 to 2018							
	1980 Census	1990 Census	2000 Census	% Change 1990-2000	2010 Census	% Change 2000-2010	2018 AGS Estimate
Rolling Hills	-	330	449	36.1%	440	-2.0	426
Glenrock	2,736	2,153	2,231	3.6%	2,576	15.5%	2,528
Douglas	6,030	5,076	5,288	4.2%	6,120	15.7%	6,336
Converse Co.	14,069	11,128	12,052	8.3%	13,833	14.8%	13,811

Source: U.S. Census; Applied Geographic Solutions

There are multiple sources that have been examined for the current population level in Rolling Hills. Two of the sources, Applied Geographic Solutions (AGS) and Esri, have issued estimates for the year 2018. Another source, the Census Bureau's annual population estimates program, is effective for 2017.

The AGS estimates have been displayed in Table 1. According to AGS, the Town of Rolling Hills had 426 residents in 2018, down by 14 people from 2010. This estimate was lower than Esri's, which showed 454 Town residents in 2018, up by 14 people between 2010 and 2018. The estimate from the Census Bureau, showed a total population of 419 people on July 1, 2017, an estimate that was slightly lower, although with a one-year earlier effective date.

If used to form a range, these three sources show the Town of Rolling Hills experiencing only limited annual population change, from -3 to +2 people per year since 2010.

Despite some differences between these sources, they all tend to show a relatively stable community. While it is certainly possible that Rolling Hills experienced some population outflow in 2016 and 2017, due to economic conditions, by late 2018 any possible losses were probably recovered. The actual population would tend to be more impacted by the number of people per household. For example, the sources showing minor population loss may simply be tracking fewer children living in the community.

There is also some variation between these sources for the total population in Converse County. The most conservative estimate is from AGS. It shows the entire County with a minor population loss in the current decade. Excluding, Douglas which is the largest single jurisdiction, it shows the remainder of the County losing approximately 240 people between 2010 and 2018.

Esri has the most optimistic estimate. It shows the County with 14,579 residents, adding 746 people from 2010 to 2018. Removing Douglas, it shows the remainder of the County adding 375 residents so far this decade.

At the County level, Census Bureau estimates exist for the year 2018. This source showed only 13,640 people living in Converse County, the lowest estimate for 2018. This estimate is down slightly from the 2010 Census count, and shows that the County has lost nearly 200 people in the current decade.

At the County level, both AGS and the Census Bureau show a decreasing population outside of the City of Douglas, while Esri is tracking solid growth countywide. It is not clear why there are these differing opinions about the remainder of Converse County. Esri does show some population growth within each of the primary communities of Douglas, Rolling Hills and Glenrock, but Esri also shows that the rural portions of the County, Douglas CCD and Glenrock CCD, have been growing.

It is known that some forms of temporary housing have been placed in the County, in response to demand from energy industry workers. Esri may be viewing these as permanent residents, while the other sources may view these people as temporary residents, with a permanent home elsewhere.

Population by Race/Ethnicity

The reliability of racial and ethnic information that is released between the decennial Censuses can be questioned, given the methodology that is used. Since racial and ethnic minority groups may represent a relatively small share of the overall population, any sample data is very susceptible to errors.

When all of Converse County is examined, the population is predominantly White for race, and not of Hispanic/Latino ethnicity. The 2018 estimates from Applied Geographic Solutions shows that nearly 93% of all County residents were listed as White for race in 2018. Approximately 8% were identified as Hispanic/Latino for ethnicity.

The 2017 American Community Survey estimates show even less diversity, with nearly 98% of residents listed as White. However, this source shows that nearly 8% of County residents were of Hispanic/Latino ethnicity, a percentage that was similar to Applied Geographic Solutions.

At the time of the 2010 Census, approximately 95% of the County's residents were White for race, and only 6.3% were of Hispanic/Latino ethnicity.

No estimates of racial/ethnic population distributions were obtained from Esri.
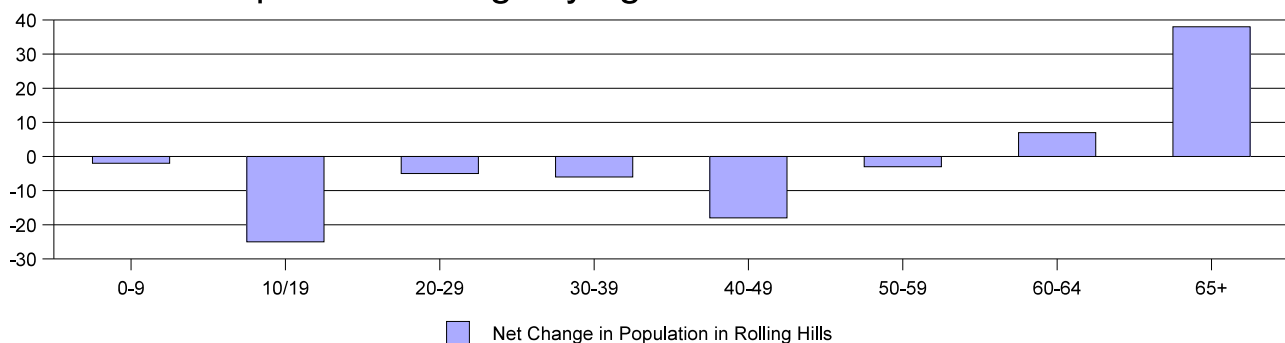
Population by Age Trends: 2010 to 2018

The 2018 population estimates from Applied Geographic Solutions include information on the age distribution of residents. The following table compares population by age in 2010 and 2018 for Rolling Hills, along with the changes.

Table 2 Rolling Hills Population by Age - 2010 to 2018			
Age	2010	2018	Change
0-9	61	59	-2
10-19	85	60	-25
20-29	42	37	-5
30-39	60	54	-6
40-49	68	50	-18
50-59	68	65	-3
60-64	24	31	+7
65+	32	70	+38
Total	440	426	-14

Source: U.S. Census; Applied Geographic Solutions

Population Change by Age Between 2010 and 2018

Net Change in Population in Rolling Hills

Like most communities in this region of the U.S., Rolling Hills has continued to see an advancing "baby boom" generation and its impact on the community's aging patterns. The age cohorts that represent the many of the baby boomers continue to grow in size, as this large demographic segment moves through the aging cycle.

For the Town of Rolling Hills, the only age ranges that have been growing in the current decade are age 60 and older. In 2018, most all of the baby boomers were within the age ranges between 60 and 74 years old. Between 2010 and 2018, Rolling Hills had a net gain of 45 people in the age ranges 60 and older, but a net decrease of 59 people age 59 and younger.

Household Estimates and Trends

Table 3 Household Trends - 1990 to 2018						
	1990 Census	2000 Census	% Change 1990-2000	2010 Census	% Change 2000-2010	2018 AGS Estimate
Rolling Hills	N/A	135	-	147	8.9%	164
Glenrock	799	925	15.8%	1,102	19.1%	1,092
Douglas	1,907	2,118	11.1%	2,546	20.2%	2,686
Converse County	4,046	4,694	16.0%	5,673	20.9%	5,765

Source: U.S. Census; AGS

According to the 2018 estimate from Applied Geographic Solutions (AGS), Rolling Hills has added households so far this decade, despite some minor loss of population. According to AGS, 17 households have been added from 2010 to 2018. Esri shows the Town with 150 households in 2018, up by only three households from 2010.

Based on other available information, it is difficult to verify the accuracy of the AGS estimate. According to local records, only one housing unit has probably been added in recent years. At the time of the 2010 Census, very few vacant housing units were present. As a result, it is not possible to reconcile the possible growth of 17 households, since the housing stock has not increased at a similar rate. If the AGS household count is accurate, it would have been due to annexation activity, which cannot be verified.

Using information on the size of the housing inventory, it is more likely that the 2018 estimate from Esri is more accurate. With the possibility that one house may have been added, and that some vacant units in 2010 are now occupied, it is possible that Rolling Hills has added three households.

There are also some differences for household growth countywide. Excluding Douglas, the largest single jurisdiction, AGS shows the remainder of the County losing 48 households from 2010 to 2018. Esri shows the remainder of the County adding 107 households from 2010 to 2018. Once again, the Esri estimate appears to better reflect recent trends.

It is important to note that although Esri's 2018 estimate for Rolling Hills does continue a longer-term pattern of household growth for the Town, the scale of this growth has been very limited. Looking back to the year 2000, only 15 households have been added, or an annual average of less than one household per year.
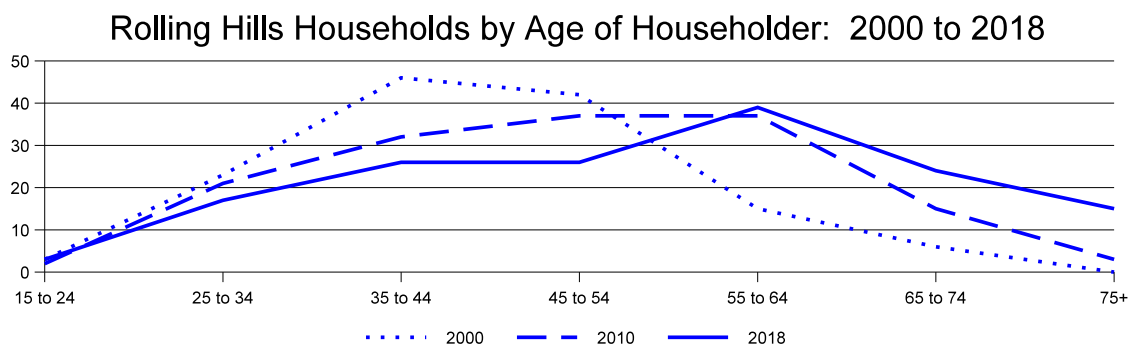
Household by Age Trends in Rolling Hills: 2010 to 2018

The demographic data profile that is available from Applied Geographic Solutions (AGS) does not provide information on households by age. However, age-based household estimates are available from Esri. The following table compares households by age of householder in 2010 and 2018 within Rolling Hills, along with the numeric changes.

Table 4 Rolling Hills Household by Age of Householder - 2010 to 2018			
Age	2010	2018	Change
15-24	2	3	+1
25-34	21	17	-4
35-44	32	26	-6
45-54	37	26	-11
55-64	37	39	+2
65-74	15	24	+9
75+	3	15	+12
Total	147	150	+3

Source: U.S. Census; Esri

The household patterns provided by Esri show an aging population in the Town of Rolling Hills. Nearly all of the growth achieved during the current decade has been attributed to an increased number of households age 55 and older. Overall, Esri shows a net reduction of 20 households age 54 and younger, but a net increase of 23 households age 55 and older.

Rolling Hills Households by Age of Householder: 2000 to 2018

The advancement of the baby boomer generation can be tracked back to the year 2000 in Rolling Hills.
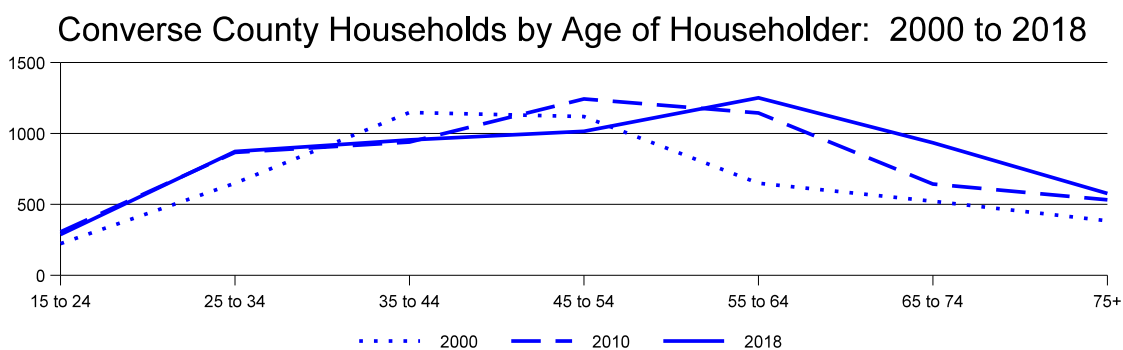
Household by Age Trends in Converse County: 2010 to 2018

Age-based household estimates for all of Converse County are also available from Esri. It is important to note that Esri had a significantly higher estimate of the total household count in the County, when compared to AGS. Much of the difference between the Esri and AGS estimates for 2018 are attributed to growth that Esri believes has occurred outside of the City of Douglas, including the rural portions of Converse County.

Table 5 County Household by Age of Householder - 2010 to 2018			
Age	2010	2018	Change
15-24	306	287	-19
25-34	866	873	+7
35-44	939	954	+15
45-54	1,243	1,015	-228
55-64	1,144	1,251	+107
65-74	643	934	+291
75+	532	577	+45
Total	5,673	5,891	+218

Source: U.S. Census; Esri

For all of Converse County, Esri attributes the largest share of the recent household growth to households age 65 and older. Esri shows a net reduction of 118 households age 64 and younger, but a net increase of more than 336 households age 65 and older. For both Rolling Hills and all of Converse County, the 10-year range between 65 and 74 years old has experienced the greatest level of numeric change between 2010 and 2018, as the leading edge of the baby boom generation moves through the aging cycle.

Converse County Households by Age of Householder: 2000 to 2018

Average Household Size

The following table provides information on average household size.

Table 6 Average Number of Persons Per Household: 1990 to 2018				
	1990 Census	2000 Census	2010 Census	2018 Esri
Rolling Hills	N/A	3.33	2.99	3.03
Glenrock	2.69	2.41	2.32	2.35
Douglas	2.62	2.45	2.37	2.42
Converse County	2.73	2.55	2.42	2.46

Source: U.S. Census; Esri

Household formation has been occurring at a different rate than population change in recent decades due to a steady decrease in average household size. This has been caused by household composition changes, such as more single person and single parent families, fewer children per family, and more senior households due to longer life spans.

The average household size for Rolling Hills is very large, and implies a number of families with children still live in the community. Although it has decreased

Average Household Size: 1990 to 2018

since 2000, the 2018 Esri estimate still shows that the average household has more than three members, and has increased slightly between 2010 to 2018. But the other data source used in this report, Applied Geographic Solutions, does show that the average household size in Rolling Hills has decreased more substantially since 2010, and was approximately 2.60 persons in 2018.

Esri believes that the average household size for Converse County has also increased slightly since 2010, but AGS does continue to show a decreasing average through 2018.

Housing Tenure

The 2010 Census provided the last reliable benchmark for ownership versus rental housing tenure patterns. However, other data sources including AGS and Esri have issued recent estimates for tenure distribution.

Table 7 AGS Household Tenure Estimate - 2018				
	Number of Owners	Percent of all Households	Number of Renters	Percent of all Households
Rolling Hills	144	87.3%	21	12.7%
Converse County	4,139	71.8%	1,626	28.2%

Source: Applied Geographic Solutions

Table 8 Esri Household Tenure Estimate - 2018				
	Number of Owners	Percent of all Households	Number of Renters	Percent of all Households
Rolling Hills	132	88.0%	18	12.0%
Converse County	4,363	74.1%	1,528	25.9%

Source: Esri

At the time of the 2010 Census, the ownership tenure rate in Rolling Hills was at nearly 98%, with only three renter households recorded in the Town. The two current-year (2018) estimates that are available both show a significant increase in renter-occupancy since that time, although both still show that Rolling Hills is primarily a home ownership community.

According to Applied Geographic Solutions, the Town's home ownership rate had decreased to approximately 87% by 2018, while Esri showed the home ownership rate decreasing to 88%. Since nearly all of the housing in Rolling Hills is in traditional single family homes, this would imply that some level of tenure conversion has been occurring during the decade.

For all of Converse County, the home ownership rate was at 72% in 2010, with 28% of households living in a rental unit. The 2018 estimate from AGS shows a relatively stable tenure pattern Countywide, with 71.8% of households owning their unit. Esri shows a higher rate of home ownership in 2018, at 74.1%. However, part of the reason that Esri has tracked a higher rate of home ownership is that they showed a decrease in renter-occupancy households, probably due to the down years of 2016 and 2017 when rental vacancies increased in the County.

Tenure by Age of Householder

The American Community Survey does issue an estimate showing the tenure distribution of households within defined age ranges. The following table examines 2017 information for renters and owners in each age group in the Town of Rolling Hills.

	Table 9 Tenure by Age of Householder - 2017			
Age	Owners		Renters	
	Number	Percent within age	Number	Percent within age
15-24	0	0%	0	0%
25-34	23	100%	0	0%
35-44	31	100%	0	0%
45-54	28	100%	0	0%
55-64	20	100%	0	0%
65-74	11	100%	0	0%
75-84	8	80.0%	2	20.0%
85+	0	0%	0	0%
Total	121	98.4%	2	1.6%

Source: American Community Survey

The American Community Survey is tracking almost no change in the housing tenure patterns in Rolling Hills. Nearly all households owned their unit, with an estimate of only two renter households in 2017, compared to three at the time of the 2010 Census. In the opinion of the analysts, this estimate is probably more accurate, when compared to the rising level of renter-occupancy that exists in the AGS and Esri data.

The American Community Survey tends to show a fairly large distribution of younger adult households in the Town. Overall, approximately 68% of all home owners were age 54 or younger. This would largely match the large average household size that exists in Rolling Hills, as many of the households would appear to contain children.

2017 Median Income Data

Annual household income estimates are available at the city, town and county level through the American Community Survey. The most recent income information is for 2017. The following table compares 2017 and 2012 estimates from the American Community Survey to track recent changes.

Household income represents all independent households, including families, people living alone and unrelated individuals living together in a housing unit. Families are two or more related individuals living together in a household. Families tend to have higher income levels since these have at least two household members, and potentially more income-earners.

Table 10 Median Income - 2012 to 2017			
	2012 Median	2017 Median	% Change
Households			
Rolling Hills	$77,857	$82,083	5.4%
Converse County	$62,554	$62,776	0.4%
Wyoming	$56,573	$60,938	7.7%
Families			
Rolling Hills	$81,250	$90,625	11.5%
Converse County	$72,837	$79,386	9.0%
Wyoming	$70,013	$75,602	8.0%

Source: American Community Survey

Income information contained in the American Community Survey showed relatively high median income levels in Rolling Hills, which have also been increasing in recent years. The Town's median household income was more than $19,000 higher than the County's and had increased by more than 5% from 2012. It is important to note that Rolling Hills has a large number of family households and owner-occupancy households, which contribute to the high median income level for all households.

There was also growth in the median family income level, and the median for Rolling Hills was more than $10,000 above the countywide median. The median family incomes in both Rolling Hills and Converse County were above the Statewide median for families in 2017.

The rate of change for median income levels over time can also be compared to inflation. According to the federal Bureau of Labor Statistics, the inflation rate during this same time period was approximately 6.7%. Using this comparative measure, the rate of change for the median household income level in Rolling Hills slightly trailed the rate of inflation, while the median family income grew at a faster rate.

Using the commonly accepted standard that up to 30% of gross income can be applied to housing expenses without experiencing a cost burden, a median income household in Rolling Hills could afford approximately $2,050 per month for ownership or rental housing in 2017. A family at the Town's median could afford approximately $2,265 each month for housing. However, as will be detailed on the pages that follow, there are some households well below the median levels.
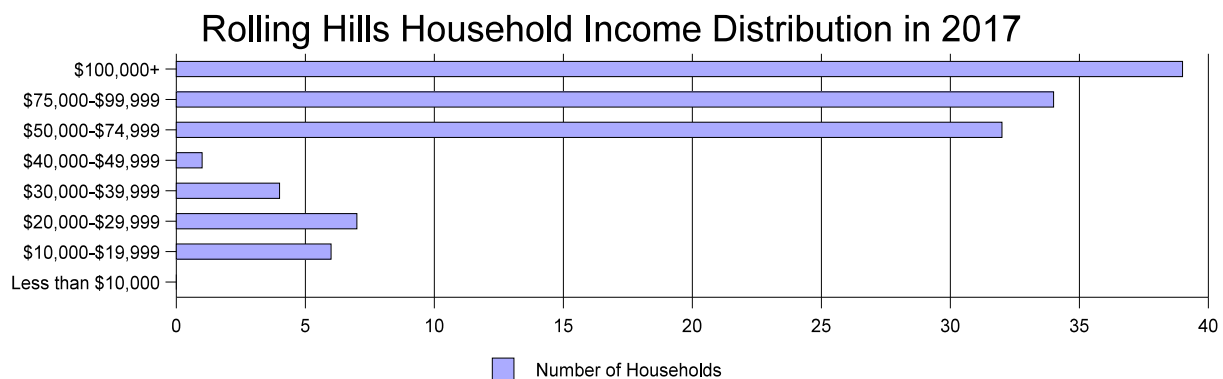
It is also important to note that the collection of the American Community Survey income data may have occurred during economic down times in Converse County. The sampling would have been completed between 2013 and 2017. By 2018, economic activity was improving, and future income releases may reflect these improving conditions.

Rolling Hills Income Distribution

The American Community Survey (ACS) provides an estimate of the household income distribution within the Town of Rolling Hills. The American Community Survey is an estimate, based on limited sampling, and a margin of error exists for each estimate. For total households in Rolling Hills, the American Community Survey estimate appears to be too low, when compared to other data sources. Despite this possible flaw, this source still provides the most detailed information on income patterns.

Table 11 Rolling Hills Income Distribution by Tenure - 2017		
Household Income	Number of Households	Percent of All Households
$0 - $9,999	0	0%
$10,000 - $19,999	6	4.9%
$20,000-$29,999	7	5.7%
$30,000 - $39,999	4	3.3%
$40,000 - $49,999	1	0.8%
$50,000 - $74,999	32	26.0%
$75,000 - $99,999	34	27.6%
$100,000+	39	31.7%
Total	123	100%

Source: American Community Survey

Rolling Hills Household Income Distribution in 2017

Household income and housing tenure are linked for most households, with home owners generally having higher annual income levels, and renters having lower incomes. Since nearly all of the households in Rolling Hills own their housing unit, most are in the moderate to higher income ranges.

2017 Estimated Income and Housing Costs - Owners

The American Community Survey also provided housing cost estimates for owner-occupants. The following table provides the number of households in the Town of Rolling Hills that are paying different percentages of their gross household income for housing costs.

Table 12 Ownership Costs as a Percentage of Income - Rolling Hills		
Percentage of Household Income for Housing Costs	Number of Owner Households 2017	Percent of All Owner Households 2017
0% to 19.9%	63	52.1%
20% to 29.9%	38	31.4%
30% to 34.9%	6	5.0%
35% or more	14	11.6%
Not Computed	0	0%
Total	121	100%

Source: American Community Survey

Most owner-occupants, which would include both households with or without a mortgage, reported paying less than 30% of their income for housing. Mortgage lending practices will often prevent households from applying an overly large percentage of their income for housing. However, nearly 17% of all home owners reported that they paid 30% or more of their income, and most of these were paying more than 35% of income for housing costs. As would be expected, the large majority of cost-burden home owners had a mortgage on their home.

Most home owners were able to apply less than 30% of their income to monthly housing costs.

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Growth Projections Overview

Various projections exist that anticipate future changes in the demographic patterns for the Town of Rolling Hills and all of Converse County. It is important to state that these projections each represent an informed prediction of possible change, but local conditions will ultimately dictate the actual changes that occur. It appears that some of the projection sources are not tracking with the current status of oil and gas activity.

In the following section, different projections and growth scenarios have been reviewed and analyzed by Community Partners Research. In general, these have been presented in the following order.

‣ Projections from primary data sources including Esri and Applied Geographic Solutions (AGS)
‣ Projections from the Wyoming Economic Development Division
‣ Projections from the Draft Environmental Impact Statement

Although these sources have been reviewed, some do not appear to be reliable for use in projecting future housing demand.

Projections from Primary Data Sources

This Study has utilized demographic information from two different primary providers, Applied Geographic Solutions (AGS) and Esri, Inc. (Esri). AGS is used by the Wyoming Business Council to provide demographic base information for the individual jurisdictions in the State. Esri is a similar provider of data that is often used by financial institutions and housing finance agencies when examining market potential.

As will be discussed later, these two sources show some expected changes, but these are modest in scale. These national data sources generally do not have the ability to incorporate specific local conditions that could significantly impact past growth patterns.

Population Projections

Population projections for the five-year time period spanning the years 2018 through 2023 are available from both AGS and Esri.

Table 13 Population Projections Through 2023						
	AGS			Esri		
	2018 Estimate	2023 Projection	Change	2018 Estimate	2023 Projection	Change
Rolling Hills	426	411	-15	454	460	+6
Converse County	13,811	13,122	-689	14,579	14,874	+295

Source: AGS, Esri

Although both of these sources are viewed by the analysts as unreliable for future population growth, at least Esri does show some increase in the number of residents in Rolling Hills and all of Converse County. Given the in-migration patterns that are evident in late 2018 and early 2019, significantly greater population growth should actually occur.

Household Projections

Household projections directly impact the demand for housing. The following table presents household forecasts to the year 2023 from the primary projection sources, AGS and Esri. Both of these sources use a five-year projection period, starting with their base year (2018) estimates and then projecting to the year 2023.

Table 14 Household Projections for Rolling Hills Through 2023						
	AGS			Esri		
	2018 Estimate	2023 Projection	Change	2018 Estimate	2023 Projection	Change
Rolling Hills	164	170	+6	150	152	+2
Converse County	5,765	5,868	+103	5,891	6,012	+121

Source: AGS, Esri

As apparent in the table above, the primary data providers used for this Study have a very conservative view of the household growth prospects for both Rolling Hills and Converse County. Although there are some differences in the base-year data, as discussed earlier in this document, the projected range of growth going forward is relatively similar.

For the Town of Rolling Hills, the cumulative growth over the five-year period ranges from 2 to 6 households. If reduced to an annual average, this would yield approximately one or fewer households annually.

There are greater differences between AGS and Esri for the base-year estimates for all of Converse County, but similarity on the anticipated changes going forward. For the entire County, the cumulative range is 103 to 121 households over the next five years. If reduced to an annual average, this would yield approximately 21 to 24 households annually.

The exact methodology used by each of the data sources is not disclosed, but these projections are probably based in part on a continuation of recent patterns. For example, housing unit construction patterns in Rolling Hills over the past five years have added only one new housing unit through new construction, before any potential unit losses are incorporated. This is very consistent with the projected annual growth going forward.
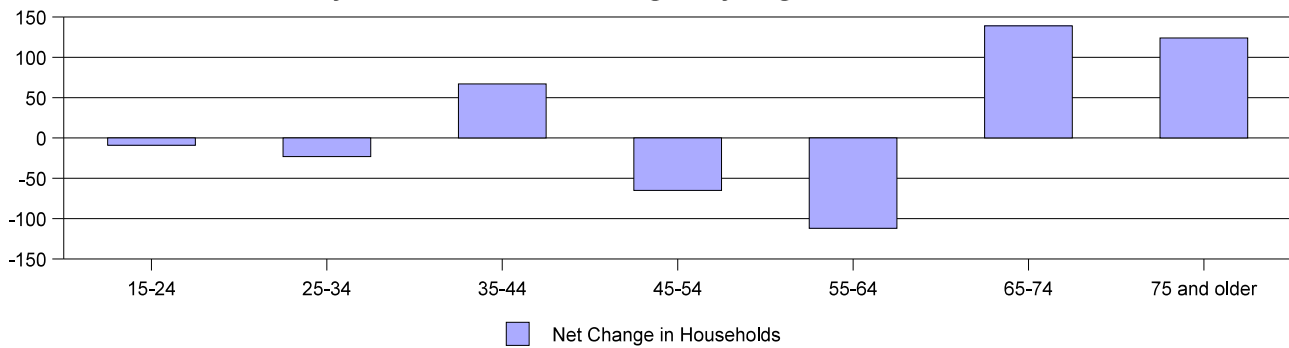
Household by Age Projections

In addition to overall household forecasts, Esri has also generated age-based projections for households to the year 2023. These projections can be compared to the data contained in the 2018 Esri estimate to examine the change projected over the next few years. These age-based forecasts are for all of Converse County.

Table 15 Converse County Projected Households by Age to 2023			
	Esri		
Age	2018 Estimate	2023 Projection	Numeric Change
15-24	287	278	-9
25-34	873	850	-23
35-44	954	1,021	+67
45-54	1,015	950	-65
55-64	1,251	1,139	-112
65-74	934	1,073	+139
75+	577	701	+124
Total	5,891	6,012	+121

Source: Esri

Esri's age-based projections should largely be viewed as tracking the expected changes in the existing resident population in Converse County. These projections expect only limited household growth, and would not include the impacts of job creation in the food processing industry or energy extraction.

Converse County Household Change by Age Between 2018 and 2023

These forecasts show nearly all the net growth occurring among households age 65 and older through the year 2023. The only younger age range expected in increase in size would be households age 35 to 44 years old.

State of Wyoming Projections

The Wyoming Economic Analysis Division (EAD) has generated future forecasts of population levels. They were created in 2017 and 2018, and do take into account the impact of energy extraction industries. Although the projections have only been issued for population, they can be extrapolated in household forecasts by applying some basic assumptions on group quarters populations and average household size.

Projections are produced to the year 2040, but in the following table only the data through 2023 have been presented. This is consistent with the 5-year time horizon utilized by the other primary projection sources. The projections use a base year of 2016.

Table 16 State-issued Population Projections			
	WY Economic Analysis Division		
	2016 Estimate	2023 Projection	Change
Rolling Hills	439	473	+24
Glenrock	2,595	2,767	+172
Douglas	6,541	6,574	+33
Converse County	14,191	14,860	+669

Source: WY Department of Administration and Information

The forecasts issued by the State do not expect much population growth in any of the individual cities or towns in Converse County through the year 2023. Overall, this source shows the entire county adding approximately 670 people over the 7-year period spanning 2016 to 2023. On an annual basis, this would be an average of approximately 96 people per year.

The State projections actually show most of the expected population growth being located outside of the primary communities of Douglas, Glenrock and Rolling Hills. This may be a reflection of the possible "man camps" that could exist in the more rural portions of the County.

Among the primary jurisdictions, Rolling Hills is expected to see the addition of 24 people from 2016 through 2023. However, when viewed as an annual average over the 7-year period, this only yields approximately 3 people per year. If extrapolated into households, this would yield approximately 1 to 2 added households in a typical year.

Glenrock is expected to see the largest increase in population for the cities/towns in the County, with 172 people added from 2016 through 2023. However, when viewed as an annual average over the 7-year period, this only yields approximately 25 people per year. If extrapolated into households, this would yield approximately 10 to 12 added households in a typical year.

The State's projection for Douglas expects a low level of growth, with that community averaging fewer than five residents added in a typical year.

The State has placed approximately 66% of the expected population growth countywide outside of the three primary communities. On an annual basis, this would be approximately 63 people in a typical year. If converted to households, this would represent between 25 and 30 households per year.

While the projections issued by the State would appear to be overly conservative, especially for the City of Douglas, they were formed after consideration of both demographic and economic trends. Discussions with staff in the Economic Analysis Division indicate that projected oil and gas market conditions were included when anticipating the area's growth potential. However, in the opinion of EAD, few of the energy sector workers are expected to remain as permanent residents of the area.

Draft Environmental Impact Statement Projections

The Draft EIS that was prepared for the Converse County Oil and Gas Project includes an extensive review of the expected change in population, jobs and housing due to energy exploration and extraction. Different alternatives were considered but the following analysis summarizes some of the basic growth assumptions.

Much of the population growth that is being projected is the direct result of employment growth that is expected during the first 10 to 15 years of the exploration and extraction activity. While a portion of the jobs are likely to be filled by people already residing in the area, significant in-migration will also be needed.

Unlike some of the projections presented earlier, the Draft EIS data are presented as an expected gain over time, and do not necessarily start from a fixed base year estimate. The projections contained in Alternative A and Alternative B are presented below.

Alternative A is the most conservative growth scenario, and is the "no action" option. This assumes that normal oil and gas activity will continue as in the past, but a significant increase would not occur due to additional permitting approvals. The following approximate net gains in population were identified under Alternative A. These are cumulative gains, generally through the year 2026.

- ▸ Fewer than 30 people added in Rolling Hills
- ▸ Between 35 and 40 people added in Glenrock
- ▸ Approximately 150 people added in Douglas

Under these assumptions, household growth and the resulting housing needs would be limited. Even if single-person households would represent much of the population growth, the estimated population change would yield demand for fewer than 20 housing units in Rolling Hills. The peak year for net growth would not be reached until approximately 2026 under Alternative A, but much of the demand would already be present by the year 2021.

The Draft EIS also assumes that nearly half of this housing demand would be through temporary forms of housing, resulting in limited new construction of permanent housing.

Alternative B was the alternative that received the most analysis in the Draft EIS as the most probable scenario to result from increased oil and gas activity in Converse County. However, since many of the calculations were completed in 2014, there is a recognition that some of the assumptions used to make the forecasts are now viewed as overly high, as continued improvements in efficiency and technology may have reduced the need for workers. Still, Alternative B is viewed as the best indicator of future change.

When the original calculations were completed, the expected growth in population would be a net increase of approximately 2,000 people in Converse County by the year 2021. For individual jurisdictions, the following approximate net gains in population were identified.

▸ Fewer than 50 people added in Rolling Hills
▸ Approximately 380 people added in Glenrock
▸ Approximately 1,600 people added in Douglas

These net gains in population would generally be sustained through the year 2025, before beginning to decrease. A very significant decrease would then be expected after 2027. Much of the net growth achieved due to the oil and gas projects would be lost by the year 2028 under the assumptions used in Alternative B.

The Draft EIS does not directly project household changes, but does anticipate housing unit needs, which can be used to imply household growth. These forecasts expect the following net increase in housing unit demand by the year 2025:

▸ Fewer than 20 total units needed in Rolling Hills
▸ Approximately 200 total housing units needed in Glenrock
▸ Approximately 875 total housing units needed in Douglas

It is important to note, however, that much of this anticipated housing unit demand would be met through "temporary" housing options, including hotel/motel rooms, RV/campers, work force housing alternatives such construction work camps, and other resources that would not require traditional housing unit construction. These forms of temporary housing are already being used extensively in the County in 2019, especially in and around Douglas and Glenrock, consistent with the Alternative B assumptions.

For the housing demand specific to the Town of Rolling, the Draft EIS had used the following percentages:

▸   78% in temporary options such as hotels/motels and RV parks
▸   20% rental housing
▸   2% owner-occupancy housing

Temporary housing does not typically exist in Rolling Hills, since the community does not have hotels, motels, or existing campgrounds. This type of housing option could potentially be created, but is more likely to be placed elsewhere in the County.

There are also very few opportunities for rental housing in Rolling Hills, as the community only contains single family houses. There is no municipal sewer system, so multifamily buildings are less practical based on the need for onsite sewage treatment. For rental housing availability to increase in Rolling Hills, there would generally need to be tenure conversion, as single family houses are converted from owner to renter occupancy.

With rental housing and "temporary" housing creation removed from the forecast for Rolling Hills, only owner-occupancy housing can be expected. Therefore, the forecast for "permanent" housing needed in Rolling Hills by the year 2025 would be:

▸   Fewer than 20 owner housing units

As stated previously, it can be argued that the Draft EIS assumptions on the overall need for workers can now be viewed as overly optimistic, and advances in efficiency have reduced the labor needs associated with exploration and extraction. However, there are also other factors in the area that were not included in the Draft EIS, including the construction of a wind energy project, construction of a gas plant west of Douglas, a major pipeline project, and a proposed animal processing facility south of Douglas.

As a result, there are reasons to believe that the permanent housing unit needs in Rolling Hills will actually be equal to or greater than indicated in the Draft EIS, despite the reduced labor requirements specific to the oil and gas activities.

Economic Development Impacts

Although the multiple data sources identified above have been reviewed by the analysts, there is also a recognition that local economic activity and resulting job growth have the potential to alter any of the previously issued projections. Some of these are specific economic development projects, and can represent permanent or short-term job creation. The larger known projects are summarized below.

Kosher Beef Plant

A large-scale food processing facility is being planned approximately 10 miles south of the Douglas city limits. This project would directly impact potential growth and housing demand in Douglas.

As planned, this beef processing plant could reach a total employment level of 500 jobs. Construction is expected to begin in 2019, with operations beginning in 2020. The analysts have assumed that the growth in employment would occur gradually over time. These are viewed as permanent jobs for the area, with Douglas having the greatest chance for potential growth.

Cedar Springs Wind Energy Project

In 2019, a large-scale wind energy project will begin in Converse County. Up to 160 wind turbines may be erected, along with related facilities for transmission of power. The estimated start of activity is in the third quarter of 2019, with expected completion by the end of 2020.

Based on the Permit Application for the project, the estimated work force at the start of construction will be 41 people. At its peak in 2020, the estimated work force would have 265 people. The average monthly employment over the life of the project would be 125 people.

Due to the specialized nature of the construction, the analysts have assumed that most of this anticipated work force will come from outside of the Converse County area. With an anticipated project completion period of 18 months or less, most of these would be viewed as temporary residents of the County.

Saddle Butte Pipeline

In 2019, a 70-mile pipeline project will be constructed, including a 55-mile stretch in Converse County. The line will run between Campbell County to the Natural Bridge Station, which is located between Douglas and Glenrock. In addition to the pipeline, there will also be three pumping stations and an outlet station/terminal located in the County.

This project is expected to both start and complete construction in 2019. Temporary housing needs may exist for workers, but the demand will be for a limited duration.

The Saddle Butte Pipeline will be a large-scale project. Additional pipeline construction will also occur, connecting well sites to collection lines.

Oil and Gas Exploration and Extraction

The Converse County Oil and Grass Project is defined as a plan to drill up to 5,000 wells on 1,500 well pads in Northern Converse County. This activity is expected to occur over a 10-year time period. The productive life of each well is estimated to be approximately 30 years. A Draft Environmental Impact Statement (EIS) for this project was issued in 2018.

Oil and gas extraction activity will have both short-term and longer-term impacts on the area. During the drilling process, substantially more workers will be involved. Longer-term, there will be a level of sustained employment for the operation and maintenance of wells.
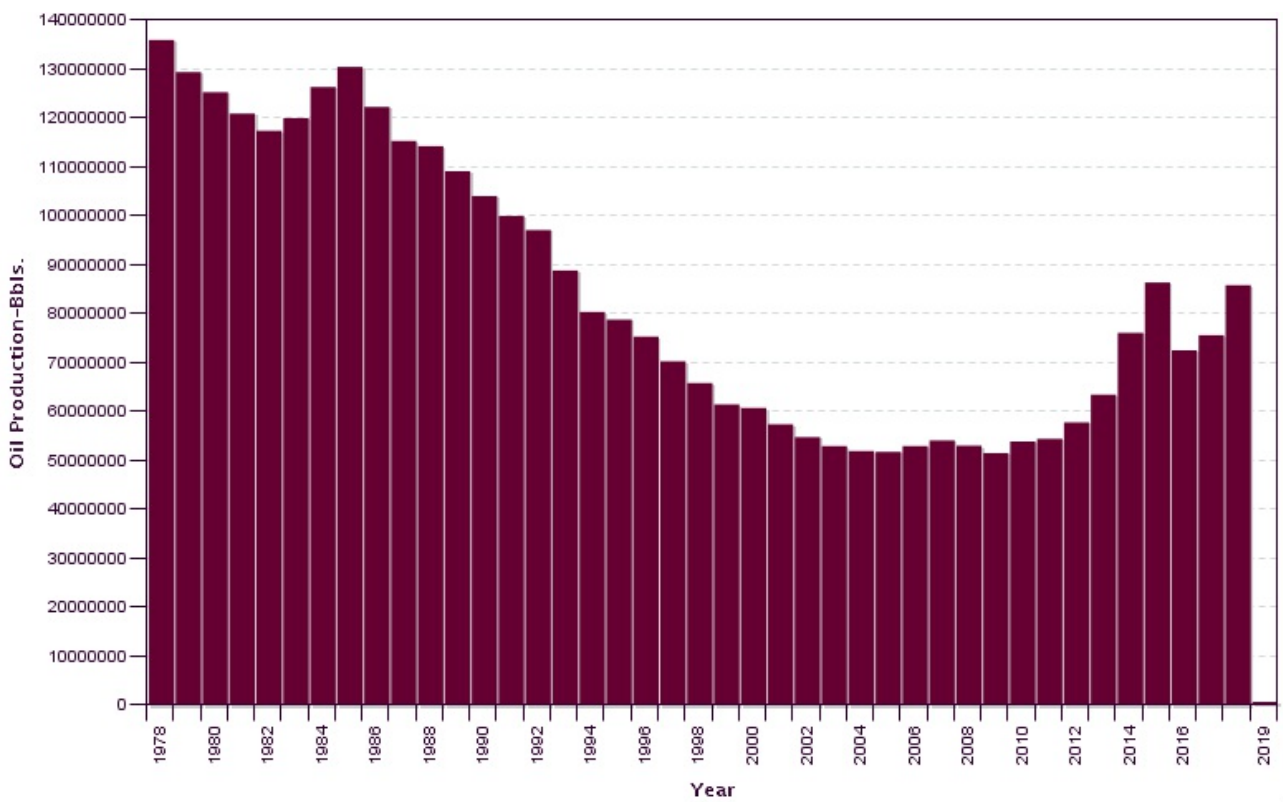
The Draft EIS makes clear that despite the growth that is expected, and resulting demand for housing, there are also cautions for potential housing development.

▸   Cyclical expansion and contraction in the oil and gas industry - the "boom and bust" cycles in response to economic and market conditions can result in a housing surplus during "bust" periods

▸   Uncertainty and volatility as related to the pace of development - while averages are often used to forecast change, the actual year-to-year changes may differ from the longer-term average

▸   Fixed-duration of the resource exploration and extraction - many of the projected changes in population and employment decrease significantly after 10 years, with eventual depletion of the resources within 30 years

Additional Factors Impacting Oil and Gas Extraction

Well drilling and operation in Converse County are expected to increase in scope in the coming years. However, the energy extraction industry is price sensitive, and has experienced recent "boom and bust" cycles in the past.

The following table shows oil production in the State for the years between 1978 and 2018. It was taken from the Wyoming State Geological Survey (WSGS) website.
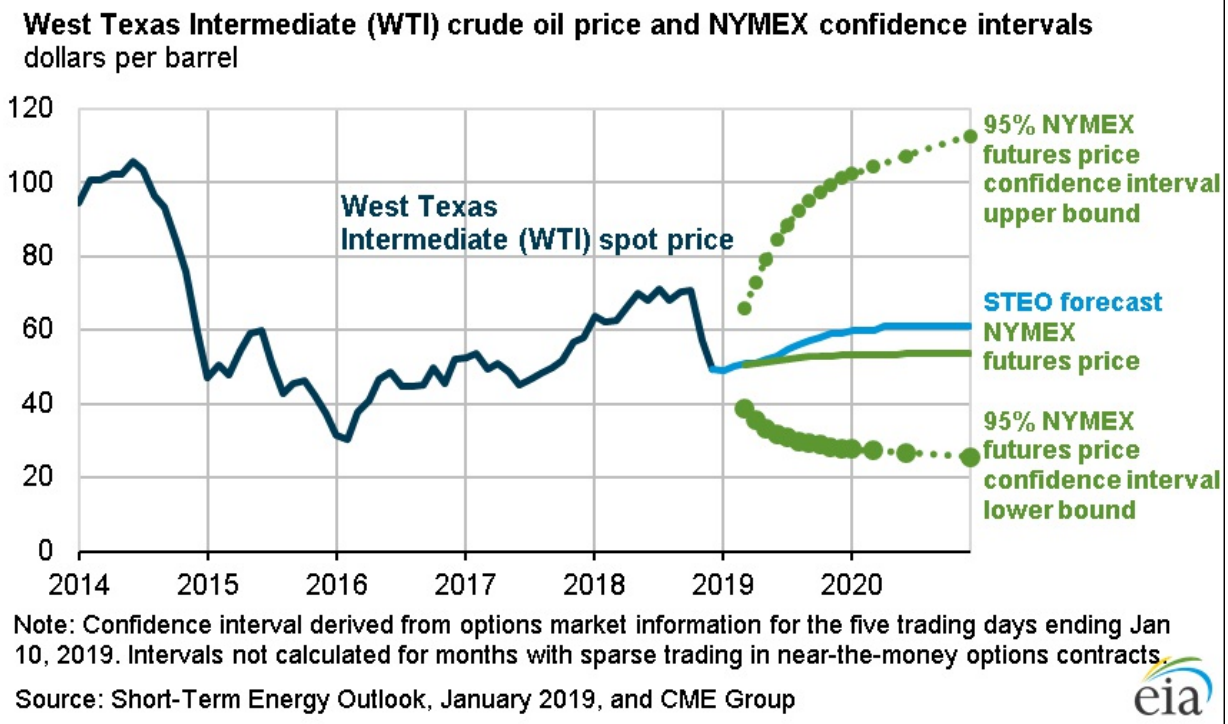

Although this production graph reflects statewide activity, and is not specific to Converse County, it does show the broad trends that can impact demand for housing in Converse County. For example, beginning in 2012, the volume of production began to increase after a number of stable years. This increase lasted through 2015, before decreasing again in 2016.

In comparison, housing construction in the County also increased during the years from 2011 to 2015, with 40 or more housing units starts in each of these years. But by 2016, as oil production dropped, only three new houses were built in Converse County.

It is important to state that the analysts cannot make a direct causal link between statewide oil production and housing demand in Converse County. But general economic patterns do appear to indicate the demand that is present for housing and household growth in areas that produce oil and gas.
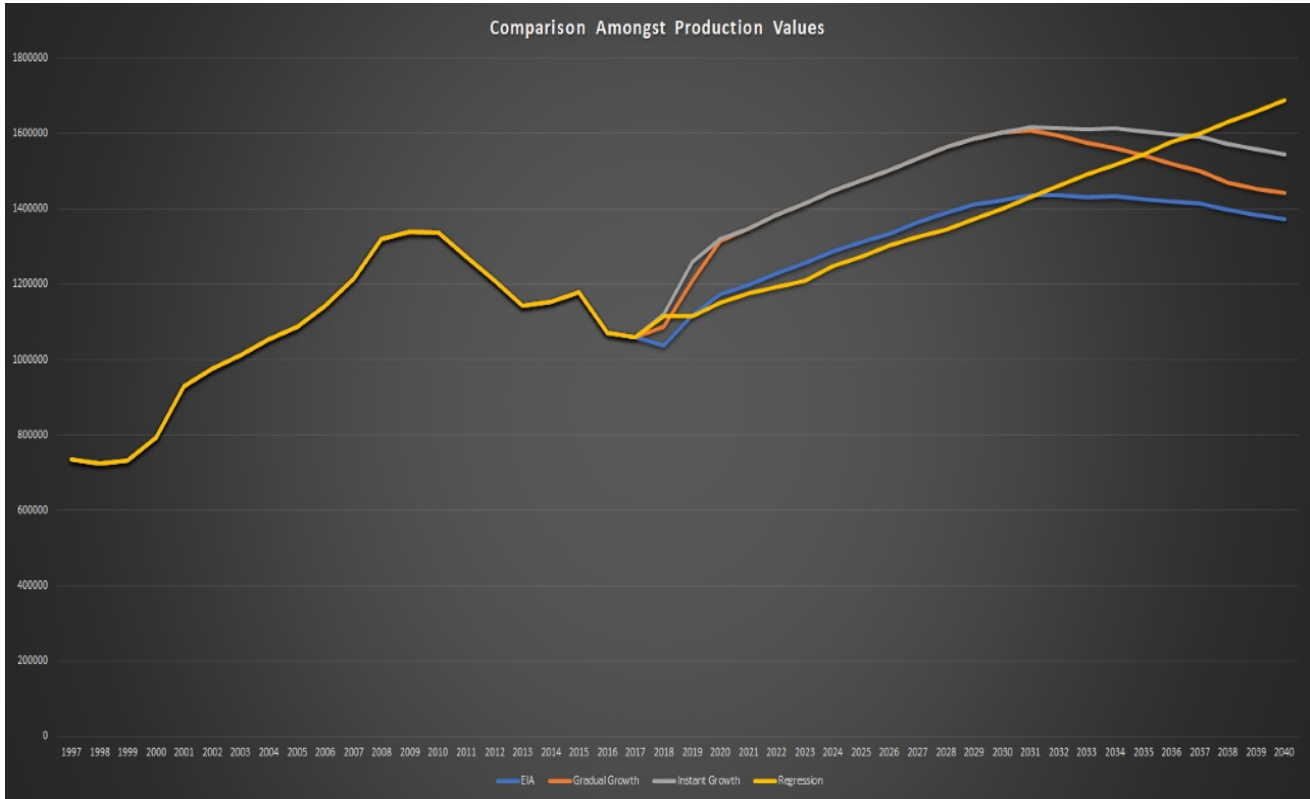
After 2016, production has increased once again, and home building in the County has also been improving. However, fewer than 20 housing units were permitted countywide in 2018, less than half of the level reached during the years from 2011 to 2015.

With a recognition that oil production and oil prices will have some impact on jobs and growth in Converse County, the analysts have attempted to review any industry projections that may be available. The following chart was taken from the U.S. Energy Information Administration website, and shows price projection information for oil through the year 2021.

West Texas Intermediate (WTI) crude oil price and NYMEX confidence intervals
dollars per barrel

Note: Confidence interval derived from options market information for the five trading days ending Jan 10, 2019. Intervals not calculated for months with sparse trading in near-the-money options contracts.

Source: Short-Term Energy Outlook, January 2019, and CME Group

Although different price points are possible, the projected price per barrel for West Texas Intermediate is projected to be $60 or less through the year 2021 A somewhat higher price is achievable through much of 2019, but by later in the year a price reduction is expected. The average price in 2018 had been approximately $65/barrel, so the projected price over the next few years would generally be below this level of the recent past.

Some longer-term projection scenarios also exist, and were provided by the Wyoming Business Council staff, as presented below.

Once again, multiple projections exist, depending on the assumptions that are used. All of these forecasts do show oil production increasing from 2019 forward. The most optimistic models show production returning to the levels achieved in the late 2000s by the year 2022. After 2022, production would exceed any previous year statewide. The less optimistic projections would expect a much more gradual increase in production, and that the late 2000s production levels would not be reached again until the year 2027 or beyond.

It is recognized by the analysts that this is information is Statewide, and impacted by worldwide trends. Therefore, it may not be specifically applicable to Converse County. However, in the absence of projection data on drilling and production specific to the County, this can serve as an indicator of the growth potential that exists from area oil and gas extraction.

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Housing Age and Structure Type

Median Year of Construction

The 2017 American Community Survey included an estimate of the median year of construction for housing. In Rolling Hills, the median year for owner-occupancy units was 1976. There was no estimate for rental housing, given the small number of rental units that exist.

Units by Structure Type

The 2010 Census did not collect information about structure types. However, according to the 2017 American Community Survey estimates, all of the housing units in Rolling Hills were identified as one-unit structures. This would be consistent with the 2000 Census, which recorded all of the housing in Rolling Hills as single family structures.

There are no mobile homes or multi-unit structures in Rolling Hills.

Building Permits

Annual building permit summaries were not available from Rolling Hills. Instead, some generalized information was provided by Town staff.

Single Family Construction

There has only been one house added since 2010. In the 2000s some modular homes were added to the community, but most of the housing inventory dates to the 1970s or 1980s.

Residential Lots/Land

According to staff, there are three vacant lots currently available. The Town has a municipal water system, but sewage treatment is on-site. As a result, the minimum lot size is typically 2 to 2.5 acres.

Until recently, the Town was landlocked, but a 600-acre parcel has been purchased which could be annexed into the community. Initial plans would be to create 13 large lots which could be served by the municipal water system. While additional lots may also be developed in the future, this would probably require additional investments in the water distribution system to provide adequate pressure.
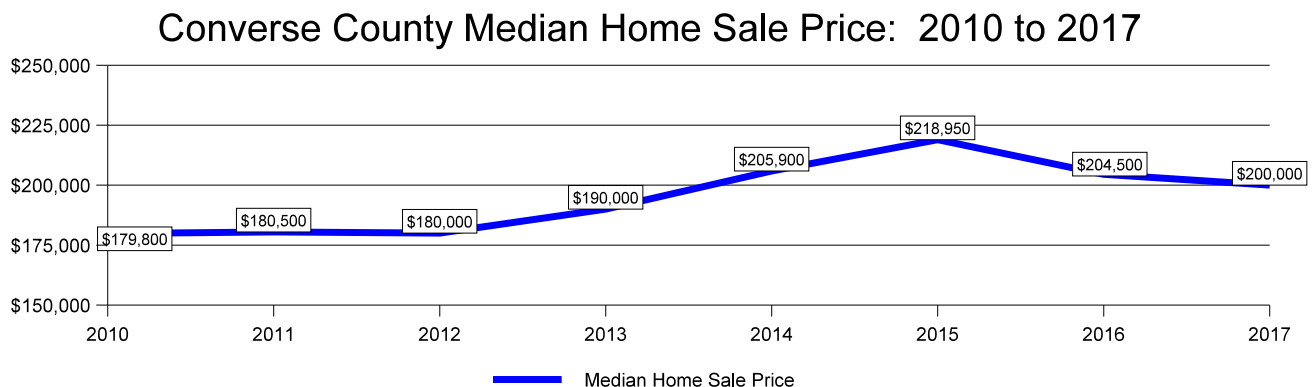
Single Family Home Values

Two sources of information have been examined to help determine the median value of single family houses in Rolling Hills. Existing homes will often represent the most affordable option for home ownership, as older houses typically sell at a discount to the costs required for comparable new construction.

In Wyoming, sales data from the County Assessor's Office cannot be disclosed, so an actual review of recent home sales could not be obtained. However, the Wyoming Community Development Authority does maintain an annual summary of the median home sales price at the County level.

Another source of information on existing home values is the American Community Survey, which produces an annual estimate. This information is available at the City level and can be tracked back over recent years to examine trends.

WCDA Home Sale Values - Converse County

WCDA collects aggregate home sales data from County Assessors and generates an annual median sale price. The information obtained is for the years 2010 to 2017. The sales for 2018 are not yet available.
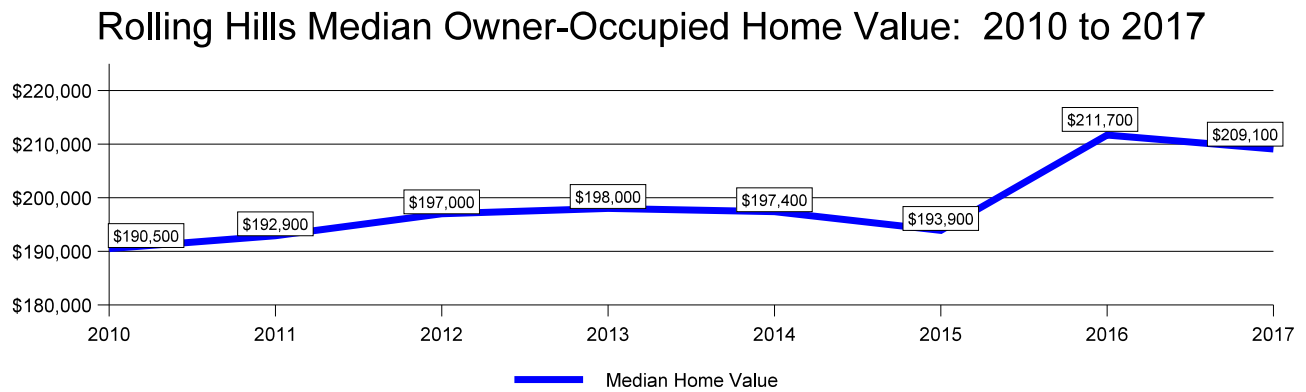
Converse County Median Home Sale Price: 2010 to 2017

Based of the information available from WCDA, home prices were rising rapidly in the County from 2012 to 2015. But after reaching a median price of nearly $219,000 in 2015, the median had decreased to $200,000 by 2017. Although information does not yet exist for 2018, it is probable that the median will be higher than in 2017, as an economic rebound is underway in the energy extraction industries, generating increased demand for housing.

It is important to note that the WCDA information is for the entire County, not just the Town of Rolling Hills.

ACS Home Values - Town of Rolling Hills

An alternate estimate of overall home values exists in the American Community Survey. This is for the value of owner-occupied houses. Since the American Community Survey is conducted annually, the annual median can also be tracked back to the year 2010.

Rolling Hills Median Owner-Occupied Home Value: 2010 to 2017

The estimated median for Rolling Hills from the American Community Survey is somewhat higher than the median from Countywide sales prices since 2016. The American Community Survey shows that a recent peak was reached in 2016. Although the median then decreased somewhat in 2017, the change was small and may be due to a sampling error. Once again, an estimate for 2018 is not yet available.

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Rental Housing Data

At the time of the 2010 Census, the Town of Rolling Hills had only three occupied rental housing units, and there were no unoccupied rental units, for a total estimated rental inventory of three units. The Town's rental tenure rate was 2% in 2010, well below the Statewide rate of 30.8%.

The Census Bureau's annual American Community Survey estimates have included housing tenure information. The 2017 estimate showed that there were two occupied rental units in the Town, and three unoccupied units. This source would show a total rental inventory of five units. If accurate, this would imply a small increase in rental units in the current decade, although this was in the form of vacant houses that were being offered for rent.

Due to the small size of the rental inventory, no telephone survey was attempted in Rolling Hills.

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Employment and Local Economic Trends Analysis

While many factors influence the need for housing, employment opportunities represent a predominant demand generator. Without jobs and corresponding wages, the means to pay for housing is limited.

Employment opportunities may be provided by a broad range of private and public business sectors. Jobs may be available in manufacturing, commercial services, agriculture, public administration, and other industries. The type of employment, wage level, and working conditions will each influence the kind of housing that is needed and at what level of affordability.

The Town of Rolling Hills is directly impacted by the expanding natural resources exploration and extraction sectors. As oil and gas activity increases, significant job growth is being forecasted for the next several years. In addition to the growth potential in the energy sectors, Rolling Hills also has other economic development projects in the immediate area that could add permanent jobs to the community. The community is also within reasonable commuting distance of Casper, the regional center.

Labor Force and Unemployment - Converse County

Employment information is available for all of Converse County. The following table looks at annual data from 2010 through 2018. Information in this table is based on the place of residence. It tracks people living in the County by their participation in the labor force regardless of where they are actually employed.

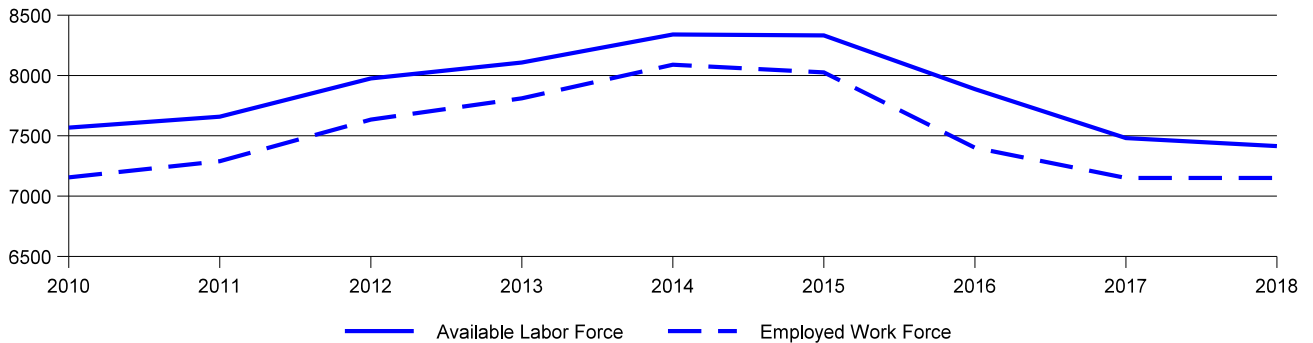| Table 17 Converse County Average Annual Labor Force 2010 to 2018						
Year	Labor Force	Employed	Unemployed	Unemployment Rate - County	Unemployment Rate - WY	Unemployment Rate - US
2010	7,568	7,155	413	5.5%	6.4%	9.6%
2011	7,659	7,289	370	4.8%	5.8%	8.9%
2012	7,976	7,634	342	4.3%	5.3%	8.1%
2013	8,108	7,811	297	3.7%	4.7%	7.4%
2014	8,340	8,089	251	3.0%	4.1%	6.2%
2015	8,332	8,026	306	3.7%	4.3%	5.3%
2016	7,887	7,401	486	6.2%	5.3%	4.9%
2017	7,481	7,151	330	4.4%	4.2%	4.4%
2018	7,415	7,151	264	3.6%	4.1%	3.9%

Source: Local Area Unemployment Statistics

There has been upward and downward movement so far in the current decade in the size of the County's total labor force. These patterns follow the "boom and bust" economic cycles in recent years in the area's energy sectors.

The size of the available labor force increased substantially between 2010 and 2014, the recent peak. But then the labor force decreased through 2018. When the annual average for 2018 is compared to 2010, the County's labor force was slightly smaller. However, by the end of 2018 significant job growth was underway, and the impact of the recent change is not yet reflected in the statistics.
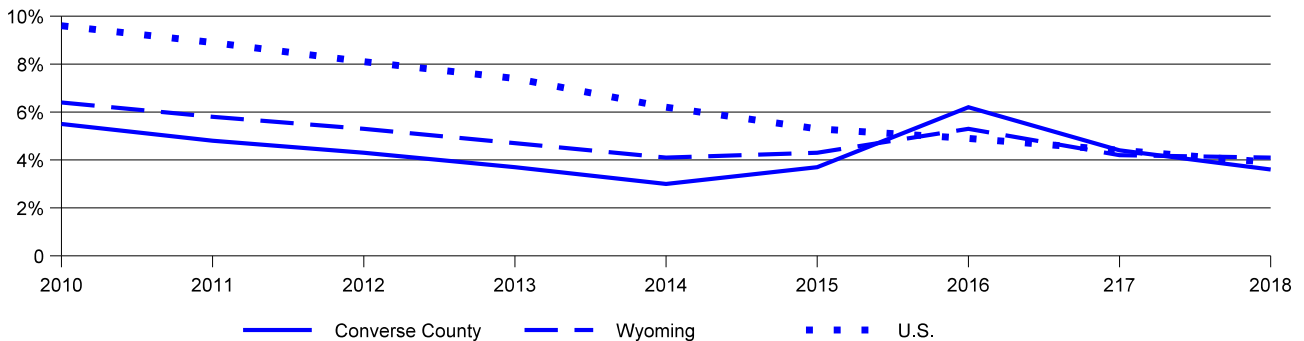
The County's employed work force has largely followed the same patterns. The number of employed County residents increased rapidly from 2010 through 2014, but then decreased in size. The number of employed people in 2018 was nearly identical to the 2010 level.

Converse County Labor Force and Employed Work Force

Available Labor Force — — Employed Work Force

For the years 2010 through 2014, the County's unemployment rate was well below the comparable State and national averages. However, between 2015 and 2016, the County's unemployment rate increased to 6.2% and moved above the national rate. By 2018, the County's rate had once again moved below the State and national rates.

Unemployment Rates

Converse County — — Wyoming ▪ ▪ ▪ U.S.

Average Annual Wages by Industry Sector

The following table shows the annual employment and average wages by major employment sector. The most recent release is for the second quarter of 2018. This information is only available at the county level. It is important to note that the major employment sectors listed do not represent all employment in Converse County, but does show workers covered by unemployment insurance.

Table 18 Converse County Average Annual Wages by Industry Detail: 2018*		
Industry	Average Employment	Average Weekly Wage
Total All Industry	5,858	$1,027
Agriculture, Forestry, Fishing, Hunting	169	$614
Mining, Quarrying, Oil & Gas	1,141	$1,647
Construction	352	$1,140
Manufacturing	121	$1,025
Wholesale Trade	43	$885
Retail Trade	450	$454
Transportation and Warehousing	246	$1,107
Information	53	$488
Finance and Insurance	122	$840
Real Estate, Rental, Leasing	66	$629
Professional and Technical Services	115	$1,149
Administrative and Waste Services	205	$1,087
Health Care, Social Assistance	296	$644
Arts, Entertainment, Recreation	62	$175
Accommodation and Food Service	442	$301
Other Services	168	$725
Public Administration	479	$809
Educational Services	654	$1,066

Source: Quarterly Census of Employment and Wages

The average weekly wage for all industry in the second quarter of 2018 was $1,027. At full-time employment this would yield an annual wage of $$53,400.

The highest paying wage sector was Mining/Quarrying/Oil and Gas Exploration, at $1,647 per week. At full-time employment for 52 weeks this was an annual wage of more than $85,600. This was also the largest sector for total employment in Converse County.

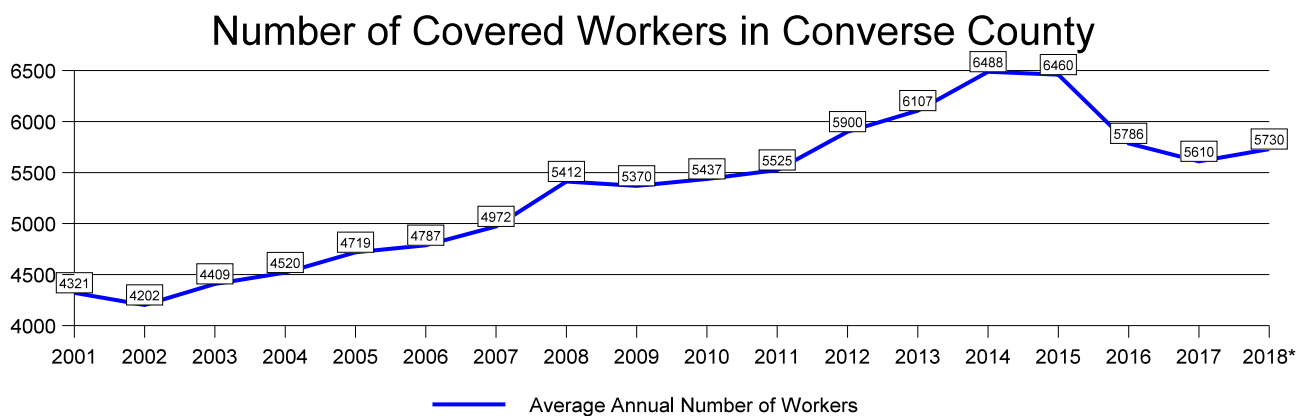The sector with the second largest employment level was Education Services. The average annual wage for this sector was above $55,000 at full time employment.

Annual Covered Employment

Since the Quarterly Census of Covered Workers (QCEW) tracks employees covered by unemployment insurance by location, it is possible to examine longer-term patterns in the employment level. The following table displays the total number of workers reported in Converse County back to the year 2001.

Table 19 Converse County Average Annual Employment			
Year	Total Covered Employment	Year	Total Covered Employment
2001	4,321	2010	5,437
2002	4,202	2011	5,525
2003	4,409	2012	5,900
2004	4,520	2013	6,107
2005	4,719	2014	6,488
2006	4,787	2015	6,460
2007	4,972	2016	5,786
2008	5,412	2017	5,610
2009	5,370	2018*	5,730

Source: QCEW * 2018 is first two quarters only

Number of Covered Workers in Converse County

When viewed over a longer-term there had been a general upward trend in the employment level in the County from 2001 through 2015. But then this pattern reversed, and a significant reduction occurred between 2015 and 2017. Only partial-year information exists for 2018, but through the first two quarters there had been some increase in covered employment, as tracked by unemployment compensation.

Commuting Patterns of Area Workers

Information is available on area workers that commute for employment. The best information is from the 2017 American Community Survey, and has been examined for the Town of Rolling Hills. This table only examines people that commuted, and excludes people that work at home.

Table 20 Commuting Times for Rolling Hills Residents - 2017		
Travel Time	Number	Percent
Less than 10 minutes	27	16.0%
10 to 19 minutes	19	11.2%
20 to 29 minutes or more	9	5.3%
30 minutes or more	114	67.5%
Total	169	100%

Source: American Community Survey

A majority of Rolling Hills' residents were working outside of the immediate area in 2017. Overall, more than 67% were commuting 30 minutes or more for their primary employment. Only 27% were traveling fewer than 20 minutes.

There was no in-bound commuting information, since very few jobs exist within Rolling Hills.

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Growth Projections Summary and Conclusions

An earlier section of this document reviewed different demographic projection information that exists for the Town of Rolling Hills. It is important to stress that projections are an informed prediction of future activity. It is possible that Rolling Hills could significantly outperform or underperform the probable growth scenarios.

For the purposes of this Study, the analysts have viewed the primary demographic projections that exist from Applied Geographic Solutions and Esri as being too conservative. These sources do not reflect the probable impact resulting from the oil and gas activity underway in Converse County, as well as additional economic development projects that may also advance.

The projection from the Wyoming Economic Analysis Division appears to be more realistic. This source shows the Town adding more than 30 people between 2016 and 2023. Depending on the assumptions used, this could yield between 10 to 20 households.

The forecasts contained in the Draft Environmental Impact Statement (EIS) also appear to represent a reasonable indicator of future change for the cities and towns in Converse County. For Rolling Hills, the Draft EIS calculations anticipate the addition of fewer than 50 people. For permanent housing needs, this source has anticipated demand for 20 or fewer units.

Since Rolling Hills is not viewed as a probable location for multifamily rental housing, since there is no municipal sewer system It is also a less likely place to see the creation of any significant temporary housing options. In Rolling Hills, any increase in population and households will be due to a net gain of permanent housing in the form of single family houses on large lots.

This Study has therefore proceeded with the expectation that 25 or fewer houses will be built in the Town over the next five to 10 years. No renter households would be expected, unless single family homes are made available for renter-occupancy.

Despite this conservative expectation, it must be noted that Rolling Hills does offer a unique housing option. The Town has large lots that are suitable for outbuildings, horses and other features typically associated with rural homesteads. While there are also some large lot options elsewhere in the County, Rolling Hills will continue to represent a preferred location for someone looking for this type of residential setting.

Ownership Housing Recommendations

Overview: Rolling Hills is primarily a community for owner-occupants. At the time of the 2010 Census, 98% of the Town's households owned their housing unit. The latest intercensal estimate, released for 2017, shows almost no change in the tenure distribution patterns.

There has been very little change in the total housing inventory in recent decades. Although specific construction records were not available, the best information would indicate that fewer than 20 houses have been added to the City since 1990. Some of the houses since that time were probably modular units that were moved into the community.

According to the American Community Survey estimates, it is probable that 75% or more of all the houses in Rolling Hills were constructed in a single decade, between 1970 and 1979. These 1970s-built homes have retained a stable value over recent years, and the latest estimates would place the median home value above $200,000.

Part of the value and appeal of housing options in Rolling Hills would be the large lots that exist, as the minimum lot size is typically two or more acres. In addition to privacy, these lots may allow for outbuildings, horses, and other features not typically available in other cities/towns in the County.

Since Rolling Hills is not viewed as a suitable location for higher-density housing development, there are few specific recommendations that can be offered. The promotion of the community as an attractive place for new single family home construction is the primary market opportunity moving forward.

This Study has proceeded with the assumption that fewer than 20 single family houses will be constructed in Rolling Hills.

1.   Promote the development of single family houses

Findings: Rolling Hills can provide home ownership opportunities that are not generally available in the other communities in the County. Large lots with the amenities of rural living are available, and the Town has historically attracted owner-occupants, often families with children.

While Rolling Hills will add some households going forward, the best available projections do not expect home ownership demand to be generated from most of the oil and gas workers. Instead, rental housing and temporary housing options are viewed as the preferred choices for people employed in the energy sectors. The Draft EIS prepared for the project had been based on the assumption that only 2% of the actual work force-generated demand in communities like Rolling Hills would be from owner-occupants. As a result, the probable permanent housing demand would represent fewer than 20 houses expected in the Town.

One of the primary reasons that owner housing is viewed as the least likely option is the limited duration residency for most workers. While very strong job growth is expected in the near-term, this largely reverses after 2026. By the year 2028, it is assumed that nearly all of the exploration activity will be completed, and a significant out-migration of workers will have occurred. As a result, workers will not generally want to be committed to a long-term housing investment. Unless other types of jobs are created in the interim, a significant over-supply of housing could exist within 10 years.

Recommendation: Under traditional growth patterns, Rolling Hills has averaged less than one new house per year since the Town's peak development period in the 1970s. Going forward, three to five houses per year may be possible. But to achieve even this level, promotion and marketing of the large lots would be encouraged to make prospective buyers aware of the unique opportunities that exist.

2.   Monitor the residential lot supply

Findings: According to Town staff, there has been a limited supply of lot options in the community, with approximately three lots remaining in early 2019. Until recently, the Town was landlocked, but in 2018, a large 600-acre parcel adjoining the municipal boundaries was acquired, and will be annexed into Rolling Hills.

The initial development plan would create 13 new residential lots that could be served by the municipal water system. These lots would two acres or more in size and would need on-site sewage treatment systems.

Analysis is still underway, but it is probable that after the first development phase, any additional lots on the new parcel would require upgrades to the water system to provide adequate pressure. As a result, future lot phases would add to the costs for development. This upgrade, to improve water pressure, would appear to have limited benefit, except for any houses constructed after the current lot inventory is fully utilized.

Recommendation: The City currently has approximately 16 residential lots that are suitable for new homes. This includes the 13 lots planned for the first development phase in the new land parcel that is to be annexed into Rolling Hills.

Although greater demand for housing will exist in the future, as oil and gas activity expands in the County, Rolling Hills has historically captured only a very small share of the County's overall demand for housing. Even in the 1970s, the peak decade for Rolling Hills, the Town captured less than 5% of the total housing development activity countywide. Since 1980, Rolling Hills has actually captured less than 1% of all housing development.

The best available forecasts would expect that Rolling Hills would add fewer than 20 households going forward. This projection is directly impacted by past patterns. It is certainly possible that future home building could greatly exceed this conservative forecast, but for planning purposes, historical precedent should be considered.

We would therefore recommend that the community closely monitor actual lot demand before making significant investments into municipal infrastructure. If the first 13 lots in phase 1 sell quickly, and result in new home construction, then additional phases could be analyzed, provided that the water pressure upgrade is economically feasible.

The primary assumptions being used in this Study are based on two primary assumptions that directly impact Rolling Hills. First, the belief that demand for housing during the energy boom will primarily be for rental or temporary housing options, with owner-occupancy representing a relatively small share. Secondly, this Study assumes that Douglas, and the a lesser extent Glenrock, will be the preferred location for most of the permanent housing construction activity. As a result, Rolling Hills will have a limited role in meeting the needs of the workforce growth that is expected.

## 3.	Consider the creation housing construction incentives

Findings: As stated above, new home construction has not been proceeding naturally in Rolling Hills. Since 1980, the Town has averaged less than one new house per year. Since 2010, only one house has probably been added in the community. Despite the potential increase in demand for housing going forward, there may be proactive efforts needed to attract a larger market share in Rolling Hills.

One successful approach used by other communities is to offer some types of financial incentives for new construction. There are many ideas that have been used, including a waiver of municipal fees for building permits or water connection. If allowable, some cities have used a property tax abatement or tax increment financing programs to pay for lot and improvement costs. Others have used a direct cash incentive, such as a down payment assistance program. Since the newly created lots may be publicly-owned, a reduced lot cost could also be offered as needed.

Recommendation: With the potential demand that could exist, these types of incentives may not be needed. However, if limited demand exists for owner-occupancy housing, as projected, there may be incentives that could be offered to accelerate home building in the community.

Home ownership promotes community stability. If investments are needed in the municipal water system to expand its capabilities, it will be important to attract new houses to support the public investment. While costly, financial incentives could provide the community with a competitive advantage over other housing opportunities available in the region.

## 4.	Promote existing houses as affordable ownership options

Findings: All of the housing units in Rolling Hills are single family structures. Traditionally, nearly all of the houses have been owner-occupied. Going forward, the community will primarily appeal to households looking to own their unit.

The best available information indicates that existing homes retain their value. While specific home sales records do not exist, there is secondary value information available. The 2017 American Community Survey showed a median owner-occupied house value of $209,100. While relatively high, the median for existing houses is well below the probable cost of comparable new construction.

The household tenure by age distribution table provided earlier in this document showed that most home owners in Rolling Hills are younger, and often families with children. Approximately 32% of the houses in Rolling Hills are owned by households age 55 and older. With strong market conditions, some of these empty-nester and senior home owners may look to sell their home and move to more age-appropriate housing options.

Recommendation: The potential exists for above-average housing turnover in the next few years. As demand exceeds supply, long-time home owners may wish to sell as prices appreciate. While most of the houses in Rolling Hills would probably be purchased by owner-occupants, there may also be interest from investors looking to create rental options.

It would be in the Town's best interest to keep a high rate of owner-occupancy. Promoting the attractive choices in Rolling Hills to potential home buyers should be part of the community marketing strategy. The possible incentive programs discussed earlier could also be extended to existing houses to promote owner-occupancy.