

CAPITAL CROSSROADS

THE VISION PLAN FOR GREATER DES MOINES & CENTRAL IOWA

WORKFORCE HOUSING STUDY RESULTS

| CAPITAL CORE

CREATE A DOWNTOWN WORKFORCE HOUSING PLAN

- Downtown growth
- Regional growth

| SCOPE

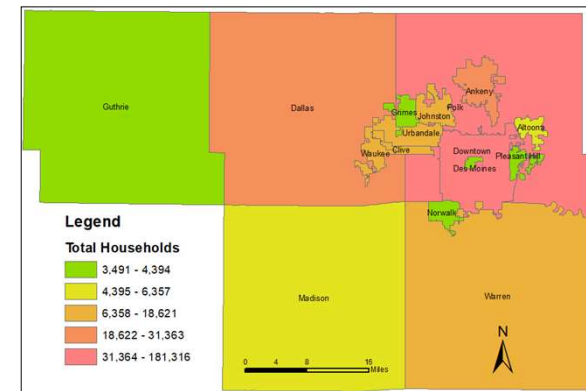
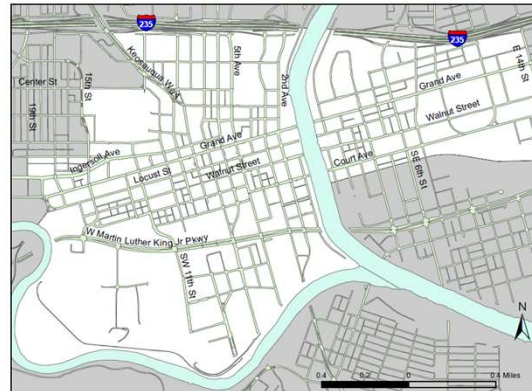
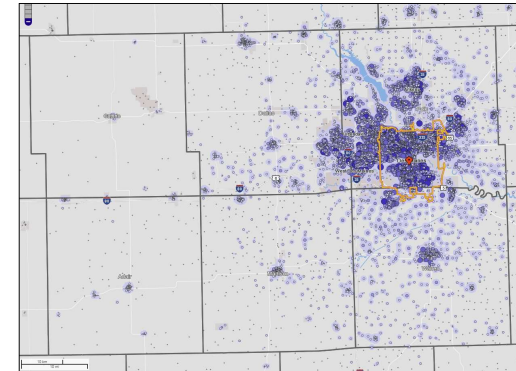
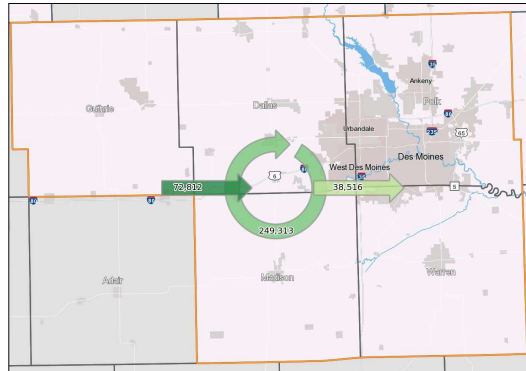
- Understand market-wide housing dynamics
- Estimate future workforce housing demand
- Assess Downtown's current and future role in addressing housing needs.

| 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

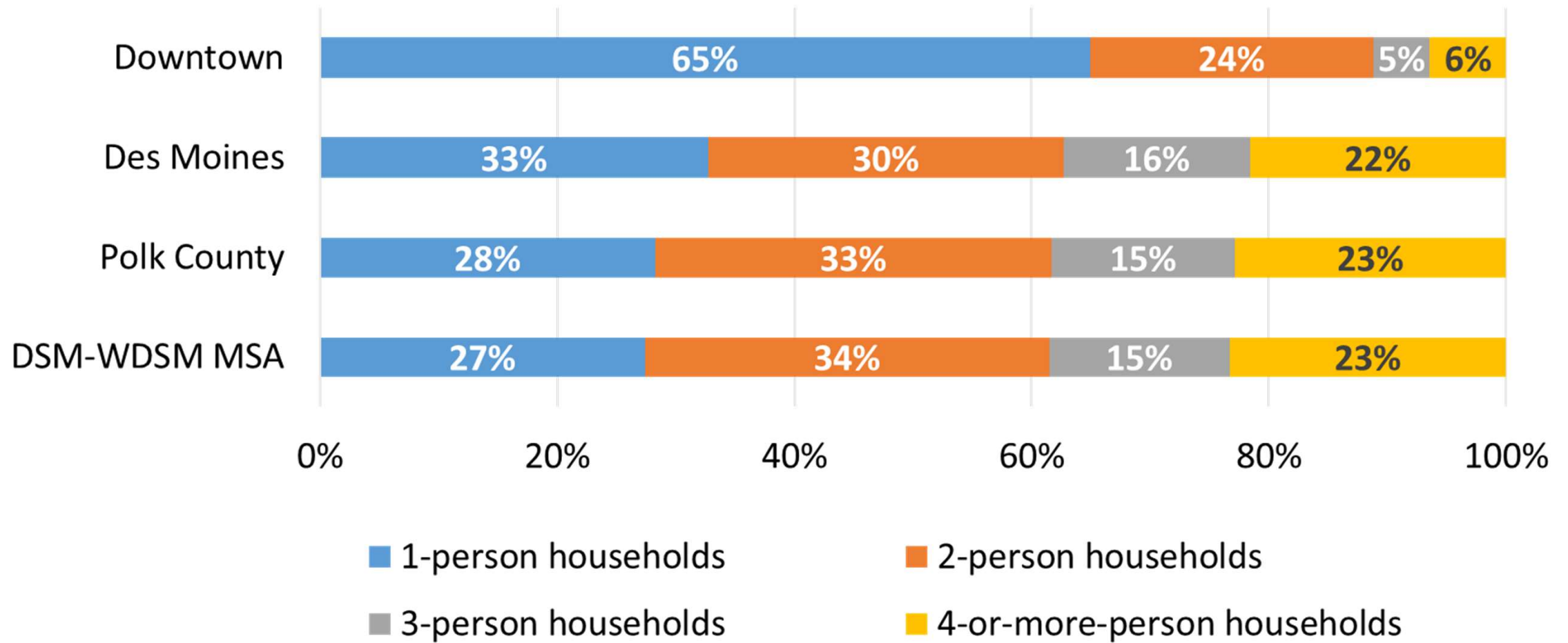
- The MSA
- Polk County
- Des Moines
- Downtown



| DOWNTOWN LANDSCAPE

- 80% of Downtown households are non-family
 - 40% higher than MSA
- Almost half of Downtown householders are under the age of 34
- 92% of Downtown households rent
- The number of workers living and working Downtown has increased by 50% since 2012

DOWNTOWN LANDSCAPE



| DOWNTOWN LANDSCAPE

- Households with 4 or more people have little to no opportunity to find a unit Downtown
- Downtown's abundance of small rental units has primarily attracted younger, non-family households
- Without opportunities to upgrade, many of these households may leave as incomes increase and they make longer-term housing choices
- Downtown needs a variety of housing units and ownership opportunities

| 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

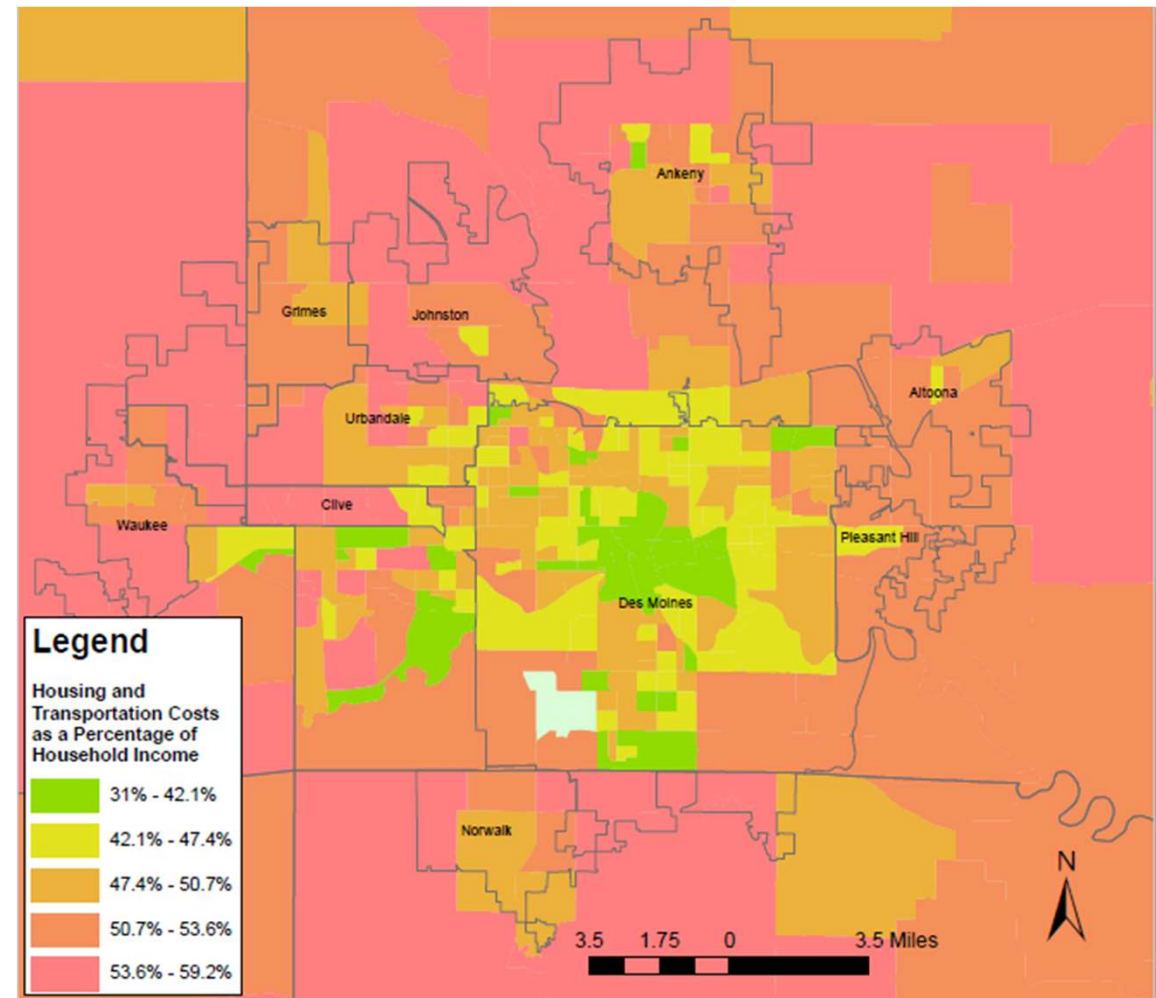
- 612,000 people comprise 237,500 households in the MSA
- 58,000 households in the Des Moines MSA are cost-burdened
 - 40% of renters
- More than 41,000 workers cannot afford to pay rent alone, even when earning in the 90th percentile
- Workers in 4 of the top 10 occupations cannot afford the median 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

HOUSING & TRANSPORTATION TRADE-OFF

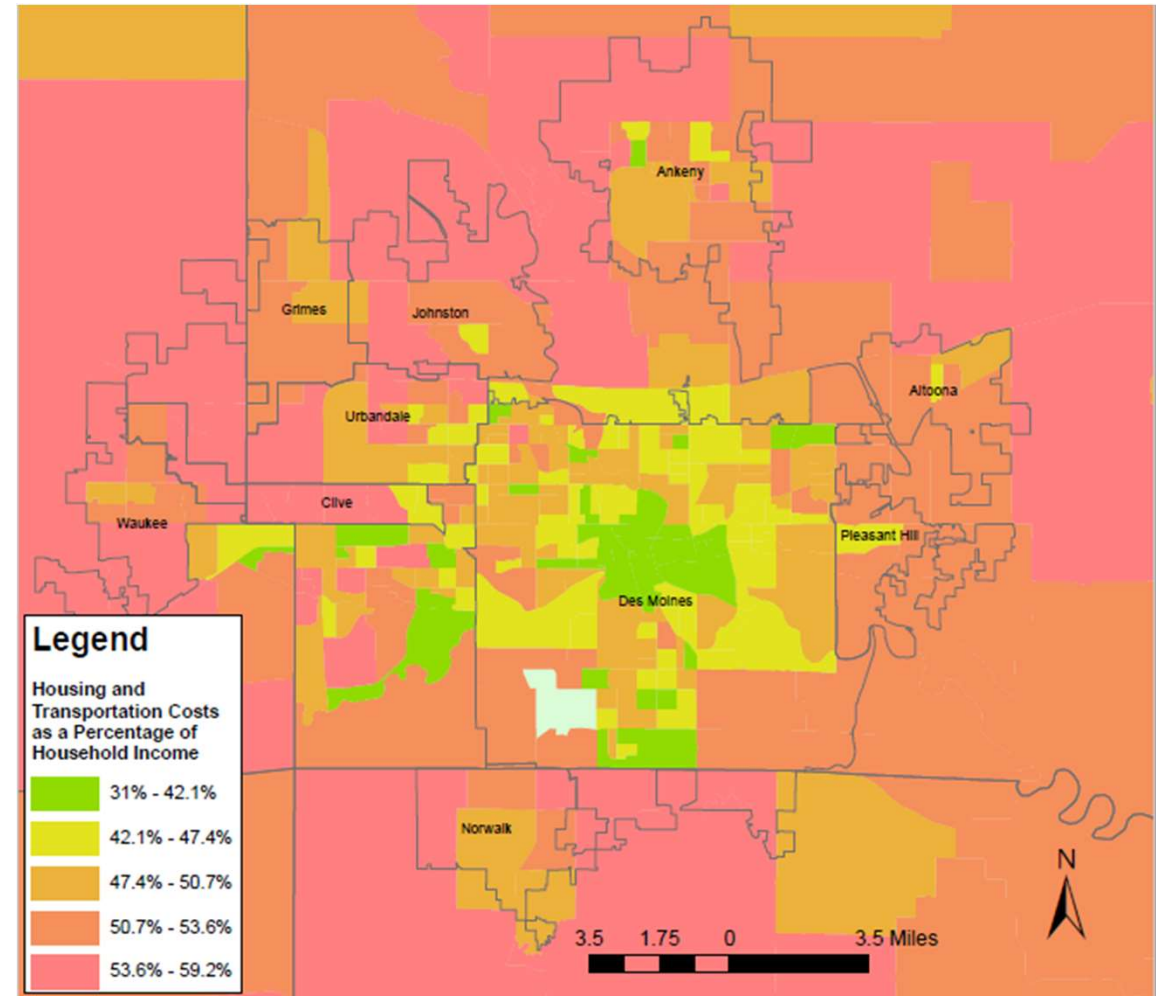
- Higher rates of cost burden in the city may be related to households accepting higher housing costs to save on transportation, resulting in an overall more affordable living situation.
- Location efficiency is a primary reason to plan for more housing in the core of Des Moines as the region grows.



HOUSING & TRANSPORTATION TRADE-OFF

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



| WORKFORCE HOUSING DEMAND FORECAST

- 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

| JOBS FORECAST

- 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

| JOBS FORECAST

- 70% of new working households added to the MSA will have annual incomes below \$75,000

	Single-Family		Multi-Family		
	Owner	Renter	Owner	Renter	Total
<\$25,000	2,867	1,117	522	4,009	8,514
\$25,000–49,999	12,623	3,631	1,343	9,508	27,105
\$50,000–74,999	7,895	1,060	562	2,815	12,332
\$75,000–99,999	3,663	342	-1	351	4,354
\$100,000+	3,854	158	265	588	4,864
Total	30,902	6,308	2,690	17,270	57,170

| WORKFORCE HOUSING DEMAND FORECAST

- 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**

| WORKFORCE HOUSING DEMAND FORECAST

- 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: DOWNTOWN

- **Catch up** by ensuring that households who want to live downtown can access affordable, appropriate housing
- **Keep up** by creating a variety of housing types so that workers at all income levels and of all household types (size/tenure choice) can find appropriate, affordable, and desirable housing in the neighborhood

| 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

QUESTIONS

