Workforce Housing Study - 2020
Why Housing? Why Now?

The Tomorrow Plan

- In 2013, we acknowledged that our region will add an additional 250,000 people and need an additional 150,000 new homes over the next thirty years.

The 2016 Capital Crossroads 2.0 regional strategic planning process suggested an in-depth study of workforce housing conditions.

Virginia Tech Study

- Understand market-wide housing dynamics
- Estimate future workforce housing demand
- Assess Downtown’s current and future role in addressing housing needs.
Regional Workforce Housing Strategy
Thanks to our funders.

- City of Des Moines
- Prairie Meadows
- Polk County Housing Trust Fund
- Capital Crossroads
- Federal Home Loan Bank
- Greater Des Moines Partnership
- United Way of Central Iowa
- City of Ankeny
- City of Clive
- City of Norwalk
- City of Urbandale
- City of West Des Moines
We asked these questions...

- Will the region’s housing supply be able to respond to anticipated population and job growth over the next two decades?
- What interventions need to be made?
- Who should be involved and to what extent?
We learned...

- There can be significant benefits for workers and society when workers live near their place of employment.

- In some areas in the region, jobs far outnumber housing units, limiting the ability of local workers to live where they work.

- For many households commuting is a choice but for many workers it is not as they can only afford to live in certain areas.

- Economic imbalances trap many low-wage workers in distressed neighborhoods and threaten the region’s economic health.

- Job, employment, and housing growth are happening most rapidly in the suburbs.
Workforce Housing Matters

Having the right housing, in the right place, at the right time will permit the region to reach its economic potential from the coming trends rather than be constrained by them.

For the Des Moines economy to grow over time, a sufficient supply of housing, meeting the needs and desires of regional workers, is required.
Current Conditions & Future Forecast

Workforce Statistics

- Over the next twenty years, the region is expected to add 150,954 new jobs
  102,325 net new jobs in Polk County
  48,629 net new jobs in the rest of the region

- Over 70% of new households in the region will have incomes less than $75k/year

- 41,000 workers (earning $25,000 or less) are unable to afford rent without cost sharing with another earner

- Fastest growing job centers are in the suburbs, notably, West Des Moines & Ankeny
Current Conditions & Future Forecast

Housing Statistics

- Polk County will need to add 57,179 net new housing units in the next twenty years to accommodate new workers (33,592 new owner-occupied units and 23,577 new rental units)

- More than 50% of the demand for owner-occupied homes is for homes priced below $175,000. Only 12% of the owner-occupied housing demand is for homes priced at $350,000 or more

- 77.5% of all rental units will need to have monthly rents below $1,250
Downtown in Focus

DOWNTOWN BY THE NUMBERS

Between 2010 and 2017, the number of housing units increased by 87% while the number of jobs has increased by less than 4%.

During that time, low-wage jobs paying less than $15,000 per year grew much more slowly than higher-wage jobs paying more than $40,000 per year.
Downtown in Focus

Downtown has many income-restricted affordable units dating to previous decades. In 2020, over 25% of all units Downtown will be affordable.

Downtown has added over 500 affordable units since 2010. But nearly as many pre-existing affordable units have been converted to market-rate. On a net basis, only two dozen affordable units were added Downtown from 2010-2017.

24 affordable units were added Downtown
Setting Goals and Taking Action
Workforce Housing Goals

Increase Housing Near Jobs

Create Equitable Housing Opportunities

Housing Mix Should Reflect the Job Mix
Workforce Housing Goals

Goal 1: Increase Housing Near Jobs

▶ 80% of workers in the region’s major job centers commute from elsewhere
  ▶ Many workers commute by choice
  ▶ Low-wage workers may be forced into a commute they do not choose by lack of housing options

▶ The first step is to increase the amount of housing in job centers
Workforce Housing Goals

Goal 2: Housing Mix Should Reflect the Job Mix

- The housing mix should match the job mix when it comes to housing costs and wages.

- The housing must not only be built in greater volumes near job centers, but also made affordable to low-wage workers.
Workforce Housing Goals

Goal 3: Create Equitable Housing Opportunities

- Housing-related policies and programs should seek to avoid the segregation that the market alone would produce.

  Market patterns:
  - Exclude low income families from good job opportunities
  - Challenge schools
  - Undermine economic vitality and tax base
Strategies for Action throughout the Region

- Policy and Planning
- Land Banking
- Implementation Mechanisms
- Affordability Purchases
- Affordable Rehab Programs
- Organizational Capacity and Funding
Strategies for Action throughout the Region

There is not a one-size fits all proposition
Current Activity & Future Considerations

Policy and Planning:
- review PlanDSM Housing chapter
- update Urban Revitalization Plan (tax abatement)
- consider wage requirements in development agreements
- include affordability considerations in downtown/near-downtown planning (Columbus Park)

Land Banking:
- require mixed income requirements in development of City-owned land (Market District)
- consider additional land purchases in strategic locations

Implementation Mechanisms:
- zoning
- tax abatement
- urban renewal development agreements (TIF)
Current Activity & Future Considerations

Affordability Purchases:
- connecting development community w/ PCHTF HOME funding

Affordable Rehab Programs:
- require affordability for incentives to rehab aging housing in strategic locations (Argonne Bldg)
- review IFA tax credit programs / gap funding

Organizational Capacity and Funding:
- bolster existing organization(s)/resources through regional cooperation
Recommendations for Downtown

Priority 1: Preservation

Priority 2: Inclusionary Requirements in Incentives

Priority 3: Monitor and Adjust

Priority 4: Purchasing Additional Affordability
Recommendations for Downtown

- Inventory existing affordable housing
- Plan for expirations
- Allocate resources to preserve existing

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**Priority 3: Monitor and Adjust**

- Utilize recent jobs / housing research + training
- Update and assess

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- Adjust resources to changing conditions
Next Steps

- Meetings being scheduled with cities who supported the study
  - Led by Capital Crossroads / Workforce Housing Committee
- Des Moines City Council Work Session presentation
  - Led by City of Des Moines
- Stakeholder Meeting with community members in February
  - Led by Workforce Housing Committee
- Unveiling of the study to developers and funders in March
  - Led by Workforce Housing Committee
- Formal policy review of housing plans across the region and integration of strategy
  - PCHTF leadership and individual communities