CREATE A DOWNTOWN WORKFORCE HOUSING PLAN

• Downtown growth
• Regional growth
SCOPE

• Understand market-wide housing dynamics
• Estimate future workforce housing demand
• Assess Downtown’s current and future role in addressing housing needs.
PARTNERS

• Virginia Center for Housing Research
• Polk County Housing Trust Fund
• Des Moines Area MPO
• City of Des Moines
• City of Ankeny
• City of Clive
• City of Norwalk
• City of Urbandale
• City of West Des Moines
STUDY AREA

• The MSA
• Polk County
• Des Moines
• Downtown
HOUSING COSTS

- HUD defines cost-burdened families as those who pay more than 30% of their income for housing and may have difficulty affording necessities such as food, clothing, transportation, and medical care.
**HOUSING NEEDS**

- 612,000 people comprise 237,500 households in the MSA
- 58,000 households in the Des Moines MSA are cost-burdened
  - 40% of renters
- More than 41,000 workers cannot afford to pay rent alone, even when earning in the 90th percentile
- Workers in 4 of the top 10 occupations cannot afford the median rent in any part of the MSA without sharing costs with another worker.
HOUSING NEEDS AMONGST WORKERS

• More than 4,000 workers Downtown earn less than $15,000 annually in their primary job

  • Maximum affordable housing cost by occupation
    • Retail Sales: $569/mo.
    • Cashiers: $531/mo.
    • Wait Staff: $515/mo.
    • Food Prep: $486/mo.

• Hospitality and Sales Occupations have seen the least wage growth 2010-2017
Higher rates of cost burden in the city may be related to households accepting higher housing costs to save on transportation, resulting in an overall more affordable living situation.

Location efficiency is a primary reason to plan for more housing in the core of Des Moines as the region grows.
Complex commuting patterns:

- 4,000 low-wage workers commute into downtown
- 8,700 low-wage workers commute into West Des Moines
- 10,000 low-wage workers commute OUT of Des Moines
Employment-driven housing demand forecasts include only housing needed in Polk County for net new workers in the Des Moines MSA

- *do not* include the demand for housing from individuals not in the labor force (e.g., retirees, persons with disabilities, and students who do not work).
- *do not* include housing needed for replacement workers—workers who move to Des Moines to take an existing job being vacated by someone who is retiring or otherwise leaving a job in the region but not leaving his or her home.
- *do not* attempt to quantify the housing needed to close current housing gaps in Polk County
• Polk County is expected to add **102,325 net new jobs** between 2018 and 2038 (27% increase).

• The rest of the Des Moines region is expected to add **48,629 net new jobs** over the same period (51% increase).

• Highest Growth Sectors in Polk County
  - *Health Care and Social Assistance*: home health aides, personal care aides, physician assistants, nurse practitioners, physical therapist assistants, and genetic counselors
  - *Finance and Insurance*: insurance sales agents, accountants and auditors, and financial services agents
• 70% of new working households added to the MSA will have annual incomes below $75,000

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Polk County will need to add **57,170 net new housing units** between 2018 and 2038 simply to accommodate net new workers in the region.

This does not include the gap already identified or replacement workers.
WORKFORCE HOUSING DEMAND FORECAST

• Polk County will need to add a total of 33,592 new owner-occupied units
  • More than half of the demand for owner-occupied homes is for homes priced below $175,000
  • Only 12 percent of the owner-occupied housing demand is for homes priced at $350,000 or more
Polk County will need to add a total of 23,577 new rental units

- 77.5% of units will need to have monthly rental rates **below $1,250**
- Only 3% of forecasted rental demand is for units with a monthly rent of **$2,500 or more**
CONCLUSIONS: MARKETWIDE

- **Catch up** by providing a more affordable housing in jobs centers.
  - 58,000 households need more affordable housing that is appropriate and well-located. Providing affordable housing near jobs centers, both downtown and in other market jobs/retail/service centers will help preserve affordability as the region grows.
CONCLUSIONS: MARKETWIDE

• **Keep up** by planning for and delivering
  
  • Housing near job centers that reflects the job and wage mixes in those areas
  
  • Housing where people may want to live, but face an existing gap in appropriateness (size, tenure, accessibility) or affordability
  
  • Prioritize income diversity everywhere to avoid negative impacts of income segregation
  
  • Regional commitment
NEXT STEPS

• Strategy development
  • Capital Crossroads, Polk County Housing Trust Fund, regional jurisdictions
  • Employers, developers, non-profits

• Strategy scope
  • Setting goals
  • Identifying measurable outcomes that help track progress toward goals
  • Identifying activities and resources to achieve goals