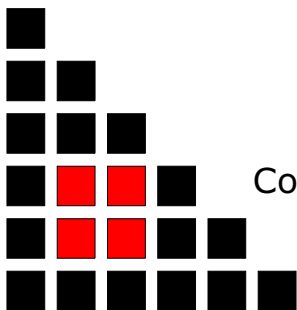


City of Springfield HOUSING STUDY

November 2023

An analysis of the overall housing needs
of the City of Springfield, SD



Community Partners Research, Inc.

Faribault, MN

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Introduction

Overview

Local elected and public officials are often held responsible for conditions and circumstances over which they have limited control. This is particularly true of housing. Most of the housing units in Springfield are privately owned and were constructed with private funds. On an increasing scale, however, the public is demanding that public officials impact what happens in this largely private housing market by eliminating blight, protecting individual investments, and generating new housing growth to meet economic development needs.

Community Partners Research, Inc., was hired by the City of Springfield to complete a comprehensive study of housing market conditions in the community.

Methodology

A variety of resources were utilized to obtain information for the updated Housing Study. Community Partners Research, Inc., collected and analyzed data from April to September 2023. Data sources included:

- U.S. Census Bureau
- Applied Geographic Solutions, Inc., a private data reporting service
- Esri, Inc., a private data reporting service
- Records and data from the City
- Records and data maintained by Bon Homme County
- Data from the SD Dept. of Labor and Industry
- Data provided by the Multiple Listing Service
- Interviews with elected officials and staff from the City
- Interviews with housing stakeholders
- Area housing agencies
- Rental property owner surveys
- Housing condition survey

Limitations

This Housing Study represents an analysis performed with the data available at the time of the research. Any findings are based upon current solutions 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.

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Demographic Data Overview

Sources of Data

The following pages contain demographic data obtained from a variety of local, state and national sources. In May of 2023 the Census Bureau released many of the detailed tables from the 2020 Census, with additional information planned for later in the year.

The global pandemic beginning in 2020 impacted the Census release schedule, and it also affected the data collection in 2020. As a result, there are some questions about the accuracy of 2020 Census data, but in the opinion of the analysts it still represents the best demographic information available.

For some of the detailed demographic variables, such as income and housing cost information, the Census Bureau produces annual estimates through the American Community Survey, an annual sampling of households. However, because the American Survey is an estimate, based on sampling data, there is a margin of error that exists for each estimate.

This document does incorporate some information from the American Community Survey. The American Community Survey estimates have an effective date in 2021, so a significant data-lag exists. The estimates were derived from five-year sampling, obtained between 2017 and 2021. Although the American Community Survey estimates have an effective date after 2020, they have not been reconciled with the 2020 Census counts, and in some cases there are differences between these data sources.

The Governor's Office of Economic Development provides demographic profile information for cities, towns and counties supplied by Applied Geographic Solutions (AGS), a private company. Prior to using AGS, the State had used a similar provider, Esri, Inc., for demographic data. The analysts have examined both of these sources in some of the tables that follow for current-year estimates and future projections.

Population Data and Trends

The following table includes the population totals as reported in the decennial Census dating back to 1990.

The City of Springfield contains a State prison, with a large number of inmates. For Census tabulation, prisoners are part of the “group quarters” population count. To better define the resident population, the following table provides two rows for the City and County, with one row showing the total reported population and the second showing the population minus any group quarters residents (GQ Pop).

Table 1 Population Trends - 1990 to 2020						
	1990 Census	2000 Census	% Change 1990-2000	2010 Census	% Change 2000-2010	2020 Census
Springfield	834	792	-5.0%	1,989	151.1	1,914
Springfield (- GQ Pop)	780	790	1.3%	705	-10.8%	654
Bon Homme Co.	7,089	7,260	2.4%	7,070	-2.6%	7,003
Bon Homme Co. (- GQ Pop)	6,467	6,263	-3.2%	5,514	-12.0%	5,631

Source: U.S. Census

- ▶ The release of population totals from the 2020 U.S. Census has established a new benchmark for the number of people residing in each jurisdiction. The Census total had an effective date of April 1, 2020.
- ▶ It is important to note that the population for Springfield starting in 2010 was heavily impacted by a large number of group quarters residents living in correctional facilities. Prior to 2010, the correctional population was living in the rural portion of Bon Homme County, and was then annexed into the City limits. To better analyze population changes, the impact of the group quarters residents has been removed in the analysis that follows.
- ▶ The population level in Springfield in 2020, after removing group quarters residents, was 654 people. When compared to 2010, the City had lost 51 permanent residents, for a change of -7.2%.

- ▶ Excluding the large group quarters population, largely living in correctional facilities, the City's resident population has been trending smaller over the past two decades. Between 2000 and 2010, the permanent population decreased by 85 people, before decreasing by 51 people from 2010 to 2020.
- ▶ In 2020, the permanent resident population (excluding group quarters) in Bon Homme County was 5,631 people. When compared to 2010, the County had added 117 people, for growth of 2.7%.
- ▶ The most recent decade represented a change in patterns for Bon Homme County, as the County had lost population in the 1990s and between 2000 and 2010, once the correctional facility impact was removed. However, population growth did return after 2010.

Post-Census Estimates

- ▶ There are population estimates available for 2023 which were released after the 2020 Census.
- ▶ Applied Geographic Solutions (AGS), the data source utilized by the Governor's Office of Economic Development, estimates that the City of Springfield had 1,879 residents in 2023. This estimate was down by 35 people from the 2020 Census count. AGS does not identify the group quarters population subset in the community so the cause of the recent population loss cannot be determined.
- ▶ The AGS estimate for Bon Homme County showed 7,031 residents in 2023, up by 28 people from the 2020 Census count. It is not known if the estimated growth reflects permanent County residents. However, with an estimated loss of population in Springfield, it would appear that the Countywide growth would represent permanent residents not living in any type of group quarters housing.
- ▶ A population estimate for Springfield was also obtained from Esri, which showed 1,880 City residents in 2023. When compared to 2020, Esri believes that Springfield has lost 34 residents after the Census.
- ▶ Esri does not differentiate between group quarters and permanent residents in the data, but an approximate group quarters estimate can be derived from their estimate of average household size.

- ▶ Esri's approximate estimate for group quarters residents would be 1,261 people, essentially unchanged from 1,260 reported by the 2020 Census. As a result, Esri's estimate that the City has 34 fewer residents in 2023 than in 2020 would indicate that they see the losses occurring within the permanent resident population.

Race and Ethnicity

- ▶ According to the 2020 Census, Springfield's population was primarily White and non-Hispanic. Approximately 68% of the City's residents identified themselves as White for race in 2020. More than 21% of the City's population identified that they were Native American, and approximately 5% were listed as Black/African American.
- ▶ Approximately 3% of the City's residents identified themselves as Hispanic/Latino for ethnicity.
- ▶ The Census data for Springfield showing race and ethnicity does not separate permanent residents from prison inmates. As a result, there is no additional information provided based on race or ethnic origin.

Group Quarters Population Data

A large percentage of Springfield’s residents reside in some form of “group quarters” housing. Group quarters residents are counted as part of the permanent City population total, but are not counted as living in independent households. The following table displays changes in the group quarters population subset as recorded in the last two decennial Censuses.

Table 2 Group Quarters Housing Types: 2010 to 2020			
	2010 Census	2020 Census	Change
Correctional Facilities Adult	1,243	1,229	-14
Skilled Nursing Facilities	0	31	31
Juvenile Facilities	41	0	-41
Total	1,284	1,260	-24

Source: U.S. Census

- ▶ The large majority of the City’s group quarters residents were living in “correctional facilities for adults”, presumably the State Prison. This population group remained relatively stable between 2010 and 2020 with a reduction of only 14 people.
- ▶ The largest group quarters decrease since 2010 was from people living in “juvenile facilities”. In 2010 there were 41 people counted but by 2020, this facility did not appear to be operational.
- ▶ The 2020 Census recorded 31 Springfield residents living in “skilled nursing facilities”. SD Department of Health records for 2023 do not show any licensed skilled nursing facility in Springfield. However, the City does contain an Assisted Living Center, which has 36 beds in 2023, and it is possible that the residents of this facility were listed as nursing home residents.

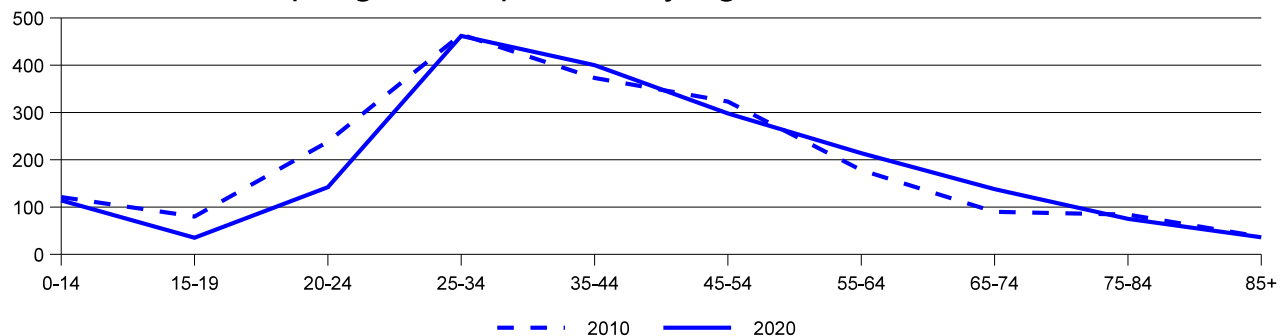
Population by Age Trends: 2010 to 2020

The following table compares population by age changes in Springfield between 2010 and 2020, using the decennial Census data. It is important to note that the population data would include prisoners in the correctional facility in both 2010 and 2020.

Table 3 Springfield Population by Age - 2010 to 2020			
Age	2010	2020	Change
0-14	121	114	-7
15-19	80	35	-45
20-24	238	142	-96
25-34	465	462	-3
35-44	373	400	27
45-54	323	298	-25
55-64	178	214	36
65-74	90	138	48
75-84	84	75	-9
85+	37	36	-1
Total	1,989	1,914	-75

Source: U.S. Census

Springfield Population by Age: 2010 and 2020



- ▶ Although the population living in the correctional facility cannot be removed from the table above, it would appear that most of the prison residents were in the age ranges between 20 and 54 years old. Not only were there above-average numbers of people within these age groups, as evident in the chart above, but there was also a significantly disproportionate distribution of males to females within these age groups.
- ▶ With an overall reduction of 75 City residents between 2010 and 2020, there were decreases in many of the defined age ranges, especially in the groups 54 years old and younger.
- ▶ The largest increase of any age range occurred within the senior citizen group, age 65 to 74 years old. This 10-year range added 48 people between 2010 and 2020. This would largely reflect the advancement of the younger end of the large “baby boom” generation through the aging cycle.
- ▶ There was also an increase of 38 residents in the near-senior range between 55 and 64 years old. However, this age group also appears to include some prison inmates, as a significant disparity exists between males and females in this age range. The growth in the near-senior age group may reflect some increase in prisoners as well as permanent residents.
- ▶ Despite the growth of younger seniors, the City had a minor loss of residents age 75 and older.
- ▶ Only one of the younger age groups increased in size, with 27 residents added in the 35 to 44 year old range. However, this was one of the age ranges that included correctional facility residents, so the increase may be linked in part to a change within the prison.
- ▶ There was a large decrease in the 15 to 19 year old age group between 2010 and 2020. Although specifics are not available, there also appears to have been a closure of a juvenile facility in Springfield between 2010 and 2020. In 2010, there were 41 residents of a juvenile facility so the reduction of older children and young adults could be due to this closure.

Population Projections

Population projections are available from both Applied Geographic Solutions (AGS) and Esri.

Table 4 Population Projections Through 2028				
	2020 Census	2023 Estimate	2028 Projection	Change
Springfield - AGS	1,914	1,879	1,883	4
Springfield - Esri	1,914	1,880	1,864	-16
Bon Homme Co. - AGS	7,003	7,031	7,030	-1

Source: U.S. Census; Applied Geographic Solutions; Esri

- ▶ AGS is projecting that Springfield’s population will remain relatively stable with the addition of only four residents over the 5-year period from 2023 to 2028.
- ▶ Esri is projecting that the City will lose 16 people over the 5-year period. The average annual loss of approximately three residents per year would be lower than the average annual population loss between 2010 and 2020.
- ▶ AGS is also projecting a stable population level for all of Bon Homme County between 2023 and 2028, with a change of only one less person living in the County.

Household Data and Trends

The following table presents household information from the last four decennial Censuses.

The large population living in correctional facilities in Springfield did not impact household counts, as group quarters residents do not live in independent households.

Table 5 Household Trends - 1990 to 2020						
	1990 Census	2000 Census	% Change 1990-2000	2010 Census	% Change 2000-2010	2020 Census
Springfield	325	356	-2.2%	352	-14.3%	304
Bon Homme Co.	2,647	2,635	-0.5%	2,457	-6.8%	2,378

Source: U.S. Census

- ▶ According to the 2020 Census, Springfield had 304 permanent resident households in 2020, down by 48 households, or -13.6%, from 2010.
- ▶ The large loss of households over the most recent decade represented a significant change in demographic patterns for the City. In the 1990s the City had added 31 households, and then remained relatively stable between 2000 and 2010, with a small reduction of only four households.
- ▶ With the losses after 2010, Springfield had 21 fewer households in 2020 than had been present at the time of the 1990 Census.
- ▶ The 2020 Census showed 2,378 households in Bon Homme County, down by 79 households, or -3.2%, from 2010. Excluding Springfield, the remainder of the County lost 31 households over the last decade. As reported previously, the 2020 Census showed population growth in the County despite a minor loss of households.
- ▶ Bon Homme County has experienced a longer-term pattern of fewer households, losing 12 households in the 1990s, followed by a reduction of 178 households between 2000 and 2010. While some of the Countywide losses can be attributed to changes in Springfield, the remainder of the County has also had some decrease in resident households in each of the past three decades.

Post-Census Estimates

- ▶ Household estimates for 2023 are available from Applied Geographic Solutions and Esri.
- ▶ According to AGS there were 382 households in Springfield in 2023, up by 78 households from the 2020 Census count. Based on other available information, the AGS household estimate for 2023 appears to be flawed. One of the only possible explanations would be the impact of the Covid pandemic, if a large number of households had departed the community before April 2020, but then later returned after the pandemic subsided.
- ▶ Esri's estimate for Springfield in 2023 shows 302 permanent resident households, down by two households from the 2020 Census count.
- ▶ The AGS estimate for Bon Homme County showed 2,401 households in 2023, up by 23 households from the 2020 Census count. However, the Countywide estimate would be impacted by the flawed estimate for Springfield. If Springfield did not add 78 households then the County would have actually have lost households between 2020 and 2023.

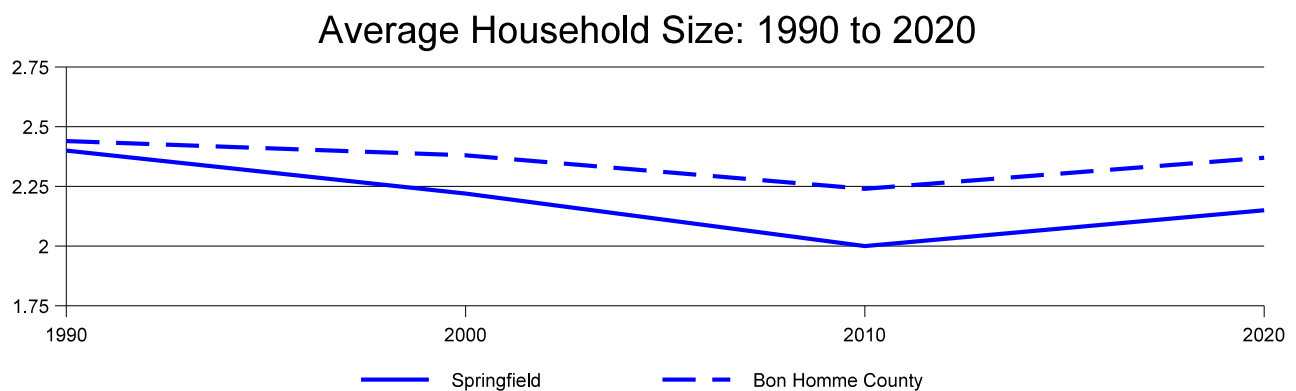
Average Household Size

The following table provides decennial Census information on average household size.

In most jurisdictions in South Dakota there has been a steady decrease in average household size over the past several decades. This has often 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.

Table 6 Average Number of Persons Per Household: 1990 to 2020				
	1990 Census	2000 Census	2010 Census	2020 Census
Springfield	2.40	2.22	2.00	2.15
Bon Homme Co.	2.44	2.38	2.24	2.37

Source: U.S. Census



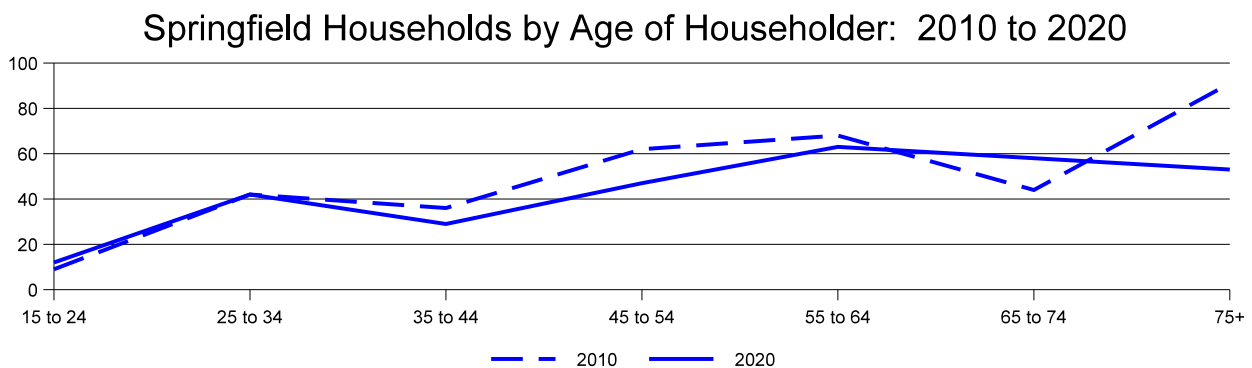
- ▶ Although Springfield did see a decreasing average household size between 1990 and 2010, this trend reversed over the most recent decade, as the City’s average household had 2.15 persons in 2020. Despite this recent increase, the City’s average household size was still relatively small by comparative standards. Statewide the average household size was 2.44 persons in 2020.
- ▶ The average household size in Bon Homme County had also been decreasing from 1990 through 2010, before increasing to 2.37 persons in 2020. The County’s average household was only slightly smaller than the South Dakota average in 2020.

Household by Age Trends: 2010 to 2020

The following table compares households by age using data from the Census for 2010 and 2020.

Table 7 Households by Age - 2010 to 2020						
Age	Springfield			Bon Homme County		
	2010	2020	Change	2010	2020	Change
24 and under	9	12	3	67	75	8
25-34	42	42	0	249	268	19
35-44	36	29	-7	306	263	-43
45-54	62	47	-15	507	347	-160
55-64	68	63	-5	476	537	61
65-74	44	58	14	342	474	132
75 and older	91	53	-38	510	414	-96
Total	352	304	-48	2,457	2,378	-79

Source: U.S. Census



- ▶ The household patterns reported in the 2020 Census show the City losing a total of 48 households between 2010 and 2020. As a result, most of the defined age ranges also decreased in size over the decade.
- ▶ In general, the City has been aging, with the largest growth in the younger senior range between 65 and 74 years old. However, there was a large decrease of older senior households, age 75 and above, and as a result the City had fewer senior-headed households by 2020.

- ▶ Only one of the younger adult age groups increased in size in Springfield, with the addition of three households age 24 and younger. The next oldest range, between 25 and 34 years old, maintained a stable number of households between 2010 and 2020.
- ▶ Each of the other non-senior ranges decreased in size in the City. If aggregated, Springfield had 27 fewer households in the age groups between 35 and 64 years old by 2020.
- ▶ In general, many of these same age progression patterns were also present in Bon Homme County, although Countywide there was an increase of households in the 55 to 64 year old range, and larger-scale growth in the 65 to 74 year old age group. This would generally reflect the movement of the baby boom generation through the aging cycle.
- ▶ Similar to Springfield, all of Bon Homme County had a decrease in the number of older senior households age 75 and above. However, with stronger growth in the younger senior group, there was an overall net increase of senior-headed households Countywide between 2010 and 2020.
- ▶ For Bon Homme County there was some limited growth from households in the younger age groups, with households added in the age ranges 34 years old and younger. However, the County had large reductions in the next two age ranges, between 35 and 54 years old. As a result, there were 176 fewer households age 54 and younger in 2020 than had been present in the County in 2010.

Household Projections

The following table presents household projections from AGS and Esri for 2028. In the opinion of the analysts, these projections are overly conservative and Community Partners Research, Inc., has also generated a growth projection for Springfield using information collected on the community through the research process.

Table 8 Household Projections to 2028				
	2020 Census	2023 Estimate	2028 Projection	Change
Springfield - AGS	304	382	378	-4
Springfield - Esri	304	302	297	-5
Springfield - CPR, Inc.	304	302	312	10
Bon Homme Co. - AGS	2,378	2,401	2,331	-70

Source: Census Bureau; Esri; Community Partners Research, Inc.

- ▶ As stated previously, the 2023 household estimate from AGS is not reliable. It shows the City adding 78 households between 2020 and 2023. However, going forward, this source projects a relatively stable household level, with a projected decrease of less than one household per year between 2023 and 2028.
- ▶ Esri's projected net change is very similar for Springfield, with a reduction of five households over the 5-year time period. While this change is lower than the rate of household loss in the City between 2010 and 2020, in the opinion of the analysts, the City does have some growth potential going forward.
- ▶ Based on other data collected for this Housing Study, Community Partners Research, Inc., believes that an achievable projection for Springfield would be the addition of up to 10 households between 2023 and 2028, or an annual average of approximately two households per year.
- ▶ The AGS projection for all of Bon Homme County shows a reduction of 70 households between 2023 and 2028. Once again, the analysts view this as an overly conservative forecast, as some of the cities in the County, including Springfield, Tyndall and Tabor do have some growth potential. While it is possible that the more rural portions of the County will lose households, growth in some of the cities should offset these losses.

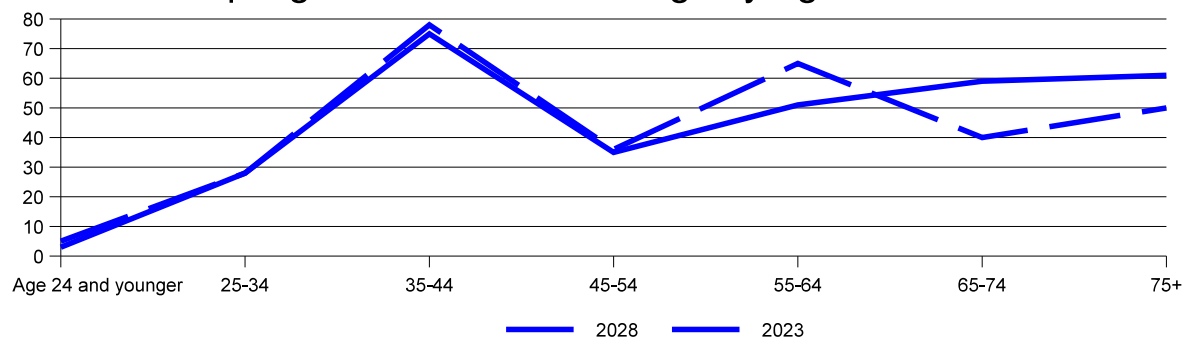
Projected Households by Age

Esri provides household projection data within defined 10-year age groups, which can be used to anticipate future changes in the demographic composition. However, Esri’s total household projection for 2028 is viewed as slightly low by the analysts. In the following table, the base Esri information has been adjusted upward to better match expected current and future household levels. These adjustments are less than 4.5% and have been made by Community Partners Research, Inc.

Age Range	2023 Estimate	2028 Projection	Change
15-24	5	3	-2
25-34	28	28	0
35-44	78	75	-3
45-54	36	35	-1
55-64	65	51	-14
65-74	40	59	19
75+	50	61	11
Total	302	312	10

Source: Esri; Community Partners research, Inc.

Springfield Household Change by Age: 2023 and 2028



- ▶ The adjusted age-based projections expect Springfield to add 10 households between 2023 and 2028. As a result, the numeric changes within many of the defined age ranges are limited.

- ▶ By 2028, the largest numeric change within any age range would be expected from younger senior households, age 65 to 74. The older senior group, age 75 and older, is also expected to grow. These projections show an increase of 30 senior-headed households in the City. By 2028, nearly all of the large baby boom generation will be age 65 or older and their impact will be evident in the age patterns for the City.
- ▶ Trailing behind the baby boomers was a smaller demographic cohort, and an expected decrease will occur among households age 55 to 64 years old. This age group will not fully replace the advancing age cohort resulting in fewer near-senior households by 2028.
- ▶ The adjusted projections show limited changes in each of the younger adult ranges age 54 and under. If all of these age ranges are combined, the projections show a net decrease of only six households over the 5-year time period.

Household Characteristic: Households by Type

The 2020 Census can be compared to statistics from 2010 to examine changes in household composition over the prior decade. The following table looks at household trends within the City of Springfield.

Table 10 Springfield Household Composition - 2010 to 2020			
	2010 Census	2020 Census	Change
Family Households			
Married couple with children under 18	49	38	-11
Married couple without children under 18	116	108	-8
Other families with children under 18	25	24	-1
Other families without children under 18	10	13	3
Total Families	200	183	-17
Non-Family Households			
Single Person	145	104	-41
Two or more persons	7	17	10
Total Non-Families	152	121	-31

Source: U.S. Census

- ▶ Between 2010 and 2020, Springfield experienced a decrease in the number of both family and non-family households.
- ▶ The largest increase of any household type occurred from non-family households where two or more unrelated people were living together, such as a household with roommates.
- ▶ The City had a decrease of married couple households between 2010 and 2020, including both married couples with or without children.
- ▶ There was a large decrease of 41 households in people that were living alone.

Household Tenure Information

Housing occupancy tenure information from the 2020 Census can be compared back to 2010 to track housing preference patterns over the prior decade.

Table 11 Springfield Housing Tenure: 2010 to 2020					
Owners			Renters		
2010 Census	2020 Census	Change	2010 Census	2020 Census	Change
249 / 70.7%	232 / 76.3%	-17	103 / 29.3%	72 / 23.7%	-31

Source: U.S. Census

- ▶ Between 2010 and 2020, the City of Springfield had a reduction of 17 owner-occupancy households and 31 renter-occupancy households. With a larger numeric loss in renters, the City’s tenure patterns shifted, and the rate of home ownership increased, from 70.7% in 2010 to 76.3% in 2020.
- ▶ In both 2020 and 2010, the home ownership rate was higher than the Statewide average.
- ▶ In 2020, the City’s rental occupancy tenure rate was only 23.7%. Statewide in 2020 the rental tenure rate was at 33%.

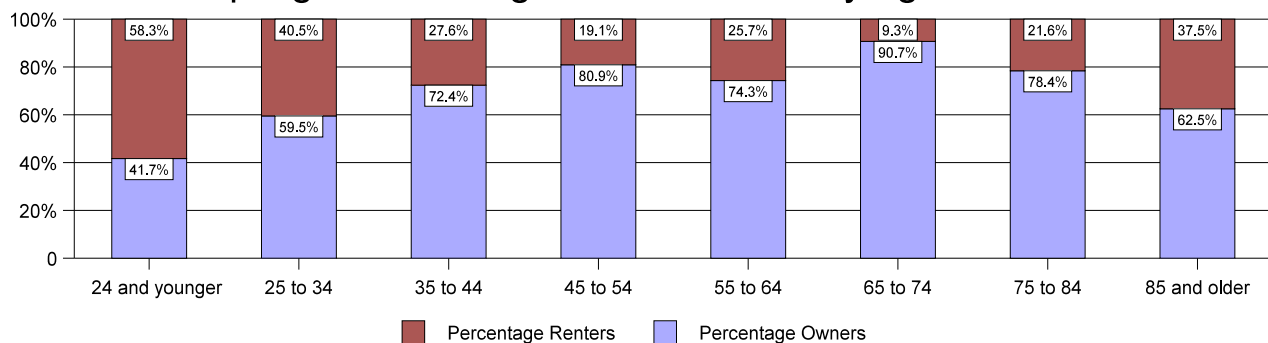
Tenure by Age of Householder

The 2020 Census provided details on the distribution of owner and renter households within defined age ranges. The following table examines the percentages of renters and owners in each age group for Springfield.

Table 12 Housing Occupancy Tenure by Age of Householder: 2020				
Age	Home Owners		Renters	
	Number	% in age range	Number	% in age range
24 and younger	5	41.7%	7	58.3%
25-34	25	59.5%	17	40.5%
35-44	21	72.4%	8	27.6%
45-54	38	80.9%	9	19.1%
55-64	26	74.3%	9	25.7%
65-74	78	90.7%	8	9.3%
75-84	29	78.4%	8	21.6%
85 and older	10	62.5%	6	37.5%
Total	232	76.3%	72	23.7%

Source: U.S. Census

Springfield Housing Tenure Patterns by Age in 2020



- ▶ Household tenure by age patterns show a preference for home ownership in each of the defined age ranges 25 years old and older, with a majority of households age 24 and younger renting their housing unit.

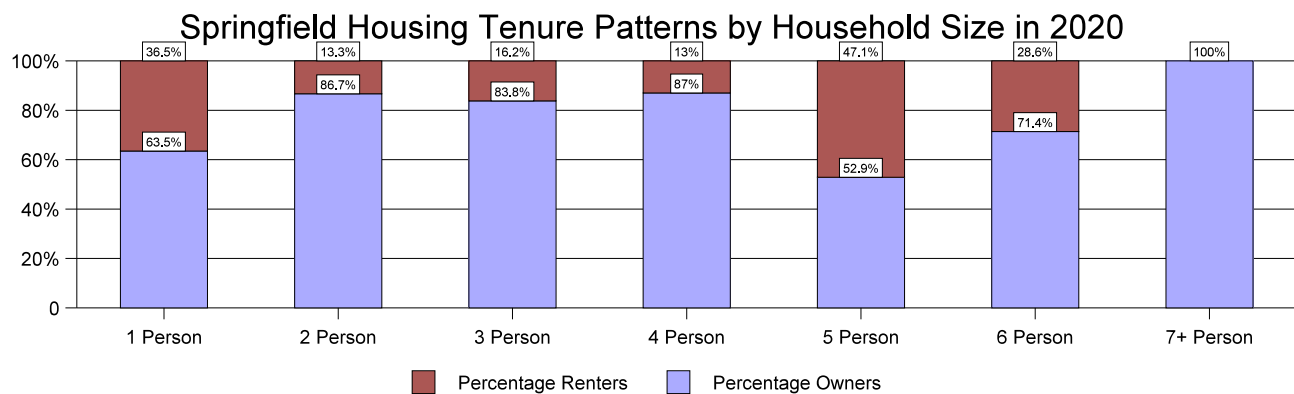
- ▶ The highest rate of home ownership existed in the 65 to 74 year old age range, with an ownership rate of nearly 91%.
- ▶ The lowest ownership rate was among young households age 24 and under, at 41.7%.
- ▶ For each of the defined age ranges between 35 and 84 years old the rate of home ownership was above 72%.

Tenure by Household Size

The Census includes information on housing occupancy tenure by household size. The 2020 data can be compared to the 2010 Census distribution to better understand changing household trends for housing unit demand. The following tables provide information for renter and owner households in the City.

Table 13 Springfield Tenure by Household Size: 2010 to 2020						
Household Size	Home Owners			Renters		
	2010	2020	Change	2010	2020	Change
1-Person	70	66	-4	75	38	-27
2-Person	109	98	-11	15	15	0
3-Person	38	31	-7	9	6	-3
4-Person	17	20	3	1	3	2
5-Person	8	9	1	2	8	6
6-Person	6	5	-1	1	2	1
7-Persons+	1	3	2	0	0	0
Total	249	232	-17	103	72	-21

Source: U.S. Census



- ▶ Over the past decade, there tended to be limited changes in the distribution of most households by size. However, the City did see decreases in smaller households, with three or fewer household members, while having some increase in larger households, with four or more members.

- ▶ The largest decrease occurred from fewer one person households in 2020. This was primarily due to fewer one person renter households, which decreased by 27 households.
- ▶ In 2010, most one person households were renters, but by 2020 the home ownership rate had increased to more than 63% for people living alone.
- ▶ The City had a decrease of 11 two person households, all due to a drop in owner households. Despite this decrease, nearly 87% of two person households owned their housing unit.
- ▶ There was a decrease of 10 households with three members, with a drop in both owner and renter households. In 2020, nearly 84% of three person households owned their housing.
- ▶ If smaller households with three or fewer members are combined, the City had a decrease of 52 total households between 2010 and 2020. This was distributed with 22 fewer home owners and 30 fewer renter households.
- ▶ The City did experience an increase in larger households, with four or more household members. However, the total increase when all of the household sizes are combined was only 14 more households with four or more members. The net increase of 14 households included five more home owners and nine more renter households by 2020.
- ▶ While all of the larger households had a higher rate of home ownership than rental occupancy, this gap was narrowed in households with five members. Of 17 households with five members, there were nine owner households and eight renter households.

Median Income Data

Income estimates are available at the city and county level through the Census Bureau's American Community Survey. There is a data lag for income with the most recent estimates effective for 2021.

Household income represents all independent households, including people living alone and unrelated individuals together in a housing unit. Families are two or more related individuals living in a household. Family incomes tend to be higher than the overall household median, as families have at least two household members, and potentially more income-earners, while many non-family households have only one household member.

Table 14 Median Income - 2010 to 2021			
	2010 Median	2021 Median	% Change
Households			
Springfield	\$35,227	\$46,705	32.6%
Bon Homme County	\$41,107	\$53,575	30.3%
South Dakota	\$46,369	\$63,920	37.9%
Families			
Springfield	\$44,583	\$56,607	27.0%
Bon Homme County	\$51,910	\$74,175	42.9%
South Dakota	\$58,958	\$81,756	38.7%

Source: ACS

- ▶ According to the American Community Survey, the median household income for the City of Springfield was \$46,705 in 2021. The City's median had increased by nearly 33% from 2010, but was still well below the comparable medians for Bon Homme County and the State.
- ▶ The median family income in Springfield was higher, at \$56,607 in 2021, and had increased by 27% from the median in 2010. The median family income in Springfield was more than \$25,000 below the median for the entire State.
- ▶ Using the commonly accepted standard that up to 30% of gross income can be applied to housing expenses without experiencing a cost burden, the medians in Springfield yield an amount of \$1,168 for households and \$1,415 for families that could be applied to monthly housing costs.

Household Income Distribution by Tenure: 2021

The American Community Survey contains household income distribution estimates. This information is available by ownership or renter status.

When compared to the 2020 Census, the 2021 American Community Survey estimates for Springfield underestimated the number of owner households while overestimating the number of renters living in the City. However, the percentage distribution of households by income is the best available information on this topic.

Household Income	Owner Households	Renter Households	Total Households
\$0 - \$14,999	2.8%	13.9%	7.1%
\$15,000 - \$24,999	5.1%	6.6%	5.7%
\$25,000 - \$34,999	4.7%	45.3%	20.5%
\$35,000 - \$49,999	28.4%	21.9%	25.9%
\$50,000 - \$74,999	20.5%	10.2%	16.5%
\$75,000 - \$99,999	14.4%	2.2%	9.7%
\$100,000+	24.2%	0%	14.8%
Total	100%	100%	100%

Source: American Community Survey

- ▶ Within the moderate to higher income ranges, there was a greater frequency for home ownership. More than 59% of all home owners in Springfield in 2021 had an annual income of \$50,000 or more.
- ▶ Most renter households had more moderate or lower income levels. In 2021, nearly 66% of all renter households in the City had an annual income below \$35,000.
- ▶ For home owners, the estimated median household income in 2021 was \$56,964.
- ▶ For all renter households, the estimated median income level in 2021 was \$31,220.

Renter Housing Cost Burden

The American Community Survey includes information on housing costs for renter households. Generally, it is the goal of housing assistance programs to limit housing costs to no more than 30% of household income. This is especially true for lower income households, with limited amounts of income available for discretionary spending.

When more than 30% is applied, this is often referred to as a “housing cost burden”. When 35% or more of income is required, this may represent a “severe housing cost burden”.

The following table examines the percentage of income required by renter households for monthly housing costs. Since the ACS significantly over estimated the number of renters in 2021, only percentage distributions have been provided.

Table 16 Springfield Renter Household Cost Burden - 2021	
Percent of Income for Housing	Percent of all Renter Households
Less than 20%	47.4%
20% to 29.9%	8.8%
30% to 34.9%	28.5%
35% or more	8.0%
Not Computed	7.3%
Total	100%

Source: American Community Survey

- ▶ Using a standard at 30% of income, most renter households in Springfield did not have a cost burden for rental housing in 2021. However, more than 36% of all renters did need to apply 30% or more of their income to housing costs. Most of the cost burdened households were applying between 30% and 35% of their income to housing. Only 8% of the City’s renter households were applying 35% or more of their income to monthly rental costs.
- ▶ The American Community Survey includes an estimate of the median percentage of income applied to rental housing costs in 2021. For renter households in Springfield, the estimated median was 19.8% of income. This indicates that rental housing was very affordable to most renters.

Owner Housing Cost Burden

The American Community Survey also includes information on housing costs for home owners. The following table examines the percentage of income required by Springfield owner households for monthly housing costs. Information is provided for owner households with and without a mortgage on their home. Percentages are calculated for each column. Since the American Community Survey underestimated the number of home owners in 2021, percentage distributions have been presented.

Table 17 Springfield Owner Household Cost Burden - 2021			
Percent of Income for Housing	Households with a Mortgage	Households without a Mortgage	Total
Less than 20%	35.6%	89.8%	67.9%
20% to 29.9%	27.6%	3.1%	13.0%
30% or more	36.8%	7.0%	19.1%
Not Computed	0%	0%	0%
Total	100%	100%	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 generally attempt to keep monthly payments below this level of household income.
- ▶ Approximately 19% of all home owners reported that they paid 30% or more of their income for housing in 2021.
- ▶ Most of the households with a cost burden had a mortgage on their home. For households without a mortgage, a lower annual income was often the cause of the cost burden, such as a retiree that owned their home but lived on a fixed income.
- ▶ The American Community Survey provides an estimate of the median percentage of income paid by home owners in Springfield for housing. In 2021, the median required for home ownership was only 11.6%.

Building Permit Trends

Springfield has experienced some new housing construction activity in recent years. Specific annual permit information was obtained from the City.

Table 18 Springfield Housing Unit Construction Activity: 2010 to 2023*			
Year	Single Family	Two or More Units	Total Units Constructed
2023*	2	0	2
2022	1	0	1
2021	0	0	0
2020	0	0	0
2019	0	0	0
2018	0	0	0
2017	3	0	3
2016	3	0	3
2015	2	0	2
2014	2	0	2
2013	1	0	1
2012	0	0	0
2011	1	0	1
2010	0	0	0
TOTAL	15	0	15

Source: City of Springfield

*2023 is partial year

- ▶ Over the 14-year time period spanning 2010 through 2023, City reports show that 15 new single family houses were constructed in Springfield.
- ▶ Most of this activity occurred within a 5-year time period between 2013 and 2017, when 11 new homes were constructed.
- ▶ No multifamily housing construction has occurred during the time period reviewed.

2020 Census Housing Unit Data

The first housing counts released from the 2020 Census included information on occupancy and vacancy. The following table compares information from 2010 and 2020 to track changes over the decade as reported by the Census.

Table 19 Housing Units, Occupancy and Vacancy - 2020									
	Total Housing Units			Occupied Units			Vacant Units		
	2010	2020	Change	2010	2020	Change	2010	2020	Change
Springfield	433	382	-51	352	304	-48	81	78	-3

Source: U.S. Census

- ▶ According to a reconciliation of decennial Census data, Springfield had a decreased housing inventory between 2010 and 2020. During the decade there was a net loss of 51 housing units in the City.
- ▶ On the previous page, information was presented on building permit issuance. Between 2010 and 2019 there were 12 new houses built in the City based on available records. With the Census reporting a net loss of 51 units, it would imply that more than 60 older housing units were lost over the decade due to demolition or removal from the usable housing inventory.
- ▶ The City of Springfield has a relatively large number of vacant housing units. Although the number of vacant units decreased slightly between 2010 and 2020, the Census still report 78 vacant units in April 2020.
- ▶ According to the Census, there were 12 vacant rental units in Springfield along with 11 houses that were unoccupied and for sale.
- ▶ Most of the units reported as vacant in 2020 were not identified as owner or renter use housing. The City had 21 units that were used as seasonal/recreational housing. There were also 34 units simply listed as "other vacant", with no additional details.

Age of Housing - American Community Survey

The Census Bureau's American Community Survey includes information on various housing topics. As stated previously, the estimates for small communities are based on limited sampling, which results in a margin of error within the individual data being presented.

Median Year of Construction - Owner-occupancy Housing

For owner-occupancy units in Springfield, the estimated median year of construction is 1967. Approximately 39% of all owner-occupancy houses in the City were constructed prior to 1960, and nearly 77% were constructed before 1980.

Median Year of Construction - Renter-occupancy Housing

For renter-occupancy units in Springfield, the estimated median year of construction is 1966. Nearly 65% of all renter-occupancy units in the City were constructed prior to 1980.

Existing Home Sales

This section examines houses that have been sold in Springfield from 2018 through 2022. It is important to note that the number of houses that sell each year can vary and may not be an accurate indicator of overall home values in the City. However, this sample does provide some insight into those units that have turned-over during this time period.

The information was obtained from the South Dakota Department of Revenue website, based on sales reports submitted by the Bon Homme County Equalization Office. The Equalization Office collects and utilizes information from residential sales for its annual sales ratio study. The County compares the actual sale price to the estimated taxable value for each property. As a result, the County information for sales primarily reflects existing homes that have an established tax value. New construction sales activity would generally not be recorded in the data that was used for this analysis, unless the house had been constructed some time ago and did have an established tax value from the prior year.

The County also sorts the residential sales into different groupings, rejecting certain sales. The primary reason that sales are rejected is because the house was not actively listed for sale in the open market. Only the “good” sales have been used in the analysis that follows.

The County’s sale year differs slightly from a calendar year, and begins on November 1st and extends to October 31st.

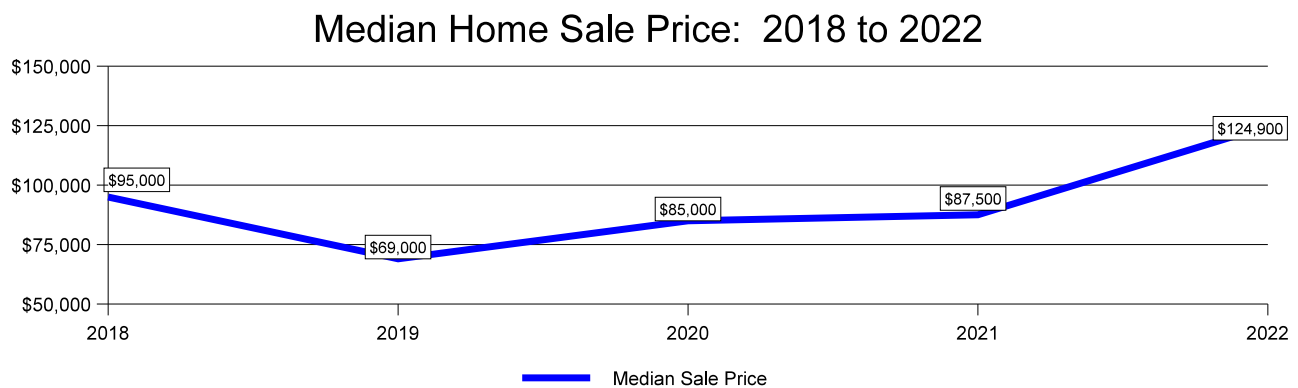
Table 20 Median Value of Recent Residential Sales - 2018 to 2022

Year	Number of Sales	Median Sale Price	Highest Sale	Lowest Sale
2022	15	\$124,900	\$160,200	\$10,000
2021	20	\$87,500	\$189,000	\$20,000
2020	14	\$85,000	\$138,500	\$18,000
2019	13	\$69,000	\$305,000	\$35,000
2018	13	\$95,000	\$147,000	\$35,000

Source: SD Dept. of Revenue; Bon Homme County Assessor; Community Partners Research, Inc.

- ▶ Based on sales over the past five years, home values in Springfield are in a very moderate price range. Although the midpoint sale price had climbed to \$124,900 in 2022, in each of the other years the annual median price had been below \$100,000.

- ▶ If the 35 sales from 2021 and 2022 are combined, the midpoint home sale was \$103,000.
- ▶ In any single year there are a limited number of sales in the community, and the sales sample may not reflect overall home values in the community. However, there was a significant increase in the median value between 2021 and 2022. This may indicate a significant recent increase in home values.



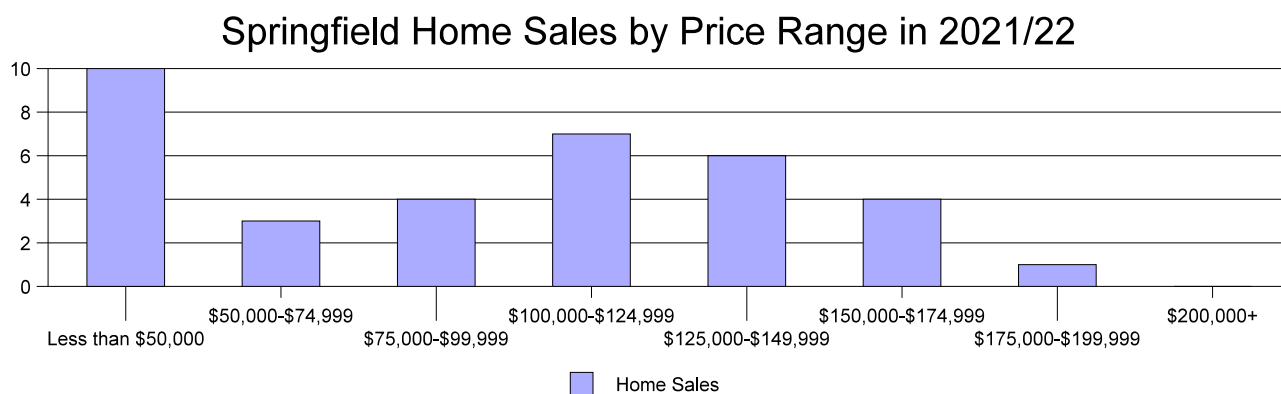
- ▶ Throughout the five years reviewed, only one house in Springfield was sold for \$200,000 or more, and this sale was in 2019.
- ▶ In each of the years reviewed at least one good sale has been recorded for \$35,000 or less.
- ▶ An alternate estimate of home values exists in the American Community Survey. In 2021, the estimated median value for all owner-occupied housing in Springfield was \$97,700. This estimate was above the median sale price recorded in 2021 of \$87,500. However, the midpoint sale for the 2-year period spanning 2021 and 2022 was \$103,000, only slightly higher than the American Community Survey estimate.

Home Sales by Price Range

The following table looks at single family houses that sold within defined price ranges over a 24-month period for the 2021/22 sales years. There were 35 good “arms length” sales over this period.

Table 21 Springfield Home Sales by Price Range: 2021/22		
Sale Price	Number of Sales	Percent of Sales
Less than \$50,000	10	28.6%
\$50,000 - \$74,999	3	8.6%
\$75,000 - \$99,999	4	11.4%
\$100,000 - \$124,999	7	20.0%
\$125,000 - \$149,999	6	17.1%
\$150,000 - \$174,999	4	11.4%
\$175,000 - \$199,999	1	2.9%
\$200,000+	0	0%
Total	35	100%

Source: SD Dept. of Revenue; Community Partners Research, Inc.



- ▶ While recent home sales in Springfield were distributed in different price ranges, a large majority of homes were sold for less than \$150,000.
- ▶ Overall, fewer than 15% of the sales were for \$150,000 or more.

Springfield Housing Condition

Community Partners Research, Inc. representatives conducted a visual ‘windshield’ survey of single family/duplex structures in Springfield. Only two areas of the City, houses east of Walnut Street and houses on Cedar Street West, were excluded from the survey.

In total, 185 single family/duplex structures were viewed and rated. Multifamily structures that appeared to contain three or more residential units were excluded from the survey.

Houses were categorized in one of four levels of physical condition, Sound, Minor Repair, Major Repair, and Dilapidated as defined below. The visual survey analyzed only the physical condition of the visible exterior of each structure. Exterior condition is also assumed to be a reasonable indicator of the structure’s interior quality.

Dilapidated was the lowest rating used. These houses need major renovation to become decent, safe and sanitary housing. Some Dilapidated properties may be abandoned and may be candidates for demolition and clearance.

Major Rehabilitation is defined as a house needing multiple major improvements such as roof, windows, sidings, structural/foundation, etc. Houses in this condition category may or may not be economically feasible to rehabilitate.

Minor Repair houses are judged to be generally in good condition and require less extensive repair, such as one major improvement. Houses in this condition category will generally be good candidates for rehabilitation programs because they are in a salable price range and are economically feasible to repair.

Sound houses are judged to be in good, ‘move-in’ condition. Sound houses may contain minor code violations and still be considered Sound.

Table 22 Windshield Survey Condition Estimate - 2023

	Sound	Minor Repair	Major Repair	Dilapidated	Total
Springfield	58 / 31.4%	71 / 38.4%	35 / 18.9%	21 / 11.4%	185

Source: Community Partners Research, Inc.

- ▶ The existing housing stock in Springfield is generally in good condition, with more than 31% of all houses in the City rated as Sound, the highest rating given.
- ▶ More than 38% of the houses were rated in the Minor Repair category. In total, nearly 70% of all houses in the City were in the two highest ratings groups.
- ▶ Springfield has 35 houses that were in the Major Repair category. Major Repair houses may require a significant investment to return to better condition.
- ▶ There were 21 houses that were judged to be Dilapidated, the lowest rating given. Dilapidated houses may be beyond the point of economically feasible repair.

Rental Housing Data

Census Bureau Rental Inventory

According to the 2020 Census, there were 72 occupied rental units and 12 unoccupied rental units in Springfield, for a total estimated rental inventory of 84 units. The City's rental tenure rate was 23.7%, based on renter-occupancy households. For comparison, the Statewide rental tenure rate in 2020 was 33.0%.

At the time of the 2010 Census, there were 103 occupied units, and 36 unoccupied units in Springfield, for a total estimated rental inventory of 139 units. The City's rental tenure rate was 29.3%, based on renter-occupancy households, below the Statewide rental tenure rate in 2010 of 31.9%.

Between 2010 and 2020, Springfield lost 31 renter-occupancy households and 55 rental housing units from the local inventory, based on the reported Census totals. Some of the lost units may have been housing that was recorded as vacant in 2010.

The apparent loss of renter-occupancy households between 2010 and 2020 appears to be linked to a classification of units in Springfield Assisted Living Center. The 2010 census did not identify any "group quarters" residents living in skilled nursing homes. Assisted living residents appear to have been counted as renters in 2010, and their sleeping rooms counted as rental units.

However, the 2020 Census recorded 31 "group quarters" residents living in a skilled nursing home, presumably Springfield Assisted Living Center, which has a licensed capacity for 36 people. This reclassification between 2010 and 2020 would account for nearly all of the reported reduction of renter-occupancy households over the decade. It would also explain much of the unit reduction, although it appears that some additional rental housing was also removed between 2010 and 2020. In 2010 there were substantially more vacant rental units than in 2020, and the unit loss may reflect older housing that was in poor condition in 2010.

Rental Construction 2010 to 2019

Based on available building permit reports, there were no multifamily structures constructed in Springfield between 2010 and 2019.

Rental Construction 2020 to 2023

Since 2020, no additional rental housing construction has been identified in Springfield. Any tenure changes would probably be due to conversion, as housing units formerly used for owner-occupancy were changed to rental use, or vice versa.

Pending Projects

Our research identified no planned or proposed rental projects in Springfield.

Rental Housing Survey

As part of the research process, a telephone survey was conducted of multifamily projects in Springfield. Emphasis was placed on contacting properties that have four or more units. For the purposes of planning additional projects in the future, multifamily properties represent the best comparison of market potential.

The 2023 telephone survey was conducted in September. Information was tallied separately for different types of rental housing, including conventional market rate units, subsidized housing and specialized senior housing.

There were 43 rental housing units of all types that were contacted in the survey. The units that were successfully contacted include:

- ▶ 20 conventional market rate units
- ▶ 23 federally subsidized units

Based on the rental inventory reported in the 2020 Census, the units contacted in the 2023 rental survey represented approximately 51% of all rental options in the City. All of the City's subsidized units were successfully contacted.

The City also has a specialized senior facility, Springfield Assisted Living Center, that contains sleeping rooms for private or shared occupancy. This building was also contacted in the rental survey, although these are viewed as "group quarters" units and not rental housing.

The findings of the survey are provided by market segment on the following pages.

Market Rate

Most of the rental housing units in the City would be defined as conventional market rate rentals, with no income, occupancy or rent restrictions.

There were four conventional market rate projects, including a cluster of single family houses, that were successfully contacted with a combined 20 rental units.

Unit Mix

Specific bedroom information was obtained from all 20 units, with the following bedroom mix was reported:

- ▶ One-bedroom - 1 unit (5% of total)
- ▶ Two-bedroom - 15 units (75%)
- ▶ Three-bedroom - 3 units (15%)
- ▶ Four-bedroom - 1 unit (5%)

Most of the multifamily rental inventory in Springfield is in two-bedroom units, but rental houses in the community would often contain three or more bedrooms.

Occupancy/Vacancy

At the time of the survey there were no vacant units in the market rate rental projects surveyed. Owners/managers reported good demand.

Rental Rates

Rental rates in Springfield are generally within a low to moderate price range. The City has not had any significant rental housing development in many years, which would tend to require a higher rent structure.

Rental units may include the primary utility payments within the contract rent, or the tenant may be required to pay some utilities separately, in addition to the contract rent. In the following summary, Community Partners Research, Inc., has attempted to estimate the gross rents being charged, inclusive of an estimate for tenant-paid utilities.

The lowest and highest gross rents have been identified, as reported in the telephone survey. Only two and three-bedroom rents are reported, as the other unit sizes represented only a small number of units.

<u>Unit Type</u>	<u>Lowest/Highest Gross Rents</u>
Two-bedroom	\$550-\$750
Three-bedroom	\$875-\$1200

Excluding one single family rental house with a gross rent of \$1,200, the highest rent structure identified within the multifamily rental segment was in the HRC 4-Plex, but even the units in this project probably have a gross monthly rent below \$900 including tenant-paid utilities.

Tax Credit

Since the late 1980s, the primary federal incentive program for the production of affordable rental housing has been through federal low income housing tax credits, also referred to as Section 42 housing. In South Dakota, tax credits are awarded annually on a competitive basis through the South Dakota Housing Development Authority (SDHDA).

Projects receiving tax credit assistance have income, occupancy and rent restrictions in place for 15 years or more. The income limits are generally tied to 60% or less of a HUD-designated median income level, although a portion of the units may be set aside for even lower income ranges.

Since the tax credit program became available, no awards have been made in Springfield.

Subsidized Summary

The research completed for this Study identified two federally subsidized housing projects in Springfield.

Cedar Place Apartments is subsidized through HUD Section 8 and has eight one-bedroom apartments in Springfield. This project was originally constructed to serve senior/disabled tenants, but within the last year was changed to general occupancy housing. At times there were vacant units in this project due to insufficient demand from seniors.

Valley View Apartments is subsidized through USDA Rural Development and has 15 units designated as general occupancy housing.

Unit Mix

The bedroom mix for the 23 federally subsidized housing units in Springfield is as follows:

- ▶ One-bedroom - 10 units (43.5%)
- ▶ Two-bedroom - 13 units (56.5%)

There are no subsidized units in Springfield with more than two bedrooms.

Occupancy / Vacancy

At the time of the survey, there was a high rate of occupancy in the City's subsidized inventory. Any open units were the result of recent turnover and were in the process of being filled with a new applicant. Valley View Apartments did have a waiting list but Cedar Place did not have a waiting list in September.

Rental Rates

Nearly all of the subsidized units in Springfield have access to project-based rent assistance which allows tenants to pay 30% of their income, up to a maximum rent.

Subsidized Housing Gains/Losses

Federal subsidy sources for low income rental housing have been limited for the past few decades. Most subsidized projects were constructed in the 1960s, 1970s or early 1980s. Some of these older projects may have completed their compliance requirements and have the opportunity to leave their subsidy program and convert to conventional rental housing. In communities with low vacancy rates, private property owners may have an incentive to convert subsidized units to conventional housing.

No “at risk” projects were identified in Springfield.

Tenant-Based Rent Assistance Vouchers

There are also tenant-based rent assistance Housing Choice Vouchers available in the area. The Housing Choice Voucher Program is administered regionally by the Yankton Housing and Redevelopment Commission (HRC).

Housing Choice Voucher assistance is issued to income-eligible households for use in suitable, private market rental housing units. With the assistance, the household pays approximately 30% of their income for their rent, with the program subsidy paying any additional rent amounts.

In 2023, only one Voucher was being used in Springfield according to Yankton HRC staff. Since the rent assistance is tenant-based, and moves with the household, the actual number of participating households within the City can vary from month to month.

The Voucher program serving counties in the region has a waiting list of approximately 6 to 8 months.

Senior Housing with Services Summary

Unit Inventory

Springfield has only one specialized senior housing project providing services to residents. Springfield Assisted Living Center is State-licensed with capacity for 36 residents, in private and shared occupancy rooms.

Occupancy / Vacancy

Springfield Assisted Living Center had only 11 residents at the time of the rental survey in early September. The facility reported that it has had unused capacity for the past five years.

It is important to note that only four of the rooms are private occupancy with private bathrooms. Some additional units are private sleeping rooms with a shared bathroom. Some rooms are shared occupancy.

Rental Rates

No specific information was obtained on monthly rental rates. The facility will accept Medicaid residents.

Table 23 Springfield Multifamily Rental Housing Inventory					
Name	Number of Units /Bedroom Mix	Rent	Vacancy/ Wait List	Tenant Mix	Comments
Market Rate					
Schaefer Apartments	<u>8 - 2 bedroom</u> 8 total units	\$450-\$500 +most utilities	No vacant units	Mix of tenants	Two 4-plexes with one apartment building constructed in the 1940s and one conversion building from the 1960s. Rent includes garbage with tenant paying most other utilities - \$500 rent does include heat. Owner reported full occupancy with a mix of tenants
Springfield HRC 4-plex	<u>2 - 2 bedroom</u> <u>2 - 3 bedroom</u> 4 total units	\$585 \$685 +utilities	No vacant units	Primarily seniors	Publicly-owned market rate rental housing developed in the early 2000s. Tenant pays all utilities in addition to rent. Amenities include 1-level living, dishwasher, in-unit laundry and attached garage. Full occupancy reported with strong demand for units - both from City residents and people looking to move in. Most tenants are seniors.
Tjeerdsma 4-plex 909 College	<u>4 - 2 bedroom</u> 4 total units	\$550 +heat, electric	No vacant units	Mix of tenants	Apartment building constructed in the 1970s. Rent includes water, sewer and garbage with tenant paying electric heat and electricity. Unit amenities include central AC and in-unit laundry hookup. Owner reported full occupancy with limited turnover and strong demand. Initially most tenants were prison staff but now a mix of tenants.
Tjeerdsma Rental houses	<u>1 - 1 bedroom</u> <u>1 - 2 bedroom</u> <u>1 - 3 bedroom</u> <u>1 - 4 bedroom</u> 4 total units	\$500 \$600 \$1000 \$650 +utilities	No vacant units	Mix of tenants	Single family houses of different ages and sizes used as rentals. Tenant pays utilities in addition to rent. Owner reported full occupancy with limited turnover and strong demand. Initially most tenants were prison staff but now a mix of tenants.
K&G Rentals	N/A	N/A	N/A	N/A	Unable to contact for 2023 survey.

Table 23 Springfield Multifamily Rental Housing Inventory					
Name	Number of Units /Bedroom Mix	Rent	Vacancy/ Wait List	Tenant Mix	Comments
Subsidized					
Cedar Place Apartments 910 9 th St	<u>8 - 1 bedroom</u> 8 total units	30% of income	No vacant units	General occupancy	HUD Section 8 subsidized project built in the late 1970s and originally intended for senior/disabled occupancy but changed to general occupancy in the past year. Building is 1-level with exterior unit entrances. Project-based rent assistance allows all tenants to pay rent based on 30% of income. Amenities include community laundry. Manager reported full occupancy but no waiting list.
Valley View Apartments 1312 Elm St	2 - 1 bedroom <u>13 - 2 bedroom</u> 15 total units	\$380 \$405 30% of income	Open unit in process of being filled	General occupancy	USDA Rural Development general occupancy subsidized project for general occupancy. Two-level walkup building without elevator. 14 tenants have access to project-based rent assistance allowing rent based on 30% of income up to maximum rents listed. Manager reported one open unit at time of survey due to turnover but applicant was being processed from waiting list.
Senior Housing with Services					
Springfield Assisted Living Center 701 Pine St	private and shared rooms with 36 resident capacity	N/A	11 residents at time of survey	Assisted Living Center	Assisted Living Center constructed in 1996bwith licensed capacity for 36 residents. Project has a mix of private and semi-private rooms, with 4 having private bathroom. Project reported 11 residents on date of survey and over the past 5 years the occupancy rate has been below capacity. Medicaid assistance is accepted.

Source: Community Partners Research, Inc.

Employment and Local Economic Trends

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

Work Force and Unemployment Rates

Employment information has been analyzed for Bon Homme County in this section of the Study. Data in the tables that follow have been obtained from the South Dakota Department of Labor and Regulation.

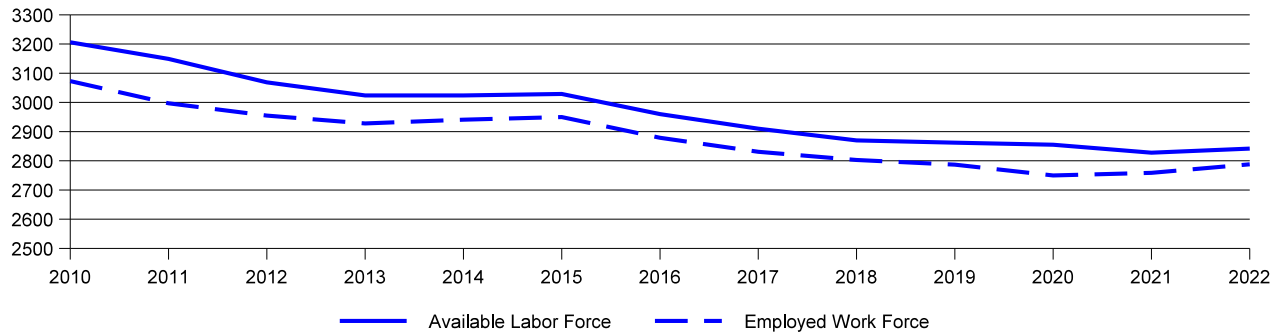
Table 24 Bon Homme County Annual Labor Statistics: 2010 to 2022

Year	Labor Force	Employed	Unemployed	Unemployment Rate - County	Unemployment Rate - SD	Unemployment Rate - US
2010	3,206	3,073	133	4.1%	4.9%	9.6%
2011	3,149	2,997	152	4.8%	4.6%	8.9%
2012	3,069	2,955	114	3.7%	4.1%	8.1%
2013	3,024	2,928	96	3.2%	3.7%	7.4%
2014	3,024	2,941	83	2.7%	3.3%	6.2%
2015	3,029	2,950	79	2.6%	3.0%	5.3%
2016	2,960	2,879	81	2.7%	3.0%	4.9%
2017	2,910	2,831	79	2.7%	3.1%	4.4%
2018	2,870	2,803	67	2.3%	2.8%	3.9%
2019	2,862	2,787	75	2.6%	2.8%	3.7%
2020	2,855	2,750	105	3.7%	4.2%	8.1%
2021	2,828	2,759	69	2.4%	2.6%	5.3%
2022	2,842	2,788	54	1.9%	2.1%	3.7%

Source: South Dakota Department of Labor & Regulation; Community Partners Research, Inc.

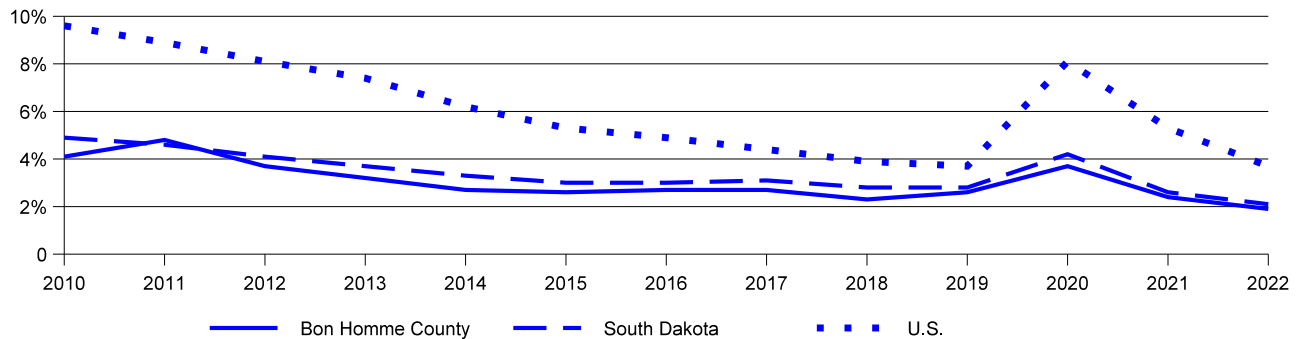
- ▶ Statistics on the available labor force track people by their county of residence. When viewed over the entire 13-year period, the size of the County’s resident labor force has decreased. If 2022 is compared back to 2010, there were 364 fewer people in the labor force, a decrease of nearly 11.4%.
- ▶ The number of employed County residents has followed the same basic pattern. From 2010 to 2022, the number of employed residents of Bon Homme County decreased by 285 people, or -9.3%.

Bon Homme County Labor Force and Employed Work Force



- ▶ With the labor force decreasing at a slightly faster rate than the employed work force, the County’s unemployment rate dropped over this time period, from 4.1% in 2010 to 1.9% in 2022.

Unemployment Rates



- ▶ Although there was a limited upward “spike” in the County’s unemployment rate in 2020, presumably due to the global pandemic, for all of the years reviewed the unemployment rate in Bon Homme County has remained low by comparative standards.

Employment and Wages

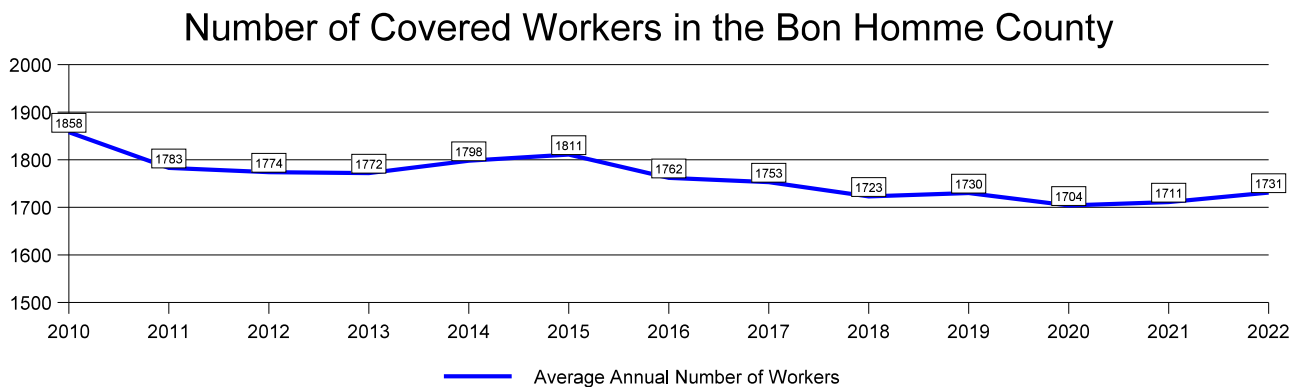
The Quarterly Census of Employment and Wages (QCEW) tracks annual employment and average annual wage data. The QCEW reporting is for unemployment compensation. It is important to note that the reporting does not represent all employment, as some classifications such as self-employed workers are not included. This information is for all of Bon Homme County and tracks the location of the job.

Industry	Employment	Average Weekly Wage
Total All Industry	1,731	\$782

Source: South Dakota Department of Labor & Regulation

- ▶ The average weekly wage for all industry in 2022 was \$782 in Bon Homme County. At full-time employment, this would yield an annual average wage of approximately \$40,664.

Using the QCEW it is possible to examine longer-term patterns in the local employment level. The following chart displays the total number of workers reported in the County from 2010 through 2022.



- ▶ The number of covered workers in Bon Homme County has generally been decreasing over the past 13 years, from 1,858 workers in 2010 to 1,731 workers in 2022. The lowest point was reached in 2020, probably due to the Covid pandemic, but the number of covered workers had returned to pre-pandemic levels by 2022.

Commuting Patterns of Area Workers

Information is available on workers that commute for employment. The best information is from the 2021 American Community Survey, and has been examined for the City of Springfield. The following table examines City residents that traveled to work and excludes people that work at home.

Table 26 Commuting Times for Springfield Residents - 2017		
Travel Time	Number	Percent
Less than 10 minutes	141	41.5%
10 to 19 minutes	25	7.4%
20 to 29 minutes	28	8.2%
30 minutes +	146	42.9%
Total	340	100%

Source: American Community Survey

- ▶ According to the American Community Survey, a majority of the City’s residents were traveling 20 minutes or more for their primary job in 2021. Most of the longer-distance commuters were actually traveling 30 minutes or more to work.
- ▶ Approximately 49% of employed City residents worked locally, with a travel time that was less than 20 minutes.

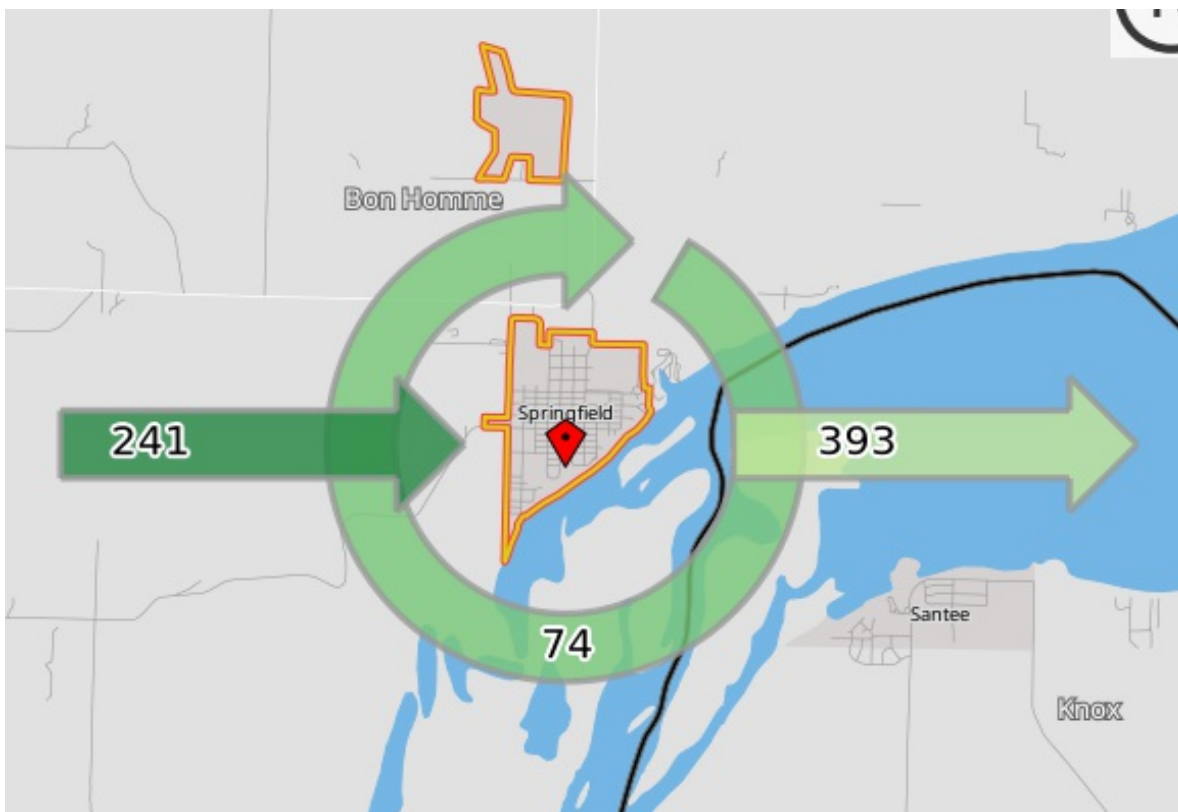
The 2021 American Community Survey did not include an estimate of travel times for people that worked in Springfield.

Census On the Map

The Census Bureau also produces commuter reports through its Center for Economic Studies division. This information is based on reports for the year 2020, but provides a further breakdown of worker movement.

According to the report for Springfield, there were 315 people that were employed within the City in 2020. Of these workers, 74 city-based employees also lived in Springfield. The remaining 241 employees lived outside the City and commuted in for their job. The primary jurisdictions identified as supplying workers to the City were SW Bon Homme UT, Avon, NW Bon Homme UT and Yankton.

On the Map can also be used to track worker outflow patterns from the City. Overall, there were 467 Springfield residents that were employed. Most of these City residents worked outside the community, as 393 people left the City for their job. Fewer than 16% of City residents also worked within their home community. Primary destinations for outbound workers were listed as Yankton, Sioux Falls, Avon, Tyndall, Mitchell and Scotland.



Summary of Findings on Growth Trends

As part of this Study, Community Partners Research, Inc., has examined growth patterns over the past few decades. These historic growth trends have then been used in part as a basis for projecting future demographic changes in the area.

Based on the 2020 Census, Springfield lost both population and households between 2010 and 2020. The reduction in population was probably not due to the State Prison, as the Census also recorded a reduction of 48 permanent resident households in the City between 2010 and 2020.

The fairly large loss of households after 2010 was a significant change in demographic patterns for the community. In the 1990s, the City had added households, and then remained relatively stable between 2000 and 2010 with a loss of only four households over that decade.

The causes of the household losses are not known, but it is possible that the Covid pandemic in 2020 resulted in some impact shortly before the Census was conducted. It is also important to state that the 2020 Census recorded a reduction of 51 units in the City's housing inventory between 2010 and 2020. The loss in households may have been due to the reduced housing availability over time.

All of Bon Homme County also had fewer resident households in 2020 than had been present in 2010. While much of the Countywide loss could be attributed to Springfield, the remainder of the County also lost households over the previous decade.

Summary of Findings on Projected Growth

This Study has examined available demographic projections for Springfield and Bon Homme County. The primary projection source is Applied Geographic Solutions (AGS), although some forecasts from Esri were also reviewed.

Both of these sources expect a minor loss of households in Springfield over the 5-year projection period. However, in the opinion of the analysts, these forecasts are overly conservative and have not been used in the recommendations that follow.

Community Partners Research, Inc., has generated its own forecast which expects the City of Springfield to add approximately two households in an average year, or up to 10 households over the 5-year projection period. This growth forecast has been used in the housing unit recommendations presented later in this section.

Some growth could also occur in the remainder of Bon Homme County, although it is also possible that some households in more rural portions of the County will elect to relocate into the cities, including Springfield to access services and amenities. Aging patterns show an increasing number of senior citizens going forward, and these older residents will look for age-appropriate housing options in the future, which will generally be located in the cities.

According to the 2020 Census, there is a supply of vacant or underutilized housing in Springfield that potentially could be used to add more households in the future without the need for new unit construction. However, the City's existing housing stock contains a large percentage of older housing and some of the units may be in poor condition. There has been limited new housing construction in Springfield since 2010 based on available reporting, so unit replacement will be needed as older housing is removed from the usable inventory.

Findings on Housing Unit Demand and Tenure

Calculations for total future housing need are generally based on three demand generators; household growth, replacement of lost housing units, and pent-up, or existing demand for units from households that already exist but are not being served.

Demand from Growth - The household projections used for this Study expect Springfield to gain 10 households from 2023 to 2028. Household growth will yield some demand for new housing production in Springfield.

Replacement of Lost Owner-Occupancy Units - It is difficult to quantify the number of units that are lost from the housing stock on an annual basis. Unit losses may be caused by demolition activity, losses to fire or natural disasters, and to causes such as deterioration or obsolescence. In Springfield, some dilapidated housing has been demolished, and more units will be removed in the future. As a result, we have included an allowance for unit replacement in the recommendations that follow.

Replacement of Lost Renter-Occupancy Units - It is also difficult to accurately quantify the number of units that are lost from the rental housing stock on an annual basis. However, based on Census records the City had some reduction in the rental inventory between 2010 and 2020 and it is likely that additional units will be removed from the rental stock over the next several years. As a result, we have included an allowance for unit replacement in the recommendations that follow.

Pent-Up Demand - The third primary demand-generator for new housing is caused by unmet need among existing households, or pent-up demand. Household growth and shifting age patterns have created demand for certain types of age-appropriate housing in Springfield. We have included our estimates of pent-up demand into the specific recommendations that follow later in this section.

Strengths for Housing Development

The following strengths for the City of Springfield were identified through statistical data, local interviews, research and on-site review of the local housing stock.

- ▶ **Springfield serves as a small regional center** - Springfield provides educational opportunities, employment opportunities, retail/service options, health and professional services, governmental services and recreational facilities for a geographical area that surrounds the City.
- ▶ **Affordable priced housing stock** - The City of Springfield has a stock of affordable, existing houses. Our analysis shows that the City's median home value, based on 2021 and 2022 sales, is approximately \$103,000. This existing stock, when available for sale, provides an affordable option for home ownership.
- ▶ **Infrastructure** - Springfield's water and sewer infrastructure can accommodate future expansion. The City is making improvements to its infrastructure on an ongoing basis including a new water treatment plant that will become operational in 2024.
- ▶ **Educational system** - Springfield is located in the Bon Homme School District. Elementary (K-5) schools are located in Springfield and Tyndall. The grade 6 thru 12 school is located in Tyndall.
- ▶ **Commercial development** - Springfield's commercial district is adequate to meet daily needs.
- ▶ **Employers** - Springfield has employers that provide job opportunities for local residents.
- ▶ **Commuters** - Approximately 240 employees are commuting into Springfield daily for work. These commuters are a potential market for future housing construction.
- ▶ **Springfield Development Corporation** - The Springfield Development Corporation has been active in developing and expanding business and residential opportunities.

- ▶ **Springfield Housing and Redevelopment Commission (HRC)** - The Springfield HRC has been active in promoting housing in Springfield and has developed rental housing in the City.
- ▶ **Mike Durfee State Prison** - The Mike Durfee State Prison is located in Springfield, which provides employment opportunities and is a major asset to the local economy. One of the prison's programs is the construction of Governor's Homes.
- ▶ **Household growth** - Based on Community Partners Research, Inc., projections, Springfield is projected to add some households over the next five years.
- ▶ **Small town atmosphere** - Springfield has the real and perceived amenities of a small town. Small town living is attractive for some households.
- ▶ **Land for residential lot development** - The Springfield Development Corporation has land available for lot development and new housing construction.
- ▶ **Desirable location for seniors and retirees** - Springfield is an attractive option for seniors as a retirement location. As a provider of health and governmental services and senior assisted living, the City has amenities that are attractive for seniors as they age.
- ▶ **Proactive city involvement** - The City and the Springfield Development Corporation are being proactive in developing commercial and housing opportunities in Springfield.
- ▶ **Distance from a regional center** - Springfield is located approximately 30 miles from Yankton. Many households desire to live in or near a regional center because of its health care, jobs or other amenities.
- ▶ **Recreation and leisure activities** - Springfield is located alongside Lewis and Clark Lake, which was created by the downstream flow of the Missouri River from Gavin's Point Dam. Springfield offers many leisure/recreational opportunities including golfing, hunting, fishing, etc.

Barriers or Limitations to Housing Activities

Our research also identified the following barriers or limitations that hinder or prevent certain housing activities in Springfield.

- ▶ **Age and condition of the housing stock** - While the existing stock is affordable, some of the housing is in need of improvements to meet expectations of potential buyers. Springfield also has a number of dilapidated homes.
- ▶ **Low rent structure** - The area's rent structure is relatively low, which makes it difficult to construct new rental housing.
- ▶ **Value gap deters new owner-occupied construction** - Based on market values from 2021 and 2022 residential sales, we estimate that the median priced home in Springfield is valued at approximately \$103,000. This is below the comparable cost for new housing construction, which will generally be above \$300,000 for a stick built home with commonly expected amenities. This creates a value gap between new construction and existing homes. This can be a disincentive for any type of speculative building and can also deter customized construction.
- ▶ **Lower paying jobs** - Although Springfield has job opportunities, some jobs are at the lower end of the pay scale and employees with these jobs have limited housing choices.
- ▶ **Commercial/retail options** - Springfield has a limited number of commercial and retail opportunities compared to larger regional centers.
- ▶ **Limited new housing construction** - New housing construction was limited from 2010 to 2023.

Recommendations, Strategies and Housing Market Opportunities

Based on the research contained in this study, and the housing strengths and barriers identified above, we believe that the following recommendations are realistic options for Springfield. They are based on the following strategies.

- ▶ **Be realistic in expectations for housing development** - Large-scale residential growth has not occurred in the recent past and is not likely to occur in the near future. The scale of activities proposed for the future should be comparable with the area's potential for growth.
- ▶ **Proactive community involvement** - New home and apartment construction will more likely occur in Springfield if there is proactive support from the City, local and regional housing and economic development agencies and the South Dakota Housing Development Authority.
- ▶ **Protect the existing housing stock** - The future of Springfield will be heavily dependent on the City's appeal as a residential location. The condition of the existing housing stock is a major factor in determining the City's long-term viability. The existing housing stock is in good condition and is a major asset, however, rehabilitation efforts are needed to preserve the housing stock.
- ▶ **Protect the existing assets and resources** - Springfield has several assets including a K-5 school, a Downtown Commercial District, recreational opportunities, an assisted living facility, employers including the Mike Durfee State Prison, etc. These are strong assets that make Springfield a desirable community to live in, and are key components to the City's long-term success and viability. These assets must be protected and improved.
- ▶ **Develop a realistic action plan with goals and time lines** - In the past, the City has been involved in housing issues. The City should prioritize its housing issues and establish goals and time lines to achieve success in addressing its housing needs.
- ▶ **Access all available resources for housing** - In addition to the local efforts, the City has other resources to draw on including USDA Rural Development, the South Dakota Housing Development Authority, Planning and Development District III, the Rural Office of Community Services, Grow South Dakota and Dakota Resources. These resources should continue to be accessed as needed to assist with housing activities.

Summary of Findings/Recommendations

The findings/recommendations for the City of Springfield have been formulated through the analysis of the information provided in the previous sections and include 22 recommendations. The findings/recommendations have been developed in the following five categories:

- ▶ **Rental Housing Development**
- ▶ **Home Ownership**
- ▶ **Single Family Housing Development**
- ▶ **Housing Rehabilitation**
- ▶ **Other Housing Issues**

The findings/recommendations for each category are as follows:

Rental Housing Development

1. Develop 14 to 16 general occupancy market rate/workforce rental units
2. Promote the development/conversion of six to eight affordable market rate rental housing units
3. Monitor the need for additional subsidized rental housing units
4. Preserve the existing supply of subsidized housing
5. Monitor the need for additional senior housing with services/beds that provide an extensive level of services
6. Consider the development of 14 to 16 additional senior independent/light services units
7. Develop a downtown mixed-use commercial/housing project
8. Utilize the Housing Choice Voucher Program

Home Ownership

9. Utilize and promote all programs that assist with home ownership
10. Develop a purchase/rehabilitation program

Single Family Housing Development

11. Lot availability and development
12. Strategies to encourage residential lot sales and new home construction in Springfield
13. Coordinate with agencies/nonprofits that develop affordable housing
14. Promote twin home/town home development

Housing Rehabilitation

15. Promote rental housing rehabilitation
16. Promote owner-occupied housing rehabilitation efforts
17. Develop a City of Springfield Revitalization Program

Other Housing Initiatives

18. Encourage employer involvement in housing
19. Continue to acquire and demolish dilapidated structures
20. Create a plan and a coordinated effort among housing agencies
21. Strategies for downtown redevelopment
22. Develop home ownership and new construction marketing programs and strategies

Springfield - Rental Housing Development

Rental Housing Development

Overview: In recent decades it has been difficult to produce new rental housing units that are viewed as “affordable” when compared to existing rental housing. A number of factors, including federal tax policy, state property tax rates, high construction costs and a low rent structure, have all contributed to the difficulty in developing rental housing in most South Dakota communities. From 2010 to 2023, we are not aware of any rental units that were constructed in Springfield.

Demand for new rental housing is typically generated from three factors:

- ▶ Growth from new households
- ▶ Replacement of lost units
- ▶ Pent-up demand from existing households

Our household projections for Springfield expect some limited household growth over the five-year projection period. From 2023 to 2028, we are projecting that there will be a gain of approximately 10 households. It is estimated that approximately 50% of these households will be rental households, thus, there will be a demand for approximately five additional rental units due to household growth over the next five years.

Demand created by replacement of lost units is more difficult to determine, but the best available evidence suggests that the City will lose as many as one to two units per year. As a result, approximately five to 10 additional units will be needed over the next five years to replace lost units. In some cases, this unit replacement will be necessary as existing units are removed from the inventory through demolition or conversion. In other cases, this replacement is appropriate due to the deteriorating condition of older, substandard rental housing that should be removed from the occupied stock. Rental units may also be lost due to rental units converting to owner occupancy.

Pent-up demand also exists for some rental housing segments. As part of this Study, a rental survey was conducted. The survey found no vacant units in the general occupancy market rate units that were surveyed and no vacancies in the subsidized projects. The rental housing owner/managers reported good demand for rental housing in the City.

We identified pent-up demand for high quality and affordable market rate rental units and senior independent/light services units.

These three demand generators, after factoring current occupancy rates, show a need for 34 to 40 rental units over the next five years. Based on the factors stated above, we recommend the development of the following new rental units/beds over the next five years from 2023 to 2028.

▶ General Occupancy Market Rate	14-16 units
▶ Subsidized	0 units
▶ Affordable/Conversions	6-8 units
▶ Senior (Independent/Light Services)	<u>14-16 units</u>
Total	34-40 units

1. Develop 14 to 16 general occupancy market rate/workforce rental units

Findings: Approximately 68% of the rental housing in the City of Springfield can be classified as general occupancy market rate housing. These units are free of any specific occupancy restrictions such as financial status, age, or student enrollment. Market rate housing does not have any form of rent controls, other than those imposed by the competitive marketplace.

In the market rate rental units that were surveyed, we found no vacancies. The rental property owners and managers reported high occupancy rates and an ongoing demand for market rate rental housing. Turnover tends to be low as few options exist for people to move in the community.

The rental rates are low in the City of Springfield. The existing rent range, including utilities, is approximately \$550 to \$750 for a two-bedroom unit and \$875 to \$1,200 for a three-bedroom unit.

We are not aware of any market rate rental units that were constructed in Springfield from 2010 to 2023. It is possible that some tenure conversion has occurred, as houses that were formerly offered as rental housing were later sold for owner-occupancy, or vice versa.

Recommendation: As stated earlier in this section, rental housing demand is based on household growth, pent-up demand and replacement of housing units that have been demolished or converted.

Based on this combination of demand generators, we believe that it is reasonable to plan for the production of 14 to 16 market rate rental units over the next five years in one, two and three-bedroom units.

Town home-style units or a high quality apartment building are both options in addressing the need for market rate units. The projects, to be successful, should have 'state of the art' amenities. It may be advantageous for new units to be constructed in smaller project phases. This strategy allows the new units to be absorbed into the market.

There are two market rate rental segments in Springfield. One segment is seeking a high quality unit and can afford a higher rent. The second segment is seeking work force housing and a more modest rent. This segment may not qualify for subsidized or tax credit rental units, but affordability is still an issue.

There is a need to construct both types of market rate rental housing. There is a wide rent range in the following table reflecting the two segments. To construct the workforce housing and charge affordable rents, financial assistance, such as land donations, tax abatement/deferments, tax increment financing and other resources may be needed. Also, SDHDA has programs to assist with rental housing development including the Dakota Plex Program.

The first option to developing market rate housing would be to encourage private developers to undertake the construction of market rate rental housing. If private developers do not proceed, the Springfield Development Corporation, the Springfield HRC or a regional housing agency could potentially utilize essential function bonds, or similar funding sources, to construct market rate units. In the early 2000's, the Springfield HRC developed four rental units. Also, the Springfield Development Corporation or the Springfield HRC could partner with private developers to construct units. The City could assist rental development with land donations, tax increment financing, tax abatement, reduced water and sewer hookup fees, etc.

Recommended unit mix, sizes and rents for the Springfield Market Rate Housing Units:

<u>Unit Type</u>	<u>No. of Units</u>	<u>Size/Sq. Ft.</u>	<u>Rent</u>
One Bedroom	3-4	650 - 800	\$750 - \$900
Two Bedroom	8-9	850 - 1,050	\$850 - \$1,100
Three Bedroom	<u>3</u>	1,100 - 1,250	\$1,000 - \$1,250
Total	14-16		

Note: The recommended rents are gross rents including all utilities. The rents are quoted in 2023 dollars.

It would be advantageous to have the rents for some of the units at or less than the Fair Market Rents for the Housing Choice Voucher Program, thus, the units would be affordable for more households. The current Fair Market Rents are:

- ▶ 1 bedroom - \$628
- ▶ 2 bedroom - \$826
- ▶ 3 bedroom - \$1,174

2. Promote the development/conversion of six to eight affordable market rate rental housing units

Findings: The previous recommendation had addressed the market potential to develop high quality rental units in Springfield. Unfortunately, these units would tend to be beyond the financial capability of many area renters. A majority of Springfield’s renter households have an annual income below \$35,000. These households would need a rental unit at \$875 per month or less.

Springfield has lost some rental housing over the years due to deterioration and demolition. Part of the need for additional rental units in Springfield is to provide for unit replacement. Unfortunately, most of the lost units are probably very affordable, and new construction will not replace these units in a similar price range.

There are still some programs for affordable housing creation for moderate income renters. The federal low income housing tax credit program is one available resource. However, competition for tax credits is very difficult, and few awards are made to small cities for small rental projects.

Recommendation: We encourage the City of Springfield to promote the development/conversion of more affordable rental units. A goal of six to eight units over the next five years would help to replace affordable housing that has been lost.

It would be difficult to create units through new construction. Instead, it may be more practical to work on building renovation or conversion projects that can create housing. This opportunity may arise in commercial buildings, or through the purchase and rehabilitation of existing single family homes. Several single family homes have been rehabilitated for rental housing by local individuals. Also, a local motel in Springfield has converted to rental housing.

The estimated prevailing rent range for older rental units in Springfield is typically between \$550 and \$750. Creating some additional units with contract rents below \$875 per month would help to expand the choices available to a majority of the City's renter households.

It is probable that the proposed rent structure for some units could only be obtained with financial commitments from other sources such as tax increment financing or property tax deferment/abatement from the City and other financial resources from funding agencies such as the South Dakota Housing Development Authority.

3. Monitor the need for additional subsidized rental housing units

Findings: The term subsidized rental housing, as used in this Study, refers to rental units that have been constructed to serve low and moderate income people. In nearly all cases, subsidized housing has utilized federal resources that provide a "deep subsidy", allowing very low income people access to the housing at an affordable price.

The research completed for this Study found two subsidized projects in Springfield. The tenants in these projects pay 30% of their income up to a maximum rent. At the time of the survey, the property managers reported no vacancies.

According to the American Community Survey, the 2021 American Community survey estimated that approximately 37% of all renters in Springfield were paying 30% or more of their income for rent.

Recommendation: We do not recommend the development of additional subsidized rental housing at this time. There currently are 27 subsidized rental units in Springfield and renter households can also apply for a Housing Choice Voucher. The rent structure of market rate units in Springfield is low, which provides affordable housing for low income households. Additionally, it is difficult to obtain funding for subsidized rental housing.

We have recommended the construction of 14 to 16 market rate units and six to eight affordable/conversion market rate units. We also recommend that the City monitor the need for the production of subsidized housing in the future.

4. Preserve the existing supply of subsidized housing

Findings: The City of Springfield has two “deep subsidy” rental housing projects that allow tenants to pay rent based on 30% of income. Subsidized projects were typically constructed in the 1970s and 1980s when the federal government was actively involved in producing low income housing.

The subsidized housing represents the most affordable option available to lower income households. Since most of these units charge rent based on income, even extremely low income households can afford their housing.

In some communities, subsidized housing has been lost as owners have the ability to opt-out of subsidy contracts after their original obligations have been met. Subsidized housing that is lost cannot be cost-effectively replaced with the low income housing production resources that are available today.

Recommendation: Based on the research for this Study, neither of the two subsidized projects in Springfield are currently viewed as being at risk of leaving their subsidy program. However, the status of these projects should be monitored. If there is a chance that the City may lose subsidized units due to contract termination, it may be appropriate for a local or regional housing agency to acquire the project to preserve the subsidized housing for the community.

5. Monitor the need for additional senior housing with services units/beds that provide an extensive level of services

Findings: Springfield has only one specialized senior housing project serving residents as they move through the aging cycle. Springfield Assisted Living Center has capacity for 36 residents in private or semi-private rooms and is State-licensed as an Assisted Living Center.

At the time of the rental survey for this Housing Study, there were only 11 residents in Springfield Assisted Living. The contact person indicated that the facility has generally had unused beds for the past five years.

There are additional specialized senior housing options available in Bon Homme County, including a small Assisted Living Center in Scotland and skilled nursing home beds in Scotland and Tyndall.

There has been a growing population of senior citizens in Springfield since 2010, but this has been due to an increase in the younger senior range between 65 and 74 years old. Between 2010 and 2020 there was a small reduction of older senior residents in Springfield, age 75 and older. Older seniors tend to represent the primary target market for specialized senior housing.

Over the 5-year projection period from 2023 to 2028, the projections used for this Study do expect some growth in the number of older senior citizens in Springfield and Bon Homme County. However, the numeric increase is limited.

It is important to note that Springfield is located approximately 30 miles from Yankton. That community offers a wide array of specialized senior housing and also serves as a medical center for the surrounding region.

Recommendation: Based on significant unused capacity that exists in Springfield Assisted Living Center in 2023, we recommend that the need for additional rooms/units be monitored. Although the number of seniors age 75 and older should continue to increase over the next five years, the existing facility has a large number of unused rooms and beds. If this assisted living project reaches full occupancy and unmet demand is evident, the need for additional units/rooms should be reevaluated.

The community may also want to look at possible changes to the existing facility in an attempt to improve occupancy. As originally constructed, Springfield Assisted Living Center has a limited number of private rooms with private bathrooms. Most residents will either have a semi-private room and/or a shared bathroom. This configuration may be impacting demand, as most older seniors will opt for private rooms. It may be possible to reconfigure the existing structure to provide fewer shared occupancy rooms.

It should be noted that there are no beds in Springfield specifically serving people with advanced memory loss. Some of the residents of Springfield Assisted Living Center do have memory loss issues but do not require a secured facility. It may be possible to devote a portion of the existing building to serve this market segment in the future.

The purpose of the senior with services recommendations is to provide general guidance to potential developers. A developer or existing senior with services facility planning a specific project should have a project specific study conducted.

6. Develop 14 to 16 senior independent/light services market rate units

Findings: There are no senior independent/light services market rate rental projects in Springfield. There is a 12-unit project in Tyndall that provides congregate senior housing, but this is the only known project in Bon Homme County that serves this more independent senior segment.

In 2020, there were 111 households age 65 or older in Springfield and 888 households age 65 or older in Bon Homme County. It is projected that the number of senior-headed households will increase through the year 2028, with the expected addition of 30 households in Springfield.

Recommendation: We are recommending a 14 to 16-unit independent/light services market rate senior project in Springfield. The project should be designed to allow seniors to live in a unit independently, with some light services available as needed.

The project's amenities and features should include:

- ▶ A small community room
- ▶ 24-hour call system
- ▶ A limited access security system
- ▶ Smoke alarms
- ▶ Enclosed parking
- ▶ Spacious corridor with a theme such as a street scape design (apartment design)

Apartment features should include:

- ▶ 14 to 16 units
 - ▶ 3 to 4 one-bedroom
 - ▶ 11 to 12 two-bedroom
- ▶ Floor plans that promote accessibility
- ▶ Fully equipped kitchen
- ▶ Large storage room
- ▶ Ample closet space
- ▶ Laundry hookups
- ▶ Open floor plan
- ▶ Private patio
- ▶ Individually controlled heat and AC
- ▶ Raised outlets, lever door handles, lowered kitchen cabinets
- ▶ Expansive windows

Optional services that could be provided by community organizations or agencies could include:

- ▶ Noon meal
- ▶ Weekly housekeeping and laundry assistance
- ▶ Home healthcare availability
- ▶ Social activities

Tax increment financing, tax abatement, tax deferments and other subsidies and/or incentives could be utilized to make the project feasible.

It is estimated that 50% of the units will be occupied when the project opens and two to three additional units will be rented each following month for an absorption period of four to five months.

The location of the project should be close to services as the project will be occupied by seniors. A high amenity location would be ideal for a senior project. If possible, the project should have land available for future project phases.

7. Develop a Downtown Mixed-Use Commercial/Housing Project

Findings: A new mixed-use rental housing/commercial project would be an asset to Downtown Springfield.

New mixed-use projects have been developed in several smaller cities. Some of these projects were developed because of market demand, while others were developed to enhance the downtown, to introduce a new product to the market or to serve as a catalyst for downtown redevelopment.

Recommendation: We recommend the development of a mixed-use building in the downtown Springfield area. There are several potential sites in the downtown area for a mixed-use project. The site could be a vacant parcel, or potentially a dilapidated structure or structures could be demolished to provide a site.

We recommend commercial space on the first floor and three to four rental units on the second floor. Prior to construction, a portion of the commercial space should be leased to an anchor tenant who would complement existing downtown businesses and attract people to downtown.

The units should be primarily one-bedroom and two-bedroom units. Please note that these units are not in addition to the units recommended in the first and second recommendations of this section. If a mixed use building was constructed, the number of units recommended previously should be reduced.

The City may have a role in the project by providing tax increment financing, tax abatement, tax deferments, land at a reduced price or other local funds.

8. Utilize the Housing Choice Voucher Program

Findings: The Housing Choice Voucher Program provides portable, tenant-based rent assistance to lower income renter households. The program requires participating households to contribute approximately 30% of their adjusted income for rent, with the rent subsidy payment making up the difference. Tenants may lease any suitable rental unit in the community, provided that it passes a Housing Quality Standards inspection, and has a reasonable gross rent when compared to prevailing rents in the community.

Although the federal government provides almost no funding for subsidized housing construction, it has provided new Housing Choice Voucher allocations over the last two decades. Because of the flexibility offered through the program, eligible households often prefer the portable rent assistance to other forms of subsidized housing that are project-based, and can only be accessed by living in a specific rental development.

The Housing Choice Voucher Program is administered in Springfield and Bon Homme County by the Yankton Housing and Redevelopment Commission. The Yankton Housing and Redevelopment Commission administers Vouchers in a multi-county area.

In September 2023 there was only one household in Springfield receiving Voucher assistance. The program has a waiting list of approximately six to eight months to receive assistance.

Recommendation: The City of Springfield should work with the Yankton Housing and Redevelopment Commission to assure that renter households in Springfield and Bon Homme County are aware of the Housing Choice Voucher Program and have an opportunity to apply for assistance.

Springfield - Home Ownership

Home Ownership

Findings: Expanding home ownership opportunities is one of the primary goals for most cities. High rates of home ownership promote stable communities and strengthen the local tax base. The median owner-occupied home value in Springfield is estimated to be approximately \$103,000 based on sales activity in 2021 and 2022. The home values in Springfield provide a good opportunity for first time buyers and households seeking moderately priced homes.

Our analysis of Springfield’s demographic trends shows an increase in the number of households in 65 and older age ranges over the next five years. The number of households age 54 and younger is projected to remain relatively stable. Some households in these age ranges as well as other age ranges that have not been able to achieve the goal of home ownership may need the assistance of special programs to help them purchase a home.

To assist in promoting the goal of home ownership, the following activities are recommended:

9. Utilize and promote all programs that assist with home ownership

Findings: We believe that affordable home ownership is one of the issues facing Springfield in the future. Home ownership is generally the preferred housing option for most households and most communities. There are a number of strategies and programs that can be used to promote home ownership programs, and can assist with this effort.

First time home buyer assistance, down payment and closing cost assistance, low interest loans, gap financing and home ownership counseling and training programs can help to address affordable housing issues. The City of Springfield has a supply of houses that are price-eligible for these assistance programs. The home value estimates used in this study indicate that a large majority of the existing stock currently is valued under the purchase price limits for the first-time home buyer assistance programs.

While these individual home ownership assistance programs may not generate a large volume of new ownership activity, the combination of below-market mortgage funds, home ownership training, credit counseling, and down payment assistance may be the mix of incentives that moves a potential home buyer into home ownership.

Recommendation: The City of Springfield should work with area housing agencies, the South Dakota Housing Development Authority, USDA Rural Development and local financial institutions to utilize all available home ownership assistance programs. Private and nonprofit agencies should also be encouraged to provide home ownership opportunities.

The City of Springfield should also work with housing agencies to assure that they are receiving their share of resources that are available in the region.

Funding sources for home ownership programs may include USDA Rural Development, the South Dakota Housing Development Authority and the Federal Home Loan Bank. Also, Grow South Dakota utilizes several funding sources to provide home ownership programs.

10. Develop a Purchase/Rehabilitation Program

Findings: The City of Springfield has a stock of older, lower valued homes, many of which need repairs. Our analysis of 2021 and 2022 sales activity indicates that approximately 50% of the homes in Springfield are valued less than \$103,000. As some lower valued homes come up for sale, they may not be attractive options for potential home buyers because of the amount of repair work that is required.

Some communities with a stock of older homes that need rehabilitation have developed a purchase/rehabilitation program. Under a purchase/rehabilitation program, the City or a housing agency purchases an existing home that needs rehabilitation, rehabilitates the home, sells the home to a low/moderate income family and provides a mortgage with no down payment, no interest and a monthly payment that is affordable for the family.

In many cases, the cost of acquisition and rehab will exceed the house's after-rehab value, thus, a subsidy is needed. Although a public subsidy may be involved, the cost to rehab and sell an existing housing unit is generally lower than the subsidy required to provide an equally affordable unit through new construction.

Recommendation: We recommend that the City of Springfield, the Springfield HRC or the Springfield Development Corporation work with a housing agency to develop and implement a purchase/rehab program. Attitudinal surveys that we have conducted in other cities have found that purchase/rehabilitation programs are appealing to people who are currently renting their housing.

In some similar sized communities, a large majority of survey respondents who were renters indicated an interest in buying a home in need of repair if rehabilitation assistance was available.

A purchase/rehabilitation program achieves several goals. The program encourages home ownership, prevents substandard homes from becoming rental properties and rehabilitates homes that are currently substandard.

Because a purchase/rehabilitation program can be expensive and its cost effectiveness in some cases may be marginal, it may be advantageous in some cases to directly assist low and moderate income households with purchasing and rehabilitating homes. Area housing agencies and financial institutions could offer some rehabilitation assistance in conjunction with first-time home buyer programs to make the City's older housing a more attractive option for potential home buyers. Also, USDA Rural Development provides purchase/rehabilitation loans to low and moderate income buyers.

Also, there may be an opportunity for local and regional housing agencies to financially assist the private sector with purchasing houses and then rehabilitating and reselling the homes. This may increase the inventory of substandard homes that economically can be rehabilitated and sold.

Springfield - Single Family Housing Development

Single Family Housing Development

Findings: Based on City information, it is estimated that 15 single family homes were constructed or moved into Springfield from 2010 to 2023.

It is our opinion that if the City, the Springfield Development Corporation, the Springfield HRC, housing agencies, and builders are proactive, an annual average of between two and three new homes per year could be developed in Springfield, for a total of approximately 9 to 13 houses over the 5-year projection period.

The breakdown of our projection of 9 to 13 new owner-occupied housing units over the next five years is as follows:

▶ Higher and medium priced homes (over \$350,000)	3-4
▶ Affordable homes (under \$350,000)	4-5
▶ Twin homes/town homes	<u>2-4</u>
Total	9-13

11. Lot availability and lot development

Findings: As part of this Study, we attempted to identify the inventory of available residential lots for single family housing construction in the City of Springfield.

It appears that there are approximately 10 residential lots available in southwest Springfield, plus a few miscellaneous infill lots scattered around the City. We do not know the availability of the infill lots, if they have enough square footage for new construction, if they are in attractive locations, etc. Also, dilapidated homes have been demolished in Springfield. Some of the cleared lots may be potential sites for new construction.

Additionally, the Springfield Development Corporation owns a parcel that could accommodate approximately nine lots. Also, the Assisted Living Center property has vacant land that may be a site for future residential lot development.

Recommendation: We recommend that a three-year supply of lots be available on an ongoing basis to address the projected demand. Therefore, if expected new construction of two to three housing units annually comes to fruition, it will be necessary to develop 8 to 12 residential lots in Springfield over the 2023 to 2028 projection period.

This should provide an adequate lot supply for the 5-year projection period as well as a lot supply for the years after 2028.

To achieve the level of new home construction potential that has been identified, we would recommend the development of residential lots based on the following:

- ▶ The residential lots should have covenants that assure quality development. However, the covenants should not be so restrictive that they eliminate the target market's ability to construct a home.
- ▶ The lots should accommodate a variety of home designs and home prices.
- ▶ All stakeholders should be involved in promoting and publicizing the lots.
- ▶ To be successful, the homes must be available to households with as wide an income range as possible.
- ▶ Some lots should be available for twin home/ town home development
- ▶ Successful lot development will need the cooperation of financial institutions, funding agencies, employers, home builders, the City of Springfield, the Springfield Development Corporation and the Springfield HRC. Financial assistance such as tax increment financing, tax abatement and tax deferments may be necessary to make the development of lots feasible.
- ▶ The lots must be as aesthetically acceptable as possible and include high quality amenities.
- ▶ The City of Springfield and the Springfield Development Corporation should plan on a long absorption time period to sell the lots.
- ▶ If the lots are sold at a reduced price, the lot owner should be obligated to build a home on the lot within a specified time period.

We also recommend that the City research all of the vacant lots and parcels in the City to determine their availability and viability for new construction. Also, additional lots could become available through the demolition and clearance of dilapidated structures. A lot inventory, based on the research, should be maintained and available for future buyers.

12. Strategies to encourage residential lot sales and new home construction in Springfield

Findings: There are some residential lots available in the City of Springfield. As discussed in the previous recommendation, the capacity exists to develop additional lots in the City.

Recommendation: We recommend that the City of Springfield, the Springfield HRC and the Springfield Development Corporation coordinate efforts with the private sector to promote lot sales and housing development in Springfield.

Our recommendations to promote lot sales and housing development include:

- ▶ **Competitive pricing** - There are lots available in communities throughout the region and lot prices in Springfield will need to be competitive.
- ▶ **Plan for long-term absorption** - The research completed for this Study expects limited annual absorption of newly developed residential lots in Springfield over the next five years. It is necessary to view the lot sales and housing development in a new subdivision as a long-term plan.
- ▶ **Generate initial activity** - Recent construction activity has been limited. To stimulate new construction, proactive efforts, such as the sale of some lots at discounted prices, reduction of hookup and permit fees or other incentives should be provided if the buyer agrees to build a home of a certain quality and style within a specified time period. This will help create some momentum for houses to be built.
- ▶ **Consider developing an exclusive builder(s) relationship** - Several lots could be sold to a builder(s). Momentum can be created when a builder has access to several lots. This allows for marketing opportunities and efficiencies in the home building process. The lot seller should require the builder to construct a minimum number of homes per year. Builders are more willing to enter a market when the lots are attractive and affordable. Several lots available to an exclusive builder or developer should be explored, even if significant price concessions are required.
- ▶ **User-Friendly** - The lot purchase and homebuilding process must be 'user-friendly.' This includes builders who are readily available to build custom homes, information on quality homes that could be moved into the community and City regulations that are fair and reasonable.

- ▶ ***Lot Availability for affordable homes*** - Lots should be available for affordable homes including modular homes.
- ▶ ***Allow for a range of house prices*** - Lots should be available in Springfield in as wide a range of home sizes and prices as possible. This would broaden the lot buyer market.
- ▶ ***Incentives*** - Many cities throughout South Dakota are offering incentives to construct new homes, including reduced lot prices, reduced water and sewer hookup fees, tax abatements, tax deferments, cash incentives, etc. Incentives should be considered to promote new home construction.
- ▶ ***Lot availability for twin home/town home development*** - It is our opinion that there will be a demand for twin homes/town homes over the next five years. Lots should be available for twin home/town home lot development.
- ▶ ***Marketing*** - The City of Springfield, the Springfield HRC, the Springfield Development Corporation and the Chamber of Commerce should develop a marketing strategy to sell the available lots. All stakeholders including realtors, financial institutions, builders, employers, etc. should be included in marketing strategies. In addition to marketing the lots, the City of Springfield and its amenities should be marketed.
- ▶ ***Governors Homes*** - Governors Homes are an affordable option and SDHDA has initiated a program that enables developers to participate in the 'Governor's Home Program.'
- ▶ ***In-fill lot Home Development*** - In-fill lots in existing neighborhoods are often affordable and have existing City services. Some housing agencies and nonprofits develop affordable homes on in-fill lots.
- ▶ ***South Dakota Housing Development Authority Programs (SDHDA)***
- SDHDA has housing programs available to assist developers, builders and home buyers.
- ▶ ***Manufactured and Modular Homes*** - Manufactured and modular homes can provide affordable opportunities for moderate income households.

- ▶ ***Consider partnerships that share and split financial risk to construct spec homes*** - Spec houses could potentially attract buyers that are not interested in going through the home building process, but instead wants a turnkey unit. A spec home can also serve as a model, allowing potential home buyers to examine specific floor plans and features in the home before committing to buy. In an attempt to spur spec home construction, some communities have formed partnerships with private home builders to share the financial risks. For example, subdivision owners have been willing to defer the payment for the lot until the spec home is sold. Another builder incentive is for the City to waive any water/sewer hook up fees, special assessment payments and building permit fees until the home is sold. A more aggressive approach is to become directly involved in helping cover the payments on a home builder's construction loan, if the house does not sell within a reasonable period of time. A community risk pool would need to be established for this type of activity. These types of approaches would somewhat reduce the builder's risk, by lowering the up-front development costs.

13. Coordinate with agencies/nonprofits that develop affordable housing

Findings: With the difficulty of producing new housing units that are affordable to moderate income households, it is important to take advantage of opportunities presented by housing agencies and nonprofit groups. Private developers may also have an interest in constructing affordable housing in Springfield. These sources can help generate new homes for moderate income families in Springfield.

Recommendation: We recommend that the City of Springfield, the Springfield HRC and the Springfield Development Corporation coordinate with housing agencies, nonprofit groups and private sector builders to produce housing units for moderate income ownership. The City may be able to contribute to the project through land donations, tax increment financing (TIF), tax abatement, tax deferrals, or project coordination activities. The Governors Home Program could also be utilized to reduce the cost of a new affordable home.

If dilapidated homes are demolished, some of the cleared lots may be suitable for new affordable home construction.

14. Promote town house and twin home development

Findings: The City of Springfield has not experienced any attached housing development from 2010 to 2023. Many communities over the past two decades have seen attached housing take an increasingly large share of new construction for owner-occupants. In cities the size of Springfield, 20% to 25% of the housing starts are typically twin homes/town homes.

Attached housing provides desirable alternatives for empty nesters and seniors to move out of their single family homes, thus, making traditional single family homes available for families. Attached housing may also be an affordable option for younger households. In 2023, more than 51% of all households in Springfield had a head of household age 55 or older. By 2028, the projections show that approximately 57% of the City's households will be in the older adult ranges age 55 and older.

It is important for the City to offer a range of life-cycle housing options as some of these households will be seeking to downsize into low maintenance housing options.

Recommendation: It is our projection that two or four twin home or town house units could be constructed over the next five years with the potential to develop additional units after the five-year projection period.

We recommend twin home/town home construction, and to be successful, the following should be considered:

- ▶ Senior friendly home designs
- ▶ Maintenance, lawn care, snow removal, etc. all covered by an Association
- ▶ Cluster development which provides security
- ▶ Homes at a price that is acceptable to the market

The public sector's role in any owner-occupancy attached housing development may be limited, as the private sector can often meet this housing need if a demand exists. The City's role should include assuring that adequate land is available for development and that zoning allows for attached housing development.

Springfield - Housing Rehabilitation

Housing Rehabilitation

Findings: The City of Springfield has an asset in its existing housing stock. Existing units, both now and into the future, will represent the large majority of the affordable housing opportunities. Existing units generally sell at a discount to their replacement value. Units that are not maintained and improved may slip into disrepair and be lost from the housing stock. Investment in housing rehabilitation activities will be critical to offering affordable housing opportunities.

It is our opinion that Springfield and area housing agencies will need to make housing rehabilitation a priority in the future. New housing construction that has occurred is often in a price range that is beyond the affordability level for many Springfield households. Housing options for households at or below the median income level will largely be met by the existing, more affordable housing stock. As this existing stock ages, more maintenance and repair will be required. Without rehabilitation assistance, there is a chance that this affordable stock could shrink, creating an even more difficult affordability situation.

The following specific recommendations are made to address the housing rehabilitation needs.

15. Promote rental housing rehabilitation

Findings: Based on the 2020 U.S. Census data, the City of Springfield had 84 rental units in 2020. These rental units are in multi-family projects, single family homes, mobile homes and mixed-use buildings. Many of these rental structures could benefit from rehabilitation as more than 65% of these rental units are more than 40 years old and some are in poor condition.

It is difficult for rental property owners to rehabilitate and maintain their rental properties while keeping the rents affordable for the tenants. The rehabilitation of older rental units can be one of the most effective ways to produce decent, safe and sanitary affordable housing.

Recommendation: The City of Springfield should work with housing agencies to seek funds that allow for program design flexibility that make a rental rehabilitation program workable. Potential funding sources may include USDA Rural Development, Grow South Dakota, the South Dakota Housing Development Authority and the Federal Home Loan Bank.

16. Promote owner-occupied housing rehabilitation efforts

Findings: The affordability and quality of the existing housing stock in Springfield will continue to be an attraction for families that are seeking housing in Springfield. Investment in owner-occupied housing rehabilitation activities will be critical to offering affordable housing opportunities. More than 77% of the owner-occupancy houses in Springfield are more than 40 years old and some of these units need rehabilitation.

Our housing condition survey of 185 homes in Springfield found 71 homes that need minor repairs and 35 homes that need major repairs. Without rehabilitation assistance, the affordable housing stock will shrink in Springfield.

Recommendation: We recommend that the City of Springfield, the Springfield Development Corporation and the Springfield HRC seek local, state and federal funds to assist in financing housing rehabilitation. USDA Rural Development, the South Dakota Housing Development Authority, the Federal Home Loan Bank, the Rural Office of Community Services, Inc., and Grow South Dakota are potential funding sources.

Grow South Dakota and USDA Rural Development currently have several housing programs to assist households with the rehabilitation of their homes. The Rural Office of Community Services, Inc. administers the Weatherization Program in Bon Homme County.

Some programs offer households that meet program requirements, a deferred loan to rehabilitate their homes. Deferred loans do not have to be paid back if the household lives in the rehabilitated home for a stipulated amount of time after the rehabilitation is completed. We encourage Springfield households to utilize these housing rehabilitation programs.

17. Develop a City of Springfield Revitalization Program

Findings: Springfield has older neighborhoods that have a significant number of homes and buildings that need rehabilitation or are dilapidated and should be demolished. These neighborhoods also have a significant number of low/moderate income households. The neighborhoods could continue to deteriorate or could be revitalized to be strong viable neighborhoods.

Recommendation: Over the years, there has been housing and neighborhood revitalization in the neighborhoods including housing rehabilitation, the demolition of dilapidated housing, the development of new housing and public facility improvements. We recommend that the City of Springfield, the Springfield Development Corporation, the Springfield HRC, area housing agencies and the private housing sector continue these efforts, and develop and implement a Revitalization Program for the City's older neighborhoods.

Redevelopment strategies and opportunities should be identified including:

- ▶ A plan for each parcel in the older neighborhoods (commercial and residential)
- ▶ Owner-occupied rehabilitation
- ▶ Rental housing rehabilitation
- ▶ Commercial rehabilitation
- ▶ Demolition of dilapidated structures
- ▶ Infill new construction including single family homes and attached housing
- ▶ Land pooling for town home and attached housing projects
- ▶ Purchase/Rehabilitation Programs that rehabilitate homes and provide home ownership for low/moderate income households
- ▶ Public projects (streets, utilities, parks, etc.)
- ▶ Consider re-zoning, variances and/or re-platting to make areas and parcels more desirable for redevelopment
- ▶ Other projects identified through the planning process

The Revitalization Program should include time lines, responsible City entity to implement the plan, funding sources, etc. The Program should be evaluated on an ongoing basis as opportunities and potential projects may change priorities.

It must be noted that neighborhood revitalization can result in the loss of affordable housing. Redevelopment projects, infill construction and other affordable housing projects in the community should assure that there are overall net gains in the affordable housing stock.

Springfield - Other Housing Initiatives

Other Housing Initiatives

18. Encourage employer involvement in housing

Findings: The City of Springfield has several large employers. The connection between economic development and housing availability has become an increasingly important issue as local employers have the need to attract new workers into the community.

Although the jobs being created may have good wages for the area, some jobs do not pay wages sufficient for workers to buy or improve their housing. Housing for new employees is a concern for employers. It may be advantageous for employers to become involved in housing.

Recommendation: We recommend an ongoing effort to involve employers as partners in addressing Springfield's housing needs. Several funding sources have finance programs that include employers. The funding agencies often view applications favorably that include employers in the problem solving process.

Employer involvement can include direct assistance to their employees such as a grant, loan, forgivable loan, deferred loan, down payment assistance, loan guarantee, etc. In many cases, employers do not wish to provide assistance to specific employees, but are willing to contribute to an overall city project, such as a rental housing project or the development of affordable lots.

Additionally, employers can continue to support other city projects, such as parks, trails, ball fields, educational facilities, etc., that have a positive impact on housing in Springfield.

19. Continue to acquire and demolish dilapidated structures

Findings: Our housing condition survey identified 21 single family houses in Springfield that are dilapidated and too deteriorated to rehabilitate. We also identified 35 single family houses in Springfield as needing major repair and some of these homes may be too dilapidated to rehabilitate. To improve the quality of the housing stock and to maintain the appearance of the City, these structures should be demolished, when feasible.

The City of Springfield annually allocates funds for housing demolition and has been active in working with property owners to demolish dilapidated structures.

Recommendation: We recommend that the City of Springfield continue to work with property owners and provide funding for the demolition of dilapidated structures. The appearance of the City is enhanced when blighted and dilapidated structures are removed. Also, some of the cleared lots can be utilized for the construction of new affordable housing units.

The City of Springfield should maintain an inventory of structures that may be candidates for future acquisition and demolition. Additionally, an inventory of in-fill lots for future development should be maintained.

20. Create a plan and a coordinated effort among housing agencies

Findings: The City of Springfield will continue to need staff resources in addition to existing City staff to plan and implement many of the housing recommendations advanced in this Study. The City of Springfield has access to the Planning and Development District III, the Rural Office of Community Services, Inc., Grow South Dakota, the South Dakota Housing Development Authority, USDA Rural Development and Dakota Resources. These agencies all have experience with housing and community development programs.

Recommendation: Springfield has access to multiple agencies that can assist with addressing housing needs. It is our recommendation that the City prioritize the recommendations of this Study and develop a plan to address the identified housing needs. The Plan should include strategies, time lines and the responsibilities of each agency. It will be important that a coordinated approach be used to prioritize and assign responsibility for housing programs.

It will also be important for the City of Springfield to look for opportunities to work cooperatively with other area cities to address housing issues. With the number of small cities in the Region, and limited staff capacity at both the city and county levels, cooperative efforts may be the only way to accomplish certain projects. Cooperative efforts will not only make housing projects more practical, but they will often be more cost-effective and competitive.

21. Strategies for Downtown Redevelopment

Findings: The City’s downtown has buildings that have been renovated and have high quality commercial space. There are also buildings that have not been maintained and are substandard. This recommendation provides an outline of actions that could be taken to continue to redevelop the downtown, to maximize the usage of buildings and to promote new downtown businesses.

When households are selecting a city to purchase a home in, they often determine if the city’s commercial sector is sufficient to serve their daily needs. A viable commercial district is an important factor in their decision making process.

Recommendation: We are recommending the following actions for downtown Springfield:

- ▶ Interview downtown property owners to develop a database and to determine their future plans (expanding, selling, renovations, etc.)
- ▶ Develop an overall plan for the downtown (potential new businesses, address parking needs, develop an overall theme, art and cultural opportunities, etc.)
- ▶ Develop a mini-plan for each downtown property and each downtown block. This may include:
 - ▶ Commercial building rehab and renovations
 - ▶ Facade work
 - ▶ Building demolition
 - ▶ New construction
 - ▶ Recruiting new businesses
- ▶ Identify funding sources
 - ▶ Property owner funds
 - ▶ City of Springfield
 - ▶ Federal Home Loan Bank
 - ▶ Special tax districts
 - ▶ Tax increment financing
 - ▶ Tax abatement
 - ▶ Funds from South Dakota State Agencies
 - ▶ Springfield Development Corporation
 - ▶ Springfield HRC

- ▶ Work with stakeholders to identify roles, secure funding, develop and implement programs and projects
 - ▶ Property owners
 - ▶ City of Springfield
 - ▶ Springfield HRC
 - ▶ Springfield Chamber of Commerce
 - ▶ Springfield Development Corporation
 - ▶ Planning and Development District III

22. Develop and promote home ownership and new construction strategies and programs

Findings: Cities that invest in marketing have a competitive advantage. Opportunities to buy or construct a home are sometimes limited because of the lack of information and awareness of financing and incentive programs, homes and lots on the market, the availability of local builders, etc. This is especially evident for new households moving into the area. The home buying/home building process can be intimidating for first-time buyers and builders. It is important for the home buying or home building process to be user-friendly.

The City, the Springfield Development Corporation, the Springfield HRC, the Chamber of Commerce, other organizations and private builders/developers have been active in promoting the City, including housing opportunities.

Recommendation: We recommend that the stakeholders continue to promote and market housing in Springfield as follows:

- ▶ Determine the City’s strengths and competitive advantages and heavily promote them
- ▶ Continue to create marketing materials that can be distributed regionally (including social media, TV, radio, etc.)
- ▶ Work closely with employers (City and the area) to provide employees (especially new employees) with housing opportunities in Springfield
- ▶ Work with housing agencies to provide down payment and closing cost assistance, low interest loans, gap financing, home owner education and home owner counseling and other housing programs
- ▶ Continue to work on the creation of jobs and the development of retail, service and recreational opportunities that make the City a “full service” community

- ▶ Work with developers and builders to make lot development and construction of new homes as user-friendly as possible
- ▶ Provide attractive lots at an affordable price for a variety of home sizes, styles and price ranges
- ▶ Continue to preserve the quality of existing neighborhoods through the rehabilitation of substandard housing and the demolition of dilapidated structures that are beyond repair
- ▶ Continue to develop new housing choices, such as new single family homes, rental housing, twin homes, senior housing with services, etc.
- ▶ Review the City's policies and fees to assure that they are user-friendly, fair and receptive for developers, builders and households.
- ▶ Develop a coordinated housing plan with all of the City's housing stakeholders

Agencies and Resources

The following regional and state agencies administer programs or provide funds for housing programs and projects:

Planning and Development District III

1808 Summit Street
Yankton, SD 57078
(605) 665-4408

Rural Office of Community Services, Inc.

214 Main St.
P.O. Box 70
Lake Andes, SD 57356

Grow South Dakota

104 Ash Street East
Sisseton, SD 57262
(605) 698-7654

South Dakota Housing Development Authority

3060 East Elizabeth Street
Pierre, SD 57501
(605) 773-3181

USDA Rural Development

2914 Broadway
Yankton, SD 57078
(605) 665-2662