



CITY OF SPRINGFIELD HOUSING STUDY

TABLE OF CONTENTS

Introduction	2
Executive Summary	3
1. The Minnesota Housing Market – A Brief Overview	5
1.1. Recent Housing Developments in Minnesota	5
1.2. Housing as Outcomes and Drivers of Economic	7
Development in Small Towns	
1.3. Implications	8
2. Demographic and Economic Overview	9
2.1. Population Trends	9
2.2. General Economic Conditions	11
2.3. Employment and Commuting Patterns	13
2.4. Income Levels and Socio-Economic Conditions	17
2.5. Economic Distress	19
2.6. Implications	19
3. Housing Inventory	21
3.1. Existing Housing Stock – Overview and Concepts	21
3.2. Springfield’s Housing Stock - Overview	22
3.3. Housing Conditions	24
3.4. Rising Home Prices	25
3.5. Rental Market Pressure	26
3.6. Overall Housing Affordability	28
3.7. Implications	29
4. Housing Needs and Gaps	30
4.1. Affordable Housing	30
4.2. Senior Housing	31
4.3. Workforce Housing	32
4.4. New Construction and Development	32
4.5. Implications	33
5. Community-Identified Housing Market Needs	34
5.1. Insights from Real Estate Developers and Agents	34
5.2. What Developers Say Is Needed	34
5.3. What Real Estate Agents Say Is Needed	36
5.4. What the Community Says is Needed	37
5.5. Implications	37
6. Recommendations	38
7. Appendix	52



INTRODUCTION

Region Nine Development Commission (RNDC) was engaged by the City of Springfield (city) to conduct a study of housing market conditions in the city and the surrounding area. This work coincided with the development of a Strategic Economic Development Plan for the city, also conducted by RNDC.

The purpose of conducting a housing study in Springfield is to assess the current housing needs, challenges, and trends within the community. The objective is to identify gaps in housing supply and affordability, evaluate the quality and condition of the existing housing, and analyze demographic changes impacting housing demand. The study will provide data-driven insights to inform local policymakers, developers, and community stakeholders in making decisions that support sustainable, affordable, and inclusive housing solutions for Springfield's residents.

The housing study incorporates data and trends from Springfield, Brown County, the surrounding region, and the State of Minnesota to provide a comprehensive analysis of local housing dynamics. By examining broader regional and statewide factors, the study offers insights into how external economic conditions, demographic shifts, and policy changes influence Springfield's housing market.

A housing study for Springfield is important because it provides critical data and insights to address the city's housing needs, identify gaps in affordability and supply, and support sustainable growth. With this information, local policymakers, developers, and community leaders can make informed decisions to ensure that Springfield remains a vibrant, welcoming community with housing options that meet the diverse needs of its residents.

A variety of resources were utilized to obtain information. RNDC collected and analyzed data from December 2024 through April 2025. Data sources included, U.S. Census Bureau, Minnesota State Demographer, ESRI, records and data from the city, data maintained by Brown County, data from the MN Department of Employment and Economic Development (DEED), data provided by the Multiple Listing Service, interviews with staff from the city and neighboring communities, interviews with people familiar with the area's housing conditions, and regional housing agencies/organizations.

The study was developed through a three-step process as illustrated in the graphic below. The process incorporated both quantitative and qualitative elements to create a comprehensive picture of Springfield's local economy, housing stock, current and anticipated needs, and viable opportunities for further expansion.

Figure 1: Planning Process



Targeted outreach, either through one-on-one interviews or small group discussions, was conducted throughout each of the phases to contextualize needs and opportunities. Interviews with real estate agents and developers were used to solicit additional qualitative input, test and confirm market findings, and identify additional opportunities or challenges. A survey was developed to solicit feedback from Springfield residents and other stakeholders regarding current and future community and economic development needs, including housing needs, and these findings were also considered as recommendations were formulated.

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, federal or state tax policy, or other related factors could change the findings and conclusions contained in this study. Also, concerns regarding data accuracy exist, specifically as it pertains to vacancy rates, which warrants future inventory studies and ongoing tracking of current inventory as described in the recommendations section of this study.

Springfield is a community with a rich history and deep-rooted sense of identity, but like many small towns across the Midwest, it now stands at a crossroads. In recent years, the city has faced growing challenges related to its housing market, challenges that, if left unaddressed, could threaten its long-term vitality. This housing study was commissioned to take a comprehensive look at Springfield's current housing landscape and to develop a clear, data-driven understanding of where the city stands, what issues need to be addressed, and how housing can be leveraged as a strategic tool to foster community and economic renewal.

The findings reveal a housing system under increasing strain. A large portion of Springfield's housing stock was constructed prior to 1970, and many of these homes are showing signs of age. Issues such as outdated infrastructure, declining energy efficiency, and general wear and tear have become increasingly common. While older homes can provide character and affordability, without investment and maintenance, they risk becoming a liability rather than an asset. The aging housing stock also presents safety and accessibility concerns, particularly for seniors and individuals with disabilities.

Despite relatively low housing costs in comparison with other areas of the state, affordability is a function of both costs and income levels. Springfield's per capita income meets federal thresholds of being economically distressed, which lowers the affordability of housing. Compounding the problem is a significant shortage of housing that is affordable and accessible for low- and moderate-income households.

Rising construction costs and limited new development have led to stagnant housing supply, particularly for workforce housing that meets the needs of middle-income earners. Similarly, the city lacks an adequate range of housing options for older adults. As Springfield's population continues to age, demand for senior-friendly housing, such as one-level homes, assisted living facilities, or accessible rental units, will continue to increase. Without action, seniors may be forced to leave the community in search of more suitable living arrangements, eroding the city's multigenerational character and weakening family and social networks.

These housing challenges are occurring in the context of a broader demographic shift. Springfield is experiencing a gradual but persistent population decline. Young people are leaving the area in search of educational and employment opportunities elsewhere, and fewer families are moving in to replace them. This demographic trend is concerning, but it also presents an important opportunity. Rather than viewing population decline solely as a problem, Springfield can reframe it as a chance to redefine its future. By addressing housing needs head-on, the city can position itself as a welcoming, affordable, and high-quality place to live, an attractive option for both long-term residents and newcomers. In this way, housing can become a powerful driver of economic development and community revitalization.

To achieve this vision, Springfield must take a proactive and strategic approach. An essential first step is to institutionalize the practice of conducting local housing needs assessments on an annual basis. By collecting and analyzing up-to-date information, city leaders can better understand evolving trends, track progress toward goals, and make informed decisions. These assessments should be grounded in both quantitative data and community input, ensuring that local voices are central to the planning process.

The city should modernize its comprehensive plan and review existing zoning regulations to make sure they support a diverse range of housing types and promote flexibility in development. Zoning policies that are overly restrictive or outdated can be a significant barrier to new construction, particularly for smaller or innovative housing formats such as duplexes, accessory dwelling units, or mixed-use buildings. Updating these policies will enable the kind of development Springfield needs, such as developments that are responsive to demand, sustainable in scale, and inclusive of all income levels.

Promoting the construction of affordable, workforce, and senior housing is also critical. Meanwhile, efforts to encourage homeownership, especially among younger residents and first-time buyers, can foster community pride and long-term investment. Programs that support home repairs and renovations are equally important, particularly for preserving the existing housing stock and ensuring that older homes remain safe, livable, and attractive.

Infrastructure investment will also play a foundational role in Springfield's housing future. Roads, water and sewer systems, broadband access, and public facilities must be capable of supporting new growth. Strategic infrastructure improvements not only enable new housing development but also signal to potential residents and developers that the city is committed to progress and prepared for the future.

Beyond physical infrastructure and policy, fostering a culture of community engagement will be essential. Residents must have opportunities to participate in the housing conversation, share their experiences, and help shape the future of their neighborhoods. Inclusive engagement processes build trust, generate local solutions, and ensure that plans reflect the values and needs of the people who live in Springfield.

Collaboration at the regional level will also be necessary. Housing markets do not exist in isolation, and working with neighboring cities, counties, and regional agencies can create efficiencies, align resources, and strengthen Springfield's competitive position in the broader region. Finally, the city should take bold steps to promote itself. Springfield has much to offer, affordability, quality schools, strong community spirit, and small-town charm. By telling that story clearly and consistently, the city can attract new residents and investment, further fueling growth and stability.



1.1. Recent Housing Developments in Minnesota

Housing in rural Minnesota has undergone significant changes over the past few decades, driven by shifting demographics, economic factors, and evolving housing policies. These trends are marked by housing shortages, affordability challenges, and changing demands that require tailored solutions for rural communities.

Many communities outside the Twin Cities have experienced population decline, particularly in small towns and agricultural areas due to migration to urban centers for employment, education, and amenities not found in smaller towns.¹ Many rural communities face aging populations, with increasing numbers of seniors who often require more accessible housing options, such as senior apartments or age-friendly homes.² This demographic shift has increased demand for specialized housing that meets the needs of older residents while also creating challenges related to housing supply and infrastructure.

One of the most pressing issues in rural Minnesota is the shortage of affordable housing. According to the Minnesota Housing Partnership (MHP), housing costs in many rural areas are rising, outpacing wage growth, leading to affordability problems for lower-income residents.³ Over the past decades, housing costs in Minnesota have outpaced income growth, both in urban and rural areas. According to MHP, the median home price in Minnesota increased by over 40% from 2015 to 2020.⁴ This increase has not been limited to the metro markets. In fact, between 2018 and 2022, the non-metro areas of the state had a higher percentage of owner-occupied households (23.7%) where more than 30% of household income was spent on mortgage costs than what was observed in the metro areas of the state (21.9%).⁵ This has pushed many families to rent, contributing to increasing rent costs as well.

In the Twin Cities, the demand for housing is high due to job opportunities and population growth, driving up prices and contributing to reduced housing affordability. On the other hand, rural areas in Minnesota face housing shortages as well, though for different reasons, such as a lack of new construction, a lack of investments from developers, and lower economic activity, which has yielded a decline in affordable housing making it difficult for residents to find decent, affordable options.

The COVID-19 pandemic exacerbated housing affordability issues across the state. While some housing markets temporarily slowed, the pandemic caused a surge in demand for suburban and rural housing as people sought more space and flexibility. This increase in demand has led to higher prices, particularly in areas outside of the Twin Cities, where the cost of living was once more affordable. Moreover, temporary unemployment spikes during the pandemic led to an increase in housing instability and eviction rates for renters, who faced job losses and income insecurity during the last three quarters of 2020.

The COVID-19 pandemic accelerated remote work trends, leading some people to relocate from urban to rural areas in search of more affordable housing and a better quality of life. Research conducted by the University of Minnesota Extension found that this influx of new residents has created new housing pressures in rural communities, where housing stock may be limited, and infrastructure may not be equipped to handle rapid population changes.⁶ While some rural areas are seeing economic benefits from this trend, it has also led to increased competition for available housing and rising prices, which may further limit affordability for residents.

While home prices have surged in Minnesota, wages have not kept pace. Although the state's average annual wage has increased, it has not kept up with the rise in housing costs, contributing to the affordability gap. According to MHP, a person would need to earn \$23.15 per hour (in 2020 dollars) to afford a typical two-bedroom apartment without being cost-burdened (i.e., spending more than 30% of income on housing).⁷ However, the state's median hourly wage for renters is significantly lower than this threshold, making it difficult for many to secure affordable housing.

¹ Minnesota Department of Employment and Economic Development (DEED). (2020). *Rural Minnesota: Economic Overview and Outlook*. Minnesota Department of Employment and Economic Development.

² Minnesota Housing Partnership (MHP). (2018). *Affordable Housing in Rural Minnesota: Challenges and Solutions*. Minnesota Housing Partnership.

³ Minnesota Housing Partnership (MHP). (2020). *The State of Housing in Minnesota*. Minnesota Housing Partnership.

⁴ *Ibid.*

⁵ U.S. Department of Commerce. 2023. *Census Bureau, American Community Survey Office, Washington, D.C.*

⁶ Kerrigan, R. (2020). *Remote Work and Its Impact on Rural Housing Markets in Minnesota*. University of Minnesota Extension.

⁷ Minnesota Housing Partnership (MHP). (2020). *The State of Housing in Minnesota*. Minnesota Housing Partnership.

The “lack of investment issue” is a challenging issue for small communities to overcome. Rural housing markets in Minnesota often lack the volume of new construction or renovation needed to meet growing demand, partly due to limited financial resources, fewer developers, and the high cost of construction. The shortage of affordable rental properties, combined with limited homeownership opportunities, exacerbates housing insecurity in these communities.

Further, the economic landscape of rural Minnesota has shifted as industries such as agriculture and manufacturing have adapted to local and global trends towards consolidation, automation of production, and integration of supply chains, while service sectors like healthcare and renewable energy have seen growth. A report by the U.S. Department of Housing and Urban Development (HUD) highlighted that rural areas have struggled to keep pace with housing demand because of economic transitions, including the decline of traditional industries and population outmigration.⁸ As economic diversification occurs, new housing needs emerge, with certain regions seeing an increased demand for housing linked to jobs in emerging sectors like wind energy, tourism, and healthcare.

Government programs such as the Low-Income Housing Tax Credit (LIHTC) and the Rural Housing Service (RHS) support affordable housing in rural Minnesota. However, access to these programs has been limited in some areas due to small project sizes, the high cost of land development, and lower levels of developer interest. The MHP notes that federal housing assistance, including rural development loans and grants, has been crucial but often insufficient to meet the growing needs of low-income families and seniors in rural communities (MHP, 2020). Despite these efforts, the demand for affordable housing continues to outstrip supply in many rural areas.

The quality of housing in rural Minnesota varies widely. Many homes in these areas are older and in need of significant repairs, which can make them unaffordable to renovate without assistance. The Rural Housing Service (RHS) has provided funding for renovation projects, but challenges remain in keeping up with maintenance needs and upgrading outdated housing stock.⁹ Housing quality concerns are especially prevalent in low-income communities, where residents may not have the financial means to invest in repairs or upgrades.

MHP reports that Minnesota needs approximately 50,000 new affordable housing units to meet demand, and that the construction of new affordable housing has not kept up with population growth.¹⁰ In response to the housing affordability crisis, various policy measures have been proposed and enacted. At the state level, lawmakers have discussed ways to incentivize affordable housing development through tax credits and funding for affordable housing projects. The Minnesota Housing Finance Agency (MHFA) plays a key role in providing funding and resources for affordable housing.¹¹ Additionally, the state has focused on improving access to housing for marginalized communities, such as people of color and Indigenous groups, who face greater housing insecurity due to historic discrimination and economic inequalities. Local governments have also taken steps to encourage affordable housing, including increasing density allowances, revising zoning codes, and offering tax incentives for affordable housing development.

⁸ U.S. Department of Housing and Urban Development (HUD). (2020). *Impact of Federal Housing Programs on Rural Communities*. U.S. Department of Housing and Urban Development.

⁹ Rural Housing Service (RHS). (2019). *Rural Housing Needs Assessment*. U.S. Department of Agriculture.

¹⁰ Minnesota Housing Partnership (MHP). (2024). *The State of Housing in Minnesota*. Minnesota Housing Partnership.

¹¹ See <https://www.mnhousing.gov/>

1.2. Investments in Small Town Housing as Outcomes and Drivers of Economic Development

Facing housing shortages and reduced affordability, a small town like Springfield should consider investments in housing as both outcomes and drivers of economic development strategies and efforts. Investments in housing are a key driver of economic resilience and prosperity for small towns for several interconnected reasons. To connect the contextualized overview of demographic and economic conditions described in this section of the study with the overview of Springfield's housing stock and needs in subsequent sections, a breakdown of how housing investments support economic growth, and stability has been summarized below.

1.2.1. Investments in housing stimulate local economies and job creation¹²

When new housing projects are initiated, they create immediate jobs in construction, architecture, and planning. This not only provides work for local and regional contractors, but also for suppliers of building materials, possibly creating a boost for the local and regional economies.¹³ After construction, the increased demand for local services (e.g., landscaping, maintenance, and utilities) can sustain new jobs and businesses in the area.¹⁴

1.2.2. Increasing Property Values and Tax Revenue

Investments in housing can lead to an increase in property values, benefiting homeowners and the town's overall wealth. This can lead to more investments and community pride, creating a cycle of growth.¹⁵ Higher property values contribute to increased property taxes, providing the town with more resources to fund public services like schools, roads, healthcare, and parks, which in turn enhance the quality of life and attract more residents and businesses.¹⁶

1.2.3. Attracting and Retaining Residents

Offering a variety of housing options, from affordable to more upscale, can make a town attractive to families, retirees, and young professionals. A vibrant housing market can meet the diverse needs of residents and increase the town's population, ensuring a stable tax base.¹⁷ Housing investments often attract other investments, such as retail shops, restaurants, schools, and healthcare facilities, which contribute to the town's overall economic growth and resilience.¹⁸

1.2.4. Improving Quality of Life and Community Vitality

New or renovated housing can encourage community improvements, such as better infrastructure (roads, public transportation, parks, etc.). This creates a more attractive and livable environment, which enhances the overall quality of life for residents.¹⁹ When communities are well-housed, there's often less social unrest and a greater sense of belonging. Investing in housing allows people to stay rooted in their communities, supporting local businesses and maintaining social cohesion.²⁰

1.2.5. Providing Economic Stability

For homeowners, property is often the largest asset they possess. When local economies face downturns or disruptions, the ability to maintain or grow home values can provide a cushion, preventing financial instability for families.²¹ In small towns, homeownership can create wealth-building opportunities. Homeowners are more likely to invest in local businesses and contribute to economic resilience because they have a vested interest in the well-being of their community.²²

¹² U.S. Department of Housing and Urban Development, "The Economic Impact of Affordable Housing on Local Economies" (2018).

¹³ McKinsey & Company, "Infrastructure Investment: Building the Future" (2019).

¹⁴ Urban Institute, "Housing and Economic Recovery" (2020).

¹⁵ Glaeser, E. L., & Gyourko, J. (2008). "The Impact of Building Restrictions on Housing Affordability". *Economic Policy Review*, 14(2), 21-39.

¹⁶ Ibid.

¹⁷ Glaeser, E.L., & Rappaport, J. (2023). *Urban Growth and the Rise of Housing Investment*. Brookings Institution.

¹⁸ Zuk, M., Chapple, K., & Gohl, M. (2022). "The Impact of Housing Investment on Economic Diversification". *Journal of Urban Economics*, 99(1), 55-74.

¹⁹ Goetz, E. G., & Darden, J. T. (2022). "Housing and Infrastructure: Enhancing Community Livability through Urban Investment". *Urban Affairs Review*, 58(4), 849-877.

²⁰ Ibid.

²¹ Gyourko, J., & Saiz, A. (2023). "The Role of Housing Investment in Promoting Economic Stability". *Journal of Economic Perspectives*, 37(2), 123-145.

²² Mayer, C. J. (2021). "Housing Investment and Economic Stability: A Multifaceted Approach". *Economic Policy Review*, 45(4), 263-289.

1.2.6. Supporting Demographic and Workforce Growth

Affordable and quality housing options help towns attract workers from outside the region, particularly if the area has growing sectors like agriculture, manufacturing, or technology. Housing investments make it easier for businesses to find employees who are willing to relocate or remain in the area.²³ In small towns, the migration of young people to larger cities in search of better opportunities is a common challenge. However, when housing investments are made, it can provide younger generations with more attractive options to settle in their hometowns, thus stabilizing the local workforce and reducing the risk of population decline.²⁴

1.2.7. Supporting Small Businesses

As more people move into the town or stay longer, local businesses experience an increase in demand for goods and services. This can help small businesses grow and thrive, fostering a stronger, more diverse local economy.²⁵ Housing investments can create spaces for local entrepreneurs, such as retail spaces, cafés, and offices. The growth of small businesses in the town can be further supported by a more vibrant housing market, which leads to increased consumer spending and business investment.²⁶

1.2.8. Resilience Against Economic Shocks

Housing investment helps towns weather economic downturns. Even in times of economic uncertainty, people still need a place to live. A well-established housing market offers stability when other sectors are volatile.²⁷ Investment in sustainable and affordable housing (such as green building or energy-efficient homes) can position a small town to be more resilient in the face of long-term challenges like climate change or energy shortages.²⁸

1.3. Implications

Recent shifts in Minnesota's housing market underscore the critical role of housing in fostering economic development, particularly in rural communities like Springfield. While urban areas have experienced rapid price increases and inventory shortages, rural regions have faced unique challenges that necessitate a strategic approach to housing as both a prerequisite and an outcome of economic growth.

Rural communities, including Springfield, often grapple with an aging housing stock that lacks modern amenities and energy efficiency. This not only affects the quality of life for residents but also poses barriers to attracting and retaining a skilled workforce. As employers seek to expand or relocate, the availability of quality housing becomes a decisive factor in their decision-making process. Without adequate housing options, even the most promising economic development initiatives can falter.

Furthermore, this study will show how Springfield's housing market reflects broader statewide trends where affordability remains a pressing concern. Many rural residents, particularly renters, find themselves cost-burdened, dedicating a significant portion of their income to housing expenses. This financial strain limits disposable income, reducing consumer spending and hindering local economic activity. Addressing housing affordability is therefore essential not only for individual well-being but also for the broader economic vitality of the community.

The interplay between housing and economic development is evident in communities that have successfully integrated housing strategies into their economic plans. By investing in housing infrastructure, Springfield can enhance its appeal to potential residents and businesses alike. This dual approach ensures that housing development supports economic growth while economic growth, in turn, creates a sustainable demand for housing.

²³ Glaeser, E. L., & Gyourko, J. (2023). "The Role of Housing in Facilitating Labor Mobility and Economic Growth". *Journal of Economic Geography*, 23(1), 1-17.

²⁴ Florida, R. (2021). *The Creative Class and Economic Development: Housing's Role in Attracting Workers*. *Journal of Urban Affairs*, 43(5), 738-755.

²⁵ Glaeser, E.L., & Gyourko, J. (2022). "Housing Investment and Entrepreneurial Activity: Stimulating Local Markets". *Journal of Urban Economics*, 101, 90-108.

²⁶ *Ibid.*

²⁷ Glaeser, E. L., & Gyourko, J. (2022). "The Economic Impact of Housing Markets: A Buffer Against Economic Shocks". *Brookings Papers on Economic Activity*, 2022(1), 101-130.

²⁸ Mayer, C. J. (2021). "Housing as a Buffer: How the Housing Market Stabilizes Local Economies". *Journal of Urban Economics*, 89, 45-65.

SECTION 2: DEMOGRAPHIC AND ECONOMIC OVERVIEW

2.1. Population Trends

Springfield has a population of 2,090 residents (2022 estimate) and is in Brown County in south central Minnesota.²⁹ Over the past few years, the town has maintained relatively steady population figures, driven primarily by local employment opportunities, the presence of regional services, and Springfield's proximity to larger urban centers. The city's population change is on par with Brown County per American Community Survey (ACS; U.S. Census Bureau) estimates for 2022.

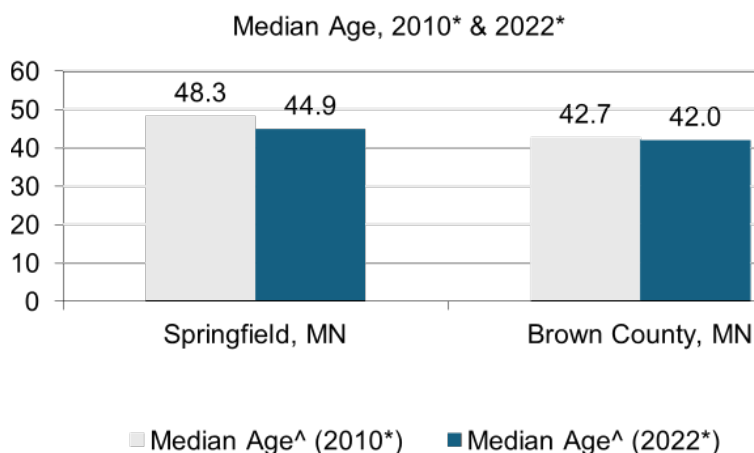
Table 1: Population Springfield, MN and Brown County, MN (2010 and 2022)³⁰

	SPRINGFIELD, MN	BROWN COUNTY, MN
POPULATION (2022*)	2,090	25,880
POPULATION (2010*)	2,100	26,030
POPULATION CHANGE (2010*-2022*)	-10	-150
POPULATION PCT. CHANGE (2010*-2022*)	-0.5%	-0.6%

Although Springfield's population has remained relatively stable, the town's population is older than the statewide average, which is also true for Brown County. Whereas the median age dropped slightly between 2010 and 2022, both in the city and across the county, the age distribution of Springfield follows a pattern seen in many rural communities in Greater Minnesota, with a higher proportion of middle-aged and older adults compared to urban areas. As of the latest ACS, the median age in Springfield is 44.9 years, compared to 38.6 years statewide and 42.0 years in Brown County.

These figures reflect broader demographic trends seen in rural parts of Minnesota, where populations have generally stagnated or declined as younger residents move to urban areas in search of job opportunities.

Figure 2: Population Springfield, MN and Brown County, MN (2010 and 2022)³¹



The largest demographic group in Springfield is working-age adults (18-64 years), accounting for roughly 58% of the population. This demographic is critical for maintaining the city's labor force and economic vitality. However, like many rural communities, Springfield faces challenges in retaining younger adults and attracting workers with higher education or specialized skills. With fewer young families, there will also be fewer children. Approximately 20% of the population in Springfield is under 18 years old.

Approximately 22% of the population in Springfield is aged 65 or older, a figure that is above the state average (16%) and indicates an aging population. This is a common trend in rural communities where there is often a higher proportion of seniors, many of whom have lived in the area for decades, and where they may choose to remain in their homes during retirement. The high percentage of seniors presents both opportunities and challenges. Whereas seniors in Greater Minnesota contribute to local service demands, specifically healthcare and social services, they also necessitate investments in housing for healthcare workers unless the community solely relies on commuters to fill vacancies.

No significant gender differentials exist in Springfield. As the below figure illustrates, the Census Bureau (2022 estimates) age category with the highest estimate for the number of women was 65 and over (323), as was also the case for men (289). From 2010 to 2022, the age category with the largest estimated increase was 18-34 (114), and the age category with the largest estimated decrease was 35-44 (-65).³²

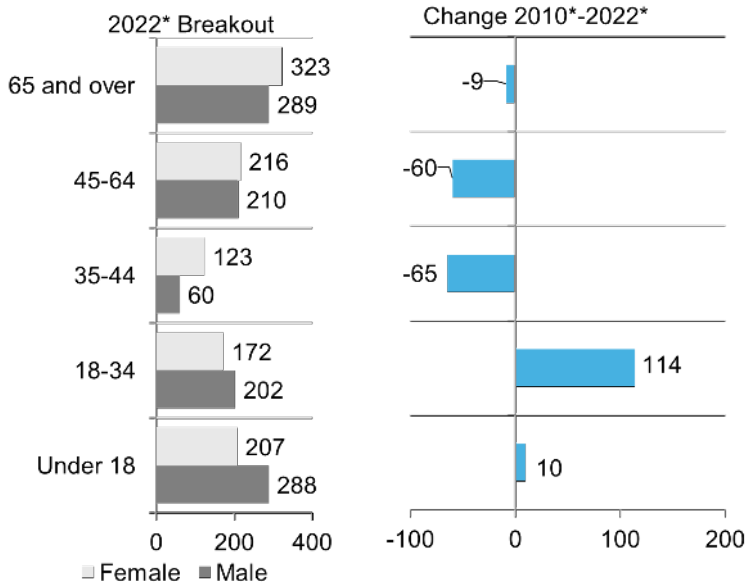
²⁹ U.S. Department of Commerce. 2023. Census Bureau, American Community Survey Office, Washington, D.C.

³⁰ Ibid.

³¹ Ibid

³² Ibid

Figure 3: Age and Gender Characteristics and Change, Springfield, MN and Brown County (2010-2022)



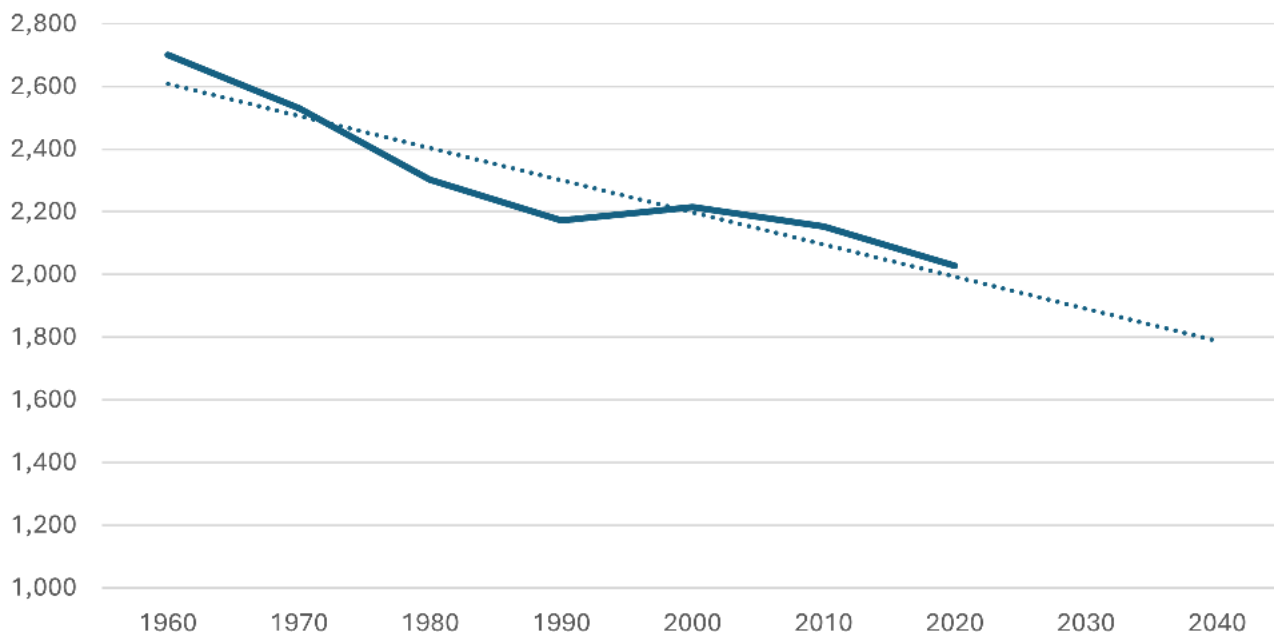
The racial composition of Springfield is predominantly White, comprising around 95% of the population, with small percentages of Hispanic or Latino (2.5%) and Native American (1%) residents. This homogeneity mirrors broader trends in many rural parts of Minnesota, which is predominantly White but has seen growth in diversity, particularly from Latino immigrants working in the agriculture and manufacturing/food processing industries.

Brown County is slightly more diversified than Springfield, with 4.8% Hispanic or Latino.³³ Hispanics are one of the fastest growing segments of the U.S. population. The Census Bureau predicts that 28.6 percent of the population in the U.S. will be Hispanic by 2060³⁴, and these changes are also expected to take place across rural Minnesota impacting the demand for housing, while also providing opportunities to reverse general population stagnation in rural communities.

Looking ahead, Springfield's population is expected to continue its slow decline unless significant economic or demographic changes occur, as illustrated below per RNDC's forecasts. Population forecasts using autoregressive (AR) methods are generated by analyzing past population data and applying statistical models to predict future population trends. The AR model is one of the most used techniques in time series forecasting, particularly when the future values of a variable are assumed to depend on its past values.

Factors such as job creation in manufacturing or new industries, an influx of younger residents, or increased retirement-age individuals moving to Springfield could influence these trends, whether as an acceleration or reversal of the ongoing trends.

Figure 4: Springfield MN Population 1960-2020 w/regression forecast through 2040³⁵



³³ *Ibid.*

³⁴ <https://www.census.gov/topics/population/hispanic-origin.html>

³⁵ https://data.census.gov/profile/Springfield_city,_Brown_County,_Minnesota?g=060XX00US2701561816. With forecasts generated by RNDC

2.2. General Economic Conditions

2.2.1. Springfield

Springfield's economy is primarily based on agriculture (11.7% of employment), manufacturing (17.2%), and local services, specifically education, health care, and social services, which collectively account for 27.6% of the city's employment. Key employers include agribusinesses, a regional healthcare facility, and public sector entities.

In recent decades, the town has experienced some economic diversification, including a growing service sector and growth in small businesses. Despite this, Springfield remains heavily reliant on manufacturing and agricultural industries. The city is in a region known for its production of corn, soybeans, and livestock, with many residents involved either directly or indirectly in these sectors.

As the employment figures indicate, manufacturing is a key economic sector in Springfield. While the community is not a large industrial hub, it hosts several small manufacturers that support both local and regional economies. Springfield is home to businesses in sectors such as agricultural equipment manufacturing, food processing, and other light manufacturing industries. These businesses provide employment opportunities for locals and contribute to the city's tax base.

The area is part of Minnesota's rich agricultural heartland, and farming, particularly crop production like corn and soybeans, along with livestock such as hogs and cattle, is a major economic driver. The success of local farms significantly influences the economic well-being of the city and surrounding areas. The agricultural industry also supports many related businesses, such as feed supply companies, equipment dealerships, and food processing.

As a small town, Springfield also relies on local retail and service businesses. The town's economy benefits from its role as a service center for surrounding rural areas. This includes retail shops, healthcare services, and education.

Springfield meets the federal Economic Development Administration's (EDA) criteria for economic distress. Per capita income is \$28,931, which is 66.68% of the national average of \$43,289. The EDA considers anything below 80% distressed. The larger census tract of which Springfield is part of Brown MN Tract 9606.00, also meets the criteria, although the tract has a slightly higher per capita income, \$31,633, which is 73.1% of the national average.³⁶ This is further addressed in section 2.5. below.

³⁶ *Economic Development Administration/StateAmerica: <https://www.statsamerica.org/distress/distract.aspx>*

2.2.2. Brown County

Brown County has a population of approximately 25,000 people and a diverse rural economy. Like Springfield, Brown County's economy is heavily influenced by manufacturing and agriculture. New Ulm, the county seat, has a long-standing manufacturing tradition, with notable industries including food production (such as the famous Schell's Brewery), metalworking, and other industrial manufacturing. These sectors provide a significant number of jobs in the county. The county is one of the top agricultural producers in the state, particularly known for corn, soybeans, and livestock farming. The agricultural sector drives much of the local economy, with farming operations ranging from small family-owned farms to larger, more industrial-scale operations. The production of biofuels (such as ethanol) is also significant in the region, adding an industrial component to the agricultural economy.

Brown County's economy is supported by local retail and service industries, especially in the county seat of New Ulm. The county's population centers provide retail services, healthcare, education, and government employment. The county also benefits from being near larger metropolitan areas, which allows for some regional retail and services to thrive. Tourism, particularly related to New Ulm's German heritage, is also an economic factor, with attractions such as the Hermann Heights Monument and various cultural events drawing visitors.

Like many rural areas, Brown County has been working to diversify its economy and invest in future growth. Economic development efforts include encouraging small businesses, supporting local entrepreneurship, and creating incentives for new industries to invest in the county. This has been part of a broader strategy to mitigate the challenges posed by an aging population and a declining workforce.

Brown County has four census tracts that meet the federal EDA criteria for economic distress based on per capita income. Two of these census tracts are located in downtown in New Ulm, Brown MN Tract 9601.01 and Brown MN Tract 9601.02, at 77.5% and 66.2% respectively. A third New Ulm tract, Brown MN Tract 9602.00, just recently fell to 80.0 which is identical to the distress threshold. The fourth tract is the western Brown County tract previously referenced, which includes Springfield.

The table on the following page summarizes and compares employment by industries for Springfield and Brown County.

Table 2: Employment and Industries, Springfield and Brown County (2022)³⁷

	SPRINGFIELD, MN	BROWN COUNTY, MN
CIVILIAN EMPLOYEES > 16 YEARS, 2022*	882	13,314
AG, FORESTRY, FISHING & HUNTING, MINING	103	1,051
CONSTRUCTION	28	749
MANUFACTURING	152	2,374
WHOLESALE TRADE	15	439
RETAIL TRADE	93	1,400
TRANSPORT, WAREHOUSING, AND UTILITIES	64	589
INFORMATION	16	256
FINANCE AND INS, AND REAL ESTATE	53	472
PROF, MGMT, ADMIN, & WASTE MGMT	41	983
EDU, HEALTH CARE, & SOCIAL ASSISTANCE	243	3,308
ARTS, ENTERTAIN, REC, ACCOMOD, & FOOD	16	931
OTHER SERVICES, EXCEPT PUBLIC ADMIN	39	539
PUBLIC ADMINISTRATION	19	396
PERCENT OF TOTAL		
AG, FORESTRY, FISHING & HUNTING, MINING	11.7%	7.8%
CONSTRUCTION	3.2%	5.6%
MANUFACTURING	17.2%	17.6%
WHOLESALE TRADE	1.7%	3.3%
RETAIL TRADE	10.5%	10.4%
TRANSPORT, WAREHOUSING, AND UTILITIES	7.3%	4.4%
INFORMATION	1.8%	1.9%
FINANCE AND INS, AND REAL ESTATE	6.0%	3.5%
PROF, MGMT, ADMIN, & WASTE MGMT	4.6%	7.3%
EDU, HEALTH CARE, & SOCIAL ASSISTANCE	27.6%	24.5%
ARTS, ENTERTAIN, REC, ACCOMOD, & FOOD	1.8%	6.9%
OTHER SERVICES, EXCEPT PUBLIC ADMIN	4.4%	4.0%
PUBLIC ADMINISTRATION	2.2%	2.9%

Both Springfield and Brown County share a reliance on agriculture, manufacturing, and services to drive their economies. Springfield, as a smaller community, faces challenges common to rural areas, such as population decline and limited economic diversification. Brown County, as a whole, benefits from a broader economic base but still faces similar challenges related to rural economic sustainability. Efforts to diversify the economy and invest in infrastructure, along with maintaining the region's agricultural base, will be crucial for future economic health.

37 U.S. Department of Commerce. 2023. Census Bureau, American Community Survey Office, Washington, D.C. Economic Development Administration/StateAmerica: <https://www.statsamerica.org/distress/distract.aspx>

2.3. Employment and Commuting Patterns

Springfield is like other rural communities in south central Minnesota in that most residents out commute, combined with extensive in-commuting to fill local jobs. ACS 2018-2022 estimates indicate that 8 out of 10 Springfield residents work in Brown County, and that more than half of them commute less than ten minutes to work, with the balance commuting longer distances, of which 20% commute more than half an hour and 8% more than an hour.

Of Springfield's out-commuters (i.e., those who live in Springfield and work elsewhere), 38% drive less than 10 miles, which includes the 305 workers who live and work in Springfield, while the great majority commute east (Sleepy Eye, New Ulm, North Mankato/Mankato as most common destinations) with approximately 40% commuting 10-50 miles.

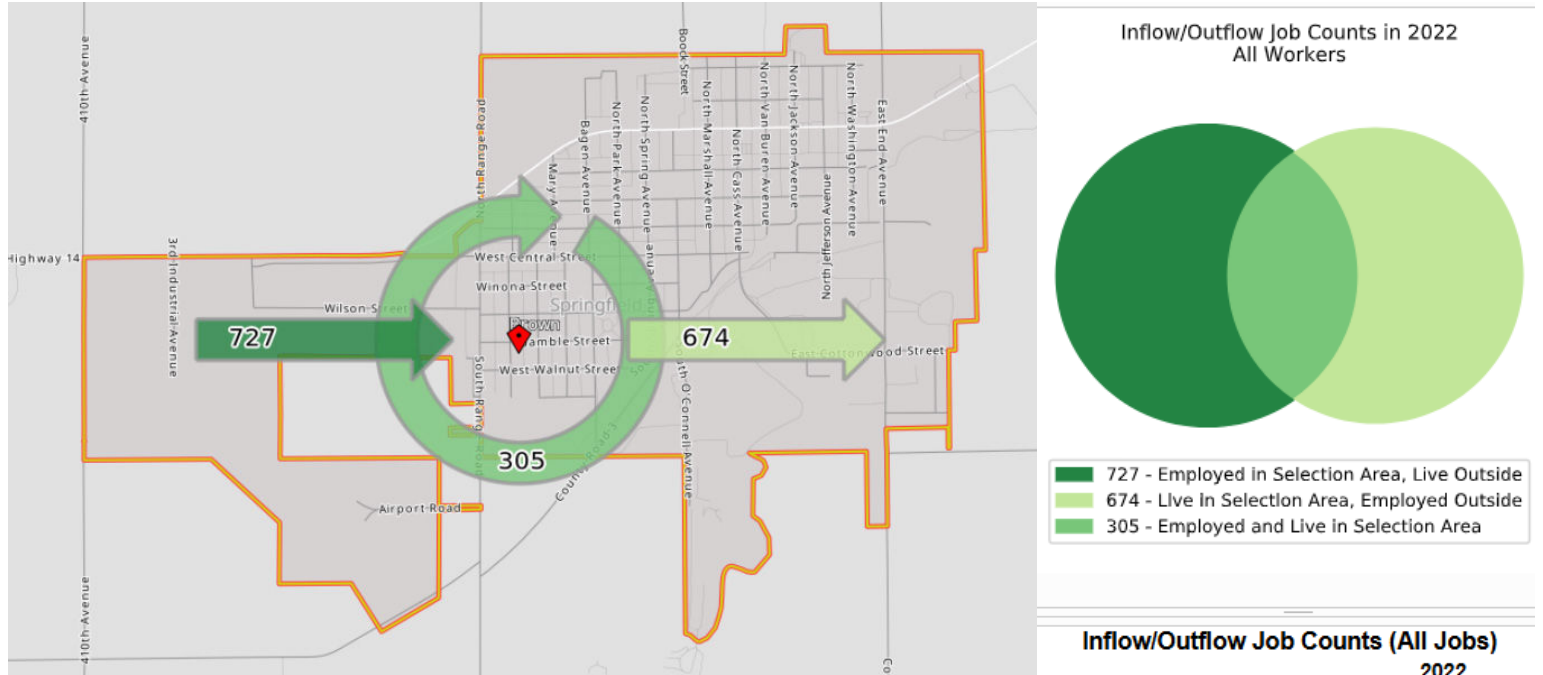
Table 3: Commuting Patterns Springfield and Brown County (2018-2022)³⁸

	SPRINGFIELD, MN	BROWN COUNTY, MN
CIVILIAN EMPLOYEES > 16 YEARS, 2022*	882	13,314
PLACE OF WORK		
WORKED IN COUNTY OF RESIDENCE	733	11,271
WORKED OUTSIDE COUNTY OF RESIDENCE	149	2,043
TRAVEL TIME TO WORK:		
LESS THAN 10 MINUTES	404	5,400
10 TO 14 MINUTES	66	2,188
15 TO 19 MINUTES	82	1,486
20 TO 24 MINUTES	76	868
25 TO 29 MINUTES	21	339
30 TO 34 MINUTES	41	572
35 TO 39 MINUTES	34	319
40 TO 44 MINUTES	5	340
45 TO 59 MINUTES	35	300
60 OR MORE MINUTES	71	472
MEAN TRAVEL TIME TO WORK (MINUTES)	20.3	14.5
PERCENT OF TOTAL		
PLACE OF WORK		
WORKED IN COUNTY OF RESIDENCE	83.1%	84.7%
WORKED OUTSIDE COUNTY OF RESIDENCE	16.9%	15.3%
TRAVEL TIME TO WORK:		
LESS THAN 10 MINUTES	45.8%	40.6%
10 TO 14 MINUTES	7.5%	16.4%
15 TO 19 MINUTES	9.3%	11.2%
20 TO 24 MINUTES	8.6%	6.5%
25 TO 29 MINUTES	2.4%	2.5%
30 TO 34 MINUTES	4.6%	4.3%
35 TO 39 MINUTES	3.9%	1.9%
40 TO 44 MINUTES	6.0%	3.5%
45 TO 59 MINUTES	4.6%	7.3%
60 OR MORE MINUTES	27.6%	24.5%

³⁸ ACS 5-year estimates used. 2022 represents average characteristics from 2018-2022.

Springfield therefore, has a significantly larger portion of the workforce out- and in-commuting than working within city boundaries. As Figure 5 illustrates, of the 1,032 workers in town, 727 come from outside city limits, while 674 leave town each day for work elsewhere.

Figure 5: Inflow and Outflow of Workers in Springfield (2022)³⁹



When it comes to in-commuters, half of the workers live within 10 miles of town, and although they are skewed somewhat to the east, it is a much more balanced distribution than the out-commuters, meaning the town draws a few more workers from other directions. Hence, Springfield is to some extent a labor shed to towns to the east, while being a draw for workers with less distinctive patterns, which raises the question of why these workers do not reside in town.

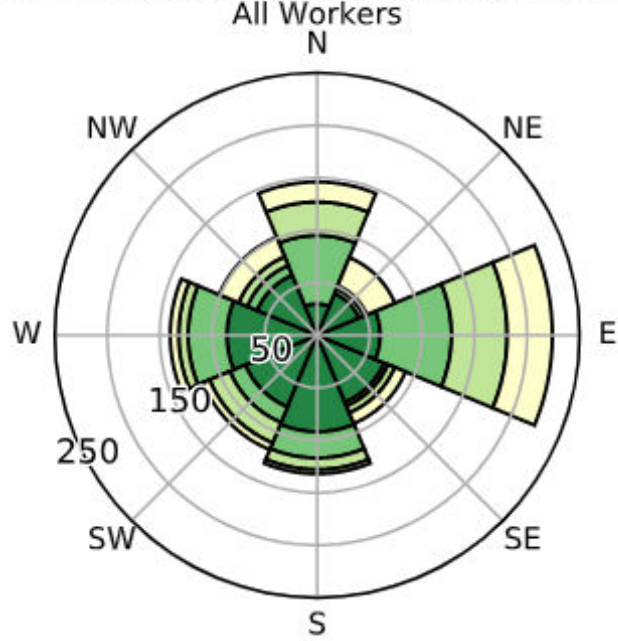
**Inflow/Outflow Job Counts (All Jobs)
2022**

	Count	Share
Employed in the Selection Area	1,032	100.0%
Employed in the Selection Area but Living Outside	727	70.4%
Employed and Living in the Selection Area	305	29.6%
Living in the Selection Area	979	100.0%
Living in the Selection Area but Employed Outside	674	68.8%
Living and Employed in the Selection Area	305	31.2%

³⁹ <https://onthemap.ces.census.gov/>

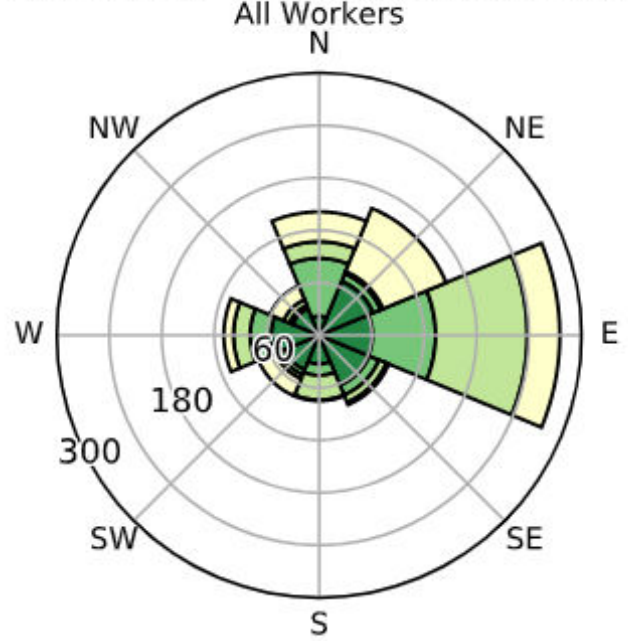
Figure 6: Out commuters' distance and direction & In commuters distance and direction (2022)⁴⁰

Job Counts by Distance/Direction in 2022



View as

Job Counts by Distance/Direction in 2022



View as

Jobs by Distance - Work Census Block to Home Census Block		
	2022	
	Count	Share
Total All Jobs	1,032	100.0%
Less than 10 miles	516	50.0%
10 to 24 miles	230	22.3%
25 to 50 miles	145	14.1%
Greater than 50 miles	141	13.7%

Jobs by Distance - Home Census Block to Work Census Block		
	2022	
	Count	Share
Total All Jobs	979	100.0%
Less than 10 miles	376	38.4%
10 to 24 miles	206	21.0%
25 to 50 miles	195	19.9%
Greater than 50 miles	202	20.6%

Examining the age distribution and the earnings of non-residents in Figure 7 (live outside Springfield and work in Springfield), they are younger than “internal workers (Figure 8: live and work in Springfield) with a 7% difference for all age groups 54 and younger. The earnings distribution is also quite skewed in favor of in-commuters, where monthly earnings of \$1,250 per month is the highest category of internal workers, the largest percentage group for outside workers (in-commuters) is the highest percentage category of outside workers is the higher than \$3,333. I.e., higher-earning workers in Springfield are significantly more likely to reside outside of city limits, whereas lower-earning workers are more likely to live in town.

Consistent with the above observations, out-commuters are even more likely to be in the higher income brackets (over \$3,333 per month), where more than half of the out-commuters are in the higher income brackets. It is noteworthy that although Springfield is an industrial community, the great majority of the “internal workers” work in service industries (61.6%), meaning service workers are residents, while a larger percentage of industrial workers are outside workers (Figure 9).

⁴⁰ <https://onthemap.ces.census.gov/>

In conclusion, those who work in town and are making higher earnings are statistically more likely to live elsewhere, while those who reside in town and have higher earnings are statistically more likely to work elsewhere. Further, in-commuters are statistically younger than local residents/workers, as is also the case with out-commuters.

Figure 7: Springfield Inflow Job Characteristics (2022)⁴¹

	2022	
	Count	Share
Internal Jobs Filled by Outside Workers	727	100.0%
Workers Aged 29 or younger	147	20.2%
Workers Aged 30 to 54	320	44.0%
Workers Aged 55 or older	260	35.8%
Workers Earning \$1,250 per month or less	227	31.2%
Workers Earning \$1,251 to \$3,333 per month	219	30.1%
Workers Earning More than \$3,333 per month	281	38.7%
Workers in the "Goods Producing" Industry Class	161	22.1%
Workers in the "Trade, Transportation, and Utilities" Industry Class	217	29.8%
Workers in the "All Other Services" Industry Class	349	48.0%

Figure 8: Springfield Interior Flow Job Characteristics (2022)⁴²

	2022	
	Count	Share
Internal Jobs Filled by Residents	305	100.0%
Workers Aged 29 or younger	53	17.4%
Workers Aged 30 to 54	122	40.0%
Workers Aged 55 or older	130	42.6%
Workers Earning \$1,250 per month or less	111	36.4%
Workers Earning \$1,251 to \$3,333 per month	84	27.5%
Workers Earning More than \$3,333 per month	110	36.1%
Workers in the "Goods Producing" Industry Class	49	16.1%
Workers in the "Trade, Transportation, and Utilities" Industry Class	68	22.3%
Workers in the "All Other Services" Industry Class	188	61.6%

Figure 9: Springfield Outflow Job Characteristics (2022)⁴³

	2022	
	Count	Share
External Jobs Filled by Residents	674	100.0%
Workers Aged 29 or younger	193	28.6%
Workers Aged 30 to 54	318	47.2%
Workers Aged 55 or older	163	24.2%
Workers Earning \$1,250 per month or less	155	23.0%
Workers Earning \$1,251 to \$3,333 per month	151	22.4%
Workers Earning More than \$3,333 per month	368	54.6%
Workers in the "Goods Producing" Industry Class	190	28.2%
Workers in the "Trade, Transportation, and Utilities" Industry Class	146	21.7%
Workers in the "All Other Services" Industry Class	338	50.1%



⁴¹ <https://onthemap.ces.census.gov/>

⁴² Ibid

⁴³ Ibid

2.4. Income Levels and Socio-Economic Conditions

The median household income in Springfield is approximately \$59,412, which is approximately 66% of the state median of \$87,556.⁴⁴ The income disparity is consistent with the fact that rural areas in Minnesota often have lower wages compared to urban centers like Minneapolis-St. Paul, and regional hubs like Mankato/North Mankato. Additionally, about 11% of the population lives below the poverty line, a statistic that aligns with national trends where rural areas experience higher rates of poverty compared to urban areas. This income level suggests that many households in Springfield may face challenges in accessing affordable housing, as housing prices in the region have increased steadily over the last decade.

Table 4: Household Income in the Past 12 Months (In 2022 Inflation-adjusted Dollars)⁴⁵

	UNITED STATES	MINNESOTA	BROWN COUNTY	SPRINGFIELD	NEW ULM, MN MICRO AREA
TOTAL:	100.00%	100.00%	100.00%	100.00%	100.00%
LESS THAN \$10,000	4.92%	3.58%	3.84%	6.65%	3.84%
\$10,000 TO \$14,999	3.77%	2.97%	3.01%	5.36%	3.01%
\$15,000 TO \$19,999	3.37%	2.79%	2.28%	4.82%	2.28%
\$20,000 TO \$24,999	3.65%	3.00%	4.24%	1.93%	4.24%
\$25,000 TO \$29,999	3.74%	3.06%	4.16%	7.93%	4.16%
\$30,000 TO \$34,999	3.66%	3.25%	4.70%	4.61%	4.70%
\$35,000 TO \$39,999	3.56%	3.14%	4.99%	2.47%	4.99%
\$40,000 TO \$44,999	3.55%	3.34%	2.66%	1.39%	2.66%
\$45,000 TO \$49,999	3.59%	3.39%	4.51%	2.68%	4.51%
\$50,000 TO \$59,999	6.92%	6.92%	10.31%	10.29%	10.31%
\$60,000 TO \$74,999	9.17%	9.14%	10.44%	16.18%	10.44%
\$75,000 TO \$99,999	12.79%	13.59%	15.21%	19.40%	15.21%
\$100,000 TO \$124,999	9.90%	11.08%	11.45%	8.04%	11.45%
\$125,000 TO \$149,999	7.18%	8.48%	8.47%	6.22%	8.47%
\$150,000 TO \$199,999	8.81%	10.41%	5.73%	1.07%	5.73%
\$200,000 OR MORE	11.41%	11.86%	3.98%	0.96%	3.98%

Poverty affects both the demand for and the quality of housing. In impoverished rural areas, low-income levels often limit residents' ability to afford adequate housing, leading to increased rates of substandard housing conditions. Many families in these areas are unable to invest in maintenance or improvements, which results in deteriorating homes and neighborhoods. This issue is compounded by the lack of economic opportunities, which discourages private investments in housing development or upgrades.

Additionally, poverty in rural regions can lead to a high concentration of low-income households, which, combined with limited government support, can create housing markets that are stagnant or even shrinking. Developers may avoid these areas due to lower profit potential, leading to a shortage of new housing or renovations. This contributes to overcrowded living situations and the persistence of informal housing structures. Moreover, rural poverty often correlates with lower property values, which can further limit access to credit or loans for homeowners seeking to make improvements or move to better housing.

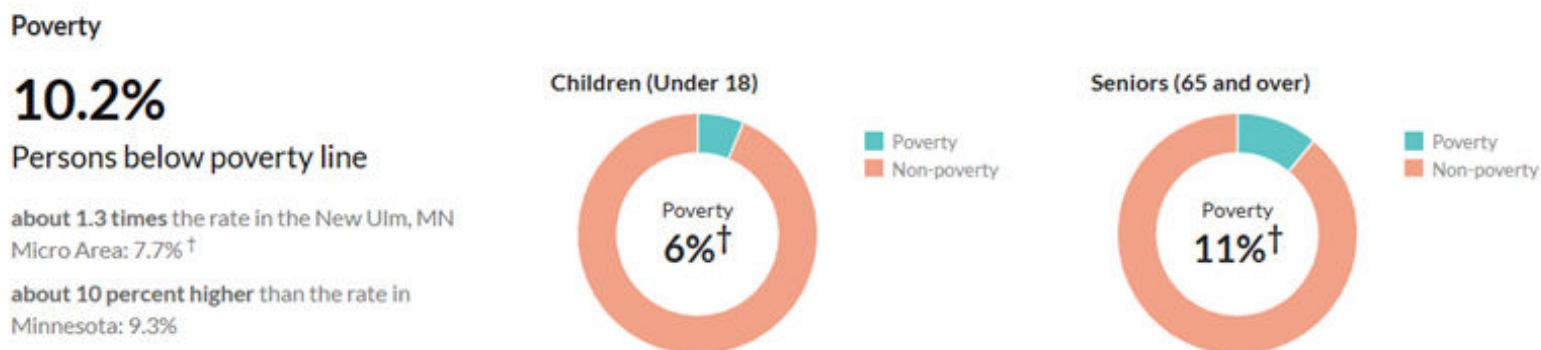
Research by HUD indicates that poverty-driven housing challenges in rural America can create a cycle of disinvestment, which hampers economic mobility for residents and impacts overall community health and well-being.⁴⁶

⁴⁴ Census Bureau, ACS 2023: <https://censusreporter.org/profiles/16000US2761816-springfield-mn/>

⁴⁵ Census Bureau, ACS 2023: <https://censusreporter.org/profiles/16000US2761816-springfield-mn/>

⁴⁶ U.S. Department of Housing and Urban Development (HUD). (2018). *Rural Housing: Challenges and Opportunities*. HUD Report.

Figure 10: Persons below the poverty line in Springfield⁴⁷



Poverty affects both the demand for and the quality of housing. In impoverished rural areas, low-income levels often limit residents' ability to afford adequate housing, leading to increased rates of substandard housing conditions. Many families in these areas are unable to invest in maintenance or improvements, which results in deteriorating homes and neighborhoods. This issue is compounded by the lack of economic opportunities, which discourages private investments in housing development or upgrades.

Additionally, poverty in rural regions can lead to a high concentration of low-income households, which, combined with limited government support, can create housing markets that are stagnant or even shrinking. Developers may avoid these areas due to lower profit potential, leading to a shortage of new housing or renovations. This contributes to overcrowded living situations and the persistence of informal housing structures. Moreover, rural poverty often correlates with lower property values, which can further limit access to credit or loans for homeowners seeking to make improvements or move to better housing.

Research by HUD indicates that poverty-driven housing challenges in rural America can create a cycle of disinvestment, which hampers economic mobility for residents and impacts overall community health and well-being.⁴⁶

In terms of education, Springfield is served by the Springfield Public School District, which includes elementary, middle, and high schools. Graduation rates in Springfield are above 90%, which is reflective of the community's value placed on education despite limited options for higher education within the town itself. Many residents pursue post-secondary education in nearby cities such as Mankato or St. Cloud. The town also benefits from online education options that are increasingly available in rural areas.

Springfield is served by the Springfield Medical Center, a small but vital facility that offers basic medical services and emergency care. However, for more specialized care, residents often need to travel to larger cities like Mankato or New Ulm. Like many rural areas, Springfield faces challenges with healthcare access, including a shortage of healthcare providers and longer travel distances to major hospitals and specialists.

The town has a variety of social services available, but the limited number of social workers and community service providers can sometimes make it difficult for residents in need to access necessary care. The region also faces mental health challenges, as rural areas often have higher rates of depression, substance abuse, and suicide compared to urban areas.

⁴⁷ <https://censusreporter.org/profiles/16000US2761816-springfield-mn/>

2.5. Economic Distress

Springfield clearly meets the U.S. Economic Development Administration's (EDA) definition of an economically distressed area based on per capita income. According to federal regulations (13 C.F.R. § 301.3), a community may be designated as economically distressed if its per capita income is not more than 80% of the national average. This threshold is a primary indicator used by the EDA to determine eligibility for various federal economic development programs.

The most recent data shows the national per capita income is \$43,289.⁴⁸ Applying the EDA's 80% threshold, the cutoff for economic distress would be a per capita income of \$34,631. Springfield's per capita income is \$28,931.⁴⁹ which is just 66.8% of the national average. This places Springfield well below the federal threshold by more than 13 percentage points, qualifying the city as economically distressed under EDA standards.

The broader census tract encompassing Springfield also falls below the federal benchmark. With a per capita income of \$31,633, the tract comes in at approximately 73.1% of the national average. This means not only the city itself, but the larger region it is a part of, also qualifies as economically distressed, which enhances the city's eligibility and competitiveness for federal funding.

This designation is more than a statistical distinction. By meeting EDA criteria for economic distress, Springfield becomes eligible for a range of federal programs designed to spur long-term economic recovery, improve public infrastructure, and create sustainable job opportunities. Among the most impactful of these is the Economic Adjustment Assistance (EAA) program,⁵⁰ which offers flexible funding for planning and implementation projects tailored to a community's specific challenges and opportunities.

Springfield may also benefit from the Public Works program,⁵¹ which helps fund the construction or rehabilitation of infrastructure needed to support business growth and job creation. These improvements might include upgrades to water and sewer systems, roadways, or industrial park investments that lay the foundation for attracting and retaining employers. Additionally, through regional partnerships or Economic Development Districts,⁵² Springfield could access Partnership Planning grants that support coordinated, long-term economic development strategies.

With its per capita income far below the national average, Springfield's status as an economically distressed community is clearly supported by the data. The combination of local and regional income levels under the federal threshold strengthens the city's position for securing vital federal support. These programs can provide a strategic foundation for revitalization, helping Springfield build a more resilient economy.

2.6. Implications

Springfield epitomizes many of the demographic and socioeconomic characteristics seen in rural Minnesota. The town remains rooted in agriculture, with a predominantly white, aging population and economic challenges that stem from reliance on a few industries. Despite these challenges, the community maintains a strong sense of local identity, with an emphasis on education, family, and community values. However, like many small towns, Springfield's future depends on its ability to adapt to changing economic conditions, improve infrastructure, and attract younger residents to keep the town vibrant and sustainable in the years to come.

⁴⁸ <https://www.statsamerica.org/distress/distract.aspx>, April 2025

⁴⁹ *Ibid*

⁵⁰ <https://www.eda.gov/funding/programs/american-rescue-plan/economic-adjustment-assistance>

⁵¹ <https://www.eda.gov/funding/programs/public-works>

⁵² *E.g., Region Nine Development Commission*

2.6.1. Implications of Demographic Changes

In a small town like Springfield, a demographic slowdown, marked by an aging population and fewer young people moving in, presents both opportunities and challenges for housing needs. As the population ages, there may be a greater demand for housing that caters to older adults, such as single-story homes, assisted living facilities, or age-friendly apartment complexes. This shift could present opportunities for developers to create housing that accommodates the specific needs of seniors while also supporting local businesses that cater to this demographic. Additionally, with fewer younger families, there may be a chance to repurpose larger family homes into multi-unit housing or affordable rental options for newcomers or individuals looking to downsize, helping to maintain housing affordability and diversity.

However, the demographic slowdown also presents challenges for Springfield's housing market. A smaller population can lead to lower demand for new construction, making it harder for developers to justify building new homes or apartment complexes. This could result in stagnation in the local real estate market, with fewer options for both buyers and renters. At the same time, maintaining and updating older homes to meet modern standards can be expensive, especially if the local economy struggles to support large-scale renovations. For the town, balancing these challenges while ensuring that housing options remain accessible, diverse, and sustainable will require thoughtful planning and strategic investment.

2.6.2. Implications of Employment and Commuting Patterns

The dynamics of the local housing market are intricately linked to the patterns of employment, income distribution, and residential choices. The statistical tendency that individuals who work in town but live elsewhere tend to earn higher incomes, while those who live in town and earn higher wages are more likely to work elsewhere, presents significant implications for the local housing market. Additionally, the observation that in-commuters (those who commute into town for work) and out-commuters (those who live in town but work outside) are statistically younger than both residents and local workers adds another layer of complexity to the issue. These demographic and economic trends suggest both opportunities and challenges for community development, housing affordability, and community sustainability.

One of the primary implications of these patterns is the impact on housing demand and affordability in the town. In-commuters, who typically have higher earnings, are less likely to purchase homes in town. This may reduce the demand for housing that is attractive for developers. As a result, there could be a reduction in the overall demand for local housing, particularly for working professionals.

The apparent mismatch between where people work and where they live, particularly when high-earning workers live outside the town while lower-income workers reside within it, may exacerbate housing market pressures. Workers who are commuting into the town often do not directly contribute to the demand for local housing, as they are not part of the local residential population. On the other hand, residents who are not employed within the town may contribute to the demand for housing, but this dynamic could result in more housing being occupied by those with lower earnings.

The mismatch could also lead to a segmentation of the local housing market. Those living in the town might occupy lower-income rental properties, while higher-income workers are more likely to rent or buy outside the area. This could lead to a concentration of wealth in nearby urban areas, where the local housing market may benefit from higher property values. In the town itself, the lack of local high-income earners seeking to purchase or rent homes could contribute to lower demand for property, affecting market growth and potentially reducing the available stock of higher-end housing.

The trends of in-commuting and out-commuting, particularly among younger individuals, could also influence city planning and development strategies. Younger in-commuters and out-commuters may be more focused on affordable housing options, rather than seeking permanent residency in town. This may drive demand for rental properties and smaller housing units, such as apartments or shared accommodations, which could make construction of more compact, mixed-use developments more attractive to developers.

SECTION 3: HOUSING INVENTORY

3.1. Existing Housing Stock – Overview and Concepts

Housing stock refers to the total number and types of residential buildings in a particular area, including their condition, size, age, and overall availability. It encompasses all forms of housing, from single-family homes to multi-family apartment buildings, and can include different levels of housing quality and price ranges (affordable, market rate, luxury). In other words, housing stock is the inventory of housing options that exist within a community or region.

Key Components of Housing Stock:

1. *Quantity*: The total number of housing units available.
2. *Types of Housing*: Different categories such as single-family homes, townhouses, condominiums, apartments, mobile homes, etc.
3. *Age of Housing*: How old the buildings are, which affects their maintenance needs, utility efficiency, and marketability.
4. *Condition and Quality*: The state of repair, updates, and general livability of the homes.
5. *Price Ranges*: The affordability and market segmentation (low-income, middle-income, luxury).
6. *Ownership vs. Rental*: The ratio of owner-occupied housing versus rental properties.
7. *Vacancy Rates*: The percentage of unoccupied homes, which can indicate housing demand or oversupply.

3.1.1. Why is an Understanding of Housing Stock Important for a Housing Study?

Assessments of the housing stock help identify gaps in supply and demand. A housing study examines the local demand for housing (e.g., families looking for homes, renters seeking affordable options) and compares it to the available housing stock. Understanding what types of housing exist helps to determine if there are shortages or surpluses in any category (e.g., affordable housing, larger family homes, or senior housing). For example, if a town has an aging population but lacks senior housing options, this gap in the housing stock can be highlighted as a priority for new development.

Understanding changes in the existing housing stock helps the city and other local stakeholders anticipate future growth. By understanding the current housing stock, planners can anticipate future needs. If a town is experiencing rapid population growth or is expected to, it may need more housing units or a different mix of housing types to accommodate new residents. Knowing the age of the housing stock helps assess the need for renovations or new builds to meet future demand or to address deteriorating properties.

The housing stock can be viewed as a proxy for the city's economic development and community health. The condition and variety of the housing stock influence local economic conditions. If homes are dilapidated or there aren't enough affordable housing options, it can deter new businesses from investing in the area or make it difficult for workers to live close to their jobs. A diverse, high-quality housing stock enhances community health and well-being, supporting social stability and providing a better quality of life for residents. Conversely, a lack of investment in housing stock can contribute to urban decay, poverty, and homelessness.

The existing housing stock helps us evaluate housing affordability. Housing stock also includes information about the price and rental rates of the units. In areas with rapidly increasing home prices or high rents, understanding the affordability of the housing stock is crucial. If many homes are being priced out of reach for the average household, it signals the need for policies that encourage affordable housing development.

By understanding the diversity of housing stock, communities can determine if there are disparities in housing access that need to be addressed, such as segregated neighborhoods or unequal access to affordable housing. Data on housing stock also helps local governments and policymakers make informed decisions about zoning ordinances, building codes, infrastructure investments, and affordable housing initiatives.

Finally, the condition and age of the community's housing stock can also indicate the sustainability of the community. Older homes may require significant energy usage or upgrades to meet modern standards of energy efficiency. Investment in more energy-efficient housing can help reduce environmental impact and ensure that future generations of residents can afford utilities and upkeep.

3.2. Springfield's Housing Stock - Overview

Springfield's housing stock is relatively old, with a significant portion of homes built before 1970. Approximately 35% of the homes in the city are more than 50 years old. There are relatively few new constructions, which has contributed to a lack of options for younger families or first-time buyers.

However, the housing market in Springfield is relatively affordable compared to nearby urban areas. The median home value is \$117,600,⁵³ significantly lower (approximately 40%) than the state average of \$305,000 and approximately 66% of Brown County's median home value of \$181,700. This affordability, coupled with a slower rate of population growth, has led to relatively stable housing costs. However, housing quality is inconsistent, with older homes in need of renovation or repair, as determined by external evaluations of city homes.

3.2.1. Total Number of Housing Units

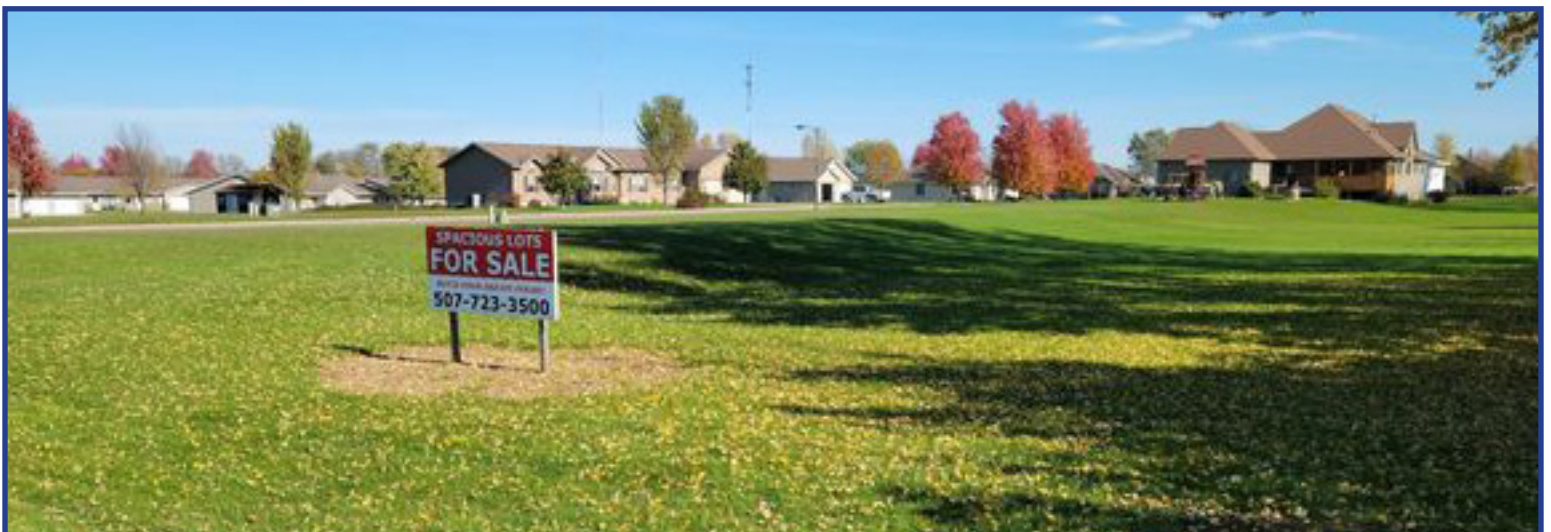
As of the most recent data available from the U.S. Census (ACS 2023), Springfield has 1,020 housing units. This includes a mix of single-family homes, multi-family units, and mobile homes.

Most of Springfield's housing units are single-family homes, accounting for approximately 80% of the total housing stock. These homes are typically owner-occupied, and the majority were built in the mid-20th century. Multi-family dwellings, such as apartment buildings or duplexes, make up a much smaller portion of Springfield's housing stock. These account for roughly 12% of the total housing units in the town. Multi-family housing is typically concentrated in a few areas close to the town center.

Mobile homes represent about 8% of Springfield's housing stock. Mobile homes are common in rural areas due to their relatively low cost and ability to be placed on small plots of land, and Springfield's proportion of such units are at the lower range of what one would expect based on comparative cities in south central Minnesota. Springfield has a higher proportion of owner-occupied housing compared to rental units, which is typical of more rural areas in the Midwest. Approximately 75% of the housing units in Springfield are owner-occupied. This high rate of homeownership reflects the town's demographic makeup, where long-term residents, often older adults or families, are more likely to own their homes. The predominance of single-family homes in the town, described above, also contributes to this higher homeownership rate.

Rental properties account for only 25% of the housing stock in Springfield and tend to be concentrated in multi-family buildings, small apartment complexes, and a few mobile home parks. Median gross rent in Springfield is \$781 (2023), compared to the state median of \$1,235.⁵⁴ It is noteworthy, however, that the rental cost is 63.2% of the state median, whereas the median monthly mortgage cost (\$1,043) is only 55.1% of the state median (\$1,890).⁵⁵ Hence, renters pay relatively more compared than homeowners compared to peers across the state.

Table 5 on the following page shows total housing occupancy rates and age.



⁵³ <https://censusreporter.org/profiles/06000US2701561816-springfield-city-brown-county-mn/>

⁵⁴ U.S. Department of Commerce. 2024. Census Bureau, American Community Survey Office, Washington, D.C.

⁵⁵ Ibid

Table 5: Housing Unit Occupancy and Age (2023)⁵⁶

TOTAL HOUSING UNITS, 2023*	1,020
OCCUPIED	932
VACANT	88
FOR RENT	26
RENTED, NOT OCCUPIED	17
FOR SALE ONLY	10
SOLD, NOT OCCUPIED	18
SEASONAL, RECREATIONAL, OCCASIONAL	0
FOR MIGRANT WORKERS	0
OTHER VACANT	17
YEAR BUILT	
BUILT 2010 OR LATER	26
BUILT 2000 TO 2009	54
BUILT 1990 TO 1999	48
BUILT 1980 TO 1989	69
BUILT 1970 TO 1979	132
BUILT 1940 TO 1969	374
MEDIAN YEAR STRUCTURE BUILT [^]	1950
PERCENT OF TOTAL	
OCCUPANCY	
OCCUPIED	91.4%
VACANT	8.6%
FOR RENT	2.5%
RENTED, NOT OCCUPIED	1.7%
FOR SALE ONLY	1.0%
SOLD, NOT OCCUPIED	1.8%
SEASONAL, RECREATIONAL, OCCASIONAL	0.0%
FOR MIGRANT WORKERS	0.0%
OTHER VACANT	1.7%
YEAR BUILT	
BUILT 2010 OR LATER	2.5%
BUILT 2000 TO 2009	5.3%
BUILT 1990 TO 1999	4.7%
BUILT 1980 TO 1989	6.8%
BUILT 1970 TO 1979	12.9%
BUILT 1940 TO 1969	36.7%

3.2.2. Household Size and Composition

Household composition in Springfield has seen changes in recent decades. The average household size in Springfield is now 2.23 people per household. This is smaller than the state average of 2.5 people per household and reflects a trend seen across rural areas, where households tend to be smaller, particularly as families have fewer children and elderly residents live alone.

Around 65% of households in Springfield are classified as family households, meaning they contain at least one member related by blood, marriage, or adoption. Family households are important to Springfield’s identity, as many residents are long-time local families with deep roots in the area, as indicated by Census profiles of the community and survey data collected for this study.

The remaining 35% of households are non-family, which includes individuals living alone or with non-relatives. With the aging population, a significant number of non-family households consist of elderly individuals living alone.

The percentage of households with children (under 18 years) is lower than the state average, reflecting national trends of delayed childbearing and smaller family sizes. These lower rates of child-rearing can be partly attributed to the migration of young adults to urban areas where employment opportunities and educational institutions are more abundant.

The proportion of elderly residents living alone is relatively high in Springfield, which reflects the overall aging population. Senior citizens often face challenges such as limited healthcare access and transportation options, which can make living alone in rural areas more difficult.

These demographic patterns reflect Springfield’s position as a town experiencing slow population decline, an aging population, and smaller household sizes, all of

which are characteristic of rural areas in south central Minnesota. Maintaining and growing the population will likely depend on efforts to create more local employment opportunities, support community services, and appeal to both younger families and retirees seeking a rural lifestyle.

⁵⁶ U.S. Department of Commerce. 2024. Census Bureau, American Community Survey Office, Washington, D.C.

3.3. Housing Conditions

The condition of housing varies widely. While there are some well-maintained homes, many others, particularly those built before 1950, need repairs or renovations based on external appearance and reviews of multiple listing services (MLS) over the past three years.

A two-hour windshield survey of Springfield's housing conditions, i.e., a community assessment carried out by driving through an area and noting observable conditions, revealed that many homes are well maintained, reflecting pride in ownership and ongoing investment. However, a significant number of homes show visible signs of aging.

A notable portion of the housing stock appears to be in varying states of disrepair, with issues such as deteriorating exteriors, outdated infrastructure, and lack of curb appeal. These homes are in need of substantial upgrades to remain competitive in the housing market and to attract new residents to the area. The contrast between well-kept properties and those in decline highlights the need for targeted revitalization efforts to ensure the long-term vitality and appeal of Springfield's neighborhoods. These findings were reflected by MLS listings.

The age and condition of Springfield's housing stock present both opportunities and challenges for the community. A significant portion of Springfield's housing stock, around 67%, was built before 1970. These older homes reflect the town's history and its development as a rural agricultural community. Many of these houses are relatively small, with traditional American home styles such as Cape Cods, ranch homes, and early 20th-century bungalows.

The condition of these homes varies widely, with some well-maintained and others showing signs of age, including outdated electrical systems, plumbing, and insulation, based on a review of MLS listings. Homes built in the early to mid-1900s may need considerable updates or renovations to meet modern standards of comfort and energy efficiency.

A smaller proportion of Springfield's housing stock was built between 1970 and 2000 (roughly 25%). These homes tend to be in better condition overall, with more modern layouts and materials than the older homes. These homes may reflect the post-World War II expansion of suburban-style development, and they are typically more energy-efficient due to improvements in construction techniques and materials after the 1970s.

However, as Springfield's population has largely remained stable or declined in recent years, newer developments have been limited, and housing turnover is relatively low. Many of these homes are still in good condition and represent a more affordable housing option for first-time homebuyers.

A very small percentage, around 7%, of Springfield's housing stock was built after 2000. The construction of new homes has slowed significantly in the past two decades, reflecting the town's population trends and limited economic growth.

Mobile homes in Springfield, which account for around 8-10% of the housing stock, vary widely in age and condition. Some mobile homes are newer models, while others are older units and appear to need significant repairs or updates.

3.4. Rising Home Prices

As mentioned, Springfield's housing market is relatively affordable, especially when compared to larger metropolitan areas in Minnesota. The median home value in Springfield is typically between \$120,000 and \$160,000, well below the state average of approximately \$300,000. In recent years, however, Springfield has seen a marked increase in home prices, a trend that reflects broader market dynamics but also reveals specific local factors influencing the housing market.

The steady rise in home prices has been driven by a combination of factors, including demand from residents, growing interest from individuals relocating from nearby cities, and limited new housing developments. As a result, Springfield has experienced a significant appreciation in property values, making it more challenging for certain segments of the population to afford homeownership.

Many of the older homes in Springfield need repairs or updates, and affordability calculations should factor in the financial burden of maintaining older properties. The cost of home repairs can be a significant challenge, especially for elderly homeowners or those on fixed incomes. The lack of new home construction has limited the availability of modern, energy-efficient homes in Springfield. In a time when buyers are increasingly looking for homes with modern amenities, the older housing stock may not meet these demands without significant investment in renovation.

The aging housing stock therefore presents challenges for long-term affordability. Older homes require ongoing maintenance, which can be costly. Additionally, the limited number of rental properties and the relatively high homeownership rate mean that there are fewer options for those who may want to rent or who do not have the means to buy a home, hence investments in affordable housing and rental options should be considered as the city evaluates housing needs over the next 3-5 years.

3.4.1. Demand from Local and Out-of-Town Buyers

If one looks beyond the supply side of the equation, one of the primary causes of rising home prices in Springfield is increased demand, both from locals seeking to move into their first home and individuals from larger metropolitan areas who are seeking to take advantage of the lower cost of living.

Buyers from nearby cities, particularly from Minneapolis and St. Paul, have been drawn to Springfield due to its more affordable housing options compared to the urban centers, something local real estate agents confirmed. With rising costs of living in larger cities, people have looked to smaller towns like Springfield for a better balance of affordability and quality of life. These newcomers, often with higher incomes or the ability to work remotely, have increased demand for housing, pushing home prices up. This was also discussed with the local EDA in January 2025 and should be considered an opportunity to reverse population decline, but also raises questions about long-term affordability and accessibility to the local housing market for residents if no further developments take place.

As people continue to desire homeownership and seek to build equity, this increase in demand has created pressure on the housing market, particularly for first-time homebuyers who are finding it more difficult to enter the market due to rising prices.

3.4.2. Impact on Affordability

For first-time homebuyers, the rising home prices have significantly impacted affordability. Homeownership, once an attainable goal for many young professionals and families in Springfield, has become increasingly out of reach. Higher property values mean higher down payments, larger mortgage loans, and more substantial interest payments, which can be a barrier for households that lack the financial resources to meet these demands.

In Springfield, the median income does not always align with the rising cost of housing. This mismatch creates an affordability gap where even modestly priced homes may be unaffordable to a large portion of the population. First-time buyers are finding themselves priced out of the market, often having to settle for smaller or older homes, or, in some cases, delaying their homeownership plans indefinitely. This situation is compounded by the limited availability of affordable housing options, which leaves many families to explore other avenues, such as renting or moving to nearby areas.

3.4.3. Effect on Low-Income Households

For low-income households, the rising home prices present a more severe challenge. As homes become increasingly unaffordable, these households may struggle to find suitable housing options at price points within their budget. Many low-income families rely on subsidized or affordable housing programs, but with limited availability of these units and a competitive market, securing housing becomes an arduous process.

Rising home prices also have long-term effects on wealth inequality. As homeownership becomes more elusive for low-income families, they miss out on the potential for wealth accumulation that comes with owning property. For these households, the American Dream of owning a home is becoming less attainable, and the gap between wealthier and lower-income residents continues to widen.

3.5. Rental Market Pressure

The rental market in Springfield is similarly feeling the strain of rising demand and limited supply, resulting in higher rents and a growing number of cost-burdened renters, as documented in Section 2 of this study, which revealed that renters pay relatively more compared to statewide peers than homeowners.

Springfield's rental market faces challenges primarily due to a lack of new rental construction and limited vacancies, which makes it harder for renters to find affordable housing options. This issue is further exacerbated by the lack of new development projects aimed at expanding the rental stock, leaving the existing housing infrastructure to bear the brunt of the increased demand.

3.5.1. Low Vacancy Rates and Increasing Rent Prices

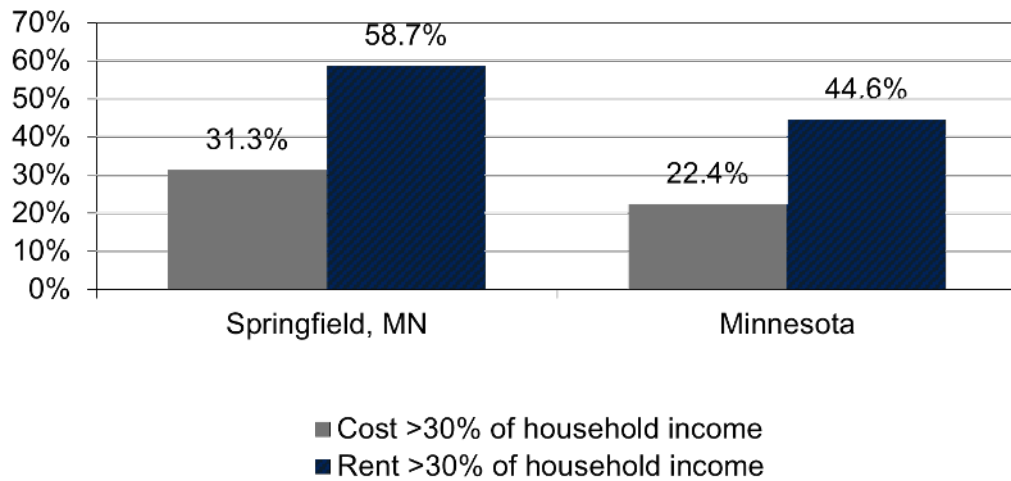
Springfield's rental vacancy rates have remained consistently low over the past several years, signaling a tight rental market. Low vacancy rates indicate that demand for rental units is high, and with few available units, landlords have the leverage to raise rents. As a result, renters in Springfield are facing increased rental costs that make it difficult for many to stay within their budget.

The growing demand for rental units is being driven by various factors, including an influx of people relocating to the area, particularly from larger cities, and an increasing number of households choosing to rent instead of buying homes. For those who are unable to afford the rising home prices, renting has become the default option. However, with rental prices climbing, many households are finding themselves in a situation where they are spending a disproportionate amount of their income on housing.

3.5.2. Cost-Burdened Renters

According to local data, a significant proportion of renters in Springfield are considered cost-burdened (58.7%), which means they are spending more than 30% of their income on housing. This is a concerning trend, as it leaves renters with less disposable income for other essentials such as food, healthcare, and transportation. For many of these individuals and families, the high cost of rent has become a significant obstacle to financial stability.

Figure 11: Housing Costs as Percent of Household Income (2023)⁵⁷



In addition to rising rents, renters in Springfield also face the challenge of limited rental options. The lack of new rental construction and the high demand for existing units have created a competitive rental market, where applicants may have to compete for limited available units. For low-income renters, this competition can be especially daunting, as they may struggle to afford the increasingly high rents or meet the financial criteria set by landlords.

3.5.3. Aging Housing Stock

An additional challenge in Springfield’s housing market is the aging housing stock. Many homes in the area were built several decades ago, and although they are historically charming, many require significant investment to maintain. The aging infrastructure and the wear and tear on older homes have led to higher maintenance costs for homeowners and landlords alike.

3.5.4. Challenges with Aging Homes

The housing stock in Springfield, particularly older homes, poses several challenges. These homes often have outdated plumbing, electrical systems, and insulation that do not meet modern standards. Such properties may also be susceptible to structural issues or have issues with foundation stability, requiring substantial repairs. For current homeowners, the cost of upkeep can be significant, especially for those who are already struggling with rising property taxes and other financial pressures caused by the higher cost of living in the area.

Additionally, many of Springfield’s older homes were built with materials and designs that are no longer considered efficient or sustainable. As a result, homeowners may find themselves facing high utility bills, which further exacerbate affordability concerns. While some of these homes may hold historical value and charm, the cost to renovate or repair them can be prohibitive, especially for low-income families or individuals on fixed incomes.

3.5.5. Opportunities for Renovation and Revitalization

While the aging housing stock presents challenges, it also offers opportunities for renovation and revitalization. There is potential for local businesses, developers, and individuals to invest in the renovation of these older homes, which could improve both the housing quality and the overall aesthetics of neighborhoods in Springfield. By updating these homes, it is possible to increase the supply of available housing, provide more energy-efficient options, and enhance the community’s appeal.

Renovation projects can help address both the aging infrastructure of homes and the need for more affordable housing options. This is especially true in areas where existing homes can be refurbished to meet the needs of first-time buyers or renters who are struggling to find affordable living spaces. However, these projects require financial investment and careful planning, particularly when it comes to balancing the cost of renovations with the selling or rental price.

In addition, the city and community organizations (e.g., banks and local foundations) may explore programs that offer incentives or grants for property owners to renovate older homes. Such initiatives can be an essential part of revitalizing Springfield’s housing market and improving conditions for low-income residents.

⁵⁷ U.S. Department of Commerce. 2024. Census Bureau, American Community Survey Office, Washington, D.C.

3.6. Overall Housing Affordability

The median home price in Springfield has increased over the past five years, reaching approximately \$185,000. Homes in the \$100,000–\$150,000 range are relatively rare and tend to sell quickly, often going to buyers from outside the community or those with higher incomes.

The estimated median property value in Springfield, MN was \$117,600 in 2023, which is 0.419 times smaller than the national average of \$281,900, two-thirds of New Ulm, and two-fifths of the state median. The following tables display owner-occupied housing units distributed between a series of property tax buckets compared to the national averages for each bucket. In Springfield, the largest share of households pays taxes in the \$800 - \$1,499 range.

Table 6: Selected Monthly Owner Costs as a Percentage of Household Income (SMOCAP)⁵⁸

HOUSING UNITS WITH A MORTGAGE ⁵⁹	UNITS	PERCENT/TOTAL
LESS THAN 20.0 PERCENT	198	60.6%
20.0 TO 24.9 PERCENT	39	11.9%
25.0 TO 29.9 PERCENT	28	8.6%
30.0 TO 34.9 PERCENT	29	8.9%
35.0 PERCENT OR MORE	33	10.1%
HOUSING UNIT WITHOUT A MORTGAGE	UNITS	PERCENT/TOTAL
LESS THAN 10.0 PERCENT	191	55.0%
10.0 TO 14.9 PERCENT	24	6.9%
15.0 TO 19.9 PERCENT	67	19.3%
20.0 TO 24.9 PERCENT	11	3.2%
25.0 TO 29.9 PERCENT	7	2.0%
30.0 TO 34.9 PERCENT	0	0.0%
35.0 PERCENT OR MORE	47	13.5%

Table 7: Rental Statistics for Springfield and Gross Rent as Percentage of Household Income⁶⁰

GROSS RENT		
OCCUPIED UNITS PAYING RENT	198	60.6%
LESS THAN \$500	39	11.9%
\$500 TO \$999	28	8.6%
\$1,000 TO \$1,499	29	8.9%
\$1,500 TO \$1,999	33	10.1%
\$2,000 TO \$2,499	33	33
\$2,500 TO \$2,999	33	33
\$3,000 OR MORE	33	33
MEDIAN (DOLLARS)	33	33
NO RENT PAID	33	33
GROSS RENT AS A PERCENTAGE OF HOUSEHOLD INCOME (GRAP) ⁶¹		
OCCUPIED UNITS PAYING RENT ⁵¹	250	250
LESS THAN 15.0 PERCENT	70	28.0%
15.0 TO 19.9 PERCENT	12	4.8%
20.0 TO 24.9 PERCENT	18	7.2%
25.0 TO 29.9 PERCENT	19	7.6%
30.0 TO 34.9 PERCENT	16	6.4%
35.0 PERCENT OR MORE	115	46.0%
NOT COMPUTED	9	(X)

⁵⁸ <https://censusreporter.org/profiles/16000US2761816-springfield-mn/>

⁵⁹ Excluding units where SMOCAP cannot be computed

⁶⁰ <https://censusreporter.org/profiles/16000US2761816-springfield-mn/>

⁶¹ Excluding units where GRAP cannot be computed

3.7. Implications

Springfield's aging housing stock presents a pressing challenge for the community's long-term livability, economic health, and quality of life. With a significant share of homes built before 1970, many of the city's residential structures are approaching or exceeding their expected lifespans without having received adequate modernization or maintenance. Without targeted reinvestment, the city risks accelerating neighborhood decline and exacerbating the housing crunch, especially among lower-income residents.

A particularly urgent concern is the relatively high number of cost-burdened renters, those spending more than 30% of their income on housing. This group has little financial flexibility to absorb rising rents or cover unexpected housing costs, making them especially vulnerable to displacement, overcrowding, or substandard living conditions. The mismatch between rental housing affordability and income levels signals a need not only for affordable housing development, but also for the rehabilitation of existing units to ensure safe, decent, and stable housing options for all residents.

Taken together, these trends underscore the importance of a comprehensive strategy to revitalize Springfield's housing stock. Public-private investment partnerships expanded access to home repair and energy efficiency programs, and targeted zoning reforms could help support both homeowners and renters. Without meaningful and sustained intervention, Springfield risks losing further population, deteriorating community assets, and deepening socio-economic inequities.



SECTION 4: HOUSING NEEDS AND GAPS

Like many rural communities, Springfield faces unique challenges when it comes to housing. With limited resources, a modest economy, and an aging population, the town must navigate several housing needs and gaps that can affect the community's growth and quality of life. Understanding these needs is essential for developing targeted solutions to ensure Springfield's housing market is sustainable and equitable for current and future residents. This section outlines the primary housing needs and gaps in Springfield, including affordable housing, senior housing, workforce housing, new construction and development, and the implications for the town's future. Each of these is based on the review of existing housing stock and qualitative (e.g., interviews) and quantitative assessments (e.g., survey results).

4.1. Affordable Housing

Affordable housing refers to housing that is affordable for individuals or families whose income is below the median level for the area in which they live. Specifically, it is housing where the cost of rent or mortgage payments, including utilities, does not exceed 30% of the household's gross income. Affordable housing can be in the form of rental units or homes for purchase, and it is typically subsidized or financed through government programs, tax incentives, or nonprofit organizations to keep costs lower than market rates.

The goal of affordable housing is to ensure that low- to moderate-income individuals and families can access safe, decent, and stable housing without compromising other basic needs such as food, healthcare, or education. This type of housing is often a critical component in addressing housing inequality and ensuring that a community remains inclusive for people of various economic backgrounds.

One of the most significant challenges Springfield faces is the lack of affordable housing options. The demand for low- and moderate-income housing is high, particularly for rental units. Many residents, particularly young people, retirees, and low-income families are struggling to find affordable homes. The limited availability of rental properties and the high cost of homeownership are barriers to economic mobility and stability.

Affordable housing is a critical need in Springfield, especially as rising home prices and rental rates have made it increasingly difficult for low- and moderate-income households to secure housing that fits within their budget. Affordable housing is defined as housing where the household spends no more than 30% of its gross income on housing costs, including rent or mortgage payments, utilities, and property taxes.

In Springfield, like many small towns, the affordability gap is widening. Home prices have been rising steadily, driven by both local demand and the influx of individuals from surrounding areas seeking affordable alternatives to larger cities. As a result, low- and moderate-income residents are finding it harder to access homes within their financial reach. Additionally, the rental market is under pressure, with limited rental properties available at affordable price points.

The lack of affordable housing creates a significant challenge for Springfield's lower-income residents, including families, young professionals, and retirees. For many households, housing costs account for a disproportionate share of income, leaving little room for other essential expenses such as food, healthcare, and transportation. Furthermore, affordable housing is essential for community stability and economic development. Without affordable options, the town risks losing potential residents and talent for the workforce, which could hinder future growth.

Addressing the affordable housing shortage in Springfield requires a multifaceted approach. Local leaders and stakeholders may need to consider expanding existing affordable housing programs, exploring new housing development opportunities, or leveraging state and federal funding for housing assistance programs.

4.2. Senior Housing

Senior housing refers to residential communities or housing units specifically designed to meet the needs of older adults, typically those aged 55 or 62 and older. These housing options may provide various levels of support and amenities to cater to the physical, social, and emotional needs of seniors. Senior housing can range from independent living, where individuals can live autonomously in their own units with minimal assistance, to more supportive environments like assisted living or skilled nursing facilities, where residents may need help with daily activities such as bathing, eating, or medication management.

The design of senior housing often includes features like no-step entries, wider doorways, and accessible bathrooms to accommodate mobility challenges, along with amenities like community spaces, healthcare services, and recreational programs. These types of housing are typically developed to foster a sense of community and to allow seniors to age in place, meaning they can remain in the same housing as their needs change over time.

As the population of Springfield ages, there is an increasing need for housing options that cater specifically to seniors. The aging baby boomer generation would increase the demand for senior housing, including independent living, assisted living, and memory care facilities. In small rural communities like Springfield, the need for senior housing options can often be overlooked, as the focus tends to be on general housing needs for families and young professionals.

Currently, Springfield has limited senior housing options, and the existing stock may not meet the needs of an aging population. Many seniors in Springfield are living in single-family homes that may no longer be practical due to mobility issues, maintenance challenges, or the need for accessible features. Additionally, some seniors may find themselves living in housing that is too large for their current needs, which can be both costly and difficult to maintain.

There is a growing demand for affordable, accessible housing options for seniors that provide a sense of community and support services. This could include independent living apartments, assisted living facilities, and specialized services for those with dementia or other health concerns. Seniors who can remain in their homes as long as possible also benefit from access to services like home modifications, meal delivery, and transportation to medical appointments.

Expanding senior housing options in Springfield will require targeted planning and investment. Possible solutions include the construction of new senior housing developments, the conversion of existing properties into senior-friendly units, and the provision of resources to help seniors age in place. Moreover, partnerships with local healthcare providers, non-profit organizations, and the state government could help ensure the town meets the growing housing needs of its senior population.

4.3. Workforce Housing

Workforce housing refers to housing that is affordable to individuals who are employed but earn too much to qualify for subsidized housing, yet not enough to afford market-rate housing in the area. Workforce housing is generally priced to be affordable for households earning between 60% to 120% of the median area income (AMI), making it distinct from low-income housing. Its goal is to ensure that workers can live in the communities where they work, reducing commuting times, and improving local economic stability and quality of life.

In Springfield, workforce housing is a critical need for a significant portion of the population, including teachers, healthcare workers, retail employees, and agricultural workers. These individuals often serve essential roles in the community but struggle to find housing options that fit their income levels.

The shortage of affordable housing for the workforce is compounded by rising home prices and limited rental options. This shortage can lead to employees living outside the town in neighboring communities, which increases commute times and reduces their investment in the local community. It can also make it difficult for businesses in Springfield to attract and retain workers, which could have long-term economic implications for the town's workforce and overall prosperity.

Workforce housing is vital for Springfield's economic growth and sustainability. It supports local businesses by ensuring that employees can live close to their jobs, reduces the strain on transportation infrastructure, and helps maintain the town's community vibrancy. Ensuring an adequate supply of workforce housing requires targeted development of housing that is affordable for households earning between 60-120% of the area median income. This may include new housing development, rehabilitation of existing properties, or the implementation of housing subsidies.

4.4. New Construction and Development

One of the most pressing needs in Springfield's housing market is the limited availability of new construction. While there is demand for new housing, particularly affordable and workforce housing, there has been limited development in recent years. Several factors contribute to this lack of new construction, including high construction costs, limited available land for development, and a small local tax base that may not support large-scale development projects.

New housing construction is crucial to addressing the housing needs in Springfield. A lack of new homes means that demand for existing housing is exacerbated, driving up prices and contributing to affordability challenges. Additionally, new construction can create jobs, boost the local economy, and revitalize neighborhoods, all of which are essential for Springfield's long-term growth.

For Springfield to meet the growing demand for housing, both the private and public sectors must work together to encourage new development. Strategies might include identifying and zoning land for residential use, offering tax incentives to developers, and providing grants or loans to encourage the construction of affordable homes. Furthermore, collaboration with neighboring communities to share resources and knowledge on successful development practices can help Springfield attract more development projects.

The figure below presents the anticipated needs based on future population growth, ranging from a modest 0.5% population growth to a more aggressive 5% growth. It is important to consider that Springfield has, as was documented in Section 2 of this study, been experiencing a population decline. However, these figures are presented as housing needs based on future growth.

As will be discussed in the next section, local and regional real estate agents question the relatively "healthy" vacancy rate of 7.81%, as many believe it is lower than what is reported through the Census Bureau's statistics. This is addressed in future recommendations, i.e., ongoing housing inventory surveys, and for this purpose, a future vacancy rate of 5% is built into these assumptions. Also, it is assumed that the average household size remains constant, and that the distribution of single-family to multifamily to mobile homes ratios remain constant.

TABLE 8: Projected Housing Needs by Type Based on Population Growth Rates⁶²

	GROWTH RATE						
	2022	0.5%	1.0%	1.5%	2.0%	2.5%	5%
POPULATION	2,090	2,100	2,111	2,121	2,132	2,142	2,195
HOUSEHOLD SIZE	2.24	2.24	2.24	2.24	2.24	2.24	2.24
SINGLE FAMILY	810	814	818	822	826	830	850
MULTI FAMILY	121	122	123	123	124	124	128
MOBILE HOMES	81	81	82	82	83	83	85
OCCUPIED	933	966	971	976	981	985	1,009
VACANT	79	51	51	51	52	52	53
TOTAL UNITS	1,012	1,017	1,022	1,027	1,032	1,037	1,063
VACANCY RATE	7.81%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%

4.5. Implications

The housing needs and gaps identified in this section have significant implications for Springfield's future. If these housing challenges are not addressed, the town risks facing a number of negative outcomes, including increased out-migration, labor shortages, and economic stagnation. Without affordable and workforce housing, Springfield may struggle to retain young people and working families who may seek better opportunities in larger cities with more housing options.

Additionally, without appropriate senior housing options, the aging population may face difficulty accessing appropriate care and accommodations, which could put additional strain on local healthcare providers and social services. The lack of housing development could also stifle the local economy, preventing the town from attracting new residents and businesses that contribute to economic diversification.

With many residents working in the service and agriculture sectors, there is a need for workforce housing that is affordable and close to employment centers. There is a gap in the availability of moderate-income housing for workers, which impacts both the retention of local workers and the ability to attract new employees to the area.

On the other hand, addressing these housing gaps presents significant opportunities for Springfield. By ensuring an adequate supply of affordable, senior, and workforce housing, the town can foster greater economic stability, attract new residents, and improve the quality of life for its current population. Developing new housing also supports job creation, infrastructure improvements, and community growth. To meet these needs, it will require collaboration between local government, developers, business leaders, and residents, as well as creative solutions and strategic planning.

⁶² Projections developed by Region Nine Development Commission based on Population and Housing Figures reported in sections 2 and 3 in this study.

5.1. Insights from Real Estate Developers and Agents (Feb–Apr 2025)

Between February and April 2025, a series of in-depth conversations were conducted with regional real estate developers and real estate agents to better understand the needs, challenges, and opportunities facing Springfield and the surrounding Brown County area. These conversations revealed a consistent message: while the region holds strong potential for growth and revitalization, it needs a clearer and more cohesive strategy to attract investment, support residents, and position itself as a thriving rural community for the future.

The perspectives of both developers and real estate agents reflect different vantage points within the local real estate landscape, yet they share a common understanding that the community is at a turning point. Whether addressing long-term economic vitality or the immediate realities of the housing market, both groups emphasized the need for proactive leadership and intentional planning.

5.2. What Developers Say Is Needed

Real estate developers who work in the region or have studied it closely expressed both optimism and caution when assessing Springfield's future. They highlighted several of the city's inherent strengths, its robust agricultural base, deep-rooted community connections, and strategic location in the heart of southern Minnesota, as key assets that position it well for thoughtful growth. However, they also cautioned that without a deliberate and forward-looking strategy, Springfield could face stagnation, or worse, decline. The consensus among these stakeholders coalesced around three central themes: the need for a clearly defined growth strategy, the importance of investing in quality-of-life infrastructure, and the urgency of establishing a comprehensive and actionable economic development roadmap.

5.2.1. A Clearly Articulated Growth Strategy

One of the most consistent messages from developers was the call for a comprehensive and clearly communicated growth strategy. Currently, Springfield is seen as a community with untapped potential, yet one that lacks a coherent, public-facing vision to guide its development. Developers emphasized that communities poised for sustainable growth are those with an aligned sense of direction, where housing, infrastructure, economic development, and public amenities are considered parts of a unified whole, rather than separate efforts.

What's needed, they argue, is not just a set of zoning regulations or a comprehensive plan that sits on a shelf, but a living strategy that communicates a compelling story of where Springfield is headed and why. This includes identifying priority growth areas, setting clear development targets, and integrating these plans into a broader vision that appeals to investors, families, and young professionals alike.

For example, several developers pointed to the success of communities like New Ulm and Fairmont, which have implemented strategic growth plans with clearly defined development corridors, investment incentives, and a transparent permitting process. In Springfield, the absence of such a roadmap creates uncertainty. Developers want to see a community that not only says it's "open for business," but shows it by creating a stable, predictable, and streamlined environment for investment.

Additionally, developers stressed the importance of a more robust dialogue between city officials and the private sector. They want to be seen not just as contractors or builders, but as long-term partners in shaping the city's future. This could include more regular stakeholder roundtables, collaborative planning sessions, or even the creation of a development advisory board that provides input on growth-related decisions.

5.2.2. Quality of Life as a Development Driver

Equally important to these stakeholders is the issue of livability. Developers consistently emphasized that housing cannot exist in a vacuum. While affordability and availability are critical, they are no longer the only, or even primary, drivers of residential decisions. Increasingly, families and individuals are choosing where to live based on factors such as community character, access to amenities, and opportunities for recreation and engagement.

To stay competitive with nearby communities, Springfield must continue investing in the kinds of amenities that enhance day-to-day life. Parks, trails, and open spaces were among the most frequently mentioned assets. Developers noted that green infrastructure contributes not only to health and well-being, but also to property values and a community's overall marketability. Projects like the expansion of sidewalks and trails or the revitalization of underutilized parks could serve as catalysts for both neighborhood development and broader economic vibrancy.

Beyond green space, developers encouraged Springfield to focus on cultural and civic amenities. A well-resourced library, an active community center, and accessible arts and music programming were all seen as vital elements of a vibrant small town. Several developers cited the impact of community-led events, like farmers markets, local theater productions, and food festivals, as key to building a strong civic identity that attracts and retains residents. Investing in these areas isn't just a "nice to have", it's increasingly viewed as essential for community resilience and economic appeal.

Furthermore, healthcare and educational access emerged as top-tier concerns. Developers noted that proximity to high-quality clinics, schools, and daycare facilities often plays a pivotal role in whether families choose to settle in a particular community. Springfield could benefit from marketing its existing assets more aggressively, while also identifying gaps that could be addressed through public-private partnerships.

5.2.3. A Roadmap for Economic Development

Finally, developers underscored the urgent need for Springfield and Brown County to create and implement a more dynamic economic development strategy. While the area's strengths, especially in agriculture and light manufacturing, were widely acknowledged, there was also a sense that Springfield has not fully leveraged these advantages to drive future-oriented economic activity.

Developers want to see the community do more to support local entrepreneurs, attract new industries, and prepare its workforce for tomorrow's economy. Without strong job growth and business innovation, housing development stalls, school enrollments shrink, and community vitality diminishes. The link between economic development and real estate investment, they argue, is direct and undeniable.

One promising avenue involves aligning workforce development efforts with the needs of existing and emerging industries. Developers suggested stronger collaboration between local employers, public schools, and regional technical colleges like South Central College to develop training pipelines in high-demand fields. Creating internship programs, apprenticeships, or even incubators for small manufacturing and agricultural tech startups could help Springfield position itself as a hub for innovation in sectors that build on its agricultural legacy.

Moreover, several stakeholders advocated for the formation of a dedicated economic development entity or task force focused on business attraction and retention. This group could lead branding efforts to better market Springfield's strengths to external investors, emphasizing factors such as its cost advantages, quality schools, safe neighborhoods, and potential for renewable energy development. A targeted campaign to attract businesses in advanced manufacturing, logistics, and clean energy could diversify the local economy while reinforcing Springfield's relevance in the region.

Ultimately, the message from developers is this: Springfield has real advantages, but it must act with purpose and coordination. Growth will not happen by chance, it will require leadership, vision, and a sustained commitment to working collaboratively with the private sector to build a community that meets the needs of the next generation.

5.3. What Real Estate Agents Say Is Needed

While developers tended to focus on the big picture, i.e., strategic planning, infrastructure, and economic policy, real estate agents offered a more immediate and personal view of what's happening in the community today. Their insights, grounded in daily conversations with homebuyers and sellers, painted a clear picture of a housing market that is constrained and in need of diversification.

The most pressing issue, according to agents, is the lack of adequate senior housing in Springfield and Brown County. Many older residents would prefer to downsize from their current homes, particularly as they enter retirement or face mobility challenges. However, their options are severely limited. There is a shortage of townhomes, condos, independent living facilities, and assisted living spaces that would allow seniors to stay in the community while moving into a more suitable living arrangement.

This shortage has broader ripple effects throughout the housing market. Because seniors are unable to move out of their current homes, those homes are not becoming available to younger buyers. This contributes to a bottleneck that frustrates first-time buyers, limits options for growing families, and inflates prices for the limited inventory that is available. Real estate agents argued that addressing this issue could unlock movement throughout the housing ecosystem, freeing up valuable single-family housing stock and creating more fluidity in the market.

Agents also emphasized the need to diversify the overall housing stock. Springfield, they noted, is currently missing key types of housing that would meet the needs of different demographics. For example, younger professionals and first-time buyers often struggle to find entry-level homes that are move-in ready and priced within reach. In many cases, these buyers are forced to consider homes that require significant repairs or renovations, expenses that are unrealistic for individuals already stretched thin by student loans or rising interest rates.

Workforce housing is another critical gap. Agents reported that people employed in essential fields such as education, healthcare, and public safety often have difficulty finding affordable, quality housing within the community. This not only makes it harder to recruit and retain employees but also affects the stability of local services and institutions. The lack of workforce housing, they argued, is not just a real estate issue, it's a workforce development issue and a community sustainability issue.

At the other end of the market, agents also noted a shortage of higher-end homes that would appeal to professionals or families with higher incomes who want to upgrade their living situation. Without these options, some families are leaving Springfield for larger nearby cities, taking their spending power and civic engagement with them. Agents argued that to create a healthy, vibrant community, Springfield must offer a housing ladder that allows residents to stay and grow in place, rather than forcing them to look elsewhere as their needs change.

5.4. What the Community Says is Needed

As part of Springfield's *Strategic Economic Development Plan*, developed by Region Nine Development Commission, concurrently with this housing study, a community-wide survey was conducted to better understand local perspectives on housing challenges and opportunities. The feedback received through this survey was invaluable in shaping both short- and long-term housing recommendations after aligning the responses with the secondary data and other stakeholder engagements already described. While this housing study focuses specifically on housing needs and solutions, it's important to note that many of these topics will also be addressed in greater detail within the broader Economic Development Plan.

A central theme that emerged from the survey was a clear and pressing need for more affordable housing options. Residents across demographics emphasized that housing costs may become a growing burden, particularly for seniors, individuals with disabilities, and lower-income families. The call for affordable housing was not limited to homeownership, there was also significant concern about rising rental prices. Respondents highlighted the lack of reasonably priced rental units in Springfield, including apartments and townhomes, and noted that this limited the ability of younger residents, small families, and those on fixed incomes to remain in or move to the community.

Survey participants voiced strong support for expanding senior housing options, recognizing that Springfield's aging population requires housing solutions that are both accessible and affordable. Suggestions included the development of senior-specific apartment complexes and the reuse of existing infrastructure, such as the redevelopment of the old hospital site into senior housing. There was particular concern about seniors living on fixed incomes struggling to afford increasing rental rates, underscoring the need for rental subsidies or affordability protections for this vulnerable group.

Beyond new development, respondents also emphasized the importance of maintaining and improving existing housing stock. There was widespread support for home repair and renovation incentives, particularly targeted toward low- and moderate-income homeowners. Residents suggested funding mechanisms such as Small Cities Development Grants and other local assistance programs to help with necessary home improvements and code compliance. These kinds of investments not only improve individual homes but also contribute to neighborhood stability and community pride.

Additionally, several respondents recommended incentives like property tax waivers and utility discounts for disabled homeowners, expanding existing programs that often only benefit retired or elderly residents. These measures were seen as important tools for ensuring housing stability for residents with disabilities who wish to remain in their homes.

Some respondents also expressed interest in seeing the Economic Development Authority (EDA) play a more active role in affordable housing development, whether through direct construction projects or partnerships with developers. There was a sense that, while private developers have a role to play, local government leadership is crucial to addressing Springfield's unique housing needs, especially for those populations underserved by the private housing market.

The survey results made it clear that Springfield residents are eager to see action taken to create a more inclusive, accessible, and sustainable housing landscape. The ideas shared reflect both immediate needs and long-term aspirations. While these insights will help inform this housing study, they also provide a broader understanding of how housing connects to Springfield's economic growth, community health, and overall quality of life, all of which will be explored further in the Strategic Economic Development Plan.

5.5. Implications

The feedback from developers and agents alike reveals a shared belief in the potential of Springfield and Brown County, paired with a sense of urgency to act. Developers are looking for clarity of vision and a proactive development environment, while agents are calling attention to housing market constraints that directly impact residents' lives. What unites these perspectives is a common recognition that community success depends on intentional, inclusive planning, planning that addresses both long-term strategy and everyday realities. Springfield can position itself as a model for rural resilience and smart growth. By clearly defining where it wants to go and how it plans to get there, and by ensuring that housing options match the needs of all residents, from seniors to first-time buyers to skilled professionals, the city can build a more sustainable, attractive, and equitable future.

SECTION 6: RECOMMENDATIONS

Springfield stands at a pivotal moment. As the community works to position itself for long-term vitality, the findings of this housing study offer both a mirror and a roadmap—reflecting the current challenges in housing supply and affordability, while providing actionable steps that align with economic development and community well-being. Conversations held between February and April 2025 with real estate developers, agents, and other regional stakeholders made it clear: Springfield has the ingredients for growth, but realizing that potential requires coordination, investment, and a bold but practical vision.

The housing study does more than just document need, it captures an opportunity to align housing policy with economic strategy, community planning, and quality-of-life improvements. Without a clearly articulated growth strategy, investment remains cautious and fragmented. Developers emphasized that Springfield must promote a shared vision of where and how it intends to grow, and make sure this vision is visible to potential partners, from builders and investors to new families and businesses considering Springfield as home.

Equally critical is the role of housing in shaping livability. A town's ability to attract and retain residents doesn't rest on employment opportunities alone; people also seek vibrant, healthy, and connected communities. A more diverse housing stock, ranging from starter homes and workforce housing to higher-end options, helps meet the needs of families at different life stages and income levels. This housing diversity not only keeps residents in town but also welcomes new ones, supporting schools, main street businesses, and volunteer-driven community life.

Local real estate professionals also highlighted an urgent need for senior housing. Many older adults in Springfield are ready to downsize but lack viable housing alternatives within the community. As a result, they remain in homes that no longer suit their needs, homes that could otherwise be available to younger families. By prioritizing senior housing development, Springfield can free up existing housing stock while also supporting aging residents to stay in town near family, friends, and support networks.

The recommendations that follow are grounded in the belief that housing is not just about shelter, it is economic infrastructure. It drives workforce recruitment and retention. It influences local business performance. It impacts school enrollment, city revenues, and the overall perception of Springfield's livability. As such, the recommendations are not intended to sit on a shelf. They are designed to serve as a foundation for practical implementation, supported by partnerships with developers, public agencies, local employers, and civic leaders.

In the months and years ahead, Springfield can lead with intention, through zoning updates that allow more housing flexibility through public-private partnerships that bring shovel-ready sites to life, and thoughtful planning that links housing development to infrastructure investments and downtown revitalization. By viewing housing through the lens of opportunity, rather than limitation, Springfield can foster a more vibrant, inclusive, and economically resilient future.

The recommendations outlined in this report are not exhaustive, but they provide a solid base for strategic action. They reflect the priorities of those who live and work in the community, as well as those who are ready to invest in its future. By acting with urgency and clarity, Springfield can turn these recommendations into results and ensure that housing becomes a driver of renewal, not a barrier to progress.

RECOMMENDATION 1: BUILD A SYSTEM FOR ONGOING HOUSING MARKET ASSESSMENTS

To ensure that Springfield remains agile, informed, and proactive in addressing its housing needs, the city must establish a reliable and continuous housing market assessment system. The ability to anticipate and respond to market shifts is essential for promoting housing stability, affordability, and community growth. A dynamic housing data infrastructure will allow city leaders, developers, and policymakers to make informed decisions based on accurate, up-to-date information rather than assumptions or outdated figures.

One critical component of this effort involves improving the accuracy of current housing data, particularly vacancies. While existing sources suggest Springfield's vacancy rates are relatively stable, anecdotal input from local real estate professionals and community members suggests these rates may be overstated. A more granular, ground-level assessment could reveal tighter housing conditions than previously understood, especially in specific market segments like entry-level homes or workforce rentals. Inaccurate vacancy reporting can mislead planning efforts, delay investments, and obscure the urgency of housing interventions. Regular verification through local data collection and market engagement will help Springfield develop a clearer picture of its true housing landscape.

To support this work, Springfield should prioritize the development of a long-term system for collecting and analyzing housing data. This includes key indicators such as rental and homeownership rates, inventory levels, construction trends, housing turnover, and affordability metrics. Over time, this system can evolve into a central tool that tracks trends, signals areas of emerging demand, and identifies population segments whose needs are not being met by the current housing supply.

In addition to internal efforts, Springfield should actively pursue partnerships with regional planning entities, state housing finance agencies, universities, and economic development organizations. These collaborators can provide technical expertise, share relevant data, and offer funding resources that support assessment efforts. For example, working with regional economic development agencies can help Springfield align its housing strategies with workforce attraction efforts, job growth projections, and demographic trends. Partnerships with organizations like the Minnesota Housing Finance Agency or the Minnesota Housing Partnership may also open the door to shared data platforms, research support, and access to broader state and federal housing resources.

The housing market assessment process should include the following strategies:

1.1. Create a Comprehensive Housing Data Tracking System

Springfield should invest in a digital platform or database to regularly monitor and analyze key housing market indicators. This includes tracking trends in home prices, rent levels, housing availability by type, construction activity, and vacancy rates. The system should be updated regularly, at least quarterly, to reflect real-time changes in the market, helping leaders anticipate shifts before they become challenges.

1.2. Produce Annual Housing Market Reports

Each year, Springfield should publish a detailed housing market report summarizing housing trends, affordability conditions, and housing gaps. These reports will serve as vital tools for city officials, developers, and nonprofit organizations to identify priorities and target investment in areas with the greatest need, such as senior housing, first-time buyer units, or workforce rentals.

1.3. Engage in Strategic Partnerships with Economic Development Organizations

By collaborating with economic development organizations at the regional and state levels, Springfield can integrate housing planning with broader economic development strategies. These partnerships can provide access to labor market data, employer feedback, commuting trends, and forecasts that shape where and how housing should be built. Economic development organizations can also help secure grants and incentives that support housing feasibility studies and infrastructure improvements.

1.4. Incorporate Community Engagement and Qualitative Feedback

Quantitative data alone cannot capture the full range of housing challenges experienced by residents. Springfield should regularly convene focus groups, town hall meetings, and community surveys to gather personal stories and insights. This qualitative input can highlight emerging issues, such as overcrowding, inaccessibility, or housing discrimination, that might not be evident in the numbers alone.

In summary, housing market assessments are not simply technical exercises, they are foundational to Springfield's ability to respond to the changing needs of its residents and remain competitive as a place to live and do business. Establishing a strong, collaborative, and transparent housing data system will allow Springfield to move beyond reactive housing policy and toward a data-informed, strategic model that proactively shapes its housing future.

With thoughtful implementation and strong partnerships, Springfield can use housing assessments not just as reports, but as living tools that drive equitable development, economic resilience, and long-term community well-being.

RECOMMENDATION 2: ALIGN HOUSING STRATEGY WITH A MODERNIZED COMPREHENSIVE PLAN AND ZONING FRAMEWORK

A modern and adaptable comprehensive plan, supported by progressive zoning ordinances, is foundational to Springfield's future growth and housing success. As Springfield continues to evolve, it is essential that its land use and development policies reflect current housing needs, future demographic trends, and the broader economic development vision of the community. Without a strong planning framework in place, the city risks missing opportunities to attract investment, accommodate new residents, and meet the needs of existing households.

Springfield's current Comprehensive Plan, while effective in its time, no longer fully reflects the community's changing housing landscape or growth aspirations. As part of a broader effort to revitalize and future-proof the city, Springfield must commit to a full update of this document. A revised plan should specifically address the town's need for affordable workforce, and senior housing, while also accounting for projected population shifts, economic trends, and infrastructure capacity. Additionally, it must integrate housing goals with Springfield's environmental priorities, transportation planning, and long-term strategies for business development and talent retention.

In tandem with updating the comprehensive plan, Springfield must undertake a careful review of its zoning ordinances. Zoning is often where policy intention either succeeds or fails—outdated or overly restrictive zoning can create significant barriers to new housing development. A refreshed zoning code should allow for a greater diversity of housing types and densities, including townhomes, duplexes, accessory dwelling units (ADUs), and multifamily developments. This type of flexibility will allow Springfield to attract and retain a wide range of residents, from young families to older adults looking to downsize, while still preserving the character of the community.

Zoning updates should target areas with existing infrastructure that can support higher-density housing or mixed-use developments. Allowing increased density in the right locations can reduce urban sprawl, make better use of existing utilities, and encourage walkable, connected neighborhoods. These features not only appeal to current and future residents but are also attractive to developers seeking to invest in projects that align with market demand and sustainability goals.

To advance this work effectively, Springfield should engage regional partners, including economic development organizations, housing authorities, and state planning agencies. These partners can offer technical assistance, funding opportunities, and strategic insight to help ensure zoning changes and plan updates support not only housing growth but also job creation, small business development, and downtown revitalization. For example, aligning the comprehensive plan with a regional economic development strategy can position Springfield to better compete for grants and public infrastructure investments.

The action steps on the following page should guide this effort:



2.1. Update the City's Comprehensive Plan

Springfield should update its comprehensive plan with specific attention to housing needs, land use trends, and growth management. The plan should include clear housing goals and timelines, identify priority development areas, and link housing strategies with job creation, workforce mobility, and infrastructure planning. This will ensure that housing is not addressed in isolation, but as a key component of the town's overall development vision.

2.2. Modernize Zoning Ordinances to Support Affordability and Flexibility

The city's zoning ordinances should be revised to encourage the development of diverse housing types that respond to market demand. This includes updating regulations to allow duplexes, triplexes, ADUs, and other small-scale multifamily housing within traditional neighborhoods. These changes will allow Springfield to offer more attainable housing options while maintaining neighborhood stability and character.

2.3. Establish Housing Overlay Zones

Housing overlay zones can provide targeted incentives to encourage affordable housing in strategically chosen areas. These overlays may include measures such as increased density allowances, reduced parking minimums, or expedited permitting processes. These tools reduce development costs and make Springfield more appealing to mission-driven developers, especially those building for seniors, low-income families, and essential workers.

2.4. Expand Opportunities for Mixed-Use Development

Zoning for mixed-use development should be promoted in Springfield's commercial corridors, particularly near downtown, schools, and parks. Mixed-use areas that incorporate residential, retail, and office space help create vibrant, walkable communities and support local economic activity. These areas can also appeal to younger residents, empty nesters, and others seeking convenient, amenity-rich living environments.

Updating the comprehensive plan and zoning ordinances is not merely a bureaucratic exercise, it is a vital step toward creating a housing system that is inclusive, responsive, and economically resilient. These planning tools serve as the foundation for aligning Springfield's housing efforts with its broader community goals, including workforce attraction, downtown revitalization, and sustainable infrastructure use. By taking a proactive approach to planning and zoning reform, and by forging partnerships with economic development entities and regional planning organizations, Springfield can position itself as a forward-thinking community that welcomes growth while protecting its identity. This thoughtful alignment will ensure Springfield's housing system supports its long-term vision for prosperity, livability, and inclusivity.

RECOMMENDATION 3: PROMOTE AFFORDABLE HOUSING DEVELOPMENTS

Affordable housing is a critical issue in Springfield, as it is in many small rural towns in Minnesota. As housing prices and rents continue to rise, low- and moderate-income households are increasingly squeezed out of the market, making it more difficult for them to find stable, affordable housing. This situation not only affects the well-being of these households but also impacts on the broader economic health of the community. Without affordable housing, Springfield risks losing workers, families, and potential residents, which could hinder its economic growth and vitality.

Affordable housing is foundational to building a resilient community, attracting a diverse workforce, and ensuring that all residents, regardless of income, have access to stable living environments. In a rural town like Springfield, addressing the affordable housing crisis requires a strategic approach that combines immediate solutions with long-term affordability measures. By promoting the development of affordable housing, Springfield can create more equitable opportunities for its residents, support economic growth, and ensure the community remains a place where people can live and thrive.

To effectively address these challenges, Springfield should adopt a multifaceted approach that integrates financial incentives, state and federal resources, and innovative strategies like Community Land Trusts (CLTs). These strategies are particularly relevant to small rural communities, where resources may be more limited, but where the need for affordable housing is no less pressing.

3.1. Create Incentives for Affordable Housing Development

One of the most effective ways to stimulate affordable housing development is to offer targeted incentives that make these projects financially viable for private developers. This is especially important in rural towns like Springfield, where developers may be hesitant to invest in affordable housing due to smaller market sizes or perceived financial risks. To overcome these challenges, Springfield should consider providing a combination of property tax abatements, direct financial subsidies, and targeted tax credits to developers who build affordable housing. These incentives reduce the financial burden on developers and make affordable housing more attractive, helping to offset the risks associated with building in rural areas.

Additionally, Springfield should explore partnerships with state and federal programs aimed at supporting affordable housing. For example, the Minnesota Housing Finance Agency offers funding and resources for projects that align with the state's housing goals, including affordable housing initiatives for low- and moderate-income families. At the federal level, Springfield should actively pursue opportunities for grants and funding from the U.S. Department of Housing and Urban Development (HUD) and other relevant agencies. These efforts can significantly expand the financial resources available for affordable housing development in Springfield, enabling the city to tackle its housing challenges with greater support.

For small towns like Springfield, local governments are uniquely positioned to create these incentives, as they can offer tailored solutions that suit the specific needs of their communities. By actively engaging with developers and showcasing the benefits of building affordable housing in Springfield, the city can overcome some of the common barriers to development in rural areas.

3.2. Leveraging Low-Income Housing Tax Credits (LIHTC)

The Low-Income Housing Tax Credit (LIHTC) program is one of the most effective tools available for expanding affordable housing in communities across the country. This program provides developers with federal tax credits to offset the cost of developing affordable rental housing. For Springfield, applying for LIHTC funding is an opportunity to bring significant financial resources into the community to support the construction and rehabilitation of affordable housing units.

The LIHTC program has been proven to be particularly effective in rural areas, where housing development often faces additional hurdles, such as limited financing options and fewer available resources. By prioritizing partnerships with private developers and leveraging LIHTC, Springfield can not only increase the supply of affordable rental units but also ensure that these units remain affordable over time. LIHTC can also help attract developers who are willing to invest in the community, bringing additional expertise and resources to Springfield. To maximize the potential of LIHTC in Springfield, the city should work closely with experienced developers who are familiar with the program and its requirements. Springfield can also benefit from collaborating with the Minnesota Housing Partnership, which can provide guidance on how to structure LIHTC applications and navigate the complexities of the program. For a small rural town like Springfield, LIHTC represents a valuable opportunity to enhance the affordability and availability of rental housing, while also fostering partnerships with developers committed to long-term community stability.

3.3. Exploring Community Land Trusts (CLTs)

One of the most promising strategies for ensuring long-term affordability in rural towns like Springfield is the establishment of a Community Land Trust (CLT). A CLT is a nonprofit organization that acquires and holds land for the benefit of the community, typically focusing on affordable housing. In a CLT model, Springfield would retain ownership of the land, while individuals or families could purchase or lease homes on that land at below-market prices. This arrangement helps ensure that housing remains affordable for future generations by preventing market forces from driving up land costs.

The benefits of CLTs are particularly important for rural communities where land prices may be rising due to increasing demand or outside investment. By creating a CLT, Springfield can insulate its residents from speculative land prices, ensuring that affordable housing remains accessible in the long term. This model also prevents displacement, as residents are not subject to the fluctuations of the private real estate market. A CLT is a community-driven solution that aligns with Springfield's values of equity, sustainability, and long-term resilience.

To implement a CLT, Springfield would need to collaborate with local community organizations, legal experts, and funding agencies. The Minnesota Housing Partnership can be a valuable resource in helping Springfield navigate the steps involved in establishing a CLT. The CLT model can also provide an opportunity for Springfield to revitalize underutilized land, especially in areas where traditional development may not be financially feasible.

The strategies outlined here represent a comprehensive approach to addressing Springfield's affordable housing needs. By creating incentives for developers, leveraging the power of LIHTC, and exploring long-term solutions like CLTs, Springfield can make significant strides in providing safe, stable, and affordable housing for its residents. For small rural towns in Minnesota, these strategies are not just about meeting immediate housing demands; they are about creating a foundation for future growth, stability, and prosperity. By implementing these strategies, Springfield can ensure that its housing market remains inclusive, equitable, and resilient for years to come.

RECOMMENDATION 4: ENHANCING SENIOR HOUSING OPTIONS IN A HEALTH-CONSCIOUS, AGING COMMUNITY

As Springfield's population continues to age, the city faces an increasingly urgent need to expand and diversify its senior housing options. Like many rural communities in Minnesota, Springfield is home to a growing number of older adults who wish to remain close to family, friends, and their community. However, many of these residents find it difficult to locate housing that suits their physical needs, financial limitations, and desire for autonomy.

The absence of a local hospital or full-service health clinic in Springfield presents an added challenge in serving the aging population. Access to regular medical care, wellness services, and emergency treatment is a critical consideration for seniors, and since these resources are not available locally, Springfield must think creatively and collaboratively. Regional partnerships with nearby towns that do have more extensive healthcare infrastructure, as well as with senior care organizations and health systems, will be vital. These partnerships can help establish a coordinated network of care and housing options, making it more viable for older adults to remain in Springfield with the necessary support in place.

At the same time, addressing senior housing is not solely a healthcare issue, it's also a housing and planning issue. Seniors need accessible, affordable, and well-located homes that allow them to live safely and independently. A comprehensive strategy that includes needs assessments, targeted funding, senior-focused design, and aging-in-place programs will be necessary to address the full scope of this challenge.

4.1. Conduct a Senior Housing Needs Assessment

A foundational first step in developing a meaningful strategy for senior housing is to conduct a detailed, localized senior housing needs assessment. This study should examine both the current and projected population of older adults in Springfield and surrounding areas and determine the demand for various types of housing, including independent living, affordable senior apartments, assisted living, and supportive housing models. The assessment should also account for the fact that many older residents want to age in place. This means understanding what modifications are needed in existing homes to accommodate mobility limitations or health issues, and what community support (e.g., transportation, meal delivery, home care) is required to make aging in place a viable option. In a town without a medical facility, coordination with regional healthcare partners should be part of the assessment process to better understand what services could be delivered remotely or via outreach programs.

This data will help Springfield plan appropriately, apply for targeted funding, and design policies that respond to actual, rather than assumed, needs.

4.2. Secure Tax Credits and Funding for Senior Housing

Financing senior housing can be a complex undertaking, particularly in smaller rural towns with limited tax bases. However, a wide array of public resources is available that Springfield can pursue. State and federal tools, such as the Senior Housing Tax Credit (SHCTC), Low-Income Housing Tax Credits (LIHTC), and Section 202 Supportive Housing for the Elderly, can be combined to finance new construction or rehabilitation of senior-friendly units.

To maximize these opportunities, Springfield should proactively partner with nonprofit and mission-driven developers who specialize in senior housing. These developers often have experience in navigating funding processes and a track record of working with rural communities. These partnerships are also important to ensure that housing developments are tied to wraparound services—such as on-site support staff or transportation to regional health facilities—that can improve quality of life for seniors.

Additionally, Springfield can coordinate with organizations like the Minnesota Housing Partnership and the Minnesota Department of Human Services, both of which offer technical support and grant programs focused on housing for older adults.

4.3. Encourage Senior-Friendly Housing Design

Creating appropriate housing for seniors goes beyond simply building more units. It requires intentional design that reflects the realities of aging. Springfield should encourage developers, through incentives such as reduced permitting fees, density bonuses, or expedited review, to include senior-accessible features in both new and existing homes. These features may include: zero-step entries, single-floor layouts, wider doorways and hallways for wheelchair access, lever-style door handles, and reinforced bathrooms for future grab bar installation. Additionally, these homes should be in areas that offer proximity to services, parks, and retail options, making it easier for seniors to live independently without relying entirely on personal vehicles.

RECOMMENDATION 5: ADDRESSING THE WORKFORCE HOUSING SHORTAGE IN SPRINGFIELD

Springfield's shortage of workforce housing is not only a housing issue, but also a threat to the city's economic resilience, quality of life, and long-term sustainability. By developing targeted housing projects, fostering mixed-income communities, supporting employer initiatives, preserving existing affordability, and engaging the public, the city can ensure that it remains a place where people of all income levels can live, work, and belong.

The housing pressures facing middle-income workers, those earning between 60% and 120% of the area median income (AMI), are particularly acute as city statistics revealed in earlier sections of this study. These individuals are not typically eligible for traditional affordable housing programs, yet they often cannot afford market-rate housing either. Based on the local income brackets, they are likely to include critical workers like teachers, healthcare aides, skilled tradespeople, public safety employees, and service workers who form the backbone of Springfield's economy. Reflecting on the commuting statistics, many are likely to commute from surrounding towns or leave Springfield altogether, creating ripple effects across the community, such as labor shortages for employers, reduced economic activity for local businesses, declining school enrollments, and civic participation.

5.1. Develop Workforce Housing Projects

The foundation of Springfield's housing strategy must be the creation of new units specifically tailored to workforce households. While some housing needs can be met through rehabilitation or market-based solutions, new construction remains a crucial tool for addressing the gap in supply. Springfield has an opportunity to collaborate closely with housing developers, nonprofit organizations, and state agencies to bring these projects to life.

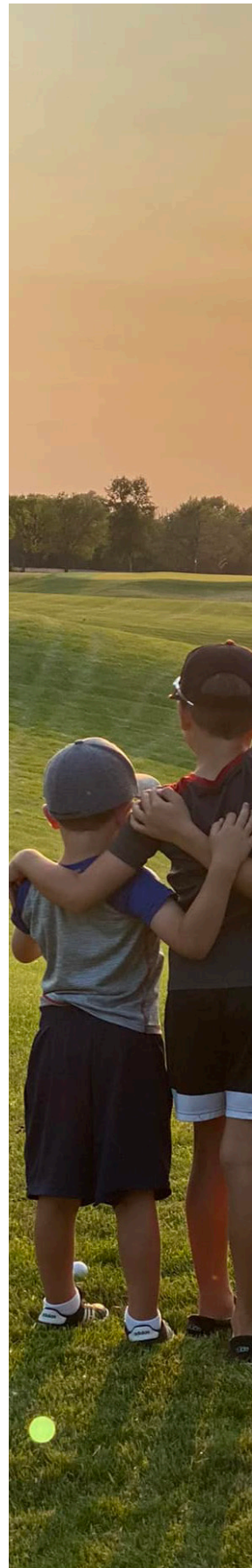
Projects should be designed to serve those earning 60% to 120% of AMI. To achieve this, Springfield should pursue state and federal funding sources, including workforce housing-specific grants through the Minnesota Housing Finance Agency. The city can also explore innovative financing options, such as establishing a housing trust fund to support workforce-focused development or contributing public land to reduce project costs. Equally important is the scale and form of housing. Smaller-scale developments such as townhomes, duplexes, and low-rise apartment buildings can be integrated into existing neighborhoods more easily than large complexes. These "missing middle" housing types can offer affordability without relying on deep subsidies, and they align well with the character of Springfield's built environment.

5.2. Incentivize Mixed-Income Housing Developments

While new construction is essential, Springfield must also think strategically about the composition of its housing developments. Mixed-income housing, which includes units at a range of price points within a single development, offers a path toward economically integrated neighborhoods. These projects reduce income segregation and support a sense of shared community among residents from different walks of life.

To attract mixed-income developments, Springfield should consider a variety of incentives that make such projects more appealing to private developers. These may include offering higher allowable densities, streamlining the permitting and approval process, or providing financial assistance in the form of tax abatements or tax increment financing. By reducing the regulatory and financial hurdles associated with delivering affordable units, the city can help ensure that new housing projects are accessible to a broader cross-section of the workforce.

In addition to incentivizing new construction, Springfield can review its zoning and land-use policies to identify barriers to mixed-income housing. Allowing for greater density, reducing minimum lot sizes, and permitting accessory dwelling units (ADUs) in residential areas can help create a more flexible and inclusive housing landscape. These reforms send a signal to the development community that Springfield is open to innovative housing solutions that serve a diverse population.





5.3. Support Employer-Assisted Housing Programs

Another promising strategy for addressing workforce housing needs is the development of employer-assisted housing programs. Springfield’s largest employers, including its medical facilities, schools, and manufacturers, have a vested interest in ensuring that their employees have access to stable, affordable housing nearby. The city can serve as a convener and facilitator, bringing employers together to explore opportunities for collaboration.

Employer-assisted housing can take several forms, from direct financial assistance such as down payment grants or rental subsidies to more ambitious efforts like co-investment in housing developments or master leasing agreements. These programs can be especially useful in helping employers recruit and retain workers in high-demand or hard-to-fill roles. For workers, they offer a tangible benefit that reduces housing insecurity and strengthens their connection to the community.

To support these efforts, Springfield could establish a formal employer roundtable focused on housing. Through this forum, businesses could share ideas, explore best practices from other communities, and identify collective actions they might take in partnership with the city. In some cases, employers may even be willing to contribute to a shared housing fund or provide land for development. These partnerships are critical in smaller communities, where public resources may be limited and collaboration is essential.

5.4. Build Community Support and Engagement

Workforce housing initiatives are more likely to succeed when they are backed by community understanding and support. Springfield must be proactive in engaging the public, educating residents about the goals and benefits of workforce housing, and addressing concerns with transparency and data.

Community engagement can take many forms: town hall meetings, neighborhood workshops, informational campaigns, and partnerships with local media outlets. Through these channels, the city can communicate how workforce housing helps keep teachers in classrooms, nurses in clinics, and local businesses staffed. Personal stories and resident testimonials can be powerful tools for building empathy and reducing stigma.

At the same time, involving residents in the planning process helps to surface local knowledge and build buy-in for new developments. When people see that their voices are heard and their concerns are addressed, they are more likely to support the changes that Springfield needs to grow and thrive.

RECOMMENDATION 6: ENCOURAGING HOMEOWNERSHIP AND PROPERTY RENOVATIONS

Promoting homeownership and investing in existing housing are not only economic development strategies, but they are also foundational to community life. Springfield's housing stock is aging, and some residents face financial or information barriers that prevent them from becoming homeowners or maintaining the homes they already own. However, with targeted interventions, Springfield can strengthen its housing infrastructure from within, empowering residents to become homeowners, preserving its historic homes, and revitalizing the city in the process. These efforts are critical to ensure that Springfield remains a livable, attractive, and affordable place to call home for current and future generations.

6.1. Support Homebuyer Education and Develop Support for First-Time Buyers

The home buying process, especially for first-time buyers, can be intimidating and complex, particularly for individuals with limited financial literacy or experience with banks and mortgage institutions. To address this, Springfield should develop programs or partner with existing homebuyer education programs that provide residents with the knowledge and tools they need to make informed, confident decisions.

Workshops or counseling sessions could be hosted in collaboration with local banks, regional nonprofits, or housing agencies such as the Southwest Minnesota Housing Partnership. Sessions should include guidance on mortgage basics, credit improvement, budgeting, and long-term financial planning, as well as information on local and state-level assistance programs. Special emphasis should be placed on reaching young families, lower-income households, and residents who may not have access to intergenerational homeownership opportunities.

Providing this kind of support can help demystify the homebuying process and reduce fear or misinformation that keeps people from pursuing ownership. It can also help stabilize the town's population by fostering a greater sense of permanence and responsibility among new residents.

6.2. Incentivize the Renovation of Aging Homes

One of the defining features of Springfield's residential landscape is the abundance of older homes, many of which carry architectural charm and historical significance, but also deferred maintenance and outdated systems that often correspond with time. From aging roofs and drafty windows to outdated plumbing and inefficient heating, homes often require more than cosmetic upgrades to remain livable, safe, and marketable.

To encourage property reinvestment, Springfield should explore the creation of a local renovation assistance program. This could take the form of low-interest loans or modest grants aimed at helping homeowners complete essential repairs or energy-

efficiency upgrades. Such a program would be especially impactful for older residents on fixed incomes or working families who may own their homes but lack the resources for major improvements.

This type of investment does not just benefit individual households. Renovating and preserving existing housing stock has a ripple effect, improving curb appeal, boosting neighborhood morale, and increasing property values across the community. In the long term, it is often more cost-effective than building new housing, and it allows Springfield to preserve the architectural character that makes the town unique.

To administer such a program, Springfield could partner with regional housing organizations to manage the application and disbursement process or even seek funding through the Minnesota Housing Finance Agency's rehabilitation assistance programs. In some cases, sweat equity models, where homeowners contribute labor in exchange for materials, can also be supported through volunteer networks or local service organizations, such as Rethos (see <https://www.rethos.org/>)

6.3. Develop Down Payment Assistance to Expand Access to Homeownership

Even when prospective buyers can afford monthly mortgage payments, the initial down payment can be an insurmountable barrier, particularly for younger buyers and renters who have not had the opportunity to build significant savings. This is a critical hurdle in Springfield's housing market, where a relatively modest cost of a home may still be out of reach without upfront financial support.

To address this, Springfield should seek to implement a down payment assistance initiative for qualified first-time buyers. Whether supported through city funds, state programs like Start Up from Minnesota Housing, or local partnerships with community banks, such assistance can make the difference between renting indefinitely and securing long-term housing stability. The assistance could be structured as a forgivable loan, repaid only if the home is sold within a certain number of years, or as a grant for those purchasing modestly priced homes. By focusing eligibility on buyers with steady income but limited savings, the program can reach those who are most likely to succeed as homeowners but simply need a financial leg up to get started.

In the rural context, even relatively small grants, \$5,000 to \$10,000, can be impactful, especially when paired with homebuyer education and mortgage readiness support. These programs can also be designed to prioritize home purchases within Springfield's existing housing stock, which supports neighborhood stability and minimizes development pressure on open land or agricultural areas.

RECOMMENDATION 7: SUPPORTING INFRASTRUCTURE IMPROVEMENTS

Springfield sits at a crossroads between tradition and future growth. As the town explores opportunities to address its housing challenges, one fundamental reality becomes clear: no housing strategy can succeed without a reliable foundation of infrastructure. For Springfield, infrastructure doesn't mean large urban projects or multi-million-dollar transit hubs, it means dependable water and sewer service, well-maintained roads, strong utility networks, and high-speed internet access. These are the critical systems that enable housing development, attract new residents, and maintain the overall health of the community.

The need to improve and expand the infrastructure in Springfield is both a practical necessity and a strategic opportunity. By investing wisely and planning, the city can ensure that new housing projects are not only possible but also sustainable, while also enhancing the quality of life for current residents.

7.1. Plan for Infrastructure Updates to Support Future Housing Developments

Unlike larger metropolitan areas, Springfield does not have an extensive existing utility grid capable of absorbing large-scale growth. As a result, proactive planning is needed to support even modest new development. Attention should be given to evaluating the capacity and condition of the city's water and wastewater systems. These essential services must be able to accommodate additional housing units without compromising reliability or safety.

The city should conduct a utility infrastructure assessment to determine which areas are best suited for near-term development and what upgrades may be required. Strategic investment in water and sewer line extensions, especially in areas identified for future housing, can open the door to both private development and public-private partnerships.

Additionally, access to dependable electricity, modern stormwater systems, and waste management services are essential considerations for developers assessing Springfield as a viable site. Just as important, expanding high-speed broadband access is a critical infrastructure priority. As remote work and online learning become commonplace even in small towns, reliable internet is no longer a luxury, it is a requirement for attracting and retaining residents.

State and federal programs, such as those through the USDA Rural Development office or the Minnesota Public Facilities Authority, may offer grants and low-interest loans to support infrastructure projects that align with housing development goals. By taking a forward-looking approach and aligning housing goals with infrastructure improvements, Springfield can remove key barriers to growth.

7.2. Develop an Infrastructure Strategy

For Springfield to support successful and sustainable housing development, infrastructure must be treated not as a secondary concern, but as a foundational investment. Infrastructure planning and upgrades should be aligned with the town's rural character while ensuring that essential services and systems are in place to accommodate future growth.

If trends are reversed and Springfield's population grows, even at a modest pace, expanding and maintaining adequate emergency response capabilities, including fire, ambulance, and disaster response services, will be crucial. Housing cannot thrive without dependable access to life-saving resources.

Walkability and accessibility are equally important components. New housing should be supported by safe pedestrian infrastructure, especially near schools, parks, and community facilities. Crosswalks, sidewalks, and traffic-calming measures contribute to a cohesive, livable environment that appeals to residents and promotes a sense of community. Region Nine Development Commission can be a resource in this regard and will be working with Brown County on safe roads planning in the next couple of years.

Resilience must also be built into the town's infrastructure strategy. Severe weather, flooding, and utility disruptions are real threats to housing stability. Upgrading stormwater systems, reinforcing electrical grids, and investing in sustainable energy solutions will help ensure long-term housing viability while protecting Springfield's natural and built environments. By placing infrastructure at the center of its housing strategy, Springfield can create the physical and service framework needed to support new development while preserving the qualities that make it a desirable rural community.

RECOMMENDATION 8: PROMOTE COMMUNITY ENGAGEMENT AND STAKEHOLDER COLLABORATION

Housing challenges are not distant policy issues, they are experienced firsthand by neighbors, business owners, and local leaders alike. This closeness offers a unique advantage: a strong foundation for grassroots collaboration, shared accountability, and responsive planning.

Unlike larger cities with dedicated housing departments or extensive planning staffs, Springfield must rely on the collective effort of its community members and institutions. By encouraging open dialogue, empowering local leaders, and fostering collaborative partnerships, the town can build housing strategies that are both grounded in lived experience and aligned with long-term goals.

8.1. Establish a Local Housing Task Force

One of the most effective steps Springfield can take is the creation of a local housing task force. This group should bring together a cross-section of the community, including city staff, elected officials, employers, real estate professionals/developers, school representatives, and residents, to serve as a guiding body for housing-related topics and policy recommendations.

The task force could meet regularly to evaluate progress, identify barriers, prioritize initiatives, and serve as a bridge between the city and outside agencies or funding sources. In a small town, where staffing and resources are limited, such a body ensures that housing work continues between formal planning efforts and that local knowledge is always part of the conversation.

The group can also advise on infrastructure needs, zoning revisions, and opportunities for public-private partnerships. By rooting decision-making in local input and experience, Springfield will be better equipped to make choices that are feasible, well-supported, and community-driven.

8.2. Host Regular Community Forums

In a town where many residents have lived for generations, transparency and inclusion are vital. Springfield should host regular public forums, whether formal town hall meetings or informal listening sessions, to give residents the chance to hear about housing initiatives, ask questions, and offer feedback.

These gatherings serve multiple purposes. They help demystify housing planning, they build public trust, and they generate ideas and concerns that might not otherwise be heard. In many cases, such forums also reveal shared values, such as a desire to preserve small-town identity, protect older homes, or support young families in putting down roots.

By keeping communication open and ongoing, Springfield can reduce resistance to change, improve the quality of its planning efforts, and ensure that new housing aligns with the community's hopes and expectations.

8.3. Partner with Local Businesses

Local employers are among the most directly affected by Springfield's housing shortages. When workers struggle to find housing nearby, businesses suffer through higher turnover, recruitment challenges, and decreased productivity. For this reason, Springfield should actively involve local business leaders in its housing strategies. Through roundtable discussions or joint initiatives, businesses can contribute ideas, identify workforce needs, and potentially offer support. In some cases, employers may be willing to contribute financially to housing efforts, donate land, or offer stipends to employees facing housing insecurity.

These partnerships don't need to be large or complex to be meaningful. In a rural setting, even small contributions, like providing input on the location of new development or helping spread the word about homebuyer programs, can make a significant difference. When businesses feel invested in housing outcomes, they are more likely to advocate for policies that support long-term workforce stability and community health.

RECOMMENDATION 9: FOSTER REGIONAL COLLABORATION

Springfield faces housing challenges that extend beyond city limits, such as aging homes, limited rental stock, workforce housing shortages, and an aging population. While the City of Springfield has taken important steps to assess and plan for its own housing needs, tackling these issues alone can be difficult given limited local capacity and resources. By collaborating with nearby towns such as Sleepy Eye, Springfield can amplify its impact and position itself more competitively for state and federal funding.

A regional approach makes sense for Springfield because housing needs in the area are interconnected with shared labor markets, healthcare systems, and school districts. Coordinating housing development efforts can help attract new residents, reduce commuter burdens, and strengthen the broader economic ecosystem. Additionally, presenting a unified regional housing vision helps Springfield and its neighbors attract developers and investors who may be hesitant to work in single small towns but see promise in a multi-community opportunity.

9.1. Initiate a Rural Brown County Housing Task Force

Bring together city leaders from Springfield, Sleepy Eye, Comfrey, and other smaller communities, along with Brown County staff, local school districts, and economic development partners (such as RNDC). This group can meet quarterly to discuss shared goals and coordinate housing strategies.

9.2. Conduct a Joint Housing Needs Assessment

Springfield could take the lead in applying for a grant to update or expand its housing study in partnership with neighboring communities to include ongoing housing needs assessments. A broader analysis of western Brown County and eastern Redwood County would help prioritize region-wide housing types (e.g., senior housing or rental units for young families).

9.3. Work with the Redwood and Brown County EDAs

Coordinate with county-level Economic Development Authorities to market available lots, support housing developers, and explore tax incentive options across municipal lines.

9.4. Pursue Regional Grants through Minnesota Housing

Apply for a joint application to Minnesota Housing or USDA Rural Development that includes multiple communities. A well-aligned proposal that shows impact across Springfield and neighboring towns may be more likely to secure funding than a single-town effort.

RECOMMENDATION 10: PROMOTE SPRINGFIELD FOR FUTURE GROWTH

In rural communities, available housing units and development-ready lots often go unnoticed by potential residents, developers, or real estate professionals due to a lack of visibility. In today's economy, simply having homes or lots available is no longer enough. Communities must actively market themselves to reach both internal and external audiences.

For Springfield, which has a strong quality of life, local employers, and regional access via U.S. Highway 14, the challenge is not lack of opportunity but lack of exposure. By creating a centralized and proactive marketing strategy, the city can better attract new residents, engage developers, and support current property owners looking to sell or invest. A clear inventory of housing opportunities also strengthens the city's position when applying for state and federal funding or recruiting businesses that need workforce housing.

10.1. Create a Centralized Online Housing and Land Inventory

Springfield should develop or enhance a dedicated online platform, possibly integrated with the city's website, that features a regularly updated inventory of available homes, rental units, vacant lots, and properties suitable for redevelopment. This platform should include key information such as lot size, zoning, infrastructure availability, price, and owner contact info when appropriate.

The site could also host virtual tours, community highlights, and testimonials from current residents or business owners. Ideally, the inventory would be created in partnership with local realtors, Springfield EDA, the Brown County EDA, and property owners, ensuring accuracy and community buy-in. Making this data accessible not only helps attract new residents but also makes the development process easier for builders or investors looking to enter the market.

10.2. Develop a "Why Springfield?" Relocation Campaign

Springfield should launch a targeted marketing campaign to attract new residents, especially young families, remote workers, and retirees. The campaign, branded with a clear identity, could highlight the community's small-town charm, excellent schools, healthcare access, proximity to regional employers, and affordability.

This could include a brochure and digital content package (social media, videos, and testimonials) that's distributed to regional employers, posted on real estate platforms, job fairs, or relevant programs (e.g., partnerships with regional colleges and universities). A welcoming relocation guide, covering utilities, schools, housing, and recreation, would also help ease the transition for new residents and signal that Springfield is ready to grow.

10.3. Partner with Local Employers and Realtors

To enhance local visibility of housing opportunities, the city should enhance its collaboration with employers, real estate agents, and property managers to develop a referral network that supports both housing access and talent attraction. Local employers, including those in healthcare, education, and manufacturing, can play a key role in promoting Springfield to potential employees if provided with ready-to-share housing materials.

Realtors and property managers, in turn, can contribute real-time data to the city's inventory platform and promote the city's broader quality-of-life messaging to out-of-town buyers. Hosting an annual "Springfield Housing Roundtable" that brings together city leaders, developers, and real estate professionals can strengthen relationships and keep everyone informed about local goals and opportunities.

10.4. Showcase Redevelopment & Infill Opportunities to Developers

Springfield should actively market key infill sites and redevelopment opportunities, such as vacant lots within city limits or underused commercial buildings, at regional housing summits, economic development events, and through direct outreach to developers. Creating a developer-friendly package that includes zoning details, incentives, utility access, and potential building plans will make Springfield more attractive for investments. Priority properties could be featured in a "Springfield Development Portfolio" distributed through partnerships with RNDC, Greater Minnesota Housing Fund, or Minnesota Housing Partnership. This outreach should be paired with local incentives, such as tax abatements or reduced permit fees, to make redevelopment efforts more feasible.

State of Minnesota Housing Resources

1. Minnesota Housing Finance Agency (MHFA)

Website: www.mnhousing.gov

Overview: As the state's primary housing agency, Minnesota Housing offers funding programs and technical assistance aimed at affordable housing development, homeownership, and rental housing solutions.

Key Programs for Springfield:

- **Workforce Housing Development Program:** Assists with developing housing for individuals earning between 60% and 120% of the area median income (AMI).
- **Family Homeless Prevention and Assistance Program (FHPAP):** Funds services for families at risk of homelessness or those experiencing homelessness.
- **Rental Rehabilitation Deferred Loan Program:** Provides funding for renovation and rehabilitation of rental housing to ensure affordability.
- **Predevelopment Loan Program:** Provides financing for planning stages of housing projects, including feasibility studies and environmental reviews.

Grant Cycles:

- **Affordable Housing Trust Fund (AHTF):** Annual funding deadlines in **April** and **October** for affordable rental housing development.
- **Workforce Housing Development Fund:** Spring and fall cycles with deadlines in **April** and **November**.
- **Rental Rehabilitation Program:** Ongoing funding for rehabilitation projects, with funding rounds typically in **May**.

2. Greater Minnesota Housing Fund (GMHF)

Website: www.gmhf.com

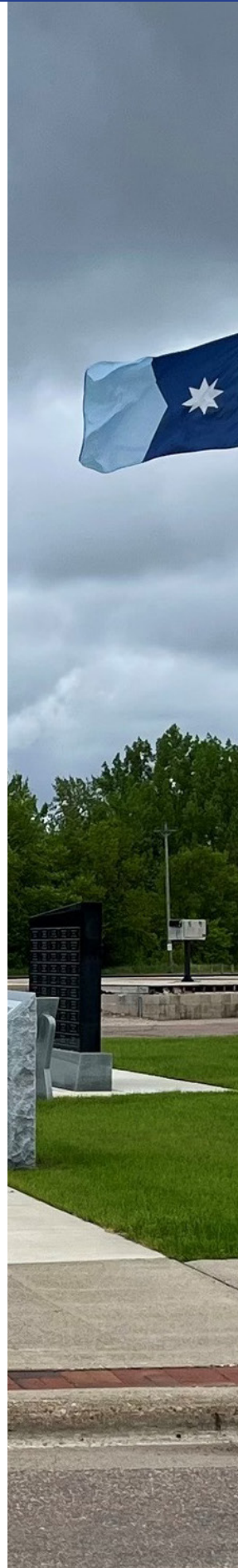
Overview: GMHF provides rural housing solutions through grants, loans, and technical assistance. This organization works specifically to support small towns and rural areas, including Springfield.

Key Programs:

- **Workforce Housing Grants:** Provides funding to local governments and developers for building or preserving affordable workforce housing.
- **Predevelopment Loans:** Available to communities for housing development planning.
- **Rural Housing Development and Financing:** Offers financing to support multi-family, single-family, and mixed-use housing projects in rural areas.

Grant Cycles:

- **Predevelopment and Development Loans:** Rolling deadlines, with competitive cycles typically occurring in **March** and **September**.



3. Minnesota Department of Employment and Economic Development (DEED)

Website: www.mn.gov/deed

Overview: DEED supports economic development and housing projects in communities across Minnesota. They provide financial assistance for housing and infrastructure development to stimulate local economies.

Relevant Programs for Springfield:

- **Small Cities Development Program (SCDP):** Provides grants to small communities for housing rehabilitation, public infrastructure improvements, and economic development.
- **Redevelopment Grant Program:** Supports the redevelopment of blighted properties, including mixed-use housing and commercial spaces.
- **Minnesota Investment Fund (MIF):** Offers grants to communities to support infrastructure and housing development linked to job creation.

Grant Cycles:

- **SCDP: May** application deadline for housing and infrastructure projects.
- **Redevelopment Grant Program: April** deadline for communities applying for funding.

4. Minnesota Department of Natural Resources (DNR) – Outdoor Recreation Grant Program

Website: www.dnr.state.mn.us

Overview: While focused on parks and outdoor recreation, DNR grants can help Springfield integrate green spaces and recreational areas into new housing developments. This adds value to residential areas and improves quality of life.

Key Program:

- **Outdoor Recreation Grants:** Funds for creating parks, trails, and other recreational facilities that are critical components of livable neighborhoods.

Grant Cycles:

- Grant applications are accepted on a **rolling basis**, with project deadlines typically in **November**.

Federal Housing Resources

5. U.S. Department of Agriculture (USDA) Rural Development – Minnesota Office

Website: www.rd.usda.gov/mn

Overview: The USDA Rural Development office in Minnesota provides financing for rural housing projects, including homeownership and rental housing development.

Key Programs for Springfield:

- **Single Family Housing Direct and Guaranteed Loan Programs:** Provides loans for rural homeownership or home repairs for low-income families.
- **Multi-Family Housing Loan Program:** Offers funding to build or rehabilitate rental housing in rural areas.
- **Community Facilities Program:** Provides funding for essential infrastructure improvements in rural communities, such as water systems, roads, and broadband internet.
- **Grant Cycles:**
 - **Single Family Housing Loan Programs:** Applications are accepted year-round, with ongoing processing.
 - **Community Facilities Program:** Grant applications are due in **April** and **October**.

6. U.S. Department of Housing and Urban Development (HUD) – Minnesota Office

Website: www.hud.gov/states/minnesota

Overview: HUD provides funding for affordable housing development and homelessness prevention. Several HUD programs are available to communities in need of support for new housing projects.

Key Programs:

- **Community Development Block Grant (CDBG):** Grants to local governments for housing, infrastructure, and community development projects.
- **HOME Investment Partnerships Program:** Provides funding to state and local governments to develop and rehabilitate affordable housing.
- **Housing Counseling Agencies:** Offers support for homebuyers, renters, and those in danger of foreclosure.
- **Grant Cycles:**
 - **CDBG:** Annual application deadline in **January** for housing and community development funding.
 - **HOME Program:** Applications are typically open in **March** with yearly funding cycles.

Regional and Local Housing Resources





7. Southwest Minnesota Housing Partnership (SWMHP)

Website: www.swmhp.org

Overview: SWMHP works with rural communities in southwestern Minnesota, providing funding and technical assistance for affordable housing development.

Key Programs:

- **Affordable Housing Development:** Financing for the development of affordable housing in rural communities.
 - **Homebuyer Education and Counseling:** Programs designed to assist first-time homebuyers and homeowners facing foreclosure.
 - **Grant Cycles:**
 - SWMHP accepts applications for various programs on a **rolling basis**, with priority given during **March** and **September**.
-

9. Southern Minnesota Initiative Foundation (SMIF)

Website: www.smifoundation.org

Overview: SMIF supports communities in southern Minnesota with housing and economic development grants, focusing on areas that need workforce housing and community revitalization.

Key Programs:

- **Housing and Development Grants:** Financial assistance for affordable housing and community revitalization projects.
 - **Workforce Housing Assistance:** Support for creating housing options for workers in local industries.
 - **Grant Cycles:**
 - **March** and **November** deadlines for community and housing-related grants.
-

10. Minnesota Council of Nonprofits (MCN)

Website: www.mcn.org

Overview: The MCN offers a range of resources for nonprofit organizations working on housing, economic development, and community revitalization. They also provide training and networking opportunities for developers and housing professionals.

Key Programs:

- **Capacity-Building Grants:** Funding to support local nonprofit organizations involved in housing and community development.
- **Grant Cycles:**
 - **Rolling deadlines** for most grant programs, with specific deadlines for training and development opportunities.

NOTES

NOTES

